

# Impact Of Credit Programs Of Zarai Tarqati Bank Limited On Fruits Plantation And Return In The Rural Community Of District Mardan

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**ABSTRACT:** Fruits play key role in the development of a country and provide Sucrose, vitamins and starch etc to human body. Seeing to its scope and demand the present study was arranged, to see the impacts of credit program of ZTBL on fruits plant number, return and problems faced to fruit growers in the selected area. The universe of the study was district Mardan which consist of three tehsil namely Mardan, Takth Bai and Katlang The total bank beneficiaries were 260 while the fruits growers were only 21. With the help of interview schedule data were collected from the respondents according to objectives and analyzed with the help of descriptive statistics and Paired t-test was used for comparison of fruit plant number and return. The finding of the study shows 76% effect of the credit was positive while 24% claimed the effects were negative. The total plant number of fruit after credit was 8523 and before credit was 3618, difference was 4905 while total change was 136% and plants number were found significant at 5% level. The total return after and before credit were Rs.1420341 and Rs.808347 respectively and difference was Rs.611994 and change was 76% and return was found significant The fruit grower faced larger number of problems i.e shortage of finance, lack of quality variety, water shortage, attack of white ants and stem borer attacks, complaint of stealing, un-proper marketing system, lack of support and subsidized price system and different pest attack etc. On the basis of problems following suggestions were recommended i.e. Credit facility according to requirement on low interest rate should be provided to the farmers; quality variety supply to the farmer on low price by Government Department is requested, Pesticide availability on low price and, proper security to fruit production, provision of proper marketing system, agro-based industries establishment in the local region, Provision of loan in time and on easy term for enhancement of 0000 fruit production in the study area are recommended.

Key Words: Impact of Credit Program, On Fruits Plantation, Return, Rural Community District Mardan

## 1. INTRODUCTION

Pakistan majority people live in rural area and depend on agriculture. Agriculture contribution in the employment is 43.5%, in GDP 20.9% and 70% in export earning (Economic Survey 2015-1666). Agriculture provide food to community and without food the survival of life on the earth is impossible. Agriculture is still the major component of the economy of Pakistan. Agriculture consist of many sectors while fruit is also a very crucial sector of the rural economy. It provide rich food to the human community in the world and exported 2687741 tons of fruits whose value is 48.83 million US \$ during 2008-2009. The fruit sector provide foreign exchange to nation which boost up the economic growth, payment of foreign debts and modernization of technology in the world (Khan et al, 2010). Fruits provide vital components for health and multiple vitamins, carbohydrates and proteins which play important part in the control of diseases. WHO recommended 450g/day consumption to every individuals in the world while daily fruits and vegetable consumption in Pakistan is 235g/day which shows 8 million tons shortages of fruits and vegetables just to provide a balance diet to our own population (Development Statistics, 1997). Pakistan keep diversity in soil and in climatic conditions which ranging from extremely warm to temperate and very cold which is suitable to grow many kinds of plants shrub, vines and creepers etc and vegetables in the county. So many tons of fruits and vegetables are produced in Pakistan but The yield of vegetables and fruits are not fully utilized in the country and major part wasted after domestic consumption, due to deficiency of infrastructure, storage and processing facilities (PHDEC, 2010). On the other side Khyber

Pakhtunkhwa also keep varies agro-climatic condition and is well known for plum, apple, apricot, peach, persimmon, guava and watermelon etc plantation. The major growing area in KP are Hazara, Malakand, D.I. Khan, Mardan, Peshawar, Charsada, Nowshera and Kohat. Among these Peshawar, Charsada and Nowshera districts are very popular for Apricot, Plum, Peach, Pear, Citrus and Persimmon etc District Mardan soil is very suitable for fruits plantation while due to financial problem the farmer not grow the fruits in their fields and take interest in other crops because the cost of inputs are so high that poor farmer can not purchased the inputs and cannot achieved that production which is achieved by developed countries. They need proper finance services in the country to help the poor farmers, to boost the fruit production in future in the country. Khan and Jan, 2010; Khan et al 2010; also concluded that credit facility provision to farming community play important role for enhancing fruit production in the study area. Seeing to its scope and demand, the study was arranged, to see the effects of ZTBL credit program on different fruits plant number and return and to identified hurdles and obstacles faced to fruit grower in the sited area.

