Role Of Farmers’ Club As A Model Micro Finance Institution For Rural Areas: A Case Study Of Some Selected Farmers’ Club Operating In Assam, India

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Abstract: Economy of Assam is mainly based on agriculture and some agriculture based small scale industries. Majority of the population (more than 70%) of Assam is based on agriculture. No such big industries are visible except the petroleum industries which are coming up in the government sector. There are some tea industries operating in the upper Assam districts. The condition of agriculture productivity is also not up to the mark as most of the cultivators are engaged in agricultural activities with some traditional tools and equipments. Technological development in agriculture has not yet adequately touched the agriculturist from this state. It is because of land holding pattern, financial condition, lack of awareness about latest development takes place in this sector, some other infrastructural bottleneck etc. The concept of Farmers’ club may show some positive results to the agriculture sector of Assam.

Farmers’ Club is a voluntary organization, which is organized by rural branches of bank with the support and financial assistance from NABARD for the mutual benefit of the banks and concerned rural people. The banks and other promoting agencies are covering the rural people engaged in agricultural and agriculture base activities.

The paper has dealt with the brief profile of the Farmers’ Club programme launched by NABARD and the role played by the selected Farmers’ Clubs to achieve inclusive growth in the study area by selecting three FCs as a case. It is based on primary data collected from some farmers’ club operating in Assam. Moreover some secondary data has also been used in the study. It has been found that the FCs are not only functioning for creating economic benefits of the members but also engaged in some social welfare activities. The study has come out with a model for successful implementation of the FCs in rural development. Some practical suggestions also been given to make it more practical.

I. INTRODUCTION

India is a rich country with poor people as about 70% of the total population is earning or supporting their livelihood from agriculture and some other allied activities. The government is giving lot many facilities to the small and marginal farmers like subsidized loan, manure, free seeds etc. Although, the government is spending a huge amount for the benefit of the agriculturists but these are not reaching the hands of the actually deserving people. The portion which actually reached the hands of the needy is also not available in time and as a consequence the people are not very much benefited. There has been lot of improvement taking place in our financial system but the people from the rural areas are not getting the benefits of all these improvement rather many of them are becoming the victim of the traditional money lenders.

Recently, the government has started thinking seriously about the rural people so that they can get the benefits of the modern financial system. The intellectuals and the academia are also started talking and working for inclusive growth. It has been found that if these people can bring to a platform and the financial institutions approached such forum then it can be expected that the rural people will get something from the sophisticated financial system. The present financial system is doing tremendous job for the formal sector but very few has done for the betterment of the informal sector including the agriculture sector. There is an urgent need to provide a package of initiative for transfer of technology, improving input, use efficiency, promoting investment in agriculture and creating a favorable economic environment in the rural area. The emerging needs in this sector now are adoption of location specific skill and knowledge based technology, promote greater value addition to agriculture product, encouraging new partnership between public and private institutions, technology users and corporate sector, making it more effective to realize financial sustainability and compete in the international market etc. The NABARD an apex body for financing agriculture and agriculture based small scale industries has come forward with a new strategy, which is known as Farmers’ club all over the country. The state of Assam has also been covered by this new strategy to offer financial help to the rural poor.

Economy of Assam is mainly based on agriculture and some agriculture based small scale industries. Majority of the entire population (more than 70%) of Assam is based on agriculture. No such big industries are visible except the petroleum industries which are coming up in the government sector. There are some tea industries operating in the upper Assam districts. The condition of agriculture productivity is also not up to the mark as most of the cultivators are
engaged in agricultural activities with some traditional tools and equipments. Technological development in agriculture has not yet adequately touched the agriculturist from this state. It is because of land holding pattern, financial condition, lack of awareness about latest development takes place in this sector, some other infrastructural bottleneck etc. The concept of Farmers’ club may show some positive results to the agriculture sector of Assam.

