A

PROJECT REPORT

ON

A STUDY ON GENERAL AWARENESS ON AGRICULTURAL LOAN OF NABARD

Submitted in partial fulfillment

Of the requirement for the degree of

“BACHELOR OF BUSINESS ADMINISTRATION”

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Submitted by

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UNDER THE ESTEEMED GUIDANCE OF

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(Reaccredited with A+ Grade by NAAC, Affiliated to Osmania University)

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DECLARATION

I, KONKUMUTTI SRAVANI, H.T. NO: 121220684090 hereby declare that, this project titled “A STUDY ON GENERAL AWARENESS ON AGRICULTURAL LOAN OF NABARD” is original work and the project report is an authentic work carried out for the fulfillment of the requirements for the award of the degree BACHELOR OF BUSINESS ADMINISTRATION, OSMANIA UNIVERSITY under the guidance of Prof. S. Pardhasaradhi. The report submitted by me is a bonafide work carried by me of my own effort and it has not to be submitted to any other university or published any time before.

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ABSTRACT

The National Bank for Agriculture and Rural Development (NABARD) is a financial institution that provides loan facilities and financial support to farmers and rural communities in India. One of its main products is agricultural loans designed to help farmers and rural entrepreneurs meet their financial needs. NABARD offers a wide range of agricultural loan services, including crop loans, loans and equity loans. These loans come with easy repayment options, low interest rates, and other benefits like loan insurance and interest. To qualify for NABARD farm loans, farmers and rural entrepreneurs must meet certain criteria, such as having a good business plan, good credit history and security.

NABARD also provides assistance and guidance to farmers and rural communities to help them develop agriculture, increase productivity and increase their incomes. Overall, NABARD’s Agricultural Loan Scheme plays an important role in supporting the growth and development of India’s agriculture and rural sector by providing timely and sustainable loans, apart from farmers and rural entrepreneurs.

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CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

Agriculture is the practice of growing plants and livestock for the comfort of humans. Agriculture has been a key development in the rise of mankind's sedentary lifestyle. The cultivation of plants and food began many years ago to feed the urban population. Agriculture is the most important need of people living in the society. Agriculture is a major means of subsistence and a source of income for the populations. Agriculture provides most of the food and materials in the world.  Agricultural products are Cotton, wool and leather. It also provides timber for construction and paper products.  
  
These products and the farming methods used will vary around the world. A large portion of the population in rural areas depends on agriculture as their main source of income, and agriculture contributes significantly to a country's Gross Domestic Product (GDP). Over time, many revolutions aimed at improving agriculture have occurred in the world or in a country. If we talk about agriculture, India has gone through several revolutions i.e green revolution, yellow revolution, blue revolution, agriculture. The impact of agriculture on a country's biodiversity depends on agricultural activity.

Major agricultural products can be broadly grouped into categories such as grains, fibers and raw materials. foodgrains include grain or cereals intended for human consumption. Fiber is completely commoditized, cannot be consumed, and is grown entirely for money. Commodities are fully grown classes of cultures that can be used as industrial ingredients to craft other items.

START OF AGRICULTURE

For centuries, the development of agriculture has contributed to the rise of civilization. Before agriculture became widespread, people spent most of their lives hunting, killing wild animals and gathering wild plants. Around 11,500 years ago, humans gradually learned to cultivate food crops and roots, and began to live mainly from agriculture.  
  
2,000 years ago most of the world's population began to live from agriculture. Researchers don't know why this shift to agriculture happened, but it could be the result of climate change.  
When people started growing crops, they also started collecting and raising wild animals. The domestication of wild animals and plants for human consumption. The first domesticated plants were probably rice or corn. Rice farmers in China from 7500 B.C.E.

The first domestic animal was the dog (Canis familiaris) for hunting. Sheep and goats were probably domesticated later. Humans have also domesticated cattle (Bos taurus) and pigs (Sus domesticus). Most of these animals were once hunted for leather and meat. Now many are also sources of milk, cheese and butter. Eventually, domestic animals such as cattle were used for tillage, traction, and transportation.  
  
Agriculture allows people to produce food surpluses. They can use this extra food when crops fail or trade it for other goods. Food surpluses allow people to pursue other jobs unrelated to agriculture.  
Agriculture previously brought nomads closer to their land and led to the development of permanent villages. He is bound by trade. The new economy has been very successful in some areas, cities have grown and civilizations have grown. The first civilizations based on intensive agriculture appeared near the Tigris and Euphrates rivers in Mesopotamia (present-day Iraq and Iran) and along the Nile in Kemet (ancient Egypt).

**1.2 SCENARIO**

The National Bank for Agriculture and Rural Development (NABARD) is a development bank that provides financial assistance to farmers, rural entrepreneurs and agricultural organizations. NABARD offers a wide range of agricultural loan services to meet the needs of farmers and agronomists.

Suppose a farmer living in a rural area wants to buy a tractor to increase his agricultural production. The price of the tractor is ₹10 lakhs. Farmers find the nearest NABARD branch and apply for a farm loan. The loan officer will review the application and verify the farmer’s creditworthiness, collateral and repayment ability. Assuming that the farmer meets all eligibility criteria, NABARD approves a loan of ₹10 lakhs. Loan officers explain the terms and conditions of the loan, including interest rates, repayment schedules, and requirements. Farmers agree to the terms and provide the necessary collateral, which can be land, crops or other assets. A loan is given to the farmer’s bank, the farmer buys a tractor.

Farmers repay the loan monthly for 5 years, including interest. The interest rate charged by NABARD varies from program to program and from borrower to borrower. Loan officers at NABARD branches monitor farmers’ loan repayments throughout the loan period and provide guidance and support in case of problems. NABARD also provides additional services such as training assistance, training and job support to help farmers increase production and income.

