



A Study of Farmers in Purba and Paschim Bardhaman Districts of West Bengal with Reference to Socio-Economic Impact of Agricultural Financing

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ABSTRACT

The performance of the agricultural industry is negatively impacted by a number of issues, including credit and the generation of capital. Providing small and marginal farmers with access to credit has a substantial impact on improving their socioeconomic circumstances. Productivity, income, and employment can all be increased through the use of this money to purchase inputs such as fertilizers, high-yielding crops, pesticides, and land renovation. Small and marginal farmers in the state can be saved and their standard of living can be raised by using it to create farm structures, enhance soil fertility, eliminate regional disparities, solve the problem of food security, establish irrigation facilities, manage water, and develop land. All of these things can be done with the help of this resource. The promotion of daily consumption, the financing of medical, educational, social, and religious purposes, the enhancement of economic activity, the assistance of farmers for increased protection, and the achievement of economic equilibrium are all benefits that are helped by this.

Keywords: *Economic, Agriculture, Growth, Textile, Global, Revenue, Social, etc.*

INTRODUCTION

The growth of the agricultural sector is crucial to the expansion of the economy. It is the backbone of India's economy and a major revenue generator as well. For both the federal and state governments, the agricultural sector is vital for meeting the food needs of city dwellers and bolstering the expansion of manufacturing. Notable companies have relied on it as a source of raw materials, including those involved in the textile and jute industries, sugar refineries, wheat mills, and plantations. Many small-scale and cottage industries rely on raw materials supplied by the agricultural sector. These include oil crushing, rice husking, and handloom weaving, among many others. Therefore, there has been an increase in contributions from the service and manufacturing sectors. Producing agricultural goods is an important part of India's foreign trade sector since it controls price fluctuations in the economy. India is a global supplier of sugar, tea, spices, oil seeds, tobacco, and all other agricultural goods.

Increases in the economy have a direct impact on the agricultural industry. It is the backbone of the Indian economy and provides substantial revenue to a large number of people. About 70% of the people rely on agriculture for their livelihood, and 60% of the workforce is engaged in this industry. To be sure, the agricultural sector's contribution to GDP has been shrinking ever since independence.

AGRICULTURAL CREDIT SYSTEM AND ITS PROBLEMS

More funding for India's agricultural industry is being sought after by the government. However, the agricultural financing system still has a number of issues. The coverage area of agriculture lending organizations is limited due to the fact that a large portion of their clientele resides in rural areas and that the majority of farmers are small or marginal. Meeting the requirements of farmers in these places becomes incredibly difficult and expensive. To meet their most fundamental requirements, people in this socioeconomic category turn to moneylenders and landlords. Because of the lengthy and tedious paper processes required by institutional bodies to access financial services, most illiterate farmers find the process difficult and time-consuming. They choose to pay moneylenders a higher interest rate. On the flip side, farmers face a lot of bureaucracy because most banks are located in cities, which means they have to go through some hoops before they can get a loan. Everything that has been invested in this has been in vain.

The financial agencies have been experiencing problems due to a lack of coordination. As a result, agricultural credit is abundant in areas where banks have been around for a while and limited in areas where banks are still growing. Inadequate financing is leading to a decline in agricultural productivity and an increase in poverty among marginal and small-scale farmers. Furthermore, there is a significant regional disparity in the distribution of agricultural loan resources within many states. Thus, they adopted contemporary technologies and witnessed a remarkable upturn in their crop production. Other states' agricultural production, however, has stayed low because of a lack of access to contemporary technology.

STRUCTURE OF THE AGRICULTURAL CREDIT SYSTEM

In 1982, the Reserve Bank of India was tasked by the Indian government with allocating agricultural finance; however, NABARD was later appointed by this same institution. Commercial banks, rural cooperative credit institutions, and regional rural banks make up the three levels of this organization's structure that distribute agricultural loans in rural regions. Loans of both the short and long term are made available in rural regions by cooperative credit organizations. The major co-operative agricultural and rural development banks, state co-operative banks, and agricultural and rural development banks are the long-term credit institutions. Primary agricultural credit societies, district central co-ops, and state cooperative banks are all examples of short-term lending organizations.

