



Research Article

SATISFACTION OF FARMERS ABOUT KISAN CREDIT CARD IN RAIPUR DISTRICT OF CHHATTISGARH

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Abstract: The present investigation was carried out during the year 2009, to find out the satisfaction of farmers about Kisan Credit Card. The small size of an area is a major limitation of the study. The results revealed that all the respondents utilized Cooperative Bank for seeking the information about KCC, friends/relatives/neighbours (74.17%), T.V, (65.83%), Radio (65.00%) and progressive farmers (63.83%) were some other popular information sources used by them. Majority of them (61.67%) used 5 to 8 sources of information. Most of the respondents (71.67%) had medium level of contact with credit agencies. Majority of the respondents were having medium level of economic motivation (67.50%) and risk orientation (46.67%). Majority of the respondents were satisfied with the low interest rate on credit under KCC (85.33%), reduction in cost of accessing credit (73.00%), credit repayment procedure (69.66%), etc. The overall extent of satisfaction about KCC was recorded at 63 percent among the respondents.

Keywords: Kisan Credit Card, Farmers, Economic motivation, Risk orientation, Level of satisfaction

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Introduction

The R. V. Gupta Committee and the Crop Loan Committee set up by RBI and NABARD respectively had brought out the constraints in the flow of agricultural and rural credit besides the various aspects of crop loan system of lending and had come out with useful recommendations for improving the existing systems and procedures for effective credit delivery. As a sequel to this, NABARD, in consultation with RBI and select Banks, formulated a model scheme for issue of Kisan Credit Card by banks across the country, which was circulated in August 1998. The Kisan Credit Card is to be issued to the existing crop loan borrowers who have no over dues in their borrowed accounts and to new borrowers who have not yet borrowed. Loan for any activity coming under the purview of production credit of agriculture, working capital requirement of allied activities and non-farm sectors may be considered under the scheme. The farmers/borrower has to give application for the issue of KCC. The necessary documents that have to be produced by the applicant are the copies of land record, no dues certificate from other financial institutions, latest land tax paid receipt, original or certified copies of title deed and latest agricultural income tax paid receipt. To find out the satisfaction of farmers about KCC this study was conducted in Raipur district of Chhattisgarh state. The objectives of the study were 1) To identify the Level of satisfaction among the respondents about various aspects of KCC.

Review of Literature

Kumar (1993) indicated that when all the 22 sources were considered individually, bank was the source of information used by the large number of farmers followed by group discussion, cooperative societies and newspapers, their percentage being more than 90.00. The other important sources of information used by the farmers in order of preference were relatives, neighbours, friends, meetings, farm magazines, local leaders, panchayat samiti, gram panchayat and radio. The farmers with higher socio-economic status, social participation, economic orientation, planning orientation, risk orientation and knowledge about obtaining the loans had used the sources of information to a greater extent (9).

Joshi *et al.* (2002) found that almost 75 percent of the farmers were of the opinion that the Kisan Credit Card was extremely useful and it had many advantages over the earlier system of crop loan. Out of the 177 farmers interviewed, 71 percent of farmers felt that the Kisan Credit Card was very good, whereas, remaining opined that it was satisfactory (8). Nahatkar *et al.* (2002) revealed that the majority of the farmers have been benefited through the KCC scheme and they firmly opined that this scheme facilitated availability of the credit in time and simplified the procedure for advancing loan by the bank to a great extent (12).

Significance and Scope of the Study

This investigation, which was carried out in the Raipur district, shall enable the policy makers, economist and the extension workers to develop sound rural development programmes and policies based on the local conditions. These may also have wider applicability in the areas within and outside the district/state or both having similar conditions. Further, it will help to the financing agencies to find solution to maximize utilization of KCC by the beneficiaries.

Methodology

The study was carried out in Raipur district of Chhattisgarh state, because maximum numbers of Kisan Credit Cards have been issued in this district. There are 16 blocks in Raipur district, out of which two blocks i.e. Arang and Palari were selected purposively for this study. In each selected block, Arang Cooperative branch from Arang block and Kodwa Cooperative branch from Palari block were selected purposively. Thereafter, Dewri branch from Arang and Vatgan branch from Kodwa were selected. Out of total 23 Villages of both the selected Village Cooperative branches, 50 percent Villages were selected purposively on the basis of maximum availability of KCC holders in the Villages. In this way a total of 12 Villages were selected for this study. Out of total Kisan Credit Card holders of the Village, 10 KCC holders were selected randomly from each selected Villages. In this way a total of 120 KCC holders were considered as respondents for collection of data in this study.

