



IMPACT OF ANDHRA PRAGATHI GRAMEENA
BANK (APGB) ON WEAKER SECTION FARMERS IN
KUDEIR MANDAL OF ANANTHAPURAMU
DISTRICT, ANDHRA PRADESH

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ABSTRACT

*A*griculture forms the backbone of the Indian economy and despite concentrated industrialization in the last five decades; agriculture occupies a place of pride. Being the largest industry in the country, agriculture provides employment to around 65 per cent of the total work force in the country. Two important facts must be emphasized here. Firstly, agriculture contributes even now a major share of the national income in India. Secondly, the share of agriculture in national income, however, has been decreasing continuously and the shares of the manufacturing and service sectors are increasing. Agricultural credit is one of the most crucial inputs in all agricultural development programmes. For a long time, the major source of agricultural credit was the private money-lenders. This source of credit was inadequate and highly expensive and exploitative. Since independence, a multi-agency approach consisting of co-operative, commercial banks and regional rural banks known as institutional credit has been adopted to provide cheaper and adequate credit to farmers. Hence, the paper highlights impact of Rural banks on the farmers of weaker section in Anantapuramu district of Andhra Pradesh.

KEY WORDS: Agriculture, Regional Rural Banks, Farmers, Indian Economy, National Income.

INTRODUCTION

Agriculture forms the backbone of the Indian economy and despite concentrated industrialization in the last five decades; agriculture occupies a place of pride. Being the largest industry in the country, agriculture provides employment to around 65 per cent of the total work force in the country. Two important facts must be emphasized here. Firstly, agriculture contributes even now a major share of the national income in India. Secondly, the share of agriculture in national income, however, has been decreasing continuously and the shares of the manufacturing and service sectors are increasing. In a rapidly developing country, this is as it should be.

Importance of agriculture in the national economy is indicated by many facts. For example, agriculture is the main support for India's transport system, since railways and roadways secure bulk of their business from the movement of agricultural goods. Internal trade is mostly in agricultural products. Further, goods, crops implying large purchasing power with the farmers lead to greater demand for manufactures and therefore, better prices. In other words, prosperity of the farmers is also the prosperity of industries; likewise, bad crops lead to a depression in business. Generally, it is the failure in the agricultural front that has led to failure of economic planning in particular periods. Agricultural growth is also an important factor in containing inflation, raising agricultural wages and for employment generation. It is clear, therefore, that agriculture is the backbone of the Indian economy and prosperity of agriculture can also largely stand for the prosperity of the Indian economy. At the same time, it is true that per capita productivity in agriculture is less than in industry. Naturally, most scholars of developing economies observe that this dominance of agriculture in India's economy is responsible for the low per capita income in the country. In their opinion, so long as the Indian economy is dominated by agricultural activity, per capita income will not rise to an extent which is necessary and desirable².

Agricultural credit is one of the most crucial inputs in all agricultural development programmes. For a long time, the major source of agricultural credit was the private money-lenders. This source of credit was inadequate and highly expensive and exploitative. Since independence, a multi-agency approach consisting of co-operative, commercial banks and

regional rural banks known as institutional credit has been adopted to provide cheaper and adequate credit to farmers. The major policy in the sphere of agricultural credit has been its progressive institutionalization for supplying agriculture and rural development programmes with adequate and timely flow of credit to assist weaker sections and less developed regions.

REGIONAL RURAL BANKS

The regional rural banks were conceived as low cost institutions, mid-way between the cooperative banks and the commercial banks, locally based and imbibing indigenous social ethos. The weaker sections have been a target group for assistance in the multi agency approach. The regional rural banks would be a model financial infrastructure for rural development with patronage and encouragement given by the planners in the field. Thus, the state sponsored, regionally based and rural oriented commercial banks have taken birth in rural India which popularly known as regional Rural Banks. These banks penetrated every corner of the country and extended a helping hand in the growth of economy.

