

Original Research Article

Impact of Kisan Credit Card Scheme on farmers in Kannauj district of Uttar Pradesh, India

Abstract

*Capital is the most important input in any sector in any country, and agriculture is no exception. The agricultural sector's performance and productivity are determined by the availability of capital for farming activities. As a result, the agriculture sector requires support or credit in order to grow and survive. Agriculture credit is desperately needed to improve the agricultural sector's performance and production. Before financial reforms, the main source of agriculture credit was non-institutional sources i.e. Sahukars, Mahajanas, Moneylenders etc. and they were providing credit facility to farmer households at very high interest rates. The study was carried out in purposively selected district of Kannauj, Uttar Pradesh. The present study has made an attempt to study as the Kisan Credit Card Scheme is being implemented in the district as well as the researcher is well acquainted with the area. 158 beneficiaries and 158 non-beneficiaries were selected randomly for the current study. The main objective of present study is to investigate the challenges and issues in the adoption of Kisan credit card scheme by farmer households and how much this scheme succeed in resolving the previous issues and challenges. Credit availability for agricultural activities is the crucial input for improving the performance and productivity of the agriculture sector. The research aims to find out the sources of finance before and after the adoption of KCC Scheme opted by farmer households for availing the credit to fulfill the capital requirement of agriculture and allied activities. The analysis demonstrates a considerable favorable change in recipients' preferred source of credit following the implementation of the KCC scheme. Following the implementation of the KCC Scheme, the beneficiaries' credit sources moved from non-institutional to institutional. The Kisan Credit Card schemes revolutionized rural financing in India. This study will be extremely useful in determining the best way to distribute the KCC plan. **Keywords:** KCC, Agricultural credit, adoption*

Introduction

“Agriculture sector plays a very important role in the development of Indian economy. It is first priority of the government to work towards improving the performance and productivity of the agriculture sector. The financial reforms held in 1991 changed the scenario of the agriculture credit and these reforms gave birth to institutional sources for providing credit facilities to agriculture sector”. [13]

“The various agencies like RBI and NABARD were came forward for taking policy initiatives in regard to providing credit facilities to farmers, to meet their capital requirements. On the recommendation of RBI, NABARD and other agencies, the Kisan Credit Card Scheme was launched with an objective of strengthening the credit delivery mechanism. The KCC Scheme was introduced to enable the farmers to meet their production credit requirements in a timely and hassle-free manner. It is an innovative credit delivery mechanism to farmer households. The KCC guidelines have gone through several changes since then. The guidelines revised in 2019 has incorporated many new features over and above the financing of crop production requirement, consumption expenditure, maintenance of farm assets, term loan for agriculture and allied activities, coverage of KCC holders under Personal Accident Insurance Scheme, coverage of KCC holders under Atal Pension Yojana, viz., extension of Kisan Credit Card Scheme for working capital requirement of Fisheries and Animal Husbandry farmers, recently the coverage of KCC to beneficiaries of the PM-Kisan Samman Nidhi Yojana etc”. [13]

The availability of the risk free and assured loan through KCC scheme enables the farmers to plan for taking up diversification towards commercial crops. The commercial crops are capital intensive and also involve longer duration for realization of returns. The availability of adequate amount of credit and in proper time enables the farmers to take up cultivation of commercial crops. The diversification of cropping pattern is expected to have a positive impact on the cropping intensity. It was observed that the beneficiaries farmers have recorded a higher cropping intensity of 223.11 per cent as against the non-beneficiaries farmers, who have recorded cropping intensity of only 206.6 per cent on an average basis. It is also observed that the beneficiary farmers have allocated more area for the commercial crops like Sugarcane and banana which are a 10 months crop in the area. Hence, it is necessary to Impact of Kisan Credit Card scheme in Kannauj district of Uttar Pradesh, Uttar Pradesh with the following objective.

- To know the impact of KCC scheme on the beneficiaries and non-beneficiaries.

Methodology

The study was conducted in purposively selected district of Kannauj, Uttar Pradesh. Two blocks namely Chhibramau and Gugrapur were selected for the selection of respondents. Ten village panchayats were selected from each selected block. Five village panchayats were selected from each selected block. The total size of 158 beneficiaries and 158 non-beneficiaries farmers were selected blocks through random sampling.

