STUDY ON INSTITUTIONAL AGRICULTURAL CREDIT AND REPAYMENT BEHAVIOUR OFINDIAN FARMERS

Harjeet Singh (Assistant Professor)
Apex institute of management & computer application
Bilaspur, Rampur India

Dr. Himanshu Gupta (Associate Professor)
IFTM Mbd, India

***Abstract*: Agriculture plays a crucial role in the development of the Indian economy. It accounts for about 19 percent of GDP and about two thirds of the population of the country is dependent on agriculture, 60 percent of the companies are based on agriculture produce and 50 percent of the national income of the country is derived from Indian farmers (Rama Krishna). Thus, agriculture is the backbone of the Indian economy. Agriculture credit facility is an important part for the agriculture produce. It helps the farmers to purchase seeds, fertilizers, agriculture equipment and development of agriculture land and non- agriculture activities. I hope that this study would be useful as it helps in creating awareness among agriculturist about their development. The main objective of the present study is to underline the sources of institutional agricultural credit and repayment behaviour of farmer for their development and as well as for Indian economy.**

Introduction

Agriculture plays a crucial role in the development of the Indian economy. It accounts for about 19 percent of GDP and about two thirds of the population is dependent on agriculture, 60 percent of the companies are based on agriculture produce, and 50 percent of the national income of the country is derived from Indian farmers (Rama Krishna). Thus agriculture is the backbone of Indian economy. India ranks second worldwide in farm outputs. The history of agriculture in India can be dated back to Indus valley civilization and even before that in some places of southern India. In agriculture farmer play an important role. A farmer is a person engaged in agriculture, raising living organism for food or raw material. A farmer might own farmed land or might work as a labourer on land owned by others. Farmers are utilizing their own saving for production and development of agriculture land. But in India most of the farmers are small; they have limited resources of income. If they use their saving to produce agriculture product and development of agriculture land, they become vulnerable. Therefore institutional agricultural credit is an important way for development of Indian farmers.

Institutional agricultural credit

Institutional- Relating to a large organisation to build where people are looked after or hold.

Agricultural-Includes farming in all branches and among other things includes the cultivation and tillage of soil, production, growing and harvesting of any agricultural and horticultural commodities the raising of lives stock.

Credit- Words is derived from a Latin word CREDO, meaning "I Believe".Credit (Sunil Singh Yadav) is the trust which allows one party to provide money or resources to another party where in the second party does not reimburse the first party immediately but promises either to repay or return those resources at a later date.

Institutional agricultural credit- Means providing credit by any regional rural bank, co-operative banks, microfinance institution, money Landers, commission agent, traders and landlord for growing plants, crops and harvesting of crops.

Sources of institutional agricultural credit

1. Institutional credit

(a)Co-Operative credit societies- are supposed to be the cheap-est and most important source of rural credit. When co-operatives were first set up it was thought that they would be able to meet almost the entire credit needs of numerous small and me-dium farmers. As a result, the moneylenders would recede to the background. But this has not really happened. Till 1950-51 they played a passive role in the area of rural credit. However, during the plan period the co-operative societies have made steady progress and have succeeded to some ex-tent in promoting thriftiness and self-help among farmers.

(b)Land devel-opment bank (land mortgage banks) **-** mainly provide long-term loans to farmers against the mortgage of their lands at low rates of interest over a period of 15 to 20 years. Farmers find borrowing from such banks attractive as costly land improvement programmes (such as digging or deepening of wells) can be undertaken, or additional land can be acquired through outright purchase, or previous debts can be repaid with help of this source.

(c)Commercial Bank- Before nationalisa-tion of top 14 commercial banks in June 1969, they had an urban bias. They mainly accept deposits from the urban people and provide loans for trade and industries. Agriculture and rural industries were neglected by them. Since agricul-ture by its nature was a risky venture, private commercial banks turned away from rural areas since the nationalisation of commercial banks in 1969 the stress has been on expanding and strengthening the institutional structure of rural credit. However, even today the rural areas in India are yet not properly served by banking insti-tutions.

(d)Regional rural bank-In 1975, the Gov-ernment set up a network of regional rural banks to look into the special needs of small and mar-ginal farmers, landless workers, rural artisans and the rural poor in general. The unique feature of the 196 RRBs operating

since September 1990 is that they cater exclusively to the weaker sections of the rural community through nearly 14,800 branches spread over India. Almost all the tribal districts are covered. The RRBs have been lend-ing around Rs. 400 per annum on an average.
(e)The Government- has also provided short-term and long-term loans to farmers in times of emergency such as floods or famine. Such loans are known as Taccavi loans. Such loans are offered at a concessional rate of interest (6%) and the mode of repayment is also very convenient. It can be repaid in several instalments at the time of payment of land tax.

