

OPERATIONS OF THE CROP LOAN SYSTEM IN MAHARASHTRA

S. N. JATAR*

1. Object

1.1 With the advent of recent technological changes in the agricultural production, supply of credit by the co-operative institutions is no longer meant only for keeping an alternative agency going in the rural sector to keep away the farmers from money-lenders but to assure timely and adequate credit to the farmers who go over to the new technology. It thus becomes necessary to know whether the crop loan system operating in the co-operative credit institutions in Maharashtra has the necessary flexibility and a sound base to fulfil this new aim.

1.2 With this in view a study in the procedural aspect of the crop loan system operating in Maharashtra was undertaken by the Co-operative Department between November 1967 and April 1968 which was followed by four case studies between April and June 1968 to find out the system's financial side. The article, therefore, is divided into two parts, the first dealing with the procedural aspect of the crop loan system and the second with its financial aspect.

1.3 Procedural study was based on a questionnaire drawn with the help of the Crop Loan Manual issued by the Reserve Bank of India in 1966 (hereinafter referred to as the Manual) covering important procedural steps. Answers to the same were collected from (i) all the central co-operative banks; (ii) all taluka supervising unions; (iii) all the taluka purchase and sales unions; (iv) all the district marketing societies, and (v) a sample of primary agricultural societies from all the districts.

1.4 The financial side was studied by conducting four identical case studies in four districts of the State (Yeotmal, Nasik, Nanded and Kolhapur), one from each administrative division. The studies

* Views expressed in this article are the author's own and do not commit the Co-operative Department in any way.