CHAPTER-III
AN OVERVIEW OF FARMERS’ CLUB

“One Farmers’ Club in One Village- A Unique Movement in Agriculture”

3.0 INTRODUCTION
Grouping -Organization- Farmers’ Club
Success can begin with some common characteristics of effective groups who join their hands with common concern and ground. They should have clear objectives and vision for responding and achieving their needs and share their trust with a high degree members, amongst the groups requires long and short term benefits at less costs. They form a strong network for acquiring their goals by doing their evaluation of performance within the groups and when resources are few, the group members can benefit together by effectively and efficiently utilizing the local resources as a benefit of their organization. The group either small or big can also be formal or informal but their success or failure depends on hard work, honest, transparent and open communication that will help to solve conflicts and difficulties during confusion time maturely.

Organizations are very critical for protecting the weaker sections, easy grievances redressal, loan availability etc. Industrial workers, employees, business class, hotel workers, daily wagers, transport departments, street vendors etc, have organizations with some objectives. To revive agriculture for quality production, rural farmers need education that will unite them for a common objective of never to be exploited by the other segments of the society.95 The 3B’s (Brawn, Brain and Back) which is representing hard work, adoption of new technology and credit support from banks remains the only farmer’s instruments in their hands, a faithful one for their overall development.

Small scale farmers globally, collaborate to form group that specifically address these issues. They share information work together and manage the natural resources in a

proper manner that improves their livelihood. In Latin America the farmers group developed a strong network to solve their problems without depending on others. In India self-help groups were formed to cater and develop women. Farmers also must develop strong network to solve their problems and remain responsible by coming together a small farmers to form a group that will make them hold meeting regularly and communicate efficiently and effectively among themselves and other relevant authorities concerned to addressing their needs. They should have a legal status that are easily recognized by other stake holders and accepted by all. Farmers will be benefitted in the organization right from grass root, state and national level when they have one voice. Since farmers have suffered time memorial because they are scattered without much knowledge on how this short comings can be addressed. In 1842, England made a remarkable event in history when William Shah an agriculturist writer, wrote an initiate which created a platform for English farmers. He invited the agricultural members of the Royal Agricultural Society and the Smithfield Club by stating that the “Club “ means a gathering place of farmers for exchanging their views and ideas regarding farming activities. This spread in England and many farmers were eager to form the clubs and share views. It had initiated with 700 farmers and presently, its total members have crossed 6000 members. The magazine” Farmers’ Club” which was started those days provided information through various articles related to the farmers on forming activities of every month. The club built a hotel in England which provided the Farmers’ Club members and performing various training activities by monthly, for their members.

A large set of people residing in rural areas farmers are dependent on agriculture as their main occupation in India. The merger output from agriculture by these villages is not enough as a food security or enough for personal consumption. By using traditional methods of farming they clear forests to extend farming and firewood for energy purposes that has led to reduction of water catchment areas that causes rainfall. These problems of deforestation by the farmers in the name of food production expand the rate of poverty that leads to social evils in the society and climate change at the long run.

96 Idib. Pp. 108
Farmer’s traditional methods can be done sustainability when they form the clubs that caters issues which burdens the society of already a poor village.

The Government of India has introduced a good number of development schemes / programs for the benefit of small and marginal farmers, landless labourers, rural artisans, women folks and educated unemployed youths. Apart from this the government provides free seeds, subsidized loans, manure and agriculture equipment etc. It is true that the Government spends huge amounts for the benefits of agriculturists but barely reach the needy farmers, due to middlemen. To meet food security to one and all there is a need to finance agriculture with reasonable interest rates at an appropriate time. This will remain as an urgent need for farmers, since they have to acquire specific skills, and knowledge based information technologies that will boost productivity efficiency and help cutting down unnecessary costs. This technology has oriented farmers to establish better relationship with banks, adopt latest post-harvest handling technology, value addition etc. The farmer’s also enjoy the benefits of collective bargaining power both for procuring inputs and their crops.

NABARD is an apex body which finances agriculture and agriculture based industries. On 5th November 1982 by late Smt. Indira Gandhi then the Prime minister of the country was launched Vikas Volunteer Vahini (VVV), which is now called as “Farmers’ Club”. NABARD came forward with programs for promoting agriculture from the time they were launched. But from 1st April 2005 there were revise in the operational guidelines of vikas volunteer vahini and at present vikas volunteer vahini are called as “Farmers’ Club”.

Farmers’ Club is an informal body of farmers which was organized by rural branches of commercial, private and regional rural banks, KVK (Krishi Vignan Kendra), NGOs (Non-Government Organizations) like, MYRADA (Mysore Resettlement and Development Agency), ATMA (Agricultural Technology Management Agency) and GRAMA. Banks are getting the mutual benefits from the Farmers’ Clubs by extending their banking services and getting assistances from Farmers’ Club in loan recovery.
Farmers’ Club is an effective and efficient tool for mobilizing the farming communities at the grass root level for exchanging the information. It helps the banks also to cover the rural population engaged in agriculture as their main activity. NGOs and other promoting agencies collaborate with the bank through Farmers’ Clubs provide financial resources to improve field production. This initiative helps farmers improve their living standards by applying experiences achieved from training programs, workshops, study trips, tours, experts visits and vermin-composting.

