

CHAPTER I

INTRODUCTION

1.1 General Background

Ever since the evolution, animals have been a matter of great value in the life of the human beings. The pre-humans lived on hunting the small creatures. Slowly, they shifted towards farming and later taming the animals that eased them to get the food right around their huts. At the beginning of the human civilization, people knew just about the meat-value of the animals. With time, they learnt other values like the related with the animals like milk and wool. Human history shows that the importance of the cattle milk and the milk products has been internalized much later. Animal rearing has been practiced for thousands of years, since the first domestication of animals. Yet, its professionalization was begun much lately. There may be numerous opinions and supportive details regarding the beginning of animal husbandry. In this connection **Brock** et al write:

Selective breeding for desired traits was first established as a scientific practice by Robert Bakewell during the British Agricultural Revolution in the 18th century. One of his most important breeding programs was with sheep.(Brock et. al, 1988; 178)

The report shows that professionalization of animal rearing began from Europe. Mr. Bakewell is known to have started developing new breeds of sheep that could be much profitable. This seems to have revolutionized the sheep rearing trend in Europe giving way to produce more advantageous and productive sheep. His initiation turned to be ideal for so many other farmers in England. Brock adds the English farmers began to breed cattle for use primarily as beef for consumption - (previously, cattle were first and foremost bred for pulling ploughs as oxen). Long-horned heifers were crossed with the Westmoreland bull to eventually create the Dishley Longhorn. Over the following decades, farm animals increased dramatically in size and quality. In 1700, the average weight of a bull sold for slaughter was 370 pounds. By 1786, that weight had more than doubled to 840 pounds (Brock et al, 1988:191).

The beginning of animal husbandry was just connected to hunting and gathering the other creatures, and basically through the hound dogs. It was advanced

to rearing others for the milk and ploughing the field for cultivation. But, this was just for the subsistence. They needed to invest their much time and labour in care of a couple of cattle. Unfortunately, the return was nominal. It fulfilled their limited demands. Since they had no any other means for a living, it was like a compulsory option for them. Unfortunately, most of the people around the world are still living the same practice and how long they will be stuck to it is still unknown. (Mark, 2010)

In the context of Nepal, animal rearing has been a part of life for a big mass of people. It is, in particular, of high importance in highland farming system in these days that bears limited fertile land for cultivation but unlimited possibilities for the fodder for the cattle. However, the output of the animal rearing has not been satisfactory for a number of reasons. Disguised unemployment, the abstaining mind-set of the youths, lack of improved tools, procedural complexities in procurement of loan, vampire-like moneylenders etc are but a few among a number of factors behind the sluggish development in professionalization of animal-rearing in Nepal. Additionally, cattle-farming has been entirely the work for the jobless house guards. At the top of all, poor economic status is the root cause of this backwardness. So, most of the farmers are destined to take loans from the brokers in the villages. They are put forth with lots of conditions and even unfair rate of interest. Similarly, the people aspiring for the professionalization of cattle rearing also see no hope from the country as the stakeholders themselves have the lack of vision for its development (Shrestha, 1981:170).

Keeping the domestic animals like buffaloes, cows, sheep, goats, and pigs to expand the business of cattle, dairy products, meat and other purpose is called animal husbandry. In the past people used to keep the cattle only for the purpose of household but in these days it has become a kind of business. Animal husbandry has highly potential for employment generation. Dairy farming, sheep farming, goat farming and pig farming provide excellent opportunity of self employment for unemployed youth of our country. Animal Husbandry is one of the common ways in which the poor build their assets and are able to finance their children's education and other important requirements. They are used in crop system, biogas energy system land degradation and household income. This sector has great role to play in poverty reduction. Animal husbandry is the science of looking after and breeding animals

specifically those that are used in agriculture, to provide products, for research purposes or as domestic pets. The subject covers a wide range of activities, including care and grooming, livestock farming, accommodation and hygiene. Not all people involved in husbandry will necessarily take part in all these activities or require knowledge of other disciplines. In many parts of the world, people are essentially practicing animal husbandry through being farmers, shepherders, or simply taking care of large groups of livestock. (Ellis-Christensen, 2014: 1)

