1.1 INTRODUCTION

Both central government and state government launched many schemes and subsidies to farmer to strengthen the agricultural sector. The needs and interest of the farmer should be protected because agriculture is the backbone of Indian economy. Agriculture not only provides food and raw materials but also employment opportunities to a very large proportion of population. Earlier all subsidies and monetary and non-monetary benefits are given to farmers through appropriate 'krishibhavan' directly. But now this is replaced by E-payment system. The department of agriculture has initiated the E-payment process for the electronic transfer of subsidies to eligible beneficiary farmers during the year 2012-2013. The entire process was solely dependent on the software of various banks involved in the process. As per the decision taken by government a comprehensive and user friendly portal developed by the National Informatics Center (NIC) for the use of various government departments of the state will be used by the department of agriculture in order to stream line the E-payment and make the whole process fast, reliable, efficient and accountable during 2013-2014 onwards.

In a landmark step Ex-Prime minister Dr. Man Mohan Singh announced the much awaited direct cash transfer scheme where in the subsidy amount will get directly into the bank account of the beneficiaries. The government implemented the scheme for cash transfer to the beneficiaries account from January 1, 2013 in agricultural sector.

Although government implemented Direct Benefit Transfer (DBT) in many areas, agriculture is the only sector where 100% DBT is applying now. Only E-payment transactions are taken place in agricultural sector now. In Kerala all benefits to farmers are transferred to their bank accounts.

Government of India has come out with Direct Benefit Transfer (DBT) strategy on 1 January 2013 to provide direct benefits to availing various social entitlements schemes. It is an attempt to change the mechanism of transferring subsidies. It aims that entitlements and benefits to people could make over directly to the bank accounts by avoiding leakage and delays in the system of delivery to the eventual beneficiaries. It will ensure that the money reaches the beneficiaries directly, on time and in full amount.

So, now for availing benefits the farmers have to open a bank account in Nationalized Bank, Corporative Bank, Gramin Bank or any other public or private Bank. Along with the application for different schemes. They should attaches the bank account number and other necessary details. The application is given to Krishibhavan and the Krishibhavan officer link the bank account of every farmer with the government services. The funds allowed to farmers get credited in the respective bank account on time .the farmers can withdraw the amount and utilize for agricultural purposes. Not only Cash benefits but also other benefits like money needed for purchasing seeds and fertilizers etc. Are also distributed by linking bank account.

The vision of fund distribution through E-payment in agricultural sector is empowering the poor. It has been central to the development agenda of the government. One sure way of empowering them is through financial inclusiveness that is making them able in a real sense to own and operate bank accounts. This has acquired a sense of urgency since it is critical to our ability to reach cash benefits to the poor under various governmental schemes.

1.2 SIGNIFICANCE OF THE STUDY

E-payment has a success history. Because of that, government adopted this in agricultural sector also. But the people in agricultural sector are more or less educated and less developed, they are not fully aware of the system. To change in the mode of payment makes many difficulties to both authorities and beneficiaries. The employees of KrishiBhavan are not properly trained about the new system. So, many clerical errors take place while linking the bank accounts. Farmers are also facing many difficulties. This study is helpful the government to know whether the objectives behind launching the new system is achieved or not.

1.3 STATEMENT OF THE PROBLEM

India’s five year plans provide so many safeguards to farmers. In all budget presentations, a considerable amount of outlay is allocated to farmers. But the condition of these groups continues to be pathetic. Agricultural development activities have gone spectacular changes since independence. Now a day's almost all subsidies and cash benefits are given to farmers by linking their bank accounts. The schemes and services declared both by central government and state government were transferred to the ultimate farmers with the help of KrishiBhavan. But from January 1, 2012 the fund distribution through KrishiBhavan is changed to e-payment. Only those farmers who have a bank account of their own can avail benefits from government. As we know, most of the agricultural people are illiterate or less educated they are not fully aware of the banking transactions. So, they face a difficult in accessing funds through the system of e-payment .This study checks whether the objectives framed by the government by changing the mode of payment is achieved or not, the accessibility of services after the e-payment system, whether the farmers are satisfied with the new mode of payment of fund distribution; all this helps to understand the accessibility and effectiveness of fund distribution through e-payment in agricultural sectors.

1.4 OBJECTIVES OF THE STUDY

- To study the awareness about E-payment system among farmers
- To analyze the promptness of reaching funds after the implementation of E-payment system.
- To examine whether agricultural activities are interrupted due to the implementation of e-payment system.
- To know whether farmers use the amount of subsidy fully for agricultural purposes.

1.5 LIMITATIONS OF THE STUDY

- The study is based on primary data and so it has all the limitations of primary data.
- The study depends entirely on the responses of the farmers.
- The study is conducted within a limited time duration so, a detailed and comprehensive study could not be made.
- There is a possibility of giving wrong information by farmers.
- The sample of 100 is taken for the study which may not give the true situation of the study area

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