Agricultural financing for agricultural development in India: a perceptional study on Sambalpur district

Financiamiento agrícola para el desarrollo agrícola en la India: un estudio de percepción sobre el distrito de Sambalpur

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ABSTRACT:

According to a well-known proverb saying, the Indian peasant is born in debt, lives in debt and dies in debt. The mass illiteracy of Indian people in general and rural people, in particular, compounded the problems of agricultural credit with around 70 to 80 percent of the farmers being illiteracy. This study throws light on various issues and challenges that are currently facing by the rural farmers and possible solution thereof. Further, this study also throws light on the exact cause of farmers' suicide & possible solution for the prevention of the farmer's suicide which is a big problem in the current scenario. This also justifies the possible phenomenon for the overall upliftment in agricultural production and development. In the rural areas of India, where almost a third of the working population is in the agriculture sector, farmer earnings are so low that they sometimes cannot even meet minimum needs for their families.
Keywords: Agricultural finance, Agricultural development, Agricultural credit policy

RESUMEN:

Según un dicho proverbio bien conocido, el campesino indio nace endeudado, vive endeudado y muere endeudado. El analfabetismo masivo de los indios en general y de la población rural, en particular, agravó los problemas del crédito agrícola con alrededor del 70 al 80 por ciento de los agricultores analfabetos. Este estudio arroja luz sobre varios problemas y desafíos que enfrentan actualmente los agricultores rurales y la posible solución de los mismos. Además, este estudio también arroja luz sobre la causa exacta del suicidio de los agricultores y la posible solución para la prevención del suicidio de los agricultores, que es un gran problema en el escenario actual. Esto también justifica el posible fenómeno para la mejora general de la producción y el desarrollo agrícolas. En las zonas rurales de la India, donde casi un tercio de la población activa trabaja en el sector agrícola, los ingresos de los agricultores son tan bajos que a veces ni siquiera pueden satisfacer las necesidades mínimas de sus familias.
Palabras clave: financiación agrícola, desarrollo agrícola, política de crédito agrícola.

1. Introduction

Agriculture remains the mainstay of the Indian economy. It is the major source of livelihood for 80 percent of the rural population and supports 72 percent of the workforce (Narayanan, S. 2015).

However, the Western part of Odisha is consists of 10 districts, where Sambalpur district is one of them with a maximum agricultural land area. Most of the farmers in Sambalpur district are fully dependent on agriculture for their livelihood. But, they are suffering a lot on agricultural financing & side by side it is hampering in the agricultural production activities. Diversification of farm production activities with animal husbandry, fisheries and horticulture would increase the income of the marginal and small farmers and landless agricultural laborers in tune with the objective of growth with social justice. The economic development of a developing country like India depends much on the development of agriculture (Sidhu, R., Gill, S. 2006). However, the development of agriculture depends on the technology which, in turn, depends on the massive use of capital (Idoko, D., Ikani, B. 2013). Of late, capital has become one of the crucial factors in determining the kinds, quantity and quality of agricultural production of a country.

Hence the tempo of agricultural development could be accelerated through the provision of adequate credit to the farmers at the right time, at the right place and through the right institution (Akoijam, S. 2013). In India, various agencies like indigenous moneylenders, commercial banks and cooperative organizations meet the credit requirements of farmers (Das, A., Senapati, M., John, J. 2009). Credit serves a useful purpose only when used wisely for production purpose. Credit may be easily compared to a sharp-edged knife, proper utilization of it usually generated higher productivity and thereby more prosperity, and whereas its misutilization derives the borrowers of the extra income they could have earned by using it for the production purposes as well as retards the flow of credit (Narayanan, S. 2015).

1.1 Agricultural credit policy

Professional money lenders were the only source of credit to agriculture till 1935. As a result, the farmers were heavily burdened with debts and many of them perpetuated debts (Parvathamma, G. 2016). A powerful alternative agency can in the name of institutional agencies for providing credit to the farming community with reasonable rate of interest. Farm finance has become an important input due to the advent of capital intensive agricultural technologies (Sahoo. A., 2018). Farmers require capital to enhance the productivities of various farm sources. The government of India has initiated several policy measures to improve the accessibility of farmers to the institutional sources of the credits. The emphasis of these policies has been on progressive institutionalization for providing timely and adequate credit support.