Possible avenues for obtaining official credit (such as banks and cooperative societies) and informal credit (such as moneylenders and dealers) and their effects may be examined in the research. In order to evaluate the effect of credit on socioeconomic and agricultural circumstances in a certain area, the study can zero down on a particular region, state, or district. A variety of farmer

demographics, including smallholders, women, and those with varying degrees of education, may be considered in the study's examination of credit's effects. A number of factors can be investigated in this study, such as the effect of credit on household income, consumption expenditure, healthcare access, educational opportunities, and agricultural practices. The impact of loans on agricultural output, crop yields, input consumption, and technological adoption can be examined in the study.

OBJECTIVES

The main objectives of the study are:

1. To investigate the main impact of agricultural credit in Purba Bardhaman district and Paschim Bardhaman district of West Bengal.
2. To investigate the socio-economic conditions of the farmers in Purba Bardhaman district and Paschim Bardhaman district of West Bengal.

RESEARCH METHODOLOGY

A research technique is a description of the steps involved in doing a specific type of research. It outlines the methods or approaches that are applied to locate and examine data pertaining to a certain study. The general plan or method that researchers employ to carry out their research is known as research methodology. It encompasses the theoretical and philosophical underpinnings of the research, the research design, data collection methods, data analysis techniques, and the overall framework within which the research is conducted.

Study Areas

Two districts i.e., Purba Bardhaman district and Paschim Bardhaman district of West Bengal were selected.

Primary Data

When data is gathered first from first-hand accounts or empirical evidence, it is referred to as primary data, especially when it comes to study. It can also be referred to as first-hand knowledge or raw data. The process of compiling the data is expensive since it requires financial and human resources to be carried out by an outside organization or agency. The procedure for gathering data is directly supervised and managed by the researcher.

Secondary Data

Secondary data refers to previously obtained and recorded information by researchers that is not relevant to the current study issue. It is available as data gathered from various sources, including government and non-government publications, censuses, organizational internal records, books, journal articles, websites, reports, e-resources, libraries, and e-libraries etc.

In the research study, primary and secondary data was used.

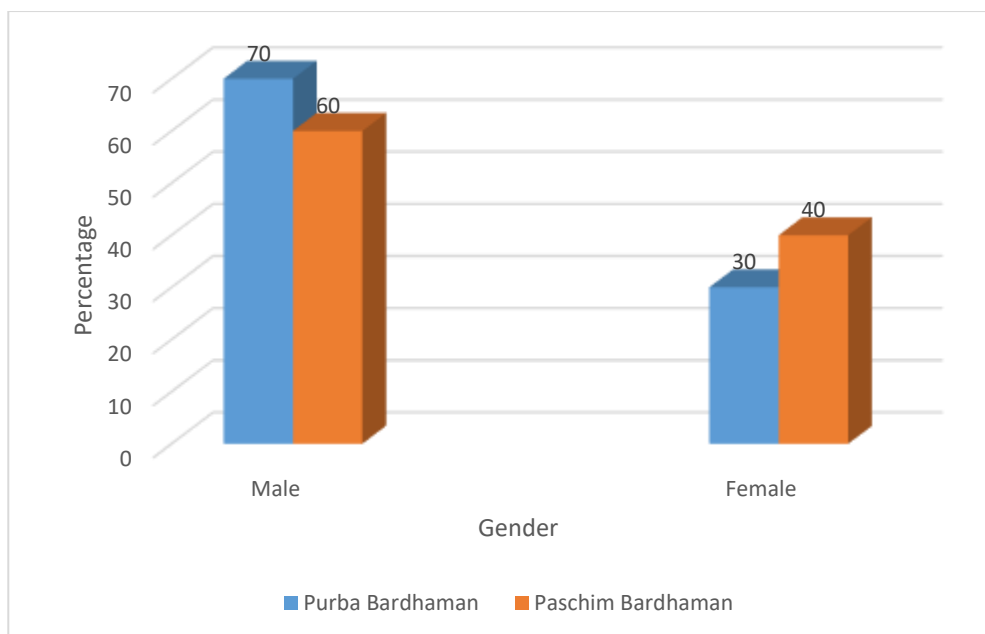
Sample Size: 250 household farmers from Purba Bardhaman district and 250 household farmers from Paschim Bardhaman district were selected.

DATA ANALYSIS

GENDER OF THE RESPONDENTS

Table 1: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Respondents with Respect to Gender

Gender	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Male	175	70	150	60
Female	75	30	100	40
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 70% are male and 30 % are female. The percentage of male is higher than that of female.

