INSTITUTIONAL FINANCE FOR AGRICULTURE IN TELANGANA STATE - A STUDY OF SELECT DISTRICTS

Prabhakar Pudari
M.com, MBA (fin), UGC-Net (Commerce), TS SET (Management),Research Scholar, Department of Commerce, Osmania University.

Abstract
*In this Paper I examines to what extent recent empirical evidence can collectively and systematically substantiate the claim that **Institutional Finance for Agriculture in Telangana state** has plays an important role for the sustainable growth in the agriculture sector. This proposal is provided that answers to the various aspects such as Introduction to the agriculture sector, Agriculture finance meaning and definition, Early days of Agriculture finance, first half of the 20th Century, analyze and compare the accessibility of institutional credit system of large, medium and small farmers.*

Keywords:Agriculture; Finance; Growth; Large, Medium and Small Farmers, Accessibility Of Institutional Credit.

Objectives
The main objectives of the Paper
1. To analyze the accessibility of institutional credit system of large, medium and small farmers.
2. To identify the problems of institutional Agriculture Finance in select districts of Telangana state.

Introduction
Agriculture Sector
In all developing countries agriculture plays a predominant role in shaping and moulding the lives of people to a great extent. Indian Agriculture was backward and stagnant at the time of Independence in 1947. Since the launching of five-year plan (1951-52 to 1955-56) agriculture sector has received the prime attention of the government in overall strategy of economic development which has resulted farm productivity and achieved self-sufficiency in terms of good grains and raw material for Agro based industries. The largest portion of natural resources and 65% of working population engaged in the agriculture sector.

For India, Agriculture is the backbone to the economy, around one quarter of nation Income originating from the agrarian sector

In India, Agriculture considered as the basic industry, viewed as way of life and never viewed in the narrow sense of business and profit-making perspective. Although India's central and state governments adopting new policies for the development of agriculture, compare to developed countries it is a way back with various challenges. Agriculture production in India depends on millions of marginal (2.5 acres), small (5 acres) and medium (5-10 acres) farmers.

Agriculture produces something of fundamental value to life on earth that is food on plate, human being can not survive without food which he derives various kinds of products from agriculture.

Therefore, as agriculture being a state subject, key problems such as finance and marketing must be addressed with sense of urgency.

Agriculture finance meaning and definition

Agriculture finance is the studying, examining and analyzing the financial aspects pertaining to farm business, which is the core sector of India. The financial aspects include money matters relating to production of agricultural products and their disposal. Murray (1953) defined agricultural. finance as "an economic study of borrowing funds by farmers, the organization and operation of farm lending agencies and of society's interest in credit for agriculture."

Tandon and Dhondyal (1962) defined agricultural. finance "as a branch of agricultural economics, which deals with and financial resources related to individual farm units."

Early days of Agriculture Finance

- In India the concept of Agriculture finance and its formal action came into practice during the British rule.
- 1787-1790: formal response to the problems of farmer's liquidity was evidenced. Regulations issued Taccavi loans to farmers up to 5% of land value as loan.
- 1870-1879: British view on Indian agriculture as unscientific and backward and led to the creation of Central Dept of Revenue, Agriculture and commerce by Lord Mayo which is called for large scale improvements in Agriculture. Northern Indian Taccavi Act passed which was more concerned with the recovery of loans and advances made to the land holders.

First Half of the 20th Century

- Indian Cooperative credit societies Act, 1904 and The Cooperative societies Act, 1912 were enacted to give strong support for agriculture finance requirements.
- 1914: Committee on Cooperation was setup to examine the problems of cooperatives.
- 1926-1927: The Royal commission on Agriculture examined rural credit and focused on cooperatives and land mortgage banks.
- 1934: was a water washed year in Indian banking and agricultural finance. RBI enacted on the recommendation of Hilton young commission.
- 1982 Setup National Bank for Agriculture and Rural Development (NABARD).

Statement of the problem

The analysis shows that the disbursement of loans to the agricultural sector is still insufficient. It seems that the banking industry is still reluctant to offer credit to small and marginal farmers for a number of reasons. The situation necessitates coordinated efforts to increase financing flowing to agriculture as well as exploring new innovations in product design and delivery techniques through improved use of technology and related processes. The flow of credit to agriculture might be greatly increased by facilitating loans through institutional sources like as commercial banks, cooperatives, and RRBs that are vertically integrated with the farmers in order to provide them with essential inputs or process their produce. A multiagency network made up of cooperatives, regional rural banks, and commercial banks distributes agricultural financing and also to identify the problems of institutional Agriculture finance in select districts of Telangana state.

