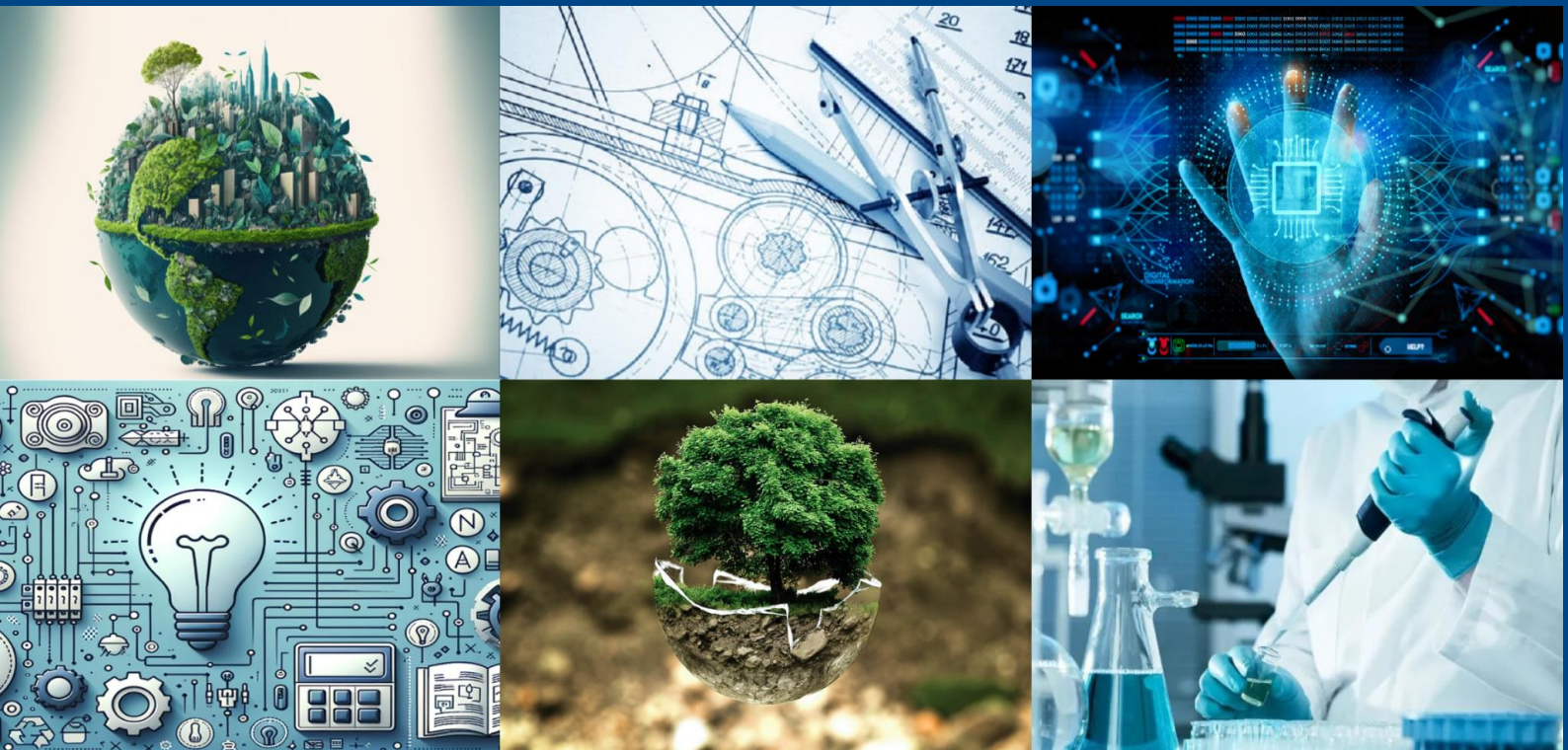




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An Investigation of Crop Loan Disbursement and Satisfaction of Farmers of Sindkhed Raja region

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ABSTRACT: The study investigates the crop loan disbursement process and farmers' satisfaction levels in the Sindkhed Raja region. Agricultural financing plays a crucial role in enhancing farm productivity and ensuring financial stability for farmers. However, issues such as loan accessibility, interest rates, procedural complexities, and repayment challenges often impact farmers' experiences. This research aims to analyze the effectiveness of crop loan disbursement mechanisms and the satisfaction levels of farmers availing these loans. The study employs both primary and secondary data collection methods, including surveys and interviews with farmers, along with an analysis of government policies and financial institutions' practices. The findings offer insights into the challenges faced by farmers and suggest measures for improving agricultural credit accessibility and utilization.