2. Non institutional credit
(a)Money lenders-From the very beginning moneylenders have been advancing a major share of farm credit.
Moneylenders are of two different types-
(a) Professional moneylenders
(b) Agriculturist moneylenders
These moneylenders were supplying a major portion of agricultural credit (69.7 per cent in 1951-52) and indulged into malpractice like manipulation of accounts and charged exorbitant rate of interest on their loan- often 24 per cent and over. Due to all these factors the share of moneylenders in total farm credit has declined sharply from 69.7 per cent in 1951-52 to 36.1 per cent in 1971 and then to only 16.1 per cent in 1981 and then to 7.0 per cent in 1995-96.
(b)Traders and Commission agents-Traders and commission agents are also advancing loan to the agriculturist for productive purposes before the maturity of crops and then forced the farmers to sell their crops at very low prices and charge heavy commission on sales from them. This type of loans is mostly advanced for cash crops.
(c)Relatives- Cultivators also normally borrow fund from their own relatives in times of their crisis both in terms of cash or kind. These loans are a kind of informal loans and carry no interest and are normally returned after harvest. The importance of this source of farm credit is also declining as its share of agricultural credit has already declined from 14.2 per cent in 1951-52 to 8.7 per cent in 1981 and then to 3.0 per cent in 1995-96.
(d)Landlords-in India, small as well as marginal farmers and tenants are also taking loan from the landlords for meeting their financial requirements. This source has been following all the ill-practices followed by money-lenders, traders etc. Sometimes landless workers are even forced to work as a bonded labour.
Next sub section will explain agriculture loan repayment behaviour of farmers.
It means not paying the loan amount which has been taken from any formal financial institution or bank. Agriculture loan repayment mean not payment of agriculture loan which farmers get from the banks and other formal financial institution in a financial year.

Year	Target	Achieved	Achieved %
2016-2017	900000	1065755.67	118.42
2017-2018	1000000	1162616.98	116.26
2018-2019	1100000	1254762.20	114.06

Fig- Agriculture loan target report (1)

Year	Total disbursed amount	Loan disbursed to SF/MF out of total disbursement	% share of SF/MF in total amount disbursed
2016-2017	1065755.67	534.351.43	50.14
2017-2018	1162616.98	580457.42	49.93
2018-2019	1254762.20	626087.53	49.90

Fig- Loan repayment report (2)

Socio-economic	Demographic	Environmental factor	Internal factor	External factor
1.Corruption 2.Lack of employment 3.opportunities 4.Income of farmers 5.Lack of skills	1.Family size 2.Education 3.Farm size 4.Age of farmers 5.Number of dependent	1.Crop failure 2.Failure of monsoon 3.Lower yield	1.Inadequate amount of loan 2.Willful defaulter 3.Borrowing frequency 4.Miss utilization of loan 5.Death/accident of loanee	1.High rate of interest 2.Expensive procedure 3.Long recovery process 4.Inefficient management

Fig-Responsible factors for repayment behaviour of farmers (3)

BACKGROUND &REVIEW OF LITERATURE
Review of literature is an essential part of the research which provides researcher a more capable to understand in depth knowledge of the problem of the study. In this section the researcher reviewed the related literature in this regard in various heads.
(A) Institutional credit and its impact on economic development
Nzotta (2009) Finance for agricultural development has increasing role in contemporary times. According to him finance affects economic growth, stagnation or even decline in any economic system. The Nigerian government recognizes that finance is an essential tool for promoting agricultural development because the agriculture sector is one of its main sources of sustainability.

Access to finance, growth and supports the survival of small and new enterprises. Adams and Mortimore (1997) noted that access to finance increase the average inputs of labour and capital which has positive effect on production output. Irrespective of the benefits that can be derived from financing agriculture, there is an inherent risk of loan defaults amongst farmers, which discourages banks from lending to farmers.

Anjani Kumar (2010) studied about the institutional credit to agriculture sector in India and their performance/ status. He used basically two types of agricultural credit sources available in India. Formal institutional credit agencies includes co-operatives societies, regional rural banks, scheduled commercial banks and informal institutional credit agencies includes self help group, merchanter, money lenders, relatives, traders and commission agents. He studied about the performance and growth of institutional credit in the terms of share of agricultural credit in agriculture GDP (AGGDP) and credit per unit GDP. The share of agricultural credit institution was 7 % in 1951 to 64.3 % in 2003, share of agricultural credit in agriculture GDP 5% in 1951 to 31 % in 2009. Further he studied about the growth of kisan credit card and their benefits for farmers. The growth of kisan credit card was around 44 % per annum.

