

**A STUDY ON ROLE OF SERVICE CO-OPERATIVE BANK TO
THE AGRICULTURE GROWTH OF KUTTOOR REGION-STUDY
CONDUCTED AT KUTTOOR SERVICE CO-OPERATIVE BANK**

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ABSTRACT

India is an agricultural based country and its 70% of population stay in rural area. Agriculture, has gained its importance in the era of civilization itself. In agriculture dominated rural sector, co-operative banks play a vital role in bolstering the common individual and financing his business and personal needs. The cooperative societies which are lifeblood of Indian economy and one of the mechanism for any developmental programs, is to be given due importance for the upliftment of rural sector and thereby overall growth of the country. This research is about the role of service co-operative bank to the agriculture growth of Kuttoor region. Agriculture is the integral part of the Indian culture. Some of the important objectives of the study are to study the contribution of Kuttoor cooperative bank to the agricultural development of kuttoor region and to study the performance of cooperative banking in respect of agricultural credit and rural development. For this purpose of this research survey among account holders of kuttoor cooperative bank and secondary data from various sources like printed and published articles, internet websites and scholarly articles. For this study a sample survey of 100 respondents were taken.

From the study conducted it was found that Kuttoor Service Co-operative bank plays a vital role in the agriculture growth of Kuttoor region by providing various agriculture aided services like lower interest rates on loans, higher interest rate on deposits, providing healthy crops from its

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warehouses, providing go downs to collect and protect the products of the members etc. The study also exhibit that the bank is not only providing monetary assistance but also educate and provide assistance to the members about the pattern of cultivation, conducting orientation programmes for the healthy sowing and reaping of crops, and other services for the growth and development of agriculture and members.

Key words: Agriculture, Banking Industry, Service Co-operative Bank, Farmers, Learning Organization

INTRODUCTION

India is an agricultural based country and its 70% of population stay in rural area. Agriculture, has gained its importance in the era of civilization itself. The first concern of man has been food, clothing and shelter in that order from the beginning of time. Agriculture being one of the oldest industries, from the earliest human societies its origin can be traced. From the pre historic era up to the era ancient civilization the existence of man depended on the ability of the individual to hunt and gather food for consumption. With the realization that food was basic need for survival, efforts were made by early man to cultivate crops. In spite of the limitations which agriculture is facing it remained the most important sector of the world economy. Agriculture contributes to the welfare of the nation. It is a basic industry that supports all industries and all aspects of needs can justify from its role and contributions to nation building. Between 70 – 75% of working population in rural areas engage in agriculture production (farming). Some are provide jobs in the industries e.g. textile industry, Breweries and shoe industry.

In a creating economy the part of bank in more making and deliberate than in the created one. In a creating nation. where the managing an account hones among the general population are not created. The errand of making and spreading the managing an account hones and assembling the nation assets turns into a testing one. Today bank has turned into a vital part of our life. Presently bank offer access to even normal man and their exercises degree to ranges here to untouched. Aside from their conventional business, they have now turned out to satisfy national obligations and obligations. Banks oblige the necessities of agriculturist, industrialist, and dealers and to the various areas of the general public. Along these lines they quicken the financial

development of a nation and control the wheels of the economy toward the objective of independence all of us field.

Agribusiness includes exercises like clearing of the land and the separating of surface soil, the sowing for seeds, the expulsion of the weeds from the ranch, the collecting and capacity of products which are later on discarded by promoting and furthermore incorporates the reproducing and raising of creatures. All these Co-agents social orders can help ranchers, which include more noteworthy measures of work, time, cost and profitability. Rural training and direction is a range in horticulture which incorporates peopling to build up a longing to learn and show agribusiness and appropriate guidelines are given in order to sawing and reaping of yields. There by rolling out an improvement of conduct towards rural practices.

OBJECTIVES OF THE STUDY

- To study the performance of cooperative banking in respect of agricultural credit and Rural development.
- To study the role of cooperative bank in the agriculture growth of Kuttoor region
- To study the agricultural credit structure of the Kuttoor Service Co-operative Bank

METHODOLOGY OF THE STUDY

The primary data for the purpose of study has been collected through a well structured interview schedule. Secondary has been collected from journals, articles, government reports and publications and internet. The convenient sampling method applied for the selection of proposed sample size of 100 respondents from Kuttoor region

- Primary data: Discussion was held with the secretary of the bank. Interviews were conducted with account holders using questionnaire.
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- Secondary data : Secondary data were obtained from the internal records of the company i.e. from the published annual reports, websites, journals, magazines and also text books related to finance and banking

IMPORTANCE OF THE STUDY

As India is a agriculturalist economy it is needed to take care of the welfare of the agriculture sector and the people who are engaged with that. Majority of the people of rural is relied on agriculture and the percentage is coming down. Now a day, the country is giving more importance on the service sector and secondary sector. But we can't eat hardware or software. For that we need to take care of the primary sector. So initiatives should be taken by Government and other public institutions to protect the interest of them.

A well-defined banking sector is important for flourishing economy. Co-operative Societies are undertaking by the government for helping people in the rural areas and plays a major role in the welfare of the farmers. One of the most important roles played by banking sector is that of lending business. It is generally encouraged, because it has the effect of funds channelized from the system to productive avenues, which also results into economic growth. Co-operative banks helps farmers by providing funds and other agriculture aided things for the betterment of the farmers. So it is important to study the role of service co-operative bank to agricultural growth so that the strengths and weaknesses of the service co-operative bank towards agriculture growth can be identified and will help to maximise the use of strengths and minimise the effects of weakness.

NEEDS OF THE STUDY

“Once an old man said that, once in your life you need a doctor, a lawyer, a policeman and a preacher but every day, three times a day, you need a farmer”.

The need of taking care of farmers and agricultural sector is clearly defined. Our country is the second largest producer of the milk, cotton and silk. Still the standards of the farmers are under the poverty line. In the current scenario where many suicides of the farmers are happening because of the inability to pay back the loan, seasonal changes, couldn't meet the expenses etc. So a thorough study is needed to analyses and improve the life standards of the farmers.