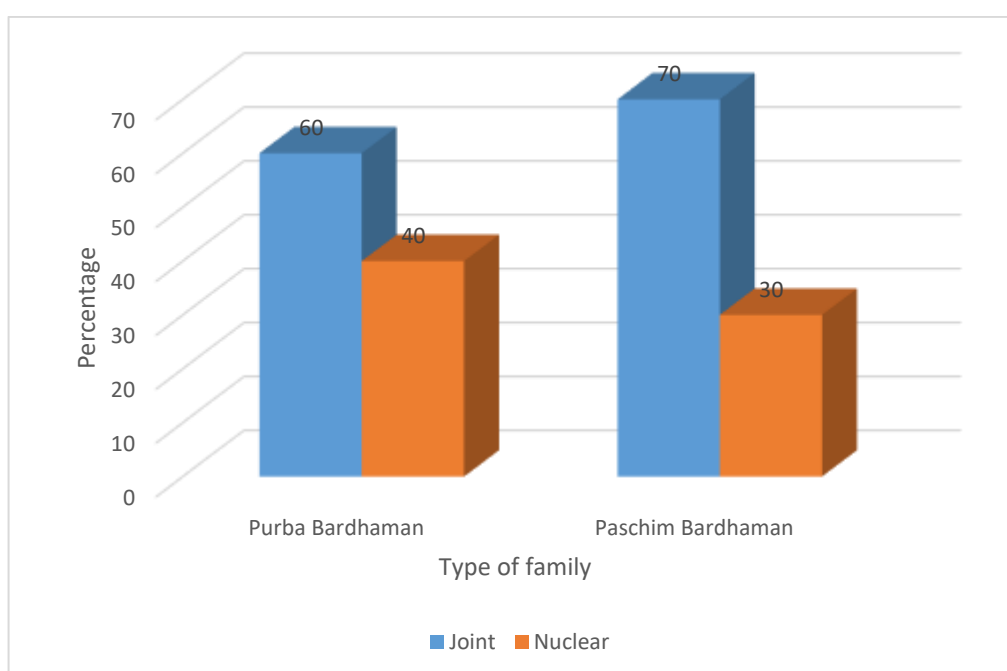
Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 60% are male and 40 % are female. The percentage of male is higher than that of female.

TYPE OF FAMILY

Table 2: Percentages And Frequency Distribution of Purba and Paschim Bardhaman Respondents with Respect to Type of Family

Type of family	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Joint	150	60	175	70
Nuclear	100	40	75	30
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 60% are joint family type and 40 % are nuclear family type. The percentage of joint family type is higher.

Paschim Bardhaman

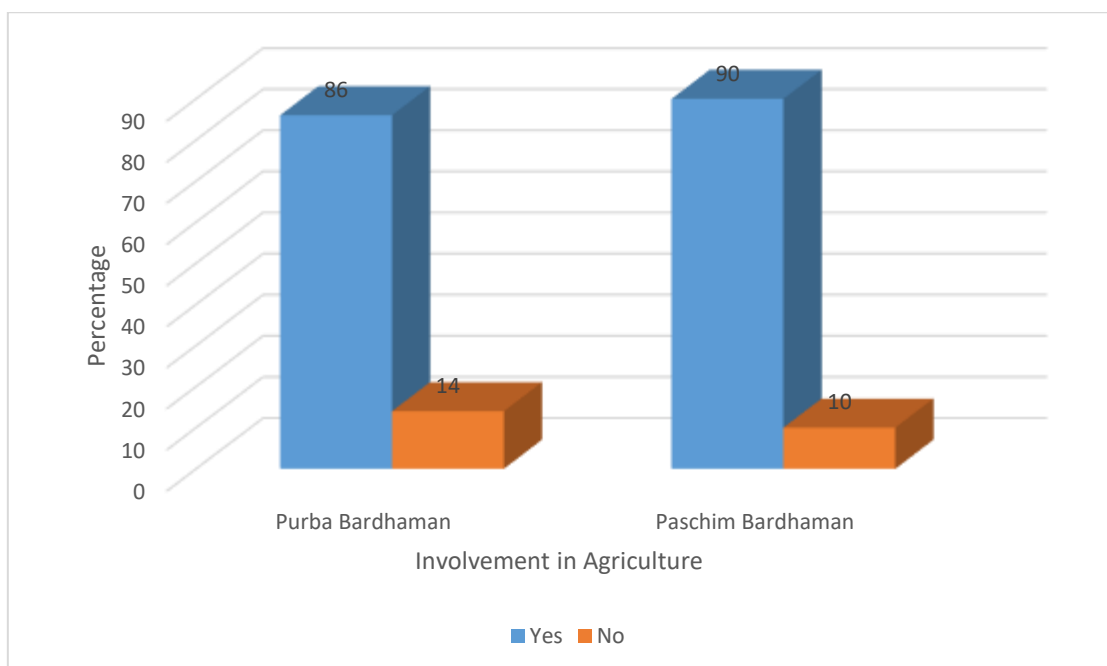
The above table and bar-chart show that out of the total no. of respondents 70% are joint family type and 30 % are nuclear family type. The percentage of joint family type is higher.

