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Role of Cooperative Banks in the Development Of Agriculture Sector in Tamilnadu

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ABSTRACT

Agriculture situation in Tamilnadu has witnessed quick transformation since the center of 1960's. During this method, farmers became a lot of capital intensive. So, their dependence on credit has accrued for meeting their agricultural necessities. In Tamilnadu, Cooperative banks play a major role within the development of agriculture sector. Tamilnadu state has a federal structure of Cooperative Banks having State Cooperative Agricultural Development Bank (SCBs) as associate degree apex establishment with district central Co-operative banks (DCCBs) at district level and first agriculture credit societies (PACs). During this study, an effort has been created to examined the role of Cooperative banks in agriculture credit from 2012-2013 to 2017-18 in Republic of India and notably in Tamilnadu. Thus, this study examined the organization, trend and pattern of agriculture credit and challenges featured by Cooperative banking establishment in Tamilnadu. It will be over that the performance of Cooperative Banks with reference to agriculture credit in Tamilnadu has deteriorated. There is imperative ought to open new cooperative bank branches in geographical region and supply all monetary facilities at low value. Thus, Government ought to have the first responsibility to open new cooperative banks branches and to guarantee that its voters have simple access to cooperative credit.

Keywords: Agriculture Credit, Co-operative Banks and KCC etc.

1. INTRODUCTION

Agriculture is backbone of Indian economy. It's a crucial supply of GDP and main keep of Indian population. Concerning two third of total population directly earns its keep from agriculture. Agriculture sector is most significant sector of the Indian economy from the attitude of economic condition alleviation and employment generation. However nowadays agriculture sector is facing several issues like credit, irrigation, HYVs, selling of crops and different capital equipments etc. Agriculture credit plays a big role in ushering of this fertilizer-irrigation-mechanization based mostly breakthrough in Asian country notably in Tamilnadu. Credit helps in creating investment in irrigation, land developments, buying machinery and sensible quality of seeds, fertilizers and pesticides, infrastructure facilities and for meeting the capital desires of farmers that has paid wealthy harvests to the farmers. Usually agriculture credit has two sources: a) non- institutional and b) institutional sources. Institutional sources of credit in Asian country comprised of

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Cooperatives Banks, Regional Rural Banks and commercial Banks. The role of credit in agricultural economy is crucial and it helps in enhancing productivity and promoting customary of living of the farmers. In India, the co-operative banking sector plays a crucial role in providing credit to agriculture sector. During this study, a trial has been created to examined the role of Cooperative banks in agriculture credit from 2012-2013 to 2017-18 in Asian country and notably in Tamilnadu. Thus, this study examined the organisation, trend and pattern of agriculture credit and challenges Janus-faced by Cooperative banking establishment in Tamilnadu.

Agriculture situation in Tamilnadu has witnessed quick transformation since the center of 1960's. During this method, farmers became a lot of capital intensive. Therefore, their dependence on credit has raised for meeting their agricultural needs. In Tamilnadu, Cooperative banks play a big role within the development of agriculture sector. Tamilnadu state has a federal structure of Cooperative Banks having State Cooperative Agricultural Development Bank (SCBs) as associate degree apex establishment with district central Co-operative banks (DCCBs) at district level and primary agriculture credit societies (PACs). The essential objective of the bank was to eliminate exploitations of the farmers by the money-lenders, by providing the farmers loans at cheaper rates of interest, due at straightforward installments. when the revolution, Cooperative Banks have additional vie its role for the diversification of agriculture loan by providing loans to the farmers for the varied allied agricultural activities like Daily, Poultry and piscary etc. Cooperative Banks have played a really vital role in unveiling White and Blue Revolutions within the state.

2. OBJECTIVES OF THE STUDY

- To study the expansion and performance of Cooperative Banks in regard to agriculture credit in India and with explicit regard to Tamilnadu.
- To study the KCC Issued and Loan sanctioned on KCC by the Cooperative Banks in India and Tamilnadu.

