

# A Study on Use of Kisan Credit Card Scheme Among Farmers

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**Abstract:** *Kisan Credit Card scheme, introduced by RBI and NABARD on August 1998, provides a Kisan Credit Card to farmers with short and long term credit loan facility for agricultural and other allied activities for the period depending on the harvesting period of crop. The present research entitled, "A Study on Use of Kisan Credit Card Scheme among Farmers" was conducted to analyze the uses of KCC among farmers in Kanpur Nagar District of Uttar Pradesh. Thus, 20 farmers were selected from each of six villages of two blocks in Kanpur Nagar district. The study reveals that 90% of farmers use Kisan Credit Card, 78.3% farmers use working capital for maintenance of farmers' assets like pumps sets, sprayers, dairy animals etc. and 65% farmers use term loan credit for investment for land development, minor irrigation, purchase of farm equipment and allied agricultural activities.*

**Keywords:** Farmers, Kisan Credit Card, NABARD, RBI, Use

## I. INTRODUCTION

The Kisan Credit Card (KCC) scheme is a multipurpose MasterCard program for Indian farmers, which has arrangements for crop advances, utilization credit, and term credit. The KCC scheme was introduced in 1998 with give a solitary window arrangement of credit to the agrarian area and to guarantee that farmers approach opportune, bother free credit. The program additionally extensively lessens the measure of desk work needed to get to credit. When authorized, the credit card is legitimate for up to three to five years, subject to amendment by banks. The credit furthest reaches of KCC is chosen dependent on the cropping pattern and size of money as suggested by District Level Technical Committee.

## II. OBJECTIVES

1. Socio-economic profile of the farmers.
2. Knowledge and use of the farmers about Kisan Credit Card scheme.

## III. RESEARCH METHODOLOGY

The present study was undertaken during 2020-2021 in the Kalyanpur and Chaubeypur blocks of Kanpur Nagar district. There were six villages were randomly selected from each block for the study purpose. After that, 20 farmers were randomly selected from each of six villages that constitute total of 120 farmers. The statistical tools were used as a percentage, weighted mean, standard deviation, rank order, and correlation coefficient, etc.

## IV. RESULT AND DISCUSSION

**Table 1:** Distribution of farmers according to size of land holding

Land holding	Frequency	Percent
Landless	8	6.7
Up to 2.5 acres (Marginal)	30	25.0
2.5 to 5 acres (Small)	40	33.3
5 acres and above (Large)	42	35.0
<b>Total</b>	<b>120</b>	<b>100.0</b>

Table depicts the distribution of farmers according to size of land holding, 35.0 per cent of farmers were having large land area followed by 33.0 per cent of farmers who had small land area, 25.0 per cent of farmers had marginal land area and 6.7 per cent of farmers were found to be landless in the study area. So, this may be concluded that majority of farmers had large land area.

**Table 2:** Distribution of farmers according to use of Kisan Credit Card Scheme

No.	Statements	Always	Sometimes	Never	Mean Score	SD	Rank
1.	Use of Kisan Credit Card	90.0	10.0	0.0	2.90	2.37	I
2.	Use of 3 activities of Kisan Credit Card <ul style="list-style-type: none"> <li>Regular crop production</li> <li>Animal Husbandry</li> <li>Timber production</li> </ul>	23.3	36.7	40.0	1.83	1.46	XII
3.	Used Kisan Credit Card up to limit of 3-5 years	48.3	30.0	21.7	2.27	1.87	VIII
4.	Kisan Credit Card scheme in fixation of limit 3.00 lac.	63.3	10.0	26.7	2.37	2.00	V
5.	All the finance provide by Kisan Credit Card in crop production	56.7	20.0	23.3	2.33	1.95	VI
6.	Short term loan credit in the farm production	65.0	16.7	18.3	2.47	2.06	III
7.	Use 1 <sup>st</sup> year finance for crops proposed to be grown during the year to insurance premium	63.3	11.7	25.0	2.38	2.01	IV
8.	Use a flexible limit of Rs.10,000 to Rs. 50,000 based on land holding and crops grown including postharvest warehouse storage related to credit needs and other farm expenses, consumption etc.	53.3	18.3	28.3	2.25	1.89	VII
9.	Term loan credit for investment for land development, minor irrigation, purchase of farm equipment and allied agricultural activities	65.0	18.3	16.7	2.48	2.07	II
10.	Use of different types of insurance Kisan Credit Card used <ul style="list-style-type: none"> <li>(a) Death</li> <li>(b) Disability</li> <li>(c) Maximum age entering up to 70 year</li> </ul>	28.3	23.3	48.3	1.80	1.47	XI
11.	The term loan credit repayable within a period of 5 years	43.3	13.3	43.3	2.00	1.69	X
12.	Use of crop insurance scheme- National Agriculture Insurance Scheme under which eligible crop is covered	40.0	26.7	33.3	2.07	1.71	IX
13.	Use ATM cum debit card to enable them to withdrawal	51.7	20.0	28.3	2.23	1.87	VIII
14.	Kisan Credit Card any processing fee, inspection and documentation charges up to 3.0 lakh	43.3	16.7	40.0	2.03	1.71	IX

