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Credit repayment pattern of farmers in Jaunpur district of Uttar Pradesh

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Abstract
Credit is the crucial input for the economic development of the farmers as it helps in increased production through use of modem inputs. The investigation entitled Credit repayment patterns of farmers in Jaunpur district of Uttar Pradesh, was carried out to examine the nature of credit utilization and it's repayment by the different groups of farmers in the Jaunpur district. Jaunpur district was selected purposively for the study. One block namely Karanzakala and five villages were selected purposively. A separate list of respondents of five selected villages was prepared and respondents were selected randomly. From these lists a sample of 120 respondents (60 borrower and 60 non-borrower) were selected for study purpose. For the interpretation of the data the tabular analysis and simple statistical tools were used to find out the results. The study period pertains to agricultural year 2020-21.
The results of the study revealed that 55 per cent borrowers repaid loan borrowed and 45 per cent of borrowers had not repaid the borrowed loan amount. The majority of farmers had not repaid the credit taken due to COVID-19 imposed lockdowns in the entire nation followed by other reasons. 73.28 per cent loan amount was repaid while 39.08 per cent amount over dues.

Keywords: credit, loan, loan repayment, economic development, credit repayment patterns

Introduction
From time immemorial, agriculture has occupied a pivotal position in India's economic development and it has been regarded as a major economic power house that has a bearing on the whole economy. Indian economy largely depends upon agriculture as more than 72 per cent of its population is employed in it. Indian agriculture is relying on the mercies of monsoons for its survival. But still certain other factors Such as irrigation facilities, labour, fertilizers, pesticides, and seeds etc., contribute significantly in the growth of agriculture. For acquiring these essential inputs, Indian farmer needs credit as their financial base, is very weak.

One of the key drivers of progress in any sector is the proper availability of finance. In the case of agriculture, it is not only the availability of credit but also the access to adequate institutional credit that matters, since most of agriculturists belong to small and marginal farmer categories.

Credit is a vital input for meeting the requirements of agriculture, dairy, poultry, artisan work, business and for carrying out consumption needs of the rural families. An understanding of the nature, purpose and extent of credit utilization in the rural families would give an insight of how the families are managing their credit resources so as to improve their standard of living. It is of vital importance to get a feedback from the families with regard to the problems encountered in the credit availability and its influence on their family expenditure. Availing credit has both positive and negative effects on the family s finances. Very often there is misuse of credit by the families. On the other hand, there may be exploitation of the families especially by the private credit agencies. As a result, the families encounter endless financial hardship leading to debts and misery. Against this background the proposed study will make an attempt to examine the credit repaymet pattern of the farmers.

Materials and Methods
Karanzakala block which had highest loan availing was selected purposively. Out of 185 villages, the top five villages where maximum financing was availed through banks were selected. The villages selected purposively for the study were Ladlepur, Piyarepur, Shikarpur, Nadiyapara, Palhamaukhurd. First the farmers were categorized in three different groups: marginal, small and medium farmers. Out of all the population, 10 % of samples are selected

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randomly. Worth mentioning that farmers categorization is as follows: Marginal farmers: farmers having land holding less than 1 hectare. Small farmers: farmers having land holding 1 to 2 hectares. Medium farmers: farmers having land holding above 2 hectares. After the random selection of respondents, the farmers were categorized into two different groups randomly. Borrowers Non borrowers From these lists a sample of 120 respondents (60 from borrower and 60 from non-borrower) were selected for study purpose. The structured and pilot-tested questionnaire was used to collect the primary data, and then the collected data were calculated and analyzed by using descriptive statistics. The period of the study extended from 1st December 2020 to 31st May 2021. Tabular presentation was adopted to compile the general characteristics of the

- different size of farm respondents,
- Availability, utilization and repayment of credit by the borrowers,

For the interpretation of data the following analytical tools was used:

Percent
A percentage is the number of a function whose denominator is 100. In other word it is a decimal part of 100.

Average
An average is a practice yet simple divergent individual volume in other word, it is the consolidated result of complex distribution. The best knows as most commonly used form of average is the arithmetic mean.

$$Average = \frac{Sum\ of\ terms/values}{Number\ of\ terms/values}$$

Arithmetic mean:
The arithmetic mean is obtained by dividing the sum of values of observations by the number of observation; it is usually denoted by $\bar{X}$.

$$A.M = \frac{\sum X}{N}$$

Where,
- A.M= Arithmetic mean
- X = variate values (value of the variable)
- N = size of the sample

Results and Discussion
The information regarding repayment of loan by the borrowers is indicated in the Table 1. The data from the table depicts that majority of borrowers i.e.55 per cent of borrowers had repaid the loan borrowed, while 45 per cent of borrowers had not repaid the loan borrowed.

