CHAPTER III

DEMAND FOR AND SUPPLY OF RURAL CREDIT IN INDIA

3.1 Introduction

3.2 Demand for Credit

3.3 Definition of Credit Requirements

3.4 Demand Projection in Future

3.5 Supply of Credit
3.1. INTRODUCTION

Agricultural credit structure in developing countries is characterised by dualism i.e., the co-existence of organised as well as un-organised money markets. Although a wide variety of organised markets have been developed for providing agricultural credit, un-organised money markets continue to play important role in the provision of agricultural credit in almost all developing countries due to imperfections in rural money markets. Agricultural credit under these conditions remained static in a vast majority of the developing countries.

The main problem is to convert the static into dynamic credit. While increased investment leads to higher productivity, majority of farmers in the developing countries like India find themselves in a vicious circle where low productivity leads to low savings, low savings leads to low capital formation and a low investment leads back to low productivity. This 'Low Level Income Equilibrium' can only be broken by what Leibenstein terms as 'Critical Minimum Effort'. Pre-requisites for this effort include availability of appropriate technology and
adequate supply of capital. The demand for credit widely depends upon the type of farming prevalent in an economy and the stage of its development. Capital plays a relatively less important role than land and labour in the case of traditional agriculture. Finance is a factor for maintenance rather than for expansion of agricultural activities.

3.2. DEMAND FOR CREDIT

Green revolution in agriculture implies the judicious use of HYV seeds, chemical fertilisers, pesticides and other inputs. The credit requirements of farmers for adoption of improved production technology has exceeded the supply of available credit. In short, it may be noted, that modern agriculture needs more credit to improve or increase the production capacity.

The demand for credit varies in its nature, by regions and over time. The determinants are demand for liquidity, crop pattern and cropping intensity, size of the farm and farm labour, cost of credit and mode of transactions, degree of risks involved in production and managerial skills. The farm assets enhance the scope of procuring credit and farm liquidity determines the quantum of credit required and offered.
The transformation of traditional agriculture into modern agriculture requires heavy doses of costly inputs such as chemical fertilisers, pesticides etc. For instance, the consumption of fertilisers, in India grew at an average annual compound growth rate of 14.3 per cent from 0.065 million tonnes in 1951-52 to 13.6 million tonnes in 1991-92. Similarly the introduction of HYV seeds and new technology resulted in a spectacular increase in the total output of foodgrains. Cropping pattern is also one of the factors affecting demand for credit. Larger the area under commercial crops, greater will be the scope for agricultural development. This will lead to large-scale mechanisation of the agriculture sector resulting in an increase in the demand for capital. Area under major food crops in India stood at 121.9 million hectares against 25.9 million hectares under major non-food crops in 1991-92.

3.3. DEFINITION OF CREDIT REQUIREMENTS

The assessment of credit requirements is a difficult task. The problem of assessment may be defined in two stages, first, there is the problem of defining the concept of credit requirements and second is that of actually assessing such requirements of various types of cultivators in different situations from available data. According to one definition, credit requirements may connote nothing more
than the requirements for credit of borrowers which were met through the operation of the credit system and which were reflected in the records of the business of cultivators or non-cultivators. Since this definition refers only that amount of credit which is actually available to cultivators in the existing system, may be called 'effective demand for credit', different from 'potential demand for credit'.

The term 'potential demand for credit' or 'the potential credit requirements', has a wider connotation than the former. In this case, the term may be interpreted as meaning the requirements felt by cultivators during the year which the credit system was, however, not able to satisfy because of some reason or other.

Again credit requirements either in a narrow sense or in the wider sense are related to various other components like farm inputs and their use and application in farm operations, and to various terms and condition on which credit is supplied by the lending institutions. But it is difficult to collect reliable data on all the above aspects since farmers do not usually maintain a record of their expenses and whatever amount is being given on credit basis by the agencies is not spent for the purpose for which it is advanced. Hence, a correct assessment of credit requirements becomes a difficult task either in the existing
system or in the system reorganised. Yet, attempts have been made both at macro and micro levels to assess the broad magnitude of credit requirements in order to formulate policies and procedures to be followed by credit institutions to supply credit adequately.

