## INDEX

### CHAPTER - 7

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CHAPTER - 7

7.1 CONCLUSION

The co-operative Banking really worried about the co-operative sector in Nanded district. In co-operative Banking Government are financial supported. But there is no proper use. Although very well statistical information is available. But Government provide some loans by for the most objective and impartial in sight in the working of the co-operative Banking is provided by Annual reports. All thing is development or unprogressive matter is mention.

The co-operative Banking has played a major role in farming and farmer members. The present Government policy and its recommendations are specially backward classes farmer cultivators to improve the land financially and economically there fore special significance for the study. Earlier had setup. The policy matter also change. An important documents dealing with Annual reports of the co-operative Banking in Nanded district. The reports are farmers proper use of benefits policy or helpless the members or society.

An agriculture prices commission are very important documents from the view of point trying to study the co-operative Banking. The co-operative Banking use full for developing Nanded districts farmer cultivators and the members. The co-operative reports are available. It is a very important documents for the study of co-operative Banking in Nanded district.

The data based and general information about co-operative Banking is best available in the yearly as well as monthly publication brought out separately. The information representing co-operative Banking sometimes. Articles in leading news paper and Agricultural Journals often provide valuable materials of co-operative Banking developments.
711 Evaluation of co-operative Banking

This is the basically an open ended financial facilities study to determine the causes of co-operative Banking and giving facilities to farmers, cultivators and needful persons depend upon land. But the main causes not proper use of loan facilities in Nanded district.

The recovery of loan an entire co-operative Banking in the region has been down position. So I followed the following method to evaluate. The co-operative Banking in Nanded district. The co-operative Banking utility of loan in Nanded district some Taluka’s is proper use and development than the other Taluka’s in co-operative Banking. If we were to disregard the role of the Government control and policies on the development of land use of facilities in co-operative Banking. An internal causes for financial losses will have to be found in one more cultivators of land which from the foundation of the co-operative Banking. These loan are supply members cultivators and management. Due to these causes of co-operative Banking.

712 The area to be covered and the study

This study is basically an enquiry or discuss in to the causes responsible for not recover of co-operative Banking loan and not proper use of loan in Nanded district. To begin with an attempt would be made to asses the land cultivation increasing the production and realization and changing land cultivation as well as proper use of co-operative Bank’s loan and profitability’s for Nanded district.

We should thus arrive at conclusions. The cultivation land and increasing production, proper use of co-operative Banking facilities. The Government policies on the impact of co-operative in Nanded district. Also the internal causes for not recover of loan and proper use of loan to cultivate the land in Nanded suggesting remedies to over come them. according to no co-operation without successful in co-operative Banking facilities.
7.2 FINDING

The problems of primary Agricultural credit co-operative society in Nanded district. The co-operative credit system makes credit available to the farmers at convenient times and has intimate knowledge of the local conditions and problems which arise. But it is an organizationally and financially weak and hence m practice. Its ability to support credit to the agricultural sector is considerably limited. The survey out of the following problems of the primary agricultural credit society.

7.2.1 Small farmer free from money lenders

Discouraging rural atmosphere the farmers, generally speaking are illiterate, ignorant, superstitious conservatives and bound by outmoded customs and institutions such as the cast system and the joint family. Superstition and belief in fate are the curse which keep the farmers fully satisfied with their primitive systems of cultivation. The farmers are not motivation by considerations of economic progress. Co-operative credit still forms a small portion of the total borrowing of the farmers. Which means that the farmers are still in the clutches of moneylenders.

An agriculture has suffered because of the inadequacy of such non-farms service as provision of finance. Either these facilities are non existence or they are available. They are quite expensive. For instance till recently farmers had to depend up on village money land less and had to pay very high rates of interest. So high that once a farmer had borrowed. He was bound to lose his land and become a land less labour.

7.2.2 Farmer must full fill their financial need

No schemes to finance new land allots, who have given land for various productive purpose including crop cultivation land development, reclamation leveling and development of irrigation potential. The main problems of schemes for financing the freed bounded labours for the purchase of milch animals, poultry birds, sheep goats, pigs and also for financing first farming. No schemes for financing small farmers, marginal farmers, land less labours
and rural artisans whose debts have been scaled down.

The farmers generally speaking are illiterate, ignorant, superstitious conservative and bounded by outmoded custom and institutions such as the cast system and the joint family superstition and belief in fate are the causes which keep the farmers are not motivated by considerations of economic progress.