Livestock, adapted to many uses, forms an essential part of the economy. In farm work, bullocks and asses are largely used. Herds of yaks, cows, and their hybrids, are grazed in the central valley and to some extent along the borders of the foothill jungles. Sheep and goats are used for food and also as pack animals, particularly in the distribution of salt over the trade routes; the sheep also supply a valuable type of wool. Government agencies involved in the delivery of services to livestock producers in Nepal were found to be generally weak. The Department of Agriculture and the Department of Livestock Development and Health suffered from inadequate numbers of staff and inadequate training. Field staff and extension services had few incentives. Such limitations handicapped the ability of these agencies to support livestock development. (Prospectus of Department of Livestock Services, 2014)

Hopefully, the then government of Nepal HMG realized the need to facilitate the farmers and their involvement in agriculture. To provide the easy loan for development of the agricultural sector and the people, it established Agriculture Development Bank Nepal (ADBN) in 1968. The ADBN was established in 1968 under the ADBN Act 1967, as successor to the cooperative Bank. It was started for the purpose of providing institutional credit for increasing the production and productivity of the agricultural sector in the country. The same year, the Land Reform Savings Corporation was merged with it. Later the Act empowered the bank to extend credit to small farmers under group liability and expand the scope of financing to promote cottage industries. This proved to be the boon for many budding farmers who struggled to try bigger farming possibilities. The ADBN is a self-governing organization largely owned by Government of Nepal. The bank has the permission to be engaged in commercial banking activities for the mobilization of domestic working

as a premier rural credit institution. Since its establishment, it has been contributing a big part of institutional credit supply in the country. Hence, rural finance is the principal operational area of ADBN. Besides, it has also been executing SFDP, the major poverty alleviation program launched in the country. Furthermore, the bank has also been involved in commercial banking operations since 1984. The enactment of Bank and Financial Institution Ordinance (BAFIO) in February 2004 abolished all Acts related to financial institutions including the ADBN Act, 1967. In line with the BAFIO, ADBN has been incorporated as a public limited company on July 14, 2005. Thus, ADBN operates as an "A" category financial Institution under the legal framework of BAFIO and the Company Act, 2053 (ADBN Prospectus, 2013).

At first, the activities of the bank were limited. Later, it started extending the areas of assistance when it was converted to Agricultural Development Bank of Nepal in 1968. It has been contributing to the farmers through its lending operation, yet the services seemed to have reached only to a handful of people. A remarkable share of its disbursement goes to livestock under the Agriculture debt. In this regard, it is needless to say that, ADBN has been a messiah to lots of farmers struggling to live through cattle-rearing business. Sadly, this occupation is also entangled with a number of problems. Apart from insufficiency of qualified vets, finance, fodders, research and training on livestock development, the countrymen are also living through the unscientific use of the existing pastures in Nepal. In these days, thankfully, ADBN has been providing credit facilities and technical advices to the peasants for the development of animal husbandry. During its inception period it has offered a very nominal support to the farmers to help them rear a few cattle to ensure their livelihood. Partly, lack of professionalism was also responsible for it. Slowly, it was encouraged to invest more in professional level of cattle rearing that is known as animal husbandry. This practice has given hope to the struggling farmers to dream for making animal rearing not just as a means for fulfilling their limited needs but as a perfect occupation to shape and safeguard the life of their generation. Lately, animal husbandry has drawn the attention of a large number of people. (Official Report of ADBN, 2013)

The products and services of the bank includes current account, saving account, fixed deposit account, *Sambiddhi* saving account, *Ba-Aama* saving account

fixed deposit *Lakhapati* account, auto loan ,education loan, foreign employment loan, home loan, residential loan, agricultural production loan, livestock loan, small and cottage industry loan, products and inputs marketing loan, inward remittance and outward remittance. The bank provides these products and services to its customers through its ten regional banks and also provides training through as five Regional Training Centers. (Official Report of ADBN, 2014)

The act of giving money, property or other material goods to another party in exchange for future repayment of the principal amount along with interest or other finance charges is known as loan. Oxford Dictionary defines loan as a thing that is borrowed, especially a sum of money that is expected to be paid back with interest (Oxford Dictionary, 2010)". A loan may be for a specific, one-time amount or can be available as open-ended credit up to a specified ceiling amount. Loan and advances are the main sources of income and most profitable assets to a bank. Any bank is always willing to lend as far as possible since they constitute the larger part of revenue. The banks provide loan and advances against the personal security of the borrower or against the security of movable or immovable properties.

