CHAPTER IX

SUMMARY

AND

CONCLUSIONS
The advent of new technology, which comprises the introduction of new and high yielding variety seeds, increased application of fertilizers, and expansion in the use of pesticides under improved irrigation facilities has increased the credit needs in the agricultural enterprise of Kanyakumari district. This technological break through has brought about spectacular changes in the agricultural production of Kanyakumari district. The implementation of this high technology entails higher costs particularly in the initial stages of cultivation in the agricultural enterprise. These costs are not fully met by the farmers and they
are tempted to seek help from others. Usually the financial requirements of the farmers are met either through drawals upon whatever little savings, they have been able to make or with the help of accommodation secured from relatives or money lenders or through institutional agencies such as Revenue and Development Departments of the Government and the Co-operatives. Amongst the institutional agencies the co-operatives above could easily answer farmer's financial requirements. Thus the combined action of technology and institutional credit helps the framers to boost their production in the agricultural enterprise. As a result it has increased the revenue of the farmers substantially. It has led to further development of the borrower farmers in Kanyakumari district. In this study an attempt was made to bring out the impact of institutional credit, with special reference to co-operatives, supplied to the farmers in terms of productivity and revenue in Kanyakumari district.

The study assumed that paddy, banana, tapioca, coconut and rubber are the major crops in Kanyakumari district, and co-operatives are the significant institutional agencies
considering the other institutional agencies catering the financial requirements of the farmers. The study was limited to the credit utilisation activities of the farmers in relation to production in the agricultural enterprise in Kanyakumari district. The objectives were, (1) to assess the trend and magnitude in the expansion of the credit institutions catering to the financial needs of the farmers in Kanyakumari District, (2) to study the trends and directions in the land use and cropping pattern in Kanyakumari district, (3) to study the technological change and the production efficiency of major crops, (4) to measure the impact of institutional credit on agricultural production in terms of technology, productivity and net revenue and (5) to analyse the socio-economic condition of the sample farmers with special reference to their borrowings from institutional agencies.

The theory behind the analysis is the theory of firm which deals with production function. There are three types of vital relationships in the production process. They are; Input-Output, Input-Input and Output-Output.
On the basis of the above mentioned objectives, the study may be divided into two parts. The first part deals with the flow of institutional credit and the changes in the supply of institutional credit in Kanyakumari district. The second part deals with the credit requirements of the farmers and examines its impact on agricultural development in terms of technology, productivity and net revenue.

The study was conducted on the cultivation activities of paddy, banana, tapioca, coconut and rubber of Kanyakumari district. Further the agro-economic background of the district was quite suitable for the growth of paddy, banana, tapioca and rubber, which are assumed to be the major crops. The trend and magnitude in the expansion of the credit institutions with special reference to the co-operative credit institutions, data was gathered from the final audit memorandum of Kanyakumari District Central Co-operative Bank. But to measure the impact of institutional credit on agricultural development information was collected by interviewing the sample farmers residing in 15 villages of Kanyakumari district.
To measure the impact of institutional credit on agricultural development in terms of technology, productivity and revenue, the cost and revenue structures of the farm activities were considered before and after the utilisation of institutional credit. Further the total cost, gross revenue, net revenue per acre and the net monetary income per rupee cost were also considered.

Land occupies the prime place in agricultural production and it is put to many uses and the area sown determines the cultivated area. In Kanyakumari district 32.43 per cent of the total area was covered by forests in 1994-95. But in between 1991-92 and 1993-94, 29.53 per cent of the total area was occupied by forests. The barren and uncultivable land comprises around 2 per cent of the total land. Land put to non-agricultural uses accounted 14.36 per cent to the total geographical area in 1985-86 and 14.44 per cent in 1994-95. 0.07 per cent of land was under cultivable waste in 1985-86 and 0.15 per cent in 1991-92. Pastures and grazing land category was 0.06 per cent. Land
under miscellaneous trees and groves covered 0.19 per cent of the total geographical area in 1985-86 and 0.28 per cent in 1992-93. 4.32 per cent of the total geographical area was covered by other fallow lands in 1986-87 and 2.24 per cent in 1994-95. 49.13 per cent of the total geographical area was cropped in 1985-86. But after 1990-91 net area sown increased to around 51 per cent except in 1994-95.

Thus in Kanyakumari district top priority has been given to net area sown, forest occupies the second place, land put to non-agricultural uses occupies next. Pastures and grazing land gets the least importance under land use pattern.

As the cropping pattern of Kanyakumari district is concerned more than fifty per cent of the gross cropped area is allocated to food crops. Further among the food crop area, cereals covered 58.78 per cent, fruits and vegetables covered 17.86 per cent while root crops covered 15.04 per cent. In the case of gross cropped area, cereals occupied 29.44 per cent, which ranked first, rubber, drugs and narcotics ranked second, oil seeds ranked third, fruits and vegetables ranked fourth and root crops ranked
fifth. Again 16.94 per cent of the gross cropped area was cultivated more than once in Kanyakumari district.

The allocation of area under paddy, banana and tapioca as food crops and, coconut and rubber as non-food crops. In Kanyakumari district 58.78 per cent of the food crop area was under paddy. However 78.92 per cent of the food crop area was under paddy, banana and tapioca. Further 94.04 per cent of the non-food crop area was under coconut and rubber. Again 39.53 per cent of the gross cropped area was under paddy, banana and tapioca and 31 per cent of the gross cropped area was under coconut and rubber in Kanyakumari district.

