A Theoretical Concept of Agricultural Credit and the Awareness Level among Agricultural Entrepreneurs

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Abstract- The aim of the paper is to make the agricultural entrepreneurs aware of the scheme (Agricultural loan – Credit) available for them, because Credit is needed in every type of business and agriculture is no exception. The need for agriculture credit becomes more important when it moves from traditional agriculture to modern agriculture. Agricultural labour is often under-employed. Production suffers from weather risks. The capacity of farmers to save and invest is very low. The agricultural productivity is low due to low use of inputs. The farmers therefore, need credit to increase productivity and efficiency in agriculture. This need is increasing over the years with the rise in use of fertilizers, mechanization and rise in prices.

Index terms- Credit, Agricultural, Productivity, Fertilizer, Entrepreneurs

INTRODUCTION

Agriculture is the backbone of Indian economy. It is a very important source of GDP of Indian population. Most of the population in India depends on agricultural earnings for livelihood. It is a main sector of the Indian economy from the viewpoint of poverty alleviation and employment generation. Agricultural entrepreneurs are the most important in the country because; GDP and the wealth of the nation would be increased only by them in cultivating agricultural products. But, they are struggling in arranging finance for the purpose of cultivation due to lack of awareness of the options available. In connection to this background, the attempted has been done to analyze the usage of agricultural credit among the agricultural entrepreneurs in the present study.

OBJECTIVES OF THE STUDY

- To know the need of agricultural credit
- To identify the needed awareness camps for agricultural entrepreneurs

NEED OF AGRICULTURAL CREDIT

Purchase of new inputs
The farmers need money for the purchase of new inputs which contains seeds, fertilizers, pesticides, irrigation water etc. If the seed of high yielding variety and other modern inputs are made available to the farmers they can boost productivity not only of land but also of labour.

Purchase of implements
Credit is necessary to the farmers for purchasing of tractors, threshers, harvesters, water pumping sets etc. The utilization of appropriate machinery in land will raise production by increasing more than one crop on the same piece of land at the same time.

Better management of risk
Credit makes the farmers to control the risks of uncertainties of price, weather etc., they can borrow money during raining days and pay back the loans during peak years of crops.

Permanent improvement in land
Credit also helps the farmers to make permanent improvements in land like sinking of wells, land reclamation, horticulture, rotation of crops etc.

Facing crises
The credit is needed by the farmers to meet out the financial crisis. The crisis is able to be caused by failure of crop, draught of floods.
Most of the farmers do not know the full gist on agricultural credit due to lack of platforms to learn. Hence there is a need of awareness camps to make the agricultural entrepreneurs aware of the scheme available for them. The camp could be conducted by government or NGO or by any other financial and non-financial institutions in the following areas,

- Sources of Agriculture Credit
- Non-Institutional
- Institutional
- Types of credits available
- Interest rate & terms
- Effective utilization of agricultural credit
- Methods of farming

**FINDING OF THE STUDY**

The study has been conducted and found that the agricultural entrepreneurs are not aware of the loans and schemes available for them.

**RECOMMENDATION**

- Banks/government can conduct camps for agricultural entrepreneurs to make them aware of loans and schemes
- Technical training programs have to be given to the potential entrepreneurs for converting them technically competed
- Need to establish a developmental fund to support the start-up process
- Entrepreneurial education and training should be provided

**CONCLUSION**

Agricultural credit plays a vital role of agricultural production but the awareness among the agricultural entrepreneurs is very well and needed to conduct awareness camps for them in order to let them know various loan options available. Through which they can get in to know about the details of loans and the terms and conditions to be followed.

**REFERENCES**


