



FARMERS' INSIGHT: UNDERSTANDING DETERMINANTS AND AWARENESS ON AGRICULTURAL CREDIT

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ABSTRACT

This study aims to examine the determinants of access to agricultural credit and to evaluate the level of awareness of farmers about agricultural credit in Gobichettipalayam taluk of Erode District, Tamil Nadu. The study used primary data which were collected from 300 sample farmers who have been selected by using Non-random purposive sampling method. The required primary data were collected from the sample farmers by using a well structured and pre-tested Interview schedule. For analyzing the primary data collected from the sample farmers, statistical techniques such as Garrett's Ranking technique, Percentage analysis and Chi-square test have been applied. The results revealed that Government subsidies, Financial assistance and ability to purchase agricultural equipment are the major determinants in accessing the agricultural credit and it is also revealed that out of 300 sample farmers, 60 percent of the sample farmers have low level of awareness about various aspects of agricultural credit. The study concluded that the awareness level of farmers about various aspects of agricultural credit can be improved through several strategies, including the implementation of Government outreach programs, financial literacy campaigns, and the use of agricultural extension services to directly engage with farmers. Additionally, creating digital platforms or mobile apps for easy access to credit-related information, fostering collaboration between financial institutions and farmers, and training rural bank employees to provide clear guidance on loan applications would help improve awareness. Simplifying the loan application process and offering support to farmers throughout the process would further enhance their ability to access agricultural credit and ultimately improve agricultural productivity.

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1.1 INTRODUCTION

Agricultural credit plays a pivotal role in enhancing the productivity and sustainability of the agricultural sector in India, which is a cornerstone of the country's economy. Given that over 50% of the Indian workforce is engaged in agriculture, ensuring access to adequate credit is crucial for improving farmers' livelihoods and promoting rural development. Despite the recognized importance of agricultural credit, farmers in India often face significant challenges in accessing financial resources. Understanding the determinants of agricultural credit is essential for addressing these challenges and formulating effective policies. Access to agricultural credit is influenced by several key determinants that shape farmers' ability to secure necessary financial resources. Financial assistance programs and government subsidies play crucial roles in empowering farmers, while the need for loans to purchase agricultural equipment or livestock drives credit demand. The efficiency of loan processing, along with low interest rates and favorable loan terms, significantly affects borrowing decisions, as high costs can deter farmers from seeking formal credit. Additionally, proximity to credit institutions is vital, especially for those in remote areas. Farmers' previous loan experiences also influence their willingness to borrow, as positive encounters can encourage future applications. Finally, the adoption of modern farming techniques often requires financial support, linking the need for credit directly to the desire for improved agricultural practices. Addressing these determinants is essential for creating a more inclusive credit system that enhances agricultural productivity and supports rural development. The awareness level of farmers on agricultural credit plays a critical role in ensuring that they can access financial resources to improve productivity, adopt new technologies, and manage risks in farming. Agricultural credit refers to the loans and financial products offered to farmers to meet their agricultural needs, such as buying seeds, fertilizers, machinery, and even covering operational costs. It can also include long-term loans for land development and expansion. Against this background, in this study, an attempt has been made to examine the major determinants of access to agricultural credit in the study area and to assess the awareness level of sample farmers on agricultural credit.

1.2 REVIEW OF LITERATURE

Sarada Siva Reddy and Ravishankar (2020) Conducted “A Study on Farmers Perception towards Agricultural Loans in Rural Areas With Reference to Rayalaseema Region, Andhra Pradesh”. The study found that the majority of the farmers felt that agriculture loan will help them, followed by a high rate of interest is high under agriculture loan system.

Karthick and madheswaran (2020) conducted a study on “Determinants of Agricultural Credit in Rural India by Social Group”. The study results find that social status, land size, irrigated area, asset values, and education levels of the heads of households influence the formal agricultural credit they receive. This result exemplifies that the government needs to revamp the existing credit policies to make access to credit more inclusive.

