



ROLE OF ANDHRA PRAGATHI GRAMEENA BANK IN PROMOTING AGRICULTURAL DEVELOPMENT IN ANANTAPURAMU DISTRICT

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ABSTRACT

Agriculture has always been the backbone of the Indian economy and despite concerted industrialization in the last six decades, agriculture still occupies a place of pride. It provides employment to around 60 per cent of the total work force in the country. Institutional credit and its utilization for farm production has become one of the major plans of agricultural development policy in the developing world. India's experience is no different from that of the rest of the world. The Commercial banks are playing very important role in national economy after the nationalization of banks and it is also an important source of finance in rural agricultural development for raising the yield and farm business income. It is also concentrates for increasing employment, productivity, procuring fixed assets and investment. The present paper concentration of impact of Andhra Pragathi Grameena Bank on rural agricultural development in Anantapuramu district of Andhra Pradesh.

Keywords: Institutional credit, Agriculture ,and Employmet.

INTRODUCTION

“Agriculture has always been the backbone of the Indian economy and despite concerted industrialization in the last six decades, agriculture still occupies a place of pride. It provides employment to around 60 per cent of the total work force in the country. Figures provided by the Central Statistical Organisation (CSO) reveal that in 1950-51, the share of agriculture in Gorss Dmoestic Product (GDP) was around 55 per cent. As the process of industrialization and economic growth gathered momentum under the Five Year Plans with manufacturing and service sectors growing rapidly and agriculture sector limping along, the percentage share of agriculture in GDP declined and reached a level of 13.9 per cent. Two important facts must be emphasized her: (a) agriculture contributed a major share of the national income in India at one time and (b) the share of agriculture in national income, however, has been decreasing continuously while the shares of the manufacturing and service sectors are increasing”.

Since independence, a multi-agency approach consisting of co-operatives, commercial banks and region rural banks- known as institutional credit-has been adopted to provide cheaper and adequate credit to development. The major policy in the sphere of agricultural credit has been its progressive institutionalization for supplying agriculture and rural development programmes with adequate and timely flow of credit to assist weaker sections and less developed regions. The basic objectives of this policy are:

- to ensure timely and increased flow of credit to the farming sector;
- to reduce and gradually eliminate the money lenders from the rural scene;
- to make available credit facilities to all the regions of the country side., reduce regional imbalances:
and
- to provide larger credit support to areas covered by special programmes like pulses development programmes, special rice production programmes and the National Oilseeds Development project.

Institutional credit, as mentioned earlier, refers to the funds made available by cooperative societies, commercial banks, and Regional Rural Banks (RRBs). In the field of co-operation, the Primary Agricultural Credit Societies (PACs) provide mainly short and medium term loans and Land Development Banks (LDBs) provide long term loans to the agricultural sector. The commercial banks including Regional Rural Banks provide both short and long term loans for agriculture and allied activities. The National Bank for Agriculture and Rural Development (NABARD) is the apex institution at the national level for agricultural credit and provide refinance assistance to the agencies mentioned above. The Reserve Bank of India, as the central bank of the country, play a crucial role by giving over-all direction to rural credit and financial support to the National Bank for its operation. One of the objectives held at the time of nationalization was to persuade the commercial banks to supply credit in favour of the priority sectors so as to enable the beneficiaries depending on these sectors to generate more employment, income, production, savings and assets by using the available borrowed funds. It is further envisaged that once this goal is realized this would help the beneficiaries of different sections to cross the poverty line. In view of this, an attempt is made to study as to what extent the sample borrowers of the development have succeeded in generating employment, income, production, savings and assets with the borrowed amounts of loan from Andhra Pragathi Grameena Bank.

Importance of agriculture

Agriculture is one of the ancient occupations of the human beings. People have engaged in this occupation, since the beginning, of the cultivation. Agriculture has been described as “ the art of cultivating the land.” It is tilling the land, protecting the plants, and growing crops for the benefit of people and cattle. Agriculture, also includes fisheries, cattle-rearing and forestry. Agriculture, is the main occupations of the Indians. It can be seen in all parts of the country, in different forms and growing different crops. Agriculture supplies food grains to the huge population of the country.. it is a life-subsistence occupation and provides employment opportunities more than other sectors of economy. There are many industries in India which depend on the raw materials supplied by agriculture. Thus, indirectly, agriculture nurtures many industries like chemical fertilizers, pesticides, insecticides, industries manufacturing farming equipments etc. Agriculture supports even many tertiary occupations like transport, trade, banking etc.

