Original Research Article

Progress and Performance of Kisan Credit Card Scheme in Different Regions of Rohtak District in Haryana

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A B S T R A C T

A field study was conducted from the sample KCC holders and actual own experience in the field and discussion with all concerns during the year 2018-19 for the required primary data collection while For collection of the secondary data on the Kisan Credit Card Scheme, were taken for five years i.e. from 2014-15 to 2018-19 as the reference period at different locations of the Rohtak district of Haryana state to find out the utilization pattern of kisan credit card by the farmers, to analyze the constraints faced by the farmers while issuing of KCC and repayment of loan and the strategies to overcome these constraints, to analyze the impact of KCC on the enhancement in agricultural production. The research revealed that KCC holders' income was significantly increased. This was statistically confirmed by applying paired t-test to the collected data. KCC scheme had positive impact on agricultural productivity among farmers. The study also highlighted that the total factor productivity among farmers had increased from 1.38 in the pre-loan period to 1.64 in the post-loan period. The average total factor productivity after availing the loan increased by 0.26, which indicates 18.9 percent increased over the pre-loan period. About 24 percent were found to be dependent on informal sources of credit. Majority of the KCC holders fully reduced the agricultural indebtedness. The results of the study reveal that KCC beneficiary farmers have obtained higher production, productivity and net profit when compared with KCC non beneficiary farmers.

Introduction

Agriculture sector is the mainstream of Indian economy and the most important sector of the Indian Economy When any change in the agriculture sector- "positive or negative"- has multiple effect on the entire economy Therefore; the sustainable development of agriculture is the most important for acceleration in the Indian economy. Agriculture development is influenced by several factors like as irrigation, market, infrastructure and credit (Hooda, 2011). Out of these factors credit is crucial input for sustainable development of agriculture. Government of India has been taken several steps in context of agriculture credit. Kisan Credit Card is one of them. In 1998 Kisan Credit Card Scheme was introduced for smoothly flow of agriculture credit. It has emerged as an innovative and indispensable credit delivery mechanism to meet the credit

needs of farmers in a timely and hassle free manner. Right from its inception the farmers are enjoying the embedded advantages.

The present study is an attempt to analyze the impact of Kisan Credit Card Scheme on agricultural income and productivity among farmers. The focus of the study is on adequacy and timely availability of credit, it also makes assessment of credit utilization, repayment performance, cost of credit, time lag in getting loans and role of the scheme to reduce the agricultural indebtedness.

Government of India has been taken several steps in context of agriculture credit. Kisan Credit Card is one of them (Rajamohan and Subha, 2014). This scheme has facilitated the availability of credit in time and has simplified the procedure for availing loan from banks to a large extent (Nahatkar *et al.*, 2002). Credit is an important component in agriculture with crop loans constituting a major portion of disbursements.

The Kisan Credit Card Scheme was introduced in India in 1998- 99 by then finance minister Yashwant Sinha. Kallur, M.S. (2005). Consequent to this NABARD has prepared a model kisan credit card scheme in consultation with the major banks on the basis of R V GUPTA Committee. The sustained and rapid growth in agriculture can be achieved mainly through an increase in productivity which is only possible through provision of adequate and timely credit, on the one hand, and accelerated development and dissemination of improved technologies, on the other (Singh and Sihag, 2018). Sharma (2006) revealed that higher percentage 45.00 percent of the respondents belonged to medium annual income category. Sowjanya (2007) reported that majority (57.14%) of the respondents belonged to medium income groups, while 71.42 per cent of the respondents belonged to low income category

groups. Parmar (2008) reported that a higher percentage of the beneficiaries (43.33%) had medium level of annual income. The net profit was Rs. 24120.11 per hectare in case of KCC beneficiaries and Rs 23551.34 per hectare in case of non-KCC beneficiaries.

Materials and Methods

Research Design

A research design is the framework or plan for a study used as a guide in collecting and analyzing data. According to the objective and requirement of a study different type of research design can be use to study different problem. Exploratory research design was used in the present study (Table 1–11).

Area of the study

Rohtak district of Haryana State was the study area.

Unit of study

KCC holder's household was the unit of the study.

Sampling method

In order to fulfillment of the above mentioned objectives, the study was conducted in the Rohtak district of Haryana. The district is divided into three tehsils namely Rohtak, Maham, and Sampla. The district was purposively selected as a newly formed and agriculturally less developed district in the state. For selection of sample KCC holders, five branches in each tehsil which has made a higher progress in implementing Kisan Credit Card scheme were selected. For the selection of respondents a list of all the beneficiaries who benefited under KCC scheme were obtained from the selected bank branches.

After getting list of beneficiaries (KCC holders), from each branch 20 farmers were selected using simple random sampling with due representation to various types of farmers according to their land-holding size.

Thereby 100 KCC holders from each tehsil were selected for the study. So the numbers of KCC holders selected for the study were 300.

Period of the study

For collection of the secondary data on the Kisan Credit Card Scheme, five years i.e. from 2014-15 to 2018-19 were taken as the reference period. The required primary data were collected from the sample KCC holders and actual own experience in the field and discussion with all concerns during the year 2018-19.