3.1. Basic Rules for Formation of Farmers’ Club

3.1.1 Formation and Hierarchy of Farmers’ Club:

Farmers’ Club as an informal forum in the villages promotes activities pertaining to farmers’ in the operational areas. The minimum number of members to form a Farmers’ Club is 10 (Ten) and no upper limit. Every club has two office bearers, one as chief coordinator and the other as associate coordinator. The two office bearers are elected by the club members on a democratic basis for a term of two years but may continue their office beyond two years, subject to consent of the other members of the club based on the ability to work properly and if the members get satisfied with the services of the office bearers. The office bearers to administer the Farmers’ Club should be the residents of the area within the operation of the club. The hierarchy of the members of Farmers’ Club is shown in the Fig. No - 3.1.
3.1.2 Rules for formation of the Farmers’ Club:

All institutional agencies like commercial banks, gramin banks and co-operative banks and all grass root level organizations e.g. Non Government Organisations, Agricultural universities, Krishi Vignan Kendras and Mysore Resettlement and Development Agency are eligible to form the clubs by following the prescribed guidelines of NABARDs for opening and maintaining the clubs.\(^7\)

I. Bank branches and NGOs, Krishi Vignan Kendra, Agricultural universities, ATMA (Association of Technical Market Analysis), and MYRADA can promote the clubs directly as per the directions of the clubs.

II. Selects a village/Cluster of villages suitable for launching clubs in the operational area of the bank branch.

III. Identify a few progressive farmers and borrowers with good track record of proper loan utilization, aptitude and capacity for team work.

IV. Encourage the members to select a chief coordinator/volunteer and an associate coordinator/volunteer and a cashier. This will ensure collective leadership and continuance of the club.

V. Bank provides orientation training to them with the help of NABARD (Regional Office) before launching.

VI. Bank encourages members to convene monthly meeting regularly, guide them to have meaningful discussion and take necessary follow up action.

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\(^7\) NABARD Pamphlets and hand leaflets.
VII. Bank motivates members and identifies credit and non-credit needs (training, socio-economic, and village infrastructure) prepare a plan of action and accordingly arrange for expert talks, counseling, need-based activities, etc. with the help of Government departments and other agencies concerned.

VIII. Bank ensures that the members maintain membership register, meeting register, minute’s books and books of accounts.

IX. Bank evolve a performance parameter and measure the clubs’ contribution annually,

X. Use the club as a tool in aid of branch not only in the matter of credit and recovery but also in facilitating promotion of self-help groups, micro credit, financial inclusion and convergence of services.

XI. Arrange exposure visits, study trips and farmer-to-farmer extension through Farmers’ Club.

3.1.3 Basic Level Orientation Training Program (BLOTP): Farmers’ Club was started with the primary objective of providing basic level orientation training program to all the members. This was jointly organized by the branch manager, NABARD’s district level officer and the district agriculture officer along with the special officer of the head office the banks. As soon as the club was formed NABARD through its officer provide facilities to the rural farmers for their growth and other schemes which will help them and the groups for self sufficiency in food products.

The agriculture officer educates the farmers and also informed them on how to use of various government subsidies and schemes for their development. They also protest the benefits that farmers will get when they will apply certain tools and techniques to yield more on limited piece of land. They also teach them on quality seeds, proper utilization of fertilizers and how to control pesticides. On the other hand, the branch manager helps the rural folks to know the various banking facilities available. This move makes shy farmers to make transactions with the bank to get forming benefits, farmers also learnt to operate various modern facilities like ATM, to transfer and receive of transactions at any
time. The branch manager advises the farmers to have accounts even without balances, Kisan credit cards, crop loans made easier and gold loans all at reasonable interest rates. The manager also encourages farmers to open savings bank account, so that they can save for future uncertainties.

3.1.4 Monetary benefits to the Farmers’ Club:

When a bank open a Farmers’ Club it consults NABARD which provides financial support for an initial period of 3 years worth Rs. 10,000 each year irrespectively. Suppose if the Farmers’ Club is opened by an NGOs/ KVKs (Krishi Vignan Kendra) NABARD provides an incentive of Rs.2, 000/- per club per annum but those opened in hilly/ remote/ Naxal affected areas will be provided with an additional incentive of Rs.1, 000/- (Normal incentive Rs. 2,000 and affected area incentive Rs. 1,000, total Rs.3,000) per club for a period of 3 years over and above Rs. 10,000/. The initial yearly of Rs. 10,000 is used for meeting the following minimum and mandatory expenses. The disbursement of amount for various activities has been shown in the table - 3.1.

<table>
<thead>
<tr>
<th>No.</th>
<th>Particulars</th>
<th>Amount</th>
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<tr>
<td>01</td>
<td>Formation and maintenance expenses for the first 3 years</td>
<td>3,000 = 00</td>
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<tr>
<td>02</td>
<td>Inauguration of club &amp; to educate members about role, functions etc of the club called as Base Level Orientation Training Program (BLOTP)</td>
<td>5,000 = 00</td>
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<td>03</td>
<td>Meet with experts 2 programs at the initial year @ Rs.1, 250 (1,000) per program and further 2 years it was 4 programs @ Rs.1250 (4*1250=5,000) and remaining amount should be for annual maintenance expenses.</td>
<td>2,000 = 00</td>
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<td></td>
<td>Total</td>
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(Source: NABARD pamphlet of Farmers’ Club Programme (FCP) & www.nabard.org)
The annual maintenance grant for the first year is released in advance, immediately upon sanction. However, the annual maintenance expenditure for second year and onwards is released to the clubs only, those clubs who have submitted the prescribed progress returns and the sponsoring banks/agency’s recommendation for the claim to NABARD.

3.1.5 Major Functions of Farmers’ Club:

The Farmers’ Club are opened with the objectives of developing the farmers from grass root level by functioning in a proper manner to enhance economic and social standard of the farmers. The main functions of the Farmers’ Club are listed below:

I. The Farmers’ Club acts as a source center where contact between agriculture officer, banks, and others who are needed for the development of farmers in the village takes place.

II. The club acts as a forum for interaction and exchange of ideas on scientific agriculture.

III. It helps in the transfer of technology to farmers and monitors the transfer to achieve maximum production and productivity.