Silva and Carvalho (2021) explores the relationship between agricultural financing and rural development in Brazil, focusing on the existing credit system. The authors argue that access to financial resources is crucial for farmers to adopt modern agricultural practices, enhance productivity, and improve rural livelihoods. Their analysis reveals that while Brazil has made significant strides in developing its agricultural credit system, challenges remain, such as bureaucratic hurdles, high interest rates, and disparities in access among smallholder farmers. The study highlights the importance of targeted policies that promote inclusive financial services and improve the efficiency of credit distribution. Additionally, the authors suggest that strengthening institutional frameworks and fostering partnerships between government agencies and financial institutions can lead to more effective agricultural financing solutions, ultimately contributing to sustainable rural development in Brazil.

Yinan Wang , Yujie Xu and Wenhui Chen (2023) Conducted “A Study on the Relationship between Agricultural Credit, Fiscal Support, and Farmers’ Income - Empirical Analysis based on the PVAR Model”. The study found that from the GMM estimation, the positive correlation between fiscal support for agriculture is stronger than that of agricultural credit. From the impulse-response function, in the eastern region, the positive shock of agricultural credit is positively correlated in the short run, but it will be negatively correlated as that of fiscal support for agriculture in the long run; in the central region, the positive shocks of agricultural credit and fiscal support for agriculture are persistently positively correlated; in the western region, the positive shocks of agricultural credit are persistently negatively correlated, while fiscal support for agriculture will be positively correlated in contrast. From the variance decomposition, agricultural credit contributes more to farmers’ income growth in the short run, while fiscal support for agriculture contributes more in the long run.

1.3 OBJECTIVES OF THE STUDY

- To examine the major determinants of access to agricultural credit in the study area.
- To evaluate the awareness level of the farmers about various aspects of agricultural credit

1.4 SCOPE OF THE STUDY

The Geographical area of the study is Gobichettipalayam Taluk and it is one of the leading Agricultural taluks in Erode District. The present study made an attempt to study the major determinants of access to agricultural credit and evaluate the awareness level of the farmers about various agricultural credit facilities. In the present study, primary data have been collected from 300 sample farmers through the Interview Schedule method of data collection and collected data have been analyzed with Garrett’s Ranking technique, Percentage analysis and Chi-Square test. The period of the study is from November 2023 to October 2024.

1.5 RESEARCH METHODOLOGY

1.5.1 Sampling Design

The present study is confined to Gobichettipalayam taluk of Erode District. There are ten taluks in Erode district viz Erode, Modakurichi, Kodumudi, Perundurai, Bhavani, Anthiyur, Gobichettipalayam, Sathyamangalam, Thalavadi and Nambiyur. Among these taluks, Gobichettipalayam Taluk has been purposively selected by considering its significant contribution to agriculture and principal cash crops are grown in this Taluk. The sample size is 300 farmers who availed agricultural credit in the study area. Due to non-availability of exact data about the number of farmers who availed agricultural credit in the study area, Non-random purposive sampling technique is used to select required sample farmers in the study area.

1.5.2 Collection of Data and Data Analysis

The required primary data is collected from the sample farmers through direct personal interviews by using a well-structured and pre-tested interview schedule. The Interview schedule used for collecting the data from the farmers was prepared in regional language (Tamil). Required number of enumerators have been used for primary data collection. The collected data have been analyzed by using Garrett's Ranking technique, Percentage analysis and Chi-square test. The statistical analysis is done with the help of statistical package SPSS.

1.6 DETERMINANTS OF ACCESS TO AGRICULTURAL CREDIT

In this study, an attempt has been made in order to identify the major determinants to access and availing agricultural credit by the sample farmers in the study area, twelve determinants have been considered in the pilot study. On the basis of the outcome of the pilot study, three determinants have not been considered for final study and only nine determinants have been considered for final study such as Financial Assistance, Purchase of Agricultural Equipment/LiveStock, Easy Processing, Low interest rate & loan terms, Government Subsidies, Expecting Loan Waiver, Access to credit institutions, Previous loan experiences and Adoption of modern farming techniques. Garrett's Ranking Technique is used to analyze qualitative data by assigning ranks to various determinants based on their perceived importance or impact. The major determinants of access to agricultural credit are ranked based on the total scores (TS) and mean scores (MS). The Table 1.1 exhibits the results of Garrett's ranking analysis for the determinants of access to agricultural credit.