A. Farmers’ Club

Farmers’ Club is a voluntary organization, which is organized by rural branches of bank with the support and financial assistance from NABARD for the mutual benefit of the banks and concerned rural people. The banks and other promoting agencies are covering the rural people engaged in agricultural and agriculture base activities. These institutions are mainly concerned with providing financial resources at the door step of the rural poor so that they can improve their financial condition and can contribute to the economy of the nation. These institutions also organize training program, work shop etc. with the intention of giving knowledge to the rural people on their respective area of work.

These institutions are functioning on five principles to bring development in rural areas through credit circulation. The principles are as follow:

- Credit must be used in accordance with the most suitable method of science and technology.
- The terms and conditions of credit must be fully respected.
- Work must be done with skill so as to increase productivity and income.
- They must contribute something towards savings out of the additional income generated by utilising credit.
- Loan installments must be repaid in time and regularly so as to recycle of credit.

B. Evolution of Farmers’ Club

The concept of farmers’ club came into focus several years ago. But then that was known as “Vikas Volunteer Vahini”(VVV). That was introduced in 1983 as a method of social engineering for inculcating repayment ethics and effective development among rural people. VVV was a program implemented by the rural financial institutions and voluntary agencies, including a few Krish Vigyan Kendras (KVKs) and Agricultural Universities (AU) under the guidance and financial support from NABARD. The VVV program was implemented at village level through a group of volunteers formed as club, like VVV club, Krishak Club etc. The club volunteers work voluntarily for the betterment of villages through a participatory approach. They tried to establish a better banker borrower relationship. They help the banks in their deposits mobilization, credit dispensation and recovery efforts. They propagated the above mentioned five principles among the people, so that rural sector can be developed through credit circulation.

The club volunteers/designated banks assumed respectability in the villages through their exemplary behavior and their activities. They organized training programs, workshop etc. for the proper utilization of borrowed money by the villagers. As a result, people became conscious about the utilization part of credit offered to them. Presently, the VVVs are in existence but newly coming up VVVs are renamed as Farmers’ Club. So far their objectives and nature of work are concerned they are almost same.

C. Mission of Farmers’ Club

Farmers’ Club is operating with the mission of Development of rural areas through credit, technology transfer, creating awareness and capacity building.

D. Organizational Structure of Farmers’ Club

In village/ cluster of villages at least 10 members can form a farmers, club. The maximum number of members is not specified and both male and female can have their membership in the club. It is generally formed in the operational area of a bank with the co-operation and guidance of NABARD and its designated bank. All the members have to work under the regulation of the designated bank and NABARD. This designated bank is also known as Sponsor Bank. In the activities of the Farmers’ Club both bank and NABARD offer their help by providing adequate training and necessary funds. Again, they also help the villagers in forming SHGs and they also motivate the people to be more productive.

Organizational Hierarchy of the members of Farmers’ Club

Diagram -1

Every Farmer’s Club must have two office bearers, one of them is known as Chief Coordinator and other is known as Associate Co-coordinator. They are elected by club members on a democratic basis for tenure of two years. The two office bearers may continue in their office beyond two years subject to consent of the other members of the club. They may be selected for more than two years if they are able to work properly and the members are satisfied with the services of the office bearers.

The office bearers must be a resident of the area of operation of the club. NGO representative can not hold such official designation. Geographically, the Farmers’ Club can expand
its area of operation in more than one village. But the number villages cannot exceed more than five per farmers’ club.