Gowhar Bashir Ahangar (2013) studied on institutional credit to agricultural sector in India. This study basically assesses the loan amount issued, growth of scheduled commercial bank, and outstanding amount of agricultural loan. The number of account holders increased around 5841 to 30538, whereas loan amount of agricultural loan increased around 14516 to 271670 in estimated period of time. On the other side if loan amount increased its leads to increased outstanding amount of loan around 37302 corers to 256256 corers. The main reasons for increase loan outstanding amount because of compound growth rate of scheduled commercial banks.

Suman Devi (2015) investigated on the agricultural credit in India. This paper looks as the trend of growth of agricultural credit in India. She concludes that the growth of agricultural credit is based on the agricultural production and growth/ strategic role of financial credit. This paper has analyzed the trends of direct institutional credit and indirect institutional credit during 2003-13. The analysis showed that the trend of direct and indirect institutional credit significantly increased from 400.49 to 1112.03 at the end of 2013. She says that growth of institutional credit increased by modernization of agriculture, increase agriculture allied activities and advanced equipment.

Valentina Hartarska (2015) investigated the link between finance and economic growth in rural areas. The aim of this study was to analysis the financial institution in rural areas which provide loan to rural farmer for the period of 1991 to 2010. The author found that agricultural finance and agricultural GDP growth per resident. Agricultural GDP growth based on the private bank loan, government control over bank, bank rate etc. The study therefore find that on state level, an additional loans are associated with 10 per cent higher growth rate of agricultural GDP around7 per cent higher than present rate.

Omosebi Ayeomoni (2016) this study basically examined the relationship between the agricultural credit and economic growth in Nigeria for period 186 to 2014, using the ARDL (the autoregressive distributed lag) approach. Moreover, real exchange rate and private domestic investment had direct effect on economic growth. The economic growth and private domestic investment was influenced by real exchange rate, real investment and inflation rate etc. The study there for suggest that government need to make some policies and programmes to increase the level of productivity of agriculture sector.

Sunil Singh Yadav (2017) recommended in their paper sources of agricultural credit in India. A study based on Indian agricultural credit, that the agricultural capital investment increased institutional credit system. Institutional credit system in India was improved by time to time by opening of new credit societies. In rural areas these types of credit societies opened by government of India like primary agricultural credit society, district central co-operatives bank and state co-operatives bank. The growth of these cooperatives societies and banks are based on the relationship between income and expenditure of agricultural capital investment.

Jay Singh (2017) studied in their paper institutional agricultural finance in Uttrapradesh, a study of Agra district, that agricultural sector provided around 48.9 work forces and contributes around 15.2 per cent to India gross value added. Further, the growth rate of gross value added around 1.5 in 2012-13 to 4.9 in 2016-17. Agricultural finance helped to undertake development of how investment, new invention and adopt new technology to produce agriculture product. The need of agricultural credit increased due to low income of farmers, uncertain income, typical production system and inability to raise funds from other sources. He suggest that in Agra so many agricultural credit institution opened by government to farmers development and fulfillment of farmers requirement like scheduled commercial banks, co-operatives banks, regional rural banks and government banks.

(B) Role of credit facilities in agricultural productivity

Sultan (2016) identified that farmers not properly utilized the agriculture loan. Framers getting loan for purchasing of agriculture seeds, equipment, tractor, land etc. But farmers used agriculture loan for non-agriculture activities like- marriage, purchase vehicle, making house and family functions and all theses causes is responsible for unable to pay their loan and increase their debt. Along this high rate of interest, gap between agriculture productions, high formalities effect disbursement of agriculture loan. He intercept effect of credit is negative, 1 % increase in credit will bring decrease of 0.112550 % in production and rate of interest show negative impact on production. If the rate of interest is increase 1 % will decrease 0.029445 % in production.

Ajayi (2017) A studied on the impact of agriculture financing policy and deposit money bank loan on agriculture sector. Ajayi identified that agriculture financing policy more effective as compare to agriculture loan. He suggests that government should provide some agriculture financing policies and deposit loan scheme for farmers which are not repayment of their loan. The coefficient of commercial bank's rate impact on agriculture domestic products by (-0.4761) with p- value (0.0098).This indicates 1 % change in lending rate to agriculture sector impact048 % reduction in agriculture gross domestic product. This implies that 1 % change in agriculture credit guarantee scheme fund increase 40 % agriculture gross domestic product.

Bassy(2014) investigated the impact of agricultural credit n agricultural productivity in Nigeria between the 1970- 2011. He used to ordinary least square (OLS) regression method to analysis the data. The result shows that agricultural productivity properly based on the proper financing of the agricultural sector by the government, financial institution and other financial sources. In order to boost in agriculture sector leads to boost in GDP of agriculture.