As a result, NABARD’s agricultural loan program enables farmers and rural entrepreneurs to obtain affordable loans and improve their livelihoods. The loan process is transparent and the bank provides personal support to borrowers throughout the loan term.

1.3 BACKGROUND OF AGRICULTURE

The development of agriculture enabled the rapid development of human civilization. This type of agriculture, which began with hunting and gathering, has now reached the stage of animal husbandry and the industrialization of agriculture.  
The first food crop planted was rice, followed by mango, soybean and adzuki bean. Sheep were first domesticated in Mesopotamia, cattle in modern Turkey, and pig farming began in Europe, East Asia, and South Asia. Researchers have many hypotheses to explain agriculture.  
Irrigation, cultivation of crops and fertilizers were advanced forms of agriculture developed in the 17th century. Modern agriculture raises or encounters issues such as water pollution, biofeedback, GMOs, agricultural subsidies, etc. leading to the adoption of alternatives such as the organic movement. During the rise of sedentary human civilization, agriculture was a key development. The breeding of domesticated species provided a surplus of food and encouraged people to live in cities. The story begans thousands of years ago. Pigs, sheep and cattle were domesticated more than 10,000 years ago**.** Plants are grown independently in 11 regions of the world. In the 20th century, an industrialized agriculture based on scale emerged and dominated agricultural production. An estimated 2 billion people still depend on subsistence agriculture. The most important agricultural products are broadly divided into foodstuffs, fibres, fuels and raw materials. More than a third of the world's workers are employed in agriculture, followed by services.

IMPROVED TECHNOLOGY

For thousands of years, agriculture developed very slowly. One of the first agricultural instrument was fire. Native Americans used fire to control the growth of berry plants, which they knew would sprout quickly after forest fires. Farmers plowed small plots of land by hand, felled trees with axes, and ripped and plowed the ground with sticks. Over time, improved agricultural tools were made of bone, stone, bronze, and iron. New storage methods have been developed. People started storing food in jars and pits lined with clay for emergencies. They also began making clay pots and other vessels to hold and cook food.

Around 5500 BCE., Mesopotamian farmers developed simple irrigation systemsFarmers who bring water to their farms through canals can live in areas previously considered unsuitable for agriculture. In Mesopotamia, and later in Kemet and China, people organized and worked together to build and maintain better irrigation systems. Early farmers also developed improved plant varieties. For example, around 6000 BC. A new variety of wheat has emerged from South Asia and Kemet. It is more resistant than the previous cereals, its envelope is easier to remove and can be transformed into bread.

As the Romans expanded their empire, they adopted the best agricultural methods from conquered peoples. They wrote manuals based on agricultural techniques observed in Africa and Asia, and adapted them for use in Europe. The Chinese also adopted agricultural tools and methods from neighboring empires. Vietnam's rice varieties mature quickly, allowing farmers to harvest multiple crops in a single growing season. This type of rice quickly became popular in China. Many medieval European farmers used open field cultivation systems. One field is sown in the spring, another in the fall, and another is left uncultivated or fallow. The system keeps nutrients in the soil, increasing crop yields. The rulers of the Islamic Golden Age (peaking around AD 1000) in North Africa and the Middle East made agriculture a science. Farmers in the Islamic Golden Age learned to rotate crops. In the 15th and 16th centuries, explorers introduced new varieties of plants and new agricultural products to Europe. They brought coffee, tea and indigo (Indigofera tinctoria), a plant used to make blue dye, from Asia. They collected plants such as potatoes, tomatoes, maize (maize), beans, peanuts (Arachis hypogaea), and tobacco from the Americas. Some of them have become staple foods, expanding the range of people's diets.

ROLE OF AGRICULTURE IN INDIA

Agriculture plays a crucial role in the Indian economy. More than 70 percent of rural families depend on agriculture for their livelihood. Agriculture is an important sector of India's economy, accounting for around 17% of GDP and providing employment for around 58% of the population. Indian agriculture has witnessed impressive growth over the past few decades. Food production increased from 51 million tonnes in 1950-51 to 250 tonnes in 2011-12, the highest level since independence.  
Agriculture's share of GDP increased to 19.9% in 2020-21 compared to 17.8% in 2019-20. The last time the agricultural sector contributed 20% of GDP was in 2003-04.

* BASIC FACTS ABOUT AGRICULTURE

1.India is the largest cotton exporter in the world.  
2. India is the largest producer of ginger, okra, potatoes, onions, brinjal, cabbages etc. among the vegetables.  
3. Sikkim is the first state in the world to claim 100% organic farming.  
4. India ranks second in the world in terms of agricultural production.  
5. India ranks 9th and 5th in the world in services and manufacturing, respectively.  
6. Over the past 15 years, the value of agricultural production in India has grown from US$87 billion to US$459 billion (annual growth rate of 12%).  
Globally, India ranks 9th in agricultural exports.

Agriculture gained international recognition as governments and non-governmental organizations recognized the need to increase production to ensure food security and improve the nutrition of population growth. The development of agricultural methods and solutions not only meet the need to be more productive, but also help farmers manage and protect the environment.  
Agricultural productivity contributes to optimizing many land uses so that international agriculture scenarios protect natural habitats. In fact, millions of hectares of crops worldwide become unproductive each year due to soil erosion. Most of the soil is lost due to traditional tillage for weed control.

1.4 PRESENT STUDY

The present study is to know whether the farmers are aware about the availability of agricultural loans which have a significant impact on the agricultural industry. The loans which can help the farmers to expand their operations, to improve the productivity, to acquire new technologies and practices. This can help to increase the agricultural output and contribute to economic growth.To study whether the farmers are using the loans to purchase the land, equipment, livestock as well as to cover operating expenses.

