PREFACE

India is an agricultural country. Main occupation of Indian rural people is farming. Agricultural sector is facing various problems and one of them is indebtedness. Rural economy is greatly influenced by the non institutional credit sources like money lenders. So the indebtedness has spread over all farmers communities in India. In the year 2003, 88.3 million farmer’s households were in indebted.

Situation Assessment survey of farmers (SAS) has shown that 43.42 million (i.e.48.6%) farmers were indebt trap. In other words more than half of the Indian farmers have been facing the problem of high incidence of indebtedness.

According to National Sample Survey 2003, there was average Rs.12585, loan on per households. In short indebtedness is the chronic and critical challenge before the government and the policy makers, and All India Credit Policy, which is the prime cause of agricultural crisis before the Indian farming sector and the government.

Credit is the most important inputs for carry on agricultural activities. So there are two sources which are catering the credit and financial needs, institutional and non-institutional credit source, institutional source is includes banking sector. The interest rate of such source is always low compared with non-institutional. Government, banking sector, cooperative sector, etc is the main factors of credit supply which charge low interest rate. This source may help to agriculture development. While the issue of indebtedness becoming the critical issue and several farmers are committing the suicides from the various part of the county. State of Maharashtra is the leading state which drastically affected due to these suicide incidences. Vidharbha and Marathwada region are
drastically affected due to these farmers suicides, reported due to the indebtedness.

The present study is humble efforts to the study of review the rural indebtedness and its leading causes which is the critical issue in this region. The region, Vidharbha and Marathwada are the behind the various aspects, and the agricultural sector is facing the issues like irrigation, and heavy indebtedness extent to farmers suicides.

The study is divided into seven chapters: Chapter I depict the Profile of agricultural Sector of India and Maharashtra, Review the progress of Agricultural credit in India & Maharashtra and review of pertinent literature. Chapter II explains nature, scope, objectives, and methodology adopted. Chapter III takes the review of Agriculture Credit Institutions, like Co-operative Banks, Regional Rural Banks, and Commercial Banks. Chapter IV describes the concept Agricultural Indebtedness and its impacts on farmer community, this chapter incorporated the various aspects and causes of rural indebtedness with the help of samples survey and micro analysis. Chapter V reviewed the Incidence of farmer's Suicides in Marathwada and Vidharbha region, incorporated the various aspects to find out the causes of these farmers suicides with the help of samples survey and micro analysis. Chapter VI discussed the Problems and Challenges before the Agriculture Sector. Chapter VII incorporates principal findings of the study and suggestions in light of these findings.

The present study entitled, “A Critical Study of Rural Indebtedness with Special Reference to Selected Districts from Vidharbha and Marathwada Region” is undertaken under the valuable guidance of Prof. Dr. Murlidhar A. Lokhande, Professor & Head, Dept. of Commerce, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. The inspiration and confidence in
presenting this thesis is because of him. His insight and instructions have benefited me to deal with each and every aspect of my research work. I realise that no acknowledgement of his contribution could be adequate. I express my deep sense of gratitude to him.

I would like wish to express my great thanks to Dr. Shivaji Madan, Dean Faculty of Commerce, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. I wish to express my thanks to Dr. Kalyan B. Laghane, Member of Council, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad.

I offer my thanks to Dr. Walmik K. Sarwade, (Reader), Dr. Gauri Faraha, (Reader), Dr. Sayyad Azruddin, (Reader), Dr. Veena Humbe, (Reader), Dr. Rajesh Shinde, (Lecturer), and Dr. N. Rathi, (Lecturer), Dr. Jayshree Suryavansi (Lecturer) and other staff members of Dept. of Commerce, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad, those are given the support and guidance in this research work.

I would like to express heartily thanks to Hon. Vice Chancellor, DR. Nagnath Kotapale, who motivate me in the research study related to this burning and valuable subject. I offer my thanks to Dr. Deepak Muley, Registrar, Dr.BAMU, Aurangabad, who support me.

I will be failing in my duty if I do not thank the officials of various departments, government officers. Particularly I would like to heartily thanks to Mr. Bhaskar Mundhe, Commissioner, Aurangabad division who provide guidelines and valuable support, Dy. Collector of selected districts in the field survey. I would like to thanks all that respondents farmers who gave the factual information related to this issue. It is also my duty to express heartily gratitude to all family members those are victims of farmers those committed suicides.

I really can not express my gratitude in words towards my mother Sou. Prayaga, my father Shri Sadashivrao who are senior farmers which feeding to
us, my wife Sou. Sangeeta, my son Krishna, my nephews Jyoti and Neeta who time to time support me, but I would like to heartily thanks to my daughter Ku.Vaishnavi who cheered me in the course of this work.

December 2009

(Vilas S. Epper)