



# **IMPACT OF KISAN CREDIT CARDS ON SOCIO-ECONOMIC FACTORS OF THE FARMER'S – A STUDY ON SELECTED DISTRICTS IN TELANGANA STATE**

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## **ABSTRACT**

The Kisan Credit Card Scheme was implemented in August 1998 in that period banks were issued over 12 crores across India. The 26 Public Sector Banks (PSBs), 373 District Central Cooperative Banks (DCCBs), and 196 Regional Rural Banks (RRBs) introduced the Scheme in all States and Union Territories. The credit meets the financial requirements of the agricultural and other allied activities For crop production and other contingencies ancillary credit will be facilitated Holders of KCC insurance protection The KCC holders are provided national crop insurance scheme which provides coverage crop loan under the KCC scheme for some crops. Provided protection against loss of crops due to pest attacks, natural calamities

**Key words: Kisan Credit Card advantage wise, loan wise ,overall development ,income wise ,chi square -test**

## **INTRODUCTION**

The Kisan Credit Card Scheme was implemented in August 1998 in that period banks were issued over 12 crores across India. The 26 Public Sector Banks (PSBs), 373 District Central Cooperative Banks (DCCBs), and 196 Regional Rural Banks (RRBs) introduced the Scheme in all States and Union Territories. The KCC is a broad scheme and extends its scope to all small farmers, marginal farmers; share croppers, oral lessee and tenant farmers are eligible to cover under the scheme and it also includes term credit and consumptions needs. The card holders are covered under Personal Accident Insurance Scheme (PAIS) against accidental death/permanent

disability. Recently the Bhasin Working Group on Kisan Credit Card Scheme has made some suggestion to convert it into a Smart Card cum Debit Card and accordingly revised guidelines have been issued by NABARD and these guidelines were accepted by Government of India. State Governments are advised to initiate an intense branch or village level drive to provide all qualified and willing farmers with Kisan Credit Card in a time-bound manner. After its launch in August 1998, Commercial Banks, Provincial Rural Banks and Commercial Banks have issued more than 20 Crore Kisan Credit Cards until 31 March 2019.

### **The Scheme Currently Offers**

The credit meets the financial requirements of the agricultural and other allied activities For crop production and other contingencies ancillary credit will be facilitated Holders of KCC insurance protection The KCC holders are provided national crop insurance scheme which provides coverage crop loan under the KCC scheme for some crops. Provided protection against loss of crops due to pest attacks, natural calamities,

### **REVIEW OF LITERATURE**

The subject of Kisan Credit Card has been studied from a variety of perspectives such as issue, implementation, supporting to farmers etc., by a number of scholars. These studies discussed in the following pages:

1. **Supragya Krishna Gopal and Syed H.Mazhar (2023)**, In this research article the authors studied that the characteristics of the farmers in the study area. The farmers are facing lots of problems in rural credit system such as credit, irrigation and capital equipment, high rate etc., the KCC scheme is playing a major role in agricultural sector and providing loans in time, lower rate of interest and short-term credit for agriculture process to the farmers. For data collection they used random sampling method in the study area. The farmer's confidence level has increased with this KCC scheme and they are aware about new technology usage in agriculture in the study area.
2. **Jyoti Mishra & Dr Amar Kumar Chaudhary (2022)**, the article reveals about the importance of Kisan Credit Card for the development of agriculture. The agriculture growth is effected with various variables such as irrigation, market conditions and infrastructure etc. Credit is a critical component in agriculture's sustainable growth. The government has made so many policies among them Kisan Credit Card is one. This KCC is directly helping the farmers in getting input loans, crop loans and insurance, infrastructure development and total agriculture finance. The study conclude that the banker should aware the farmers, conduct the meetings and empowering the farmers to adopt the KCC scheme, this will directly benefit

the farmers and country and the banking industry capacity increase that will integrate the financial inclusion of the country.

