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An Attempt to Measure the Knowledge Level and Opinion of Farmers for Kisan Credit Card Scheme in Iglas Block Of Aligarh District

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ABSTRACT

One of the most cutting-edge, well-known, well-liked, and non-discriminatory financial products, the Kisan Credit Card, aims to fund agriculture. In order to better understand the Kisan Credit Card in Agriculture, this study was written. In a short period of time, the Kisan Financing Card has established itself as a popular credit option among farmers. KC Card has been widely praised and welcomed by bankers and farmers alike, and it is predicted that this would assist farmers acquire quick and prompt access to much-needed institutional finance. Research on farmers' perceptions of the KCC was carried out in the Aligarh district of Uttar Pradesh with the primary goal of assessing farmers' knowledge and understanding of the program. A total of 240 farmers from Iglas block of Aligarh District were chosen for the study. It is recommended that farmers' views on the KCC be given equal weight in order for policymakers to make the necessary reforms to make the system more feasible.

Keywords: Credit, Farmer, Agriculture, Loan, Knowledge.

I. INTRODUCTION

Nearly two-thirds of India's population is either directly or indirectly dependent on farming. We are aware of the RBI's favorable attitude to ensuring enough credit flow to the agriculture sector, i.e., to the farmer, and the importance of credit as an input. Despite the RBI's efforts to make delivery credit more accessible to a wider number of farmers, particularly small farmers, the banking industry still faces significant obstacles. Both the RBI and NABARD have taken several steps to simplify procedures and build innovative credit delivery products, but these attempts were unsuccessful because of the bank's use of a conventional system of procedure and paperwork. The banking industry had a significant challenge in providing farmers with enough, on-time, and hassle-free finance.

With the Kisan Credit Card, farmers now have an easy and convenient way to get the working capital they need to grow their businesses. The enormous institutional credit framework, which includes commercial banks, RRBs, and cooperatives, is implementing the plan across the country and has gained widespread support from bankers and farmers. Many obstacles have been experienced in the last 13 years of implementation by policymakers, implementing banks, and farmers when it comes to the execution of the program. NABARD research and GOI-appointed committees' recommendations further support this conclusion. The current KCC Scheme, therefore, has to be re-examined in order to make it as easy and hassle-free as possible for both farmers and lenders. As a result, the Ministry of Finance of the Government of India set up a Working Group to examine the KCC Scheme in detail.



Figure 1: Benefits of KCC Scheme

There are no collateral requirements, less severe monitoring of actual loan use, and simple renewal after three years for borrowers in good standing in the scheme's primary characteristics. Here, we'll go into further detail about each of them. It is one of the primary advantages (and a declared objective) to make loans available without imposing cumbersome restrictions. As a result, farmers who apply for a loan are not required to put down a deposit. If they can show proof of land ownership (such as a "land possession certificate" from Bihar), they'll be eligible for the bare minimum. As well as being depending on the type of crop and landholding size, the amount differs from bank to bank. However, for commercial banks, the typical sum is INR 500,000. Smaller loans are more common in rural co-ops and regional banks. Borrowers can get larger loans, but they must put up collateral as a condition of doing so. At current interest rates, borrowers can borrow up to a maximum amount of \$700,000 at an annual rate of 7.5%. (Fixed by the RBI). The interest rate is reduced by two percentage points if the loan is repaid on time. Many people prefer to borrow the whole amount in a single payment, even though there is no need to do so. There is no oversight of how the money is spent once it is borrowed. KCC is a substantial departure from past crop loans, which required farmers to provide receipts in order to secure the loans and in which the bank paid the supplier instead of directly to the farmer. However, it allows for the prospect of using the funds for both consumption and arbitrage gains, which is a good thing. This appears to be the situation based on conversations with bank staff. Indian inflation has been lower than the current interest rate, which makes it easy for people to misuse the system. Higher consumption growth rates rather than increased agricultural output would be expected if this were the case. This can be extended for another three years if the borrower is in excellent financial health. The minimum non-collateral amount has now been raised to 100,000 rupees, and the validity has been extended to five years in some institutions.