## 2. MATERIAL AND METHODS

Material and methods are the tool through which the researcher conducted the research for problem solution which is present in the area. In the present study the universe of the study is district Mardan which consist of three tehsil namely Mardan, Takth Bai and Katlang and purposively from each tehsil two villages namely Gujar Garhi, Rustam, Lundkhwar, Sharegarh, Katlang and Jamal

Garhi were selected respectively. The total beneficiaries were 260 while the fruits growers number was only 21. All were selected for the study and with the help of interview schedule data were collected from the fruit growers according to objectives and analyzed with the help of descriptive statistics. Paired t-test was used for comparison of after and before credit plantation number and return of the per hectare. .

### 3. RESULTS AND DISCUSSION

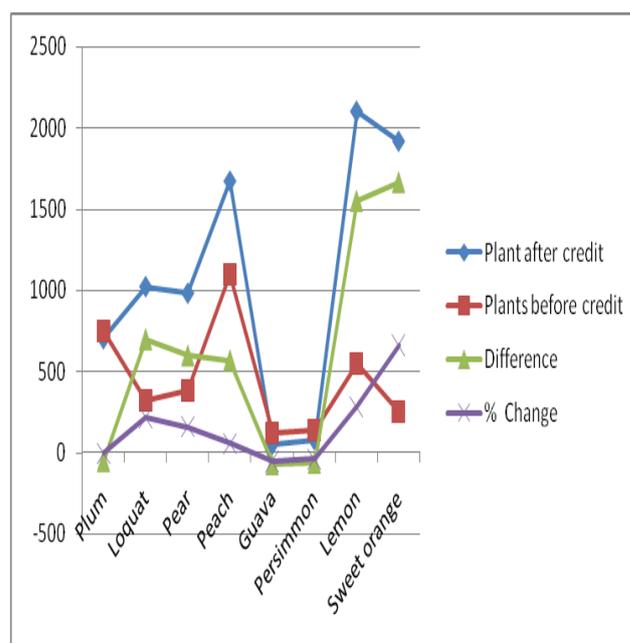
Table 1 reflects different fruit plants trend after and before credit of the respondents' in the study area. Table shows the plum plant number after credit 702 and before credit 752 while difference -50 and change -6% which shows that plum plant decreased due to stem borer in the study area. Loquat number after credit was 1022 and before was 322, difference was 700 and change was 217% which indicates the positivity of credit program in the study area. The pear number after credit was 982 and before was 382, difference was 600 and change was 157% which explained that credit has improve the number of tree in the farmer field and shows positive effect of the credit program of ZTBL. The peach plant number after credit was 1671 and before credit was 1101, difference was 570 and change was 52% , so it also indicates the positivity of credit program of ZTBL. The guava plant number after credit was 50 and before credit was 120 and difference was -70 and change was -58%, which reflects that the number of guavas after credit decreasing and shifted to other fruits plants in the study area. The persimmon plant number after credit was 80 while before credit was 140 and difference was -60 and change was -43% , it is also the negative alarm of the credit program. The lemon plant number after credit was 2100 and before credit was 550, difference was 1550 and change was 282%. There the credit effect is very high and show the credit program positivity in the study area The sweet orange plant number after credit was 1916 and before credit was 251, difference was 1665 and change was 282%. Tremendous positive changes shows after credit program in the plantation of lemon plants. The total plant number of fruit after credit was 8523 and before credit was 3618, difference was 4905 while total change was 136% and the results was highly significant at 5% level. The results indicate that after credit the total plants of fruit number were found more than before credit, while due to high investment and unavoidable circumstances, the growers were not increased in the study area. The positive trend was found in loquat, pear, lemon and sweet orange, while in plum, persimmon, and guava was found negative than before credit. Due to terrorism and floods, majority fruit plants were damaged and enrooted in the study area, which had also disturbed the activities of the marketing due to unfavorable environment and peace. Figure 4.27 indicates the graphical view of the table.

