BANKING PRODUCTS FOR RURAL MARKET: AN EVALUATION OF KISAN CREDIT CARD SCHEME IN INDIA

-Dr. Tejinderpal Singh
Assistant Professor
UBS, Panjab University Chandigarh

Abstract

Among various banking products for rural market, especially for farmers, Kisan Credit Card Scheme (KCCs) aims at providing adequate and timely support from the banking system to the farmers for their short-term credit needs for cultivation of crops. The present paper aims to evaluate the performance of different disbursement agencies such as Co-operative Banks, Regional Rural Banks and Commercial Banks in India with respect to Kisan Credit Card scheme. Firstly, paper analyzes and compares the performance of Co-operative Banks, Regional Rural Banks and Commercial banks for the period of 1999-00 to 2009-10 on the basis of number of cards issued and amount sanctioned under this scheme. Secondly, study analyzes the growth rates of respective agencies in this regard during the period of 1999-00 to 2009-10. Thirdly, study evaluates and compares the performance of these agencies in all the States and Union Territories of India on the basis of each state's shares in total disbursement as well as growth rates over the previous year.

Study found that out of total KCCs issued and total amount sanctioned under the scheme since its inception, commercial banks accounted for the maximum share followed by cooperative banks. However, the number of cards issued by cooperative banks witnessed a declining trend since 2001-02, while the commercial banks more or less had a rising trend in the number of KCCs issued. Study also found that Uttar Pradesh accounted for the maximum number of KCCs issued so far followed by Andhra Pradesh. These two States together accounted for one third of the total KCCs issued so far. Similarly, Uttar Pradesh had the maximum share of loans sanctioned under the KCC scheme followed by Maharashtra. However, average amount of loan sanctioned per KCC was the highest in Gujarat followed by Punjab. In the north-eastern States as well as in other hilly States, the number of KCCs issued as well as amount of loans sanctioned was very low as compared with rest of the States. In the end study suggests to popularize this scheme in hilly areas as well in the states where this scheme has yet to take the momentum.

Introduction

India lives in villages as nearly seventy per cent of the country's population lives in rural areas[1]. This trend will continue for nearly 50 more years and India would continue to have the largest population in the world until 2050.[2] The economy of rural India primarily depends on agriculture as agriculture remained the principle occupation in Indian villages from the ancient period. Agriculture is the backbone of the Indian economy, with nearly fifty eight per cent of the population[3] of the country continuing to depend on it either directly or indirectly for their livelihood. Considering the dominant role of the sector and the importance of credit as input to agriculture, a multi-agency approach has been adopted by the Reserve Bank of India (RBI) for ensuring credit flow

[1]Provisional Population Totals, Census 2011
[2] United Nations, Revision of World Urbanization Prospects, 2007
[3] Economic Survey,2010-11, pp 188

Salient features of the Kisan Credit Card (KCC) Scheme

- Eligible farmers to be provided with a Kisan Credit Card and a pass book or card-cum-pass book.
- Revolving cash credit facility involving any number of withdrawals and repayments within the limit.
- Limit to be fixed on the basis of operational land holding, cropping pattern and scale of finance.
- Entire production credit needs for full year plus ancillary activities related to crop production to be considered while fixing limit.
- Sub-limits to cover short term, medium term as well as term credit are fixed at the discretion of banks.
- Card valid for 3 to 5 years subject to annual review. As incentive for good performance, credit limits could be enhanced to take care of increase in costs, change in cropping pattern, etc.
- Each withdrawal to be repaid within a maximum period of 12 months.
- Conversion/ reschedulement of loans also permissible in case of damage to crops due to natural calamities.
- Security, margin, rate of interest, etc. as per RBI norms.
- Operations may be through issuing branch (and also PACS in the case of Cooperative Banks) through other designated branches at the discretion of bank.
- Withdrawals through slips/cheques accompanied by card and passbook.

Crop loans disbursed under KCC Scheme for notified crops are covered under Rashtriya Krishi Bima Yojna

to the sector. Given the enormity of the credit requirements on one hand and the vagaries of the nature on the other, financing agriculture has been a gigantic task for banks in India.

Ensuring timeliness and adequacy of credit to farmers have posed the most serious challenges to banks engaged in financing agriculture[1]. Moreover, financial sector reforms, has infused a spirit timeliness and adequacy of credit to farmers have posed the most serious challenges to banks engaged in financing agriculture. Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD) have taken several initiatives for designing of innovative credit delivery products in dispensation of agricultural credit and simplification of systems and procedures. However, the traditional system of procedures, documentation etc. adopted by the banking system had posed various problems and hurdles in availing the credit. Provision of timely, adequate and hassle free credit to farmers continues to be one of the major challenges for banks in India. Towards this end, several innovative strategies have been evolved by NABARD. Among various products developed by banks for rural market, especially for farmers, Kisan Credit Card (KCC) is one of the key products aimed to improve the farmers' accessibility to bank credit, simplify credit delivery mechanism and provide more flexibility in use of credit. Model scheme of Kisan Credit Card formulated by NABARD in 1998-99 is being implemented in all the States and Union territories. The Kisan Credit Card is a pioneering credit delivery innovation for providing adequate and timely credit to farmers under single window, with flexible and simplified procedure, adopting whole farm approach, including the short-term credit, medium term and long term credit needs of the borrowers for agriculture and allied activities and a reasonable component for consumption needs. Beneficiaries covered under the Scheme are issued with a credit card and a pass book or a credit card cum pass book incorporating the name, address, particulars of land holding, borrowing limit, validity period, a

[1] College of Agricultural Banking Reserve Bank of India Pune(2005)

passport size photograph of holder etc., which may serve both as an identity card and facilitate recording of transactions on an ongoing basis. This scheme is in place more than a decade and it is the time to evaluate the performance of Kisan Credit Card Scheme. The present paper is an attempt to evaluate the performance credit disbursement agencies i.e. Co-operative Banks, Regional Rural banks and Commercial Banks in India.