Methodology

The present research adopts the descriptive study and both sources such as: Primary and secondary would be adopted for data collection towards achieving the research objectives.

Target Population: For current research study, institutions situated at Telangana state is considered. The beneficiaries accessed credit through institutions will be reached to collect data. The institutions details

of total number of branches and credit issued through Scheduled commercial banks (SCBs) and loan issued through Co-operative banks are given below

The role of banking system is crucial in for the economic development of India. Our nation with 159.7 million hectares (394.6 million acres) area of fertile land suitable to farm numerous crops. In spite of land availability farmers majorly suffer from lack of funds to invest and the financial assistance is among the applied alternate choice implemented by the Government of India and respective states. Supporting with financial assistance at early stage of farming enable the farmers to invest in required source of farming such as: Labor, manure, Urea etc. at right stage.

Sampling technique: For present study Convenience sampling technique will be adopted to collect primary data from target respondents.

Sample size determination

- As the Hyderabad and Ranga Reddy regions familiar for Corporate, IT, and Business but not for agriculture. Moreover, banks operating in two districts do not focus on agriculture loans as compared to other districts. Therefore, These two districts were not considered in sample. Next, five districts namely: Karmnagar, Nalgonda, Nizamabad, Mahabubnagar, Warangal, and Medak were selected according to number of branches operationalizing in each district and highest credit issued by Scheduled commercial banks. Further, three districtswere selected according to highest loan issued by co-operative banks. Finally, three (3) districts: Karmnagar, Nalgonda &, Warangal were selected for present study. From each district 150 responses will be collected from each district on random basis. To ascertain the minimum sample size required we have adopted Krejcie and Morgan (1970) formula to determine required sample size. The formula is as follows:

- $s = X^2 NP(1-P) \div d^2 (N-1) + X^2 P(1-P)$.

- Here, 's' = Sample size

- X^2= Chi-Square value for 1 degrees of freedom at 5 percent level of confidence is 3.841

- 'N' = Refers to Population size

- 'P' = refers to proportion of population (Assumed proportion would be 0.5)

- 'd' = Degree of accuracy expressed as proportion i.e., 0.05

- The total respondents financially assisted by the banking system is cannot be identified. Therefore, 384 sample size would be suffice for present research study. However, we will collect 150 samples from each district which results in total of 450 samples. This is more than minimum sample size required.

Sl.no	District Name	Sample size
1	Karimnagar	150
2	Nalgonda	150
3	Warangal	150
	Total	450

Table no 1: District – Wise Total number of Branches, Credit issued through SCBs and Co-Operative Banks as on 31-03-2016

S.No.	District Name	Scheduled Commercial Banks		Co-operative Banks Business
		Total number of Branches	Credit Issued (Rs. in Millions)	Loans Issued (Rs. in Lakhs)
1	Adilabad	275	74,126	35418.93
2	Nizamabad	328	82,544	68326.95
3	Karimnagar	422	1,02,431	86965.77
4	Medak	356	1,12,188	48805.12
5	Hyderabad	1,220	27,94,450	28805.12
6	Ranga Reddy	926	3,33,682	42805.12
7	Mahbubnagar	379	98,261	30084.11
8	Nalgonda	406	1,18,886	57472.06
9	Warangal	375	1,36,607	48813.5
10	Khammam	316	92,541	99536.92

Source: Telangana Statistical Year Book, 2017

Scope of the study
- This study is confined to conduct the research among the select three districts situated in Telangana State.
- The sample of 150 from each district do not represent the complete characteristics of the target population.
- Beneficiary time also may be a constraint.
- Findings of the present study will represent only agriculture sector and generalization should be made cautiously.
- Possibility of response bias is another constraint for the study.

Period of the study
The study period would be from 2016-2017 to 2020- 2021

1) Accessibility of institutional credit
The objective of this data analysis is to analyze and compare the accessibility of institutional credit system to large, medium, and small farmers. To achieve the objective, analysis was carried out by adopting cross – tabulation of the variables and Chi-square test. The perceptions of the large, medium, and small farmers were captured through survey instrument. As the credit requirement of the farmers may differ according to their purposes. From institutions view point, perceptions towards small, medium and large farmers also differ. This is due to mainly the land holding of farmers and their financial capacity especially for repayment of loans. Additionally, ability to provide all supportive documents and other collateral security needed as part of credit sanction procedure may not be fulfilled by all farmers. Such, phenomenon create favorable to those satisfy the procedural criteria and those cannot fulfill credit requirements may perceive unfavorable. Therefore, farmers have distinct perceptions to accessibility of credit.