2. Literature Review

The role of the farmers is a prominent part of the whole world. It supplies food to the whole world. In the present scenario, farmers are suffering a lot. Agriculture in Odisha is still suffering from: i) poor productivity, ii) falling water levels, iii) expensive credit, iv) a distorted market, v) many intermediaries who increase cost, but do not add much value, vi) poor infrastructure, and vii) inappropriate research. He has also pointed out that there is a need for exploring new inventions in product design and methods of delivery for the betterment of technology and related processes (Mohanty, J. 2017). Hence, the major problems faced by the farmers in obtaining the institutional credit were the non-availability of the loan in time, the procedure for obtaining the credit was more expensive, inadequate amount of loan sanctioned against the actual requirement, the transport cost and document expenses. The farmers listed out the problems they faced in repaying the credit were – crop failure, failure of monsoon, expectation of waiving of loans by the government, lower yield, and increase in the cost of cultivation, decrease in the market value of the harvested produce (Subramanian, R., Shivananjappa, S. 2017).

However, the infrastructural facilities are quite inadequate to address the need for farm credit by small and marginal farmers under PSL. Govt. has taken up many policies and initiatives to focus on this issue. But due to recent policies of RBI, major benefits go to big and corporate agri-business sector. The priority sector targeting as per the present framework has left a major part of small and marginal farmers untouched. This has led to the parallel development of new policy initiatives in the arena of financial inclusion (Roy, T. 2017).

Most of the small and marginal farmers in India not aware of the government subsidy programme on various fertilizers, loans and advances, various schemes on agricultural development, etc. As a result of which, there is a decrease in production and income level of farmers in India. Therefore, proper awareness programme is essential in rural India in order to enhance the credit facilities to the rural farmers by imparting education, technology importance in agriculture, government agricultural subsidies awareness programme and so on. Banks like- RRBs, CBs, and other

agricultural co-operative banks should take concrete steps so as to enlarge and promote the credit facilities to the rural farmers for the upliftment of agricultural sector in India (Seena, P. 2015).

3. Research Objectives

The overall aim of this study is to assess various sources of agricultural finance and its availability in the Sambalpur district, which is the prominent part of Western Odisha. There is a paucity of information relating to the various issues that are faced by the rural farmers in that particular area. However, the previous studies are mainly based on the secondary data and a very few researches are done through a primary survey. This study will also highlight various sources of agricultural finance that are available to the farmers in Sambalpur district. This study will also examine the different kinds of issues that are facing by rural farmers by going through a primary survey. Hence, the perception & suggestions will also be considered to highlight the possible solutions relating to their matters. This proposed study will throw light on the various challenges and prospects for inclusive and sustainable rural development in India.

However, apart from the above constituents, there may be some more issues that can be analyzed by considering the appropriate related economic and financial variables after having extensive literature survey on the concerned topic in various states of India and abroad.

4. Scope and importance of the study

The study focuses attention on increasing the scope for healthy growth of institutional credit to improve the financial management of the farms. Thus, the findings will be useful to the policymakers to plan future programmes and the findings will also be useful to the farmers to know the ways for effective use of credit and the importance of healthy financial discipline in repayment of credit

5. Selection of the study area

The Western Odisha consists of ten districts, viz., Bargarh, Balangir, Boudh, Deogarh, Jharsuguda, Kalahandi, Nuapada, Sambalpur, Sonepur and Sundargarh. The study was undertaken in Sambalpur district.

5.1. Sampling procedure

A multi-stage ratified random sampling technique was adopted with Sambalpur district as the Universe, the communes as the first stage unit, the villages as the second stage unit and the farmers who borrowed loans from the institutional agencies as the ultimate unit of the sample. Some selected communes of the Sambalpur districts which are coming under the cultivated area are taken into consideration for research purpose viz., Charamal, Dhama, Dhanupali, Jamankira, Kochinda, Sasan commune were selected for the research purpose.

5.2. Collection of data

The data were collected through a personal interview with the selected respondents. The interview schedules were presented in the study area and finalized. Though the farmers did not maintain any records of their farm business activities, they gave the required data and information regarding farming conditions and cultural practices by recalling from their memories to a satisfactory level. Detailed information was also collected on the extent of agricultural loans obtained by different categories of farmers and the problems faced by the farmers in obtaining the institutional credit and the repayment.