Literature Review

NABARD (2009),in its 'Report on the Doubling of Agriculture Credit Programme (2004-05 to 2006-07)' found that there were notable inter agency and inter-district variations with regard to year of achievement of the doubling of agriculture credit as well as in terms of 'number of times' the target was achieved through KCC. In all the States, the commercial banks fared better than the RRBs and Cooperatives. The implementation of the programme resulted in a change in the share of various agencies in the agriculture credit flow between 2003-04 and 2006-07. In Uttar Pradesh and Rajasthan, the share of RRBs declined drastically while that of Co-operatives declined in all the States, except Rajasthan. The study suggested that there was a need to orient agriculture credit policies in a manner that is more conducive for the marginal and small farmers, tenant farmers, share croppers and oral lessees in accessing credit from formal institutions.

NABARD (2010), found that a number of encouraging results such as hassle free access to institutional loans through KCC effectively resulted in increasing productivity of paddy crop (13.3 per cent) compared to the corresponding yield of non-KCC holders. However, the whole of the yield increase was partly attributed to the credit access through KCC. The adequate application of comparatively higher doses of inputs like fertilizer, manure, pesticide, labour, irrigation waters, etc. by KCC farmers were contributing factors for improvement of yield level.

Sajane, A.M. et.al (2011),in their empirical research found that the growth of Kisan credit card users in the Belgaum district, was negative (-393.38 %) and on the other hand, in Sangli district, the growth was positive (36.18 %). The total cost of credit as percentage of borrowed amount was higher in the non-Kisan credit card category (11.06 %) as compared to that in the Kisan credit card (4.77 %). It was also evident that the credit given by the banks for food crops (jowar and paddy) was less as compared to that for cash crops (potato, sugar cane and soybean).

Review of the available literature regarding the credit scheme shows that few studies are available in this context. Moreover, available studies concentrated on selected states only. However, present study covers all states as well as union territories of India.

Research Methodology

The Kisan credit Card Scheme has been evaluated on the basis of performance of credit disbursement agencies with respect to number of KCCs issued and amount sanctioned through KCCs by disbursement agencies. Study also compares the performance of credit disbursement agencies in different States of India for the period of 2008-09 and 2009-10. For this purpose, secondary data has been used from the published sources of Reserve Bank of India from 1999-00 onwards. For analysis purpose, descriptive statistics tools such as percentages, simple growth rates and exponential growth rates have been used. Simple growth rate is just year to year growth and has been calculated by using formula; $g = (y_t - y_{t-1})/y_{t-1} *100$ where, g=simple growth rate, y_t = value of variable y in current year, y_{t-1} = value of variable y in previous year. Exponential growth rate is simply compounded growth rate but unlikely the compound growth rate; it is worked out for a period on the basis of the value of a variable for all the years. In this case, least square trend is fitted for given years and given values of the variable. The exponential equations used for this purpose are as under

$Y_e = ab^t$ (I)

Where, $b = (1+g)/100$ (II)

Y_e is the computed value of concerned variables, a and b are the estimates, t is the time period and g is the growth rate

In semi –logarithmic form, the equation (I) takes form;

$\text{Log } y_e = \log a + t \log b$ (III)

The present equation is known as semi-logarithmetic equation which gives the straight line. However, on arithmetic chart the curve gives a nonlinear trend. From this semi- logarithmetic equation, we get the estimated values of log a and log b. The growth rate obtained from equation (II) is;

$g = (b-1) \times 100,$

$g = [\text{antilog } (\log b)-1] \times 100$

Results and Discussion

Agency-wise Number of Kisan Credit Cards Issued

The number of KCSs issued by Co-Operative Banks, Regional Rural Banks and Commercial Banks during each year from the year 1999-00 to 2009-10 has been shown in Table 1. The data pertains to the specific year only, number of KCCs issues in particular year. Table shows that total number of KCCs issued by all the agencies together increased from 5,134,081in the year1999-00 to 9,006,123 in the year2009-10 by registering the growth rate of 2.19 per cent. It does not seem to be very impressive. Among different agencies, Regional Rural Banks recorded the highest growth rate of 16.56 per cent in this regard followed by Commercial Banks (11.84%) during the period of study. However the performance of Cooperative Banks was very poor as number of KCCs issued in each year declined from 3,594,869 in the year 1999-00 to 1,743,253 in year 2009-10 by registering negative growth rate of -12.29 per cent.

Benefits of the Kisan Credit Card Scheme to the farmers:

- Access to adequate and timely credit to farmers.
- Full year's credit requirement of the borrower taken care of.
- Minimum paper work and simplification of documentation for withdrawal of funds from the bank.
- Flexibility to draw cash at any time and buy inputs as per the need of the farmer and also to repay as and when surplus fund is available.
- Assured availability of credit at any time enabling reduced interest burden for the farmer
- Sanction of the facility for 3 years subject to annual review and satisfactory operations and provision for enhancement.
- Flexibility of withdrawals from a branch other than the issuing branch at the discretion of the bank.

Benefits of the Scheme to the Banks

- Reduction in work load for branch staff by avoidance of repeat appraisal and processing of loan papers under Kisan Credit Card Scheme
- Minimum paper work and simplification of documentation for withdrawal of funds from the bank.
- Improvement in recycling of funds and better recovery of loans.
- Reduction in transaction cost to the banks.
- Better Banker - Client relationships.