3.4. DEMAND PROJECTION IN FUTURE

A brief review of the growing literature on assessment of agricultural credit requirements is presented here. The purpose of such review is to find out the various methods or approaches adopted in different studies. The speedier development of rural economy with 'Job for All' or 'Higher Employment' promised by the plans leads to credit demands. Rural credit is bound to grow and even strain the resources of rural credit institutions. The quantum of credit has, in the nature of things, been steadily increasing. In 1911, Edward Maclagan estimated the total agricultural debt of British India at Rs.300 crores, while in 1924 Darlings assessed it at Rs.66 crores.

The Central Banking Enquiry Committee assessed it at Rs.900 crores in 1930. Thomas reported it to be Rs.1200 crores in 1935. Before World War II (1939-45), rural indebtedness was about at Rs.1800 crores, out of which nearly Rs.900 crores were required for repaying old debt. Of course, these figures of rural indebtedness give only a
rough indication of the short term financial needs of the agriculturists and cannot be accepted as the satisfactory index or indicator of the time and accurate credit needs of the agricultural sector.

The following information gives an idea of growth of the volume of indebtedness since 1875 calculated by various authorities:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of Debt</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1875</td>
<td>Rs.371 per occupant</td>
<td>Decan Riots Committee</td>
</tr>
<tr>
<td>1880</td>
<td>One-third of land holders in debt, another one-third in debt with power to redeem.</td>
<td>Famine Committee</td>
</tr>
<tr>
<td>1895</td>
<td>Rs.45 crores</td>
<td>F.Nicholson</td>
</tr>
<tr>
<td>1911</td>
<td>Rs.300 crores</td>
<td>Edward Maclagan</td>
</tr>
<tr>
<td>1924</td>
<td>Rs.600 crores</td>
<td>M.L.Darlings</td>
</tr>
<tr>
<td>1930</td>
<td>Rs.900 crores</td>
<td>Central Banking Enquiry Committee</td>
</tr>
<tr>
<td>1935</td>
<td>Rs.1200 crores</td>
<td>P.J.Thomas</td>
</tr>
</tbody>
</table>

Note: * The estimate relate to Madras only and on the basis of that Sri.Edward Maclagan arrived at the figure of Rs.300 crores.

The above mentioned information on the assessment of agricultural credit requirements in India shows that prior to the publication of the All-India Rural Credit Survey Report (1954), the crushing weight of 'debt burden' was
mostly discussed. With the advent of planning, the debt burden has visibly yielded place to 'credit requirements' and this shift in the conceptual framework is very relevant as the present-day focus is on the 'credit needs' which is an increasing function of agricultural development.

As regards the approach and methodology used for assessment and sometimes for projections of credit requirements, mainly two approaches, viz., 'borrowing approach' and 'expenditure approach' have been adopted. In the last four decennial surveys conducted by the Reserve Bank of India, the term credit requirements has been defined in the narrow sense and the borrowing approach has been adopted in the assessments. As per the estimates, the total borrowings of cultivating households in India were placed at Rs.750 crores for 1951-52, Rs.1034 crores for 1961-62, Rs.1155 crores for 1971-72 and Rs.3757 crores for 1981-82.

The merit with such assessments is that these are made for the country, states and recently even for regions, so that the trend in the changing magnitudes of credit requirements can be observed for different purposes. But the borrowing method is not considered as a scientific and dependable basis for estimating future requirements of agricultural credit. First, in rural India, debt is
considered a social stigma leading to concealment of facts. Secondly, in the absence of proper records and accounts it is difficult to assess credit requirements in an economy, where private money-lenders still dominate the rural credit scene. In addition to these, actual borrowings may not necessarily indicate the actual credit requirements for the optimal level of farm output. These difficulties prompt one to examine the details of current farm expenses or cost of production of different crops in different situations of different size groups of cultivators.

There has been a shift towards 'the expenditure approach' or 'cost of production approach' with the adoption of the new agricultural strategy in India. A.C. Shah's study probably was the first research to give a projection of the demand for agricultural credit at the end of the Third plan. He has used a simple method of explanation of the relationship between the output and the borrowings. It appears from the spate of the literature on the subject that assessment of credit requirements has become a much discussed topic in each work related to agricultural finance in India since the midsixties.

The Working Group set up by the Agricultural Production Board, (1965), the Panel of Economists headed by Dantwala (1966), the Fertiliser Committee (1968), the Study Group
under the Chairmanship of Gadgil (1969), the All-India Rural Credit Review Committee (1969), the Sub Group on Agricultural Credit of the Working Group on Co-operation for the fifth plan (1974), and more recently the National Commission on Agriculture (1976), have mainly adopted the 'cost of production' method in their assessments of agricultural credit requirements for different times in India. However, a close examination of all these macro estimates shows that these have been made on the basis of different assumptions, with differences in the components of farm expenses.