7.2.3 Limited funds with primary credit society

The co-operative organization satisfies the basic condition of proximity as the co-operative societies can have intimate knowledge of the character and abilities of their members. The societies can also supervise the use of credit so that it is invested in improving the productivity of land. Some time mostly primary credit society are unable to meet fully production oriented credit need of farmers

But Government have also came forward to meet the credit needs of the farmer. Government mostly come forward to provide a cash or a kind loan to the farmer in the areas where the reactivation of the co-operative credit structure of supplementary credit arrangement. But the experience of Government participation in supplying credit to the farmers has not been happy.

7.2.4 Recovery problems

The over dues situation, through not better than before still constitutes a large proportion of the outstanding. The amount of over dues this that the principles of co-operation have not been put into practices. So that a very large percentages of loans remained as outstanding some of the more important causes. For this are over financing, granted loans in the repayment of ancestral debts, lack of power security of the object of loan. The repaying capacity of the borrowers, in effective supervision over the utilization of loans. But over dues at all levels are increasing alarmingly indicating the failure of co-operative institutions.
7.2.5 Adequate fund not provided on time to primary credit society

Another weakness of credit co-operative is that in the case of tenant share - croppers, land less agricultural labours and rural artisans who are the poorest and therefore the most media. The flow of co-operative credit in term of percentage of share continued to range around 3 to 5 % over the years. The small and marginal farmers are an apparently getting credit in larger proportion viz 35 % of total. But since these farmers mainly on credit for the purchase of their inputs. The available credit to them is still inadequate. In other words even though the share of the weaker section of the rural community has been steadily in creasing over the years. At present places around 40 % of the total, this share falls short of their essential production need.

A part from considerable regional disparities in credit availability. The co-operative share not been able to ensure increasing flow of production loans and investment credit in most of the tribal and hill areas. More ever through the co-operative have now come to cover almost the entire district side. The membership is only around 45 % of the rural families. An agricultural labours and rural artisans constituted only 10 % of the member ship roll.

In the ultimate analysis the most out standing of the weaknesses which in dead is at the many root of the short falls, in the co-operative performances. Is in area of the management, there has been considerable discussion over the years. At all levels in regard to the need for proper man power development in the co-operative sector, not much progress has take place the co-operatives themselves have shown a singular lack of appreciation of this problem.

Agricultural problem is totally depend on seasons sow many, irrigation, pesticides facilities as required on proper time but funds not available on the proper time. If any late for some process farmers can fertilizers loans due to lack of fund on proper time

7.2.6 Income is not granted

In Indian mother nature has always been moody and the temperamental. She is unpredictably generous to one state and disconcertingly bad tempered to another. This fickleness of weather conditions in different parts of
the district upsets. The whole agricultural economy and makes one part bountiful, while the other starves. Besides drought and floods, locusts, hailstorms, frosts, fires, plagues and plant diseases have always been a serious enemy to agricultural industry by destroying standing crops and thereby reducing the producers' income. Majority of the holding are small from which the cultivator get marginal surplus in good years and incur heavy deficit in bad ones.

But an Indian agricultural holding disincentive tenure condition uncertain weather condition. Inadequate and costly non-institutional credit facilities non-availability of inputs and adequate technical knowledge and experiences.

Farming is more hazardous than any other form of enterprise. The weather can make all the difference between success and failure. Consequently many farmers, particularly the small ones fight shy of adopting new techniques. The fear of loss is so overwanning that even when convinced of the gain accruing from the application of science and technology. They prefer to go along the beaten track of low productivity. Once freed from fear by crop insurance, they can quicken the pace to high productivity.

It provides protections to farmers against losses caused by crop failure and thereby ensures stability in farm income. An increase in credit worthiness from the point of view of the institutional credit and relieves them from the clutches of the money lenders. In high-risk area because of crop insurance. Cultivators may be induced to cultivate land which otherwise they would not have cultivated. By protecting the economic interest of the farmers against possible risk of loss. It accelerates the adoption of improved agricultural techniques. Economic stability of the farmers improves the farming productivity. Insurance gives farmers greater confidence in venturing upon the adoption of new and improved farming practices. In making greater investment in agriculture for improving crop yields and increasing agricultural production.

The losses suffered by farmers in certain localities are born by many scattered over wide areas. The burden of losses there fore does not fall upon the poor cultivators alone. It reduces to great extent, government expenditure relief measures extended to meet the havoc caused by natural calamities. It re-
relief measures extended to meet the havoc caused by natural calamities. It reduces to a great extent. It strengthens the position of co-operatives and other credit institutions that finance an agriculture to extent. It enables the farmer members to repay their loans in years of crop failure. The payment of premium in time encourages a habit of thrift and self help among the farmers.