Introduction:

This study, titled “An Investigation of Crop Loan Disbursement and Satisfaction of Farmer of Sindkhed Raja region” aims to investigate where the farmer spend the amount disbursed as a crop loan. The research seeks to shed light on the proses, drawbacks, and overall impact of crop loan on farmer and examine are they satisfied or not satisfied.

Agriculture is most important enterprise in India. It is a very broad term comprising all aspect of production. It provides food for population, fodder for livestock & fulfils needs like fiber, fuel, timbre, wood & raw material to various industries.

I. INTRODUCTION OF CROP LOAN

A crop loan, also known as an agricultural loan, is a type of credit facility provided to farmers and agricultural entrepreneurs to finance their farming activities. The loan is specifically designed to cover expenses related to crop cultivation **Background of the Study**

Agriculture has long been the backbone of the Indian economy, employing a significant portion of the population and contributing substantially to the country's gross domestic product (GDP). In rural areas, particularly in regions like Sindkhed Raja, agriculture is not just a means of livelihood; it is a way of life deeply intertwined with cultural, social, and economic practices. However, farming in India faces numerous challenges, including unpredictable weather patterns, fluctuating market prices, and inadequate access to resources. One of the most pressing issues is the availability of financial resources, particularly crop loans, which are essential for farmers to invest in their agricultural activities.

The Sindkhed Raja region, located in Maharashtra, is characterized by its diverse agricultural practices. The farmers here cultivate a variety of crops, including cereals, pulses, and cash crops. Despite the region's agricultural potential, many farmers struggle with accessing timely and sufficient financial support. Crop loans play a pivotal role in enabling farmers to purchase seeds, fertilizers, and other inputs necessary for successful cultivation. Understanding the dynamics of crop loan disbursement and its correlation with farmer satisfaction is critical for fostering sustainable agricultural development in the region.

Maharashtra, one of India's largest states, has a significant agricultural sector contributing to its economy. Crop loans have played a vital role in supporting farmers in the state, particularly in rural areas like Sindkhed Raja, a taluka in



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Buldhana district. We explore the history of crop loans in Maharashtra, highlighting key milestones, policies, and initiatives impacting farmers in Sindkhed Raja.

II. LITERATURE REVIEW

Kumar et al. (2018) - Agricultural finance in India: A review. This study reviews the agricultural finance landscape in India, focusing on the evolution of agricultural credit, institutional framework, and policy initiatives. The authors analyze the trends and patterns of agricultural credit flow, highlighting the role of formal and informal sources. The review also discusses the challenges faced by farmers, such as high interest rates, inadequate credit access, and limited financial inclusion.

Meyer et al. (2018) - Agricultural finance: A conceptual framework. This study develops a conceptual framework for agricultural finance, integrating financial, economic, and social perspectives. The framework analyzes the interactions between farmers, financial institutions, and policy makers, highlighting the complex relationships between agricultural productivity, risk management, and financial sustainability.

Rajendran et al. (2019) - Crop loan disbursement and farmer satisfaction . This study examines the relationship between crop loan disbursement and farmer satisfaction in India. Using primary data from 500 farmers, the authors employ regression analysis to identify factors influencing farmer satisfaction.

RBI (2020) - Agricultural credit: Policy and guidelines . This Master Circular outlines the Reserve Bank of India's (RBI) policy and guidelines for agricultural credit. It provides comprehensive instructions for banks and financial institutions on agricultural lending.

According to Robin and Wytse, in the year 2011

NABARD (2020) - Agricultural credit and farmer satisfaction . This study examines the relationship between agricultural credit and farmer satisfaction in India. Conducted by NABARD, the study surveys 1,500 farmers across various regions.

Objectives:

The objective of the study will be as follows.

- To examine the process of crop loan disbursement.
- To study satisfaction of farmer by getting crop loan.
- To investigate where the farmer spend the amount disbursed as a crop loan.
- To investigate of any corruption done by bank officers or others.
- To assess the current state of crop loan disbursement in the Sindkhed Raja region

III. RESEARCH METHODOLOGY

- **Problem Identification:**

- Complex and time consuming process
- Corruption
- Bureaucracy of bank officers
- Lack of transparency
- Limited funding allocation for agricultural sector.

- **Data Analysis:**

1. Primary Data Collection Method

- Primary data is collected by questionnaire and by personal interview
- Observation
- Discussion.