The Working Group (1965), had estimated the anticipated total cash requirements for 1970-71 for various current farm inputs both under traditional and improved methods of cultivation of the major crops in the country. The aggregate credit requirements have been projected at Rs.1106 crores assuming 40 per cent and in some cases 70 per cent of the total cash requirements for different inputs to be financed through credit. However, the methodology and assumptions were changed when the above estimate was revised by the Panel of Economists. The Panel adopted two approaches in such revision. Under the first, credit requirements were assumed to bear a certain relationship to the value of agricultural produce. Accordingly, the Panel
applied the ratio of borrowings to the value of net agricultural produce in 1966-67 and 1970-71 at 1965-66 prices. Under the second method, per acre borrowings were multiplied by the estimated net acreage under cultivation in 1966-67 and 1970-71 and the estimates so obtained were than inflated by 25 per cent to allow for the increase in price level between 1961-62 and 1966-67. Under each of these methods, again, two sets of estimates were made: In One, the entire borrowings for household expenditure were taken into account in addition to the borrowings for current farm expenditure and non farm business and in the other, only 75 per cent of the borrowings for the household expenditure were taken into account in addition to farm and non farm business. The Economists Panel presented, accordingly, four estimates in regard to credit requirements of agriculturists in India during 1970-71.

The Working Group estimate and the Panel's estimate were made for the same year, i.e., 1970-71, yet these are not comparable because they are based on different approaches, separate sets of data and assumptions. With some modifications in the method of the Panel, the Study Group estimated credit requirements at Rs.1200 crores for the year 1967-68. The Review Committee (1969), taking into account the technological change in agriculture and the
psychological change in the attitude of agriculturists towards the adoption of the new technology, during the last year of the fourth plan period, i.e., 1973-74, the estimated credit needs of the agricultural sector at Rs.2000 crores. Thus compared to earlier estimates of credit requirements, the Review Committee has made an improvement in its estimate by projecting credit requirements area-wise, and crop-wise but such requirements in respect of different size groups of cultivators have, however, not been made.

The Sub-Group on Agricultural Credit of the Working Group on Co-operation for the fifth plan estimated the credit requirements of the agricultural sector at about Rs.3000 crores for the year 1978-79 in India. The credit requirements can be estimated on the basis of certain assumed norms such as the requirements for area under high yielding varieties programmes and other irrigated areas. Even if these estimates are used for the purpose of analysis, credit requirements of different size group of cultivators may not be made, applying this assumed norms.

However, the National Commission on Agriculture's (NCA) projection of credit requirements under full programme coverage for the year 1985 is an improvement in this direction. The projection has been made both area-wise, viz., irrigated and unirrigated and farmer-wise, viz., small
and marginal farmers as a group and medium and large farmers as a separate group. On the basis of two norms, viz., Rs.600 per hectare of irrigated land and Rs.450 per hectare of unirrigated land, the estimated credit requirements have been worked out at Rs.16549 crores for the year 1985. Since it may not be feasible to raise financial resources of this magnitude by the financial institutions, a graduated financial programme has been worked out and the amount comes to Rs.9400 crores. Thus, this projection appears to be more disaggregative and informative as compared to earlier estimates at macro levels.

On the lines of this broad assessment of the credit requirements made by expert bodies, some scholars and researchers have also attempted in this direction. Thirumalai estimated the agricultural credit requirements of the country to the tune of Rs.1286 crores in 1954. Bancils who made a study on credit requirements for the whole of India for the year 1973-74, points out that Rs.987 crores as total credit needs for agriculture on the assumption that 50.0 per cent of the value of the three major inputs for farm business would be met through borrowings and the estimated credit needs for miscellaneous purposes during 1973-74 would be Rs. 274 crores.
National Council of Applied Economic Research Centre (NCAER) conducted a study on the total credit requirements of all cultivating households of the country as a whole for the year 1970-71. The linear programming technique is being adopted for the assessment of credit requirements. On the basis, the total requirements of all cultivating households of the country for the year 1970-71 has been assessed and the estimated amount was Rs.16232 million. Moreover, if the definition adopted in the study for the assessment of credit requirements had been made at an optimal level it would have been a more meaningful contribution to the growing literature on rural credit in India. Yet the worth of the study lies in the fact from the micro level assessment, it has gone to macro level assessment and moreover, such a nation-wide estimate has been made with reasonably low standard errors.

