



## Revisiting Snags for Obtaining Agricultural Credit in Pakistan: The Case of Small Farmers

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### Abstract

This paper investigates the limitations in obtaining agricultural credit and its flow between small farmers and the Zarai Taraqati Bank Limited in Pakistan. The bank is Federal Government's dedicated institution to look after the financial matters of agriculture sector in the country. For investigation purpose, 4 villages of tehsil Samundri, District Faisalabad, Pakistan were selected. 25 respondents from each village were shortlisted through simple random sampling for interview. Application of Multiple Regression Analysis on the data obtained from respondents revealed that tenancy status, interest rate, collateral and payment were constant because of bank policy which needs to be reviewed. The regression coefficient of number of visit was highly significant, repayment (lump sum/installment) was non-significant and for time (in time/delayed) it was significant and negative which suggested that the farmers were not ready to accept delayed in loans in the study area. The regression analysis also complies with information received from the sampled farmers when percentage analysis test was applied. However, asserts this paper, the future for small farmers need not to be dark, if one recognizes that the resource constraints limiting them is basically a matter of organizing them.

**Keywords:** Small farmers; Agricultural credit constraints; Multiple Regression Analysis; Zarai Taraqati Bank; Pakistan.