

What Determines Access to Institutional Credit by Paddy Farmers in Odisha? Evidence from a Micro Level Study

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Abstract: This study examines the determinants of farmers' access to institutional credit in Kalahandi district of Odisha. The primary data are collected from 200 farmers from two blocks of Kalahandi. Using descriptive statistics and probit model, the study reveals that 79% of the farmers have access to formal source of credit and socioeconomic factors, such as, net farm income, off farm income and access to smartphone play a significant role in farmers' access to institutional finance, while the experienced farmers are rely more on the informal sources due to their strong networking. The study recommends strengthening financial awareness and improving the outreach of benefit of institutional finance in rural areas.

Keywords: Agricultural Credit, Institutional Credit, Probit Model, Kalahandi

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