The data were collected through personal interview with the help of a structured interview schedule and analyzed with appropriate statistical methods.

Operationalization of independent variable and its measurement

Economic motivation

The variable was measured by using the scale developed by Supe (1969). This scale consists of six statements. In this study it was used with some modifications as desired. The response of the respondents was obtained on a five-point continuum namely, "strongly agree", "agree", "undecided", "disagree" and "strongly disagree". The score was assigned '5', '4', '3', '2' and '1', for positive statement and reverse for negative statements. Further, the respondents were divided into three categories in terms of economic motivation by applying following formula:

Economic Motivation Index (E. M. I.) = Mean (\bar{x}) \pm S.D. (Standard Deviation)

Categories	Score
Low level (< 18 score)	1
Medium level (18 to 21 score)	2
High level (>21 score)	3

Risk orientation

Risk orientation of farmers may increase their utilization of Kisan Credit Card and help the farmers to change their existing conditions with the borrowing of loan under Kisan Credit Card. A scale consisting six statements was used to measure the risk orientation of each respondents. It has 1 negative and 5 positive statement. This scale was firstly used by Supe (1969). In this study the same scale was used with some modifications as desired. The response of the respondents were obtained on a five-point continuum namely, "strongly agree", "agree", "undecided", "disagree" and "strongly disagree". The score was assigned '5', '4', '3', '2' and '1', for positive statement and reverse for negative statements. Further, the respondents were divided into three categories in terms of Risk orientation with the help of its mean and standard deviation.

Categories	score
Low level (<16 score)	1
Medium level (16 to 20 score)	2
High level (>20 score)	3

Level of satisfaction

The level of satisfaction about Kisan Credit Card constitutes the independent variable for the study. A device was developed with 11 statements to measure the level of satisfaction of the respondents about KCC. The responses of the respondents were recorded on a four-point continuum scale, i.e. "fully satisfied", and "satisfied", "low satisfied" and "not satisfied". The score was assigned '3', '2', '1' and '0', for statement. The total score obtained by each individual respondent was used to categorize them in to three categories with the help of its mean and standard deviation.

Categories	score
Least satisfied (<11 score)	1
Partially satisfied (12 to 22 score)	2
Fully satisfied (>22 score)	3

Results and Discussion

Source of information about KCC

The frequency of use of various sources of information for receiving the information about KCC by the respondents is presented in [Table-1]. The data reveal that almost all the respondents used the Cooperative Bank as one of the major sources for seeking information about KCC. Almost similar finding was reported by Kumar (1993) for source of information about crop loan. Further result reveals that friends/relatives and neighbours were utilized by 74.17 percent of the respondents for receiving the information about KCC. T.V., Radio, progressive farmers, Regional Rural Bank and newspaper were utilized by 65.83, 65.00, 63.33, 52.50 and 47.50 percent of the respondents, respectively. About 45.00, 29.16, 28.33, 25.00 and 23.33 percent of the KCC holders were receiving the information from rural leader and Kisan mela, RAO, Commercial Bank, magazine and pamphlet & poster, respectively about KCC. With regards to number of

sources for receiving the information about KCC is concerned, 61.67 percent of the respondents obtained information from 5-8 sources. About 22 percent of the respondents were receiving the information from more than 8 sources, while 16.66 percent of the respondents were receiving the information from 1 to 4 sources [Table-2]. Almost similar trends were observed by Yadav *et al.* (2003) and Patel (2006).

Table-1 Distribution of the respondents according to their use of information sources for seeking the information about KCC, (n=120)

Source of information	Frequency	Percentage*	Rank
Rural Leader	54	45.00	VIII
Friends/ Relatives / Neighbours	89	74.17	II
Progressive farmers	76	63.33	V
Radio	78	65.00	IV
T.V.	79	65.83	III
Newspaper	57	47.50	VII
Magazine	30	25.00	XI
Pamphlet/ Poster	28	23.33	XII
Kisan Mela	54	45.00	VIII
Regional Rural Bank	63	52.50	VI
Co-operative Bank	120	100.00	I
Commercial Bank	34	28.33	X
Rural Agricultural Extension Officer	35	29.16	IX

Note: Data are based on multiple responses

Table-2 Distribution of respondents according to overall use of information sources, (n=120)

Overall use of information sources	Frequency	Percent
Low (1 to 4 sources)	20	16.66
Medium (5 to 8 sources)	74	61.67
High (more than 8 sources)	26	21.67
Total	120	100.00

Thus, it can be concluded that Cooperative Banks, friends, relatives and neighbours are most popular sources of information. However, majority of the KCC holders were receiving the information from more than 4 sources of information.