Source : www.nabard.org

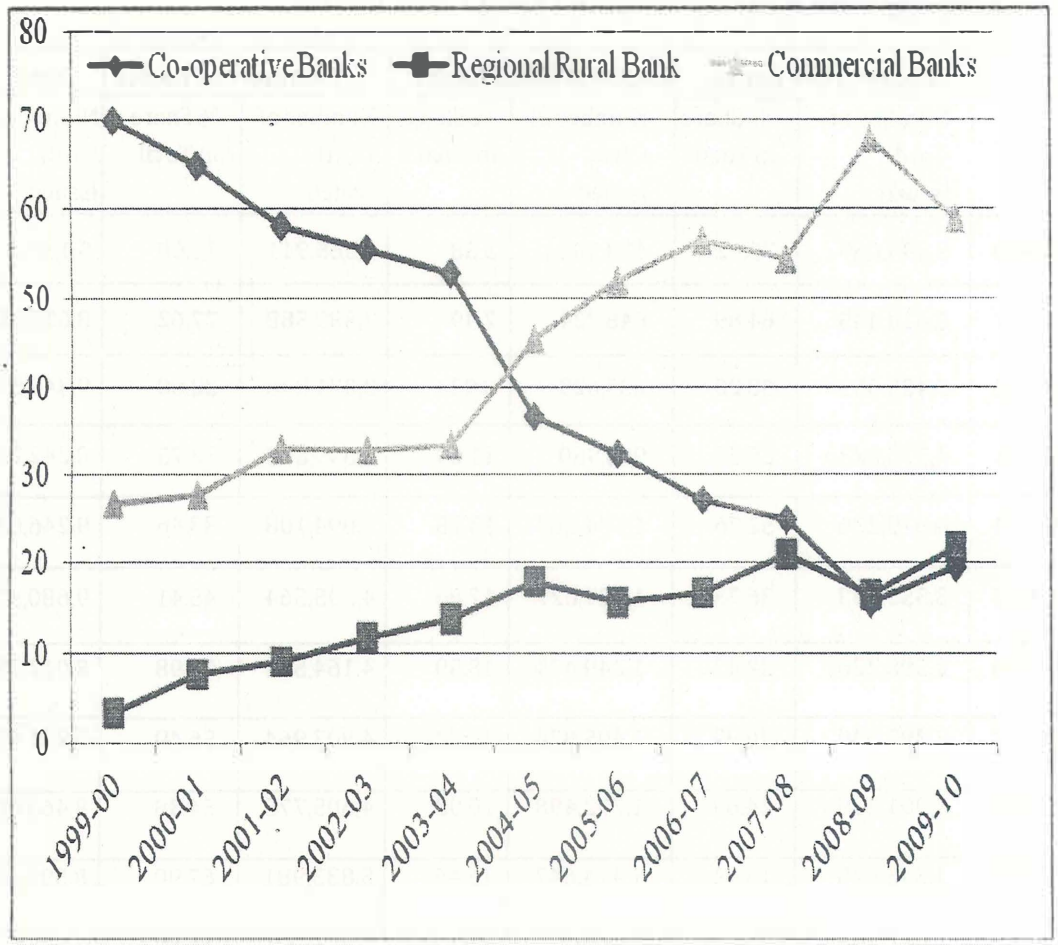
Table: 1 Agency-wise Number of Kisan Credit Cards Issued

Year	Cooperative Banks		Regional Rural Banks		Commercial Banks		Total
	Number of Cards Issued	% Share in Total	Number of Cards Issued	% Share in Total	Number of Cards Issued	% Share in Total	Number of Cards Issued
1999-00	3,594,869	70.02	173,301	3.38	1,365,911	26.60	5,134,081
2000-01	5,614,445	64.89	648,324	7.49	2,389,588	27.62	8,652,357
2001-02	5,435,859	58.20	833,629	8.92	3,071,046	32.88	9,340,534
2002-03	4,578,923	55.55	963,950	11.69	2,699,883	32.75	8,242,756
2003-04	4,878,236	52.76	1,274,289	13.78	3,094,108	33.46	9,246,633
2004-05	3,555,783	36.73	1,729,027	17.86	4,395,564	45.41	9,680,374
2005-06	2,598,226	32.43	1,249,474	15.59	4,164,551	51.98	8,012,251
2006-07	2,297,640	26.99	1,405,874	16.52	4,807,964	56.49	8,511,478
2007-08	2,091,329	24.69	1,772,498	20.93	4,605,775	54.38	8,469,602
2008-09	1,343,845	15.64	1,414,647	16.46	5,833,981	67.90	8,592,473
2009-10	1,743,253	19.36	1,949,785	21.65	5,313,085	58.99	9,006,123
Growth Rate (%)	-12.29		16.56		11.84		2.19

Source: Report on Trend and Progress of Banking in India 2009-10, Reserve Bank of India, Growth rates are self calculated

Table further shows that Commercial Banks have been dominating the market since 2004-05 onwards as far as share in total number of KCCs issued was concerned. In case of Co-operative banks, the percentage share in total number of KCCs issued has been following declining trend since the inception of the scheme. The upward trend has been noticed both in case of Regional Rural Banks and Commercial Banks (Figure 1).

Figure: 1 Agency-wise percentage share in Total number of KCCs



Source: Report on Trend and Progress of Banking in India 2009-10, Reserve Bank of India,

Agency-wise Amount of Kisan Credit Cards Issued

The amount of KCCs issued by Co-Operative Banks, Regional Rural Banks and Commercial Banks during each year from the year 1999-00 to 2009-10 has been shown in Table 2.