5..3 Research Tools:

Questionnaire: The primary data was collected by administering a structured questionnaire for rural farmers.

Opinionnaire: Opinions from the personnel of different banks officers, staffs, small farmers and marginal farmers was collected for the improvement in the disbursement of credit in the agricultural sector in Western Odisha.

6. Results and Discussion

This study is based on the perceptions of the farmers regarding the contemporary issues and challenges regarding the available sources of agricultural financing in the Sambalpur district which is a part of Western Odisha. In the present study, the total of 101 respondents was collected and also some viable suggestions were collected from the respondents form the sampled respondents for the welfare of the farmers as well as in the development of the agricultural sector. The analysis is done based on the responses of the sampled rural farmers belonging to Sambalpur district which is a part of Western Odisha.

6.1. Demographic Profile of Sample

The demographic profile of respondents for the study on Agricultural Financing is presented in Table 1.

Table 1
Demographic Profile of the Respondents
(N=101, AG Finance Availability Survey)

Stratification Variables	Category	Frequency	Percentage
Age	Less than 40 Years	50	49.50
	More than 40 Years	51	50.49
Annual Income	Less than Rs.50000	74	73.27
	More than Rs.50000	27	26.73
Material Status	Married farmers	74	73.2
	Unmarried farmers	27	26.73
Agricultural Land Area	Less than 5 Acre	74	73.27
	More than 5 Acre	27	26.73

NOTE: - *AG- Agricultural Finance
Source: Primary Survey

In this study, all the statistical analyses have been done using MS Excel. The sample size of the respondents is 101. The data was collected based on the four demographic factors i.e., age, annual income, availability of cultivated land area and material status of the rural farmers. During this study, it is observed from the above (Table No. 6.1.1) that, the young farmers those who have less than 40 years do not prefer the agriculture for their livelihood as compared to the farmers having the age above 40years. However, 73.27 % of the rural farmers of Sambalpur district have less than 5-acre agricultural land area & only 26.73% of farmers have more than 5-acre agricultural land area. This is the reason that hampering agricultural production in that area. On the other hand, 73.27 % of farmers have less than Rs.50000 Annual income which is a very less amount in the current economic scenario.

6.2. Descriptive Analysis

After data cleaning and screening, descriptive analysis of the data was carried out. Descriptive Statistics including means, standard deviation and variances were obtained. This analysis is based on 101 number respondents for the survey on the availability of different sources of agricultural financing and also possible suggestions for agricultural development. In this study, all the statistical analyses have been done using MS Excel.

6.3. Overall Analysis of Agricultural Financing

The data collected through agricultural financing questionnaire containing 21 elements have been grouped under four categories namely, Available source of agricultural finance, problems faced by

the rural farmers, cause and effect relationship between agricultural financing and agricultural production and timely availability of credit.

6.3.1. Analysis across Age Groups

For this analysis, respondents were categorized into two groups. The first group included respondents having the age up to 40 years. The second group included respondents for more than 40 years of age. It is observed from the (Table 2) that those farmers who have less than 40 years do not prefer any source of agricultural financing because the average mean is 4.7 out of the total respondents. On the other hand, If we consider the "Problems faced by rural farmers" dimensions, the age above 40 years farmers committing suicide to the two different cause i.e., insufficient water & timely availability of credit where averages mean is higher than the total respondents average mean i.e., 1.8 & 2.1 respectively. Therefore, timely availability finance & proper water management facilities are essentials for the prevention of the farmers' suicide cases.

Table 2
Agricultural financing between less than 40
vs. more than 40 years age farmers

Farmers Group Elements -->	ALL LEVEL(101)	Less than 40 (N=50)		More than 40 (N=51)	
Description/Attributes	Mean	Mean	SD	Mean	SD
GROUP I AVAILABLE SOURCES OF AF					
Loan prefers from ISs for AG.	1.9	1.8	1.0	1.9	1.0
Loan prefers from only one IS, i.e., CBs.	2.5	2.6	1.4	2.3	1.2
Loan prefers from only one IS, i.e., RRBs.	2.2	2.1	1.0	2.3	1.3
Loan prefers from only one IS, i.e., COBs	2.0	1.8	0.8	2.2	1.2
Loan prefers from NISs for AF.	1.8	1.8	1.2	1.9	1.2
I don't prefer any sources of AF.	4.3	4.7*	0.5	3.9	1.2
GROUP II PROBLEMS FACED BY RURAL FARMERS					
Crop loss due to non-availability of timely AF.	1.9	1.9	1.0	2.0	0.9
Crop loss due to the natural calamities.	2.3	2.3	1.3	2.3	1.3
Insufficient rainfall is one cause for crop loss & suicide issues of the farmers.	1.7	1.7	1.0	1.8*	0.8
Farmers' suicide due to the non-availability of timely AF.	1.9	1.8	0.9	2.1*	1.0
Farmers suicide due to the	1.9	1.7	0.8	2.0	1.1