Pokhara, in particular, is a business hub of Nepal. Many people here have been adhered to their different family businesses. Lately, with the growth in the number of immigrants and the consciousness on healthy food people have shown their interest in cattle farming. At the mean time, the demand for the meat-products and milk-products are also at rise in the hospitality sector i.e. restaurants and hotels. So, animal husbandry also seems to have been taken as a promising occupation at present in Pokhara (Adhikari, 2002). Undoubtedly, the desire to produce a competitive and demand meeting outcome the entrepreneurs have also sought the loans from different financial institutions and obviously ADBN has been there more than three decades-long trustworthy supporter in their efforts.

1.2 Focus of the Study

Pokhara is a beautiful city. It is the accessible place for inhabitants here. Mostly, in the valley, the main occupation of the people is non-agriculture activities. In other side there is a part of underdeveloped rural sector where economic development is low. The people are dependent in agricultural activities like vegetable

farming, animal husbandry, poultry and beekeeping etc. Pokhara is rich in water resources and is encircled by the green forests. A remarkable number of people are busy in tourism and other kind of businesses here. The landscape is almost plain. In this regard, rearing animals can have good prospects with the easy accessibility to the imported fodder from the Terai region plus possibility of the complete consumption of the products. These are some among many reasons why animal husbandry is flourishing in and around Pokhara.

Small farms can be run with a small loan and they have very few things to manage. But large farms need lots of human resources and raw materials too. So, big farms demand a big loan from the banks. The people seem to be interested in rearing a big number of cattle rather than engaging with a few of them in Pokhara and the around. Obviously, they expect loan that can be cleared in installment basis slowly when their investment starts production. The demand for the loan is relatively low in the Pokhara valley when compared that with the entrepreneurs from the outskirts of the valley. There are numerous reasons behind it like the availability of the raw materials, human resources and the sufficient land for animal husbandry.

1.3 Statement of the Problem

With the utilization of the science and technology many countries have achieved a remarkable height of civilization. They have modernized the mode and method of production in agriculture. The other way round, they have turned more professional than personal in the field of production. But, on the other hand, the condition of the other countries like Nepal still seems to be chained to the stone-age. Indeed, the conventional mode and mindset of agro-production is one of the reasons behind the long-standing poverty in Nepal. So, professionalization of agriculture is essential for the development as most of entirely people depend on it for the living. Needless to say, the capital is a pre-requisite to start the things anew. So, an efficient agricultural credit system is required in a country that shelters economically poor people.

In recent days, agro-based industries have been very popular both in rural and urban areas in Nepal. In particular, animal husbandry has been drawing much attention of the farmers. More than plantation, people feel good to utilize their barren

lands in pig-farm, cow/buffalo farm or the goat farm that expect struggle with the hard soil every now and then. The mass-migration of the youths to foreign countries letting the land lie barren, growth of health concern in the public and the accessibility to the bank loans are some among many reasons behind the growth of interest in animal husbandry. Yet, the capital for the initiation of the occupation is always a big question for many of the Nepali farmers. Sighting the demand, different banks have opened the door to the loan for animal husbandry. People can have easy access to money through the community fund, co-operatives, commercial banks or individuals. The only difference is that they need to take the risk of heavy rate of interest, reliability and the extra charges some financial institutes ask for. Though the main reasons are not very obvious, the bank's long history in lending money for agro-based industries has drawn a big number of farmers to ADBN. In context of Bagar branch, Pokhara the rate of interest for the loan was very 16% in the first year of the decade (2060-2069) but it was dropped slightly to 12.5% which remained still for 3 years and again increased by 0.5% to come down again to 12.5 in 2069/70. So, the data show very unstable status of rate of interest in loan. The same is the condition of the loan disbursement pattern. We cannot get any predictable disbursement in any year. Cow/buffalo gets a big disbursement in the total loan supplied one year and the next year the same has received the lowest disbursal. It's difficult to find the co-relation between the total disbursal and the share the animal husbandry gets in a particular year and the same applies within the three different categories in the animal husbandry, too.

The performance of ADBN is not so satisfactory among many farmers these days. People say that its lending procedure is lengthy and not familiar to the general people. There are also some grievances about the sudden rise in interest rates. Loans which are taken for one purpose are used for another non- agriculture sector. The bank has not been able to supervise if its money has been gone to the targeted places or not. The problem of the study was directed to find the solutions for the following questions.

-) What geographical area is covered to provide the loan?
-) How does ADBN disburse the loan in animal husbandry sector?
-) What is the rate of interest for loan in animal husbandry and other sector?