Table 2 cited below shows that total amount of KCCs issued by all the agencies together increased from Rs7548cr. to Rs57678cr. by registering the growth rate of 18.61 per cent on constant prices. Among different agencies, Commercial Banks recorded the highest growth rate of 26.62 per cent in this regard followed by Regional Rural banks (26.00%) and cooperative banks (3.93%) during the period of study.

Table 2: Amount of Kisan Credit Cards Issued: Agency-wise and Year-wise

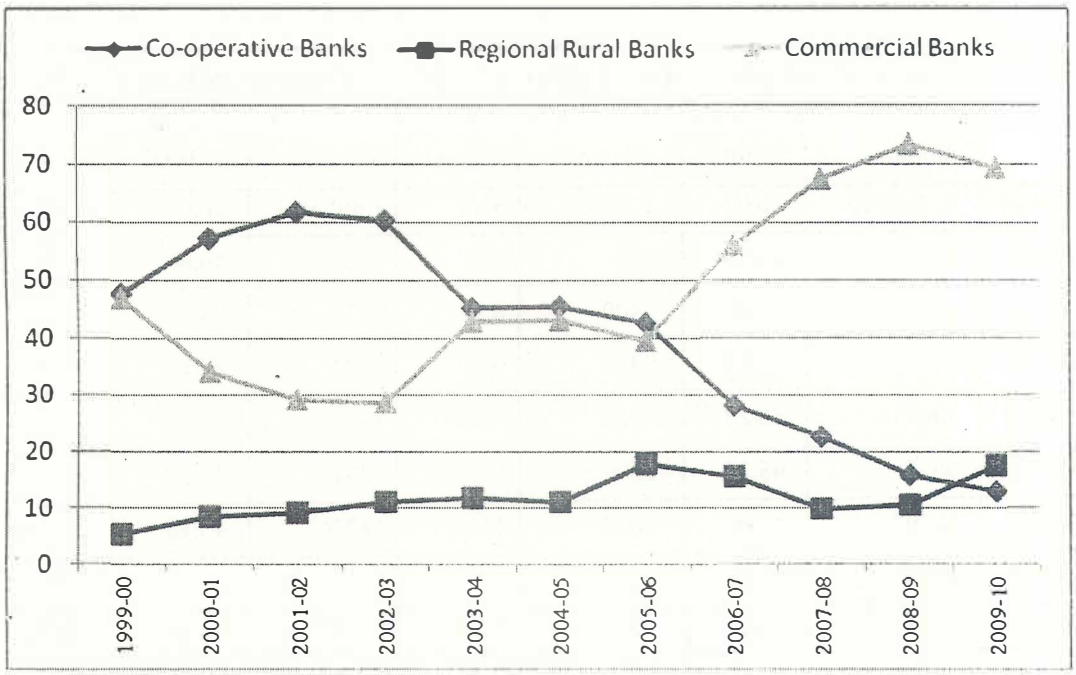
(Amount in Crores)

Year	Cooperative Banks		Regional Rural Banks		Commercial Banks		Total
	Amount	% Share in Total	Amount	% Share in Total	Amount	% Share in Total	Amount
1999-00	3,594,869	70.02	173,301	3.38	1,365,911	26.60	5,134,081
1999-00	3606	47.77	405	5.37	3537	46.86	7548
2000-01	9412	57.30	1400	8.52	5615	34.18	16427
2001-02	15952	61.69	2382	9.21	7524	29.10	25858
2002-03	15841	60.28	2955	11.25	7481	28.47	26277
2003-04	9855	45.24	2599	11.93	9331	42.83	21785
2004-05	15597	45.62	3833	11.21	14756	43.16	34186
2005-06	20339	42.73	8483	17.82	18779	39.45	47601
2006-07	13141	28.12	7373	15.78	26215	56.10	46729
2007-08	19991	22.65	8743	9.91	59530	67.45	88264
2008-09	8428	15.88	5648	10.64	39009	73.48	53085
2009-10	7606	13.19	10132	17.57	39940	69.25	57678
Growth Rate (%)	-3.93		26.00		26.62		18.61

Source: Report on Trend and Progress of Banking in India 2009-10, Reserve Bank of India, Growth rates are self calculated

Table further shows that among different agencies, Co-operative banks have the highest share in the total amount of KCCs issued followed by Commercial banks for period from 1999-00 to 2005-06. After this period, commercial banks dominated the market with more than fifty percent share in the market. Further, figure 1 shows that there was a declining trend in case of co-operative banks in total amount of KCCs issued is concerned. Both commercial and Regional rural banks showed the upward trend in this regard.

Figure: 2 Year wise percentage share in Total amount sanctioned under KCC Scheme



Source: Report on Trend and Progress of Banking in India 2009-10, Reserve Bank of India

State wise number of KCCs issued by agencies

State wise number of KCCs issued so far by Co-Operative Banks, Regional Rural Banks and Commercial Banks for period of 2008-09 and 2009-2010 has been shown in Table 3.Data shown here is total number outstanding up to the end of specific year. Table shows that at end-March 2010, Uttar Pradesh (17133 Thousand) accounted for the maximum number of KCC issued so far followed by Andhra Pradesh (15582 Thousand). These two states together accounted for one third of the total KCCs issued so far. The performance of agencies in states like Assam,

Table: 3 Number of Credit Cards Issued by Agencies as on 2008-09 and 2009-19

(number in, 000)

