IMPACT OF AGRICULTURAL CREDIT ON THE LEVEL OF PRODUCTIVITY – A STUDY IN TELANGANA

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Abstract

Capital is considered to be one of the factors constraining development in developing countries. Capital lubricates the wheels of development in either agriculture or industry. Agricultural credit is considered as an economic ladder helping in the up-liftment of the poor peasantry. Credit, therefore, is consciously used as a lever of development. Modern agriculture from the phase of green revolution to gene revolution on scientific lines is credit intensive.

Agriculture credit has always been an important factor in improving agricultural productivity and strengthening the rural economy in every country. The need to address farm credit has now become even more vital amidst the increasing forces of globalization and economic liberalization which have narrowed the policy options of the Governments in many countries. Likewise, credit institutions have come to observe more rigid rules following international standards, and have been restricted to lessen their traditional role of protecting the interests of the farmers. Trade liberalization has also led to a considerable decline in agricultural product prices, consequently making farmer's cash-flows unstable. In the process, small-scale farmers' in developing countries have come to experience harsher farm credit environment. It is imperative, therefore, to enhance the efficiency and effectiveness of farm credit programs to cushion the impact of these recent trends on small and marginal farmer's particularly the potential destabilizing effects of increased exposure to price risks. Hence, the present study is initiated to examine the significance of agriculture credit on level of productivity, the only measure which can ensure inclusive growth of the poor peasantry.

Keywords: Agriculture Credit, Productivity, Development, Cotton Crop, Green Revolution

INTRODUCTION

Indian agriculture plays an important role in the development of the country; is the main source of livelihood of majority of Indian population .The key problem of agriculture, carried on in rural areas mostly by poor, small and marginal farmers and weaker section of the society. Credit is one of the critical inputs for agricultural development. It capitalizes farmers to undertake new investments and adopt new technologies, production and marketing activities. Also agricultural credit is an important input for improving agricultural production and productivity and mitigating farmer distress. Bank credit is available to the farmers in the form of short-term credit for financing crop production programs and in the form of medium-term/long–term credit for financing capital investment in agriculture and allied activities.

SOURCES OF AGRICULTURAL CREDIT

There are two main sources of agricultural credit:

1. Institutional sources

2. Non-Institutional sources

INSTITUTIONAL SOURCES: The institutional sector comprises government, co-operative, Commercial banks and regional rural banks there is control of government on the activities carried out by the institution.

NON-INSTITUTIONAL SOURCES: The non–institutional sector consists mainly of the professional and Non-professional moneylenders, relatives and friends of the farmers.

NEED OF THE STUDY

Agriculture sector in Telangana while contributing 14 percent of the Gross State Domestic Product provides direct and indirect employment to over 50 percent of the rural population. Thus, the agriculture sector with a small share in GSDP provides subsistence livelihood to a large section of population. Majority of farm families are small and marginal. Agriculture sector in the State is characterized by stagnation, low productivity, and frequent occurrence of droughts and low levels of public and private investments. Infusion of investment is the surest way to enhance agricultural productivity; Credit is one of the critical inputs for agricultural development. It capitalizes farmers to undertake new investments and/or adopt new technologies. The importance of agricultural credit is further reinforced by the unique role of Indian agriculture in the macroeconomic framework along with its significant role in poverty alleviation.

Realizing the importance of agricultural credit in fostering agricultural growth and development, the emphasis on the institutional framework for agricultural credit is being emphasized since the beginning of planned development era in India.

LIMITATIONS OF THE STUDY

The study has the following limitations:

• The study area covers Nalgonda and Warangal districts only.

• Only one commercial crop (i.e. Cotton) has been taken into consideration while measuring the impact of agricultural credit on farm productivity.

• Agricultural credit from the nationalized banks (i.e.-Institutional banks) and co-operative banks and RRBs has been considered.

• And credit from informal sector has not been taken into account.

