

AGRICULTURE CREDIT THROUGH CANARA BANK FOR SUSTAINABLE AGRICULTURE DEVELOPMENT: WITH SPECIAL REFERENCE TO SATHENAHALLI VILLAGE, HASSAN DISTRICT

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ABSTRACT:

Institutional agricultural credit plays a crucial role in enabling farmers to adopt modern and sustainable agricultural practices. This study explores the role of Canara Bank in providing agricultural credit in Sathenahalli village, Hassan district, with a focus on credit accessibility, utilization patterns, and its impact on farmers' livelihoods. The findings indicate that most beneficiaries are aged 30–40 years, with a considerable proportion being non-literate. Canara Bank's credit facilities significantly contribute to household income and support the adoption of improved agricultural inputs and practices. The study also reveals that loans are availed for various purposes and utilized across different agricultural activities. Despite these benefits, challenges such as limited awareness of credit schemes, procedural complexities, and insufficient support for small and marginal farmers persist. The study underscores the need to ensure equitable access to credit, strengthen institutional mechanisms, and promote sustainable agricultural development.

Key words: Agriculture, Income, Gender, Education, Loan , Expenditure

INTRODUCTION:

Agricultural credit plays a crucial role in empowering farmers by providing the necessary financial resources to invest in inputs like seeds, fertilizers, equipment, and other essential components that boost productivity. It accounts for 18% of GDP and about two-thirds of the population is dependent on this sector. In India, rural banks and financial institutions have been instrumental in facilitating this credit flow, with Canara Bank being a significant contributor in this space. The National Bank for Agriculture and Rural Development (NABARD) is the apex institution at the national level for agricultural credit and provides refinance assistance to the agencies mentioned above. The Reserve Bank of India as the crucial role in the sphere by giving overall direction to rural credit and financial support to NABARD for its operations. Co-operative Societies, Commercial Banks, Regional Rural Bank, Government agencies and Landlords are also provide credit facilities for agriculture development.

Agriculture is the cornerstone of the Indian economy, holding immense potential for driving national prosperity. A flourishing agricultural sector is essential for the country's overall economic growth, as it not only enhances economic stability but also plays a critical role in poverty alleviation, particularly within rural communities. Given the significant proportion of the Indian population dependent on agriculture, the sector remains a vital contributor to macroeconomic stability and growth. The Indian financial system, particularly through institutions like banks, plays a key role in supporting agricultural development by pooling and mitigating risks for depositors and by providing a stable source of investment and working capital across economic sectors. Agricultural credit is essential in enabling farmers to adopt modern technologies and practices, especially given that many lack sufficient

personal capital to meet production demands. Accessible, timely, and reasonably priced credit is crucial for the widespread adoption of advanced agricultural methods. Farmers' financial needs vary by the duration of their activities, giving rise to distinct categories of credit: short-term loans (or crop loans) to cover seasonal costs, medium-term loans, and long-term loans for investment in durable assets and technology upgrades. Addressing these credit needs appropriately is essential for the sustainable growth of Indian agriculture, supporting its role as a fundamental driver of the country's economic development.

Canara Bank offers various agricultural loans to support farmers and agricultural activities. Here are some key details about their agriculture loan products such as Kisan Credit Card (KCC), Agriculture Term Loan, Investment Credit for Agriculture, Support for Agricultural Marketing, Special Schemes for Farmers such as PM-KISAN Yojana, National Agriculture Market (e-NAM) initiatives and Subsidy-linked loans for specific crops or initiatives.

IMPORTANCE OF THE STUDY:

In developing economies like India, limited financial resources hinder economic growth, making an efficient banking system essential. Banks play a key role by mobilizing deposits, expanding networks, and providing credit to both rural and urban areas. In rural regions, where most people lack savings, offering loans instead of requiring prior savings enables investment in agriculture and related sectors. Such credit boosts productivity, income, and living standards, while also encouraging savings and deposit growth—thereby contributing to overall economic development.

