A Study on the Problems of Allocation and Distribution of Subsidy and Credit Fund Benefit to the Small and Medium Farmers in Erode District

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Abstract

The credit flow to the agricultural sector start to increase, the percentage allocation of small loans from formal institutions has decreased. The availability of timely credit from institutional sources appears to be the biggest challenge for farmers, according to the preliminary findings of an on-going study by the Institute for Financial Management and Research (IFMR LEAD), Evidence for Policy Design (EPoD) at the Harvard Kennedy School, and Duke University. As many as 95.1% of Indian farmers are “marginal, small and semi-medium,” meaning they own up to 1, 2 and 4 hectares of land, respectively. The farmers possess 68.2% of cultivated land, 4.9% “medium and large” (owning up to 10, or more than 10 hectares,) farmers own 31.8% of cultivated land, according to the 2011-12 agriculture census. The study help to know the comparison level of allotted fund to the erode district and utilization of fund to the erode district the proof can seen in agricultural engineering department-beneficiaries list under various programmes for the year 2000 to 2017. Hence it becomes necessary to conduct the study how the small and medium farmers affected. Why the specific focuses of small and medium farmers mean nowadays shifting from agri business to other business are mostly happening. We are in the position of protecting these farmers so the benefit should reach 100%. But actually the percentage of reaching is 10%.

Keywords: Agriculture, small and medium farmers, allocation of funds

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