International Journal of Scientific Research in Science, Engineering and Technology
Print ISSN: 2395-1990 | Online ISSN : 2394-4099 (www.ijsrset.com)
doi : https://doi.org/10.32628/IJSRSET1229499

Agricultural Invention and Economic Growth

Dr. Swarooprani. K
Assistant Professor, Siddhartha Arts and Commerce Degree College Bidar, Karnataka, India

Article Info
Volume 9, Issue 5
Page Number : 66-69

Publication Issue :
September-October-2022

Article History
Accepted : 01 Sep 2022
Published: 12 Sep 2022

ABSTRACT

A financial reserve is one of the key basics to this conversion. Financial resource is a very significant, if not the most significant, factor in economic growth. Farmers need economic resource to buy enhanced agricultural inputs and farm apparatus so that they can raise their output and income level and break the series of poverty. Farmer's asset in these technologies cannot be real without having in place organization and systems that are capable of effectively providing rural financial services to farmers. So, the exertion to expand agriculture could suffer in the nonappearance of a muscular financial base that aims at expanding entrée to credit for small farmers. Regrettably, the state of rural financial markets in rising countries is characterized by insufficient accessibility of financing for both farming and non-agricultural tricks. Very few of the rural populations have admittance to financial military since commercial banks believe lending to small farmers as a chancy business and because providing.

Keywords: Agricultural, Rural Development, Agricultural Invention.

I. INTRODUCTION

Agricultural Marketing and Rural Management Financial martial to rural citizens are careful to be more exclusive and thorny. Lending to small farmers involves high operation costs. They lack traditionalist collateral and the executive skill and do not keep records. India is characterized by a inhuman circle of poverty (low productivity, low income, low coffers and therefore low efficiency). In order to break this cycle of shortage and raise efficiency injection of capital could play a chief role. Praise is the only instrument for small farmers to attain the beloved capital goods for manufacture and to break the ferocious cycle of scarcity and raise their output and level of income. Ethiopia should forever give precedence to the peasant agriculture in its nationwide growth efforts since growth cannot take place without generous particular considerations to the mainstream of the rural population. In a country where agriculture accounts for a major proportion of economic activities and employs a large proportion of the population improved availability of credit to the sector would lead to enlarged production and increase. Therefore, in order for cultivation to effectively meet the confront of being an train of growth credit should be made obtainable and available to farmers in particular.

Objectives of the Paper :

1) To know the Agricultural finance for economic growth.
2) To learn the Institutional sources for agriculture.
3) To study the categorization of agricultural credit.

Copyright: © the author(s), publisher and licensee Technoscience Academy. This is an open-access article distributed under the terms of the Creative Commons Attribution Non-Commercial License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited

II. RESEARCH METHODOLOGY

A close study has been carried out by Agricultural Invention and Economic growth and the methodology in commerce research comprises collection of secondary data for this research paper. The secondary data are drawn classified from the Govt. Publications of books, monthly journals on agricultural invention and economic growth, including the annual reports of agriculture finance, wherever necessary reference was also made in different issues of bulletins, agricultural finance and economic development. Internet websites and apart from this, different edition of daily newspapers, such as the Hindu, Indian Express, etc, were also used for the purpose of collection the information.

Importance of Agricultural Invention:

Credit is necessary for agricultural growth and also for the growth of the economy as a whole. The agricultural finance is necessary for the following reasons:

The scope for broad agriculture in India is imperfect. Therefore, increase in agricultural manufacture is possible only by increase and diversification of farming. Severe agriculture needs huge capital.

Farmer's economic situation is subject to frequent ambush of flood, drought, famine etc. Therefore, either the continuation of agriculture of crops or creation improvements on the farms depends on the nature and accessibility of finance.

In order to maintain the growth of agro-based industries, there should be a significant increase in the supply of raw resources wanted for such industries. Therefore, for the development of farm sector, a stable flow of credit is required and it would enhance overall increase of the economy.

In agriculture, flat capital is locked up in ceaseless investments like land, well, buildings, etc. also, it takes a long time to get profits from farm. Hence, farmers need finance to persist their farm process and the weaker sections of the farming community should be motivated to participate in growth programmes by charitable financial assistance to obtain productive assets.

Institutional Sources for Agriculture:

Institutional sources consist of the government and co-operative societies, profitable bank Including the Regional bank, Lead bank.

Co-Operative Societies Indian planners believe co-operation as a device for inexpensive growth of the penniless farmers, chiefly in the rural areas. They see in a village panchayat, a village helpful and village school, as the trinity of institute on which a self-reliant and just financial and social order is to be built. The supportive movement was ongoing in India mainly with a view to provide agriculturists funds for agricultural operations at low rates of attention and projects them from the control of money lenders.

Primary Agricultural Credit Society:

Primary agricultural credit societies are pasturing root plane arms of the short term co-operative credit structure. PACs deal openly with farmer borrowers, grant short term and average term loans and also suppose distribution and making functions.