Table 1: Repayment of loan by the borrowers

S. No	Repayment of loan by the borrowers	Number	Percentage share
1	Yes	33	55
2	No	27	45
	Total	60	100

The table also indicates that about 55per cent borrowers repaid loan borrowed and 45 per cent of borrowers had not repaid or partial repaid the borrowed loan amount among them.
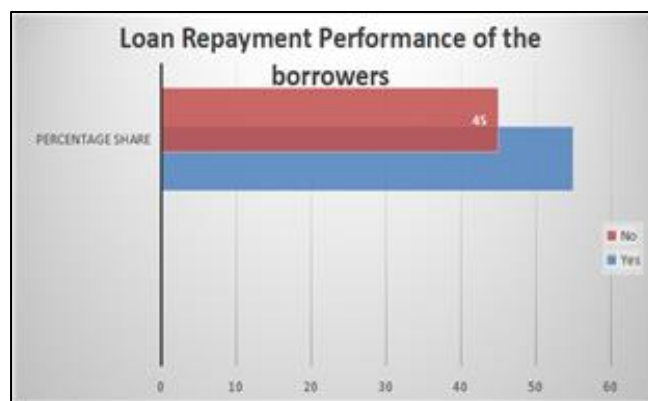

Fig 1: Graphical representation of percentage share of repayment of loan by the borrowers.

Reasons for non-repayment of credit by the borrowers were enlisted in the Table 2 It is clear from the table that majority of farmers i.e. 40.74 per cent had not repaid the credit taken due to COVID-19 lockdowns followed by 33.33 percent due to inadequate income, 14.81per cent of farmers had not repaid the credit due to unremunarative prices. However 11.11 per cent had not repaid the credit due to crop failure.

Table 2: Reasons for non-repayment of credit by the borrowers in the study area

S. No	Reasons for non-repayment of credit by the borrowers	Number	Percentage share
1	Crop failure	3	11.11
2	Inadequate income	9	33.33
3	COVID-19 lockdown	11	40.74
4	Unremunarative prices	4	14.81
	Total	27	100

About 70.83 per cent of total defaulters made default in repayment because of inability to generate surplus income from agriculture. In the case of 29.17 per cent of the sample, they could not give any specific reason for the default (Udaya Kumar *et al*., 2002).
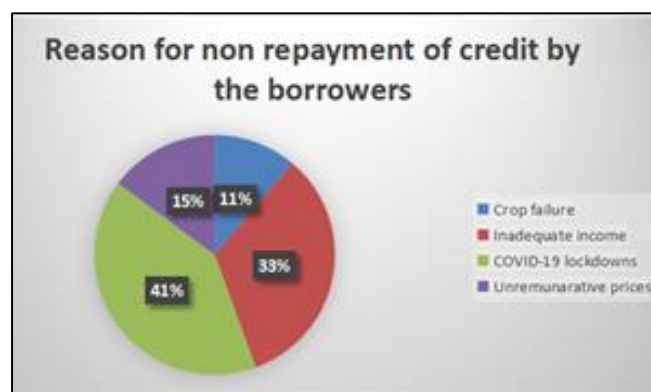

Fig 2: Graphical representation of percentage share of reasons for non-repayment of credit by the borrowers in the study area

Credit repayment performance by borrowers
Various details of the credit obtained by borrowers were discussed in this section. As shown in the table 3. the amount

borrowed Rs. 2115000 and total interest amount with the rate of 4%, 7% and 9.5% computed as Rs.261646.78, repaid amount Rs. 1550043.6 and over dues amount Rs.826603.2

respectively.

It is also observed from the table 4.11 that 73.28 per cent loan amount repaid while 39.08 per cent amount over dues.

Table 3: Credit performance of borrowers in the study area

S. No	No of borrower	Applied Credit amount	Total amount borrowed	Total amount of interest @ 4% 7% 9.5%	Total amount due	Repaid amount	Over Dues
1	60	3330000	2115000	261646.78	2376646.80	1550043.60	826603.20
2	Per cent		100	12.37	112.37	73.28	39.08

Conclusions

Farmers need credit to meet their occupational and consumption expenses. To meet their requirements, the farmers depend on credit from institutional and non-institutional sources. In order to gain insight into the credit management, it's repayment and its effect on farmer s income, the present study was taken up. The information regarding repayment of loan by the borrowers is indicated in the Table 1. 55 per cent borrowers repaid loan borrowed and 45 per cent of borrowers had not repaid the borrowed loan amount among them.

Reasons for non-repayment of credit by the borrowers were enlisted in the Table 2. Majority of farmers i.e. 40.74 per cent had not repaid the credit taken due to covid-19 imposed lockdowns in the entire nation followed by 33.33 percent who could not repay due to their inadequate income, 14.81 per cent of farmers had not repaid the credit due to unremunarative prices. However 11.11 per cent had not repaid the credit due to crop failure.

As shown in the Table 3. The amount borrowed by the respondents was rs. 2115000 and total interest amount with the rate of 4%, 7% and 9.5% computed as rs.261646.78, repaid amount rs. 1550043.6 and over dues amount rs.826603.2 respectively. it is also observed from the table 4.11 that 73.28 per cent loan amount repaid while 39.08 per cent amount over dues.

Thus we can come to a conclusion that COVID-19 lockdowns were a major reason of non-repayment of credit by the farmers on time.

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