OBJECTIVES OF THE STUDY

1. To analyze the vector of farm credit flows in select districts of Telangana.

2. To examine the impact of farm credit on agricultural productivity.

3. To explain the pattern of demand for and supply of farm credit.

4. To study the socio-economic living conditions of the peasantry with and without formal credit (Institutional).

5. To discuss the efficacy of policy and programs of farm credit.

METHODOLOGY

Towards the end of objectives and hypotheses 480 farmers were selected from selected districts of Telangana state mostly by adhering to the principles of stratified random sampling. The criteria of stratification are size of the farmer, social status, and sources of farm credit. The study will make use of both primary and secondary sources of data. For secondary sources of data the period of the study will be 10 years covering 2004 - 14 FY and for primary data 2014-15 FY year will be considered. The technique of multiple regressions will be used to measure the farm productivity attributable to farm credit, given seasons, irrigation facilities, as specified below.

$Y = a + b1X1 + b2X2 + b3X3 + U$

Where

Y= farm productivity

X1= Land size

X2= Formal credit (Borrowed)

X3= Labor

A, b1, b2, b3 are regression coefficients.

SAMPLE DESIGN

For the purpose of the study, Nalgonda and Warangal Districts were selected purposively. Total 480 farmers were selected by using multistage random sampling method. At the first stage two districts (Nalgonda and Warangal), at the second stage two mandals from each district at the third stage two villages from each mandal, at the fourth stage 60 samples from each village. Total 480 samples were selected randomly.
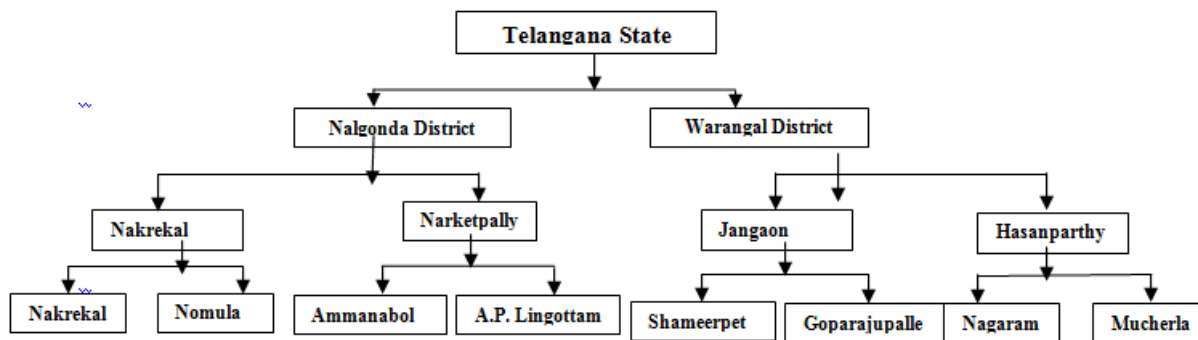
FINDINGS OF THE STUDY AREA

As was mentioned earlier, our study is on the "Impact of agricultural credit on the level of productivity: A study in Telangana" and collected primary as well as secondary data. Now we are presenting information based on primary data. Further it is partial analysis only.

Table-1 Village wise Total Sample Size of the Households

In the following table, number of sample villages and size of the sample presented. There are altogether, eight villages from four mandals selected and, the sample size is uniform i.e. 60.