The Indian Cooperative Movement has assumed vital part in the Indian economy particularly in the improvement of the agribusiness and rustic areas joining the qualities of both open and private segment extraordinarily in supporting the little and minimal ranchers and weaker

segments. Instantly post-Independence in 1947, the legislature perceived Cooperative Sector as a third monetary part to fill in as an adjusting variable between the private and open divisions. The legislature had even considered the helpful part as an 'Agreeable Commonwealth'. Thusly cooperatives created as a unique division consolidating the qualities of both people in general and private areas, particularly serving the requirements of little and negligible agriculturists and weaker gatherings. At exhibit it is the biggest Movement on the planet.

Co-operatives had a few points of interest, for example, simple access to monetary and regulatory support for creating basic foundation and administrations required to support agriculture generation and to duplicate on a more extensive scale. The co-operative banking field is one of the main partners of Indian banking; the cooperative banks have more reach to the rural, through their huge network of credit societies in the institutional credit path. The cooperative sector has played an important role in the economy of the country and always recognized as an important part of our national economy. The co-operative covers almost all villages in India. The co-operative form is the Ideal Organization for economically weaker sections in the country. According to recent study by World Bank and National Council for Applied Economic Research, the Primary Agriculture Credit Societies amount for about 30 percent of micro credit in India.

DATA ANALYSIS AND INTERPRETATION

Table 1

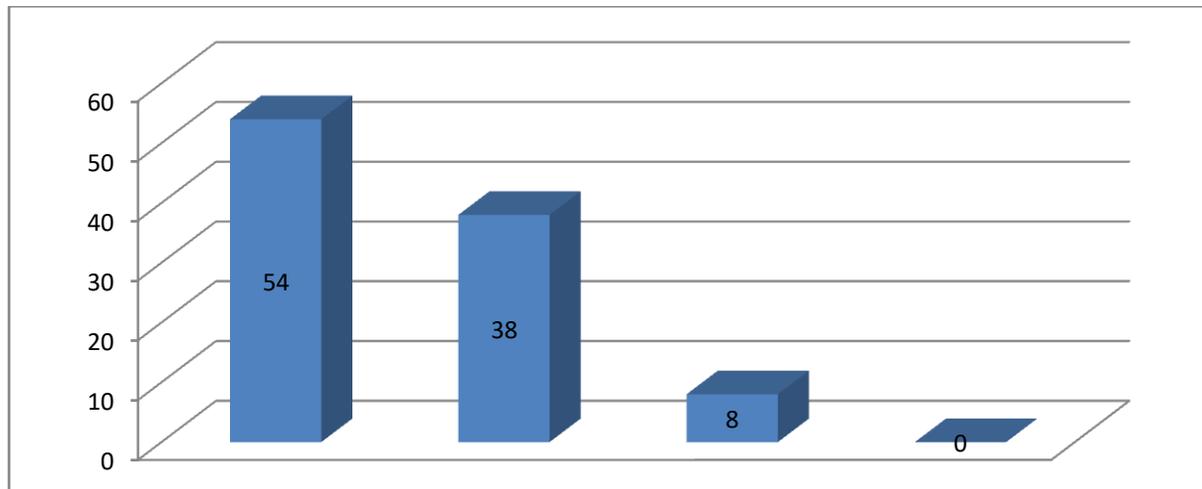
AMOUNT OF LOAN APPLIED

Particulars	Respondents	Percentage
Up to 1 lakh	48	48
1 lakh - 5 lakhs	24	24
5 lakhs- 10 lakhs	20	20
Above 10 lakhs	8	8
Total	100	100

Source: Survey

ANALYSIS

Majority of the respondents (48%) applied for loan amount up to 1 lakh. 24% applied for loan amount ranging from 1 to 5 lakhs. 20% applied for loan amount ranging from 5 to 10 lakhs. 8% of the respondents applied for loan above 10 lakhs.

Chart 1**Amount of loan applied****INTERPRETATION**

Majority of the respondents had applied for loans less than one lakh, which means that most of them opted for short term loans for meeting their current needs. Then major part took loans up to 5 lakhs.

Table 2**AMOUNT OF LOAN SANCTIONEDs**

	Respondents	Percentage
Up to 1 lakh	54	54
1 lakh - 5 lakhs	34	34
5 lakhs- 10 lakhs	10	10
Above 10 lakhs	2	2
Total	100	100

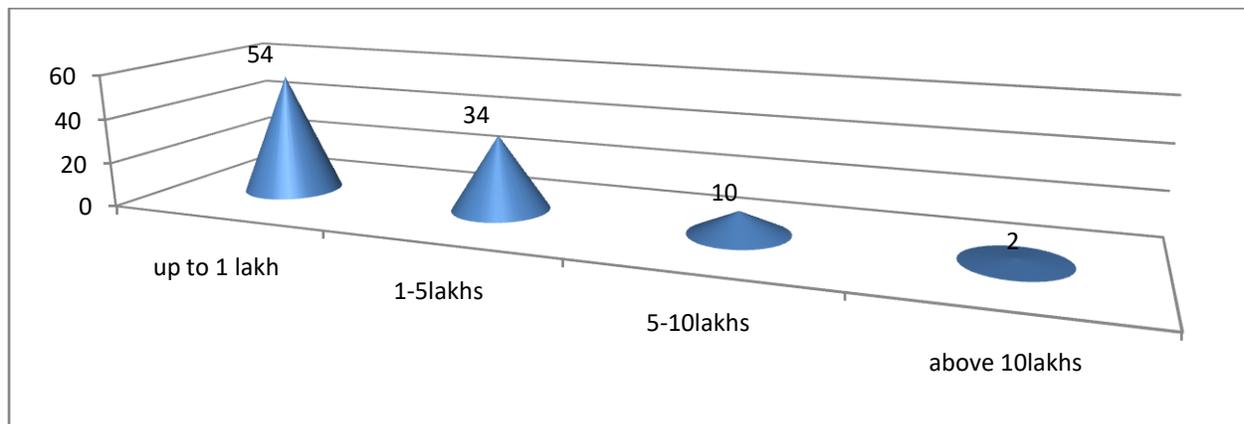
Source: Survey

ANALYSIS

Up to 1 lakh loan amount is disbursed to 54% of the respondents. From 1 lakh to 5 lakh the amount is sanctioned to 34% respondents. From 5 lakhs to 10 lakhs only 10% of respondent's loans are sanctioned and above 10 lakhs only 2 respondent's loan are sanctioned

Chart2

Amount of loan sanctioned



INTERPRETATION

Up to 1 lakh loan amount is disbursed to majority of the respondents. Majority of the respondents applied for loan up to 1 lakh and from bank it is disbursed to most of them to an extent.