E. Functions of Farmers’ Club

As the Farmers’ Club is a social organization, which provides various kinds of services in the rural area specially in relation to agriculture and other agriculture based activities. The functions of Farmers’ Club can be summed up as:

- Under the supervision of branch manager of the designated bank, the Farmers’ Club have to formulate new schemes for the development of rural area and providing necessary facilities relating to it.
- They help the banks to select eligible borrower.
- They help in creating and maintaining relationship among the Farmers’ Club, Bank, NABARD, other institution and the villagers.
- They are supposed to make a survey in their area of operation for future reference to find out the economic prospect in that area.
- They have to organize loan repayment camp, agricultural fare, animal fare, health camp and other social activities.
- NABARD and other organization like Health Deptt., Development Block etc. should be made aware about different problem facing by the rural people. Over above they should also try to foresee any problem that may arise in the near future. They are also supposed to take remedial action to tackle such present and future problem.
- They are also to assist the promotional agencies and the villagers to make different Govt. schemes like PMRY, SGSY etc. a success.
- They also help the bank in collecting their loan money in time.

F. Criteria to be fulfilled to become member of Farmers’ Club.

A person can become a member of a farmers’ club if he/she fulfills the following criterion:

- A person who has already taken a loan from bank and utilized properly and repaid the amount in time.
- A person cannot be an active member of a farmers’ club if he/she is an active member of any political party.
- The person should have goodwill or reputation in his or her locality.
- The person should be able to devote sometime for socio-economic development of the common people.
- The person should take part in socio-economic development activities like community work, education awareness program, environment awareness program etc. organized by Farmers’ club and other organization.

There are some additional qualities required to be fulfilled by the office bearers. Such qualities are stated below:

- He or she must possess some special skill and knowledge regarding making and implementation of various plans and programs.
- He or she must be from the same locality (from same village) not an outsider.

G. Duties of the members

- Duties of the office bearers of the Farmers’ Club as stated in the NABARD guidelines are:
  - He or she has to arrange meetings, discussion etc with the villagers.
  - He or she is responsible to arrange meetings with the experts from NABARD, Bank etc. visiting the area or the club.
  - He or she has to take leadership in every activities of the Farmers’ Club.

H. Duties of the members of the Farmers’ Club

- He or she must follow the five principles of the Farmers’ Club.
- The people from the area should be informed periodically about various schemes of NABARD and other organization.
- They are to share their experiences of success or failure among the people so that the people can be motivated to work more efficiently.
- Rules and regulation regarding bank loan must be distributed and explained properly among the villagers.
- They are act as recovering agent for the bankers. They are supposed to help the bankers in selecting eligible borrower/s from the area.
- They must try to make themselves a good customer for the banker.
- They are supposed to help in creation of direct relationship between the bank and the borrowers.
- They should also make aware the bankers about the borrower’s problems and their financial position.
- They are responsible for maintaining daily records of their activities for ready reference.
- They are to work as a middleman between the rural people and various Govt. organizations like DRDA, Development Block etc.
- They are to maintain a good relationship among other members and the villagers.

I. Meetings organized by Farmers’ Club

Every Farmer’s Club has to arrange twelve meetings annually. But now the number of meetings has been reduced to four. For the purpose of conducting meetings the particular Farmers’ club gets financial aid from NABARD. Generally, all the members of the Farmers’ Club, Bank...
Branch Manager and other experts attend the meeting. Govt. officer, representative of any development organization and other farmers can also attend the meeting. They are to make a time table for the meeting well in advance and all the members are responsible to attain the meeting. Generally following matters are discussed in the meeting.

- Their on going activities and its progress till the previous meeting etc. are discussed in the meeting.
- Whether the eligible person are getting loan or not and the causes of getting or not getting such loan are also discussed.
- The loan repayment position of the borrowers and to review the position of the defaulter if any.
- They also discuss about different inputs required to maintain healthy environment for the agricultural output and animals.
- They also make discussion about the steps to be taken in the next year or meeting for improving performance of the members and other borrowers.
- Any step to be taken in relation to rural development like health camp, awareness camps etc.
- They are to announce about every training programme detail to be held in their area and also to explain the importance of the same.
- History of a successful person is required to bring to the notice of the members so that their success story can be used as a model for success by other person.
- The people should be made aware about SHG with its formation and importance.
- The members are advised to deposit money into the bank periodically so that Farmers’ club can become financially sound.
- Discussing all the matters in a meeting makes the system of FCs stronger and it can be expected that the rural people will be really benefited to maximum extent.

