

Agricultural and Rural Marketing: A Case Study of State Bank of India

Surya Kanta Sahu

PhD Research Scholars

Utkal University, Vani vihar

E-mail: dicsuryakanta@gmail.com

Abstract

The State Bank of India is the largest public sector bank having huge contribution to agricultural and rural field. This study has an attempt to know the different rural and agricultural marketing scheme employed by SBI in order to attract the rural customers and how far it is successful. The data for this study was collected from the secondary sources like the SBI official website and the annual report of SBI. For analysis and interpret the data correlation analysis is made to know the relationship between SBI targeted flow of credit to agricultural sector and its achievement. The conclusion drawn from the study was SBI has more achievement as compare to its Target and the marketing scheme of SBI is innovative and attractive.

Keywords: Rural marketing, mechanization, Aadhar seeding, correlation..

1. Introduction :

SBI is the largest public sector bank and is an Indian multinational, public sector banking and financial service company. It is a govt head corporation headquarters in Mumbai, Maharashtra. It is the largest bank in India with the 23 % market share in assets. SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non resident Indian. State Bank of India is the pioneer and market leader in agrifinancing with the network of 16000 plus branches it cover more than 1.01 crores farmers. The product of SBI covers the entire gamut of agricultural activity from farm to work. It provides crop loan for crop product in the form of acc/kcc, it also offer gold loan for the mainting of agricultural expenses and also provides farm mechanization loan like tractor loan, combine harvesting loan etc for the growth of agriculture and farmers. It has also offers different benefits to the rural people in the form of micro credit, financial inclusion scheme, Aadhar seeding scheme and also by creating different rural self employment training institute.

1.1 Objective of The Study:

- To know the different agricultural and rural marketing scheme of State Bank of India.
- To know how far state bank of India is vital for rural development.
- To know the relationship between targeted loan amount to agricultural sector and disbursement amount.

1.2 Relevance of The Study:

- This study high lights the different marketing strategy of State Bank of India in rural area and for the development of agriculture.
- It highlights the different rural and agricultural scheme for the benefits of farmers.
- It explains how people are benefitted under different scheme.

1.3 Research Methodology:

The following methodology has been used for this study.

1.3.1 Sources Of Deltee:

Secondary data are collected from the annual report of SBI and SBI.co. In website.

1.3.2 Tools & Technique Used:

Correction analysis is made to know the targeting credit to agricultural sector and its achievement

1.3.3 Hypothesis:

Ho: There is a positive relationship between targeted and achievement .

2. Review of Literature:

- 1) Rajasekhar, Arit & Madhavi (2015), observed that there is a need to design the net banking services in a manner to make than more convenient or simple for routine banking operation being used by rural customers. He also view that customers with lower education levels perceive the services factor in the same trend as that of the highly qualified customer.

- 2) Maneswari (2016), conclude that in the present technological era, no banks at survive without the whole hearted support of the customers. So all the banks are keen interest to provide food services to their customers. He felt that offering good, quick and innovative service is a vital for success of any banks especially private sector bank.
- 3) Roy (2014), opined that Rural development in India is very much needed for the growth of Indian economy. The various scheme and initiative taken by Govt. of India like Bharat Nirmal initiative, introduction of KCC scheme etc leads to the development of rural India and rural farmers'. The author suggested to organize various awareness programmed so that the people will know the point of different scheme.
- 4) John (2013), Mobile banking in India is very important in order to ensure more meaningful inclusive banking and financial practices. With the implementation of Financial Sector Reforms the process of computerization in the banking industry significantly changed the structure and texture of Urban and metropolitan economy.
- 5) Mangal (2017), observed that the banking sector is considered as the backbone of economy but as per his study Banking facilities is not reached to the rural people properly in Bihar district. He also focused that even if SBI is the largest public sector bank in India but not much work has been done on the role of SBI credit in Bihar.
- 6) Sharma & Gupta (2014), The author identify that presence of private sector bank hitting the performance of SBI and other commercial Bank in micro market, The presence of ICICI Bank is giving threat to the performance of SBI etc. and the author opined that SBI Branches are recruited to ensure best customer service by placing soft speaking and initiating staff and the counters.
- 7) Rao (2013), observed that SBI provides lot of services to his customers in the Rural areas at the same time the level of awareness of the customers is not up to mark. Author founds that SBI customers are having low level of Awareness towards the E-banking services provided by the bank.
- 8) Ojha, observed in his article that agricultural sector is lagging behind and due to it the economic growth of the country is also back ward since Indian economy is an agricultural economy and if the conditions of agriculture will not improve it will definitely effect the Indian economy growth.

3. Data Analysis And Interpretation

3.1 Agricultural Marketing:

State bank of India is a pioneer and market leader in agricultural, having a network of 16,000 plus branches covering more than 1.01 crore farmers. His service covers agriculture and allied service having low interest rates, no intermediaries, no hidden cost and quick loan disbursement.

Crop Loan:

SBI provides crop loan for crop production in the form of ACC/KCC. It covers the crop production exp, Post-harvest exp, contingencies etc. It provide Kissan credit card (KCC), where the farmer can draw money from ATMs.

Benefits of Kisan Credit Card:

- Interest is given on the amount of Kissan Credit Card.
- Free debit card is given to farmers.
- Interest subvention @ 2% PA is available for loan amount up to 3 Lacks.
- Additional interest subvention @ 3% PA for prompt payments.
- Collateral security is waived for KCC up to Rs. 1 Lacs.
- This scheme is available for all farmers.

Gold Loan:

It offers loan for agricultural expenses against Gold ornaments. These loans are available at a very low rate of interest.

Features of This Scheme:

- Loans are available on pledge of gold ornament.
- It is available to all farmers engaged in short term crop production.
- Rate of interest is 7% PA up to Rs. 3 Lacks and 9.95 above Rs.3 Lacks.
- The repayment facility in cash of demand loan is 12 months from the date of taking loan and 3 years in case of cash credit and overdraft.

Farm Machnization Loan:

It provide loan for the purchase of tractors, power tillers, and combined harvesters. Collateral free loan's provide for the benefits of farmers, it provide form mechanization loan as follows:

- ✓ Tractor & Power tillers loan
- ✓ Combine harvest loan
- ✓ Drip Irrigation.

Allied Activities:

It provides farmer friendly loans for various agricultural activities and allied festivity like poultry, dairy and fisheries etc.

Features Of Pollutary Loan:

- Both existing and new farmer's eligible to take loan under this scheme having adequate experience or training.
- 25% subsidies is given for the amount of loan taken.
- The repayment period may be 5 years including 6 months of grace.

Diary Loan:

- This loan is provided to diary society for modernization and creating infrastructure.
- 85% of the project cost or four times the average profit of previous years with maximum 10 Lacks is given.
- Mortgage of loaned property is required.

- 15% margin is there having a repayment period of 60 months with startup period of 6 months.

Fishery LOAN:

- This loan is provide for buying fish seeds, fish net and other equipments and to help the farmers to generate additional income.
- Collateral security is not required up to 1,00,000 loan but loan above 1 lack require a mortgage of land.
- 15-25% margin is there for the project cost.
- The maximum repayment period is 48 months.

Miscellaneous Activities:

SBI also offers schemes like land purchase, debt swapping of borrowers, Krishak Uthan Yojna etc.

Procedure Of Marketing Loan:

- ❖ The main purpose of providing this loan is to help farmers avoid distress sale of their produce.
- ❖ To enable them prompt repayment of crop loan.
- ❖ Loan amount will be 60 to 80% of value of produce depending upon the place of storage subject to maximum Rs. 50 Lack's.

Setting Up of Agri-Clinic & Agri Business Centre:

- ❖ The main aim of this scheme is to provide self employment opportunities to technically trained person and to augment extension service for agriculture.
- ❖ For individual activity Rs. 20 lacks loan is given and for group activity Rs.100 lacks maximum is given.
- ❖ The repayment period of loan is from 5 to 10 years and 2 years grace is given.

Land Purchase Scheme:

- ❖ To assist small and marginal farmers and land less agricultural laborers for purchase of land, who are our existing borrowers to consolidate land holding and development of waste land and follow lands?

Sbi Krishak Uthaaan Yojana:

- ❖ This scheme is to provide short term production and consumption credit to meet genuine requirement of farmers.
- ❖ Maximum loan amount will be IRs.100,000 out of which Rs.20,000 is given as consumption credit.

Scheme For Debt Swapping Of Borrowers:

- ❖ This facility is give to extend finance to farmers for paying off loan taken from non institutional lender.
- ❖ The quantum of loan will be 1100% if the debt is on account of cultivation or agridetivity with a maximum of Rs.100,000.

3.2 Rural Marketing of SBI:

The various marketing scheme is adopted by SBI in rural area.

Micro Credit

The Bank provide loans to SHGs to fulfill their requirement like income generation activities, social needs like housing, education, marriage and debt swapping. Bank provides both term loans and cost credit to SHGs.

Financial Inclusion:

SBI follows different financial inclusion scheme developed by Govt of India line,

- ✓ Pradhan mantra Jan Dhan Yojana
- ✓ Pradhan Mantri Jeevan Jyoti Bima Yojana
- ✓ Pradhan Mantri Suresh Bima Yojana.

Aadhaar Seeding:

SBI provides multiple channels to link Aadhaar number to your existing account.

Direct Benefit's Transfer:

In this scheme what over benefit is given by the Govt. it will be directly transfer to the account of the account holders.

State Bank of India Rural Self Employment Training Institutes (RSETIs):

In order to eradicate unemployment SBI has set up 151 Rural self employment training institutes across the country as institution to mitigate the unemployment problem among the Rural Youth in the countries.

Table .1

SBI: flow of credit to agricultural sector

years	targeted	disbursements
Fy 2012	51000	53214
Fy 2013	60000	63936
Fy 2014	73500	74970
Fy 2015	84500	86193
Fy 2016	89781	102423
Fy 2017	95168	125270
total	453949	506006

Source: Annual report

No of inputs – 6

Coefficients of correlation- 0.9482

Comment: from the above table it comes to know that there is positive relation between targeted and disbursement of agricultural credit.

Table.2

Pmjdj in rural area by state bank of India

date	Jandhan account in rural area
Nov-2014	6286381
Dec-2014	8138329
Feb-2015	12146182
Mar-2015	15108876
July-2015	16745494
Feb-2016	22636518
Mar-2016	23207895
Jan-2017	36438525
Feb-2017	37518818

Source: Annual Report

4. Findings

- 1) The different marketing scheme of SBI is attractive and innovative.
- 2) The flow of credit to agricultural sector is high as compare to its target.

- 3) SBI provides micro Finance to large number of farmers.
- 4) The crop loans and gold loans for the development of agriculture and maintaining the agricultural expenses is highly incredible.
- 5) The different rural marketing scheme like opening of rural self employment training institute is really benefitted to the rural youth.

5. Conclusion

From the above discussion we come to the conclusion that SBI sbi has large contribution field of rural and agricultural marketing is really benefitted to the farmers and rural people. The different scheme of SBI has also properly implemented. Not only the flow of credit to agricultural sector but also in case of opening of jandhan account is huge contribution towards the rural society. Apart from accepting deposits and lending money the other activity like opening of training institute, jandhanyojna scheme etc is highly appreciable.

References

- [1] Rajusekhar, Anit & Madhavi (2015), "Impact of service quality of SBI's Internet Banking on his customers in Rural India". 3rd international conference on awareness in engineering science and applied mathematics.
- [2] Maheswari (2016), "customer's perception towards Banking habits in Rural areas: A special reference to Coimbatore city," international conference on research avenues in social sciences, Vol-1, issue-3, ISSN (O)-2395-4396.
- [3] Roy (2014), "Rural development in India: what roles do NABARD & RRBs play?" Journal of business management & Social sciences Research, Vol-3, No-9, ISSN-2319-5614,
- [4] John (2013), "Mobile banking products and rural India: An evaluation", IOSR journal of economics & finance, Vol-1, Issue-5, e-ISSN: 2321-5933, pp 30-40.
- [5] Mangal (2017), "A study of Role in Financing of Agricultural sectors by SBI with special references to Bihar," IOSR Journal of economics and Finance, Vol-8, Issue-1, Ver-III, e-ISSN: 2321-5933, PP. 29-31.
- [6] Sharma & Gupta (2014), "Impact of marketing strategies of SBI, a micro marketing survey analysis of Aligarh Centre, Uttar Pradesh, India." International Journal of current Research and Academic Review, Vol-2, ISSN: 2347-3215, PP.18-31.
- [7] Rao (2013), "Consumer Awareness if Rural India with special references to E-banking services of state bank of India,' Indian journal of Research, Vol.2, issue-2, ISSN: 2250-1991, pp. 46-48.
- [8] Kumari (2017), conclude that the growth of an economy will be possible only through the growth of the agriculture; there for Bank should always giving emphasis for the development of agriculture. He suggested that Bank school invest more in infrastructure facilities line irrigation, processing, storage and marketing etc.
- [9] Ojha, "Role of Banking sector in development of Indian agriculture with special reference to stand distreict," ELK Asia Pacific Journal, ISSN: 978-81-930411-0-9.