CHAPTER III

CREDIT AND SUPPLY SERVICES
The strategy for economic development has conceived considerable emphasis on effective use of farm resources. Of all the input factors in making use of the farm resources – land, labour, water, animal use and nature gift resources of temperature, light and climate, the one input factor which optimizes them in promoting the economy is capital namely CREDIT. It is an obvious fact that adequate wherewithal in time together supply services ensures better production which in turn support increasing individual income and supplement substantially the farm economy. Hence an attempt is made to examine the role of institutional support for farm resource development.

(A) NEED FOR CREDIT

Indian agriculture has made an impressive progress over the past decades of planned development. Despite, it is still characterized by marked skewedness in distribution of assets and income. The benefits of Green Revolution have failed to touch a vast majority of farming community particularly the weak.

Adequate capital investment in agriculture emerged as a matter of vital importance in view of the launching of intensive development programmes based on modern technology. The adoption of modern technology requires the application of inputs along with development
of land and water resources. All these put together leads to intensive
demand for credit. The problem of agricultural credit has assumed
greater importance in view of the fact that the new agricultural
technology depends on external finance for its wide-spread adoption.
In this context, credit has a much relevance to the farmers
particularly the small farmers. In the absence of credit, the small
farmers are bound to be left out of this programme for agricultural
development.

A large injection of capital into agriculture is the first step
subscribed by Mishra. The development of agricultural sector is
related directly to the way we tackle the problems of rural credit, is
the opinion of Belshaw. Nelson and Murray opined that “Capital
improves farm sector and standard of living.” The role and rationale
of credit in the agricultural development is very well studied by
Murray, Heady, Vyas, Desai, Uma Lele, Rao, C.H.H, Baldev
Singh, Karan Singh and Ramana and Schumpeter. Nair said that
“Higher investment in farm operations, and related rural
infrastructure is one among the conditions for speedier farm growth.”

Therefore, credit is a prerequisite input factor for the
development of agriculture. However, agricultural production and
agricultural organisation depends upon the natural conditions.
CREDIT INSTITUTIONS

Before the dawn of Planning era, the farmer was depended on the money lenders for his credit requirements. During the Planning period, the institutional sector consists of cooperative banks, commercial banks and regional rural banks came into existence in the arena of rural credit.

The cooperative movement was launched in 1904 with focus on discharging indebtedness of rural people. Later, its focus was shifted to productive economic activities. The structure of cooperatives is more suitable in catering credit needs to rural masses as people join voluntarily managed by the democratically elected body with discrimination towards none and open heartedness towards all and shares the profits of services.

The second institutional agency which entered into the arena of rural credit sphere was commercial banks with the introduction of social control and nationalization. The policy of providing credit to rural areas became most pronounced and prominent. The security oriented lending policy of the commercial banks shifted to production oriented policy. In a large and complex situation in the field of rural credit, still exists a large credit gap even after wide branch expansion. This made thinking for a new type of rural banking. As an innovated thought, the regional rural banks came into operation. Nair, has a
opinion that, “A strong, viable and professional system of credit disbursal is essential for adequately meeting the credit demands. Credit support needs to be increased for traditional sector such as minor irrigation, farm mechanization and watershed management practices.”

The sound business operation of banking institution depends upon sound organisation, structure and efficient management. The people can join voluntarily as members in cooperative credit institutions and can avail the services of it. In case of commercial banks and regional rural banks, there is no such provision of becoming member but can avail the services of them. Service is the main motto of credit institution. The cooperatives came into existence with motto of service whereas the commercial banks do not come into operation with the same motto but being implemented by the concept of bank nationalization: The regional rural banks too follow the same suit. Democratic management prevails in the cooperatives; professional management in commercial banks and such management with composition of professionals being nominated in case of regional rural banks. The network of all these three types of credit institutions in rural oriented making their presence more close and proximity to the credit needy.
OBJECTIVES

1. To extend need services including credit to the needy through wide spread branch network.
2. To associate with productive programmes to mechanise the resources for reaping optimum benefits.
3. To inculcate saving habit; and thereon deposit mobilization.

BRANCH NETWORK

The banking system needs to be imparted new ethos to convert the resources as marked instrument for the benefit of the people. Mobilisation of more deposits, enlargement of credit deployment for achieving higher production and promotion of banking habit are the key functions which can be fulfilled by spreading branch network. In other words, the business operations of banking institution to be got performed through the means of branch expansion. "The branch expansion is a key factor on the development of the banking sector and constitutes the first systematic plan effort for over all economic development."15

Creation of a suitable and a requisite banking infrastructure is an essential condition for achieving rapid economic development. In this context, C.R.Reddy observes that "branch expansion is a thrust vis-à-vis economic development."16 Efforts were intensified in
identifying the areas of branch opening and also preparing credit plans. Subscribing this view, Thingalayya said thus: “The experiment made by the banking industry in India is indeed unique and has no parallel in the banking history of any country in the world.” Branch expansion is important in the areas mentioned below:

1. The need for the development of saving habit and banking habit.

2. The need for mobilizing rural savings as the income of the people increased due to investment credit under the plans and other development programmes.

3. The need for employing funds locally raised in the local bankable projects.

4. The need for the transferring surplus funds to deficit areas.

5. The need for acting as gap fillers.

The branch expansion has been initiated under the direction and guidance of lead bank which, oftenly, conducts surveys and identifies unbanked and under-banked potential areas. The branch expansion programme under Syndicate Bank which is the lead bank has shown an impressive progress in the district of Cuddapah. The branch network in the Cuddapah district is presented in Table 3.1.

