



## **AWARENESS ON CREDIT AND PRACTICES OF AGRI-HOUSEHOLDS THROUGH EDUCATION IN YSR KADAPA DISTRICT: AN EMPIRICAL ANALYSIS**

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### **Abstract**

*In rural culture, schooling deals with rural farm households' attitudinal behavior in several ways, along with farm-scale and other stratification. Analysis of educational results has continued to provide proof, referring to education's fiscal, social, and technical benefits. According to an extensive body of literature, "people with higher education levels have higher individual incomes, more regular jobs, higher agricultural production, lower mortality, improved health, and nutritional status, more modern behaviors', and all aspects of growth in developing countries, according to an extensive body of literature". The study's primary objective is to look at the "awareness on credit and practices of agri-households through the education in YSR kadapa district of Rayalaseema Region.*

### **Introduction**

Education as a means for social change is primarily concerned with human actions. It is crucial in reducing aversion to transition. It promotes 'socialization and cultivation of modern ideals,' influencing people's 'attitudinal tendencies,' and 'facilitating the transition.' Formal education produces 'technology of intellect' and 'contexture of attitudes'. Standard spillover consequences of education include more significant involvement in legal, political, and cultural systems and the development of views and capacities of critical and reasonable thinking. To cite an example, universal educational diffusion promotes the adoption of family welfare programs through continents, linguistic and religious cultures, castes, and economic classes among them. It encourages the introduction of new agricultural methods.

"Institutions such as banks, cooperatives, health facilities, and extension activities support trained residents. Job security and other advantages of unionization are also possible. Illiteracy is primarily to blame in rural India for land disputes arising from tampering with documents by lower-level authorities and the courts' eventual misuse." Literacy protects from corruption and has beneficial outcomes. It further encourages both private and public desire for education. Literacy is, in truth, the first and most critical move toward education. This is particularly important for women. The new literacy of one generation is translated into the education of the next. Modern manufacturing systems are increasingly dynamic, data-driven, and interconnected, necessitating human resources with specialized preparation and expertise. Literates will acquire new techniques more rapidly and effectively than illiterates.

In rural culture, schooling deals with rural farm households' attitudinal behavior in several ways, along with farm-scale and other stratification. Analysis of educational results has continued to provide proof, referring to education's fiscal, social, and technical benefits. According to an extensive body of literature, "people with higher education levels have higher individual incomes, more regular jobs, higher agricultural production, lower mortality, improved health, and nutritional status, more modern behaviors', and all aspects of growth in developing countries, according to an extensive body of



literature”. The study’s primary objective is to look at the “ awareness on credit and practices of agri-households through the education in YSR kadapa district of Rayalaseema Region.

### 5.2.1. Education and Agricultural Credit Sources;

Simply put, credit is the sum borrowed, and it is often known as a loan. Credit may be received for various uses, from various locations, on various terms & conditions, and for a variety of periods. There are three forms of agricultural credit available to farmers: “short-term, medium-term, and long-term.” The word “credit in this study only applies to short-term agricultural credit, that is, the sum lent during the reference year to cover various agriculture activities such as crop, fertilizer, pesticides, and wage payment.” In this analysis, agricultural credit origins are divided into two categories: institutional and non-institutional sources. “Credit received from co-operative banks and commercial banks constitutes the institutional source. Credit received from money lenders, brokers, contract officers, and friends and family is a non-institutional source.”

## Methodology

### Objectives

1. To study the importance of the education in rural sector
2. To identify the various credit sources and agriculture practices in India
3. To analyse awareness levels on credit and practices

### Sample design

**Table-1 Sample selection of Agri-households in selected villages**

Sl. No.	Developed Block	Location Code	Selected Village	Agri-Households		
				Total	Sample	Percentage
1	Obulavaripalle	0915	ChinnaOrampadu	2388	125	5.23
2	Sambepalle	0904	Narayanareddypalle	869	105	12.08
3	T.Sundupalle	0905	Reddyvaripalle	580	75	12.93
4	Thondur	0889	Mallela	592	65	10.97
5	Chakrayapet	0901	Rajupalle	252	57	22.61
Sub Total				4681	427	54.82
Sl. No.	Backward Block	Location Code	Selected Village	Agri-Households		
				Total	Sample	Percentage
1	Pullampet	0914	Anantasamudram	645	63	9.76
2	Sidhout	0897	Kadapayapalle	274	30	10.94
3	Vontimitta	0896	Mantapampalle	671	65	9.68
4	Chitvel	0912	Bhakrapuram	260	27	10.38
5	Rajupalem	0870	ChinnaJonnaram	229	25	10.91
Sub Total				2079	210	51.67