IV. Farmers’ Club helps in assessing input requirements of the village and arranging the same

V. Organizing trainings to men and women farmers in the villages.

VI. Guides on effective use of soil test in the villages.

VII. Educating the farmers’ about fertilizers use and promotion of organic manures / Bio-fertilizers / vermin-culture etc.

VIII. Organizing campaigns like Rodent control and pest control campaigns in times of crisis.

IX. Effective water management in co-ordination with water user association in the village.

X. Introduction of new agricultural implements, and display the pamphlets to the farmers.

XI. To bring the notices of Government, spurious pesticides, fertilizers and substandard seed for early response.

XII. Organization of various demonstrations of farmers through Farmers’ Clubs.
3.1.6 Members of Farmers’ Club:

All villagers can become the members of the Farmers’ Club, excluding willful defaulters and those who are active participation in the political parties, other points are elucidated below:

I. Farmers must be owner, cultivator or a tenant and should be living in the village.
II. The member should at least be able to read and write/ understandable.
III. Should be progressive and innovative farmer and should have aptitude for implementing latest technology and propagating the same among the fellow farmers.
IV. All farmers without gender, poverty, social status discrimination can become members.
V. The person should be able to devote some time for socio-economic development of the common people.
VI. The member should command respect in the village.
VII. All the development departmental officers will be Advisors/Resource persons of the club.
VIII. A person who has already taken a loan from bank and utilized properly and repaid the amount in time.
IX. Member should not be an active member of any political party.

3.1.7 Duties of Office Bearers:

The office bearers who have been elected by the volunteers/ members of the clubs takes a term of two years & they have to formulate various activities in consultation with the members and the banks as per the directions of the banks by implementing the plans suggestions that uplifts the economic and social status of the members. They have to follow NABARD guidelines to perform their duties. They are:-
I. Office bearers to arrange the meetings, discussion etc, with the members.

II. Office bearers to be responsible in arrange meetings with the experts from NABARD, bank, agricultural officers, developed farmers, health officers, veterinary officers, and NGOs.

III. An office bearer to undertake leadership of every activities of the Farmers’ Club.

3.1.8 Duties of Members:

Members of the club are volunteers and they are essential in order to establish Farmers’ Clubs. Office bearers are selected by members through democratic system. Members of Farmers’ Club are fully involved and committed in the activities and responsibilities to perform various services to the agriculturist and also for future potentials. Farmers approach the office bearers to undertake various activities which are desperately needed, by work together through their collective effort with a view to achieve a more effective system of economic management. Members are the mouth piece of the banks for spreading the information regarding subsidies, banking facilities and various other benefits to the villagers. The members are responsible for undertaking some of the duties stated below:

I. Members to follow the five principles of the Farmers’ Club.

II. Club members inform rural folks periodically about the various schemes of NABARD and other institutions.

III. To make sure that rules and regulations of bank loans are explained properly to the villagers.

IV. Members should share their experience of success or failure among themselves and motivate effectively.

V. Farmers’ Club members act as a recovery agents to the banks.

VI. Members responsible for maintaining daily records of their activities for easy references.

VII. Club members act as a middleman between the rural people and various government organizations. Banks, NGOs, etc.

VIII. Club members maintain a good relationship among members and their villagers.
3.2 Source of income to the Farmers’ Club

The club must make endeavor to raise their own resources with a view to ensure long term sustainability of the clubs. Regular source of income and consistency in their activities is the key for sustainability of Farmers’ Club and this can ensured through creation of a corpus at the club level. Such steps are expected to make the Farmers’ Club self sustain over a period of three years, if or when funding support is withdrawn from the NABARD, the club can take following measures:

I. The club can raise contribution from members in the form of membership subscription, annual membership. The life membership subscription should be fixed by the promoters of the club.

II. Monthly savings should be decided by the members in consultation with the promoters.

III. The club can undertake certain business activities such as service charges for self-help groups/joint liability groups, loans on recommended banking @0.5 and 1 percentage (this is suggestive and the club members can decide themselves).

IV. The other business activities that can be fund the clubs are; commission / incentive for selling insurance products (as per negotiations with individual insurance companies)

V. Commission for acting as business facilitators/ business correspondents (to be negotiated with individuals banks)

VI. The club can render miscellaneous services to the villagers on a payment basis.

VII. Club can explore the possibilities of contract farming and keep apart a limited portion of additional income earned as common fund.

VIII. Any other charges for services provided to other agencies i.e. Government, Corporate bodies etc.,

The above steps are expected to make the Farmers’ Club economically strong and there by club can take an independent decision and sustain themselves for a longer period of time. A strong financial background makes the club economically viable in order to undertake beneficiary activities to the members.
3.3 Role of Farmers’ Club for the Development of Farmers

The main role of Farmers’ Club would be to achieve prosperity for the farmers with overall agricultural development in their areas of operation by facilitating credit counseling, technology counseling and market counseling. The empowerment of the farmer’s is the key to development in the rural areas, with this in mind, NABARD implemented the “Farmers Club Program” (FCP) to provide the farmers with the skills to increase their crop yield, and market it more effectively and reinvest in the production in order to produce surplus. Among other programs, it has intervention in basic health, education, literacy and human rights to support the overall development of the farming community.

The main objectives of the Farmers’ Club programs are “development through credit, technology transfer, and capacity building”, undertaking a host of farmer friendly innovations, the significant amongst them include, formation of self-help groups and federating them at the Grama panchayat level, freeing the debt ridden farmers from the clutches of usurious money lenders, setting up of a rural information and service centre; organizing training programs for income generating activities; campaign towards a litter-free village; organizing awareness programs on topics of interest, supply of inputs/planting materials, arranging exposure visits and formation of joint liability groups.

The basic role of the program was to take innovative and new initiatives to bring about an attitudinal change amongst the poor farmer borrowers. The main intention of this program was providing credit by propagating the five principles of “Development through Credit”.