The Table 3.1 shows that as many as 170 branches were working by March 2000 of which 92 branches or 54.11 per cent by commercial banks, 67 branches or 39.42 per cent by grameena bank
<table>
<thead>
<tr>
<th>Sector</th>
<th>No. of villages covered</th>
<th>No. of Banks</th>
<th>Rural No.</th>
<th>Semi-urban No.</th>
<th>Urban No.</th>
<th>Total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Commercial Banks</td>
<td>844</td>
<td>16</td>
<td>51</td>
<td>12</td>
<td>29</td>
<td>92</td>
</tr>
<tr>
<td>1. Public Sector</td>
<td>-</td>
<td>14</td>
<td>49</td>
<td>12</td>
<td>25</td>
<td>86</td>
</tr>
<tr>
<td>2. Private Sector</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>B. Regional Rural Banks</td>
<td>520</td>
<td>1</td>
<td>54</td>
<td>8</td>
<td>5</td>
<td>67</td>
</tr>
<tr>
<td>C. Co-operative Banks</td>
<td>958</td>
<td>1</td>
<td>-</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>18</td>
<td>105</td>
<td>29</td>
<td>36</td>
<td>170</td>
</tr>
</tbody>
</table>

Source: District Annual Credit Plans.
Figures in parentheses of Col.4, 5, 6 are to percentages to Col.7 and in Col. 7 to total.
and 11 branches or 6.47 per cent by the cooperative bank. The area-wise branch network shows that 55.50 per cent of the branches of commercial banks are working in rural areas whereas 80.60 per cent of branches of Rayalaseema Grameena Bank are located in the rural areas. The corresponding figures for semi-urban areas are 13.00 per cent, 11.94 per cent and for urban areas 31.50 per cent, 7.46 per cent respectively. It is noticed that branch expansion is rural oriented in case of regional rural bank followed by commercial banks particularly with more domination by the public sector banks. Further, it is noted that the branch network established in semi-urban as well as urban in case of cooperative bank, it is only for the administrative convenience. However, its business operations are carried through primary agricultural credit societies which act as its outlets in financing rural programmes along with the needy services. To sum up, the commercial banks have evinced much interest in opening more branches in rural areas in conformity with plan objectives for uplifting the farm-brethren through the provision of banking facilities. The regional rural bank and cooperative bank also evinced much interest with their services to reduce poverty and promote economic interest of rural people.

The outlets (PACSs) of cooperative bank covered all the villages, 88.00 per cent of villages by the commercial banks, and 54.00 per cent by the grameena bank. It implies the presence of commercial and
cooperative banks in all villages and to a sizable extent by the
grameena bank. The presence of both cooperative and commercial
banks is a healthy sign if a competitive spirit is taken on in operating
their business transactions. Otherwise overlapping may lead over
financing or financing second time. Neither of these are not healthy
from the point of banker as well as borrower. Therefore, a conducive
atmosphere with regards to extending facilities under the specified
bankable projects; for which the lead bank has to give directions with
its innovative and expertised thoughts.

The existence of lead bank scheme makes a step towards
coordinative functioning of supply service including credit to the
needy. Credit distribution was the concept in operation before social
control and bank nationalization has, now, focused on productive
purpose lending. Due to the significance in terms of livelihood,
employment and contribution to the national exchequer by the priority
sector, the branch network has assumed a greater significance besides
tapping rural surplus savings as deposits.

DEPOSITS AND CREDIT

Deposits, in the economic life of any country, play a key role
assisting trade, commerce, industry and agriculture. The phenomena
of deposit mobilization has acquired an added significance in the
recent past due to the 20 Point Economic Programme being initiated
by former Prime Minister late Indira Gandhi. Success of any economic programme depends upon the channel of credit which compel to make a ceaseless effort for deposits. "Of all the factors which determine the rate of economic progress, formation of new capital is significant and important. The rate of new capital formation will be decided by the rate of savings. Hence, proportion of income saved ensures an effective rate of economic growth." Therefore, the progress of banking sector depends on branch network and deposits mobilization on one hand; and on the other, channeling of credit to the productive economic purposes.

The lending function of banking institution is closely associated to the volume of deposits mobilized. Credit merely follows deposits and acquires a position of sound strength. The banking institution should follow the professed aim that "no place is too significant and no deposit is too small." Increased lending depends upon increased deposits, and deposit-credit-deposit gets established positive relation. It is worth to quote the maxim. It is thus: "Credits are children of deposits and deposits are children of credits." It holds good even today. It is also worth to note that every advance may not turn up into deposit, but depends upon the efficient working and wider coverage of banking institution. The banking institution is, therefore, to identify potential areas before opening branches made efforts for deposit mobilization.
on tailor-made basis and deploy credit for economic generating projects.

Customer-service is better criterion in the modern banking institution. A stiff competition between the banking institutions and within the banking institutions persists. "The secret of success, even in adverse circumstances and stiff competition lies in the formation of a winning team imbued with special feeling. With that winning, we can be assured of a good customer-service which is the most important factor in deposit mobilization and the recovery of loans lent. Data on deposit mobilization and credit deployment is shown in Table 3.2.

Table 3.2 shows all the banks put together had a deposits of Rs.271.43 lakhs in 1991-92; of which Rs.226.79 lakhs, Rs.38.25 lakhs and Rs.6.39 lakhs mobilized by commercial banks, grameena bank and cooperative bank respectively. The banking institution due to splendid efforts has increased deposits to a tune of Rs.499.12 lakhs in 1995-96. Of which mobilized Rs. 417.16 lakhs, Rs.81.81 lakhs and Rs.0.15 lakhs by the commercial banks, grameena bank and cooperative banks respectively in 1995-96. The deposits mobilization of these groups of banks are accounted to Rs.787.84 lakhs, Rs.185.50 lakhs and Rs. 12.86 lakhs in 1999-2000 respectively. The progress in 1999-00 over 1991-92 is accounted Rs.561.05 lakhs Rs.147.25 lakhs and Rs.6.47 lakhs with regards to commercial banks, grameena bank and cooperative bank respectively.
### Table 3.2
**DEPOSITS MOBILISATION**