Depending on the size of the operational landholdings, the sample farm households were classified into marginal farmers (MF), small farmers (SF), medium farmers (MEF), and big farmers (BF). Farm households were also classified into illiterates (E0), mere literates (E1), primary (E2), middle (E3),



secondary (E4), and higher secondary and higher (E5), based on the number of years of Schooling of the head of the household, the household / agricultural activities.

**Source of Data**

The pilot study was carried out to test and expedite the schedule under the current study. The primary data were subsequently collected during the agriculture year 2018-19 for this report’s particular purposes. Data from broader household aspects like demographics, education, employment, and agricultural production was collected to evaluate the aims of the report. Village level aggregate data-general information about the village, village-level organization availability, industry, market prices, incomes, etc. were collected from village officers and village leaders during the first visit to the village. The researcher maintained a good relationship with each village’s local leaders and clarified the research’s nature and intent—the degree of cooperation they needed to obtain reliable data. The local village leaders worked together and helped to collect accurate data in every way possible.

The data relating to individual households was collected from the farm household’s head via the interview process. The data obtained in this survey is mainly focused on their call method.’ It is also expected to be somewhat prejudicial. As the survey was conducted immediately after the second season harvest, the farmers could gather the required information. The completed questionnaires were reviewed for the answer and semi- inaccuracies the next day. Another trip was made to collect specific and precise details from the same household in case of omissions and unclear or incoherent responses. All reasonable attempts were made to get the exact details from the participants to the fullest extent possible.

Most secondary data is obtained from the reports and documents of the offices of the Joint Agriculture Director, the Chief Educational Officer, and the Assistant Statistics Director in addition to the 2011 Census Report and the Handbook of statistics YSR District, 2018.Data for all development indicators were collected from a wide range of sources, including District Elementary School office, Deputy Director of Health Services, Quinquennial Livestock Census, Season and Crop Report of Andhra Pradesh, Joint Director of Animal Husbandry, Annual Credit Plan of Lead Bank (Syndicate Bank), NIC DISNIC database, Factory Inspector, Andhra Pradesh Nutritious Integrated project, and district industries office, YSR district.

**Discussion of the Findings**

Table-2shows the percentage distribution of farmers with various stages of education and “farm credit sources in both developed and backward blocks.”

**Table-2 Agricultural Credit Sources Based on Farmers’ Educational Levels (In percentage)**

“Sources	UEF	E1	E2	E3	E4	E5	EF
<b>Developed Blocks</b>							
A	24.04	27.17	28.21	33.33	35.56	37.84	31.09
B	16.34	18.48	20.51	21.67	27.66	29.73	22.11
C	40.38	45.65	48.72	55.00	62.22	67.57	53.21
D	29.81	28 26	26.92	25.00	22.22	18.92	25.32
E	18.27	16.30	15.38	13.33	11.11	10.81	14.10



F	11.54	9.78	8.97	6.67	4.44	2.70	7.37
G	59.62	54.35	51.28	45.00	37.78	32.43	46.79
H	100.00	100.00	100.00	100.00	100.00	100.00	100.00
N	107	95	82	61	44	38	320
<b>Backward Blocks</b>							
A	20.00	24.47	26.03	28.26	28.57	29.63	26.55
B	12.17	17.02	20.55	19.66	22.86	29.63	20.37
C	32.17	41.49	46.58	47.83	51.43	59.26	46.91
D	32.17	30.85	28.77	28.26	25.71	22.22	28.36
E	20.87	19.15	17.81	17.39	17.14	14.81	17.82
F	14.78	8.51	6.85	6.52	5.71	3.70	6.91
G	67.83	58.51	53.42	52.17	48.57	40.74	53.09
H	100.00	100.00	100.00	100.00	100.00	100.00	100.00
N	62	49	37	25	21	16	148

Source; field data

“Note:

A=Co-operativeBanks; B=CommercialBanks; C= Institutional(A+B)

D = MoneyLenders;E = Traders & CommissionAgents; F = Relatives &Friends;

G = Non-Institutional(D+E+F); H = Total(C+G);

UEF=Uneducatedfarmers; EF=Educatedfarmers;

N = Sample size.”