REVIEW OF LITERATURE:

The review of literature highlights the evolving dynamics and persistent challenges of agricultural credit in India. Mohan (2004) emphasized its crucial role in sustaining agricultural growth since the Green Revolution but noted gaps such as inadequate support for small and marginal farmers and limited long-term lending. Sidhu and Gill (2006) stressed the need to expand credit flow, improve accessibility for rural poor, and simplify lending procedures to make institutional credit more inclusive. Alexandrian et al. (2007) examined similar issues in Armenia, emphasizing problems of collateral, land reforms, and high transaction costs in rural credit systems. Sathish (2007) observed that post-reform policies adversely affected agricultural lending and called for liberalized, farmer-friendly credit systems. Ramkumar and Chavan (2007) noted a revival in agricultural credit during the 2000s but found that small farmers benefited the least. Kamalakannan and Namasivayam (2007) and Naidu and Reddy (2007) highlighted the growing role of institutional credit but also pointed to inadequate finance and outdated institutional structures. Overall, while institutional agricultural credit has expanded, its equitable distribution and accessibility remain major concerns requiring focused policy intervention.

RESEARCH GAP:

While several studies have explored the broad trends and policy aspects of agricultural credit in India, there is a notable absence of micro-level research capturing the ground realities of rural credit access in specific contexts like Sathenahalli village, Hassan district. Existing literature primarily addresses national and state-level patterns, neglecting local variations in credit accessibility, utilization, and indebtedness among farmers.

OBJECTIVES OF THE STUDY:

1. To know the socio-economic condition of the study area.
2. To know the credit facilities provided to various agricultural activities.

METHODOLOGY:

The paper has been developed on the basis of both primary and secondary data. The primary data collected from Sathenahalli village through personal survey by questionnaire. Similarly the secondary data has been collected through research journal, reference books, reports, thesis and internet sources. The analysis of primary data by percentage method and table analysis.

GEOGRAPHICAL INFORMATION ABOUT THE STUDY AREA :

Hassan district is a very famous district tourist place in Karnataka state. This district is surround by Chikkamagalur district to the north west, Chitra Durga district to the north, Tumakur district to the east, Mandya district to the southeast, Mysore district to the south, Kodagu district to the southwest and Dakshinakannada district to the west, lying between 12 degree 13 and 13 degree 33 north latitudes and 75 degree 33 and 76-degree 38 east latitude. Hassan district has area of 6,845 km² place in largest district in Karnataka, it divided into 8 taluks in Hassan, Channarayapattana, Alur, Belur, Arasikere, Holenarasipura, Sakaleshpura and Arakalgud. It had 38 Hobalies and 2,368 villages.

Sathenahalli is small village in Hassan district of India. Sathenahalli lies on the Mysore-Arasikere highway. It comes under Channarayapattana taluk of Hassan district in Karnataka state, India. The Sathenahalli village has population of 650 of which 334 are males while 316 are females as per Population Census 2011.

Data Analysis and Interpretation : Special reference to Sathenahalli village

Table 1.1 Gender of Respondents

Gender	No. of Respondents	Percentage %
Male	25	50
Female	25	50
Total	50	100

Source: Primary data

The data in the table indicates an equal distribution of gender among respondents, with 50% identifying as female and 50% as male, reflecting a balanced sample achieved through random selection.

Table: 1.2 Age of Respondents

Age	No. of respondents	Percentage %
30-40	15	30
41-50	26	52
51-60	08	16
Above 60	01	02
Total	50	100

Source: Primary data

The table presents the age distribution of respondents in the study. Among the 50 respondents, 30% are between the ages of 30-40, 52% are aged 41-50, 16% are between 51-

60, and the remainder are over 60. The findings indicate that respondents in the 41-50 age group form the largest proportion, followed by those in the 30-40 age group.

Table 1.3 Education Status of the Respondents

Particulars	No. of the respondents	Percentage
Non-literate	24	48
School	18	36
College	8	16
Total	50	100

Source: Primary data

The data indicates the educational status of 50 respondents. Among them 48% of the respondents are non-literate, 36% possess school-level education, and 16% have attained college education, indicating a predominance of low educational attainment within the sample population.

