



Primary Agricultural Credit Co-Operative Society - A Systematic Review of Literature

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Abstract

Co-operation is a worldwide movement. It is the backbone of economic activities and social progress. Co-operative Societies play a vital role in bringing about socio-economic transformation and agricultural development in any country. This study reviews the current status of Primary Agricultural Credit Co-operative Services, especially short-term crop loans. The secondary data was collected from sources like scholarly literature, internet sources, books, journals, proceedings, magazines, newspapers, personal resources, libraries, websites, government records, and documents. Agriculture is still the primary source of livelihood for the majority of people in India. Credit is an important input in the development of agriculture. There are many reasons which motivate the crop cultivators to get a crop loan from Primary Agricultural Credit Co-operative Societies. The important reasons are less time-consuming procedure, government subsidy, self-interest, low-interest rate, and reliability. Primary Agricultural Credit Co-operative Societies' contribution increases the productivity in agriculture and improves the standard of living of the rural people. Through the present study, the current status of co-operative society credit practices and operations were identified. The goal of the present study is to examine the research gap in the Primary Agricultural Credit Co-operative Society through advanced literature review and analysis; hence the gap identified was customer attitude towards agricultural credit.

Keywords: Agricultural credit, Development, Operations, Short-term, Beneficiary, Customer attitude, Crop loan.

Introduction

Finance is the lifeblood of any business same way credit is the lifeblood of agriculture. Without finance, farmers cannot do farming activities. Hence the Primary Agricultural Credit Co-operative Societies provide credit to farm and non-farm activities in rural areas to improve agriculture, Shanmugharaj, C.G. (2014), identified in his study, for a long period, moneylenders have been operating in rural areas. They were exploiting the poor farmers by charging a high rate of interest. So the small and medium farmers were struggling to get the required credit at an affordable rate of interest. Bankar, et al. (1987), in this background, the study has been taken up to analyze the Primary Agricultural Credit Co-operative society's contribution to rural agricultural and economic activities. Singh, et al. (1982), found society's credit increases the productivity in agriculture and decreases the problems faced by the farmers in the rural areas and the study also recommends suitable strategies for improving the socio-economic conditions of the rural farmers. Rao, S. (1980), examined the main objective of the village co-operative credit societies was to grant loans to members

at low rates of interest to replace the moneylenders in the long run. Shiv Karan Singh (1982), stated that agriculture forms the backbone of the Indian economy. Agriculture occupies a place of pride after Industrialization in the last six decades. Kalyankar, S.P. (1983), Agriculture is an unorganized profession. Indian economy is largely dependent on rural resources specifically agricultural output. Verma, S. et al. (1983), the agricultural sector has a significant role to play in the economic development of a country. Sathyanarayana, E. (1984), Agriculture provides livelihood to about 65% of Indian labor and contributes to nearly 22% of India's Gross Domestic Product (GDP). After the Government of India's new policy of liberalization, privatization and globalization we have found a way for modern cultivation through the latest technology. Prabhakaran, P. V. et al. (1985), the recent technological changes in Indian agriculture have brought about intensive use of capital and other farm resources with the result that the demand for credit has increased. Satya Bhama (1985), there are different agricultural development banks like Regional Development Bank of India, National Bank of Agricultural and Rural Development, and Regional Rural Bank, which are leading in the market to offer crop loans to needy people. In the Cooperative sector, State Co-operative Bank, District Co-operative Bank, and Primary Agricultural Credit Co-operative Societies have been offering crop loans. Among the three, the Primary Agricultural Credit Co-operative Societies have been extending crop loans only to crop cultivators.

The objectives of the paper

1. To examine the structure and nature of Primary Agricultural Credit Co-operative Societies.
2. To study exhaustive research on Primary Agricultural Credit Co-operative Society.
3. To identify the research gap in customer attitude.

Research methodology

The present paper includes secondary data derived from scholarly literature, internet sources, books, journals, proceedings, magazines, newspapers, personal resources, libraries, websites, government records, and documents. The data was analyzed to identify the gap in Primary Agricultural Credit Co-operative Societies.