Results And Discussion

Table: 1
Socio-economic status of beneficiaries and non-beneficiaries of Kisan credit Card scheme in Kannauj district

S.No.	Categories	Beneficiaries		Non-Beneficiaries	
		Frequency	Percentage	Frequency	Percentage
Age wise distribution of the respondents					
1.	Young (Up to 35)	44	27.85	25	15.82
2.	Middle (36 to 55)	76	48.10	87	55.06
3.	Old (Above 55)	38	24.05	46	29.12
	Total	158	100.00	158	100.00
Gender of the respondents					
1.	Male	116	73.41	122	77.21
2.	Female	42	26.59	36	22.79
	Total	158	100.00	158	100.00
Marital status of the respondents					
1.	Married	108	68.35	120	75.94
2.	Unmarried	42	26.58	27	17.08
3.	Divorced	0	0.00	2	1.26
4.	Widowed	8	5.06	9	5.69
	Total	158	100.00	158	100.00

Education wise distribution of the respondents					
1.	Illiterate	19	12.02	38	24.05
2.	literate (Can read and write)	15	9.49	25	15.82
3.	Primary	21	13.29	28	17.72
4.	Junior High School	32	20.25	21	13.29
5.	High School	35	22.16	20	12.66
6.	Intermediate	24	15.19	19	12.03
7.	Graduate and above	12	7.60	7	4.43
	Total	158	100.00	158	100.00
Caste wise distribution of the respondents					
1.	General Caste	31	19.63	28	17.72
2.	Other Backward Caste (OBC)	121	76.58	117	74.05
3.	Scheduled Caste (SC/ST)	6	3.79	13	8.23
	Total	158	100.00	158	100.00
Type of family wise distribution of the respondents					
1.	Nuclear	96	61.00	115	72.79
2.	Joint	62	39.00	43	27.21
	Total	158	100.00	158	100.00
Size of family wise distribution of the respondents					
1.	Small (Up to 4 members)	72	45.57	68	43.04
2.	Medium (5 to 8 members)	55	34.81	48	30.38
3.	Large (Above 8 members)	31	19.62	42	26.58
	Total	158	100.00	158	100.00
Farming experience wise distribution of the respondents					
1.	Up to 10 years	26	16.45	28	17.74
2.	11 to 20 years	61	38.60	48	30.37
3.	Above 20 years	71	44.95	82	51.89
	Total	158	100.00	158	100.00
Occupation wise distribution of the respondents					
1.	Farming only	114	72.15	118	74.68
2.	Farming + Business	18	11.39	25	15.82
3.	Farming + Caste occupation	24	15.18	12	7.59
4.	Farming + Service	2	1.28	3	1.81
	Total	158	100.00	158	100.00

Land holding wise distribution of the respondents					
1.	Up to 1 ha. (Marginal)	65	41.14	95	60.12
2.	1 – 2 ha. (Small)	68	43.04	44	27.85
3.	Large (Above 2 ha.)	25	15.82	19	12.03
	Total	158	100.00	158	100.00
Annual income wise distribution of the respondents					
1.	Low (up to Rs. 75,000)	57	36.08	89	56.33
2.	Medium (Rs. 75,001 to 1,50,000)	56	35.44	52	32.91
3.	Large (above Rs. 1,50,001)	45	28.48	17	10.76
	Total	158	100.00	158	100.00
Overall Mass Media utility of the respondents					
1.	Low	46	29.12	33	20.88
2.	Medium	63	39.87	55	34.82
3.	High	49	31.01	70	44.30
	Total	158	100.00	158	100.00
Risk Orientation of the respondents					
1.	Low	12	7.59	42	26.58
2.	Medium	118	74.68	97	61.39
3.	High	28	17.73	19	12.03
	Total	158	100.00	158	100.00
Scientific Orientation of the respondents					
1.	Low	21	13.29	61	38.60
2.	Medium	97	61.39	89	56.33
3.	High	40	25.32	08	5.07
	Total	158	100.00	158	100.00
Economic Motivation of the respondents					
1.	Low	27	17.09	55	34.81
2.	Medium	85	53.80	78	49.37
3.	High	46	29.11	25	15.82
	Total	158	100.00	158	100.00