Sl.No	Village	Sample
1	Nakrekal	60
2	Nomula	60
3	Ammanabol	60
4	A.P.Lingottam	60
5	Shameerpet	60
6	Goparajupalle	60
7	Nagaram	60
8	Mucherla	60
Total		480

Source: Primary Data

Table-2 Village wise Caste Composition of Family Members

Caste	Nakrekal	Nomula	Ammanabol	A.p.lingottam	Shameerpet	Goparajupalle	Nagaram	Mucherla	Total
SC	12 (9.52)	17 (13.49)	14 (11.11)	19 (15.07)	08 (6.34)	21 (16.66)	13 (10.31)	22 (17.46)	126 (100.0)
ST	04 (11.76)	00 (0.00)	03 (8.82)	05 (14.70)	11 (32.35)	01 (2.94)	06 (17.64)	04 (11.76)	34 (100.0)
BC	28 (13.72)	31 (15.19)	22 (1.78)	27 (13.23)	24 (11.760	25 (12.25)	29 (14.21)	18 (8.820	204 (100.0)
OC	16 (13.79)	12 (10.34)	21 (18.10)	09 (7.75)	17 0)14.65	13 (11.20)	12 (10.34)	16 (13.79)	116 (100.0)
Total	60 (12.5)	60 (12.5)	60 (12.5)	60 (12.5)	60 (12.5)	60 (12.5)	60 (12.5)	60 (12.5)	480 (100.0)

Source: Primary Data

Table-2 explains the village wise caste composition of family members. In all the sample villages together, there are about 480 family members are recorded of which 126 members of them are belongs to SC community,34 members are ST community, 204 members belongs to BC community, and other community people members is recorded is 116.

Among the sample villages, in the Mucherla village the highest (22) family members are belongs to SC community followed by Goparajupalle (21), A.P-lingottam (19, Nomula (17), Ammanabol (14), Nagaram (13) and Nakrekal (12) respectively. Among Composition of ST community, out of 34 members the highest numbers of ST (11) families are found in Shameerpet village followed by Nagaram (06), A.P –lingottam (05), mucherla (04) Nakrekal (04), Ammanabol (03), and Goparajupalle (01).

Among the sample villages, total number of BC family members are 204 of which the highest number i.e. 31 of BC's are found in Nomula followed by Nagaram (29), Ammanabol (22), and mucherla (18).

The composition of OC's among sample villages, reveals that the highest number of OC's are found in Ammanabol (21), followed by Shameerpet (17), mucherla and Nakrekal (16), Goparajupalle (13), Nagaram and Nomula (12), A.P-lingottam (09). And their respective percentages are recorded as 18.10, 14.65, 13.79, 11.20, 10.34, and 7.75 respectively.

Table-3 Village wise age Composition of Sample Households

Villages	Up to 25	26 – 35	36 – 45	Above 45	Total
Nakrekal	06	18	27	09	60
Nomula	02	19	25	14	60
Ammanabol	00	21	29	10	60
A.P.Lingottam	08	14	18	20	60
Shameerpet	04	00	27	29	60
Goparajupalle	08	12	23	17	60
Nagaram	07	18	21	14	60
Mucherla	03	16	22	19	60
Total	38 (7.91)	118 (24.58)	192 (40.0)	132 (27.5)	480 (100.0)

Source: Primary Data

Table-3 reveals the village wise age composition of sample households. For the purpose of simple understanding, age composition is sub divided in to four groups. I.e. up to 25, 26-35, 36-45 and above 45.In all villages together, about 7.91 per centage are having the age up to 25 and this number is 38. In all villages together between 36-45 age group households are in more number (192). It is accounted for 40 per centage followed by 27.5, 24.58, and 7.91.

Table-4 Village wise Nature of the Family of Sample Households

Villages	Nuclear	Joint
Nakrekal	28	32
Nomula	12	48
Ammanabol	29	31
A.P.Lingottam	08	52
Shameerpet	25	35
Goparajupalle	21	39
Nagaram	17	43
Mucherla	26	34
Total	166 (34.58)	314 (65.41)

Source: Primary Data

Table 4 shows that in all villages together there are 314 households (65.41%) are belongs to joint family where as 166 sample households (34.58%) are from nuclear families.