State	Co-operative Bank			Regional Rural Banks			Commercial Banks			Total		
	2008-09	2009-10	Growth	2008-09	2009-10	Growth	2008-09	2009-10	Growth	2008-09	2009-10	Growth
Andhra Pradesh	3594 (9.94)	3,594 (9.49)	0.00	1853 (16.15)	2,068 (15.41)	11.60	8985 (24.25)	9,919 (23.41)	10.40	14432 (17.05)	15582 (16.63)	7.97
Assam	13 (0.04)	14 (0.04)	7.69	123 (1.07)	154 (1.15)	25.20	327 (0.88)	399 (0.94)	22.02	463 (0.55)	568 (0.61)	22.68
Arunachal Pradesh	1 (0.00)	1 (0.00)	0.00 (0.03)	3 (0.02)	3	0.00 (0.04)	16 (0.04)	19	18.75 (0.02)	19 (0.02)	23	21.05
Bihar	796(2.20)	833(2.20)	4.65	839(7.31)	1,110(8.27)	32.30	1493(4.03)	1,862(4.40)	24.72	3128(3.69)	3805(4.06)	21.64
Gujarat	1182(3.27)	1,206(3.18)	2.03	242(2.11)	248(1.85)	2.48	1377(3.72)	1,543(3.64)	12.06	2801(3.31)	2997(3.20)	7.00
Goa	4(0.01)	4(0.01)	0.00	-	-	-	11(0.03)	12(0.03)	9.09	15(0.02)	17(0.02)	13.33

State	Co-operative Bank			Regional Rural Banks			Commercial Banks			Total		
	2008-09	2009-10	Growth	2008-09	2009-10	Growth	2008-09	2009-10	Growth	2008-09	2009-10	Growth
Goa	4(0.01)	4(0.01)	0.00	-	-	-	11(0.03)	12(0.03)	9.09	15(0.02)	17(0.02)	13.33
Haryana	1244(3.44)	1,259(3.32)	1.21	336(2.93)	372(2.77)	10.71	768(2.07)	861(2.03)	12.11	2348(2.77)	2492(2.66)	6.13
Himachal Pradesh	66(0.18)	192(0.51)	190.91	40(0.35)	55(0.41)	37.50	219(0.59)	256(0.60))	16.89	325(0.38)	503(0.54)	54.77
Jammu& Kashmir	52(0.14)	53(0.14)	1.92	15(0.13)	24(0.18)	60.00	12(0.03)	15(0.04)	25.00	78(0.09)	93(0.10)	19.23
Karnataka	1677(4.64)	1,867(4.93)	11.33	1097(9.56)	1,255(9.35)	14.40	2266(6.12)	2,543(6.00)	12.22	5041(5.95)	5665(6.05)	12.38
Kerala	1295(3.58)	1,482(3.91)	14.44	424(3.70)	473(3.52)	11.56	1405(3.79)	1,512(3.57)	7.62	3124(3.69))	3466(3.70)	10.95
Madhya Pradesh	3118(8.63)	3,389(8.94)	8.69	474(4.13)	575(4.28)	21.31	1559(4.21)	1,813(4.28)	16.29	5151(6.08)	5777(6.17)	12.15
Maharashtra	5217(14.43)	5,395(14.24)	3.41	276(2.41)	330(2.46)	19.57	2426(6.55)	2,972(7.02)	22.51	7919(9.35)	8697(9.28)	9.82
Meghalya	10(0.03)	11(0.03)	10.00	21(0.18)	22(0.16)	4.76	37(0.10)	46(0.11)	24.32	68(0.08)	79(0.08)	16.18
Mizoram	2(0.01)	2(0.01)	0.00	9(0.08)	9(0.07)	0.00	12(0.03)	15(0.04)	25.00	23(0.03)	26(0.03)	13.04
Manipur	13(0.04)	14(0.04)	7.69	2(0.02)	2(0.01)	0.00	25(0.07)	28(0.07)	12.00	40(0.05)	44(0.05)	10.00
Nagaland	2(0.01)	3(0.01)	50.00	1(0.01)	2(0.01)	100.00	18(0.05)	23(0.05)	27.78	22(0.03)	28(0.03)	27.27
Orissa	3268(9.04)	3,592(9.48)	9.91	597(5.20)	705(5.25)	18.09	1069(2.89)	1,257(2.97	17.59	4934(5.83)	5553(5.93)	12.55
Punjab	892(2.47)	904(2.39)	1.35	119(1.04)	140(1.04)	17.65	1219(3.29)	1,353(3.19)	10.99	2230(2.63)	2398(2.56)	7.53
Rajasthan	2851(7.89)	2,960(7.81)	3.82	440(3.84)	499(3.72)	13.41	1467(3.96)	1,762(4.16)	20.11	4757(5.62)	5220(5.57)	9.73
Sikkim $	3(0.01)	3(0.01)	0.00	-	-		7(0.02)	8(0.02)	14.29	9(0.01)	11(0.01)	22.22
Tamil Nadu	1803(4.99)	1,638(4.32)	-9.15	265(2.31)	294(2.19)	10.94	3741(10.10)	4,224(9.97)	12.91	5809(6.86)	6156(6.57)	5.97
Tripura	4(0.01)	4(0.01)	0.00	41(0.36)	53(0.39)	29.27	52(0.14)	64(0.15)	23.08	97(0.11)	1210.13	24.74
Uttar	6074	6,280	3.39	3343	3,916	17.14	6005	6,917	15.19	15423	17113	10.96
Pradesh	(16.80)	(16.58)		(29.14)	(29.18)		(16.21)	(16.33)		(18.22)	(18.27)	
WestBengal	1463(4.05)	1,535(4.05)	4.92	311(2.71)	375(2.79)	20.58	1334(3.60)	1,535(3.62)	15.07	3108(3.67)	3445(3.68)	10.84
Andamna	3(0.01)	4(0.01)	33.33	-			2(0.01)	3(0.01)	50.00	6(0.01)	7(0.01)	16.67
Nicobar Islands												
Chandigarh	-	-	-	-	—	-	3(0.01)	3(0.01)	0.00	3(0.00)	3(0.00)	0.00
Daman&Diu	-	-	-	-	-	-	2(0.01)	2(0.00)	0.00	2(0.00)	2(0.00)	0.00
New Delhi	2(0.01)	2(0.01)	0.00	-	-	-	20(0.05)	22(0.05)	10.00	22(0.03)	24(0.03)	9.09
D&N Haveli	-	-	-	-	-	-	3(0.01)	3(0.01)	0.00	3(0.00)	3(0.00)	0.00
Lakshadweep	-	-	-	-	-	-	1(0.00)	1(0.00)	0.00	1(0.00)	1(0.00)	0.00
Puducherry	7(0.02)	7(0.02)	0.00	-	-	-	48(0.13)	60(0.14)	25.00	56(0.07)	67(0.07)	19.64
Jharkhand	279(0.77)	279(0.74)	0.00	300(2.62)	387(2.88)	29.00	414(1.12)	503(1.19)	21.50	992(1.17)	1168(1.25)	17.74
Chhattisgarh	912(2.52)	1,046(2.76)	14.69	256(2.23)	301(2.24)	17.58	262(0.71)	317(0.75)	20.99	1430(1.69)	1663(1.78)	16.29
Uttarakhand	298(0.82)	314(0.83)	5.37	45(0.39)	50(0.37)	11.11	260(0.70)	304(0.72)	16.92	603(0.71)	668(0.71)	10.78
Other States	-	-	-	-	-	-	0.05(0.00)	-	-	0.05(0.00)	-	
Other	-	-	-	-	-	-	0.05(0.00)	188(0.44)	375,900.00	0.05(0.00)	188(0.20)	75900.00
Total	36145 (100.00)	37,888 (100.00)	4.82	11471 (100.00)	13,421 (100.00)	17.00	37051 100.00	42,364 (100.00)	14.34	84667 (100.00)	93673 (100.00)	10.64

