Agricultural credit is a very complex problem which did not find favour with the organised financial institutions till 1969 in our country when after nationalisation of 14 Commercial Banks, with the direction of the Government of India, took some steps to finance agricultural operations. It was most shy in Assam where agriculture is backward and solely dependent upon the vagaries of the nature even to-day. But agriculture contributes nearly fifty per cent of the State's revenue than any other single industry and nearly eighty per cent of the State's population are dependent on agriculture. Therefore, development of agriculture is the prime necessity for the development of the economic conditions of the majority people of the State. But the key to developing agriculture, is the pumping of credit into it, is a must. "With a view to ascertaining the role of different institutional credit agencies in advancing credit to agriculture in the State the present work has been undertaken.

The present agricultural credit policy regards institutional credit as an essential component of the strategies to achieve faster growth. The concept, dimensions and
determinants of demand for agricultural credit and its supply have too undergone a radical change. The credit absorbing capacity of the farmers is increasing due to modernisation and commercialisation, which necessitates constant assessment and balancing of demand in relation to productivity, costs, prices and margins. The age-old landed security is being replaced by modern concepts, wherein credit worthiness of the purpose, the actual production needs, the incremental income and repaying capacity of the farmers may play an important role in determining to whom and how much credit should be given.

The emergent needs for financing agriculture and the slow and uneven progress of co-operative credit, has compelled the Government to adopt the multi-agency approach under which commercial banks have also been inducted into the field of agricultural finance.

In this humble work I have tried to present a picture of the institutional framework for agricultural credit in Assam. I have tried to project from the demand angle first the quantum of credit requirement in agriculture in Assam and then to co-relate the demand function with the supplies made by the various institutions operating in the agricultural economy, I have also tried to do justice to many complex problems in agricultural credit which require applied research.
The work is principally based on data collected from secondary sources. Records and Reports in the Reserve Bank of India, Gauhati Branch, Assam Co-operative Apex Bank Ltd., Assam Co-operative Land Mortgage Bank Ltd., Regional Offices stationed in Assam of the State Bank of India, United Commercial Bank, Union Bank of India, Allahabad Bank, Punjab National Bank were consulted. Besides these the reports and records relating to agricultural credit in the offices of the Directorate of Economics and Statistics, Directorate of Agriculture, Registrar of Co-operative Societies, Assam Agro-Industries Development Corporation of the Government of Assam, Life Insurance Corporation of India Ltd., Gauhati Divisional Office were consulted. Moreover, some reports and records including some books and journals available in the Gauhati University Library, Assam Assembly Library and the Planning Department of the Government of Assam were also consulted. Apart from these sources the writer also discussed the problems of agricultural credit in Assam with the Managing Director of the Assam Co-operative Apex Bank Ltd. and the Assam Co-operative Land Mortgage Bank Ltd., Registrar of Co-operative Societies, Assam and some of the Regional and Branch Managers of the Nationalised Banks stationed at Gauhati.

The present work is divided into thirteen chapters. In the first chapter the theoretical aspects of agricultural
credit and the place of capital formation in farming business have been discussed.

In the second chapter the location and the climatic conditions and the agricultural development under such situations in the State of Assam have been discussed in detail; the present state of agricultural development and the future trend have also been analysed.

In the third chapter agricultural credit needs in Assam and the type of credit the farmers need have been discussed in detail; moreover the methods evolved by different agencies about the credit needs of the farmers have also been discussed and analysed in this chapter.

In chapters four to ten the role of different credit agencies, such as, the Govt. of Assam, Co-operative Credit Societies including the Assam Co-operative Apex Bank Ltd., the Assam Co-operative Land Mortgage Bank Ltd., the Commercial Banks including the State Bank of India stationed in Assam, the Agricultural Refinance Corporation of India, the Assam Agro-Industries Development Corporation Ltd., the Life Insurance Corporation of India Ltd. in providing agricultural credit to the farmers in the State have been discussed and analysed in detail.

In chapter eleven, how the Small Farmers' Development Agencies and Marginal Farmers and Agricultural Labourers'
Agency, which have been established to improve the economic conditions of the weaker sections of the society, have supplied agricultural credit to the farmers belonging to the weaker sections of the society have been discussed in detail.

In Assam there is a sizeable section of the population belonging to scheduled caste and scheduled tribes having agriculture as their main livelihood. In chapter twelve how these people have been provided with agricultural credit for their economic development by different credit agencies and its impact have been discussed.

In the concluding chapter there is a brief summary of our observations and suggestions.

I am greatly indebted to Shri K. Krishnamurty, retired Head of the Department of Economics, Gauhati University who was the first person to take-up my work and helped me to formulate the thesis in 1978. But due to his retirement I could not complete the works under him as he left for home. Fortunately Dr. K. Alam, M.A., Ph.D. who took over the charge of the Head of the Department of Economics, Gauhati University in 1981 after Shri Krishnamurty's retirement, has very kindly consented to and shoulder the responsibility of supervising my works without whose encouragement, sympathetic suggestions and helpful advice the thesis would not have been completed even after long periods due to some unavoidable
circumstances beyond our control. Whenever my works got bogged down in the quagmire of confusion he ungrudgingly made his analytical aptitude to bear upon the problems and this opened a new vista of analysis for me. He kept me guessing about the process of reconciliation that he has successfully effected between external simplicity and strict internal scholarly discipline. I will ever cherish his undiminished fund of love, affection and scholarship.

I must express my thanks to all the teachers of my college (Gauhati College) who took keen interest and inquired of the progress of my works very often and encouraged me in my works.

My sincerest thanks are also due to my office staff who frequently helped me in typing out some of my works of this thesis.

I shall be failing in my duty if I do not express my thanks to the staffs of the Reserve Bank of India, Gauhati Branch and the Library staff of the Directorate of Economics and Statistics of the Govt. of Assam who helped me in my investigations of informations required for the thesis.

Gauhati College,
Gauhati- 21

(Bandhu Ram Deka)
20. 12. 86