A Study on the Role and Performance of an Agricultural Co-operative Society in Supporting Farmers

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Abstract- Agriculture plays an important role in the rural economy, and Co-operative societies support farmers by providing agricultural loans, insurance services, and other financial assistance. This study focuses on the role of Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha in supporting farmers through short-term agricultural loans, medium-term agricultural loans, weather-based crop insurance, and other farmer-related services. The study also examines the impact of these services on farmers' productivity and income. Primary data was collected from farmers and staff members of the Co-operative society, while secondary data was collected from reports and official records. The findings reveal that agricultural loans and Co-operative services have helped farmers in timely farming operations, improved crop growth, increased awareness about schemes, and strengthened farmer interaction and participation in Co-operative activities. The study further analyses the relationship between agricultural loan amount and profitability of the Co-operative society using correlation analysis. The result shows a moderate positive relationship between agricultural loan amount and profitability. Overall, the study highlights the important role played by the Co-operative society in improving agricultural activities and supporting rural development.

Keywords: Agricultural Loans, Co-operative Society, Farmers, Agricultural Productivity, Profitability, Crop Insurance, Rural Development.

I.INTRODUCTION

Agriculture remains one of the major sources of livelihood in rural India, especially for small and marginal farmers. Farmers often face financial difficulties due to high cultivation costs, uncertain weather conditions, crop diseases, and fluctuations in market prices. In such situations, Co-operative societies play an important role by providing agricultural loans and farmer-related services at affordable terms.

Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha, supports farmers through different agricultural services such as short-term agricultural loans, medium-term agricultural loans, weather-based crop insurance, and health insurance schemes. These services help farmers meet cultivation expenses, manage agricultural risks, and improve farming activities. The Co-operative society also helps farmers through meetings, guidance, and interaction among members, which supports knowledge sharing and better farming practices.

The present study focuses on understanding the role of agricultural loans and farmer-related services provided by Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha, and their impact on farmers' productivity and the profitability of the Co-operative society.

A. OBJECTIVES OF THE STUDY

1. To study the role of agricultural Co-operative society in supporting farmers and its impact on their productivity and income.
2. To understand the effect of agricultural loan on the profitability of the Co-operative society.

B. NEED FOR THE STUDY

Agriculture is an important source of livelihood for rural farmers, but farmers often face financial and farming-related difficulties. Co-operative societies support farmers through agricultural loans, crop insurance, and other farmer-related services.

The study is undertaken to understand the role of Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha, in supporting farmers and to analyse the effect of agricultural loans on agricultural productivity and profitability of the Co-operative society.

II. REVIEW OF LITERATURE

1. Ogochukwu Gabriella Onah, Anselm Anibueze Enete, Chukwuemeka Uzoma Okoye, Chukwuma Otum Ume, and Chukwuemeka Chiebonam Onyia (2021), "Impact of Credit Access of Farmers in Co-operative Societies on Financial Performance: The Predictive Effect of Financial Literacy" showed that access to credit improves farmers' financial performance, including profits and sales, and that financial literacy strengthens this effect. Longer repayment periods also help enhance financial outcomes, highlighting the importance of combining credit access with financial knowledge for Co-operative farmers.
2. Francis O. Nwankwo, Okenwa C. Ogbodo, and Faith C. Onwuchekwa (2019), "Agricultural Credit and Farm Output of Co-operative Members in Anambra State, Nigeria" showed that access to agricultural credit through Co-operatives significantly improves farm output for members. The study emphasized that providing timely and adequate credit to Co-operative farmers is crucial

III. RESEARCH METHODOLOGY

The study is based on both primary and secondary data.

Primary Data

Primary data was collected from 136 farmers and through interaction with the staff of Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha.

Secondary Data

Secondary data was collected from Co-operative society records, annual reports, websites, and related published materials.

LIMITATIONS OF THE STUDY

1. The study mainly focuses on agricultural loans and farmer-related services provided by Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha.

2. The study is based on the information collected from farmers and staff of the Co-operative society.

IV.FARMER-RELATED SERVICES PROVIDED BY THE CO-OPERATIVE SOCIETY

1. Short-Term Agricultural Loan

The Co-operative society provides short-term agricultural loans to farmers for cultivation expenses such as seeds, fertilizers, pesticides, and labour charges. Farmers can avail loans up to ₹3,00,000 at 0% interest. Farmers who repay loans before the due date become eligible for fresh loans. Registration through the FRUITS Portal is compulsory.

2. Medium-Term Agricultural Loan

Medium-term agricultural loans are provided for activities such as land development, irrigation facilities, and purchase of agricultural equipment. Loan amounts range from ₹10,000 to ₹15,00,000. The interest rate is 3% for regular repayment, while overdue repayment attracts 13% interest.