Hypotheses Testing

H_{01}: There is no difference in source of information given for accessibility of institutional credit between small, medium and large farmers.

Table 1.1: Cross tabulation between Category of the Farmer * How do you know about the institutional credit availability

Category of the Farmer	Panchayat	Bank Officers	News coverage	Cooperative society	Any other	Total
Small	61	70	36	0	2	**169**
	13.60%	15.60%	8.00%	0.00%	0.40%	**37.60%**
Medium	2	7	49	168	2	**228**
	0.40%	1.60%	10.90%	37.30%	0.40%	**50.70%**
Large	4	5	8	10	26	**53**
	0.90%	1.10%	1.80%	2.20%	5.80%	**11.80%**
Total	**67**	**82**	**93**	**178**	**30**	**450**
	14.90%	**18.20%**	**20.70%**	**39.60%**	**6.70%**	**100.00%**

Source: Primary Data

The source of information about short-term credit received by small, medium and large farmers of select districts were presented in Table **1.1.** The results of cross tabulation indicates the total 14.90% of respondents informed by Panchayats, 18.20% were informed by bank officers, 20.70% informed by news coverage, 39.60% informed by cooperative society and other sources of information is 6.70% only. Small farmers were mainly received information regarding the institutional credit from Panchayats and Bank officers. Whereas, medium farmers were observed receiving information from co-operative societies.

Table No. 1.2: Result of Chi-Square for Farmer Type wise source of information given for accessibility of institutional credit

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	466.472	8	0.000
Likelihood Ratio	458.672	8	0.000
Linear-by-Linear Association	212.768	1	0.000
N of Valid Cases	450		

Source: Primary Data

The Chi-square results of farmer type **-** wise differences towards source of information given for accessibility of institutional credit presented in table 1.**2**. From the results it is observed the Pearson-$\chi 2$ value is 466.472 for the given 8 degrees of freedom whereas, the $\chi 2$-table value for 8 degrees of freedom at 0.05 level of significance is 15.507. As the $\chi 2$-computed value > $\chi 2$-critical value and falls into rejection region. Therefore, we reject the null hypothesis. Further significance value = 0.000 < 0.05. Thus, we reject.

H$_{02}$: There is no difference in institutions approached for credit between small, medium and large farmers.

Table 1.3: Cross tabulation between Category of the Farmer * to whom you approached for credit

Category of the Farmer	State Coop Banks	District Coop Banks	Primary agricultural credit societies (PACS)	RRBs	Scheduled Commercial Banks	Total
Small	5	84	10	66	4	169
	1.10%	18.70%	2.20%	14.70%	0.90%	37.60%
Medium	34	29	55	29	81	228
	7.60%	6.40%	12.20%	6.40%	18.00%	50.70%
Large	7	13	14	10	9	53
	1.60%	2.90%	3.10%	2.20%	2.00%	11.80%
Total	46	126	79	105	94	450
	10.20%	28.00%	17.60%	23.30%	20.90%	100.00%

Source: Primary Data

The cross tabulation results of farmer category and approach for institutional credit of select districts were presented in **Table 1.3.** The results indicates the total 10.20% approached to state co-operative banks, 28.00% of respondents approached to District Coop Banks, 17.60% of respondents approached to Primary agricultural credit societies (PACS), 23.30% of respondents approached to regional rural banks and 20.90% of respondents approached to Scheduled Commercial Banks. In case of small farmers, they mainly approached to District Coop Banks and regional rural banks. Whereas, medium farmers mostly approached to Scheduled Commercial Banks Primary agricultural credit societies (PACS).

Table No. 1.4: Result of Chi-Square for Farmer Type wise and to Whom you approached for credit

Chi-Square Tests			
	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	163.663	8	0.000
Likelihood Ratio	182.144	8	0.000
Linear-by-Linear Association	4.884	1	0.027
N of Valid Cases	450		

Source: Primary Data

The Chi-square results of farmer type **-** wise differences and approach to institutional credit presented in table 1**.4**. From the results it is observed the Pearson-χ^2 value is 163.663 for the given 8 degrees of freedom whereas, the χ^2-table value for 8 degrees of freedom at 0.05 level of significance is 15.507. As the χ^2-computed value $> \chi^2$-critical value and falls into rejection region. Therefore, we reject the null hypothesis. Further significance value = 0.000 < 0.05. Thus, we reject **H$_{02}$** that, there is no difference in institutions approached for credit between small, medium and large farmers.