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1.5 NEED OF THE STUDY

* It helps to identify the regions where farmers require the most financial assistance and determine the types of loans that are in demand.
* It helps to determine the impact of agricultural loans on farmers productivity.
* It helps to assess the demand for loans.
* It also helps to identify the problems faced by farmers in accessing credit.

1.6 SIGNIFICANCE AND IMPORTANCE OF STUDY

* By doing a project on agricultural loan it helps to understand the different types of loans available to farmers, their eligibility criteria, interest rates and repayment terms for each loan.
* This also helps to understand how the loan application process works and how farmers can increase their chance of getting a loan.
* It helps to discover ways to improve financial inclusion for smallholder farmers by helping them access credit to improve their livelihoods.
* By studying about agricultural loan it can have many ways to increase the effectiveness of loan program and help farmers to use their loans effectively.

1.7 OBJECTIVES OF STUDY

* To study the concept of agricultural loan.
* To study the perception of farmers towards NABARD
* To find out the awareness of farmers about various types of agricultural loans

CHAPTER II

RESEARCH DESIGN

2.1 INTRODUCTION

Literature review is an important part of research articles, references, and other research articles. It provides a summary and critical analysis of the available literature on a topic, showing the current state of knowledge, gaps and areas for further research.The purpose of the literature review is to provide a comprehensive and systematic overview of the relevant literature and to evaluate the quality, validity and impact of research in the field. The literature review will also help identify research questions, hypotheses, and objectives that will guide the research.

2.2 LITERATURE REVIEW

* **Prasad (2005)** in his research paper titled "Cooperative Banking in a Competitive Business Environment" states that technology has had a huge impact on the entire banking industry, creating new challenges for cooperative banks to be constantly Exposed competition and risk management. As such, they need a combination of new technologies and better credit and risk assessment processes, cash management, product diversification, internal controls and external regulation , and an infusion of expertise. In today's business environment, cooperative banks should be supported by democratization, depoliticization and decentralization to make them competitive. He believes that cooperative banks need urgent changes in concept, identity, business operation, management, system and process, etc., which will surely boost the morale of cooperative banks to face environmental challenges.
* **Veni and Sahar (2005)** concluded in their paper "Direct Institutional Credit to Agriculture and Allied Activities-Changing Scenario" that the growth rate of cooperative banks is relatively lower than that of SCB and RRB in the short and long term. and total credits. RRB has recorded the highest rate of credit growth - both aggregate and breakdown level since its inception between 1975-76 and 2001-02. It is also apparent from the study that SCB maintained its second position in terms of short and long term credits and total credits during the study period. The study highlights that credit for agricultural and related activities was slowly transferred from cooperatives to SCBs and  
  RRBs during the study period. This study shows that there is a great need to improve the institutional credit of, especially the role of cooperative banks, to save farmers from financial problems. Most importantly, integration between agencies and state governments must meet the financial needs of the rural sector.
* **C.V. Babu (1997)** analyzed the liquidity, profitability and commercial strength of  
  cooperative banks in three towns of Thrissur district in the state of Kerala between 1980-81 and 1989-90. For the purpose of analysis of, the authors used different ratios viz. Earnings performance ratio(by Varsha S.Varde and Sampat P.Singh) Liquid assets to deposits ratio, liquid assets to deposits ratio, deposit creditors ratio, equity to borrowed funds and arrears ratio -demand ratio. A comparative analysis of the three banks shows that Kodungallur Township Cooperative Bank (KTCB) made considerable profits during the study period as it has a very good spread ratio. Guruvayur City Cooperative Bank (GCUB) has decreased its profitability due to low interest income and high labor and other expenses,Trijarakuda People's Cooperative Bank (ICPB) had no distributions for most years. And are still at a loss. The performance of bank liquidity shows that all banks hold 4,444 excess liquid assets and excess liquidity.The comparative performance of banks in terms of credit to deposit ratio26, equity to borrowed funds ratio and arrears and demand ratio showed that KTCB and GCUB performed well, while IPCB performed poorly. results. The author recommends reducing excess funds held in liquid and cash assets to a desired level and using unused excess funds for profitable allocation.
* **S.B. Hosmani (1995)** examined the execution and impact of Malaprabha Grameen Bank (RRB) in Karnataka during the period 1976-1994. The authors selected 11 physical variables and 20 financial variables for the study. He used various analytical tools viz. Techniques for analyzing ratios, growth rates, principal components, cluster analysis and other methods for assessing bank performance. 39 The analysis shows the following: the bank's liquidity ratio is, its solvency is adequate, its loans are within the normal range of 3 times its liquidity, its profitability is far from satisfactory, and its interest rate is significant growth of is expressed as an important variable with civil servants, non-civil servants and borrowers.
* **Niranjanraj and Chitambaram (2000)** in their study titled “Measuring the performance of the DCCB "said that proper model should be developed to measure cooperative banks. They considered 23 parameters, grouped into four main groups, to measure the performance of regional cooperative central banks and assigned appropriate weights to each parameter. They ranked 14 regional central cooperative banks of Kerala based on the total score. They suggest that the performance of cooperative banks should not only be measured in terms of financial/economic performance, but also their performance as the social performance of a cooperative organization**.**
* **Bankim Chakraborty (1996)** The author studies the execution of cooperative banks in Maharashtra over the period 1989-90 to 1992-93. The variables studied are: the structure and composition of 4244 liquidity, the composition of deposits, the composition of credit, the ratio of credit to deposits, the outstanding amount of loans, arrears and profitability. The research results are: the combination of working capital shows that the proportion of deposits is relatively large, and the proportion of loans is 25; deposits represent 70% of working capital and term deposits alone represent 69% of all deposits; the credit structure is reasonable; credit and deposits are strongly linked; performance is improving, profits are up.
* **Paramasivan (2008)** in his article “Loan and Repayment Performance of Large Agricultural Cooperative Banks” focuses on major agricultural cooperatives in Block Mallasamudram, Namakkal District, Tamil Nadu. He suggested that the restructuring of cooperatives is inevitable in the current situation, and that agricultural grassroots cooperative banks should adapt to modern development and adjust their organizational structure and business model.
* **NABARD (2005)** conducted a study “Development of cooperative banks” to assess the financial performance of 1872 urban cooperative banks and 106919 rural cooperatives credit institutions. The results showed that among all financial institutions (SCB, DCCB, SCARDBS and PCARDBS) in rural areas, the percentage of NPAs decreased in substandard categories while increasing in questionable categories. NABARD is concerned about the deterioration in the quality of the assets of these banks. However, all establishments are able to meet the necessary supply needs. He further pointed out that the NPA ratio in the DCCB varied widely between states, ranging from 5% to 68% at the end of March 79, 2004. In only four states (Haryana, Himachal Pradesh, Punjab and Uttarakhand Pradesh), the rate of NPA is less than 10%. NABARD recommends partner banks to implement One Time Settlement System (OTS) and submit small advances to lokadalats and large advances to Debt Recovery Tribunal (DRTS). In addition, the government of the state was asked to help cooperative banks to reduce their non-performing assets through special refunds.
* **Nair (2004)** in the article “Rural Cooperatives – A Century of Service to the Nation”  
  states that by 2004 the formally institutionalized cooperative sector had completed a century of service to the Nation. Analyzing the progress of primary agricultural cooperative associations, he observes that over the half-century between 1951 and 2001, PACs experienced rapid growth in terms of membership, participation funds, deposits and78 granting of productive credit to farmers. They are versatile and can undertake all types of rural finance and rural service activities in a short time and with minimal transaction costs. However, in addition to the good performance of the in all aspects, the cooperative also feels disadvantaged by the increase in NPA. The 4,444 overdue PAC loans in 2000-01 rose to Rs 95,899.6 crore from 444,463. 79 million were cast in 1950-51, subjecting them to a continuous and systematic process of review, reorganization and restructuring.
* **Anand (2001)** in his book titled 'Cooperative Agriculture and Rural Development Banks' examines the role of banks in meeting the long term credit needs of the rural masses of Kerala. It also examines the impact of loans and the use of prepaid loans and collection models. The study describes well issues and highlights the real issues that exist at the beneficiary level.