Table-5 Village wise Education Status

Villages	Literates	Up to school Education	Illiterates	Total
Nakrekal	13 (21.66)	24 (40.00)	23 (38.33)	60 (100.00)
Nomula	09 (15.00)	32 (53.33)	19 (31.66)	60 (100.00)
Ammanabol	18 (30.00)	21 (35.00)	21 (35.00)	60 (100.00)
A.P.Lingottam	14 (23.33)	28 (46.66)	18 (30.00)	60 (100.00)
Shameerpet	26 (43.330	18 (30.00)	16 (26.66)	60 (100.00)
Goparajupalle	28 (46.66)	12 (20.00)	20 (33.33)	60 (100.00)
Nagaram	15 (25.00)	27 (45.00)	18 (30.00)	60 (100.00)
Mucherla	24 (40.00)	13 (21.66)	23 (38.33)	60 (100.00)
Total	147 (30.62)	175 (36.45)	148 (30.83)	480(100.00)

Source: Primary Data

The above table-5 explains village wise educational status. Educational status divided in to three groups i.e. Literates and up to school education and illiterates. In this study total respondents are 480 which respect 8 villages. Educational level of the villages up to school education is the highest i.e. 36.45 followed by illiterates 30.83 and literates 30.62.

Village wise up to school education people are highest in Nomula 53.33 followed by A.P- lingottam 46.66, Nagaram 45.00, Nakrekal 40.00 and Ammanabol 35.00, Shameerpet 30.00, mucherla 21.66 and Goparajupalle 20.00 and illiterates are lowest in Shameerpet 26.66 followed by Nagaram 30.00, A.P- lingottam 30.00, Nomula 31.66, Goparajupalle 33.33, Ammanabol 35.00, Nakrekal and Mucherla 38.33. Literate level is highest in Goparajupalle 46.66, Shameerpet 43.33 followed by mucherla 40.00, Ammanabol 30.00, Nagaram 25.00, A.P- lingottam 23.33 and Nakrekal 21.66, Nomula 15.00.

Table-6 Village wise Farmers Category

Villages	Marginal & Small (0 to<2.5acres & 2.5 to<5 acres)	Medium (5 to<10 acres)	Large (10 &Above)	Total
Nakrekal	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Nomula	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Ammanabol	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
A.P.Lingottam	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Shameerpet	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Goparajupalle	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Nagaram	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Mucherla	**20 (33.33)**	**20 (33.33)**	**20 (33.33)**	**60 (100.00)**
Total	**160 (33.33)**	**160 (33.33)**	**160 (33.33)**	**480 (100.00)**

Source: Primary Data

Table- 6 explains that the categorization of sample farmers based on their land holdings.In all the sample villages together, it is found that there are about 480 total number of farmers. Farmers categories in to three groups i.e. marginal & small farmers (0 to < 2.5 acres & 2.5 to < 5 acres), medium farmers (5 to < 10 acres), and large farmers (10 & above). In all villages total number of marginal & small farmers consists of 160 (33.33), medium farmers 160 (33.33), large farmers 160 (33.33) which reveals equal representation of three categories of farmers among the sample villages.

Table-7 Village wise Source of Irrigation

Villages	Canals	Bore well	Rain fall	Others	Total
Nakrekal	**08 (22.22)**	**03 (8.82)**	**48 (11.94)**	**01 (12.5)**	**60 (12.5)**
Nomula	**02 (5.55)**	**05 (14.70)**	**53 (13.18)**	**00 (0.00)**	**60 (12.5)**
Ammanabol	**11 (30.55)**	**02 (5.88)**	**47 (11.69)**	**00 (0.00)**	**60 (12.5)**
A.P.Lingottam	**04 (11.11)**	**02 (5.88)**	**54 (13.43)**	**00 (0.00)**	**60 (12.5)**
Shameerpet	**00 (0.00)**	**04 (11.76)**	**55 (13.68)**	**01 (12.5)**	**60 (12.5)**
Goparajupalle	**3 (8.33)**	**06 (17.64)**	**51 (12.68)**	**00 (0.00)**	**60 (12.5)**
Nagaram	**8 (22.22)**	**04 (11.76)**	**46 (11.44)**	**02 (25.00)**	**60 (12.5)**
Mucherla	**00 (0.00)**	**08 (23.52)**	**48 (11.94)**	**04 (50.00)**	**60 (12.5)**
Total	**36 (100.00)**	**34 (100.00)**	**402 (100.00**	**08 (100.00)**	**480 (100.00)**