<table>
<thead>
<tr>
<th>Year</th>
<th>Deposits</th>
<th>Credit</th>
<th>Priority Sector Credit to Total Credit in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CBs</td>
<td>RGBs</td>
<td>Co-ops.</td>
</tr>
<tr>
<td>1991-92</td>
<td>226.79</td>
<td>38.25</td>
<td>6.39</td>
</tr>
<tr>
<td></td>
<td>(83.75)</td>
<td>(14.10)</td>
<td>(1.95)</td>
</tr>
<tr>
<td>1992-93</td>
<td>269.57</td>
<td>42.52</td>
<td>2.88</td>
</tr>
<tr>
<td></td>
<td>(85.60)</td>
<td>(13.49)</td>
<td>(0.91)</td>
</tr>
<tr>
<td>1993-94</td>
<td>327.95</td>
<td>54.12</td>
<td>0.30</td>
</tr>
<tr>
<td></td>
<td>(85.76)</td>
<td>(14.16)</td>
<td>(0.08)</td>
</tr>
<tr>
<td>1994-95</td>
<td>331.78</td>
<td>74.79</td>
<td>0.36</td>
</tr>
<tr>
<td></td>
<td>(81.54)</td>
<td>(19.37)</td>
<td>(0.09)</td>
</tr>
<tr>
<td>1995-96</td>
<td>417.16</td>
<td>81.81</td>
<td>0.15</td>
</tr>
<tr>
<td></td>
<td>(83.58)</td>
<td>(16.39)</td>
<td>(0.03)</td>
</tr>
<tr>
<td>1996-97</td>
<td>481.72</td>
<td>90.60</td>
<td>5.60</td>
</tr>
<tr>
<td></td>
<td>(83.35)</td>
<td>(15.68)</td>
<td>(0.97)</td>
</tr>
<tr>
<td>1997-98</td>
<td>539.46</td>
<td>134.22</td>
<td>8.97</td>
</tr>
<tr>
<td></td>
<td>(79.04)</td>
<td>(19.65)</td>
<td>(1.31)</td>
</tr>
<tr>
<td>1998-99</td>
<td>682.00</td>
<td>153.67</td>
<td>9.87</td>
</tr>
<tr>
<td></td>
<td>(80.66)</td>
<td>(16.17)</td>
<td>(1.17)</td>
</tr>
<tr>
<td>1999-00</td>
<td>787.84</td>
<td>185.50</td>
<td>12.86</td>
</tr>
<tr>
<td></td>
<td>(79.89)</td>
<td>(18.18)</td>
<td>(1.30)</td>
</tr>
</tbody>
</table>

Source: Direct Annual Credit Plans.
Figures in parentheses are percentages of market share to total.
In order to know the potential of the respective group banks, the market share is calculated. The market share for the commercial banks is accounted 83.95 per cent, grameena bank 14.10 per cent and the cooperative bank 1.95 per cent in 1991-92. In 1999-2000 the corresponding figures are 79.89 per cent, 8.81 per cent and 1.30 per cent respectively. It is understood that the commercial banks mobilized a lion's share of deposits in the district followed by grameena bank. The position with reference to the cooperative bank's deposit mobilization in terms of market share, it is 1.95 per cent in 1991-92 and retained it with small variation during the study period. In terms of effective operations and thereon, the achieved performance of the grameena bank in terms of deposits mobilization is laudable as its deposits reflect the effective services rendered in rural areas by which got mobilized so much of deposits. So far concerning the commercial banks' deposits is concerned, its composition is not only the surplus income of the rural people but because of transactions effected by the urban as well as business people.

Further Table 3.2 shows that all the banks put together deployed an amount of Rs.194.73 lakhs in 1991-92 which raised to 315.36 lakhs in 1995-96 and Rs.514.37 in 1999-2000. The increase in deployment of credit is accounted for Rs.319.64 lakhs in 1999-00 over 1991-92 which in relative terms is accounted for 37.85 per cent. The analysis of market-share clearly indicates the participation of the
grameena bank is much impressive. From the analyses of Table 3.2, it is observed that:

1. Efforts have been taken in mobilization of deposits by all the banks but, grameena bank is more potential.

2. In deploying credit, the three groups of banks have initiated measures as per the lead bank directions and achieved better performance.

3. The cross-analysis reflects that the grameena bank did better efforts in deploying credit in particular to the priority sector. The proportion of the grameena bank credit to the priority sector to the total of credit given to the priority sector by all the banks is more than the proportion of grameena bank in its advances to total advances of all the banks.

4. The proportion of market share in deploying credit by the grameena bank to that of other banks is higher to that of market share in deposit mobilization while such is not the case with reference to other banks. This visualizes the fact that the grameena bank efforts through its credit provision has improved in surplus. It is due to effective utilization of resources of rural people; and as results, mobilized higher quantum of deposits.
RECOVERY AND OVERDUES

Recovery of credit is important to the banking institution as credit to the enterprise. The uncoordinated lending with unsatisfactory recovery leads to the banking institution in jeopardy. In between lending credit and recovery of it, the mechanism of effective resource utilization for which loan granted must take place. Better recovery indicates effective use of resources and thereon payment by the borrower on account of better production and better income.

Relevant data on recovery and overdue on loan are shown in Table 3.3. Table 3.3 shows that the commercial banks, grameena bank and cooperative bank could recover 38.51 per cent, 33.74 per cent and 0.13 per cent in 1992-93. The corresponding figures in 1999-2000 are 29.48 per cent, 21.15 per cent and 6.77 per cent. The deteriorating provision in terms of recovery by the all banking institutions put together in the district and constituent-wise clearly indicate three-fold observations. They are:

(a) The incomes of borrowers have effected substantially on account of effective use of the farm resources including manpower on availability of credit and thereafter become not good paymasters in repaying the loan.

or,
### TABLE 3.3

**RECOVERY AND OVERDUE**

(Rs. In lakhs)

<table>
<thead>
<tr>
<th></th>
<th>Commercial Banks</th>
<th>Regional Rural Banks</th>
<th>Co-operative Banks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recovery</td>
<td>Overdue (%)</td>
<td>Recovery</td>
<td>Overdue (%)</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992-93</td>
<td>2261</td>
<td>38.51</td>
<td>2342</td>
<td>33.74</td>
</tr>
<tr>
<td>1993-94</td>
<td>1727</td>
<td>32.53</td>
<td>3038</td>
<td>27.98</td>
</tr>
<tr>
<td>1994-95</td>
<td>1719</td>
<td>26.32</td>
<td>2845</td>
<td>25.08</td>
</tr>
<tr>
<td>1995-96</td>
<td>3286</td>
<td>31.17</td>
<td>3800</td>
<td>35.32</td>
</tr>
<tr>
<td>1996-97</td>
<td>2969</td>
<td>30.14</td>
<td>3542</td>
<td>29.68</td>
</tr>
<tr>
<td>1997-98</td>
<td>3115</td>
<td>27.86</td>
<td>2678</td>
<td>25.12</td>
</tr>
<tr>
<td>1999-00</td>
<td>3201</td>
<td>29.48</td>
<td>2961</td>
<td>21.15</td>
</tr>
</tbody>
</table>

Source: District Annual Credit Plans.
(b) Though effected income but remain with less income due to more transaction cost in availing credit and more operational cost in raising output.

or,

(c) Though credit availed but not improved the output.