The regional rural banks, it is viewed, have performed their business nearing to the target. However, in terms of managerial performance, they too are no way better than that of the commercial and cooperative banks. The reasons for this sorry state of affairs are varied; and the prudence of management in terms of financial viable and commercial feasible is one among them. A management with sound financial and managerial operations, no doubt, sets in better financial management generating surplus income and enlivens the projects of economic significance.

REVIEW OF LITERATURE

Shylendra (1996)³ in his study on Thungabhadra Grameena Bank, Karnataka State analysed the RRBs lending policies and practices and the pattern of distribution of its loans across different sections of the society. He found that the RRB though meant basically for the poor sections was found to have benefited mainly households belonging to the better-off segments of the rural society.

Rakesh Malhotra (2002)⁴ the location of regional rural banks or health of the sponsor bank does not significantly affect the performance of regional rural banks. It is the specific nourishment which each regional rural bank receives from its sponsor bank, which is cordial to its performance.

“Excessive local involvement and prolonged local interventions have led to rampant malpractices, corruption, excessive political interference, stagnation and unhealthy unionisms. Further, confinement to local aspect has narrowed the vision and experience of the regional rural banks staff resulting in their little or no development”.

On the deposit growth front, regional rural banks have recorded superior performance vis-à-vis industry average is expressed by Pai (2006)⁵. The profit and profitability of commercial banks has examined by Amandeep (2006) and found the efficient managements a dominant factor of profitability.

OBJECTIVES

1. To study the importance of Agriculture in Indian economy
2. To identify the type and sources of credit required by the farmers in Anantapur district

3. To analyse the impact of Andhra Pragathi Grameena Bank on selected farmers who belong to weaker sections
4. To draw the conclusions

METHODOLOGY

The present study is based on the data from both primary and secondary sources. The primary data was collected from the selected farmers who were provided assistance by Andhra Pragathi Grameena Bank and the farmers who did not receive any benefit from the Bank were selected by using with and without approach a questionnaire was prepared and administered to the farmers, personal visits were made to the selected mandals to make on the spot study of various socio-economic conditions of the farmers. The secondary data was collected from Annual Reports, journals, dailies and government publications of Regional Rural Banks (RRBs).

Table 1 category wise coverage of beneficiaries and Non-beneficiaries of APGB in Kudeir mandal

S.No	Category	Beneficiaries	Non-Beneficiaries	Total
1	Small Farmers	5 (8.33)	14 (23.34)	19 (15.83)
2	Medium Farmers	41 (68.34)	33 (55.00)	74 (61.67)
3	Marginal Farmers	12 (20.00)	11 (18.33)	23 (19.17)
4	Large Farmers	2 (3.33)	2 (3.33)	4 (3.33)
	Total	60 (100)	60 (100)	120 (100)

Source: primary data from field survey

The table 1 shows that 68.34 per cent of the beneficiaries are medium farmers followed by small farmers (8.33). The Marginal farmers are 20 per cent followed by large farmers (3.33 per cent). In the non-beneficiaries category, there are 23.34 per cent of small farmers, 55 per cent of non-beneficiaries are Medium farmers, 18.33 per cent of non-beneficiaries are Marginal farmers and 3.33 per cent of non-beneficiaries are large farmers.

Of the total farmers 15.83 per cent are small farmers, 61.67 per cent are Medium farmers, 19.17 per cent are Marginal farmers and 3.33 per cent are large farmers. Marginal farmers are high between the beneficiary (68.34) and non-beneficiaries category (55 per cent)

Table 2 loan amount received by selected beneficiaries and non-beneficiaries

S.No	Amount (in Rs.)	APGB Beneficiaries	Loan amount received from other sources of Non-Beneficiaries
1	Below 10,000	10 (16.67)	17 (28.33)
2	10,001 to 15,000	31 (51.67)	41 (68.33)
3	15,001 to 30,000	11 (18.33)	02 (03.33)
4	30,001 to 50,000	8 (13.33)	00 (0.00)
	Total	60 (100)	60 (100)

Source: primary data from field survey

The table 2 shows that the APGB is providing loans to the farmers, it is ending from the table that 16.67 per cent of the beneficiaries have received loan amount less than Rs. 10,000, 51.67 per cent of the beneficiaries have received loan amount between Rs. 10,001 to Rs. 15,000 and 18.33 per cent of the beneficiaries have received loan amount between Rs.