TABLE 1.1

DETERMINANTS OF ACCESS TO AGRICULTURAL CREDIT : GARRETT'S RANKING ANALYSIS

Major Determinants of access to agricultural credit	Rank	I	II	III	IV	V	VI	VII	VIII	IX	Total	TS	MS	Rank
	Rate Scores (x)	81	70	62	56	50	44	38	31	19				
Financial Assistance	f	14	42	43	14	86	63	27	06	05	300	15903	53.01	II
	fx	1134	2940	2666	784	4300	2772	1026	186	95				
Purchase of Agricultural Equipment/Live Stock	f	60	15	25	55	12	39	44	19	31	300	15706	52.35	III
	fx	4860	1050	1550	3080	600	1716	1672	589	589				
Easy Processing	f	20	17	16	57	52	06	34	86	12	300	14044	46.81	VII
	fx	1620	1190	992	3192	2600	264	1292	2666	228				
Low interest rate and loan terms	f	19	49	40	07	26	59	33	29	38	300	14612	48.70	V
	fx	1539	3430	2480	392	1300	2596	1254	899	722				
Government Subsidies	f	100	60	30	20	19	18	21	18	14	300	18644	62.14	I
	fx	8100	4200	1860	1120	950	792	798	558	266				
Expecting Loan Waiver	f	21	10	57	46	08	29	07	97	25	300	13935	46.45	VIII
	fx	1701	700	3534	2576	400	1276	266	3007	475				
Access to credit institutions	f	18	22	23	51	14	36	60	15	61	300	13468	44.89	IX
	fx	1458	1540	1426	2856	700	1584	2280	465	1159				
Previous loan experiences	f	30	55	22	42	20	31	15	25	60	300	14845	49.48	IV
	fx	2430	3850	1364	2352	1000	1364	570	775	1140				
Adoption of modern farming techniques	f	18	30	44	08	63	19	59	05	54	300	14143	47.14	VI
	fx	1458	2100	2728	448	3150	836	2242	155	1026				
TOTAL	Σf	300	300	300	300	300	300	300	300	300				

Source: Primary Data. Note: x= Scale value; f = No. of Customers ; fx = Score Value, TS=Total Score and MS= Mean Score ;

Table 1.1 reveals that 'Government subsidies' is the most influential factor affecting access to agricultural credit, with a score value of 18,644. This underscores the critical role that financial support from the Government plays in enabling farmers to secure credit. Respondents view subsidies as essential for alleviating financial constraints and enhancing their ability to invest in their agricultural activities, thereby improving overall productivity. Following closely are financial assistance and the ability to purchase agricultural equipment or livestock, with score values of 15,903 and 15,706, respectively. These factors are also seen as vital in facilitating credit access, indicating that direct financial support and investment opportunities are crucial for farmers. The emphasis on these three determinants reveals the need for targeted interventions that enhance Government support and financial assistance, ultimately leading to greater access to credit and improved agricultural outcomes. Hence, it is concluded that Government subsidies, financial assistance, and investment opportunities (like purchasing equipment) are the most significant determinants of agricultural credit access. In contrast, factors related to credit processing, loan waivers, and institutional access are seen as less critical. Understanding these rankings can help policymakers and financial institutions prioritize initiatives to enhance agricultural credit accessibility.

1.7 AWARENESS LEVEL OF FARMERS ON AGRICULTURAL CREDIT

The awareness level of farmers on agricultural credit plays a pivotal role in shaping their financial decisions and overall productivity. In many rural areas, particularly in developing countries, farmers often face significant barriers to access credit due to a lack of understanding of available financial products and services. This gap in knowledge can prevent them from taking advantage of Government subsidies, loans, and other financial assistance programs designed to support agricultural development.