3.3.1 Development through credit by Vikas Volunteer Vahini: Farmers’ Club help in creating a new environment in rural areas where the banks, farmers/rural poor/ artisans come together and engage in a positive dialogue and make sincere attempts to attain
progress. The objective through credit is sought to be achieved by adoption of five (5) principles as enunciated by NABARD\textsuperscript{98} which are mentioned below:-

I. Scientific utilization of credit.
II. The terms and conditions of credit must be fully respected.
III. Work must be done with skill so as to increase production, productivity and quality
IV. A part of additional income created by credit must be saved.
V. Loan installments must be repaid in time and regularly so as to recycle credit.

Over the years, the vision of the vikas volunteer vahini had developed with a great success and it had reached almost every corner of the country. Government insisted on the public banks, co-operative banks and Regional rural banks through NABARD to implement the schemes and to guide the farmers to overcome the common problems of the rural areas. With the help of the vikas volunteer vahini, the rural masses are rescued from the jaws of money lenders.\textsuperscript{99} They can get finance from the banks with the help of the vahini and reduce the burden of debt as affordable interest rates. The developmental activity undertaken by vikas volunteer vahini was highly appreciated by the farmers but the five envisaged principal were not enough to render valuable services to the farming community. Therefore, the restriction of five principles was removed by the NABARD and enhanced eight principles. Hence, NABARD for the mutual benefit of bankers and farmers the vikas volunteer vahini Program was rechristened as “Farmers’ Club Program” in 2005 by revisiting its earlier mission.

3.3.2 Development through Credit by Farmers’ Club:

The revised new mission of 2005 Farmers’ Club was intended to carry out the following by considering the time and technology updates to carry out the following activities. At the time of new revision of mission of 2005, Farmers’ Club it was intended to materialize the major objective is to “Development of rural areas through credit, technology transfer, awareness and capacity building,” and the other broad functions are as follows:-

\textsuperscript{98} NABARD Regional office, Bangalore pamphlet.
\textsuperscript{99} A.S.Veerendrakuma Raithana Mitra- Varada Gramin Bank with Nisarga VVV, Aravakki, Bhatkal”

I. To coordinate with banks to ensure credit support among its members and forge better bank borrower relationship.

II. To organize minimum one meeting per month and depending upon the need, there would be 2-3 meetings per month. Non-members can also be invited to attend the meetings.

III. To interface with subject matter specialists in the various fields of agriculture and allied activities etc, extension personnel of Agriculture Universities, development departments and other related agencies for technical knowhow up-gradation. For guest lecturers, even experienced farmers who are non members from the village/neighboring villages can be invited.

IV. The club liaison with corporate input suppliers to purchase bulk inputs on behalf of members.

V. The club organizes/facilitates joint activities like value addition, processing, collective purchase of inputs and farm produce marketing for the benefit of members. They can also sponsor/organize self-help groups.

VI. To undertake socio-economic development activities like community works, education, health, environment and natural resource management.

VII. To enhance bargaining power for bulk purchase of inputs and marketing of their produce.

The broader view of Farmers’ Club would be to achieve prosperity for the farmers with overall agricultural development in its area of operation by facilitating credit, technology and market counseling. Over the years, the vision of Farmers’ Club has undergone a sea change and their role of facilitating, transfer of technology, village concepts of seed propagation, strengthening agriculture extension services, undertaking collective purchase and distribution of inputs producing and marketing, members capacity building, acting as a business facilitator/business correspondents for banks, forming of self-help groups, joint liability groups, Farmers Federations clubs, undertaking community related works and assuming the role of leadership has been made easy and true.
3.4 Farmers’ Club and Regional Rural Bank

Formation of Farmers’ Club is mandatory for the Regional rural banks. NABARD made mandatory for Regional rural banks that every branch must open a Farmers’ Club in their respective areas and provide banking services to the rural people. NABARD also refinanced the credit facility to the banks, banks got benefits with the formation of Farmers’ Club which led to better Banker-Borrower relationship in the area of their operations and normally the benefits are as follows:

I. The club helps in increasing the deposits of the village areas under their operations

II. The club increases the banks credit flow and diversification of lending to the needy farmers.

III. The clubs generate new business avenues to the bank.

IV. Reduction in the transaction costs of financial institutions/banks.

V. The club helps the bank to select eligible borrowers before lending the amount.

VI. The club helps in socio economic development of the villages which leads the growth of banking activities.

VII. The club helps both the bank and the rural poor by facilitating savings and the bank creates credit. This mutually benefits both.

VIII. The Farmers’ Club has also been instrumental in certain social welfare measures like free eye check-up camp, animal health-care camp, mass vaccination camp, community works like road, check-dams, a forestation etc.,

IX. They are also to assist the promotional agencies and the villagers to make different Government schemes like Prime Minister Rojagar Yojana and Swarna Jayanti Swarozgar Yojana.

X. The club helps the bank for collecting loan amount without much difficult, in such circumstances the club and the club members join hands in collecting the dues from the borrowers to the bank.

At the time of establishing a Farmers’ Club the bank or any other institution considers all the villagers as members, excluding those with defaulter record of failing to repay the loan intentionally despite their richness and those farmers who are actively participating
in political parties. Farmers’ Club is a democratized organization and views all farmers as one and the same and a good example of an informal organization. Any successful farmer who is not a member or a member of the Farmers’ Club is given an opportunity to demonstrate, how the villagers / farmers can adopt the methods which are cost effective and more productivity, as an endeavor for the club. Farmers’ Club may raise the required funds from the members for developmental activities and other certain business services such as bulk procurement of inputs and collective marketing of agricultural produce, for the club and villages.