3. Weather-Based Crop Insurance Scheme

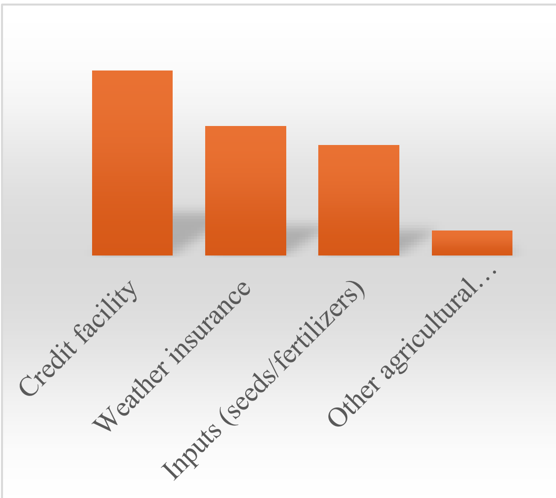
The Co-operative society helps farmers avail crop insurance through the Samrakshan App. The scheme provides compensation for crop losses caused by drought, heavy rainfall, and other weather-related problems. Crop survey registration is compulsory before enrolment.

4. Yashaswini Health Insurance Scheme

The society also provides Yashaswini Health Insurance facilities to members. The scheme offers health coverage up to ₹5,00,000 per family. SC/ST members receive the scheme free of cost, while other members pay ₹500 annually.

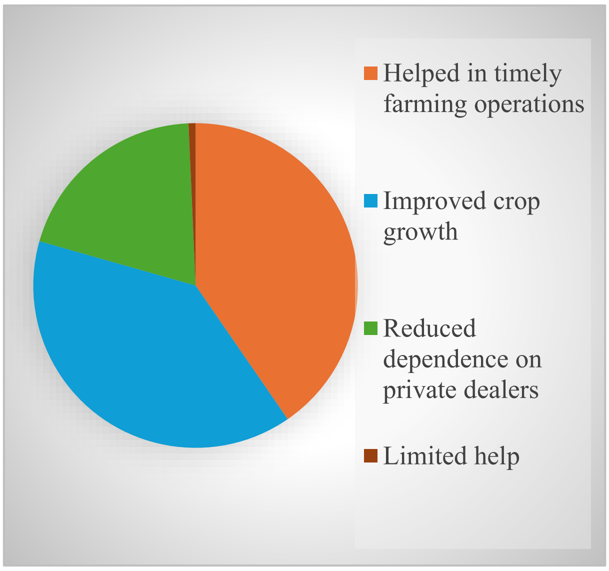
V. ANALYSIS AND INTERPRETATION OF SURVEY FINDINGS

1. Types of services received from the Co-operative



The data shows that the Co-operative primarily provides credit facilities, with 100% of respondents receiving this support. A significant share (69.9%) also received weather insurance, while 59.6% obtained agricultural inputs such as seeds and fertilizers. Overall, the Co-operative mainly focuses on financial support and essential farming services.

2. Impact of Agricultural Inputs on Agricultural Activities

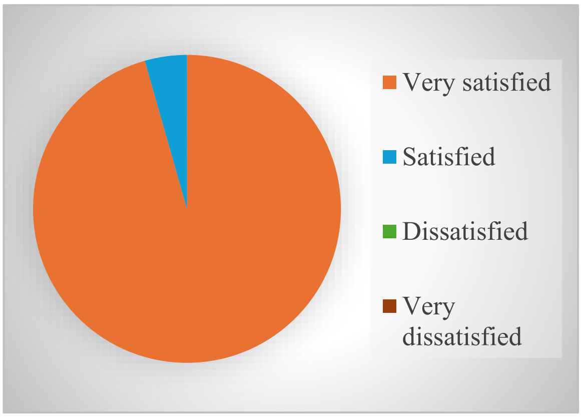


The results show that Co-operative agricultural inputs mainly help in timely farming operations (40.4%) and improving crop growth (39%). A smaller share reported reduced dependence on private dealers (19.9%), while only 0.7% felt limited benefit. Overall, the inputs are largely effective in supporting timely farm activities and enhancing productivity.

3. Ease of accessing Co-operative services

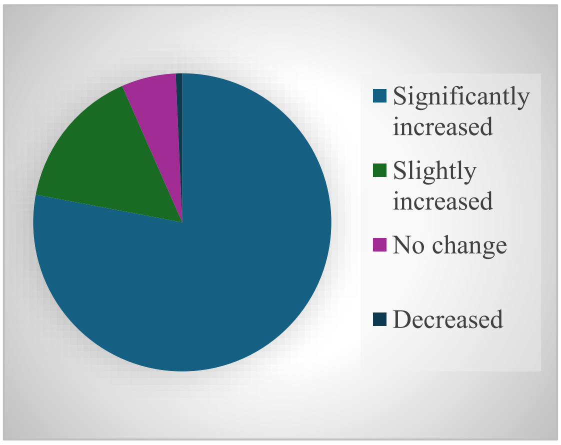
The data shows that Co-operative services are highly accessible, with 81.6% of respondents reporting that access is very easy and 16.2% stating it is somewhat easy. Only 2.2% felt it is difficult, while none reported it as very difficult. Overall, the findings indicate that farmers face minimal barriers in accessing Co-operative services, reflecting their user-friendly nature.

