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## A STUDY ON PROBLEM FACED IN AGRICULTURAL CREDITS BY FARMERS DURING COVID

**P. V. Nandhini**

Associate Professor,

Post-Graduate and Research Department of Commerce,  
Nallamuthu Gounder Mahalingam College, Pollachi, Tamil Nadu

**ABSTRACT:** *Agricultural credit is considered as one of the most basic inputs for conducting all agricultural development programmes. In India, there is an immense need for proper agricultural credit as Indian farmers are very poor. From the very beginning, the prime source of agricultural credit in India was moneylenders. The main objective of the paper is to identify the impact of Covid, to find out about awareness and preference of consumers for agricultural credit, to identify the beneficiaries of government scheme and to identify the problems faced by farmers to avail credit for agriculture. Convenience sampling method has been adopted to determine the sample size. A total of 120 farmers are taken as sample of the study. In our sampling majority of the respondents are in the age of 18-30 years, married men & located in rural areas. As per the data collected majority of samples have 25L-40L of the land value, availed Fertilizer loan, using co operative bank for the agricultural credits & have have medium term credit. They also told that they are getting low prices for coconuts & have different milk issues. The study makes use of statistical techniques such as simple percentage and chi-square. The finding of the study is to the government should focus on and to support the farmers by giving more credits with some subsidies and low interest rate.*

**KEYWORDS:** *Covid Impact, Agricultural Credit, Government Scheme Beneficiaries, Farmers Problems*

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## 1. INTRODUCTION

Agriculture in India plays a crucial role in the development of the economy of India. Agriculture in India has been heavily dependent on the monsoon which is a very risky activity for the economy and development of the agriculture sector in India. Other than the monsoon rural indebtedness is the major concern for the Indian Agriculture. Finance Agriculture is as important as other inputs being used in agriculture production. Technical inputs can be purchased by the farmers only if they have adequate funds or money. Most of the farmers don't have adequate money with themselves so they need credit or outside money. Professional money lenders were the only source of credit to agriculture till 1935. They used to charge unduly high rates of interest and follow serious practices while giving loans and recovering them. As a result, farmers were heavily burdened with debts and many of them perpetuated debts. With the passing of Reserve Bank of India Act 1934, District Central Co-op. Banks Act and Land Development Banks Act, agricultural credit received impetus and there were improvements in agricultural credit.

## 2. STATEMENT OF THE PROBLEM:

Due to covid, all sectors in society got affected especially farmers. Everyone suffered loss of income. So, most of the individuals were in a situation to lead their life by availing credit from friends, relatives, banks or financial institutions. In our study, we tried to find out about how covid and credit to agriculturist are interrelated. As there are many banks and financial institutions that provide various credit to farmers to do farming without any hindrances, but still many are not aware of different credit facilities given by banks and financial institutions. So to know about it, following question was asked.

- (i) What is the impact of Covid on agricultural credit?
- (ii) Is there any awareness found among farmers about various scheme of credit provided?

## 3. OBJECTIVES OF STUDY

- (i) To identify the impact of covid of agricultural credit
- (ii) To find out about awareness and preference of consumers for agricultural credit

## 4. REVIEW OF LITERATURE

- Pooja Giri (2015) in her study on "Agricultural Credit In India " Analysed the issues in agricultural credit in India and revealed that credit delivery to agricultural sector continues to be inadequate. It revealed that banking systems is hesitant on various grounds to purvey credit to small and marginal farmers. The study shows the problems of indebt of farmers and state government attempt to reduce debt and interest burden of farmers by offering rebate on interest burden on farmers and interest on timely payment. The study was found that measures have been taken to encourage farmers to stay in banking sectors and avoid going to money holders and these measures had not increased the number of farmers covered by the banking system.
- Kirti Ranjan Swain and Niranjan Nayak (2016) in their study on "Agricultural Financing : A Challenge for Banking sectors in India" Identified the problems faced by farmers in getting agricultural finance. The study reveals that the policy makers should simplify the procedures of agricultural credit, interest rate for marginal and small farmers should be reduced and problems of lack of cooperation by bank staff should be reduced. Respondents were chosen using stratified sampling techniques and collected primary data. The study concluded that farmers have limited knowledge about agricultural financing.
- R.Subramanian Et.al (2017) conducted a study on "Investigation on the problems faced by the farmers" in obtaining and repayment of agricultural credit in Karaikal district, India. The main objective of the study was the impact of institutional agricultural finance among the farmers. The specific objectives of this study were to analyse the extend of agricultural finance obtained by the farmers and its repayment. The data were collected through personal interview were analysed by

the Garrett scoring technique. The data were collected from the sample of 120 respondents. The result indicated that the major problems faced by the farmers in obtaining the institutional credit were the non availability of loan in time. The study concluded that the agricultural credit needs of farmers are increasing with the increase in cost of cultivation.