Source: Report on Trend and Progress of Banking in India 2008-09 and 2009-10, Reserve Bank of India, Growth rates are self calculated

Himachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland, Sikkim, Tripura, Andaman Nicobar Islands was not very much impressive. All these states had less than one per cent share in total number of credit cards issued. Same is case with all Union territories which too had less than one percent share in total number of credit cards issued. Uttar Pradesh accounted for maximum number of KCCs issued by Co-Operative Banks (6280 thousand), Regional Rural Banks (3916 Thousand) and Commercial Banks (6917 Thousand) individually so far followed by Andhra Pradesh. Further, Himachal Pradesh, agencies issued the KCCs with growth rate of 54.7 per cent in the year 2009-10 which is highest among all the states. It was followed by Assam (22.68%) and Sikkim (22.22%).

State-wise loan amount sanctioned by agencies under KCCs scheme

State wise loan amount sanctioned under KCCs by Co-Operative Banks, Regional Rural Banks and Commercial Banks for period of 2008-09 and 2009-2010 has been shown in Table 4 Table shows that Uttar Pradesh accounted for maximum loan amount sanctioned under KCC schemes by all the agencies together in 2009-10. It is followed by the states, Maharashtra and Andhra Pradesh. Moreover, these three states account for more than one-third of the total amount sanction by these agencies. Looking from the growth point of view, Arunachal Pradesh registered the highest growth of 41.18 per cent in the year 2009-10 followed by Sikkim (37.46%) and Jammu and Kashmir (37.12%). However, as on March 2010, average amount of loan sanctioned per KCC was the highest in Gujarat (14.59) followed by Punjab (10.50). In the north-eastern states as well as in other hilly states, amount of loans sanctioned under KCCs was very low in comparison to rest of the States at end-March 2010. Agency wise analysis shows that Co-operative Banks sanctioned the maximum loan amount in the state of Maharashtra with 22.87 per cent share in total amount sanctioned by the bank in the country followed by Gujarat (13.13 %) and Madhya Pradesh (10.14%). Regional rural banks sanctioned the maximum amount in Uttar Pradesh state with 26.54 per cent share in total amount. Uttar Pradesh (17.04%) followed by Andhra Pradesh (14.10%) and Gujarat (9.70%) were those states where Commercial banks sanctioned the maximum proportion of their total loan sanctioned under the scheme.

Conclusion

The Kisan Credit Card scheme was aimed at providing adequate and timely credit to farmers under single window, with flexible and simplified procedure, adopting whole farm approach, including the short-term credit, medium term and long term credit needs of the borrowers for agriculture and allied activities and a reasonable component for consumption needs. Firstly, year-wise analysis of the scheme concludes that commercial banks' performance seems to be satisfactory in this regard. However, the declining share of co-operative banks in the total number of credit cards issued and amount sanctioned under the KCCs is issue of concern.

As these banks are working at root level in India, the efforts by these banks to cover the maximum number of farmers under this scheme will really help to achieve the aims of Kisan Credit card scheme in true sense. Secondly, In the north-eastern States as well as in other hilly States, the number of card issued under KCCs as well as amount of loans sanctioned as compared with rest of the States do not give very promising picture. So banks should start special awareness programs to cover the maximum number of farmers under the scheme.

Table : 4 Amount of Credit Cards Issued by Agencies as on 2008-09 and 2009-19 (Cr.)