II. REVIEW OF RELATED STUDIES

A. Chanda (2020) The Kisan Loans Card (KCC) programme was launched in India in 1998–1999 and has since become a hallmark initiative for providing short-term credit to farmers. By March 2011, the Indian government estimated that over 100 million cards had been distributed. From 2005 to 2006 to 2009 and 2010, the essay critically evaluates the KCC lending factors in India and Bihar districts, using on data from these periods Agricultural growth and yields are also examined as a result of the policy. According to our findings, states that had easier access to agricultural financing in the beginning have more KCC lending now. In spite of this, Bihar and other BIMARU states have higher adoption rates than the rest of the BIMARU region. Districts in Bihar where KCC lending was originally higher are continuing to distance itself from other districts, yet there is indication of account holders' convergence. Finally, there is no evidence of KCC loan affecting agricultural productivity at the state or district level.

M. Nagaveni and colleagues (2019) Kisan credit card performance in Chikkaballapur District, Karnataka, will be examined in this research project. The study examined the impact of the credit system and capital adequacy on the primary four crops tomato, maize, potato, and groundnut between KCC holders and non-KCC holders. For KCC recipients, the overall cost of producing all four crops was a little more expensive than that for non-KCC beneficiaries, but the net returns from cultivating all four crops were greater. KCC-holder farmers had a reduced average credit gap compared to non-KCC-holder farmers in all four crops. In contrast, the average loan difference between medium and small farmers is much greater. While KCC farmers are receiving a bigger benefit, finance is scarce.

Singh, Pukhraj et al., (2018) Credit cards for farmers were established in 1998 under the Kisan Credit Card program in an effort to make it easier for farmers to get the capital they need to boost productivity. Over the previous five years, the number of Kisan Credit Cards issued in rural regions has increased dramatically. Keeping in mind the relevance of KCC, this study attempted to determine the farmers' perceptions of KCC's value. A sample of 120 farmers was used in this study, which was conducted in the Uttar Pradesh state district of Baghpat. Rise in agricultural yield was found to be the most common use of the Kisan Credit Card (KCC) by respondents, followed by an increase in income and the use of credit for crop production and associated activities, as well as the duration of credit use. In addition, it was observed that the usage of KCC for crop insurance, cropping pattern adjustment, and diversified farming was very low. According to the findings, farmers should be informed about contingency plans for unfavorable weather conditions well in advance. Awareness and training campaigns aimed at farmers should be implemented in order to encourage them to embrace new crop production methods.

Mahesh, Maske (2018) Farmers' satisfaction with the Kisan Credit Card was the focus of this study, which was conducted in 2009. The study is severely hampered by the tiny size of the study region. More than two-thirds of the respondents (74.17 percent) used the Cooperative Bank to get information on KCC, while friends/relatives/neighbors, television, radio, and progressive farmers (63.83 percent) were also popular sources of information. It was found that 61.67% of them relied on at least five to eight sources of information. The majority of respondents (71.67 percent) reported having some contact with credit agencies. Some 67.50 percent had a moderate level of economic drive, as well as a moderate level of risk orientation (46.67 percent). KCC's low interest rate, reduced costs of borrowing, and easy repayment procedures were all praised by the majority of respondents (85.33 percent), according to a recent survey. A total of 63% of the respondents were satisfied with KCC overall.

Manoj Pandey (2015) While India's overall economic growth has picked up speed recently, a modest increase in agricultural output has been seen. Kisan (Farmer) Finance Card Scheme (KCCS), a government of India-launched program in 1998-99 to promote agricultural credit for farmers, is examined in this study using household level data from the 2005 India Human Development Survey (IHDS). Aside from that, the article examines how well KCCS is able to target its beneficiaries and simulate rural families' engagement in the program. There are many policy imperatives that need to be addressed, according to our analysis: improved household targeting and execution of property reform measures; investment in public awareness campaigns; periodic information drives; better rural infrastructure; better monitoring.

Bista, Diwas et al., (2012) According to a study conducted in India, the Kisan Credit Card (KCC) program's success was evaluated by determining its percentage of agricultural loans. Cooperative banks, regional rural banks, and commercial banks have all been

analyzed in terms of total loan amount, enrolment of membership, and amount per card for the flow of credit through KCCs. According to the results of a research conducted per region, there is a vast variation in the performance of these organizations. The case study of Bihar has shown a similar picture, with a wide discrepancy in the amount, the number of cards, and the amount per card in different districts of the state. KCC-beneficiary farmers had better gross profits and, as a result, higher net margins than non-beneficiary farmers. Farmers' perceptions of the benefits and drawbacks of the KCC program have been analyzed. In order to get additional farmers to participate in the program, certain ideas have been put up.