Related Work

A study review of literature on Primary Agricultural Credit Co-operative Society by Satya Bhama (1985), has highlighted that there was an increase in loans taken from Institutional sources, & it has helped to increase their crop production & income, this was because of the small farmers use their land more intensively compared to large farmers. Rao (1987), explains, that owing to successive crop failures, the repayments were very less and most of the credit from both institutional and non-institutional sources was overdue. Natarajan, M. (1987), in his study, has given the importance of the collection of loans by the sample primaries and identifies the factors influencing such collection, and suggests measures for improving the collection of loans by the societies. Baviskar et al. (1987), have examined the factors for the success or failure of the cooperatives and assessed the impact of various cooperatives on the rural poor, with the help of Case studies from Maharashtra, West Bengal, Uttar Pradesh, Haryana, Tamil Nadu, Gujarat, Karnataka, and Kerala. According to this study, the cooperatives had a positive effect on improving the standard of living of rural masses. Reddy C.R. (1988), in his article Co-operative Agricultural Finance, collected that the recommendation of various Committees and Commissions based on the Co-operative Societies Act, 1904, produced the result at a later date. The judicious flow of crop loans is very helpful in accelerating the economic improvement of the farm sector. Radhakrishnan et al. (1988), constructed a study on the supply and utilization of Short term Co-operative agricultural credit in Palakkad district in Kerala after collecting data from a sample of 15 borrowers farmers, and an unequal number of non-borrowers. It was found that around 50 percent of the holdings of borrowers, as well as non-borrowers. Ahmed (1989), compared the transaction costs of borrowing from both formal and informal sources in Bangladesh. The study revealed that transaction costs of loans from formal lenders were higher than those of loans from informal lenders. Transaction cost per loan decreased with the loan size which was higher for a formal loan than for an informal loan. Sarap (1990), discussed in detail the interrelationship between the borrowing cost and demand for credit in Orissa among different landholdings. The significant conclusion was the decrease in average transaction cost with an increase in the size of holdings. Kittur A. (1990), constructed in his article that marginal and small farmers tended to use diverted

funds to meet the necessities of life, whereas large and well-to-do farmers used the funds for useful and conspicuous consumption. Whenever the loans were made in cash, the chances of misuse were higher as compared to a loan made in kind. Vaikuntha (1991), collected the pattern of utilization of Co-operative credit in selected taluk and the repayment performance of the borrowers which was based on 180 borrowers of Karnataka Central Co-operative Bank. The study unveiled that all the size groups of farmers in the irrigated area utilized the credit for productive purposes. Mahfoozur Rahman (1992), a study regarding Jammu and Kashmir. It analyzed the working of the Primary Agricultural Credit Societies, Central Co-operative Banks, State Co-operative Bank, Land Development Bank, and the role of a nationalized bank in the provision of agricultural finance in Jammu and Kashmir. Desai et al. (1992), compiled the performance of institutional finance for agricultural development at a national level. They considered three-tier co-operative financial institutions, Co-operative Land Development Bank, Commercial Banks, Regional Rural Banks, and Rural Electrification Corporations as the sources of institutional finance and observed that the relative importance of institutional credit has shown an increasing trend not only in the institutional share of rural credit but also in its share in the number of farmers services. Siddique A.Q. (1993), in his study, stated that the crop loan disbursement had low coverage for the small farmers who constituted about 50 percent of the rural households, in 1993, nearly 85 percent of the small farmers had no access to institutional sources of credit. Shiva Maggi (1994), constructed the conditions behind the success of Rural Cooperatives by addressing questions like what organizational principles are involved in promoting Rural Financial Institutions (RFIs) and what is the performance of Rural Finance Institutions (RFIs). Pantulu (1994), evaluated the role of Cooperative credit institutions on agricultural finance and found that to a small extent, productive credit dispensed by the societies doubtlessly benefited the agriculturists though it only provided another source of borrowing. Kulwant Singh S.K. (1996), in his work, analyzed and found that in recent years, the requirement for crop loans has assumed significant dimensions due to the increasing thrust for the development of new technology in the agricultural sector. Maji et al. (1996), have made an investigation into small farm diversification in the state of West Bengal. The study has investigated how the income of the farmers can be raised by switching the emphasis from low-value subsistence cereal crops to high-value subsistence cereal like Fruits (Grapes) and vegetables (like Tomato, Onion & Potato) Llanto et al. (1996), examined the components of transaction costs of lending to the poor by taking two non-governmental organizations in the Philippines. Arutselvam et al. (2000), in their study entitled "Agricultural credit-A Study in Villianur Block of Pondicherry Region" concluded that the repayment is regular for crops since the farmers need the credit for the next season. Hence, the payment is regular and complete. But in the case of the long-term loan, huge amounts are outstanding. From the discussion with the farmers, it was observed that they are not interested in repaying because it will get canceled at the time of the election. Vincely Jebakar S. (1997), in his study, found that co-operatives are the significant institutional agencies, and the other institutional agencies consider the financial requirements of the farmers. Razak (1998), conducted a study on the analysis of the utilization of Cooperative credit by marginal, small, and large farmers with references to a case study of Bantwala Taluk in Karnataka. The main finding of this study was that the marginal farmers brought more percentage of their land under cultivation when compared to small farmers. In the case of marginal farmers, which was 75.3 percent of their total landholding whereas 67.68 percent in the case of small farmers. Satyasai et al. (2000), examined the performance of rural credit cooperative institutions in India. They observed that growth in lending has been cramped by the decline in the growth of the resources. Amuthasurabi et al. (2001), in their article, stated that the policy formulations should arise in a new way to achieve the goal of food security through sustainable agriculture and rural development coupled with environmental extension. Choyal (2002), reported that the Agricultural Credit Co-operative societies are giving less importance to providing long-term advances to agriculturists. But for the long-term improvement in the agricultural sector, like land development, development of irrigation facilities, and purchase of machinery much importance could be given to long-term Agricultural Co-operative advances so that, it could be adequately available to the needy agriculturists. Anandteerth P. et al. (2003), in their study nearly 20 micro-level studies were conducted in various parts of India from 1967 to 1991 on defaults of crop loans. They concluded that crop loans have been