The researcher with his own experience in the field of cultivation as a member of cultivating family and the tragedies happened in the form of suicides undoubtedly spell out the fact that the farm resources used effectively but due to operational cost including transaction cost of loan made the borrowers remain defaulters. Further, it is understood that the farmers unhesitatively shown much interest with unended spirit to have credit and other services to make use of farm services effectively. However, it is not free from the nature aggressiveness.

Lead Bank Service

A harmonious cooperation or interaction of various activities is crux in the process of economy. It means an orderly arrangement of group efforts to provide unity of action in pursuit of a common purpose is an obvious fact. "The involvement of commercial banks in agriculture and other rural sector finance is not in creating a healthy competition among the institutional agencies in the rural areas."22 The
gap or competition has resulted in confusion and unawareness of activities of each. It was imminent to develop a system with an effective understanding devoid of competition and complex for an efficient and coordinated planning, execution and control of mechanism of all the banking institutions and Departments of the Government of Andhra Pradesh operating in the district. This kind of mutual understanding would provide ample scope for utilizing the available resources in the best possible manner by eliminating the constraints and complex. In a nutshell, the group efforts would always be more than 'individuals' efforts. Towards this direction, the lead bank scheme came into operation.

The lead bank scheme aims at the unity of action to improve the economy by means of promotional, lending and operational. The promotional aspects covers the geographical coverage, growth and development of banking institutions and strengthening of them structurally, functionally, financially and administratively. So far, in branch expansion, a good amount of network has been done by the banking institutions and effected more deposits mobilization and credit deployment (Table 3.2) under the overall supervision of the lead bank, which also conducted training programmes for personnel as well as to end-users. In order to avoid multiple lending, all areas supplement adequate credit without credit starvation not deprived of the advantage regarding the quantum and type of credit, avoiding
unhealthy and detrimental competition and support each other under canon of 'each for all and all for each.'

The banking institution in the district of Cuddapah has diversified its portfolio of lending under the lead bank as effective efforts of the banking institution under the direction of lead bank, the Cuddapah district has earned a place in the map of top-producer’s district in fruits in the State.

The operational aspects relate to the provision of information on all matters on which decisions should be sought. Absence of an effective and well designed information system is one of the drawback to any concern. “Inadequate or no information on time, for taking scientific decision to improve the efficiency of the system seems as hopeless as the attempt to catching a black cat in darkness.”

Therefore, formulation of plan for performance of budget, economic analysis, etc., is key. Perhaps, this could make the present Government to have micro-level planning at the district level, teleconference analyzing the factors of economy with the concerned officer in the district.

To quicken the process of decision-making in the context of increased obligations towards economy, there is every need of integrating information system. As a result, monitoring through computer various economic related information came into operation.
(B) SUPPORT OF SUPPLY SERVICE

Rapid progress in rural credit particularly in agricultural credit is well versed due to institutionalization of rural credit. The commercial banks, the regional rural banks and cooperative banks put together have made their innovative efforts for development of rural economy with in-built services. In progress of effective utilization of farm resources, the banking institution no doubt has a critical role with its credit provision. However, the economic progress in any field is multi-facet dimension; the banking institution in one among them. The other is the administrative support by the Department (of the Government) and followed by the marketing. The administrative support covers various means in the form of viable and suitable projects being prepared by the Department like irrigation, geology, horticulture, animal husbandry conducting survey in the area, subsidy and in-built services which will have an enormous impact to sustain economic position and continued in the occupation. Hence, attempt is made to focus on various input services being made available to the farmers by various Departments so as to effectively organize farm resources.

Irrigation

Irrigation by itself does not secure the best results from the new agricultural technology, unless it is accompanied by efficient water
control and systematic scientific water management. "An assured water supply spells prosperity, creates employment potential, increases income and enhances capital formation." The need for regulated supply of water is immense for better productivity of land. In fact, the production of crops requires abundant water, proper plan and management.

If rainfall is scanty and erratic, irrigation is absolutely essential for, without it, cultivation is almost impossible. Sir Charles Travelyn pointed out that "irrigation is every thing in India; water is more valuable than land, because water is applied to land, it increases it's productiveness at least six-fold.

According to Knowles "irrigation works have provided security of life, and they have increased yields the value of land, and revenue. They have lessened the cost of famine relief and have helped to civilize the whole region." Therefore, it is described that irrigation forms the 'life line' to sustain the agriculture.

Under irrigation, the yield of crop is considerably higher than under rainfed. Further, irrigated areas grow more of high value crops which cannot be raised at all under rainfed conditions. "Output per hectare as well as cropping intensity across space are significantly and positively associated with irrigation ratio i.e., ratio irrigated to cultivated area."
Irrigation works are classified into major, medium and minor. This classification was evolved during the British times and was linked to the quantum of capital resources required for executing irrigation works of varying size. The resources required for irrigation more than Rs.5 crores and less than Rs.10 lakhs, it is categorized as a major and minor irrigation works respectively. In between these two, comes the medium irrigation category. The classification on the base of financial norm was abandoned by the Planning Commission in 1979, and replaced by the new classification with cultivable command area of more than 10,000 hectares, between 2,000 and 10,000 hectares and less than 2,000 hectares are termed as major, medium and minor irrigation schemes respectively. The role of Department is very much crucial in maintaining and monitoring these sources of irrigation. In the district of Cuddapah, tanks, wells, K.C.canal are main sources for irrigation.

Tanks are small water reservoirs behind earthen dams constructed across a slope of valley to catch and store running rain water. Tank irrigation is an age-old practice and serve to store and regulates the surface flow of water for agricultural use. Tank conserves water, improves ecology, recharges ground water and helps to the benefit of production to a majority of rural people. In brief, tank irrigation is more equity-oriented system. The International Crop Research Institute for Semi Arid Tropics (ICRISAT) conducted a
survey on tank irrigation and observed thus: "Tank irrigation is economically productive and profitable undertaking depending upon local initiative and leadership. The decrease in efficiency and consequent inadequate performance is caused by inefficient water control, neglect of maintenance and inadequate attention paid to repair works." It also said that "Irregular tank was half-hearted by policy makers and planners. Decline in tank irrigation should be arrested and every effort should be made to facilitate its expansion.28 Administration of tanks is under the control of the Department of minor irrigation which controls and regulates the flow of water by the fields advising suitable crops to the farmers.

