CHAPTER VIII

CONCLUSION, PROBLEMS AND RECOMMENDATION

8.1 CONCLUSION

8.2 PROBLEMS AND RECOMMENDATION
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The main purpose of this chapter is to sum up main conclusions of the study to get comprehensive view on the basis of these conclusions. The NABARD problems are also discussed in this chapter. Some recommendations are also given to resolve the NABARD problems in this chapter.

The following important conclusions of this investigation have been summarized in this chapter although some of them have been dealt with in the earlier chapter.

8.1 CONCLUSION:

1. Nanded district is located in the south eastern part of Marathwada is of Maharashtra State. The total area of the district is 10528 square kms. This is of 3.41% of the total geographical area of Maharashtra State out of the total geographical area urban are is 24.61(2.01%) square Km and rest is rural area of 10316.39 square Km.(97.99).

2. Reverine stretches of Godavari, Penganga, Manjra, Manyad, Lendi, Asana, Sita and Sarswati of 700 Km. is available. However, only Godavari (Nanded, Bhokar and Biloli blocks) of 127 Km. reverence lengths and Penganga River (Hadgaon and Kinwat blocks) 270 KM of reverence length constitute the long seasonal reverence stretches.

3. The soil is Nanded classified into five main categories and light gray brown to gray brown color. The district is covered by Deccan trap and development therefore influenced by the topographical situation valley of Godavari (central part of district) Penganga, Manar and Manjra have deep soil along the banks. In average the soils of the
district do not show much variation in physical and chemical properties and high exchangeable capacity of the soils indicates the inherent high status of soil fertility.

4. Of the total geographical area of 1035700 hectares of the district the gross sown area is 7,72,200 hectares that is about 7.6% of the cropped area. Area under well irrigated is 4058 hectare and under surface irrigation is 18,896 hectares.

5. The district as whole has generally plain topography, belong in to Godavari basins. The general elevation of the district varies between 300 to 500 meters. There are three major basins in the district viz. Penganga, Godavari, Manjra. These three basins roughly occupy the 30% area each. Their small hills in the district lend north-east to south-west the Penganga River, which from district boundary, runs 270 Kms. The river Manjra flow for a distance of 40 Kms and the length of Godavari is river is 127 Kms.

6. There are four modes of irrigation use for irrigation used for irrigating the agricultural land Nanded district i.e. i) Major Irrigation Projects ii) Medium irrigation Projects iii) Minor irrigation Projects and iv) Well irrigation under tribal sub-plan for Kinwat taluka of Nanded district varies Government Schemes are being implemented of the 205 villages comprises of 1165 square Km. There are no big Irrigation Project Irrigate 12364 hectares. As per additional infrastructure 54 projects have been proposed of which the Government with help of total number of 240 projects additional command of 35,175-hectare irrigation would be created in future has sanctioned 23 projects.
7. The climate is dry except during the southwest monsoon when humidity rises. Main maximum temperature is about 42° centigrade (107.6f) and even goes upto 46° c whereas temperature falls to 13° c. In December the district is affected by cold waves. The relative humidity is about 60 to 70 percent in southwest monsoon period.

8. The population of the district was 28, 68,158 comprising of 14, 76,301 male and 13, 91,857 females. The total population was increased to 28.68 lakh with compared to 8.84 lakh in 1951. The rural population also steadily increased from 7.45 lakh to 21.79 lakh in 2001, the sex ratio i.e. number of females per 1000 males shows a reducing nature from 980 to 943, Hindu and Muslim community in the country as well as in the district is in large scale i.e. 93.9% and other community population is only upto 6.1% literacy ratio in Jain community is highest and Shikh religion male, female ratio is 1000:1009 in other religion female ratio is less

9. Rainfall is itself a prime source of irrigation; Nanded district has been recognized as an assured rainy district. Generally, average rainfall was observed in the year 2002, 860 MM the highest rainfall recorded in Mahur taluka 1745MM and lowest in Ardhapur taluka 571 MM. Majority of rainfall is received during the southwest monsoon in the month of July and there are average 55 days of rains

10. The district consists of 16 tahsils. The district is divided into three sub-divisions for administrative purposes. There are 1612 villages and 11 Municipal councils and 1130 gram Panchayati are independent and 181 are group gram Panchayati. There are 14 Krishi Uttapanna Bazar Samittees.
11. The district is a favorable placed in regard to railway transport, National highway and one airport center. The communication faculties available in district are numerous. These infrastructure facilities will create favorable situation for the industrial and agricultural development of council.

