Chapter VI

SUMMARY OF CONCLUSIONS AND PROBLEMS AND SUGGESTIONS

This study is a modest attempt to review the institutional finance to agriculture with reference to the undivided Cachar district of Assam embracing the importance of finance, the various institutions associated with such finance and its quantitative and qualitative impact and the multifarious problems associated with the deployment of funds to the agrarian sector of the economy. The thesis has been divided into six chapters, and on the basis of observation made in the preceding chapters the conclusions are summarised, multi-dimensional problems have been analysed and remedial measures have been suggested.

In Chapter I an attempt has been made to discuss the importance of agriculture in the national economy of India. Agriculture has occupied and continues to occupy the prime place in the economy of the country. It is the single most dominant sector with great influence over practically every sector of the economy. It is agriculture which occupies an enviable position in shaping and moulding the future destiny of the country by supplying physical surplus required by other sector in the form of food and raw materials and by providing the economic surplus which constitute the material basis for economic development. The National Commission on Agriculture and the 5 Year Plans, therefore, recognised the importance and so
assigned high priority to this sector to improve the economic, social and cultural condition of the masses by ensuring even distribution of income and wealth. The new strategy adopted in the context of Indian agriculture to usher green revolution during the 60s through the process of modernisation and science based agriculture has its impact on our agrarian sector. The new strategy envisaged to replace the traditional methods and practices by science and modern technology based farming. But the new strategy, it may be recalled here, has benefited the big farmers and certain parts of the country especially the north western regions consisting of Punjab, Haryana and western U.P. and other parts of the country especially the eastern and southern regions have not been benefited much.

Though agriculture is the kingpin in the national economy of India, yet it suffers from certain chronic problems in the forms of sub-division and fragmentation of holdings, natural calamities like flood and drought, lack of irrigation, poor input delivery system, wornout and primitive methods and practices, lack of effective interdepartmental co-ordination both at the State and field level, absence of effective monitaring of the developmental efforts and above all the inadequacy of capital.

Chapter II depicts need for finance - types of credit required, special features of agricultural finance in the context of Indian agriculture. Farm credit plays a crucial role in increasing agricultural production in a developing country
like India where agriculture has taken predominance in the economy. The introduction of new technology in Indian agriculture has brought about significant increase in the demand for production as well as investment credit. The new strategy of the late 60s' involves the intensive application of fertilizer, provision of irrigation, modern technology and other inputs. Introduction of modern scientific practices, therefore, necessitated larger investment in farm sector for qualitative improvement in the art of farming and quantitative improvement in productivity. Indian farmers being resource scarce cannot generate sufficient capital internally and so depend for funds from external sources to meet their current production expenditure. Finance from organised part of the money market can save the farmers from exploitation of the moneylenders who keep them under perpetual indebtedness.

The financial needs of Indian farmers comprise short, medium and long term credit and such classifications are made on the basis of periodicity, purpose, security and creditorwise. Credit provided to the farmers may again be categorised as direct and indirect. In the sphere of agricultural finance, moneylenders provided about 70% of the total finance and the institutional sources provided only 7% of total finance in 1951. This excessive dependence on moneylenders is undoubtedly an unhealthy trend which ultimately brings miseries and catastrophe and never stimulates productivity and income. Inadequate flow of credit to the agricultural sector from institutional sources at right time will keep agriculture stagnant as the application of
modern inputs will become well-nigh impossible on the part of the farmers.

Chapter III provides a brief description of the undivided Cachar district of Assam comprising physical, economic and agrarian characteristics.