Rapid rural progress to be identified with the development of ground water based on irrigation which covers dug wells, tube wells, bore wells and dug wells-cum-bore wells. Well irrigation could be thought of and operated in the absence of any other sources of irrigation. Well irrigation stimulates and mobilizes efforts of the individual farmers to the maximum extent in making full and economic uses of water. Under well irrigation, no damage to the land and manures are fully used. Surface flow of irrigation includes tank irrigation, canal irrigation and other sources of irrigation (Nalas, springs, river channels) etc. The service of selection of site for wells is rendered by the Department of Geology. In the recent past, the Government of Andhra Pradesh took measures for repairing to K.C.
canal spending an amount of Rs.10 crores. Data on the source-wise irrigated area is presented in Table 3.4.

Table 3.4 shows that gross irrigated area in Cuddapah district and the different sources contributing to it. The gross irrigated area in 1991-92 is accounted 1,65,161 hectares which contributed by 15.62 per cent, 14.05 per cent, 68.05 per cent and 2.28 per cent by canals, tanks, wells and other sources respectively. The position in 1999-00 is accounted for 1,53,978 hectares; of which 15.97 per cent, 15.38 per cent, 67.24 per cent and 1.37 per cent contributed by the canals, tanks, wells and other sources respectively. During the period of study, 1991-00 the gross irrigated area is marked by annual fluctuations of noticeable dimension ranging between a high of 165161 hectares in 1991-92 and a low of 137858 hectares in 1992-93. This marked annual fluctuations is also observed with reference to all the sources of irrigation. The share of well irrigation, by and large, remained high whereas the canals and tanks fluctuated which indeed much more than wells. One peculiar characteristic feature which is observed for the analysis source-wise irrigated area is that, what happened in one year, no more a dependable base for estimating the prospects for coming one year.
### TABLE 3.4

**SOURCE-WISE IRRIGATED AREA**

<table>
<thead>
<tr>
<th>Years</th>
<th>Canals</th>
<th>Tanks</th>
<th>Wells</th>
<th>Other Sources</th>
<th>Total</th>
<th>No. of Sources</th>
<th>Total Ayacut Area</th>
<th>Average Ayacut area per source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>25,788</td>
<td>(15.62)</td>
<td>23,207</td>
<td>(14.05)</td>
<td>112,396</td>
<td>(68.05)</td>
<td>3,770 (2.28)</td>
<td>165,161 (100.00)</td>
</tr>
<tr>
<td></td>
<td>21,177</td>
<td>(15.36)</td>
<td>9</td>
<td>(6.69)</td>
<td>105,190</td>
<td>(76.30)</td>
<td>2,268 (1.65)</td>
<td>137,858 (100.00)</td>
</tr>
<tr>
<td>1992-93</td>
<td>20,620</td>
<td>(14.43)</td>
<td>20,072</td>
<td>(14.04)</td>
<td>100,236</td>
<td>(70.12)</td>
<td>2,013 (1.41)</td>
<td>142,941 (100.00)</td>
</tr>
<tr>
<td></td>
<td>23,920</td>
<td>(15.18)</td>
<td>24,462</td>
<td>(25.84)</td>
<td>107,163</td>
<td>(68.06)</td>
<td>1,917 (1.22)</td>
<td>157,462 (100.00)</td>
</tr>
<tr>
<td>1993-94</td>
<td>22,061</td>
<td>(14.33)</td>
<td>25,841</td>
<td>(16.78)</td>
<td>104,391</td>
<td>(67.80)</td>
<td>1,685 (1.09)</td>
<td>153,978 (100.00)</td>
</tr>
<tr>
<td></td>
<td>22,262</td>
<td>(15.85)</td>
<td>19,660</td>
<td>(13.99)</td>
<td>96,729</td>
<td>(68.85)</td>
<td>1,842 (1.31)</td>
<td>140,493 (100.00)</td>
</tr>
<tr>
<td>1994-95</td>
<td>23,353</td>
<td>(15.46)</td>
<td>21,586</td>
<td>(14.30)</td>
<td>103,936</td>
<td>(68.82)</td>
<td>2,148 (1.42)</td>
<td>151,023 (100.00)</td>
</tr>
<tr>
<td></td>
<td>22,918</td>
<td>(14.73)</td>
<td>21,189</td>
<td>(13.61)</td>
<td>109,477</td>
<td>(70.34)</td>
<td>2,053 (1.32)</td>
<td>155,637 (100.00)</td>
</tr>
<tr>
<td>1995-96</td>
<td>24,584</td>
<td>(15.97)</td>
<td>23,691</td>
<td>(15.38)</td>
<td>103,594</td>
<td>(67.24)</td>
<td>2,109 (1.37)</td>
<td>153,797 (100.00)</td>
</tr>
<tr>
<td></td>
<td>206,683</td>
<td>(15.21)</td>
<td>188,931</td>
<td>(13.91)</td>
<td>943,112</td>
<td>(69.42)</td>
<td>19,805 (1.46)</td>
<td>1,358,531 (100.00)</td>
</tr>
</tbody>
</table>

Source: District Credit Plans and unpublished records of the Chief Planning Officer, Cuddapah District.

Figures in parentheses are percentages to row total.

(Updated from previous source acknowledging new data or updates.)
No less disturbing is decline in other sources from 2.28 in 1991-92 to 1.37 in 1999-00. Every source is significant for the district and the marginal significance is that of drying up of any other source to be too high to mention.

Further Table 3.4 shows irrigation under surface flows. During 1991-92 there were on an average 2192 surface sources irrigating a total ayacut of 52,332 hectares. In 1999-00 the number of surface irrigation sources were 1971 which irrigated a total ayacut of 34965 hectares under surface irrigation sources also fluctuating widely: both in total ayacut area and average ayacut area per source. The wide variation is due to geographical diversity.

From the analysis even in Table 3.4, it is understood that there are fluctuations in all sources of irrigation. This explains the need for more care and planning for the management of all irrigation sources in the district. The management of irrigation sources needs very much modern technology or innovative skills in preserving and using for raising crops of irrigable ones. The other sources and surface sources do not require much investment. Hence, the sources may conveniently be brought into an inter-connected surface flow network.