4. Overall Satisfaction with Co-operative services



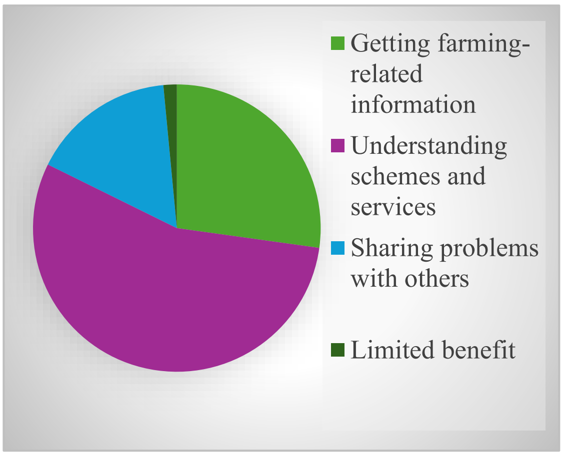
The data shows a high level of satisfaction with Co-operative services, as 95.59% of respondents are very satisfied and 4.41% are satisfied. No respondents reported dissatisfaction or very dissatisfaction. This indicates that farmers have a highly positive perception of Co-operative services. Overall, the findings reflect strong satisfaction and suggest that Co-operatives are effectively meeting the needs of farmers.

5. Impact of Co-operative services on agricultural productivity



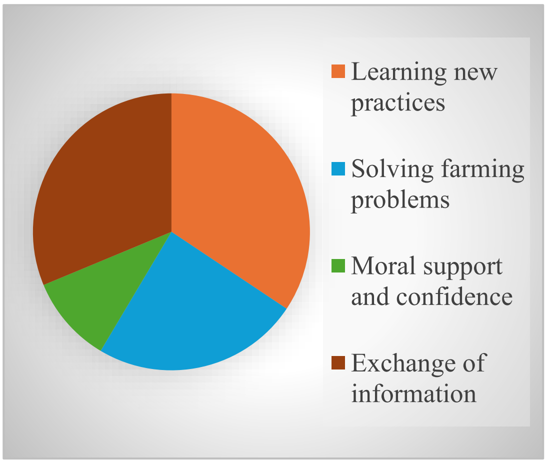
The data shows that 77.9% of respondents reported a significant increase in agricultural productivity due to Co-operative services, while 15.4% observed a slight increase. Only a small proportion reported no change (5.9%) or a decrease (0.7%). Overall, the findings indicate that Co-operative services have a strong positive impact on improving agricultural productivity.

6. Benefits derived by farmers from Co-operative Meetings



The data shows that Co-operative meetings are mainly used for understanding schemes and services (55.1%), followed by gaining farming-related information (27.2%). A smaller proportion of respondents use meetings for sharing problems with other farmers (16.2%), while only 1.5% reported limited benefit. Overall, the findings indicate that Co-operative meetings are effective in improving awareness and supporting farmers through information sharing.

7. Key areas Where Co-operative interaction benefits farmers



The data shows that interaction with fellow farmers mainly helps in learning new farming practices (34.4%) and exchanging information (31.3%). Some respondents also benefit in solving farming problems (24.2%), while a smaller share gain moral support and confidence (10.2%). Overall, the findings indicate that farmer interactions within the Co-operative are valuable for knowledge sharing and improving farming practices.

8. Reasons for Continuing Association with the Co-operative Society

Most farmers continued their association with the Co-operative society because of the availability of agricultural services and support during difficult times. Farmers also expressed trust in the society and valued the long-term relationship developed with the Co-operative institution. This indicates that the society has built confidence and goodwill among farmers through its services.

8. Improvement in Awareness About Agricultural Services

The survey showed that farmers became more aware of agricultural loans, crop insurance, and other farmer-related services through the Co-operative society. Awareness regarding available services helped farmers make better use of agricultural facilities and support programmes.

10. Overall Support Provided to Farmers by the Co-operative Society

The survey findings showed that the Co-operative society plays an important role in supporting farmers financially and socially. Through loans, insurance services, meetings, and advisory support, the society helped farmers improve farming activities, reduce farming difficulties, and strengthen confidence in agricultural operations.

