

Problems faced by small farm holders in co-operative society in Udumalpet

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Abstract. This study examines highlights the problems faced by small farm holders in cooperative societies in Udumalpet. Cooperative societies play a vital role in supporting and empowering small farmers by providing them with various benefits and services. However, despite their significance, small farm holders encounter several challenges within these societies that hinder their growth and success. The impact of these problems on small farm holders, such as reduced productivity and income, decreased competitiveness in the market, and limited opportunities for growth and development. It highlights the significance of addressing these challenges to ensure the sustainable development of small farmers and the overall agricultural sector in Udumalpet. It suggests that effective policies, improved access to resources and support services, enhanced training and capacity building programs, and transparent governance mechanisms are some potential measures that could alleviate the challenges faced by small farmers. highlighting the specific problems faced by small farm holders in cooperative societies in Udumalpet, this abstract aims to raise awareness and contribute to the development of strategies and interventions that can enhance the livelihoods and well-being of small farmers in the region.

1 Introduction

Cooperative societies play a crucial role in supporting and empowering these small farmers by providing them with various benefits and services. These cooperative societies aim to promote collective action, facilitate access to resources, and improve the socio-economic conditions of small farm holders. The purpose of cooperative societies is to benefit their members. In order to guard against any kind of exploitation by the socially and economically more powerful groups, this sort of corporate structure is primarily founded by these groups. A cooperative society is frequently a voluntarily organised group of people who come together with the goal of collaborating and advancing their economic interests. These societies operate under the tenets of mutual aid and self-help. The main objective is to support the members. In cooperative society, nobody leaves without making money. People that share an interest come forward as a group, pool their resources, use them as effectively as possible, and gain something mutually beneficial from it. It is a group of individuals who voluntarily pool their resources for the benefit of the group members. A cooperative organisation is established to encourage members to be frugal, self-reliant, and

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supportive of one another. Comprehensively analyzing the problems faced by small farm holders in cooperative societies in Udumalpet, this research intends to contribute to the body of knowledge on this topic. The findings of this study can guide policymakers, agricultural organizations, and cooperative societies in implementing targeted interventions that address the specific needs and concerns of small farmers, ultimately fostering their socio-economic advancement and ensuring a sustainable agricultural sector in Udumalpet.

Udumalpet, a town in Tamil Nadu, India, is known for its agricultural activities and a significant number of small farm holders who participate in cooperative societies. While cooperative societies aim to support and empower small farmers, they often face numerous challenges that hinder their progress and profitability. Understanding these problems is crucial for devising effective solutions and improving the livelihoods of small farm holders in Udumalpet.

This article highlights some of the key issues faced by small farm holders in cooperative societies in Udumalpet. By shedding light on these challenges, we can better comprehend the factors that impede their growth, productivity, and sustainability. Recognizing these problems is the first step toward finding suitable solutions and promoting the overall development of the agricultural sector in the region.

Throughout this article, we will explore the various difficulties faced by small farm holders in cooperative societies in Udumalpet, including limited access to credit, market constraints, inadequate infrastructure, lack of technical knowledge, dependence on monsoons, high input costs, insufficient government support, land fragmentation, and the impact of climate change. By addressing these issues, we can work towards creating a more enabling environment for small farm holders and enhancing their agricultural practices.

It is essential for policymakers, government agencies, cooperative societies, and other stakeholders to collaborate and implement targeted interventions that address these challenges. By providing the necessary support, resources, and knowledge, we can empower small farm holders, promote sustainable agriculture, and contribute to the economic growth and well-being of the farming community in Udumalpet.

1.1 Review of Literature

M. Soundarya, G. Jayabal 2018 The bank is crucial in providing financing for agriculture. Finance in agriculture is just as crucial as other production-related inputs. The agriculture industry is essential to the nation's health. Bankers assist farmers by providing them with agricultural credit. Although the bank offers agricultural finance, bankers encountered numerous difficulties. This essay mostly focuses on the issues with banks lending to agriculture. The approach of multi-stage sampling was applied when choosing the banks. Five districts in Tamil Nadu were chosen for sampling because they had the highest number of agricultural loans. The study's findings demonstrated that identifying a true farmer—one who sets stable standards and recognises the reality of growers—increases demand for agricultural credit.

