



A MICRO LEVEL STUDY ON FINANCE PROBLEM FACED BY BANANA GROWING FARMERS OF THOTTIYAM TALUK IN TRICHY DISTRICT

Dr. C. Gunasekaran* T. Ravi**

*Assistant Professor and Research Advisor, PG and Research Department of Commerce, Arignar Anna Government Arts College, Musiri.

**Research Scholar, PG and Research Department of Commerce, Arignar Anna Government Arts College, Musiri.

Abstract

In an outset India growth has depends on agriculture, the contribution of GDP in agriculture has come down due to several resources constraints one of the main resources constraints like finance problems in India. Similar way that the researcher has to found that the problems faced by banana growing farmers of Thottiyam Taluk in Trichy district. The researcher has clearly indicates that the financial problems commonly prevail in the study area. Therefore, un-organized financial institutions has pivotal role in the study area. Further the study has reveals that the financial assistantships made 63 per cent were recognized financial institutions and remaining of them un-organized a financial institution which is constitute 37 per cent. It is interest rate has high as compared to organized and unorganized financial institutions.

Introduction

India started the planning process (1950 – 51), the share of agriculture in the GDP was 55.3 per cent due to emphasis placed on the development of secondary and territory sectors during successive Five Year Plans, the share of agriculture in the GDP has declined to 37.9 per cent in 1980 – 81 and to 14 per cent in 2011 – 12¹.

Accelerated growth in agricultural production has been one of the principal aims of the Government of India from the beginning of the First Plan. It has assured an added urgency in recent years in view of the increasing pressure of population on land and the heavy cost of importing agricultural commodities particularly food grains. The growth in agricultural production can be studied by reviewing the growth in production in agricultural crops²

Sadhu and Singh³ (1983) have brought out the problem of determining the best combinations of products for a given outlay of resources or the best use of resources for a given combination of products. The simple method to find out the optimum levels of two products is to calculate the total net revenue which the farmer can derive from different combinations and choose the one which brings him the highest returns.

Sharma⁴ et al have studied the economics of tribal agriculture of Himachal Pradesh. To examine the resource-use efficiency of major inputs used for dominant crop production in each of the tribal areas, functional analysis has been followed. Keeping in view of the value of R² Cobb-Douglas production function has been fitted for crop production. The resource-use efficiency of crop production in each of the tribal areas has been studied in terms of production functions, marginal value productivities and marginal value productivity ratios to their factor prices. R² in case of wheat in Kinnaur is 0.9138. The elasticity co-efficient of different inputs that have been worked out indicate the scope of increasing the production of crops with the increased use of the given inputs. It is found that the bullock labour has negative elasticity co-efficient which is not significant. The marginal value productivity (MVP) ratios point out that resources are not optimally used and there is under-utilization of area under the crop and human labour. R² in the case of barley in Spiti is 0.9965. The elasticity⁷⁴ co-efficient associated with a unit change in area under the crop and manure in Spiti are positive, but negative in the case of human labour and bullock labour. The MVP ratios again show that resources are not optimally utilized in Spiti.

Seventy five percent of the world's banana is grown in the western hemisphere. It is extensively cultivated in Mexico, Guatemala, Nicaragua, Costa Rica Panama, Cuba, Dominican Republic, Haiti, Jamaica, Indonesia, South China, India, Sri Lanka and Australia. Out of the total world banana production, Africa accounts for 5 per cent and Asia and America 25 per cent. The production of banana for commercial purpose and especially for export takes place only in countries in Central and

¹ L.K. Mohana Rao, Presidential Address on "Organic Farming in India Problems and Prospects", 96th Annual Conference of Indian Economic Association, held at Meenakshi University, Kanchipuram, Tamil Nadu, during 27-29, December 2013, p.1.

² I.C. Dhingra, *The Indian Economy*, New Delhi: Sultan Chand & Sons, 2014, p.305.

³ A.N. Sathu and Amarjit Singh, "Fundamentals of Agricultural Economics", Bombay, Himalya Publishing House, 1983, p.114.

⁴ H.R. Sharma, D.S. Thakur and Kamlesh Singh, "Economic Analysis of Tribal Agriculture of Himachal Pradesh", *Agricultural Situation in India*, Vol. No: (17)l, April 1987, p.6-7.

South America and Africa. Next to Brazil, India is the second largest banana producing country in the world. The chief banana growing States in India are Maharashtra, Karnataka, Kerala, Tamil Nadu, Andrapradesh, Orissa and Bihar⁵.