Saini and Sidhu analysed the short term credit requirements of different farm situation and concluded that introduction of improved technology on the normative cropping pattern leads to tremendous increase in credit requirements. They have found that with investment of the one rupee in small, medium and large farms, returns were Rs.1.47, 1.58 and 1.50 respectively. The total credit needs worked out Rs.1411.00, 2987.00, 8790.00, and Rs.3836.00, 11058.00 and 25719.00 at existing and improved technology on small medium and large farm situation respectively.
Pawar et.al while studying the credit requirements and potentials for deposits mobilisation of farm in Maharashtra found that the total credit requirements, both for crop production and investment purposes, are quite high in relation to actual amounts of credit used on the farms. The demand for credit is relatively high in underdeveloped region, in general and in case of the small size farm, in particular. The self-generating deposit mobilisation potential is relatively lower on the small size farms of both the regions. In order to mobilise these deposits, the financial institutions have to open rural branches and try to cultivate the habit of keeping deposits in banks among the farmers. The supply of adequate credit will not only contribute to increased agricultural production but will also result into higher potential for deposit mobilisation in the agricultural sector of the economy.

Desai in his study on the financial requirements at all India level according to the size of holdings observed that, the amount required by the small and marginal farmers rose from Rs.7740 crores of total requirement in 1984-85 to Rs.14293 crores in 2000 A.D. Whereas the financial requirement of the large farmer group would go down from Rs.6721 crores in 1984-85 to Rs.6493 crores in 1990 and then rise to Rs.9383 crores in 2000 A.D. The reduction of
financial requirement of the large group in 1990 compared to 1984-85 is due to the reduction in the proportion of the operated area. Credit requirements are worked out, as the compound growth rate is obtained from the series of data of 15 years (1970-71 to 1984-85) by fitting the formula Log Y = a + bt. This is done at current and constant prices (1970-71). These growth rates are compared with the growth rates of the physical output of the crop. The value of output for the years 1990, 1995 and 2000 A.D. for a particular crop in a particular state was worked out at the projected real growth rates and on the basis of the nominal value of output in 1984-85. The ratio between the values of output at constant prices (1970-71) and current prices for different crops in different states for the year 1984-85 varied considerably. These are the implicit deflators used in the projection. Although estimation of credit requirements is a tough task, because requirements of credit for agriculture should take not only credit needs of the agricultural production sub system but also of the whole agricultural system.

The Seventh plan estimated the credit needs of agricultural sector at Rs.28650 crores by 1990. Besides, the various committees and working groups of Government Agencies and Reserve Bank of India have estimated the credit requirements for our agricultural purposes (Table 3.4.1).
### TABLE 3.4.1. ESTIMATION OF CREDIT REQUIREMENTS WORKED OUT BY THE VARIOUS AUTHORITIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit Need Estimation Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-52</td>
<td>Rs.750 crores A.I.R.C.S.C</td>
</tr>
<tr>
<td>1969</td>
<td>Rs.2000 crores A.I.R.C.R.C</td>
</tr>
<tr>
<td>1969</td>
<td>Rs.2500 crores Working Group of (N.C.C.)</td>
</tr>
<tr>
<td>1970-71</td>
<td>Rs.1623 crores NCAER</td>
</tr>
<tr>
<td>1970-71</td>
<td>Rs.14210 crores A.I.R.C.R.C (RBI)</td>
</tr>
<tr>
<td>1976</td>
<td>Rs.9400 crores N.C.A.</td>
</tr>
<tr>
<td>1978-79</td>
<td>Rs.3000 crores Sub Group on Agricultural credit for the group of co-operative for 5th plan</td>
</tr>
<tr>
<td>1985</td>
<td>Rs.16549 crores N.C.A</td>
</tr>
<tr>
<td>1989-90</td>
<td>Rs.14585 crores 7th plan projection</td>
</tr>
<tr>
<td>1994-95</td>
<td>Rs.57316 crores A.C.R.C</td>
</tr>
<tr>
<td>1999-2000A.D.</td>
<td>Rs.110873 crores A.C.R.C</td>
</tr>
</tbody>
</table>

**Source:**

A brief review of the above mentioned methodologies adopted both at micro and macro levels for the assessment of credit requirements leads to the following propositions.
First, assessment can be made both at micro and macro levels but each has its own limitations. Secondly, in the aggregative assessments made by the Reserve Bank of India, the amount of cash and kind actually being availed of by cultivators do not indicate credit requirements in the normative sense, which ought to be the case. Thirdly, in other projections though the terms have been defined in the wider sense, these are more or less based on some limited conditions, like taking only technological consideration and not the actual behaviour of the farmers requiring such credit. For these reasons, the macro level assessments or projections are very often quoted as mere guess works, or these are tentative indicating only the broad magnitudes of credit requirements.