defaulted by all categories of farmers, both wilfully and non-wilfully. Datta (2003), constructed the transaction cost incurred by small farmers in India by collecting the data from a sample of 700 borrower households across the country. Remji D. (2005), in his study entitled Crop Planning and the Performance of Primary Co-operative Credit Societies, revealed that the over dues of Co-operative Societies had increased mainly because of the weak and poor financial condition of the farmers and the farmers are not utilizing the sanctioned amount for that particular purpose. Sivanappan R. K. (2006), in his article, collected the flow of institutional credit for agriculture and industry in India from 1997-to 98. Agricultural credit was only 34,375 crore compared to industrial credit of about 4, 00,000 crores. Ranade et al. (2006), evaluated the transaction cost of lending in rural finance and found out that the high transaction cost coupled with the cost of delivery and risk of loss provisions was a major constraint for banks and other lending institutions. Akram et al. (2008), identified agricultural credit restraints and borrowing behavior of farmers in rural Punjab and reported that the majority of the farmers could not avail of credit because of needed collateral. Goswami D. et al. (2021), constructed the six reasons why members join the Primary Agricultural Credit Co-operative Society, to get a fair price for agricultural products, to avail of loans at the cheapest rate, to get the benefit of government schemes, to get a concession from co-operative, to get a fair return for investment and to support certain political party.

Consumer Attitude, Satisfaction, and Employment Generation

Prashant et al. (2014), analyzed the credit utilization through the Co-operative Society in Bhind district of Madhya Pradesh by collecting data from Agricultural Credit Co-operative Societies from 12 villages. The results revealed that 48 percent of the farmers had completely utilized the availed credit. Innocent et al. (2014), assessed the effects of Farmer's Co-operatives on agricultural development in Kwali area council, Nigeria by collecting data from 80 executive members and 200 non-executive members of registered Co-operatives. From the study, it was obvious that there was a significant impact of Cooperatives on agriculture in terms of creating employment generation and raising the living standards of farmers. Shejal, S.S (2013), in his study entitled Role of Commercial and Cooperative Credit in Agriculture and industry in Sangli reveals that credit is required to purchase the inputs. Fertilizers and irrigation share 40 percent of agriculture production. Sankaroiya et al. (2012), in their study, found the status of rural credit in Andhra Pradesh: An Assessment discloses that Cooperative Banks in Andhra played an important role in financing the agricultural and allied activities. Devi et al. (2012), examined the role of Credit Cooperatives in the agriculture development of Andhra Pradesh. From the study, they established that Co-operatives provided not only credit facilities to farmers but also provided agriculture inputs, fertilizers, and pesticides. Therefore, farmers benefited to the maximum through an increased level of output which in turn increased the employment and income of the farmers.