DEMOGRAPHIC PROFILE OF HOUSEHOLD

1. INVOLVEMENT IN AGRICULTURE

Table 3: Percentages And Frequency Distribution of Purba and Paschim Bardhaman Respondents Who are Involved in Agriculture

Involvement in agriculture	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Yes	215	86	225	90
No	35	14	25	10
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 86% are involved in agriculture but 14% are not involved in agriculture. The majority of the farmer are involved in agriculture.

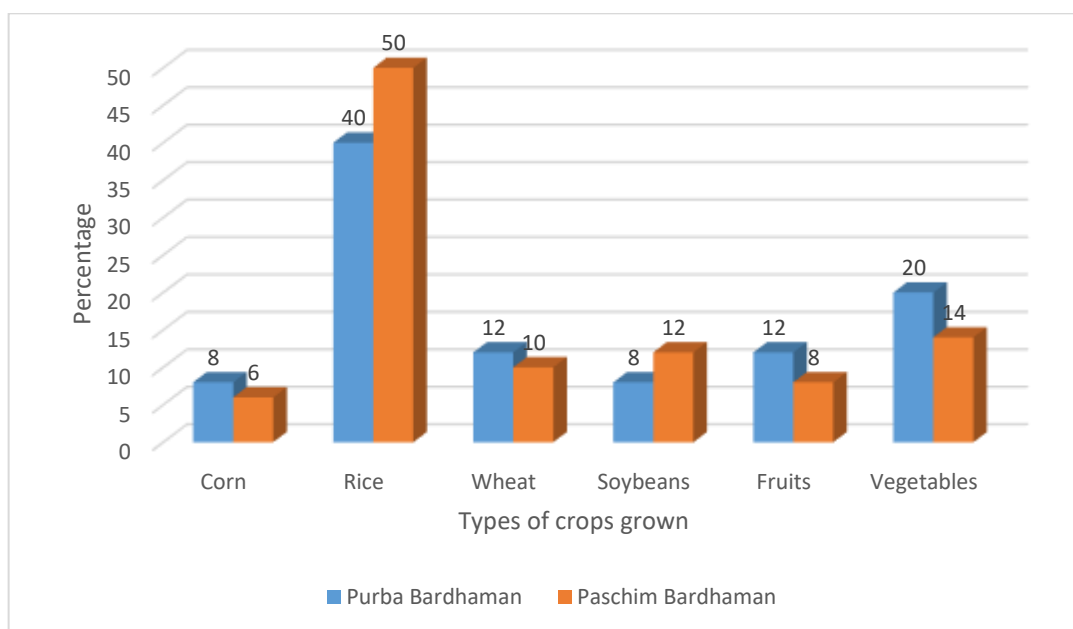
Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 90% are involved in agriculture but 10% are not involved in agriculture. The majority of the farmer are involved in agriculture.

2. TYPE OF CROPS

Table 4: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Respondents Growing Types of Crops

Types of Crops	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Corn	20	8	15	6
Rice	100	40	125	50
Wheat	30	12	25	10
Soybeans	20	8	30	12
Fruits	30	12	20	8
Vegetables	50	20	35	14
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 8% cultivate corn, 40% cultivate rice, 12% cultivate wheat, 8 % cultivate soybeans, 12% cultivate fruits and 20% cultivate vegetables. The majority farmers are cultivator of rice.

