



(MUDIMA)



## NABARD: An Approach to Agriculture

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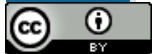
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### ABSTRACT

To estimate the amount of agricultural credit disbursed, the study, which looked at the percentage of term loans in total agriculture by different types of banks, was done. Many secondary sources, including the NABARD annual report, publications from the RBI, and a number of periodicals, were used to compile the study's data. According to the study's findings, term loans accounted for a sizeable share of the credit granted by commercial banks

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## INTRODUCTION

NABARD works as apex body which is established by the recommendation of B Sivaraman Committee, in the year of 1982 to regulate and creating policy to provide credit to agriculture, small scale industries, cottage industries, handicraft and allied small scale business. By providing investment and credit function by the NABARD which avail rural development and eradicate the unemployment by enhancing start-ups and other small scale business. NABARD also assist the self-help groups through its SHG bank linkage programme to uplift the ventures in rural areas. At the time of covid pandemic, the role of NABARD was provided crop loan to rural co-operative and Regional Rural Banks as a sum of 90000 cores. After that India was recovering from the covid crisis the NABARD lead the prime role to regain the post pandemic momentum.

While for the economic recovery many policy were implemented to support and assist the Government of India such as Pradhan mantra Gati Shanti National Master Plan (NMP), National Monetisation Pipeline, Stimulus package during FY2022, response to covid pandemic, production linked incentive scheme, mega investment Textiles parks (MITP), redefining MSME's, accommodative monetary policy and microfinance policy are the such policies. While looking to the export policy of India was stagnated for many years now India expanded 7 free trade agreements (FTA) and expanded 16 new agreements.

(R & G, 2019) studied the theoretical background of NABARD by focusing on the Bharath Nirman, KCC, District Rural industries project, watershed development and from the study researcher highlighted the credit function, develop & promotional functions and training function in depth. (Gajendra, swati, & V, 2021) studied the impact of covid 19 pandemic on different agriculture sectors alike dairy, poultry and fisheries. Different impact of production of agriculture, farm rate price are been studied. From the study of (Anitha, 2020) concluded that by creating develops in agriculture, manufacturing and service sectors will lead to GDP

growth and eradicate the unemployment rate. Mainly the study pivot on the financial incentives of NABARD for the rural development. (Mirza & Snehlata, 2022) The researcher's states that the NABARD are took considerable up hands for agriculture and rural developments, and also those policies are mainly focuses on the agriculture credit terms, capital formation for small scale, empowerment of women, digital financial inclusion and self help groups. From the article of (Veena & Nagdive) studied the profuse of credit facilities offered by the NABARD and mentioned the major activates for enhancing the agriculture. In this article the researcher suggested that the NABARD have to give full attention on designing and implanting of the various activities, NABARD have to impart proper training and guidelines for rural agriculture development and credit flow and awareness of various schemes. (GEETHA & AMBEDKAR, 2022) Studied the developmental schemes of NABARD such as KCC Schemes and RuPay Kisan Cards and mentioned the progress of NABARD from the year of establishment. (Akshay & Anita, 2022) the researcher put forward the main factors affecting the crop production on the period of Covid pandemic for that the researcher conducted trend and growth analysis by use secondary data collected from the website and annual reports. (Bhumit & Rajkumari, 2022) conducted anexploratory research to understand the various role done by the NABARD with highlighted various programs initiated by the NABARD for the sustainable development. The role and function are explained with the financial functions are included in this study. And the short term and long term refinance are being explained by the researcher. (Vijayalakshmi & S, 2022) here the researcher evaluated the performance of NABARD from the year 2015 to 2019 financial year, and the researcher put forwarded some suggestions alike bank have to increase the ROA by reducing the asses cost. From the study of (R R. , 2022) conducted an empirical study focusing on the farmers welfare during the covid 19 pandemic, In this research, it was argued that these high growth rates do not sufficiently capture the declines in agricultural

economics that occurred during the epidemic. And also highlighted that Agriculture's sectors deflator changed direction and had one of its worst years in the previous 25 years.

**METHODS**

The study is completely analysed by using secondary data available from the report from the

NABARD, and various article, journal, and published documents from the Governmental institutions such as RBI.