Anil S. Memane (2012), in his study found, the performance of Primary Agriculture Credit Co-operative Societies during 2000-01 to 2009-10 in India, concluded that Agriculture Co-operative Credit Societies are working positively. Though there is negative direction found in the establishments in several societies the total numbers of members are increased during the ten years of 2000-01 to 2009-10. Farmers are depositing their money in society and they have a faith in the process and working pattern of Primary Agriculture Credit Co-operative Societies. Chughtai (2012), estimated the impact of utilization of agricultural credit on production based on primary data collected from 285 farmers who borrowed from Zaria Tara qi bank in the study area of Rawalpindi Tehsils from Pakistan. From the study, it was found that the borrowed amount was mainly utilized for agricultural inputs, especially for the purchase of seeds, fertilizer, and pesticides. Chandrasekhar S. et al. (2011), in their study, constructed that the borrower achieved a comparatively rise in crop productivity. There is an improvement in irrigation facilities because the good use of fertilizers and other inputs were the decisive forces. Ganesan (2009), collected the progress information of Primary Agriculture Credit Co-operative Societies in India. The study covered three years (2002-04). According to the findings of the study, Primary Agriculture Credit Co-operative Societies directly interfaced with individual farmers and provided short-term and medium-term credit. It was observed that the viability of Primary Agriculture Credit Co-operative Societies was essential for the development of agriculture and the rural economy of our country.

Nidhesh K.B. (2009), in his study, has explained the importance of primary co-operative banks in providing credit to rural poor and he suggested improving the service and performance of Co-operative Banks. He has observed the role of cooperative Banks in the fulfillment of the credit needs of the financially poor farmers and beneficiaries in the rural areas. Oladeebo et al. (2008), examined determinants of loan repayment among smallholder farmers in the Oyo state of Nigeria. The study revealed that the number of loans availed by farmers, their experience in farming with credit use, and their education were the major factors that positively and significantly influenced loan repayment. Yadav (2008), assessed the credit flow to agriculture in Rajasthan, to find out the progress of the implementation of the Farm Credit Package. It has also been observed that farmers are not aware of the benefit of the Kisan Credit Scheme. Raghavan E. (2008), in his article, made a strong plea for the role of co-operative in removing rural poverty in India. He stressed that the cooperative can reduce poverty only through agricultural development. He also stated that agricultural development requires several inputs like credit, marketing, and processing. Amuthasurabi J et al. (2001), in their article entitled Sustainable Agricultural Development has stated that the policy formulations should arise in a new way to achieve the goal of food security through sustainable agriculture and rural development coupled with environmental extension. Subrahmanyam et al. (1996), based on 62 farmers from Chickbalapur and Malur Taluk in the Kolar district of Karnataka have examined the current status of cultivation of horticultural crops by small cultivators, in the light of liberalization. Ramesh Chand's study (1996), deals with the possibility of increasing employment and income with high-value horticultural crops in this region. It increased the income by 2 to 23 times as compared to other crops in irrigated areas, and 3 to 40 times in un-irrigated areas. The study states that infrastructure, access to road, marketing, and irrigation determines, the success and profitability of diversification. Jeevanandam J. (2019), identified how women's self-group supports the socio-economic development of women in society. Primary Agricultural Credit Co-operative Society gives particular attention to women because they comprise half of the country's population and they remain the most disadvantaged sector among the poor. Yet it is the women who prove to be most effective in fostering change in their families and communities.

