

## The Role of NABARD in the Development of Agriculture Sector in Chhattisgarh State

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### Abstract

*The present paper elaborates the development work done by NABARD since FY 2014-15 in agricultural sector of the state of Chhattisgarh and analyze the difference between the means of sanctioned and disbursed amounts allocated by NABARD to several states of India since FY 2014-15 till 2018-19. NABARD plays a crucial role in the development of agricultural sector of the country. It provides refinances to the financial institutions which in turn, supports production, investment credit for development activities in rural areas and coordinating of rural credit institutions. An apex institution is necessary for ensuring timely and adequate flow of finance into the development of agriculture in rural area. NABARD has allocated substantial amount to Chhattisgarh state for various agriculture and allied activities purposes like irrigation project, solar pumps, production of local crops and life irrigation project. The results reveals that there is a significant difference among the amounts sanctioned and disbursed by NABARD to various states of India and there is a significant between the amounts sanctioned and disbursed to Chhattisgarh state and several other states of the country. NABARD has played a crucial role in the development of agriculture in Chhattisgarh. Still, the state has not progressed as others state has done. Yet, a lot need to be done by NABARD for the upliftment of rural agriculture of Chhattisgarh state.*

### 1. Introduction

NABARD is an apex institution established in the year 1982 for providing credit to agriculture and other economies in rural areas of India and promotes various development activities in rural areas. NABARD aims at directing for framing policies and programs for inclusive and sustainable development. NABARD was constituted in a bid to decentralize the functions of RBI and completely focuses on agriculture sector rather than other sectors of the economy which would get the least attention earlier. It makes persistent effort to mitigate rural poverty, unemployment and regional disparity across rural India. NABARD play a crucial role in achieving the inclusive, sustainable and equitable growth through successful implementation of policies of Govt.

India is striving to be the fastest growing economies across the globe in the past few years despite being persistent challenges prevailing across the world. NABARD is making concerted efforts for achieving sustainable growth in the agriculture, yet so many hardships coming on its way like poor monsoon and drought like conditions in various parts of India. NABARD refinance disbursement under investment credit facilitates to augment the capital formation in the rural economy. A necessary proper rural infrastructure is required to achieve inclusive and sustainable rural development.

Rural credit plays a crucial role in enhancing productivity and sustainability of agriculture through several schemes introduced by the Govt of India / RBI and NABARD like setting goals for agriculture credit, providing refinance to banks on reasonable terms, deregulating interest rates etc. have helped in increasing the flow of credit to the agriculture and rural sector. The demand for financing agricultural sector is on the rise due to commercialization of agriculture, hike in cost price of seeds and allies services.

## **2. Objectives-**

- I. To analyze the development work done s by NABARD in Chhattisgarh state since FY 2014-15
- II. To see the difference between the means of sanctioned and disbursed amounts by NABARD since FY 2014-15 to several states of India

## **Hypothesis-**

H0-There is no significant difference between the means score of sanctioned amount and disbursement amount among several states of India.

H0-There is no significant difference between the amounts sanctioned and disbursed to Chhattisgarh state and others state of India.

## **3. Research Methodology-**

The present study is qualitative and quantitate. The study is completely based upon secondary data collected from several books, newspapers, journal and five years annual report. The data pertains to the period of five financial year from FY 2014 till 2019. The Chhattisgarh state is rural state where a major workforce is dependent upon agriculture. It compelled the researcher to analyze the role of NABARD in the development of the state in term of the amount sanctioned and disbursed by it to Chhattisgarh and others states of India. The states which had been given amount consistently since FY 2014 till 2019, have been taken into consideration for analysis. The data has been analyzed by employing t-test and postdoc to see the difference whether is there significant difference between the amount sanctioned and disbursed allocated by NABARD to Chhattisgarh and others states of the country.

## **4. Analysis-**

### **Development work done by NABARD in Chhattisgarh state 2014-15**

The process of collection of mahua till its trade through a proper authorized channel is called a organized value chain. Yet, there are inherent impediments right from the collection of mahua to its users. The People who collect mahua are tribal in majority, keep some part for consumption and sell it mediators for fulfilling their short term cash needs. Mediators sell it to traders in consideration of commission. A major part of mahua flower i.e. 90% is used for brewing. Tribal people are legal processors of Mahua. Every tribal family collect mahua during its season and sell it and purchase it throughout the year. But, tribal people have no storage space for their annual requirement .Hence, keeping in view of this problem, a mahua bank was established in Kankura village of the district of Bastar in CG. A storage space has been created in the bank for buying mahua at ongoing price and stores it.