3. RESEARCH METHODOLOGY

The present study relies on secondary data. The required data has been collected from annual reports of NAFSCOB, statistical Abstract of Tamilnadu and coated the period of 2012-13 to 2017-18.

4. RESULTS AND DISCUSSIONS

PRIMARY CO-OPERATIVE AGRICULTURAL CREDIT SOCIETIES (PACS)

A Cooperative agricultural credit society may be started with ten or a lot of persons usually happiness to a village or a gaggle of villages. The members have unlimited liability, thus every member is totally accountable for the complete loss of the

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society within the event of failure. Loans area unit given for brief amount, usually for the harvest season, for carrying on agricultural operation, and therefore the rate of interest is fastened. the first agricultural credit society was expected to draw in deposits from among the members and non-members of the village and therefore promote saving and aid. It provides loans and advances to poverty-stricken members primarily out of those deposits. At the tip of year 2018, there area unit 92944 primary agricultural credit societies within the country with a membership of over 240487 thousand.

NO OF OFFICES AND MEMBERSHIP WITH PACS

YEARS	NO. OF PACS		MEMBERSHIP IN THOUSAND	
	TAMILNADU	INDIA	TAMILNADU	INDIA
2012-13	4080 (9.05)	45061 (100)	3320 (1.36)	242641 (100)
2013-14	4021 (4.15)	96744 (100)	3375 (1.38)	24340.01 (100)
2014-15	4401 (4.59)	95758 (100)	3375 (1.42)	237520.25 (100)
2015-16	4401 (4.65)	94524 (100)	3375 (1.45)	232335.99 (100)
2016-17	2710 (2.89)	93543 (100)	820.57 (0.36)	224606.73 (100)
2017-18	2710 (2.91)	92944 (100)	820.57 (0.34)	240487.14 (100)

Source: NAFSCOB figure in ( ) represents the % share of Tamilnadu PACS over India

TABLE NO 1

Table 1 reveals the no. of offices and membership with Primary Cooperative Agriculture Credit Societies (PACs) in Tamilnadu and India from 2012-13 to 2017-18. In the case of India, no. of all PACs offices in India increased from 45061 in 2012-13 to 92944 in 2017-18 and the membership with all PACs in India has increased from 242641 thousand in 2012-13 to 240487.14 thousand in 2017-18. Table further shows that no. of PACs was recorded 4080 in 2012-13 which declined to 2710 in 2017-18 in state of Tamilnadu. Membership with PACs also declined from 3320 thousand in 2012-13 to 820.57 thousand in 2017-18 in the state of Tamilnadu. Data further showed that percentage share of PACs in Tamilnadu over total PACs in India has declined from 9.05 per cent in 2012-13 to only 2.91 per cent in 2017-18 and membership share has also declined from 1.36 per cent to 0.34 per cent during the same study period. Hence representing a downfall in formation of PACs in Tamilnadu.

LOANS ISSUED TO AGRICULTURE SECTOR BY PACS

YEAR	TAMILNADU RS. IN LAKHS	INDIA RS. IN LAKHS
2012-13	20470.74 (0.46)	4358865.83 (100)
2013-14	31601.92 (0.77)	4102643.84 (100)
2014-15	31601.92 (0.64)	4873580.93 (100)
2015-16	31601.92 (0.54)	5757092.46 (100)
2016-17	277506.33 (5.52)	5023832.37 (100)
2017-18	277506.33 (1.28)	21520279.52 (100)

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Source: NAFSCOB

TABLE NO 2

Table 2 shows the loan issued to agriculture sector by PACs in the state of Tamilnadu and India during the study period. Data depicted that loan issued by PACs to agriculture sector in Tamilnadu and India through PACs has grown during the study period. Data shows that total agriculture loan issued by all PACs in India have grown from Rs. 4358865.83 lakhs in 2012-13 to Rs. 21520279.52 lakhs in 2017-18. In the state of Tamilnadu loan issued by PACs to agriculture sector was recorded Rs. 20470.74 lakhs in 2012-13 which increased to Rs. 277506.33 lakhs in 2017-18. Data further showed that loan issued by PACs in the state of Tamilnadu recorded very meager share over the loan issued by all PACs in India which was recorded just 1.28 per cent share in 2017-18.