Regular workshops and field demonstrations are conducted to educate farmers about the use of chemical fertilizers and pesticides. Apart from, NABARD and regional rural banks are taking initiative to teach and encourage organic farming methods in their fields. They grant loans for farmers in consultation with the members of the club. Farmers’ Club links the farmers to banks for micro-credit needs to meet their agricultural loan requirements which have saved the poor farmers from exploitative money lenders. The clubs have become a training centre for small and marginal farmers by assuring earning more from existing meager resources honestly to enhance the economic standard of the villages as their motto.

3.5 Farmers’ Club and Social activities

India is a land of villages and today with 80 per cent of the population are living in villages. Agriculture is the main activity and still is a major source of income and sustainability. Apart from that the villagers have been involved in various occupations like fishing, poultry, dairy, carpentry and small and cottage industries. Farmers came together to actively participate in social-economic development programs are formed to make develop, organize, advice, improve life, protect environment and develop various collective economic activities in agriculture on behalf of this farmers.

Farmers’ Club conducts the following social activities to benefit to the members, farmers and their villagers:-

I. Educating the rural people by opening library and information centre.
II. Affordable medical facilities to the rural villagers.
III. Supply of clean drinking water and sanitary.
IV. Field demonstration on rain water harvesting structures.
V. Organizing seminar on forestation and distribution of saplings.
VI. Organizing awareness camps on contagious diseases like dengue fever, viral fever, etc.
VII. Organizing free eye testing, cancer detection camps & awareness campaign on rabies disease.
VIII. Conducting classes on consumer awareness.
IX. Providing assistance to the affected persons and family at the time of accidents.
X. Recognizing and honoring best farmers.
XI. Bringing out a mobile/telephone directory of grams Panchayath.
XII. Institution of best performance awards for Self-help groups’ and joint liability groups.
XIII. Supporting of merit students by awarding prizes and extending scholarships.

The above social activities undertaken by the Farmers’ Club helps the farmers benefit in one way or the other in their villages. Different clubs undertake different activities in their respective locations and in their rural areas. In simple one can say that the Farmers’ Club is a platform for gathering, exchanging the ideas, discussing the problems and suggesting the remedies. Farmers’ Club is the best device to improve the socio-economic conditions of the members through different social activities.

3.6 NABARD Policies towards Farmers’ Club

NABARD’s policies support the Farmers’ Club programs by laying a stress on linking technologies with Farmers’ Club members and in facilitating the marketing techniques. These policies provide various benefits to the club members, by developing their farming activities, communicative activities and implementing the advanced technologies into their fields. NABARD provide various facilities to the rural needy people through regional rural banks and Farmers’ Club. Other various benefits of NABARD’s are:-
I. Providing Farmers’ Technology Transfer Fund (FTTF)
II. Developing Farmers’ Training & Rural Development Centers (FTRDCs)
III. Developing capacity building of members of Farmers’ Club.
IV. Providing leadership training to the farmers.
V. Making a linkage with technology/markets.
VI. Leading in the formation of self-help groups (SHGs)/ joint liability groups (JLGs).

3.6.1 Farmers’ Technology Transfer Fund:

The concept of Farmers’ Technology Transfer Fund (FTTF) was developed by NABARD on 1st April 2008 with an objective of promoting transfer of technology to enhance production and productivity in agriculture and farm related activities. Farmers’ technology transfer assists the farmer to adopt the appropriate technologies through training cum-exposure visits and demonstrative projects. In this system farmers’ organize themselves as crop growers for self help and collective approach for commercial transactions. The information is supplied to the farmers’ in the form of pamphlets, leaflets, Compact Disks in their local vernaculars. Through training they obtain information on climate change, clean development mechanism and other environmental issues. Through this technology, the farmers’ income is increased tremendously in the form of production and productivity, simultaneously reducing the costs to the extent.¹⁰⁰

3.6.2 Capacity building of farmers:

Capacity building in terms of behavioral changes among farmers is a matter of concern for the clubs because pervasive poverty that had engulfed rural areas with a wide area of expansion with much decrease in productivity. Hence, Farmers’ Club took that responsibility of capacity building, by induction of technology in farming, increase innovations, training institutes for farmers and ready availability of loans collaboration

with agricultural universities furnishing timely and proficient advice to the farmers by use of ICT (Information and Communication Technology) among others to help agricultural factors of production to be at the best.\footnote{Salunkhe S.R (2011). “Role of information and communication Technology (ICT)for Agricultural Development “ Reader Shelf, Volume No.7, Issue No. 9, June. Pp 13-15.}

The present age has been rightly termed as an “information age”. Farmers are anxious and desirous to know the advancement of science and technology in their fields. The various mass media’s are transforming the ideas of farmers like communicating agricultural information through farm television, farm radio and news papers, interchange of ideas success and failures to create conducive behavioral changes among themselves. Farmers’ training schools advise the farmers to develop solutions to their problems by analyzing and trying out new ideas on their own fields. In training they observe, learn and discuss with the experts to increase their innovative thinking and know how.

3.6.3 Leadership training to the farmers:

Good leaders are made not born. Farmers should have to develop the desires and willpowers of becoming effective leaders by applying their leadership knowledge and skills (Jago, 1982). The farmers’ training institutions give priority to framers by inculcating the habit of leadership qualities. Farmers training centers normally select enthusiastic individuals, who can be able to read and write local languages. After training they are expected to act as leaders in their clubs/ villages and administrative the knowledge to fellow farmers. During the training they are guided on the overall concepts and objectives of Farmers’ Club. Institutes provide effective training to the farmers, to take active participation in case studies, study tours, expert’s visits, demonstrations, based on geographical situations, cropping pattern, using of modern agricultural technologies, watershed development etc.