2.3 OBJECTIVES OF THE STUDY

* To study the concept of agricultural loan.
* To study the perception of farmers towards NABARD
* To find out the awareness of farmers about various types of agricultural loans.

2.4 METHODOLOGY

The method or framework through which the research is to be done is called research methodology.

Types of research of my study is

* Exploratory
* Descriptive procedure of NABARD

2.4.1 SOURCE OF DATA

* Primary data

In the form of feedback of the farmers collected through the questionnaire.

* Secondary data

All the data collected from the books, records by the bank, websites.

2.4.2 SAMPLING

* The determined sample size for the study is 50 farmers.

2.4.3 RESEARCH TOOLS AND TECHNIQUES

* The research tools and techniques of the project is done through questionnarie

2.4.4 RESEARCH METHOD

* The research was done through the method of survey.
  + 1. SCOPE AND LIMITAIONS OF THE STUDY

SCOPE OF THE STUDY

* The students studying the topic will get aware of different types of agricultural loans.
* As agriculture and farmers are the pillars of society, the research itself and the results of the research are beneficial to society.

LIMITATIONS OF THE STUDY

* There is no comparative analysis because only one bank is selected.
* Farmers of all sizes are included in the sample size, including small, medium, and big farmers.
* The sources of statistics are simply based on what they are familiaqr with, thus they could not be accurate

CHAPTER III

CONCEPTUAL FRAMEWORK

NABARD SCHEME

NABARD is authorized to provide credit and other financial facilities for the promotion and development of agriculture, cottage industries, small industries, village industries, handicrafts, etc.  
NABARD deals with the financing of any agricultural activity related to rural development in India as the main objective of the agency is the development of rural Indian communities across the country. NABARD operates three divisions: Development, Regulatory and Finance.

The National Bank for Agriculture and Rural Development (NABARD) plans to raise between Rs 300 crore and Rs 500 crore through green bonds, Reuters reported. The bonds would have maturities of five to ten years, but could change depending on market conditions.

TYPES OF NABARD LOAN

1.Short term loan

These are crop-based NABARD loans provided to farmers by various financial institutions to refinance agricultural production. The loan ensures food security for farmers and surrounding rural communities. When agricultural operations are seasonal, the NABARD scheme has approved short-term lines of credit of Rs 55,000 crore to many financial institutions starting from the 2017-18 financial year.

2.Long term loan

These loans are granted by various financial institutions and are used for agricultural or non-agricultural activities. Their terms are much longer than short-term loans, ranging from 18 months to 5 years. Since FY 2017-2018, NABARD has provided nearly Rs 6,524 crore in refinancing to financial institutions, including Rs 15,000 crore in concessional refinancing to Regional Rural Banks (RRBs) and Cooperative Banks in India.

3. **RIDF or ‘Rural Infrastructure Development Fund.’**

RBI introduced the RIDF under the NABARD program as they saw a shortage of loans needed to support their priority rural development sectors. Loans disbursed in the financial year 2017-2018 amounted to Rs 24,993 crore, mainly focused on rural infrastructure development.