Due to many reasons agricultural income is not granted so farmer are capable to refund the loan so they well not get loan for next year there fore, there is recovery pro problems.

7.2.7 No Insurance of crops

In adequacy of an essential and reliable long period data on crops yields and losses occurrence of parts and diseases upon which to base an actually sound insurance programme. All risk crop insurance that is, insurance of growing and standing crops against all major natural hazards like drought, flood frost and hail on the one hand and plant diseases in sects and other pests on other remains in many district still undeveloped. Firstly in order to survive for a long period of time they like all other insurance programmes, must charge adequate premium and prevent excess losses.

In order to this it is necessary to inspect hazards at the farmers level in order to set premium rates and under writing conditions. The credit insurance prosecution stops at the bank level. The farmer is not protected his loan is not forgiven it is transferred to the insurance company crop insurance also only does half the job as farmers are left open to the risk of low prices.

Insurance of crops is essential for farmer against loan. If any loss arises in crops claims may be recovered for insurance company now at present Nande District Central Co-operative Bank is ground by to cover crops insurance and fertilizers.
7.2.8 No Application of Modern Technique and Agriculture

The farmers have been using old and inefficient methods. The techniques of production since they are tradition bound and also poor. They have not adopt the modern methods. Which are so widely adopted in the district in recent and also only to a limited extent the farmers have started adopted improved implements like steel plough, sugar cane, crushes, small pumping sets, water lifts, borrows lose seeds, drills food cutter etc. But the compared with the total number of implements use in this district. The improved verities is use are very few insurance in production is possible only if proper and adequate manure are used.

The verity of agricultural practices which differ widely not only from crop to crop in the different regions but also for the same crop even in single region. These affected crops yield and hence constructions of premium rates create the difficulty and complexity. Poor techniques of production an the use of both farm yard manure and chemical fertilizers in extremely inadequate. The importance of goods quality seeds to increase agricultural productivity needs no emphasis. But the farmers have been using seeds of indifferent quality either because they do not have the means to purchase good quality seeds or because the seeds they keep apart for sowing purpose have deteriorate due to bad storage conditions.

7.2.9 Limited Infrastructures

The limited resources at the disposal of the farmers render the levy of premium rates and realistic. The insurance serves as collateral for the production loan making. It is possible to land to a farmer who does not have clear title to his land. This holds for production loans only.

In order to survive for a long period of time like all other insurance programs, must charge adequate premiums and prevent excess losses. In order to also this it is necessary to inspect hazards at the farmers level in order to set premium rates and under writing conditions. It is also necessary to inspect the operations to prevent the milking of the programme. It the hypothesis presented earlier is true that poorer farmers are affected more as result of the production of crop insurance because of their marginal position, less than
optional economics results will be realized from the interest rate subsidy.

7.2.10 Poverty of small farmer so recovery is not possible

An ignorance and poverty of the farmers not only make it difficult for them to understand the real meaning and significance of insurance but also prevents them from paying insurance premium regularly. Even if it a small margin left out of the low income.

Farmer are protected as a matter of write, not by chance nor political connection nor post loss Governmental decisions. This is an important difference between a crop insurance programme and relief of credit insurance programmes. The importance of this is that the farmers known for certain before the plants what is minimum income will be some of the risks of farming contractually transferred to insure. But with a relief insurance programme. The farmers uncertainly about what and how much risk he faces is not resolved until after the loss has been sustained and programme authorized solicited.

Break even point is not achieve of productivity so poverty along with small farmer so repayments not possible.

7.2.11 Lack of Insurance Knowledge for claims

The existence of the insurance and the insurance institution will facilitate the implementation of national agricultural policy. Insurance with both create conditions favorable for farmers accepting national policy and provide a certain degree of coercion to accept such policy.

Government will be relieved of the need of manage disruptive adhoc relief program of the insurance mechanism will be in place and capable of distribution assistance. The improvement in agricultural activities and employment will make rural settings less desperate and reduce pressure for emigration. Publicity of insurance schemes to farmer is required.
7.2.12 Proper record is not available

The complicated land tenure system in complete and unreliable records an absence of proper registration of tillers render it difficult to determine the insurance interest. There major weakness lies in their isolation and frequent lack of structured horizontal or vertical links to similar groups. Convinced co-operative tend to apply a reduction theory to the rural institutions, once a few people from a self - help group. They have engaged on a path which will inevitably lead them to become fall co-operative. It is legitimate to question hypothesis

7.2.13 Losses due to diseases on plants and use of pesticides

An inspire of these hurdles the necessity of crops insurance cannot be over emphasized. The basic condition is that necessary inputs be made available to the farmers and their economic conditions improved by improving agricultural practices. Insurance. Protections which spans crop failure gap, may ten prove an essential part of well rounded agricultural programme designed to provide security to farmers. This will need that.