12. The district is backward. The Government of Maharashtra has been declared industrially backward and has provided a package of incentives of the development of the industries in the district.

13. Kharif crops are mostly taken in Nanded district. Food crops, especially by cereals kharif and rabbi Jowar, Wheat etc, dominate the cropping pattern. The attitude of the farmers has changed from the traditional crops to the cash crops.

14. Agriculture development depends upon the availability of farm equipments. The use of modern equipments such as tractor, electro pumps have increased significantly. The modern equipments are replacing the traditional equipments.

15. Credit played a key role in the agricultural development. The present network of bank branches is adequate to take care of credit needs.

16. The structural of the agricultural credit in India is divided into two parts viz. the institutional and non-institutional credit. Co-operative credit comes under the institutional credit.

17. Agricultural credit may be classified on the basis of (a) the purpose for which it is needed (b) the length of the period for which loans are required and (c) the securities against which loans are advanced.

18. Co-operative credit plays vital role in the rural development. There are two wings of the co-operative credit structure one supplying short, Medium, term and long-term credit. Central Land Development Banks
are the institutions, which provide long-term finance to agriculturalists, on co-operative basis.

19. Long term credit is required for making some permanent investment on land. The amount involved in such loan is very large. These loans are for long period of more than 5 years. It differs from country to country.

20. The National Bank for Agriculture and Rural Development is provided long term refinance to Maharashtra State Co-operative Agriculture and Rural Development Bank, Regional Rural Banks, Commercial Banks, District Central Co-operative Banks, and these banks provided long-term loan to the farmers in Maharashtra State through its branches. The National Bank for Agriculture and Rutal Development plays very important role in the development of rural area in the Nanded district.

21. National Bank for Agriculture and Rural Development shifted emphasis from lift irrigation to Farm Mechanization during the period under review.

22. There was an all round progress of NABARD during the study period.

23. The Marathwada region predominantly an agrarian region. Eighty percent of population in the region in engaged in agriculture sector. The long-term credit can play a very important role for the development of the agricultural sector. NABARD refinance to the Maharashtra State Co-operative Agriculture and Rural Development Bank and Maharashtra State Co-operative Agriculture and Rural Development Bank has been organized by the Maharashtra
Government in Co-operative sector for the long-term finance to the farmers.

24. The cropping pattern has been changed when the sample borrowers borrowed the loan from bank highly profitable crops like sugarcane, cotton, vegetables and fruits etc, were preferred in the cropping pattern on selected holdings. More cash crops are undertaken because of changing in cropping pattern.

25. The production and productivity have increased before to after borrowed period.

26. The use of inputs has been increased in before borrowing period to after borrowing period. All the inputs like family members, hired labours, improved seeds, fertilizers and pesticides were increased.

27. The percentage of average recovery to demand for Maharashtra region was 32 percent, during the study period. The district, which had the recovery to demand percentage less than the region, were Osmanabad (41 percent), Aurangabad (39 percent) and Beed (33 percent) and those who had less than the region were Nanded (21 percent), Parbhani (27 percent) and Jalna (30 percent). The percentage of recovery of demand for Latur was (32 percent) which is equal to region. Over all recovery performance of Marathwada region was not satisfactory. Therefore the over dues can be considered as a serious problem for every district of the Marathwada region.

28. NABARD provide refinance to the Maharashtra State Co-operative Agriculture and Rural Development Bank, MSCARDB Nanded introduced for the purpose of providing long -term credit to the farmers. The bank plays a very important role for the rural
development of the district. The purposes cover new wells, electric+ oil engine. Pipeline. Lift irrigation, Tractor and other purpose. These are referred as six major purposes.