4. **LTIF or ‘Long-Term Irrigation Fund.’**

It was introduced under the NABARD loan to finance a total of 99 irrigation projects with a loan amount of Rs. 20,000 crores.

5. **PMAY-G or ‘Pradhan Mantri Awaas Yojana - Gramin’**

Under this financial plan, NRIDA or National Rural Infrastructure Development Authority secured a loan of Rs 9,000 crore for a project to build pukka houses with all basic amenities for poor families by 2022.

6. **NIDA or ‘NABARD Infrastructure Development Assistance.’**

NIDA is a sub-program of the NABARD program that specializes in extending credit to any financially well off institution or public enterprise. Therefore, NABARD also uses this program to refinance non-private programs.

**7. Warehouse Infrastructure Fund**

The Storage Infrastructure Fund provides scientific storage infrastructure for agricultural products. Initial loan in the amount of Rs. 5000 provided by NABARD during the financial year 2013-14. As of March 31, 2018, the amount paid was 1 million yuan. 47.78 million.

**8. Food Processing Fund**  
Under the NABARD Food Processing Fund, the Government of India has committed a loan of Rs. Rs 541 crore will be disbursed for 11 large food park projects, 1 integrated food park project and 3 rural food processing units in India.

9. **Direct Lending**

The NABARD program has approved loans of Rs 4,849 Crore especially for Co-operative Banks which will assist four state-owned Co-operative Banks and 58 Co-operative Commercial Banks (CCBs) spread across the country.

**10.CFF or ‘Credit Facility to Marketing Federations’**

These NABARD loans facilitate the marketing of agricultural events by financially strengthening marketing associations. As of 2018, the amount paid to these federations is Rs. A total of Rs 25,436 crore.

11. **PACS or ‘Primary Agriculture Credit Societies’**

NABARD also offers a unique Producer Organization Development Fund, or PODF for short. The objective is to provide financial support to PACS that essentially operate as “multi-services”.

**INTEREST OF NABARD SCHEME**

1.Short Term refinance assistance - 4.50% onwards

2. Long Term refinance assistance - 8.50% onwards

3. Regional Rural Banks (RRBs) and State Cooperative Banks (StCBs) - 8.35% onwards

4. State Cooperative Agriculture and Rural Development Banks (SCARDBs) - 8.35% onwards

CHAPTER IV

INDUSTRY PROFILE

**HISTORY OF NABARD**

* Established: July 12, 1982 on the recommendation of the B. Sivaraman Commission (by Act No. 61 of 1981 of Parliament).
* RBI has formed a committee to review the Institutional Credit Scheme for Agricultural and Rural Development (CRAFICARD) to look at these very critical aspects for boosting the rural economy.
* The Commission was established on March 30, 1979 under the chairmanship of B. Sivaraman (former member of the Planning Commission of India).
* The Sivaraman Commission presented an interim report on November 28, 1979, emphasizing the need for a new organizational mechanism to give full attention, active direction and focus to credit-related issues relating to rural development.
* His proposals led to the development of a single financial institution that would meet these aspirations, culminating in the establishment of the National Agricultural and Rural Development Bank (NABARD) which was approved by Parliament by Act No. 61 of 1981.
* NABARD was established on July 12, 1982 by transferring the agricultural credit function from RBI and the refinancing function from the former Agricultural Refinancing and Development Corporation (ARDC).
* It had an initial capital of Rs 100 crore.
* NABARD's balance sheet size increased to Rs 6,574.86 crore in 2021 from Rs 5,320.75 crore in FY20, an increase of 24%.
* Currently, NABARD is wholly possessed by the Government of India.
* NABARD Headquarters: Bombay.
* NABARD Chairman: R. Chintala.

MISSION AND VISION

MISSION

To Promote sustainable and equitable agricultural and rural development to ensure prosperity through participatory financial and non-financial interventions, technology, institutional development and innovation.

**VISION**

To be a national development bank that promotes rural prosperity

FUNCTIONS OF NABARD

Functions of NABARD

Financial Supervision Development

1.FinancialFunctions:

NABARD performs the following functions in this section:  
  
RuralInfrastructureDevelopmentFund:

* The Government of India established the RIDF in 1995-96 with an initial corpus of Rupees. 20 billion.
* There are 37 eligible activities under RIDF, which can be grouped into three categories:

-Agriculture and related sectors

-Social sectors

-Rural connectivity.

* MicroIrrigationFund:
* NABARD Started from MIF 2019-10 with corpus Rs.50 billion.
* The purpose of MIF is to provide additional resources for the expansion of micro-irrigation.
* Loans are provided for the development of food parks and food processing units in designated food parks.
* Loans for warehouses, cold stores and cold chain infrastructure to develop storage infrastructure in India.
* Credit facilities to marketing associations and cooperatives to create value/supply chain management for various agricultural products.
* Provides direct refinancing facilities to partner banks.

**2. Supervision Functions:**

The Banking Supervision Act 1949 authorizes NABARD to carry out inspections:

* State Cooperative Banks (StCBs)
* District Central Cooperative Banks (DCCBs)
* Regional Rural Banks (RRBs)
* State Cooperative Agriculture and Rural Development Banks (SCARDBs).

RegulatoryObjectives:

* NABARD monitors to protect the interests of current and future investors.
* Ensure that these banks operate in accordance with the provisions of relevant laws, rules and regulations.
* NABARD ensures compliance and adherence to rules and guidelines issued by NABARD/RBI/Government.
* NABARD also examines the financial situation of the banks under its supervision.
* Recommend ways to strengthen institutions so that they can play a more effective role in providing credit to rural India.