Sri Herliana, AcipSutardi, QorriAina, Qonita Himmatul Aliya, Nur Lawiyah 2018 Poor credit availability in the agricultural industry is a concern for both financial institutions and agricultural business owners, particularly farmers. Farmers still struggle to get credit, and there are few financial institutions that offer lending specifically to the agricultural industry. As a result, the government must create a plan for agriculture sector expansion, especially in light of anticipated credit availability restrictions. farmers Due to high transaction costs, asymmetric information, low profitability, a lack of guarantees, and relatively low farmer knowledge, the agricultural industry is high-risk, and formal institutions are less interested in financing it. Although there are cumbersome procedures, hefty late fees, large distances,

and limited information about capital, there are constraints on access to formal finance for farmers.

Harjeet Singh Dr.Himanshu Gupta 2020 In India's economic development, agriculture is crucial. About two-thirds of the population is dependent on agriculture, and 60% of the companies are engaged in agriculture. It contributes about 19% to the gross national product. 50% of the income in India goes to the country's farmers. The Indian economy is therefore based on agriculture. A crucial component of agricultural products is the agricultural credit limit. It aids in the purchase of seeds, fertiliser, agricultural equipment, and the development of agricultural land and non-agricultural endeavours by farmers. I hope the study will be beneficial and aid in increasing public awareness of farmers and their progress. A primary objective The purpose of this study is to highlight institutional agricultural credit, farmers, and the growth of the national economy through repayment behaviour.

Gangu Naidu M et all [4] The major objective of this study is to identify the difficulties facing farmers in the state of Andhra Pradesh. This essay attempts to clarify some of the drawbacks, such as production, marketing, and finance concerns. farmers Farmers' primary data was gathered after thorough research on the goal and the use of a suitable sample to poll respondents' thoughts. This study will assist in motivating farmers to boost output and productivity. Originality/Value: This led to the conclusion that a fascinating report exploiting crucial information is appropriate for researching things. Using a specifically created meeting schedule, crucial information was gathered from the farmers. The final decision has been taken; therefore, respondents should react with as much accuracy as possible in the absence of uncertainty.

Anamika Menon et all [5] Especially in countries with an agricultural economy, the COVID-19 pandemic has taken its toll the difficulties faced by the farmers are very detailed. One of the most affected countries was India. This The purpose of the study is to highlight the effects of the COVID-19 pandemic on the livelihoods of farmers. three farming systems (coffee farming, Kule-wetland rice farming and farm farming) In the southern Indian state of Kerala. We collected data through telephone interviews and research impact of the pandemic (economic, social, institutional) on selected agricultural systems the responses of farmers (short and long term) to these effects and the capacity of farmers to insure livelihoods (by analyzing resilience and changing the structures and processes of the region agricultural systems). The methodological reference framework used was developed based on sustainability Livelihoods approach and Resilience Framework. We found significant effects for three studied agricultural systems due to COVID-19. Like effects, reactions, and the ability to secure a living oscillated between three farming systems, we decided that there was no single solution for all agricultural systems and that each land use system must be considered separately.

1.2 Statement of the Problem

Small farm agriculture, which is the focus of this paper, is important for increasing agricultural growth, food security and livelihoods in India. It can be argued that Indian agriculture is home to small and marginal farmers (80%). Therefore, the future of sustainable agricultural growth and food security in India depends on the performance of small and marginal farmers. The role of small farm agriculture in development and poverty reduction is well known [1,2,3]. The global experience of economic growth and poverty reduction shows that agricultural GDP growth reduces poverty at least twice as effectively as non-agricultural GDP growth [7, 8]). Small farms play an important role in promoting agricultural development and reducing poverty. Therefore, small farm holders need support in these global farm transformation processes. Thus, cooperatives are one of the most

important forms of financing that play an important role in supporting small farm holders. That is why it is important to look at the problems of small farmers in cooperatives.

1.3 Objectives of the Study

To ascertain the problems faced by small farm holders in co-operative society.

2 Research Methodology

Data required for this study has been collected through Interview Schedule.

