

The Role of Banking Sector in the Andhra Pradesh State on Agricultural Development

Sadhik S*

Department of MBA (Hospital Administration), Acharya Nagarjuna University, Guntur, Andhra Pradesh, India

Research Article

Received: 02-Dec-2022,
Manuscript No. JAAS-22-82099;
Editor assigned: 05-Dec-2022,
PreQC No. JAAS-22-82099 (PQ);
Reviewed: 19-Dec-2022, QC No.
JAAS-22-82099; **Revised:** 31-
Jan-2023, Manuscript No. JAAS-
22-82099 (R); **Published:** 07-
Feb-2023, DOI: 10.4172/2347-
226X.12.1.001

***For Correspondence :** Sadhik S,
Department of MBA (Hospital
Administration), Acharya
Nagarjuna University, Guntur,
Andhra Pradesh, India;

Email: sadhik.sir@gmail.com

Citation: Sadhik S. The Role of
Banking Sector in the Andhra
Pradesh State on Agricultural
Development. RRJ Agri Allied
Sci. 2023;12:001.

Copyright: © 2023 Sadhik S. This
is an open-access article
distributed under the terms of the
Creative Commons Attribution
License, which permits
unrestricted use, distribution and
reproduction in any medium,
provided the original author and
source are credited.

ABSTRACT

The Indian rural economy faces several challenges in agricultural sector. Climate change poses a major risk of loss in crop productivity and widespread asset destruction due to extreme weather events in our country. Sustainable growth of agriculture and the rural economy needs to be turbo charged through the massive investment in rural infrastructure, including irrigation, with a focus on water use efficiency, enhancement in total factor productivity of crops, technology driven agriculture, agritech start-ups, climate smart agriculture, development of efficient agrivalue chains, agri-marketing reforms, promotion of agri-exports, enhanced spending on research and development, modernization of rural crafts, credit innovations, digital financial inclusion on a massive scale and agri-risk management. And Crops absorb hardly 20% to 30% of the fertilizers, pesticides and weedicides applied to Indian fields, the rest simply pollute the soil. In this regard the banks are played a vital role in India. The banking sector is considering for development of the agriculturists of natural resource management projects have benefitted communities through soil and moisture conservation, higher productivity, climate proofing, and by providing alternative livelihoods, besides ensuring security and sustainability of existing livelihoods.

Hence, the role of the banking sector in agriculture is needing serving the country. Besides financing traditional activities, banks are also involved in training and setting up consultancies, Agri clinics, Kisan credit cards, the export and marketing of agricultural produce, etc. The role of the banks in agriculture sector is not limited to providing credit. The present study pointed out the role of the banking sector is useful for the development of the economy in the agriculture. Especially, this study is to know the role of banks in total agricultural advances, bank wise achievements, and district wide achievement of agricultural sector in Andhra Pradesh state. The present research paper is exploratory in nature and makes use of secondary data.

Keywords: Advances; Annual credit plan; Banking and agricultural sector; Existing livelihoods; Secondary data

INTRODUCTION

Agriculture plays a major role in economic growth and development in India. As the provider of food, agriculture is a cornerstone of human existence. As a furnisher of industrial raw materials agriculture sectors plays an important contributor to economic activity in other sectors of the economy. Hence, agriculture impacts society in many ways, it includes like supporting livelihoods through food, habitat, works, felicitating to raw materials for food and other products, and relating to strong economies through trade. Due to increased investment in agricultural infrastructure the agriculture sector in India is expected to generate better momentum in the next few years. These infrastructures were irrigation facilities, warehousing and cold storage. It notices that the changes in food habits and growing use of genetically modified crops need to improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price. It is observing thing happen that suicide cases of cotton growing farmers in Andhra Pradesh and Maharashtra are an everyday we should thing now. To overcome all these problems, providing a microfinance and general insurance companies has come up with crop and weather policies which can be helpful to poor agricultural farmers in India. Improved access to rural credit and greater gender involvement in rural economic activities through rural livelihood initiatives undertaken by a number of states Andhra Pradesh, Bihar, Madhya Pradesh, Orissa, Rajasthan, and Tamil Nadu and soon to be scaled up by the government of India with Bank support through a National Rural Livelihood Mission. The confederation of Indian industry, Indian agriculture suffers mainly because of expensive credit, a distorted market, intermediaries, controlled prices and poor infrastructure notices in the country. It has also suffered to poor irrigation facilities, use of traditional technology and practices, fragmented landholdings, lack of post-harvest infrastructure and lack of farm extension. Banking sector should consider these facts to invest more in infrastructure facilities like irrigation facilities, processing, storage and marketing activities. Such agricultural infrastructure can be improved by banks, as there are ample prospects for banks to invest in the agricultural activities. The bank's agricultural and rural development portfolio is clustered across three broad themes with each project, generally, showing a significant integration of these themes ^[1].

