

**KISAN CREDIT CARD SCHEME: A KEY FOR HOLISTIC  
DEVELOPMENT OF A RURAL POOR IN MILKIPUR BLOCK OF  
DISTRICT FAIZABAD (U.P.)**



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**EXTENSION EDUCATION**

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**2015**



*DEDICATED*

*To My*

*Adorable Grand mother*

*Late Smt. Vidhya Devi*

*And*

*My Adorable uncle*

*Shri. Shyam Kumar Risaldar*

*Shrikant ....*

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## **CERTIFICATE-I**

This is to certify that the thesis entitled “**Kisan Credit Card Scheme: A key for holistic development of rural poor in Milkipur block of District Faizabad (U.P.)**” submitted for the degree of **Master of Science (Agriculture)** in the subject of **Extension Education** of the Narendra Deva University of Agriculture and Technology, Narendra Nagar (Kumarganj), Faizabad (U.P.) is a bonafide research work carried out by **Mr. Shrikant Virthare, I.D. No. A-7617/13** under my supervision and that no part of this thesis has been submitted for any other degree.

The assistance and help received during the course of investigation have been duly acknowledged.

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## CERTIFICATE-II

This is to certify that the thesis entitled “**Kisan Credit Card Scheme: A key for holistic development of rural poor in Milkipur block of District Faizabad (U.P.)**” submitted by **Mr. Shrikant Virthare, I.D. No. A-7617/13** to the Narendra Deva University of Agriculture and Technology, Narendra Nagar (Kumarganj), Faizabad (U.P.), in partial fulfillment of the requirements for the degree of **Master of Science (Agriculture)** in subject of **Extension Education** has been approved by the Student Advisory Committee after an oral examination on the same.

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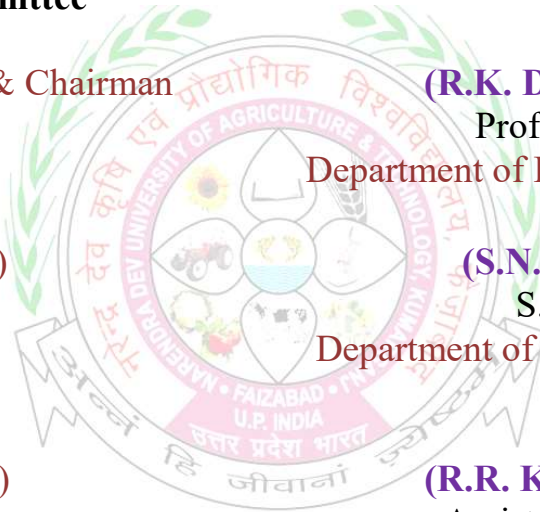
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## ABBREVIATIONS USED

A.D.Os.	:	Assistant Development officer
KCC	:	Kisan Credit Card
B.D.Os.	:	Block Development Officer
DRDAs	:	District Rural Development Agencies
<i>et al.</i>	:	et alli (co authors)
etc.	:	Et cetera
Fig.	:	Figure
H.Q.	:	Head quarter
ha	:	Hectare
i.e.	:	that is
Kg	:	kilogram
lt.	:	Litre
Max.	:	Maximum
Min.	:	Minimum
NGO	:	Non Government organizations
No.	:	Number
Rs.	:	Rupees
SAU	:	State Agriculture University
S. No.	:	Serial number
S.D.	:	Standard Deviation
S.D.A.E.Os.	:	Sub-Divisional Agriculture Extension Officer
V.D.Os.	:	Village Development Officers
viz.,	:	Videlicet, namely
°C	:	Degree Celsius (formerly degree centigrade)

## **INTRODUCTION**

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As per 2001 census rural population of India constitutes 72.2% of total population. Around 62% of Indian population depends on agriculture for a living. Agriculture sector also provides employment to nearly 52% of the work force. The agriculture and allied sector contributed 13.9 percent to the Gross Domestic Product (GDP at constant price), 58.2 per cent to employment and 10.6 percent to national exports in 2009-10 (GoI, 2013-14). The average size of operational holdings in agriculture is around 1.3 ha. If the large holdings are excluded the average size would decrease to one ha. The average productivity of major crops i.e. cereals has remained between 1600 – 1800 Kg/ha since 1995. As per the recent estimates of Tendulkar Committee Report 41.8 per cent of the rural population lives below the poverty line. This shows the dismal picture of rural livelihood and agriculture. The stagnation in agricultural productivity, increase in cost of production, distortions in the market and poor infrastructure have made the livelihood of farming population more difficult. A large number of poverty – ridden farming households especially marginal and small farmers, tenant farmers, oral lessees, share

croppers and agricultural labourers eke out living from a mix of subsistence activities like animal husbandry especially of small ruminants, wage labour, horticulture, forestry, plantation, logging etc.. The reasons of pervasive rural poverty are low growth rate in agriculture, low productivity, failed crops, unemployment, and inadequate command over resources due to low income level, less use of agricultural technology, in access to credit and even inequitable access to credit. Agricultural growth is the panacea for rural poverty alleviation. Strategies are required to enhance the present rate of growth of agriculture from 1.6 per cent to at least 4 per cent in order to achieve the double digit growth rate of GDP. Enhanced growth rate in agriculture will not only improve the income and employment levels of farm households but also reduce the level of poverty, address the hunger, malnutrition, promote rural prosperity and mitigate rural distress.

In order to achieve the higher growth rate in agriculture the Government promotes use of new agricultural technology for higher productivity. The use of new agricultural technology requires intensive use of inputs and package of practices. This stimulates public and private investment in agriculture and substantial increase in the requirement of production and investment credit. The public and private investment in agriculture and allied sector have increased 1.5, 1.82 times respectively (at

2004-05 prices) from 2004–05 to 2008–09. But the percentage share of public investment to total investment has decreased while the percentage of private investment increased over the reference years. India's agriculture is basically private initiative. The flow of institutional credit to agriculture and allied activities has increased more than two times i.e. from 1, 25,309 to 2, 92,437 crores from 2004–05 to 2008–09. But still there is mismatch between demand and supply of agricultural credit. It was also realized that the resource starved farmers are not technology friendly. The institutional sources of credit meet 51 per cent of the credit requirements of the farm sector (Rao, 2003). Farmers heavily depend on non-institutional sources of credit due to frequent needs, inadequate availability of institutional credit, unnecessary delays, cumbersome procedure and improper practices adopted by institutional lending agencies (Singh, 1971; Sharma, 1978; Nahatkar et al., 2002; Rao, C.H.H., 2003). Due to high cost of credit from the non-institutional sources the productive capacity of the borrower farmer is deteriorated. The small borrowers are also interested in adequate supply of credit rather than lower rates of interest (Rao, C.H.H.; 2009). Even the institutional credit taken for agricultural purposes is quite iniquitous. The 9.50% of marginal and 17.64% of small farmers have availed 26.39%, 21.30%

respectively of the total institutional credit taken by all categories of farmers for agricultural purposes.

Realising the importance of enhancement of flow of credit to the rural sector and reduction of the dependence of farmers on non-institutional sources of credit, NABARD introduced Kisan Credit Card (KCC) scheme in August, 1998 for Short Term (S.T.) loans i.e., production credit with the objective of providing adequate, timely or without any delay, cost effective and hassle free credit support to farmers. The scheme was implemented across the country by the public sector commercial banks, RRBs and cooperative banks. Subsequently the scope of the KCC scheme was extended to term loans for agriculture and allied activities and reasonable component for consumption loan. The scheme has also been extended to cover the customers of State Cooperative Agriculture and Rural Development Banks.

The target groups of beneficiaries for KCCs are all categories of farmers and also vulnerable groups like defaulter-farmers, oral lessees, tenant farmers, share croppers and others who have been left outside the fold of KCC scheme for any reason and also new farmers. The KCC scheme covers (i) production credit (ii) working capital requirements for allied activities (iii) ancillary credit requirements related to crop production (iv) contingent needs and (v) accidental insurance of KCC borrowers. Crop loans

disbursed under KCC scheme for notified crops are covered under National Crop Insurance Scheme. The purpose of the scheme is to protect the interest of farmers against crop loss caused by natural calamities, pest attacks etc.

The eligibility norms and scales of finance under KCC slightly differs among financial institutions. The existing borrowers with good track record for last two years and who require production credit limit of 3000 and above and new borrowers whose credit worthiness is satisfied can be considered by the bank for KCC facilities. The scale of finance for crop production is fixed and generally based upon the operational land holding, cropping pattern and credit requirements for the ancillary activities related to crop production such as maintenance of agricultural machinery/implements, electricity charges etc. Also contingent needs of the farmers e.g. medical expenses, expenses for children's education, marriage, funeral, birth and certain religious ceremonies subject to a limit of 20 per cent of the aggregate amount of crop production and working capital required for allied agricultural activities. The scale of finance under KCC is fixed by District Level Technical Committee (DLTC). The borrowing limit of term loan under KCC is also fixed for different purposes. Overhead costs for borrowing under KCC from commercial banks, RRBs and cooperative banks vary. The overhead costs are processing fee,

charges on land mortgage deed, passport photo charges, insurance premium etc. The lending rate is linked to PLR in the banks. The rates of interest charged are different for different limits of borrowing and also different for different financing institutions. Upto rupees three lakhs of lending the rate of interest charged is 9 per cent. But the Central Government provides 2 per cent subvention to the financing institutions. If there is punctuality in repayment performance 2 per cent interest rate subsidy is provided to the KCC borrowers effective from the year 2010-11. Before 2010-11 the interest rate subsidy was 1%. The effective rate of interest is 5 per cent upto the borrowing limit of 3 lakhs. KCC limit is normally valid for three years. Enhancement of credit limit is possible after three years. But the KCC borrowing is renewed every year. The security margin and documentation are the same as applicable to the crop loan and term loan. The entire loan amount is disbursed in cash without any upper ceiling on the amount of cash disbursement. Drawings are made through withdrawal slips accompanied by KCC-cum-passbook. Cheque books are also issued to literate KCC holders enjoying KCC limit of 25000 and above. State Bank of India, for example, has extended the facilities to KCC holders in Chandigarh circle to withdraw cash for their cultivation requirements and make balance enquiry at ATMs of State Bank Groups more conveniently. All KCC borrowers upto

the age of 70 years are eligible to be covered under personal Accident Insurance Scheme. The insurance cover is to the extent of 50,000 against death or permanent total disability. The annual premium @ 15/- per KCC holder to be borne by the borrower and the bank on the ratio of 1:2. The state wise number of Kisan Credit Cards issued by Cooperative Banks, RRBs and Commercial Banks upto 31st March, 2007 is encouraging. The number of Cooperative Banks, RRBs implemented the KCC scheme upto 31st March, 2007 are 385, 102 respectively. It is also mandatory to implement KCC scheme by all commercial banks. The highest number of cooperative banks, RRBs issued the KCC are in Uttar Pradesh i.e. 51, 16 respectively. The next comes Madhya Pradesh. Out of the total cards issued the share of Cooperative Banks, RRBs, and Commercial Banks are 49.14, 12.45, 38.41 per cent respectively. From the year 2006-07 to November 30, 2009 the Cooperative Banks have issued 373.61 lakh cards and the average sanctioned amount varies from 43065 to 95605 per KCC card and the cumulatively the average was 36998. RRBs have issued total of 125.73 lakh cards during the same period and the average sanctioned amount varies from 39915 to 52440 and the average cumulative amount per card was 39246. Commercial banks have issued the total of 378.96 lakh cards during the reference period and the average sanctioned amount varies from 54524 to 129244

and the average cumulative amount was 51060. The total Kisan Credit Cards issued by the agencies up to 30th November, 2009 was 878.30 lakh cards and the average sanctioned amount varies from 54769 to 104205 per card and the overall cumulative sanctioned amount was 43387. The Commercial Banks have issued the total highest number of KCCs amongst the three agencies. Of course substantial progress has been made in issuing the KCCs to the farmers but still serious effort is required to issue the KCCs to large number of vulnerable groups like tenant farmers, share croppers, oral lessees etc. who are still deprived of the KCC facilities.

NABARD study revealed that the role of credit under KCC scheme in influencing fertilizer consumption and crop yield was quite positive and significant and also scale neutral. The study also highlighted that the average productivity of paddy grown by KCC farmers was 13.3 per cent higher than non-KCC farmers and also the per hectare yield of KCC farmers was 18 to 34 quintals in comparison to 14 to 26 quintals of non-KCC farmers. The main reasons of higher yield was due to augmented use of inputs like fertilizer, manure, pesticide, labour, irrigation etc. by KCC farmers. The results of several studies have indicated the share of non-institutional sources of credit has come down due to availability of KCC facilities. The cost of borrowing of credit has shown a

marked decrease among KCC holders. Due to paucity of available published data and report of the study the number of poor KCC borrowers like marginal farmers, tenant farmers, share croppers, oral lessees etc. in each state and totality in the country who have crossed poverty line through enhancement of production and productivity since the inclusion of these groups under the scheme are not known. The marginal farmers as they have documented land records as collateral are eligible to have access to KCC facilities without any restrictions. But the different marginalized social groups like share croppers, tenant farmers, oral lessees who are in the bottom of the pyramid of the rural society are still deprived of the access to KCC facilities in the absence of documented records. Total 90.64 million credit cards were issued by the agencies at the end of February, 2010. But it seems from the personal enquiry from the few bank branches no substantial progress has been made in issuing the KCC to these disadvantaged groups. These vulnerable groups are also not aware of their eligibility to avail the facilities. Neither the banks are interested to extend the facilities to them in order to avoid the risk of recovery. Only the positive relationship exists between borrowing under KCC scheme and land, household size and level of education.

It is reported that the overhead cost of borrowing under KCC is very high. Even the shadow transaction cost or shadow

borrowing cost including the interest charges are not less than the interest charges of indigenous bankers. The existing borrowers and prospective borrowers of KCC alleged that without the services of brokers to obtain the loan under the KCC scheme is very difficult and their unauthorized charges are very high. It is also reported that the banks are involved in malpractices with the nexus of brokers in extending the KCC facilities. There is also problem of diversion of credit beyond the permitted limit of 20 per cent of consumption credit under KCC system. Due to diversion /misutilisation of credit the KCC farmers utilize the production inputs at sub-optimal level which affects their production and yield. The fake farmers due to ownership of their cultivable land avail KCC facilities and subsequently they either re-lend it at higher rate of interest or misuse it for different purposes other than the assigned purposes. It is also reported that the repayment performance of KCC borrowers are not satisfactory.