J.Sogo Temi in their paper, "the role of agricultural credit in the development of agricultural sector, the Nigerian case", show the role of agricultural credit n development of agricultural productivity. The results show that development of strategies related to agricultural credit leads to growth of agricultural production and growth. The results generally proved the one most important determinants of growth of agricultural production was availability of agricultural credit on time as well as requirement of credit. However, provided short term credit by banks create greater attention in policy strategic and allocation of resources according to sector.

M.R. Kohansal (2008) studied about the effect of credit accessibility of farmers on agricultural investment and investigation of policy. The aim of this study was to know about the effect of credit accessibility of farmers on agricultural investment and production. Therefore, impact of policies on investment based on number of installment, cultivated land area and previous investment. Whereas, investigation of policy in investment may increase productivity and decrease poverty in agricultural sector. This studied show that growth of investment in agricultural is less than economic sector. So that investment in agriculture area is most important for the rural development and increase productivity. Moreover, investment in agriculture sector leads to more investment in farm activities improving agriculture technology and increasing productivity. He suggest that government need to make some policies which leads to improve investment in rural areas.

Saeed Ur Rahman (2014) the purpose of this study is to investigate the impact of agricultural credit in agricultural productivity in Pakistan. The aim of this study is analysis the relation between agriculture credit and agricultural productivity. According to him agricultural productivity and agriculture credit is based on household size, income of household, education of farmers, short term loan, and long term loans. Moreover, agriculture growth depends on improvement in supply of water, land reclamation, mechanical power, high varieties, seeds, pesticides and fertilizers, timely availability of credit and modern technology. He suggests that providing appropriate amount of loan to farmers at the time of requirement enhancement of agricultural productivity.

Zuberi (1989) analyzed the production function in the agriculture sector in Pakistan. The study uses the time series data from 1956 to 1986 and developed the strategy for the agricultural development in Pakistan. It is concluded that agricultural development depends upon the maximum utilization of better and low cost technology. It is suggested that government should provide the institutional credit on easy terms and conditions to make possible for farmers to purchase latest implements and use the modern methods of production. Because per acer yield major crops like wheat, rice and sugarcane in Pakistan is lower than other developing countries. It is also concluded that the use of latest technology and additional inputs are necessary for rising productivity.

Mbata (1991) investigated the impact of the supervised Agricultural Credit Scheme (SACS) first set up by the rivers state government in 1975 as a tool for agricultural development. A comparative analysis of the productivities of two groups of farmers who borrowed from formal sources and those who borrowed from informal sources were undertaken. Data covered the 1998/89 cropping season. The findings of the study revealed that farmers who had access to the SACS consumed more inputs, obtained higher yields and thus realized grater farm profit per hectare than their counterparts who obtained credit form informal courses. This was direct impact of the SACS on small scale farmers. It was therefore recommended that through extension services the scope of the SACS should be widened to embrace more farmer i9n rivers state in particular and in Nigeria at large.

Reserve Bank of India- this report was presented by RBI. It examined the role of direct and indirect credit in the development of agricultural productivity. The result show that farmers not getting proper benefits of agriculture credit because of institutional credit delivery system, inadequate provision of credit to small and managerial farmers, limited deposit mobilization etc. Moreover, the main factors contribute to increase agriculture productivity are increased used of agricultural inputs, technological change and technical efficiency. But mainly three factors are based on availability of credit. So that government needs to improve the flow of credit to the agriculture sector. For that RBI had advised public sector banks to prepare special agricultural credit plans (SACP). Under SACP the banks required to fix self target for agriculture sector during the year (April- March). Under the SACP the flow of credit in agriculture sector has increased around Rs 8255 Crore to Rs 122443 Crores in 2006-07.

(C) Agriculturist development by agriculture credit

B.S.Navi state that regional rural banks provide various plans and programmed for farmers but the farmers did not getting their benefits because farmers are uneducated, long loan process, guarantee problem, loan amount and other bank charges. On the basis of study out of 90 farmers 60 farmers applied for loan but 33.3 % not taking loan because fear of rate of interest, 33.3% not taking loan because of legal formalities.

Solomon (2016) studied on the effects of microfinance banks loans on the livelihood of small-holder farmers. This study based on primary and secondary data. A multi- stages random sampling techniques used for collecting data. He identified that if government provide some facilities to the farmers it leads to increase the living standard of farmers. Some facilities like; national accelerate food production project, agriculture credit guarantee scheme fund, green revolution programme, national seed service and national economic empowerment development strategies. On the basis of study 86.07% farmers in the favor that microfinance improves economic condition and their livelihood.

Chidozie Onedikachi Anyiro(2014) studied about the effects of local institutions and their delivery system on farm's household poverty in ABIA, Nigeria. The main objective of this study to analysis the micro credits silently impact on the annual farm income and monthly expenditure of rural household farmers. Moreover, government need to launch some programme which helps to decrease poverty and good delivery channel through which easily loan provided to the rural farmers or households. The government launch family economic empowerment programme, Nigerian bank of agriculture, national landsman programme etc. This study concluded that local micro credit institutions significantly impact on rural household income and standard.