In Chhattisgarh, Short –term loan amounting to Rs 6265 had been sanctioned to marketing federation / corporation for the procurement of paddy and maize. And for meeting working capital requirement of milk unions through primary agricultural 400 villages were selected in Chhattisgarh under a pilot project of enhancement of the productivity of lead crops in order to promote the adoption of sustainable agricultural practices in 2009-2010 for evaluation and monitoring The Rashtriya Krishi Vikas Yojna (RKVY) in CG. Moreover, similar kind of Schemes such as Evaluation of horticulture intervention under the National Horticulture Mission (NHM), RKVY and NHMI.and evaluation of the cattle breed programme was initiated in Chhattisgarh.

## 2015-16

24.74 crores were allocated under the project of Climate Adaption Strategies in wetlands along Mahanadi River Catchment areas in Chhattisgarh.

The Chhattisgarh Rajya Gramin Bank and two NGO began an initiative to revive the 150 dormant farmer club. Farmers clubs were segregated into three groups i.e. Club Federation, Farmers producers Organization “Kisan Beej”. These three groups certified seeds of paddy having five varieties, wheat, soya bean, mustard. This initiative was directly promoted by DDM, NABARD, and Bilaspur in Chhattisgarh. Since then there has been increase in the production of wheat, paddy, soybean, mustard. Bilaspur, Mungeli and Janjgir districts of Chhattisgarh have become self-sufficient in certifying seed production. The member’s producers sells the seeds by 15 SBI kiosk run by the three farmer’s club federation. NABARD had sanctioned Rs 185 lakh term loan the FPO, which has repaid Rs 141.41.

## 17-18

Special incentives have been given to several Eastern region including Chhattisgarh.

### **Suresh Singh’s wadi, Sarguja Districts, CG**

This initiative was started by developing Suresh Singh’s waadi in Karra village of Ambikapur Block of Sarguja District, Chhattisgarh funded by Manav Sansadhan Sanskriti Vikas Parishad. Suresh underwent a training for wadi cultivation, techniques and visited wadi on other wadis in the country.

## 18-19

### **Tribal Development Initiative**

The Govt of India has initiated measures to strengthen the social and physical infrastructure in the states where tribal population is highly concentrated, are dependent mainly on agriculture, forests and livestock for their livelihood.

### **Installation of solar pumps under the SAUR SUJALA Scheme of the Govt of Chhattisgarh**

There were many challenges like water and energy management causing changing in pattern cropping pattern and farm mechanization and rising high cost of irrigation. An initiative was started to have automatic control of irrigation timing and water levels. Hence, it reduces operating cost and wastage of water. A loan of Rs 171 crore was sanctioned for Rs 11000 solar powered pump sets under RIDF XXII. Under the project, these 11000 solar powered irrigation pumps were installed in the fields of 11000 farmers, 11000 ha of land got irrigated, free electricity for irrigation and thus reduction in the cost of cultivation, reduction in carbon emissions, 51000 farmers would be benefitted.

**Table 4.1 shows the amount disbursed and sanctioned directly by NABARD**

S.No	State	2014-15		2015-16		2016-17		2017-18		2018-2019	
		Sanctioned Amt	Disbursed Amt	Sanctioned Amt	Disbursed Amt	Sanctioned Amt	Disbursed Amt	Sanctioned	Disbursed	Sanctioned	Disbursed
1.	Andhra Pradesh	19118.33	13289.92	400	420	*	*	21547	15013	938	581.15
2.	Chhattisgarh	5095.94	3163.37	*	*	50	50	13706	2258	246.43	52.25
3.	Bihar	9734.45	6418.90	5	0	5	5	9970	3271	240.01	119.97
4.	Gujarat	16738.78	12801.45	695	620	791.00	753.00	19597	10327	11769.53	7685.41
5.	Haryana	4954.87	3500.29	495	178	10	244.00	*	*	*	*
6.	Himachal Pradesh	5133.18	3461.73			150	130	*	*	*	*
7.	Karnataka	9993.57	7055.39	425	646	845	892.05	28725	11748	11837.3	773.55
8.	Madhya Pradesh	16118.69	10353.72	2460	653	550.00	292.00	19071	7351	6400.7	1454.35
9.	Maharashtra	11908.12	8387.13	815	720	780	382.00	47127	14891	20265.48	8133.75
10.	Odisha	12327.66	7653.73	150	150	300	300	16423	7271	6990.43	3111.59
11.	Rajasthan	15509.61	10799.66	589	488	600.37	349.48	10569	2706	1342.22	572.38
12.	Uttarakhand	5047.31	3424.59	45	0	40.00	5.00	*	*	*	*
13.	Uttar Pradesh	17596.43	13205.84	1230	910	1207.37	1184.20	45041	5005	11305.88	3273.5
14.	Punjab	7216.46	5028.11	150	150	*	*	11806	595	143.71	52.42