About 79% of the total working force of the district is engaged in agriculture and allied activities which confirms that the economy of the district is agrarian in character. The density of population of the district is 358 as against 284 in Assam in 1991. The percentage of net area sown to total cropped area constituted 80%. Another characteristic feature of the agrarian sector of the district economy is that paddy constitutes the most important crop which accounts for about 92% of the cultivable land. Double and multiple system of cropping has not made much headway, though HYV seeds are used particularly in paddy cultivation. The agricultural practices applied in the district are primitive and the new strategy adopted in the context of Indian agriculture is conspicuously absence. The district is awfully backward in respect of irrigation. About 3% of the cropped area is covered under irrigation scheme. Inadequate provision of irrigation has been the major constraint in increasing productivity, cropping intensity and in changing the cropping pattern. Agriculture in the district is practically rainfed. The use of chemical fertiliser is extremely low and the per hectare consumption of fertiliser constitutes 9 kg as against the national average of 45 kg. The
low intake of fertiliser per hectare is due to inadequate provision of irrigation and unfavourable climatic conditions. Land holding patterns in the district are uneconomical, scattered and small and marginal farmers account for about 93% of the farmers accounting for 80% of the cropped area. In such an atmosphere, modern approach in farming practices can hardly be expected. Agricultural methods and practices followed are orthodox and conservative divorced from modern approach arising out of techno-economic and social impediments. Although, there is potential viability to develop a number agro-based industries, but it could not make rapid strides arising out of failure of agricultural sector in raising productivity and underdeveloped and inadequate provision of infra-structure, lack of motivational approach among the local entrepreneurs and restricted market etc.

Chapter IV provides an outline about the various institutions associated with agricultural finance at the national level. The institutional framework for deployment of credit to rural sector particularly to agriculture comprises co-operatives, the SBI, Commercial banks, Regional Rural Banks, NABARD and the Land Development Banks. The Primary Agricultural Credit Societies provide short term credit requirements and they occupy an important position. But these societies suffer from certain weaknesses such as poor deposit mobilisation, managerial incompetence and high incidence of overdues. The Co-operative Credit Societies which provided only 3% of the credit requirements in 1951 made remarkable progress consequent upon the recommendations
of the All India Rural Credit Survey Committee and as a result total deployment of co-operative credit increased from Rs. 2291 crores in 1982-83 to Rs. 3149 crores in 1986-87 and the total loans outstanding accounted for Rs. 3168 crores in 1982-83 and increased to Rs. 4635 crores in 1986-87 and the percentage of overdue to demand constituted 41.9% in 1986-87. The emergence of co-operative credit sector must have a definite impact in removing the predominance of moneylenders from Indian agriculture in so far as the supply of credit is concerned.

The Imperial Bank of India was nationalised in accordance with the recommendations of the All India Rural Credit Survey Committee for the creation of strong, integrated, State partnered commercial banking institution with an effective machinery of branches spread over the whole country to provide remittance facilities for co-operative credit societies and also to provide both direct and indirect finance to agriculture. With the emergence of SBI and its associates number of branches increased in numbers and through this network of branches there was heavy outflow of funds to the farm sector. A noteworthy feature of the branch expansion programme of the SBI and its associates is that between June 1969 and March 1991 the number of branches increased from 245 to 12486 and 74.4% of its branches are localised in rural and semi-urban areas.

Prior to nationalisation, banks were reluctant to open branches in rural areas considering the amount of risk involved in it and they were not involved in farm financing in the country and
till about 1951 commercial banks provided only 1\% of the rural credit. On the eve of planning in 1951, it may be recalled commerce accounted for as much as 36\% of total credit of scheduled commercial banks, while the share of industry constituted 34\%, both together constituting 70\% of the total advances. Social control on banks was introduced in 1968. But within six months of the imposition of social control measures, Government of India nationalised the major commercial banks in June 1969. Nationalisation has made a spurt of branch expansion and has led to the transformation of wholesale banking to retail banking. The practice of banker waiting for borrowers to come to the bank has given way to the banker going to the borrower at his doorstep. The concept of lead bank scheme based on area approach recommended by Gadgil Study Group on National Credit Council was initiated in the context of Indian banking to take a lead role for making survey of credit needs, development of branch banking and extension of credit facilities in the district allotted to it. As a result of all these measures total direct outstanding advances from co-operatives, scheduled commercial banks, RRBs to agriculture and allied activities together constituted Rs. 17,894 crores in 1987 as against Rs. 16,231.1 crores in 1986. In term of loans issued direct finance to agriculture and allied activities from these sources aggregated Rs. 7,920 crores in 1986-87. Of the total outstanding advances of Rs. 17,894 crores during 1987, the contributions of scheduled commercial banks, co-operatives and Regional Rural Banks being Rs. 9354.8 crores, Rs. 7878 crores and Rs. 1061.2 crores
respectively. Agricultural finance really made the beginning in the country since after the nationalisation of commercial banks in 1969 and it is observed that both direct and indirect finance to agriculture and allied activities by public sector banks increased gradually to Rs. 12,110.54 crores in June 1988 from Rs. 162 crores in 1969. Direct finance to agriculture and allied activities accounted for 88.35% of total finance. Again there is wide dispersal of finance among a larger number of borrowers comprising 191.20 lakhs in 1988 as against 1.65 lakhs in 1969. The institutionalisation of farm credit is definitely an achievement and an important milestone in the history of Indian banking which will enable the poor cultivators to remain free from the clutches of the village Mahajans who exploited them financially and also socially. A significant achievement in respect of rural finance in the country can be demonstrated by the fact that the share of non-institutional sources of rural finance has declined to 39% in 1981 as against 93% in 1951-52.

