



The Economic Impact Of The Kisan Credit Card Scheme On Farmers, With Special Reference To Kurud Tehsil, Dhamtari District.

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Abstract

Although human life has always been a struggle, this struggle has been particularly pronounced in the lives of farmers. They have faced uncertainty in their profession since time immemorial, dealing with challenges such as floods, droughts, and pests. Farmers are the providers of food, but the inherent uncertainties of their profession prevent them from achieving economic prosperity, often forcing them to abandon farming. In such a situation, any form of assurance or financial support provides them with renewed hope and energy. With the objective of providing financial relief to farmers, the central government launched the Kisan Credit Card scheme

Index Terms – kisan credit card scheme, rural development, farmer prosperity.

Introduction:

Farmers are the providers of food. Even today, 70% of India's population depends on agriculture, but their condition is quite backward. India is a country of villages where livelihoods are primarily based on agriculture. From time to time, the government implements various schemes to assist farmers so that their income structure can be improved. With the objective of farmer prosperity, the central government has been operating the Kisan Credit Card scheme since 1998. The scheme provides loans to farmers at minimum interest rates so that there are no obstacles in agricultural activities. This research study has been conducted in the context of the Kurud tehsil of Dhamtari district, Chhattisgarh, regarding the economic impact of the Kisan Credit Card scheme on farmers.

Objectives of the study:

1. To study the impact of the Kisan Credit Card on the income of farmers.
2. To study the impact of the Kisan Credit Card on rural development.

Hypotheses of the study:

H0: The Kisan Credit Card has had no impact on the income of farmers.

H1: The Kisan Credit Card has had a positive impact on the income of farmers.

H0: The Kisan Credit Card has had no impact on rural development.

H1: The Kisan Credit Card has had a positive impact on rural development.

Area of Study:

This study has been conducted in Kurud tehsil of Dhamtari district, Chhattisgarh, where data has been collected from farmers of 10 villages of the tehsil.

Research Methodology:

This study is based on primary data, in which data has been collected from 50 farmers of the tehsil, and the conclusions have been analyzed using the percentage method.

Literature of Review

1. Taufiq Ahmed (2019) clarified through his research study that farmers are benefiting from other beneficial schemes in addition to the KCC scheme, such as accident insurance schemes and health insurance schemes, the premiums for which are also being paid from their Kisan Credit Card scheme accounts. This means that the Kisan Credit Card scheme is providing collective benefits to farmers.
2. Dr. V. Srija (2023) clarified through her study that KCC scheme beneficiaries are generally using the amount received from the scheme for the development of agricultural activities. Through this scheme, most farmers have received loans ranging from ₹75,000 to ₹125,000, and some farmers have received up to ₹200,000 under the KCC scheme. This amount is being used for purchasing seeds and fertilizers, as well as for buying small tools and even heavy machinery.
3. Mehta et al. (2016) analyzed the KCC scheme and clarified that this scheme is extremely beneficial for farmers and is also popular among them. They also suggested that if the procedures of this scheme are made even simpler and more convenient, then more and more farmers will benefit from it.
4. Gaikar Vilas B (2021) stated through his research that there has been a growth rate in the number of beneficiaries of the Kisan Credit Card scheme and the amount disbursed under the KCC scheme from 2017-18 to 2020-21. The amount of loans sanctioned by banks under the KCC scheme has increased manifold, benefiting the farmers.

Kisan Credit Card Scheme and the Living Standards of Farmers

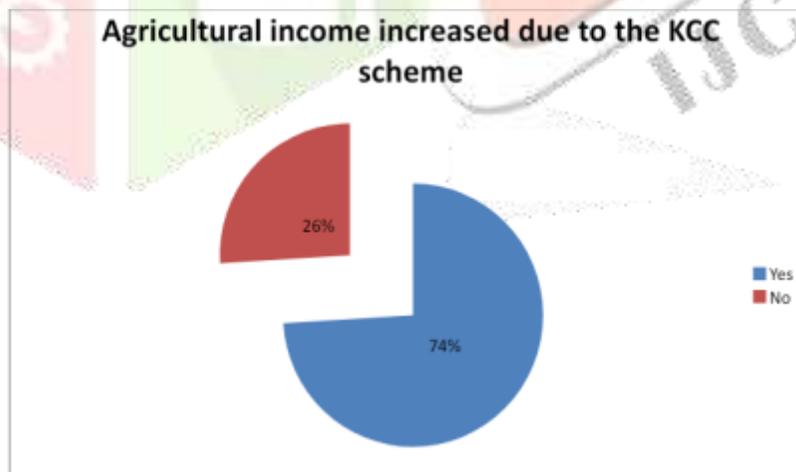
The Kisan Credit Card scheme was launched with the objective of providing financial assistance to farmers engaged in agricultural activities, so that their living standards could be improved. Although not all farmers are able to benefit from this scheme, those who are beneficiaries have seen positive changes in their lives. Through this scheme, 66% of farmers have received short-term loans, which they have used for agricultural activities. This scheme has greatly helped them in obtaining seeds, fertilizers, and other inputs on time. Due to this

financial assistance, their income has also increased as a result of increased yield. Their livelihood has become easier and more prosperous, which has resulted in a higher standard of living for the farmers.