29. The availability of infrastructure support for minor irrigation sector is considered to be adequate. In so far as ground water survey, hydrologists for well sitting etc.

30. Nanded district has total geographical area of 10.36-lakh hectare of which 7.95 hectare is under rabbi for effective utilization of irrigation potential. On Farm Development water delivery systems and drainage system community items and land leveling of works, farmers field, individual items.

31. Farm mechanization is an important activity assist leads to increased production and productivity, better utilization of irrigation potential, adoption of multiple cropping patterns etc.

32. Horticulture crops play a significant role in the economic development of farmers. This sector can be exploited for providing assured supplementary income to small and marginal farmers by encouraging them to take of cultivation of fruit bearing trees. The big farmers can be encouraged to raise horticultural crops not only for domestic market but also for export.

33. The area under forest in Nanded district is 1, 27470 hectare as per 1997-98 districts which farms 12.23% of the total geographical area as against the state average of 17.56% and prescribed national average of 33% to maintain the ecological balance for agricultural growth. Further in Nanded districts forestry mostly are concentrated in Kinwat, Mukhed and Bhokar taluka. Maximum forest covered area is 64.8 (Kinwat and Minimum is 1.5 (Degloor.) Hence there is
vast scope of forestry and wasteland development in the other taluka of this district, which is free from forest cover or has very thin forest cover.

34. The dairy activity is one of the major activities allies to agriculture as a source of gainful employment and additional income to farmers in rural areas. Out of the total work force of Nanded District 35% are farmers and 455 agricultural labours together complies 80%. Further 78.3% population of the district living is rural areas. It is therefore, imperative that this sector is suitable exploited. This will help to transfer resource in a substantial way to the rural economy and thereby improve the economic condition of the rural masses.

35. As per 1992 census, the total population of sheep was 46,595 as against the 1997 census of 50,170 shown an increase of about 8% over a period of 5 years. Further due to limited availability of land for grazing none adopting of scientific methods restriction on grazing due to consciousness of people this activity could not progress in the desired manner.

36. Inland fish culture plays as vital role in the economy and in the community life of rural areas. In addition to providing nutrient food and contributing to increased income, is a source of employment to fish farmers. Nanded district has good potential for inland fisheries development. It has 7050-hectare water spread area eligible for fish culture ponds.

37. In Nanded district, marketing of agriculture produce is done at 18 main markets i.e. Agriculture Produce and Marketing Centers and sub-market yards. These market yards provide place for free and fair trading ensuring proper grading, weighing facilities and help the
farmers in obtaining reasonable price for their commodities. The market yards also provide storage facilities, shelter to animals, drinking water facilities etc.

38. The National Programme for Bio-gas Development is being implemented in the district for support installation of this important programme of non-conventional energy source. Total Biogas plants constructed upto 2000-01 were 1236 of which about 1124 plants i.e. 91% were defect due to technical defect interest of the beneficiaries.

39. The bullock and bullock cart mostly are in Kinwat, Kandhar, Himatnagar, Mahur area mostly where petrol/ diesel vehicles are not feasible due to non-availability / less availability of infrastructure facilities like loads. The area mostly being forest covered areas except Kandhar block. Therefore the people still prefer the bullock and bullock cart for transportation.

40. The average cropping intensity in the district on the basis of available data works out to 106.37. The average gross cropped area during the past five years would be 7.72 lakh hectares. The area under cotton, sugar cane and banana has increased substantially, since last 2/3 years, whereas that under oil seeds has not increased to the desired level. The average production and productivity of Rabi, Jowar, Gram, Bajara, Sunflower, Pulses in the district is comparable to the State average and in respect of others it is below the State average. It is therefore necessary to increase by exploiting available resources with the help of institutional finance.

41. The rural non-farm sector can be categorized into flowing broad segments viz. handloom, power loom, artisans / handicrafts, decentralized sector (tiny), rural cottage and village industries, small
scale industry including processing industries established in rural areas. Apart from meeting the term loan requirements of non-farm sector activities, it is essential to provide adequate working capital requirements to run them efficiently.