Table 3

SPECIFIC PURPOSE OF TAKING THE LOAN

Particulars	Respondents	Percentage
To acquire land for cultivation	12	12
To buy seeds and fertilizers	36	36
To buy agriculture aided things like buffalo, tractors, motor pump set	20	20
To meet day to day expenses arising from agriculture	32	32
TOTAL	100	100

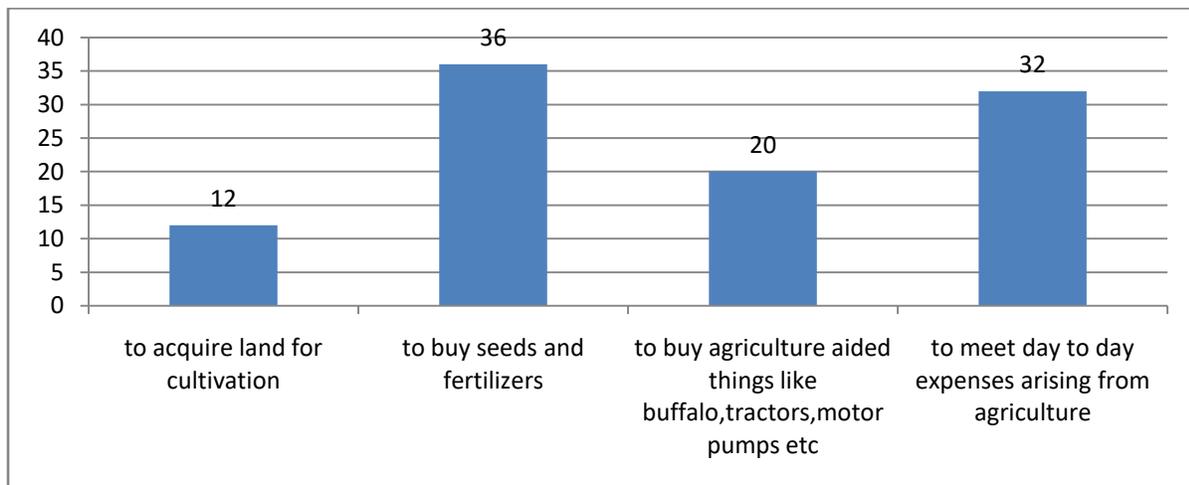
Source: Survey

ANALYSIS

Most of the respondents (36%) took loan to buy seeds and fertilizers. 32% of the respondents took loan to meet day to day expenses arising from agriculture. 20% of the respondents took loan to buy agriculture aided things like buffalo, tractors, motor pumps set etc. Only 12% took loan to acquire land for cultivation

Chart3

Specific purpose of taking the loan



INTERPRETATION

Most of the respondents took loan to buy seeds and fertilizers for cultivation. Others took loan to meet day to day expenses arising from agriculture. Some others took loans to buy agriculture aided things like buffalo, tractors, motors, pumps etc. Only few selected loan to acquire land for cultivation.

Table 4

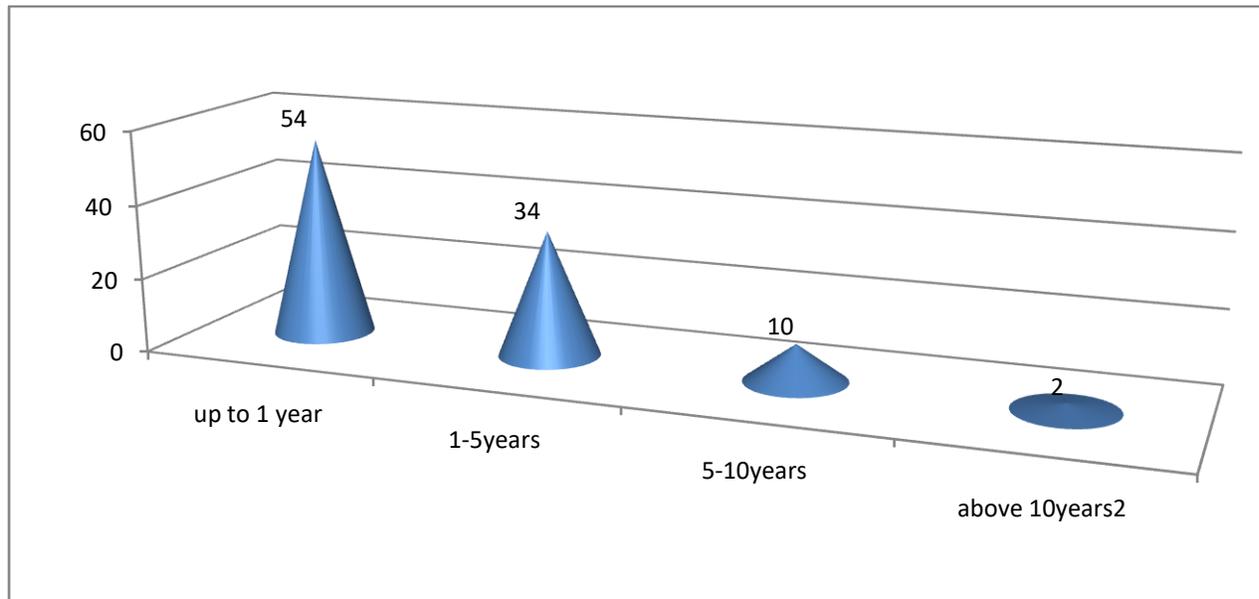
DURATION OF LOAN

Particulars	Respondents	Percentage
Up to 1 year	54	54
1 to 5 years	34	34
5 to 10 years	10	10
Above 10 years	2	2
TOTAL	100	100