Ehiakpor Dennis Sedem(2016) studied about the effect of agriculture credit on farm income in northern Ghana. The main objective of study to quantified the impact of access agriculture credit on farm income. Therefore accessing of agriculture credit was based on farmer education, farmers groups, farm size, age and gender. Moreover, the study concluded that accessing of agriculture credit helps to improve poverty reduction among farmers in the district. As a result state government of Ghana launched programmes like association of church based development project, northern rural growth programme etc. State government also taking steps to more improvement of small farmer's income and status as compare to large farmers.

Rukhasana Rasheed(2016) investigated the economic analysis and multidimensional benefits for farmers. The main objective of this study was to measure several benefits of agriculture small loan on the farmers. She declared that impact of agriculture small loan must impact on health care facilities around 40 %, marketing orientation around 45 %, social expenditure or social status around 76 % and alternative off farming income around 57 % increased. She conclude that if agriculture loan provided on time and provided proper guidance to small farmers about use of loan amount sustainable tool for socio- economic and growth of agriculture. Therefore, formal and informal financial institution should extend adequate credit to small farmers according to their education, farm size and farming experience.

Abdedullah (2009) find out that provision of credit helped the dairy farmers to improve their income and credit has a defining role in livestock sector. The agriculture small loan not only helps to enlarge the economies of scale but also assist in enhancing the livestock sector productivity from available resources. The family labour role is even more important in growth. The credit helped in expansion of livestock farm size and hence the unemployed and untrained rural labour is absorbed at their door steps. This mechanism helps to cut-down the migration process of rural population towards cities.

Binswanger (1995) estimated the impact of institutional credit by using district level data in India and their results showed that institutional credit enhance rural income and agriculture production. They founded that rural benefits are exceeded by at least 13 % than from cost of formal system. The small loan schemes are more effective than any other schemes, in assisting the poor. The analyzed the Grameen bank credit program impact in Bangladesh on different kind of individual and house hold outcomes such as enrollment, assets accumulation, labour supply and family fertility rate. They concluded that micro credits a significant tool and it had a positive influence on the welfare of poor households in Bangladesh.

Mir Kalan Shah (2008) estimated that the impact of agricultural credit on farm productivity and income of farmers in mountainous agriculture in Northern Pakistan. They founded that to avoid exploitation of poor farmers the government provide credit facilities to farmers through commercial banks, taqavi loan, and co-operatives societies and zari taraqiati bank ltd. The credit amount increased Rs 1060.5 million to Rs 24628.8 million from 1990 to 2007. Moreover, increased credit amount positively impact on farmer income, farmers income increased around Rs 13665 to Rs 19665. They recommended that if interest rate decreased, loan procedure easy and availability of credit on time will be provided more befits to the farmers.

Abdul Hanan Abdallah (2018) the purpose of this papers to analysis the impact of agricultural credit on farm income under the savanna and Ghana. According to him the farm income increased by improvement in household resources and developed expanding credit program by government. Government institutions and non- government organisation launch some credit program for farmers like the block farms program, agricultural mechanization services enterprises centre program, stabic/ AGRA loan guarantee program, wienco masara nariki input credit project and AGRA credit program. Moreover, household resources and development is based on farm size, gender, age, literacy, and wealth and group membership of farmers.

(D) Repayment behavior of farmers

R.Subramanian (2017) analyzed the problem faced by the farmers in obtaining and repayment of agriculture credit and that farmer facing so many problems such as non availability of loan on time, expensive and long procedure, inadequate loan amount, document expenses etc. On the other hand after getting loan from agriculture credit institution farmers not repayment of their loan due to crop failure, failure of monsoon, lower yield, increase input cost, family size, higher rate of interest and willful default etc.

Nwafor Grace o (2018) examined the loan repayment behavior of farmers. The behavior of farmers was depending on the socio-economic variable. Socio-economic variables include household income, household earning, occupation, loan diversion, unwillingness to repay etc. He also studied about some factors which are related to the institutional credit agencies. He included the shortage of trained managers, lack of understanding of the approaches of cooperation, excessive government control, inadequate financing and lack of trust among members. On the other hand he also studied about some factors which are related to the cooperatives societies. It includes unprofitable scale of operations, defective management, and shortage of skill manpower, dishonest staff, administrative bottleneck and corrupted staff. The educational qualification of farmers will increase N 14254.74 repayment ability, farm size will increase around N 3765.25 repayment ability and loan application cost will N 3.25 reduction in repayment ability of farmers.

