

## SOURCES OF FINANCE FOR DEVELOPMENTS OF AGRICULTURAL IN MORADABAD DISTRICT

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### ABSTRACT

*In 2011-12 the National Mission for Protein Supplements is being launched with an allocation of Rs.300 Crore. Adequate availability of fodder is essential for sustained production of milk. While the need to maximize crop yields to meet the growing demand for food grains is critical, we have to sustain agricultural productivity in the long run. To get the best from their land, farmers need access to affordable credit. Despite growing production of vegetables and fruits, their availability is inadequate due to bottlenecks in retailing capacity. It is also proposed to recognize cold chains and post-harvest storage as an infrastructure sub-sector. There is need for the State Governments to review and enforce a reformed.*

**Keywords:** National Mission, Green Revolution, Cold Chains, Agricultural Productivity, Protein Supplements.

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### Introduction

The steps (measures) taken during the current year have started attracting private investment in agriculture and agro-processing activities. The Green Revolution in Eastern Region is waiting to happen. Government's initiative on pulses has received a positive response from the farmers. The domestic production of edible oil meets only about 50 per cent demand. The gap in supply is met through imports, which are often at high prices due to the quantum of our requirement. The growing demand for vegetables has to be met by a robust increase in the productivity and market linkage. An efficient supply chain, to provide quality vegetables at competitive prices will have to be established. While we ensure food for all, we must also promote balanced nutrition.

Agriculture Produce Marketing Act urgently. Determined measures on both these issues will help address the structural concerns on inflation management. It will also ensure a more stable macroeconomic environment for continued high growth and will start attracting private investment in agriculture and agro processing activities. There are many financing agency works as source of finance in Moradabad district, some are listed below:

- **National Bank for Agriculture and Rural Development (NABARD):** The National Bank for Agriculture and Rural Development (NABARD) was set up in July, 1982 following after the recommendations of the "Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development". All major issues related to rural credit until then dealt with by the RBI and the Agricultural Refinance and Development Corporation moved under the control of NABARD.

NABARD thus emerged as the apex institution to play a pivotal role in the sphere of policy planning and providing refinance facilities to rural financial institutions. NABARD also administers the Rural Infrastructure Development Fund (RIDF), which was set up in 1995-96. NABARD has also been playing a catalytic role in micro-credit through the channel of Self-Help Groups (SHGs).

This bank is best for providing small scale industry, grih udyogs and Animal Husbandry, grih and gram industry, rural arts and other the loans for smalls scale industry, small scale industry running in the villages. After establishment of this bank all the works related to the agricultural and rural development and the main task of krishi sakha of RBI as well came under NABARD. Thus, this bank helps in refinancing to the state co-operative bank. **India** is primarily an **agricultural country**, where the most of the population live in village. Their main source of occupation is agriculture and animal husbandry and the most of the population is poor but formers are said Grain givers. For their development the NABARD

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bank is established that provide help to fulfill the necessity of the agricultural and rural development by the medium of state co-operative bank, land development bank, state agricultural banks rural bank and commercial banks. The accepted and distributed amount of NABARD was Rs 684.7cr in 1995-96 that has become 60029.6cr Rs in **2009-10**.

#### Major Activities of NABARD

- It provide the midterm and long term loans for the heavy investment in agriculture, to state cooperative banks, regional rural banks and commercial banks.
- To make adjustment in the financial arrangements of all institutes, which are involved the development programs in the rural areas and to make the contact with state government, RBI and other nationalized institutes related to policy making.
- To act the major refinancing agency among those agencies providing production loans investment in the village development programs.
- To provide the midterm loans to the state co-operative banks, regional banks in order to convert short term loans in to mid term loans in those areas which are affected by natural disasters like draught, flood, and earthquake.
- Act as the top management institute to provide refinance to the banks like state land development bank, state co-operative banks and commercial banks which provide the money for the rural development.