The study undertaken by NABARD reported that there are four types of shortcomings in the operation aspect of the KCC scheme i.e., (i) the multiple cards were issued to the members of the family having same operational holdings (ii) more than one KCC was issued to the same person by the different banks (iii) in few cases the cards were treated as active even after the expiry of three years period and (iv) even the renewal of the cards after three

years, these were treated as freshly issued cards. The KCC holders of cooperative banks in few states are facing problem of withdrawal of funds up to their credit limit and timely availability due to unsound financial health of banks. In these cases it is one time withdrawal only. Hence, the present study Kisan Credit Card Scheme: A key for holistic development of rural poor in Milkipur block of District Faizabad (U.P.) was evaluated with the following objectives;

1. To study about the socio economic profile of the respondents,
2. To find out the knowledge and use of the farmers about KCC scheme,
3. To assess the impact of KCC scheme on farm economy,
4. To identify the factors that influence the use of KCC scheme,
5. To study the constraints faced by respondent and suggestion to overcome

**Limitations of the study:**

1. The research was confined to conduct only in Faizabad district.
2. The time and resources at the disposal of investigator are also the important limiting factor.

3. The present study was limited to know the Kisan Credit Card Scheme is a key for holistic development of rural poor, but there is also possibility of including other variables to be stored.
4. The findings are based on the study conducted in one block (Milkipur) of district Faizabad (U.P.) only. Therefore, the results can not be used for generalization.

**Important and justification of the problems:**

1. For bringing socio-economic transformation in society, an understanding of their socio-economic setting in which they are working is essential in formulating effective extension/communication and research strategies for agricultural for agricultural development.
2. The utility of KCC scheme by the farming community has been well recognized by the extension education system. Therefore, this study will provide the present scenario of knowledge and use KCC scheme.
3. This study meaningful because it was undertaken to evaluate knowledge and use in relation to KCC scheme, which will contribute a lot to the all KCC holders and research workers.
4. This study will be helpful to the planners and the extension workers too in formulation of stragies for earnestly need for their sound status socially and economically.

## **REVIEW OF LITERATURE**

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A comprehensive review of literature is an integral part of any investigation, as it not only gives an idea on the work done in the past and assists in delineation of problem area and also provides basis of interpretation and discussion of findings.

A review of the existing literature relevant to the study area helps the researcher to design the theoretical frame of the study and also access the nature and quantum of studies already undertaken in that particular area of research.

Fleishman (1969) said, “Better ways are needed to generalize research findings from laboratory studies to operational setting from experimental study to another and from one operational setting to another.” There are various studies which have some bearing directly on the present study and are being abstracted under appropriate headings as follows:

1. To study about the socio economic profile of the respondents.
2. To find out the knowledge and use of the farmers about KCC scheme.
3. To assess the impact of KCC scheme on farm economy.
4. To identify the factors that influence the use of KCC scheme.

5. To study the constraints faced by respondent and suggestion to overcome the constraints.

**1. To study about the socio economic profile of the respondents:**

**Kaur *et al.* (2002)** reported that small farmers were leading in acquiring per hectare credit (Rs.98409), followed by medium (Rs.39006) and large (Rs.23388) farmers. Source wise, the credit advanced by Land Development Banks was the highest being Rs.6896 per hectare, followed by co-operatives (Rs.5891), commercial banks (Rs.3053) and Regional Rural Banks (RRBs) (Rs.348). However, in case of non- institutional sources, the farmers received the highest per hectare credit from commission agents (Rs.12228) followed by moneylenders (Rs.6197) relatives and friends (Rs.1647). As regards the use of credit 19.86 per cent of institutional loans were diverted from specific purpose to other uses.

**Chavan (2003)** conducted a study on the supply of rural credit. Credit continues to be important for the rural population for production related activities and more so for the rural poor for meeting consumption related needs in the absence of a strong social security net. In the past there had been systematic policy efforts towards building the formal system of credit in rural areas. The outcome was a rapid growth in the supply of bank credit and the displacement of the informal money lender to a considerable extent from the rural credit system. An attempt to build

a positive image of this institution and recommended the promotion of this institution over the formal channels of credit delivery to rural households thus reflected a regression in development thought and policy.

**Singh and Nasir (2003)** reported that agricultural loans increased continuously in Bihar from Rs.9806 lakhs in 1980-81 to Rs.44646 lakhs in 1996-97. The purchasing power of money had declined tremendously. To make the conclusion of the study more precise and reliable, the techniques of deflation index, diversification index and infrastructure development index were constructed. Moreover the agricultural credit flow declined in the early nineties which might have adversely affected the private capital formation on the basis of per hectare credit flow, agricultural credit flow had been inadequate in Bihar. It may be concluded that efforts to improve the adoption level of modern crop production technology and expansion of the network of rural institutions would help in increasing agricultural credit flow in Bihar.

**Satish (2004)** observed that governments had a critical role to play in the development of agricultural and rural financial institutions. But state involvement in the management and implementation of rural financial system had proven expensive and inefficient. Subsidized credit programmes which were part of state intervention in rural financial markets undermined the institutional sustainability of financial institutions, distorted rural finance markets and discouraged saving

mobilization and failed to develop market driven sources of funding. The revitalization of the state owned rural financial institutions was possible without a wholesale structural and ownership change. The study concluded that the intervention of the state in rural financial institutions had to be minimal and indirect. Further studied role of state and state owned institutions. The study highlighted that governments had a critical role to play in development of agricultural and rural financial institutions. But state involvement in the management and implementation of rural financial system had expensive and inefficient subsidized credit programmes which were a part of state intervention in rural financial markets undermined the institutional sustainability of financial institutions, distorted rural finance markets and discovered age saving mobilization and failed to develop market driven sources of funding.

**Bista *et al.* (2012)** depicted a similar picture with a vast disparity across different districts of the state in terms of amount, number of cards and amount per card. The gross returns and consequently net margins have been found higher for KCC beneficiary than non-beneficiary farmers. The factors influencing the adoption of KCC scheme and constraints perceived by the farmers have been identified. Some measures have also been suggested to attract more farmers towards the scheme.

**Dhanabhakya and Malarvijhil (2012)** reported that the KCC is one of the most innovative, widely accepted, highly appreciated and

non-discriminatory banking products. It is beneficial to farmers. As of now there appears no relationship there is no relationship between sex and mode of receiving the loan. Kisan credit card 41% of respondents come to know about this card through agricultural officers, 23% respondents comes to know about this card through bank employees. 61% respondents yes they are polite and 38% no they are not polite quality of services provided by bank and 41% yes quick and promote the services and 59% no quick and promote the services.

**Godara et al. (2014)** concludes that Regional Rural banks are doing quite well in fulfilling the objectives of the scheme, and serving the farmers to fulfill their crop loan demands while the growth performance of Co-operative banks has not been satisfactory in issuing cards and amount sanctioning.

## 2. **Knowledge and use of the farmers about KCC scheme**

**Reddy and Reddy (1997)** suggested that timely advance should be provided and bank authorities should change the procedure to suit local condition and also providing technical guidance to borrowers.

**Patel (1999)** reported that bankers both at the block level and state level should monitor not only the members of KCC holders on quarterly basis but also examine the amounts sanctioned, disturbed and utilized which have direct impact on crop production in the country. Besides feedback, utility and effectiveness of KCC scheme in the country.

**Dubey (2006)** suggested that if the waste land was made cultivable to weaker section then there might be considerable improvement with respect to even distribution of KCC in the state.

**Singh and Sekhon (2006)** reported that that at all India level the cumulative number of KCC issued by all implementing agencies as on March 31, 2004 stood at 413.19 lakhs and corresponding figure for Punjab was 13.78 lakhs. The co operative banks accounted for 65 per cent of KCC issued and 63 per cent of amount sanctioned. The commercial banks accounted for 35 per cent of KCC issued and 37 per cent of loan sanctioned. The Punjab topped the list with highest penetration ratio.

**Trivedi (2006)** concluded that only 40 per cent of total 65 lakhs farmers have been distributed KCCs in the state against target on covering all the farmers by March 31, 2004. Except bank of Rajasthan no private banks issued 1, 80,745 cards, RRBs issued 63,002 cards and co operative banks issued 1, 73,567 cards.

**Kumar *et al.* (2007)** reported that access and distribution of rural credit, in general, increased but was skewed in favour of more developed on institutional sources of finance. The use of Kisan Credit Card was encouraging and its distribution was less skewed. Age, male headed households, household size, farm size, level of education, and self employment in agriculture appeared as significant variables positively

determining the choice of institutional sources of credit and possession of Kisan Credit Cards.

**Longanthan (2008)** analyzed that under the scheme more than three corers of farmers were benefited and the scheme could be extended to other farmers in the coming years.

**Jamunarani (2009)** reported that over 14 million KCCs have been issued across India. The scheme has been implemented in all the stated and union territories by 27 public sector banks (PSBs), 373 district central co-operative banks (DCCBs) and 196 Regional Rural Banks (RRBs). The KCC system played a vital role in rural credit and large numbers of farmers have been benefited by this novel and innovative credit system. It was the duty of farmers to utilize this credit delivery system not only for their individual benefit but also for national development at large.

### 3. **Impact of KCC on socio economic profile on the framers**

**Dasgupta (2001)** recommended that lender-borrower relationship should be transparent, Loan documents should be made simple, banks should display their maturity by ensuring that correct type of people but not the unwanted ones are posted in rural and difficult areas and stamp duty for agricultural loans should be abolished.

**Faruqui (2001)** reported that the scheme seems well thought of and full of good intentions. Not only has availability of credit been made

easier but has also been made simple to get and operate. Farmers have been given sufficient freedom to decide how to use their credit, while at the same time a set repayment schedule has been provided. However for this scheme to be successful, education of both the farmers and also the bank officials about the scheme is required.

**Kamaruzzaman and Basher (2001)** indicated that credit receivers achieved higher amount of potential yield than the credit nonreceivers. Mechanical power cost, irrigation cost, application of urea had positive impact on reducing yield gap while human labour and age had negative impact on reducing yield gap. Credit also showed positive impact on increasing technical efficiency. Technical efficiency was higher for credit receivers than the non- receivers according to tenure status, age, category, educational status, frequency of extension contracted.

**Singh *et al.* (2002)** reported that comparative economic analysis of the farm business as a whole. The per hectare input cost, gross income, family labor income and farm business income were found to be higher in post-borrowing conditions as compared to pre -borrowing conditions of the farmers. Level of income was also high. The borrowings made by farmers helped them in making higher investments on their farms for different purposes. The study concluded that in the post-borrowing conditions credit advances made for different purposes had directly/indirectly resulted in a significant increase in agricultural

development i.e. in the level of income employment on different size groups of farms.

**Namboodiri (2002)** reported that diversified credit and deposit portfolios and virtually meeting all needs of its members who were predominantly small and marginal farmers. However, constantly declining credit-deposit ratio of this bank required new initiatives for venturing into viable lending and nonlending business. Harnessing these will need greater autonomy and flexibility from government policies towards scale of finance for crops, and in formulation and implementation of loans and deposit services/products that suited the local conditions.

**Sharma (2005)** that among different social groups the SC (scheduled caste) and ST (scheduled Tribe) households seemed to be underrepresented and land leasing households appeared to be adequately represented. About a third of the sampled farmers find the process of getting a KCC difficult, but in some regions such as central and north for a significant number of farmers, the procedure was still cumbersome.

**Barik (2010)** found that “ kisan credit card scheme – a dynamic intervention for reduction in rural poverty” opined that Realizing the importance of enhancement of flow of credit to the rural sector and reduction of the dependence of farmers on non-institutional sources of credit, NABARD introduced Kisan Credit Card (KCC) scheme.

**Bhatt (2012)** reported that rural credit system is concerned in India, it has many dimensions and informal source of finance was once the only and dominant form of rural credit. The appearance of banks has no doubt reduced the share of informal source but not up to the desired extent. To solve the above problem, NABARD started different programmes to supply adequate credit to farmers, which has made the rural finance system more inclusive and sociable. The present paper deals with the role of Kisan Credit Card as an Instrument for Financial Inclusion and the progress made so far.

**Sharma *et al.* (2013)** reported that impact of short term crop loan, highest increase in yield was with wheat crop which amounted to 82.37 per cent. The highest percentage of magnitude of increased income (75.28%) was for wheat crop followed by 68.78 and 46.75 per cent respectively for gram and arhar respectively.

#### **4. Factors that influence the use of KCC scheme**

**Singh and Kumar (2007)** reported that access and distribution of rural credit, in general, increased but is skewed in favour of more developed states and within these towards better-off households. The poorer households are more dependent on non-institutional sources of finance. The use of Kisan Credit Card is encouraging and its distribution is less skewed. Age, male-headed households, household size, farm size, level of education, and self-employment in agriculture appear as

significant variables positively determining the choice of institutional sources of credit and possession of Kisan Credit Cards

**Sajane *et al.* (2011)** reported that (-393.38 %) and on the other hand, in Sangli district, the growth was positive (36.18 %). The total cost of credit as percentage of borrowed amount was higher in the non- kisan credit card category (11.06 %) as compared to that in the kisan credit card (4.77 %). It was also evident that the credit given by the banks for food crops (jowar and paddy) was less as compared to that for cash crops (potato, sugar cane and soybean).

**Sirisha and Malyadri (2011)** reported that scheme was implemented across the country in all the states and union territories by the public sector commercial banks, Regional Rural Banks (RRBs) and cooperative banks. The study explores about the Kisan Credit Cards (KCC) Issued by different agencies and its achievements in financial inclusion.

**Chanda (2012)** reported that the states with initially better access to agricultural credit show subsequently greater amounts of KCC lending. However, Bihar and other BIMARU states also show faster adoption rates that cannot be explained by their recent growth accelerations. Within Bihar, we see that districts with initially greater lending in KCC continue to pull further away from other districts while in terms of account holders there is evidence of convergence. Finally, we do not see

any evidence of KCC lending on state or district level agricultural productivity.

**Bindage *et al.*(2014)** reported that the credit gap under both KCC and non-KCC credit was positive for sugarcane, which indicated that the credit sanctioned was inadequate for sugarcane cultivation. The average credit gap, as a percentage of cost of cultivation, was 0.19 per cent under KCC credit, as against 0.30 per cent under non-KCC credit.

**Rajamohan and Subha (2014)** reported that farmers heavily depend on non institutional sources of credit due to frequent needs, inadequate availability of institutional credit, unnecessary delays, cumbersome procedure and improper practices adopted by institutional lending agencies. Provision of timely and adequate credit has been one of the major challenges for banks in India in dispensation of agricultural and rural credit to the farmers. Hencethis research paper mainly focused on “Kisan Credit Card Scheme: A Facet of Financial Inclusion”

##### **5. Constraints faced by respondent and suggestion to overcome the constraints**

**Prasad (2003)** suggested that KCC could be upgraded to and ATM kisan credit card and introduced to agriculture intensive branches of commercial banks.

**Rao (2003)** reported that the kisan credit card scheme aimed at providing adequate and timely support to the farmers in a flexible and

cost effective manner had not succeed in its true sprit because of various stipulation and restrictions. Its operation seemed to be limited to only purchase of fertilizers from fixed shops. A more farmer friendly credit card system needs to be operated so as to realize the objectives of the scheme.