**3. Development Functions:**

Institutional Development:

* NABARD Regulates and supervises the functions of the Cooperative Banks and RRBs which extend over 50% of rural credit in India.

Some of NABARD's institutional development programs are:

* Develops policies related to strengthening rural cooperatives and RRBs in consultation with GOI and RBI.
* NABARD has designed and maintained an "INSURANCE" web portal to review the performance of partner banks.
* Monitors and records the financial situation of cooperative banks and RRBs.
* The draft ORR Business, Auditor and Personnel Policy also appoints the ORR Chairman.
* NABARD appoints officers of NABARD as nominee directors to the board of directors

 of RRB.

OtherdevelopmentfunctionsofNABARD:

* provides credit support to the agricultural sector and related economic activities in rural areas.
* Conducts various activities to promote financial inclusion in rural Indian society.
* Through its Microfinance Innovation Unit, NABARD has maintained its function as a facilitator and guide of microfinance programs in the rural sector.
* The Research and Development (R&D) Fund was established under the NABARD Act of 1981 to acquire new knowledge of agricultural and rural development issues through in-depth and applied research.
* NABARD develops NABARD's environmental and social policies to eliminate or reduce unnecessary environmental and social harm and to promote sustainable development.

ORGANIZATIONAL FLOW CHART

Board of Directors

Chairman

Managing Director

Executive Director

Head Office Departments

Regional Offices

Training Establishments

Sub Office Special Cell

District Development Offices

BOARD OF DIRECTORS

|  |  |
| --- | --- |
| Chairman | Shri Shaji K V |
| Director | Urvish Shah |
| Director | Dr. M. D. patra |
| Director | Ms. Revathy Iyer |
| Director | Dr. Ravindra H Dholakia |
| Director | Shri Manoj Ahuja |
| Secretary | Shri Shailesh Kumar Singh |
| Additional Secretary | Dr. M.P. Tangirala |
| Secretary | Dr. B. V. R. C. Purushottam |
| Additional Chief Secretary | Shri Ashok Barnwal |
| Principal Secretary | Dr. Sharat Chauhan |
| Deputy Managing Director | Shri P. V. S. Suryakumar |

CHAPTER V

DATA ANALYSIS AND

INTERPRETATION

Introduction

This chapter deals with Data analysis and interpretation. Data has been collected using questionnaire. Questionnaire has been distributed to the farmers. Sample has been collected through convenient sampling technique.

Table 5.1 Table shows age wise classification

|  |  |  |
| --- | --- | --- |
| Age Group | No. of farmers | Percentage |
| 18 -25 | 2 | 4% |
| 25 -30 | 5 | 10% |
| 30 -50 | 6 | 12% |
| Above 50 | 37 | 74% |
| Total | 50 | 100% |

( Source: primary data )

Figure 5.1 Figure shows age wise classification

INTERPRETATION

From the above chart it is clear that 74% of farmers belongs to the age group above 50i.e 37 members, 12% of farmers belongs to the age group 30-50i.e 6 members, another 10% of farmers belongs to the age group 30-50i.e 5 members, and 4% of farmers belongs to the age group 18-25i.e 2 members.

Table 5.2 Table shows gender

|  |  |  |
| --- | --- | --- |
| Gender | No. of farmers | Percentage |
| Male | 36 | 72% |
| Female | 14 | 28% |
| Total | 50 | 100% |

( Source: primary data )

Figure 5.2 Figure shows gender

INTERPRETATION

From the above chart indicates the distribution of farmers according to gender. In which male farmers have a majority 36 in number with 72%. Number of females are 14 in number with 28%.

Table 5.3 Table shows about the Qualification of farmers

|  |  |  |
| --- | --- | --- |
| Qualification | No. of farmers | Percentage |
| Illiterate | 32 | 64% |
| 6-10th standard | 10 | 20% |
| Intermediate | 6 | 12% |
| Under graduation | 2 | 4% |
| Post graduation | 0 | 0% |
| Total | 50 | 100 % |

( Source: primary data )

Figure 5.3 Figure shows about the Qualification of farmers

INTERPRETATION

From the above chart 64% of farmers are illiterate they are 32 in number, 20% of farmers qualification are from 6-10th standard they are 10 in number, there are 12% of farmers whose qualification was intermediate they are 6 in number, there are only 2 farmers whose qualification was under graduation, none of them are from post graduation .So majority of the farmers are illiterate.

Table 5.4 Table shows the Awareness about NABARD schemes for agricultural loans

|  |  |  |
| --- | --- | --- |
| Satisfaction level | No. of farmers | Percentage |
| Yes | 31 | 62% |
| No | 19 | 38% |
| Total | 50 | 100% |

(Source : primary data )

Figure 5.4 Figure shows the Awareness about NABARD schemes for agricultural loans

INTERPRETATION

From the above chart it was addressed that most of the members are aware about the agricultural loans they are 31 in number with 62%, 19 members are not aware about the agriculture loans which are provided by NABARD bank with 38%. Majority of members are aware about the loans.

Table 5.5 Table shows Land holdings of farmers

|  |  |  |
| --- | --- | --- |
| Land in acres | No. of farmers | Percentage |
| 1-3 acres | 20 | 40% |
| 3-5 acres | 14 | 28% |
| 5-8 acres | 8 | 16% |
| 8-10 acres | 4 | 8% |
| 10 acres- above | 4 | 8% |
| Total | 50 | 100% |

( Source: primary data )

Figure 5.5 Figure shows Land holdings of farmers

INTERPRETATION

The above chart indicates that classification number of farmers in terms of land holdings in Acres. Maximum number of farmers having the land upto 1-3 acres that is 40% & they are 20 farmers, 28% of farmers having the land upto 3-5 acres they are 14 in number,16% of farmers having the land upto 5-8 acres they are 8 in number,8% of farmers having the land upto 8-10 acres and 8% of farmers having the land upto 10 acres above they are 4 in number.