crop loss caused by lack of water					
Farmers committing suicide due to the crop loss caused by pest and diseases	1.7	1.7	0.7	1.8	0.9
GROUP III CAUSE AND EFFECT REALTIONSHIP BETWEEN AF & AP					
Agricultural finance plays a dominant role in AP	2.0	2.2	1.4	1.9	1.1
Availability of agricultural land plays a dominant role in AP	1.8	<u>2.0*</u>	1.1	1.6	0.9
Agricultural production is fully dependent on AF	3.2	<u>3.2*</u>	1.1	<u>3.2*</u>	1.1
More availability of AF leads to more AP	2.2	2.1	1.1	2.3	1.3
Timely availability of AF leads to more AP	1.7	1.6	0.8	<u>1.8*</u>	1.1
GROUP IV TIMELY AVAILABILITY OF CREDIT					
Government policies towards AF are satisfactory.	3.5	3.5	1.1	3.6	1.1
Loan taken by farmers from bank for their cultivation without any difficulties.	4.3	4.3	0.7	4.3	0.8
Govt. provides credit to farmers in time with a minimum rate of interest which is affordable.	3.8	4.0	0.8	3.6	1.2
Proper utilization of funds by the govt. towards AF is necessary for timely avail. of credit.	1.7	1.6	0.8	<u>1.8*</u>	0.9

NOTE: "*" --> Significantly Different@95% Level Compared With The Other Group Score **& "_" -->** Significantly Different@95% Level From The All Level Score
*AF-Agricultural Financing, ***AP-**Agricultural Production. ***CBs-** Commercial Banks, ***COB-** Cooperative Banks, ***IS-**Institutional Sources, **NISs**- Non institutional Sources, ***RRBs**- Regional Rural Banks,
Source: Primary Survey

Hence, the farmers having less than 40 years gave their opinion that cultivated land area and adequate finance is necessary for the development in agricultural production. As per the dimension of "Cause and effect relationship between AF & AP" mean score of all the levels age farmers is 3.2 which state that agricultural finance is the lifeblood in the cultivation & agricultural production. Further in the dimension of "Timely availability of credit" indicates that the mean score i.e., 1.8 which indicates that proper utilization of fund is essential for the government towards the upliftment in the agricultural sector.

6.3.2. Analysis across Annual Income of the farmers

Table 3
Agricultural Financing Between Farmers having Less Than 50000
Annual Income VS Farmers having More Than 50000 Annual Income

Farmers Group Elements -->	ALL LEVEL(101)	Less than 50k AI (N=74)		More than 50k AI (N=27)	
Description/Attributes	Mean	Mean	SD	Mean	SD
GROUP I AVAILABLE SOURCES OF AGRICULTURAL FINANCE					
Loan prefers from ISs for AG.	1.9	1.9*	1.0	1.7	0.9
Loan prefers from only one IS, i.e., CBs.	2.5	2.6*	1.3	2.2	1.2
Loan prefers from only one IS, i.e., RRBs.	2.2	2.1	1.1	2.4	1.2
Loan prefers from only one IS, i.e., COBs	2.0	2.1*	1.1	1.7	0.7
Loan prefers from NISs for AF.	1.8	1.9*	1.2	1.7	1.0
I don't prefer any sources of AF.	4.3	4.4*	1.0	4.1	1.1
GROUP II PROBLEMS FACED BY RURAL FARMERS					
Crop loss due to non-availability of timely AF.	1.9	1.9*	1.0	1.9*	0.8
Crop loss due to the natural calamities.	2.3	2.2	1.3	2.7	1.4
Insufficient rainfall is one cause for crop loss & suicide issues of the farmers.	1.7	1.7	0.9	1.9*	1.1
Farmers' suicide due to the non-availability of timely AF.	1.9	1.9	0.9	2.1*	1.0
Farmers suicide due to the crop loss caused by lack of water	1.9	1.9*	0.9	1.9*	0.9
Farmers committing suicide due to the crop loss caused by pest and diseases	1.7	1.8	0.8	1.6	0.9
GROUP III CAUSE AND EFFECT REALTIONSHIP BETWEEN AF & AP					
Agricultural finance plays a dominant role in AP	2.0	2.1*	1.3	2.0	1.2
Availability of agricultural land plays a dominant role in AP	1.8	1.8	1.0	1.9*	1.1
Agricultural production is fully dependent on AF	3.2	3.2	1.1	3.2	1.1
More availability of AF leads to more AP	2.2	2.2	1.3	2.2	1.2
Timely availability of AF leads to more AP	1.7	1.7*	1.0	1.7*	0.9