42. The activities, which are grouped under other priority sector or services and business sector, are considered very supportive for the growth of main priority sector activities in farms and non-farm sectors. Various types of activities, which are included under other priority sector, are small road transport operators. Retail trade / small business, professionals and self employed educational loans, housing loans, consumption loans and miscellaneous other priority sector activities. The development of these sectors is important as they support to other major sectors in the district.

43. The Swarna Jayanti Gram Swarojgar Yojana came into force from April 1999. This is holistic programme covering all aspects as self-employment and organization or rural poor into self help groups, training, and credit, technology up gradation, infrastructure development and marketing.

44. The composition of Swarozgaries 50% SC / ST, 40% Women and 8% physically handicapped. The Swarozgaries are cross the poverty line within 3 years and earn an income of Rs.2000 per month.

45. There are total 322 branches of various banking agencies in the district comprising of Commercial Banks (72) Marathwada Gramin Banks (58), Nanded District Central Co-operative Banks (187), Maharashtra State Co-operative Agriculture and Rural Banks (9). There are 983 Primary Agriculture Credit Societies affiliated to Nanded District
central Co-operative Banks with a membership in excess of 46 lakhs. The average number of villages covered per branch was 37.

8.2 PROBLEMS AND RECOMMENDATION:

The economy of the district is agriculture based. In the district is 16 tahsils, some tahsils area come under the drought prone area. All type of credit agencies were working in the Nanded district, NABARD was playing vital role supply of rural credit of the district. Farmers require long-term credit to adopt Modern technology and improve agricultural practices for increasing agricultural production and productivity. The NABARD is thus, playing a very significant role in the rural economy of country by enabling the farmer to undertake capital investment on their farms for increasing its productivity.

The NABARD provides long-term credit through Rural Financial Institutions, to the rural farmers and provide employment to the rural people. During the study period NABARD is facing the following problems. Suitable recommendations are also made in this chapter, to change the existing situation and thereby to achieve development of the NABARD in the study region.

1. In the study region “farmers generally speaking are poor illiterate, ignorant, therefore they are so poor that they did not have the means to improve their economic conditions. Unless this atmosphere, which supports backwardness and stagnation, is changed, there is no possibility of agricultural development.

   It should change these conditions through television programmes, radio programmes and Government efforts. The farmers should have
improved seeds, use of chemical fertilizers, pesticides etc. There is need to give training to the farmers in the rural area or on the field. The percentage of literacy among the farmers should be increased in all villages of the study region.

2. Agriculture has held a dominant portion in the region’s economy. But this major occupation is rendered by scanty rainfall enlarge area and by erratic monsoon else where failure or even delayed arrival of the monsoon can cause extensive damage of crops. Most of the farmers have to depend upon rainfall and very few of them having artificial irrigation facilities in the study region.

Water Management is regarded as a must in agricultural technology of the study region. NABARD provide refinance through Rural Financial Institutions for ‘Minor irrigation’ purpose. Effective demonstration must be given to convince the cultivators of the proper use of water for different area and crops transit losses can be reduced by improving the convince method. The farmer should be motivated to use drip irrigation system. In this connection, it is necessary to provide better extensions services, suitably linked with research organization of scientists and adopted to multi-cropping farming practices in the study region. The surplus surface monsoon flows can be utilized by diverting them to recharge ground water supplies so that water can be available for winter season crops. It is necessary to increase the rate of irrigation by hook or crook in the study region.

3. The development and utilization of ground water resources was not thought of very seriously till recent past mainly due to the erroneous falling that the utilisable surface water resources and annual rainfall will take care of its overall water requirements. But the experience of
the state for the last few years has proved that the existing surface water resources are not adequate to care to the increasing demands for water for various needs including irrigation.