3. **Mamata M Sannathi, Dr.Shailaja Kheni (2022)**, the article studied the overall progress of the Kisan Credit Card scheme in India, the study reveals that the KCC scheme is introduced by the NABARD for the development of farmers in India. The KCCs are more benefit to farmers in availing loan and timely loan and cash withdraw, this also benefit to the banks in reduced work loan and improvement in recovery of loans. The respondents are expecting a greater number of cards to be issued.
4. **DK singh, Aashish Gole, Neelu Vishwakarma and Akshata Tomar (2022)**, the research study undertaken in the Jabalpur district, Madhya Pradesh. The article presents that the farmers are facing certain problems, such as lack of credit disbursement in time, high cost involved and inadequacy of loan in the study area. The study adopted the convenience sampling method to collect the data. This KCC is given solutions to all the problems and the farmers opined that the Kisan Credit Card scheme is easy in recovery process, rate of interest and easy banking process, they also expecting more loan should be provided to needy farmer in this KCC scheme.
5. **Dr. V. Srija, K. Chandana & G. Ramu (2022)**, the author studied this article in the Nalgonda District, Telangan. In the paper with a forty sample farmers they studied the importance of KCC, issuing and sanctioning of credit. The farmers getting loan from banks with the KCC scheme, the sanctioned amount they are using for agriculture and allied activities, they are using it for high-quality inputs, implements. The study concludes that 57.5 percent of the farmers are effectively utilizing the KCC. The farmers are expecting increase the awareness regarding the benefits of the Kisan Credit Card scheme.
6. **Chanda Areendam (2020)**, In the study the author selected Bihar state and studied the access of loans for agriculture, they adopted faster and the Kisan Credit Card holders lending greatly. Study may not be found evidence for KCC lending by state or district level agricultural productivity.

### **Research Gap**

The research gap is mainly considering the Telangana state understanding of this Kisan Credit Card impact on farmers for various issues. The other scholars has concentrated on issuing of KCC, problems facing in bank, implementations problems, short-term and long term loan issue, high rate of interest issues, only few studies are taken place in Telangana with regard to impact of this Kisan Credit Card scheme. So this gap is

mainly concentrating impact on farmers, agricultural development. It will help the researchers to take further study on left over things in Telangana.

### **Significance of the study**

The credit cards distribution is developed to farmers to their agricultural purpose. The cards they are using like anything in single window operations and the procedure is also easy way for use. This Kisan Credit Cards and a pass book or pass book cum-card and case credit facility will be issued to qualifying farmers, it will involve any amount of withdrawals and repayments within the limits and rules. This study will help in understanding the impact of KCC scheme on agricultural income, product and overall development of the farmers. This study will help academician and researchers to carry out further studies regarding impact of KCC on famers.

### **Statement of problem**

This study focuses on farmer development with this KCC, how this KCC is helping them in their economic development. In rural area the farmers depend on moneylender for their credit requirement and the moneylenders give credit to them at high rate of interest, here the scheme KCC role is crucial for controlling of the moneylenders. The micro-financing is also available to farmers to use for their agricultural purpose. Among all other schemes, the study is made to know the process of KCC scheme its impact on farmers and how KCC scheme can be useful for raising their income and agriculture development.

### **Objectives of the study**

1. To access the impact of the KCC scheme in Telangana
2. To offer some suggestions measure for better implementation of the KCC scheme.

### **Hypothesis of the study**

**Null Hypothesis (Ho):** Adequacy of the credit advantage under KCC scheme has associated with agricultural activity.

## **Research Methodology of the study**

The data and information required for the study are collected from both primary and secondary sources.

The primary source of the data is personal discussion with few bank officials and with formers. The information is gathered through a structured questionnaire and administrating the questionnaire to the respondents and the opinions are elicited from the farmers in selected districts areas in Telangana state.

The secondary source of the data is collected from the office records of the banks, books, government publications, various Indian journals as well as foreign journals, periodicals, magazines, newspapers and electronic media.

## **Sampling of the study**

For the study to ensure fairly an adequate representation of all the farmers from selected districts has considered the stratified random sampling method has been followed. In the sample of the study only 320 members of the farmers has taken to get meaningful information.:

## **Sampling techniques**

To analyze the data which are prepared by the researcher so as to cover socio-economic position and aspects pertaining to agricultural development and provision, benefits with the KCC. The data has been processed with the help of mathematical and statistical tools like percentages, averages, chi-square test and ANOVA are used for the interpretation of data.

The structed questionnaire is personally distributed by the researcher to the respondents of various districts and villages in the selected districts in Telangana and himself available for any clarifications. Personal discussions are there with few bank officials, leading farmers in selected areas.

## **Limitations of the study**

Because of time and finance conditions, the researcher took some selected districts in Telangana state. The findings therefore generally apply to this field where similar conditions prevail. Data were collected by interview and random sampling method and the lacunas associated with this form of investigation crept into the study. Although estimates are given by the recall memory due to the failure to maintain farm records, diligent attempts have been made to obtain accurate and reliable information through cross examination as

far as possible. However, if any the degree of variance will be insignificant, as the figures provide are averages.