Thus with a view to bringing about some changes in the operations and policies of banks and to use them as a stimulant to initiate the process of rapid agricultural and industrial development the Imperial Bank of India was nationalised and converted into the State Bank of India and other measures like imposition of social control on banks and subsequent nationalisation of the major commercial banks in 1969 and again 6 other banks in 1985, introduction of Lead Bank Scheme and the
creation of RRBs were designed to provide banking facilities in rural areas specially to agriculture, cottage and small scale industries and other neglected sectors and also to snap the link between bank and large industrial houses. The banking sector was thus enabled to shape their policies and programmes taking into account the larger social purpose and the needs of national priorities and objectives.

Chapter V explains the various financial institutions associated with agricultural finance in the district comprising in details their workings, progress and prospects and the impact of credit supplies on agriculture and multifarious constraints in the flow of such credit.

The co-operative movement, though made a beginning in the State in 1904 in consistence with the national policy, the movement has been passing through many stress and strains. The most disturbing feature of co-operative credit movement in the State is that most of the PACS had virtually remained uneconomic or dormant due to heavy amount of overdues. The Primary Agricultural Co-operative Credit Societies exhibited a bleak picture in the provision of farm finance and therefore, in its place the restructured GPSS have come into existence for the plain districts of Assam and Large-sized Multipurpose Co-operative Societies for the two hill districts of the State. Co-operative finance to agriculture at the national level has occupied a dominant role but in case of Assam the movement has almost remained cripple due to mounting overdues. The GPSS
which came to replace the existing PACS were entrusted with the task of providing finance to the farm sector in addition to the provisions of essential inputs and commodities of mass consumption needs. The district is covered by 86 GPSS. But the most disturbing trend of these societies emerges from the fact that they do not generate fund internally by way of deposit mobilisation and so they solely depend upon external sources for funds. It may be remembered here that the GP level societies in the district has been attached to the Assam Co-operative Apex Bank, UBI, SBI, Central Bank of India, and these banks deploy their funds to the farm sector through these GPSS. It is to be observed here that in the districts of Cachar, Karimganj and Hailakandi a two tier co-operative structure comprising 6 branches of State level Assam Co-operative Apex Bank Ltd. and 86 numbers of restructured GPSS are in existence which is a deviation from all India pattern. It has been revealed from official records that the financing banks are now reluctant to provide finance to the adopted societies due to mounting overdues and as a result the restructured GPSS is about to repeat the past history of co-operative credit movement of Assam.