The recent policy highlights the need for optimum resource use and efficiency of the irrigation towards which the ‘water user organization’ would have to play a key role in water distribution and management of the own affairs with people participation approach. Such an involvement of farmers groups or Self Help groups would as well be applicable in the minor irrigation system both under private and community portfolio. The thrust is to develop a good irrigation management to maximize the benefits. This would help to evolve steps to make drought prone areas less venerable to aridity and associated problems.

4. Based on the infrastructure facilities available and planned in the Nanded district for Land Development the exploitable potential for total financial outlay Rs. 21.60 lakhs, expected credit flow Rs. 8.50 lakhs for the year 1996-97. It is estimated that there would be a credit gap of Rs. 13.10 lakhs in this sector.

The major reasons for credit gap there is lack of demand from the farmers for carrying out Land of Development work on their land with bank credit in the command areas of upper Penganga and Lower Godavari Projects. There is also a lack of demand from farmers for carrying out Land Development work. Slow pace of work of irrigation projects for removal of the credit gap the action required to be initiated. Most of irrigation projects are pending for want of funds. The farmers need to be educated in the matter and motivated to participate in the development project.
5 The exploitable potential for the year 1996-1997 is Rs. 788.31 lakhs, the expected credit flow Rs. 760.80 lakhs. It is estimated that there would be a credit gap of Rs. 27.51 lakhs in this sector. The major reasons for the credit gap are infrastructural inadequacies and shortage of good quality milch animals and fodder.

It is suggested that for removal of credit gap the following action are required to be initiated:

i) Completing of various irrigating projects as mentioned in Minor Irrigation so that good infrastructure i.e. basic needs of water and fodder would be solved;

ii) Motivation of all staff and beneficiaries,

iii) Re-vitalization

iv) Better milk price

v) Supply of milk testing etc. unit to societies with milk collection of over 200 to 300 liters.

6. The exploitable potential for the year 1996-1997 is Rs. 100.80 lakhs, the expected credit flow is Rs. 60.10 lakhs and the credit gap is Rs. 40.70 lakhs.

It is estimated that there would be a credit gap of Rs. 40.70 lakhs in this sub-sector. The major reasons for this credit are the attitude of the bankers and poultry require motivation and training for poultry very small units may be encouraging under Self Help Groups financing Maharashtra Rural Credit Project / Integrated Rural Development Programme financing to small and marginal farmers and Below Poverty Families.
7. The exploitable potential for the year 1996-1997 is Rs.15.48 lakhs, the expected credit flow Rs.12.50 lakhs and credit gap is Rs. 2.98 lakhs.

It is estimated that there would be credit gap of Rs. 2.98 lakhs in this sector. Fisheries Development Programme are planned for optimum fish production farm available water resources and to improve the socio-economic conditions of fishermen / minority communities who belong to the weaker sections of the society. The present production if fish farm the rivers is very negligible. The District Fisheries Department generally gives licences to marginal fisherman for fishing in the rivers and credit for this is generally covered under Integrated Rural Development Programme.

8. The component supplementary to well in the ‘Minor Irrigation Programme’ is Pump sets, Pump houses, Storage tanks, Pipeline system, Drip and Sprinklers and Irrigation Pump sets energisation.

Due to lowering of water table and high cost of deep dug wells the farmers are preparing the bore wells in southern part of the district i.e. Biloli and Degloor in particular water has gone down to 40’ to 50’ and construction of in weathered granite dug is costly. The people therefore prefer to drill bore well / tube wells.

9. There is large diversity of crops in all tahsils in the study region. To solve these problems the farmers should have given information about the specialization of crops, to increase the literacy rate. So, they can be interested recent production technology clearly. The Government should take responsibility of the farmer’s crops like sugarcane, cotton etc.
10. The amount of loan given to cultivators is quite inadequately so, those cultivators are attracted towards moneylenders for getting rest of the need fulfilled. The farmer borrows loan year after year from the moneylenders but he is not in a position to clear off the loans, either because the loans are larger or because his agricultural output is not large enough to pay off.

In order to reduce the (cultivator) rural people on local moneylenders, the network of NABARD credit structure is being rapidly expanded through the study region to improve timely and adequate credit support to the small farmers.

