

-: CHAPTER IV :-

This chapter explains the credit structure of primary agricultural co-operative credit societies in Miraj taluka in context of short term and medium term credit. This is - - studied with reference to land ownership and recovery and overdues position.

This chapter is developed as follows :-

- IV-1 Short term loan according to amount.
- IV-2 Short term loan according to the ownership of land.
- IV-3 Medium term Credit structure according to the amount and the term size holding.
- IV-4 Recovery and overdues position.

-0-0-0-0-0-0-0-

- : CHAPTER IV :-

CREDIT STRUCTURE OF PRIMARY AGRICULTURAL CO-OPERATIVE
CREDIT SOCIETIES IN MIRAJ TALUKA.

The primary agricultural credit societies in Maharashtra provide short term and medium-term credit for - - catering to the needs of working capital to agriculture.

Short term Credit - The short term credit is utilised for cultivation practices, purchasing of inputs such as High-Yielding varieties seeds, fertilizers, chemicals insecticides and irrigation water etc.

Medium-term credit - The medium term credit is utilised for raising the capital formation for minor irrigation development programmes, land reforms, dairy developments, development of the agro-based industries etc.

Credit structure of the primary agricultural co-operative credit societies in Miraj Taluka under study can be analysed as follows.

(1) SHORT-TERM LOANS:

- (a) Loans according to the amount and
- (b) Loans according to the ownership of land of the members.

(2) MEDIUM-TERM LOANS:

- (a) Loans according to the amount and

(b) Loans according to the ownership of land of the members.

(3) RECOVERY AND OVERDUES POSITION :

It should be made clear here that the period for studying the trend of agricultural credit came into practice from 1972-1973 to 1978-1979. Because the data prior to 1972 and later than 1979 was not available.

IV-1. SHORT TERM LOANS ACCORDING TO THE AMOUNT:

Short-term loans according to the amount can be analysed in the following table :-

Table No.4-1 shows the classification of Short-term loans according to the amount from the year 1972-1973 to 1978-1979.

TABLE NO. 4-1.

Classification of short term loans according to the amount. (Amount in Rs.)

Year	Total No. of PACS.	Total Debter Members.		Rs. 100 to 500		Above Rs. 500	
		Rs-	Distribution.	Debter Members	Distribution	Debter Members	Distribution.
1972-73	25048 (100)	1,81,52,002 (100)	12294 (49)	7467 (52.52)	19,47,671 (10.73)	4827 (47.48)	1,62,04,331 (89.27)
1974-75	27734 (100)	1,95,73,007 (100)	11715 (42)	5588 (47.68)	20,38,594 (10.4)	6127 (52.32)	1,75,34,483 (89.6)
1975-76	29894 (100)	1,37,61,193 (100)	10278 (34.38)	4621 (44.94)	19,07,235 (13.86)	5657 (50.04)	1,18,53,958 (86.14)
1977-78	32072 (100)	1,45,00,679 (100)	9811 (30.59)	3903 (39.78)	12,64,753 (8.71)	5908 (60.22)	1,32,35,926 (91.29)
1978-79	32907 (100)	1,45,55,563 (100)	9649 (29.32)	3950 (40.92)	13,01,451 (9.19)	5699 (59.08)	1,28,54,112 (90.81)

NOTE : Figures in brackets are showing the percentage.

We have already noted that the membership of these societies has been increasing from 1971-1972 to 1980-1981, in terms of both absolute figure and the average membership. The above table No.4-1 shows that the number of borrowers decreased from the year 1972-1973 to 1978-1979. For instance in 1972-73 out of total 25048 members of the primary agricultural credit Societies in Miraj Taluka, 12294 members (49%) had taken short-term loans to the amount of Rs. more than 181 lakhs. The number of debtors went on decreasing from 11715 in 1974-75 to 9649 in 1978-79. Similarly the amount of agricultural Credit distributed also - - decreased from little less than Rs.2 crores to little more than Rs.1.42 crores. This indicates that although the Government of Maharashtra is adopting liberal short term Credit policy, the farming community is not utilising that Credit for production purposes. The declining trend of agricultural Credit might contribute to the increasing overdues.

The short-term Credit structure of primary agricultural Credit Societies can also be studied according to the break-up-of the amount of the loans given to the farmers. The amount of the loan is classified as :-

- i) The Credit up to Rs. 500 and
- ii) The Credit Rs.501 and above.