To sum up in view of continuous fluctuations in rainfall, tank irrigation turn unpredictable. Further, the planners and officials to whom the responsibility of execution of tanks is entrusted have no
interest in efficient management of tanks. This is added to the uncertainty of tank irrigation in the district. An element of adhocism in allocation of annual expenditure is also very much prone to exist. Much of canal water is wasting due to seepage or no smooth flow of water on account of needs of repairs. The Department of Major Irrigation has to take measures for flow of water without wasting by means of the efficient canal system. Effective utilization of water in raising crops is very much concerned by the farmers themselves under canon of 'Self-Help' with the support of the State Government without giving room for the intervention of politics.

The formation of Water Users Association which is the offspring of the present Government could facilitate better organisation and management of water. But, the farmers could be involved in all the phases of planning, designing, implementing, operation and maintenance of water resource. The Government of Andhra Pradesh has initiated under the concept 'Neeru-Me eru' in irrigational maintenance measures which include desilting of canals, desilting of tanks, strengthening the field channels and minor maintenance works.

It is seen that dug wells and bore wells are the suitable minor irrigation structures for the Cuddapah district as it comprises mainly hard rock formations with 83.00 per cent of the area. The Andhra Pradesh Irrigation Development Corporation has structured
infiltration wells along the Pennar river bed. This infiltration wells have tremendous scope for further exploitation. The drip irrigation is gaining prominence in the district in view of dwindling and erratic rainfall particularly for irrigating horticulture crops namely mango, sapota, coconut, citrus, lime, guava, custard apple, ber etc. The Department of Horticulture has installed drip sets in 480 hectares of horticultural crop by 1999-2000. Further, the Department of Agriculture has propagated sprinkler irrigation and 60 sprinkler sets installed as against 130 sets. This less performance is due to lack of response from the farmers.

Gradually realized the importance of conserving the use of ground water and also to reduce transit loss of the scarce irrigation water in reaching the tail-end of the farm fields of farmers. As a response to this, the farmers of Cuddapah district are used underground pipelines on their own. The Department of Agriculture and of Minor Irrigation could not assess the exact potential for underground pipelines scientifically. Though (a) the State Government has a few more plans of medium and major irrigation projects. (b) The State Electricity Board has energisation of pump sets and (c) Andhra Pradesh Irrigation Development Corporation has infrastructure for identification, formulation, implementation and monitoring infiltration of wells and lift irrigation schemes. They could not installed for the benefit of farmers. This very sorry state of affair. So
there is urgent need on this aspect. The Government could respond favourably keeping aside 'colour' and 'ism' of bureaucratic function in various Departments concerning agriculture.

(C) ECONOMIC PROGRAMMES

Land, water, manpower and credit resources are core in agricultural sector; its progress entirely depends how effective in using them fully. To achieve the ends for these inputs, a means of mechanism is must. The underlying thrust in using the input resources and the economic progress lies on one measure which is called programme.

A programme is an outline of how to use the inputs and how much to get the output under optimum efficiency. Therefore, a programme is like that of a prescription can be used for achieving the desired and defined objective. The preparation of economic programmes is an innovated and a well thought out intellectual activity which should be carried out by the scientists with the association of planners (or administrators) but not by the end-users. However, the perception of end-users becomes core in the intellectual process of preparing a programme with economic benefits. In the study area, what type of economic programmes have been put in operation for the benefit and well being of the farming community is indeed very
much interest. The programmes which are in operation in the study area are discussed hereunder:

(a) The environmental conservation measures like water conservation, watershed development, soil conservation, bench terracing, contour bunding, pasture development and percolation tanks.

(b) Water management begins with soil management. As water precipitates falling on the land, the fate of each drop of rain, each hailstones depends upon where it falls. The rainstorm on bare soil loosens soil particles and runoff – the water that does not soak into the soil – carries the particles away. This action is termed as soil conservation by water. The repetition of this many times ruins land for most uses. Further, erosion is the source of sediment which fills streams, pollutes water, and kills aquatic life.

(c) Grass, trees, bushes, shrubs and even weeds help break the force of rain drops and hold the soil in place. Where cultivated crops are grown, ploughing and planting on the contour, terraces and graded water ways to carry surplus water from the fields are some of the conservation measures that slow running water.
Watershed Programme

In the study area or else other, the substantial area periodically experience drought leading to considerable loss of farm production and livestock wealth besides untold misery to the people of that area. Denudation of forest and grazing causes ecological deterioration which in turn leads to soil erosion and decrease in the productivity of land. On the other, there is a need to bring additional land under the plough due to increasing population both human and cattle. This has become a challenge. Hence, then arose the need to make an attempt in finding a solution.

The Government of India through Drought Prone Area Programme, a scheme called ‘Watershed Programme’ was developed and implemented in 1987. With the treatment of land on watershed basis, there are outstanding examples of success which show that drought can be beaten, land can be protected, water can be conserved and the production can be enhanced. Towards watershed programme, the Government of Andhra Pradesh has spent an amount of Rs. 4.52 crores in the district of Cuddapah. This is really a support the sustenance of agriculture in the district.

The Cuddapah district falls in semi-arid zone with an unevenly distributed rainfall of 70 cms resulting in long dry spell and about 50 per cent of gross cropped area dependent on monsoon resulting in
highly variable and undependable productivity. Deflation of ground
water due to over exploitation, degraded or denuded forest area due to
increasing of people dependency for the needs like fuel, timber, fodder
and green leaf, etc., would certainly need to adopt a right approach so
as to keep the farmers together. Adopt watershed and keep away
drought is the slogan of DPAP which is a nodal agency. So far, 161
watershed programmes implemented which covered an area of 80,500
hectares.

For efficient organisation and management of the watersheds,
the watershed committee consisting of 10-12 members are formed. It
means people are involved in formation of watersheds through
participation. For the benefit of farmers under the watershed, field
tours are conducted to the successful watershed like Kalyanikeri and
Mittemary near Bangalore in Karnataka, and Maheswaram and
ICRISAT in Andhra Pradesh.

Under watershed programme, the area covered under
afforestation is accounted 200 hectares, under floriculture 1,618
hectares, under soil and moisture conservation 454 hectares, under
pasture development 2,332 hectares and additional area brought
under production 381 hectares. The Government spent an outlay of
Rs.32.20 crores on this watershed programmes so far. The watershed
programme included to undertake some activities. These activities are
taken with a view to bring together the people under one umbrella and
thereafter undertake activities relating to improvement and development of land. Such activities are:

1. Entry point activities: The activities which are useful for the community such as bus shelters, community halls, drainage, repairs to school, hospitals and temples, laying village roads, drinking water, public toilet.