Yasir Mehmood (2012) stated in his study that internal and external factors affecting delay in repayment of agricultural credit. Internal factors some includes miss utilization of loan, political approach of borrowers, death/accident of the loanee, change in business, transfer of field staff and in external includes high rate of interest, climate condition, prices of inputs, loss/more loan than required, lack of utilization etc. He suggested that financial institution should development of monitoring , tracking system, reduce rate of interest, legal action against willful defaulters, group financing system and musharka/muzarba helped to increased the repayment ability of farmers.

Ifeanyi A (2012) studied on economic analysis of loan repayment capacity of small cooperatives farmers in Ogun, Nigeria. This study examined the farmers loan repayment behavior is based on the socio-economic and demographic characteristic of farmers. According to him farmer's loan repayment behavior is based on lack of adequate, accessible and affordable credit, poor management procedures, loan diversion and unwillingness of repaying agriculture loan.

Waqar Akram(2008) studied on agricultural credit control and borrowing behavior of farmers. According to him two types of constraints/variable. The dependent variable and independent variable such as

Land value-	Value of land owned
Value of farm implements-	value of owned farm tools
Number of dependents-	Number of family members
Farm experience-	Years of farm experience
Initial Liquid assist-	Value of grain in store

Previous year's income- Previous year income.

Rostam Ali (2018) finds in his study that disbursement of loan increase due to fund use by farmers for family expenses, festival expenses, marriage and construction of house. The total loan disbursement amount increase 2711 cores in 2006-07 to 20680 cores in the year 2010-11.

Vinod Kumar (2017) was studied on the impact of socio-economic variable which effect on disbursement of agriculture loan which are based on NSS survey. He identified that some socio-economic factors which increase disbursement amount of loan. He divided loan disbursement amount into four categories on the basis of net area sown. According to him the amount of loan below 2500 into- A category, between 2500-3500 into- B category, between 3500-5000 into- C category and above 5000 into D category. He studied on the factors like size of family, education level, family earning ration, size of credit, health issues, no of dairy co-operatives.

M. Alexpandi(2014) analysis the use of agricultural credit and repayment agricultural credit. This study showed that used of agricultural credit by farmers was based on age, family expenses, gender, material status, family size. He was found that old age farmers and married couple used less agricultural credit for their own used as compare to young and single farmer. He also studied about the repayment factors affecting the behavior of farmers. He included high irrigational expenses, children educational expenses, crop failures, high cost of inputs and less agricultural income. The result of this study show that utilization of agricultural credit mainly based on delay in getting loan, proper utilization of agricultural credit helped to increase repayment ability of farmers.

Nwibo Simon Uguru (2017) studied about the loan repayment capacity of cooperatives farmers in Nigeria. The study identified that repayment capacity of cooperatives farmers is based on nature of investment, farm yield, family size, health condition of family members, rate of interest, diversion of fund, natural hazard and weather vagaries etc. In this study loan repayment capacity is divided into two categories- intrinsic and extrinsic. Intrinsic factors includes types of investment, farm yield, family size, health condition of family members and extrinsic includes time of loan disbursement, rate of interest, amount of loan obtained, repayment condition etc. In this the most important factor is responsible for loan repayment capacity of farmers is based on amount of loan obtained and type of investment.

I.S.P. Nagahage investigated about the farmers behaviour on agricultural credit repayment in dambulla area in Sri Lanka. He divided the farmer's behaviour into four categories. In first category he studied about factors related to micro finance and behavioural factor. In second category studied about rules and regulation related to banks. In third stage he studied about use of credit and misuse of credit. In the last category he talked about the income sources of farmers. Along this he studied on age, education, low land cultivation, life insurance premium and skill of farmers responsible for change repayment behaviour of farmers. He suggest that credit repayment ability of farmers may increased by providing some facilities and programmes like EIS (extra income from subsidiary occupation), NLDB (national lives stock development board), HYR (high yield leads to repayment), organic farming etc.

OBJECTIVES OF STUDY

The research aims to propose with the following objectives:-

- To analysis the impact of agricultural credit in agricultural development or economic development.
- To study the present situation of institutional agricultural credit.
- To analysis the factors which are responsible for farmer's behavior of repayment.
- To suggest a programme and measures for removing these types of problem.

SIGNIFICANCE OFPROPOSED STUDY

Agriculture loan is important part of the agriculture produce. Agriculture loan helps the farmers to purchase seeds, fertilizers, agriculture equipment and development of agriculture land and non-agriculture activities. This proposed study would be useful for farmers, banks and government. This proposed study is important because it helps to identify how the farmers utilize credit for agriculture and other purposes. It also helps to show the growth of institutional agricultural credit in the terms of credit and loan disbursement amount. It helps government, ministry of finance, banking institution and other financial institution to make their future plan on the basis of loan amount and loan disbursement. This proposed study is also important for farmers because it helps to create awareness and provide information about the government policies and programs for development of farmers.