Source: Survey

ANALYSIS

Majority (54%) of the respondents has loans up to 1 year. 34% respondents 1 to 5 years, 10% 5 to 10 years and only 2% respondents above 10 years

Chart4**Duration of loan****INTERPRETATION**

Majority of the respondents has short term loans up to 1 year. Rest of them selected for loans up to 5 years followed by 5 to 10 years. Only few selected loans above 10 years.

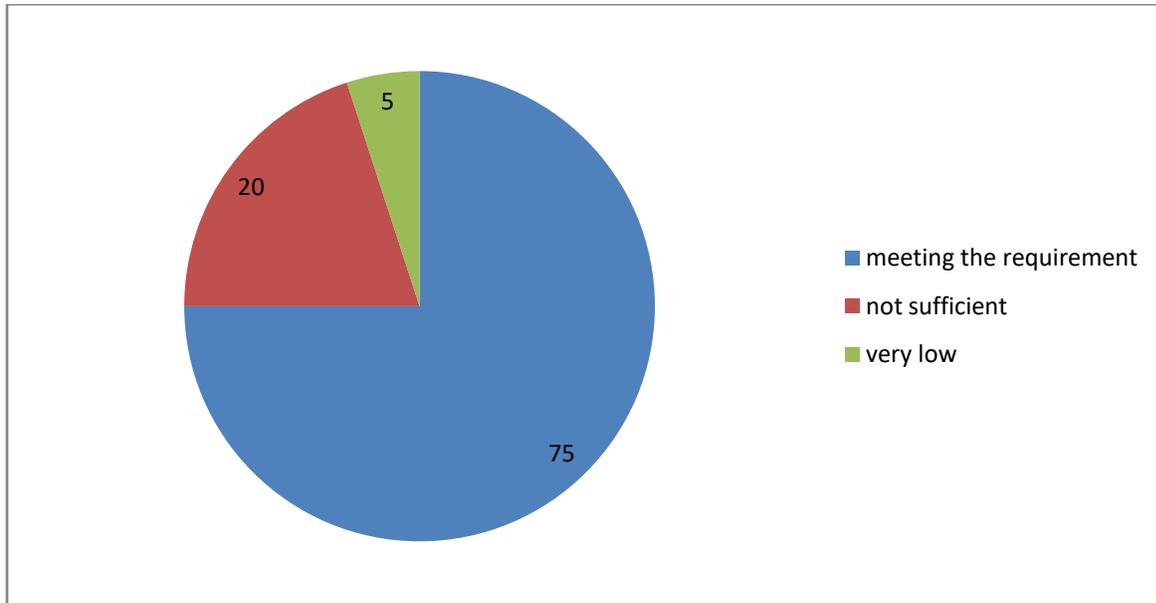
Table 5**IS SCALE OF FINANCE DISBURSED SUFFICIENT OR NOT**

Particulars	Respondents	Percentage
Meeting the requirements	75	75
Not sufficient	20	20
Very low	5	5
Total	100	100

Source: Survey

ANALYSIS

Out of 100 respondents, 75% is of the opinion that the finance disbursed by the bank is sufficient. 20% says the amount is not sufficient and remaining 5% is of the opinion that the amount disbursed is too low.

Chart5**Is scale of finance disbursed is sufficient or not****INTERPRETATION**

Most of the respondents are of the opinion that the finance disbursed by the bank is sufficient to meet their needs and smooth cultivation. Only a few opinioned that the fund disbursed is not sufficient and very low.

Table 6**IS INTEREST RATE AFFORDABLE**

Particulars	Respondents	Percentage
Yes	90	90
No	10	10
Total	100	100

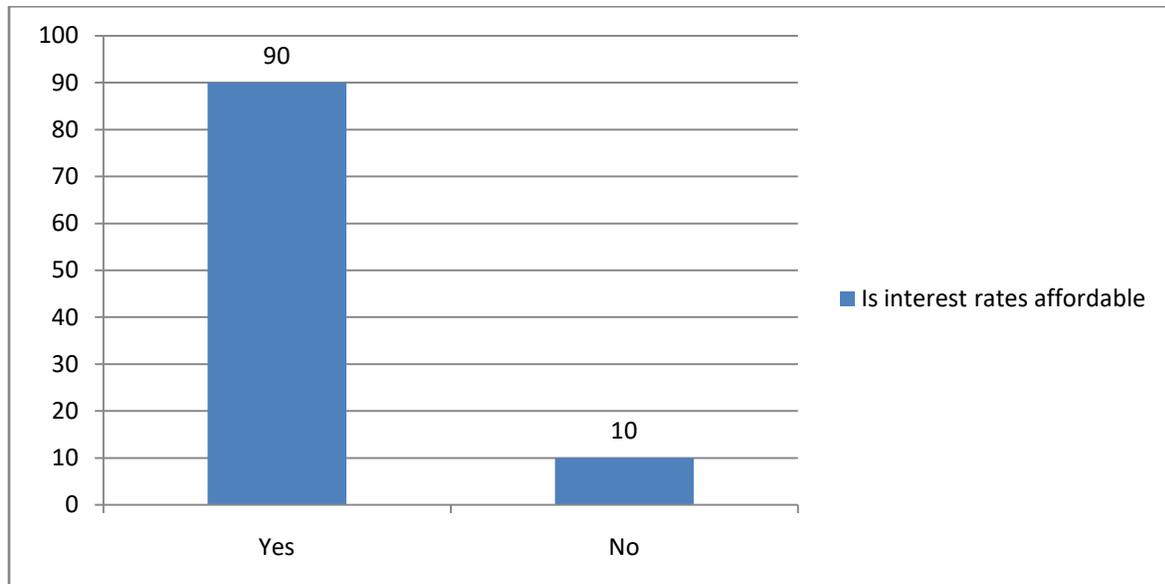
Source: Survey

ANALYSIS

From the table, we can analyse that 90% of the respondents are of the opinion that the interest rate for the loan is affordable. But remaining 10% is of the opinion that the interest rate is not affordable

Chart6

Is interest rate affordable



INTERPRETATION

Most of the respondents are of the opinion that the interest rate for the loan is affordable so that they can have some savings, which enable them to meet the agricultural needs and their family needs. Only a few opinioned that the interest rate is not affordable.

