

CHAPTER 11.11.12 DATA ANALYSIS AND INTERPRETATION

CHAPTER 11.11.13 CONCLUSIONS AND RECOMMENDATIONS

Chapter - VIII

ANALYSIS AND INTERPRETATION OF THE DATA

One of the important reasons why agricultural production and productivity is low in India can ultimately be traced to the financial conditions of the farmers. Most of the farmers are poor and hence incapable of introducing innovative changes on their own.

The sample of this study reflects the general rural Indian situation. Of the one hundred farmers to whom the questionnaire was administered , 62 percent had an annual

Table 8.1

The Distribution of the Respondents According to
Their Annual Income

Annual Income ranges (Rs.)	Percent to the Total
Upto 5,000	62
5001 to 10,000	17
10,000 to 15,000	3
15,001 to 20,000	5
20,001 to 25,000	4
25,001 and above	9
Total	100

income of upto five thousand rupees only (Table 8.1)
seventeen percent of the respondents earned an annual

income of rupees ten thousand with the rest earning higher annual incomes. Only a small proportion (9 per cent) had an annual income of rupees twenty five thousand and above.

Although the annual income of the majority of the sample members falls in a low categories, that alone does not necessarily indicate the economic well being or otherwise of the sample farmers. In fact information about the ^{number} member of members in a family would help ⁱⁿ _n indicate ^{ing} the personal needs of the farmers. Larger the family size, greater would be the requirements of the family. Larger the family size and lower the income would indicate greater financial requirements. confusing into practice

Table 8.2

Number of Family Members Helping in Farming Activities

Number of Members	No. of Respondents
Upto 2	4
3 to 4	20
5 to 6	32
7 to 8	21
9 to 10	18
10 and above	5
Total	100

But the incomes of many of the sample members were from the agricultural sector where other family

members also helped on the farmers. Of the one hundred sample members 24 had upto four members helping on the farm. The rest had five or more family members assisting in farming operations (Table 8.2). The number of families with between five and ten such members constituted the largest chunk, 71 per cent, of the sample size. In fact, there were further five percent of the families having more than ten such in the family. Thus, seventy six percent of the sample members had five or more members of the family helping on the farm. This is indicative of very low productivity levels in the area, and also of very low per capita incomes of such families. / how

Since 62 percent of the families had an annual income of upto Rs.5,000 and since 77⁷⁶ percent of the families from among the sample size had five or more members in the family, it can safely be assumed that low income families had larger sized families indicating their poor economic condition. / spoty in value

The respondents all being agriculturists (farmers) their income source is the farming activity. The land size, type, and whether these are irrigated or not would be responsible for the size of the holders' annual income. ^{land holding} ^{the proportion of irrigated land to total land} Within the type of land can be included the quality of soil, i.e. whether it is fertile, or of medium quality or less fertile.

The productivity of these lands can be altered or be higher if irrigation facilities are available to the farmers (Table Nos. 8.3 to 8.7).

Table 8.3

The Distribution of Land Owned by the Respondents

Land in Acres	No. of Respondents
Upto 2	17
3 to 4	32
5 to 6	24
7 to 8	11
9 to 10	7
11 to 12	3
13 to 14	1
15 to 16	-
16 and above	5
Total	100

Of the ^{total} sample ^{respondents} size, 17 percent owned land of upto two acres, 32 percent ^{farmers} owned land of between 3 and 4 acres in size and further 24 percent owned land between 5 and 6 acres in size. Thus, 73 percent of the respondents owned land upto 6 acres in size. Only five percent of respondents owned land beyond 16 acres in size. The rest, 22 percent owned land between 9 and 14 hectors. ^{9 spelling}

From the above information it can be stated that majority of the respondents taking loans from Land Development Banks are small farmers from this area.

With respect to the irrigation facilities or ownership of irrigated lands, 52 percent of the sample farmers had upto 2 acres of land irrigated, where as those farmers owning upto 4 acres of irrigated land constituted 25 percent of the sample; and upto 6 acres of irrigated land was owned by only 8 percent of the sample. Eleven respondents had more than 16 acres of land which was being irrigated or had irrigation facilities.