Methodology

Designing a suitable methodology and the selection of the appropriate analytical tools was very important for a meaningful analysis of any research problem that had been undertaken. The multi-stage random sampling technique had been adopted for the study with the Thottiyam Taluk in Trichy district as the universe and the block, the village and the banana growers had been considered as the different stratum. The field survey was carried out during the period August to November 2015 for the purpose of the collection of the primary data. This period was related to the harvesting period of banana in the study area. The data collection pertained to the Agriculture years of 2014 – 15.

In this study has clearly brings out that the problems of faced by banana growing farmers of Thottiyam Taluk in Trichy district.

Table 1: Finance Problem of Banana Growing Farmers

S. No	Particulars	Sample Farmers
1	Non availability for loan in time	155 (31.00)
2	High interest for loan	115 (23.00)
3	Uncomfortable repayment mode	120 (24.00)
4	Non availability of government subsidy	110 (22.00)
5	Total	500 (100)

Source: Primary Data

Note: Figure in bracket indicates percentage to the total

Table 1 has clearly indicates that out of 500 sample respondents, which is constitutes of 155 (31 per cent) were non-availability for loan in time, as followed by uncomfortable repayment mode 120, high interest for loan 115 and non-availability of government subsidy 110 which has constitutes of 24 per cent, 23 per cent and 22 per cent respectively. The researcher has found that the financial problems commonly prevail in the study area. Therefore, un-organised financial institutions has pivotal role in the study area.

Table 2: Finance Assistance

S. No	Particulars	Sample Farmers
1	Commercial bank	152 (30.00)
2	Co-operative bank	165 (33.00)
3	Third party	120 (24.00)
4	Others	63 (13.00)
5	Total	500 (100)

Source: Primary Data

Note: Figure in bracket indicates percentage to the total

It is inferred that the out of 500 sample respondents were financial assistance to made the banana cultivation in the study area, which were constitutes of 165 (33.00 per cent) sample farmers has received the financial assistance to the Co – operative banks, as followed by the commercial banks 152 sample farmers, third party 120 sample farmers and others were

⁵ V.N. Madhava Rao, *Banana*, Indian Council of Agricultural Research, New Delh, 1999, p.1-4.

63 sample farmers to get assistantship of finance which is constitutes of 30 per cent, 24 per cent and 13 per cent respectively. It has clearly indicates that the financial assistantship made 63 per cent were recognized financial institutions and remaining of them un-organized financial institutions which has 37 per cent. It is interest rate has high as compared to organized and unorganized financial institutions.

Table 3: Credit for Banana Cultivated of Farmers

S. No	Particulars	Sample Farmers
1	Yes	380 (76.00)
2	No	120 (24.00)
3	Total	500 (100)

Source: Primary Data

Note: Figure in bracket indicates percentage to the total

Table 3 brings out that the credit facilities of banana cultivators out 500 sample farmers, the credit facilities has received 380 which is constitutes of 76 per cent and remaining of them could not credit facilities of banana cultivators 120 members which is constitutes of 24 per cent. The researcher has found that most of the sample farmers were received credit facilities nearly three fourth, the remaining one fourth members not yet to be received credit facilities.

Table 4: Loan Outstanding Amount Credit in Banana Growing Farmers

S. No	Particulars	Sample Farmers
1	Below Rs.25000	110 (29.00)
2	Rs.25000 to Rs.50000	130 (34.00)
3	Rs.50000 to Rs.75000	90 (24.00)
4	Above Rs.75000	50 (13.00)
5	Total	500 (100)

Source: Primary Data

Note: Figure in bracket indicates percentage to the total

It is inferred that the table 4 loan outstanding amount credit in banana growing farmers, out of 500 sample farmers were collected, which has 130 sample farmers have 25000 to 50000 it is constitute of 34 per cent, as followed by 110 sample farmers have below 25000, 90 sample farmers have 50000 to 75000 and 50 sample farmers have above 75000, which has constitutes of 29 per cent, 34 per cent and 13 per cent respectively

Conclusion

The steady growth mainly depends on capital investment or supporting of financial institutions, therefore the study has to understand the financial institutions role as well sample farmers financial strength. The study has found that the financial problems have major issues, like most of them the financial assistance were get unorganized financial institution as a result of banana cultivators are very suffered. It has clearly indicates that the financial assistantship made 63 per cent were recognized financial institutions and remaining of them un-organized financial institutions which has 37 per cent. It is interest rate has high as compared to organized and unorganized financial institutions.