Above table No.4-1 makes it clear that :-

(1) The percentage share of borrowing members of total membership decreased from 49 percent in 1972-73 to 34.38 percent in 1975-76 and 30.59 percent and 29.32 percent in 1977-78 and 1978-79 respectively.

(2) It is remarkable to note that nearly 50 percent of the total borrowers had taken loans up to Rs.500 at the end of 1974-75. But only 10 percent of the total amount of distributed loans could reach up to small debtor farmers. Thus the percentage share of the small debtors (up to Rs.500) goes on declining from 52.52 percent in 1972-73 to 40.92 percent in 1978-79.

(3) On the other hand the percentage share of the borrowers who were taking loans between Rs.500 and 5000 went on increasing particularly after 1975-76. It implies that the big farmers were getting large share of loans than the small once.

IV-2. Short-term Loans According to the Ownership of Land :-

Short-term Credit Structure according to the ownership of land can be analysed in the following table No.4-2.

TABLE NO. 4-2.

CLASSIFICATION OF SHORT-TERM LOANS ACCORDING TO THE OWNERSHIP OF LAND.

YEAR	TOTAL		UPTO 1 HECTER.		1 TO 2 HECTERS.	
	MEMBERS	DEBTOR DISTRIBUTION Rs.	MEMBERS	DEBTOR DISTRIBUTION Rs.	MEMBERS	DEBTOR DISTRIBUTION Rs.
1973-74	26,596 (100)	1,81,52,002 (47.92)	2265 (17.77)	13,29,974 (7.33)	2724 (21.37)	33,47,958 (18.44)
1974-75	27,734 (100)	1,95,73,077 (42)	2211 (18.87)	15,60,365 (7.97)	2557 (21.82)	28,86,166 (14.75)
1975-76	29,894 (100)	1,37,61,193 (34.38)	2027 (19.72)	12,01,560 (8.73)	2439 (23.73)	23,00,269 (16.72)
1977-78	32,072 (100)	1,45,00,679 (30.59)	1969 (20.06)	9,32,116 (6.42)	2465 (25.12)	23,55,926 (16.25)
1978-79	32,907 (100)	1,41,55,563 (29.32)	2033 (21.06)	10,06,591 (7.11)	2243 (23.24)	25,41,347 (17.95)

NOTE : 1) Figures in brackets are showing percentages.

2) Tenant, Landless labour and other debtor members are neglected.

TABLE No. 4-2.

YEAR TOTAL MEMBERS 2 TO 4 HECTARES. DEBTORS DISTRIBUTION MEMBERS Rs. 4 TO 8 HECTARES. DEBTOR DISTRIBUTION MEMBER Rs. ABOVE 8 HECTARES. DEBTOR DISTRIBUTION MEMBERS Rs.

YEAR	TOTAL MEMBERS	2 TO 4 HECTARES. DEBTORS DISTRIBUTION MEMBERS	Rs.	4 TO 8 HECTARES. DEBTOR DISTRIBUTION MEMBER	Rs.	ABOVE 8 HECTARES. DEBTOR DISTRIBUTION MEMBERS	Rs.
1973-74	26,596 (100)	2795 (21.93)	45,62,909 (25.13)	2309 (18.11)	55,86,687 (30.78)	1248 (9.79)	33,24,479 (18.31)
1974-75	27,734 (100)	2829 (24.14)	50,00,135 (25.55)	1938 (16.54)	61,41,985 (31.38)	1346 (11.49)	36,30,065 (18.55)
1975-76	29,894 (100)	2644 (25.72)	38,36,330 (27.88)	2109 (20.51)	41,02,890 (29.81)	778 (7.57)	22,68,968 (16.49)
1977-78	32,072 (100)	2521 (28.69)	41,89,152 (28.89)	2125 (21.65)	47,15,267 (32.52)	507 (5.17)	22,78,717 (15.69)
1978-79	32,907 (100)	2392 (24.79)	43,38,092 (30.64)	2245 (23.26)	46,52,686 (32.87)	582 (6.03)	15,97,810 (11.29)

NOTE:

- 1) Figures in brackets are showing percentage.
- 2) Tenant, Landless, labour and other debtor members are neglect.