Table.1 Tehsil - wise list of surveyed branches of the District Rohtak

S.No.	Tehsil	S.No.	Bank Branches
1.	Rohtak	1.	SBI, Rohtak
		2.	DCCB, Rohtak
		3.	Bank of India, Rohtak
		4.	PNB, Rohtak
		5.	Union Bank of India, Rohtak
2.	Maham	1.	SBI, Maham
		2.	RRB, Maham
		3.	DCCB, Maham
		4.	UCO, Maham
		5.	Union Bank of India, Maham
3.	Sampla	1.	SBI, Sampla
		2.	DCCB, Sampla
		3.	RRB, Sampla
		4.	PNB, Sampla
		5.	Union Bank of India, Sampla

Table.2 Land type -wise distribution of the sample KCC Holders

Land Type	Tehsil			Total
	Rohtak	**Maham**	**Sample**	
Irrigated	85	82	80	247 (82.3)
Non Irrigated	15	13	15	53 (17.7)
Total	100	100	100	300 (100)

Source: Field Survey. Figures in parentheses indicate percentage to total

Table.3 Impact of KCCS on agricultural income

Particulars	Category of Sample KCC Holder					Total
	Marginal	**Small**	**Semi Medium**	**Medium**	**Large**	
Mean Pre Loan (Rs.)	21081.08	32415.73	49584.90	111685.19	242142.86	61140.00
Mean Post Loan (Rs.)	35135.14	56595.50	88433.96	193425.92	413928.57	106503.33
Difference In Income (Rs.)	14054.06	24179.77	38849.06	81740.73	171785.71	45363.33
% Change In Income	66.67	74.59	78.35	73.19	70.94	74.19

Table.4 Impact of KCC on agricultural productivity

Particulars	Category Of Sample KCC Holder			Total
	MARGINAL	SMALL	LARGE	
TFP Before KCC	1.25	1.39	1.34	1.38
TFP After KCC	1.43	1.61	1.63	1.64
Difference In TFP	0.18	0.22	0.29	0.26
% Change In TFP	14.4	15.8	21.6	18.9

Source: Field Survey

Table.5 Source of Irrigation -wise distribution of the sample KCC holders

Source of Irrigation	Tehsil			Total
	Rohtak	**Maham**	**Sampla**	
Tube Well	29	35	26	80 (32.4)
Pond	10	08	06	24 (9.7)
Well	32	24	31	87 (35.3)
River	19	14	17	50 (20.2)
Canal	03	01	02	06 (2.4)
Total	83	82	82	300 (100)

Figures in parentheses indicate percentage to total
Source: Field Survey

Table.6 Land type -wise distribution of the sample KCC holders

Land Type	Tehsil			Total
	Rohtak	Maham	Sampla	
Irrigated	85	82	80	247 (82.3)
Non Irrigated	15	13	15	53 (17.7)
Total	100	100	100	300 (100)

Figures in parentheses indicate percentage to total
Source: Field Survey

Table.7 Gender -wise distribution of the sample KCC holders

Gender	Tehsil			Total
	Rohtak	**Maham**	**Sampla**	
Male	80	90	80	250 (83.33%)
Female	20	15	15	50 (16.67%)
Total	100	105	95	300 (100)

Table.8 Age-wise distribution of the sample KCC holders

Age Group	Number of KCC Holders	Percentage of Total
18-25	27	9.0
25-32	29	9.7
32-39	114	38.0
39-46	93	31.0
46-53	14	4.7
Above 53	23	7.7
Total	300	100

Source: Field Survey

Table.9 Family size of the sample KCC holders

Family Size	Number of KCC Holders	Percentage to Total
Upto 2	72	24.0
3-5	174	58.0
6-8	47	15.7
Above 8	7	2.3
Total	300	100

Source: Field Survey

Table.10 Education-wise distribution of the sample KCC holders

Education	Tehsil			Total
	Rohtak	Maham	Sampla	
Illiterate	42	45	44	131 (43.66)
Primary	22	21	25	68 (22.66)
Middle	21	19	15	55 (18.3)
High School	9	9	8	26 (8.66)
Higher Secondary	4	4	5	13 (4.33%)
Graduate and above	2	2	3	07 (2.33)
Total	100	100	100	300 (100)

Figures in parentheses indicate percentage to total
Source: Field Survey

Table.11 Impact on productivity before and after KCC

Parameters	Before taking KCC	After taking KCC
Marginal farmers (0-2.5 acres)		
Productivity (q./ha.)	40	43.50
Gross income (Rs/ha.)	51450.50	68120.40
Net income (Rs/ha.)	16302	24800
Small farmers (2.5-5 acres)		
Productivity (q./ha.)	40.20	43.70
Gross income (Rs/ha.)	51707	68433.59
Net income (Rs/ha.)	16383.51	24914.02
Large farmers (>5 acres)		
Productivity (q./ha.)	40.73	44.00
Gross income (Rs/ha.)	52389.47	68903.39
Net income (Rs/ha.)	16599.51	25085.05

Results and Discussion

In conclusion

The results of the study would be useful to the farmers of ROHTAK in particular and of HARYANA in general, identifying the KCC scheme progress, impact, utility, constraints at the farmer level.

The findings would be helpful to the farmers for making appropriate decisions and how best the available credit resources could be judiciously utilized for increased farm income.

This study would be useful for financial institutes to assess the financial needs of the farmers and their constraints in availing loans.

At the micro level this study also guides the farmers to depend upon financial sources of loans rather than non-institutional sources and helpful to the planners, administrators and research workers for better planning and implementation.

From this research the observed data could be utilized to know the various constraints responsible for the success of the KCC

The observed data will help in understanding, what are the various changes that is needed at credit institutional level for the easy availment as well as repayment of the loan.

Ultimately this research will be helpful in the betterment of the farmers as a unit and country as a whole.

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