



EFFECTIVENESS OF KISAN CREDIT CARD: A HOLISTIC STUDY

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Abstract

The Kisan Credit Card is introduced by the finance minister in union budget of 1998-99 with objective to provide adequate and timely credit support from the banking system to the farmers for their cultivation & other needs All Farmers. This scheme is applicable for all Individuals / Joint owner cultivators, Tenant Farmers, Oral Lessees, Share Croppers and Joint Liability Groups of Farmers. Theoretically this scheme has potential to resolve all types of needs of all groups of farmers. But, what is ground reality? To find out effectiveness of this scheme, present study has been done. This study is based on primary survey. There are 270 acting farmers have been selected randomly from nine villages of Phoolpur sub-district of Allahabad. 182 marginal farmers (67%), 60 small farmers (22%) and 28 medium farmers (11%) have been selected.

The study shows that only 27% farmers holding Kisan Credit Card. Level of awareness is very low among the farmers. Approx 10% farmers who hold KCC were not aware about any provision of the scheme. Approximately 87 % farmers were found below than average awareness. 60% of respondents respond that the fund sanction through Kisan Credit Card, found enough to their agricultural needs while rest 40% claim that the fund was insufficient. Only 27% farmers expend their loan amount drawn through KCC on agricultural inputs, while rest 73% farmers expend it on other than agricultural expenditures. 51 % KCC holder farmers respond that there is no any problem in formation of KCC, while 49% respond that they face some problems. The farmers who faced problem in formation of Kisan Credit Card, 41% of them said about non cooperative behavior of bank employees/lekhpal. 28% farmers claim that they face money demand by mediator. Same amount of farmers face the bribe demanded by bank employees/lekhpal. As a conclusion the scheme is not functioning smoothly. It did not seem effective and participatory among farmers.