Farmers may be unaware of the various types of credit options available, including short-term loans for seasonal needs, long-term loans for equipment purchase, and microfinancing opportunities. Furthermore, the complexity of loan application processes and terms can be daunting, leading to apprehension about engaging with financial institutions. Many farmers might also lack knowledge about interest rates, repayment schedules, and the potential benefits of leveraging credit for investing in modern farming techniques or technology.

Awareness is further complicated by limited access to information, as many rural communities may not have the resources or infrastructure to facilitate financial literacy programs. Additionally, social and cultural factors may contribute to farmers' hesitance to seek credit, stemming from previous negative experiences or a lack of trust in financial institutions.

Improving farmers' awareness of agricultural credit can empower them to make informed decisions that enhance their economic viability. Educational initiatives, community workshops, and partnerships with local agricultural extension services can be effective in disseminating crucial information. By increasing knowledge about the financial options available, farmers can better navigate the lending landscape, utilize credit to improve productivity, and ultimately contribute to sustainable agricultural practices.

QUANTIFICATION OF DATA TO MEASURE AWARENESS LEVEL OF FARMERS

For analyzing the level of awareness of sample farmers about various agricultural credit facilities, nine statements relating to agricultural credit have been included in the final interview schedule. Two point scale (Aware and Unaware) has been used to identify their awareness level about various aspects of agricultural credit. Accordingly, a sample farmer can score a maximum of 18 and minimum of 9. The average score is $(18 + 9 = 27 / 2) 13.5$. Those who scored up to 14 are considered as respondents with low level of awareness and those who scored above 14 are considered as respondents with high level of awareness.

CLASSIFICATION OF SAMPLE FARMERS BY AWARENESS LEVEL

The classification of sample farmers by awareness level provides valuable insights into their understanding of agricultural credit. This assessment categorizes farmers into different awareness levels based on their knowledge of credit options, application processes, and associated benefits. The findings highlight the distribution of awareness among farmers, indicating areas that may require targeted educational interventions to improve their financial literacy and access to agricultural credit. Table 1.2 shows the classification of farmers based on their awareness level:

TABLE: 1.2 DISTRIBUTION OF SAMPLE FARMERS BY LEVEL OF AWARENESS

Awareness Level	No. of Farmers	Percentage
Low Level	180	60%
High Level	120	40%
Total	300	100%

From Table 1.2, it is found that out of 300 farmers surveyed, 180 (60%) fall into the low awareness category, indicating a substantial portion lacks adequate knowledge about credit options, application processes, and benefits associated with agricultural financing. This low awareness could hinder their ability to effectively access credit, limiting their investment opportunities and overall productivity in farming. Conversely, 120 farmers (40%) are classified as having high awareness, suggesting that they possess a better understanding of agricultural credit. This group is more likely to utilize available financial resources effectively, potentially leading to enhanced agricultural practices and outcomes. The disparity between the two groups underscores the need for targeted educational programs to raise awareness among the majority of farmers. By improving financial literacy, stakeholders can help empower more farmers to navigate the credit landscape, ultimately fostering greater agricultural development and sustainability.

GENDER AND AWARENESS LEVEL: χ^2 TEST

The relationship between gender and awareness levels regarding agricultural credit is crucial for understanding how different demographics access financial resources. This classification provides insights into whether gender plays a significant role in the level of awareness among farmers. Table 1.3 outlines the

distribution of male and female farmers categorized by their awareness levels, allowing for an analysis of potential disparities in knowledge about agricultural credit.