*How
many
farmers
had more
than 16
acres?*

From the above it can be interpreted that most of the respondent owned irrigated land but the acreage of their irrigated land is very low, while only a few respondents owned more than ten acres of irrigated land. This fact can also be responsible for generally low yearly incomes of the sample farmers in the Gadhinglaj Taluka.

Table 8.4

Irrigated Land of the Sample Members.

Acre	No. of Respondents
Upto 2	52
3 to 4	25
5 to 6	8
7 to 8	-
9 to 10	2
11 to 12	-
13 to 14	1
15 to 16	1
16 and above	11
Total	100

Table 8.5

Non-Irrigated Land of the Respondents

Acres	No. of Respondents
Upto 2	36
3 to 4	33
5 to 6	11
7 to 8	8
9 to 10	8
11 to 12	1
13 to 14	-
15 to 16	-
16 and above	3
Total	100

However, there were yet many farmers, 80 percent of the sample owning land of upto six acres who did not have any irrigation facilities. Only twenty farmers from the sample size owning land of more than seven acres had no-irrigation facilities. The data suggest that given the fact that 85 percent of the farmers owning land of upto six acres had irrigation facilities and a more or less similar member owning same acreage of land had no irrigation facilities, the land owned was more likely to be fragmented. Thus, part of the land owned had irrigation facilities but part of it had no such facilities. The average income

from such lands could then be relatively low.

Table 8.6

Sources of Irrigation Facilities

Type of Facility <i>Source of Irrigation</i>	No. of Respondents
Well ...	52
River ...	22
Tank ...	1
Bore-well ...	1
Lift-irrigation ...	7
Others ...	6
Nil ...	11
Total ...	100%

The sources of irrigation include wells, river - water, tanks, borewells, lift-irrigation etc. 52 percent of the respondents had their own wells where as 22 respondents used river-waters for irrigation purposes. There were some sample ^{farmers} members (11 percent) who did not have any irrigation facilities at all and, therefore, depended on the bounty of nature for total production.

The above facts about irrigated and non-irrigated land of the respondents show that a greater number of respondents show that a greater number of respondents own more non-irrigated land than the irrigated land.

Table 8.7

Distribution of the Type of Land

Type of land	No. of Respondents
Fertile	15
Medium	70
Less Fertile	15
Total	100

Table 8.7 revealed that the majority of the sample farmers (90 per cent) had less medium type land and 15 per cent had fertile land.

This may derive further reinforcement from the fact almost all the sample members' land was either of "Medium" quality or was less fertile (70 percent and 15 percent of the sample farmers respectively).

The discussion so far has indicated that most of the sample members belong to relatively low income groups owning lands of upto 6 acres with some irrigation facilities available in parts of the (probably fragmented) land and generally having fairly large families.

The crops produced by these farmers include both cash crops (sugarcane, cotton, tobacco ^{and} groundnut) as well as food crops such as rice, jowar, wheat, maize, etc. (Table 8.8). However, the vast majority of them (90 percent) produce rice with very high sample percentage producing sugar cane (72), jowar (86), Groundnut (84), Chillies (61), Pulses (45). For other crops the figure varies from 7 percent to 30 percent.

Table 8.8

Crops Grown by the Farmers

Type of Crop	No. of Respondents
Rice	90
Sugarcane	72
Jewar	86
Groundnut	84
Chillies	61
Wheat	30
Maize	20
Barly	20
Tobacco	20
Cotton	11
Vegetables	24
Pulses	45
Others	7

Of the four cash crops ^{grown} from by the sample farmers, tobacco and cotton were not quite so favourite. *commonly grown.*

The above table clearly shows that nearly all the respondents grow every type of crop. To some extent, they grow cash crops. Rice is mainly grown by most of the respondents due to heavy rain. But the percentage of the vegetable growers, is relatively low.

Table 8.9

The Implements owned by the Respondent Farmers

Grain

Type of implements	No. of Respondents
Wooden plough	70
Kuri/Bandage	40
Kulav	55
Kolape	94
Tractor	10
Sowing Machine	4
Threshing machine	4
Others	2

The implements owned and used by the sample farmers on their farms are indicative of the technology used and the 'possible' output estimates. The implements generally used include wooden plough, Kuri/Bandage, Kulav, Kolape (Table 8.9). Thus, the method of farming in this regions is not much different from that followed in the rest of the country and is more "manual" in nature. Only 10 percent of the sample farmers owned tractors four percent each, sowing machines and threshing machines.