11. Diversion and misuse of loan are common practice among borrowers nearly 33.34% of the NABARD credit of other purposes with diverted for purpose other than those for which it was given in the study region. The diversion of loans has been due to (i) Weak financial position of the borrowers (ii) priority to some other needs over agricultural needs (iii) deficiency of credit advances (iv) inadequate supervision and unsatisfactory management.

Social and religions functions from an important part of the life of village’s connection with them cannot be eliminated so easily by advising farmers. It is necessary to sanction more loans to the poor farmers at the lowest rate of interest with adequate supervision and satisfactory management. The bank should strictly monitor the utilization of the loans through frequent visits to the borrowers. So that the loans may use for the purposes for which the loan is sanctioned.

12. It is observed that there is no soil testing laboratories have been established in almost all the tahsils where soil is analyzed quickly by the farmers soil testing is one of the methods of determining the fertility status of the soils.
It may suggest in regard to deficit nutrients or soil amendments can be made. The soil testing laboratories have been established in almost all the tahsils where soils are analyzed quickly and recommendation are made in respect of the fertilizers requirements for different crops. For maximum production and rational soil management, knowledge of the fertility status and physical properties of soil is essential.

13. It is observed that there is non farm planning. Farm plan means taking decisions in advance. It stimulates taking, broadens understanding and challenges the farmer to move forward. It is a forward-looking approach.

   It may be suggested that there is farm planning. The farm plan helps a farmer to decide how to combine new ideas and old ones to his best advantage. By identifying his credit and supply needs, the farm plan helps him to average for the timely supplies of credit seeds, fertilizers etc. A specific farm plan, setting forth his expected output, expenses and income serves as a sound basis on which a credit institution can give him production credit, based on his productive capacity rather than on his net financial assets. It is out of his income and not through the sale of assets that the cultivator has to pay off his loan. Thus the farm plan is to the farmer what the blue print of the architect is to a building contractor. It shows what is to be done and how it is to be done.

14. It is observed that the dead lock in well digging. The Bank authority should not concentrate proper toward the locations of the well, ground water table and other technical side of the purposes.

   It may be suggested that the bank authority should encourage the borrowers for digging wells in the guaranteed water zone with the help of geological department and the area close to small dams, minor irrigation projects and percolation dams.
It has been that the Rural Finance Institutions has provided more finance to the big farmers and less finance to the small farmers for the mechanization of agriculture i.e. to purchase of tractors. But there is need to finance for the irrigation in the agricultural development.

It is suggested that the NABARD should provide the loans through Rural Financial Institutions to the small farmers, particularly for the purpose of irrigation with the lowest rate of interest.

It is found that the Rural Finance Institutions has provided loan for the purpose of wells, electric motors and pipeline, lift irrigation and tractor. The Rural Financial Institutions has neglected goat farming, dairy, poultry, and other agro based industries.

It is suggested that the NABARD should provide loan through Rural Financial Institution for these purposes, so that the economic condition of the cultivators can improve.

It has been observed that the number of borrowers have complained about the delay in sanctioning the loan.

It is suggested that the NABARD authority should sanction the loan within time limit without any delay.

It is revealed that, the NABARD is providing long term loans to the cultivators. But the short and medium term loans are not provided by the NABARD. Therefore, the cultivators depend upon other institutions.

It is suggested that the NABARD should also think about providing all types of loans (short and medium term) which will be a great convenience to the borrowers and will also save their valuable time.

The infrastructure facility available and planned in the district for ‘Rainfed Farming Watershed Development’ the Exploitable Potential total financial outlay Rs. 133.05 lakhs and Expected Credit flow Rs. 53.20
lakhs. It is estimated that there would be a credit gap of Rs. 79.85 lakh in this sector.

The major reasons for the credit gap are non-awareness amongst the financial institutions. By demonstration, workshops, the officials of credit and non-credit institutions could be motivated similarly for the people lot of input is required to given:-

i) Co-operation from State Government is required for Post Watershed Development / Management.

(ii) Project copy to bank’s branch working in the watershed is necessary which Directorate of soil conservation and Watershed Management may supply.