15,001 to Rs. 30,000 whereas 13.33 per cent of the beneficiaries have received loan amount between Rs. 30,000 to Rs. 50,000.

The table also found that the debt position of selected non-beneficiaries who have borrowed from Money lenders, Land lords, Traders, relatives and Friends (through others) in Kudeir Mandal

Table 3 particulars of the agricultural equipments possessed by the selected beneficiaries and non-beneficiaries

S.No	Category	Beneficiaries	Non-Beneficiaries	Total
1	Plough	23 (38.33)	31 (51.67)	54 (45.00)
2	Bullock cart	15 (25.00)	09 (15.00)	24 (20.00)
3	Blade	08 (13.33)	13 (21.67)	21 (17.50)
4	Other Equipments	14 (23.34)	07 (11.66)	21 (17.50)
	Total	60 (100)	60 (100)	120 (100)

Source: primary data from field survey

The table 3 shows the particulars of agricultural equipments possessed by selected beneficiaries and non-beneficiaries of APGB in Kudeir mandal. As per the table, 38.33 per cent of the beneficiaries have ploughs, 25 per cent of the beneficiaries have Bullock Carts, 13.33 per cent of the beneficiaries have blades and 23.34 per cent of the beneficiaries have other equipments.

It is further found that the table 51.67 per cent of the non-beneficiaries have ploughs, 15 per cent of the non-beneficiaries have Bullock Carts, 21.67 per cent of the non-beneficiaries have blades and 11.66 per cent of the beneficiaries have other equipments. Out of the total selected farmers 45 per cent of the farmers have ploughs, 20 per cent of the farmers have Bullock Carts and 17.50 per cent of the farmers have blades and other equipments.

Table 4 cropping pattern of the selected beneficiaries and Non-beneficiaries of APG Bank

S.No	Name of the Crops	Beneficiaries	Non-Beneficiaries	Total
1	Paddy	18 (30.00)	11 (18.33)	29 (24.17)
2	Groundnut	33 (55.00)	38 (63.33)	71 (59.17)
3	Redgramm	9 (15.00)	11 (18.34)	20 (16.66)
Total		60 (100)	60 (100)	120 (100)

Source: Primary data from the Field survey

The table 4, shows that out of 60 sample beneficiaries 18 beneficiaries (30 per cent) have cultivated paddy crop, 33 beneficiaries (55 per cent) have cultivated Groundnut and Redgram is cultivated by only 15 per cent of the beneficiaries in the mandal.

The above table shows that out of 60 sample non-beneficiaries, 11 respondents (18.33) have cultivated Paddy crop, 38 have cultivated Groundnut

crop (63.33) and Redgramm is cultivated by only 18.34 per cent of the present study. It is clearly observed that out of 120 sample farmers 29 farmers (24.17 per cent) have cultivated Paddy crop, 71 farmers (59.17 per cent) have cultivated the Groundnut crop and Redgram is cultivated by only 20 farmers (16.66 per cent) among the sample farmers in the mandal.