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Findings of Accessibility of Institutional Credit

1. The chi-square test results found the significant difference in source of information given for accessibility of institutional credit between small, medium and large farmers.
2. The chi-square test results found the significant difference in institutions approached for credit between small, medium and large farmers.
3. The chi-square test results found the significant difference in short – term Purpose of Institutional credit between small, medium and large farmers.
4. The chi-square test results found the significant difference in long – term Purpose of Institutional credit between small, medium and large farmers.
5. The chi-square test results found the no significant difference in credit application received by institutions between small, medium and large farmers between small, medium and large farmers.

2.Problems of institutional Agriculture Finance

The objective of this data analysis section 2 to identify the **Problems of institutional Agriculture Finance** by beneficiaries of select districts of Telangana state. To achieve the objective, analysis was carried out by adopting Reliability statistics, factor analysis, and Aanalysis of Variace (ANOVA) tests. The perceptions of the large, medium, and small farmers were captured through survey instrument. As the Problems of institutional Agriculture Finance of the farmers may differ according to their farming conditions. From farmers view point, these problems differ as per the crop and its various problems associated with agricultural finance. Therefore, farmers have distinct perceptions towards Problems of institutional Agriculture Finance.

Reliability Statistics
Table no. 2.1: Reliability statistics of factors of Problems of institutional Agriculture Finance

SLNO	Factor	No.of Items	Alpha Value
1.	Institutional Problems	5	0.821
2.	Beneficiary Problems	6	0.917

Source: Primary Data

The sample data were initially tested for reliability statistics of Problems of institutional Agriculture Finance and the results were exhibited in Table 2.1. The results of Cronbach's Alpha indicate the factors of shown the values as: Institutional Problems $\alpha = 0.821$, Beneficiary Problems $\alpha = 0.917$. As these alpha values greater than the threshold i.e., 0.70 (Nunally and Burnstien, 1978). Therefore, data found to be satisfied the reliability criteria and said to be data has internal consistency. Further data can be proceed to perform inferential statistics for hypotheses testing.

Table No.2.2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy			.935
Bartlett's Test of Sphericity			2813.429
df	55	Sig.	0.000

For EFA, principle component analysis (PCA) with Varimax rotation was applied to identify a number of factors derived from the sample and their respective loadings for each item. Results of KMO and Bartlett's Test revealed the KMO = 0.935 and Bartlett's Test of Sphericity = 2813.429 with df = 55 and significance = 0.000 < 0.05. The KMO value is greater than 0.6 refers to the minimum sample is adequate for analysis. The Significance values < 0.05 refers to the correlation matrix is statistically significant.

Table No. 2.3: Rotated Component Matrix

Item Code	Items	Component	
		1	**2**
Beneficiary_Problem_1	Lack of awareness about farm credit package	0.839	
Beneficiary_Problem_2	Lack of interest of financial institution for agricultural credit	0.81	
Beneficiary_Problem_3	Will full defaulters	0.797	
Beneficiary_Problem_4	I receive Marketing assistance by the institution	0.76	
Beneficiary_Problem_5	I receive guidance on methods of cultivation by the institution	0.759	
Beneficiary_Problem_6	Irregular history of loan repayment	0.753	
Institution_Problem_1	Collateral security		0.759
Institution_Problem_2	Encourage saving culture to beneficiary		0.749
Institution_Problem_3	High interest rate		0.719
Institution_Problem_4	Inadequate agriculture credit		0.688
Institution_Problem_5	Cumbersome process of getting loan		0.644

The each item wise loadings were presented in table 2.3. From the results it is observed that, every item loading is above 0.5 which is said to be satisfactory. All 11 items derived 2 factors and classified as: Beneficiary problem and Institution Problem. As Beneficiary problems explained by 6 items whereas, institution problems explained by 5 items of the study. Further, beneficiary problems accounted from 0.829 to 0.753 amount of variance. Similarly, institution problems factor accounted from 0.759 to 0.644 amount of variance. These two factors were considered for further analysis to test the hypothesis.

H_{01}: There is no difference in Institutional problems related to Agriculture Finance between beneficiaries of Karimnagar, Nalgonda and Warangal districts.