In Karnataka the Agriculture department, Agriculture University, Krishi Vignan Kendra, Rural development and self employment training institute, Mysore resettlement and
development agency, and various other NGOs provides training to the farmers throughout the years, because all are concentrated on the overall development of farmers. After obtaining the knowledge from the training, they can implement and increase their production and productivity with a minimal cost. Farmers realize the vision of training and utilize their knowledge in the development and upliftment of other fellow village farmers.

3.6.4 Linkage with technology/markets:

Marketing system has undergone rapid changes, since the olden days when people used to go to the market to obtain the products through middlemen, whom so far, NABARD has linked for market and rescued them from exploitation by middlemen. It was not possible for an individual farmer to take NABARDs position, but Farmers’ Club was able to connect the supply of agricultural products to the consumers, supermarkets, hotels, companies and even export on behalf of farmers. The club links farmers directly to the market for their produce as a long-term business relationship policy that gives mutual benefits to consumers and the club members itself. Consumers obtain fresh products supplied uninterrupted which they require and farmers get handsome income due to middlemen ejection. Connection to the market provides the members with knowledge on demand and the current prevailing price of the product.

An agricultural based technology system has a complex set of agricultural functions. It increases agricultural productivity and income of the farmers. Farmers’ Club plays both in disseminating technology through effective feedback mechanisms and uses technology to improve the efficiency of work in the agricultural field. Normally technology can be classified into two types called as material and knowledge-based technologies is classified in the Fig. No. 3.2.
NABARD educates the farmers through Farmers’ Clubs to obtain and adopt the knowledge on technologies with the help of the sponsors. Every year NABARD provides training to the Farmers’ Club members and allotting certain amount of money to the clubs to meet the expenses of obtaining the knowledge through seminars, and expert field visit and study tours. Farmers’ by using the benefits of technologies borrowed from technicians and keep applying them for better productions. Farmers’ Club approaches universities on how properly use of machines by quality demonstrations and mini-kits proficiency and safety purposes. By use of technological machines farmers can bridge the gap of labour supply.

### 3.6.5 Formation of Self- Help Groups and Joint Liability Groups:

Farmers’ Club enjoys the local acceptability and goodwill for being informal ambassadors of the village to the banking system. Since NABARD initiated self-help groups in 1992-93 a significant role of empowering women in rural areas as a major micro-finance programme has taken place, women are good in savings and debt redemption. Rural agricultural surplus produce through self-help groups has lifted the joint liability of farmers by enabling easy access to the market. Farmers’ Club has been using the self-help groups under its fold as an effective platform for social re-engineering and women empowerment leading to the economic up-liftment of the downtrodden who
have had no sustainable access to the formal banking system. Farmers’ Club took the initiatives to provide training to the members of self-help groups for maintaining the books of accounts and making the transactions between the banks for repayment of self-help groups’ loan. The club has taken utmost measures to raise economic status of rural women under self-help groups by organizing/getting incentives from NABARD for opening self-help groups linked to gramin banks of Rs. 300/- only.

A Joint liability group (JLG) is an informal group comprising preferably of 4 to 10 individuals but can be up to 20 members, coming together for the purposes of availing bank loan either singly or through the joint mechanism against mutual guarantee. The member consists of tenant farmers, small farmers without possessing proper title of land and rural entrepreneurs engaged in non-farm activities. These members should be living in the same area, or village with a mutual trust. Farmers’ Club takes initiative to organize the enthusiastic person who needs capital to undertake any productive activities to increase their income. Joint liability groups can get easy loans from bank because they can be introduced by the Farmers’ Club to the banks, to undertake agricultural productive activities. In this process both the bank, Farmers’ Club and joint liability group benefits by creating credit, getting percentage and capital for personal group or individual use.

3.7 Rating Parameters of Farmers’ Club

There are number of Farmers’ Club established by the banks, NGOs, and other agencies but it is difficult to assess the Farmers’ Club. Hence, a distinction among the Farmers’ Club by rating them is compulsory. The rating includes facilitating the graduation of Farmers’ Club into federations of Farmers’ Club, as per the prescribed parameters. The parameters are divided into three categories i.e. very good, good and average rating was based on their performance, age, and activities taken by club during the year as depicted in the table No. 3.2.
### Table - 3.2: Various Parameters of Rating activities and their Marks

<table>
<thead>
<tr>
<th>No</th>
<th>Parameters of Rating</th>
<th>Max. Marks</th>
</tr>
</thead>
</table>
| 01 | **Meetings:** Frequency of meeting, quality of the subjects discussed in the meeting (Maximum 2 marks for each meeting depending on quality of meeting)  
**Awareness program** or study tours organized for the club (3 marks for each program organized)  
Submission of quarterly progress Report (QRPs):  
4 QRPs = 10 marks,  
3 QRPs = 8 marks,  
2 QRPs = 5 marks,  
1 QRPs = 3 marks. | Maximum 10 marks for each activity. (30 marks) |
| 02 | **Age of the club:** (1 marks for each completed year)  
Per cent of **attendance** in the meeting held during the last year, (more than 80% = 5 marks, 60%-80% = 4 marks. 50-60% = 3 marks & less than 50% is 1 marks).  
Per cent of **Recovery of loans** at the branch level (more than 90% = 5 marks, 70%-90% = 4 marks, 50%-70% = 3 marks & less than 50% was 1 marks).  
**NPA Levels:** - (for Nil NPA = 5 marks, up to 5% = 4 marks, 5%-10% = 3 marks, more than 10% = 2 marks).  
**Impact on credit flow** (credit flow is more than 80%=5 marks, 50%-80% = 4 marks, 20%-30% = 3 marks, less than 20% was 2 marks).  
**Increase in deposits** (more than 90% = 5 marks, 75%-90% is = 4 marks, 5 to 8% = 3 marks & less than 5% = 2 marks).  
**Social activities** : Road repairs, construction of school buildings, Renovation of Temples, lakes, Closure of arrack shops, eye camps, animal health camp etc. ( more than 10 activities = 5 marks , 8 to 10 activities= 4 marks, 5 to 8 activities=3 mark, Less than 5 activities = 2 marks) | Maximum 5 Marks for each activity. (60 marks) |
<table>
<thead>
<tr>
<th>No</th>
<th>Parameters of Rating</th>
<th>Max. Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of <strong>Self Help Groups (SHGs) promoted</strong> by the Clubs during the year (more than 10 clubs = 10 marks, 8 to 10 clubs = 4 marks 6 to 8 clubs = 3 marks, less than 6 clubs = 2 marks.) No. of <strong>SHGs credit linked</strong> (100% credit linked = 5 marks, more than 80% = 4 marks, 60% to 80% = 3 marks, less than 60% = 2 marks.) <strong>No. of training programs organized</strong> or attended by the club members during the years = 2 marks for each programs. <strong>Outstanding performance of the clubs</strong>: Participation in Krishi Mela’s, organization by Krishi Mela’s. maintenance of library, adoption of technology transfers etc.,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development through credit: - club spread the message to the members of the farmers. Conducting the programs of “meet with experts” (for each programs = 1 marks each).</td>
<td>Maximum 4 marks. (4 marks)</td>
</tr>
<tr>
<td>03</td>
<td>Development through credit: - club spread the message to the members of the farmers. Preparation of Village Development plan (VDP) (Full marks if VDP prepared. Preparation of Action plan for the year (if prepared full marks may be given) Progress under Action plan.</td>
<td>Maximum 2 marks for each activity. (6 marks)</td>
</tr>
<tr>
<td>04</td>
<td><strong>Total</strong></td>
<td>100 marks</td>
</tr>
</tbody>
</table>

