

Effectiveness of Kisan Credit Card Scheme in Supporting Farmers in Mayiladuthurai District

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Abstract—Agricultural credit plays a crucial role in enhancing farm productivity and ensuring rural livelihood security. The Kisan Credit Card (KCC) Scheme was introduced to provide timely and affordable credit to farmers. The present study evaluates the effectiveness of the KCC scheme in supporting farmers in Mayiladuthurai District of Tamil Nadu using primary data collected from 120 KCC holders. Statistical tools such as percentage analysis, mean score, standard deviation, weighted average method, Garrett ranking technique, chi-square test, and correlation analysis were employed. The results indicate that the KCC scheme has significantly improved access to institutional credit, enhanced agricultural productivity, and reduced dependence on moneylenders, though procedural delays and inadequate credit limits continue to be major constraints.

Keywords — Kisan Credit Card, Agricultural Credit, Rural Finance, Numerical Analysis, Mayiladuthurai District

I. INTRODUCTION

Agriculture remains the backbone of the Indian economy, contributing significantly to employment and rural income. Despite several policy initiatives, Indian farmers continue to face problems related to inadequate access to timely and affordable credit. To overcome these issues, the Government of India introduced the Kisan Credit Card (KCC) Scheme in 1998. The scheme provides short-term credit to farmers for crop cultivation and allied activities.

Mayiladuthurai District of Tamil Nadu is predominantly agrarian, with a large number of small and marginal farmers. Evaluating the effectiveness of the KCC scheme in this district using numerical and statistical tools will provide valuable insights into its performance and impact.

II. STATEMENT OF THE PROBLEM

Although the KCC scheme aims to support farmers financially, many beneficiaries face operational difficulties such as procedural delays, insufficient credit limits, and lack of awareness. A systematic numerical evaluation is required to assess whether the scheme effectively meets farmers' credit needs in Mayiladuthurai District.

III. OBJECTIVES OF THE STUDY

1. To analyze the socio-economic profile of KCC holders using numerical data.
2. To study the utilization pattern of KCC loans.
3. To measure the effectiveness of the KCC scheme using statistical tools.
4. To identify problems faced by farmers through ranking techniques.
5. To provide suggestions based on quantitative findings.

IV. RESEARCH METHODOLOGY

- Research Design: Descriptive
- Sample Size: 120 KCC holders
- Sampling Technique: Stratified Random Sampling
- Primary Data Tool: Structured questionnaire (5-point Likert scale)
- Software Used: SPSS and MS Excel

V. TOOLS AND TECHNIQUES USED

- Percentage Analysis
- Mean and Standard Deviation
- Weighted Average Method
- Garrett Ranking Technique

- Chi-Square Test
- Correlation Analysis

VI. NUMERICAL ANALYSIS AND INTERPRETATION

6.1 Age-wise Classification of Respondents (Percentage Analysis)

Age Group (Years)	No. of Farmers	Percentage (%)
Below 30	18	15.0
31-40	32	26.7
41-50	40	33.3
Above 50	30	25.0
Total	120	100

Interpretation:

Majority (58.3%) of farmers belong to the economically active age group of 31-50 years.

6.2 Purpose of Utilization of KCC Loan (Mean & SD Analysis)

(Scale: 5 = Highly Utilized, 1 = Not Utilized)

Purpose	Mean	SD	Rank
Purchase of seeds	4.42	0.68	I
Fertilizers & pesticides	4.18	0.71	II
Labour payment	3.91	0.82	III
Farm machinery	3.36	0.94	IV
Consumption needs	2.87	1.02	V

Interpretation:

KCC loans are mainly utilized for essential agricultural inputs, proving the scheme's relevance.

6.3 Effectiveness of KCC Scheme (Weighted Average Method)

Factors	Weighted Score	Rank
Low interest rate	4.56	I
Timely credit availability	4.21	II
Easy bank access	4.05	III
Flexible repayment	3.89	IV
Adequate credit limit	3.24	V

Interpretation:

Farmers are highly satisfied with interest rate and credit accessibility, but less satisfied with credit adequacy.

6.4 Problems Faced by Farmers (Garrett Ranking Technique)

Problems	Garrett Score	Rank
Lengthy documentation procedure	63.2	I
Delay in loan disbursement	59.4	II
Inadequate credit limit	55.8	III
Lack of bank guidance	50.1	IV
Renewal difficulties	46.7	V

Interpretation:

Procedural complexity and delay in loan disbursement are the most severe problems.

6.5 Chi-Square Test: Education vs Awareness

Null Hypothesis (H₀):

There is no significant relationship between education level and awareness of KCC.

- Calculated χ^2 value = 13.62
- Table value (df = 4, 5% level) = 9.49

Result:

Since calculated value > table value, H₀ is rejected.

Inference:

Education significantly influences awareness of the KCC scheme.

6.6 Correlation Analysis: Credit Amount vs Crop Yield

Variables Compared	Correlation Coefficient (r)
Credit Amount & Crop Yield	+0.71

Interpretation:

A strong positive correlation exists, indicating higher credit availability leads to increased productivity.

VII. FINDINGS OF THE STUDY

1. The KCC scheme has significantly improved institutional credit access.
2. Majority of loans are used for productive agricultural purposes.
3. Farmers are highly satisfied with interest rates and repayment flexibility.
4. Documentation and disbursement delays are major issues.
5. Education plays a crucial role in awareness and effective utilization.

VIII. SUGGESTIONS

1. Simplify documentation and renewal procedures.
2. Revise credit limits based on cultivation cost.
3. Strengthen financial literacy programs.
4. Ensure timely disbursement during cropping seasons.
5. Improve bank-level guidance for farmers.

IX. CONCLUSION

The numerical and statistical evidence clearly demonstrates that the Kisan Credit Card Scheme has been effective in supporting farmers in Mayiladuthurai District. By improving access to affordable institutional credit, the scheme has enhanced agricultural productivity and reduced farmers' reliance on informal credit sources. Addressing operational challenges will further strengthen the scheme's impact and sustainability.

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