



**International Journals of Multidisciplinary Research Academy**

## **Editorial Board**

**Dr. CRAIG E. REESE**

Professor, School of Business, St. Thomas University, Miami Gardens

**Dr. S. N. TAKALIKAR**

Principal, St. Johns Institute of Engineering, PALGHAR (M.S.)

**Dr. RAMPRATAP SINGH**

Professor, Bangalore Institute of International Management, KARNATAKA

**Dr. P. MALYADRI**

Principal, Government Degree College, Osmania University, TANDUR

**Dr. Y. LOKESWARA CHOUDARY**

Asst. Professor Cum, SRM B-School, SRM University, CHENNAI

**Prof. Dr. TEKI SURAYYA**

Professor, Adikavi Nannaya University, ANDHRA PRADESH, INDIA

**Dr. T. DULABABU**

Principal, The Oxford College of Business Management, BANGALORE

**Dr. A. ARUL LAWRENCE SELVAKUMAR**

Professor, Adhiparasakthi Engineering College, MELMARAVATHUR, TN

**Dr. S. D. SURYAWANSHI**

Lecturer, College of Engineering Pune, SHIVAJINAGAR

**Mr. PIYUSH TIWARI**

Ir. Executive, Dispatch (Supply Chain), SAB Miller India (Skal Brewaries Ltd.)

**Prof S. R. BADRINARAYAN**

Sinhgad Institute for Management & Computer Applications, PUNE

**Mr. GURSEL ILIPINAR**

ESADE Business School, Department of Marketing, SPAIN

**Mr. ZEESHAN AHMED**

Software Research Eng, Department of Bioinformatics, GERMANY

**Mr. SANJAY ASATI**

Dept of ME, M. Patel Institute of Engg. & Tech., GONDIA(M.S.)

**Mr. G. Y. KUDALE**

N.M.D. College of Management and Research, GONDIA(M.S.)

## **Editorial Advisory Board**

**Dr.MANJIT DAS**

Assitant Professor, Deptt. of Economics, M.C.College, ASSAM

**Dr. ROLI PRADHAN**

Maulana Azad National Institute of Technology, BHOPAL

**Dr. N. KAVITHA**

Assistant Professor, Department of Management, Mekelle University, ETHIOPIA

**Prof C. M. MARAN**

Assistant Professor (Senior), VIT Business School, TAMIL NADU

**DR. RAJIV KHOSLA**

Associate Professor and Head, Chandigarh Business School, MOHALI

**Dr. S. K. SINGH**

Head of the Department of Humanities & an Asst. Prof. ,MODINAGAR

**Dr. (Mrs.) MANISHA N. PALIWAL**

Associate Professor, Sinhgad Institute of Management, PUNE

**DR. (Mrs.) ARCHANA ARJUN GHATULE**

Director, SPSPM, SKN Sinhgad Business School, MAHARASHTRA

**DR. NEELAM RANI DHANDA**

Associate Professor, Department of Commerce, kuk, HARYANA

**Dr. FARAH NAAZ GAURI**

Associate Professor, Department of Commerce, Dr. Babasaheb Ambedkar Marathwada University, AURANGABAD

**Prof. Dr. BADAR ALAM IQBAL**

Associate Professor, Department of Commerce, Aligarh Muslim University, UP

## **Associate Editors**

**Dr. SANJAY J. BHAYANI**

Associate Professor, Department of Business Management, RAJKOT (INDIA)

**MOID UDDIN AHMAD**

Assistant Professor, Jaipuria Institute of Management, NOIDA

**Dr. SUNEEL ARORA**

Assistant Professor, G D Goenka World Institute, Lancaster University, NEW DELHI

**Mr. P. PRABHU**

Assistant Professor, Alagappa University, KARAIKUDI

**Mr. MANISH KUMAR**

Assistant Professor, DBIT, Deptt. Of MBA, DEHRADUN

**Mrs. BABITA VERMA**

Assistant Professor, Bhilai Institute Of Technology, INDORE

**Ms. MONIKA BHATNAGAR**

Assistant Professor, Technocrat Institute of Technology, BHOPAL

**Ms. SUPRIYA RAHEJA**

Assistant Professor, CSE Department of ITM University, GURGAON

Title

**BANK FINANCE AND AGRICULTURE  
DEVELOPMENT, AN EMPIRICAL STUDY**

Author(s)

*Dr. M. Venkatasubbaiah*

*Dr M. Amruth Prasad reddy*

**Abstract:**

This paper studies the impact of bank finance on Farmers on Employment Generation by age, education, cast, size, occupation in delta area and non delta area in Nellore district of Andhra Pradesh. We observed that in the delta area the sample branches provided finance to the farmers more than to those in the non delta area. The male beneficiaries are more in number in both the delta and non delta area than female beneficiaries. Cast wise those of the forward cast are 48 per cent in the delta area and 51 per cent in the non delta area. The percentage of incremental assets value is high in the delta area when compared to non delta area.