From the above information it can be stated that the respondents have more "old" implements than the modern implements as they realise the importance of modern and more effective implements in agriculture, and more importantly can afford to buy them.

not clear

Most of the loans secured from the land develop-

-ment bank, Gadhinglaj, by the sample members were related directly or otherwise to meeting the needs for irrigation facilities. A fairly high proportion 42 percent of the farmer-respondents needed the "financial" assistance (related to) digging new wells (Table 8.10). Other reasons for securing loans from the Land Development Bank, Gadhinglaj,

Classification of farmers according to purpose of loan taken from Land Dev. Bank.

Nature of Purpose of loan	No. of Respondents
Wells	42
Gobar-Gas	3
Pipe-lines	17
Well-repairing	7
Electric-Motors	20
Oil-engines	3
Cows	2
Poultry-farms	3
Hotriculture	1
Bullocks	.5
Land extension	1.5
Total	100

by the sample members included bying of pipe-lines (17 percent) well repairing work (7 percent) purchase of electric motors,

(20 percent) or oil engines (3 percent), purchase of cows (2 percent) of bullocks (0.5 percent), for related activities like poultry-farming (3 percent) and horticulture (1 percent) only three percent of the sample of farmers utilised the loans for ^{correcting} producing through gobar-gas plants.

It can be interpreted from table 8.10 that all the respondents took loans from the Land Development Bank, Gadhinglaj for the development of their land and automatically for the improvement in their standard of living. Though the reasons are different the main purpose behind them was more or less the same.

Table 8.11

Loans Demanded and Sanctioned

Amount Rs.	Demanded (Respondents)	Sanctioned (Respondents)
Upto 5,000	Nil	6
5001 to 10,000	41	40
10,001 to 15,000	24	19
15,001 to 20,000	24	25
20,001 to 25,000	03	02
25,0001 and above	08	08
Total	100	100

Of the 100 sample members, not a single person applied for loans of upto Rs.5,000 (Table 8.11). In fact a large proportion of demands was for loans of between Rs.5001 and Rs.10000 (41 percent) and between Rs.10001 to Rs.15,000 (24 percent) as well as for amounts between Rs.15001 and Rs.20000. In fact, loan demands for Rs.5001 and Rs.20,000 at most exhausted the sample size. However, 8 sample members had applied for loans of Rs.25,001 and above.

The amount of loans sanctioned, however, does not indicate that all demands for loans were met in toto. In fact, although not a single member applied for loans of upto Rs.5,000, the Land Development Bank had sanctioned loans of upto that amount to 6 sample members. For other categories almost all applicants' loans demands were sanctioned except for those seeking loans of between Rs.10,001 and Rs.15,000. Out of 24 such applicants, only 19 were approved. The overall loaning figures indicate that the Land Development Bank is very much alive to the needs of farmers and does assist them as best as possible. Since most of the loans were for improving irrigation facilities in one way or the other the farmers possibly stand to gain.

Although the sample members have secured loans from the Land Development Bank some of them have had to wait for a fairly long time before their loan application were approved. Of the one hundred sample members only 14 had

their loan applications approved within three months.
(Table 8.12).

Table 8.12

The Time period Involved in Sanctioning Loans
After Submitting Loan to Land Development Bank

Period of Sanctioning loan in months		No. of respondents
1 to 3	...	14
4 to 6	...	31
7 to 9	...	15
10 to 12	...	23
13 to 15	...	06
and above 15	...	11
Total	...	100

Thirty one percent of the sample members had to wait between four and six months; 15 percent between seven to nine months, 23 percent between ten and twelve month 6 percent between thirteen and fifteen months and 11 percent for more than fifteen months.

From these facts it could well be inferred that the Land Development Bank follows a fairly elaborate and producers while processing applications for loans.

Even when the processing of loan application takes a fairly long time, the Land Development Bank rarely

disburses the loan in a lump-sum. (Table 8.13). The more widely used method of disbursing the sanctioned loans is through instalment basis.

