



## PROBLEMS FACED BY FARMERS WHILE AVAILING AGRICULTURE JEWEL LOAN TOWARDS BANKS WITH SPECIAL REFERENCE TO SIVAGANGAI DISTRICT

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### Abstract:

*Agriculture credit plays an important role of our country. Agriculture contributes one third of the national Income. It plays a strategic role in the economic life of the Indian society. In India, agriculture contributes one-third of the national income. Sixty percent of the export directly or indirectly originates from the agriculture sector. The main problem of farmers in Tamil Nadu 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 keep their jewel in bank particularly it is referred as Agriculture jewel loan. Bank provides different types of loan one of the loan is referred as agriculture jewel loan with the favor of farmers. In agriculture jewel loan rate of interest is very less comparatively it may differ from bank to bank. Farmers were also faced many problems while getting agriculture jewel loan. Therefore this paper tries to analyze the problems faced by farmers while availing agriculture jewel loan towards banks with special reference to sivagangai district. Farmers may covered under financial institutions such as Commercial banks, Primary Agriculture co- operative credit society and Tamil Nadu Gramma Bank. 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 said that among four factors, four variables were most problems faced by farmers while availing agriculture jewel loan such as Long paper work processing, Higher rate of service charges, Ill Treatment of Farmers & Requirement Patta.*

**Keywords:** Agriculture Jewel loan, Farmers, Rate of Interest

### Introduction:

Agriculture is the backbone of Indian economy. The prosperity of the country depends up on the agriculture sector. It plays a strategic role in the economic life of the Indian society. In the Indian economy agriculture contributes one-third of the national income. Sixty percent of the export directly or indirectly originates from agriculture sector. It provides employment to 67 percent of the work forces. It plays a decisive role in economic development and planning and provides numerous to the industrial and service sector. India has emerged as a significant agri-exporter in a few crops viz. rice, cotton, sugarcane, cashew nut, castor seed and groundnut. As per WTO's Trade Statistics, the share of India's agricultural exports and imports in the world agriculture trade in 2015. Agricultural exports as a percentage of agricultural GDP has increased from 12.14% in 2011-12 to 12.19 % in 2014-15. A majority of banks and NBFCs offer gold loans for farmers to help them with their agricultural and allied activities such as crop cultivation, purchase of machinery or irrigation equipment or to cover post-harvest expenses. The agriculture gold loans are available at relatively low-interest rates and may offer certain relaxations on loan processing and repayment. Agriculture gold loan eligibility, tenure, loan amount and interest charges vary from one lender to another. Below are more details on gold loan for agriculture. India's exports of basmati rice may rise to Rs 22,000-22,500 crore (US\$ 3.42-3.49 billion), with volume to around 4.09 MT in 2017-18, backed by a rise in



average realizations. Wheat production in India is expected to touch an all-time high of 96.6 MT during 2016-17.

#### Review of Literature:

**Sanjay Kumar and R.S. Dixit (2008)<sup>1</sup>** have conducted their study on “**An Analysis of Factors Affecting the Credit Need of Tribal Farmers in India**” brought out that one of the important handicaps faced by the tribal in improvement of their lot is inadequacy of institutional credit. Lack of sufficient credit is one of the serious inhibiting factors in the modernization of the traditional agriculture in the tribal areas. 140 households spread over 8 villages of 4 development blocks of Ranchi district of erstwhile Bihar state, India were interviewed through a specially designed questionnaire. As the study was divided in less developed region and developed region, 70 respondents were taken from each region. Regression equation was fitted to know the importance of each selected variables on credit requirement of the tribal farmers of three groups in the two regions. Farm borrowing in the case of “all farmers” of less developed region are significantly sensitive to fixed capital expenditure, expenditure on consumption and non-farm activities. Variations in farm borrowings can also be explained to some extent by working capital expenditure, expenditure on fertilizers and loans outstanding variables. Thus, across the two regions there are differences in the factors impacting farm borrowings and also there are differences in the extent of influence of these explanatory variables.

**C. Mahadeva Murthy B. H. Suresh and K. P. Veena (2009)<sup>2</sup>** in their article entitled on “**Dimensions of Institutional Finance for Agricultural Activities: An Analysis**” pointed out that agriculture is a way of life, a tradition, which for centuries has shaped the thought, the outlook, the culture and the economic life of the people of India. Nearly 61 per cent of the workforce depends upon agriculture for livelihood. Credit is a vital factor of the production function, more so in Indian agriculture. The paper concludes that institutional credit has played a vital role in supporting cultural production in India and the amount of institutional credit for agriculture and allied activities has increased over the years.

**S. Gandhimathi and S. Vanitha (2010)<sup>3</sup>** in their study “**Determinants of Borrowing Behaviour of Farmers – A Comparative Study of Commercial and Cooperative Banks**”, analyzed that the preference of farmers between commercial and cooperative banks for borrowing has been studied with the objectives of finding distribution of institutional credit across various categories of farmers and to assess the coverage and quantum of credit and socio-economic factors which tell on the borrowing behavior of farmers towards commercial and cooperative banks. In the study, based on 100 farmer borrowers, the discriminate analysis has been carried out. The study has offered some suggestions also for a better access of farmers to institutional credit.



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### 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.

### Need For the Study:

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 and analyze the problems faced by farmers while availing agriculture jewel with special reference to sivagangai district.

### Objective of the study:

The main objective of the study is to analyze the Problems Faced by farmers while availing agriculture jewel loan.

### Research Methodology:

Research methodology is the scientific approach to validate the research design. It is the process by which the researcher produces authentic research findings. The methodology part Provides details about the research design for the study, the nature and source of data collected for the study and details about the research instrument used.

### Sources of data:

The primary data were collected using structured Face to face, self administered, interview schedule was used as a data collection tool to collect the data from farmers' and Secondary data were collected from Reserve bank of India Publications & Report.



**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 1.2**

**Table 1.1**  
**List of Taluks in Sivagangai District**

S.NO	List of Taluks
1	Sivagangai
2	Kalayarkovil
3	Manamadurai
4	Thiruppuvanam
5	Ilayankudi
6	Devakottai
7	Karaikudi
8	Thirupattthur
9	Singampunari

**Source: Handbook of statistics of Sivagangai District Profile, 2018**