**Khatkar *et al.* (2005)** reported that all the SHG's were found to be self administered and all groups were having cash credit limit of Rs.2.50 lakh. They provided the loan to the mostneedy member for purchase of animals, to start small business, to solemnize the marriage of their dependents and to meet out the expenses on the treatment of any family members, expenses on education and other social obligations. The study further observed that micro- financing helped in enhancing the income and gainful full employment of rural poor and included the habit of saving as well as entrepreneurial capability

**Dubey (2006)** reported that the scheme should endaver to cover all type of crops. The implementation of scheme should be target and focused on the real needy section of society so that the benefit of the scheme could acquire to larger population.

**Mohan (2006)** reviewed status and issue of agriculture credit in india and conducted that though overall flow of agriculture credit in india had increased over the years there were several gaps in the system like in adequate provision of the credit to small and marginal farmers ,paucity of

medium and long term lending and limited deposit mobilization and heavy dependency on borrowed funds major agriculture credit borrowers.

**Sindhu and Gill (2006)** concluded that farmer suicides were reported from those states which are relatively more advanced forerunner in commercial agriculture like Andhra Pradesh, Karnataka, Kerala , Maharashtra and Punjab. In Karnataka, farmer's dependency on informal sources of credit was quite high (31.10 %). In majority of the cases, the suicides victim farmers had used loan for investment in agricultural and belonged to small and marginal farmers. This indicated breakdown of community sense and social support mechanism in the area of highly commercialized and competitive agriculture.

**Mihir et al. (2007)** concluded that increase in natural resource generation was required, reforms of public sector banking aimed at strengthening the capacity to deliver high quantity credit was necessary. He recommended for strict vigilance including maximum permissible inters rate bands, strengthening of SHG bank linkage programmed and making PACs truly democratic member driven, professional organization based on concept of mutuality.

**Saleem and Reddy (2014)** reported that the role of banks in rural India is more of social responsibility and obligation, considering the potential of the rural India the banks would be largely benefited monetary wise. The purpose of study is analysing the growth in Kisan Credit Card

scheme in India. The finding of the study reveal that there is high growth of KCCs since inception and this growth is leading to growth in GDP.

## **RESEARCH METHODOLOGY**

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The major purpose of this chapter is to deal with various methods and procedures that are used in the selection of area, locale of study, sampling designs and procedures of data collection, different variables under study, their empirical measurements and statistical methods employed for the analysis of the data have been discussed here as follows:

3.1 Locale of the study

3.2 Sampling designs and selection of the respondents

3.3 Selection of variables and their empirical measurements

3.4 Procedure of data collection

3.5 Statistical methods used

### **3.1: Locale of the study:**

#### **3.1.1 Selection of the district:**

Since, the KCC scheme is implemented in Faizabad district; it is selected purposively for the study undertaken. Another cause for its selection is the close familiarity of investigator with respect to area, people, officials, etc.

The Faizabad district is located in the eastern plain zone of Uttar Pradesh. It is considered to be the most climatically suitable area for agricultural practices.

### 3.1.1.1 Information about the district Faizabad:

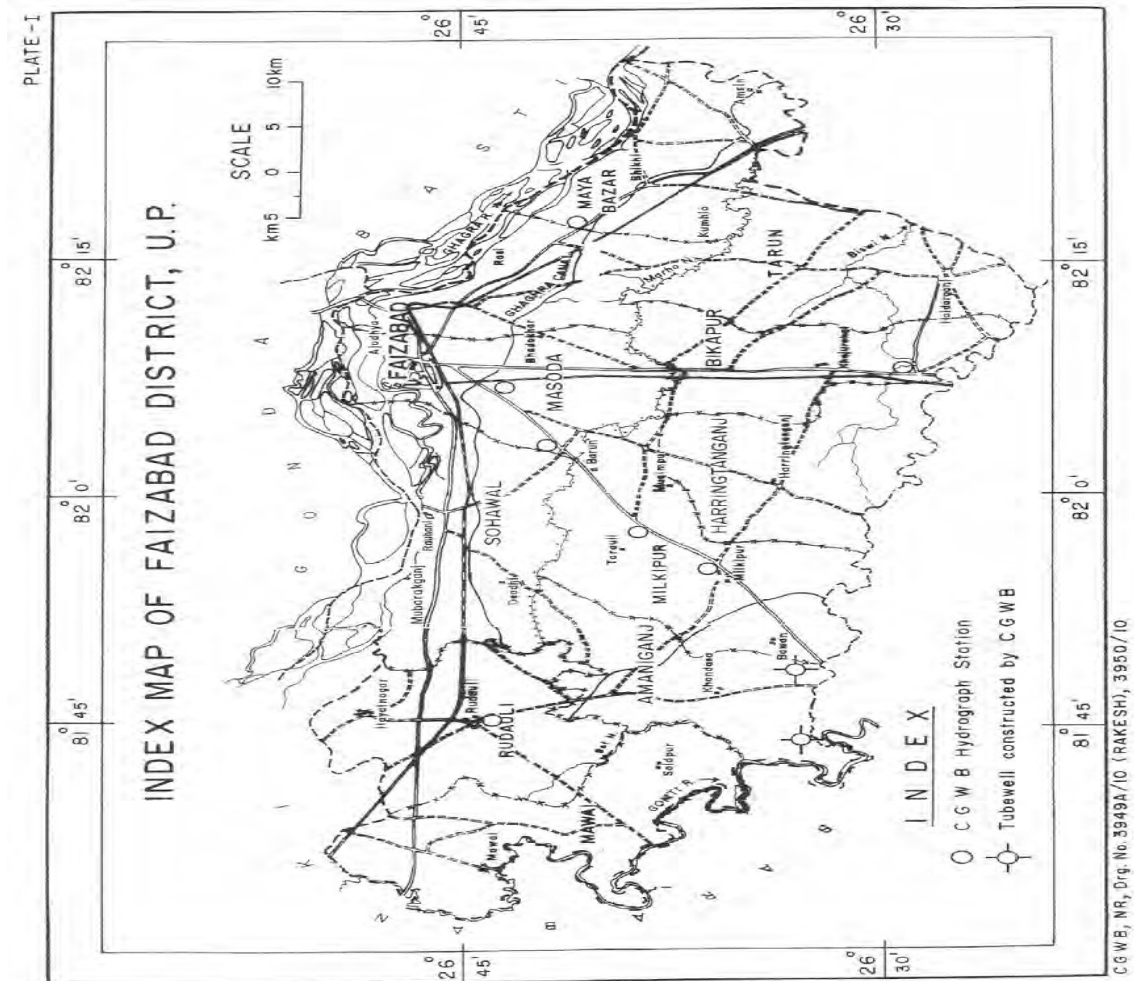
**Table-3.1. Information about the district Faizabad**

S. No.	Particulars	Figures
1.	Gram Panchayats	1841
2.	Nyay Panchayats	222
3.	Bus stop	73
4.	Railway station	22
5.	Total population	29,78,484
a.	Rural population	26,31,261
b.	Urban population	3,47,223
c.	Male population	15,48,252
d.	Female population	14,30,232
6.	Primary health centre (govt.)	12
7.	Basic primary school	1753
8.	Junior high school	757
9.	High schools and intermediate colleges	242
10.	Degree colleges	23
11.	Universities	02
12.	Total geographical area (ha.)	4,42,694
a.	Cultivated area (ha.)	2,93,104
b.	Irrigated area (ha.)	2,44,193
c.	Unirrigated area (ha.)	49,512
13.	Length of canal (km.)	1,225
14.	Total literacy percentage	56.3
a.	Male literacy percentage	69.4
b.	Female literacy percentage	42.3

15.	Government tube well	12,156
16.	Personal tube wells and pump sets	1,13,573
17.	Veterinary hospitals	25
18.	Artificial insemination centers	29

Source: Statistical report, 2013-14, Faizabad district.

Fig. No. 1 Map of Faizabad district



The city of Faizabad originally known as Faizabad is situated in Eastern part of India, in Uttar Pradesh, on the bank of River Saryu, about 130 KM east of Lucknow. The district Faizabad is situated at  $26.50^{\circ}$  N latitude and  $82.40^{\circ}$  E longitudes. The district Faizabad is situated at  $26.50^{\circ}$  N latitude and  $82.40^{\circ}$  E longitudes. Its total geographical area is 2522 square kilometers. The density of population is 680 kilometers. It has 4 Tahsil namely Faizabad, Milkipur, Bikapur, and Sohawal and 11 community development blocks namely: Sohawal, Masaudha, Bikapur, Milkipur, Purabazar, Mayabazar, Amaniganj, Haringtinganj, Tarun, Rudauli and Mavai.

### **3.1.2 Selection of the block:**

Out of 11 community development block in Faizabad district, the Milkipur block was selected purposively for this study because of the criteria of nearer to N.D.U.A.&T., Kumarganj and its easy accessibility.

The community development block of Milkipur was established in the year 1962 and divided in to six village development officer's circle for effective implementation of development programmes. This block constitutes 10 Nyay Panchayat, 67 gram panchayat and 113 villages, covering an area of 4511 square KM. The total population of the block according to 2013 census was 156568, out of this 80650 Where male 75918 and females. From literacy point of view male literacy 64% followed by female literacy 34% respectively.

### **3.1.2.1 Location:**

The Milkipur block is located in the Southern part of the Faizabad district which is situated at 26.49<sup>0</sup> N latitude and 82.12<sup>0</sup> E longitudes and at altitude of 113 m<sup>-2</sup> above the mean sea level. The block head quarter is situated at the distance of 27 KM away from district had quarter and 13 KM from the main campus of Narendra Deva University of Agriculture and Technology, Kumarganj, Faizabad.

### **3.1.2.2 Topography:**

The area of block is well leveled except some low lying packets lacking with drainage facilities. This makes kharif cropping pattern rather precarious.

### **3.1.2.3 Soil:**

The soil of this area is mostly sandy loamy in nature. The soils found throughout the block are mainly of 4 types:

1. Sandy loam soil.
2. Loam soil.
3. Clay loam soil.
4. Clay soil.

### **3.1.2.4 Climatic conditions:**

This region falls in the sub-humid and sub-tropical part of U.P., where summer is moderate to very hot & dry and the winter is sufficiently cold. The following table reveals the temperature (<sup>0</sup>C) and

rainfall (mm) of different months as recorded for current agricultural year viz., 2013-14.

**Table 3.2: The temperature (<sup>0</sup>C) and rainfall of Milkipur block, Agriculture year (2013-2014)**

S. No.	Month	Temperature ( <sup>0</sup> C)		Rainfall (mm)
		Minimum	Maximum	
1.	July, 2013	26.60	33.40	282.50
2.	August, 2013	26.20	32.00	284.40
3.	September, 2013	18.90	31.60	203.00
4.	October, 2013	10.60	32.10	0.00
5.	November, 2013	7.60	28.40	0.00
6.	December, 2013	5.30	21.80	0.00
7.	January, 2014	9.70	18.70	3.20
8.	February, 2014	13.70	24.00	82.60
9.	March, 2014	18.80	31.10	0.00
10.	April, 2014	24.20	36.80	0.00
11.	May, 2014	24.40	40.30	0.00
12.	June, 2014	25.10	33.10	577.90

**Source:** Agricultural Meteorology Department of NDU&T., Kumarganj, Faizabad (2013-14).

**Table-3.3: The particulars of land utilization pattern are as follows**

S. No.	Land utilization pattern	Area (ha)
1.	Total geographical area	21601
2.	Cultivated area (ha.)	13880
(a)	Irrigated area (ha.)	9539
(b)	Unirrigated area (ha.)	4341

3.	Uncultivated area (ha.)	7721
(a)	Area under forest (ha.)	240
(b)	Area under permanent pasture (ha.)	179
(c)	Area under usar land (ha.)	201
(d)	Area under ponds, canal, water logged (ha.)	201
(e)	Area under parti land (ha.)	2922
(f)	Area under trees and industries in hectare.	1259

**Source:** C.D. Block Milkipur, Faizabad, 2013-14.

**Table 3.4: Distribution of farmers on the basis of size of land holding in Milkipur block:**

S. No.	Area (ha.)	Number of farmers	Area under possession (ha.)
1.	Marginal (Below 1 ha.)	19051	19144
2.	Small (1.0 to 2.0 ha.)	3367	5782
3.	Medium (2.0 to 3.0 ha.)	751	6234
4.	large (3.0 ha. and above)	441	7018

### 3.1.2.5 Irrigation sources:

Sources of irrigation as available in the Block are canals, wells, tube wells, diesel pumping set, Government electric tube wells etc. From all these sources, an area of more than 13000 ha is irrigated. The particulars of which are as follows

**Table-3.5: Irrigation sources of Milkipur block, Faizabad**

S. No.	Source of irrigation	Number	Area covered (ha.)
1.	Wells	189	3.00
3.	Diesel pumping set	5027	

4.	Personal tube well	4130	8977.00
5.	Govt. tube well	62	3460.00
7.	Canal	01	551.00
8.	Ponds	136	9.00

**Source:** C.D. Block Milkipur, Faizabad, (2013).

### 3.1.2.6 Cropping pattern

Cropping pattern of the Milkipur block as follows Kharif, Rabi and Zaid seasons. Crops grown on a large scale in the block are paddy, lentil, gram, wheat, maize, moong, arahar, mustard, sugarcane, pea and vegetables are the important ones.

**Table-3.6: The major crop rotations which are commonly followed by the farmers in Milkipur block.**

S.No.	Crops rotations	Duration
1.	Rice - Wheat - Maize (Fodder)	One year
2.	Rice - Wheat – Cowpea	One year
3.	Rice – Potato -Cucurbits.	One year
4.	Maize - Lahi - Wheat.	One year
5.	Jowar - Potato - Wheat.	One year
6.	Maize - Potato - Sugarcane.	Two years
7.	Rice - Pea - Sugarcane.	Two years
8.	Rice - Sugarcane - Wheat	Two years
9.	Wheat - Jowar - Sugarcane	Three years
10.	Maize - Potato - Sugarcane - Wheat	Three years

**Table-3.7: List of educational institutions in Milkipur block.**

S. No.	Institute	Number
1.	Primary School	115
2.	Junior High School	98
3.	Senior Basic School	38
4.	High School	04
5.	Intermediate College	13
6.	Degree College	03

**Source:** C.D. Block Milkipur, Faizabad (2013)

**Table-3.8: Existing agencies which are running in the block level:**

S. No.	Bank/Agencies	Number
1.	Nationalized Bank	07
2.	Kshetriya Gramin Bank	07
3.	Co-Operative Society	07
4.	Seed Store (Govt.)	01
5.	Veterinary Hospital	02
6.	Artificial Insemination Centers	02
7.	Primary Health Centers	01
8.	Agriculture Department	01
9.	Govt. Fertilizers Stores (Govt.)	01
10.	Private Fertilizers Stores (Private)	05
11.	Agriculture Plant Protection Centre	01

**Source:** C.D. Block Milkipur, Faizabad (2013)

### 3.1.3 Selection of the sample villages:

For selecting the sample villages, lists of all the villages in the selected block *i.e.* Milkipur, procured from the block headquarter. The number of villages was 113 from which 5 villages were selected on the basis of

maximum no of KCC beneficiaries. The selected five villages are (I) Kuchera (II) Inyat nagar (III) Banwa (IV) Bada gaon (V) Gokula.