Table 8.13

The Mode Disbursement of Loans by Land Development Bank

Mode of Loan Payment	No. of Respondents
Lump-sum	5
<u>Instalment</u>	95
Total	100

Of the 100 sample members, 95 percent received the sanctioned loans in installments and only five percent received their loans on a lump-sum basis. This method of disbursing loans must ensure proper use of the loan so that the farmers may be able to improve their standard of living. The lump-sum disbursement of loans is followed in those ^{situations} (instances where the payment on installment (progress) basis is not possible, e.g. purchase of cows/ buffaloes.

Further the loans have been paid out of borrowers on cash basis (Table 8.14)

The number of respondents who received their loans in the form of goods (kind) was only 5 percent, the rest of the respondents (95 percent) received their loans

Table 8.14

The Method of Loan Payment

Method	No. of Respondents
Cash ...	95
Goods ...	05
Total ...	100

in the form of cash, but of course mainly on installment basis.

The financial needs of the farmers in this region were not fully realised through the Land Development Bank and some of them had taken recourse to other sources of finance (Table 8.15)

Table 8.15

Other Sources of Finance

Type of Sources	No. of Respondents
Money-lender ...	1
Government ...	Nil
Cooperative Societies ...	22
Nationalised Banks ...	5
Total ...	28

Twenty eight percent of the respondents had taken recourse to other sources of finance, particularly from money-lenders (one respondent), co-operative societies, (22 respondents), and nationalised banks (5 ~~per~~ respondents). The reasons for seeking assistance from other sources, other than the Land Development Bank, Gadhinglaj Taluka, were varied, but some were directly related to the working of the Land Development Bank (Table 8.16)

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Table 8.16

Reasons for Loans from Other Sources

Reason of Loan	No. of Respondents
Insufficient Loan approved by LDB	12
More Expenditure of Scheme ...	08
Delay in Sanctioning Loan ...	04
New Plans ...	04
Total ...	28

The majority of those who had borrowed from other sources maintained that they had to seek further financial assistance because of insufficient loan amount was approved by the Land Development Bank (12 persons), delay in sanctioning loans by Land Development Bank (4 respondents). Over runs in expenditure compared to expected costs (8 respondents) and four of the respondents had additional investment plans.

The loans from the Land Development Bank had been secured by the respondents with plans and hopes of improvements of one nature or the other and (ot) derive possible benefits for themselves and their families. The study, however, has indicated that a large number of respondent - borrows (36 percent) did not derive any form of benefits from the loans from Land Development Bank (Table 8.17). Thus, the financial burden on such borrowers must increase substaintially. However, the remaining 64 respondents did perceive benefits derived from the use of loans.

Table 8.17

The benefits of the Loan from the LDB

Nature of Benefit	No. of Respondents
Increase in crop production ...	15
Increase in income ...	6
Increase in soil fertility ...	7
Progress in side business ...	3
Irrigation of land ...	14
Improvement in standard of living ...	8
Loan (old) paid ...	2
Purchase of useful animals and implements ...	7
Modernisation of farming ...	2
No benefits ...	36
Total ...	100

Fifteen respondents witnessed an increase in crop production, six saw a general increase in their income, whereas further seven reported an increase in the fertility of soil on their lands, fourteen of them could "now" irrigate their lands, seven of the respondents utilised the loans to increase the size of their live-stock or of implements, two had reported a general modernisation of the farming activities. Two percent of the respondents took the opportunity of repaying previous loans where as three percent saw an improvement in related business activity. Eight percent of the borrowers (from the sample) reported a rise in their standard of living.

The failure of deriving any benefit from the loans received from the Land Development Bank need not necessarily be laid at the door steps of the Bank. In fact, twenty five percent of those who did not derive any benefit could not do so because of natural calamities (Table 8.18). Further eight respondents ~~xx xax~~ blamed rising prices for the failure. Two respondents found that the inadequate supply of implements was responsible for lack of any benefits Others (4) had received the loans but lacked any technical guidance. Besides lack of such guidance, four further respondents did not plan their course of action. One percent of all the respondents could not benefit from the Land Development Bank loans due to family problems. Four percent of all respondents claimed that the failure to benefit at all was due to inadequacy of loan amount. Four respondents

Table 8.18

Failure of Loans in Fulfilling The Exepected Purposes

Reasons for Failure	No. of Respondents
Natural Calamities ...	9
Rising Prices ...	8
Inadequate Supply of implements ...	2
Lack of technical guidance ...	4
Neglecting Planning ...	4
Family difficulties ...	1
Scarcity loan supply ...	4
Failure in achievement of goal ...	4
Total ...	36

could not achieve their goals and as a result found that they could derive no gain or benefit from the loans secured from the Land Development Bank.