\*amount not sanctioned in that particular year under direct lending scheme

Source:-Annual reports of NABARD from FY2014-2019

**Table-4.2**

<b>POST Hoc Test</b>						
Dependent Variable States		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Chhattisgarh	Andhra Pradesh	-5676.24000	7296.17623	1.000	-31213.6128	19861.1328
	Karnataka	-5590.58150	6921.76053	1.000	-29817.4605	18636.2975
	Maharashtra	-11404.52750	6921.76053	.904	-35631.4065	12822.3515
	Punjab	-1614.13083	7880.77104	1.000	-29197.6460	25969.3843
	MP	-4193.34550	6921.76053	1.000	-28420.2245	20033.5335
	Odisha	-2463.53950	6921.76053	1.000	-26690.4185	21763.3395
	Gujarat	-5143.66950	6921.76053	1.000	-29370.5485	19083.2095
	Rajasthan	-947.32950	6921.76053	1.000	-25174.2085	23279.5495
	Bihar	783.70050	6921.76053	1.000	-23443.1785	25010.5795
	Telangana	-5783.92750	7880.77104	1.000	-33367.4427	21799.5877
	Uttar Pradesh	-6818.65750	6921.76053	.998	-31045.5365	17408.2215
	Himachal Pradesh	2980.19917	7880.77104	1.000	-24603.3160	30563.7143

**Interpretation**

The above table depicts that post-hoc analysis of the amount disbursed and sanctioned by NABARD to Chhattisgarh state and others states of India. The p-value of post-hoc test is more than .05 showing that there is a significant different between the amount disbursed and sanctioned to Chhattisgarh state and various other states of India. It indicates that the amount sanctioned and disbursed to other states vary from one state to another state.

**Table -4.3**

<b>ANOVA</b>						
		Sum of Squares	df	Mean Square	F	Sig.
Amt	Between Groups	751050792.310	12	62587566.026	.588	.840
	Within Groups	4684608511.550	44	106468375.263		
	Total	5435659303.860	56			
Amt	Between Groups	240783190.254	12	20065265.854	.881	.571
	Within Groups	1024469207.634	45	22765982.392		
	Total	1265252397.888	57			

## Interpretation-

As p -value is .960 at 5% level of significance which is more than the table value. It can be concluded that there is no significant among the amounts sanctioned and disbursed to several states of India. Thus, it can be predicted that the amounts allocated to various states of India is not same in general. The amounts sanctioned and disbursed to several states vary from one state to another state.

## 5. Findings and Conclusion-

NABARD has certainly done well by making favorable policies in agriculture in rural area. Some state have become self-reliant in agriculture through proper implementations of schemes and programs initiated by NABARD for inclusive and sustainable growth of agriculture. Every state gets a certain amount of money for incurring various expenses in agriculture for inputs seeds, technology etc. The huge amounts of money is sanctioned and disbursed by NABARD to different states of the country every year under different projects of NABARD. The present study made an effort to know whether there is a significant difference in the amount disbursed and sanctioned by NABARD to various states of the country and also to know that is there any significant difference between the amount sanctioned and disbursed to Chhattisgarh state with other several states of India. The results disclosed that p-value of ANNOVA test is greater than .05 which shows overall that there is a significant difference in the amount disbursed and sanctioned by NABARD to various states of the country and post hoc test analysis shows that the p-value of post-hoc test is more than .05 showing that there is a significant different difference between the amount disbursed and sanctioned to Chhattisgarh state and various other states of India. It indicates that the amount sanctioned and disbursed to other states vary from one state to another state. It reveals that those states are bigger in size and doing excel in agriculture are given more priority as such states having more opportunity for enhancement of growth in production lead to sanctioning more amounts to developed states. The states are given less amount which are performing average. Although, the Chhattisgarh is a rural state. Yet, it has not achieved much in agriculture. The more effort need to be done by NABARD and the state for the growth of agriculture.

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