ABSTRACT

The contribution of agricultural sector to national income, foreign exchange, industry and employment is a measure of the sector’s importance in the overall economy of the country. Agriculture plays a dominant role in the Indian economy. By tradition India is an agricultural country, which is endowed with abundant natural resources. The development of agriculture to its fullest potential is therefore, the kingpin of Indian economy and the prosperity of India is solely dependent on agriculture. The general policy on agricultural credit has been one of progressive institutionalization aimed at providing timely and adequate credit to farmers for increasing agricultural production and productivity.

Agricultural growth is crucial for alleviating rural poverty. Access to institutional credit to more farmers and appropriate quantity and quality of agricultural credit are crucial for realizing the full potential of agriculture as a profitable activity.

The Current study is involved with a survey of agriculturists and bankers in Tiruchirappalli District and the data so collected were analysed using statistical tools like bar diagram, pie diagram, percentage growth, percentage variation, trend analysis, chi square test etc., to evaluate the performance of the commercial banks in farm credit, whether the credit requirement of the farmers are fully met, whether the credit influences the productivity and whether the loans given are properly recovered. The
borrowers were also interviewed with regard to the banker’s attitude in extending farm credit, their opinion about the institutional finance and the repayment of loan borrowed by them. The study identifies the causes of over dues and recommends the best practices for recovery of over dues. Thus the study helps to improve the agricultural credit situation in Tiruchirappalli District.