(iii) Recommend technology Rainfed Farming for the Watershed Development Project cropping pattern for watershed to be suggested.

20. There is no organized marketing system for fruits and vegetables. It is necessary to encourage, promote and strengthen marketing arrangements through co-operative, joint sector and marketing board. At present the role of marketing board in marketing of fruits and vegetables is insignificant.

It is suggested that the horticulture produce being perishable in nature require systematic efforts for harvesting grading packing, processing, preserving, marketing etc. institutional finance can be made available for various activities / infrastructure facilities. The Department of Horticulture may set up district level co-operative marketing societies for fruits and vegetables on the line of Karnataka State. Other areas which have potential for development are:-

i) Tissue culture cultivation.

ii) Strawberry cultivation.
iii) Mushroom cultivation.

iv) Cultivation of Medicinal and aromatic plants particularly in Mukhed and Kinwat taluka and

v) Preservation of fruits and vegetables.

21. Nanded district falls under the non-traditional area for development of Sericulture, this activity started in the district during 1986. The actual area brought under mulberry plantation was 1614 acres (1988-89 to 1995-96). However, only 259 acres of mulberry survived upto the end of March 1994. The rate of Survival of mulberry plantation was just 14% in the district. This is mainly due to poor extension and marketing services.

   It is suggested that the activity could be developed with good infrastructure like irrigation facility for sericulture, integrated effort to market full package of sericulture activities like mulberry plantation, rearing house, chowki rearing, charkhas etc. Training and forward linkages viz. i) supply of good quality disease free laying in time to the farmers by the department.(ii) Supply of M-5 cutting of mulberry to the farmers (iii) Demonstration, audience and support services to be provided by the department (iv) The most important linkages in marketing comparable price to be fixed and paid to the farmers for their produce Maharashtra State Khadi and Village Industry Board has therefore increased rates (for price of caloons) A grade caloon (750 number kg) at 116 kg. (v) Government of Maharashtra has established the office of Assistance Director, Sericulture Development give undivided attention to the Programme.

22. The area under forest is 38500 hectares as per 1990-91 statistics which forms 8.5% the geographical area which is far less the state average of 17.565. Kinwat taluka account far 64.75% followed by Bhokar taluka
14.91%. Forest of the district is the minimum of 1.02 % of the forest area to the total forest area of the district in Degloor block. Hence, there is vast scope of forestry and wasteland development in the taluka like Degloor, Biloli, Mukhed, Nanded and Kandhar.

It is suggested that the Government of Maharashtra has launched an ambitious programme for development of non-forest and forest wastelands for the state through afforestation on an area of 2.5 lakh hectare annually with particular emphasis on development of degraded and denude forests and non-forest wastelands in the state. The programme aims at restoration of ecological balance in the state through the massive afforestation programme. The major portion of this programme is allocated to the Forest Development Corporation of Maharashtra. Another Agency involved in forest development programme is social forestry wing of the State Government / Revenue Department lands by railway of roadsides and on the lands of institutions etc. It also extends technical and extension support farm forestry. Farmers are also encouraged to undertake the work on their own follows land bunds or wastelands. It is estimated that there would be a credit need to motivate farmer’s co-operatives etc. to take up these activities with the financial help from the banks. Also the banks have to be insisted upon to explore ways to finance this sector.

23. Jowar, paddy and Wheat are the principal food crops whereas cotton and sugarcane are the main cash crops grown in the district. The crops are growing in both the season viz. Kharif and Rabbi, groundnut and vegetables are grown in summer season. A comparison of the average area under the various crops for the period from 1986-87 to 1990-91 indicates that the area under high value crops like pulses, oilseeds and cash crops
cotton and sugarcane have slightly increased, whereas area careless like Jowar and Wheat have marginally decreased over the period.