5. CENTRAL COOPERATIVE BANKS (CCBS)

The Central Cooperative Banks settled at the district headquarters or some outstanding city of the district. Their main operate is to lend to primary credit society except for that, Central Cooperative Banks are enterprise traditional industrial banking business conjointly, like attracting deposits from the overall public and disposal to the poverty-stricken against correct securities.

NUMBER OF OFFICES AND MEMBERSHIP OF DISTRICT CENTRAL COOPERATIVE BANKS

YEARS	NO. OF OFFICE WITH H.O		MEMBERSHIP	
	TAMILNADU	INDIA	TAMILNADU	INDIA
2013-14	881 (3.61	24344 (100)	357031 (7.69)	4639913 (100)
2014-15	870 (3.58)	24292 (100)	306416 (7.49)	4086771 (100)
2015-16	870 (3.56)	24438 (100)	300364 (7.05)	4257181 (100)
2016-17	881 (3.59)	24506 (100)	397537 (8.35)	4760496 (100)
2017-18	923 (3.72)	24767 (100)	433881 (10.77)	4026768 (100)

Source: NAFSCOB

TABLE NO 3

Table 3 shows the number of offices and membership of District Central Cooperative Banks in Tamilnadu and India during 2013-14 to 2017-18. Data shows that the number of offices and members has grown in state of Tamilnadu and India during the study period. Data depicted that the number of offices were increased from 24344 in 2013-14 to 24767 in 2017-18 in India and from 881 to 923 in the state of Tamilnadu representing only 3.75 per cent of the total banks in India over the same study period. Whereas at All India level the membership 4026768 and in Tamilnadu the membership 433881 in 2017-18.

LOAN ISSUED TO AGRICULTURE SECTOR BY DCCBS

YEARS	SHORT TERM LOAN (00,000)		MEDIUM TERM LOAN (00,000)	
	TAMILNADU	INDIA	TAMILNADU	INDIA
2013-14	641728 (15.70)	4085657 (100)	21117 (5.75)	366902 (100)
2014-15	773755 (12.32)	6279294 (100)	26238 (6.35)	413656 (100)
2015-16	830486 (10.96)	7571799 (100)	27602 (5.75)	479545 (100)
2016-17	897549 (10.26)	8742485 (100)	25403 (5.37)	473028 (100)

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2017-18	2127285 (10.00)	21252692 (100)	32108 (6.73)	477005 (100)

Source: NAFSCOB

TABLE NO 4

Table 4 presents the short term and medium-term loan issued to agriculture sector by District Central Cooperative Banks in Tamilnadu and India. In the state of Tamilnadu both short term and medium-term loans have grown during the study period. Data showed that the short-term loans issued by DCCBs increased from Rs. 641728 lakhs in 2013-14 to Rs. 2127285 lakhs in 2017-18 but during this period Tamilnadu state share over total short-term agriculture sector loans issued in India declined from 15.70 per cent to 10.00 per cent. Medium term loans also increased from Rs.21117 lakhs in 2013-14 to Rs.32108 lakhs in 2017-18 and share in medium term loans issued by Tamilnadu's DCCBs over total medium-term loans issued by all DCCBs in India improved from 5.75 per cent to 6.73 per cent during the study period.

6. STATE COOPERATIVE BANKS (SCBS)

The State Cooperative Banks, they finance, co-ordinate and control the working of the Central Cooperative Banks in each state. They serve as the link between the Reserve bank and the general money market on the one side and the Central Cooperative and Primary Societies on the other. They obtain their funds mainly from the general public by way of deposits, loans and advances from the Reserve Bank and they are own share capital and reserves.