III. METHODOLOGY

The research was carried out in Iglas block of Aligarh district in Uttar Pradesh. To narrow the scope of the study, participants had to be Kisan Credit Cardholders, who were chosen through a multistage selection process rather than by simple random sampling. Finally, 240 farmers from Iglas block were chosen to participate in the study. The researcher meticulously crafted 18 multiple-choice questions after consulting with experts and doing a thorough literature study in order to assess the participants' level of knowledge. The study's needs, whatever they may be. The correct answer received a score of '1,' while the incorrect answer received a score of '0.' Each state statement's percentage score was used to determine their ranking. The survey employed 12 statements and a 3-point continuum for scoring to get an idea of how people felt about the system. The structured interview schedule was used to acquire the data. Descriptive Statistics, Correlation, and Multiple Regression were employed in this study to draw the conclusions.

IV. RESULTS AND DISCUSSIONS

A total of 18 multiple choice questions were utilised in the study to measure the farmers' knowledge of various components of the KCC plan. Only 15% of the respondents were classified as having a high level of knowledge, while approximately 60% of the respondents had a medium level of knowledge, and 25% of the respondents had a poor level of knowledge, according to the study's findings (Table 1).

Table 1: Overall Knowledge about KCC of Respondents

Knowledge Level	f	%
Low (<6.15)	60	25.00
Medium (6.15 to 9.53)	144	60.00
High (>9.53)	36	15.00
Mean= 7.79, S. D=1.71		

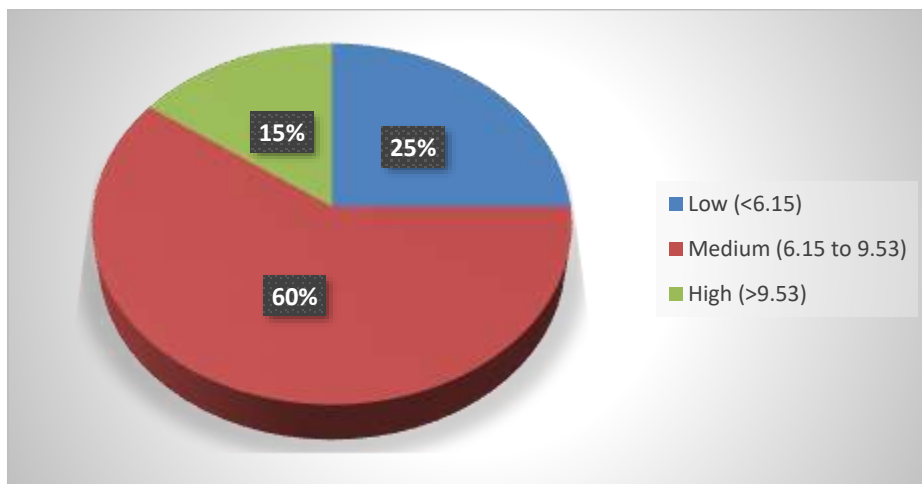


Figure 2: Overall Knowledge about KCC of Respondents

Table 2 shows the respondents' degree of knowledge. According to Table 2, 99.15 percent of respondents were aware of the security required for a loan under KCC, as well as the potential advantages available under KCC, and 75.22 percent of recipients were aware of the various banks that lend under KCC. 73.35 percent of account holders were also aware of the key purpose for the scheme's implementation. Only 54.15 percent of KCC account holders were aware of the KCC's principal goal. The selected sample had 41.00 percent of respondents who were aware of the various sorts of beneficiaries under the plan. The loan payback time was known by 35.81 percent of the farmers, whereas the PAIS was known by 32.5 percent. 25.85 percent, 23.30 percent, and 22.5 percent of the gathered sample were aware of KCC constraints, lending limits, and a system of lending under KCC, followed by channels offered for loan borrowing, respectively. Only 15.85 percent of farmers are aware of the unique characteristic of the KCC magnetic card, which is followed by a renewal term that is hardly understood by the 17.5 percent of account holders.