2. Secondary Data Collection Method

- The secondary data will be collected by book and literature
- Internet



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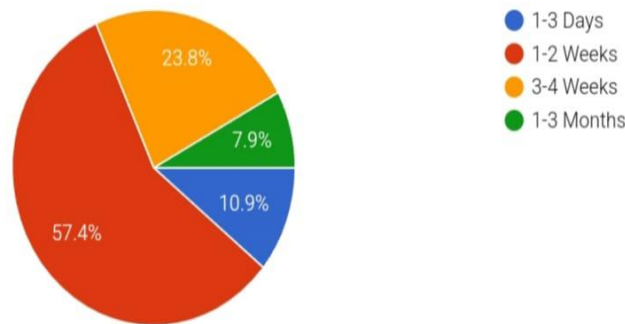
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- **Research type:**
Descriptive type of research
- **Sampling:**
Sample size would be around 100 (farmer) of Sindkhed Raja region
- **Sampling Technique:**
The Sampling technique would be simple random Sampling technique.

Collection of data through: Through online using Google Forms

Data Analysis & Interpretation

A) Time consuming process



How long the crop loan application process usually takes.

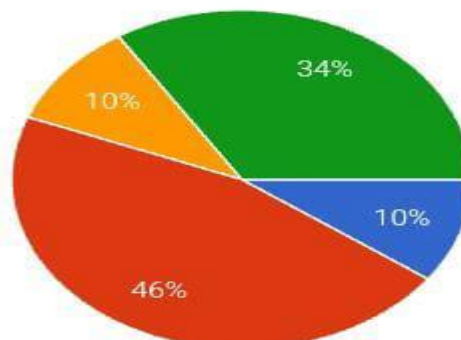
The key insights are:

- a) **1-2 Weeks (Red, 57.4%):** The majority of respondents (more than half) indicated that the process takes 1-2 weeks.
- b) **3-4 Weeks (Orange, 23.8%):** Nearly a quarter of respondents said it takes 3-4 weeks.
- c) **1-3 Days (Blue, 10.9%):** A smaller percentage of applicants get their loan processed within 1-3 days.
- d) **1-3 Months (Green, 7.9%):** The smallest group experiences a significantly longer process, lasting 1-3 months.

IV. CONCLUSION

Most crop loan applications are processed within 1-2 weeks, with a smaller portion taking longer (up to 3 months) or being processed quickly (within days). The results suggest that while the system works efficiently for many, some applicants may experience delays.

B) Farmer satisfaction with crop loan services.





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Farmer satisfaction with crop loan services based on 100 responses.

The distribution is as follows:

- Very Satisfied (Blue): 10%
- Satisfied (Green): 34%
- Neutral (Yellow): 10%
- Dissatisfied (Red): 46%

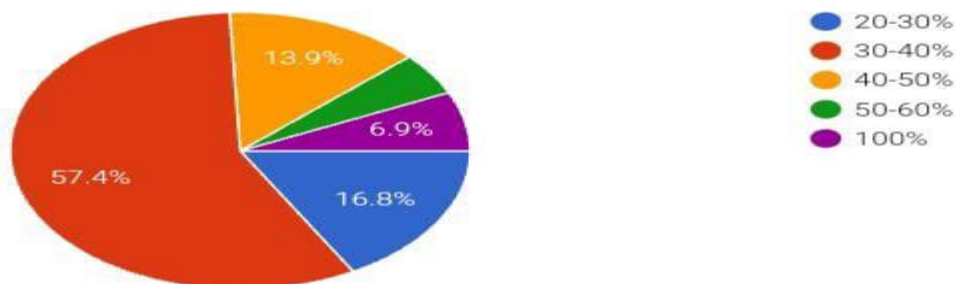
Key Observations:

- High Dissatisfaction: The largest segment (46%) of respondents are dissatisfied, indicating a significant issue with the crop loan services.
- Moderate Satisfaction: While 34% of farmers are satisfied, only 10% are very satisfied, suggesting room for improvement.
- Low Neutral Response: Only 10% of respondents are neutral, meaning most farmers have a clear opinion—either positive or negative.
- Overall Concern: With **46% dissatisfaction** and only 44% satisfaction (satisfied + very satisfied), the service appears to be underperforming for a majority of users.

Possible Implications:

- There may be issues with loan accessibility, interest rates, processing times, or service quality.
- Further investigation is needed to understand the dissatisfaction causes and improve the service accordingly.

C) Loan Utilization for seeds and fertilizers based on 101 responses.