(i) Cheap and safe insurance schemes be introduced in selected area.

(ii) The scheme should cover all risk and losses due to natural calamities which are beyond the capacity of the individual farmers.

(iii) The premium rates should be reasonable and very according to the nature of crop insured and other natural conditions of the area involved.

(iv) The scheme should be a compulsory one and there fore the area should be selected with caution. Losses caused by plants to diseases and pests table are as under. The table shows name of disease problem annual loss in percentage name of pest and probable of annual losses in percentage of crops.

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lire and thereby ensures stability in farm income. An increase in their credit worthiness from the point of view of the institutional credit and relieves them from the clutches of the money lenders. In high-risk area because of crop insurance. Cultivators may be induced to cultivate land which otherwise they would not have cultivated. By protecting the economic interest of the farmers against possible risk of loss. It accelerates the adoption of improved agricultural techniques. Economic stability of the farmers improves the farming productivity. Insurance gives farmers greater confidence in venturing upon the adoption of new and improved farming practices. In making greater investment in agriculture for improving crop yields and increasing agricultural production.

Crop losses are spread over space and time. Losses suffered by farmers in certain localities are born by many scattered over wide areas. The burden of losses therefore does not fall upon the poor cultivators alone. It reduces to great extent, government expenditure relief measures extended to meet the havoc caused by natural calamities. It reduces to a great extent. It strengthens the position of co-operatives and other credit institutions that finance an agriculture to extent. It enables the farmer members to repay their loans in years of crop failure. The payment of premium in time encourages a habit of thrift and self help among the farmers.

7.2.14 Mounting over dues

A highly distressing feature of co-operative credit is the heavy over dues of co-operative credit institutions. The RBI appointed a “study team on over dues” of cooperative credit institution in 1992 which submitted it report in 1994. According to the study team.” Lack of will and discipline among the cultivators to repay loans was the principle factors responsible for the prevalence of over dues in co-operatives. The defective lending policy pursued by cooperatives. The apathy of management in taking quick action against recalcitrant members and absence of favorable climate were other contributory
factors. With every passing year the problem is assuming alarming proportions. A time may come when co-operatives may not have any funds to lend to farmers.

In recent years, the farmers are getting organized and one of the chief demands of the farmers union is the cancellation of their debts to cooperative societies and banks. The tendency of some district / state to write off debts is a matter of extreme concern to NABARD. The National front Government. Steps to write off farmers debits up to the value of Rs. 10,000/- in 1990 was an ill conceived measure. It set an undesirable precedent and would hamper recovery in the future. The problem of loan over dues is thus becoming a serious obstacle to cooperative development.

7.2.15 Growth of co-operative credit stagnant

A problem connected with loan over dues is that the rate of growth of agricultural credit advanced by the co-operatives is that in the case of tenant. The land less, agricultural labours. The most important reason for this stagnation in credit flow is the mounting over dues which are clogging the process of credit recycling.

7.3 FORE CASTING

Nanded districts agriculture through conditioned by nature to a great extent depends on human and material inputs. Nanded district has vast and back word agro economy except a few green revolution belts. However bigger and most backward the sector greater are the possibilities of economic development through agriculture. To develop agriculture, various infrastructure facilities are essential. An industrialization for agricultural development is essential which has a broad linkage with socioeconomic transformation. The investment in all activities creates a favorable atmosphere for agricultural development. Timely, adequate and right type of credit penetrates into agriculture and inject an element of healthy competition and concrete commercial calculation in fare operations.

The present study concentrates mainly on grow the performance of primary agricultural co-operative credit society in Nanded district. The growth
of PACS directly results a favorable change on the agricultural practices. The credit is one of an important inputs for having favorable agricultural change where as agricultural development take place not only because of the credit inputs. But a numbers of socio-economic micro and macro variable affect the agricultural development

So we can safely say that the agricultural change take place because of the credit. an other agricultural inputs like mechanical and biotechnology which can only be used through the provision of credit. most of Nanded district farmer do not have their own capital to be invested in agriculture. Even they deserve for the availability of the credit for carrying out current an agricultural expenses. There fore credit plays a significant role in Nanded districts agricultural change. The some emerging plays a significant role in Nanded districts agricultural change. The some emerging problems faced by the society.