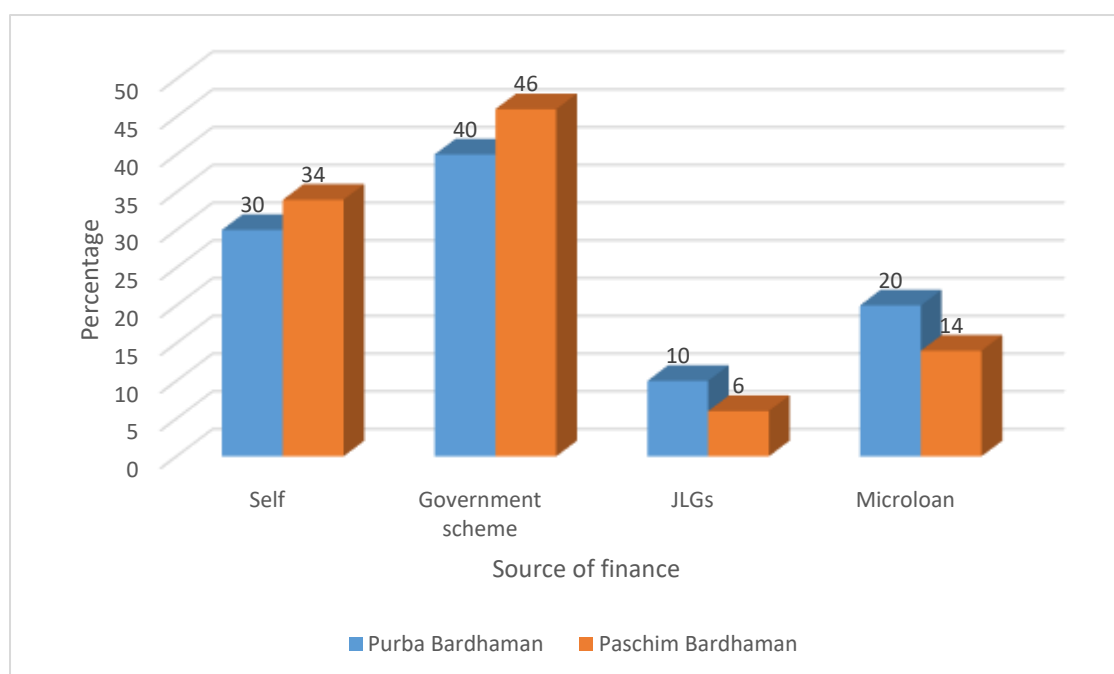
Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 6% cultivate corn, 50% cultivate rice, 10% cultivate wheat, 12 % cultivate soybeans, 8% cultivate fruits and 14 % cultivate vegetables. The majority farmers are cultivator of rice.

3. SOURCE OF FINANCE

Table 5: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Respondents and Source of Finance

Source of Finance	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Self-finance	75	30	85	34
Government Scheme	100	40	115	46
JLGs	25	10	15	6
Microloan	50	20	35	14
Total	250	100	250	100



Purba Bardhaman

The table and bar-chart above show that out of the total no. of respondents 30% of farmers get self-finance, 40% get finance from Government scheme, 10% gets finance from JLGs and 20% get finance from microloan. The majority farmers get finance from Government scheme.