Source: Primary data

The above table-7 indicates the village wise source of irrigation. In this study irrigation sources are canals, bore wells and rain fall and other sources. In the sample villages, out of 480 households, 36 households cultivation is depends on canals, 34 households depends on Bore well Irrigation, 402 households are depends on rainfall and only 8 households source of irrigation is others sources.

All the sample villages' main source of irrigation is rainfall, followed by Canals, Bore wells and other sources. Nakrekal village is highly depends on rain fall, lowest in other sources. Shameerpet village highly depends on rain fall 55 (13.68), followed by A.p.lingottam 54 (13.43), Nomula 53 (13.18), Goparajupalle 51(12.68), Nakrekal and Mucherla 48 (11.94), Ammanabol 47 (11.69), Nagaram 46 (11.44).

Table-8 Village wise Components of Income Average (Per annum, Rupees)

Villages	Cultivation	Business	Labour	MGNREGS Income	Others Tractors/Auto..ect	Total Households income
Nakrekal	**3652**	**8550**	**1290**	**4225**	**24551**	**42268**
Nomula	**3210**	**10220**	**1841**	**11330**	**12341**	**38942**
Ammanabol	**2652**	**12110**	**3211**	**8551**	**00**	**26525**
A.P.Lingottam	**4950**	**8872**	**2615**	**14320**	**30190**	**60947**
Shameerpet	**3252**	**15451**	**2515**	**9691**	**11321**	**42230**
Goparajupalle	**6521**	**14421**	**4100**	**18110**	**18191**	**61343**
Nagaram	**3855**	**19210**	**3217**	**7151**	**10551**	**43984**
Mucherla	**4100**	**12554**	**4917**	**9531**	**00**	**31102**
Total	**32193**	**101388**	**23706**	**82909**	**88954**	**347341**

Source: Primary data

The above table-8 shows that the village wise components of average income. The average income of all the villages found that Rs. 3,47,341. Compare to it, average income in Goparajupalle (61343) is recorded as the highest average income, followed by A.p.lingottam (60947), Nagaram (43984), Nakrekal (42268), Shameerpet (42230), Nomula (38942), mucherla (31102), and the lowest is found in Ammanabol (26525) village.

Information on total household income reveals that, the highest income recorded in Goparajupalle (6521), lowest in Ammanabol (2652) village. Income from Business is the highest in Nagaram (19210) and the lowest in A.p.lingottam (8872). Income from Labour is found the highest in mucherla (4917) and the lowest in Nomula (1841) village. Through MGNREGS program, the highest income is recorded in Goparajupalle (18110) and the lowest in Nakrekal (4225). Income from other sources is the highest in A.P.lingottam (30190) and there is no income from others sources in two villages, i.e. Ammanabol and mucherla.

Table-9 Village wise Cost of Cultivation Per Acre (Per Annum, Rupees) Black Soils