RESEARCH METHODOLOGY

Research is a common phenomenon which refers to search for Knowledge and a task of actually selecting a method for research is known as Methodology. Research methodology plays a vital role in any research and choosing the right methodology is indeed a complex task. The objectives of proposed work are to find the credit facilities and impact on a developing economy. It's a descriptive and Analytical type of work. It is an attempt to understand and differentiate the significance of agriculture credit in rural development as well as the farmers' development. The study would be predominantly based on secondary as well as primary research. Primary information will be collected from different previous resources like- farmers, institutional & non- institutional credit agencies, RBI reports, books & journals, previous research finding & literature. Research instrument will include as trend analysis & time series to show the financial status of institutional agriculture credit agencies. A coefficient of co-relation is the tool to show the relation between agriculture inputs and productivity. Some other appropriate tools are used by researchers which will be suitable on the basis of objectives of study.

REFERENCES

1. Nzotta, S. M. and Okereke, E. J. (2009). Financial Deepening and Economic Development of Nigeria: An Empirical Investigation. African Journal of Accounting, Economics, Finance and Banking Research, 5 (5), 55–66.

2. Anjani Kumar, K.M. Sigh and Shradhajali Sinba(2010), "Institutional credit to agriculture sector in India: status, performance and determinats," agricultural economics research review Vol. 23 July-december 2010 pp 253-264.
3. Gwhar Bashir Ahangar, Ashaq Hussain Ganie and Mohd Ummer Jan Padder, "A study on institutional credit to agriculture sector in India," International journal of current research and academic review, ISSN: 2347-3215 Vo. 1, No. 4 pp. 72-80.
4. Suman Dev (2015) , "Agricultural credit in India", International research journal of commerce and law, Vol. 02 issue- 07.
5. Valentina Hartarska, Denis Nadolnyak, Xuan Shen(2015), " Agricultural credit and economic growth in rural areas" , Agricultural finance review, Vol. 75 Issue:3 , pp – 302.
6. Omosebi Ayeomoni, Saheed A. Aladejana(2016) , " Agricultural credit and economic growth Nexus", International journal of academic research in accounting, finance and management science, Vol. 6 No-2, pp- 146- 158, ISSN: 2225-8329.
7. Sunil Singh Yadav (2017), "Source of agricultural credit in India: A conceptual study of Indian agricultural credit", Shodh Drishti (An international refereed research journal), Vol.8, No- 3 , ISSN: 0976-6650.
8. JaySingh (2017), "Institonal agriculture finance in Uttrapradesh : A study of agra destrict".
9. Ashar sultan kayani, Muhammad SaqibMushtaq, MahammadMuddassir, Muhammad Abubakar Zia(2016), "Impact of agriculture loan on agriculture farm productivity Evidence from district Parachinar, Kurram agency, Pakistan", J. Glob. Innov. Agric. Soc. Sec, 4 (4): pp. 156-159, ISSN (online), 2311-3839, ISSN (print) 3212-5225,2016.
10. Ajayi, Micheal Adebayo, Nageri, KamaldeenIbrahen and Akolo, Christy Seyi, " Impact of agricultural financing policy and deposit money bank loan agricultural sector productivity in Nigeria", Amity journal of agribusiness Vol 2, Issue-1, (1-11) ,2017.
11. Bassy, N.E., Akpaeti, A.J. and Udo, U.J.(2014), " Impact of bank credit financing on agricultural output in Nigeria, American international journal of contemporary scientific research, 1 (3), 75-84.
12. J.S. Soga- Temi and S.O. Olubiyo(2004), " The role of agricultural credit in the develot of agricultural sector, the Nigerian case", African review of money finance and banking, pp 101-116.
13. M.R. Kohansal, M. Ghorbani and H.Mansoori(2008), "Effect of credit accessibility of farmers on agricultural investment and investigation of policy options", Journal of applied sciences 8 (23): 4455- 4459, ISSN 1812-5654.
14. Saeed ur Rehman, Abid Hussain, Muhammad taqi, "Impact of agricultural credit on agricultural productivity in Pakistan", International journal of advanced research in management and social science, ISSN: 2278-6236.
15. Zuberi, Habib, A. (1989), "Production Function, Institutional credit and Agricultural Development in Pakistan", The Pakistan Development Review, 28(1), 43-56.
16. Mbata, J. N. (1991). Comparative study of Supervised and non Supervised agricultural credit Schemes. As a tool for Agricultural Development in Rivers State, Nigeria. Discovery and Innovation, 3(4), 29-35.
17. www.rbi.org.in
18. Dr.B.S. Navi, "Impact of regional rural banks on rural farmers- A case study of Belgaum District",International journal in multidisciplinary and academic research, Vol- 02, No.1, ISSN 2278-5973.
19. Enimu Solomon, Igiri Juliana and Achike I. Antonia (2016), "Analysis of the effects of microfinance banks loan on the livelihood of small-holder farmers in delta stateNigeria",Economic affairs Citation: EA: 61(3): pp. 381-390.
20. Chidozie Onyedikachi Anyiro, Chima Innocent EZEH, John chinasa Ijioma (2014), " Local institutions micro credit delivery and effects on rural farm households, poverty in Abia", Scientific papers series management, Economic engineering in agriculture and rural development, Vol, 14, ISSN 2284-7995.
21. Ehiakpor Dennis Sedem, Adzawla William, Danso Adeam Gideon(2016), " Effect of access to agriculture credit on farm income in Talensi district of northern Ghana", DOI http://dx.doi.org/10.18551/rjoas. 2016- 07.06
22. Rukhsana Rasheed, Li cui xia, Mazhir nadeem iahaq, Zeeshan ahmed, Manzar waseem, Sidra ghazanfar(2016), " Economic analysis of agriculture small loan and its multidimensional benefits for farmers community", European journal of business and management, Vol. 8, No. 6, ISSN 2222-01905.
23. Abedullah, (2009). The role of agriculture credit in the growth of livestock sector: A case study of Faisalabad, Pakistan. Vet.J., 2009, 29(2).
24. Binswanger, Hans P., and Shahidur R. Khandker. (1995). The Impact of Formal Finance on the Rural Economy of India. The Journal of Development Studies, 32(2), 234-62.
25. Mir Kalan shsh, Humayu khan, Jehanzeb and Zalakat khan(2008), " Impact of agricultural credit on farm productivity and income of framers in mountainous agriculture", Sarhad J. Agric. Vol. 24, No. 4.
26. Abdul Hanan Abdallah(2018), " Impact of agricultural credit on fram income under the Savanna and Transitional Zones of Ghana", www.emeraldinsight.com/0002-1466.htm
27. R. Subramanian and Sunil Shivananjappa, "Investigation on the problem faced by the farmers in obtaining and repayment of agricultural credit in Karaikal District, India), International journal of current microbiology and applied science, ISSN: 2319-7706 Vol- 6 No. 11, pp. 3966-3971, 2017.
28. Nwafor Grace O, AguAguiyi Fortune, AnigboguThersa and Umebali E.E., "Loan repayment behaviour among members multipurpose cooperative societies in Anambra State", International journal of community and cooperative studies Vol.6 No. 1, pp. 28-49, April 2018.
29. YasirMehmood, Mukhtar Ahmad, Muhammad BahzadAnjum, "Factors affecting delay in payment of agriculture credit; a case study of district kasur of Punjab province", World applied science journal 17 (4): 447-451, ISSN 1818-4952.2012
30. Ifeanyi A. Ojiako, Blessing C. Ogbukwa, "Economic analysis of loan repayment capacity of small- holder cooperatives farmers in Yewa north local government area of Ogun state, Nigeria", Journal of agricultural research Vol. 7 (13) pp. 2051-2062,ISSN 1991-637X ,5 April 2012.