The distribution of responses is as follows:

- 20-30% (Blue): 6.9%
- 30-40% (Dark Blue): 16.8%
- 40-50% (Orange): 13.9%
- 50-60% (Green): Smallest portion,
- 100% (Red): 57.4%

Key Observations:

- Majority Used Entire Loan (57.4%):** Most respondents (57.4%) allocated the full loan amount to seeds and fertilizers, indicating that these inputs are a primary expense.
- Moderate Usage (40-50%):** 13.9% of farmers allocated nearly half of their loan to seeds and fertilizers.
- Lower Usage (20-40%):** About 23.7% (6.9% + 16.8%) of farmers spent a relatively smaller portion of their loan on these inputs.
- Minimal Allocation for Some:** The smallest category (50-60%) suggests that a very few farmers used between half and three-fifths of their loan for seeds and fertilizers.

Possible Implications:

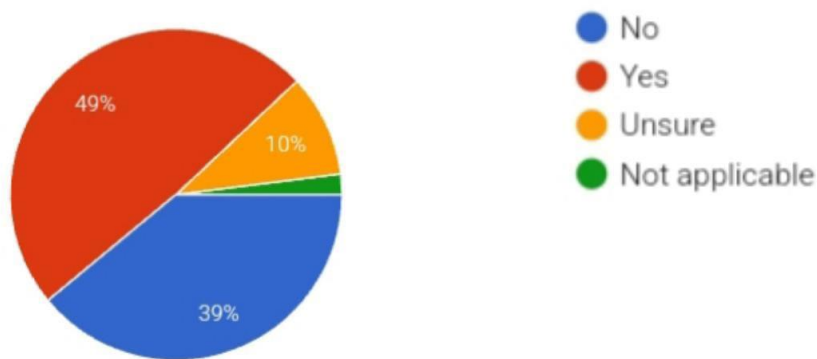
High reliance on loans for farming essentials: The fact that over 57% of farmers use their entire loan for seeds and fertilizers suggests that alternative funding sources may be limited.



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D) Corruption and Irregularities in the loan application process based on 100 responses.



The distribution is as follows:

- Yes (Red): 49%
- No (Blue): 39%
- Unsure (Orange): 10%
- Not Applicable (Green): Smallest portion (approximately 2%)

Key Observations:

- **High Corruption Perception:** Almost half (49%) of respondents reported experiencing or witnessing corruption in the loan application process, which is a significant concern.
- **Limited Confidence in Integrity:** While 39% stated "No", meaning they did not experience corruption, this is still lower than the "Yes" responses.
- **Uncertainty Exists:** About 10% were unsure, indicating that some respondents may have observed questionable practices but were not certain if they constituted corruption.
- **Minimal "Not Applicable" Responses:** Very few respondents found the question irrelevant, meaning most had direct exposure to the loan process.

Possible Implications:

- **Urgent Need for Transparency:** The high corruption perception suggests that loan processes may involve unfair practices such as bribery, favoritism, or bureaucratic hurdles.
- **Farmer Distrust in Institutions:** If nearly half of applicants believe corruption is involved, it may discourage potential borrowers or lead to unfair loan distribution.
- **Need for Stronger Monitoring:** Implementing stricter audits, digital application tracking, and anonymous reporting mechanisms could help reduce corruption.

Limitations:

The results may be specific to the Sindkhed Raja region and may not be applicable to other regions.

1. The study's timeframe may be limited, which could affect the ability to capture long term.
2. Some of the respondents want to hide the fact that they did not respond and participated in the survey.
3. Limited sample use in it.

Findings and Discussion:

The study finds that while crop loans are accessible to most farmers, procedural delays and high-interest rates remain key concerns. Many farmers express dissatisfaction with the complex documentation process and delayed disbursements, which affect timely crop production. The effectiveness of government schemes in easing the financial burden of farmers is also analysed.



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V. CONCLUSION

The study highlights the importance of efficient crop loan disbursement for agricultural growth in the Sindkhed Raja region. While existing financial mechanisms provide crucial support, there is a need for policy improvements to enhance farmer satisfaction. Addressing challenges such as procedural inefficiencies, high-interest rates, and inadequate financial literacy can lead to a more farmer-friendly agricultural credit system.

Recommendations

- **Simplification of Loan Procedures:** Reducing bureaucratic hurdles and streamlining loan applications can enhance accessibility.
- **Awareness and Training Programs:** Educating farmers on financial literacy and available schemes can improve loan utilization.
- **Timely Disbursement Mechanisms:** Ensuring faster loan approvals and disbursements can support agricultural cycles.
- **Interest Rate Adjustments:** Revising interest rates and offering flexible repayment options can reduce financial stress on farmers.

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