Above table No.4-2 shows that :-

(1) There is direct relationship between the amount of the loan and the ownership of land. The percentage share of the total amount of loan goes on increasing with the increase in the land holdings. This was true for all the years from 1972-73 to 1978-79. This was also true for all the period under study, but this was not particularly so in the case of land holdings above a hecters.

IV-3. MEDIUM-TERM CREDIT STRUCTURE :

The Medium-Term Credit structure of primary agricultural Credit Societies in Miraj Taluka can be analysed as following :-

C-1. Medium-Term Loans according to the amount can be analysed in the following table No.4-3.

TABLE NO.4-3.

CLASSIFICATION OF MEDIUM-TERM LOANS ACCORDING TO THE AMOUNT.

Year	Total Members	Debter Members	Total Distr- Rs.	Rs.100to500 Debter member	Distri- Rs.	Above Rs.500 Debttter	Distri- Rs.
1974-75	27734	743	1748780	389	407790	354	1340990
	(100)	(2.67)	(100)	(52.33)	(23.33)	(47.67)	(76.67)
1975-76	29894	294	830696	169	247823	105	582873
	(100)	(0.88)	(100)	(60.22)	(29.83)	(30.78)	(70.17)
1977-78	32072	807	1925964	224	63318	583	1862646
	(100)	(2.51)	(100)	(27.74)	(3.29)	(72.26)	(96.71)
1978-79	32907	1126	4561353	222	57136	904	4504217
	(100)	(3.42)	(100)	(19.71)	(1.24)	(80.29)	(98.76)

NOTE: Figures in brackets are showing percentage.

Due to non availability of data, the period for this purpose was for four years i.e. from 1974-75 to 1978-79.

The number of borrowers increased from 1974-75 to 1978-79, for instance in 1974-75, out of total 27,734 members of primary agricultural Credit Societies in Miraj Taluka, 743, Members (2.62 percent) had taken medium term loans to the amount of Rs. more than 17 lakhs. As against in 1978-79, the number of debtor members increased. Out of the total 32970 members, 1126 members (3.42 percent) had taken medium term loans to the amount of Rs. 45.65 lakhs.

The medium term Credit structure of primary agricultural Credit Societies can also be studied according to the break-up of the amount of the loans given to the members. The amount of loans is classified as -

- (a) The loans up to Rs. 500 and
- (b) Rs. 501 and above.

The following conclusions can be drawn :

- 1) The percentage share of the borrowing members of total membership increased from 2.67 in 1974-75 to 3.42 in 1978-79.
- 2) More than 50 percent of the total borrowers had taken loans up to the limit of Rs. 500 each, which

covered only 23.33 percent share of the total amount of the loans distributed. Where as this trend started declining particularly, in the year 1978-79, and more than 80 percent of the total debtor members had nearly 99 percent of the loans distributed in the amount of the loans above more than Rs. 500 each. It might imply that as a result of price rise, the minimum needs of the loan even for small farmers must be more than one thousand.

MEDIUM TERM CREDIT STRUCTURE ACCORDING TO
THE OWNERSHIP OF LAND.

Medium-term Credit structure according to the ownership of land can be analysed in the following table No. 4-4.

TABLE NO. 4-4.

CLASSIFICATION OF MEDIUM-TERM LOANS ACCORDING TO OWNERSHIP OF LAND.

Year	Total Members.	Total		Upto 1 Hectares.		1 to 2 Hectares.	
		Debter Members	Rs.	Debter Members	Distribution Rs.	Debter Members	Distribution Rs.
1973-74	26,596 (100)	177 (0.66)	3,04,307 (100)	40 (22.59)	52,676 (17.31)	36 (20.33)	48,607 (15.97)
1974-75	27,734 (100)	743 (2.67)	17,48,780 (100)	121 (16.28)	2,01,490 (11.52)	167 (22.48)	3,72,632 (21.30)
1975-76	29,894 (100)	294 (0.98)	8,30,696 (100)	156 (53.06)	3,44,758 (41.50)	95 (32.31)	3,84,570 (46.29)
1977-78	32,072 (100)	807 (2.51)	19,25,964 (100)	166 (20.57)	3,28,685 (17.06)	272 (33.70)	5,29,970 (27.52)
1978-79	32,907 (100)	1126 (3.42)	45,61,353 (100)	234 (20.78)	5,56,137 (12.19)	358 (31.79)	12,23,742 (26.88)

TABLE NO. 4-4.