The New Standard Bank of India, now the UBI, is the oldest bank in the district started banking business in 1933 and till 1969 there were 7 branches of commercial banks operating in the district. But in consistence with the policy of nationalisation, branches of commercial banks increased to 135 in 1990-91. Till
1990-91 there were 91 branches of commercial banks, 44 branches of RRBs, 86 GPSS and 6 branches of Assam Co-operative Apex Bank Ltd. As a result of massive expansion of branches the average population served by a bank office in the district declined from 2,20,000 in 1969 to 17,660 in 1991 compared to 22,630 in Assam and 13000 in India during 1987. In respect of CD ratio, the undivided district of Cachar presents a very dismal picture and it comes roughly to 42.01% compared with State and national levels ratio of 51.64% and 64.7% respectively. The low credit absorption capacity in the district may be due to low intake of credit by agricultural and industrial sector arising out of general backwardness and primitive nature of agriculture. The United Bank of India is the Lead Bank of the district and has been acting as consortium leader and is responsible for playing the lead role in branch expansion and credit deployment programmes.

The Cachar Gramin Bank which in other words is the Regional Rural Bank in the district is sponsored by the United Bank of India operates through 44 branches, the highest number of branches being located in Karimganj numbering 19, 17 in Cachar and 6 in Hailakandi. During the period 1989-90 total outstanding credit to agriculture and allied activities of the bank aggregated to Rs. 95.13 lakhs representing 17.31% of the total advances. The priority sector advances of the bank accounted for 90.76% of the total advances which is quite in consistence with the policy objectives of the bank. But the bank failed to generate sufficient amount of deposits and the average per
branch deposits of Rs. 17.66 lakhs is considered to be very low. It has been observed that this institution is also burdened with high incidence of overdues and the recovery percentage according to the available data stands to be 27% which deserves immediate steps to correct this disturbing trend.

The credit requirement to the farm sector in the district has been ascertained by taking into account the total area of land under major crops and their average scale of finance fixed by the department of agriculture, Government of Assam in collaboration with the Assam Agricultural University and in this process total working capital requirements inclusive of cost of labour aggregated to Rs. 128.38 crores but when the cost of labour is excluded from the scale of finance it stands to Rs. 50.70 crores during 1990-91. It has been assumed that 10% of the working capital requirements is provided by the farmers from their own sources making the credit requirements to Rs. 109.23 crores when the cost of labour is included and Rs. 45.70 crores when cost of labour is avoided. The deployment of funds to the agricultural sector both direct and indirect from institutional sources together aggregated to Rs. 1.98 crores thereby leaving a wide gap of Rs. 107.26 crores in case of former and Rs. 43.73 crores in latter.

From the available data it is observed that there is no wide dispersal of funds among a larger number of farmers and so a large segment of the farmers have remained outside the ambit of the organised part of the money market. Another disquieting
trend observed from the study relates to the inadequate flow of crop loans in the district. The per capita loan available to farmers amounted to Rs. 14.48 and per bigha consumption of loans constituted to a very small amount of Rs. 1.84. In quantitative term the flow of crop loan is highly unsatisfactory.

Although quantitatively, the growth of commercial banks and restructured GPSS has been appreciable but the extension of credit from these sources has been highly unsatisfactory. The study reveals that the performance of the financial institution in the deployment of credit to the agricultural sector when judged in terms of proportion of farmers actually borrowing, quantum of loan per bigha, the per capita availability of finance, coverage of agricultural population is highly unsatisfactory. Inadequate flow of credit could not make any positive impact on cropping pattern, changes in level of production and income on the overall agricultural scenario of the district. The restructured GPSS numbering 86 as an alternative to the now defunct and dormant PACS have belied the hopes and aspiration of the people particularly farmers as due to high incidence of overdues, the financing banks had stopped supplying funds to these societies and at present the branches of Assam Co-operative Apex Bank Ltd. provide finance to these societies which is also very insignificant part of the total requirements. The GPSS do not generate funds by way of deposits from members of the public and virtually depend on external sources that is on the attached banks for funds. It must be remembered that credit is necessary for boosting development but timely repayment of
principal and interest is also necessary for rebuilding the banks' capacity to give further credit. The high incidence of overdues puts a brake in obtaining funds from the attached banks and ultimately results in curtailing of recycling of funds denying several new prospective and deserving borrowers their share in institutional credit.