NO. OF OFFICES AND MEMBERSHIP BY STATE COOPERATIVE BANKS

YEARS	NO. OF OFFICES INCLUSIVE H. O		MEMBERSHIP	
	TAMILNADU	INDIA	TAMILNADU	INDIA
2012-13	35 (3.46)	1010 (100)	63 (0.02)	261028 (100)
2013-14	35 (3.49)	1001 (100)	63 (0.02)	311883 (100)
2014-15	35 (1.64)	2126 (100)	63 (0.01)	441919 (100)
2015-16	33 (1.54)	2139 (100)	63 (0.01)	345938 (100)
2016-17	33 (1.53)	2147 (100)	63 (0.01)	365469 (100)
2017-18	32 (1.45)	2192 (100)	63 (0.01)	440907 (100)

Source: NAFSCOB

TABLE NO 5

Table 5 shows data relating to number of offices and membership with state of Tamilnadu and all over India. Data reveals that the number of all offices inclusive all Head Offices and membership with all State Cooperatives Banks was increased during the same time period. In 2012-13 numbers of offices and members with all State Cooperative Banks recorded 1010 and 261028 which increased to 2192 and 440907 respectively in 2017-18

Data further shows that number of offices inclusive Head Offices with SCBs were 35 in 2012-13 and recorded 32 in 2017-18 in the state of Tamilnadu. During the study period percentage share of SCBs in Tamilnadu over total SCBs in India declined from 3.46 per cent in 2012-13 to 1.45 per cent in 2017-18. Data further shows that total 63 members of SCBs were recorded in 2012-13 which increased to 64 in 2017-18 in the state of Tamilnadu. Data further depicted that members in SCBs in Tamilnadu were very less that was recorded at just 0.01 per cent over total members of SCBs in India.

AGRICULTURE LOANS ISSUED BY STATE COOPERATIVE BANKS

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YEARS	SHORT TERM LOAN (00,000)		MEDIUM TERM LOAN (00,000)	
	TAMILNADU	INDIA	TAMILNADU	INDIA
2012-13	354285	3366526 (100)	-	92125 (100)
2013-14	849357	3758497 (100)	-	96293 (100)
2014-15	426626	3596377 (100)	-	76685 (100)
2015-16	870258	4838225 (100)	-	276166 (100)
2016-17	2116275	5890880 (100)	8684 (3.90)	222547 (100)
2017-18	521140	6518743 (100)	32409 (12.28)	263740 (100)

Source: NAFSCOB figure in shows the share of total loan issued by the SCBs

TABLE NO 6

Table 6 reveals the short term and medium-term agriculture loan issued by the State Cooperative Banks in Tamilnadu and all over India during 2012-13 to 2016-17. It is clear from the table that short term and medium-term loans issued by Tamilnadu State Cooperative Banks and All State Cooperative Banks in India has grown throughout the study period. Data further showed that the short term and medium-term loans issued by State Cooperative Banks at all India level throughout the country have grown during the time period of study. It has been recorded that short-term loan issued amounted to Rs. 3366526 lakhs in 2012-13 which increased to Rs. 6518743 lakhs in 2017-18. Medium term loan issued by the State Cooperative Banks at all India level was recorded Rs. 92125 lakhs in 2012-13 which increased to Rs. 263740 lakhs in 2016-17.

Tamilnadu State Co-operative Banks have issued short term loan of Rs. 263740 lakhs in 2012-13 which increased to Rs. 521140 lakhs in 2017-18, having a share of 7.99 per cent of total short loan issued by SCBs in India. In the case of medium-term loans, Tamilnadu state cooperative banks have issued loan of Rs. 32409 lakhs in 2017-18 having a share of 12.28 per cent of total medium-term loan issued by SCBs in India.