Year	Total Members.	2 To 4 Hectares.		4 To 8 Hectares.		Above 8 Hectares.	
		Debter Members	Distribution Rs.	Debter Members	Distribution Rs.	Debter Members	Distribution Rs.
1973-74	26,596 (100)	69 (38.98)	1,00,514 (33.03)	24 (13.56)	71,084 (23.36)	8 (4.52)	31,425 (10.33)
1974-75	27,734 (100)	193 (25.97)	5,59,136 (31.97)	171 (23.01)	3,65,795 (20.91)	90 (12.11)	2,48,227 (14.19)
1975-76	29,894 (100)	42 (14.28)	94,368 (11.36)	1 (0.35)	7,000 (0.85)	-	N.A.
1977-78	32,072 (100)	179 (22.18)	6,87,864 (35.71)	168 (20.82)	3,03,215 (15.74)	12 (1.49)	56,230 (2.92)
1978-79	32,907 (100)	348 (30.90)	15,45,640 (33.88)	162 (14.33)	8,05,280 (17.65)	24 (2.13)	4,30,554 (9.44)

NOTE : Figures in brackets are showing percentage.
Tenant, Landless Labour and other debtor members are neglect.

Above table No. 4-4 shows that the percentage share of the total amount of loan went on increasing with the increase in the land holdings.

IV-4. RECOVERY AND OVERDUES POSITION.

Recovery and overdues position of the Primary agricultural Credit Societies in Miraj Taluka can be analysed in the following table. 4-5.

RECOVERY AND OVER DUES POSITION.

TABLE NO.4-5.

Year	Distributed Loans	Recovery of Loans	Overdues	Over dues % to loans.
1971-72	2,07,89,870	1,65,49,546	42,40,324	20%
1972-73	1,88,99,185	1,76,80,531	12,18,654	06%
1973-74	1,84,56,362	1,34,77,423	49,78,939	27%
1974-75	2,13,21,857	1,53,30,903	59,90,954	28%
1975-76	1,36,91,889	40,64,935	96,26,954	70%
1976-77	1,46,20,243	55,58,442	90,61,801	62%
1977-78	1,64,26,643	80,42,033	83,84,610	51%
1978-79	1,87,16,916	95,71,864	91,45,052	49%
1979-80	1,76,94,446	95,41,624	81,52,822	46%
1980-81	2,56,63,288	1,89,28,123	67,35,165	26%

Above table 4-5 shows that, with the increase in membership of primary agricultural co-operative credit

Societies, the amount of loans distributed by the Societies went on increasing. For instance, in 1972-1973 the total amount of distributed loans was Rs.1 cror and more than 88 lakhs, which increased up to Rs.2 Crores and more than 56 lakhs in the year 1980-81.

As against however the amount of loans went on increasing, overdues also went on increasing. For instance in 1972-73 overdues to loans was only 6 percent, which later on increased up to 70 percent in 1975-76 and in 1980-81 it went on decreasing up to 26 percent to total loans.

Thus the findings about the Credit structure of primary agricultural Credit Societies in Miraj Taluka can be summerised as follows :-

(1) The percentage share of the borrower members to the total membership showed declining trend from 49 percent in 1972-73 to 29.32 percent in 1978-79.

(2) The Credit facilities offered by primary agricultural Credit Societies did not reach to the poor section of small farmers in the region. On the other hand the big farmers could enjoy major share of the Credit facilities. Nearly 90 percent of the total amount of the loan distributed went to the borrower

members, who had taken loan above Rs. 500 per member.

(3) There was direct relationship between the amount of loan and the ownership of land. The percentage share of the total amount of the loan went on increasing with the increase in the size of land holdings.

(4) The performance of the primary agricultural Credit Societies in the supply of the medium term Credit has not been quite encouraging. Mainly the large farmers enjoyed the benefits of medium term Credit.

(5) The increasing trend was observed both the amount of loans given and the overdues., which was highest in the year 1975-76 and 1976-77. The percentage of overdues showed declining trend, particularly from 1977-78 to 1980-81.

000000000000
000000000
0000000
00000
00