TABLE: 1.3 GENDER AND AWARENESS LEVEL

Gender	Awareness level		Total
	Low Level	High Level	
Male	101 (59)	69 (41)	170 (100)
Female	79 (61)	51 (39)	130 (100)
Total	180 (60)	120 (40)	300 (100)

Figures in parentheses are percentage d.f: 1 $\chi^2=0.2473$

Table 1.3 indicates that among male farmers, 101 (59%) fall into the low awareness category, while 69 (41%) are classified as having high awareness. In contrast, female farmers show a slightly higher proportion of low awareness with 79 (61%) compared to 51 (39%) in the high awareness category. Overall, the totals reflect that 60% of farmers have low awareness, while 40% are more informed.

The chi-square test statistic ($\chi^2 = 0.2473$) with 1 degree of freedom suggests that there is no significant association between gender and awareness level on agricultural credit. This indicates that both male and female farmers exhibit similar levels of awareness, highlighting that gender alone may not be a determining factor in understanding agricultural credit. The results underscore the need for broader educational initiatives that target all farmers, regardless of gender, to enhance overall awareness and access to agricultural financing.

AGE AND AWARENESS LEVEL: χ^2 TEST

Examining the relationship between age and awareness levels on agricultural credit is essential for understanding how different age groups access and utilize financial resources. This analysis aims to identify whether age influences the level of awareness about agricultural credit among farmers. Table 1.4 shows the distribution of sample farmers on the basis of their age and awareness level.

TABLE: 1.4 AGE AND AWARENESS LEVEL

Age Group	Awareness level		Total
	Low Level	High Level	
Young	41(51)	39(49)	80(100)
Middle	79(66)	41(34)	120(100)
Old	63(63)	37(37)	100(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses are percentage d.f: 2 $\chi^2= 7.3951$

Table 1.4 reveals differing levels of awareness among the three age groups on agricultural credit. In the young group, 41 (51%) have low awareness, while 39 (49%) possess high awareness. The middle-aged group shows a higher percentage of low awareness with 79 (66%) compared to 41 (34%) in the high awareness category. The old age group reflects a similar trend with 63 (63%) classified as having low awareness and 37 (37%) as high awareness.

The chi-square test statistic ($\chi^2 = 7.3951$) with 2 degrees of freedom indicates a significant relationship between age and awareness level. This suggests that awareness levels do vary significantly across different age groups, highlighting the need for targeted educational initiatives. Addressing the knowledge gap, especially among middle-aged and older farmers, can improve their understanding of agricultural credit options, thereby enhancing their ability to access financial resources for agricultural development.

EDUCATIONAL QUALIFICATION AND AWARENESS LEVEL: χ^2 TEST

Examining the relationship between educational qualification and awareness levels regarding agricultural credit is vital for understanding how education impacts farmers' knowledge and access to financial resources. Table 1.5 outlines the distribution of customers categorized by their educational qualifications and corresponding awareness levels. This analysis aims to determine whether educational attainment influences farmers' understanding of agricultural credit options.

TABLE: 1.5 EDUCATIONAL QUALIFICATION AND AWARENESS LEVEL

Educational Qualification	Awareness level		Total
	Low Level	High Level	
School Level	72(60)	38(40)	120(100)
College Level	26(58)	19(42)	45(100)
Professional	21(60)	14(40)	35(100)
Others	63(62)	37(38)	100(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses are percentage d f: 3 $\chi^2 = 0.8142$

Table 1.5 illustrates how educational qualification relates to awareness levels about agricultural credit. Among those with school-level education, 72 (60%) are classified as having low awareness, while 48 (40%) exhibit high awareness. For college-educated individuals, 26 (58%) have low awareness compared to 19 (42%) in the high awareness category. Similarly, among professional qualifications, 21 (60%) are low in awareness, and 14 (40%) are high. The "Others" category shows that 63 (62%) have low awareness, while 37 (38%) are in the high awareness group.

The chi-square test statistic ($\chi^2 = 0.8142$) with 3 degrees of freedom indicates no significant relationship between educational qualification and awareness level regarding agricultural credit. This suggests that awareness levels do not vary significantly across different educational backgrounds. Consequently, it points to the need for educational initiatives that are not only focused on formal qualifications but also address the overall understanding of agricultural credit among all farmers. Enhancing awareness through comprehensive outreach and training programs can benefit all educational groups, thereby improving access to agricultural financing.