In 1971 the number of cultivators was highest in Kalkulam taluk. But vilavancode taluk ranked second during the same period as compared to the other taluks. The same trend has been observed in 1981 and 1991. The number of rural participants as cultivators was very poor in Thovalai taluk in 1971, 1981 and 1991. Further in Kanyakumari district the percentage of rural population engaged in agriculture as cultivators was highest in Thovalai taluk in 1971. But in 1981 and 1991 the percentage of
rural population engaged as cultivators was highest in Agasteeswaram taluk as compared to the other taluks. In 1991 the rural population engaged as cultivators was increasing throughout Kanyakumari district as compared to 1981. In 1971, 1981 and 1991 the number of urban cultivators was highest in Agasteeswaram taluk as compared to the other taluks. But it was low in Vilavancode taluk in the same years. In 1981 the entire region of Kanyakumari district recorded a fall in the number of urban cultivators.

The participation of agricultural labourers had increased steadily in 1971, 1981 and 1991 in Kanyakumari district. Kalkulam taluk ranked first in the number of labourers and Vilavancode taluk ranked second. But it was lowest in Thovalai taluk. The percentage of population engaged as agricultural labourers was high in Thovalai taluk in all the three years. But it was low in Agasteeswaram taluk in all the three years. Further in Kanyakumari district the number of rural people engaged as agricultural labourers had increased from 121670 in 1971 to 139701 in 1981 and again increased to 170939 in 1991. The same
trend has been observed in the case of urban people engaged as agricultural labourers. It was 4777 in 1971, and increased to 4808 in 1981 and again to 6471 in 1991.

The use of local variety seeds, application of household manure, unscientific pesticides, primitive type of implements and insufficient irrigation facilities were the major characters of the traditional agriculture in Kanyakumari district. But the use of high yielding variety seeds, improved irrigation facilities, chemical fertilizers and pesticides are the characters after the advent of the new technology. However productivity of paddy shows a positive change in Kanyakumari district; in banana a positive change was observed throughout the period; coconut has recorded a positive change except in 1986-87 and rubber showed a positive change. As against this, tapioca showed a negative change except in 1987-88 and 1989-90. But in production a positive change has been observed in paddy except in 1986-87 and 1987-88. In banana, a positive change has been recorded except in 1985-86. In coconut a positive trend has been observed except in 1986-87 and in rubber a positive trend has
recorded throughout the period. But tapioca recorded a negative change in production throughout the period.

Performance of a credit system is conditioned by the proportion of the cultivators and the area covered by credit schemes. While examining the sufficiency of the credit sources in Kanyakumari district, it has been found that there are two hundred and sixty units, both under commercial and co-operative systems of banks. One hundred and thrity five units are managed by the co-operative banking sector and the balance hundred and twenty five units by twenty four commercial banks.

Of the hundred and twenty five commercial bank’s branches at present Tamilnadu Industrial Co-operative Bank (TAICOB) is not functioning in Kanyakumari district. But on the co-operative side there are one hundred and eighteen Primary Agricultural Co-operative Societies and Banks operating in the district. Further there are seventeen Kanyakumari District Central Co-operative Bank (KDCC) and Land Development Bank branches and one people’s Co-operative Urban Bank Limited is operating in Kanyakumari district.
There are nine blocks in Kanyakumari district which are spread at four taluks. Of the nine blocks, Kurunthencode block of Kalkulam taluk has forty four Primary Agricultural Co-operative Societies and Banks as compared to the other blocks. But Thovalai taluk has only nine branches which is the lowest as compared to the other taluks. Further in Agasteeswaram taluk 169.93 hectares of land has one agricultural credit source unit and 147 cultivators have one agricultural credit source unit which is the highest beneficiary as compared to the other taluks in Kanyakumari district. On the whole in Kanyakumari district 177 cultivators have one agricultural credit source unit and 378.84 hectares of land has one agricultural credit source unit. Thus the district is endowed with sufficient number of financial institutions distributed equitably, catering to the financial requirements of the agriculturists.

In the case of scale of finance stipulated by the KDCC Bank the High yielding variety of Paddy receives more advantage than the ordinary varieties. But in the case of plantains, nendran and red banana received preferential
treatment than the ordinary varieties. Banana received more finance as compared to paddy, tapioca, coconut and rubber in Kanyakumari district.

Cost structure of paddy, banana, tapioca, coconut and rubber reveals that the total costs increased considerably after the utilisation of institutional credit in Kanyakumari district. The total cost of paddy increased from 8460 to 8943 rupees in banana it increased from 22700 to 24350 rupees, in tapioca the total cost increased from 3440 to 3695 rupees, in coconut it was increased from 6000 to 6848 rupees and in rubber it was increased from 7500 to 8009 rupees after the utilisation of institutional credit.

Further the itemwise percentage change of cost of banana, tapioca, coconut and rubber to paddy before and after the utilisation of institutional credit reveals that in human labour, banana accounts for more than three times of the expenditure than that of paddy, and rubber accounts nearly two times than that of paddy. In the case of the expenditure on off-shoots, banana accounts three times more than that of paddy. In the case
of expenditure on manures banana accounts two and a half times more than that of paddy and in fertilizers seven times more than that of paddy. But in the case of expenditure on insecticides and pesticides, banana accounts three and a half times more than that of paddy. On the whole the expenditure on banana is more than that of paddy and the expenditure on tapioca is less than that of paddy. The same trend is repeated after the utilisation it institutional credit with small changes.

The family labour participation is higher in rubber cultivation, and the level of education and the earners and dependents influence production in Kanyakumari district. More than half of the holdings in Kanyakumari district is small in size. Further the finance required for the cultivation of banana in a year is comparatively more and the finance borrowed from the co-operative credit societies was also more.