-) How is the trend of loan disbursement in past ten years from 2060 to 2069 B.S. in animal husbandry?
-) What is repayment status of loan and interest?

1.4 Objectives of the Study

The general objective of this study is to evaluate the trend of loan disbursement and examine the lending pattern of ADBN, Bagar, Pokhara. For this purpose the specific objectives are set as below:

-) To identify the geographical area covered to provide the loan.
-) To explore the loan disbursement process used.
-) To reveal the interest rate of loan in animal husbandry and other sectors.
-) To analyze the trend of loan disbursement during 2060- 2069 in animal husbandry.
-) To assess the trend of loan and interest repayment status.

1.5 Significance of the Study

Though animal rearing has a long history to be analyzed, its professionalization has not been pretty long. Animal husbandry has nowadays been taken as a profitable job. This growth in interest for animal husbandry has lots of factors like, health and environmental concerns, profit in large, no need of higher education etc. Obviously, it offers the promoters the opportunity to have a good exercise, provides nutritious products with relatively less health hazards. Cow, buffalo, pig, goat etc are the animals that give the profit within a year so the people are very much interested in it but it takes costly to manage this business. Land for farming, feeding, shed for shelter, treatment cost, and others are money-demanding sectors in this business. Yet, the people themselves do not own a big amount of money for the early investment in animal husbandry. So they want to recover it through the loan that can be cleared in installments. That's why the demand for loan in animal husbandry is increasing in these days.

In this regard, animal husbandry is something that suits Pokhara's environment. More and more youths also seem to have been attracted into this field. Whether in trial and error basis or with a big determination of a success, people are

getting into this business. The research into this profession is focused since it is grooming very well in this region and even seems to have drawn a good attention of the people from different walks of life. At the same time, people are seeking a secured, reliable as well as reasonable financial support from the banking sectors to make their dream to be a successful entrepreneur a reality. Needless to say, Agricultural Development Bank has been a pioneer to help such farmers in their endeavors for a pretty long time. In this connection, analyzing the possibilities, progress and the problems in animal husbandry would definitely be plausible through this particular bank. This research would be beneficial for the concerned people and institutions to learn about the tendency of loan disbursement for animal husbandry. It will certainly help to understand the transformation of the farmers from subsistence farming to a successful entrepreneurship with some insights into the growth of health consciousness and demand for the hygienic products among the users.

1.6 Limitations of the Study

The study deals with the loan disbursement in animal husbandry in ADBN Bagar, Pokhara. Though it is prepared for academic purpose, it has the following limitations.

-) The study is based on primary and secondary data.
-) It is concerned only with loan disbursement in animal husbandry in Pokhara.
-) The study covers the data of only last ten years from B.S.2060 to 2069.
-) This study involves the experience of only the animal husbandry farmers taking loan from ADBN, Bagar.

1.7 Organization of the Study

This study is organized in five different chapters. Introduction, literature review, research methodology, data presentation and analysis and the summary, conclusion and suggestions are the main chapters. They have sub- chapters too to make clear about the related topics. The first chapter discusses on what the thesis is all about. This chapter is further divided into: statement of the problem, objectives of the study, significance of the study, limitation and organization of the study.

The second chapter is concerned with literature review that has two main parts: Theoretical research and review of related studies. Research gap also is included in this chapter. Here the quotations of the other writers concerning the research topic as well as findings from the related studies are presented.

Research methodology is the third chapter which includes methodologies and design of the research, sources of data, data collection procedure, data processing procedure and reliability and validity of the data. Fourth chapter is presentation and analysis of data. The data and information collected from the field visit are presented in this chapter. It includes the major findings too. The last chapter is interpreted incorporates summary, conclusion and suggestions. The summary of the study and the suggestions of the researchers are presented in this chapter. Appendix and bibliography are involved at the end of the research.

CHAPTER II

REVIEW OF LITERATURE

2.1 Theoretical Review

Animal husbandry is the management and care of farm animals by humans for profit, in which genetic qualities and behavior, considered to be advantageous to humans, are further developed. The term can refer to the practice of selectively breeding and raising livestock to promote desirable traits in animals for utility, sport, pleasure, or research, but also refers to the efficient exploitation of a species in agriculture advantageous to humans.