**RESULTS AND DISCUSSION**

**Objective of the Study**

- To understand and analysis the agriculture credit uptake

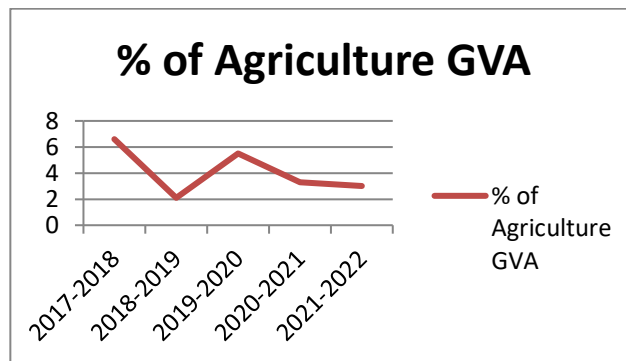


Figure 1. Agriculture and Allied Sector GVA Growth at Constant Price

The figure 1 shows the percentage of agricultural and allied sectors gross value added growth at constant price from the year of 2017-2022. The GVA is shows the contribution to the economy of every individual, producer or even sectors.

From it is clear that there is highly fluctuating due to the impact of many factors which are controllable and uncontrollable. By analysing the data it put forwarded that the compounded annual growth rate was 3.7% from the year of 2018-2022.

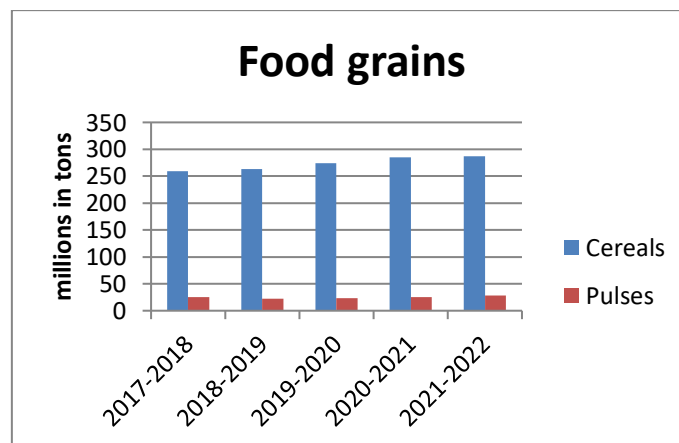


Figure 2. Agricultural Production

The figure 2 shows the agricultural production of food grain from the year of 2017-2022, it shows that there is an increasing growth trend of cereals as well as pulses. While calculating the CAGR of food grains was 2.9% compressed of

pulses having 3.2% and cereals was 2.8%. The agriculture Gross Value Added show a positive growth across the different products such as food grains, pulses even the time of pandemic.

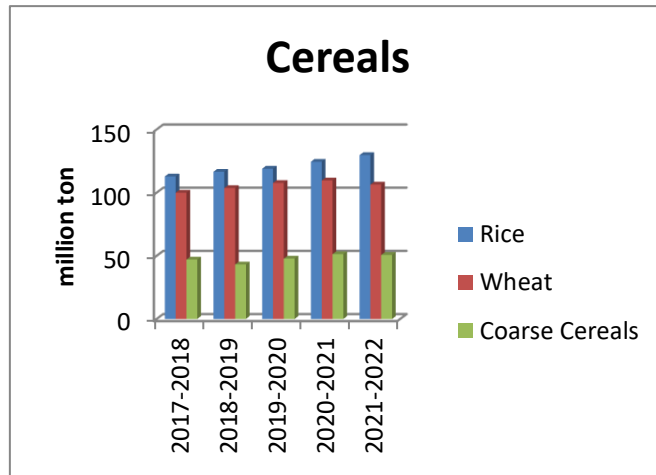


Figure 3. Agricultural Production – Cereals

From the figure 3 shows the cereals production, 3.5% and for wheat and coarse cereals was 1.8% and while comparing to the data the production of rice 3.3% respectively. was in an increasing trend the CAGR of rice was

