

A STUDY ON PURPOSE OF UTILIZATION OF AGRICULTURE JEWEL LOAN WITH SPECIAL REFERENCE TO SIVAGANGAI DISTRICT

Mrs.R.Sudha¹

Ph.D Part Time Research Scholar,

Department of Commerce,

Fatima College, Affiliated to Kamaraj University, Madurai

Dr.Mrs.S.Fatima Rosaline Mary²

Associate Professor,

Department of Commerce,

Fatima College, Affiliated to Kamaraj University, Madurai

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Abstract:

Agriculture is backbone of Indian Economy. Agriculture plays an important role in our country. Agriculture contributes one third of the national Income. The real development of the agriculture sector depends upon how the Government of India and Reserve bank of India is taken initiative and providing finance to the farmers. Increasing finance and investment to rural areas is an important part for fulfilling their need of finance. Therefore, this paper tries to analyze the purpose of utilization of agriculture jewel loan provided by financial institutions. The researcher used multi stage sampling technique to select the banks and to select the farmer's convenience sampling method had been used. The sample size for the study is 320. The findings of the study is to the most important variables of purpose of utilization towards agriculture jewel loan such as purchase of land, purchase of consumer durables, using for business and payment for irrigation. The least factors for using the purpose of utilization of agriculture jewel loan such as purchase of immovable assets purchase of jewels, marriage purpose and purchase of agricultural equipment

Keywords:

Agriculture, Financial Institutions, Jewel loan, Farmers.

INTRODUCTION:

Financial Institutions providing agriculture jewel loan to the farmers to fulfill their needs. Gold has always fascinated the mankind's imagination and influenced their urge to possess the same. Gold occupies a pivotal role in the social and economic life of poor and rich alike. In India, besides the economic and strong social considerations, individuals are highly sentimental about the gold Jewellery in their possession, as the gold ornaments are passed on from one generation to another. Acquisition of gold is considered auspicious and necessary for making family ornaments to get a sense of wellbeing in our country. Gold is increasingly considered as an investment whose value appreciates over years and provides a hedge against inflation. Farmer's satisfaction is more important part in our Indian Economy. Agriculture occupies a very important place in the Indian economy. It provides food grains to the growing population, supplies raw material to industries, generates purchasing power and demand for consumer goods in rural areas and also plays a significant role in exports. Agriculture Jewel loan refers to the person one who engaged in agriculture or allied activities. The farmers need finance for the purchase of new inputs which include seeds, fertilizers, pesticides, irrigation water etc. If the seed of high yielding varieties and other modern inputs are made available to the farmers they can increase productivity not only of land but also of labor. The need for agriculture credit becomes more important when it moves from traditional agriculture to modern agriculture. Therefore, there is need to study the purpose of utilization of agriculture jewel loan.

REVIEW OF LITEARTURE:

Joseph Made (2000) in his study on "Financing Small holder Farmers" stated that the small holder agricultural sector plays an essential role in ensuring food security, economic growth and employment creation. Therefore financing smallholder farmers has become an important undertaking for poverty reduction in developing countries, especially those in Sub-Saharan Africa. There is ample evidence to show that smallholder farmers use land and other inputs just as efficiently as large-scale farmers. This justifies the need to finance and invest in the smallholder sector. This paper discusses the merits and de-merits of different means of financing smallholder farmers in Sub-Saharan Africa, with special reference to Zimbabwe. This financing includes inter alia multilateral and bilateral agreements with governments and other agencies, micro – financial institutions coming from both the private sector and non-governmental organizations. **Kadidia Konare (2001)** has made a study entitled "Challenges to Agricultural Financing in Mali", analyzed that in Mali, like in many Sub-Saharan countries, inadequate access to credit has remained a central concern for farmers and a key

constraint to the modernization and diversification of their activities. The commercial banks limited participation in agricultural financing and the hard terms and conditions for obtaining individual loans have penalized many smallholders and small traders. The vast majority of these people have little to no access to financial services, limiting their productivity, income, investment and overall quality of life. Inadequate regulatory or legal frameworks, monetary policies, inappropriate agricultural loan evaluations and threats to sound microfinance activities are constraining agricultural financing in Mali. **Dr. G. N. Semogerere (2004)** in his study entitled on “Agricultural Sector Credit and Structural Adjustment” analyzed that the policy recommendation is to design and efficiently administer strategic interventions that raise profitability, lower risks and address those specific constraints that prevent the sector’s access to credit. The three policy regimes in Uganda were overall although they improved the credit environment, they were not sufficient to impart comparative advantage to agriculture to enable the sector to compete for credit, along with other non-agricultural sectors⁷.

STATEMENT OF THE PROBLEM:

In Tamil Nadu state, Sivagangai is one among the district basically this district is one of the rural district majority of the people lived in this district depending upon the agriculture activities. Agriculture plays major role in this district the people who lived in this district were fully depended on the agriculture activities. In this district there are 9 taluks, 12 blocks & 445 Panchayat Villages. The farmers who lived in sivagangai district they are always facing many problems while cultivating the farming activities. The main problem of farmers in Sivagangai district is scarcity of water. Most of the time small farmers are facing difficult situations which make them unable to continue their farming. In order to continue the agriculture activities they are always in need of credit for the purchase of seeds fertilizers and other agricultural inputs. So the farmers mortgage the jewel from the any one of the financial institutions and fulfill their needs. Even though the farmers mortgage the jewel loan from the bank farmers facing many problems while availing agriculture jewel loan from the bank. Service Quality as the extent to which a service meets customers’ needs or expectations.

OBJECTIVES OF THE STUDY:

The main objective of the study is to analyze the proper utilization of agriculture jewel loan in sivagangai district.

POPULATION OF THE STUDY:

The present study was carried out with the objective to find out the problems faced by farmers while availing agriculture jewel loan in Sivagangai District. The researcher reviewed the related literature on agriculture jewel loan to identify the research gap. Both Primary and secondary data had been used in the study. The primary data were collected from the farmers in Sivagangai district. The sivagangai district is divided into Nine taluks that are given in below **table 1.1**. The Researcher selected the sample size by choosing three methods.

The First Method, the researcher selected the Financial Institutions. Financial Institutions in terms of Commercial Banks, Tamil Nadu Gramma Bank & Primary Agriculture Co-operative Credit Society. In Commercial banks, the researcher has chosen four Public Sector banks and one private sector banks. The researcher had chosen those banks because those banks had higher number of bank branches the selected banks such as Indian Bank, Indian Overseas Bank, Canara Bank, SBI & HDFC Bank.

Second Method, the researcher selected taluks due to higher number of bank branches

Researcher not able to cover all the banks so, the researcher selected two taluks among Nine taluks because those two taluks had higher number of bank branches.

Third Method, the researcher selected the sample taluks such as Sivagangai & Karaikudi Taluk. The above two taluks only had higher number of bank branches. Finally, the total number of bank branches had given **below the table 1.1**

Table No.1.1

Total Number of selected banks branches Sivagangai District

S. No	Bank Branches	Total Sample Bank
1	Indian Bank	38
2	Indian Overseas Bank	22
3	Canara Bank	21



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Authored by:

Dr. Mrs. S. Fatima Rosaline Mary, Associate Professor

From

Fatima College, Affiliated to Kamaraj University, Madurai

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