11. Effect of Agricultural Loan on Agricultural Productivity

Null Hypothesis (H_0)

There is no significant relationship between agricultural loan amount and agricultural productivity.

Alternative Hypothesis (H_1)

There is a significant relationship between agricultural loan amount and agricultural productivity.

The Chi-square test result showed that there is a significant relationship between agricultural loan amount and agricultural productivity. Farmers receiving higher loan amounts experienced better improvement in productivity compared to farmers receiving smaller loan amounts.

The study indicates that agricultural loans helped farmers invest in seeds, fertilizers, irrigation facilities, machinery, and other farming activities, which improved agricultural productivity.

Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted.

12.Effect of Agricultural Loan on Profitability of the Co-operative Society

Null Hypothesis (H_0)

There is no significant relationship between agricultural loan amount and profitability of the Co-operative society.

Alternative Hypothesis (H_1)

There is a significant relationship between agricultural loan amount and profitability of the Co-operative society.

The calculated Pearson's Correlation value is:

$r = 0.6373$

The correlation result shows a moderate positive relationship between agricultural loan amount and profitability of the Co-operative society. This means that when agricultural loan amount increases, profit also tends to increase.

However, the p-value is greater than 0.05, which indicates that the result is not statistically significant. Therefore, the null hypothesis is accepted, and the alternative hypothesis is rejected.

It is found that agricultural loans positively contribute towards profitability, but profitability is also influenced by other factors such as interest income, recovery performance, deposits, and other banking services.

VI. DISCUSSION

The study highlights the important role played by Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha in supporting farmers through agricultural loans and farmer-related services. The Co-operative society provides short-term and medium-term agricultural loans, weather-based crop insurance, and guidance services, which help farmers manage agricultural activities more effectively. These services reduce farmers' financial difficulties and support timely farming operations.

The survey findings show that most farmers benefited from agricultural inputs and services provided by the Co-operative society. Farmers reported improvement in crop growth, timely farming activities, and reduced dependence on private dealers. Participation in Co-operative meetings also helped farmers gain information about schemes, farming practices, and available services. Interactions among farmers through the Co-operative society encouraged knowledge sharing, problem-solving, and learning of new agricultural practices.

The study also found that farmers continue their association with the Co-operative society mainly because of the availability of services, support during difficult situations, and trust in the institution. The findings indicate that the Co-operative society has built a positive relationship with farmers by providing reliable financial and advisory support.

Further, the statistical analysis revealed a moderate positive relationship between agricultural loan amount and profitability of the Co-operative society. This indicates that agricultural loans contribute positively to the financial performance of the society, although profitability is also influenced by other operational factors. Overall, the study concludes that the Co-operative society plays a significant role in improving farmers' productivity, strengthening rural livelihoods, and supporting agricultural development.

VII. FINDINGS OF THE STUDY

1. The study reveals that agricultural loans provided by the Co-operative society supported farmers in carrying out farming activities effectively.

2. The study shows that agricultural inputs supplied through the Co-operative society improved timely farming operations and crop growth.
3. The study indicates that Co-operative meetings helped farmers understand agricultural schemes, services, and farming-related information.
4. The study highlights that interaction among farmers through the Co-operative society supported exchange of information and learning of new farming practices.
5. The study identifies that most farmers continued their association with the Co-operative society because of trust, support, and availability of services.
6. The study confirms that agricultural loans had a positive impact on agricultural productivity.
7. The study found a moderate positive relationship between agricultural loan amount and profitability of the Co-operative society.

VIII. SUGGESTIONS

1. It is suggested that the Co-operative society may organize seasonal training programmes for farmers on modern agricultural practices, crop management, and efficient use of agricultural inputs to improve agricultural productivity.
2. It is advised that the Co-operative society may provide guidance on market prices and marketing opportunities so that farmers can sell their agricultural produce at better prices and improve their income.
3. It is advised that the Co-operative society may strengthen advisory support for farmers during crop diseases, pest attacks, and unfavourable weather conditions.

IX. CONCLUSION

Agricultural loans and farmer-related services provided by Bajpe Vyavasaya Seva Sahakari Bank, Niyamitha, play an important role in supporting farmers and improving agricultural activities. Services such as short-term loans, medium-term loans, crop insurance, and health insurance helped farmers manage cultivation expenses and agricultural risks effectively.

The study found that agricultural loans positively influenced agricultural productivity and supported better farming operations. Farmers also benefited through Co-operative meetings, agricultural inputs, and interaction with fellow farmers. The Co-operative society strengthened farmers' confidence by providing timely financial and advisory support. The study further found a moderate positive relationship between agricultural loan amount and profitability of the Co-operative society. Overall, the Co-operative society plays a valuable role in supporting farmers, improving agricultural productivity, and contributing to rural development.

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