Table 2: Farmer's Knowledge Level about Different Aspects of KCC Scheme

Sl. No.	Statements	f	Percentage (%)	Rank
1	Institutional credit scheme for short term agriculture credit needs	240	100	I
2	Year of initiation of KCC	0	0	XVII
3	Initiator of KCC	1	0.833	XVI
4	Goal of KCC	130	54.15	V
5	Different banks' lending loans under KCC	180	75.22	III

6	Reason for implementation of KCC	176	73.35	IV
7	Beneficiaries of the scheme	98	41.00	VI
8	Insurance amount given to the farmer family under PAIS	78	32.5	VIII
9	Loan repayment period	86	35.81	VII
10	Age limit in selection of the farmers	13	10.83	XV
11	Loan lending limit	26	21.66	XIII
12	The security you have to provide for the bank to barrow the loan	238	99.15	II
13	System of lending under KCC	58	23.30	X
14	Special feature of the scheme	38	15.85	XIV
15	Renewable time for card provided to the farmer	52	21.67	XII
16	Benefits can avail out of KCC	238	99.15	II
17	Channels for the barrowing of loan	54	22.5	XI
18	Limitation of the KCC	62	25.85	IX

• Knowledge Level of the Respondents with Respect to their Demographic, Socio-Economic and Communication Profile

Table 3 shows the statistical analysis of the relationship between respondents' knowledge and independent variables such as age, education, family type, family size, land ownership, extension contact and engagement, and mass media exposure. The overall view towards the KCC plan was described by the published data shown in Table 3. According to the table, respondents' knowledge was substantially and adversely connected with their age, family type, family size, and extension involvement, implying that knowledge was higher in younger participants, nuclear families, smaller families, and less Extension engagement. Younger responders with smaller nuclear families had more knowledge, which might be attributed to increased awareness, more education, easier comprehension, and more interaction with extension agents. Due to a lack of education, older farmers had less information. Farmers' knowledge is strongly and positively connected with independent factors such as education, land ownership, extension contact, and mass media exposure. Farmers with a high degree of education, a large land holding, strong extension contacts, and mass media exposure had a high level of expertise.

Table 3: Correlation between Independent Variables and Knowledge Level of the Respondents

Independent Variables	r' Value
Age	-0.441 **
Education	0.478**
Family type	-0.219*
Family size	-0.222*
Land holding	0.158
Extension contacts	0.388**
Extension participation	-0.105
Mass media exposure	0.341**

* Significant at 0.05 level, ** Significant at 0.01 level,

Educated farmers were generally aware of the system and its numerous aspects. Due to their large land holdings, they were able to make the most of the strategy, resulting in a high degree of expertise. Again, high extension contact and broad media exposure may have aided in getting them to know about the initiative. Only three of the independent factors that were determined to be significant in determining the functional connection with Knowledge as the dependent variable exhibited their functional link with knowledge when we used regression analysis. Only three of them discovered anything meaningful. Table 4 illustrates this.

Table 4: Regression Analysis

Independent Variables	Unstandardized Coefficient		t value	Significance
	B	Standard Error		
Constant	5.251	2.443	2.151	0.033
Age	-0.29	0.021	0.139	0.103
Family type	-0.340	0.408	-0.826	0.409
Family size	0.11	0.088	0.139	0.888
Education	0.315	0.151	2.050	0.042*
Land holding	0.463	0.129	3.619	0.000**
Extension contacts	0.220	0.128	1.746	0.085*
Extension participation	0.030	0.079	0.353	0.725
Mass media exposer	-0.003	0.059	-0.061	0.944

*Significant at 0.05 level, ** Significant at 0.01 level

Table 5 shows the results of the stepwise regression analysis. It was carried out in order to determine the scope of the functional

connection. The inconsequential variables were removed from the study, and the significant variables were presented in order of importance, starting with the least significant and progressing to the most significant. By removing the influence of the third variable in generating the functional connection, it revealed the amount to which two variables contributed. It is depicted in the table. Three independent variables were kept in the regression model, namely education, land ownership, and extension contact, all of which had a significant t value and were ranked in order of significance in explaining variance in knowledge. These variables jointly impacted the farmers' knowledge by just 35%, i.e., $R^2 = 0.35$.