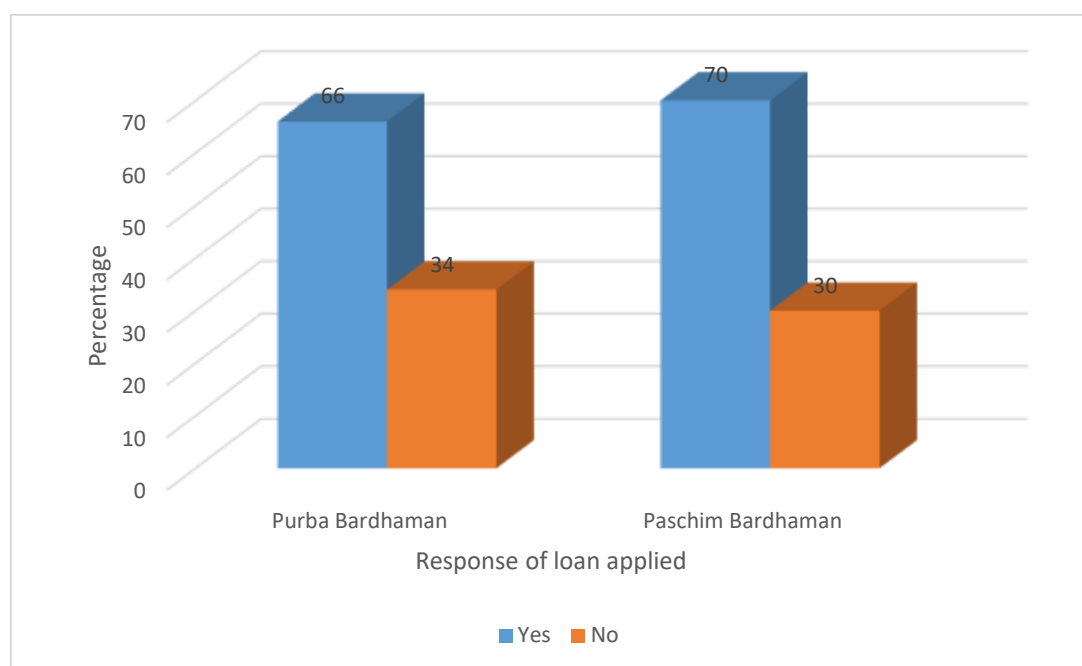
Paschim Bardhaman

The table and bar-chart above show that out of the total no. of respondents 34% of farmers get self-finance, 46% get finance from Government scheme, 6% gets finance from JLGs and 14 % get finance from microloan. The majority farmers get finance from Government scheme.

4. APPLICATION OF AGRICULTURE LOANS

Table 6: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Farmers Applied for Loan

Option	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Yes	165	66	175	70
No	85	34	75	30
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 66% of farmers opted for loan and 34 % did not opted for it. The majority farmers opted for loan.

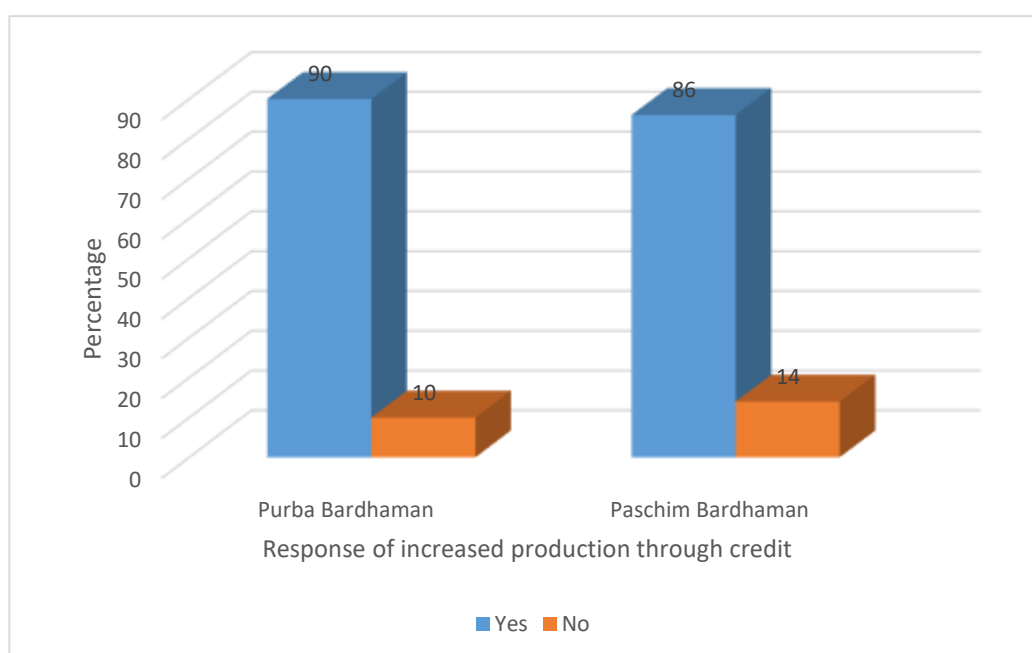
Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 70% of farmers opted for loan and 30 % did not opted for it. The majority farmers opted for loan.

AGRICULTURAL CREDIT INCREASED PRODUCTION

Table 7: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Respondents and Their Responses of Increased Production

Response	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Yes	225	90	215	86
No	25	10	35	14
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 90% said production increased after agricultural credit and 10 % did not agree.