Villages	25,000 to 30,000	30.000 to 35,000	35,000 to 40,000	Above 40,000	Total
Nakrekal	9 (18.75)	12 (25.00)	23 (47.91)	4 (8.33)	48 (100.00)
Nomula	6 (11.53)	4 (7.69)	30 (57.69)	12 (23.07)	52 (100.00)
Ammanabol	13 (20.31)	8 (12.5)	21 (32.81)	22 (34.37)	64 (100.00)
A.P.Lingottam	10 (25.00)	5 (12.5)	14 (35.00)	11 (27.5)	40 (100.00)
Shameerpet	7 (15.55)	16 (35.55)	13 (28.88)	9 (20.00)	45 (100.00)
Goparajupalle	13 (31.70)	10 (24.39)	6 (14.63)	12 (29.26)	41 (100.00)
Nagaram	8 (22.22)	9 (25.00)	12 (33.33)	7 (19.04)	36 (100.00)
Mucherla	11 (32.35)	9 (25.47)	8 (23.52)	6 (17.64)	34 (100.00)
Total	**77 (21.38)**	**73 (20.11)**	**127 (35.27)**	**83 (22.77)**	**360 (100.00)**

Source: Primary Data

The above table-9 depicts that the village wise cost of cultivation in black soils. In this study, cost of cultivation divided under four categories (i.e. Rs. 25,000 to 30,000, 30,000, to 35,000, 35,000 to 40,000 and above 40,000). Total cost of cultivation among all the sample villages reveals that, about 127 households are incurring in between 35 to 40 thousand per acre , followed by above 40.000 Rs 82 farmers (22.77), 25,000 to 30,000 Rs category 77 farmers (21.38), and 30,000 to 35,000 Rs category 73 farmers (20.11).

Village wise cost of cultivation (Rs 35,000 to 40,000) is the highest which is found in Nomula (30), followed by Nakrekal (23), Ammanabol (21), A.p.lingottam (14), Shameerpet (13), Nagaram (12), Mucherla (8), Goparajupalle (6). And village wise cost of cultivation explains that above Rs 40,000 incurred in the Ammanabol (22), followed by Nomula and Goparajupalle (12), A.p.lingottam (11), Shameerpet (9), Nagaram (7), mucherla (6), Nakrekal (4). And Rs 30,000 to 35,000 cost of cultivation category, the highest number of farmers found in Shameerpet (16), followed by Nakrekal (12), Goparajupalle (10), Nagaram and mucherla (9), Ammanabol (8), A.p.lingottam (5), and Nomula (4).

Lastly Rs 25,000 to 30,000 cost of cultivation category, the highest found in Ammanabol and Goparajupalle (13), followed by mucherla (11), A.p.lingottam (10), Nakrekal (9), Nagaram (8), Shameerpet (7) and Nomula (6).

Table-10 Village wise Cost of Cultivation Per Acre   (Per annum, Rupees) Red soils

Villages	25,000 to 30,000	30.000 to 35,000	35,000 to 40,000	Above 40,000	Total
Nakrekal	04 (22.22)	07 (38.88)	05 (27.77)	02 (11.11)	18 (100.00)
Nomula	06 (27.27)	02 (9.09)	09 (40.90)	05 (22.72)	22 (100.00)
Ammanabol	01 (12.5)	03 (37.5)	04 (50.00)	00 (00.00)	08 (100.00)
A.P.Lingottam	07 (46.66)	04 (26.66)	03 (20.00)	01 (6.66)	15 (100.00)
Shameerpet	01 (16.66)	00 (00.00)	05 (83.33)	00 (00.00)	06 (100.00)
Goparajupalle	09 (45.00)	02 (10.00)	08 (40.00)	01 (5.00)	20 (100.00)
Nagaram	04 (36.36)	04 (36.36)	02 (18.18)	01 (9.09)	11 (100.00)
Mucherla	02 (10.00)	06 (30.00)	08 (40.00)	04 (20.00)	20 (100.00)
Total	34 (28.33)	28 (23.33)	44 (36.66)	14 (11.66)	120 (100.00)

Source: Primary Data

The above table-10 indicates village wise cost of cultivation in red soils. In this study cost of cultivation amount divided in to four categories (i.e. Rs. 25,000 to 30,000, 30,000, to 35,000, 35,000 to 40,000 and above 40,000).In this table total respondents are 120.which respect 8 villages, total cost of cultivation of the total villages-35,000 to 40,000 Rs is the highest i.e. 44 (36.66), followed by Rs 25,000 to 30,000 category farmers 34 (28.33), Rs 30,000 to 35,000 category farmers 28 (23.33), and above Rs 40,000 category farmers 14 (11.66).