Table: 1.4 Income of the respondents

Source	Total Income	Percentage
Agriculture	11810000	63.77
Non-agriculture	6710000	36.23
Total	18520000	100

Source: Primary data

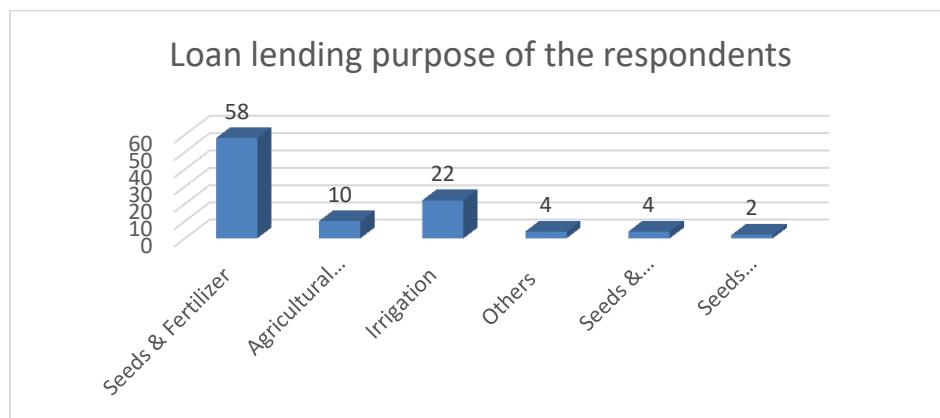
The above table explain , income of the respondents. Out of the 50 respondents, 63.77% of the respondent's income received from the agricultural sources, remaing 36.23% of the respondent's income received from the non-agricultural source.

Table 1.5 Loan lending purpose for the Respondents

Particulars	No. of respondents	Percentage
Seeds & Fertilizer	29	58
Agricultural equipment	5	10
Irrigation	11	22
Others	2	4
Seeds & Fertilizer+ irrigation	2	4
Seeds &fertilizer+ others	1	2
Total	50	100

Source: Primary data

Fig: 1.5



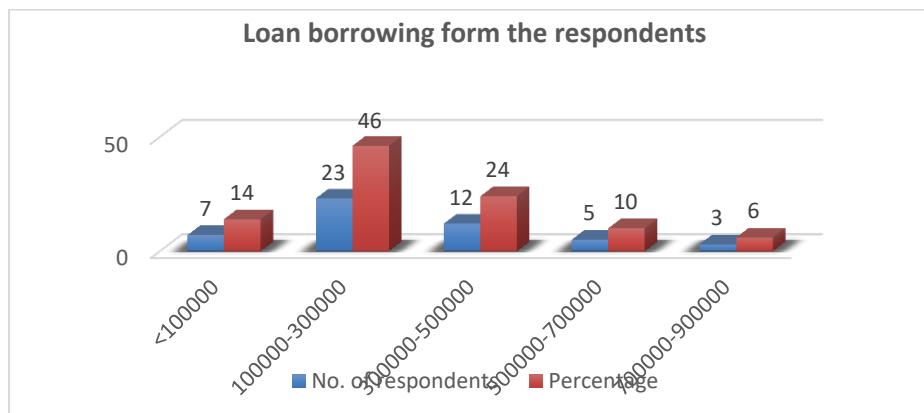
The table details the purposes for which respondents utilized their loans. Among the 50 respondents, 58% used the loan for purchasing seeds and fertilizers, 10% used it for agricultural equipment, 22% directed it towards irrigation needs, 4% used it for both seeds, fertilizers, and irrigation, 2% used it for a combination of seeds, fertilizers, and other needs and 4% allocated the loan to other purposes, such as housing or vehicle loans. The data indicates that the majority of respondents primarily used their loans for seeds and fertilizers.

Table 1.6 Loan borrowing form the respondents

Loan amount Received	No. of respondents	Percentage
<100000	07	14
100000-300000	23	46
300000-500000	12	24
500000-700000	05	10
700000-900000	03	6
Total	50	100

