PREFACE

Agriculture continues to occupy a prominent place in the Indian economy with 70 percent of the country's population depending upon agriculture and allied activities. In Rayalaseema also 75 percent of people depend upon agriculture. Rayalaseema region which include the four districts of the State of Andhra Pradesh viz., Kurnool, Anantapur, Cuddapah and Chittoor district, is treated as one of the natural divisions in India. This is a backward region. Agriculture is the main stay of the people but it is a mere way of life in this region. The declining per capita income reveals the economic situation of the region. The backwardness of agriculture, in Rayalaseema, may be attributed to two things. One, the low and erratic rainfall which results in recurring droughts and the inability of small and marginal farmers (who are more in this region) who cannot invest in agriculture due to their meagre incomes. The dicennial surveys conducted by the Reserve Bank of India (on the debts and investments of rural people) revealed the mounting rural indebtedness in this region. It appears that lack of adequate institutional credit is primarily responsible for the backwardness of agriculture in this region. An attempt has been made in this work to study the institutional financing (mainly by Co-operatives and Commercial Banks) of agriculture in Rayalaseema. The actual credit
requirements of agriculture have also been estimated which show the gap between the demand and supply that has to be filled up by the lending institutions in the years to come.

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