Village wise cost of cultivation Rs 35,000 to 40,000 categories highest number of farmers found in Nomula (9), followed by Goparajupalle and mucherla (8), Nakrekal and Shameerpet (5), Ammanabol (4), A.p.lingottam and Nagaram (2) and village wise cost of cultivation Rs 25,000 to 30,000 category farmers highest found in Goparajupalle (9), followed by A.p.lingottam (7), Nomula (6), Nagaram and Nakrekal (4), mucherla (2) and Ammanabol and Shameerpet (1). Rs 30,000 to 35.000 category farmers highest found in Nakrekal (7), followed by mucherla (6), Nagaram and A.p.lingottam (4), Ammanabol (3), Nomula and Goparajupalle (2), there is no farmers in Shameerpet village in this category. Cost wise above Rs 40,000 category farmers highest in Nomula (5), followed by A.P.lingottam and Goparajupalle and Nagaram (1), in this category there is no farmers in Ammanabol and Shameerpet.

Table-11 Village Wise Agricultural Credit Particulars (Institutional sources)

Villages	25,000 to 30,000	30.000 to 35,000	35,000 to 40,000	Above 40,000	Total
Nakrekal	04 (22.22)	07 (38.88)	05 (27.77)	02 (11.11)	18 (100.00)
Nomula	06 (27.27)	02 (9.09)	09 (40.90)	05 (22.72)	22 (100.00)
Ammanabol	01 (12.5)	03 (37.5)	04 (50.00)	00 (00.00)	08 (100.00)
A.P.Lingottam	07 (46.66)	04 (26.66)	03 (20.00)	01 (6.66)	15 (100.00)
Shameerpet	01 (16.66)	00 (00.00)	05 (83.33)	00 (00.00)	06 (100.00)
Goparajupalle	09 (45.00)	02 (10.00)	08 (40.00)	01 (5.00)	20 (100.00)
Nagaram	04 (36.36)	04 (36.36)	02 (18.18)	01 (9.09)	11 (100.00)
Mucherla	02 (10.00)	06 (30.00)	08 (40.00)	04 (20.00)	20 (100.00)
Total	34 (28.33)	28 (23.33)	44 (36.66)	14 (11.66)	120 (100.00)

Source: Primary Data

The above table-11 explains village wise agricultural credit particulars (i.e. Institutional sources only). Source of credit divided in to three groups i.e. Cooperative societies/Banks etc, Commercial Banks, Other institutional Sources. In this study the highest number of farmer's credit availed from cooperative banks i.e. 218 farmers followed by commercial banks 204 farmers and other sources 58 farmers.

In all total sample villages, farmers accessibility of credit from cooperative banks is the highest number found in Mucherla village (34 farmers), followed by Nomula and Goparajupalle (31), Nakrekal and A.p.lingottam (28), Ammanabol (23), and Shameerpet and Nagaram (21). The highest accessibility of credit from commercial banks among the sample villages found in Nakrekal (30), followed by Nagaram (29), Ammanabol (28), Nomula (26), A.p.lingottam (24), Goparajupalle (24), Shameerpet (23), and mucherla (20).

Accessibility of agricultural credit from other institutional sources is the highest in Shameerpet (15), followed by Nagaram (10), Ammanabol (9), A.p.lingottam (8), mucherla (6), Goparajupalle (5), Nomula (3), Nakrekal (2).