- Agriculture, watershed and natural resources management.
- Water and irrigated agriculture.
- Rural livelihood development.

MATERIALS AND METHODS

Improved farmer access to agricultural markets through policy reforms and investments under the Maharashtra agricultural competitiveness project, which aims to reform regulated wholesale markets and provide farmers with alternative market opportunities. R&D in agricultural technology through two national level projects with pan-India implemented through the national agriculture technology project and the national agriculture innovation project coordinated by the government of India's Indian council for agricultural research. And World Bank support for the better delivery of irrigation water ranges from projects covering large irrigation infrastructure to local tanks and ponds. The projects also support the strengthening of water institutions in several states Andhra Pradesh, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, and Uttar Pradesh improved groundwater management practices. Sustainable agricultural practices through watershed and rain-fed agriculture development in Karnataka, Himachal Pradesh, and Uttarakhand, soil reclamation efforts are in Uttar Pradesh and, more recently, improved groundwater management practices ^[2].

For stronger rural connectivity through the Prime Minister's national rural roads program, and by rural poor and small holder farmers through collective action to public services as self-help groups and SHG federations, water user associations and farmer producer organizations currently, the bank's board of executive directors approved the national rural livelihood mission, which supports SHG approaches through an country based approach. In a changing environment, banks are diversifying their role in the agriculture sector in order to get revenue from their significant contribution to the agricultural business. Some of the new roles that banks have adopted were marketing, agri products, training and consultancy with insurance and providing finance for infrastructure *via* PPP. An also RBI realizes the basis contributions of the agricultural sector in the overall economic development in India. And also NABARD comes forward in this regard and will facilitate bank credit on agriculture and total priority sector lending terms. It has evolved over the past two decades into a strong and a rural sensitive developmental institution with a complete understanding of the complexities of the agricultural and rural sectors. It also noticed that NABARD should become an apex development bank in agricultural sectors with direct equity participation in RRBs along with sponsoring institutions. With a presence on the boards of all commercial banks, it is fully equipped to emerge as a strong player in the rural credit system. NABARD acts to promote Self-Help Group (SHGs) movements. Its reflects the immense capability in rural credit system with capacity building ^[3].

Need for the study

India is a global agricultural powerhouse. India is the world's largest producer of milk, pulses, and spices, and it has the world's largest cattle herd (buffaloes), as well as the highest area under wheat, rice and cotton. Also India is the second largest producer of rice, wheat, cotton, sugarcane, farmed fish, sheep and goat meat, fruit, vegetables. The Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025 According to India's largest startup media and the information platform (Inc42). And to it's know that Indian food and grocery market is the sixth world largest, with a 70% retail contributes of the sales. As per the third advance estimates, food grain production in India is estimated to be 314.51 MT in FY 2021-2022. In India, agriculture sector with its allied is the largest source of livelihoods. Still depend primarily on agriculture for their livelihood 70% of its rural households. 82% small and marginal farmers being also depend on India. For this motive, Agricultural Sector plays a very vital role in India. Government and other institutions are developing various new polices and models for improving the situation of farmers and agriculture. Hence it is required to do a study on the current scenario and contribution of banking institutions in providing to the agricultural sector and its allied activities development in Andhra Pradesh state [4].

Scope of the study

This study is mainly confined to bank wise progress to the agricultural sector in Andhra Pradesh state districts only. The study focuses on bank activities of the agricultural development in year 2021-2022.

Objectives of the study

- To know the bank wise total agricultural advances with priority sector advances and NPA's in Andhra Pradesh.
- To analysis the district wise total agricultural advances outstanding under priority sector and total priority sector in Andhra Pradesh.
- To evaluate the annual credit plan to bank wise targets and achievements of agriculture sector in Andhra Pradesh.
- To analysis the annual credit plan to district wise targets and achievements of agriculture sector in Andhra Pradesh
- To offer suggestions and conclusions to Agricultural development for better performance in the select district.

