



Impact of Kisan Credit Card and Agricultural Marketing on Farm Productivity

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Agriculture remains a backbone of the Indian economy, employing a large proportion of the population. However, farmers often face constraints such as lack of timely credit, high dependence on informal lenders, and inefficient marketing systems. To address these challenges, the Government of India introduced the Kisan Credit Card (KCC) scheme and implemented reforms in agricultural marketing. KCC provides revolving credit for crop production and allied activities, while marketing reforms aim to connect farmers to better markets and prices.

Kisan Credit Card (KCC)

The KCC scheme was launched by NABARD in 1998 to provide short-term credit to farmers at low interest rates. It allows farmers to withdraw funds as per their needs for inputs like seeds, fertilizers, pesticides, and labor. (ResearchGate)

Key Features:

- Flexible and revolving credit system
- Low interest rates (often subsidized)

Coverage of KCC in Chhattisgarh

Values are read visually so they are approximate:

District-wise KCC Coverage (%)

Balod	— 92
Baloda Bazar Bhatapara	— 40
Balrampur	— 22
Bastar	— 78
Bemetara	— 93
Bijapur	— 68
Bilaspur	— 45
Dantewada	— 79
Damtari	— 52
Durg	— 97
Gariyaband	— 50
Gaurella Pendra Marwahi	— 23
Jangir-Champa	— 38
Jashpur	— 20
Kabirdham	— 78
Kanker	— 81
Kondagaon	— 72
Korba	— 72
Koriya	— 39
Mahasamund	— 36

Mungeli — 55
 Narayanpur — 27
 Raigarh — 57
 Raipur — 39
 Rajnandgaon — 93
 Sukma — 53
 Surajpur — 33
 Surguja — 30

Improved Input Usage

With timely credit, farmers can invest in:

- High-quality seeds
- Fertilizers and pesticides
- Irrigation and machinery

Research indicates that agricultural credit directly influences crop cultivation activities and input use, thereby enhancing productivity. (Allied Business Academies)

Increase in Agricultural Productivity

Empirical studies show:

- Access to credit can increase farm output significantly (e.g., around 14% yield increase in similar credit-access studies). (arXiv)
- KCC beneficiaries report better crop yields and higher income levels.

Financial Stability and Risk Reduction

KCC helps farmers:

- Manage seasonal cash flow
- Avoid distress sales
- Invest in modern technology

It improves financial inclusion and strengthens farmer-bank relationships. (Kuey)

Challenges of KCC

Despite its benefits, KCC faces certain issues:

- Increasing loan burden (national KCC loans reached about ₹10.2 lakh crore). (The Times of India)
- Limited awareness among small farmers
- Procedural delays in loan disbursement
- Risk of over-indebtedness

Status of KCC in different co-operative bank branches in Bilaspur

The branch-wise analysis of Kisan Credit Card (KCC) distribution in the study area reveals that a total of 69,763 farmers had availed KCC facilities through various branches of the District Central Co-operative Bank. Among all branches, the Bilha branch recorded the highest number of KCC farmers (9,024), followed by Kargi Road (7,437), Tendubhatha (6,014), and the Main Branch (6,441). These four branches together accounted for a significant portion of total KCC beneficiaries in the district. Other notable branches with considerable KCC coverage include Takhatpur (5,736), Ratanpur (5,636), and Masturi (5,037). On the other hand, branches like Central (1,244), Sarkanda (1,991), and Dhani (2,470) had relatively lower numbers of KCC farmers.

Status of KCC in Bilaspur co-operative branches of Chhattisgarh

S. No.	Branch Name	Number of KCC Farmers
1	Main Branch Bilaspur	6,441
2	Takhatpur	5,736
3	Kargiroad	7,437
4	Bilha	9,024
5	Masturi	5,037
6	Malhar	3,503

7	Tendubhatha	6,014
8	Jodhapur	2,639
9	Ratanpur	5,636
10	Beltara	3,241
11	Sipat	3,352
12	Dhani	2,470
13	Sarkanda	1,991
14	Central	1,244
15	Mopka	3,194
16	Lohi	2,804
Total		69,763

Source: District Central Co-operative Bank (2024-25)

Role of Agricultural Marketing in Farm Productivity

Importance of Marketing

Efficient marketing ensures that farmers receive remunerative prices, which motivates them to increase production.

Marketing Channels and Reforms

Key developments:

- APMC markets
- e-NAM (National Agriculture Market)
- Direct farmer-consumer linkages

These systems reduce intermediaries and improve price realization.

Impact on Productivity

Better marketing leads to:

- Higher income → more investment in inputs
- Reduced post-harvest losses
- Incentives to adopt modern technology

Research shows that price support and market efficiency directly influence farm profitability and productivity. (arXiv)

Combined Impact of KCC and Marketing

The interaction between credit and marketing creates a multiplier effect:

Factor	Impact on Productivity
KCC (Credit)	Enables purchase of inputs and technology
Marketing	Ensures better price realization
Combined Effect	Higher income + reinvestment → sustainable productivity growth

Example:

Farmers with access to KCC can invest in better seeds.

Efficient markets ensure they get good returns.

This cycle leads to continuous productivity improvement.

Policy Implications

To maximize benefits:

- Expand KCC coverage to all farmers
- Improve digital and simplified loan processes
- Strengthen agricultural marketing infrastructure
- Promote awareness and financial literacy
- Integrate credit with insurance and market linkages

Conclusion

The Kisan Credit Card scheme has played a crucial role in transforming agricultural credit in India by improving access to affordable finance. Alongside efficient agricultural marketing

systems, it significantly enhances farm productivity by enabling better input use, increasing income, and encouraging technological adoption. However, challenges such as rising debt and inefficiencies in marketing systems must be addressed. A coordinated approach combining credit, marketing reforms, and technology adoption is essential for sustainable agricultural growth in India.