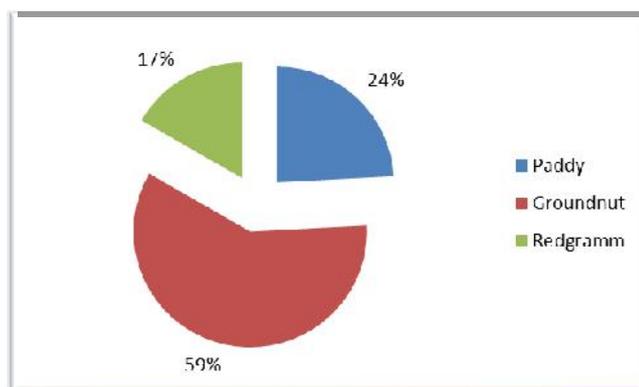


Figure 1 cropping pattern of beneficiaries and Non-beneficiaries

Table 5 cropping pattern of the selected beneficiaries and Non-beneficiaries of APG Bank

S.No	Agricultural output	Beneficiaries	Non-Beneficiaries	Total
Paddy				
1	Below 10 Bags	3 (5.00)	8 (13.33)	11 (9.17)
2	10 to 20 Bags	7 (11.67)	2 (3.33)	9 (7.50)
3	Above 20 Bags	8 (13.33)	1 (1.67)	9 (7.50)
Groundnut				
1	Below 10 Bags	7 (11.67)	26 (43.34)	33 (27.50)
2	10 to 20 Bags	4 (6.67)	9 (15.00)	13 (10.83)
3	Above 20 Bags	22 (36.67)	3 (5.00)	25 (20.83)
Redgram				
1	Below 2 Bags	1 (1.66)	8 (13.33)	9 (7.50)
2	3 to 5 Bags	3 (5.00)	2 (3.33)	5 (4.17)
3	6 to 8 Bags	5 (8.33)	1 (1.67)	6 (5.00)
Total		60 (100)	60 (100)	120 (100)

Source: Primary data from the Field survey

The table 5 shows the agricultural output of selected beneficiaries and non-beneficiaries of APGB in Kudeir mandal. As per the table, it is found that 5 per cent of the beneficiaries have received less than 10 bags of paddy output, 11.67 per cent of the beneficiaries have received paddy between 10 to 20 bags and 13.33 per cent of the beneficiaries have received paddy output between 20 bags and above.

In the Groundnut output point of view, 11.67 per cent of the famers have received less than 10 bags, 6.67 per cent of the beneficiaries have received between 10 to 20 bags and 36.67 per cent of the farmers have received groundnut output between 20 bags and above.

If is found that 1.66 per cent of the beneficiaries have received less than 2 bags of Redgram output, 5 per cent of the farmers have received output between 3 to 5 bags and 8.33 per cent of the beneficiaries have received Redgram output between 6 bags to 8bags.

As per the table 5, it is found that 8 sample respondents have received below 10 bags followed by two and one are represented between 10 to 20 (2) bags and above 20 bags (1) are received Paddy

output by the non-beneficiaries. 26 respondents received Groundnut output below 10 bags, followed by 10 to 20 (9) and above 20 bags (3) respectively. In the matter of Redgram 8 sample are represents below 2 bags followed by two and one are represents 3 to 5 bags and 6 to 8 bags respectively.

A comparative analysis of both the categories namely beneficiaries and non-beneficiaries shows that, the beneficiaries who have availed themselves of loans from APGB could produce more output in the mandal.

FINDINGS AND CONCLUSIONS

The present paper found that majority of the beneficiaries are medium farmers (68 per cent) and 55 per cent of non-beneficiaries also indicate Medium farmers in the present. Out of the total selected farmers 45 per cent of the farmers have ploughs, 20 per cent of the farmers have Bullock Carts and 17.50 per cent of the farmers have blades and other equipments. The present study found that, out of 120 sample farmers 29 farmers have cultivated Paddy crop, 71 farmers have cultivated the Groundnut crop and Redgrams in cultivated by only 20 farmers. A comparative analysis of both the categories namely

beneficiaries and non-beneficiaries shows that, the beneficiaries who have availed themselves of loans from APGB could produce more output in the mandal. In agricultural output of the selected beneficiaries point of view majority of the sample respondents have received Ground nut above 20 bags in Ananthapuramu district of Andhra Pradesh. The government both central and state will be implementing and sanction the loans liberally through the banks to the weaker section farmers especially in drought -prone areas like Anantapuramu for the upliftment of weaker section farmers.

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