2.1 Source of Data

Data required for the study is primary in nature. Thus, primary data is collected by making use of Interview Schedule. The questionnaire was circulated by hard copy and soft copy to the respondents.

2.2 Sampling Design

Data collected by employing convenience sampling method from 130 respondents in Udumalpet.

2.3 Area of Study

The studies are conferred to Udumalpet.

2.4 Frame Work of Analysis

Simple Percentage Analysis & Weighted Average Rank

2.5 Significance of the Study

The present study is immensely useful to the government and farmers in the co-operative society.

2.6 Limitations of the Study

This study is restricted to the respondents of udumalai taluk. Hence, the results arrived from this study may not be applicable or generalized to other geographical locations. Information reported by the small farm holders while availing the loan from the co-operative society.

3 Findings of the Study

The following table discloses on socio economic profile of Respondents.

Table 1. Socio Economic Profile of the Respondents

Particulars		Numbers (N=150)	Percentage
Gender	Male	124	95.4

	Female	6	4.6
Age	Up to 30	127	74.7
	31 to 50	48	36.9
	Above 50	62	47.7
Area of residence	Rural	120	92.3
	Urban	10	7.7
Education qualification	No formal education	31	23.8
	School level	66	50.8
	Diploma	2	1.5
	Graduates	31	23.8
Marital Status	Married	120	92.3
	UnMarried	10	7.7
Earning Members	Up to 2	2	1.5
	3 to 4	12	9.2
	More than 4	116	89.3
Type of Family	Joint family	92	70.8
	Nuclear family	38	29.2
Annual Income	Up to 50000	27	20.8
	50001 to 100000	64	49.2
	100001 to 150000	20	15.4
	Above 150000	19	14.6
Agriculture Experience	Up to 10 years	8	4.7
	11 to 20	8	4.7
	30 to 40	154	90.6
	Above 40	77	59.2
Nature Of House	Thatched	2	1.5
	Tiled	46	35.4
	Terrace	80	61.5
	Others	2	1.5
Size of land	Greater 1 acre	2	1.5
	1 to 2 acres	10	7.7
	2 to 4 acres	29	22.3
	4 to 5 acres	89	68.5
Source of irrigation	Pump set	128	98.5
	Rain	2	1.5
Nature of irrigation	Drip irrigation	76	58.5
	Basin irrigation	53	40.8
	Sprinkler	1	0.8
Crops cultivated	Up to 3	20	15.4
	3 to 7	87	66.9
	Above 7	23	17.7
Nature of soil	Red soil	94	72.3
	Alluvial soil	13	10.0
	Black soil	23	17.7
Type of land	Wet land	1	0.8
	Dry land	128	98.5
	Semi wet land	1	0.8
Type of crops	Coconut ,banana ,cotton	44	33.8
	Vegetables	85	65.4
	Fruits	1	0.8
Types of cropping	mixed cropping	44	33.8
	Intercropping	12	9.2

	crop rotation	74	56.9
Area of cultivation	up to 3	15	11.5
	3 to 4	20	15.4
	above 5	95	73.1

Based on Socio-economic profile, the majority of the farmers are male. Majority of the farmers age ranges between Up to 30. majority of the farmers reside in rural area. majority farmers school level education qualification. majority of the farmers are married. majority of the farmers have more than 4 earning members in their family. majority of the farmers belong to joint family. majority of the farmers annual income ranges between 50001 and

100000. majority of the farmers agriculture experiences ranges above 40 years. majority farmers reside at terrace house. majority of the farmers have more than four acres. majority of the farmers are using irrigational facilities. majority farmers make use of pump set. majority farmers use drip

Irrigation system. majority farmers cultivate 3 to 7 crops. majority farmers cultivate on red soil. farmers as dry land. majority farmers cultivate vegetables. majority of farmers follow crop rotation practice. majority farmers of above 5 acres for cultivation.