#### Fund Disbursed by NABARD for Different Purpose\*\*

Purpose	Rs in crore		
	2002-03	2005-06	2007-08
1. Minor irrigation	2325.00	3450.00	3955.00
2. Land development (CAD )	112.00	155.00	190.00
3. Farm mechanization	2635.00	3728.00	4365.00
4. Poultry, sheep breeding, piggery	272.00	655.00	790.00
5. Plantation horticulture	656.00	848.00	920.00
6. Fisheries	178.00	712.00	940.00
7. Dairy development	562.00	924.00	1360.00
8. IRDP	2390.00	2728.00	2930.00
9. Others	1930.00	2830.00	4140.00
10. Total	11060.00	16030.00	19590.00

\*\*source – data of table – 34 are taken from [http://nabfins.org/docs/Directors%20Report\\_Aug\\_14.pdf](http://nabfins.org/docs/Directors%20Report_Aug_14.pdf)

- **Regional rural banks (RRBs):** The banking committee had suggested opening of rural bank in 1972. In order to fulfill the financial necessities of marginal farmers and landless labor, it was established in 26 September. 1975. Banking committee has suggested that these banks should be open in rural areas and they are managed through local leadership. These banks are helping in agricultural and rural development by providing the loans to the weaker section of rural areas, marginal formers, landless labors and small scale industries. Most of the branches of these banks are opened in backward rural areas; where no banking facilities are available. These banks encourage the family savings of rural areas. In the country the 14507 branches under 523 districts of these banks are working of which 82.2% branches are in rural areas. These banks are being managed by managing committee consisting of 9 members of whom 4 are appointed by central government, 2 are appointed by main nationalized banks, 1 is appointed by state government and rest of the 2 are appointed among the share holders of central government .The contribution of these banks in agricultural and rural development was 2404cr Rs in 04-05 that has become 20065cr Rs in **09-10**.
- **Commercial Banks:** Commercial banks, besides providing the direct loans, encouraging the agricultural development indirectly. These banks are providing loans to farmers not only for purchasing of fertilizers, pumping sets and other equipments, but also for manufacturing factories of fertilizers and several agricultural equipment. As well as also provides several types of technical help to increase the agricultural production. The apex body like NABARD is established for the agricultural and rural development. Special credit plans are prepared through LEAD Bank schemes in which Bank of Baroda is playing lead role. Besides this these banks have appointed agricultural officers for the beneficial use of agricultural and rural credits.

- **KCC- Kisan Credit Card Plan:** The scheme of KCC was introduced from 1989-99 for agricultural finance, its objective is to make easier the short term credit of farmers. It is implemented by 19 commercial banks, 378 commercial banks, and 196 regional rural banks in country. Till 08-09 up to 85.9 lakh KCC were issued and their proposed amount has crossed 53085cr Rs .In which from the co-operative banks 13.4 lakh cards and 8428cr Rs, regional rural banks 14.2lacs cards and 5648cr Rs and commercial banks 58.3lacs cards and 39009cr Rs has accepted. In this scheme **till the year 2010** all the farmers having their own lands and the card holders are being made literate, in order to use the facility of cash credit facility. NABARD has created a model scheme through the co-operative development banks for the financial help to the card holders the policy scheme for the accidental death of the card holders has adopted by several bank, due to which the Indian farmers are getting many advantages.
- **To act for the establishment of Kisan clubs and SHGs (Self Help Groups) in the rural areas:** Under the NABARD several self help groups and Kisan clubs are organized in the many state of the country, in which rural banks like Shreyas rural bank of Agra and Aligarh region has played important role as well several NGOs (Non Govt. Org.) like Bal Chetana club has helped several clubs that has introduced several opportunities of employment, and the result of it development is increasing at social and economical level that is the story of success and inspire others to move forward.
- **Co-operative Banks:** Co-operative banks share 46.00 per cent in total agricultural credit allocated in 1999-2000. However, at the same time its overdue was 41.00 per cent of shared credit for the same period. They provide credit for short term (up to 15 months) and long term (above five years). The short term credit structure is based on three tier structure

#### Amount Disbursement through Different Banks\*

Year	Co-operative banks		Rural regional banks		Commercial banks		Total help
	Amount	%	Amount	%	Amount	%	
2004-5	31424	25.1	12404	9.9	81481	65.0	125309
2005-6	39786	22.0	15223	8.0	125477	70.0	180486
2006-7	42480	18.5	20435	8.9	166486	72.6	229401
2007-8	48258	19.0	25312	9.9	181088	71.1	254658
2008-9	36762	12.6	26724	9.1	228951	78.3	292437
2009-10	32925	19.9	20065	12.1	112449	68.0	165439

\*Data source of Table No. 1 is Dr. Modika Gupta & Ms. Shivangi Singhal Astt. Prof. MIT, Moradabad from their article (Institutional Credit to Strengthen Agriculture) 2009.

#### Conclusion

It has been entrusted with "matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural areas in India". RBI sold its stake in NABARD to the Government of India, which now holds 99% stake. NABARD is active in developing financial inclusion policy and is a member of the Alliance for Financial Inclusion Performance of NABARD shown in above table.

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