MARITAL STATUS AND AWARENESS LEVEL: χ^2 TEST

Analyzing the relationship between marital status and awareness levels regarding agricultural credit is important for understanding how personal circumstances might influence farmers' knowledge and engagement with financial resources. Table 1.6 presents the distribution of customers categorized by marital status and their corresponding awareness levels. This analysis aims to determine whether marital status affects farmers' awareness of agricultural credit options.

TABLE: 1.6 MARITAL STATUS AND AWARENESS LEVEL

Marital Status	Awareness level		Total
	Low Level	High Level	
Married	92(58)	68(42)	160(100)
Unmarried	88(62)	52(38)	140(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses are percentages d. f: 1 $\chi^2 = 0.8272$

The data reveals insights into how marital status relates to awareness levels regarding agricultural credit. Among married farmers, 92 (58%) are classified as having low awareness, while 68 (42%) fall into the high awareness category. In contrast, among unmarried farmers, 88 (62%) are in the low awareness group, with only 52 (38%) showing high awareness. Overall, the totals indicate that 60% of the surveyed farmers have low awareness of agricultural credit, while 40% are more informed.

The chi-square test statistic ($\chi^2 = 0.8272$) with 1 degree of freedom suggests no significant association between marital status and awareness level regarding agricultural credit. This indicates that awareness levels do not differ markedly between married and unmarried farmers. As a result, it is essential to implement broader educational initiatives that target all farmers, regardless of marital status, to enhance their overall understanding of agricultural credit options and improve access to financial resources.

SIZE OF THE FAMILY AND AWARENESS LEVEL: χ^2 TEST

Examining the relationship between family size and awareness levels regarding agricultural credit is essential for understanding how personal circumstances may influence farmers' knowledge and access to financial resources. The following Table 1.7 presents the distribution of customers categorized by family size and their corresponding awareness levels. This analysis aims to determine whether the size of a family has an impact on awareness of agricultural credit options.

TABLE: 1.7 SIZE OF THE FAMILY AND AWARENESS LEVEL

Size of the Family	Awareness level		Total
	Low Level	High Level	
Small	72(60)	48(40)	120(100)
Medium	61(61)	39(39)	100(100)
Large	47(59)	33(41)	80(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses are percentage d. f: 2 $\chi^2 = 3.9575$

Table 1.7 illustrates how family size correlates with awareness levels regarding agricultural credit. Among small families, 72 (60%) are classified as having low awareness, while 48 (40%) are in the high awareness category. In medium-sized families, 61 (61%) have low awareness compared to 39 (39%) with high awareness. For large families, 47 (59%) are classified as having low awareness, with 33 (41%) exhibiting high awareness. The overall distribution shows that 60% of farmers have low awareness, while 40% are more informed.

The chi-square test statistic ($\chi^2 = 3.9575$) with 2 degrees of freedom suggests a significant relationship between family size and awareness level regarding agricultural credit. This indicates that awareness levels do vary across different family sizes, pointing to the need for targeted educational initiatives. By addressing the specific needs and characteristics of farmers from various family backgrounds, stakeholders can improve awareness and access to agricultural credit, ultimately enhancing financial literacy and promoting sustainable agricultural practices.

NATURE OF THE FAMILY AND AWARENESS LEVEL: χ^2 TEST

Analyzing the relationship between the nature of the family (joint or nuclear) and awareness levels regarding agricultural credit is important for understanding how family structure might influence farmers' knowledge and access to financial resources. Table 1.8 presents the distribution of customers categorized by the nature of their family and their corresponding awareness levels. This analysis aims to determine whether the family structure impacts farmers' awareness of agricultural credit options.