Table 5: Results of Stepwise Regression Analysis

Independent Variables	Unstandardized Coefficient		t value	Significance
	B	Standard Error		
Constant	3.191	1.015	3.151	0.001
Education	0.491	0.1	4.902	0.000**
Land holding	0.429	0.119	3.520	0.001**
Extension contacts	0.249	0.121	2.068	0.039*
R ² =0.35 F=7.535**				

*Significant at 0.05 level, ** Significant at 0.01 level

Table 6: Contribution of different Variables

Independent Variables	Contribution	
	Shared	Unique
Constant		
Education	41.3%	37.2%
Land holding	18.9%	26.7%
Extension contacts	31.3%	15.8%

• **Distribution of the Respondents based on their overall Opinion about the KCC Scheme**

Twelve activity statements were created in order to get feedback from respondents on the KCC scheme's actual implementation. Table 7 shows the results of the computations. The initiative has received positive feedback from 10.85 percent of the population. Only 2.5 percent of recipients had a negative attitude regarding the scheme's implementation, while 12.5 percent had a positive attitude.

Table 7: Respondents Overall Opinion about the KCC

Opinion	F	%
Less favorable (<22.19)	6	2.5%
Favorable (22.19 to 30.1835)	204	85%
Highly favorable (>30.1835)	30	12.5%
Mean= 27.8, S. D=2.51		

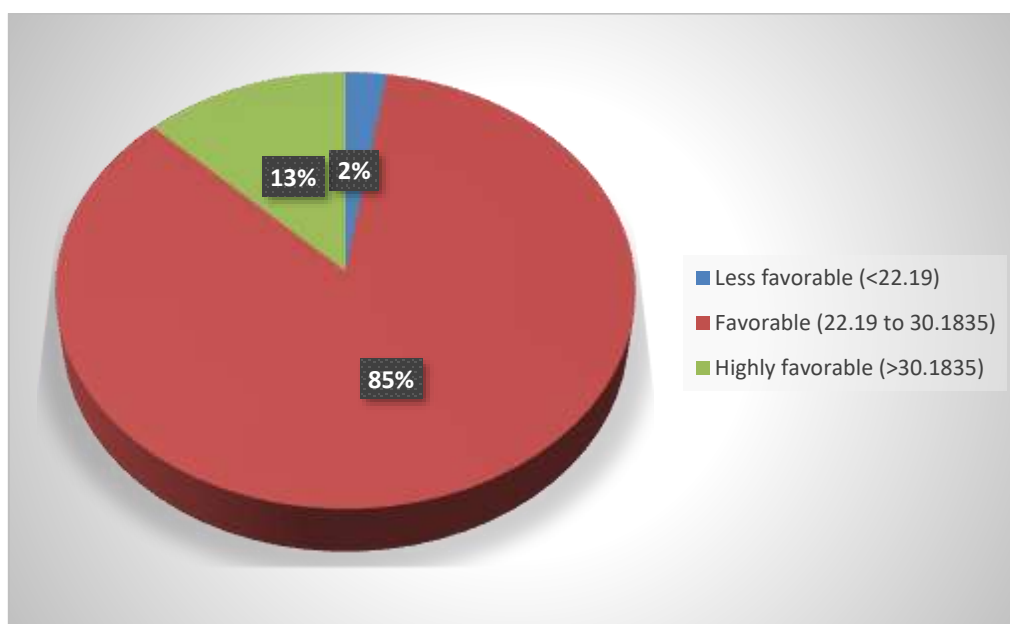


Figure 3: Graph showing Respondents Overall Opinion about the KCC

V. CONCLUSION

Farmers believe that the KCC scheme's timely lending facilities have aided them in greatly increasing the output productivity level of their job. As a result, it is recommended that integrated extension efforts be undertaken to raise their knowledge level in

partnership with the scheme's implementing institution in order to inform farmers about the benefits of KCC. The majority of the respondents in this survey had a poor to medium understanding of the KCC system. In order for a plan to be effective, beneficiaries must have a complete understanding of the whole system. Details such as the rationale for the scheme's inception, the scheme's creator, the scheme's goals and purposes, the participation of various agencies, and all other features should be made available to end users. As a result, it is up to the implementers to disseminate information and raise awareness. It is necessary to concentrate on the same.

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