J. Financial Support from NABARD

As Farmers’ club is a strategy taken by NABARD for the rural and agricultural development of our country. So, NABARD bears the responsibility of it till its 5th year. From the 6th year it has do their activity under the supervision of the designated bank. Farmers’ club gets some financial aid from NABARD through its designated bank. The financial support given to the FCs by NABARD for different activities are shown in Table-1.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the program</th>
<th>Maximum eligible grant other than NER</th>
<th>North East Region (including Sikkim and Andaman &amp; Nicobar island)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maintenance of Farmers’ club</td>
<td>Rs. 3000 per Club per year for 3 years.</td>
<td>Rs. 3000 per Club per year for 5 years</td>
</tr>
<tr>
<td>2.</td>
<td>Inauguration</td>
<td>Rs. 5000</td>
<td>Rs. 5000</td>
</tr>
<tr>
<td>3.</td>
<td>Meet with expert</td>
<td>Rs. 1250 per meet for 4 meets for 3 years</td>
<td>Rs. 1250 per meet for 4 meets for 3 years</td>
</tr>
</tbody>
</table>

Source: NABARD records

II. OBJECTIVES, SCOPE AND METHODOLOGY OF THE STUDY

A. Objectives of the Study

The paper has been prepared to achieve the following objectives:

- To study the brief profile of the Farmers’ Club programme launched by NABARD.
- To study the role played by the selected Farmers’ Clubs to achieve inclusive growth.
- To suggest some ways and means so that the role of Farmers’ Clubs in providing financial support to the rural community.

B. Scope and Limitations of the study

For the purpose of the study the researcher has selected three Farmers’ Clubs located in remote area under Dibrugarh District, Assam. Since we could not collect a considerable number of such clubs operating all over the state we have applied case study method. The study is expected to give some idea and the present status of this programme and its level of popularity and effectiveness in promoting rural economic activities.

C. Methodology of the study

The study is based on both primary and secondary data. Under the primary source interview method and questionnaire method have been used. There are more than 300 Farmers’ Clubs in Assam as per official record of NABARD. Out of the total population three clubs have been selected from Dibrugarh District at random and data has been collected by meeting the members of the clubs and other office bearers of the sample clubs with the help of questionnaire. Moreover, data and information have also been collected from secondary sources like books, periodicals, and also from web sites. We have also used some data and information collected from the official records of the NABARD, Dibrugarh District office. Data so collected have been analysed with the help of some
arithmetic tools like ratio, percentage etc and inference has been made on the basis of the analysis.

III. Analysis of Information Collected from the Selected FCS

Data has been collected from three Farmers’ clubs from Dibrugarh District, Assam. The name of the clubs are Surujmukhi Krishak Sangha, Krishalaya Club and Modhupur United Farmers’ Club

A. Surujmukhi Krishak Sangha

It is situated in Jokai Khamtighat, which is about 17 Km away from Dibrugarh Town. This area is a purely agriculture base area and majority of the population are engaged in agriculture. The cultivable land of this area is very fertile and suitable for paddy and vegetable cultivation. The people are very much hard working but they are not very much aware about modern tool and techniques that can be used in agricultural to get more output and in some cases lack of financial resources debar them to use available land for maximisation of their output. As a result, the cultivable land remains underutilized and they are not getting optimum output. In this background, at the initiative of some active person with support from the NABARD the Surujmukhi Krishak Sangha came into existence in the month of August, 2005 with eleven members with a view to change the agriculture sector in the area under their domain. With the intention of bringing change in agriculture sector of that village some local personalities like Montu Dutta, Lalon Prashad, Saurabh Gohain and few more from that village have come forward and decided to form a Farmers’ Club.