It is suggested that the average gross cropped area in the district on the basis of available data works out to 106.37%. The average gross cropped area during the past five years would be 7.72 lakh hectares. The area under cotton, sugarcane and banana has increased substantially since last 2/3 years, whereas the under oil seed has not increased to the desired level. The average production and productivity of Bajara, Jowar, Gram, Sunflower and Pulses in the district is comparable to the state average and increasing of others it is below the state average. It is therefore necessary to increase production and productivity by exploiting available resources with the help of institutional finance.

24. It has been observed that the majority of the borrowers are among the bank staff relatives, directors or its relatives, chairman or its relative’s leaders. This is the class who desire to avail this facility and they look at it as a source to meet their other expenses. But there are large number of genuine farmers those who are in need of bank loans. They should not be given priority.

There should be a ‘loan committee’, which should consist of representatives from NABARD, Lead Bank, Geological survey department, cultivators and social workers. This committee should consider the entire factor and work out the plan. So, that loan could be sanctioned to these cultivators who are in need of the agriculture credit.

25. It has been observed that no importance should be given to the development of human resources to create awareness among the employees.

It is suggested that the more importance should be given to the development of human resources. Training must be imparted periodically,
enabling them to discharge their duties with enthusiastic sprits. Refresher courses must be organized in order to create awareness among the employees about the new policies and programmes of the government. We are according required attention to human resource development in the bank on the suggestion of the NABARD. We have already undertaken Human Resources Development Programmes at our training center at Pune to inculcate new thinking and professional culture. We will also plan training for the purpose of banking, particularly for first line and second line officers. We will take outside help of commercial banking experts who have required exposure and training ability of equip our staff.

26. It is revealed that no incentives have given to the borrowers for prompt repayment of loans and to employees of the bank for better recovery.

    It is suggested that adequate incentives should be given to the borrowers and employees of the bank for prompt repayment of loans and better recovery.

27. It is seen that the proper procedure with suitable repayment schedule should not be adopted for the recovery of loans.

    It is suggested that the proper procedure with suitable repayment schedule should be adopted for the recovery of loans at the time when the borrowers sale their produce. Efforts should be made well in advance to collect installments by sending reminders.

28. It is observed that the period of loans is related to the repaying capacity or even to the life of the new assets to be acquired with the proposed loan.

    It is suggested that the period of loan is related to the repaying capacity or even to the life of the new assets to be acquired with the proposed loan.
29. It is found that all the leaders including taluka level too, have their own urban co-operative banks. They are in Government. If NABARD start loan disbursement through Rural Financial Institutions to the cultivators, those all the urban co-operative banks go into crisis. Because these rate of interest of Rural Financial Institutions is less than urban co-operative banks. Therefore the leaders are not interest to solve the problems of Rural Financial Institutions.

It is suggested that they have to change their attitude towards NABARD. They have to understand that the development of farmers is done due to competition of Banks. Because all bank try to provide more loans in lower rate of interest to the farmers.

30. The Government should relief guarantee and Audit fees without delay. The Government should relief the delayed interest on time settlement scheme.

The NABARD provided credit through Rural Financial Institutions for Minor Irrigation, Land Development, and Rainfed Farming on watershed basis, Plantation and horticulture, Forestry and Waste Land Development, Sericulture, Poultry and Fisheries and other purposes like farm house, Biogas, Bullock, Bullock Carts, Crop Loan, Non-farm sector etc. It is observed that the emphasis shifted from minor irrigation to lift irrigation schemes as well as farm mechanization during the study period.

The recovery of loan is very important from the point of view of recycling of funds, safeguarding the trust and confidence creditors and also for drawing refinance from NABARD, and for reducing of overdue i.e. non performing assets. Non-performing assets in the farm overdue loans affect the profit ability and viability of the banks.
The quantum of lending tells only a part of the story, the quality aspect is however better revealed by the extent of recovery. The amount of demand has shown steadily increase, the recovery does not shown steadily increase, the recovery does not show corresponding rise with the result that the percentage of recovery to demand has come down during the study period. It is result that the performance of the Rural Financial Institutions in recovery of is unsatisfactory. However, no Rural Financial Institutions can smoothly function unless; it gives equal emphasis on rural function of loan disbursement and recovery of loan as well as overdue.