**Table 1: Different Fruit Plants Trend After and Before Credit of the Sample Fruit Growers' in the Study Area**

Name of Fruits	Plant after credit	Plants before credit	Dif	% Change
Plum	702(12)	752(12)	-50	-6
Loquat	1022(5)	322(5)	700	217
Pear	982(8)	382(8)	600	157
Peach	1671(10)	1101(10)	570	52
Guava	50(2)	120(2)	-70	-58
Persimmon	80(3)	140(2)	-60	-43
Lemon	2100(3)	550(3)	1550	282
Sweet orange	1916(5)	251(5)	1665	663
Total	8523	3618	4905	136(t-value=20, P-value=.00)

Source:- Field Survey 2012

Note. In parenthesis are the number of the grower



**Figure 1** Different fruits plant trend after and before credit of the respondents in the study area

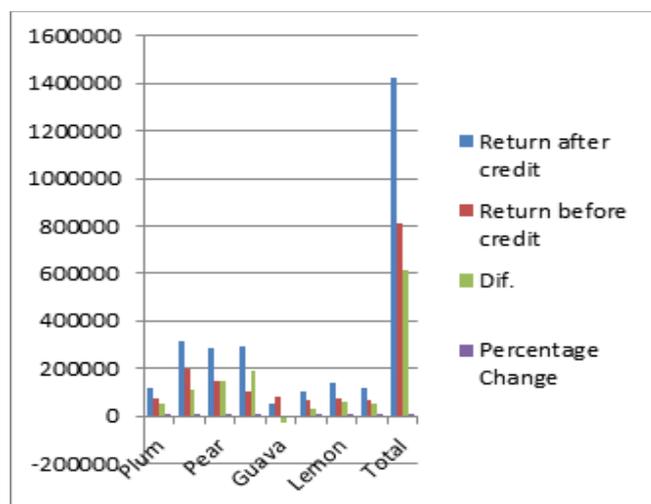
Table 2. indicates different fruits plant return after and before credit of the sampled respondents in the study area. The plum return after credit was Rs.121001 and before was Rs.72060, difference was 48941 and change was 68% while the loquat after credit return was Rs.313001 and before credit was Rs.20081, difference was Rs.112720 and change was 56%. On the other hand the pear return after credit was Rs.289169 and before credit was Rs.144002, difference was Rs.145167 and change was 111%, while the peach return after credit was Rs.290502 and before credit was Rs.100002 and difference was Rs.190500, but change was 191%. The guava return after credit was Rs.50000 and before credit was Rs.80000, difference was -30000 and change was -38% while persimmon return after credit was Rs.100000 and before credit was Rs.70000, difference was Rs.30000 and change was 43%. The return of Lemon after credit was Rs.136666 and before credit was Rs.77000, difference was Rs.59666 and change was 77%, while the sweet orange return after credit was Rs.120002 and before credit was Rs.65002, difference was 55000 and change was 85%. The

total return from the fruit after credit was Rs.1420341 and before credit was 808347 and difference was Rs.611994 and change was 76% and result was found significant at 5% level. Figure 4.28 shows the graphical seen of the table.

**Table 2.** Different Fruits Plant Return After and Before Credit of the Respondents in the Study Area

Name of fruits	Return after credit	Return before credit	Dif.	Percentage Change
Plum	121001	72060	48941	68
Loquat	313001	200281	112720	56
Pear	289169	144002	145167	111
Peach	290502	100002	190500	191
Guava	50000	80000	-30000	-38
Persimmon	100000	70000	30000	43
Lemon	136666	77000	59666	77
Sweet orange	120002	65002	55000	85
Total	1420341	808347	611994	76

Source:- Field Survey 2012 ( D.F=20, t-value=6.33, P-value=.000)



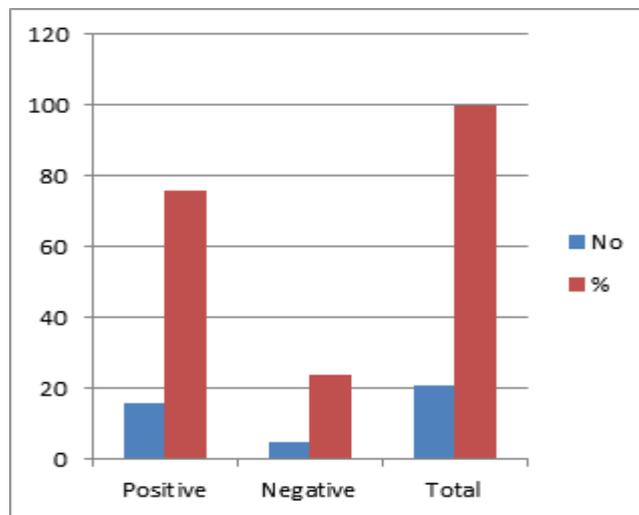
**Figure 2.** Different fruits plant Return

