REPORT OF THE STUDY TEAM

ON

AGRICULTURAL CREDIT INSTITUTIONS

IN

UTTAR PRADESH





RESERVE BANK OF INDIA

AGRICULTURAL CREDIT DEPARTMENT

BOMBAY

REPORT OF ON ON ON AGRICULTURAL CREDIT INSTITUTIONS IN UTTAR PRADESH



RESERVE BANK OF INDIA
AGRICULTURAL CREDIT DEPARTMENT
BOMBAY

Printed by G. G. Pathare at Popular Press (Bom.) Pvt. Ltd., 35C, Tardeo Road, Bombay 400 034 and published by Dr M. V. Hate for the Reserve Bank of India, Agricultural Credit Department, Bombay 400 018.

CONTENTS

Chap	ter		
(r•	INTR	DDUCTION	
	3	Composition of the Study Team	2
	5	Terms of reference	4
	6	Programme planning	7
	· ŏ	Special studies	8
	10	Meetings/discussions	8
	13	Acknowledgements	10
1	AGRICULTURAL POTENTIAL	SITUATION AND CREDIT	
2	1.02	Administrative set-up	13
		Geophysical and climatic conditions	14
		Population	15
		Principal regions	16
		Land use	17
		Land holdings	19
	1.17	Fragmentation of holdings	21
	1.18	Land tenure	22
		Backward areas	22
		Irrigation facilities	23
		Cropping pattern	26
		Crop out-turn	28
		Use of fertilizers	31
		High-yielding Varieties programme	33
		Other programmes	33
		Major development schemes	35
		Overall picture	37
		CREDIT POTENTIAL	37
2	STATE AND DIST	TRICT CO-OPERATIVE BANKS	
-	SECTIO	N I	
	ATTU	R PRADESH CO-OPERATIVE BANK	
	2.03	Management	43
	2.07	Chairman	44
	2.08	Administrative set-up	45
	2.09	Regional offices/Branches	45
	2.10	Staffing pattern study	46
	2.14	Financial position	49
	2.17	Borrowings	51

		Deficits in node	53
	2.20	Defaults in repayment of dues to the	
		apex bank	53
		Loans and advances	53
		Cost of short-term agricultural credit	56
	2.32	Case of diversification of loans portfolio	61
		Scope for diversification	63
		Overdues	66
	2.40	Role as an apex bank	66
	SECTIO	пис	
	DIST	RICT CO-OPERATIVE BANKS	
	2.42	Number of banks	68
		Growth of business	68
	2.48	Comparative position	71
		Scope of enquiry	72
	2.51	Viability of DCBs	73
	2.55	Assessment of efficiency	79
	2.57	Future course of action	83
	2.66	Periodical review	89
	2.67	Additional share capital contribution	91
		Organization of new DCBs	91
		Head Offices of DCBs	92
		New developments	92
	SECTION	ON III	
	ESTI	MATE OF CREDIT SUPPORT	
3	INSTITUTIONS A	AT THE PRIMARY LEVEL	
	DISTRICT-WISE		
	3.04	Number of pacs	96
		Coverage	96
		Internal and borrowed resources	100
		Loan business	100
		Overdues	101
	3.11	Comparative position	103
		ON-THE-SPOT STUDIES	
		Coverage	105
		Loan business	109
		Conversion facilities	110
	3.20	Overdues	110

3.2	2 Overdues in relation to size of holdings	
	of defaulters	112
3.2	3 Conclusion	113
	REORGANIZATION OF SOCIETIES	
	5 Guiding norms	113
3.2	6 Process of reorganization	114
	8 Farmers service societies	115
	9 Seed stores	116
3.3	0 Twelve-point programme	117
	1 Full-time Secretaries	117
	2 Office-cum-godowns	118
	4 State participation	119
3.3	5 Other related matters	120
â	INSTITUTIONAL ARRANGEMENTS IN THE HILLY REGION	
3.4	1 Allied/subsidiary activities	123
3.4	[2011] - [2017] - [2	124
3.4	18. kg - 기다. [18. kg] - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	128
3.5		132
3.5	3 Proposed institional set up	136
3.7	O Assistance to individuals	147
	1 Co-ordination	148
. 3.7	5 Conclusion	149
4 ARRANGEMEN	NTS FOR FILLING CREDIT GAPS	
	OPERATIONS OF COMMERCIAL	
	BANKS .	152
	4 Deposits	153
	5 Loans and advances	154
	6 Agricultural advances	154
	8 Advances to priority sectors	156
	9 Overdues	158
	0 Financing of Agriculture through pacs	158
4.1		161
4.1		161
4.2	gg - vergoni , f anns-ministrygg, in internetian - mentricipation	162 164
4.2 4.2	[2]	165
4.2		169
4.3	36:31 - ^	171
4.3		172
4.3	30	173
7.0	<u> </u>	

4.39	Pooling of resources	175
	Our preference	176
4.42	Other related matters	177
5 CANE FINANCII	NG AND CANE UNIONS	
5.03	Recent developments	180
5.06	Cash credit system	183
5.08	Operational problems	187
5.17	Recommended solutions	195
5.19	Distribution of fertilizers	198
5.20	Progress in financing	200
5.21	Role of cane unions	202
5.38	Conclusion	215
6 CREDIT FOR DA	AIRYING	
6.02	Evolution of milk unions/primaries	216
6.03	[10] [10] 프로워크 (10] (10] (10] (10] [10] (10] (10] (10] (10] (10] (10] (10] (217
	Agra district	222
6.14	. 마셨어요요 프로그 내려가 - 경영화 2015의 경영화 100명	226
6.23	Kanpur district	231
6.27	Summary of findings	233
6.28	Viability of milk primaries	233
6.30	Re-organization of milk primaries	236
6.33	Supply of Credit	238
6.41	Milk unions	242
6.44	Co-ordination	244
6.45	Conclusion	244
	O-OPERATIVE CREDIT	
INSTITUTIONS	•	
7.03	and the same and the contract of the contract	245
7.09	Approach	250
7.10	Non-wilful defaults	250
7.14	Estimate of non-wilful defaults	254
7.15		
	defaults	255
7.18	Chronic defaults	256
7.25	Wilful defaults	261
7.26	Supervision	262
7.29		265
7.30	Speedy disposal of award cases/	
	execution petitions	256
7.33	Conclusion	267

8 MANAGERIAL AND OPERATIONAL ISSUES

SECTION I

MAN	AGERIAL ISSUES	269
8.04	Boards of management of DCBs	
8.06	Cadre of primary secretaries	270
	Economics of the cadre	274
8.19	Common cadre for key personnel of DCBs	278
SECTIO	и ис	
OPER	ATIONAL ISSUES	283
8.26	Interest margin	284
8.29	Differential rate	285
8.33	Overdue interest	288
8.36	Deposit mobilization	290
8.39	Medium-term loan policy	291
8.40	Financing of small and economically	
	weak farmers	291
8.41	Security by way of charge on land	292
8.42	Audit of DCBs	292
8.43	Co-operation Department	295
8.44	Inter-departmental Co-ordination	295
8.45	Review of recommendations	296
SUM	MARY OF RECOMMENDATIONS	297
	ANNEXURES 1 to 37	371
	REFERENCES	489