

## **APPROACH NOTE**

### **Study of trends and issues related to Kisan Credit Card (KCC) and its impact on rural economy**

#### **INTRODUCTION**

Access to credit plays a pivotal role in the economic development of rural areas, especially in agrarian economies like India. The Government of India introduced the Kisan Credit Card (KCC) scheme in 1998 to provide timely and adequate credit to farmers for their agricultural and allied activities. The scheme aims to simplify the credit delivery process, ensure the availability of credit at lower interest rates, and enable flexible repayment options for farmers. The scheme also provides long-term credit for investment activities depending on the cropping pattern and scale of finance effective from 2004. The Government of India extended the KCC facility to fisheries and animal husbandry farmers in 2018-19.

As of 30 December, 2022, banks issued Kisan Credit Cards (KCC) to 3.89 crore eligible farmers with a KCC limit of ₹4,51,672 crore. In addition to that, 1.0 lakh (as of 17 October 2022) KCCs have been sanctioned for the fisheries sector and 9.5 lakh (as of 4 November 2022) for the animal husbandry sector.

#### **OBJECTIVE**

- i. To analyse the progress of the KCC Scheme since its inception with focus on bottlenecks/constraints in its implementation.
- ii. To assess how KCC scheme has helped in accelerating the institutional credit flow and brought out change in productivity and efficiency at the field level.
- iii. To assess the coverage of KCC scheme for small/marginal farmers, tenant farmers etc. and assess the under-utilisation/misutilisation of scheme.
- iv. To suggest measures towards modification of the scheme to ensure inclusion of excluded farmers and improve overall efficacy of the scheme.

- v. To study the loan approval and repayment behavior.

## RESEARCH METHODOLOGY

Type of research	Descriptive and Inferential research	
Sampling method	Convenience sampling	
Sample Area	West Champaran And East Champaran Districts of Bihar	
Sample Size	<u>Banks:</u> 2 each of Commercial, RRB and DCCB <u>Farmers:</u> 10 KCC Farmers from each type of bank and 5 Non-KCC Farmers	
Nature of Data	Both quantitative and qualitative	
Source of Data	Primary as well as secondary	
Research instrument	Interviews, Field visits, Focus group discussions	
Interviewees	Farmers, Banks(Co-operative branch, Commercial Banks, RRB branch, DCCB, Commercial bank)	
Analytical tool	Mean	To represent the typical value
	Percentage	To compare one parameter against another
	S.D.	Dispersion of a dataset relative to its mean
	t-test	To compare the mean of two groups
	Correlation analysis	To assess the relationship between two variables
	Regression analysis	To determine the influence of independent variables on dependent variables

➤ **PRIMARY DATA:**

Primary data will be collected from field survey with help of structured questionnaire having open ended as well close ended questions.

➤ **SECONDARY DATA:**

Secondary data will be collected from various sources i.e. journals, report, institutional surveys, website etc.

**TIMELINE**

Literature review and preparation for field visit	Week 1 & Week 2
Field Visit	Week 3, Week 4 & Week 5
Analysis of data	Week 6
Preparation of report	Week 7
Final Draft and Submission	Week 8