Technology and the Green Revolution

Shiv Karan Singh et al. (1981), in their study, examined the role of credit and technology in increasing income and employment on Small and Large farms in the western region of Hyderabad District of Andhra Pradesh. They constructed that the adoption of modern technology has led to a marked rise in incomes over and above the attainable levels of income with the use of adequate credit at the currently practiced advanced technology and the use of family members for cultivation work increased substantially. Kalyankar S.P. (1983), in his study, constructed that the introduction and widespread use of new and advanced technology involving intensive application of modern inputs has given rise to increasing demand for credit from the agricultural sector. Oladeebo et al. (2008), examined determinants of loan repayment among smallholder farmers in the Oyo state of Nigeria. The study recommended that for effective farm management and an increase in agricultural production, disbursement of loans should be targeted at young and better-educated farmers who were more likely to adopt innovations in agricultural production than their predecessors. Anandaram et al. (1999), studied the role of Co-operatives in the social development of the Indian economy and showed that the financial need of the farmers was taken care of by the PACS through lending activities. It was estimated that about 65 percent of the rural credit was being taken care of by Co-operatives. Besides these Rural Cooperatives have also been involved in the procurement and distribution of the inputs required for agricultural purposes. Through these activities, quality inputs were made available to the farmers at optimum prices. The study also suggested that good leadership and willpower of the concerned authority were required to strengthen the Cooperative movement. Devi et al. (2012), found the role of Credit Cooperatives in the agriculture development of Andhra Pradesh. From the study, they established that Co-operatives provided not only credit facilities to farmers but also provided agriculture inputs, fertilizers, and pesticides. Suryakumari L. (1999), revealed that credits had a significant impact on output. Hence, it is evident that the borrower farmer achieved a rise in crop productivity and the institutional credit has a significant impact on output. Verma et al. (1983), estimated the demand for bank credit in the agricultural sector in India as part of credit planning based

on the level of output and prices. The study disclosed that the demand for bank credit was positively related to the adoption of new technology and the cost of production in the agricultural sector of the economy. Rao S. (1980), observed that crop loan utilization took place only due to effective and efficient training of the bank staff. However, within the target group, the distribution of gains was positively associated with the assets. Zhang, S. et al. (2020), found separate analyses on the adoption of production and post-harvest technologies. These technologies revealed that cooperative membership has an insignificant impact on the number of adopted production technologies, but it significantly increases the number of post-harvest technologies adopted. These empirical findings were in line with the new institutional economics theories and their observations on the ground.

Recovery and Repayment Performance of Primary Agricultural Credit Co-operative Societies

Singh et al. (1982), in their study, constructed that the magnitude of over dues was lowest with landless laborers. The less recovery and dues in the case of small and marginal farmers could be described as the diversion of funds for consumption purposes. Gupta et al. (1984-1985), evaluated the working of the District Central Cooperative Bank, Kutch, and (Gujarat). They have concluded that the bank should strengthen its recovery process and train the staff, impart an effective member's education program, and increase its business of loaning, deposit mobilization, and branch banking if the District Central Cooperative Bank has to play the role of a catalyst of rural transformation. Balwant Singh et al. (1986), in their study, revealed that deposits mobilized by the Co-operative Societies were mostly advanced as loans. There was a drastic increase in over dues. They also stated that the test of business success is profitability. Rengaraj V. (1987), in his work entitled Over dues of Primary Agricultural Credit Co-operative Societies with particular reference to Madurai district, has suggested the maintenance of up-to-date land registers in societies and fixing of due dates for a loan based on seasonality. Satyasai et al. (2000), examined the performance of rural credit co-operative institutions in India. They observed that growth in lending has been cramped by the decline in the growth of the resources. Lending by Primary Agricultural Credit Co-operative Societies has been more seriously disabled because the resources of Primary Agricultural Credit Co-operative Societies have decelerated at a faster rate than that of the higher tiers. These trends may be partly due to the entry of Commercial Banks and Regional Rural Banks into the rural credit business, which must have led to laxity in the Co-operative sector. The poor recovery of loans coupled with high transaction costs and lower level of loan business resulted in losses worth a large amount and thus, low financial viability. Balishter et al. (1989), made a study on Crop Loan Over dues of the State Bank of India in Agra intended to examine the reasons for non-payment of crop loans by defaulters. They have observed that low crop yield, inadequate finance, crop failure due to natural calamities, delay in disbursement of loans, and lack of supervision of loan utilization were the reasons for the non-repayment of dues. Patnaik U.C. et al. (1991), in their article empirically examined the effectiveness of recovery management practices of rural banking institutions. They observed that the emergence of the write-off concept has encouraged the borrowers towards non-repayment of loans. Mruthynjaya et al. (1992), in their article on Credit utilization and over dues on marginal and small farmers in the Aligarh district of U.P. stated that nearly 70 percent of crop loan was diverted for crop production and the rest was diverted for other purposes. Pantulu (1994), evaluated the role of Cooperative credit institutions on agricultural finance and found that to a small extent, productive credit dispensed by the societies doubtlessly benefited the agriculturists though it only provided another source of borrowing. Arutselvam et al. (2000), in their study, concluded that the repayment is regular for crop loans since the farmers need the credit for the next season. Hence, the payment is regular and complete. But in the case of a long-term loan, huge amounts are outstanding. Petrick et al. (2003), investigated credit access and borrowing costs in Poland's agriculture credit market and reported that the main determinants of borrowing costs were the nominal interest rate and additional transaction costs faced by farmers. Prasad (2006), conducted a study on recovery performance and volume of overdue of nine selected Primary Agricultural Credit Co-operative Societies working in the West Godavari district of Andhra Pradesh. The study revealed that a quite interesting and debatable feature of the societies was that the volume of overdue had increased along with the quantum of credit. Onyenucheya et al. (2007), studied loan repayment and creditworthiness of farmers in Abia state by using a semi-log regression model. The result showed that