Table No. 2.4: ANOVA results of district – wise Institutional problems related to Agriculture Finance

	SS	**df**	**MS**	**F**	**Sig.**
Between Groups	.122	2	.061	.393	0.675
Within Groups	69.380	447	.155		
Total	69.502	449			
SS – *Sum of Squares*; MS – *Mean square*; d.f. – *degrees of freedom*;					

Source: Primary Data

The results of district- wise differences in Institutional problems related to Agriculture Finance was presented in the table. 2.4. From the results it is observed the F-ratio value is 0.393 for the given 2,447

degrees of freedom. Whereas, the f-table value 3.01. As the f-calculated value is < f-table value and falls into acceptance region. Further p-value is 0.675 which is > 0.05. Thus, we accept the null hypothesis there is no difference in Institutional problems related to Agriculture Finance between beneficiaries of Karimnagar, Nalgonda and Warangal districts. Further, to identifying the group causing the significant variance among the districts post-Hoc tests were performed and the results presented below.

Table no.2.5: Multiple comparisons of Institutional problems related to Agriculture Finance between districts

Post - Hoc Test	(I) Name of the District	(J) Name of the District	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tukey HSD	Karimnagar	Nalgonda	.01555	.04536	.937	-.0911	.1222
		Warangal	.03988	.04528	.653	-.0666	.1464
	Nalgonda	Karimnagar	-.01555	.04536	.937	-.1222	.0911
		Warangal	.02432	.04588	.857	-.0836	.1322
	Warangal	Karimnagar	-.03988	.04528	.653	-.1464	.0666
		Nalgonda	-.02432	.04588	.857	-.1322	.0836
LSD	Karimnagar	Nalgonda	.01555	.04536	.732	-.0736	.1047
		Warangal	.03988	.04528	.379	-.0491	.1289
	Nalgonda	Karimnagar	-.01555	.04536	.732	-.1047	.0736
		Warangal	.02432	.04588	.596	-.0658	.1145
	Warangal	Karimnagar	-.03988	.04528	.379	-.1289	.0491
		Nalgonda	-.02432	.04588	.596	-.1145	.0658
*. The mean difference is significant at the 0.05 level.							

Source: Primary Data

The results of the Post – Hoc test results of Tukey HSD and LSD were presented in table 2.5. The significance value of Karimngar with Nalgonda, and Warangal > 0.05. Similar results observed in case of Nalgonda and Warangal. The multiple comparisons results exhibit the mean difference by Karimnagar with in Institutional problems related to Agriculture Finance when compared to Nalgonda and Warangal samples. This indicates problems related to institution do not differ from other two districts.

H_{01}: There is no difference in beneficiary problems related to Agriculture Finance between beneficiaries of Karimnagar, Nalgonda and Warangal districts.

Table No. 2.6: ANOVA results of district – wise beneficiary problems related to Agriculture Finance

	SS	df	MS	F	Sig.
Between Groups	3.906	2	1.953	3.654	0.027
Within Groups	238.911	447	.534		
Total	242.818	449			
SS – Sum of Squares; MS – Mean square; d.f. – degrees of freedom;					

Source: Primary Data

The results of district- wise differences in beneficiary problems related to Agriculture Finance was presented in the table. 2.6. From the results it is observed the F-ratio value is 3.654 for the given 2,447 degrees of freedom. Whereas, the f-table value 3.01. As the f-calculated value is > f-table value and falls into rejection region. Further p-value is 0.027 which is < 0.05. Thus, we reject the null hypothesis there is no difference in beneficiary problems related to Agriculture Finance between beneficiaries of Karimnagar, Nalgonda and Warangal districts. Further, to identifying the group causing the significant variance among the districts post-Hoc tests were performed and the results presented below.

Table no.2.7: Multiple comparisons of beneficiary problems related to Agriculture Finance between districts

Post - Hoc Test	(I) Name of the District	(J) Name of the District	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tukey HSD	Karimnagar	Nalgonda	.21467[*]	.08417	.030	.0168	.4126
		Warangal	.17024	.08402	.107	-.0273	.3678
	Nalgonda	Karimnagar	-.21467[*]	.08417	.030	-.4126	-.0168
		Warangal	-.04443	.08513	.861	-.2446	.1558
	Warangal	Karimnagar	-.17024	.08402	.107	-.3678	.0273
		Nalgonda	.04443	.08513	.861	-.1558	.2446
LSD	Karimnagar	Nalgonda	.21467[*]	.08417	.011	.0493	.3801
		Warangal	.17024[*]	.08402	.043	.0051	.3354
	Nalgonda	Karimnagar	-.21467[*]	.08417	.011	-.3801	-.0493
		Warangal	-.04443	.08513	.602	-.2117	.1229
	Warangal	Karimnagar	-.17024[*]	.08402	.043	-.3354	-.0051
		Nalgonda	.04443	.08513	.602	-.1229	.2117
*. The mean difference is significant at the 0.05 level.							