Research methodology

In order to achieve this end the authors conducted a rigorous review of literature and documentary information germane to the subject matter. In this regard the secondary data were selected from top banking journals, research papers, RBI, NABARD, and SLBC-AP reports, research books, research journals and news papers etc. have been surveyed in making this study [5].

RESULTS AND DISCUSSION**Role of banking on agriculture in Andhra Pradesh**

The banking network in the Andhra Pradesh (A.P) State, as on 31 March, 2022 comprised of 34 commercial banks (12 public sector commercial banks and 22 private sector commercial banks); 4 Regional Rural Banks (RRBs); AP state cooperative bank and 2 small finance banks. Banking services in the state are provided through a network of 7617 branches, of which are 2673 in Rural, Semi Urban are 2325, Urban branches are 1895 and 724 branches in Metro with BCs are 38295. AP state has total deposits 414594.01 crores and advances-581967.80 crores. And Union Bank of India is the convener of the State Level Bankers Committee (SLBC) in the A.P state (Table 1).

Table 1. A.P state district wise no. of branches, deposits and advances as on 31.03.2022.

S. no	Districts	Rural	Semi urban	Urban	Metro	Total branches	Deposits (Amt. in crores)	Advances (Amt. in crores)	CD ratio
1	Ananthapuramu	170	137	179	1	487	23130.87	31590.66	136.57
2	Chittoor	264	180	190	3	637	39200.02	36530.6	93.19
3	East Godavari	301	291	233	2	827	32903.46	47527.6	144.45
4	Guntur	325	251	300	2	878	51273.02	59494.84	116.04
5	Krishna	254	280	116	250	900	18350.96	24101	131.33
6	Kurnool	161	122	206	1	490	62032.55	130002	209.57
7	Prakasam	200	201	88	1	490	22812.19	33844.18	148.36
8	SPS Nellore	149	158	136	1	444	21346.25	31647.87	148.26

9	Srikakulam	177	104	64	1	346	24318.52	38954.18	160.18
10	Visakhapatnam	176	114	38	458	786	14371.88	18490.45	128.66
11	Vizianagaram	128	93	77	1	299	61489.6	70233.04	114.22
12	West Godavari	230	271	146	2	649	12949.98	15345.65	118.5
13	YSR Kadapa	138	123	122	1	384	30414.72	44205.7	145.34
Total		2673	2325	1895	724	7617	414594	581967.8	140.37
Sources: SLBC-AP									

Above, Table 1 shows that Banking services in the state are provided through a network of 7617 branches, of which are commercial banks in rural 1691, semi urban are 1839, urban branches are 1575 and metro branches are 5769, the RRB's in rural area are 806, semi urban 312, urban RRB branches are 139 and 32 in metro branches in A.P., there are 4 cooperative banks in this state with 438 branches. Similarly, the small finance banks are 83 and 13 APSFC. And it also observed that the total commercial bank's deposits are 20805.44 crores with 29275.50 crores advances in this state. A.P. state district wise No. of Branches are 7671, deposits 414594.01 crores and 581967.80 crores advances as on 31.03.2022. The CD ratio in the state of Andhra Pradesh is 140.37% and no district in the state is having CD ratio below the statutory benchmark of 100% (Table 2). Chittoor district only reported 93.19% CD ratios, the low CD ratio attributed to bulk deposits of TTD ^[6].

Table 2. A.P state bank wise totals agricultural advances outstanding under priority sector as on 31.03.2022.

S.no	Name of the bank	Priority sector		Total agriculture		NPAs	
		No. of accounts	Amount (crores)	No. of accounts	Amount (crores)	No. of accounts	Amount (crores)
1	Public sector banks total	7995704	135406.9	7997837	136227.5	299251	4664
2	Private sector banks total	601777	20350.86	636950	20993.17	22184	841
3	Commercial banks total	8597481	155757.7	8634787	157220.7	321435	5505
4	Co-operative banks total	2183413	22075.78	2183413	22075.78	67149	538
5	Regional rural banks total	2608270	33841.21	2608270	33841.21	39643	402
6	Others total	-	-	-	-	-	-
Grand total		13583312	212170	13620618	213633	433233	6458
Sources: SLBC-AP							

Table 2 shows that bank wise total agricultural advances outstanding under priority sector in select state. The short term production loans of total commercial banks (public and private) 85792.11 crores, agri. term loans are 55099.16 cores, farm credit is 140891.27 crores, agri infra 3376.05 crores and ancillary activities are 11490.41 with the total advance of 155757.73 crores in this states. The total cooperative bank advances are 22075.78 crores, RRB's total advances are 33841.21 crores. And it observes that the total priority sector advances 212170 crores with 13583312 accounts with the total agriculture advances 213633 crores in 13620618 accounts as 6458 crores of NPAs for the 433233 accounts in A.P. state bank wise total agricultural advances outstanding under priority sector as on 31.03.2022 (Table 3).