farming experience, total operating expenditure-income ratio, farm size, level of education, and age of farmers made positive contributions to creditworthiness, while outstanding loan-asset ratio, operating expenditure-income ratio, the distance between home and loan source made negative contributions to creditworthiness. Oladeebo et al. (2008), examined determinants of loan repayment among smallholder farmers in the Oyo state of Nigeria. Their study revealed that the number of loans availed by farmers, their experience in farming with credit use, and their education were the major factors that positively and significantly influenced loan repayment. Nasrin et al. (2014), examined the disbursement and recovery performance of rural credit of Rupali Bank of Bangladesh in the agricultural and industrial sectors. The recovery performance of the business sector is high when compared to the agricultural sector. Tripathy, K. K. et al. (2021), concluded that participation, accountability, and transparency were the effective pillars of cooperative governance in the presence of a diversification strategy which further leads to improved competitive performance of Kerala's Primary Agricultural Credit Co-operative Societies. The competitive process led by good governance has been demonstrated as a key determinant for the growth and development of cooperatives. Good practices of Primary Agricultural Credit Co-operative Societies enhance the reputation and stakeholder value of the cooperatives in the long run.

Comparative Study

Deganokar (1994), conducted a comparative study of credit flow from different institutions and the borrowing and utilization pattern in a backward region of Gulbarga Taluk in Karnataka. The credit output relationship is studied with the help of the Correlation Coefficient. Srivastava B. (2004), in his book *Crop Loan of Agriculture in India*, pointed out that more than half of the crop loans and advances provided to farmers came from cooperative banks and cooperative societies. He also pointed out that over dues were high in commercial banks, the main causes being a diversion of loans from productive purposes to unproductive purposes, inadequate supervision, unsatisfactory management, political, functional, and other considerations. Kailash Sharma (2005), in his article, revealed that the share of Cooperative credit institutions in total agricultural credit had declined in the last decade whereas the share of Commercial banks and Regional Rural Banks had increased during the same period. Akhilesh Kumar Singh et al. (2005), in their study, collected that the major financing to sample borrower farmers was contributed by Commercial banks followed by U.P. Cooperative Rural Development Bank and Primary Agricultural Credit Cooperative Societies. This was since Commercial banks have opened their branches in rural areas, which helped the borrower farmers to borrow the loans with the least difficulty. Llanto et al. (1996), examined the components of transaction costs of lending to the poor by taking two non-governmental organizations in the Philippines. They derived the conclusion that there existed an inverse relationship between an organization's transaction cost and its number of years of existence. The NGO while lending to the poor, provided very small loans, at relatively short-term maturities, and with higher collateral security.

