

Institutional Agricultural Credit Flow In Golaghat District Of Assam: A Study With Reference To Punjab National Bank

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ABSTRACT

Agriculture is the backbone of our economy. It can be termed as the base industry of all other industries. Agricultural credit plays a major role in sustaining growth of agriculture. Proper and adequate flow of credit should be provided to the agricultural and allied activities in order to meet their short term, medium term and long term requirements. The government of India and banking institutions have taken initiatives to remove the problems related to agricultural credit. In Assam various banking and non banking institutions are providing different credit facilities to the farmers. In Golaghat district of Assam also, farmers are enjoying the ample advantages of the agricultural credit facilities provided by the banks.

The present paper endeavours to study and analyse the different agricultural credit schemes of Punjab National Bank. The main purpose of this paper is to analyse the agricultural credit flow of Punjab National Bank in Golaghat district of Assam. This study is based on secondary data

Keywords: Agriculture, Agricultural Credit, Credit Flow, PNB

Agriculture sector can be termed as the base of other sectors like industry, internal and external trade and commerce etc

INTRODUCTION:

We cannot deny the contribution of agriculture in the development of economic condition of our country inspite of the increasing role of industry in Indian economy in recent time. Agricultural credit plays a very crucial role in sustaining growth of agriculture. It has a significant role in improving agriculture production, productivity and mitigating distress of farmers. The credit to the agricultural and allied activities should be provided on the basis of their requirement such as short term credit, medium term and long term credit. The government of India and banking institutions have taken initiatives to remove the problems related to agriculture. In Assam various banking and non banking institutions are providing different credit facilities to the farmers. In Golaghat district of Assam also, farmers are enjoying the ample advantages of the agricultural credit facilities provided by the banks.

REVIEW OF LITERATURE:

Kumar, et al (2010), in their paper have examined the status and performance of credit flow to the agricultural sector. They also examined about the uses of institutional credit at the farm sector as well as at the household level. They have found that the use of institutional credit at farm and household level has increased and identified some determinants. In their study, they revealed that has revealed that during the last four decades the credit flow to the agricultural sector from the institutional sources has increased in a significant rate. They also stated about the significant change of credit outlets that took place during this period. In the recent years the dominant role in

providing agricultural credit, as an institutional source, is played by the commercial banks. The study has suggested that the procedure of providing agricultural credit should be simplified so that the small and the illiterate or less educated farmers can also easily avail the credit facilities provided by these institutional sources.

Saini and Sindhu (2014), in their research paper aimed in finding out that how commercial banks are helpful in credit flowing, employment generations in rural areas and how it contribute in development of Indian economy. They have stated that with the increasing of bank branches in rural areas, farmers are now able to get the loan and able to understand the process of it. Most of the population of India is dependent upon agriculture sector, if agriculture sector will grow then all associated factors like employment opportunities and development of country is possible.

Shinde & Patil(2014), in their research paper tried to study the schemes of Agrifinance for small and marginal farmers, implemented by SBI through its Niphad Branch. They also tried to know the agricultural development taken place through financing by State Bank of India in and around Niphad. They underlined the growth record of agricultural financing schemes of SBI Niphad (Nashik) Branch.

Ponnarasu & Mohanraj (2017) in their study attempted to assess the amount of loans issued by the institutional agencies in India and their exact amount of outstanding loan. Proper examination of agricultural credit supply in India and progress of Scheduled Commercial Banks in it is also an aim of this study. In order to fulfil the purpose

of the study they used only secondary data for the year 2000-01 to 2011-12. Their study reveals that the rate of loans issued by the Schedule Commercial Banks have increased to the highest rate while the rate of Co-operative Banks is the lowest rate of increase in providing agricultural loans. They stated that the outstanding of direct and indirect agricultural advance by schedule commercial banks has shown a slight increase during the referred period of study.

STATEMENT OF THE PROBLEM:

Indian economy is an agrarian economy. In a developing country like India agricultural credit plays a very crucial role in the sustainable growth of agriculture. Most of the farmers face the problem of lack of finance in India. The development of the economic conditions of farmers has become an important aspect of the overall economic development. This paper tries to study the agricultural credit flow of Punjab National Bank in Golaghat district of Assam. It is hoped that it will be useful for carrying out further research in this area.

RESEARCH GAP:

From the foregoing review of literature it can be understood that though many studies has been conducted on the area of agricultural credit, but a study specifically on "Institutional Agricultural Credit Flow in Golaghat District of Assam: A Study With Reference to Punjab National Bank" has not been found within the purview of the researcher. Therefore, keeping in view this gap of existing literatures, it is decided to conduct a study which will give a clear understanding on the role of Punjab National Bank in providing agricultural credit to the farmers of Golaghat district and thereby to study some aspects which may not be known to general public

OBJECTIVES:

The basic objectives of the study are as follows:-

To study and analyse the different agricultural credit schemes of Punjab National Bank

To analyse agricultural credit flow of Punjab National Bank in Golaghat district of Assam

RESEARCH METHODOLOGY:

The study has done on the basis of the following aspects:

The study is based on descriptive type of research

The data required for this study are collected from secondary sources. Secondary data are collected from various published sources such as magazines, newspapers, journals, books and websites.