Age wise distribution of the respondents

Found that 27.85 per cent beneficiaries were in young age group followed by 48.10 per cent middle age group beneficiaries while 24.05 per cent beneficiaries were in old age group. In non-beneficiaries group, 15.82 per cent were also in middle age group where as 55.06 per cent non beneficiaries were in young age group. 29.12 per cent non beneficiaries were in old age group. This shows that farmers from every type of age group are participating in Kisan credit card scheme (KCC) programme.

Gender of the respondents

Found that 73.41 per cent beneficiaries of the selected area were males while 26.59 per cent beneficiaries were female farmers. In case of non-beneficiaries, 77.21 per cent non beneficiaries of the selected area were males while 22.79 per cent non beneficiaries were female farmers. This shows that farmers from every type of age group are participating in Kisan Credit Card scheme of the government.

Marital status of the respondents

Found that majority of 68.35 per cent beneficiaries of Kisan credit card scheme were married, 26.58 per cent beneficiaries were unmarried while 5.06 per cent were widowed. In non-beneficiaries, 75.94 per cent were married, 17.08 per cent were unmarried, 1.26 per cent was divorced whereas 5.69 per cent non beneficiaries of Kisan credit card scheme were widowed.

Education wise distribution of the respondents

Found that still the majority of farmers are not able to attain high level of education. As such 12.02 per cent beneficiaries and 24.05 per cent non beneficiaries were completely illiterate while 9.49 per cent beneficiaries and 15.82 per cent non beneficiaries were also illiterate but they can read and write. 13.29 per cent beneficiaries and 17.72 per cent non beneficiaries were primary school passed. 20.25 per cent beneficiaries and 13.29 per cent non beneficiaries were Junior High School and 22.16 per cent beneficiaries and 12.66 per cent non beneficiaries were High School where as 15.19 per cent beneficiaries and 12.03 per cent non beneficiaries having education up to Intermediate level. The beneficiaries and non-beneficiaries got qualifications up to graduate and above level were 7.60 and 4.43 per cent, respectively. It can be derived from the above data that maximum numbers of farmers belong to poor educational background but they are improving their educational status in the study area. Similar findings is also observed by **Mehta and Trivedi (2016)**.

Caste wise distribution of the respondents

Found that 19.63 per cent beneficiaries were from general caste group where as 76.58 per cent beneficiaries were from backward caste group and 3.79 per cent from schedule caste group. In non-beneficiaries group, 17.72 per cent were from general caste group while 74.05 per cent non beneficiaries from backward caste group. 8.23 per cent were from schedule caste group. This clearly indicates that majority of farmers were from backward caste group.

Type of family wise distribution of the respondents

Found that most of the beneficiaries (39.00 per cent) were in joint family system followed by nuclear family group with 61.00 per cent beneficiaries respectively. In non-beneficiaries, 72.79 per cent beneficiaries were in joint family system followed by nuclear family group with 27.21 per cent beneficiaries. Thus, it can be concluded that in study area, most of the farmer were found to joint family group followed by nuclear family group. Now a day's, nuclear family type have started dominating joint family types in rural areas due to fragmentation of farm land, communication gap, high cost of family expenditure, student education, change in society etc.

Size of family wise distribution of the respondents

Found that 45.57 per cent of the beneficiaries possessed the small family of up to 4 members whereas 34.81 per cent beneficiaries were having the medium size family of 5 to 8 members while 19.62 per cent beneficiaries were having large family of above 8 members. In non-beneficiaries, 43.04 per cent possessed the small family of up to 4 members whereas

30.38 per cent non beneficiaries were having the medium size family of 5 to 8 members while 26.58 per cent non beneficiaries were having large family of above 8 members.