Table 7

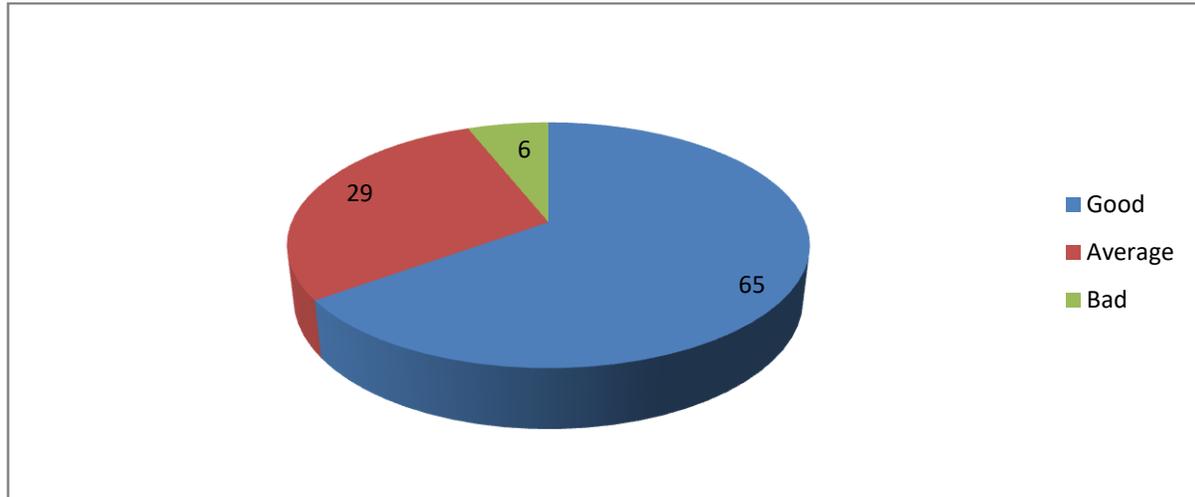
QUALITY OF CROPS FROM BANK'S WAREHOUSE

Particulars	Respondents	Percentage
Good	65	65
Average	29	29
Bad	6	6
Total	100	100

Source: Survey

ANALYSIS

65% of the respondents says that they are getting good quality crops from the bank's warehouse. 29% are of the opinion that the quality is average and remaining 6% says the quality is bad

Chart7**Quality of crops from bank's warehouses****INTERPRETATION**

Majority of the respondents says that they are getting good quality crops from the bank's warehouse and can produce healthy products and can contribute to the regional food industry. Some of them said that the quality is average and some said it's bad

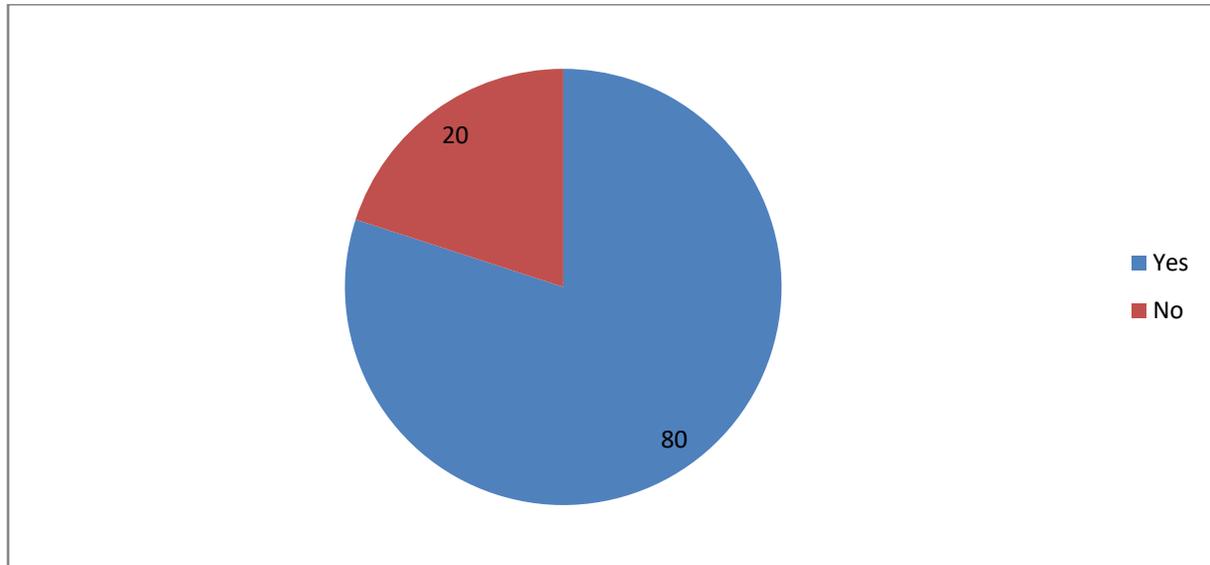
Table 8**AVAILABILITY OF CROPS AND FERTILIZERS ON CULTIVATION TIME**

Particulars	Respondents	Percentage
Yes	80	80
No	20	20
Total	100	100

Source: Survey

ANALYSIS

Out of 100 respondents, 80% respondents agrees that they are getting crops and fertilizers on time and remaining 20% disagrees, which means they are not getting crops and fertilizers on time

Chart 8**Availability of crops and fertilizers on cultivation time****INTERPRETATION**

Majority of the respondents agrees that they are getting crops and fertilizers on time for cultivation and no interruption for their cultivation so that the farmers can produce products seasonally and with high quality. Only few said that they are not getting crops of fertilizers on time.