31. Waqar Akram, ZakirHussain, M.H. Sial, IjazHussain,, "agricultural credit constraints and borrowing behaviour of farmers in rural Punjab "loan on agriculture sector productivity", European journal of scientific research ISSN 1450-216 X Vol. 23 No.2(2008) pp. 294-304.
32.Md. Rostam Ali, Md. Mostafizur rahman and Syed moudud-UI- Huq(2014), "Loan disbursement and recovery performance of crops and livestock of rakub", Global journal of management and business research, Vol.14, Issue 5, ISSN: 0975-5853.
33. Vinod Kumar,Vikas kumar, R.K. singh, Sanjiv A. Kochewad and Mahendra singh(2017), "Impact of socio- economic variable on disbursement of agriculture loan", Agro economist- An international journal, Citation: AE:4(2): 55-59, DOI: 5958/2394-8159.
34. M. Alexpandi, S.Ramesh Kumar (2014), "Utilization and repayment of agricultural credit- the case of Madurai district, Tamil Nadu", Journal of rural development, Vol 33 No. (2) pp. 147-159 NIRD.
35. Nwibo, Simon uguru and Nwkpu,(2017), " Loan repayment capacity of cooperative farmers in Ohukwu local government area of Ebonyi state", IOSR Journal of agriculture and veterinary science, Vol. 10, pp 47-53, ISSN: 2319-2380.
36. I.S.P. Nagahage and E.A.A. Dlrukshi, " Farmers behaviour on agricultural credit repayment: evidence from Dambulla area in Sri Lanka.
37. https://pib.gov.in/Pressreleaseshare.aspx?PRID=1576498
38..https://www.paisabazaar.com/personal-loan/agricultureloan/