Farming experience wise distribution of the respondents

Found that 45.57 per cent of the beneficiaries had farming experience of up to 10 years while 38.60 per cent of the beneficiaries had farming experience of 11 to 20 years whereas 44.95 per cent beneficiaries had farming experience of above 20 years. In non-beneficiaries, 17.74 per cent of the non-beneficiaries had farming experience of up to 10 years while 30.37 per cent had farming experience of 11 to 20 years whereas 51.89 per cent non beneficiaries had farming experience of above 20 years.

Occupation wise distribution of the respondents

Found that a majority of 72.15 per cent beneficiaries of Kisan credit card scheme were having farming as their main occupation whereas 11.39 per cent beneficiaries were having farming + business as their occupation. A minimum of 1.28 per cent beneficiaries were having occupation of farming + service and 15.18 per cent beneficiaries of were having occupation of farming + caste occupation as their main occupation. In non-beneficiaries, majority of 74.68 per cent non-beneficiaries of Kisan credit card scheme were having farming as their main occupation whereas 15.82 per cent were having farming + business service as their occupation. A minimum of 1.81 per cent non beneficiaries were having occupation of farming + service and 15.82 per cent non beneficiaries of were having occupation of farming + business as their main occupation in the study area. Similar findings is also observed by **Mehta and Trivedi (2016)**.

Land holding wise distribution of the respondents

Found that 43.04 per cent beneficiaries were marginal farmers where as 41.04 per cent beneficiaries were small farmers while 15.82 per cent beneficiaries were from belongs to large farmers group. In non-beneficiaries group, 60.13 per cent were marginal farmers where as 27.85 per cent were small farmers while 12.03 per cent non beneficiaries were from belongs to large farmers group.

Annual income wise distribution of the respondents

Found that 36.08 per cent beneficiaries and 56.33 non beneficiaries were in annual income group of up to Rs.75000/-. 35.44 per cent beneficiaries and 32.91 non beneficiaries were in annual income group of Rs. 75001 to 1,50,000. 20.48 per cent beneficiaries and 10.76 per cent non beneficiaries were in monthly income group of above Rs.1,50,0001. Thus, the table reveals that the majority of beneficiaries and non-beneficiaries enjoyed better remunerations, resulting in their higher status in the families as well. Similar findings is also observed by **Rajmohan and Subha (2014)**.

Overall Mass Media utility of the respondents

Found that 29.12 per cent beneficiaries had low participation in mass media utility whereas 39.87 per cent beneficiaries had medium participation in mass media utility while 31.01 per cent had high participation in mass media utility. In non-beneficiaries category, 20.88 per cent were in low participation in mass media utility category where as 34.82 per cent non-beneficiaries were in medium participation in mass media utility category while 44.30 per cent were in high participation in mass media utility category.

Risk Orientation of the respondents

Found that 74.68 per cent beneficiaries had medium risk orientation where as 17.73 per cent working women had high risk orientation while 7.59 per cent had low risk

orientation. In non-beneficiaries category, 26.58 per cent were in low risk orientation category where as 61.39 per cent non-beneficiaries were in medium risk orientation category while 12.03 per cent were in high risk orientation category.

Scientific Orientation of the respondents

Found that 13.29 per cent beneficiaries had low scientific orientation where as 61.39 per cent beneficiaries had medium scientific orientation while 25.32 per cent had high scientific orientation. In non-beneficiaries category, 38.60 per cent were in low scientific orientation category where as 56.33 per cent non-beneficiaries were in medium scientific orientation category while 5.07 per cent were in high scientific orientation category.

Economic Motivation of the respondents

Found that 17.09 per cent beneficiaries had low economic motivation where as 53.80 per cent beneficiaries had medium economic motivation while 29.11 per cent had high economic motivation. In non-beneficiaries category, 34.81 per cent were in low economic motivation category where as 49.37 per cent non-beneficiaries were in medium economic motivation category while 15.82 per cent were in high economic motivation category.

Comparison between beneficiaries and non-beneficiaries as regards their knowledge regarding KCC scheme

Hypothesis

There is no difference between the beneficiaries and non-beneficiaries as regards to their knowledge regarding KCC scheme.