As per table-2, the proportion of “uneducated farmers” who used “non-institutional credit” was higher in both established and “backward blocks” (59.62% and 67.83% respectively) “than educated farmers” (46.79% and 53.0%, respectively). However, in “developed blocks”, educated farmers were 7.08% more likely than uneducated farmers to use institutional credit (53.21% vs. 46.79%). Simultaneously, in “backward blocks”, the number of trained “farmers” who used formal sources was 6.42% “higher than the uneducated farmers”.

It can also be shown that the percentage of farmers who used institutional credit increased as the educational level of the chosen farmers increased, i.e., from E1 to E5 (from 45.65 to 67.57 in developed blocks and from 41.49 to 59.26 percent in backward blocks).However, the number of farmers who used non-institutional credit declined (from 45.65 to 67.57 percent in developed blocks, from 41.49 to 59.26 percent in backward blocks), while non-institutional credit use increased (from 45.65 to 67.57 percent in developed blocks, from 41.49 to 59.26 percent in backward blocks) (from 54.35 to 32.43 in developed blocks, and from 58.51 percent to 40.74 percent in backward blocks).In other words, credit from non-institutional outlets declined by 21.92 percent and 17.77 percent, respectively, as farmers' educational levels rose between E1 and E5 in developed and backward blocks.



As per the results, educated farmers in developed blocks used institutional credit more frequently, whereas uneducated “farmers in both developed and backward blocks” used non-institutional credit less frequently. In backward blocks, even educated farmers used non-institutional credit more than in established blocks. Therefore, it can be inferred that a farmer’s education allows him more aware and expedites the process of gaining more institutional credit.

**Table-3- Sources of Agricultural Credit According to Educational Levels and Farm Size (In Percentage)**

Farm Group	UEF		E1		E2		E3		E4		E5		EF	
	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI
<b>Developed Blocks</b>														
“MF	35.90	64.10	40.00	60.00	44.00	56.00	50.00	50.00	53.33	46.67	57.14	42.86	47.12	52.88
SF	39.29	60.71	44.00	56.00	47.62	52.38	53.33	46.67	60.00	40.00	66.67	33.33	51.25	48.75
MEF	42.86	57.14	50.00	50.00	52.94	47.06	57.14	42.86	66.67	33.33	71.43	28.57	57.35	42.65
BF	50.00	50.00	52.63	47.37	53.33	46.67	63.64	36.36	75.00	25.00	85.71	14.29	61.67	38.33
TOTAL	40.38	59.62	45.65	54.35	48.72	51.28	55.00	45.00	62.22	37.78	67.57	32.43	53.21	46.70
N	43	64	44	51	40	42	33	28	27	17	25	13	170	150
<b>Backward Blocks</b>														
MF	28.00	72.00	37.84	62.16	40.00	60.00	42.11	57.89	46.67	53.33	50.00	50.00	41.67	58.33
SF	30.30	69.70	40.00	60.00	45.83	54.17	46.15	53.85	50.00	50.00	55.56	44.44	45.35	54.65
MEF	36.84	63.16	46.67	53.33	53.85	46.15	53.56	44.44	57.14	42.86	75.00	25.00	54.17	45.83
BF	46.15	53.85	50.00	50.00	54.55	45.45	60.00	40.00	66.67	33.33	100.00	0	57.58	42.42
TOTAL	32.17	67.83	41.49	58.51	46.58	53.42	47.83	52.17	51.43	48.57	59.26	40.74	46.91	53.09
N	20	42	20	29	17	20	12	13	10	11	10	6	69	79”.

Source; Field data

Note: I =Institutional Source; NI =Non-Institutional Source.; UEF=Uneducated farmers; N =Sample size.