Table 3. A.P state district wise totals agricultural advances outstanding under priority sector as on 31.03.2022.

S. No	Districts	Short term production loans (crores)	Agri term loans (crores)	Farm credit (crores)	Agri infra (crores)	Ancillary activities (crores)	Total agri advances (crores)	Total priority sector (crores)
1	Anantha-puramu	10153.61	5684.8	15838.41	210.63	362.79	16411.83	22600.89
2	Chittoor	11561.03	5421.66	16982.68	358.23	628.22	17969.13	25140.91
3	East Godavari	11549.45	6552.59	18102.04	537.48	2449.17	21088.69	32056.72
4	Guntur	14927.53	6487.46	21414.99	363.7	2822.94	24601.63	39220.18
5	Krishna	12448.48	8668.68	21117.16	308.14	1850.62	23275.93	41190.38
6	Kurnool	10288.21	4395.94	14684.15	183.45	458.88	15326.48	21532.43
7	Prakasam	12264.22	7473.36	19737.58	127.49	429.97	20295.04	27978.55
8	SPS Nellore	7133.55	5337.7	12471.24	200.04	912.04	13583.32	20160.87
9	Srikakulam	4641.82	3479.15	8120.96	57.12	188.42	8366.5	11743.89
10	Visakhapatnam	4324.45	3883.98	8208.43	469.31	975.55	9653.29	25642.84
11	Vizianagaram	3470.83	2689	6159.83	123.9	119.22	6402.95	9996.56
12	West Godavari	13437.36	6746.46	20183.82	217.19	2105.23	22506.24	32288.77
13	YSR Kadapa	6168.55	6073.21	12241.76	226.48	221.05	12689.29	17318.36
Total		122369.1	72893.97	195263.1	3383.15	13524.1	212170.3	326871.4
Sources: SLBC-AP								

Table 3 shows that district wise total agricultural advances outstanding under priority sector. In short term production loans Guntur (14927.53 crores) and West Godavari (13437.36 crores) districts are the highest agricultural advances outstanding, which is observing the lowest district Vizianagaram (3470.83 crores). In agri term loans Krishna district (8668.68 crores) is the highest agricultural advances outstanding, which is the lowest district Vizianagaram (2689 crores). At farm credit the Guntur (21414.99 crores) and West Godavari (21117.16 crores) districts are the highest agricultural advances outstanding, to compare to the lowest district Vizianagaram (6159.83 crores). It finds that Agri infra in East Godavari (537.48 crores) is the highest agricultural advances outstanding, which is the lowest district Srikakulam (57.12 crores). In ancillary activities the Guntur (2822.94 crores) is the highest agricultural advances outstanding, which is the lowest district Vizianagaram (119.22 crores), it would also observe that the total agri. The advances of the total districts in A.P., Guntur are the highest advances outstanding 24601.63 crores with the lowest districts of Vizianagaram 6402.95 crores with the total of 212170.32 crores agricultural advances outstanding under priority sector total priority sector of 326871.35 crores in A.P. state bank wise total agricultural advances outstanding under priority sector as on 31.03.2022 (Table 4).

Table 4. A.P state annual credit plan bank wise targets of agriculture sector as on 31.03.2022 (amount in crores).

S. No	Bank	Short term production loans (crores)	Agri term loans (crores)	Agri infra (crores)	Ancillary activities (crores)	Total agriculture (crores)	% of total state target	Total credit plan (crores)	% of total state target
1	Public sector banks total	72027.79	20116.07	1828.31	3183.92	97156.09	65.42	192019.6	67.76
2	Private sector banks total	6476.64	3708.08	494.55	582.68	11261.95	7.58	41951.27	14.8
3	Commercial banks total	78504.42	23824.15	2322.87	3766.6	108418	73.01	233970.9	82.56
4	Co-operative banks total	13588.79	1847.43	86.5	235.66	15758.39	10.61	16820.6	5.94
5	R.R.B.s total	18297.88	5369.34	253.69	371.06	24291.98	16.36	31097.52	10.97
6	Others total	31.35	0.22	0.01	0	31.59	0.02	1490.97	0.53
Grand total		110422.5	31041.14	2663.07	4373.33	148500	100	283380	100