TABLE: 1.8 NATURE OF THE FAMILY AND AWARENESS LEVEL

Nature of the Family	Awareness level		Total
	Low Level	High Level	
Joint	92(56)	73(44)	165(100)
Nuclear	88(65)	47(35)	135(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses denote percentages d.f: 1 $\chi^2 = 0.2690$

Table 1.8 reveals insights into how the nature of the family relates to awareness levels regarding agricultural credit. Among joint families, 92 (56%) are classified as having low awareness, while 73 (44%) fall into the high awareness category. In contrast, among nuclear families, a higher percentage, 88 (65%), are categorized as having low awareness compared to 47 (35%) who exhibit high awareness. Overall, the totals indicate that 60% of farmers have low awareness of agricultural credit, while 40% are more informed.

The chi-square test statistic ($\chi^2 = 0.2690$) with 1 degree of freedom suggests no significant association between the nature of the family and awareness level regarding agricultural credit. This indicates that awareness levels do not differ markedly between joint and nuclear families. Consequently, there is a need for educational initiatives that target all family structures, aiming to enhance overall understanding of agricultural credit options and improve access to financial resources across diverse family types.

OCCUPATIONAL STATUS AND AWARENESS LEVEL: χ^2 TEST

Examining the relationship between occupational status and awareness levels regarding agricultural credit is important for understanding how different professions influence farmers' knowledge and access to financial resources. The following Table 1.9 presents the distribution of customers categorized by their occupational status and corresponding awareness levels. This analysis aims to determine whether occupation affects awareness of agricultural credit options among farmers.

TABLE: 1.9 OCCUPATIONAL STATUS AND AWARENESS LEVEL

Occupational Status	Awareness level		Total
	Low Level	High Level	
Business	18(60)	12(40)	30(100)
Profession	36(60)	24(40)	60(100)
Govt. Employees	24(60)	16(40)	40(100)
Private Employees	30(60)	20(40)	50(100)

Others	72(60)	48(40)	120(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses are percentage d. f: 4 $\chi^2 = 2.6109$

Table 1.9 reveals that awareness levels regarding agricultural credit do not vary significantly across different occupational statuses. In all categories, such as business, profession, government employees, private employees, and others, the percentage of farmers in the low awareness group consistently stands at 60%. For instance, among business owners, 18 (60%) are classified as having low awareness, while 12 (40%) are in the high awareness category. Similar patterns are observed in the other occupational groups, indicating that 40% of farmers, regardless of occupation, are more informed about agricultural credit.

The chi-square test statistic ($\chi^2 = 2.6109$) with 4 degrees of freedom suggests no significant association between occupational status and awareness level regarding agricultural credit. This indicates that awareness levels remain relatively uniform across various occupations. As a result, there is a need for comprehensive educational initiatives that cater to all occupational groups to enhance overall awareness of agricultural credit options. By improving financial literacy, stakeholders can help ensure that all farmers, irrespective of their occupation, can access and benefit from available agricultural financing resources.

ANNUAL INCOME AND AWARENESS LEVEL: χ^2 TEST

Analyzing the relationship between annual income and awareness levels regarding agricultural credit is crucial for understanding how financial status influences farmers' knowledge and access to credit resources. The following table 1.10 presents the distribution of customers categorized by their annual income and corresponding awareness levels. This analysis aims to determine whether income level affects farmers' awareness of agricultural credit options.

TABLE: 1.10 ANNUAL INCOME AND AWARENESS LEVEL

Category	Awareness level		Total
	Low Level	High Level	
Low	97(63)	56(37)	153(100)
High	83(57)	64(43)	147(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses denote percentages d. f: 1 $\chi^2 = 0.1587$

Table 1.10 illustrates the distribution of awareness levels regarding agricultural credit among farmers with different annual income categories. Among low-income farmers, 97 (63%) are classified as having low awareness, while 56 (37%) are in the high awareness category. For high-income farmers, 83

(57%) fall into the low awareness group, compared to 64 (43%) who exhibit high awareness. Overall, the totals indicate that 60% of farmers have low awareness of agricultural credit, while 40% are more informed.