GROUP IV TIMELY AVAILABILITY OF CREDIT					
Government policies towards AF are satisfactory.	3.5	3.6*	1.1	3.4	1.2
Loan taken by farmers from bank for their cultivation without any difficulties.	4.3	4.4*	0.5	4.1	1.1
Govt. provides credit to farmers in time with a minimum rate of interest which is affordable.	3.8	3.8	1.0	3.8	1.0
Proper utilization of funds by the govt. towards AF is necessary for timely avail. of credit.	1.7	1.6	0.8	2.0*	0.9

NOTE: **"*" -->** Significantly Different@95% Level Compared With The Other Group
Score **& "_" -->** Significantly Different@95% Level From The All Level Score
Source: Primary Survey

For the purposed of this analysis two categories of farmers have been considered based on their respective annual income i.e., less than Rs. 50,000 Annual income group of the farmers and more than Rs. 50,000 Annual income group of the farmers. The analysis across annual income groups' farmers (Table 4) revealed that there were differences in many attributes among the farmers based on their group concerned. However, there is no significant difference based on the group means among the farmers.

Among the attributes constituting "Available sources of AF" it has been found from the survey that significantly those farmers whose annual income below Rs. 50000, averages mean is 1.9 which is equal to the total averages mean which state that below annual income group farmers are not preferring institutional sources of agricultural financing for their cultivation rather they are preferring non-institutional sources for the agricultural financing. Hence, in the "Problems faced by the rural farmers" constituents, the average mean is 1.9 which is equal to the total respondents which state that most of the farmers facing crop loss due to non-availability of agricultural finance. The farmers having fewer income groups suggested that finance is necessary for the development in agricultural production in the dimension of "cause and effect relationship between AF & AP" whose average mean is 2.1.However, in the "Timely availability of Credit" constituents in the finance provided by the banks is 4.4 which is higher than the total respondents which state that farmers till now also facing difficulties in the agricultural financing for getting a loan from the banks.

6.3.3. Analysis across Educational qualification of the farmers

Table 4
Agricultural financing between graduates
& post-graduates vs undergraduates farmers

Farmers Group Elements -->	ALL LEVEL(101)	Graduates & PG (N=25)		Under Graduates (N=76)	
Description/Attributes	Mean	Mean	SD	Mean	SD
GROUP I AVAILABLE SOURCES OF AGRICULTURAL FINANCE					
Loan prefers from ISs for AG.	1.9	1.8	1.0	1.9*	1.0
Loan prefers from only one IS, i.e., CBs.	2.5	2.4	1.3	2.5*	1.4
Loan prefers from only one IS, i.e., RRBs.	2.2	2.1	1.1	2.2*	1.1

Loan prefers from only one IS, i.e., COBs	2.0	1.7	0.7	2.1	1.1
Loan prefers from NISs for AF.	1.8	2.1	1.4	1.7	1.1
I don't prefer any sources of AF.	4.3	4.8*	0.4	4.2	1.1

GROUP II PROBLEMS FACED BY RURAL FARMERS

Crop loss due to non-availability of timely AF.	1.9	1.7	0.9	2.0*	1.0
Crop loss due to the natural calamities.	2.3	2.5*	1.5	2.2	1.3
Insufficient rainfall is one cause for crop loss & suicide issues of the farmers.	1.7	1.6	1.1	1.8	0.9
Farmers' suicide due to the non-availability of timely AF.	1.9	2.2*	1.1	1.9	0.9
Farmers suicide due to the crop loss caused by lack of water	1.9	1.8	0.8	1.9	1.0
Farmers committing suicide due to the crop loss caused by pest and diseases	1.7	1.9	0.8	1.7	0.8