On the other hand, micro exercises being based on more reliable information collected from individual farmers are more accurate. Such findings may not be extended to aggregate level unless adequate sample size is made from different size groups of cultivators and also from different agro-climatic conditions of the area for which the assessment is to be made. Thus a series of such micro level studies can provide more reliable preliminary information on which the assumption of macro level estimates would be made. It is probably due to this importance of micro studies that
the Planning Commission and the Reserve Bank of India conducted a set of field studies in different parts of the country. The decennial surveys of the Reserve Bank of India on agricultural credit requirements for the whole country is the best example. But this becomes difficult for an individual researcher to conduct such studies on account of resource and time constraints. Further, it also depends on the scope of the study concerned pertaining to other important issues in the work.

The net results of the estimates of short term and medium term credit demand and supply is summarised in the Table 3.4.2. The table indicates that the credit system will come under strain in 1955 and thereafter, if all the assumptions made both for demand and supply hold true. The point to be emphasised in presenting these estimates of demand and supply of credit extending to the year 2000 A.D. is that there are limits to stretching the rural credit system to keep pace with the government's policy decisions in the field of rural development.

The above facts reveal that with the rise in prices of farm inputs and increasing modernisation of agriculture demand more credit and, thus, it is necessary to review and to find out from time to time on scientific lines the credit needs of agriculture and allied occupations.
TABLE 3.4.2. RURAL CREDIT REQUIREMENTS FOR FUTURE

<table>
<thead>
<tr>
<th>Particular</th>
<th>Amount Rs. in Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Demand</td>
<td>27551</td>
</tr>
<tr>
<td>Supply</td>
<td>28694</td>
</tr>
<tr>
<td>Surplus (+)</td>
<td>1143</td>
</tr>
<tr>
<td>Deficit (-)</td>
<td>--</td>
</tr>
</tbody>
</table>

Note: * At increased input prices of 5 per cent per annum over 1984-85 prices.

Source:

3.5. SUPPLY OF CREDIT

Indian agriculture scene is always characterised by the supply of credit being not able to meet the demand for it. Supply of credit is the amount of finance offered to farmers by credit institutions and others for development of agriculture and for other expenses of the farmers. Government of Tamil Nadu in a study on the institutional finance defines the supply of credit as the amount received by the farmers from various institutions and private agencies repayable after some time with interest. The small farmers, the neglected section of the society are badly in need of credit to introduce the new farm technology and to
increase their income. The supply of credit will depend upon the level of saving and capital formation, degree of risks and uncertainties in leading and perspectives of financial institutions.

According to Singh the co-operative societies are the major source of supply of finance on medium and large farms. Indigenous bankers such as local money-lenders, neighbours and relatives dominate the credit supply to the small farmers. The obvious reasons are the easy accessibility of the farmers to indigenous sources of credit and their present small credit worthy financial assets which remain an obstacle for procuring credit from other sources. Therefore, the supply of credit is the source for financial facilities made available by the organised and un-organised money market either for consumption or production or both.

In Taiwan, 71.0 per cent of the total agricultural credit was supplied by money-lenders and merchants in 1951-52. According to the Survey of Rural Indebtedness conducted by the central bank in 1969, non-institutional agencies provided 84.2 per cent of the total credit requirements in Sri Lanka. Friends, relatives, shop-keepers and money-lenders provided 65.0 per cent of the total agricultural credit in Vietnam in 1973.
The role of different credit agencies for supplying agricultural credit in India during 1951-52 to 1988-89 is given in table 3.5.1. The table reveals that the order and importance of credit agencies for supplying credit to the farmers has been changed. Out of the total amount borrowed by cultivators, the percentage share of the organised credit were increased from 7.3 per cent in 1951-52 to 63.2 per cent in 1981-82 and this increase was largely contributed by the phenomenal growth of both co-operatives and commercial banks credit and this was made possible by the implementation of the integrated scheme of rural credit. The proportion of borrowings from co-operatives and commercial banks to the total had gone up from 3.1 per cent and 0.9 per cent in 1951-52 to 29.9 per cent and 29.4 per cent in 1981-82. It ranked sixth and ninth in 1951-52, while it ranked first and second in 1981-82. The increase in the share of Government is only marginal at 3.3 per cent to 3.9 per cent in respective years. Advancing loans by organised money market is quite cumbersome and illiterate farmers face difficulty in filling the complicated proforma of the banks. Secondly, they issue loans mostly basing on the credit worthiness of purpose. This also resulted a relative decline in the proportion of organised credit at 57.4 per cent in 1988-89.