7.3.1 Willful defaulter

This types problems is very dangerous for the society . they have a thinking that while others can be a defaulter why should not they. They know that the money given to them by Government is be repaid back, but they willfully ignore to repay it. When the society asked them to repay their dues they just keep an acting as a poor and they say that they do not have any money to repay to it. Farmer expect repay the loan by Government so they are not worry about loan repayment.

7.3.2 Unsystematic loaning

The loaning system of a co-operative society bears many uncertainties for recovery. Because in co-operative loan we do not make any condition for repayment of the loan. This loaning help the members to be a willful defaulter. Because they know that it they do not repay the loan amount they will get some reasonable punishment.

The procedure of determining the loan eligibility of a farmer is still security oriented rather than production oriented. There is no uniform policy for assessing the repaying capacity of the borrower and the value of the land. In most of the district/ state the cost of improvement and incremental income due to the proposed improvements are not taken into account.
7.3.3 Misunderstanding

Misunderstanding may be in between the member and society, and Government. By misunderstanding we came to know that they are not communicating properly. This can also lead to being a defaulter. The member think that they make the payment while the members do not they would prove them self to be the most foolish member.

In order to avoid the prevailing misunderstanding in the society. There should be a better communication channel. By this we can also solved the problems faced by the society. Because most of problems are caused by the misunderstanding.

7.3.4 Lack of co-operative Knowledge

The run the co-operative society successfully we have to get proper co-operative Education. By this we came to know the proper meaning and concept of a co-operative society. Works can also be understand to achieve the common goals of the members. If they get proper co-operative education, there is a possibility of development in the society.

The major portion of funds which the village credit society land to the members is obtained from the central financing agency. The borrowing is the most important elements of there working. Theoretically a co-operative credit society by including thrift and self help among its members.

The district recovery position is not all satisfactory. The participation of banks are there fore very reluctant to disburse fresh loans, particularly under various Government sponsored schemes.

7.3.5 Lack of fund

Since, the Government of financial institutions refuse to given any financial aid to the society, the societies facing a problem of shortage of fund. So they cannot take any steps for the welfare so the members.

Growing over dues creates the problem in day-to day working of co-operative...
tive society Over dues risk due to decrease in agricultural yield and some times over dues are purposely created by the members, which are know as willful defaults, the over dues are alarming in co-operatives. This is because of Government policy of waiving off the loans or interest amount. So the borrowers are habituated to make the willful default.

Co-operative Banks in this district, generally lack of funds. This because of the limited membership of the co-operatives people make only limited deposits even with the central institutes. Shortage of funds has failed the co-operatives to fulfill the needs of their members. And how the co-operative societies works can also be understand to achieve the common goals of the members if they get proper co-operative education and knowledge.

7.3.6 Political and cast influence on Primary credit society.

To be a successful co-operative society a good and devoted leader is compulsory. The leader should get proper co-operative education so that he could handle the emerging problems of he society. Not only the education, he also should be devoted to his duties. The region experienced its harms and pains, so the leaders of the region and co-operators have a diversified view son the process of agricultural development. The co-operation has been accepted as one of the important organizational frame work of creating agro industrial co-operative common wealth in the region. Similarly on the same basis an effective linking of credit marketing. Processing, services have been brought in the region

7.3.7 New Agro technique is costly

The charge of repairing the agro-machinery is becoming more than the actual income since the working period in these area in a year is very little about three months only. Although, we know that this short working period is becoming dangerous, we cannot made increase the period for these area has been a regularly flooded area. Every year, flood occurred in this area twice or more.
7 3.8 Loan sanctioning procedure is complicated

According to the M. D. of this society though, they have already deposited at least 94% of the past loans, the bank is not sanctioning any further loans to the society so we are notable to grant any type of loans to our members.

But it was very difficult to prove, what kind of and what amount of change take place because of PACS credit on agricultural sector. That is why the sampling of PACS credit borrowers has been made to identity the change on individual agricultural practices. The medium term credit to co-operative life irrigation schemes was financed by PACS too its members to become a member of lift irrigation schemes and even for becoming a member of suger factory. This was initiated by the cooperators of the region. Since then a new trends are found in the co-operative movement and in the agriculture of this region.

From the above conclusion and forecasting we can say a role of co-operative Bank in Agricultural Development. Agricultural Development is most essential but small development is totally depend upon financial assistance to farmers. Such system is followed for all over India. If we have find out solution it is helpful to all farmer for agricultural development.