

PREFERENCE OF CREDIT INSTITUTIONS BY FARMERS IN THE TRIVANDRUM DISTRICT

Agricultural credit is a vital input for the cultivation of the high yielding varieties of paddy. As availability of credit input is directly influencing the farmer's behaviour in choosing high yielding varieties of paddy, farmers will be relying on different sources to obtain credits. But due to the multiplicity of credit institutions and procedural changes and varied terms of loans, the farmer has to exercise choice of the institutions for easy, timely and adequate credit facilities. Arora (1979) explained that the farmers had very poor share of borrowing from the co-operatives while the performance of commercial banks were better than the co-operative banks. Review of short term credit (1974-75) revealed that over 93% of the loans were from indigenous individual sources even though many credit institutions are established at the village level. No attempt has so far been made to determine the preference of credit institutions by farmers in Kerala. The present study was carried out to find out the farmer's preference towards the credit institutions such as co-operative bank, commercial bank, government agencies and others in the Trivandrum District, Kerala.

The study has been conducted at Anacode I. P. D. Unit in Trivandrum District. One hundred and twenty five farmers were randomly selected from this unit and data were collected through interview schedules. The main variable preference was assessed by applying the Thurstone's paired comparison technique adopted by Sandhu and Sinha (1970). The subjects, namely, the credit institutions were presented in pairs in all possible combinations. In order to avoid space and time errors, the pairs were so arranged that every stimulus (institutions) appeared equally often on the right and left and maximum possible distance was kept between its appearances in pairs. The total number of pairs was 21, as determined by the formula = $n(n-1)/2$.

The responses were collected by the interviewer by asking questions on the institution preferences among each pairs. From the observed frequencies of choices, 'F' matrix was constructed. This matrix indicated the number of times the stimulus 'i' was greater than the other stimulus 'j'. The diagonal cells of the matrix were left vacant. From the 'F' matrix the 'P' matrix was constructed, which gave the observed proportion of time stimulus 'i' preferred to the stimulus 'j'. Here also diagonal cells were left vacant. From the 'P' matrix, 'Z' matrix expressing 'P' values as 'Z' values representing unit normal deviates corresponding to the proportions were derived. From the mean 'Z' values, the rank scale value (R) for each of the seven institutions were determined and a composite preference scale was prepared on the basis of the values which depicted the position of individual institutions among themselves.

Table 1 depicts the scale values of different institutions and their ranks according to the preference by farmers.

From the **scale** values, it can be seen that farmers in general prefer Intensive Paddy Development Units with the maximum scale value of 2.722 followed by Co-operative Banks (1.640) and commercial banks (1.069) respectively securing second and third preferences of farmers. Relatives which constitute non-institutional sources of credit, supersedes the Land Mortgage Banks in their preference. The money lenders and neighbours are ranked as sixth and seventh respectively in the farmer's preference level,

The preference patterns might be explained on the basis of their **easy** accessibility and relatively **simple** procedures of lending.

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സംഗ്രഹം

തിരുവനന്തപുരം ജില്ലയിലുള്ള ആനക്കോട് ഏലാ വികസന യൂണിറ്റിലെ കർഷകർക്ക്, അവർക്ക് ലഭിച്ചുകൊണ്ടിരിക്കുന്ന കാർഷിക വായ്പാ സൗകര്യങ്ങളോടുള്ള മനോഭാവത്തെക്കുറിച്ചുള്ള പഠനത്തിൽ ഏലാ യൂണിറ്റ്, ബാങ്ക് മുതലായ സ്ഥാപനങ്ങളിൽ നിന്നും ലഭിക്കുന്ന വായ്പാ സൗകര്യങ്ങൾ സ്വകാര്യ വ്യക്തികളിൽനിന്നും ലഭിക്കുന്നതിനേക്കാൾ ഇഷ്ടപ്പെടുന്നതായി കണ്ടു.

Table 1
Preference of credit institutions by farmers

Sl. no.	Source of credit institutions	Scale value	Rank
1	Intensive Paddy Development Units	2.722	1
2	Co-operative Banks	1.640	2
3	Commercial Banks	1.069	3
4	Relatives	0.549	4
5	Land Mortgage Banks	0.226	5
6	Money Lenders	0.315	6
7	Neighbours	0.000	7

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