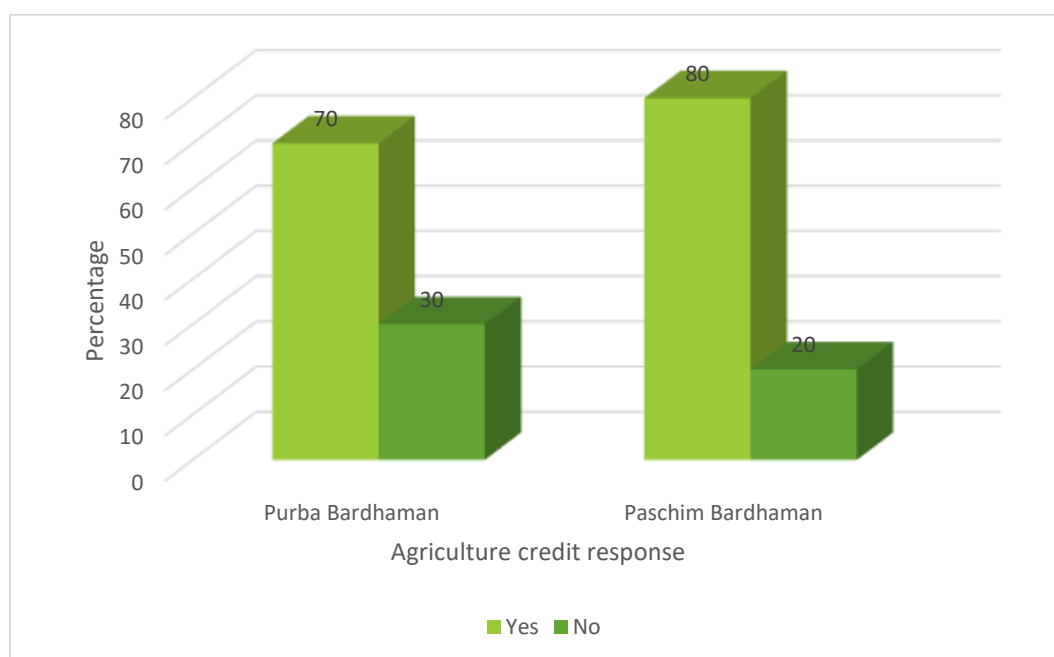
Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 86% said, they felt discriminated in sanctioning credit and 14% didn't agree.

RESPONSE OF AGRICULTURAL CREDIT

Table 8: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Respondents Taking Agricultural Credit

Response	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Yes	175	70	200	80
No	75	30	50	20
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 70% have taken agricultural credit and 30% did not taken agricultural credit.

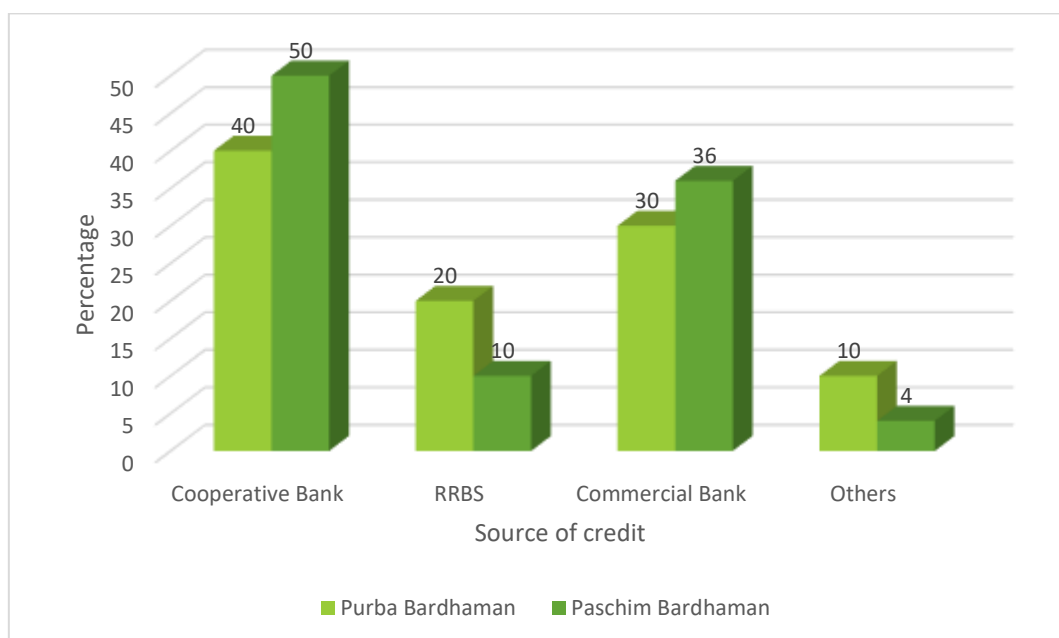
Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 80% have taken agricultural credit and 20% did not taken agricultural credit.