Agricultural Marketing and Rural Management:

PACs has been growing steadily. In 1950-51, it higher loan worth Rs. 23 crores and Rs. 34,520 crores in 2000-01. The PACs have stepped up their advances to the weaker sections chiefly the small and slight farmers. The progress has been quite imposing but not sufficient considering the demand of money by farmers.

Central Co-Operative Banks:

There are now 369 (2001-2002) District Central Co-operative Banks. The loan amount of 56,650 crores is circulated to the farmers so far. Their main task is to lead Primary Agricultural Credit Societies in village. Central Co-operative Banks functions as intermediaries between the State Co-operative Bank and Primary Agricultural credit society.

State Co-Operative Banks:

There are now 30 State Co-operative banks in the country. These Banks are the peak banks of the Co-operative credit arrangement. It serves as a link between NABARD from which it borrows and lends to the co-operative central bank and primary societies village.

Classification of Agricultural Credit:

Agricultural credit can be classified based on purpose, time (repayment period), and security, generation of surplus funds, creditor and number of activities for which credit is provided. Purpose: Based on the purpose for which loan is granted, agricultural credit is categorized into: **Growth Credit or Investment Credit**: This is provided for acquiring durable property or for improving the obtainable assets. Under this, credit is extended for:

1. Purchase of land and land retrieval.
2. Purchase of farm machineries and apparatus
3. Growth of irrigation facilities
4. Construction of farm structures
5. Development of plantation and orchards
6. Development of dairy, poultry, sheep/goat, fisheries, sericulture, etc.

Repayment Period:

Based on the period for which the borrower requires credit, it is alienated into:

Short-Term Credit:

It is given to farmers for periods ranging from 6 to 18 months and is primarily meant to meet agriculture Expenses viz., purchase of seed, fertilizer, pesticides and payment of wages to laborers. It serves as the working assets to operate the farm efficiently and is probable to be repaid at the time of harvesting / marketing of crops. It. should be repaid in one installment.

Medium-Term Credit:

Repayment is for the period of 2 to 5 years, it is for the purchase of pump-sets, farm machineries and apparatus, bullocks, dairy animals and to carry out minor development in the farm. It can be repaid either in half yearly or annual installments.

Long-Term Credit:

It is advanced for periods more than 5 years and extends even unto twenty five years against mortgage of permanent property for undertaking growth works viz., sinking wells, purchase of tractor, and ranking permanent improvement in the farm. It has to be repaid in half-yearly or annual installments.

Generation of Surplus Funds:

Based on generation of excess funds, credit can be classified as self-liquidating and non-self -liquidating acclaim.

Self Liquidating Credit:

In this case, loan amount gets absorbed in the production process-in one year or manufacture period and the further income generated is sufficient to repay the complete loan amount.

Non-Self Liquidating Credit:

Here the income acquired with the borrowed funds is not inspired in the production process through the project period. The investment is spread over a period of numerous years. The further income generated in one year is not enough to repay the entire loan amount and hence the repayment is increase over to number of years.

Agricultural Marketing and Rural Management:

And gainful businesses of small and large farmers and companies in the cultivation sector. Innovation in finance to solve the wants of the rural sector should not be limited to financial institutions. The government can play a proactive role by promoting laws and system with new monetary instruments or even raising awareness of accessible ones to bring them to the attention of the monetary and agricultural sectors. Specialization in farming finance in the government and in the financial sectors is a significant driver to its development.

III.CONCLUSION

Access to money is a vital part of any developed cultivation sector, and drawing farmers and small entrepreneurs in developing countries into the financial system is far from talented. It is not mere accident that the countries with developed financial markets in the cultivation sector are the ones where the sector is also highly industrial. This does not necessarily mean that only residential countries can have successful stories of cultivation finance. In fact, many of the examples cited above come from rising countries. It requires a combination of good laws, a particular financial sector.

IV. REFERENCES

[1]. Durgadas Roy (2006), “Rural Banking and Agricultural Finance in India Promise and Reality”, Rajat Publications, New Delhi.

[2]. Banerjee. P. K. (1970), “Indian Agricultural Economy”, Chaitanya Publication, New Delhi.

[3]. Choubey B.N (1983), “Agricultural Banking in India”, National Publishing House, New Delhi.

[4]. Umesh Prasad (2003), “Agricultural Credit and NABARD”, Deep and Deep Publications Pvt. Ltd., New Delhi.

[5]. Rath, Nilakantha, “Agricultural Credit for Agriculture in India”, Journal of Indian School of Political Economy, 1(2), 1989: 239 – 67.

Cite this article as :

Dr. Swarooprani. K, "Agricultural Invention and Economic Growth", International Journal of Scientific Research in Science, Engineering and Technology (IJSRSET), Online ISSN : 2394-4099, Print ISSN : 2395-1990, Volume 9 Issue 5, pp. 66-69, September-October 2022. Available at doi : https://doi.org/10.32628/IJSRSET1229499

Journal URL : https://ijsrset.com/IJSRSET1229499