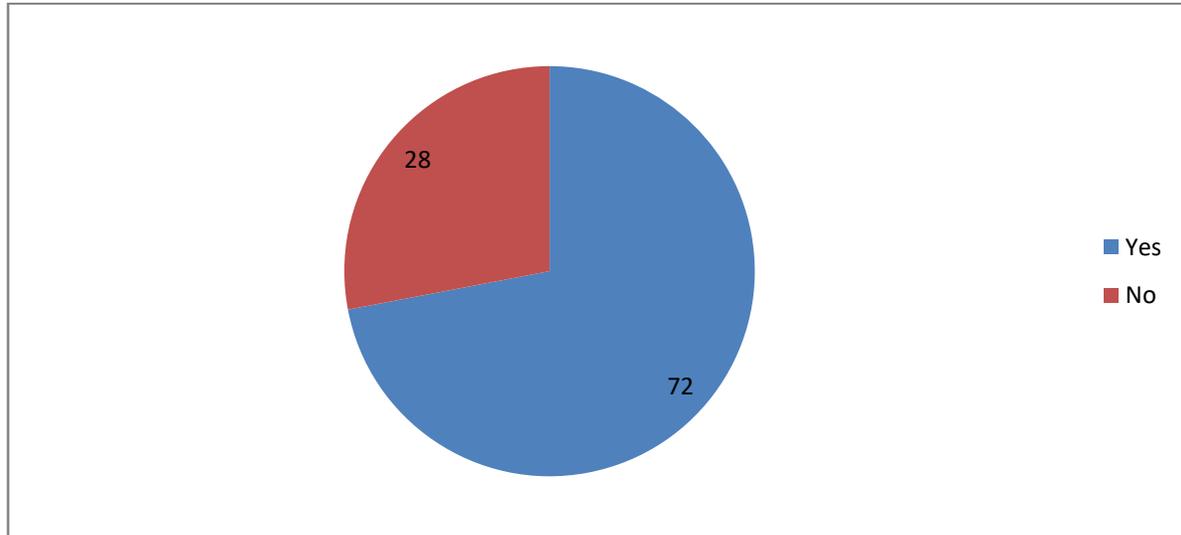
Table 9**AVAILING CROP INSURANCE OR NOT**

Particulars	Respondents	Percentage
Yes	72	72
No	28	28
Total	100	100

Source: Survey

ANALYSIS

72% of the respondents are covered with crop insurance whereas 28% of the respondents are not.

Chart 9**Availing crop insurance or not****INTERPRETATION**

Most of the respondents are covered with crop insurance so that the loss due to crop loss can be mitigated. Only a small part said that they are not covered by crop insurance.

Table 10**AVAILING SUBSIDY FOR PESTICIDES AND MANURE THROUGH BANK ACCOUNT**

Particulars	Respondents	Percentage
Yes	66	66
No	34	34
Total	100	100

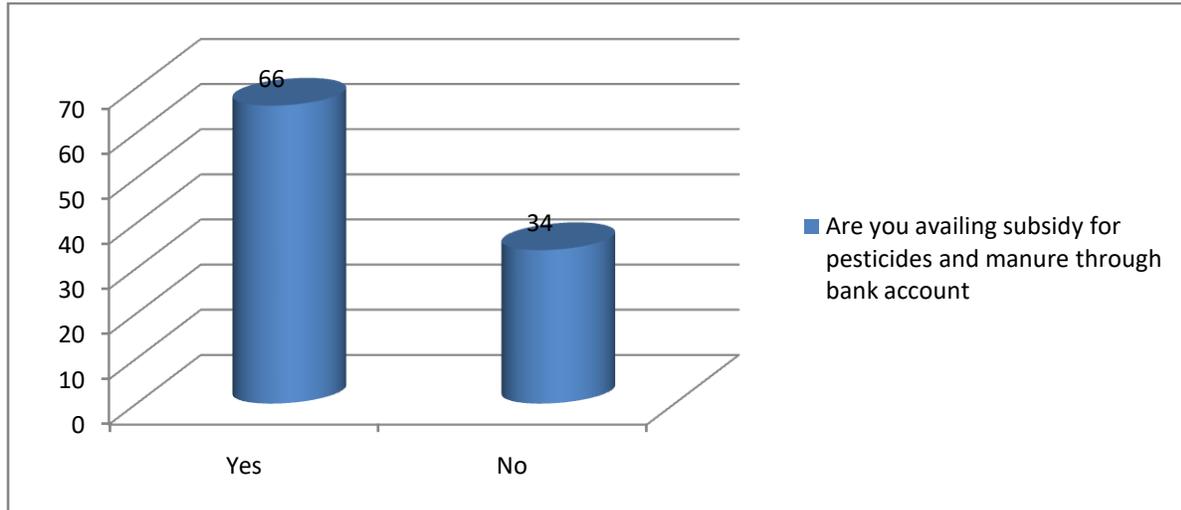
Source: Survey

ANALYSIS

Among the respondents, 66% of them are availing subsidy for pesticides and manure through bank account and the rest 34% are not availing subsidy for the same.

Chart 10

Availing subsidy for pesticides and manure through bank account



INTERPRETATION

Majority of the respondents are availing subsidy for pesticides and manure through bank account which will be a great help for farmers to reduce their cost of production. Only some has opined that they are not availing subsidy for pesticides and manure through bank account.