Kalidas et al. (2014), conducted a study on the inadequacies of the institutional agricultural credit system among 130 farm households covering four blocks of the Coimbatore district. The study revealed that the flow of credit to the agriculture sector was inadequate despite the presence of a large number of financial institutions. Selvi (2014), in his studies, aimed to assess the trend in priority sector lending made by the commercial banks in India. This study supplied the information stated that nearly 47.51 percent of retail loan lending by commercial banks are in the form of housing loans, 47.94 percent are auto loans, 3.46 percent are loan lending through credit cards and 1.10 percent of loans are for the purchase of durable goods by households. Godara et al. (2014), in their study, examined the main issues and concerns of agricultural credit in India by using secondary as well as primary data collected from 90 farmers of six banks across three districts namely Jind, Sirsa, and Bhiwani of Haryana state by the method of convenient sampling. Gandhi Mathi et al. (2010), in their study entitled *Determinants of Borrowing Behaviour of Farmers – A Comparative Study of Commercial and Cooperative Banks* revealed that small farmers have a higher number of accounts in crop loans. However, the total amount sanctioned was higher for the medium farmers. Small farmers have been the major beneficiaries of investment loans. The cultivation of coconut and turmeric crops is higher so the commercial and cooperative banks have provided higher loans for coconut and turmeric crop cultivators.

George. P.T. et al. (1985), have done case studies of the two cooperatives one successful (Mulkanoor cooperatives bank) and the other unsuccessful (Ela Karthurthi large scale cooperative society) within the same Agro-Climatic and Socio-economic environment. According to their study, committed and continued leadership, effective participation of members, sound business practices, etc. are the factors that facilitate a successful venture. On the contrary selfish leadership at the top, the indifference of the 77 members towards the cooperative activities, the absence of vertical integration of activities, etc. characterizes the unsuccessful cooperative venture. In other words, the Case studies pinpoint that the cooperatives can be effective Institutions for the development of the rural poor. Rajasekhar et al. (1990), studied a special reference to the growth of over dues in twenty-six branches of Rajasthan representing Canara Bank, Regional Rural Bank, and Primary Agricultural Credit Co-operative Societies. The study has revealed that structural problems such as complicated procedures in sanctioning loans, and inadequate and untimely loans also contribute to the problem of over dues.

Research Gap

After examining the secondary data thoroughly, the research gap identified was customer attitude and satisfaction toward agricultural credit. However, there was no research study found related to customer attitude toward agricultural credit by the Primary Agricultural Credit Co-operative Society.

Conclusion

This review-based research paper identifies the current status and research gap and analyses the research agendas related to possible strategies of utilizing society funds for productive purposes to fulfill the objective of the client's attitude towards agricultural credit for improving the economic status of the beneficiaries, retaining existing and attracting new customers. According to a study done by Akram et al. (2008), identified Primary Agricultural Credit Co-operative Societies are double-pronged instruments designed to fight against the contagion of rural indebtedness and to improve a lot of the poor peasants. Therefore, Co-operatives worked not only for agricultural development but also for the overall development of farmers. They provide credit both for production and for other purposes on easy terms and also educate them to practice modern methods of high yielding cultivation and inculcate in them the habit of thrift, frugality, and self-help. Loans granted for debt redemption and purchase of land is declined to the bottom level over the years. On the other hand, the advances in to purchase of tractors, installation of tube wells and other land improvement programmers registered a substantial growth with time. Prashant et al. (2014), constructed, Primary Agricultural Credit Co-operative Societies attempt to make cultivators their masters and encourage them with the necessary money and materials to increase agricultural production for their advancement and the nation's economic development. Further, misutilisation and diversification of credit by the farmers, proper supervision over the utilization of loan amount by the bankers. No attempts were made to reduce the operational cost, lack of computerization, there was no professionalism and most of all Primary Agricultural Credit Co-operative Societies were not following appropriate norms for lending and recovery of loans. Even though there are numerous co-operative societies, the current study is limited to only Primary Agricultural Credit Co-operative Societies. For a better perspective, society should also identify the changing buying behavior and encourage the customer by lending long-term loans at a low rate of interest.

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