This club was formed with the following objectives:

- To facilitate loan to the rural people at easier terms and conditions.
- To motivate the rural youth for agricultural activities by using modern tool and techniques.
- To make aware the local farmers about the various schemes of NABARD, DRDA and other promotional agencies.

B. Activities undertaken by the Surujmukhi Krishak Sangha (Farmers, Club)

- They organize vaccination camp for cattle at free of cost. The expenses are borne by NABARD and Jokai Veterinary.
- They help in promoting SHGs and they introduce the SHGs with the banker for financial support.
- They are helping the bankers as well as the local people by searching eligible borrower.
- They are encouraging the local people to open saving bank account in bank only at a minimum balance of Rs 10.
- They also organize various sports competition like Football, Cricket, Volleyball etc.
- They cultivate basically chilly, Cabbage, Tomato, potato, pumpkin, paddy etc.
- They have also started some broiler farms.

C. Krishalaya Club

In the month of March, 2006, Mr. Padma Rajkhowa with some other person of Podumini Village, Duliajan has taken the initiative to establish a Farmers’ Club and named it as Krishalaya Club. Their Motto is Karmai Sanghar Dharma, Krkhiiyein Rajor Pran (means work is our religion, agriculture is life of the people).

The Krishalaya Club is situated at Podumini Bhadoi Panchali, near Duliajan Town of Dibrugarh District. The village is about 10 km away from Duliajan Town. It is formed with 30 members and geographically they cover 30 villages in the periphery of Podumini Bhadoi Panchali. This club is engaged not only in agricultural activities they are also running an NGO for the help of the society at large.

As revealed by the members of the club, we have come to know that some of the members of the club were engaged in some unethical activities before the club came into existence. Mr. Rajkhowa has motivated them to think positively and work in a group. They are now the members of this club and their contribution is also very good.

They have started this club with the following motives:

- To get financial support from bank and other financial institutions. So that agricultural land can be fully utilized by using some advance technology.
- To motivate the people to work and earn money and make themselves a productive human resource.
- To help the villagers by creating a smooth link for credit mobilization between the grass root level people and bankers and other financial institutions like NABARD etc.
- Moreover, this club is also engaged in some other social welfare activities. Some of such impressive works undertaken by the club are:
  - Organized health camps, iodine test camp etc. for the benefit of the common people.
  - They also organize sanitation awareness camp, plantation program, agricultural land test programmes etc.
  - They take necessary steps to prevent pouring poison in the river for fishing.
  - They cultivate mainly paddy, banana, mustard seed, cabbage, lemon etc.
  - They have started very recently to produce organic manure called Var micompose.
  - They started piggery farm and broiler farm too.

Within a period of less than 3 years from its inception, the club has become financially sound enough. They purchased 13 bighas of agricultural land and dig 10 huge fisheries; each such fishery is covering more than one bigha of land. As reported by the club members and the bank officials, quality of the out put of those fisheries is also quite good and can be sold readily in the local market. On an average, annual output from each fishery is around 2500 kg of fish. One more feather has been added to this club when it has
got recognition from the society when they have been awarded “Special Social Award for Best Social Activity” in the year 2008 but the members could not inform us from whom they got the award.

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Name of the Club</th>
<th>Year of establishment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Surujmukhi Krishak Sangha</td>
<td>2005 (August)</td>
<td>Jokai Khamtighat</td>
</tr>
<tr>
<td>2</td>
<td>Krishalaya Club</td>
<td>2006 (March)</td>
<td>Duliajan Bhadoi Panchali(Podumuni)</td>
</tr>
<tr>
<td>3</td>
<td>Modhupur United Farmers Club</td>
<td>2007 (May)</td>
<td>Modhupur Dewri Gaon</td>
</tr>
</tbody>
</table>