Table 2 indicates the use of Kisan Credit Card scheme to increase farm economy. 90.0 per cent of farmers always used Kisan Credit Card and 10.0 per cent of farmers were sometimes used this with mean score 2.90, standard deviation 2.37 and rank I. 65.0 per cent of farmers used term loan credit for investment for land development, minor irrigation, purchase of farm equipment and allied agricultural activities, 18.3 per cent of farmers sometimes used it and 16.7 per cent of farmers never used this with mean score 2.48, standard deviation 2.07 and rank II. 65.0 per cent of farmers always used short term loan credit in the farm production, 16.7 per cent of farmers sometimes while 18.3 per cent of farmers never used this with mean score 2.47, standard deviation 2.06 and rank III whereas, 63.3 per cent of farmers always used 1<sup>st</sup> year finance for crops proposed to be grown during the year to insurance premium, 11.7 per cent of farmers sometimes while 25.0 per cent of farmers never used with mean score 2.38, standard deviation 2.01 and rank IV. 63.3 per cent of farmers always used Kisan Credit Card scheme in fixation of limit 3.00 lac, 10.0 per cent of farmers sometimes used this and 26.7 per cent of farmers never used with it mean score 2.37, standard deviation 2.00 and rank V. 56.7 per cent of farmers always used all the finance provided by Kisan Credit Card in crop production, 20.0 per cent of farmers sometimes used it and 23.3 per cent of farmers never used it with mean score 2.33, standard deviation 1.95 and rank VI. 53.3 per cent of farmers used a flexible limit of Rs.10,000 to Rs. 50,000 based on land holding and crops grown including postharvest warehouse storage related to credit needs and other farm expenses, consumption etc., 18.3 per cent of farmers sometimes used it and 28.3 per cent of farmers never used this with mean score 2.25, standard deviation 1.89 and rank VII. 48.3 per cent of farmers always used Kisan Credit Card up to limit of 3-5 years, 30.0 per cent of farmers sometimes and 21.7 per cent of farmers never used this scheme with mean score 2.27, standard deviation 1.87 and rank VIII, whether, 51.7 per cent of respondents always used ATM cum debit card to enable them to withdraw, 20.0 per cent of farmers sometimes used it and 28.3 per cent of farmers never used with mean score 2.23, standard deviation 1.87 and rank VIII. 40.0 per cent of farmers always used crop insurance scheme- National Agriculture Insurance Scheme under which eligible crop is covered, 26.7 per cent of farmers sometimes used and 33.3 per cent of farmers never used this with mean score 2.07, standard deviation 1.71 and rank IX. 43.3 per cent of farmers always used Kisan Credit Card for processing fee, inspection and documentation which charge up to 3.0 lakh, 16.7 per cent of farmers sometimes used this and 40.0 per cent of farmers never used with mean score 2.03, standard deviation 1.71 and rank IX. 43.3 per cent of farmers always used the term loan credit repayable within a period of 5 years, 13.3 per cent of farmers sometimes used and 43.4 per cent of farmers never used with mean score 2.00, standard deviation 1.69 and rank X. 28.3 per cent of farmers always used different types of insurance under Kisan Credit Card, 23.3 per cent of farmers sometimes used and 48.3 per cent of farmers never used it with mean score 1.80, standard deviation 1.47 and rank XI. 23.3 per cent of farmers always used 3 activities of Kisan Credit Card, 36.7 per cent of farmers sometimes used this while 40.0 per cent of farmers never used it with mean score 1.83, standard deviation 1.46 and rank XII. Hence, it may be concluded that decision related to Use of Kisan Credit Card scheme is closely related to role of Kisan Credit Card for enhancing the agriculture production in rural areas.

