

CHAPTER - ONE

RESEARCH DESIGN

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:: CHAPTER - I ::RESEARCH DESIGN1.1 CHOICE OF THE TOPIC :

Indian farmer faces a lot of financial difficulties in carrying out farming. To meet these difficulties he has to resort to a number of means including the exploiting money-lenders. The financial problem works as a great stumbling block, particularly for small and medium farmers. Though 14 large banks were nationalised in 1969 and six others in 1980, and though the flow of finance was channelled towards agriculture, the reality appears to be much different and disappointing. It has been observed that commercial banks are rather reluctant to provide finance to agriculture. Many hurdles are created towards the sanction of loans is delayed and the amount sanctioned is far short of requirement. Large farmers can somehow cope with the situation. But the small and medium size farmers become victimized. The result is that the small and medium size farmers avoid approaching the commercial banks.

In recent years the Co-operative sector has been playing a significant role in agriculture finance. According to the All India Rural Credit Survey Committee, the share of Co-operatives was 3.1% in total agricultural finance¹. In 1984-1985 the share of the Co-operatives was increased upto 25% in total agricultural finance². It shows that Co-operative sector is a major contributor in finance to agriculture. A large number of researchers have

1. All India Rural Credit Survey Committee 1951-1952.

2. Padmanabhan K.P. "Rural Financial Intermediation, Subhada Sarswat Pub." 1986. P. 49.

worked on the impact of finance to agriculture by commercial banks. But meagre work has been done on the Co-operative sector. Nobody has devoted himself to the impact of finance to agriculture by Central Co-operative Banks, Particularly in Miraj Tahsil. Another reason was the availability of data and scope for the study.

1.2 OBJECTIVES OF THE STUDY :

The following are the objectives of the study undertaken.

- i) To examine the structural changes in the credit pattern of Sangli District Central Co-operative Bank Ltd., Miraj Market Yard Branch, for the year 1981-1982 to 1985-1986.
- ii) To assess the impact of loans sanctioned by the Sangli District Central Co-operative Bank Ltd., Miraj Market Yard Branch on the recipients' agricultural operations and income structures.
- iii) To study the attitudes of borrowers towards the evolved schemes of farm financing.
- iv) To identify the expectations of the farmers and the means of meeting them.
- v) To make necessary suggestions.

1.3 SCOPE OF THE STUDY :

While assessing the performance of a respondent a region or an area is essential to be selected. A case study method is always helpful on this back-ground. The present study concentrates on the performance of Co-operative Credit in a specific area. The Sangli District Central Co-operative Bank Ltd., Sangli is selected for assessment of the performance. The Sangli District Central Co-operative Bank Ltd., has 105 branches (excluding Head Office) scattered in the Sangli District area. Sangli District Central Co-operative Bank Ltd., has two branches in Miraj City. Out of these two, one deals only with agricultural credit and another deals with non-agricultural finance. I have preferred agricultural credit supplying branch situated in Miraj Market Yard area in Miraj City. This branch, at present is authorised to activate agricultural finance related to eight villages namely, Bedag, Bolwad, Waddi, Dhavali, Takali, Tanang, Savali and Kalambi, as well as Miraj city area through Co-operative credit societies. The performance of agricultural credit has been evaluated from 1981-1982 to 1985-1986. The performance includes short term credit disbursements as well as medium term credit disbursement i.e. purposewise classification of credit, repayment, outstanding and overdues of loans issued by the Bank, through nine primary agricultural credit societies. Out of these nine primary agricultural credit societies, eight are "Serva Seva Sahakari Societies" in Bedag, Bolwad, Waddi, Dhavali, Takali, Tanang, Salavi and Kalambi and one "Miraj Group Vividha Karyakari Sahakari Society". All these nine Societies are limited Societies.

1.4 METHODOLOGY OF THE STUDY :

The methodology adopted for the present study to collect the data is through primary and secondary source.

The required data is collected from various offices and agencies dealing with agricultural credit business. The data required for assessing the performance of Co-operative Credit issued by Sangli District Central Co-operative Bank Ltd., through Miraj Market Yard Branch is collected from Miraj Market Yard Branch Office. The data which is not available with Miraj Market Yard Branch is collected from primary credit society offices and office of the Assistant Registrar of Co-operative Societies. The primary data, to assess the attitude of borrowers, the impact of the bank credit, and the expectations of borrowers is directly collected from the borrower farmers with the help of structured questionnaire and interviews.

A well structured questionnaire was framed which was pre-tested and later on administered on the borrower farmers. To get more insight into the subject simultaneously standardised interviews were conducted of the farmers.

1.5 SAMPLE SIZE :

Out of the nine primary agricultural credit societies mentioned in Table No. 1.1 ten percent (10%) of the borrower farmers from each society were selected at random. The total sample size at the rate of 10% of each society constitutes 178 borrower farmers. While the random sampling was done, only those borrower farmers who approached to the society during the data collection period were considered. The sample size selected is from the list of borrower members in the year 1985-1986.

TABLE NO.1.1
BORROWER MEMBERS OF THE SOCIETIES IN THE YEAR 1985-1986.

Sr.No.	Name of the Society	Total No. of Borrower members,	10% of the borrower members.
1	2	3	4
1.	Bedag Serva Seva Sahakari Society Ltd.,Bedag.	380	38
2.	Bolawad Serva Seva Sahakari Society Ltd.,Bolawad.	135	14
3.	Waddi Serva Seva Sahakari Society Ltd.,Waddi.	105	11
4.	Dhavali Serva Seva Sahakari Society Ltd.,Dhavali.	210	21
5.	Takali Serva Seva Sahakari Society Ltd.,Takali.	181	18
6.	Tanang Serva Seva Sahakari Society Ltd.,Tanang	58	6
7.	Savali Serva Seva Sahakari Society Ltd.,Savali.	61	6
8.	Kalambi Serva Seva Sahakari Society Ltd.,Kalanbi	89	9
9.	Miraj Group Vididha Karyakari Sahakari Society Ltd.,Miraj.	550	55
Total		1769	178

Source : Survey.

1.6 LIMITATIONS OF THE STUDY :

The data available for the study is only for the period of five years i.e. 1981-1982 to 1985-1986. The data for the period 1981-1982 and 1982-1983 was infact not available with the Miraj Market Yard Branch of the Sangli District Central Co-operative Bank Ltd., so it is collected and ~~compiled~~ from the primary agricultural credit societies. The actual data available at the Miraj Market Yard Branch of the Sangli District Central Co-operative Bank Ltd., was for the period 1983-1984 to 1985-1986.

The information about average yield as well as production of Vegetables, Guava-Orchard, Betel leaves, Flowers and Fodder was not given in required measures by the borrower farmers. They have given the same into rupees.

While measuring changes in income structure, only the income from agricultural crops of borrower farmers is taken into account. The details of income from milk, poultry etc. have not taken into account.

As the farmers were not interested in giving the details of their agricultural income, the details about agricultural production have been received from them. Therefore in order to calculate the agricultural income of borrower farmers the prices of their agricultural goods were taken from Krishi Utpanna Bajar Samiti, Sangli. and calculated.

Out of the ~~total~~ borrower farmers, a sample of 178 borrowers is considered which should be termed as sample borrowers. But in the analysis of the chapter No. VI the term borrower farmers has been repeatedly used, which is nothing but the sample borrower farmers.