Chapter VI provides a brief summary and conclusion of each chapter and the problems and shortcomings which have come to light in course of investigation have been analysed and some useful pragmatic suggestions are put forth which may be of some practical importance to institutions and organisations connected with agricultural development in the district. The flow of institutional finance both in quantitative and qualitative terms has been highly unsatisfactory and could not make any impact on productivity and income on the overall agricultural pursuit in the district. Lack of co-ordinated efforts between the various development agencies and credit disbursing authorities, inadequate provision of irrigation, chronic recurrence of floods, mounting overdues and traditional subsistence level of farming with little surplus for sale have paved the way for low absorption of credit from institutional sources to the district level agriculture. In the concluding part of the chapter some suggestions have been put forward embracing different aspects of district level agriculture so as to involve the farming community to adopt the modern science and technology based agriculture to usher a new era of prosperity. The revolution in agriculture has to be accompanied by an equally massive social
revolution aimed at transforming the traditional rural society into a world of science and technology.

Problems associated with farm finance:

It has been observed that a number of problems with regard to the provision of finance to agriculture have come to light. After analysis these problems some useful suggestions are put-forth which will be of much importance to the practical bankers, institutions and development agencies involved in agricultural development in the district. Some of the important problems are enumerated as under:

1. There are number of administrative problems which affect the smooth flow of funds from institutional sources to the agricultural sector. From personal investigation, it was found that land records in many cases have not yet been completed making the matters of creating mortgage extremely cumbersome and time consuming. The position of tenant cultivator or share cropper is more complicated since he cultivates the lands of others.

2. Majority of the rural folks and more particularly the farmers of the district are simple and illiterate and they are very shy to come within the fold of the organised part of the money market after going through cumbersome and time consuming lengthy formalities.
3. Due to lack of post-lending supervision of loan there is considerable misutilisation of funds creating the problem of overdues. Post-lending supervision to see the proper end-use of loans needs properly trained motivated staff which most of the credit disbursing agencies in the district are lacking.

4. In many cases, it has been observed that agriculturists find it difficult to make regular repayment of loans because of wide fluctuations in prices of agricultural commodities and natural calamities like frequent flood and drought have made the position more critical.

5. Farmers experience extreme difficulty in obtaining extracts from the revenue records to establish their ownership rights or tenancy rights in land. The bank officials cannot process loan applications without recourse to these documents. Due to unhelpful attitude on the part of the revenue officials, the borrowers experience difficulties in obtaining no-dues, non-encumbrance certificates and land records and so commercial banks and even Land Development Banks experience difficulties in extending loans to the farmers.

6. Due to unsatisfactory nature of marketing, farmers receive lower prices for their products which do not provide them much incentives to invest in agriculture.

7. Difficulties arising out of natural calamities, delay in disbursement, defective appraisal of loan application, wilful default are some of the constraints in the deployment of funds.
to agricultural sector in the district.

8. In the implementation of credit schemes, according to the Lead Bank officers there is no co-ordination between commercial banks and different developmental agencies of the government. The inadequate and untimely availability of extension facilities by different departments, lack of initiative on the part of field level workers, lack of exchange of information between field level staff and banks concerning many aspects of agriculture seriously affect the implementation of many of the credit schemes.

9. So far as the security aspect is concerned banks provide loans against hypothecation of anticipated crops. Term loans are granted against the security of land. But loans against anticipated crops entail risk if there is crop failure due to natural calamities. Land as security of loan for both short and long term is associated with a number of legal and other complications.

10. Information obtained from records and files demonstrates that there is delay in sanction of loans to the farmers at the branch level and the reasons for such delay seems to be absence of motivation among the branch managers. It has been observed that there is a tendency on the part of the bank managers to reject loan applications on flimsy grounds. It draws the attention of researcher where a number of farmers were denied finance from a particular branch during a particular season as
the bank manager was on leave although the loan application was processed through the district agriculture department long back.