**Table 3:** Distribution of farmers according to the uses of types of credit provides under KCC schemes

S. No.	Statements	Always	Sometimes	Never	Mean Score	SD	Rank
1.	Crop production	51.7	33.3	15.0	2.37	1.94	III
2.	Post harvesting expense	50.0	28.3	21.7	2.28	1.89	IV
3.	Consumption requirement of farmers household	61.7	25.0	13.3	2.48	2.05	II
4.	Working capital for maintenance of farmers' assets like pumps sets, sprayers, dairy animals etc.	78.3	18.3	3.3	2.75	2.25	I
5.	Allied agriculture activities <ul style="list-style-type: none"> <li>Dairy</li> <li>Inland fisheries</li> <li>Farm machinery</li> </ul>	58.3	35.0	6.7	2.52	2.05	II

Table 3 shows the distribution of respondents according to the use of types of credit provided under Kisan Credit Card scheme, 78.3 per cent of farmers always used the working capital for maintenance of farmers' assets like pumps sets, sprayers, dairy animals etc., 18.3 per cent of farmers sometimes used it while 3.3 per cent of farmers never used with mean score 2.75, standard deviation 2.25 and rank I, followed by 58.3 per cent of farmers who always used Allied agriculture

activities i.e., dairy, inland fisheries, farm machinery, 35.0 per cent of farmers sometimes and 6.7 per cent of farmers never used it with mean score 2.52, standard deviation 2.05 and rank II. 61.7 per cent of farmers always used KCC to fulfil consumption requirement of farmers household, 25.0 per cent of farmers sometimes and 13.3 per cent of farmers never used this with mean score 2.48, standard deviation 2.05 and rank II. 51.7 per cent of farmers always used crop production type of credit under Kisan Credit Card, 33.3 per cent of farmers sometimes and 15.0 per cent of farmers never used this with mean score 2.37, standard deviation 1.94 and rank III. 50.0 per cent of farmers always used post harvesting expense type of credit, 28.3 per cent of farmers sometimes used it and 21.7 per cent of farmers never used it with mean score 2.37, standard deviation 1.94 and rank IV.

From the overall view, it may be concluded that majority of farmers use working capital for maintenance of assets like pump sets, sprayers, and dairy animal's etc.

**Table 4:** Distribution of farmers according to BGB provide loan for Kisan Credit Card holder

SI. No.	Bank	Loan		
		Up to 1 lac	Up to 2 lac	2 lac & above
1.	State Bank of India	36(24)	8(5.3)	2(1.3)
2.	Grameen Bank	44(29.3)	22(14.6)	2(1.3)
3.	Allahabad Bank	16(10.6)	20(13.3)	0

Table reveals the distribution of farmers according to type of banks which provide loan for farming to Kisan Credit Card holder, 29.3 per cent farmers taking loan up to 1 lac from Grameen Bank followed by 24.0 per cent of farmers taking the same amount of loan from State Bank of India while 10.6 per cent of farmers taking the same loan from Allahabad Bank. 14.6 per cent of farmers taking upto 2 lac from Grameen Bank, 13.3 per cent of farmers taking loan up to 2 lac and 5.3 per cent of farmers taking the same loan from State Bank of India. 1.3 per cent of farmers taking loan of 2 lac & above from State bank of India and Grameen Bank respectively.

#### IV. CONCLUSION

The present study was conducted to access the uses of Kisan Credit Card among farmers. The study reveals that the majority of farmers use Kisan Credit Card for term loan credit investment in land development, minor irrigation, purchase of farm equipment and allied agricultural activities, short term loan credit in the farm production, one year finance for crops proposed to be grown during the year to insurance premium and fixation of Kisan Credit Card limit of Rs. 3.00 lac, whereas it is concluded that the majority of farmers were taking loan up to Rs. 1 lac from Grameen bank.

#### V. RECOMMENDATIONS AND SUGGESTIONS

1. The constraint of the loan amount per account ought to be raised to draw in more farmers.
2. The way toward opening a bank account ought to be rearranged to bring more farmers under the scheme
3. There is a need to fortify the agreeable banking framework in the provincial areas by mixing more assets.
4. The government ought to guarantee the opportune accessibility of good quality inputs like seed, compost, plant protection materials by improving marketing infrastructure with the goal that farmers could appropriately use the loan taken under KCC scheme.

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