**Table-3.9: General information about selected villages under study:**

S. N.	General information	Villages selected for the study under taken				
		Kuchera	Inayat Nagar	Bawan	Bada Gaon	Gokula
		1	2	3	4	5
1	Gram Panchayat	Kuchera	Milkipur	Bawan	Milkipur	Inayat Nagar
2	Post office	Kuchera	Milkipur	Kumarganj	Milkipur	Kumar Ganj
3	Block	Milkipur	Milkipur	Milkipur	Milkipur	Milkipur
4	Tehsil	Mikipur	Milkipur	Milkipur	Milkipur	Milkipur

**Table-3.10. Location and situation of the selected villages:**

S. No.	Place	Villages selected for the study under taken				
		Kuchera	Inayat Nagar	Bawa	Bada Gaon	Gokula
1.	District H.Q.	22	30	34	25	42
2.	Block & B.D.O. H.Q.	15	8	7	3.5	20
3.	Bus Stop	0.5	0	1.5	3.5	2.0
4.	Co-operative societies	0.5	0	1.5	0.5	2.0
5	Weekly market center	0.5	0	1.5	0.5	0
5.	Gram	0	0	0.5	0.5	20

	Panchayat					
6.	Primary school	0	0	0.5	0	0
7.	Middle school	0	0	2	0	0
8	Inter College	0	0	2	0	2
9.	Degree college	01	0	0.5	2.0	2.5
10.	Railway station	40	30	34	22	42
11.	Hospital	0.5	0.5	1.5	2.5	2.5
12.	Post office	0.5	0	1.5	0	2.5
13.	Thana	0.5	0	1.5	2.5	2.5
14	University	40	30	44	22	42
15	Agril. university	12	10	1.5	22	2.5

### 3.2 Sampling design and selection of the respondents:

In this, those farmers who are the KCC holders are the respondents. A sample of 100 farmers was selected through purposive random sampling technique following the proportionate to the population. Primary data was collected through personal interview using with restructured schedule and secondary was collected through the official record of at district and block levels. The appropriate data and draw interface accordingly.

**Table-3.11: Sampling design for locale and respondent selection**

S. No.	Unit	Particular	Design																				
1.	District	Faizabad ↓	Purposive																				
2.	Block (11)  Sample Block (01)	Masaudha, Bikapur, Amaniganj, Tarun, Milkipur, Maya Bazar, Haringtanganj, Sohawal, Pura Bazar, Amaniganj, Mavai ↓ Milkipur	Purposive																				
3.	Village	Village ↓ 113																					
	Sample Village	<p style="text-align: center;">5 ↓ Kuchera      Inayat nagar      Banwa      Bada gaon      Gokula</p>	Purposive random sampling																				
4.	Respondents (no)  KCC holders Respondents	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="5" style="text-align: center;">5 village)</td> </tr> <tr> <td style="text-align: center;">92</td> <td style="text-align: center;">90</td> <td style="text-align: center;">52</td> <td style="text-align: center;">48</td> <td style="text-align: center;">40</td> </tr> <tr> <td style="text-align: center;">29</td> <td style="text-align: center;">28</td> <td style="text-align: center;">16</td> <td style="text-align: center;">15</td> <td style="text-align: center;">12</td> </tr> <tr> <td colspan="5" style="text-align: center;">100 (Beneficiaries)</td> </tr> </table>	5 village)					92	90	52	48	40	29	28	16	15	12	100 (Beneficiaries)					Proportio nate Random Sampling
5 village)																							
92	90	52	48	40																			
29	28	16	15	12																			
100 (Beneficiaries)																							

### 3.3: Selection of variables and their empirical measurements.

The variables were selected according to the objectives of the study. The selected variables were categorized into the independent and dependent variables. The variables and their measurements are given below in tabular form:

**Table-3.12: Variables and their empirical measurements**

S. No.	Variables	Measurements
A.	<b>Independent variables</b>	
1.	Age	Chronological age class developed
2.	Education	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
3.	Caste	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
4.	Family type	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
5.	Family size	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
6.	Land holding	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
7.	Occupation	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
8.	Income	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
9.	Social participation	Socio-economic status scale (rural) developed by Trivedi and Pareek (1964) with suitable modifications.
10.	Material possession	Socio-economic status scale (rural)

		developed by Trivedi and Pareek (1964) with suitable modifications.
11.	Economic motivation	Scale used as developed by Supe (1969)with suitable modifications
12.	Risk orientation	Scale used as developed by Supe (1969)with suitable modifications
13.	Extension contact	Index developed and used
<b>B.</b>	<b>Dependent variables</b>	
1.	Knowledge Extent	Index developed and used
2.	Use of KCC scheme	Index developed and used
<b>C.</b>	<b>Constraints</b>	Index developed and used
<b>D.</b>	<b>Suggestions</b>	Index developed and used

### 3.3.1 Age:

Chronological age in complete years on the basis of actual age of the respondents. The age categories were made according to mean and standard deviation duly computed for the purpose. These were young (mean-SD) middle (mean  $\pm$  SD) and old (mean + SD).

### 3.3.2 Education:

Education of respondents was judged from the level of formal education achieved and number of years spent in it by the respondents. The respondents were grouped in to eight categories viz., illiterate, can sign, can read and write, primary, middle, high school, intermediate, graduate and post graduate.

The scores were assigned to various levels of education as illiterate (0), can sign (1), can read and write (2), primary (3), middle (4), high school (5), intermediate (6), graduate (7) and post graduate (8).

### **3.3.3 Caste:**

Caste of the respondents was categorized into three categories as per government norms *viz.*

#### **a. General caste:**

This category is concerned with Kshatriya, Vaishya and Kaystha etc.

#### **b. Other Backward Caste:**

It includes, Yadav, Kurmi, Maurya, Kahar, Lohar and Barber etc.

#### **c. Scheduled caste:**

This category is concerned with Kori, Chamar, Pasi, Washerman etc. for the study undertaken.

The scores were assigned to various castes categories as scheduled caste (1), backward caste (2) and general caste (3).

### **3.3.4: Type of family:**

- i.** Nuclear family
- ii.** Joint family

Scores were assigned 1 for nuclear family and 2 for joint family, respectively.

### **3.3.5 Size of family:**

According to size of family the categories were framed as follows

- (i) Mean - SD, (ii) Mean  $\pm$  SD and (iii) Mean + SD .

### **3.3.6 Size of land holding:**

Actual land holding in hectare was recorded as reported by the respondents and a category was made accordingly.

### **3.3.7 Occupation:**

The occupation of the respondents' families was worked out on the basis of enterprises which contribute more than 50 per cent share in the total income as main and below that as subsidiary occupation. Occupation of the respondents' families was categories into following categories and scores assigned as given in brackets; Agriculture labor (1), Caste based occupation (2), Service (3), Agriculture (4), Business (5), Agro-based enterprises (6) and subsidiary occupation the same pattern was used.

### **3.3.8 Annual income**

Annual income of respondent is the combined income of main occupation and subsidiary income and total income of respondent was reported by the respondent. The annual income categories were made according to mean and standard deviation duly computed for the purpose. These were young (mean-SD) middle (mean  $\pm$  SD) and old (mean + SD).

### **3.3.9 Social participation:**

For social participation of the respondents, the various categories *viz.*, member of one organization, member of two organizations, and member of more than two organizations or office bearer were framed.

The social participation of the respondents was computed by assigning one (1) score for membership of one organization, (2) scores for member of two organizations and (3) scores for member of three or more organizations/office bearers. For no participation, category, the zero score was assigned.

### **3.3.10: Materials possession:**

#### **A. Farm materials:**

##### **(i) Farm power:**

The farm power materials included under study with their scores in parenthesis were bullock (1), power tiller (2), pumping set (2), electric motor (3) and tractor (4), respectively.

##### **(ii) Farm Implements:**

The scores assigned to various farm materials with the respondents were, winnower, deshi plough, mould board plough, pata, kudal,shaved, shovel, leveler, chaff cutter, kudal, duster and sprayer (1), disc plough, cane crusher (2), and seed drill, thresher, cultivator and rotavator (3), respectively.

#### **B. Household materials possession:**

The scores were assigned to various household materials viz., watch, chair, electric press, heater, gas cylinder, stove, fan, electric cooler, crockery, dining table, sofa set, dressing table, petromax, sewing machine, cots, smokeless chulha, single bed (1), double bed and (2), respectively.

#### **C. Transportation materials:**

The scores were assigned to various transportation sources like cycle, bullock cart, Rickshaw and Tanga (1), scooter, motor cycle and tempo (3), Jeep, car (5), and bus, truck (6), respectively.

#### **D. Communication media possession:**

The scores were assigned to various sources of communication like radio (1), news-paper, agriculture books, agriculture magazines, agriculture journal, general magazine (2), and V.C.D., D.V.D. player, T.V., telephone, mobile phone, video conferencing and computer internet (3). The figures in parentheses show the scores assigned to the communication sources, respectively.

#### **3.3.11 Economic motivation:**

The scale developed by Supe (1969) was used to measure the economic motivation with some modification. There were six statements in the economic motivation, bearing five points continuum *viz.*, strongly agree, agree, undecided, disagree and strongly disagree. The scores assigned to the points were 5, 4, 3, 2, & 1 respectively. On the basis of scores, the respondents were grouped into three categories based on (i) mean-S.D. (low), (ii) mean  $\pm$  S.D. (medium) and (iii) mean + S.D. (high), respectively.

#### **3.3.12 Risk orientation:**

The scale developed by Supe (1969) was used for measuring the risk orientation consisting of six statements with modification in which five were positive and one was negative. The scale was administered on five point scale *viz.*, strongly agree, agree, undecided, disagree, strongly disagree. The scores were assigned as 5, 4, 3, 2 and 1, respectively for all

positive statements and 1, 2, 3, 4 and 5, respectively for negative statements. The respondents were categorized into three categories such as low, medium and high on the basis of mean-SD (low), mean  $\pm$  SD (medium) and mean + SD (high) respectively.

### **3.3.13 Extent of contact with information sources:**

To study the information sources utilization pattern (ISUP), the availability and contact pattern were included. So far as the contact of the respondents with each information sources is concerned, the each source was measured on 8 point continuum (Never, yearly, half yearly, quarterly, monthly, fortnightly, weekly and daily) and 0, 1, 2, 3, 4, 5, 6 and 7 scores were assigned to them respectively. A rank order was placed to them for interpretation.

### **3.3.14 Knowledge extent of KCC scheme beneficiaries:**

The modification in the existing knowledge test was made in relation to items facility KCC holder. All the questions in the knowledge were dichotomized having 'yes/no' or 'correct/incorrect', if the answer was 'yes' or 'correct,' it was assigned a score of one (1) and if the answer was no or incorrect, it was assigned a score of zero (0).

The range of scores obtained by the respondents might vary in low, medium and high range in the knowledge test which indicated the knowledge level of the respondents. It was categorized into three

categories viz. (I) Mean-S.D. (II) Mean  $\pm$  S.D. (III) Mean  $\pm$  S.D., respectively.

### **3.3.15. Use of farmers about KCC scheme.**

The modification in the existing use test was made in relation to facilities regarding KCC holder. All the questions in the use about scheme were dichotomized having 'yes/no' or 'correct/incorrect', and on the basis of all question what people adopt if the answer was 'yes' or 'correct,' it was assigned a score of one (1) and if the answer was no or incorrect, it was assigned a score of zero (0).

The study was carried on using about KCC scheme to see its impact on use of beneficiaries.

The range of scores obtained by the respondents might vary in low, medium and high range in the Use test which indicated the use level of the respondents. It was categorized into three categories viz. (I) Mean-S.D. (II) Mean  $\pm$  S.D. (III) Mean  $\pm$  S.D., respectively.

### **3.3.16 Constraints:**

The response of respondents was secured with reference to the constraints and percentage was computed to find out the facts. Ranking of constraints was done on the basis of percentage figure in descending order based on higher mean score value comparatively for this.

### **3.3.17 Remedial measures:**

The suggestive measures were recorded as found out perceived by the respondents at the time of investigation and frequency distribution was done accordingly.

### **3.4 Procedure of data collection**

A structured schedule for data collection was designed and exercised by interviewing with few respondents for pre-testing. Then the suitable modifications were made according to need of this study. Thereafter the data were collected from beneficiaries of KCC scheme, through personal interview method.

### **3.5 Statistical methods used:**

The percentage and average were used for making simple interpretation.

#### **3.5.1 Percentage:**

The frequency of a particular cell was divided by the total number of respondents or (MPS) in that particular category and multiplied by 100 for calculating the percentage.

#### **3.5.2 Average ( $\bar{X}$ ):**

The average ( $\bar{X}$ ) was calculated by adding the total scores obtained by the respondents and divided it by the total number of respondents using the following formula:

$$(\bar{X}) = \frac{\sum X}{N}$$

Where,

$(\bar{X})$  = Average or mean

$\sum x$  = Total number of scores obtained by respondents

$N$  = Total number of respondents

### 3.5.3 Standard deviation:

S.D. is the square root of mean of the squares of all deviations, the directions being measured from the arithmetic mean of the distribution. It is commonly developed by symbol sigma ( $\sigma$ ).

$$\text{S.D.} (\sigma) = \sqrt{\frac{\sum d^2}{n}}$$

Where,

$\sigma$  = Standard deviation

$d$  = Deviation of variables mean

$n$  = Total number items

### 3.5.4 Correlation coefficient (r):

The coefficient of simple correlation ( $r$ ) is a measure of the mutual relationship between two variables that in *i.e.*  $x$  and  $y$ , where relationship is measured and commonly termed as product movement correlation coefficient and is computed by the following formula:

$$r = \frac{\sum (x_i - \bar{X})(y_i - \bar{Y})}{\sqrt{\sum (x_i - \bar{X})^2 \sum (y_i - \bar{Y})^2}}$$

$$\sum (x_i - \bar{X})(y_i - \bar{Y})$$

Where,

r = correlation coefficient

$x_i$  =  $i^{\text{th}}$  value of x variables

$\bar{X}$  = mean of x

$y_i$  =  $i^{\text{th}}$  value of y variables

$\bar{Y}$  = mean of y

### 3.5.5 Paired 't' test:

It is used when populations are dependent and samples are paired.

If there are two populations x and y and their samples  $x_1, x_2, x_3, \dots, x_n$  and  $y_1, y_2, y_3, \dots, y_n$  respectively.