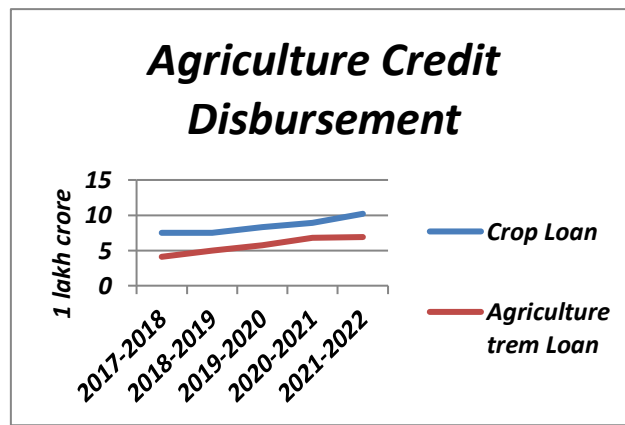


Figure 4. Agricultural Production - Cereals

From the figure 4 shows the cereals CAGR of rice was 3.5% and for wheat and coarse production, while comparing to the data the cereals was 1.8% and 3.3% respectively. production of rice was in an increasing trend the

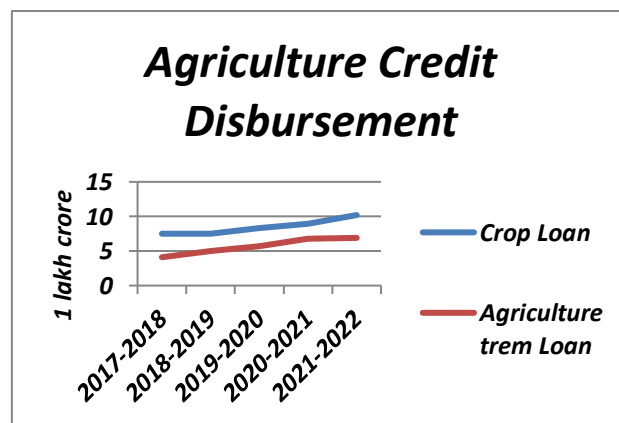


Figure 5. Agriculture Credit Disbursement

From the figure 5 shows the agriculture credit disbursement, it depicts that it have a strong CAGR of 10.5% as total agriculture credit

disbursement and for crop loan having the CAGR of 8.1% followed by 14.4% CAGR for agriculture term loan.

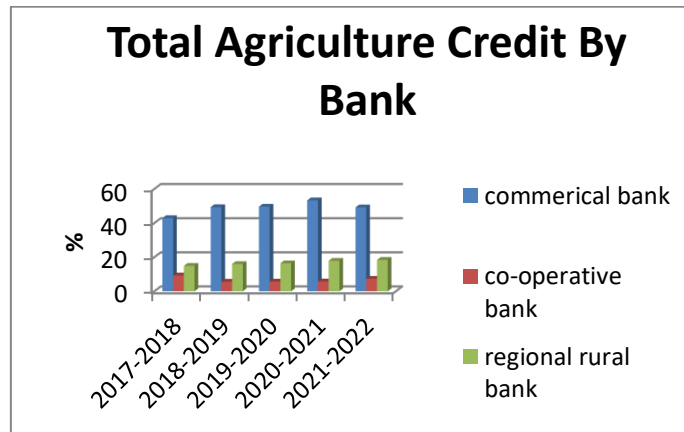


Figure 6. Share of Term Loan in Total Agriculture Credit by Bank Type

The above figure 6 shows that the total credit given by banks for agriculture purpose. From it is clear that, comparing to commercial bank provide more credit facilities other than co-operative bank as well as regional rural bank. And in the financial year of 2022 the agriculture credit outstanding grew by 9.9%.

### CONCLUSION

According to the study's findings, the GVA represents the supply-side from an economic standpoint. The GVA of the agricultural and related sectors experiences minor changes. When compared to the previous year, agriculture is progressing. Poverty is partially alleviated by the rise in agricultural production of cereals and pulses. Furthermore, compared to cooperatives and regional rural banks, commercial banks offer more agricultural lending facilities. By giving farmers access to credit, they can produce their crops on schedule.

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