Table 11

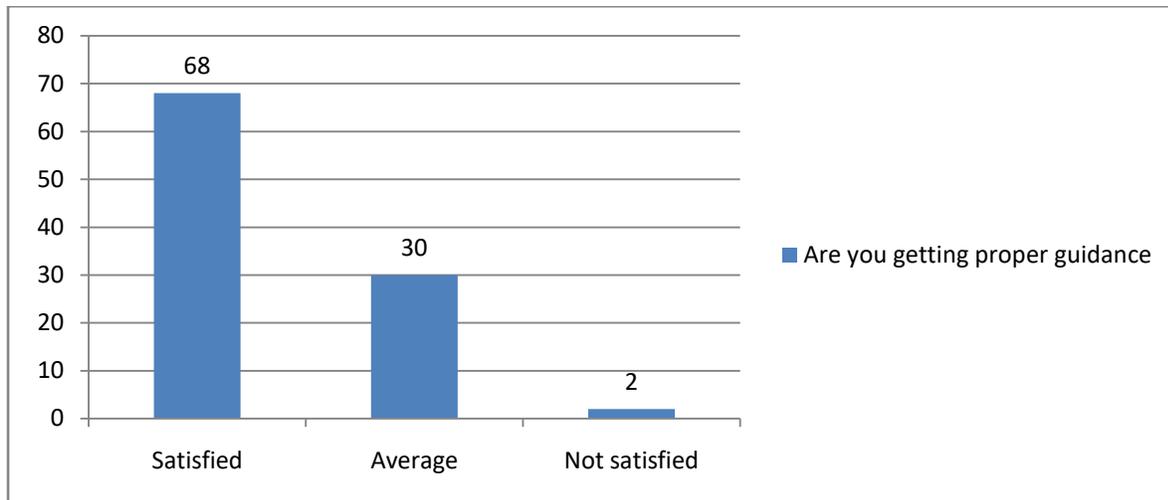
GETTING PROPER GUIDANCE FROM CO-OPERATIVE BANK AND AGRICULTURAL DEPARTMENT

Particulars	Respondents	Percentage
Satisfied	68	68
Average	30	30
Not Satisfied	2	2
Total	100	100

Source: Survey

ANALYSIS

Out of 100 respondents, 68% of respondents are satisfied, 30% of them are average, and the remaining 2% are not at all satisfied with the guidance from co-operative bank and agricultural department.

Chart 11**Getting proper guidance from co-operative bank and agricultural department****INTERPRETATION**

Most of the respondents are satisfied with the guidance from co-operative bank and agricultural department which will help them to increase the productivity. Only a few is of the opinion that they are not getting proper guidance from co-operative bank and agricultural department.

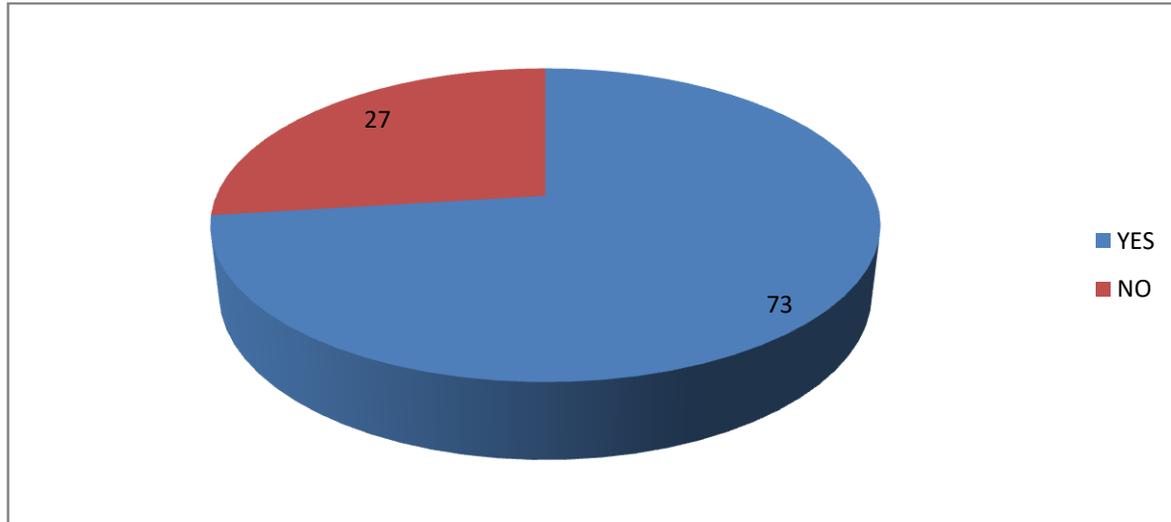
Table 12**ABLILITY TO PAY BACK THE LOAN ON TIME**

Particulars	Respondents	Percentage
Yes	73	73
No	27	27
Total	100	100

Source: Survey

ANALYSIS

Among 100 respondents, 73% of them were able to pay back the loan within the stipulated time. Only 23% of the respondents weren't able to pay back the loan taken by them.

Chart 12**ABILITY TO PAY BACK THE LOAN ON TIME****INTERPRETATION**

Majority of the respondents paid loan within the stipulated time which stipulates that the farmers are finding agriculture satisfactory and are considering agriculture as a meaningful source for their livelihood.