DETAILS OF KCC ISSUED BY SCBS

YEARS	TAMILNADU		INDIA	
	NO. OF KCC	LOAN SANCTION ON KCC	NO. OF KCC	LOAN SANCTION ON KCC
2011-12	921171 (11.22)	523967 (8.86)	8205203 (100)	5911034.95 (100)
2012-13	954008 (11.34)	591274 (14.30)	8412124 (100)	4132155.00 (100)
2013-14	981445 (11.35)	693969 (13.88)	8640176 (100)	4999075.80 (100)
2014-15	904989 (9.80)	717088.94 (15.14)	9233730 (100)	4733630.32 (100)
2015-16	921105 (9.75)	864744.83 (21.34)	9444498 (100)	4051866.96 (100)
2016-17	954417 (10.85)	950826.17 (21.22)	8793589 (100)	4480555.47 (100)

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2017-18	978633 (10.32)	956086.36 (18.13)	9482127 (100)	5273134.43 (100)

Source: NAFSCOB

Table 7 presented the data related to number of Kissan Credit Cards issued and loan sanctioned on KCC by SCBs in the state of Tamilnadu and India. Table shows that Number of KCC issued by the SCBs was 921171 in 2011-12 which increased to 978633 in 2017-18. Table further depicted that the loan sanctioned on KCC has grown during the study period. Loan was sanctioned of Rs. 523967 lakhs in 2011-12 which increased to 956086.36 lakhs in 2017-18.

7. FINDINGS OF THE STUDY

- It was observed from the study that though the number of PACs in India has shown tremendous rise but the situation has deteriorated in Tamilnadu as number of PACs has shown downfall and Tamilnadu state has very meager share over the total number of PACs in India. Members of PACS were also declined in Tamilnadu during the study period.
- The Study further highlighted that loan issued by the PACs in Tamilnadu was increased but having a meagre share over the loan issued by all PACs in India.
- Number of offices with H.O and Members of DCCBs has grown in state of Tamilnadu vis-a-vis India. There are 923 DCCBs in Tamilnadu representing only 3.72 per cent of the total DCCBs in India It was further concluded that Short term and medium-term loans issued to agriculture sector by DCCBs have grown but DCCBs in Tamilnadu focused more on providing short term loans as compare to medium term loans during the study period.
- Data further highlighted that number of offices inclusive H.O. of SCBs declined in Tamilnadu but all India basis, it has increased during the study period.
- It is clear from the data that short-term and medium-term loans issued by the SCBs in Tamilnadu have increased during the study period but SCBs in Tamilnadu focused more on providing short term loans as compared to medium term loans.
- Number of KCC and Loan issued on KCC has increased in the state of Tamilnadu as well as India during the study period.

8. CONCLUSION

Co-operative Banks area unit enjoying essential role within the realization of the agriculture and in native development. They serve each rural and concrete population and main bank in Asian country supporting development of agriculture and rural areas. As we all know that Tamilnadu state has a very important role within the food basket of Asian country and changing country from food deficit to food surplus. in line with census 2016, Tamilnadu state has 12620 villages and as compare to villages, numbers of Co-operatives Banks area unit terribly less. The study found that although variety the amount the quantity} of PACS has shown an incredible rise however things has deteriorated in Tamilnadu as number of PACS has shown an incredible downfall. Loans issued by PACS within the state of Tamilnadu recorded terribly meager share over the loan issued by all PACS in Asian country. Their area unit solely 923 CCBs operational (representing three.72 per cent of the whole CCBs in India) within

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the state of Tamilnadu at the tip of the year 2018. The study completes those CCBs in Tamilnadu centered additional on providing short term loan as compared to medium term loan. Loan issued through KCC within the state of Tamilnadu has been redoubled throughout the year. There have been 978633 KCC holders (representing ten per cent of total KCC holders in India) and loan issued Rs. 956086.36 lakhs (having share eighteen.13 per cent of total loan issued through KCC in India) within the state of Tamilnadu at the tip of year 2018. It is often complete that the performance of Co-operative Banks with respect to agriculture credit in Tamilnadu has deteriorated. There is imperative ought to open new cooperative bank branches in geographic region and supply all monetary facilities at low price. Therefore Government ought to have the first responsibility to open new co-operative banks branches and to make sure that its voters have quick access to cooperative credit.

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