Contact with credit agencies

Data of [Table-3] indicate that majority of the respondents (71.67%) had medium level of contact with credit agencies. About 26 percent of the respondents had high level of contact with credit agencies and only 2.50 percent of the respondents had low level of contact with credit agencies. Therefore, it can be concluded that majority of the KCC holders had close contact with the credit agencies.

Table-3 Distribution of the respondents according to their contact with credit agencies, (n=120)

Categories	Frequency	Percent
Low (up to 3 score)	3	2.50
Medium (3 to 4 score)	86	71.67
High (more than 4 score)	31	25.83
Total	120	100.00

Economic motivation and Risk orientation

The [Table-4] shows the distribution of the respondents according to their economic motivation. It was found that 67.50 percent respondents of the had medium level of economic motivation, while 19.17 percent and 13.33 percent respondents had high and low level of economic motivation, respectively.

Table-4 Distribution of respondents according to their economic motivation and risk orientation, (n=120)

Particulars	Frequency	Percentage
Economic motivation		
Low level (<18 score)	16	13.33
Medium level (18-21 score)	81	67.50
High level (>21 score)	23	19.17
Risk orientation		
Low level (<16 score)	18	15.00
Medium level (16-20 score)	56	46.67
High level (>20 score)	46	38.33

Table-5 Level of satisfaction among the respondents about various aspects of KCC, (n=120)

Aspects of KCC	Level of satisfaction		
	Fully satisfied (< 22-33 score)	Partially satisfied (12 to 22 score)	Least satisfied (> 11 score)
Timely availability of credit from KCC	33(27.50)	47(39.17)	40(33.33)
Sufficient credit limit as per requirement	10(8.33)	27(22.50)	83(69.17)
Yearly procedure of making fresh KCC credit limit	28(23.34)	46(38.33)	46(38.33)
Reduction of cost in accessing credit	44(36.66)	55(45.84)	21(17.50)
Simplicity in annual renewing of KCC limit	35(29.17)	40(33.33)	45(37.50)
Reliable and transparent operational procedure of KCC account in bank	43(35.83)	42(35.00)	35(29.17)
Low interest rate on credit under KCC	73(60.83)	42(35.00)	5(4.17)
Drawing cash at any branch of the concerned bank	28(23.34)	53(44.16)	39(32.50)
Overall credit acquisition procedure in KCC	30(25.00)	37(30.84)	53(44.16)
In-build facility of crop insurance in KCC	07(5.84)	16(13.33)	97(80.83)
Credit repayment procedure	39(32.50)	53(44.16)	28(23.34)
overall	33(27.50)	42(35.00)	45(37.50)

Note: Figures in parentheses indicate percentage in total

Table-6 Level of satisfaction and satisfaction gap among the respondents about different aspects of KCC, (n=120)

Features description	MOMS \bar{X}	OMS \bar{X}	ES (%)	SG (%)	Rank
Timely availability of credit from KCC	3	1.94	64.66	35.34	V
Sufficient credit limit as per requirement	3	1.39	46.33	53.67	X
Yearly procedure of making fresh KCC credit limit	3	1.85	61.66	38.34	VIII
Reduction of cost in accessing credit	3	2.19	73.00	27.00	II
Simplicity in annual renewing of KCC limit	3	1.91	63.66	36.34	VI
Reliable and transparent operational procedure of KCC account in bank	3	2.06	68.66	31.34	IV
Low interest rate on credit under KCC	3	2.56	85.33	14.67	I
Drawing cash at any branch of the concerned bank	3	1.90	63.33	36.67	VII
Overall credit acquisition procedure in KCC	3	1.80	60.27	39.73	IX
In-build facility of crop insurance in KCC	3	1.19	39.66	60.34	XI
Credit repayment procedure	3	2.09	69.66	30.34	III
Overall	33	20.92	63.40	36.60	

MOMS-Maximum Obtainable Mean Score, OMS-Obtained Mean Score, ES- Extent of Satisfaction, SG-Satisfaction Gap

Further data show that 46.67 percent of the respondents had medium level of risk orientation. Whereas, 38.33 percent and 15.00 percent of the respondents had high and low level of risk orientation, respectively [Table-4].

Level of satisfaction about Kisan Credit Card

The responses of the respondents were recorded on three-point continuum scale to determine their level of satisfaction about KCC. The summarized data are presented in [Table-5].