3.1 Problem on availing loan from co-operative society:

4.61 KMO and Bartlett's Test

Table 2. Kaiser-Meyer-Olkin (KMO) and Bartlett's Test Table

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.716
Bartlett's Test of Sphericity	Approx. Chi-Square	343.012
	Df	78
	Sig.	0.000

The use of factor analysis in identifying the problems faced by small farm holders is a valid approach. The application of Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity as pre-analysis tests helps ensure the suitability of the collected data for factor analysis. The KMO test assesses the sampling adequacy by measuring the proportion of variance among variables that can be attributed to underlying factors. A KMO value greater than 0.70 generally indicates that the sample is suitable for factor analysis. In this case, since the KMO value is found to be greater than 0.70, it suggests that the collected data is appropriate for conducting factor analysis.

The Bartlett's Test of Sphericity, on the other hand, examines whether the variables in the dataset are correlated enough to perform factor analysis. A significant result, indicated by a large value and a low p-value, supports the appropriateness of factor analysis. In this scenario, the large value of the Bartlett's Test of Sphericity (343.012) and a significant p-value (Sig..000) further confirm that the sample is suitable for factor analysis. By conducting factor analysis on the data, researchers can identify underlying factors or dimensions that contribute to the problems faced by small farm holders. This analysis can provide a structured understanding of the interrelationships among the variables and offer insights into the main challenges that need to be addressed.

Table 3. Rotated Component matrix

Rotated Component Matrix ^a					
	Component				
	1	2	3	4	5
Lack of transparency in loan dealings	0.810				
Delay in loan processing	0.783				
Lengthy Procedure on availing loan	0.635				
Insist to produce guarantor		0.781			
Penal interest		0.772			
Bribing		0.616			
Complicated document procedure			0.773		
Poor treatment by employee			0.757		
Insufficient of loan amount /inadequate credit				0.824	
Delay in loan sanction				0.601	
High rate of interest for loan					0.792
Inconvenient repayment schedule					0.608
Demand to produce security					
Eigen values	3.418	1.574	1.273	1.126	1.062
Percentage of variance	26.293	12.105	9.790	8.661	8.167
Cumulative percentage of variance	26.293	38.397	48.187	56.848	65.015

Based on the results of the factor analysis and the significant component loadings, the identified factors can be summarized as follows:

Factor 1: Lack of Transparency and Lengthy Loan Procedures

- Lack of transparency in loan dealings
- Delay in loan processing
- Lengthy procedures for availing loans

Factor 2: Stringent Requirements and Unfair Practices

- Insistence on producing a guarantor
- Penal interest
- Bribing

Factor 3: Complicated Documentation and Poor Treatment

- Complicated document procedures
- Poor treatment by employees

Factor 4: Insufficient Loan Amount and Delayed Sanctions

- Insufficient loan amount or inadequate credit
- Delay in loan sanction

Factor 5: High Interest Rates and Inconvenient Repayment

- High rate of interest for loans
- Inconvenient repayment schedule

These factors represent the significant issues faced by small farm holders in cooperative societies in Udumalpet. They highlight challenges related to transparency, loan processing, requirements, documentation, employee behavior, loan amounts, sanction delays, interest rates, and repayment schedules. Identifying these factors allows for a more focused

understanding of the specific problems faced by small farm holders, enabling targeted interventions and improvements in cooperative society operations.

4 Suggestions

Based on the identified factors, here are some suggestions to address the problems faced by small farm holders in cooperative societies in Udumalpet:

Cooperative societies should prioritize transparency in loan dealings. Clear and easily understandable loan terms and conditions, transparent interest rates, and a well-defined loan approval process can build trust and confidence among small farm holders. Regular communication and disclosure of information regarding loan procedures and requirements can ensure transparency.

Simplify and streamline the loan processing procedures to minimize delays. Introduce efficient and automated systems for loan application, evaluation, and approval. Reduce unnecessary paperwork and bureaucratic processes to expedite the loan disbursement process.

Reassess the necessity of insisting on producing a guarantor and consider alternative collateral options or risk assessment methods. Reducing stringent requirements can make loans more accessible for small farm holders.

Cooperative societies should strictly prohibit and address any instances of penal interest or bribing. Implement mechanisms to monitor and report such practices, ensuring fair treatment of small farm holders.

Simplify document procedures for loan applications. Provide clear guidelines and assistance to small farm holders to ensure they understand and can fulfill the necessary documentation requirements easily.

Train and educate cooperative society employees on the importance of treating small farm holders with respect and professionalism. Emphasize the significance of providing quality customer service and ensure proper grievance redressal mechanisms are in place.

Assess the credit needs of small farm holders and ensure loan amounts are sufficient to meet their requirements. Implement measures to expedite loan sanction processes, minimizing delays and providing timely financial support.

Review and adjust interest rates to be more competitive and affordable for small farm holders. Develop flexible repayment schedules that align with agricultural cycles and cash flows, reducing the burden on farmers.

Conduct financial literacy programs and training sessions for small farm holders, educating them on loan management, financial planning, and accessing other financial services. This can empower them to make informed decisions and improve their financial management skills.

Implement robust monitoring and evaluation mechanisms to ensure the effectiveness of interventions. Regularly assess the impact of policy changes and initiatives on small farm holders, making necessary adjustments based on feedback and evaluation results.

By implementing these suggestions, cooperative societies can create a more supportive and farmer-friendly environment for small farm holders in Udumalpet. It is essential for cooperative societies, government agencies, and other stakeholders to collaborate and prioritize the well-being and empowerment of small farmers.

5 Conclusion

The problems faced by small farm holders in cooperative societies in Udumalpet have been identified through factor analysis. Factors such as lack of transparency, lengthy loan

procedures, stringent requirements, unfair practices, complicated documentation, poor treatment, insufficient loan amounts, delayed sanctions, high interest rates, and inconvenient repayment schedules have been highlighted. To address these issues, several suggestions have been provided. These include enhancing transparency in loan dealings, streamlining loan procedures, reviewing loan requirements, addressing unfair practices, simplifying documentation, improving employee behavior, increasing loan amounts and timely sanctions, managing interest rates and repayment schedules, providing financial literacy and training, and strengthening monitoring and evaluation. By implementing these suggestions, cooperative societies can create a more supportive and farmer-friendly environment for small farm holders. This will contribute to their growth, productivity, and overall well-being. It is crucial for cooperative societies, government agencies, and other stakeholders to collaborate and take concerted efforts to address these problems and improve the livelihoods of small farm holders in Udumalpet.

The study on the problems faced by small farm holders in cooperative societies in Udumalpet provides valuable insights into the challenges and potential solutions. Here are some potential areas for future research and exploration:

Conducting a longitudinal study to track the progress and changes in the identified factors over time can provide a deeper understanding of their dynamics. This can help assess the effectiveness of interventions and policies implemented to address the problems faced by small farm holders. Conducting a comparative analysis between cooperative societies in Udumalpet and other regions or countries can provide insights into the unique challenges and solutions specific to the local context. Exploring successful models and best practices from other regions offer valuable lessons for improving cooperative societies in Udumalpet.

Assessing the impact of existing policies and interventions on addressing the identified problems is crucial. Evaluating the effectiveness of specific policies, regulations, and programs can help identify gaps and provide recommendations for policy improvements and reforms. Exploring strategies to enhance financial inclusion for small farm holders in cooperative societies can be a fruitful area of research. This can involve studying innovative financial products, digital technologies, and alternative credit assessment methods that can improve access to finance and address the specific needs of small farm holders.

Investigating the integration of social and environmental sustainability dimensions in cooperative societies can be beneficial. Researching the adoption of sustainable farming practices, climate change adaptation strategies, and social impact initiatives within cooperative societies can contribute to the overall sustainability of small farm holders' livelihoods. Assessing the potential of technology adoption in cooperative societies can be an interesting area of study. Investigating the use of digital platforms, farm management systems, precision agriculture technologies, and data analytics can help improve the efficiency, productivity, and decision-making processes within cooperative societies. Researching the capacity building needs of cooperative society employees and small farm holders can provide insights into effective training and skill development programs. Identifying gaps in knowledge, technical expertise, and business management skills can help design targeted capacity building initiatives.

By focusing on these future research areas, policymakers, researchers, and practitioners can contribute to the continuous improvement and development of cooperative societies, ultimately benefiting small farm holders in Udumalpet. These studies can inform evidence-based policies, interventions, and strategies that address the specific challenges and promote sustainable agricultural development in the region.

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