**Need for the Study**

Several studies have been undertaken to evaluate the role of institutional finance for agriculture at the national level by individual researchers, financial institutions and Government. But area specific studies are comparatively limited in number. Such studies are of great importance on account of the vast, inter-regional variations of bank credit in developing countries like India. Even bank specific studies do not seem to have gone into the different operations of the branches located in Remote areas. The present study of Pinakini Grameena Bank in Nellore District of Andhra Pradesh is intended to fill this gap. A detailed analysis is made of the impact of Pinakini Grameena Bank finance on farm income, employment, asset creation and repayment performance.

**Objective of the Study:**

To analyze the impact of bank finance on Employment Generation of the sample beneficiaries

**Methodology and Sampling:**

The 63 branches of Pinakini Grameena Bank, Nellore, are divided into two groups, those serving the farmers in the delta area and those serving in the non-delta area. There are 30 branches in the delta area and 33 branches in the non-delta area. A random sampling of 10 per cent of the total branches namely 6 branches in all was taken, representing 3 branches from each group.

200 farmers who borrowed loans from the bank during 2008-09 are selected randomly with probability proportional to the size sampling method (PPS sampling method) from the 6 sample branches and pre-tested schedules were canvassed among them and the relevant data was collected.

### Employment Generation:

Employment generation is an important objective of Pinakini Grameena Bank under its special sponsored programmes. The aim is to create more of self-employment than wage employment. Bank finance for agricultural activities led to an increase in cropping intensity in irrigated areas, particularly under labour intensive high-yielding varieties of crops. This resulted in employment generation among the sample beneficiaries in the post-loan period.

Table 1. reveals that in the delta area the incremental mandays were 14 days for those of the below 20 years age group, 33 mandays for

**Table1: -  
Employment Generation on the basis of Age**

S. No	Age Group	Delta area				Non-Delta area			
		Average mandays		Incremental mandays	Percentage of Incremental mandays	Average mandays		Incremental mandays	Percentage of Incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Below 20 years	126	140	14	11.11	121	133	12	9.9
2.	20-50 Years	262	295	33	12.59	261	289	28	10.72
3.	Above 50 years	248	276	28	11.29	245	269	24	9.79
4	Total	636	711	75	11.79	627	641	64	10.20

Source: Field Data

those of the group between 20 and 50 years, and 28 mandays for those of the above 50 years age group. The percentage of incremental mandays was 11.11 for those below 20 years, 12.59 for those between 20 and 50 years, and 11.29 for those above 50 years. In the non-delta area the incremental mandays were 12 days for those below 20 years in age, 28 mandays for those between 20 and 50 years, and 24 mandays for those above 50 years in age. The percentage of incremental mandays was 9.9 for those of the below 20 years age group, 10.72 for those between 20 and 50 years, and 9.79 for those above 50 years in age.

The total number of incremental mandays 75 and the percentage of incremental mandays was 11.79 in the delta area, whereas it was 64 mandays and 10.20 percent in the non-delta area.

The incremental mandays and the percentage of incremental mandays both were high in the delta area when compared to those of the non-delta area among the age groups.

**Table 2.**

**t-test for Employment Generation on the Basis of Age**

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	212.00	3	74.81	43.19	4.397*
Delta Post-loan	237.00	3	84.54	48.81	
Non-delta Pre-loan	209.00	3	76.63	44.24	4.438*
Non-delta post-loan	230.33	3	84.88	49.01	

\* 5 per cent level of significance

Source: Table 1.

Table 2.shows that there is a significant difference between pre-loan and post-loan periods among age groups at 5 per cent levels of significance in both the delta and non-delta areas.

Table.3.