In all, 60.83 percent of the respondents were fully satisfied with the low interest rate on loan under KCC. About 36.66 percent of the respondents were fully satisfied with the reduction of cost in accessing credit, followed by reliable and transparent operational procedure of KCC account in bank (35.83%), credit repayment procedure (32.50%), simplicity in annual renewing KCC limit (29.17%) and timely availability of credit from KCC (27.50%). KCC holders were also fully satisfied with overall credit acquisition procedure in KCC (25.00%), yearly procedure of making fresh KCC credit limit (23.34%), drawing cash at any branch of the concerned bank (23.34%), sufficient credit limit as per requirement (8.33%) and in-build facility of crop insurance in KCC (5.84%), facilities of the Kisan Credit Card. In all, 45.84 percent of the respondents were partially satisfied with the reduction of cost in accessing credit, followed by drawing cash at any branch of the concerned bank (44.16%), credit repayment procedure (44.16%), timely availability of credit from KCC (39.17%). Farmers were also partially satisfied with yearly procedure of making fresh KCC credit limit (38.33%), reliable and transparent operational procedure of KCC account in bank (35.00%), low interest rate on credit under KCC (35.00%), simplicity in annual renewing KCC limit (33.33%), overall credit acquisition procedure in KCC (30.84%), sufficient credit limit as per requirement (22.50%) and in-build facility of crop insurance in KCC (13.33%). About 80.83 percent of the respondents were least satisfied with the in-build facility of crop insurance in KCC, sufficient credit limit as per requirement (69.17%), overall credit acquisition procedure in KCC (44.16%) and yearly procedure of making fresh KCC credit limit (38.33%). The other features of KCC

about which farmers were least satisfied are simplicity in annual renewing of KCC limit (37.50%), timely availability of credit from KCC (33.33%), drawing cash at any branch of the concerned bank (32.50%), reliable and transparent operational procedure of KCC account in bank (29.17%), credit repayment procedure (23.34%), reduction of cost in accessing credit (17.50%) and low interest rate on credit under KCC (4.17%). With regards to overall level of satisfaction about KCC. It was found that 37.50 percent respondents were least satisfied, while, 35.00 percent respondents were partially satisfied with KCC scheme. Only 27.50 percent respondents were fully satisfied with KCC scheme. From [Table-6], the findings revealed that maximum percentage of satisfaction (85.33%) were noted for low interest rate on credit under KCC followed by reduction of cost in accessing credit (73.00%), whereas, minimum percentage of satisfaction (39.66%) was observed for in-build facility of crop insurance in KCC followed by sufficient credit limit as per requirement (46.33%). The overall percentage of satisfaction of various aspects about Kisan Credit Card was noted to be 63.40 percent. The highest percentage of satisfaction gap (60.34%) were noted for in-build facility of crop insurance in KCC followed by sufficient credit limit as per requirement (53.67%), overall credit acquisition procedure in KCC (39.73%) and yearly procedure of making fresh KCC credit limit (38.34%), respectively. The overall satisfaction gap for different aspects about KCC was observed to be 36.60 percent. Therefore, concerted efforts are needed to minimize the satisfaction gap so that utilization of KCC can be improved [Table-6].

Conclusion

It can be concluded that Majority of the respondent's utilized Cooperative Bank, Relatives/friends/ neighbours, T.V., Radio such sources of information about KCC having medium level of economic motivation and risk orientation. Maximum percentage of satisfaction were noted for low interest rate on credit under KCC followed by reduction of cost in accessing credit, whereas, minimum percentage of satisfaction was observed for in-build facility of crop insurance in KCC followed by sufficient credit limit as per requirement. The highest percentage of satisfaction gap were noted for in-build facility of crop insurance in KCC followed by sufficient

credit limit as per requirement, overall credit acquisition procedure in KCC and yearly procedure of making fresh KCC credit limit, respectively. Therefore, concerted efforts are needed to minimize the satisfaction gap so that utilization of KCC can be improved.

Application of research: Study will be able to a systematic feedback to the financing institutions for boosting up their operational network About Kisan Credit Card. It will help to the financing agencies to find out solution to maximum satisfaction of KCC by the beneficiaries.

Research Category: Agriculture Economics

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Conflict of Interest: None declared

Ethical approval: This article does not contain any studies with human participants or animals performed by any of the authors.

Sample Collection: Respondents were interviewed through personal interview technique. Prior to interview, respondents were taken in to confidence by revealing the actual purpose of the study and also full care was taken to develop good rapport with them. They were assured that the information given by them would be kept confidential. The interview was conducted in the most informal and friendly atmosphere without any complication.

Ethical Committee Approval Number: Nil

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