### Table-2
Profile of the selected Farmers’ Clubs

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Name of the Club</th>
<th>Ed.Qualification</th>
<th>Farmers’ Name of the Club</th>
<th>Of the Club</th>
<th>Total number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Under Graduate</td>
<td>10</td>
<td>28</td>
<td>8</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>Graduate</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Post Graduate</td>
<td>Nil</td>
<td>1</td>
<td>Nil</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11</td>
<td>30</td>
<td>10</td>
<td>51</td>
</tr>
</tbody>
</table>

**Source: Field survey**

**D. Modhupur United Farmers’ Club**

Modhupur United Farmers’ Club is formed in Modhupur Dewri Gaon, Dibrugarh in the month of June, 2007. It is nearly 24 km away from Dibrugarh town. This area is a flood affected area and surrounded by Madla Forest. So, the people of that locality are disturbed by wild elephant. They formed the Farmers’ Club with 10 members, which comprises of few servicemen. The service holders are not in a position to devote time for the betterment of the group like the other members; as a result, their achievement is not like the other clubs under study. The objectives of this club are also similar to that of the other clubs. Some of the major activities done by the club are:

- They are engaged in cultivation of paddy and some vegetable like squash, ladies finger, brinjal, potato etc.
- They have started a nursery of various plants and flowers.
- They have promoted few SHGs of the people from this area.

**E. Educational qualifications of the members**

The researcher has enquired to the members about their educational qualification and it has been observed that most of the members are under-graduate and few are graduates. This has showed that gradually educated youth are becoming interested to enter into the agricultural sector which is a very good symptom for a state like Assam. If this trend continues for some time we can expect that the agriculture will grow in Assam in the pace with that found in Punjab and U.P. and other agriculturally developed states of our country.

**F. Farmers’ Club and bank linkage programme**

The Farmers’ Club scheme of the NABARD seems to be a successful one in creating a linkage between the banks and the rural people. From the business perspective, it is not viable for a bank to open a rural branch in a village and as such the rural people are being deprived of banking services in spite of reforms in the financial sector during post liberalization period. The farmers’ club is an organization created by a minimum 10 people to help themselves and also other needy in and around their area of operation. They are authorized to act as Business Facilitators (BF) or Banking Correspondents (BC) to help the rural poor to get financial services at their doorstep in right time and also enable the banks to catch the rural financial market through networking system of the farmers’ clubs. The linkage created through the Farmers’ clubs in some villages can be seen from the following part as being reported by the villagers:

- Now it has become possible for the farmers to cultivate collectively by using modern tools and techniques and getting more agricultural output.
- The members and non-members are getting credit from the banks on easier terms and conditions reducing the hurdles between the parties. In this regard, the club takes the initiative on behalf of the borrowers so that the loan can be disbursed in time. They also facilitate the borrowers who availed loan through the club to repay the installment to the club and the club deposits the same in the bank. The borrowers get the financial services at their doorstep through the system of the farmers’ clubs.
- The farmers started functioning in a competitive but friendly environment and they started giving more thrust on their efficiency and productivity that creates a favourable condition in the market.
The farmers’ clubs also provide training to the farmers in consultation with bank personnel and other experts in the respective fields.

Although in the name of the club the word farmer is attached but it is not only meant to the cultivators but also for others who are engaged in productive activities and asking for financial support from financial institutions.

The farmers’ club has systematized the agriculture process; for example we can see the process of Surujmukhi Farmers’ Club of Jokai Khamtighat. The club initially made a survey of the land and after ascertaining the quality of land, they select a particular variety of seeds for cultivation in the land so tested.

