

IMPACT OF AGRICULTURAL CREDIT ON THE ADOPTION  
OF RECOMMENDED FARM PRACTICES BY THE FARMERS  
OF TEHSIL KHUSHAB

Saeed Ahmad Khan and Niaz Hussain Malik  
Division of Education & Extension, University of Agriculture  
Faisalabad.

The demand for agricultural credit has been increasing as rapidly as the awareness of modern technology in the farm factors, its impact on adoption of recommended agricultural techniques is questionable. It may be argued that either disbursement of agricultural credit is meagre or it is not properly used by the farmers.

Keeping the said notion in view, we undertook a study to reveal the real situation. The data collected from 150 respondents of 15 randomly selected villages of Khushab Tehsil were tabulated and statistically analysed. It was concluded that agricultural credit has a definite and positive impact on the adoption of modern Agricultural Technology. Nevertheless, in the process of acquiring agricultural credit the farmers faced some serious problems like the non-cooperation of Revenue Department, complicated Pass-Book procedure and illegal demands of the Bank Staff.

## INTRODUCTION

According to the recommendations of National Commission on Agriculture (1988), the modernization of agriculture requires a balanced use of various modern inputs. The proposed for agricultural production can only be achieved if these inputs are readily available and the farmers can be properly persuaded to use these inputs correctly. Improve chemical fertilizers, pesticides, and agricultural machinery.

the key inputs in modern agriculture. However, to utilize these inputs, the provision of agricultural credit to the farmers is most imperative.

The loan disbursed to the farmers through Agricultural Development Bank of Pakistan, Commercial Banks, and Cooperative Societies amounted to Rs.15,158.90 million in 1986-87, whereas target fixed for 1987-88 was 18000 million (Economic Survey Report 1987-88). There are many problems associated with disbursement/utilization of the agricultural credit. Traditionally many farmers borrow money mainly for social ceremonies. Another practice is the disbursement of loans to the big land lords while the small land owners get only a little share which proves to be quite insufficient.

The agricultural credit can be worthwhile when provided adequately and utilized properly by all the farmers. The study was, therefore, undertaken to determine the actual situation, the level of utilization of agricultural loans and their impact on the adoption of agricultural technologies by the farmers of Tehsil Khushab.

#### REVIEW OF LITERATURE

Pandy & Khanna (1981) concluded that the Small Farmers Development Agency Scheme had a positive impact on the viability of marginal and small farmers. Nyanin (1983) noted that supervised credit increased farm level resources use and farm productivity. Rashid (1987) found that small farmers could not improve their living standard and pace with the requirements of time without using agricultural credit facilities.

#### MATERIALS AND METHODS

The basic objective of this research study was to see the impact of agricultural credit on the adoption of recommended farm practices. In order to collect the needed informations, 15 villages of Tehsil Khushab were selected randomly and then from each village, ten loanee farmers were selected at random. The data, thus collected from 150 respondents with the help