Of the eighteen respondents reporting deriving benefits from the utilisation of loans from the Land Development Bank. Such as progress in side business, improvements in standard of living and purchase of implements, etc. had also used the loans to increase business activity (Table 8.19) Four had derived benefits from increased business activity, eight derived benefits by way of increase in income from increased business activity, five found that

they could have more essential commodities and one reported to be able to purchase luxury goods.

Table 8.19

The Benefits From Loans for Side Business

Nature of benefits	No. of Respondents
Increase in business implements	4
Increase in monthly income	8
Increase in utilisation of essential commodities	5
Increase in utilization of luxury good	1
Total	18

Many other respondents have also gained on long term basis by being able to increase capital investment due to the availability of Land Development Bank (Table 8.20).

Table 8.20

Increase in Capital-Investments Due to Loans

Nature of investment	No. of Respondents
Increase in property	37
Increase in Land	4
Progress in side business	6
Others	3
No Investment	50
Total	100

Fifty percent of the sample members derived this sort of gain where-as other half did not. Amongst these reporting increases in 'Capital', thirty-seven (74 percent) had increased their property size, four (8 percent) had been able to increase the size of their land holdings and the rest had other form of capital accruals either directly or indirectly from the Land Development Bank Loans.

Some of the farmers from the sample utilised loans for unproductive purposes or on loans whose productive value cannot be visualised immediately at all (Table 8.21). Twenty

Table 8.21

Utilisation of Loans for Purposes Other than
Agricultural Sector

Nature of Purpose	No. of Respondents
Religious functions	Nil
Festivals	5
Matrimonial	5
Education	15
Purchase of Luxury goods	Nil
Building of house	Nil
Development in standard of living	Nil
Others	Nil
Total	20

farmers from the sample respondents come under such a category. Twenty five percent of such farmers used the

loans to meet expenses of festivities, and the rest for meeting educational expenses of the members of the family. Such expenditure, particularly no festivities, do tend to nullify or diminish the important in orads that the LDB has been able to make in fighting poverty and related ills in the rural areas.

However, on the whole, the loans have been able to bring about a measure of improvement in the farming 'practices' among the sample-borrowers (Table 8.22).

Table 8.22

Increase in Production due to Land Development Bank Loans

Nature	No. of Respondents
Extention in land under cultivation	8
Intensive - irrigated land	45
Utilisation of fertilizers	10
Utilisation of machinery	10
Other	02
Nil	25
Total	100

About 75 percent of the sample borrowers have shown increases in the production on their land because of the availability of financial resources in the form of loans from the Land Development Bank. ^{Eight per cent} Some farmers (eight) were enabled to extend the size of the land under cultivation

forty-five percent of ~~all~~^{the} respondents could obtain more production through intensive cultivation due to the availability of irrigation waters. Further ten respondents could extract more from the land due to (increased) use of fertilisers, further ten from increased use of machinery. Thus, the result of the use of loan is favourable enough even though about one fourth of the respondents were not favourably inclined to this type of probing.

The picture, however, is not continuously rosy, ~~for~~^{at} though farmers derived benefits from the loans, ~~On~~^{On} the ~~whole~~^{whole} while; they ~~also~~^{to} had face a number of difficulties (Table 8.23)

Table 8.23

Financial Difficulties Caused by L.D.B. Loans

Nature of Reasons	No. of Respondents
Higher rate of interest	13
Natural Calamities	15
Decrease in production	5
Purpose Unfulfilled	8
Others	Nil
No difficulties	59
Total	100

forty one farmers reported to be facing difficulties of one type or another related to loans from Land Development Bank but the latter may not be directly or otherwise responsible

To be re-visited

for these. Thirteen percent of the respondents found that the rate of interest charged on loans by the Land Development Bank. Others found the loans to be burdensome due to the effects of natural calamities, where eight there was no production at all or where the output declined. On the whole, however, the Land Development Bank loans appear to have beneficial impact on the borrowers in the Gadhinglaj Taluka.