EF = Educated farmers

Table-3 shows the source-by-source trend of credit used by farmers of various size classes, as well as their educational levels. By 11.22%, 11.96%, 14.49%, and 11.67% in established blocks and 13.67%, 15.05%, 17.33%, and 11.43% in backward blocks, trained “marginal, small, medium, and large farmers earned more institutional credit than uneducated farmers in the same four groups”. As a result, it can be understood that educated farmers in both established and backward blocks received a higher proportion of institutional credit than “uneducated farmers”.

In both established and “backward blocks” the number of farmers who used institutional credit increased as the farm’s size increased, regardless of whether the farmers were educated or uneducated. Furthermore, it was discovered that as the magnitude of the farm holding became more significant, the gap between educated and uneducated farmers seeking institutional credit widened. The disparity was more remarkable in backward blocks than in developing fields, indicating that education positively impacts farmers in developed areas.

During the study, it was discovered that as educated farmers became more conscious of institutional credit’s numerous sources and benefits, they borrowed more from institutional sources. Since uneducated farmers were unaware of the availability, process, and benefits of institutional credit, they



mainly relied on “non-institutional credit sources.” Furthermore, one of the fundamental causes for uneducated farmers’ inefficient use of institutional resources relative to educated farmers was officials’ absolute apathy and unbridled corruption of ignorant and illiterate farmers. Farmers find it impossible to secure institutional credit owing to the present restrictive institutional structure. Farmers also complained about the banks and other officials’ callous attitudes, the arduous formalities, and the conditions imposed at each point.

In comparison to uneducated farmers, educated farmers were able to handle these crises to some degree. That is, educated farmers formed a constructive attitude toward establishing friendly links with loan-giving authorities. Educated farmers’ attitudes influenced them to take out more institutional credit than their counterparts.

Furthermore, considering the presence of “competing institutional” organizations to fulfil “the credit needs of farmers”, non-institutional credit played a significant role because institutional credit may only be accessed after completing such formalities. “Farmers may have to wait weeks or months for the requisite credit, and at times they may have to butter the palms of bureaucratic authorities in control of the procedure”. By the time they get loans from these banks, they would no longer need credit.

### Education and Utilization of Mass Media

Table-4 shows the percentages of farmers who use various forms of media. “In developed blocks, the numbers of educated and uneducated farmers who used radio, newspapers, and televisions for farm news were 60.90, 23.08, 12.50, and 72.12, 0, 17.31, respectively; in backward blocks, the statistics were 65.09, 9.27, 9.82, and 75.65, 0, 6.96.”

**Table-4. “Utilization of Mass media for Farm News according to Educational Levels of the Farmers (In percentage)”**

Mass Media	UEF	E1	E2	E3	E4	E5	EF
<b>“Developed Blocks</b>							
A	72.12	59.78	61.54	63.33	62.22	56.76	60.90
B	0	20.65	23 08	25.00	24 44	24.32	23 08
C	17.31	10.87	11.54	11.67	13.33	18.92	12.50
D	89.42	91.30	96.15	100 00	100 00	100.0	96.47
E	10.58	8 70	3.85	0	0	0	3.53
F	100.00	100.00	100.00	100.00	100.00	100.00	100 00
N	107	95	82	61	44	38	320
<b>Backward Blocks</b>							
A	75.65	63.83	65.75	69.57	65.71	59.26	65.09
B	0	15 96	17.81	21.74	22.86	25.93	9.27
C	6.96	8.51	9.59	8.70	11.43	14.81	9.82





D	82.61	88.30	93.15	100.00	100 00	100.00	94 18
E	17.39	11 70	6.85	0	0	0	5.82
F	100.00	100 00	100.00	100.00	100 00	100.00	100.00
N	62	49	37	25	21	16	148”.

Source; field data

Note; A=Radio; B=Newspaper; C=Television; “D= Users ofMass media;”  
 “E= Non-Users ofMass media;”“F= D +E”; UEF=Uneducatedfarmers;  
 “N= Sample Size”: EF= Educated Framers;

The order of the three media is the same in both the blocks as well. However, in backward blocks, the number of farmers who listen to radio programs is lower than in developed blocks. Backward blocks, on the other side, had fewer newspaper and television users than developed blocks. In established and backward blocks, just “10.58 percent and 17.39 percent of uneducated farmers, respectively, and 3.55 percent and 5.82 percent of educated farmers, did not follow newspapers as mentioned earlier”. In both industrialized and developing countries, both farmers with an E3 standard of schooling adopted at least one of the three mass media.