State	Co-operative Bank			Regional Rural Banks			Commercial Banks			Total			
	2008-09	2009-10	Growth	2008-09	2009-10	Growth	2008-09	2009-10	Growth	2008-09	2009-10	Growth	Average
Andhra Pradesh	6751 (5.08)	6751.00 (4.8)	0.00	3739.2 (8.53)	4405.00 (8.16)	17.81	27986.6 (14.48)	32880.00 (14.10)	17.48	38476.8 (10.40)	44036 (10.29)	14.45	2.83
Assam	14.9 (0.01)	18.00 (0.01)	20.81	411.1 (0.94)	513.00 (0.95)	24.79	582 (0.30)	795.00 (0.34)	36.60	1008 (0.27)	1326 (0.31)	31.55	2.33
Arunachal Pradesh	1.5 (0.00)	1.00 (0.00)	-33.33	3.4 (0.01)	5.00 (0.01)	47.06	29.1 (0.02)	42.00 (0.02)	44.33	34 (0.01)	48 (0.01)	41.18	2.09
Bihar	944.8 (0.71)	1008.00 (0.72)	6.69	2936 (6.70)	4067.00 (7.54)	38.52	6178 (3.20)	8181.00 (3.51)	32.42	10058.8 (2.72)	13256 (3.10)	31.79	3.48
Gujarat	18377.6 (13.82)	18457.00 (13.13)	0.43	2590.2 (5.91)	2644.00 (4.90)	2.08	20712 (10.72)	22622.00 (9.70)	9.22	41679.8 (11.26)	43723 (10.22)	4.90	14.59
Goa $	17.8 (0.01)	19.00 (0.01)	6.74	-	-	-	130.4 (0.07)	139.00 (0.06)	6.60	148.2 (0.04)	158 (0.04)	6.61	9.29
Haryana	7732.1 (5.81)	7833.00 (5.57)	1.30	2907.5 (6.63)	3363.00 (6.23)	15.67	7719.2 (3.99)	9319.00 (4.00)	20.72	18358.8 (4.96)	20516 (4.80)	11.75	8.23
Himachal Pradesh	318.1 (0.24)	513.00 (0.36)	61.27	179 (0.41)	273.00 (0.51)	52.51	1141.7 (0.59)	1461.00 (0.63)	27.97	1638.7 (0.44)	2247 (0.53)	37.12	4.47
Jammu & Kashmir	72.5 (0.05)	78.00 (0.06)	7.59	122.4 (0.28)	173.00 (0.32)	41.34	76.8 (0.04)	101.00 (0.04)	31.51	271.7 (0.07)	353 (0.08)	29.92	3.80
Karnataka	6872.9 (5.17)	7197.00 (5.12)	4.72	5376.6 (12.27)	6135.00 (11.37)	14.11	13011.3 (6.73)	15476.00 (6.64)	18.94	25260.8 (6.83)	28808 (6.73)	14.04	5.09
Kerala	3470.7 (2.61)	4087.00 (2.91)	17.76	1475.1 (3.37)	1687.00 (3.13)	14.37	4885.5 (2.53)	5468.00 (2.34)	11.92	9831.3 (2.66)	11241 (2.63)	14.34	3.24
Madhya Pradesh	13352.2 (10.04)	14262.00 (10.14)	6.81	2415.5 (5.51)	3041.00 (5.64)	25.90	12002.2 (6.21)	14906.00 (6.39)	24.19	27769.9 (7.50)	32209 (7.53)	15.99	5.58
Maharashtra	30802.9 (23.16)	32157.00 (22.87)	4.40	1100 (2.51)	1180.00 (2.19)	7.27	10949.4 (5.67)	13859.00 (5.94)	26.57	42852.3 (11.58)	47197 (11.03)	10.14	5.43
Meghalaya	13.2 (0.01)	15.00 (0.01)	13.64	36.6 (0.08)	40.00 (0.07)	9.29	95.1 (0.05)	120.00 (0.05)	26.18	144.9 (0.04)	174 (0.04)	20.08	2.20
Mizoram	1.3 (0.00)	1.00 (0.00)	-23.08	43.9 (0.10)	56.00 (0.10)	27.56	23.7 (0.01)	34.00 (0.01)	43.46	68.9 (0.02)	92 (0.02)	33.53	3.54
Manipur	33.6 (0.03)	34.00 (0.02)	1.19	2.7 (0.01)	3.00 (0.01)	11.11	61.3 (0.03)	76.00 (0.03)	23.98	97.6 (0.03)	113 (0.03)	15.78	2.57
Nagaland	0.8 (0.00)	2.00 (0.00)	150.00	2.9 (0.01)	4.00 (0.01)	37.93	33.4 (0.02)	44.00 (0.02)	31.74	37.1 (0.01)	49 (0.01)	32.08	1.75
Orissa	9587 (7.21)	10323.00 (7.34)	7.68	1299.5 (2.96)	1523.00 (2.82)	17.20	3124.6 (1.62)	3804.00 (1.63)	21.74	14011.2 (3.79)	15649 (3.66)	11.69	2.82
Punjab	6199.5 (4.66)	6370.00 (4.53)	2.75	1293.9 (2.95)	1719.00 (3.19)	32.85	13511.1 (6.99)	16979.00 (7.28)	25.67	21004.4 (5.68)	25068 (5.86)	19.35	10.45
Rajasthan	8387 (6.31)	8915.00 (6.34)	6.30	3595.6 (8.20	4735.00 (8.77)	31.69	16573.5 (8.58)	20647.00 (8.85)	24.58	28556.1 (7.72)	34298 (8.02)	20.11	6.57
Sikkim $	6.3 (0.00)	8.00 (0.01)	26.98	-	-	-	22.8 (0.01)	32.00 (0.01)	40.35	29.1 (0.01)	40 (0.01)	37.46	3.64
Tamil Nadu	5228.9 (3.93)	5481.00 (3.90)	4.82	588.9 (1.34)	675.00 (1.25)	14.62	11776.4 (6.09)	14592.00 (6.26)	23.91	17594.2 (4.75)	20748 (4.85)	17.93	3.37