Source: Primary data

Fig: 1.6



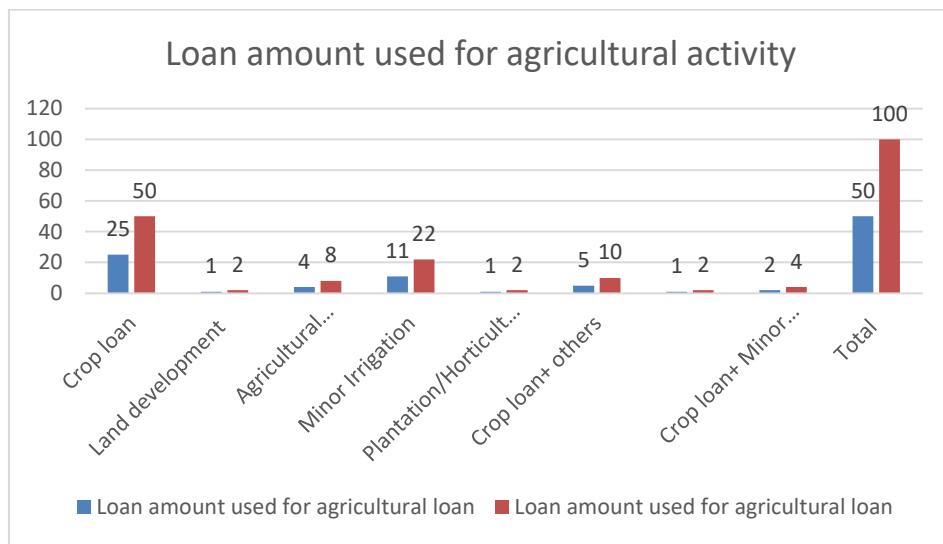
The table presents the distribution of loan amounts borrowed by the respondents. Among the 50 respondents, 14% borrowed less than ₹100,000, 46% borrowed between ₹100,000 and ₹300,000, 24% borrowed between ₹300,000 and ₹500,000, 10% borrowed between ₹500,000 and ₹700,000, and the remaining respondents borrowed between ₹700,000 and ₹900,000. This distribution highlights that the majority of respondents borrowed loan amounts ranging from ₹100,000 to ₹300,000.

Table: 1.7 Loan amount used for an agricultural activity

Particulars	No. of respondents	Percentage
Crop loan	25	50
Land development	01	02
Agricultural equipment	04	08
Minor Irrigation	11	22
Plantation/Horticulture	01	02
Crop loan+ others	05	10
Agricultural equipment+ others	01	02
Crop loan+ Minor Irrigation	02	04
Total	50	100

Source: Primary data

Fig:1.7



From the above table shows that loan amount used for agricultural activities. Out of the 50 respondents 50% of the respondents used for cropping, 22% of the respondents used for minor irrigation loan, 10% of the respondents are used both crop loan and other loan, 2% of the respondents are used both agricultural equipment loan and other loan, 4% of the respondents are used both crop loan and minor irrigation loan, rest of them used for land development loan, agricultural equipment loan, plantation / horticulture loan and other loans like house loan vehicles loan education loans etc.,

FINDINGS:

1. The study found that the number of 30-40 years old respondents is higher than the those in other age categories.
2. The study found that 48% of respondents were non- literate comparing to the school and college education.
3. The study found that respondents receive 63.77% of major income source from agriculture sector
4. The study found that the majority of the people used the loan amount for seeds and fertilizer purpose comparing other activities like Irrigation Agricultural equipment, Land development etc.,
5. The study found that 46% of the respondents take 100000-300000 loan amount for agricultural activities and allied activities. Along with some house loan and vehicle loan also lending by the respondents.
6. The study found that the 50% of the respondents are borrowing the crop loan comparing the Agricultural equipment loan, Minor irrigation loan, Land development loan etc.,
7. The study found that the 52% of the respondents are not yet take the loan for Agricultural allied activities.

SUGGESTION:

To further improve the agriculture credit initiative implemented by Canara Bank in Sathenahalli village, few recommendations can be considered. Such as,

1. The study points out the non-availability of proper guidance by the bank for loan. Hence the bank must evolve a method to provide guidance to the borrowers regarding utilization of the loan and give information about agricultural loan and allied activities loan.
2. The study points out there is no any subsides for loan amount. Hence the bank give subsides for the loan, it helps to borrowers for increasing their activities.
3. The agricultural loan and allied activities interest rates are very high. Hence the bank reduces the interest rates and encourage agriculture and agriculture allied activities.
4. Borrowers faced difficulties to getting the loan the banks check the problems and find the solution for the problems, it helps to peoples to take adequate loan.

CONCLUSION:

The case study of Sathenahalli highlights the significant role of Canara Bank's agricultural credit in strengthening the rural economy and improving farmers' livelihoods. Access to timely and adequate credit has enabled farmers to adopt better agricultural practices, increase productivity, and achieve greater income stability. The initiative not only promotes sustainable agricultural development but also contributes to reducing rural disparities and fostering inclusive growth. Overall, Canara Bank's credit schemes serve as an effective model for enhancing rural financial support and empowering farming communities in India.

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