2. Soil conservation works - contour bunding, stone terracing, gully control works.

3. Water harvesting structures - Surface farm ponds, drought farm ponds and check dams.


5. Dry land horticulture.

6. Pasture development

7. Land development.

(D) Subsidy

A provision of helping the farmer in monetary as well as non-monetary in order to encourage them to take farm operation and instill confidence in them that they can mobilize means of resources and raise production to the expectation, depends upon the way the Government protect the interest of farming community. This helping is in the form of subsidy to the weak and also to the farm purposes
which will have immense value both in employment and economic generation.

Basically, provision of subsidy is also required as the welfare State. The economy of a nation is interlinked with its political economy. Therefore, the provision of subsidy which is mooted by the Government though motivated politically, its operation is upheld by many academics as well as scientists. For soundness of the system of subsidy, it should be manned in a healthy and conducive conditions. It means, it should not become a tool in the hands of politicians in favour of their vote bank. The provision of subsidy to various purposes are:

(a) Agriculture (bullock, tyre cart, and other farm implements like gorru, multicrop thresher and oil engines),

(b) Horticulture (mango orchards, citrus, jasmine, battle wine).

(c) Minor irrigation (bore wells with pumpsets, lift irrigation schemes, filter points, infiltration wells, electric motors and HSD oil engines with pumpsets)

(d) Animal husbandry (cross breed cows yielding 6 litres, graded Murra buffaloes yielding 6 litres, sheep units, goat rearing and piggery units) and

(e) Sericulture (mulberry cultivation and production of cocoons).

The burden of subsidies extended to various sectors of the economy needs to be slashed judiciously so that wastage is eliminated
and the intended benefits reached the appropriate target groups. The subsidy problem was insurmountable for the Government as the total burden has crossed Rs.16,000 crores, cutting into the resources available for development works. Prasanna Kumar, former Rector of Andhra University, has participated at a panel discussion on “Government Subsidies in India” organized by the Academic Staff College of Andhra University and felt that a plethora of subsidies came into vogue because of the vote bank politics indulged in by charismatic politicians. Balamohan Das, Principal of Andhra University College of Arts and Commerce said that, “subsidy to be linked with social goals like population control.”

The Integrated Rural Development Programme (IRDP) is under implementation in all the blocks of the district since 1980. It is one of the major poverty alleviation programmes undertaken by Government in the rural areas by providing income generating assets to families below the poverty line. The sector-wise achievements under IRDP has shown in Table 3.5.

Table 3.5 shows that the grant of subsidy to the agricultural sector. In 1991-92 a total grant of subsidy sanctioned is accounted for 170.60 lakhs, of which Rs.92.62 lakhs or 54.30 per cent and 77.94 lakhs or 44.70 per cent provided to the weaker sections (SC &ST) and others. By 1999-00, the subsidy grant is increased to Rs.333.11 lakhs;
### TABLE 3.5

**SUBSIDY**

<table>
<thead>
<tr>
<th>Sector</th>
<th>1991-92</th>
<th>1999-00</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Subsidy</td>
<td>Weaker Sections (SC &amp; ST)</td>
</tr>
<tr>
<td>Agriculture</td>
<td>15.20 (100.00)</td>
<td>10.13 (66.64)</td>
</tr>
<tr>
<td>Horticulture</td>
<td>27.30 (100.00)</td>
<td>9.45 (34.61)</td>
</tr>
<tr>
<td>Minor Irrigation</td>
<td>61.40 (100.00)</td>
<td>34.45 (56.11)</td>
</tr>
<tr>
<td>Sericulture</td>
<td>2.48 (100.00)</td>
<td>0.32 (12.90)</td>
</tr>
<tr>
<td>Animal Husbandry</td>
<td>15.75 (100.00)</td>
<td>10.20 (64.76)</td>
</tr>
<tr>
<td>Group Loaning</td>
<td>48.43 (100.00)</td>
<td>28.07 (57.96)</td>
</tr>
<tr>
<td>Total</td>
<td>170.56 (100.00)</td>
<td>92.62 (54.30)</td>
</tr>
</tbody>
</table>

Source: Annual Reports of IRDP, Cuddapah.
of which the weaker sections and others could get Rs.204.16 lakhs or 61.29 per cent and Rs.128.95 lakhs or 38.71 per cent respectively.

Subsidy component to the purpose of minor irrigation is very much relevant in order to protect the farmers from failure of wells due to gradual depletion of ground water table and to counter the problem of ever increasing power cut by means of generator sets. Considering this view, the Government of Andhra Pradesh has provided bulk subsidy amounting to 61.40 lakhs or 40.00 per cent. Next to minor irrigation is followed horticulture with subsidy of 27.30 lakhs or 16.00 per cent, animal husbandry Rs.15.75 lakhs or 9.23 per cent, agriculture 15.20 lakhs or 8.91 per cent. Sericulture which could get only 2.48 lakhs or 1.45 per cent.

In 1999-00 the purpose of animal husbandry has got major component of subsidy amounting to 44.94 lakhs or 13.49 per cent followed by minor irrigation Rs.39.13 lakhs or 11.79 per cent, horticulture 21.39 lakhs or 6.42 per cent and agriculture Rs.16.30 lakhs or 4.89 per cent. Under group loaning which covers below poverty line families under DWACRA programme could provide Rs.201.55 lakhs or 60.51 per cent. This purpose is got a substantial amount of subsidy.

From Table 3.5, it is understood that the subsidy is a welcome feature to protect the interest of weaker sections and also ensure the
sustenance of viably economic programmes like sericulture, sheep and goat rearing, etc. This would certainly enliven the hopes of farming community. The subsidy grant provided to the farmers for various purposes of agriculture and its allied activities constitutes under Integrated Rural Development Programmes.

Data on the grant of subsidy sector-wise and scheme-wise is presented in Table 3.6. Table 3.6 shows that the grant of subsidy for various purposes, under agriculture, horticulture, minor irrigation, animal husbandry, sericulture and group loaning. From Table, it is noticed that the maximum beneficiaries under the grant of subsidy are in case of group loan followed by animal husbandry, horticulture, minor irrigation and agriculture. While in 1999-00, the maximum number of beneficiaries are under group loan followed by animal husbandry, minor irrigation, horticulture and agriculture. Obviously, it is understood that the Government of Andhra Pradesh through its Department could provide subsidy and becoming 'farmers' friend'.