GROUP III CAUSE AND EFFECT REALTIONSHIP BETWEEN AF & AP

Agricultural finance plays a dominant role in AP	2.0	2.0	1.3	2.1	1.3
Availability of agricultural land plays a dominant role in AP	1.8	1.8	1.1	1.8	1.0
Agricultural production is fully dependent on AF	3.2	3.1	1.1	3.3	1.1
More availability of AF leads to more AP	2.2	2.0	1.2	2.3*	1.3
Timely availability of AF leads to more AP	1.7	1.4	0.8	1.8*	1.0

GROUP IV TIMELY AVAILABILITY OF CREDIT

Government policies towards AF are satisfactory.	3.5	3.4	1.1	3.6	1.1
Loan taken by farmers from bank for their cultivation without any difficulties.	4.3	4.0	0.9	4.4	0.7
Govt. provides credit to farmers in time with a minimum rate of interest which is affordable.	3.8	3.7	1.0	3.8*	1.0

Proper utilization of funds by the govt. towards AF is necessary for timely avail. of credit.	1.7	1.6	0.9	1.8*	0.9

For this analysis, two categories of farmers have been considered based on their respective educational qualifications i.e., Undergraduates and Graduates & Post Graduates group of the farmers. The analysis across the educational qualification group farmers (Table 4) revealed that there were differences in many attributes among the farmers based on their respective group concerned. Among the attributes constituting "Available sources of AF" it has been found from the survey that significantly those farmers who are undergraduates, averages mean is 1.9 which is equal to the total averages mean which state that below undergraduates farmers are not preferring institutional sources of agricultural financing for their cultivation rather they are preferring non institutional sources for the agricultural financing. On the contrary the graduates and postgraduates farmers prefer institutional sources of agricultural financing whose average mean is 4.8 higher than the total respondent which is 4.3. Hence, in the "Problems faced by the rural farmers" constituents the average mean is 2.5 which is significantly higher than the total respondents which state that graduates and postgraduates farmers facing crop loss due to the non-availability of water and insufficient rainfall. The undergraduates famers whose average mean is 2.3 which is higher than the total respondents which indicate that agricultural finance is essential for the agricultural production in the dimension of "cause and effect relationship between AF & AP" whose average mean is 2.2.However in the "Timely availability of Credit" constituents in the finance provided by the banks is 3.8 which is higher than the total respondents which states that undergraduates farmers till now also facing difficulties in the agricultural financing for getting a loan from the institutional sources & they are not satisfied with the government rate of interest in the agricultural sector.

6.3.4. Analysis across Marital status of the farmers

Table 5
Agricultural financing between married
farmers (1) vs unmarried farmers (2)
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Farmers Group Elements -->	ALL LEVEL(101)	Married Farmers (N=74)		Unmarried Farmers (N=27)	
Description/Attributes	Mean	Mean	SD	Mean	SD
GROUP I AVAILABLE SOURCES OF AGRICULTURAL FINANCE					
Loan prefers from ISs for AG.	1.9	1.9	1.0	1.9	1.1
Loan prefers from only one IS, i.e., CBs.	2.5	2.5	1.3	2.3	1.4
Loan prefers from only one IS, i.e., RRBs.	2.2	2.3	1.2	1.9	1.0
Loan prefers from only one IS, i.e., COBs	2.0	2.1	1.2	1.6	0.5
Loan prefers from NISs for AF.	1.8	1.9	1.2	1.6*	1.0
I don't prefer any sources of AF.	4.3	4.2	1.1	4.6*	0.5

GROUP II PROBLEMS FACED BY RURAL FARMERS

Crop loss due to non-availability of timely AF.	1.9	1.9	0.9	1.9	1.0
Crop loss due to the natural calamities.	2.3	2.3	1.2	2.4	1.6
Insufficient rainfall is one cause for crop loss & suicide issues of the farmers.	1.7	1.8	0.9	1.4	1.0
Farmers' suicide due to the non-availability of timely AF.	1.9	2.0	1.0	1.7	0.7
Farmers suicide due to the crop loss caused by lack of water	1.9	2.0	1.0	1.6	0.5
Farmers committing suicide due to the crop loss caused by pest and diseases	1.7	1.8	0.9	1.6	0.6