Table 4:
Loan received under different heads from banks

<table>
<thead>
<tr>
<th>Types of loan</th>
<th>Name of the Farmers’ Club/Bankers</th>
<th>SKS and Banker CBI (Rs)</th>
<th>KC and Banker UBI (Rs)</th>
<th>MUFC and Banker IOB (Rs)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>KCC</td>
<td>150000</td>
<td>475000</td>
<td>200000</td>
<td>825000</td>
<td></td>
</tr>
<tr>
<td>GCC</td>
<td>45000</td>
<td>175000</td>
<td>Nil</td>
<td>220000</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>61000</td>
<td>130000</td>
<td>180000</td>
<td>371000</td>
<td>256000</td>
</tr>
<tr>
<td>Total</td>
<td>256000</td>
<td>780000</td>
<td>380000</td>
<td>1416000</td>
<td></td>
</tr>
</tbody>
</table>

It has been observed that the farmers’ club scheme has been successful in creating linkage between the rural people and the banks in the urban and semi urban areas. For further improvement of this scheme we have developed the following model to cover up various other components to the network of farmers’ clubs.

From Table 5, it has been observed that the FCs are promoting SHGs in the rural areas and the success rate is also appeared to be satisfactory. If the SHGs and the FCs are working in a coordinated way then it may grow further. The FCs under study are also engaged in helping individual rural people to engage themselves in agricultural activities in association with the banks. They help the rural people in getting loan from banks under various schemes like KCC, GCC etc. and they are also authorized to collect loan repayment installment in the capacity of business facilitator. This help the rural people in getting loan without directly approaching the banks that minimized the hurdles that are being faced by the rural people in getting direct loan from banks.

Table 5:
Population of SHGs promoted by the Farmers’ Clubs

<table>
<thead>
<tr>
<th>Position of SHGs</th>
<th>Name of the Farmers Club</th>
<th>SKS</th>
<th>KC</th>
<th>MUFC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>6</td>
<td>253</td>
<td>80</td>
<td>339 (82)</td>
<td></td>
</tr>
<tr>
<td>Shut Down</td>
<td>0</td>
<td>51</td>
<td>25</td>
<td>76 (18)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>304</td>
<td>105</td>
<td>415 (100)</td>
<td></td>
</tr>
</tbody>
</table>

Table 6 has shown the turnover of the FCs for the financial year 2008-09. The figures disclosed by them to the researcher, it has been observed that after their inception they are operating very comfortably creating surplus to the club. When they have disclosed the fact we have seen that their accounting needs some modification. They are not preparing.

Table 6
Turnover and surplus generated by the FCs under study in the financial year 2008-09

<table>
<thead>
<tr>
<th>Name of the Farmers Club</th>
<th>SKS</th>
<th>KC</th>
<th>MUFC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale (Rs)</td>
<td>8,90,000</td>
<td>25,00,000</td>
<td>7,15,000</td>
<td>41,05,000</td>
</tr>
<tr>
<td>Expenditure (Rs)</td>
<td>3,51,000</td>
<td>8,78,050</td>
<td>2,60,750</td>
<td>14,89,800</td>
</tr>
<tr>
<td>Surplus (Rs)</td>
<td>5,39,000</td>
<td>16,21,950</td>
<td>4,54,250</td>
<td>26,15,200</td>
</tr>
</tbody>
</table>
their Profit and Loss accounts under formal double entry system that may create problem in the near future. Here, we suggest them to keep their books of accounts by following double entry system to minimize errors and misunderstanding among the members.

The paper has made an attempt to develop Farmers’ club as a micro finance model as shown in Diagram-2. The model is to be covered by six layers i.e. NABARD, experts in various fields, social workers, the Panchayati Raj Institutions (PRIs), insurers and the NGOs dedicated to rural development. The first layer is NABARD to work as the apex premier body in promoting the FCs in rural areas. The second layer, the role of experts is also very much essential for up-gradation of the production process, lending their expertise in other areas like in selection of seeds, technology, searching new market and other improved method etc. The third layer of this model is the social workers working for the people with dedication can influence the people to start their venture. The PRIs can take a lead role to make the FCs a success as the fourth layer of the model. The insurers can be considered as the fifth most important layer of this model. Through the promotion of micro insurance products like crop insurance among the agriculturists they will be able to minimize the risk of product loss resulted from natural calamities and bad weather condition. The sixth layer of this model consists of the NGOs working for the cause of rural development. The NGOs operating in rural areas can take initiative to attract more people from the rural area to economic activities in a new ways and they must provide necessary help and support to the deprived section. All these six aforesaid layers will encompasses the four pertinent elements of this model i.e. the farmers’ club itself, the SHGs promoted and nurtured by the FCs, bankers and other NBFCs as the financiers and cooperative institutions promoted by the FCs with the village people. All these four components must work with a common zeal that is to make the rural people an integral part of economic development of our country.