Tripura	5.6 (0.00)	6.00 (0.00)	7.14	62.5 (0.14)	94.00 (0.17)	50.40	106.2 (0.05)	147.00 (0.06)	38.42	174.3 (0.05)	248 (0.06)	42.28	2.05
Uttar Pradesh	5910 (4.44)	7578.00 (5.39)	28.22	11167.9 (25.48)	14320.00 (26.54)	28.22	33075.3 (17.12)	39731.00 (17.04)	20.12	50153.3 (13.55)	61629 (14.41)	22.88	3.60
West Bengal	5494.9 (4.13)	5782.00 (4.11)	5.22	1357.5 (3.10)	1814.00 (3.36)	33.63	3964.4 (2.05)	4756.00 (2.04)	19.97	10816.7 (2.92)	12352 (2.89)	14.19	3.59
Andamna Nicobar	8.3 (0.01)	10.00 (0.01)	20.48	-	-	-	8 (0.00)	10.00 (0.00)	25.00	16.3 (0.00)	20 (0.00)	22.70	2.86
Chandigarh	- (0.00)	- -	-	-	-	-	15.3 (0.01)	20.00 (0.01)	30.72	15.3 (0.00)	20 (0.00)	30.72	6.67
Daman & Diu	-	- -	-	-	-	-	13.9 (0.01)	14.00 (0.01)	0.72	13.9 (0.00)	14 (0.00)	0.72	7.00
New Delhi $	8.8 (0.01)	9.00 (0.01)	2.27	-	-	-	173 (0.09)	295.00 (0.13)	70.52	181.8 (0.05)	304 (0.07)	67.22	12.67
D & N Haveli	-	- -	-	-	-	-	28.4 (0.01)	29.00 (0.01)	2.11	28.4 (0.01)	29 (0.01)	2.11	9.67
Lakshadw eep	-	- -	-	-	-	-	2.6 (0.00)	3.00 (0.00)	15.38	2.6 (0.00)	3 (0.00)	15.38	3.00
Puducherry	34.3 (0.03)	34.00 (0.02)	-0.87	-	-	-	172.2 (0.09)	232.00 (0.10)	34.73	206.5 (0.06)	267 (0.06)	29.30	3.99
Jharkhand	544.3 (0.41)	544.00 (0.39)	-0.06	340.5 (0.78)	496.00 (0.92)	45.67	1067.8 (0.55)	1555.00 (0.67)	45.63	1952.7 (0.53)	2596 (0.61)	32.94	2.22
Chhattisgarh	2195 (1.65)	2413.00 (1.72)	9.93	613.4 (1.40)	779.00 (1.44)	27.00	1296.6 (0.67)	1718.00 (0.74)	32.50	4105 (1.11)	4910 (1.15)	19.61	2.95
Uttarakhand	600.7 (0.45)	689.00 (0.49)	14.70	170.4 (0.39)	220.00 (0.41)	29.11	2433.6 (1.26)	2835.00 (1.22)	16.49	3204.8 (0.87)	3744 0.88)	16.82	5.60
Total	132988.2 (100.00)	140594 (100.00)	5.72	43832.3 (100.00)	53964 (100.00)	23.11	193249.5 (100.00)	233190 (100.00)	20.67	3,70,070.08 (100.00)	4,27,748 (100.00)	15.59	4.57

Souce : Report on Trend and Progress of Banking India 2008-09 and 2009-10, Reserve Bank of India, Growth rates are self calculated

References:

1. Barik, B.B., Kisan Credit Card Scheme – A Dynamic Intervention for Reduction in Rural Poverty Available at http://docs.google.com/viewer?a=v&q=cache:_JluFRHSgFcJ:skoch.org/8tw/KCC%2520Scheme%2520-%2520A%2520Dynamic%2520Intervention.pdf+evaluation+of+kisan+credit+card&hl=en&gl=in&pid=bl&srcid=ADGEESgdzj_kDK8cGuVL7pgyca6d2gExlenpcAlDpeKTpG7UK9ZUkk1kku9DmnaAKWKfGhQc7o5OIzA7cgxzIvL2IZDpIp0aU4YZFViEvGCFQaxY_fPFcwvndOgXvjt6toElqP8jlugE&sig=AHIEtbT1WIfxk1ad9Xvl6zAmZwe3wMVfkg accessed on September 26,2011

2. College of Agricultural Banking Reserve Bank of India, Pune (2005), Study of The Kisan Credit Card Scheme and Initiatives Of Orissa State Cooperative Bank, p.4

3. Government of India (2010-11), Economic Survey, 2010-11, Economic Survey', Ministry of Finance, pp 188

4. NABARD (2009), Report on the Doubling of Agriculture Credit Programme (2004-05 to 2006-07)

5. Reserve Bank of India (2010), Report On Trend and Progress of Banking in India 2009-10

6. Reserve Bank of India (2011), Report On Trend and Progress of Banking in India 2009-10

7. Sajane ,A. M., Basavaraja ,H., Guledgudda ,S . S., Patil ,B. L., Mahajanshetty ,S. B. and Bhat,A. R. S, Economic evaluation of kisan credit card scheme, Karnataka J. Agric. Sci.,24 (2) : (173-176) 2011

8. Samantara, Samir, (2010), Kisan Credit Card – A study, National Bank for Agriculture and Rural Development, Mumbai

9. United Nations (2007),Revision of World Urbanization Prospects,