Sources: SLBC of A.P

Table 4 is an annual credit plan bank wise targets of agriculture sector. Here identified that the public sector bank plays a vital role in the A.P state for developing the agriculture sector. The short term production loans are providing 72027.79 crore as its total credit plan of the state is 192019.64 crores [7]. And also R.R.B.s has focused to provide the short term, agri term, agri infra, ancillary activities to the farmers with the total agriculture % of state targets 16.36 to the total credit plan of 31097.52 crores in the % to total state target 10.97 in A.P state annual credit plan bank wise targets of agriculture sector as of 31.03.2022 (Table 5).

Table 5. A.P state annual credit plan bank wise achievement of agriculture sector as on 31.03.2022 (Amount in crores).

S. No	Name of the bank	Short term crop production loans			Agri term loans including agriculture infrastructure and ancillary activities			Total agriculture			Total credit plan		
		Trgt	Achv	% achv	Trgt	Achv	% achv	Trgt.	Achv	% achv	Trgt.	Achv	% achv
1	Public sector banks total	72027.79	70024.19	97	25128.32	41531.44	165	97156.11	111555.63	115	192020	236313.29	123.07
2	Private sector banks total	6476.63	8887.12	137	4785.35	5439.11	114	11261.98	14326.24	127	41951	72873	173.71
3	Commercial banks total	78504.42	78911.31	101	29913.67	46970.55	157	108418.09	125881.87	116	233971	309186	132.15
4	Co-operative banks total	13588.79	16999.62	125	2169.59	4180.21	193	15758.38	21179.82	134	16821	28329.40	168.42
5	Regional rural banks total	18297.88	19548.37	107	5994.10	10218.95	170	24291.98	29767.32	123	31097.53	39451.94	126.87
6	Others total	31.35	-	-	0.23	-	-	31.58	-	-	1490.96	117.32	7.91

Grand total	11042 2.45	1154 59.3	10 5	3807 7.59	6149 4.30	16 1	14850 0.03	17695 3.60	11 9	2833 80	37743 6	133 .19
Sources: SLBC of A.P												

Table 5 is an annual credit plan in bank wise achievements of agriculture sector. It shows that the entire banks achieved their targets with 100%. The total agriculture of public sector banks targets 97156.11 crores with the achievement of 115% in the same way the total credit plan for the target is 192020 and achieved 236313.29 crores as the percentage of 123.07. Similarly, found that agri. Term loans, including agriculture, infrastructure ancillary activities of the cooperative banks targeted 2169.59 crores and achieved 4180.21 crores (193%), to the total credit plan targeted 16821 to achieve 28329.40 crores as the 126.87%. In closely found that the total agriculture targets are 148500 crores to achieve in 176953.60 carries as the percentage of 119. And the total credit plan also targeted 283380 carries for the achievement of 377436 crores as the percentage achievement of 133.19 in A.P. state annual credit plan for bank wise achievement of agriculture sector as on 31.03.2022 (Table 6).

Table 6. A.P state annual credit plan district wise targets of agriculture sector as on 31.03.2022 (Amount in crores).

S. no	Districts	Short term production loans	Agri term loans	Agri infra	Ancillary activities	Total agriculture	% of total state target	Total credit plan	% of total state target
1	Srikakulam	3,904.31	1,759.16	23.06	50.66	5,737.19	3.9	8,913.88	3.1
2	Vizianagaram	3,061.22	1,165.75	15.20	102.20	4,344.37	2.9	6,748.97	2.4
3	Visakhapatnam	3,950.00	1,176.18	15.00	460.00	5,601.18	3.8	29,276.18	10.3
4	East Godavari	10,385.00	4,105.00	905.00	605.00	16,000.00	10.8	29,700.00	10.5
5	West Godavari	11,300.00	2,830.00	110.00	300.00	14,540.00	9.8	23,356.00	8.2
6	Krishna	12,000.16	3,828.98	33.06	663.14	16,525.34	11.1	44,827.36	15.8
7	Guntur	15,000.00	3,270.00	750.00	300.00	19,320.00	13.0	31,820.00	11.2
8	Prakasam	9,523.37	2,303.33	91.54	337.51	12,255.75	8.3	19,471.28	6.9
9	SPS Nellore	7,001.19	1,878.07	150.60	257.11	9,286.97	6.3	16,540.95	5.8
10	Chittoor	9,750.00	3,494.50	137.10	425.66	13,807.26	9.3	22,719.20	8.0
11	YSR Kadapa	6,600.00	1,840.00	35.00	555.00	9,030.00	6.1	14,870.00	5.2
12	Ananthapuramu	9,660.21	1,495.17	187.51	181.05	11,523.95	7.8	17,959.17	6.3
13	Kurnool	8,287.00	1,895.00	210.00	136.00	10,528.00	7.1	17,177.00	6.1
Total		110,422.4 6	31,041.1 4	2,663.0 7	4,373.3 3	148,500.0 0	100	283,380.0 0	100
Sources: SLBC of A.P									