- Jivan Biradar (2019) conducted a study on “Recent agricultural credit policies in India”. The main aim of study is to overcome some of these problems and increase formal credit supply to the agricultural sectors, the government of India has announced policies and schemes in recent time like doubling of agricultural credit in 2004, interest subvention scheme in 2016 and agricultural debt waiver and debt relief scheme (ADWDRS) in 2008. The finding of the study was they can say these recent schemes have boosted up credit supply to the agricultural sectors but raises many issues which policymakers should take into account while framing further policies and schemes in India.

## 5. METHODOLOGY

Descriptive study using primary data were considered appropriate for this study. A structured questionnaire was used to collect the data. Convenience random sampling technique was used to choose 120 respondents from different discipline. For analysing primary data, statistical tool like percentage and chi-square analysis has been used.

## 6. FINDING OF THE STUDY

### 6.1 Simple Percentage:

- Majority of the respondents are in the age of 18-30 years.
- Majority of the respondents are male.
- Majority of the respondents are married.
- Majority of the respondents are located in rural areas.
- Majority of the respondents have studied primary.
- Majority of the respondents are nuclear family.
- Majority of the respondents are 3-5 members.
- Majority of the respondents are 1L-3L family income.
- Majority of the respondents have above 10 acres.
- Majority of the respondents have above 10 years of the experience.
- Majority of the respondents have 25L-40L of the land value.
- Majority of the respondents are availed for Fertilizer loan.
- Majority of the respondents are using co operative bank for the agricultural credits.
- Majority of the respondents have low price for coconut & milk issues.
- Majority of the respondents have medium term credit.
- Majority of the respondents had paid the interest correctly as per the date.
- Majority of the respondents have borrowed to buy inputs like seeds, Fertilizers and pesticides.
- Majority of the respondents can get the credit quickly.

### 6.2 Consequences of Credit Problems:

- There exist significant association between age and level of satisfaction.
- There exist significant association between gender and level of satisfaction.
- There exist significant association between age and level of satisfaction.
- There is no significant association between area and level of satisfaction.
- There exist significant association between age and level of satisfaction.
- There is no significant association between family type and level of satisfaction.
- There is no significant association between number of members and level of satisfaction.
- There is no significant association between family income and level of satisfaction.
- There is no significant association between family income and level of satisfaction.

- (x) There exist significant association between age and level of satisfaction.
- (xi) There is no significant association between martial status and level of satisfaction.
- (xii) There is no significant association between area and level of satisfaction .
- (xiii) There is no significant association between educational qualification and level of satisfaction.
- (xiv) There is no significant association between family type and level of satisfaction.
- (xv) There is no significant association between number of members and level of satisfaction.
- (xvi) There is no significant association between family income and level of satisfaction.
- (xvii) There is no significant association between age and level of satisfaction.
- (xviii) There is no significant association between gender and level of satisfaction.
- (xix) There is no significant association between martial status and level of satisfaction.
- (xx) There is no significant association between area and level of satisfaction.
- (xxi) There is no significant association between educational qualification and level of satisfaction.
- (xxii) There exist significant association between family type and level of satisfaction.
- (xxiii) There is no significant association between number of members and level of satisfaction.
- (xxiv) There is no significant association between family income and level of satisfaction

## 7. SUGGESTIONS:

Based on the findings of the study the following suggestions are made:

- (i) Therefore, if the procedures are made easy, the farmers can avail the credit facility with any issues.
- (ii) If the interest rates are flexible, the farmers will be the beneficiaries.
- (iii) The number of EMI must be increased and the time to pay due must be flexible.so that there might be more time without penalty.

## 8. CONCLUSION

Agriculture is the main sector of Indian economy. But attaining the maximum profitability in the agricultural sector by farmers was the big question in nowadays. Currently, the farmers facing a lot of serious problem like water scarcity, the high cost of inputs, marketing issues, and credit problems etc. Agricultural credit is essential to overcome production, marketing, and other problems. Therefore, the government should focus on and support the farmers by giving more credits with some subsidies and low-interest rate. The government should also pay attention to more credit schemes which would be very useful to the small and marginal farmers.

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