**Source:** PGB’s circular No. 53/2006-07 dt.14-07-2006.

**Note:** all the above items are assessed on the year of 2005-06 onwards.

**The rating of the Farmers’ Club has been calculated on the basis of marks:**
Marks in between 61 to 100, the Farmers’ Club are treated as VERY GOOD.
Marks in between 41 to 60, the Farmers’ Club are treated as GOOD.
Marks should be less than 40 the Farmers’ Clubs are treated as AVERAGE.
On the basis of the above points the Farmers’ Club can be assessed and declared, as very good, good and average, during that particular year.
3.8 Awards of Farmers’ Club

To honor excellence in agriculture and recognize the valuable contributions of the Farmers’ Club to the farmers community at large, every year NABARD gives the best working Farmers’ Club award to the club which conducts maximum activities on the basis of rating norms by assisting the members, societies, villagers and as well as the sponsor banks. NABARD issue the awards on three phases. District level, State level and National level awards, based on the rating guidelines. The National level Best Farmers’ Club award consists of a certificate and a cash of Rs 10,000/-. The quantum of award is Rs. 5,000 and a certificate for state level best Farmers’ Club. Rupees 1,000/- for the District level best Farmers’ Club and the consolation prizes are also issued by the NABARD for the clubs who obtains marginal ratings.

3.9 Revival Packages for Dormant clubs

Clubs are formed with an intension to develop the farmers’ in the villages, but due to various reasons after their formation, they become dormant or defunct. After the members feel dissatisfied with club management opt to seek assistance from NABARD for activating it, by appealing to the bank thorough NABARD regional officer. In this regard, NABARD provides Rs. 10,000/- only for one year to meet revival costs like meetings and exposure’s visits by members of Farmers’ Club.

3.10 Growth of Farmers’ Club in India

To improve the efficiency of production and productivity of agriculture, government has to take immediate steps of providing package initiatives for transferring technology, improving input, using efficiency techniques of farming, promoting investments in agriculture both in private and public sectors and creating a favorable and enabling economic environment. The emerging agriculture sector demands are now adopting location specific skills and knowledge based technologies, promotion of greater value addition to agriculture produce, forging new partnerships between public institutions,
technology use in the corporate sector, to help realise the financial sustainability and to equally compete in the international market.

NABARD transmits these latest agriculture initiative strategy techniques to the Farmers’ field, which in turn orient them to establish better relationship with banks, adoption of latest post-harvest handling technology, value addition, etc. and enjoy the benefits of collective bargaining power both for procuring inputs and selecting their produce on for the upliftment of farmers clubs in India.

NABARD provides financial assistance to banks, NGOs, Krishi Vigyan Kendras, etc. for setting up Farmers’ Club and supports other activities relating to farming programmes. NABARD encourages Farmers’ Club to be used as business facilitators and correspondents by the banks mainly for financial inclusion, effective performance and banking services availability at door steps in all rural areas. The growth of Farmers’ Club in India has show in the table No.3.3.
### Table - 3.3: Year- wise Increase of Farmers' Club in India From 2004-05 to 2012-13