Table 13**IS IT PROFITABLE OR VIABLE FOR TAKING LOANS AND DOING AGRICULTURE**

Particulars	Respondents	Percentage
Yes	88	88
No	12	12
Total	100	100

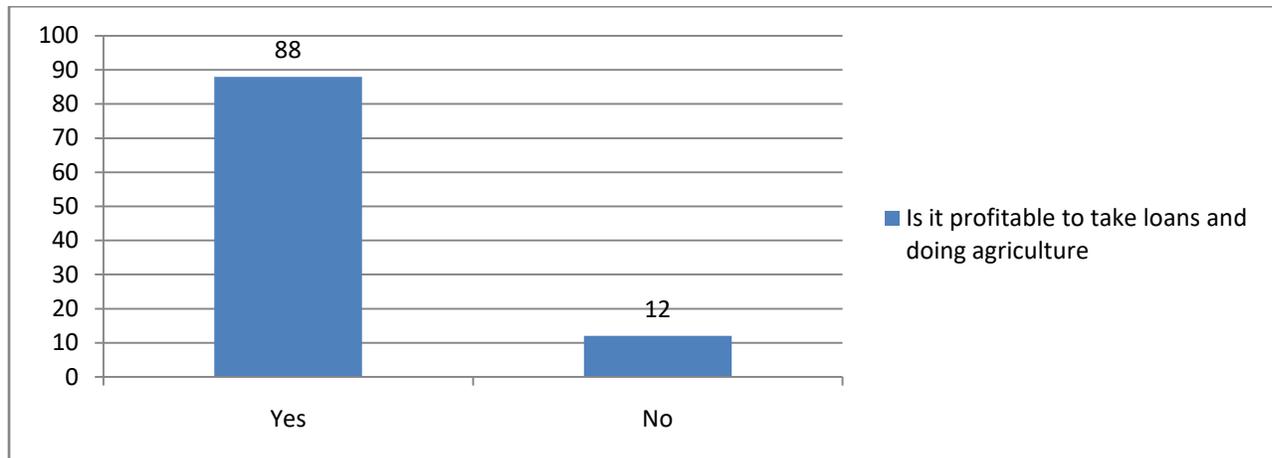
Source: Survey

ANALYSIS

Majority (88%) of respondents are of the opinion that it is profitable to take loans and doing agriculture. Rest of them (12%) are telling that it's not profitable but helps to meet their expenses.

Chart 13

Is it profitable/viable to take loans and doing agriculture



INTERPRETATION

Most of them says that it profitable to take loans and doing agriculture i e agriculture still provides means of livelihood for many people. Only a few said that it is not profitable to take loans and doing agriculture, may be they are getting no profit no loss from agriculture.

FINDINGS

- Majority (45%) of the respondents having SSLC qualification.
- People above age group 50 constitute the majority (40%)
- 70% of the respondents are male
- Majority (70%) of the respondents are married.
- Study shows that 60% of respondents have only a single earning member in the family.
- (40%) has an revenue range more than Rs 15000
- Most of the respondents (50%) had opened the account for agricultural purposes
- It is evident that 21.6% of people choose their bank giving preference to location.
- 60% of the respondents having bank accounts above 10 years

- Majority (68%) of the respondents have partial awareness regarding the various schemes and facilities of the bank.
- 60% of the respondents have knowledge in handling accounts and other facilities of the bank.
- Most of the respondents (31%) had applied for paddy cultivation loan followed by ordinary loans (21%)
- 48% of the respondents had applied for loans less than one lakh
- Up to 1 lakh loan amount is disbursed to 54% of the respondents
- Most of the respondents (36%) took loan to buy seeds and fertilizers.
- 32% of the respondents took loan to meet day to day expenses arising from agriculture
- Majority (54%) of the respondents has loans up to 1 year.
- 75% of the respondents are of the opinion that the finance disbursed by the bank is sufficient.
- 90% said that the rate of interest for the loan is affordable
- 65% of the respondents says that they are getting good quality crops from the bank's warehouse

LIMITATIONS OF THE STUDY

- Sample size of the customers has been limited to 100. Result may vary if the research has conducted in a large scale.
- Study was conducted within a limited period of time
- The respondents may not give all details in the answer, due to the reason that it may lose its secrecy.
- Survey was purely based on the opinions of respondents, which may be biased at time.
- The study is restricted with kuttoor region alone

CONCLUSION

Co-operative banks are institutions established on the principle of cooperation and they deal in ordinary banking business. They are formed to extend credit facility to farmers and small scale industries. It collects funds through share, accept deposit, and grant loans. The main features of

co-operative bank are that it has no profit motive. Co-operative banks are very helpful to meet the financial requirement of small farmers, artisans etc. Co-operative societies play a major role in the rural empowerment of the country. It is described as a method of promoting economic interest through a common attempt with a common objective. It aims at material and moral advancement of the people.

The study is mainly focused on analyzing the contribution of **Kuttoor Service Co-operative Bank, Kuttoor** to agriculture growth of Kuttoor region. This evaluation is made by interviewing several account holders to determine the role of Service Co-operative Banks to agriculture growth. Different year Annual reports of the bank reveal that the performance of the bank has been satisfactory. From the study it is evident that, the account holders are availing the agricultural benefits from the bank and bank is trying their maximum to increase the productivity of the farmers by providing them proper guidance, advice, and prompt disbursement of funds at the right time. This bank has also helps to improve the standard of living an economic status of the people in the area of operation of the bank. Thus, Kuttoor Service Co-operative Bank Ltd, Kuttoor has also play an important role in the regional development and development of the state.

SUGGESTIONS

After analyzing the data collected from the account holders of Service Co-operative Bank, Kuttoor, following suggestions for improving the role of Service Co-operative Bank, kuttoor, towards agriculture growth in Kuttoor Region.

1. Banker can give more effort to educate the account holders about the various schemes and facilities of bank, so that they can easily handle their account transactions.
2. Bank can give due importance to the effective and efficient distribution of
3. Quality seeds, fertilizers and manure, so that it will reach to the right people.
4. Bank can make sure that the fund is disbursed to the right person in right time.
5. Arrangements to be made to help the farmers with coverage of crop insurance.
6. Quality crops can be given to farmers from the bank's warehouses.
7. Bank can ensure every farmer is availing subsidy for pesticides, manures and crops.

8. Banker can ensure that the money disbursed is used for the purpose for which it has taken.
9. Complaints made by the customers should be attended immediately and proper redressal should be done.
10. As a customer is considered as the king of the business, banks especially the public sector banks should give them due prominence and should try to keep their satisfaction at a high level.
11. Banks can try to give equal importance to all its customers. The customers should not be given preference as per their social status.
12. Banks can reduce the loan procedures and processing time.
13. SMS alert facility should be given to notify customers about newly launched services and facilities.
14. The bank can be more professional in its approach for attracting new customers.

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