Table-12 Village wise Types of Loan Obtained by Sample Respondents

Villages	Short term (12 to 15 months)	Medium term (15-months to 5 years)	Long term (15 to 20 years)
Nakrekal	21	33	6
Nomula	20	29	11
Ammanabol	19	31	10
A.P.Lingottam	22	29	9
Shameerpet	18	35	7
Goparajupalle	26	24	14
Nagaram	23	29	8
Mucherla	25	23	8
Total	174	233	73
Average	36.25	48.54	15.20

Source: Primary Data

The above table-12 explains village wise types of loans obtained by sample respondents. Agricultural loans divided in to three terms based on the time period, i.e. Short term (12 to 15 months), Medium term (15-months to 5 years), and Long term (15 to 20 years). In this study total respondents are 480 who belong to 8 villages. In this study the highest number of farmer's obtained loans are all medium term (233 farmers), followed by short term (174 farmers), and long term (73 farmers).

Village wise medium term agricultural loans are the highest number of in Shameerpet (35), followed by Nakrekal (33), Ammanabol (31), Nomula, Nagaram and A.p.lingottam (29), Goparajupalle (24), Mucherla (23). Of the Village wise short term agricultural loans, the highest number of loans obtained in Goparajupalle (26), followed by mucherla (25), Nagaram (23), A.p.lingottam (22), Nakrekal (21), Nomula and Ammanabol (20), and Shameerpet (18). With regard to the Long term agricultural loans, the highest number of farmers obtained loans in Goparajupalle (14), Nomula (11), Ammanabol (10), Nagaram and mucherla (8), Shameerpet (7), Nakrekal (6).

Table-13

Village wise amount of Loan obtained by Sample Respondents

Villages	Loan amount (Rs.)				
	Up to 40000	40001-60000	60001-80000	80001-100000	Above 100000
Nakrekal	15	10	14	12	9
Nomula	18	14	17	11	0
Ammanabol	14	22	12	8	4
A.P.Lingottam	12	19	26	0	3
Shameerpet	10	20	24	2	4
Goparajupalle	16	18	11	8	7
Nagaram	8	23	21	2	6
Mucherla	21	16	20	0	3
Total	114	142	145	43	36
Average	23.75	29.58	30.20	8.95	7.5

Source: Primary data

Table no-1hy73 shows that the village wise amount of loans obtained by sample respondents. Village wise amount of loans divided in to five categories, i.e. Up to 40000, 40001-60000, 60001-80000, 80001-100000, Above 100000.

The highest amount of loan obtained of loan Rs 60,001 to 80,000 by the households in A.p.lingottam (26), followed by Shameerpet (24), Nagaram (21), mucherla (20), Nomula (17), Nakrekal (14), Ammanabol (12), and Goparajupalle (11).

Farmers who obtained amount of loan between Rs 40,001 to 60,000, is found the highest in Nagaram (23), and followed by Ammanabol (22), Shameerpet (20), A.p.lingottam (19), Goparajupalle (18), mucherla (16), Nomula (14), and Nakrekal (10).

Loan amount received up to Rs 40,000 is the highest in mucherla village (21), followed by Nomula (18), Goparajupalle (16), Nakrekal (15), Ammanabol (14), A.p.lingottam (12), Shameerpet (10), and Nagaram (8).Between Rs 80.001 to 1,00,000 amount of loan obtained by the farmers of Nakrekal village (12), followed by Nomula (11), Ammanabol and Goparajupalle (8), Shameerpet and Nagaram (2). Above Rs 1,00,000 amount of loan, obtained by the farmers of Nakrekal (9) are found in more in number, followed by Goparajupalle (7), Nagaram (6), mucherla and A.p.lingottam (3).

CONCLUSION

 In brief, in the modernization of agriculture and to improve its productivity, credit has a great role to play. The institutional credit to agriculture and allied activities has been increased in India. It is an effective step to promote the growth rate of agricultural sector because it helps the farmers in various ways. They can buy the essential equipments for agricultural activities with the help of this credit. But there is need of taking some efforts by the banks to reduce its outstanding, so that the improved institutional credit can be pumped into the agricultural sector which will in turn help in the further growth of agriculture.

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