Supply and Distribution Services

A sound cropping depends upon the supply and distribution services. The fertilizers, pesticides, weedicides and seed are important in supply service whereas dust-sprayers are more concerned in distribution service with minimum rental charge. In the district of Cuddapah, 96368.72 metric tonnes of fertilizers, 18,400 litres of
### TABLE 3.6

**SECTOR-WISE & SCHEME-WISE SUBSIDY**

(Rs. in Lakhs)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Beneficiaries</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91-92</td>
<td>99-00</td>
</tr>
<tr>
<td>A. Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Bullock + Tyre Cart</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>2. Land purchase</td>
<td>30</td>
<td>50</td>
</tr>
<tr>
<td>3. Multi-crop Threshers + 8/10 HP Engine</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>275</td>
</tr>
<tr>
<td>B Horticulture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Citrus (100 plants per acre)</td>
<td>150</td>
<td>100</td>
</tr>
<tr>
<td>2. Jasmine (1750 plants per acre)</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3. Mango orchards (40 plants/acre)</td>
<td>330</td>
<td>400</td>
</tr>
<tr>
<td>4. Sapota (70 plants per acre)</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>5. Betervine garden</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>484</td>
<td>530</td>
</tr>
<tr>
<td>C Minor Irrigation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Bore Wells</td>
<td>252</td>
<td>410</td>
</tr>
<tr>
<td>2. Electric Motor + Pump House</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>3. Filter Points/In-well Bore</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>4. HSD Oil Engine _ Pump House</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>5. Pipe line (90 mm pipe)</td>
<td>12</td>
<td>50</td>
</tr>
<tr>
<td>6. Power Sprayers</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>7. Sprinklers</td>
<td>-</td>
<td>240</td>
</tr>
<tr>
<td>8. Submersible pumpsets (5 HP)</td>
<td>88</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>430</td>
<td>887</td>
</tr>
<tr>
<td>D Animal Husbandry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. C.B.Cows 8 Lts</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>2. Giriraja Birds</td>
<td>130</td>
<td>100</td>
</tr>
<tr>
<td>3. Graded Murrah (6 Lts)</td>
<td>140</td>
<td>250</td>
</tr>
<tr>
<td>4. Figgery Unit</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>5. Sheep</td>
<td>200</td>
<td>590</td>
</tr>
<tr>
<td>Total</td>
<td>578</td>
<td>1000</td>
</tr>
</tbody>
</table>

(Table 3.6 contd.)
(Table 3.6 contd..)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Beneficiaries</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91-92</td>
<td>99-00</td>
</tr>
<tr>
<td><strong>E Sericulture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sericulture</td>
<td>65</td>
<td>200</td>
</tr>
<tr>
<td><strong>F Group Loaning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. 2 &amp; 3 Wheeler Servicing Unit</td>
<td>13</td>
<td>25</td>
</tr>
<tr>
<td>2. Automobile Engine Workshop</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>3. Broiler Unit (2000 birds)</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>4. Concrete Mixer + Cen. Material</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>5. Dairy Unit</td>
<td>30</td>
<td>100</td>
</tr>
<tr>
<td>7. Eng. Med. School (Rural Prim.Edn)</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>8. Four Wheeler Servicing Unit</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>9. Mini Lorry</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>10. Semi Mechanised Bricks Mfg.</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>11. Stone Crusher</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>12. Stone Polishing Unit</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>13. Super market</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>14. Tractor + Trailor</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>15. Group Activities (CMEY)</td>
<td>831</td>
<td>4030</td>
</tr>
<tr>
<td><strong>Total A+B+C+D+E+F</strong></td>
<td>1053</td>
<td>4480</td>
</tr>
</tbody>
</table>

Source: Annual Credit Plans of IRDP, Cuddapah District, 1992-2000.
pesticides supplied by the dealers in 1999-2000, which accounted for 42.2 kgs and 4.51 litre per acre, on an average. This is very less quantity which would need further increase for per acre of crop raised. So far concerning sprayers, 400 are made available for the use of farmers. The Government has taken steps to distributed quality seed of groundnut, sunflower, jowar, paddy etc., and distributed 14,317 quintals of groundnuts, 306.7 quintals of paddy, 152 quintals sunflower and 50 quintals of jowar.

Obviously, it is understood the marketing service and its network are laudable. However, steps must be taken for improved services, so that the farmers get confidence and faith in availing them. Further, the Government of Andhra Pradesh has taken measures for the development of agriculture through the following programmes. They are:

1. Mechanization with the modern technology and tools is utmost essential to have better productivity. To make awareness of this, field visits are arranged one each at the mandal. In the district of Cuddapah, 20 field visits demonstrated for the purpose of acquiring skills by the farmers.

2. Farm information centers and assistant centers are established to provide information pertaining to agriculture and its
operations. Only 15 information centers are established in the Cuddapah district.

3. Notice Boards are located at the places where farmers generally assembled at leisure times. The Agricultural Development Officers after visit the fields once in a fortnight and advise the farmers about what measures are to be taken and what measures are not to be taken in growing crops and raising better production.

4. Soil testing centers are also established to test the soils of various fields and advise accordingly the farmers to grow suitable crops. In the district of Cuddapah, one soil testing center is working.

5. In order to prevent adulterated pesticides, the Government has taken initiative to test the quality of pesticides. A sample of pesticides is taken with coding and tests are to be done in the testing centers. Then follows decoding. Because of this measure the dealers have no scope to adhere the pesticides.

6. Crop insurance scheme is extend to cover cotton, chillies, paddy groundnut, and sugarcane crops. The Government extended this support to the millets and oil seeds also.

To sum up, the services including credit extended by the concerned Department are right measures in terms of raising crop
production with in-built measures patronaged by innovative thoughts with the support of the Government of Andhra Pradesh. The banking institution did a tremendous service to support with credit to the needy in the district. The Department of Irrigation did a lot in strengthening water flows by means of surface and underground sources. A lot is to be done in this direction in terms of quality service as is not reaching the irrigation facilities to the ultimate farmers due to bureaucratic as well as political scenario mindset with empty slogans. It is obviously seen that electricity failure, no support price resulting in heaps of foodgrains in the fields and uncheck control on the prices of inputs required in raising for production. Under these conditions, the Government should act favourably in supplying uninterrupted supply of electricity, and react to the support price being made available for buying foodgrains and check the farmers required input prices supplied by the private dealers.
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