Data analysis and interpretation

### Scheme advantage wise classification

KCC advantage	Gender		Total	Sig-value
	Male	Female		
Yes	196(61.3)	68(21.3)	264(82.5)	.015
No	50(15.6)	6(1.9)	56(17.5)	
Total	246(76.9)	74(23.1)	320(100.0)	

Source: filed work

The table-5.1 depicts that out of total 320 respondents, majority 82.5 per cent of the respondents are saying KCC advantage and 17.5 per cent of them are saying the KCC scheme is not advantage in agricultural activity to them. Since p-value (0.015) is less than 0.05, null hypothesis (Ho) acceptable. So, it is concluded that this KCC is advantage in agricultural activity has a statistically significant association with the Kisan Credit Card scheme.

### Purpose of loan wise classification

Purpose of loan	Gender		Total	Sig-value
	Male	Female		
Agriculture	184(57.5)	66(20.6)	250(78.1)	.009
Non-Agriculture	62(19.4)	8(2.5)	70(21.9)	
Total	246(76.9)	74(23.1)	320(100.0)	

**Source:** field work

The table -5.2, reveals that out of total 320 respondents, majority 78.1 per cent of the respondents are saying the loan purpose is for agriculture and 21.9 per cent of them are saying the loan purpose is for non-agriculture purpose. Further, the estimated person Chi-square and other chi-square measures Likelihood ratio, Linear-by-Linear Association, Phi and Cramer's V values based on it found to be statistically significant at 1 per cent level

#### Increased income wise classification

Income increasing	Gender		Total	Sig-value
	Male	Female		
Yes	201(62.8)	52(16.3)	253(79.1)	0.034
No	45(14.1)	22(6.9)	67(20.9)	
Total	246(76.9)	74(23.1)	320(100.0)	

**Source:** field work

The table-5.3 reveals that out of total 320 respondents, majority 79.1 per cent of the respondents are saying increased and 20.9 per cent of them are saying not increased the income level. Since p-value (0.034) is less than 0.05, null hypothesis (Ho) acceptable. So, it is concluded that this KCC is increased income has a statistically significant association with the Kisan Credit Card scheme

**Overall agriculture development**

Caste	Overall agriculture development		Total	Sig-value
	Yes	No		
OC/General	103(32.2)	16(5.0)	119(37.2)	.022
BC/OBC	85(26.6)	24(7.5)	109(34.1)	
SC	24(7.5)	11(3.4)	35(10.9)	
ST	35(10.9)	2(0.6)	37(11.6)	
Others	17(5.3)	3(0.9)	20(6.3)	
Total	264(82.5)	56(17.5)	320(100.0)	

**Source:** field work

The table-5.7 depicts that out of total sample 320 respondents, majority 82.5 per cent of the respondents are saying overall agriculture development is there and 17.5 per cent of them are saying no overall agriculture development is there with this KCC.

Since p-value (0.022) is less than 0.05, null hypothesis (Ho) is acceptable. So, it is concluded that with this KCC overall agriculture development has statistically significant association with the Kisan Credit Card scheme.

**Findings of the study :**

- Since p-value (0.015) is less than 0.05, null hypothesis (Ho) acceptable. So, it is concluded that this KCC is advantage in agricultural activity has a statistically significant association with the Kisan Credit Card scheme.

- Chi-square and other chi-square measures Likelihood ratio, Linear-by-Linear Association, Phi and Cramer's V values based on it found to be statistically significant at 1 per cent level
- Since p-value (0.034) is less than 0.05, null hypothesis (Ho) acceptable. So, it is concluded that this KCC is increased income has a statistically significant association with the Kisan Credit Card scheme
- Since p-value (0.022) is less than 0.05, null hypothesis (Ho) is acceptable. So, it is concluded that with this KCC overall agriculture development has statistically significant association with the Kisan Credit Card scheme.

### **Suggestions:**

- Based on the analysis of data interpretation and conclusions, the following suggestions are offered for the improvement and betterment of Kisan Credit Card scheme.
- More efforts should be made by the banks to reach deprived community people to utilize Kisan Credit Card by introducing attractive schemes.
- Conduct more and more village level campaigns for issuance of KCC scheme and simplified process of loan procedures to bring more farmers under the scheme.
- Establish the KCC stalls in a public gathering or an exhibition in districts or villages, to attract more people, towards farming activities and there is a need to provide skill development training to the young farmers in order to make farming profitable and to increase the alternative income.
- The significant number of farmers are not having water sources in their villages, in this connection the government has to take responsibility to provide sufficient water facilities to the farmers.
- The KCC is more effective when government infusing more resources in order to reach the advantages of loan to the farmers.

## Conclusion:

The study of conclusion KCC scheme and simplified process of loan procedures to bring more farmers under the scheme. farming activities and there is a need to provide skill development training to the young farmers in order to make farming profitable and to increase the alternative income. farming activities and there is a need to provide skill development training to the young farmers in order to make farming profitable and to increase the alternative income. the government has to take responsibility to provide sufficient water facilities to the farmers.

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