## Employment Generation on the Basis of Caste

S. No.	Caste Category	Delta area				Non-delta area			
		Average mandays		Incremental mandays	Percentage incremental mandays	Average mandays		Incremental mandays	Percentage of incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Scheduled Castes	229	259	31	13.53	225	253	28	12.44
2.	Scheduled Tribes	121	132	11	9.09	119	128	8	6.72
3.	Backward Castes	214	239	26	12.14	212	235	23	9.78
4.	Forward Castes	72	78	7	9.72	71	75	5	7.04
5.	Total	636	711	75	11.79	627	691	64	10.20

**Source:** Field data.

Table 3 indicates that in the delta area the incremental mandays were 31 for the Scheduled Castes, 11 days for the Scheduled Tribes, 26 days for the Backward Castes and 7 days for the Forward Castes. The percentage of incremental mandays was 13.53 for the Scheduled Castes, 9.09 for the Scheduled Tribes, 12.14 for the Backward Castes and 9.72 for the Forward Castes. In the non-delta area the incremental mandays were 28 for the Scheduled Castes, 8 days for the Scheduled Tribes, 23 for the Backward Castes and 5 days for the Forward Castes. The percentage of incremental mandays was 12.44 for the Scheduled Castes 6.72 for the Scheduled Tribes, 9.78 for the Backward Castes and 7.04 for the Forward Castes.



The incremental mandays and the percentage of incremental mandays were higher in the delta area than in those of the non-delta area among the caste categories.

**Table 4.**

**t-test for Employment Generation on the Basis of Caste**

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	135.67	3	72.13	41.64	2.462*
Delta Post-loan	149.67	3	81.94	47.31	
Non-delta Pre-loan	134.00	3	71.69	41.39	2.110*
Non-delta post-loan	146.00	3	81.50	47.06	

\* 5 per cent level of significance.

Source: Table 3

Table 4. shows that there is a significant difference between pre-loan and post-loan periods among the different caste groups at 5 per cent level of significance in both the areas.

Table 5.

## Employment Generation on the Basis of level of Education

S. No.	Level of Education	Delta area				Non-delta area			
		Average mandays		Incremental mandays	Percentage of incremental mandays	Average mandays		Incremental mandays	Percentage of incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Illiterate	221	249	28	12.66	219	244	25	11.41
2.	Primary education	235	267	32	13.61	233	262	29	12.44
3.	Secondary education	112	122	10	8.92	110	117	7	6.36
4.	College education	68	73	5	7.35	65	68	3	4.61
	Total	636	711	75	11.79	627	691	64	10.20

**Source:** Field data.

Table 5. shows that in the delta area the incremental mandays were 28 for the illiterate 32 days for those with primary education, 10 days for those with secondary education, and 5 days for those with college education. The percentage of incremental mandays was 12.66 for the illiterate, 13.61 for those with primary education, 8.92 for those with secondary education and 7.35 for those with college education. In the non-delta area, the incremental mandays were 25 days for the illiterate, 29 days for those with primary education, 7 days for those with secondary education and 3 days for those with college education.

The percentage of incremental mandays were 11.41 for the illiterate, 12.44 for those with primary education, 6.36 for those with secondary education and 4.61 for those with college education.

The incremental mandays and the percentage of incremental mandays were high in the delta area when compared with those of the non-delta area, in the levels of education categories.

**Table 6.**  
**t-test for Employment Generation Level of Education**

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	159.00	4	81.87	40.94	2.830*
Delta Post-loan	177.75	4	95.08	47.54	
Non-delta Pre-loan	156.75	4	82.25	41.12	2.479*
Non-delta post-loan	172.75	4	95.08	47.54	

\* 5 per cent level of significance

Source: Table 5.

Table 6. shows that there is a significant difference between pre-loan and post-loan periods among the different caste groups at 5 per cent level of significance in both the areas.

Table 7.

## Employment Generation on the Basis of Category Farmers

S. No.	Size of Farmers	Delta area				Non-delta area			
		Average mandays		Incremental mandays	Percentage of incremental mandays	Average mandays		Incremental mandays	Percentage of incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Marginal farmers	238	273	35	14.70	235	264	29	12.34
2.	Small farmers	226	253	27	11.94	223	249	26	11.65
3.	Medium farmers	107	116	9	8.41	106	112	6	5.66
4.	Large farmers	65	69	4	6.15	63	66	3	4.76
	Total	636	711	75	11.79	627	691	64	10.20

**Source:** Field data.

Table 7. reveals in the delta area that the incremental mandays were 35 days for the marginal farmers, 27 days for the small farmers, 9 days for the medium farmers and 4 days for the large farmers. The percentage of incremental man days was 14.70 for the marginal farmers, 11.94 for the small farmers, 8.41 for the medium farmers and 6.15 for the large farmers. In the non-delta area the incremental man days were 29 days for the marginal farmers, 26 days for the small farmers, 6 days for the medium farmers, and 3 days for the large farmers. The percentage of incremental mandays was 12.34 for the marginal farmers, 11.65 for the small farmers, 5.66 for the medium farmers, and 4.76 for the large farmers.