GROUP III CAUSE AND EFFECT REALTIONSHIP BETWEEN AF & AP

Agricultural finance plays a dominant role in AP	2.0	1.9	1.2	2.5*	1.4
Availability of agricultural land plays a dominant role in AP	1.8	1.8	1.0	1.9*	1.0
Agricultural production is fully dependent on AF	3.2	3.2	1.1	3.4*	1.1
More availability of AF leads to more AP	2.2	2.4*	1.3	1.9	0.9
Timely availability of AF leads to more AP	1.7	1.8	1.0	1.4	0.7

GROUP IV TIMELY AVAILABILITY OF CREDIT

Government policies towards AF are satisfactory.	3.5	3.7*	1.1	3.2	1.1
Loan taken by farmers from bank for their cultivation without any difficulties.	4.3	4.3	0.8	4.4	0.5
Govt. provides credit to farmers in time with a minimum rate of interest which is affordable.	3.8	3.6	1.1	4.1*	0.8
Proper utilization of funds by the govt. towards AF is necessary for timely avail. of credit.	1.7	1.7	0.9	1.7	0.8

For this analysis, two categories of farmers have been considered based on their marital or civil status which indicates the deviation between the married and unmarried farmers. The analysis across annual income groups farmers (Table 6.3.4.1) revealed that there were differences in many attributes among the farmers based on their group concerned. However, there is no significant difference based on the group means among the farmers.

Among the attributes constituting "Available sources of AF" it has been found from the survey that significantly unmarried farmers, the average mean is 4.6 which is higher than the total averages mean which is 4.3, which state that undergraduates farmers are significantly less preferring non-institutional sources of agricultural financing for their cultivation rather they are preferring institutional sources for the agricultural financing. Hence, in the "Problems faced by the rural farmers" constituents, the married farmers whose average mean are 2.0 which is higher than the total respondents which are 1.9 indicates that most of the farmers facing crop loss due to non-availability of agricultural finance. However, in the "Timely availability of Credit" constituents in the finance provided by the banks is 3.7 which is higher than the total respondents whose average mean is 3.5 which states that married farmers are not satisfied with the policy of the governments for the agricultural developments.

6.3.5. Analysis across Availability of Agricultural Land area

Table 6
Agricultural Financing Between Farmers having Less
Than 5 Acre Agricultural Land Area VS Farmers

Farmers Group Elements -->	ALL LEVEL(101)	Less than 5 Acre (N=74)		More than 5 Acre (N=27)	
Description/Attributes	Mean	Mean	SD	Mean	SD
GROUP I AVAILABLE SOURCES OF AGRICULTURAL FINANCE					
Loan prefers from ISs for AG.	1.9	1.9*	1.0	1.7	0.9
Loan prefers from only one IS, i.e., CBs.	2.5	2.6	1.3	2.2	1.2
Loan prefers from only one IS, i.e., RRBs.	2.2	2.1	1.1	2.4	1.2
Loan prefers from only one IS, i.e., COBs	2.0	2.1	1.1	1.7	0.7
Loan prefers from NISs for AF.	1.8	1.9	1.2	1.7	1.0
I don't prefer any sources of AF.	4.3	4.4*	1.0	4.1	1.1
GROUP II PROBLEMS FACED BY RURAL FARMERS					
Crop loss due to non-availability of timely AF.	1.9	1.9	1.0	1.9	0.8
Crop loss due to the natural calamities.	2.3	2.2	1.3	2.7	1.4
Insufficient rainfall is one cause for crop loss & suicide issues of the farmers.	1.7	1.7	0.9	1.9	1.1
Farmers' suicide due to the non-availability of timely AF.	1.9	1.9	0.9	2.1	1.0
Farmers suicide due to the crop loss caused by lack of water	1.9	1.9	0.9	1.9	0.9
Farmers committing suicide due to the crop loss caused by pest and diseases	1.7	1.8*	0.8	1.6	0.9
GROUP III CAUSE AND EFFECT REALTIONSHIP BETWEEN AF & AP					
Agricultural finance plays a dominant role in AP	2.0	2.1*	1.3	2.0	1.2
Availability of agricultural land plays a dominant role in AP	1.8	1.8	1.0	1.9	1.1
Agricultural production is fully dependent on AF	3.2	3.2	1.1	3.2	1.1
More availability of AF leads to more AP	2.2	2.2	1.3	2.2	1.2
Timely availability of AF leads to more AP	1.7	1.7	1.0	1.7	0.9
GROUP IV TIMELY AVAILABILITY OF CREDIT					