The study is only confined to the Golaghat district of Assam.

AGRICULTURAL CREDIT SCHEMES OF PUNJAB NATIONAL BANK:

Punjab National Bank offers a wide variety of agricultural credit schemes. These schemes are as follows:

Financing to SHGs under National Rural Livelihood Mission (NRLM)

Central Sector Scheme for Financing Facility under Agriculture Infrastructure Fund

Pradhan Mantri Formalisation of Micro Food Processing Enterprise (PM- FME) Scheme

Scheme for financing under pnb kisan credit card (KCC)

Pnb swarnim yojana (agriculture gold loan scheme)

Kisan gold scheme

Krishak unnati yojana

Pradhan mantri fasal bima yojna (PMFBY)

Agriclinic and agribusiness centres scheme (ACABC)

Financing to joint liability groups (JLGS)

Scheme for tea financing

Scheme for financing seed producers processors

Scheme for financing agriculture activities

Scheme for financing to farmer producer companies (FPCS)

Scheme for financing to farmers producers under contract

Scheme on organic farming and organic inputs

Scheme for financing loan for farm house construction

Scheme for purchase of animal drawn vehicles, i.e., draft animal carts.

Scheme for financing sericulture

Scheme for financing apiculture (Bee-Keeping)

For piggery development

Scheme for sheep and goat breeding, rearing activities

Scheme for financing fisheries development

Financing poultry farming

Scheme for financing estate orchard purchase (estate orchard)

Scheme for financing mushroom cultivation & mushroom spawn production

Scheme for financing green houses

Scheme for financing development of horticulture (fruit, flower, vegetable)

Scheme for financing dairy development programmes

Financing to custom hiring service units

Scheme for financing combine harvesters

PNB farm mechanisation scheme

Scheme for financing vehicle for farmers agriculturists

Scheme for financing farmers for trucks & other transport vehicle

Financing to cold storage units for facilitating the farmers Agriculture marketing infrastructure scheme

Central sector scheme for construction, expansion, modernization
 Produce (marketing) loan scheme
 Differential rate of interest scheme
 Scheme for providing priority sector credit against bank deposit
 PNB Kisan Tatkal Rin Yojana
 Scheme for financing setting up of bio-gas units
 Scheme for financing development of wasteland
 Scheme for financing forestry development programmes
 Scheme for financing minor irrigation activities
 PNB Krishak Saathi Scheme
 PNB Krishi Bhu-swami yojana (PNB Agri-land purchase scheme)

2017-2018	36146.5	51305.53	22315	0
2018-2019	35009.78	159.44	19223.10	18.19
2019-2020	42003.5	539.63	21621.03	121.47
2020-2021	165628.0	181821.03	120114	106244.65
2021-2022	169563.57	183961.05	125013	1103290

CREDIT FLOW OF PUNJAB NATIONAL BANK TOWARDS AGRICULTURAL SECTOR:

Table 1.1 Agricultural Credit disbursed by PNB in Assam during the year 2017-18 to 2021-2022 (Amount in lakhs)

Year	Agriculture		Crop loan	
	Target	Achievement	Target	Achievement

Source: Compiled from various Annual Credit Plan, PNB, Assam, SLBC (ner)

Table 1.1 highlights the agricultural annual credit plan of Punjab National Bank in Assam during the period under study. It has been showing a fluctuating trend.

Table 1.2 Performance of Punjab National Bank in Golaghat District under Annual Credit Plan during the year 2017-18 to 2021-22 (Amount in Lakhs)

Year	Agriculture & Allied Sector			Total Priority Sector		
	Target	Achievement	Percentage	Target	Achievement	Percentage
2017-2018	256	12	4.69%	576	37	6.42%
2018-2019	235	2	0.85%	486	13	2.67%
2019-2020	289	38	13.15%	512	79	15.43
2020-2021	345	89	25.79%	585	112	19.15%
2021-2022	353	97	27.48%	612	138	22.55%

Source: Lead Bank Office, Golaghat District

Table 1.2 shows the performance of Punjab National Bank in Golaghat district under annual credit plan during the year 2017 to 2021-22. The table highlights the target and

achievement in Agricultural and allied sector as well as total Priority Sector during the period under study.

Results and Discussion:

It is observed that Punjab National Bank is offering a wide range of agricultural credit schemes for the farmers. We can observe diversity in its schemes. It has covered all the aspects of agriculture and allied activities. But from the analysis of Table 1.1 and 1.2 it is observed that the bank is unable to achieve its credit target of agriculture and allied activities. It has to conduct research to find out the reason behind non achievement of the target.

Conclusion:

Agriculture is considered as the backbone of our country. It is the largest sector in the country and source of

livelihood over 70 percent of the population. For sustaining growth and development of this sector proper flow of credit becomes an essential input. Government and banking institutions should take prominent steps to remove the drawbacks of this sector. Punjab National Bank is playing a pivotal role in providing agricultural credit. With the help of 47 different agricultural credit schemes they are trying to boost the farmers and the agricultural sectors. More awareness about the schemes should be created among the farmers, so that more farmers can reap the benefits from these agricultural credit schemes..

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