Due to the difficulties enumerated above, some of the borrowers were unable to repay the loans and were declared as defaulters. Of the total respondents thirty-three were defaulters (Table 8.24). The reasons for

Table 8.24

The Number of Defaulters

Reasons	No. of Respondents
Natural Calamities	8
Decrease in Production	4
Family Difficulties	5
Burden of Increasing Loans	3
Improper Utilisation of loan for unproductive purposes	5
Improper rate of Agricultural production	5
Others	3
Total	33

defaulting on these loans were different. Eight members could not repay as there was no production due to natural

calamities, four due to decrease in the production, five due to family difficulties, three due to increasing burden of loans, five because they utilised loans unproductively, five due to lower rate of production than anticipated etc.

Although 67 percent of the borrowers could repay their loans in time, and a fairly large number could derive benefits from the loaning business of the Land Development Bank, there were many who felt that the Land Development Bank, in some respects, did not measure up well compared to the banking organisations in the public sector (Table 8.25)

Table 8.25

Land Development Bank Loans Procedure compared to others

Nature of reasons	No. of respondents
Delay in Sanctioning loan ...	20
Submission of different type of documents ...	25
Deduction in the loan in the form of share ...	12
Non-cooperation of the office staff ...	08
Inadequate supply of loan ...	10
Higher rate of interest ...	05
No response ...	20
Total ...	100

Twenty percent of the respondents opined that the LDB followed procedures whereby there was inordinate delay, in sanctioning loans. Further twenty-five percent felt

that there were too many different types of forms to be filled in, making it cumbersome for many of them (illiterate) to fully comprehend what was going on. Twelve percent of the respondents felt that the practice of the reducing the amount of the loan by way of subscription to the shares of the Bank was unhealthy and improper. The non-cooperative attitude of the bank staff, according to eight percent of the respondents showed the LDB in bad light compared to other banks, ten percent of the sample felt that the LDB advanced inadequate loans, whereas five percent chipped in with the complaint that the LDB charges relatively higher rates of interest on loans advanced by it. Twenty percent of the respondents did not have definite view on the matter.

From the above data it can be stated that there are several difficulties in getting loans approved from L.D. Bank, as compared to the methods adopted by other nationalised banks.

Despite all the differences that the member-borrowers held about the comparative merits or otherwise of the LDB and its loaning procedure, an overwhelming number of sample members stated that the LDB loans had indeed been instrumental in bringing about some positive change many felt that the LDB loans had made a positive change in their lives. The final result of the LDB loans appears quite encouraging (Table 8.26). The number of respondents whose incomes increased as a result of the loans received from LDB was forty. The standard of living of thirty

Table 8.26

The Final Result of Land Development Bank Loans

Nature of Result	No. of Respondents
Increase in income	40
Increase in Standard of Living	30
No Change in condition	15
Deterioration in economical condition	03
Limitations in sanctioning loan	04
Loss caused by delay in sanctioning loan	05
Others	03
Total	100

reporting members increased. However, fifteen percent of the sample size reported no overall change in their economic conditions due to the Bank's loaning policy, whereas three percent reported deterioration in their economic conditions; Four percent were unhappy with limitations related to sanctioning of loans; loss due to delay in sanctioning loans was felt by further five respondents. Three sample members gave miscellaneous responses.

Only thirty percent did not feel that there was a resultant positive change. (Table 8.27). The types of positive changes/effects reported were increase in acreage

Table 8.27

Changes Taken Place Due to Land Development Bank
Loans

Nature of Change	No. of Respondents
Increase in land acres	10
Increase in number of rooms for living	15
Increase in farming implements	20
Increased investment saving	08
Saving	07
Increase in means of Transportation	10
Nil	30
Total	100

(10 percent of the sample size), increase in housing facilities (15 percent), increase in farming implements (20 percent), increased investment (8 percent), increased savings (7 percent), and increase in the means of transportation (10 percent).