All India Radio’s Kadapa station broadcasts many “rural-interest programs, especially for farmers, on new agricultural practices such as soil testing, crop selection, use of new seeds and chemicals for seed care, comprehensive seedbed planning and transplantation, use of fertilizers and manures in proper quantities, and adoption of preventive measures to avoid crop disease. Farmers’ reactions to all of these aspects of agricultural broadcasts were divided into five categories (Table-5)”.

**Table-5 “Farm Broadcast Listeners According to their Practice-wise Adoption Behaviour(In percentage)”**

Farm Practices	UEF	E1	E2	E3	E4	E5	E5
<b>“Developed Blocks</b>							
A	21.33	18.18	16.67	15.79	14.29	9.52	15.79
B	25.33	21.82	20.83	18.42	17.86	14.29	19.47
C	46.67	40.00	37.50	34.21	32.14	23.81	35.26
D	29.33	32 73	33.33	34.21	35.71	38.10	34.21
E	5.33	7.27	8.33	13.16	14.29	19.05	11.05
F	18.67	20.00	20.83	18.42	17.86	19.05	19.48
G	53.33	60.00	62.50	65.79	67.86	76.19	64.74
H	100.00	100.00	100.00	100.00	100.00	100.00	100.00
N	107	95	82	61	44	38	320
<b>Backward Blocks</b>							
A	24.14	20.00	18.75	18.75	13 04	12.50	17.88



B	27.59	25.00	22.92	18.75	17.39	12.50	21.23
C	51.72	45.00	41.67	37.50	30.43	25.00	39.11
D	27.59	30.00	31.25	34.38	34.78	37.50	32.40
E	3.45	6.67	8.33	9.78	13.04	18.75	9.50
F	17.24	18.33	18.75	18.76	21.74	18.75	19.00
G	48.28	55.00	58.33	62.50	69.57	75.00	60.89
H	100.00	100.00	100.00	100.00	100.00	100.00	100.00
N	62	49	37	25	21	16	148

Source: Field data

“Note: A = Adoption of improved seed varieties and seed treatment.

B= Fertilizer application (dose, time and method); C= Agricultural input practice(A+B).

D= Adoption of plant protection measures; E= Taking soil Sample;

F= Availing of market and credit facilities; G= Other than agricultural input practice (D+E+F)

H= C+H; N= Sample size”.

To determine the effect of mass media on “farmers” agricultural activities, only “radio” was considered. More than half of the farmers polled said they listened to farm radio programs. Household heads were polled on their radio listening preferences, whether or not they used the radio. Table-5.8 indicates the proportion of “farm broadcast listeners” dependent on their “practice-wise adoption” actions. Uneducated farmers in developed and poor blocks respectively listened to 46.67% and 51.72% of radio programs on ‘agricultural input activities,’ while educated farmers listened to 35.26% and 39.11% of radio services on this subject. “Since educated farmers are already informed of agricultural input activities by other media, the percentage of educated farmers is lower than that of uneducated farmers. As a result, as the education rate grew from E1 to E5, the number of farmers listening to radio broadcasts on agricultural input activities dropped from 40.00% to 23.81% in established blocks and from 45.00 % to 25.00% in backward blocks.”

“In both developed and backward blocks, the proportion of uneducated farmers who listened to radio shows on ‘other than input activity’ was smaller than that of educated farmers (53.33% and 48.28%, respectively) (64.74% and 60.89% )”. It implies that “educated farmers” listen to “radio” programs for higher-level reasons such as plant safety, soil sampling for research, and market and credit opportunities. With rising education levels in both “developed and backward blocks”, the number of “farmers” listening to programs for ‘other than input practice’ increased.

## Conclusions

The study concludes that the different between two main channels of agricultural credit, institutional and non-institutional, educated farmers are more likely to use institutional sources due to increased knowledge of institutional credit benefits. Uneducated farmers are borrowing primarily from non-institutional channels due to their lack of awareness of the accessibility, practice, and benefits of institutional funding. The reliance on non-institutional channels of credit declines as one’s degree of education rises.





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