11. From field study it is observed that there is no inter-departmental co-ordination at the State and field level. There is no effective monitoring of developmental efforts. Most of the farmers who are resource poor cannot take advantage of the government efforts to overcome the constraints. The small and marginal farmers are not able to take full advantage of the facilities available including inputs and finance. Administrative inefficiencies and rampant corruption in the State as well as in the district have seriously undermined the flow of fund and the development of agriculture.

12. The bank officials associated with farm financing expressed the view that they are burdened with bunches of application at the end of the year/season which make it difficult on their part to scrutinise the applications and disburse the fund according to needs in time.

13. As per RBI's circular, rural branches of commercial banks may declare one day in a week as non-public working day to enable the bank staff to make contact with existing and potential customers, to ascertain the requirements of credit and monitoring the end use of credit. But in practice, in most of the cases the non-working days are enjoyed by the staff as holidays.
14. In the opinion of the Lead Bank officers, there is strong force working in the direction of diversion of funds for retail trade and other profitable investment which acts against the spirit of farm finance and also detrimental to the cause of agricultural development.

15. Credit is a complimentary input in conjunction with other inputs such as irrigation, seeds, pesticides, and the availability of warehousing and marketing facilities. But irrigation facilities in the district are inadequate and underdeveloped, supply of seeds, fertilisers and pesticides is erratic, warehousing and marketing facilities are underdeveloped and so the viability of farm finance is very low.

16. The effective demand for farm credit in the district is very low. This is because the new agricultural technology has not yet become widespread and also because holdings are very small and the small and marginal farmers do not show their keenness to inject fund to farm sector considering the subsistence nature of their farming practices.

17. Financial institutions particularly commercial banks in the district have been facing a number of problems comprising dearth of staff, field officers, agricultural development officers and field assistants. From personal survey, it has come to light that each of the Lead Bank offices in Cachar, Hailakandi and Karimganj is manned by the Lead Bank officer, a clerical staff and a peon only. As a result, even maintenance of up to date records and proper accounts has become difficult.
on their part. Even the financing banks are not in the habit of sending compiled report concerning finance provided, loans realised and other related matters to the Lead Banks. Besides, lack of enthusiasm and job involvement on the part of the personnel associated with agricultural finance has seriously jeopardised the flow of agricultural credit in the district.

18. Most of farmers are not in the habit of maintaining proper records or accounts relating to the cost of cultivation and other incomes and most of them are reluctant to disclose their actual financial position which makes it complicated to ascertain their repaying capacity and also the determination of credit needs.

Suggestions to overcome the constraints:

In order to overcome the problems associated with agricultural finance in the undivided Cachar district of Assam, it is imperative to put forward certain pragmatic remedial measures and these are setforth as under:

1. The department of agriculture can play a significant role to educate the farmers to pursue modern methods of cultivation and to motivate them to make the best use of the available facilities for the improvement of yield rate from land. The farmers must be given convincing guidance to adapt new methods of farming as well as use of bank credit for agriculture and allied purposes.
2. Effective co-ordination between various development agencies of the Government and banks would help the latter in extending credit facilities to a larger section of the farmers.

3. Bankers and government officials should appreciate that their job is not only confined to release of loans and subsidies but one of assistance in ascertaining the implementation of the integrated approach to rural development. The district level agriculture department should avoid burdening banks with bundles of applications at the fag end of the year to fulfil the target setforth.

4. The important cause of delay in sanction of loans at the branch level is the absence of motivation among the bank officials. The remedial step in this context may be to impress upon the bank managers that their performance will be assessed not merely on the growth of deposits but also on the progress of credit to weaker section of the community particularly to agriculture and allied activities including the recovery of loans.

5. The system of Agricultural Pass Book issued by the district administration which is prevalent in Maharastra and Gujrat, recording therein agricultural land owned by a farmer may be issued to the farmers in the district which establishes a person's right on land as owner or as a tenant and it enables the credit institution to grant credit promptly and smoothly. The system of Agricultural Pass Book can serve as a primafacie evidence to the right to land and enables the banks to verify
such rights and details pertaining to encumbrances thereon. The system of Pass Book eliminates the possibility of multiple financing of the same borrowers from different sources and acts as the single most important steps towards simplification of the process of sanctioning of agricultural credit from whatever sources.