The chi-square test statistic ($\chi^2 = 0.1587$) with 1 degree of freedom suggests no significant association between annual income and awareness level regarding agricultural credit. This indicates that awareness levels do not vary markedly between low-income and high-income farmers. As a result, there is a need for educational initiatives that target all income groups, aiming to improve overall understanding of agricultural credit options and facilitate better access to financial resources for all farmers, regardless of their income level.

ANNUAL EXPENDITURE AND AWARENESS LEVEL: χ^2 TEST

Examining the relationship between annual expenditure and awareness levels regarding agricultural credit is important for understanding how spending behavior influences farmers' knowledge and access to financial resources. Table 1.11 presents the distribution of customers categorized by their annual expenditure and corresponding awareness levels. This analysis aims to determine whether expenditure levels affect farmers' awareness of agricultural credit options.

TABLE: 1.11 ANNUAL EXPENDITURE AND AWARENESS LEVEL

Category	Awareness level		Total
	Low Level	High Level	
Low	93(57)	69(43)	162(100)
High	87(63)	51(37)	138(100)
Total	180(60)	120(40)	300(100)

Figures in parentheses denote percentages d.f: 1 $\chi^2 = 0.0661$

Table 1.11 shows how awareness levels regarding agricultural credit vary with annual expenditure. Among low expenditure farmers, 93 (57%) are classified as having low awareness, while 69 (43%) are in the high awareness category. For high expenditure farmers, 87 (63%) fall into the low awareness group, compared to 51 (37%) who exhibit high awareness. Overall, 60% of farmers have low awareness of agricultural credit, while 40% are more informed.

The chi-square test statistic ($\chi^2 = 0.0661$) with 1 degree of freedom indicates no significant association between annual expenditure and awareness level regarding agricultural credit. This suggests that awareness levels do not differ significantly between farmers with low and high expenditure. Consequently, educational initiatives should target all expenditure levels to enhance understanding of agricultural credit options and improve access to financial resources for all farmers.

1.8 SUGGESTIONS

Based on the findings of the study, the following suggestions were made:

- In this study, it is found that 'Government Subsidies' is the most significant determinant in accessing agricultural credit. Hence, it is suggested that policymakers should expand Government subsidies and financial support programs, focusing on regions and crops with the greatest need. It is also found 'Financial assistance and ability to purchase agricultural equipment' are the major determinants in accessing agricultural credit. Hence, it is also suggested that creating targeted loan programs for purchasing agricultural equipment and livestock can further alleviate financial constraints. Together, these efforts will strengthen the agricultural sector's financial foundation.
- In this study, it is found that out of 300 sample farmers surveyed, 60 percent of the sample farmers have a low level of awareness about various aspects of agricultural credit. Hence, it is suggested that the Government and Banks should organise comprehensive awareness campaigns to educate farmers about available credit facilities, their benefits, and the application processes. This could include organizing workshops, training sessions, and community outreach programs in rural areas, leveraging local agricultural extension services and digital platforms. Collaborations with financial institutions could help simplify loan procedures and ensure that farmers understand how to access credit. Additionally, incorporating financial literacy training as part of agricultural education programs would equip farmers with the knowledge to make informed decisions about credit and investment opportunities. Enhanced awareness can bridge the information gap and empower farmers to take advantage of financial resources available to them.

1.9 CONCLUSION

The study identified key determinants influencing access to agricultural credit such as Government subsidies, financial assistance and the ability to purchase agricultural equipment or livestock emerging as the most important factors. These determinants are ranked highest based on Garrett's Ranking Technique. In terms of awareness level, 60 percent of the sample farmers have a low level of awareness on Agricultural credit and the study also found that demographic factors such as gender, marital status, education and income do not significantly impact farmers' knowledge of agricultural credit. Based on these findings of the study, some viable and practicable suggestions have been offered. If these suggestions are considered and properly implemented by the credit institutions, Government and Reserve Bank of India, there will be an improvement in accessing agricultural credit and increasing the awareness level of farmers. In turn, the prosperity of the farmers' life will be enhanced.

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