It was found that the scientific breeding of the cattle began in the 18th century. It was practiced mainly to increase the quantity of meat. The oxen that were primarily kept for ploughing the fields for cultivation have been cross-bred in later years. The motive was not for their better performance in fields but to find them gaining weight to yield more meat. Hopefully, it worked wonderfully. The practice seems to have given some encouraging remarks to the newcomers too. This signals the shift of usages and objectives of rearing the animals at home from the traditional care of cattle to meet limited household needs to the wider prospects it could give through the varied usages. The 19th century saw a big change in the commercialization of animal husbandry. The investors had care-takers who were known by different names in different parts of the world. Slowly the investors occupied big areas for pastures where they employed the caretakers with some facilities on moves around the wide range of land with a number of cattle straying in their own. Brock et al asserts that in the 19th century, the investors also included "the cowboys of the United States and Canada, charros and vaqueros of Mexico, gauchos and huasos of South America, and the farmers and stockmen of Australia. Those people used horses, all-terrain vehicles, motorbikes, four-wheel drive vehicles, and helicopters, depending on the terrain and livestock concerned to check the herds. In the west, they farmers seem to have made a big investment occupying a big space for animal business. They employ lots of staff for their cattle and vehicles to help them make an effective supervision of the whereabouts and well-being of their cattle.

Today, many of the practices involved in animal husbandry come naturally from being brought up on farms where large numbers of livestock are raised. This is particularly true in primarily rural areas and in less developed countries. Children are taught early how to take care of the same types of animals their parents raise so that they can take over farms and ranches as adults. In more developed countries there are programs that help young children learn how to raise and look after animals. However, in developing countries not everyone is financially strong to start this profession anew. They wait for some kind of incentives from some other sources to make sure that they have sufficient funds in times of need. In this regard, the World Bank report says the credit is often a key element in modernization of agriculture. Not only can it remove a financial constraint but it may provide incentive to adopt new technologies otherwise be more slowly accepted. (World Bank, 1975)

Development and modernization of agriculture is an urgent need of Nepal. For this, an efficient agricultural credit system is required. In mid 1960s, then His Majesty's Government of Nepal internalized that financial institutions are necessary not only to make the farmers free from the exploitations by money-lenders but also for improvement in agricultural production from traditional to modern approach. Realizing the fact that development of Nepal is possible through the development of agriculture, Agricultural Development Bank was established in 1963 as a co-operative bank. At first the activities of the bank were limited. Later, it started to increase the areas of assistance when it was converted to Agricultural Development Bank of Nepal.

Financing the small farmers is necessary to catch up with the competitive market. In order to handle the money-lending process, an effective mechanism is necessary. This effort can be possible only through the systematic deposition of money from one group and disbursal to the others in need. That is the reason why the governments around the world have set up the banks which are the financial intermediaries that accept deposits from the customers with the capital surpluses and pass it to the other customers with capital deficits. This activity is no doubt the backbone of agriculture which gives opportunities to the farmers from all financial levels. Mainly, the bank was established with the purpose of increasing the economic

positions of the farmers and ensure overall agricultural development by making available agriculture credit easily.

Agricultural credit can be applied by the farmers in the following areas.

-) To increase livestock production and productivity and eliminate the problem of malnutrition with the help of disease control services for security and conservation of livestock and public health.
-) To involve private sectors in commercial livestock farming; resource centre development and conservation and market management.
-) To improve the economic and social status of the poor and socially disadvantaged people as well as the situation of livestock farming.
-) To increase self-employment opportunities by encouraging livestock sector and livestock based industry and trade.
-) To extend quality control services in favor of livestock sector, livestock industries and the consumers. Additionally, to assist in the production of livestock and products those are exportable and import substitutable.
-) To identify, conserve, promote and develop the indigenous livestock breed which is going to be extinct.

The bank's prospectus reads that it has the vision to be a Mass-based Complete Bank serving from urban to rural area. It has also the mission to deliver comprehensive banking solution strengthening its extensive network. In achieving its corporate objective in pursuit of its corporate mission and vision, ADBN complies with all relevant legislation, codes of conduct and standards of good corporate citizenship in Nepal while maintaining full autonomy in the management of its operations. It conducts its operations in an open and transparent manner. The bank puts local resources to work for local development, serving the rural community and its aspirations. It works to provide a full and balanced range of financial products and services that satisfies the needs of the rural population of Nepal, on a profitable and sustainable basis.