There is a problem to test  $H_0 : \bar{d} = 0 \rightarrow$  population mean difference is zero against  $H_1 : \bar{d} \neq 0 \rightarrow$  population mean difference is not zero.

To test above hypothesis, we use test statistic-

$$t = \frac{\bar{d}}{S/\sqrt{n}} \text{ which follow t-distribution with } (n-1) \text{ d.f.}$$

Where,

$$\bar{d} = \frac{\sum_{i=1}^n d_i}{n}$$

$d_i$  = difference of sample unit ( $x_1-y_1, x_2-y_2, x_3-y_3, \dots$ )

$$S = \sqrt{\frac{\sum_{i=1}^n (d_i - \bar{d})^2}{n-1}}$$

**Conclusion:**

If  $t_{cal.} > t_{tab}$  at 5% level of significance then  $H_0$  is rejected and  $H_1$  is accepted and *vice-versa*.

**The hypothesis tested is given below:**

$$H_0 : \mu_1 = \mu_2$$

$$H_1 : \mu_1 \neq \mu_2$$

Where,

$H_0$  = Null hypothesis

$H_1$  = Alternative hypothesis

$\mu_1$  = There is no difference in knowledge between before and after the programme.

$\mu_2$  = There is no difference in income between before and after the programme.

If,  $Z_{cal.} \geq Z_{tab.}$  (1.96) then,  $H_0$  is rejected at 5 % probability level of significance, otherwise  $H_1$  is accepted.

## **CONCEPTUAL FRAME WORK**

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This chapter deals with the conceptual frame work of variables related to study under taken. It is furnished as below:

- (1) **Age:** It refers to the chronological age of the respondent in number of years completed by him at the time of interview.
- (2) **Annual income:** It refers to total income in rupees earned by the respondent from all sources in a particular year.
- (3) **Bibliography:** List of books or other written materials placed for reference after a piece of academic writing or appearing as a separate publication.
- (4) **Block (Kshetra Samiti):** A block is a unit of planning and development. This is an administrative means for taking the problems of rural people in their entirety in a concerted and co-coordinated manner.
- (5) **Caste:** Caste is a permanent type of social stratification of the society into higher and lower categories.
- (6) **Category:** A class, group or type based on some traits.

- (7) Communication media possession:** These are the means by which information or knowledge is passed on from one group or individual to another.
- (8) Constraints:** Problems or hurdles faced by the respondents in adoption of KCC.
- (9) Correlation:** A statistical measure showing the extent to which two variables are related not necessarily in a causal relationship; the magnitude of a correlation can vary from -1.00 to + 1.00.
- (10) Data:** Data are defined as facts, figures either known or available information.
- (11) Dissemination:** It is the way of spreading information, knowledge etc. so that it reaches many people and places
- (12) Economic motivation:** It means that the individual is oriented towards achievement of maximum economic gain such as maximization of farm profits.
- (13) Education:** It refers to the level of formal education obtained by the respondents.
- (14) Family size:** It refers to the number of persons living in a family.
- (15) Family types:** It is of two types viz., single family/nuclear family and joint family. In a single family system, the father, mother and their children are considered while in a joint family system, the

members of two and three generations along with relatives and servants live together under one roof with common fooding system.

**(16) Family:** All members of house hold who live together under one roof and one man guidance. They eat together and share their responsibilities in the interest of their family members.

**(17) Housing pattern:** It refers to the habitation; the villagers get constructed and live there in with their family members. It is of various types *viz.*, Hut, Kuchcha, Mixed and Pucca.

**(18) Illiterate:** The term illiterate is used to designate a person who cannot read and write, and has/had no formal schooling or its equivalent.

**(19) Information:** Information is difference in matter energy that affects uncertainty in a situation where a choice exists among a set of alternatives. So information is something which reduces uncertainty.

**(20) Interview:** Interviews are conducted with selected individual's respondents. Interviewing a number of different people on the same topic shall quickly reveal a wide range of opinions, attitude a strategies.

**(21) Material possession:** Operationally defined as the general materials possessed by the respondents including recreational, farm implements, machines domestic materials, communication and transports.

- (22) Mean ( $\bar{X}$ ):** A measure of central tendency, the sum of all observations/ items divided by their numbers, more popularly known as arithmetic mean. It is indicated by sign ( $\bar{X}$ ).
- (23) Motivation:** The process of initiating conscious and purposeful action.
- (24) Objectives:** Objectives are expressions of the ends towards which our efforts are directed.
- (25) Occupation:** The main occupation is that which generates income more than 50 % while the subsidiary below than that.
- (26) Opinion:** It is the ones view, attitude, or appraised as thoughts about something. Opinions were given here as per expressed by scientist and the farmers.
- (27) Probability:** An estimate of the chance or livelihood that a particular thing or event will occur.
- (28) Purposive sample:** A type of non-probability sample in which the elements to be included in the sample are selected by the researcher on the basis of special characteristics or typicality's of the respondents.
- (29) Random sampling:** The process in which all units of population have an equal chance of being selected for investigation.
- (30) Rank order:** Listing of the pupils in order or merit.

- (31) Ranking procedure:** Refers to a method used to arrange classes of pupils or lists or marks into order.
- (32) Range:** A measure of dispersion; a difference score obtained by subtracting the smallest score from the largest score in the distribution.
- (33) Reference:** Note in a publication referring the reader to another passage source person who supplies a recommendation for someone seeking employment or an introduction.
- (34) Respondents:** The person who responds the questions asked by the investigator in a survey with the help of interview schedule. In present study, the beneficiaries of dairy enterprise under SGSY programme considered as respondents.
- (35) Risk orientation:** It refers to degree to which the respondents is oriented towards the risk uncertainty and has courage to face the problems.
- (36) Sample:** Some selected units from the universe of the population who represent the universe are known as sample.
- (37) Schedule:** Schedule is the name usually applied to a set of questions which are asked and filled in by the investigator in a face to face situation with another person.

- (38) Scientific orientation:** Scientific orientation means broadening the outlook of the people so that they may think logically and rationally and utilizes the scientific knowledge properly in agriculture replacing the outdated and irrelevant practices by advance techniques.
- (39) Significance:** Significance has two basic dimensions namely statistical significance and psychological significance. Statistical significance indicates whether the obtained results are common or rare event, if only chance is operating. Psychological significance indicates qualities of data, adequacy of the data obtained and the clarity of the obtained results.
- (40) Size of land holding:** It refers to the possession of land in hectares/acres by the respondents.
- (41) Social participation:** Degree of involvement of individual in a social organization as a member or as a office bearer.
- (42) Socio-economic profile:** It is the profile of socio-economic components that refer to the status of individual, group, society or organization in varying degrees. In present study, it refers to the socio-economic status of the respondents they possess.
- (43) Source of information:** It refers to the objects through which respondents got informations about package or practices, activities about ATIC.

- (44) Standard deviation:** A measure of dispersion which is square root of the sum of squared deviations of each score from the mean divided by the number of scores.
- (45) Variables:** A variable is the description of the characteristics of a group of individuals which when measured can present more than one numerical value. Variables are of two types as follows-
- (i) Dependent variables:** The variables whose value is influenced or is to be predicated is called dependent variables.
  - (ii) Independent variables:** The variables manipulated by the experimenters for the purpose of determining whether it influences behaviour.

## **RESULTS AND DISCUSSION**

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The findings and inferences drawn with respect to the specific objectives of the study on the basis of analysis by using relevant statistical techniques have been presented in this chapter.

The findings of this study have been discussed into following sub heads:

- 5.1** Socio economic profile of respondents.
- 5.2** Knowledge and use of the farmers about KCC scheme.
- 5.3** Impact of the KCC scheme on farm economy.
- 5.4** Factors that influence the use of KCC scheme.
- 5.5** Constraints faced by the respondents in use of KCC scheme.
- 5.6** Suitable suggestions to overcome the constraints thereof.

### **5.1 Socio-economic profile of respondents:**

#### **Age composition:**

**Table-5.1.1: Distribution of the respondents on the basis of age** N=100

S. No.	Age categories (years)	Respondents	
		Number	Percentage
1.	Young (UP to 36)	17	17.00
2.	Middle (37-51)	65	65.00
3.	Old (Above to 51)	18	18.00
	Total	100	100.00

Mean=43.13,S.D.=7.484,Min.=30,Max=72

It is obvious from the Table-5.1.1 that majority of the respondents (65.00 %) were observed in the category of 37-51 years of age followed by 18.00 % and 17.00 % for 51 and above and up to 36 years of age respectively. So, the majority of the KCC holders fall in the category of 37-51 years of age.

**Table 5.1.2: Distribution of the respondents on the basis of education**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	Illiterate	0	0
2.	Literate	100	100.00
	Total	100	100.00
a.	Primary	11	11.00
b.	Middle	17	17.00
c.	Highschool	32	32.00
d.	Intermediate	25	25.00
e.	Graduate	15	15.00
	Total	100	100.00

It is revealed from the Table-5.1.2 that literacy percentage of respondents was observed 100 per cent. Further, the educational standard of literate respondents in descending order was found as 32 %, 25 %, 17 %, 15 %, and 11 % per cent for high school, Intermediate, Middle, Graduate and Primary respectively.

Hence, it can be concluded that majority of respondents (100%) were literate.

**Table 5.1.3: Distribution of the respondents on the basis of caste**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	General caste	45	45.00
2.	Back ward caste	39	39.00
3.	Scheduled caste	16	16.00
	Total	100	100.00

The Table- 5.1.3 indicates that maximum number of the respondents (45 %) belonged to general caste, while the backward caste (39%) and scheduled castes (16%) respectively.

Thus, it is concluded that majority of KCC holders (45 %) belong to general caste.

### **Family Composition:**

#### **(A) Family Type:**

**Table 5.1.4: Distribution of the respondents on the basis of family type**

N=100

S. No.	Type of family	Respondents	
		Number	Percentage
1.	Nuclear family	40	40.00
2.	Joint family	60	60.00
	Total	100	100.00

The Table-5.1.4 found that 60 per cent respondent's families belonged to joint family system followed by 40 % respondents belong to nuclear family system. It revealed the fact that the joint family system of rural society is now breaking up.

**(B) Family Size:****Table 5.1.5: Distribution of the respondents on the basis of size of family**

N=100

S. No.	Size of family	Respondents	
		Number	Percentage
1.	Small (up to 6 members)	29	29.00
2.	Medium (7-11)	57	57.00
3.	Large( above to 11)	14	14.00
	Total	100	100.00

Mean=8.4,S.D.=2.47,Min.=4, Max.=16

It is evident from Table-5.1.5 that 57 per cent respondent's families were observed such who had 7-11 members followed by 29 per cent families having up to 6 members and 14 per cent respondents' families were found above to 11 members in their families. The average size of family was observed to be 8.4 members. The range between minimum and maximum number of family members was recorded from 4 to 16. Thus, it is concluded that the majority of the respondents were found in medium family size category.

**Size of land holding:****Table 5.1.6: Distribution of the respondents on the basis of land holding**

N=100

S. No.	Categories (farmers)	Respondents	
		Number	Percentage
1.	Marginal (below 1 ha)	6	6.00
2.	Small (1-2 ha)	49	49.00
3.	Medium (2-3 ha)	26	26.00
4.	Large (3 ha and above)	19	19.00
	Total	100	100.00

The Table-5.1.6 indicates that the maximum respondents (49%) were found in the land holding category *i.e.* small farmers (1.0–2.0 ha) and 26 per cent respondents were found in medium farmers (2-3 ha). The large farmers were found having 19% and marginal 5% in this study. The average land holding of the respondents was found to be 0.83 ha. Hence, it may be concluded that mostly land holding has become small in the study area

### Occupation:

**Table 5.1.7: Distribution of the respondents on the basis of occupation**

N=100

S. No.	Categories	Respondents			
		Main occupation		Subsidiary occupation	
		Number	Percentage	Number	Percentage
1.	Agriculture labour	00	00.00	2	22.00
2.	Caste based occupation	00	0.00	34	34.00
3.	Service	00	0.00	13	13.00
4.	Agriculture	100	100.00	00	00
5.	Agro-based enterprise	00	0.00	00	00.00
6.	Business	00	0.00	30	30.00
	Total	100	100	79	79

It is clear from the Table- 5.1.7 that in case of main occupation, the Agriculture was emerged as main occupation (100%) and While, in case of subsidiary occupation, the maximum 34 per cent of the respondents adopted cast-based occupation, followed by business (30%), agriculture (21%), service (13 %) and agriculture labor (2%) respectively.

**Annual income:****Table-5.1.8 Distribution of respondents on the basis of annual income:**

N=100

S. No.	Categories (Rs.)	Respondent	
		Number of respondents	Percentage
1.	Up to -60000	4	4.00
2.	60001-120000	34	34.00
3.	120001-180000	18	18.00
4.	180001-240000	12	12.00
5.	Above to 240001	29	29.00
	Total	100.00	100.00

Mean = 181550, Min. =55000.00, Max. =500000.00.

The annual income of the respondents ranged from Rs. 55000 to 500000. The Table 5.1.8 reveals that a maximum number of the respondents 34.00% belong to the annual income Rs. 60001 to 120000 where as 29%, 18%, 12% and 4% respondents belong to income range from Rs. Above to 240001, 120001 to 180000, 180001 to 240000 and up to 60000, respectively.

It can be said that the respondents will be having the annual income Rs. 60001 to 120000.

**Social participation:****Table 5.1.9: Distribution of the respondents on the basis of social participation**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	No participation	55	55.00
2.	Participation in one organizations	29	29.00
3.	Participation in two organizations	16	16.00
	Total	100	100.00

A cursory glance over the data depicted in the table 5.1.9 indicates that out of 100 respondents, 55 per cent respondent's no participation in organization followed by participation in one organization (29%) and participation in two organizations (16%) respectively.

**Materials Possession:****Table 5.1.10: Distribution of the respondents on the basis of farm power:**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	Bullock	10	10.00
2.	Tractor	48	48.00
3.	Power tiller	02	02.00
4.	Pumping set	32	32.00
5.	Electric motor	12	12.00

**Note:** More than one item have been shown by the respondents. Hence, the total percentage would be more than 100.

The Table 5.1.10 indicates that 100 per cent respondents were seen having farm power.

In case of having farm power indicates that 48 per cent, respondents were found having their tractor followed by 32 per cent, 12 per cent, 10 percent and 02 percent, pumping, electric motor, bullock and power tiller, respectively.

### **Farm Implements Materials:**

**Table 5.1.11: Distribution of the respondents on the basis of farm implements**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	Cultivator	42	42.00
2.	Deshi plough	26	26.00
3.	Thresher	36	36.00
4.	Seed drill	40	40.00
5.	Mould board plough	3	3.00
6.	Leveler	5	5.00
7.	Sprayer	20	20.00
8.	Winnower	23	23.00
9.	Duster	16	16.00
10.	Cane crusher	3	3.00
11.	Chaff utter	87	87.00
12.	Pata	34	34.00
13.	Kudal	92	92.00
14.	Shavel	19	19.00

**Note:** More than one item have been shown by the respondents. Hence, the total percentage of all the items would be more than 100.