Table 3. shows the credit effect on fruit plants in the study area. According to table 76% told that the effect of the credit was positive, while 24% claimed that the effect was negative. The present study shows that in past due to some natural calamities the interest of the fruit plant growers was disturbed, while again the environment is improving for fruits plantation in the study area, due to high price, return in the market, which is incentives for respondents for enhancement of fruit production. Khan (2017) explained in his study that credit provision to farmer is very important for purchasing inputs. He stressed that credit provision play great role in the development of sugarcane production the study area The borrower number was found less than the other crops for fruits in the study area. The study also shows that the fruit interest by farmer in the study area is very low and they grow the other crops due to high cost but did not take interest in the fruit cultivation because the financial institution give loan to farmer for crop but not give loan for the purpose of fruit cultivation in the study area Figure.3 shows the graphical view of the table.

**Table 3.** Credit Effect on Fruit Plants in the Study Area

Credit effect	No	%
Positive	16	76
Negative	05	24
Total	21	100

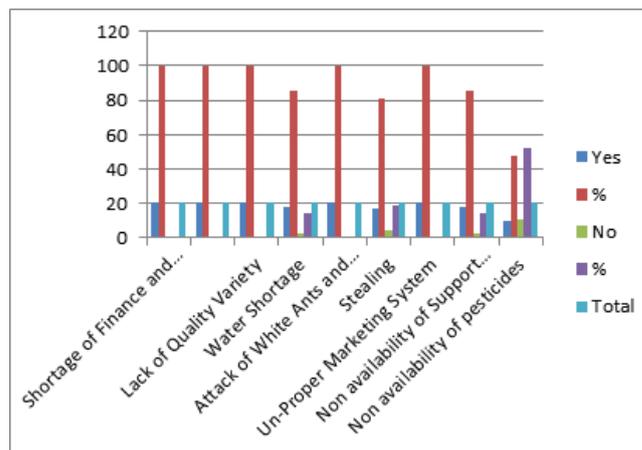
Source:- Field Survey 2012



**Figure-3** Credit Effects on Fruit Plants in the Study Area

**Table 4:** Hurdles and Obstacles Faced to Sampled Fruit Growers in the Study Area

Problems and Constraints	Yes	%	No	%	Total
Shortage of Finance and high interest rate	21	100	00	00	21
Complicated Process of Pass book Preparation By Bank	21	100	00	00	21
Lack of Quality Variety	21	100	00	00	21
Water Shortage	18	86	03	14	21
Attack of White Ants and Stem Borer	21	100	00	00	21
Stealing	17	81	04	19	21
Un-Proper Marketing System	21	100	00	00	21
Non availability of Support and Subsidized System	18	86	03	14	21
Non availability of pesticides	10	48	11	52	21



**Figure.4** Problems and Constraints Faced to Fruit Growers in the Study Area

According to table 100 % claimed shortage of finance and high interest rate, complicated process of pass book preparation by bank and lack of quality variety while 86% claimed water shortage. Similarly 100% also consider attack of white ants and stem borer while 81% focus on stealing and hundred percent told that un-proper marketing system is also a great hurdle for uplifting fruit industry in the study area. However 86% claimed non availability of support and subsidized price system while 48% recorded non availability of pesticides for controlling pest attack in the study area. Hundred percent also claim lack of agro-based industry of fruit in the study area. Fengxia et al. also studied that credit constraints affect the productivity of the agriculture. Reyes et al. studied that high interest rate is also a high constraint for vegetable and fruit production because the farmer is not ready to borrow a credit on high interest rate from the bank

### Conclusion and Recommendations

The Study finally conclude that credit play key role in the development of fruit plantation number and return while the farmers of the study area is very poor and they cannot afford the cost of the fruit plantation. ZTBL give credit to them while the process is very complicated and very few farmers avail the credit and the credit is also less than their requirement, so they cannot boost the fruit production in the study area. On the basis of problems following recommendation were suggested for control measure.

1. Credit facility according to requirement on low interest rate should be provided to farmers in the study area.
2. Quality variety should be supplied to farmer on low price by Government Department ,
3. Pesticide availability on low price by government is requested
4. Proper security and law forcing agency is required for the development of fruit industry,
5. Provision of proper marketing system to study area is required.
6. Agro-based industries establishment in the local region is required for uplifting fruit industry in the study area.
7. Provision of loan in time and on easy term is requested for enhancement of fruit production in the study area
8. In time credit availability is necessary for boosting fruit industry in the study area.

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