Table 5.6 Table shows that the farmers taken loan under any of the NABARD schemes for agriculture

|  |  |  |
| --- | --- | --- |
| Loan taken | No. of farmers | Percentage |
| Yes | 30 | 60% |
| No | 20 | 40% |
| Total | 50 | 100 % |

( Source: primary data )

Figure 5.6 Figure shows that the farmers taken loan under any of the NABARD schemes for agriculture

INTERPRETATION

From the above chart it is clear that 60% of farmers are taking loan under the NABARD schemes they are 30 in numbers, and 40% of farmers are not taking the loan. Maximum numbers of farmers are taking the loans under NABARD schemes.

Table 5.7 Table shows the farmers rated the application process for NABARD agricultural loan

|  |  |  |
| --- | --- | --- |
| Ratings | No. of farmers | Percentage |
| 1 | 3 | 6% |
| 2 | 4 | 8% |
| 3 | 11 | 22% |
| 4 | 15 | 30% |
| 5 | 17 | 34% |
| Total | 50 | 100% |

( Source: primary data )

Figure 5.7 Figure shows the farmers rated the application process for NABARD agricultural loan

INTERPRETATION

From the above chart 34% of farmers are rated for 5, 30% of farmers are rated for 4, 22% are rated for 3, 8% of farmers are rated for 2 and 65 of farmers are rated for 1. Here the majority of farmers are rated for 5 they are 17 in number.

Table 5.8 Table shows that the farmers facing any difficulties in availing a loan under NABARD agricultural schemes

|  |  |  |
| --- | --- | --- |
| Facing difficulties | No. of farmers | Percentages |
| Yes | 8 | 16% |
| No | 33 | 66% |
| Sometimes | 9 | 18% |
| Total | 50 | 100% |

( Source: primary data )

Figure 5.8 Figure shows that the farmers facing any difficulties in availing a loan under NABARD agricultural schemes

INTERPRETATION

From the above chart least number of farmers are facing difficulties in availing the loan with 16%, sometimes 18% of farmers are facing the difficulty, 33 number of farmers are not facing any difficulty in availing loan that is with 66% . Maximum numbers of farmers are not facing any difficulties in availing the loan under NABARD schemes.

Table 5.9 Table shows maximum loan amount that the farmers have availed under NABARD agricultural schemes

|  |  |  |
| --- | --- | --- |
| Maximum amount | No. of farmers | Percentages |
| Less than 50,000 | 4 | 8% |
| 50,000 - 1,00,000 | 6 | 12% |
| 1,00,000 - 5,00,000 | 22 | 44% |
| More than 5,00,000 | 18 | 36% |
| Total | 50 | 100% |

( Source: Primary data)

Figure 5.9 Figure shows maximum loan amount that the farmers have availed under NABARD agricultural schemes

INTERPRETATION

From the above chart 22 farmers are taking loan upto 1,00,000 – 5,00,000, 18 farmers are taking the loan upto more than 5,00,000, 6 farmers are taking the loan upto 50,000-1,00,000, and 4 farmers are taking the loan upto less than 50,000. There are only few farmers who are taking the loan which is less than 50,000. Maximum number of farmers are taking the loan upto 1,00,000 – 5,00,000.

Table 5.10 Table shows the interest rate that the farmers were charged for the loan under NABARD agricultural schemes

|  |  |  |
| --- | --- | --- |
| Interest rate | No. of farmers | Percentages |
| 4.5% | 10 | 20% |
| 5.5% | 19 | 38% |
| 6.5% | 12 | 24% |
| 7.5% | 5 | 10% |
| 7.5% above | 4 | 8% |
| Total | 50 | 100% |

( Source: Primary data)

Figure 5.10 Table shows the interest rate that the farmers were charged for the loan under NABARD agricultural schemes

INTERPRETATION

From the above table 20% of farmers were charged 4.5% of interest rate, 38% of farmers were charged 5.5% of interest rate, 24% of farmers were charged 6.5% of interest rate, 10% of farmers were charged 7.5% of interest rate, 8% of farmers were charged above 7.5% of interest rate. Maximum interest rate were charged for 19 farmers with interest rate of 5.5%.

Table 5.11 Table shows did farmers received the loan amount on time as per the promise timeline

|  |  |  |
| --- | --- | --- |
| Loan received | No. of farmers | Percentages |
| Yes | 39 | 78% |
| No | 5 | 10% |
| Sometimes | 6 | 12% |
| Total | 50 | 100% |

( Source: primary data)

Figure 5.11 Figure shows did farmers received the loan amount on time as per the promise timeline

INTERPRETATION

From the above chart 78% of farmers were received the loan amount on time, only 10% of farmers were not received the loan on time, and sometimes 12% of farmers were not received the loan on time. Maximum number of farmers were received the loan on time.

Table 5.12 Table shows loan under NABARD agricultural schemes helped farmers in which activities

|  |  |  |
| --- | --- | --- |
| Purpose | No. of farmers | Percentages |
| Crop production | 29 | 58% |
| Irrigation | 15 | 30% |
| Horticulture | 4 | 8% |
| Livestock & Fisheries | 2 | 4% |
| Total | 50 | 100% |

( Source: primary data)

Figure 5.12 Figure shows loan under NABARD agricultural schemes helped farmers in which activities

INTERPRETATION

From the above chart it shows that farmers are taking the loans from the bank for various purpose like crop production, irrigation, horticulture and livestock & fisheries. 58% of farmers are taking loans for crop production, 30% of farmers are taking loans for irrigation, 8% of farmers are taking loans for horticulture, and 4% of farmers are taking loans for livestock & fisheries.