IV. SUMMARY AND FINDINGS OF THE STUDY

- The summary of the findings are being highlighted as follows:
- Educated youth are gradually being attracted to form FCs for the benefit of the members and the under privileged population of the rural areas.
- The FCs are giving priorities in formation of SHGs only for agricultural activities.
- There has been no female member in the clubs under study but adopting some female in the process may be beneficial for the FC and also some female members of the rural areas.
The clubs under study are not only engaged in creating economic benefit of its members but also organize health camp, HIV test etc. for the villagers to make the people health conscious.

The clubs are performing their agricultural activities scientifically by taking help from experts/scientist in the related field.

After emerging this concept of FC the role of village money lenders have been minimized that saved the rural people from facing debt trap of the money lenders. Before the clubs came into existence the rural people were taking help from some middle men in getting loan from banks but now the role of middle men is unexpected that minimized their cost of capital.

The system of maintaining accounting records is not satisfactory as they are maintaining it in double entry system.

A. Problems facing by the FCs and some recommendations for its improvement

Although the FCs are earning a very much encouraging return by engaging in agricultural activities but they are struggling for some acute problems. Some of such common problems facing by the FCs are highlighted with some probable remedies to sort out those problems:

- As per the guidelines of NABARD, one FC can expand their activities beyond five villages from the periphery (although few FCs have crossed this limit). But we feel that this restriction should be abolished so that the active FCs can expand their activities.

- Farmers’ Clubs are carrying on their activities at high level of risk. As agricultural activities are highly dependent on monsoon and climatic condition. To minimize the uncertainty/risk they can avail the facilities of the micro insurance plans being promoted by insurance service providers at very affordable rate of premium. The insurers must come forward to help the FCs and other parties involved with this model.

- One very pertinent problem faced by the FCs is marketing problem of their products. Some middle men are taking major benefit by purchasing their products from their firms at very lower rate and they sell the same in the urban market at higher price. It can be suggested to the FCs that they are to take the marketing of their products on their own with making some arrangement with whole sellers from the urban area.

- Under the FC system, it is easier to have a loan from banks if the individual get a certificate from the chief coordinator of the club as an eligible borrower it is easier to have a loan facility, if the chief coordinator certifies the borrower as an eligible for that particular loan. It is said by the people that now and then some prospective borrowers get problem from the coordinator in getting such certificate. Although, it has been said that finance is to be provided on priority basis in a democratic way but in some cases it become a sole man affairs.

- The FCs are facing labour problem mainly insufficient number of skilled and semi skilled labours. Local labours are not properly trained up to do agricultural activities scientifically. This problem can be sorted out by organizing short term training programme targeting the local labours. The FCs themselves can organize such training programme by taking help from agriculture scientists available in this region. Agriulture University can take initiative to help the FCs in this regard.

V. Conclusion

Farmers’ Club is a very noble concept to help the needy rural people. In the present context inclusive growth is highly talked and pertinent issue. This concept of farmers’ club can successfully cover the rural people who are not getting adequate coverage by the modern development in banking and financial sector. The farmers’ club may overcome the problem of covering the almost un-banked or under-banked rural sector. The Panchayati Raj Institutions (PRIs) can also play significant role in this regard as they are more acquainted with the rural condition. The PRIs can also offer help to the banks who are coming forward to help the rural people and the nodal agency like the NABARD in formulating policy as a part of their rural development programme.

VI. References: