

# **Impact of Institutional Credit On Agricultural Production in India**

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In the nineties, the commercial banks credit to agriculture registered a slow growth. Since 2004-05, the growth of commercial banks credit to agriculture has picked up due to the implementation of govt. policy of doubling agricultural credit, even then, the share of commercial banks credit to agriculture in total credit has fallen short of the target. The findings of this study reveal that not only there is wide variation in the growth of commercial banks credit, scheduled commercial banks, Regional Rural banks credit skewed in favor of more developed states.

Institutional credit per cultivated area and sector share of agricultural credit to understand the trends and pattern of agricultural credit. This modern time's banking system is not fruitful credit facilities for agriculture finance. The reforms in the banking system must take cognizance of the credit deficit states and make suitable policy which changes to meet there credit requirements to increase institutional credit structure for achieving better credit delivery to agriculture. They have to increase the ratio of rural branches to no. of areas or villages for providing better access of banking facilities to the villages.