It is clear from the data included there in Table-5.1.11 that majority of the respondents (92%) was reported having Kudal followed by (87%) chaff cutter, cultivator (42%), seed drill (40%), thresher (36%), pata (34%), Deshi plough (26%), winnower (23%), sprayer (20%), shavel (19%), duster (16%), leveler (5%), and mould board plough and cane crusher having (3%) respectively. Thus, it can be said that the respondents were having a good number of implements with them.

### Houses Hold Materials Possession:

**Table 5.1.12: Distribution of the respondents on the basis of household materials** N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	Fan	81	81.00
2.	Electric cooler	40	40.00
3.	Heater	24	24.00
4.	Stove	41	41.00
5.	Double bed	30	30.00
6.	Pressure cooker	81	81.00
7.	Electric press	51	51.00
8.	Watch	85	85.00
9.	Crockery	42	42.00
10.	Chairs	75	75.00
11.	Dining table	15	15.00
12.	Sofa set	36	36.00
13.	Dressing table	25	25.00
14.	Gas chulha	52	52.00
15.	Petromax	33	33.00
16.	Sewing machine	20	20.00
17.	Cots	99	99.00
18.	Smokeless chulha	09	09.00

**Note-** More than one item have been shown by the respondents. Hence, the total percentage of all the items would be more than 100.

The Table-5.1.12 indicates that 99 per cent respondents were reported that cots each followed by watch (85 per cent), fan and pressure cooker (81 per cent), chair (75 per cent), gas chulha (52 per cent), electric press (51 per cent), crockery (42 per cent), stove (41 per cent), electric cooler (40 per cent), sofa set (36 per cent), petro max (33 per cent), double bad (30 per cent), heater 24 (per cent) sewing machine (20 per cent), dining table (15 per cent) and, smokeless chulha(09 per cent) respectively. The condition of house hold materials seems to be good.

**Transportation material possession:**

**Table 5.1.13: Distribution of the respondents on the basis of transportation materials**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	Bullock cart	08	8.00
2.	Cycle	99	99.00
3.	Scooter	06	6.00
4.	Motor cycle	65	65.00
5.	Jeep	01	01.00
6.	Tempo	01	1.00
7.	Car	10	10.00
8.	Rickshaw	28	28.00

**Note –** More than one item have been shown by the respondents. Hence, the total percentage of all the items would be more than 100.

The Table-5.1.13 indicates that an over-whelming majority of the respondents (99%) was found having cycle as a means of transportation followed by motor cycle (65%), rickshaw (28%), car (10%), bullock cart (8%), scooter (6%), jeep and tempo (1%) respectively. Thus, the inference can be drawn from the above data that cycle was important means of transportation with the respondents.

### **Communication media possession:**

**Table 5.1.14: Distribution of the respondents on the basis of communication media possession:**

N=100

S. No.	Categories	Respondents	
		Number	Percentage
1.	T.V.	74	74.00
2.	Radio	73	73.00
3.	VCD player	15	15.00
4.	Tape recorder	10	10.00
5.	News paper	52	52.00
6.	Telephone	2	2.00
7.	Mobile	95	95.00
8.	General Magazine	35	35.00

**Note:** - More than one item have been shown by the respondents. Hence, the total percentage of all the items would more than 100.

Table 5.1.14 that the majority of respondents (95%) was observed possessing mobile with them. The rest respondents who had other communication media were in descending order as T.V. (74%), radio (73%), News paper (52%), , general magazine (35%), VCD player (15%),

tape recorder(10%), and telephone (2%), respectively. Thus, it can be inferred that mobile and T.V. were main sources for getting information and recreation purposes.

### Overall Materials Possession:

**Table 5.1.15: Distribution of the respondents on the basis of overall material possession:**

N=100

S. No.	Categories (Scores)	Respondents	
		Number	Percentage
1.	Low (up to 18)	23	23.00
2.	Medium (19-57)	74	74.00
3.	High (58 and above)	3	3.00
	Total	100	100.00

Mean=32.53, S.D.=14.53, Min.=7, Max.=60

The overall material possession was categorized into three main categories on the basis of scores as low (up to 18), medium (19-57) and high (58 and above). The data given in Table-5.1.15 revealed that highest number of the respondents (74%) were observed in the medium category (19-57 scores) of materials possession followed by low (23%) and high (3%) categories respectively. Thus, it can be concluded that the materials possession of respondents was appreciably better. The mean of scores for materials possession was observed to be 32.53 with a minimum 7 and maximum 60 (scores).

**Economic motivation:****Table 5.1.16: Distribution of the respondents on the basis of economic motivation**

N=100

S. No.	Categories (Scores)	Respondents	
		Number	Percentage
1.	Low (up to 19)	24	24.00
2.	Medium (20-23)	74	74.00
3.	High (above 23)	2	2.00
	Total	100	100.00

Mean=21.25, S.D.=2.88, Min.=16, Max.=24

All possible scores = 30

It is apparent from the Table-5.1.16 that the maximum number of respondents (74%) was found having medium level of economic motivation, 24 per cent and 2 per cent respondents were such who had low level and high level of economic motivation respectively. The average mean of scores for economic motivation was observed to be 21.25 with a range of minimum 16 and maximum 24. Hence, it can be concluded that most of the respondents were found having medium level of economic motivation.

**Risk orientation:****Table 5.1.17: Distribution of the respondents on the basis of risk orientation:**

N=100

S. No.	Categories (Scores)	Respondents	
		Number	Percentage
1.	Low (up to 22)	29	29.00
2.	Medium (23-24)	67	67.00
3.	High (above 24)	4	4.00
	Total	100	100.00

Mean=22.89, S.D. =.93, Range-5, Min. =21, Max. =26

It is apparent from Table-5.1.17 that 67 per cent of the respondents were found having medium level followed by low (29%) and high (4%) levels of risk orientation. The mean scores of risk orientation was observed to be 22.89 with a range of minimum 21 and maximum 26. Hence, it can be concluded that the respondents have average interest to bear the risk relating to KCC.

**Extent of contact with information sources:****Table 5.1.18: Distribution of the respondents on the basis of extent of contact with different information sources**

N=100

S. No.	Categories of information sources	Mean score value	Rank order
<b>A. Formal sources</b>			

1.	B.D.O.	0.14	VI
2.	A.D.Os	0.04	VII
4.	Kishan sahayak	3.42	II
5.	Gram pradhan	4.86	I
6.	Cooperative societies	0.03	VIII
7.	Agril. school/ College	0.02	IX
8.	Mandi samiti	1.89	III
9.	Fertilizer / Seed store	1.26	IV
10.	Agril. Scientist	0.98	V
	Average	1.264	
<b>B. Informal sources</b>			
1.	Family members	6.77	I
2.	Neighbours	5.08	II
3.	Friends	2.61	IV
5.	Local leaders	0.24	V
6.	Progressive farmers	3.09	III
	Average	2.965	
<b>C. Mass media exposure</b>			
1.	Radio	3.42	III
2.	T.V.	6.65	I
3.	News paper	4.45	II
4.	Agril. Books	0.07	VIII
5.	News bulletin	0.76	IV
6.	Journal	0.06	IX
7.	Farm magazines	0.36	VI
8.	Poster	0.01	X
9.	Farmers fair	0.58	V
10.	Exhibition	0.2	VII
	Average	1.656	
	Over all mean	1.962	

The data furnished in Table-5.1.18 pertains to extent of content of respondents with different information sources as used by them for receiving general information as well as about various practices of KCC. Information sources were categorized in three categories namely formal sources, informal sources and mass media exposure to find out the extent

of contact of respondents. So far as contact with formal sources was concerned, Gram Pradhan, Kisan Sahayak, mandi samiti, fertilizers stores, Agril. Scientists, BDOs, A.D.O., co-operative societies and Agril. School/college got the rank orders I, II, III, IV, V, VI, VII, VIII, and IX respectively. The mean of scores for all the formal sources was found as 1.264.

As for as contact with informal sources was concerned, family members, neighbors, progressive farmers friends, and local leaders, got rank order I, II, III, IV, and V respectively. The mean of scores for informal information sources was found as 2.965.

Among the mass media exposure T.V., Newspaper, Radio, News bulletin, farmer's fair, farm Magazines, Exhibition, Agril. Books, journals, got rank order I, II, III, IV, V, VI, VII, VIII, and IX, respectively. The mean of scores for mass media exposure was found as 1.656.

Hence, it can be concluded that informal sources of information seemed to be most important as generally utilized by most of the respondents. The formal and mass media information sources were also utilized by the respondents with considerable extent. The overall mean of scores for formal, informal and mass media information sources was found to be 1.961 which may be considered as fair contact with information sources.

## 5.2 Extent of knowledge and use of KCC of its beneficiaries about

### KCC scheme:

#### 5.2.1: Knowledge Extent of the respondents

S. No.	Statement	No. of respondent	Percentage
1	KCC scheme provides the financial liquidity and credit to the rural farmer.	96	96.00
2.	It provides the loan for the <i>rabi</i> and <i>kharef</i> crop production not for the <i>jaid</i> crop production.	84	84.00
3.	All farmers' individual/joint borrowers who owner cultivator is eligible for Kisan Credit Card scheme.	100	100
4.	Tenant farmers, oral lessees and share croppers are eligible for Kisan Credit Card scheme?	82	82.00
5.	KCC provides following needs of the farmer through a single window.		
a.	To meet the short term requirements for cultivation of crops.	99	99.00
b.	Post harvest expenses.	92	92.00
c.	Produce marketing loan.	89	89.00
d.	Consumption requirement of farmer household.	89	89.00
e.	Working capital for maintenances of farm assets and activities like pump sets, sprayers, dairy animals, inland fisheries etc	89	89.00
f.	Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals.	89	89.00

6.	Fixation of limit		
A:	All farmers other than Marginal Farmers( land acreage of 01 hectare and above):		
	Short term limit :	90	90.00
	Long Term loan limit:	87	87.00
B.	Marginal farmers( land holding up to 01 hectares) flexible limit of Rs. 10000 to 50000 is based on land holding and crops grown including post harvest warehouse storage related credit needs and other farm expanses, consumption needs, etc.	100	100
7.	KCC is valid for 05 years subject to annual review.	100	100
8.	Rate of interest up to 3.00 lack is 10.50%.	100	100
9.	Rate of interest above Rs 3.00 lack but less than Rs.25.00 lack is 11.75%.	95	95.00
10.	Rate of interest above Rs. 25.00 lack is 12.50%.	75	75.00
11.	2% Interest subvention & 3% additional incentive for prompt recovery is presently admissible for crop loans up to Rs. 3 lack extended to farmers @7%.	100	100
12.	Repayment period of each withdrawal under the short term limit shall be liquidated in 12 months.	100	100
13.	Term loan component will be normally repayable within a period of 5 years.	98	98.00
14.	Hypothecation of crops as security for KCC loans up to Rs. 1.00 lack	88	88.00

15.	Hypothecation of crops and mortgage of agriculture land are the security for the KCC loans above Rs. 1.00 lack	87	87.00
16.	KCC scheme provides the accidental insurance of Rs. 50000 to the borrowers.	91	91.00
17.	All KCC borrowers up to age of 70 years are eligible to be covered under Personal Accident Insurance scheme.	89	89.00
18.	No processing fees, inspection & documentation charges & any type of charges shall be levied up to Rs. 3.00 lack.	72	72.00
19.	KCC scheme provides the ATM cum debit card to enable them to withdrawal.	89	89.00
20.	Eligible crops is covered under Crop Insurance Scheme –National Agriculture Insurance Scheme.	73	73.00

It is obvious from the Table 5.2.1. That among all 20 questions like ‘KCC scheme provides financial liquidity and credit’ was found 96 per cent respondent and followed by ‘loan for Rabi and Khareef’ 84%’, ‘all farmers are eligible for KCC’ 100%, ‘tenant farmers are eligible’ 82 %, ‘short term requirements for cultivation’ 99 %, ‘post harvest expenses 92%, produce marketing loan’ 89%, ‘consumption requirement’ 89%, ‘working capital for maintenance’ 89%, ‘investment credit requirement’ 89%, ‘short term limit for 1<sup>st</sup> year 90% and 2<sup>nd</sup> year 89%, ‘long term limit’ 87%, ‘for marginal farmers’ 100%, ‘KCC validity’ 100%, ‘rate of interest up to 3.00 lack’ 100%, ‘rate of interest above to 3.00 lack but less than 25.00 lack’ 95%, ‘rate of interest above 25.00 lack’ 75%, ‘2%

interest subvention & 3% additional incentive for crop loan up to 3.00 lack @ 7%' 100%, repayment period of short term limit shall be liquidated in 12 months' 100%, 'repayment period of long term limit' 98%, 'hypothecation of crops security for loan up to 1.00 lacks' 88%, 'hypothecation of crops security for loan above to 1.00 lacks' 87%, 'KCC scheme provide accidental insurance' 91%, 'all KCC borrowers up to age 70 yrs eligible for personal accidental insurance' 89%, 'no processing fees, inspection & documentation charge up to 3.00 lack' 72%, 'provide the ATM cum debit card' 89% and 'eligible crops is covered under insurance' 73% respectively.

### 5.2.2.Over all knowledge of respondents

N=100

S. No.	Categories (score)	Respondents	
		Number	Percentage
1.	Low (UP to 22)	21	21.00
2.	Medium (23-26)	74	74.00
3.	High (Above to 26)	5	5.00
	Total	100	100.00

Mean=24.35, S.D.=2.17, Min.=14, Max.=28

The table 5.2.2. indicates that the knowledge under KCC scheme, which focused that maximum respondents (74%) were observed in the medium category (23 to 26) followed by (21%) and 5% for low (up to 22) category and high (above to 26) category respectively. So, the majority of the respondents were found having medium category of the knowledge about KCC scheme.