The bank also strives consistently to provide improved products and services to its clients at reasonable cost, using modern banking, information and communication technology in the most appropriate form to its clients needs. It acts

actively in building reputation for professionalism, competitive pricing, reliability and quality of service and innovation. The bank operates in accordance with best banking practice, acting with financial prudence and keeping in mind the need to balance profitability with asset preservation and liquidity and to safeguard depositor's funds. It works together with its employees to develop their capabilities to contribute to achievement of the bank's objectives, promoting excellence, rewarding achievement and providing them the opportunity to share in the bank's success. It has the tendency of developing mutually acceptable relationship with government in the pursuit of improvement in living standards in rural areas, while respecting best financial practices. It ensures that its activities contribute to the environmental stability and overall improvement of living standards in Nepal and ADBN judges the bank's success against the measures that include profitability, portfolio quality in terms of minimal arrears and non-performing loans, portfolio worth, total deposits, geographic outreach and public image.

ADBN disburses the loan mainly for agriculture production activities and the agro based business. The bank generally makes loans against collateral security up to limit of 60% to 80% of the collateral (Official Report, 2014). The farmers who are willing to borrow the loan from the bank should fill up the prescribed application form of loan provided by the bank. The form should be accompanied by the supporting documents like loan ownership, receipt of land, revenue payment and receipt of rent payment of a tenant.

After this process the bank employee visits the borrower to inspect the collateral sites and its suitability, security to assets etc. If the inspector finds the project technically sound, strong and feasible then the bank advances loan to such project. However, the bank has relaxed loan analysis requirement for some extent. The bank advances loans only to those borrowers, whose project seems to appear technically feasible and economically viable as per decision made by the loan committee.

2.2 Review of the Related Studies

The fourth five-year-plan (2027-32) brought a new strategy of regional planning in the country. It had given emphasis on the production of cereal and cash

crops in Terai districts and more concentration on livestock rearing in upper hills and horticulture in central hill districts of the country.

Bancil found in his study *'Agricultural Planning for 700 Millions'* that an achievement of higher level of animal husbandry products may also be difficult matter. Raising the production of milk, meat and fish to be desired levels would call for an integrated effort to tackle the problem. He suggested to the farmers to improve the quality instead of increase the quantity of the cattle. He also realized that according to the existing cost structure, there was no proper improvement in quality of farming. The economic factors work against keeping a large number of animals. He concluded that a policy of mixed farming and favorable pricing policy is needed for the better performance of the cattle and farm. Politicians, economists, agronomists, and veterinarians should be sat together and decide the future. (Bancil, 1971: 258)

Arora presented in his book *'Development of Agriculture and Allied Sector'*, through the production of milk and other products, cattle directly contribute to GNP of the country. For all-around cattle development, there should be looked into breeding, feeding, disease control, management and marketing. In the sector of management and marketing, he further focused that stock owners should be assisted to organise the products and supply societies on a co-operative basis. The main point of the study was that the credit facilities available for the purchase of cattle and other raw materials for the animal farming should be utilized. This research was concerned to make the authorities should give the attention to the development of animal husbandry in their areas of operation for the successful implementation of the agricultural programme. (Arora, 1975: 110)

Shrestha wrote about bank and agriculture in his book *"An Introduction to Nepalese Economy"* that Agriculture Development Bank was established in the year 1968 in order to meet the growing needs of agricultural sector. It took over all the assets and liabilities of the then co-operation bank. In the meantime another institution, the LRSC created in 1966 was merged with ADBN in 1978. Thus the ADBN became the sole agricultural financing institution in the country. He further mentioned that it had authorized capital of Rs. 150 million. The bank borrows from HMG, NRB and from multilateral agencies and projects. The total borrowings of the bank as on July 1978 stood at Rs. 220.2 million. It was just Rs. 1.8 million in July

1968. It can be concluded, the bank provides loans for agricultural production, irrigation agro business and farm improvement since its establishment. It also provides loans to AIC for purchase of fertilizer and to Food Corporation for marketing and warehouse construction (Shrestha, 1981: 196).

Rural credit review survey (1994) indicated that less than 10% households borrowed the loan from formal sector. There was a substantial unmet demand for credit and it was more in hills and mountains. Most of the loans i.e. 71% was used for household consumption and personal expenditure, 29% was for business and productive purposes. The lower income households tend to have a higher borrowing rate where correspondingly occur larger volume of debit to finance consumption.