Table 5.13 Table shows whether the Famers wants to recommend the NABARD bank to others

|  |  |  |
| --- | --- | --- |
| Opinion | No. of farmers | Percentages |
| Yes | 46 | 92% |
| No | 4 | 8% |
| Total | 50 | 100% |

( Source: primary data)

Figure 5.13 Figure shows whether the farmers wants to recommend the NABARD bank to others

INTERPRETATION

From the above chart it shows that the farmers want to recommend the NABARD bank to others in which 92% farmers wants to recommend & 8% of farmers don’t have any interest to recommend the bank of NABARD.

Table 5.14 Table shows that the farmers facing any issues in repaying the loan under NABARD agricultural schemes

|  |  |  |
| --- | --- | --- |
| Opinion | No. of farmers | Percentages |
| Yes | 26 | 52% |
| No | 24 | 48% |
| Total | 50 | 100% |

( Source: primary data)

Figure 5.14 Figure shows that the farmers facing any issues in repaying the loan under NABARD agricultural schemes

INTERPRETATION

From the above chart 52% of farmer are facing issues in repaying the loan, and 48% of farmers are not facing any issues in repaying the loan.

Table 5.15 Table shows the source of information

|  |  |  |
| --- | --- | --- |
| Source of information | No. of farmers | Percentages |
| Newspaper | 7 | 14% |
| T.V | 6 | 12% |
| Bank officers | 8 | 16% |
| Friends & relatives | 29 | 58% |
| Total | 50 | 100% |

( Source: primary data)

Figure 5.15 Figure shows the Source of information

INTERPRETATION

From the above chart it shows that the bank created awareness in the people through different sources of information through newspapers, T.V, bank officers & friends & relatives. 58% of farmers were come to know about the agricultural schemes of NABARD through friends & relatives,16% of farmers were come to know about the schemes through bank officers, 12% of farmers were came to know about the loan through T.V, and 14% of farmers were came to knoe about the loan through newspapers.

CHAPTER VI

FINDINGS, SUGGESTIONS AND

CONCLUSION

6.1 Findings

* Many farmers are of from age group above 50.
* Most of the farmers are male.
* Maximum numbers of farmers having the land upto 1-3 acres.
* Many farmers are taking loan for agricultural purpose.
* The maximum numbers of farmers are not facing any difficulties in receiving the loans.
* Many farmers are borrowing loans for crop production & irrigation.
* Maximum farmers got aware about the loans through the friends & relatives.
* 92% of farmers are willing to recommend NABARD agricultural schemes to others.

6.2 Suggestions

* Bank officers should develop the contact with farmers to let them know about the different types of agricultural schemes.
* They should also try to encourage the people by advertising the schemes through which people will get awareness about the loans provided by bank.
* Bank should focus on improving the quality of some of their new services related to farm development, firm mechanism, plantation which are helpful in promoting the agricultural production which is very important for the growth of Indian economy.
* Bank should try to promote the activities of schemes through T.V & newspapers.

6.3 Conclusion

* The study was conducted to know the perception of farmers about the agricultural loans provided by NABARD.
* Most of the farmers are willing to take the loan for crop production.
* Farmer are convenient to take the loans under NABARD and they are also willing to recommend other people as well.
* Most of the farmers said that repaying the loan is easy.
* Farmers are aware of loans through family and friends.

CHAPTER VII

BIBILOGRAPHY

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QUESTIONNAIRE

1. Age
   1. 18-25
   2. 25-30
   3. 30-50
   4. Above 50
2. Gender
   1. Male
   2. Female
3. Qualification
   1. 10th
   2. Intermediate
   3. Under graduation
   4. Post graduation
   5. Illiterate
4. Are you aware of NABARD schemes for agricultural loans?
   1. Yes
   2. No
5. How many acres of land do you have?
   1. 1-3 acres
   2. 3-5 acres
   3. 5-8 acres
   4. 8-10 acres
   5. 10 acres – above
6. Have you ever taken a loan under any of NABARD schemes for agriculture ?
   1. Yes
   2. No
7. How would you rate the application process for NABARD agricultural loan?
   1. 1
   2. 2
   3. 3
   4. 4
   5. 5
8. Did you face any difficulties in availing a loan under NABARD agricultural schemes?
   1. Yes
   2. No
   3. Sometimes
9. What is the maximum loan amount that you availed under NABARD agricultural schemes?
   1. Less than 50,000
   2. 50,000 – 1,00,000
   3. 1,00,000 – 5,00,000
   4. More than 5,00,000
10. What is the interest rate that you were charged for the loan under NABARD agricultural schemes?
    1. 4.5%
    2. 5.5%
    3. 6.5%
    4. 7.5%
    5. 7.5% above
11. Did you receive the loan amount on time as per the promise timeline?
    1. Yes
    2. No
    3. Sometimes
12. How has the loan under NABARD agricultural schemes helped you in your agricultural activities?
    1. Crop production
    2. Irrigation
    3. Horticulture
    4. Livestock & fisheries
13. Would you recommend NABARD agricultural loan schemes to other farmers?
    1. Yes
    2. No
14. Have you faced any issues in repaying the loan under NABARD agricultural schemes?
    1. Yes
    2. No
15. How did you come to know about agricultural loans of NABARD?
    1. Newspaper
    2. T.V
    3. Bank officers
    4. Friends & relatives