**5.2.3: Use of KCC scheme of the respondents.**

<b>S. No.</b>	<b>Statement</b>	<b>No. of respondent</b>	<b>Percentage</b>
1	KCC scheme provides the financial liquidity and credit to the rural farmer.	100	100
2.	It provides the loan for the rabi and khareef crop production not for the jaid crop production.	100	100
3.	All farmers' individual/joint borrowers who owner cultivator is eligible for Kisan Credit Card scheme.	100	100
4.	Tenant farmers, oral lessees and share croppers are eligible for Kisan Credit Card scheme.	87	87.00
5.	KCC provides following needs of the farmer through a single window.		
a.	To meet the short term requirements for cultivation of crops.	100	100
b.	Post harvest expenses.	0	0
c.	Produce marketing loan.	0	0
d.	Consumption requirement of farmer household.	0	0
e.	Working capital for maintenances of farm assets and activities like pump sets, sprayers, dairy animals, inland fisheries etc	0	0
f.	Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals.	12	12.00
6.	Fixation of limit		
A:	All farmers other than Marginal Farmers( land acreage of 01 hectare and above):		
	Short term limit :		
	Term loan limit:		
B.	Marginal farmers( land holding	94	94.00

	up to 01 hectares) flexible limit of Rs. 10000 to 50000 is based on land holding and crops grown including post harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc.		
7.	KCC is valid for 05 years subject to annual review?	85	85.00
8.	Rate of interest up to 3.00 lack is 10.50%.	100	100
9.	Rate of interest above Rs 3.00 lack but less than Rs.25.00 lack is 11.75%.	0	0
10.	Rate of interest above Rs. 25.00 lack is 12.50%.	0	0
11.	2% Interest subvention & 3% additional incentive for prompt recovery is presently admissible for crop loans up to Rs. 3 lack extended to farmers @7%.	100	100
12.	Repayment period of each withdrawal under the short term limit shall be liquidated in 12 months.	98	98.00
13.	Term loan component will be normally repayable within a period of 5 years?	95	95.00
14.	Hypothecation of crops as security for KCC loans up to Rs. 1.00 lack	17	17.00
15.	Hypothecation of crops and mortgage of agriculture land are the 36security for the KCC loans above Rs. 1.00 lack?	6	6.00
16.	KCC scheme provides the accidental insurance of Rs. 50000 to the borrowers?	36	36.00
17.	All KCC borrowers up to age of 70 years are eligible to be covered under Personal Accident Insurance scheme.	24	24.00

18.	No processing fees, inspection & documentation charges & any type of charges shall be levied up to Rs. 3.00 lack?	46	46.00
19.	KCC scheme provides the ATM cum debit card to enable them to withdrawal?	37	37.00
20.	Eligible crops are covered under Crop Insurance Scheme – National Agriculture Insurance Scheme.	33	33.00

It is obvious from the Table 5.2.3. That among all 20 facilities in which use of facilities like ‘KCC scheme provides financial liquidity and credit’ was found 100 per cent respondent and followed by ‘loan for Rabi and Khareef’ 100%’, ‘all farmers are eligible for KCC’ 100%, ‘tenant farmers are eligible’ 87%, ‘short term requirements for cultivation’ 100%, ‘post harvest expenses 0%, produce marketing loan’ 0%, ‘consumption requirement’ 0%, ‘working capital for maintenance’ 0%, ‘investment credit requirement’ 12%, ‘short term limit for 1<sup>st</sup> year 96% and 2<sup>nd</sup> year 20%, ‘long term limit’ 1%, ‘for marginal farmers’ 94%, ‘KCC validity’ 85%, ‘rate of interest up to 3.00 lack’ 100%, ‘rate of interest above to 3.00 lack but less than 25.00 lack’ 0%, ‘rate of interest above 25.00 lack’ 0%, ‘2% interest subvention & 3% additional incentive for crop loan up to 3.00 lack @ 7%’ 100%, repayment period of short term limit shall be liquidated in 12 months’ 98%, ‘repayment period of long term limit’ 95%, ‘hypothecation of crops security for loan up to

1.00 lacks' 17%, 'hypothecation of crops security for loan above to 1.00 lacks' 6%, 'KCC scheme provide accidental insurance' 36%, 'all KCC borrowers up to age 70 yrs eligible for personal accidental insurance' 24%, 'no processing fees, inspection & documentation charge up to 3.00 lack' 46%, 'provide the ATM cum debit card' 37% and 'eligible crops is covered under insurance' 33% respectively. It can be calculated that the use of KCC scheme seems to be satisfactory.

#### 5.2.4. Over all use of KCC scheme of respondents:

S. No.	categories	Respondents	
		Number	Percentage
1.	Low (UP to 11)	7	7.00
2.	Medium (12-16)	65	65.00
3.	High (Above to 16)	28	28.00
	Total	100	100.00

Mean=13.87, S.D.=2.43, Range- 1oMin.=9, Max=19

The table 5.2.4 indicates that the respondent use of KCC, which focused that maximum respondents (65%) were observed in the medium category (12 to 16) followed by (28%) and 7% for high (above to 16) category and low (up to 11) category respectively. So, the majority of the respondents were found having medium category of the Use about KCC scheme.

### 5.3: Impact of KCC scheme on the farm economy

**Table: 5.3.1. Correlation coefficient (r) between different variables and use farmers about KCC scheme.**

S. No.	Variables	Correlation Coefficient
1.	Age	-0.0401
2.	Education	0.0934
3.	Caste	0.1069
4.	Type of family	0.1253
5.	Size of family	0.3114**
6.	Land Holding	0.4137**
7.	Occupation	-0.0052
8.	Social Participation	0.0896
9.	Annual Income	0.3018**
10.	Material Possession	0.4563**
11.	Extent Contact	0.3586**
12.	Economic Motivation	-0.6248**
13.	Risk Motivation	0.2524*
14.	Knowledge about KCC	0.4232**

\*Significant at 0.05% probability level 0.197

\*\* Significant at 0.01% probability level 0.257

Table-5.3.1 focuses that out of 13 variables studied, the five variables *i.e.* land holding, size of family, and annual income, material possession, and extent of contact were found highly significant and having high impact. The variable risk orientation was found significant and moderate impact of use of KCC scheme. The variable economic motivation was found highly significant and low impact of use of KCC scheme. The variables age and occupation were insignificant and negatively correlated with use of KCC scheme. The variables education, caste, type of family, and social participation moderate influence the use of KCC. Hence, those variables, which showed the positive and significant relationship, had direct impact over use of KCC. It meant that

if the values of these variable increases, the use of KCC will also increase.

#### 5.4: Factors that influence the use of KCC scheme

**Table: 5.4.1 Correlation coefficient (r) between different variables and use of KCC scheme.**

S. No.	Variables	Correlation Coefficient
1	Age	-0.0401
2	Education	0.0934
3	Cast	0.1069
4	Type of family	0.1253
5	Size of family	0.3114**
6	Land Holding	0.4137**
7	Occupation	-0.0052
8	Social Participation	0.0896
9	Annual Income	0.3018**
10	Material Possession	0.4563**
11	Extent of Contact	0.3586**
12	Economic Motivation	-0.6248**
13	Risk Motivation	0.2524*
14.	Knowledge about KCC	0.4232**

\*Significant at 0.05% probability level 0.197

\*\* Significant at 0.01% probability level 0.257

Table-5.4.1 focuses that out of 13 variables studied, the five variables *i.e.* land holding, size of family, and annual income, material possession, and extent of contact were found highly significant and positively correlated with use. The variable risk orientation was found significant and positively correlated with the use of KCC. The variable economic motivation was found highly significant and negatively

correlated with the use of KCC. The variables age and occupation were insignificant and negatively correlated with use. The variables education, cast, type of family, and social participation moderate influence the use of KCC. Hence, those variables, which showed the positive and significant relationship, had direct influence over use about KCC scheme. It meant that if the values of these variable increases, the use of KCC will also increase.

**Table 5.5: Constraints faced by the respondent in use of KCC scheme**

N=100

S. No.	Constraints	Mean score value	Rank order
1.	Lack of support of the bank manager.	0.80	IV
2.	No good behavior with farmers.	0.85	III
3.	Untimely availability of loan.	0.70	VIII
4.	Lack of the proper management for withdraws on kisan credit card.	0.88	II
5.	Too much crowd in the bank for withdraws.	0.75	VII
6.	Lack of the proper guidance for getting Kisan Credit Card.	0.90	I
7.	Bribe for making the kisan credit card	0.77	V
8.	Bribe for taking the loan on card	0.76	VI
9.	Use of unusual words by the bank officers	0.65	IX
10.	Lack of availability of the agriculture officers in the bank.	0.55	X

The above Table-5.5 reveals that out of tenth constraints in KCC scheme, the constraints like ‘Lack of the proper guidance for getting

kisan credit card' (0.90) got ranked first followed by 'Lack of the proper management for withdraws on kisan credit card' (0.88) was ranked of second and 'No good behavior with farmers' (0.85) was ranked at third, IV<sup>th</sup> rank to lack of support of the bank manager (0.80), V rank to bribe for making the kisan credit card (0.77), VI rank to bribe to take the loan on card to officers (0.76), VII rank to too much crowd in the bank for (0.75), VIII rank to untimely availability of loan (0.70), IX rank to use of unusual words by the bank officers (0.65), and X rank to lack of availability of the agriculture officers in the bank (0.55) respectively.

**Table 5.6: Suggestive measures to overcome the constraints faced by the respondents**

N=100

<b>S. No.</b>	<b>Suggestive measures</b>	<b>Mean score value</b>	<b>Rank order</b>
1.	Bank manager should provide the proper information about KCC scheme.	0.88	I
2.	Separate should provide for KCC holders for withdraws.	0.76	III
3.	Officers should not use the bribe on making kisan credit card.	0.70	IV
4.	Officers should use the politely behavior with the KCC holders.	0.56	V
5.	Provide the loan on time.	0.87	II

Table 5.6 indicate that the suggestive measures as stated by the KCC holders to overcome the constraint can be placed in a descending order *viz.*, bank manager should provide the proper information about

KCC scheme I<sup>st</sup> (0.88) followed by provide the loan on time II<sup>nd</sup> (0.87), another chamber should provide for KCC holders for withdraws III<sup>rd</sup> (0.76), Officers should not use the bribe on making kisan credit card IV<sup>th</sup> (0.70), Officers should use the politely behavior with the KCC holders V<sup>th</sup> (0.56), respectively.

## **SUMMARY AND CONCLUSION**

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The present study entitled **Kisan Credit Card Scheme: A key for holistic development of rural poor in Milkipur block of District Faizabad (U.P.)** was under taken.

Out of 113 villages in community development block 5 villages were selected on the basis of majority of beneficiaries for this study. A complete list of all the KCC holders in these selected villages was prepared from the list; a total no. of 100 KCC beneficiaries was selected through random sampling technique. The author himself had collected the data from the respondents with the help of pre-tested interview schedule.

Analysis was done with the use of percentage, mean and standard deviation for drawing the inferences. The study also highlighted the constraints as faced by the respondents in KCC holders about adopter categories.

This study was conducted keeping in view the following objectives:

1. To study about socio economic profile of the respondents.
2. To assess the impact of KCC on farm economy.

3. To find out the knowledge and use of the farmers about KCC scheme.
4. To identifying the factors that influence the use of KCC scheme.
5. To study the constraints faced by respondent and suggestion to overcome.

• **Socio-economic profile of the respondents.**

1. A maximum number of the respondents (65%) were found in the age group *i.e.* 37-51 years.
2. The maximum *i.e.* 100 per cent of respondents were found to be literate while no one was illiterate.
3. The maximum number of the respondents (45%) was found belonging to general caste followed by backward caste (39%) and schedule cast (16%).
4. Joint families were more in number than single families in terms of percentage. 60 per cent respondents belonged to joint families while, 40 per cent to single type of families.
5. The maximum respondents 57 per cent respondents were observed having 7-11 members in their families followed by 29 per cent having up to 6 member's fact and 14 per cent having above toll members, respectively.

6. The maximum percentage of the respondents i.e. 49 per cent were observed their having size of land holding 1- 2 ha and 26% having 2-3 ha, 9 per cent respondents having medium, 19 per cent respondents having large size of land holding, and 6 per cent respondents having marginal land holding respectively.

7. An over whelming majority *i.e.* 100 per cent respondents families was reported Agriculture as their main occupation.

8. A majority of respondents (34%) having their income 60001-120000 followed by 29 per cent in above to 240001,18 per cent 120001-180000, 12 per cent 180001-240000 and 4 percent in up to 60000 respectively.

9. A majority of respondents (55%) was found such who having no participation in any organization followed by 29 per cent participation in one organizations, 16 per cent having participation in two organizations, and 17 per cent respondents having no participation in any organizations, respectively.

10. The 48 per cent respondents were found having tractor followed by pumping set (32%), power tiller (28%), electric motor (12%) and bullock(10%) as a farm power.

11. The majority of the respondents (92%) were found having Kudal followed by chaff cutter (87%), cultivator (42%), seed drill (40%) and thresher (36 %) as a farm implements.

**12.** The majority of the respondents (99%) were found having cots followed by watches (85 %), fan (81 %) and Chair (75 %) as a household materials.

**13.** The majority of respondents had Cycle (99%) followed by Motorcycle (65%), rickshaw (28%), and car (10%), respectively.

**14.** 95 per cent respondents had mobile followed by Television (74%), radio (73%), News paper (52%), and General Magazine (35%) as their main sources of information.

**15.** Majority of the respondents 74 per cent were in medium level of all over material possession.

**16.** Majority of respondents (74%) were in medium level of economic motivation followed by high and low levels, respectively.

**17.** Majority of respondents (62%) were observed in medium level of risk orientation followed by low and high levels, respectively.

**18.** Contact of respondents with Gram-Pradhan was maximum among the formal source followed by Kisan Sahayak and mandi samiti respectively.

Incase of informal sources, maximum contact of the respondents was seen with family members and neighbors followed by progressive farmers and friends.

Incase of mass media exposure, the maximum respondents were reported T.V. as main source of information followed by newspaper, Radio and news bulletin.

- **Knowledge and use of the farmers about KCC scheme.**

Over all knowledge of the respondents about KCC scheme, maximum no of respondents 78 per cent were found in medium (23-26) followed by 21 per cent low (up to 22) and 1 per cent in high (above to 26).

Use of the respondents about KCC scheme, maximum no. of respondents were found in medium (12-16) followed by 28 per cent in high (above to 16) and 7 per cent in low.

- **Impact of KCC on farm economy**

In the Use of KCC scheme, Out of the 13 variables size of family, land holding, annual Income, Material Possession, and Extent of contact were found highly significant and it was concluded that there were found high impact on land holding, annual income, material possession and extent of contact of the use of KCC scheme.

- **Factors that influence the use of KCC scheme.**

Out of the 13 variables size of family, land holding, annual Income, Material Possession, Extent of contact were found highly significant and positively correlated with use of KCC scheme. Risk motivation was found significant and positively correlated with use of KCC scheme. The

variable economic motivation was found highly significant and negatively correlated with use of the KCC scheme.

- **Constraints faced by the respondent about KCC scheme.**

Out of tenth constrains in KCC scheme “Lack of the proper guidance for getting Kisan Credit Card” got ranked first followed by “lack of the proper management for withdraws on Kisan Credit Card” was ranked of second and “No good behavior with the farmers” was ranked at third, respectively.

**Suggestions:**

Out of five suggestive measures in KCC scheme about use categories, the suggestion likes “Bank manager should provide the proper information about KCC scheme” got ranked first followed by “provide the loan on time” was ranked of second and “Another chamber should provide for KCC holders” was ranked third, respectively.