Table 6 shows A.P. Annual credit plan in district wise targets of agriculture sector, it would observe that the targets of total agriculture for the entire districts in A.P., Guntur 19,320.00 crores and Krishna 16,525.34 crores is the highest targets in the state with the lowest district of Vizianagaram 4,344.37 crores (Table 7). And also states that the district total credit plan Krishna district % of total state target 15.8, similarly Guntur district 11.2% and observe the lowest Vizianagaram district 2.4 with comparatives the other district in A.P. state annual credit plan district wise targets of agriculture sector as of 31.03.2022 [8-11].

Table 7. A.P state annual credit plan-district wise achievement of agriculture sector as on 31.03.2022 (Amount in crores).

S. No	Districts	Short term crop production loans			Agri term loans including agriculture infrastructure and ancillary activities			Total agriculture			Total credit		
		Trgt	Achv	% achv	Trgt.	Achv	% achv	Trgt	Achv	% achv	Trgt.	Achv	% achv
1	Ananthapuram	9,660	10,398	108	1,864	4,360	234	11,524	14,758	128	17,959	22,455	125
2	Chittoor	9,750	11,384	117	4,057	5,113	126	13,807	16,497	119	22,719	28,425	125
3	East Godavari	10,385	11,704	113	5,615	6,878	123	16,000	18,582	116	29,700	34,666	117
4	Guntur	15,000	14,805	99	4,320	6,893	160	19,320	21,698	112	31,820	41,290	130
5	Krishna	12,000	10,703	89	4,525	7,533	166	16,525	18,236	110	44,827	62,853	140
6	Kurnool	8,287	10,339	125	2,241	3,310	148	10,528	13,649	130	17,177	23,022	134
7	Prakasam	9,523	10,410	109	2,732	5,690	208	12,256	16,101	131	19,471	25,299	130
8	SPS Nellore	7,001	5,877	84	2,286	4,383	192	9,287	10,260	110	16,541	20,813	126
9	Srikakulam	3,904	4,249	109	1,833	2,242	122	5,737	6,490	113	8,914	11,499	129
10	Visakhapatnam	3,950	3,810	96	1,651	3,690	223	5,601	7,500	134	29,276	50,561	173
11	Vizianagaram	3,061	2,981	97	1,283	1,643	128	4,344	4,624	106	6,749	9,352	139
12	West Godavari	11,300	11,249	100	3,240	5,805	179	14,540	17,054	117	23,356	28,346	121
13	YSR Kadapa	6,600	7,551	114	2,430	3,953	163	9,300	11,504	124	14,870	18,854	127
Total		110,422.5	115,459.3	105	38077.59	61494.3	161	14,850.00	17,953.60	119	2,83,800	3,77,436	133

Sources: SLBC of A.P

Table 7 is an annual credit plan in districts wise achievements of agriculture sector. It shows that the entire districts achieved their targets with 100%. The total agriculture of state targets 148500.03 crores with the achievement of 119% in the same way the total credit plan for the target is 2,83,380 and achieved 3,77,436 crores as the percentage of 133. Similarly, found that agri term loans, including agriculture, infrastructure ancillary activities for Ananthapuram targeted 1864 crores and achieved 4360 crores (234%), with lust in district Srikakulam targeted 1833 crores and achieved 2286 crores (122%). And the total credit plan targeted all the state 2, 83,380 to achieve 3, 77,436 crores as the 133%. In closely found that the total agriculture targets are 148500 crores to achieve in 176953.60 crores as the percentage of 119 in A.P. state annual credit plan for district wise achievement of agriculture sector as of 31.03.2022 ^[12].