<table>
<thead>
<tr>
<th>Year</th>
<th>Current year open</th>
<th>Total</th>
<th>RRBs</th>
<th>NGO</th>
<th>Co-Operative Banks</th>
<th>Commercial Banks</th>
<th>KVK/State Agriculture Universities &amp; Others</th>
<th>District covered</th>
<th>No of villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>3,649</td>
<td>13,664</td>
<td>6185</td>
<td>--</td>
<td>3114</td>
<td>2942</td>
<td>1423</td>
<td>505</td>
<td>31,108</td>
</tr>
<tr>
<td>2005-06</td>
<td>4,312</td>
<td>17,976</td>
<td>7,525 (1,340)</td>
<td>--</td>
<td>4148 (1,034)</td>
<td>4493 (1,551)</td>
<td>1810 (387)</td>
<td>524</td>
<td>40,885</td>
</tr>
<tr>
<td>2006-07</td>
<td>4,981</td>
<td>22,957</td>
<td>9,180 (1,655)</td>
<td>--</td>
<td>5018 (870)</td>
<td>6949 (2,456)</td>
<td>1810 (00)</td>
<td>534</td>
<td>48,767</td>
</tr>
<tr>
<td>2007-08</td>
<td>5,277</td>
<td>28,226</td>
<td>12,604 (3,424)</td>
<td>--</td>
<td>5,237 (219)</td>
<td>8,471 (1,522)</td>
<td>1,914 (104)</td>
<td>555</td>
<td>87,724</td>
</tr>
<tr>
<td>2008-09</td>
<td>9,989</td>
<td>38,215</td>
<td>16,925 (4,321)</td>
<td>--</td>
<td>7,230 (1,933)</td>
<td>10,058 (1,587)</td>
<td>4,002 (2,088)</td>
<td>581</td>
<td>1,04,648</td>
</tr>
<tr>
<td>2009-10</td>
<td>16,590</td>
<td>54,805</td>
<td>19,446 (2,521)</td>
<td>8,939</td>
<td>9,737 (2,507)</td>
<td>12,334 (2,276)</td>
<td>4,349 (347)</td>
<td>587</td>
<td>1,06,448</td>
</tr>
<tr>
<td>2010-11</td>
<td>21,903</td>
<td>76,708</td>
<td>21,661 (2,215)</td>
<td>22,538 (13,599)</td>
<td>12,659 (2,922)</td>
<td>15,067 (2,733)</td>
<td>4,783 (434)</td>
<td>587</td>
<td>1,12,315</td>
</tr>
<tr>
<td>2011-12</td>
<td>25,243</td>
<td>1,01,951</td>
<td>23,764 (2,103)</td>
<td>38,408 (15,870)</td>
<td>17,018 (4,359)</td>
<td>17,171 (2,104)</td>
<td>5,590 (807)</td>
<td>587</td>
<td>N/A</td>
</tr>
<tr>
<td>2012-13</td>
<td>24,642</td>
<td>1,26,643</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>589</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Source:** NABARD annual reports.

**Note:** Figure in Parenthesis indicate current year opening of Club during the year.
The table No. 3.3 shows an increase in the number of Farmers’ Club in India every year. In 2004-05 the numbers were 3,649 Farmers’ Club was opened during the year, while in 2012-13 the numbers increased to 24,642. It is also clear that the number of Regional Rural Banks promoted Farmers’ Club increased by 17,579 from the year 2004-05 to 2011-12 (6185-23764), though the figure for the year 2012-13 was not available but the trend kept showing an upswing. NGOs in the year 2009-10 were formed 8,939 Farmers’ Club and the number jumped to 15,870 in the following year 2011-12. The number of Co-operative banks, Commercial banks, KVK, State Agriculture Universities and others also increased tremendously from 2004-05 to 2011-12, the remaining one year 2012-13 of all banks and universities data were not available. The number of village and district covered an increasing trend too, but from 2011-13, data on villages covered were also not available.

3.11 GROWTH OF FARMERS’ CLUB IN KARNATAKA

Karnataka is one of the highly economic growing states in India with agriculture as the major occupation for rural residents. Banks and other agencies have organized and formed the Farmers’ Club all over the state, where the train members and encourage them to adopt advanced technologies and help the fellow farmers in their villages. Farmers’ Club has been a tool for the overall development of villages in Karnataka, since it was developed in Karnataka by the rural banks. The year wise development of Farmers’ Club has shown in the table - 3.4.

Table - 3.4: Year-wise growth of Farmers’ Club in Karnataka from 2005-06 to 2012-13

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Farmers’ Club opened during the Year</th>
<th>Cumulative No. of Farmers’ Club</th>
<th>PGBs Cumulative No. of Farmers’ Club</th>
<th>Percentage of PGBs cumulative number of Farmers’ Club</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>605</td>
<td>1697</td>
<td>395</td>
<td>23.28</td>
</tr>
<tr>
<td>2006-07</td>
<td>633</td>
<td>2330</td>
<td>484</td>
<td>20.77</td>
</tr>
<tr>
<td>2007-08</td>
<td>826</td>
<td>3156</td>
<td>592</td>
<td>18.76</td>
</tr>
<tr>
<td>2008-09</td>
<td>932</td>
<td>4088</td>
<td>1045</td>
<td>25.56</td>
</tr>
<tr>
<td>2009-10</td>
<td>965</td>
<td>5033</td>
<td>1112</td>
<td>22.09</td>
</tr>
<tr>
<td>2010-11</td>
<td>1100</td>
<td>6153</td>
<td>1156</td>
<td>18.79</td>
</tr>
<tr>
<td>2011-12</td>
<td>1099</td>
<td>7252</td>
<td>1212</td>
<td>16.71</td>
</tr>
<tr>
<td>2012-13</td>
<td>1417</td>
<td>8669</td>
<td>1220</td>
<td>14.07</td>
</tr>
</tbody>
</table>

Source: NABARD Karnataka.
The table No.3.4 shows the number of Farmers’ Club opened in 2005-06 were 605, while the cumulative frequency of the same year of 1697, of which 23.28 per cent belonged to Pragathi Gramin Banks share. In 2008-09 the Number of Farmers’ Club which were opened were 932 with a total of 1,045 cumulative frequencies (25.56 per cent) belonged to Pragathi Gramin Banks.

Pragathi gramin bank is showing a trend that the cumulative number of Farmers’ Club kept growing (1112, 1156, 1212 and 1220), but its percentage reduced by 22.09 per cent to 14.07 per cent from 2009-10 to 2012-13 respectively as compared to the cumulative total of the clubs in Karnataka. This is due to the participation of NGO’s and other sponsoring institutes which gives a tough competition in their role in forming the Farmers’ Club, whereas, the trend in individual formation of the club, kept growing from 395 to 1,220 in between 2005-06 to 2012-13 respectively.