Source: Primary Data

The results of the Post – Hoc test results of Tukey HSD and LSD were presented in table 5.8. The significance value of Karimngar, and Nalgonda is < 0.05. Whereas Karimngar with Warangal observed significance value is 0.107 > 0.05. Further, Nalgonda and Warangal significance value is 0.861 > 0.05. The multiple comparisons results exhibit the mean difference between Karimnagar, and Nalgonda samples whereas, no difference was observed in Warangal with other two districts. Therefore, the results of Karimngar and Nalgonda districts found to be homogeneous and heterogeneous when compared to Warangal with other two districts in beneficiary problems related to Agriculture Finance.

Findings of problems of Institutional Agriculture Finance
1. The reliability statistics of problems of institutional Agriculture Finance were performed using Cronbach's alpha test. The test results found that, alpha values of factors: Institutional Problems, and Beneficiary Problems were above 0.7 and data found to be satisfied the reliability criteria and said to be data has internal consistency.

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2. The factor analysis tests was performed to identify to derive the number of factors. The results of principle component analysis (PCA) with Varimax rotation is KMO value is 0.935 which is greater than threshold i.e., 0.6. This satisfy the sample adequacy criteria. Further, p-value observed as $0.000 < 0.05$ indicates the correlation matrix is statistically significant.

3. The results total variance explained exhibit the two components with Eigen values 6.054 and 1.155. The two components cumulatively shown the variance of 65.541% from the sample data. Further, component_1 labeld as Beneficiary_Problem formed with 6 items and component_2 labled as Institution_Problem formed with 5 items.

4. The differences in Institutional problems related to Agriculture Finance select districts was carried out using ANOVA and the results found to be having no significant difference in Institutional problems related to Agriculture Finance between beneficiaries of Karimnagar, Nalgonda and Warangal districts. Further, Post –Hoc analyses found that, the variance is caused between samples were observed to be homogeneous.

5. The differences in beneficiary problems related to Agriculture Finance select districts was carried out using ANOVA and the results found to be having significant difference in beneficiary problems related to Agriculture Finance between beneficiaries of Karimnagar, Nalgonda and Warangal districts. Further, Post –Hoc analyses found that, the variance is caused between samples of Karimnagar and Nalgonda.

Conclusion

Agriculture sector is considered as a backbone of the economy. Besides, it is a primary source of income and livelihood. Such phenomenon grab attention towards rural economy and their sustainability. Post-independence era witnessed the majority of farmers are either Tenant, small or marginal farmers and dependence on funds by these farmers is higher than Large farmers. Further, procurement of funds is difficult for Tenant, small and medium farmers comparatively large farmers. Whereas institutions view point, the framework or guidelines of credit disbursement need uniformity and hassle-free to reach and benefit rural India at maximum extent. Therefore, present study aimed at various services offered towards financial support to farmers, credit disbursement and repayment and probable issues faced by the farmers. To address these, study has collected sample (n = 450) from three districts: Karimnagar, Warangal and Nalgonda of Telangana State. Further, data analyses carried out to test the hypotheses by adopting Reliability statistics, Chi-Square, Factor analyses and Analysis of Variance (ANOVA). These tests were carried out by using SPSS 20v.

The agriculture credit access was measured using 11 items. The study found the farmers were receiving information from various sources undertaken by the financial institutions. These institutions were approaching using different techniques according to land holding. The farmers having their customized requirements for both short and long term. But, the credit application procedures of institutions are similar. Further, differences in examination of credit application have been observed. Although the institutions has designed similar purposes of credit sanctions. But, dissimilarities were noted while sanctioning of loans. Further, farmers have received unequal subsidy for their loans. This perhaps due to differences in amount in application and/or sanctions by financial institutions. Lastly, the farmers have perceived differences about the sanctioned amount fulfills their farming requirements.

From the results of factor analyses, problems has been classified as: 1) Beneficiary Problem and 2) Institution problem. The sample have homogeneity towards problems related to institution. This indicates, the farmers of select districts were facing similar institutional problems. This might be due to same framework followed by the financial institutions irrespective of districts in the state. Further, we

do found significant difference towards problems faced by farmers of select districts. However, farmers or Warangal and Nalgonda face similar problems but farmers of Karimnagar face different farming problems compare to other two districts.

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