The incremental mandays and the percentage of incremental mandays were high in the delta area when compared to those of the non-delta area among farmers of different sizes.

Table 8.

**t-test for Employment Generation on the Basis of Size of Farmers**

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	159.00	4	86.16	43.08	2.558*
Delta Post-loan	177.75	4	100.62	50.31	
Non-delta Pre-loan	156.75	4	85.39	42.70	2.390*
Non-delta post-loan	172.75	4	98.70	49.35	

\* 5 per cent level of significance.

Source: Table 7..

Table 8. shows that there is a significant difference between pre-loan and post-loan periods among the size of farmers at 5 per cent level of significance in both the areas.

Table 9.

## Employment Generation on the Basis of Occupation

S. No.	Category of Occupation	Delta area				Non-delta area			
		Average mandays		Incremental mandays	Percentage of incremental mandays	Average mandays		Incremental mandays	Percentage of incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Cultivation	237	273	36	15.18	234	262	28	11.96
2.	Cultivation and wage earning	227	253	26	11.45	222	248	26	11.71
3.	Cultivation and allied activities	111	120	9	8.10	104	109	5	4.80
4.	Cultivation and employment	26	28	2	7.69	30	32	2	6.66
5.	Cultivation and business	35	37	2	5.71	37	40	3	8.10
	Total	636	711	75	11.79	627	691	64	10.20

Source: Field data.

Table 9. indicates that the incremental mandays were 36 days for those in cultivation, 26 days for those in cultivation and wage earning, 9 days for those in cultivation and allied activities, 2 days for those in cultivation and employment, and 2 days for those engaged in cultivation and business.

The percentage of incremental mandays was 15.18 for those engaged in cultivation, 11.45 for those engaged in cultivation and wage earning, 8.10 for those in cultivation and allied activities, 7.69 for those in cultivation and employment and 5.71 for those in cultivation and business. The incremental man days were 28 days for those in cultivation, 26 days for those in cultivation and wage earning, 5 days for those in cultivation and allied activities, 2 days for those in cultivation and employment and 3 days for those in activation and business. The percentage of incremental mandays was 11.96 percent for those in cultivation, 11.71 for those in cultivation and wage earning, 4.80 for those in cultivation and allied activities, 6.66 for those in cultivation and employment and 8.10 for those engaged in cultivation and business.

The incremental mandays and the percentage of incremental mandays were high in the delta area when compared to the non-delta area among the categories of occupation.

**Table 10.**

**t-test for Employment Generation on the Basis of Occupation**

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	127.20	5	101.27	45.29	2.193*
Delta Post-loan	142.20	5	116.18	51.96	
Non-delta Pre-loan	125.40	5	98.11	43.87	2.197*
Non-delta post-loan	138.20	5	110.86	49.58	

\* 5 per cent level of significance

Source: Table 9.

Table 10. shows that there is a significant difference between pre-loan and post-loan periods among the occupational categories at 5 per cent level of significance in both the areas.

**Summary**

One of the objectives of Pinakini Grameena Bank is to create more of self-employment rather than wage employment in rural areas. Viewed from this angle, the percentage of incremental mandays in both areas is low among those who are below 20 years in age and high among those whose age is between 20 and 50 years. Castewise, the percentage of incremental mandays is low among those of the Forward Caste and high among the Scheduled Castes in comparison with those of other castes in both areas. Education-wise, the percentage of incremental mandays is low among the college educated and high among the illiterate in both areas. The percentage of incremental mandays is low among large farmers and high among marginal farmers.

Occupation-wise in both areas, the percentage of incremental mandays is low among those engaged in both cultivation and business and high among those engaged in cultivation.

### **References:**

- Srivastava, R.N, Singh D.K. and Singh R.P, Champaram Kshetriya Grameena Bank in Bihar State, 1981
- Jagadish Prasad and Sunil Kumar) A case study of Vyshali Kshetriya Grameena Bank in Mujaffarpur district of Bihar, 1981-82
- N. Mohsin and R. Jha) credit repayment performance of beneficiaries financed by Kshetriya Grameena Ban,1987.
- Garg, J.S. Singh, G.N. and Tripathi, R.N., “An Analysis of Agricultural Financing by Regional Rural Banks in Moradabad of Uttar Pradesh”, **Journal of Agricultural Economics**, vol. 23, No.4, 1978.
- Gayathri, K. “Credit Delivery in Rural Karnataka: A case of Chikmangalur District”, **Journal of Rural Development**, Vol. 12, No.3, May1993.