6. To save the farmers from losses arising out of natural calamities, it is imperative to introduce the system of insurance to cover all categories of farmers irrespective of borrowers and non-borrowers. Even cattle used in agriculture should be insured to cover against possible loss arising out of epidemic and theft which is very common in the district. Since the erstwhile Cachar district is situated near the international border of Bangladesh, cattle lifting is a regular feature which needs full coverage under insurance scheme to save the farmers from the menace.

7. Bank credit to become effective should be supported by the supply of essential inputs such as seeds, fertilisers, technology and infrastructure such as storage, warehousing and marketing.

8. Proper assessment of demand and timely disbursement of advances are essential to derive maximum benefits out of agriculture. Over-financing and underfinancing should be avoided in any case otherwise it will tend to overdues.

9. The repayment schedule should be determined on the basis of income earning capacity rather than making of repayment in
equal instalments over a span of time. It is necessary to plan repayment of instalments according to capacity, season and income of the borrowers and so an analysis of the income of the borrowers is most relevant in this context.

10. The repayment schedule should be so prepared that it may coincide with the time when the borrowers will find it convenient to repay the loan. The farmers may be advised to sell the crops particularly paddy to the multipurpose GPSS to fetch a remunerative price thereby enabling them to repay the loan to the financing institutions.

11. The forwarding agencies and the financial institutions before forwarding proposals/granting loans should study the attitude and psychology of the borrowers and only genuine borrowers should be encouraged and nurtured.

12. Extension work is done by the Government departments such as agriculture department, Panchayat Samitis, Block Development office etc. and they should not confine their activities simply in paper works rather they should devote their efforts and manpower at the field level to motivate the farmers, otherwise the entire plan and programmes and its achievements will remain an unrealised dream in paper only.

13. The undivided Cachar district now comprising the districts of Cachar, Hailakandi and Karimganj had the distinction in rabi crop cultivation particularly vegetables. These districts used to meet the entire requirements of vegetables of the area and
extended its markets to Mizoram and neighbouring districts of Cachar. But surprisingly, the growers have taken alternative occupation since this profession has become less remunerative and involves much risk arising out of erratic nature of climate, lack of irrigation and besides the problem of finance. From data available, it is revealed that institutional sources of finance could not make in-road to this vital sector of the economy. During 1990-91 total finance from institutional sources came to the tune of Rs. 20,000 only and in case of Karimganj district there was no finance at all and as such the growers have been forced to borrow from Mahajan at an exorbitant rate of interest. Commercial banks, GPSS and the Cachar Gramin Banks (RRBs) should intensify its finance to this sector of the economy in order to regain its lost tradition.

14. All the requirements of the farmers should be met by one agency and the credit institutions should be properly equipped to enable them to give farm guidance and towards this end, banks should appoint agricultural graduate properly trained in credit.

15. In order to make proper and fullest use of bank financing including the recovery of loans, it is essential to develop and foster intimacy between the banker and the farmers. The banks should take resort to grass root level propaganda with the aid of Cinema slides, documentaries, T.V., Radio and personal contact to persuade the farmers to enjoy the benefits and facilities available for them. Public opinion leaders, social and voluntary organisations, teachers and Gram Sevaks have a
crucial role to play in rousing a sense of participation among the farmers in modern farming practices with finance available from institutional sources.

16. From field visit it has been observed that from October to May most of the farm lands in the district remain dry due to paucity of rainfall and irrigation. In winter months canal irrigation is not possible as the rivers become dry. The rich underground water resources can, therefore, be easily utilised for irrigation purpose with the help of pumpsets and it will enhance the cropping intensity and it will lead to outflow of funds to the farm sector.