Table: 2
Mean, S.D. and t-value as regards to their knowledge regarding KCC scheme technology between beneficiaries and non-beneficiaries

S.N.	Category of respondents	Mean	S.D.	t-value
1.	Beneficiary farmers	0.72	0.309	8.588**
2.	Non-beneficiary farmers	0.27	0.196	

**significant at 0.01 probability level

The calculated t value as regards to their knowledge regarding KCC scheme between beneficiaries and non-beneficiaries was 8.588 which were found to be significant at 0.01 probability level. Thus the null hypothesis that there is no difference between the beneficiaries and non-beneficiaries as regards to their knowledge regarding KCC scheme is rejected. Hence it can be concluded that there is significant difference between level of knowledge of beneficiaries and non-beneficiaries regarding KCC scheme. The finding is supported by **Gupta (2015)**.

Hypothesis

There is no difference between the beneficiaries and non-beneficiaries as regards to their adoption level of KCC scheme.

Table: 3
Mean, S.D. and t-value as regards to adoption level of KCC scheme between beneficiaries and non-beneficiaries

S.N.	Category of respondents	Mean	S.D.	t-value
1.	Beneficiary farmers	10.87	1.963	19.269**
2.	Non-beneficiary farmers	3.34	1.994	

**significant at 0.01 probability level

The calculated t value as regards to their adoption level of KCC scheme between beneficiaries and non-beneficiaries was 19.269 which were found to be significant at 0.01 probability level. Thus the null hypothesis that there is no difference between the beneficiaries and non-beneficiaries as regards to their adoption level of KCC scheme is

rejected. Hence it can be concluded that there is significant difference between adoption level of beneficiaries and non-beneficiaries of KCC scheme. The finding is supported by Gupta (2015)

Table: 4
Impact of Kisan credit cards (KCC) programme of the respondents

S.N.	Indicators	Mean Score		Standard deviation of mean	Z- value
		Beneficiaries	Non- Beneficiaries		
1.	Knowledge	58.03	19.59	18.23	2.11*
2.	Attitude	30.53	12.17	7.83	2.34*
3.	Adoption	52.54	14.52	18.41	2.06*
4.	Annual income	4.31	0.89	1.47	2.32*
5.	Productivity of selected Crop	16.5	11.75	2.03	2.33*

*Significant at 0.05 level of probability

NS Non significant

The data presented in table reveal that the 'Z' values were comparing knowledge (2.11), attitude (2.34), adoption (2.06), annual income (2.32) and productivity of selected crops (2.33) indicating significant difference in between beneficiary and non-beneficiary farmers. The non-significant difference was observed only in the area under selected crops (0.31) among beneficiary and non-beneficiary farmers. The data revealed that the 'Z' values were comparing knowledge, attitude, adoption, annual income and productivity of wheat and maize crops indicating highly significant difference in between beneficiary and non-beneficiary farmers. The probable reason for above findings might be their close contact with scientists of Krishi Vigyan Kendra's during the programme period, which may have motivated them to avail the benefits of crop technology and Kisan credit cards (KCC) programme.

Conclusions

Kisan Credit Card (KCC) is very useful scheme for rural development because these scheme as the only medium of short-term credit for agriculture. By analyze the financial aid provided by the commercial banks through Kisan credit card scheme is increased but due to the loans provided by District Central Co-operative bank is less according to the needs of farmers as the farmers are not getting the right advantages. The data revealed that knowledge, attitude, adoption, annual income and productivity indicated highly significant difference in between beneficiary and non-beneficiary farmers. The probable reason for above findings might be close contact of beneficiaries with the bank officials, which may have motivated them to avail the benefits of Kisan credit cards (KCC) programme.

Comparison of knowledge, attitude, adoption, annual income and productivity of wheat and maize crops clearly indicated highly significant difference between beneficiaries and non-beneficiaries farmers. The probable reason for above findings might be their close contact with scientists of KVKs during the programme period, which may have motivated them to avail the benefits of crop technology and Kisan credit cards (KCC) programme.

Thus the farmers of Kannauj district of Uttar Pradesh have lack of awareness due to which the operation is not proceeding well and the banks are not able to complete their aims. So this scheme should be campaign well under rural areas for the right advantages of farmers so that the development of agriculture and farming should be improved well. At the last we can say that government time to time monitoring the policy and especially promote to rural area.

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