Different types of farming exist in India

They are ;

1. Intensive farming;- Growing 2-3 crops on the same plot in a year is called intensive farming. India's population being, huge, there is large demand for agricultural products. Hence this kind of farming is in practice in areas which are fertile, and have huge population.
2. Subsistence farming;- development settle down at a particular place and grow crops for their own use is called subsistence farming. In this kind of farming, development grow food grains, oil seeds, vegetables etc.
3. Commercial Farming;- Agriculture practiced for commercial purpose is called commercial farming. Tobacco, sugarcane, cotton tea, coffee, rubber etc are commercial crops.
4. Mixed farming;-Mixed farming is raising of crops and cattle rearing, poultry, bee keeping, sericulture etc.
5. Plantation farming;-It refers to the cultivation of a single crop over a large area. It is one of the important types of Indian agriculture. Coffee, Tea and Rubber is the important plantation crops of India.

The backwardness of agriculture in India

There are so many reasons for the backwardness of agriculture in India

Old methods of cultivation

The Indian farmer is still using old method of cultivation like bullock cart, and traditional method of cultivation. These are not helping to yield the largest seeds. Even the agricultural as well as cropping methods are outdated which does not provide sufficient crop production.

Vagaries of monsoons

Vagaries of monsoons as well as uncertainty of monsoons' are also important cause for the backwardness of agriculture in India. If one year there is outcome of flood, next year the outcome is famine. If there is flood, there is also destroy of crops because the due to excess of water, the small seedlings flow in water. If there is famine, there is no development of crops due to shortage of water. In both conditions also. There is destroy of crops and it leads to the fewer yields of crops.

Creation of small holdings

The creation of small holdings also leads to the backwardness of agriculture. After the death of father, whatever the agricultural land is divided among sons. Again in next generation, again the land is divided into small pieces. When the small agricultural land is remained to farmer, he cannot invest money in agriculture, for the cause of development. Even in some time, the farmer cannot grow the crops for his domestic purpose also.

Soil Erosion

Soil erosion is also another cause of backwardness of agriculture in India. Due to flood, the top layer of the soil absorbs in rushing water, which is full of nutrients, are absorbs in water. So the soil loses its fertility and it becomes useless for the growth of plants and whole the land becomes barren land. Due to the soil erosion there is fewer yields of crops.

Rural indebtedness

The rural indebtedness is also one of the main reason for the backwardness of agriculture in India. When a farmer is not having sufficient money to invest or modernizes in agriculture he seeks to the help of the landlords. He is not in a having condition to approach the banks for loan because of his illiteracy. So he approaches the local landlords who takes hiss thumb impression on blank paper and starts to collect complex interest with principal amount. When this farmer is not in a condition to repay the loan, at that times he sends his son to work in the houses of landlord to repay the loan. There is a sentence about the condition of Indian farmer “ Thee farmer born in debt, live in debt and die in debt”

OBJECTIVES

1. To review the theoretical background of financial institutions for agriculture
2. To analyse the impact of Andhra Pragathi Grammeena Bank on rural development in Anantapuramu district

METHODOLOGY

Sample design and data collection:

The study covers the Anantapuramu district in Rayalaseema region of Andhra Pradesh. The district have five revenue divisions. Convenience of the researcher, one mandal were selected from each revenue division, each mandal 60 sample households were identified and selected. Altogether five mandals, 300 sample respondents covers in the study area. The present study based on both primary and secondary data. The primary data were selected from agricultural development who are benefited by the Andhra Pragathi Grameena Bank in Anantapuramu district through a structured Interview-Schedule and also conducted personal interview of development as well as bank officials. The secondary data were collected from dailies, journals, various agricultural annual reports, published and unpublished theses, various university libraies and websites etc.

Tools used:

In the process of analysis and interpretation of the present data various statistical tools used in appropriate places wherever the necessary.

DATA ANALYSIS AND RESULT

The main objective of regional rural banks to provide financial assistance to the rural agricultural development to generate income, increasing employment opportunities for social and economic development of the development. The study covers three types of development, small development, medium faremrs, and large development. The small development generate the employment

i.e., 31160 days, medium development generate 43950 employment days and large farmer have 94367 employment days before taken the financial assistance from the Anantha Pragathi Grameena Bank in the Anantapuramudistrict of Rayalaseema region of Andhra Pradesh. After availing financial assistance from the select bank, it was significantly contributed towards the generation of employment and adopt latest machines and agricultural practices for increasing their productivity in all categories of development in the study area. The table 2 reveals that the cost and income of the development before taking loans in Anantapuramu district. It is evident from the study above, the highest cost per acre (i.e., Rs.12,374, large development Rs. 12,311) is indicate in the Small development and large development and remaining medium farmer have low cultivation cost per acre i.e.,Rs.10,970 when compare to other category development. In case of income from the cultivation, income per acre is gain by the small development i.e, Rs.22,432 followed by large development (Rs. 21,461) and medium development (Rs. 18,920) before availing the loan respectively. The analysis per acre income increased before loan to after loan period is reported Rs.1270 in case of small development. In case of large development were getting income per acre Rs. 1,178 after availing loan amount.

