

Small Farmers and Utilization of Concessions and Loans

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ABSTRACT

Many small farmers were aware of the various concessions and loans by the Government and other organisations to the farmers. Except the subsidy on pesticides and crop loan, none of the concessions and loans offered by the Government or other agencies were utilized by the small farmers. The pesticide subsidy acted as a motivating force for the adoption of plant protection measures. The garden land farmers alone used improved seeds and fertilizers by availing the loan given by the co-operative societies. Procedural formalities associated with these concessions and loans stood in the way of many small farmers in availing them. Lack of credit worthiness was another important reason for non-availing the governments loans by the small farmers.

INTRODUCTION

To increase agricultural production, government and other agencies offer loans to the farmers. According to the report of a study group of the National Credit Council (Anon, 1969) nearly half of the house holds in Tamil Nadu belong to the category of small to medium (2.5 to 7.45 acres) farmers and the present study aims to investigate on the knowledge of the small farmers relating to the concessions and loans extended to the farmers by the government and other agencies. Further it was of interest to study as to how far the assistance have helped them in adopting improved agricultural practices and also the reasons for not availing the concessions provided.

MATERIALS AND METHODS

The Community Development Block, Sarkarsamakulam in Coimbatore

district was selected as the Universe for this study through purposive sampling technique. Out of the 13 revenue villages in the block, seven villages were selected at random by using random numbers. For the selection of respondents for the study, farmers who cultivated 5 acres and less styled as small farmers were listed for each of the selected villages and from the list a constant fraction of 15 farmers were selected at random. Thus the total respondents interviewed was 105. The field data were collected by using a pre-tested interview schedule supplemented by observation technique to check and support the data. The data so collected were classified, tabulated and a statistical appraisal made.

RESULTS AND DISCUSSION

Majority of the small farmers were aware of the subsidy on pesticides and fungicides only (70 per

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Table 1. Awareness of small farmers in relation to concessions

Kind of concession	Small farmers having knowledge (n=105)	
	(No.)	(%)
Subsidy on pesticides and fungicides	83	79.0
Subsidy on fruit seedlings	31	28.5
Subsidy on vegetable seeds	26	24.7
Rural compost subsidy	5	4.7
Free distribution of vegetable seedlings and gliricidia plants	4	3.8
Subsidy on green manure seeds	—	—

cent). Regarding their awareness of other concessions, 28.5 per cent of them knew about the subsidy on fruit seedlings, subsidy on vegetable seeds (24.7 per cent) subsidy on compost (4.7 per cent) and the free distribution of vegetable seedlings and gliricidia plants (3.8 per cent). None of the farmers knew about the subsidy on green manure seeds (Table 3). Even though a majority of the small farmers are dryland cultivators, they were conscious of the plant protection measures to be adopted since the crops raised by them were invariably affected by pests and diseases.

Awareness of different loans among small farmers: It was observed that 84.80 and 80.90 per cent of small farmers knew the loans given by the Co-operative Societies for agricultural purpose and new well-subsidy-cum-loan given by the government. The loan given for deepening the existing wells was known to 43.8 per cent

of the respondents only. Their awareness about the other kinds of loans was very limited (Table 2).

Table 2. Awareness of small farmers in relation to kinds of loans

Kind of loan	Small farmers reporting to have known	
	(No.)	(%)
Loans given by Cooperative Society for agricultural purposes	89	84.8
New well subsidy cum loan	85	80.9
Loans for deepening existing wells	46	43.8
Intensive manuring scheme loan	26	24.8
Hire purchase scheme loan for oil engines, electric motor pumpsets	24	22.9
Loans given by commercial banks	22	20.9
Fodder loan	20	19.0
Loan for vegetable cultivation	5	4.7
Loan under horticulture development	3	2.8

Availing of concessions by small farmers: A comparison between the number of respondents who were aware of the different concessions and who had actually availed them indicated that the subsidy on pesticides and fungicides had alone been availed by a maximum number of small farmers. Other concessions were not very popular among these farmers. (Table 3).

Availing loan by the small farmers: The number and percentage of respondents who are aware and who had availed the various loans are furnished in the Table 4.