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## INTERVIEW SCHEDULE

ON

### “Kisan Credit Card Scheme: A key for holistic development of a rural poor in Milkipur block of District Faizabad.( U.P)”

Date .....

Investigator: .....

#### General information about respondents:

Name of the Village: .....

Block.....

Post Office.....

Tahsil.....

District.....

1. Name of the respondents.....

S/O Shri.....

2. Age (Years).....

3. Education.....

4. Caste.....

5. Family type.....

1. Nuclear.....

2. Joint.....

6. Family Size (Total Family Members).....

7. Land holding (ha).....

a. Cultivated.....(i) Irrigated.....(ii) Unirrigated.....

b. Uncultivated.....

#### 8. Occupation

S. No.	Particulars	Main	Subsidiary
i.	Agriculture labour		
ii.	Caste based occupation		
iii.	Service		
iv.	Agriculture		
v.	Business		
vi.	Agrobased enterprises		
vii.	Others		

**9. Family income (Rs.)**

- i. From main sources
- ii. From subsidiary sources
- iii. Total income (Rs.)

**10. Social participation**

Do you participate in social organization? Yes/No

If yes please state-

S.N.	Particulars	Yes	No
i.	No participation		
ii.	Participation in one organization		
iii.	Participation in two organization		
iv.	Participation in more than two organization		

**11. Material possession:****(i) Farm power:**

S.No.	Particulars		
1	Bullock		
2	Tractor		
3	Power tiller		
4	Pumping set		
5	Electric motor		
6	Others		

**(ii) Agricultural Implements:**

S.No.	Particulars		
1	Cultivator		
2	Disc plough		
3	Thresher		
4	Seed drill		
5	Mould board plough		

<b>6</b>	Leveller		
<b>7</b>	Sprayer		
<b>8</b>	Winnower		
<b>9</b>	Duster		
<b>10</b>	Cane crusher		
<b>11</b>	Chaff cutter		
<b>12</b>	Pata		
<b>13</b>	Kudal		
<b>14</b>	Shaved		
<b>15</b>	Others		

**B. House hold materials**

<b>S.No.</b>	<b>Particulars</b>	<b>S.No.</b>	<b>Particulars</b>
<b>1.</b>	Fan	<b>10.</b>	Chairs
<b>2.</b>	Cooler	<b>11.</b>	Dining table
<b>3.</b>	Heather	<b>12.</b>	Sofa set
<b>4.</b>	Stove	<b>13.</b>	Dressing table
<b>5.</b>	Double bed	<b>14.</b>	Gas cylinder/gas chullah
<b>6.</b>	Pressure cooker	<b>15.</b>	Patromax
<b>7.</b>	Electronic press	<b>16.</b>	Sewing machine
<b>8.</b>	Watch	<b>17.</b>	Cots
<b>9.</b>	Crockery	<b>18.</b>	Smokeless chullah

**C. Transportation materials**

S.No.	Particulars	S.No.	Particulars
1.	Bullock cart	7.	Car
2.	Cycle	8.	Truck
3.	Scoter	9.	Tanga
4.	Motor cycle	10.	Rickshwa
5.	Jeep	11.	Others
6.	Tempo		

**D. Communication media possession:**

S.No.	Particulars	
1.	Radio	
2.	T.V.	
3.	V.C.R.	
4.	V.C.D. (Player)	
5.	Tape recorder	
6.	News paper	
7.	Telephone	
8.	Mobile	
9.	Agricultural journals	
10.	Agricultural magazines	
11.	General magazines	
12.	Agricultural books	
13.	Any other	

**12. Economic motivation:**

The following statements are related to economic motivation. Please, give your extent of agreement / disagreement about each statement.

S.N.	Statements	SA	A	UD	DA	SDA
		1	2	3	4	5
1	A farmer should work towards larger yields of economic profits by using the KCC loan.					
2	A most successful farmer is one who makes more profits with the KCC loan.					
3	A farmer should take the more loan in KCC, which may earn him more money.					
4	A farmer should take maximum crop loan to increase monetary profit in comparison to taking the minimum loan on KCC for food crops or home consumption.					
5	It is difficult for the farmers to make good start unless getting any economic assistance.					
6	A farmer must earn his living but, the most important thing is that the life can not be defined in economic terms.					

### 13. Risk Orientation:

The following statements are related to risk orientation. Please, give your extent of agreement / disagreement about each statement.

S.	Statements	SA	A	UD	DA	SDA
		1	2	3	4	5
1	A farmer should rather take more crop loan to have a big profit than to be content with un-risky smaller profit.					
2	A farmer who is willing to take greater risk than the average farmers usually does better financially.					
3	It is good for a farmer to take risks when he knows that the chance of success is fairly high.					
4	Taking the large amount of crop loan for the farming by a farmer though, involves risk, but it's worthwhile.					
5	A farmer should take a large amount of crop loan to avoid greater risk involved in taking less only.					
6	It is better for a farmer not to take more crop loan unless to be proved better by other farmers.					

- SA - Strongly agree
- A - Agree
- UD - Undecided
- DA - Disagree
- SDA - Strongly disagree

**14. Extension contact with the information sources:**

S.N.	Information source	Daily	Weekly	Fort-nightly	Monthly	Quarterly	Half yearly	Yearly	never
<b>A.</b>	<b>Formal source</b>								
1.	B.D.O.								
2.	S.D.A.E.O.								
3.	A.D.O.								
4.	V.D.O.								
5.	Kishan Shayak								
6.	Gram Pradhan								
7.	Co-operative society								
8.	Agril. School/ College								
9.	Mandi samiti								
10.	Fertilizer stores								
11.	Agril. Scientists								
12.	Others								
<b>B. Informal sources</b>									
1	Family members								
2	Neighbours								

3	Friends								
4	Relatives								
5	Local leader								
6	Progressive farmers								
<b>C. Mass media exposure</b>									
1.	Radio								
2.	T.V.								
3.	News paper								
4.	Agril. Books								
5.	News bulletins								
6.	Journals								
7.	Farm magazines								
8.	Circular letter								
9.	Poster								
10.	Farmers' fair								

### B) Dependent Variable

#### a) Knowledge of the farmers about KCC scheme:

S. No.	Statement	Yes(1)	No(0)
1	Do you know that KCC scheme provides the financial liquidity and credit to the rural farmer?		
2.	Do you know that it provides the loan for the rabi and khareef crop production not for the jaid crop production?		
3.	Do you know that all farmers'		

	individual/joint borrowers who owner cultivator is eligible for Kisan Credit Card scheme?		
4.	Do you know that tenant farmers, oral lessees and share croppers are eligible for Kisan Credit Card scheme?		
5.	Do you know that KCC provides following needs of the farmer through a single window?		
a.	To meet the short term requirements for cultivation of crops.		
b.	Post harvest expenses.		
c.	Produce marketing loan.		
d.	Consumption requirement of farmer household.		
e.	Working capital for maintenances of farm assets and activities like pump sets, sprayers, dairy animals, inland fisheries etc		
f.	Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals.		
6.	Fixation of limit		
A:	All farmers other than Marginal Farmers( land acreage of 01 hectare and above):		
I.	Short term limit :		
	Do you know that 1 <sup>st</sup> year scale of finance of crops proposed to be grown during the year plus insurance premium * extent of area cultivated + 10% of limit towards post harvest/house hold /consumption requirement + 20% limit towards		

	maintenance expenses of farm assets?		
	Do you know that 2 <sup>nd</sup> year & onwards up to 5 <sup>th</sup> year first year limit for crop cultivation purpose arrived at as above + 10% of limit towards cost escalation /increase in scale of finance for successive year(2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> , & 5 <sup>th</sup> year)?		
II.	Term loan limit:		
	Do you know that term loan for investment credit such as land development, minor irrigation, purchase of farm equipments and allied agricultural activities shall be fixed by the Branch based on unit cost presented by the bank and repayment capacity of the farmer considering total loan burden developing on the farmers and existing loan liabilities. The long term loan is based on the proposed investments during the five year period and the branch's perception on the repaying capacity of the farmer.		
B.	Do you know that for Marginal farmers( land holding up to 01 hectares) flexible limit of Rs. 10000 to 50000 is based on land holding and crops grown including post harvest warehouse storage related credit needs and other farm expanses, consumption needs, etc.		
7.	Do you know that KCC is valid for 05 years subject to annual review?		
8.	Do you know that rate of interest up to 3.00 lack is 10.50%.		
9.	Do you know that rate of interest above Rs 3.00 lack but less than Rs.25.00 lack is		

	11.75%.		
10.	Do you know that rate of interest above Rs. 25.00 lack is 12.50%.		
11.	Do you know that 2% Interest subvention & 3% additional incentive for prompt recovery is presently admissible for crop loans up to Rs. 3 lack extended to farmers @7%.		
12.	Do you know that repayment period of each withdrawal under the short term limit shall be liquidated in 12 months.		
13.	Do you know that the term loan component will be normally repayable within a period of 5 years?		
14.	Do you know that hypothecation of crops as security for KCC loans up to Rs. 1.00 lack		
15.	Do you know that hypothecation of crops and mortgage of agriculture land are the security for the KCC loans above Rs. 1.00 lack?		
16.	Do you know that KCC scheme provides the accidental insurance of Rs. 50000 to the borrowers?		
17.	All KCC borrowers up to age of 70 years are eligible to be covered under Personal Accident Insurance scheme.		
18.	Do you know that no processing fees, inspection & documentation charges & any type of charges shall be levied up to Rs. 3.00 lack?		
19.	Do you know that KCC scheme provides the ATM cum debit card to enable them to		

	withdrawal?		
20.	Do you know that eligible crops is covered under Crop Insurance Scheme –National Agriculture Insurance Scheme.		

**b) Use of the farmers about KCC scheme**

S. No.	Statement	Yes(1)	No(0)
1	Did you use KCC scheme provide the financial liquidity and credit to the rural farmer.		
2.	Did you use the loan for the rabi and khareef crop production not for the jaid crop production.		
3.	Are you individual/joint borrowers who owner cultivator is eligible for Kisan Credit Card scheme.		
4.	Are you tenant farmers, oral lessees and share croppers for Kisan Credit Card scheme.		
5.	KCC provides following needs of the farmer through a single window, which did you use?		
a.	Meet the short term requirements for cultivation of crops.		
b.	Post harvest expenses.		
c.	Produce marketing loan.		
d.	Consumption requirement of farmer household.		

e.	Working capital for maintenances of farm assets and activities like pump sets, sprayers, dairy animals, inland fisheries etc		
f.	Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals.		
6.	Fixation of limit		
A:	All farmers other than Marginal Farmers( land acreage of 01 hectare and above):		
1	Short term limit :		
	Did you use 1 <sup>st</sup> year scale of finance of crops proposed to be grown during the year plus insurance premium * extent of area cultivated + 10% of limit towards post harvest/house hold /consumption requirement + 20% limit towards maintenance expenses of farm assets.		
	Did you use 2 <sup>nd</sup> year & onwards up to 5 <sup>th</sup> year: first year limit for crop cultivation purpose arrived at as above + 10% of limit towards cost escalation /increase in scale of finance for successive year(2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> , & 5 <sup>th</sup> year		
2	Term loan limit:		

	Did you use term loan for investment credit such as land development, minor irrigation, purchase of farm equipments and allied agricultural activities shall be fixed by the Branch based on unit cost presented by the bank and repayment capacity of the farmer considering total loan burden developing on the farmers and existing loan liabilities. The long term loan is based on the proposed investments during the five year period and the branch's perception on the repaying capacity of the farmer.		
B.	Did you use a flexible limit of Rs. 10000 to 50000 is based on land holding and crops grown including post harvest warehouse storage related credit needs and other farm expences, consumption needs,etc		
7.	Did you use KCC shall be valid for 05 years subject to annual review.		
8.	Did you get the loan up to 3.00 lack under 10.50% interest?		
9.	Did you get the loan above Rs 3.00 lack but less than Rs.25.00 lack under 11.75% interest?		
10.	Did you get the loan above Rs. 25.00 lack under 12.50%.		
11.	Did you get 2% Interest subvention & 3% additional incentive for prompt recovery as presently admissible for crop loans up to Rs. 3 lack extended to farmers @7%.		
12.	Did you follow repayment period of each withdrawal under the short term limit which is in 12 months?		
13.	Did you use the term loan component as		

	normally repayable within a period of 5 years?		
14.	Did you use hypothecation of crops s for KCC loans up to Rs. 1.00 lack?		
15.	Did you use hypothecation of crops and mortgage of agriculture land under the security for the KCC loans above Rs. 1.00 lack?		
16.	Did you get any accidental insurance of Rs. 50000 to the borrowers?		
17.	Did you get the Personal Accident Insurance scheme under age of 70 years?		
18.	Did you paid any processing fees, inspection & documentation charges & any type of charges up to Rs. 3.00 lack?		
19.	Did you use ATM cum debit card to enable them to withdrawal?		
20.	Did you use Crop Insurance Scheme –National Agriculture Insurance Scheme under which eligible crops is covered?		

**C. Constraints.....**

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**D. Suggestions.....**

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**DEPARTMENT OF EXTENSION EDUCATION**  
**N.D. University of Agriculture & Technology, Kumarganj,**  
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**TOPIC: “Kisan Credit Card Scheme: A key for holistic development  
of rural poor in Milkipur block of District Faizabad U.P.”**

**Name of Student**

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**ABSTRACT**

The study was conducted in Milkipur block of Faizabad district (U.P.) selected purposively. A total number of 100 beneficiaries were selected through proportionate sampling five sample villages on the basis of majority of beneficiaries. The structured schedule was developed keeping in view the objectives & variables under study. The respondents were contacted personally for data collection. The percentage, mean, standard deviation, correlation were used for calculation and drawing the inferences.

The majority of the respondents 65% were found in medium categories (37-51) of age group, like this 100 %, 45%, 60%, 57%, 49%, 100%, 34%, 29%, 74%, 74%, and 67% were found literate, General caste, joint family, size of family from medium categories (7-11), land holding size from small (1-2), Agriculture as their main occupation, total family income in 60001-120000 categories, participation in one organization, overall material possession from medium categories (19-57), economic motivation from medium categories (20-23), and risk orientation medium categories (20-23) respectively and respondents had more contact with gram pradhan as formal sources, family member as informal sources, and TV as mass media contact.

Thus, it may be concluded that 78% respondent were found maximum from the medium categories (23-29) of the knowledge and 65% respondents were found maximum from medium (12-16) categories in the use of KCC. The material possession was highly significant with the use of KCC scheme than it was concluded that there is high impact of the use of KCC scheme on the Material Possession. “Lack of the proper guidance for getting the Kisan Credit Card” was found major constraints in the using of KCC scheme and “Bank manager should provide the proper information about KCC scheme” was found major suggestion by the respondents.

**(R.K. Doharey)**

Major advisor & Chairman

**(Shrikant Virthare)**

Student