It indicates a definite improvement of income after the use of agriculture credit by Andhra Pragathi Grameena Bank in Anantapuramu district of Andhra Pradesh. It is noticed that per acre cost of cultivation and per acre income are increased from pre-loan period to post-loan period of all categories of sample borrowers is presented in the table 3. One of the principal aims of commercial banks since the nationalization of banks was to encourage development to create and acquire assets out of bank loans and earn a reasonable income to lead decent life with quality. Assets are the one of the economic development of the any one in to the nature. Every farmer forming their land and get income through different crops in a year which availability of all resource and also procuring additional assets from their agricultural income. It is witnessed from the table 4 about the impact of borrowing on assets of selected households in Anantapuramu district. It shows that, the small development assets were increased after getting financial assistance from the commercial banks from Rs. 3,37,49,865 to Rs.3,51,13,635 average, medium development assets were average increased from Rs. 2,72,29,140 to Rs.83,680. It is also positive impact on large development also increased their assets from Rs.3,83,63,400 to Rs.3,96,66,833. In case of assets per individuals, the large

Table-1: Details of selected households in employment Generation through institutional credit

(man days)

	Borrowers			%
	Before loan	After loan		

Type of farmer	area	Empl oyment	Per acre Empl oyment	area	Empl oyment	Per acre Empl oyment	Total increased employ ment	to total
Small development	365	31160	85	375	35250	94	4090	13.12
Medium development	496	43956	88	564	55272	98	11316	25.74
Large development	964	94367	97	987	112622	114	18250	19.33

Table 2: Details of Cost and income of selected development before taking loan

Type of farmer	Area	Cost	Cost of per acre	Income	Income per acre
Small development	365	45,16,510	12,374	81,87,680	22,432
Medium development	496	54,41,120	10,970	93,84,320	18,920
Large development	964	1,18,67,804	12,311	2,06,88,404	21,461

Table 3: Particulars Cost and income of selected development after taken the loan

Type of development	Area	Cost	Cost of per acre	Income	Income per acre
Small development	375	49,03,125	13,075	88,88,548	23,702
Medium development	564	67,06,524	11,891	1,15,66,767	20,508

Large development	987	1,28,18,169	12,987	2,23,45,116	22,639
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Table 4: Particulars of assets of sample development before and after loan taken

(In Rs.)

Type of farmer	development						Value of assets increased
	Before loan			After loan			
	No. of development	Value of total assets	Assets value per households	No. of development	Value of total assets	Assets value per households	
Small	135	33749865	2,49,999	135	3,51,13,635	2,60,101	13,63,770
Medium	90	2,72,29,140	3,02,546	90	2,90,83,680	3,23,152	18,54,540
Large	75	3,83,63,400	5,11,512	75	3,96,66,833	5,51,114	13,10,483

Table 5:Details of saving amount of selected development

(In Rs.)

Category Wise development	Famers					
	Before loan			After loan		
	No. of house holds	Total savings	Per house hold savings	No. of house holds	Total savings	Per house hold savings
Small	135	10,96,200	8,120	135	12,10,950	8,970
Medium development	90	10,08,090	11,201	90	11,16,000	12,400

Large development	75	10,62,000	14,160	75	12,15,000	16,200
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development assets have highly increased while comparing to other type of development in the district of Anantapuramu. While increasing the value of total assets was represents who are medium development in the study area. The objective of any Nationalised banks are providing credit facility to the rural development for cultivation of their agricultural lands and also increasing their socio-economic development. This has given the scope to development to generate income, savings and investment for future development. Table 5 reveals that household savings of borrowers. The total average savings increased from before and after loan period of all selected rural development and also per households saving also increased after loan period. This is evident from the above results after receiving loan from the banks and utilizing the same amount for improving of agricultural practices in selected anantapuramu district. It is concluded that, it is significant impact on empowerment of rural development after getting the financial assistance from the banks.

CONCLUSIONS

Commercial banks are playing vital role in development of nations economy. Especially, in agricultural sector every farmer getting financial assistance from the banks for development of agriculture. After the nationalization of banks, it become an very important financial sources of rural agricultural development in India. In is evident from the study, every farmer economic status, social status, in the form of agricultural practices, employment generation have been increased after borrowing the amount of different types of development from the Anantha Grameena Bank in selected study area. It is suggested that, the selected study areas very drought –prone area in Andhra Pradesh because there is no sufficient rainfall. Hence, the government takes initiative and gives more subsidies, sufficient financial assistance without any obligations for encouragement of young rural development, definitely we can reduce the suicide of development in the study area.

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