Contemporary agriculture is becoming more and more capital intensive and it has become extremely difficult for the Indian farmers to meet out their requirements on their own. So there is a greater need for the mobilisation of savings and investments on the part of financial institutions. After the advent of nationalisation, banks have become the nucleus of our corporate financial life and they will have to play a vital role in the years to come.

An analysis of agricultural assistance programme in India brings out the fact that credit is not only insufficient but also inequitably distributed among people with a known bias towards affluent sections of farming community. Also there is an over-lapping of jurisdiction in view of the fact that different agencies are involved in the planning, administration and implementation of agricultural programmes. There is, therefore, a strong case for unification of various financial institutions to achieve coordination and effectively cater to the credit needs of under-privileged sections of farmers.

There has been a gradual shift towards micro-economic planning and nowadays regional level planning
is considered to be more suitable for the rapid socio-economic progress of the country. In view of the same, district level banking planning is widely carried out to foster balanced growth of various regions. This study is a humble presentation which examines the issues and pattern of financing of small and medium sized farms in U.P. by the nationalised banks and suggests measures for revamping the agricultural credit programmes for the benefit of farming community.

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