DATA TABLE -

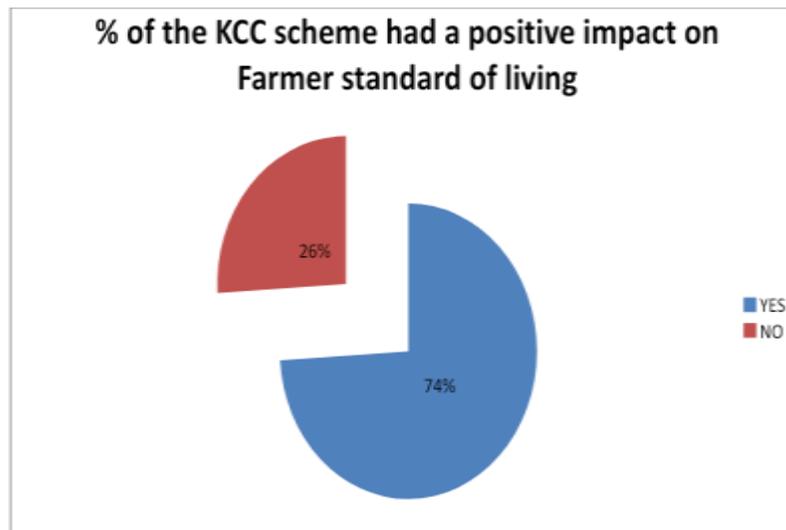
S.No	Question (Base)	Response by farmers "Yes"	Response by farmers "No"	Percentage response "yes"	Percentage response "No"
1.	Have you obtained a loan under the KCC scheme?	50	00	100%	0%
2.	Has your agriculture income increased due to the impact of the KCC scheme?	37	13	74%	26%
3.	Has the KCC scheme had a positive impact on your standard of living?	37	13	74%	26%
4.	Are you able to repay the (KCC scheme)loan on time?	41	09	82%	18%

Sources - Primary Data



Sources- Primary Data

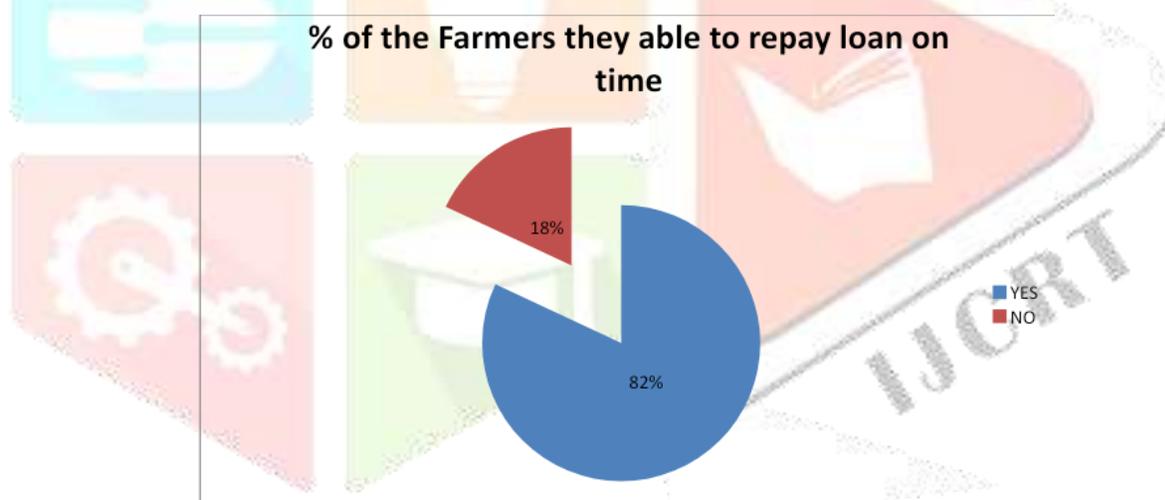
Impact on Agricultural Income - About 74% of the farmers stated that their agricultural income has increased due to the impact of the KCC scheme, while 26% reported no increase. This suggests that the scheme has played a significant role in enhancing farm investment and agricultural productivity for a majority of farmers.



Sources- Primary Data

Impact on Standard of Living

Nearly 74% of the respondents agreed that the KCC scheme has had a positive impact on their standard of living, whereas 26% did not observe any significant improvement. This reflects that the benefits of the KCC scheme extend beyond income and contribute to overall socio-economic well-being.



Sources- Primary Data

Loan Repayment Capacity

A large proportion of farmers (82%) are able to repay the KCC loan on time, while 18% face difficulties in timely repayment. This indicates improved financial stability among most farmers and reflects the sustainability of the KCC loan system.

Overall Interpretation

The data clearly shows that the KCC scheme has been effective in providing timely credit, improving agricultural income, enhancing the standard of living, and strengthening the repayment capacity of farmers. Overall, the scheme has had a positive economic and social impact on the farming community.

Conclusion

Agriculture is a vital part of the Indian economy, and its development is crucial for the overall growth of the Indian economy. Therefore, sustainable agricultural development is absolutely essential. This scheme holds a special place among the government-sponsored programs aimed at the economic progress of farmers. 74% of the farmers who received loans under the Kisan Credit Card scheme acknowledged that it has brought about positive changes in their lives in the areas of health, education, and nutrition, and has increased their income. While 82% of the farmers repaid their loans on time, the fact that 18% did not repay on time is not a failure of the scheme itself, but rather due to certain personal reasons and unforeseen circumstances. The study clearly shows that this scheme has proven to be quite beneficial for farmers, making.

Reference

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