Government policies towards AF are satisfactory.	3.5	3.6*	1.1	3.4	1.2
Loan taken by farmers from bank for their cultivation without any difficulties.	4.3	4.4	0.5	4.1	1.1
Govt. provides credit to farmers in time with a minimum rate of interest which is affordable.	3.8	3.8	1.0	3.8	1.0
Proper utilization of funds by the govt. towards AF is necessary for timely avail. of credit.	1.7	1.6	0.8	2.0*	0.9

NOTE: "*" --> Significantly Different@95% Level Compared With The Other
Group Score & "_" --> Significantly Different@95% Level From The All Level Score
Source: Primary Survey

For this analysis, respondents were categorized into two groups based on their availability of agricultural land area. The first group included respondents having up to 5-acre agricultural land area. On the contrary, the second group included respondents more than 5-acre of agricultural land. It is observed from the (Table 6.3.5.1) that those farmers who have less than 5 acre agricultural land area whose averages mean is 1.9 which indicates that the small farmers do not prefer any institutional sources of agricultural financing rather they are preferring non-institutional sources of agricultural financing. On the other hand, if we consider the "Problems faced by rural farmers" dimensions, the farmers having more than 5-acre whose average mean is 1.8 which is higher than the total respondents which states that marginal farmers having more than 5-acre committing suicide & facing huge crop loss due to the pest and diseases in their cultivated field. If we consider the "Timely availability of credit dimension" the average mean of the small farmers having less than 5 acres is 3.6 which is higher than the total respondents which are 3.5 indicates that small farmers are not satisfied with the policies of the government towards agricultural development.

6.4. Suggestions from the respondents

The followings are some viable measures which are collected from the different farmers during the survey period for the upliftment of agricultural financing policies and agricultural development in the rural area.

- Creation of farmers club in every village to make awareness among the farmers about the availability of different sources of agricultural finance.
- The government should try to provide finance to the needy farmers in advance by making a credit survey campaign.
- Provide irrigation facilities to the rural farmers by imposing the latest technology in the production purpose.
- Provide agricultural equipment and fertilizers to the farmers at a subsidized rate which will be affordable to the farmers,
- The government should try to make proper water management facilities in those areas where very short-rainfall arises or drought area.

6.5. Results and Discussion

Those are enumerated below:-

6.5.1. Problems in obtaining institutional credit

The problems of agricultural finance are manifold and complex. Administration of farm finance bristles with problems both at organizational and functional levels. The beneficiaries obtained credit from institutional agencies for various purposes. However, some of them were confronted with certain problems in this process. However, some of them were confronted with certain problems in this process. The study has shown the various problems in obtaining the institutional credit, which is presented in Table 6.3.1.1.

6.5.2. Problems in repayment of credit

As the beneficiaries faced problems in obtaining the institutional credit, they also had problems in the repayment also. From the table 6.3.4.1, it could be observed that the crop failure was ranked as the foremost reason for the non-repayment of the institutional credit obtained by the sample farmers.

6.5.3. Policy implications and future scope

This study has revealed that the borrowers have to incur costs in getting credit from the institutional agencies. They had also encountered some difficulties in getting the required credit at that time. Both these problems would be counterproductive in the long run. Hence, efforts should be taken to eliminate the illegal costs in obtaining credit. Steps should also be taken to make available the required credit in time and in adequate amount.

7. Conclusion of the Study

From the above empirical survey it is observed that the rural farmers in Sambalpur district are still suffering a lot in the current scenario. The primary surveys throw a light on some of the viable factors which are necessary for the upliftment in the organization by considering the opinionnaire from the small and marginal farmers on that particular area. Those includes- Creation of farmers club in each and every village in order to make awareness among the farmers about the availability of agricultural finance, provide the agricultural equipments to the rural farmers at a subsidized rate of interest, proper canal & drainage facility in the drought area, motivational programme should be imposed in villages in order to understand and aware to the rural farmers about the worth of life of the farmers in order to prevent the farmers suicide. Hence, "Sky *is the limit*".

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