Table 3. Small farmers who had known and availed the concessions

Nature of concessions	Small farmers who had availed				Percentage over total population
	Known (No.)	(%)	Availed (No.)	(%)	
Subsidy on pesticides and fungicides	83	79.0	60	72.3	57.1
Subsidy on fruit seedlings	31	28.5	12	38.7	11.4
Subsidy on vegetable seeds	26	24.7	12	46.2	11.4
Subsidy for making rural compost	5	4.7	2	40.0	1.9
Free distribution of vegetable and gliricidia seedlings	4	3.8	1	25.0	0.9
Subsidy on green manure seeds	—	—	—	—	—

There was a wide difference between the small farmers who knew about the different kinds of loans and who had actually availed such loans except in the case of loans given by

the Co-operative Societies. Thus it was evident that most of the credits extended to the farmers by the government and other agencies are still out of reach of the small farmers (Table 4).

Table 4. Small farmers who had known and availed of the loans

Name of loans	Small farmers who had				Availed percentage over total population (%)
	Known (No.)	(%)	Availed (No.)	(%)	
Loans given by co-operative societies for agricultural purposes	89	84.8	52	58.4	49.5
New well subsidy cum loan	85	80.9	3	3.5	2.9
Loan for deepening existing well	46	43.8	1	2.2	0.9
Intensive manuring scheme loan	29	24.8	1	3.8	0.98
Hire purchase scheme loan for Oil engines, electric motor pumpsets	24	22.9	2	8.3	1.9
Loans given by commercial banks for development of agriculture	22	20.9	—	—	—
Fodder loan	20	19.0	1	5.0	0.90
Loan for vegetable cultivation	5	4.7	—	—	—
Loan under horticulture development	3	2.8	—	—	—

Utilization of assistance for adoption of improved practices :

Fifty seven per cent of the respondents had adopted plant protection measures due to the grant of subsidy on pesticides. The small farmers had adopted the improved practices like use of improved practices like use of improved seeds, use of fertilizers, adoption of plant protection measures to a little extent in utilizing the loan. The assistance did not in any way help the small farmers to employ the other improved practices to any extent (Table 5).

Table 5. Adoption of improved practices due to utilization of assistance

Improved agricultural practices	Small farmers adopted (n = 105)	
	(No.)	(%)
Soil testing	0	0
Using improved implements	10	9.5
Using improved seeds	18	17.1
Using fertilizers	33	31.4
Adopting plant protection measures	60	57.1
Adopting multiple cropping	5	4.8

Reasons for not availing the concessions:

The main reasons stated by the small farmers for not availing the con-

cessions were 'not required', 'procedural difficulties' and 'not aware'. Thus these concessions had no attraction in general to the small farmers (Table 6).

Table 6. Reasons for not availing the concessions by small farmers

Reasons	Small farmers reporting	
	(No)	(%)
Not required	30	28.5
Procedural difficulties	28	26.6
Don't know	19	18.0
Not aware	18	17.1
Easily available from private sources	9	8.5
Not available to him	1	0.9
Total	105	99.6

Reasons for not availing the different kinds of loan: The reasons stated by the respondents for not availing the loans given by the government through block agency and Co-operative Societies are furnished in Table 7.

The Rank Correlation Coefficient 'p' between the ranks of two kinds of loan was found to be equal to 0.81

Table 7. Reasons for not availing the loans given by government and Co-operative Societies

Small farmers reporting reasons for not availing

Reasons	Loans given by Govt.		Rank order	Loans given by Co-operative Societies		Rank order	Rank correlation coefficient (P)
	(No.)	(%)		(No.)	(%)		
Want of sufficient solvency	41	39.0	1	21	20.0	2	0.81 Significant at 1% level
Not required	25	23.8	2	36	34.3	1	
Not able to get the assistance	22	20.9	3	20	19.0	3	
Procedural difficulties	20	19.0	4	15	14.3	4	
Not aware	11	10.5	5	10	9.5	5.5	
No one to stand as surety	10	9.5	6	1	0.9	8.5	
Inadequacy of loan for purpose applied for	7	6.7	7	1	0.9	8.5	
Received from other sources	4	3.8	8.5	10	9.5	5.05	
No repaying capacity in case crop fails	4	3.8	8.5	3	2.8	7	

Note: Multiple responses are taken and so the percentage may not add upto 100

to indicate the significant correlation existing between the two types of loans based on the ranks given to the reasons for not availing these loans. There is an agreement in the order of reasons for not availing the loans between the two types.

REFERENCES

- ANONYMOUS 1969. Organizational Frame work for the Implementation of Social objectives, Report of a Study Group of National Credit Council, Bombay, Examiner Press. p 100.