CONCLUSION

- For better development of agriculture sector banks need to enroll the eligible beneficiaries under various schemes as per the norms.
- It needs to operate agricultural schemes to the farmers like Kisan credit card, zero or low interest rate and soil health cards etc. And it can reduce the debt burden of the small and marginal farmers.
- To give focuses on announcing Atmanirbhar Bharat Abhiyan economic package for reviving the Indian economy, to help farmers, migrant workers and to revive the agricultural sector. For relief, in available packages, there banks are must measure for implementing.
- Andhra Pradesh state has good potential in land and water conservation activities. Natural farming practices are growing very low in the state along with organic farming activities.
- The agriculture and allied sector needs comprehensive reform and technology driven transformation to improve Indian economy. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), and policy support play a crucial role in shaping agriculture both as an economic sector and a pillar of livelihood.
- There must be focus of expansion of branches, mobilization deposits and allocation of advances in A.P state. Especially, vizainagaram and Srikakulam districts for effective functioning of agriculture advance and for achieving the annual credit plan in highest to the other districts.
- Increase in minimum Support Price (MSP). Suppose that, the wholesale (Mandi) prices of paddy during Kharif Marketing Season (KMS) FY2022 in West Bengal and Andhra Pradesh remained below the MSP, it was above the MSP in Uttar Pradesh and Punjab states.
- While MSPs can be increased to compensate the rise in costs, market prices play a crucial role in clearing the agricultural stock as they signal the right global demand supply situation. Hence, the real need is to reduce costs and promote sustainable agricultural systems/ecological farming and promote integrated farming models that employ circular economy principles.
- In order to develop an efficient nationwide agri marketing system, electronic National Agriculture Markets (e-NAMs) need to be scaled up and private markets and accredited warehouses need to function as e-NAMs.
- The Reserve Bank of India (RBI) oversees commercial banks and urban cooperative banks as their supervisor to proactively prevent systemic failure and preserve public confidence in the banking system. As RBI's counterpart Rural Financial Institutions (RFIs), NABARD similarly supervises agri clinic and agribusiness center etc.

Finally, this study is limited study only A.P state in India. The literature survey indicates that banking sector studies have concentrated in developed growth in India with growing interest in emerging agriculture sector.

REFERENCES

1. Ajit Kumar Mishra, et al. Agricultural Finance in India an Overview. *Int J Eng Sci Res Technol*. 2017;4:116.
2. Dogra R, et al. An Analysis of Agricultural Credit by Scheduled Commercial Banks: A Study Of Himachal Pradesh. *J Emerg Technol Innov Res*. 2018;5.
3. Narendra KB, et al. Present Position of Agricultural Credit in India: An Analysis of Institutional Contribution in Providing Credit to Agriculture Sector. *Int J Multidiscip Educ Res*. 2020;10:514.
4. Ganesan S, et al. Development of Agricultural Credit in India, Shanlax. *Int J Commer*. 2016;4.
5. Subbareddy K, et al. An Empirical Study on Role of Commercial Banks on Issuing Loans and Advances Selected Areas, Impact on Economic Growth in India. *Int J Creat Res Thoughts*. 2020;8.
6. Dube P, et al. A study of Role of commercial banks in the rural development in India. *Int J Res Eng Appl Manag*. 2018.
7. Sujatha P, et al. Role of Commercial Banks and Farm Credit in Kadapa District of Andhra Pradesh. *J Res Bus Manag*. 2022;10:184-188.
8. Priyanka S, et al. Role of Commercial Bank in the Economic Development of INDIA. *Int J Eng Manag Res*. 2014;4.
9. Rakesh M, et al. Agricultural Credit in India: Status, Issues and Future Agenda. *Econ Polit Wkly*. 2006; 18:1013-1023.
10. Ramakrishna, et al. A comprehensive study on the role of RBI in agricultural credit World Wide. *J Multidiscip Res Dev*. 2016;2:19-22.
11. Selvaraj N, et al. The Role of Commercial Banks in Providing Agricultural Credit in Tamil Nadu (Extent and Factors Influencing Investment) India: A View. *Bus Eco J*. 2015;6:3.
12. kumar V, et al. Growth and Issues in Agricultural Credit with Special Reference to Uttar Pradesh: A District Level Analysis. *Indian J Agric Mark*. 2021;35.