Un-organised money market which provided credit to the farmers has declined from 92.7 per cent in 1951-52 to 36.8
The relative decrease in the share of the un-organised agencies is mostly due to the decline in the share of agricultural money-lenders. Agricultural money-lender who supplied 8.3 per cent of the total cultivators borrowings during 1981-82, as against 24.9 per cent in 1951-52, replaced the professional money-lender from the top rank. This position had previously been held by the professional money-lender, who however accounted for only 7.8 per cent of the borrowings in 1981-82 as against 44.8 per cent in 1951-52. Thus, the professional money-lender occupied the fifth rank in 1981-82, while the agricultural money-lender occupied the fourth rank.

"Others" whose share of cultivators borrowings increased 1.8 per cent in 1951-52 to 2.8 per cent in 1981-82. The proportionate share of credit supplied by relatives fell from 14.2 per cent to 8.7 per cent, while the share of traders and commission agents declined from 5.5 per cent to 3.2 per cent in respective years. In un-organised money market especially, the money-lenders charge sky high rate of interest ranging from 25 to 75 per cent per annum. Major portion of the borrowers agricultural output is appropriated towards principal and interest by the money-lenders. They pay no attention to the mobilisation of rural saving. Hence, the proportion of borrowings from un-organised money market credit to the total in the year 1988-89 had gone up at 42.6 per cent as against 36.8 per cent in 1981-82.
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>A. ORGANISED MONEY MARKET (1-3)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Government</td>
<td>3.3</td>
<td>2.6</td>
<td>7.1</td>
<td>3.9</td>
<td>1.4</td>
</tr>
<tr>
<td>2. Co-operatives</td>
<td>3.1</td>
<td>15.5</td>
<td>22.0</td>
<td>29.9</td>
<td>36.2</td>
</tr>
<tr>
<td>3. Commercial/RRBs</td>
<td>0.9</td>
<td>0.6</td>
<td>2.6</td>
<td>29.4</td>
<td>19.8</td>
</tr>
<tr>
<td><strong>Sub - Total</strong></td>
<td>7.3</td>
<td>18.7</td>
<td>31.7</td>
<td>63.2</td>
<td>57.4</td>
</tr>
<tr>
<td><strong>B. UN-ORGANISED MONEY MARKET (4-9)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Landlords</td>
<td>1.5</td>
<td>0.6</td>
<td>8.1</td>
<td>6.0</td>
<td>--</td>
</tr>
<tr>
<td>5. Agricultural Money-lender</td>
<td>24.9</td>
<td>36.0</td>
<td>23.0</td>
<td>8.3</td>
<td>--</td>
</tr>
<tr>
<td>6. Professional Money-lender</td>
<td>44.8</td>
<td>13.2</td>
<td>13.1</td>
<td>7.8</td>
<td>--</td>
</tr>
<tr>
<td>7. Traders and Commission Agents</td>
<td>5.5</td>
<td>8.8</td>
<td>8.4</td>
<td>3.2</td>
<td>--</td>
</tr>
<tr>
<td>8. Relatives/Friends</td>
<td>14.2</td>
<td>8.8</td>
<td>13.1</td>
<td>8.7</td>
<td>--</td>
</tr>
<tr>
<td>9. Others</td>
<td>1.8</td>
<td>13.9</td>
<td>2.6</td>
<td>2.8</td>
<td>--</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>92.7</td>
<td>81.3</td>
<td>68.3</td>
<td>36.8</td>
<td>42.6</td>
</tr>
</tbody>
</table>

**TOTAL (A+B)**                       | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   |

* Separate data on un-organised money market are not available in the year 1988-89.

**Source:**
NOTES AND REFERENCES


67


29. The Hindu (1986), Higher Farm Credit Flow to Farm Sector, Bangalore, March 8, p.6.


