

Contribution of NABARD in Agricultural and Rural Development

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Abstract- India is developing country. Near about 60% of its population is dependent on agriculture sector. But Indian farmers are unable to produce enough food grains because of variety of reasons, the most important being lack of finance. If formers get sufficient financial support, it will definitely increase the agricultural production.

I. INTRODUCTION

India is developing country. Near about 60% of its population is dependent on agriculture sector. But Indian farmers are unable to produce enough food grains because of variety of reasons, the most important being lack of finance. If formers get sufficient financial support, it will definitely increase the agricultural production.

This increase in agricultural production will provide inputs to agro based industries too. Therefore, the most important development in the field of rural credit has been setting up of the NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT on 12th July 1982 by an Act of Parliament.

NABARD is an apex institution in the field of rural credit. It look over from RBI all the functions that the latter performed in the field of rural credit. NABARD is playing an important role is augmenting the flow of credit for the promotion of agriculture, small scale and cottage industries, Handicraft and other rural craft and various other activities in rural area of the country.

NABARD does not help top formers and other rural people directly rather it flow the credit to these people through co-operative Banks, Commercial Banks, Regional Rural Banks and Land Development Banks etc. During last two decodes NABARD played an

important role in developing the rural economic and performed all its various functions smoothly and efficiently.

Objective of the Study: To study has the following objectives

- To understand the various credit facilities offered by NABARD.
- The researcher will also study the major activities that is pursued by NABARD.
- The Evaluate the contribution functioning and activities of NABARD in the Agriculture and rural sector.

Major Activities of NABARD

- It works as an apex body to look after the credit requirements of rural and agriculture sector.
- It works as regulatory authority, supervising monitoring and guiding co-operation Banks and Regional Rural Banks.
- NABARD provides refinance assistance for the development of tiny and small scale and cottage industries and rural handicrafts.
- NABARD provides technical, legal, financial, marketing and administration assistance to any person engaged in agriculture and rural development activities.
- With the object of providing trained staff in its bank NABARD has started some training centres.
- NABARD offers Excellent job opportunities for professionals from the banking field, economics, financial services, insurance, forestry, dairy code.

Credit Facilities Offered by NABARD Short Term Credit

NABARD provide short term credit upto 18 months to state co-operative Banks for reasonal agriculture

operations (crop loan) marketing of crop, purchase and distribution of fertilizers and working capital requirements of co-operative sugar factories.

It sanctioned short term loan during last few years for financing seasonal agriculture operations at the concessional rate of interest, such loan is repaid within one year after the harvest of the crop.

Medium Term Credit - NABARD provides medium term credit for the purpose of making home improvement on Land buying little, agriculture implement, digging of wells etc.

Long Term Credit - It provides long term credit (Not exceeding 25 years) for investments in agriculture under schematic lending for state co-operative Banks and any other financial institutions for promoting agriculture and rural development.

NABARD provides long term credit assistance in the form of loans to state Government (Not exceeding 20 years) for contribution to share capital of co-operative credit institutions.

Rural Infrastructure, Development Fund
NABARD provides credit under Rural Information development Fund for various purpose like irrigation project, watershed management, construction of rural roads and bridge etc.

Rural Housing Facilities Scheme -
Under the scheme NABARD provides finance to the individual co-operative Housing Societies, Public Bodies, Trustee, Local bodies and N.G.O.'s in the rural area only.

Micro Credit Innovation Scheme -
Under the scheme NABARD provides finance, assistance for the in reached poor in rural area through various micro finance innovation schemes especially for rural women only.

Kisan Credit Card -
Kisan credit and scheme was first introduced in 1998-99 to facilitate short term credit to farmers commercial Banks. Co-operative Banks, RRB are implementing this scheme under this scheme each farmer get kisan credit card and a pass book for providing cash credit

facilities for readily purchase agricultural inputs such as seeds, fertilizer, pesticides etc. Farmers how to get in touch with bank to use this facilities.

Research and Development Fund -
NABARD maintain research and development fund to be used promote research in agriculture and rural development. It provides technical assistance and consolation for all aspects of agriculture and rural development NABARD has setup research and developing department for this purpose and provides various training facilities, dissemination of information and promotion of research by undertaking studies and other survey in the field of rural agriculture sector of India.

Swarajgar Credit Card Scheme -
Under this scheme NABARD provides adequate and timely credit to small artisans, handloom weavers, fishermen, self-employed person, rickshaw owner Grahaudyog and other micro entrepreneurs etc.

NABARD Consultancy Services -
NABARD provides consultancy services to former and other rural people for development agriculture and rural development and other related matters in or outside India. It also provides consultancy services in various projects like multi-disciplinary projects, infrastructure and training etc.

Crafts Mart Scheme -
Under the scheme NABARD provides financial assistance to small artisans and entrepreneurs and make them self-employed. NABARD organize various promotional and awareness programs in small villages also.

Contribution of NABARD in Agriculture and rural development -

The shape of loans and advances of NABARD has gone under a drastic change after independence. The expansion of credit by these banks has increased very fast. The Loans and advances given by NABARD in last few years can be seen from the following table:

Year	Credit Disbursement by NABARD (In Crores)
2017	3,49,260
2018	4,06,642
2019	4,87,470
2020	5,32,075

(Source: Annual Report of NABARD 2019-20)

It is clear from the above table that the performance of NABARD for the promotion and development of agriculture and rural sector rison during last four years. Deneing last four years the NABARD has Expended credit to a large extent. The above table reveals that the loans and advances of NABARD was 3,49,260 crores in the year 2016-17 and 5,32,075 crores in the year 2019-20.

CONCLUSION

From above we see that NABARD is working for the 360-degree development of rural India. Every year the financial assistance received by NABARD and the disbursement mode out of it are increasing. In short it can be said that the NABARD is providing to be an institution where "Growth with social justice exist."

SUGGESTION

The NABARD has to devote its attention to refinancing and bringing coordinated efforts of other agencies to strengthen the resources base the constrains standing in the way of its development.

- Credit flow and Awarness of various schemes of NABARD.
- NABARD should focus its attention while designing and implementing scheme / programmes for rural areas in India.
- NABARD should have more involvement with the agriculture and allied departments of the state Government.
- Up till now it has been observed that the truly deserving formers are not getting financial help from NABARD, whereas rich and influential formers having political support manage to get financial support from NABARD. It is necessary that more attention must be given to small and marginal formers.

- It has been observed that many a cases loan amount distributed by NABARD is not utilized for the purpose for which it is sanctioned. As such NABARD should keep track record of loans disbursed to avoid their inisuse.
- Time to time NABARD should Import them guidance, training and information about rural and agriculture development.

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