ABSTRACT

Agriculture is the main source of livelihood of majority of Indian population. It is the backbone of Indian economy. Agricultural development has been given due importance right from India's First Five Year Plan (1951-56). The key problem of agriculture, carried on in far-flung rural areas mostly by poor, small and marginal farmers and weaker section of the society, is credit. Credit is one of the critical inputs for agricultural development. It capitalizes farmers to undertake new investments and/or adopt new technologies. The importance of agricultural credit is further reinforced by the unique role of Indian agriculture in the macroeconomic framework along with its significant role in poverty alleviation. The present study is an attempt to analyse the growth of agricultural credit in India for a period of 2000-01 to 2011-12. For the study purpose, relevant data has been collected from secondary sources. Percentages and compound annual growth rates are used for data analysis. The study reveals that flow of institutional credit to agriculture has increased over a period of time. The amount of loans issued to agriculture both as direct and indirect finance has shown an increase during the reference period. At the same time, the loans outstanding have also grown over a period of time.

KEY WORDS: Agricultural Credit, Cooperatives, Institutional Credit, Regional Rural Banks, Scheduled Commercial Banks.

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