17. Any policy formulation involving the development aspect necessitates the availability of reliable factual informations of different sectors of the economy. From personal experience, it appears that different development agencies including financial institutions are not in the habit of maintaining proper and up-to-date records and information pertaining to their performances. Even the Lead Bank office failed to supply the basic informations relating to crop loans issued in different years, amount outstanding/overdues in respect of agriculture and allied activities even though district level Consultative Committee meetings are held regularly wherein performances are assessed, future credit plans are drawn. It is, therefore, suggested that a 'Data Bank' should be created for future policy formulation and decision makings.
Some thoughts on agriculture of undivided Cachar district of Assam:

The undivided Cachar district of Assam is predominantly agricultural and it is the mainstay of 79% of the population and has vast possibility to develop a number of agro-based industries. Though agriculture is the dominant sector, yet the practices and methods followed are antiquated leading to low productivity and income.

Agriculture in the district is not dividend yielding proposition and the latest methods and practices and results of scientific and agricultural research have not made much impact upon the farmers in a manner so that they can understand and adopt it. Therefore, the outlook of the farmers has to be changed slowly but persistently and they have to be convinced of the positive advantages of improved tools, seeds, chemical fertilisers, improved practices and crop planning etc. It is, therefore, essential that technologies suitable for different crops should be developed, keeping in view the problems of the small and marginal farmers and they should be constantly fed with the advanced production technologies. Agricultural education should also keep pace with the changing agricultural situation of the State and also the district to meet the newly emerged challenges. The fruits of agricultural researches should be utilised in actual field so as to derive the maximum benefit. The farmers in the district in general are shy and conservative towards modern technologies and practices. They
should be motivated to adopt themselves to the changing situations in the sphere of agriculture by changing their socio-economic outlook. The introduction of at least one model farm in each Community Development Block would induce them to adopt quickly and easily better farming practices and new crops. Demonstration of improved farm practices can infuse a sense of participation to a greater measure among the farmers. The introduction of fertiliser and better seeds, control of pests and adoption of more intensive farming will undoubtedly help to raise the yield per acre. If crops are grown according to the suitability of the soil instead of depending on the consumption requirements and habits, it would be possible to have better yields per acre. Infra-structure facilities such as transport, storage and marketing have to be created along with adequate provision of monitoring of soil health, pests and diseases. Agriculture in the district is practically rainfed. Irrigation is a constraint even for mono-cropping system. To raise the intensity of cropping and the level of production to create a surplus by way of double or multiple cropping, availability of assured water supply is highly indispensable. Since man is unable to control rainfall in which either deficiency, irregular or superabundance may give rise to disastrous consequences and hence to lessen the degree of dependence which is undependable should be replaced by extension of irrigation.

Again provision of irrigation especially during the winter season may intensify rabi crops cultivation which will help to raise productivity manifold otherwise, vast tract of agricultural land will remain barren during the winter months. Moreover, since rainfall is uncertain and provision of irrigation is highly unsatisfactory drought restrained HYV rice varieties should be evolved so as to suit the upland and non-traditional areas growing rice under rainfed condition. Such a step is necessary, as rice growing under rainfed situation will continue in coming years too.

Agricultural productivity in the district can take a quantum leap if only the farmers take to irrigated agriculture in rabi season. Vast resources of ground water in the district supported by assumed supply of other agricultural inputs can change the agricultural scenario and the district can not only become self-sufficient in food grains but can also eradicate poverty to a larger extent. In Cachar where agricultural production is so vital for the survival and where 79% of the population is engaged in agriculture and related pursuits, single crop economy cannot make for self-sufficiency and remove poverty. Therefore, irrigation through its vast resources of ground water can provide the much needed irrigation in rabi season and even during busy Khariff season too, when the drought condition prevails. The district has necessary capacity for ushering in green revolution provided it can tap the resources, adopt the technology and gear up the organisational and
administrative machineries. Irrigation by means of ground water has certain distinguishing feature over other forms of irrigation system which may be as follows:

(1) Ground water can be developed in stages of flexible financing and low capital investment without locking up huge funds.

(2) It has short gestation period with quick return.

(3) It has large and inexpensive natural storage capacity.

(4) It is relatively simple in technology.

(5) It is less susceptible to temporal climatic variations and therefore highly indispensable at times of drought.

(6) It does not require large bureaucracies and technocrats to man the department.