SOURCE OF CREDIT

Table 9: Percentages and Frequency Distribution of Purba and Paschim Bardhaman Respondents with Respect to Source of Credit

Source of the Credit	Purba Bardhaman		Paschim Bardhaman	
	Frequency	Percent (%)	Frequency	Percent (%)
Cooperative Bank	100	40	125	50
RRBS	50	20	25	10
Commercial Bank	75	30	90	36
Others	25	10	10	4
Total	250	100	250	100



Purba Bardhaman

The above table and bar-chart show that out of the total no. of respondents 40% have taken agricultural credit from cooperative bank, 20% taken credit from RRBS, 30% from commercial bank and 10% from other source. Most of them taken credit from cooperative bank.

Paschim Bardhaman

The above table and bar-chart show that out of the total no. of respondents 50 % have taken agricultural credit from cooperative bank, 10 % taken credit from RRBS, 36 % from commercial bank and 4 % from other source. Most of them taken credit from cooperative bank.

CONCLUSION

Agriculture credit is anticipated to have an important part in shaping the agricultural industry in the districts of Purba and Paschim Bardhaman. In accordance with the Purba Bardhaman PLP, it is projected that credit is a substantial source of capital for a variety of agricultural operations. These activities include crop cultivation, farm infrastructure, and ancillary industries such as food processing. A sizeable component of the credit potential for farm finance in Purba Bardhaman is made up of both short-term and long-term financing of agriculture. This credit potential is enormous.

The Project Loan Program (PLP) for Purba Bardhaman in 2019-20 estimated a credit potential of 655324.57 lakh for farm credit. This credit potential included 508344.15 lakh for short-term loan and 146980.42 lakh for activities related to agriculture.

According to the report by NABARD, the PLP for the fiscal year 2021-22 anticipated an even greater total credit flow of 1340283.09 lakh. According to the forecasts made by the PLP for the period 2021-22, a sizeable amount of the credit flow was allocated to agricultural production, maintenance, and marketing (43.53%), with agri-term loans coming in second at 14.79%.

In order to manage risks, fund operations, and increase income, farmers must have access to agricultural loans. This allows them to pay for workers, procure inputs, and invest in developments. The provision of financing for agriculture is supported by a wide variety of financial institutions. RRBs, commercial banks, and cooperative banks are some of these organizations. Throughout history, commercial banks have shown a steady increase in agricultural loans, while cooperative banks have shown a steady decline in agricultural loans.

The majority of the land on the alluvial plains east of the Purba Bardhaman district is used for the production of rice, the most significant crop in the area. There are three fundamental classes that may be loosely defined together with the many types of rice that are cultivated. These classes include the Aus, which is also known as autumn rice, the Aman, which is also known as winter rice, and the Boro, which is sometimes known as summer rice. The characteristics that differentiate these classes from one another are what set them apart from one another. The cultivation of paddy crops occupies the bulk of the total planted area. Among the economic crops cultivated in marginal areas are oil seeds, potatoes, sugarcane, mesta, and jute. Oil seeds are among the other crops cultivated there. The Paschim Bardhaman District is responsible for the cultivation of a wide variety of crops, including Aman and Boro paddy, potato, mustard, til, wheat, groundnut, vegetables, pulses, and more.

As per the study there is no significant difference in the mean scores of Male and Female Farmers of Purba and Paschim Bardhaman districts of West Bengal with respect to Agricultural credit schemes. There is also no significant difference in the mean scores of Joint & Nuclear Family Farmers of Purba and Paschim Bardhaman districts of West Bengal with respect to Agricultural credit schemes.



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