Sharma et al indicated in their research "*Smallholder Diary Farming in Nepal: Characteristics, Constraints and Development Opportunities*" that the livestock was an integral component of farming system in Nepal. It contributed about 12.8% to the total national GDP and 31.5% to the agricultural GDP. It was estimated that the livestock share of agricultural GDP will reach 45% by the end of 20 years of the APP Program that was in fiscal year 2014/15 .The major components of livestock to GDP were milk and milk products and cattle (32.7% and 24.7% respectively) (Sharma et al, 2002: 29).

Singh analyzed the financing in her thesis work "*An Analysis of Role of ADBN in Financing Agriculture*". The objectives of the study were to study need for credit in Nepalese agriculture, to analyze the role of ADBN in agriculture financing in Nepal and the present credit distribution pattern of ADBN. The findings of the study were various loan institution agencies in the society like village money lender, professional money lenders, agricultural traders, friends and relatives. The proportion of farm families borrowing from their private credit agencies was significantly higher than those borrowing from agencies (Singh 1995; 27).

Todaro in his book "*Economic Development*" stated if the third world governments were to promote increases in agricultural production through new green revolution technologies, they must not only make the appropriate institutional and credit market adjustments but must also provide incentives for small and medium sized farmers by implementing pricing policies that truly reflect internal market

conditions. This often means less government intervention (especially in Africa) in the form of public agricultural marketing boards which monopolize the purchase and distribution of farm output and set producer prices that are typically well below world market prices. He concluded to make a favorable pricing policy for the farmers in rural area (Todaro, 1998; 327).

Kay and Edwards said that the outside capital would be needed to finance large-scale operations. Management to traditional sources of farm credit, such as rural banks, will be more vertically integrated, and funds will come from national money markets. Farm managers will increasingly have to compete with nonfarm business for access to capital, as the rural and urban financial markets become closely tied together. This competition would necessitate more detailed documentation of financial performance and credit needs and more conformity to generally accepted accounting methods and principles and perhaps even audited financial statements to in access to commercial capital markets. Farmers had long gained access to land by renting it. Leasing machinery buildings and livestock had been less common but would likely increase in use. Custom farming and contract livestock production were other means by which a good manager can apply his or her expertise without taking the financial risks of ownership (Kay and Edwards, 1999; 11).

Mathema and Joshi made clear that several animal feed improvement projects have been implemented in the past. In 1985 the Integrated Livestock Development Program was implemented by the DLS in 35 districts and in 1989 this program was extended to 11 more districts. In 1992, the Hill Leasehold Forestry and Forage Development project was implemented in 12 districts. The implementation of these projects over the past decades resulted in available rangeland of 17 million ha, which was 12% of the total and were total area delineated in Land Reform and Mapping Projects of 1986. Estimates indicated the available rangeland supplies only 36% of the total food requirement of the livestock in the country (Mathema and Joshi, 2000: 177).

In India major portion of the milk production was on the household basis. The average annual milk yield was about 175 kg per cow and 504 kg per buffalo and 55 kg per goat. Contrary to it the average milk yield per cow in Netherlands was 4220 kg, U.K. 3950 kg, Denmark 3905 kg, Switzerland 3650 kg and New Zealand 2724 kg.

Because of this lower productivity the Indian cows were known as 'tea cup cow'. At present there were 238 dairy plants in the country of which 126 are liquid milk plants, 75 pilot milk schemes and 37 milk product factories (www.preservearticles.com, 2012).

In 2001, Nepal had an estimated 6.983 million head of cattle, 3.624 million water buffalo, 0.851 million sheep, 6.478 million goats, and 0.912 million hogs. Modern poultry farms are operated principally by the Newaris, who carry on most of the agriculture in the Kathmandu Valley. There were about 9.8 million chickens in 2001, when 13.5 metric tons of poultry meat was produced. Traditionally, butter and cheese were among the leading exports of Nepal. Livestock products in 2001 included an estimated 342 metric tons of cow's milk, 20 metric tons of butter and ghee, and 614 tons of wool (www.nationsencyclopedia.com, 2014).

As Duncan et al showed, animals were fed according to season depending on what was available. The homestead grass production and tree fodder were the main food for animal. Rice straw was the main crop during the winter and maize stovers in the rainy season. Various species of fodder trees were cultivated by farmers but the most popular were badhar, bans, khanyu, koiralo, kutmiro and ginderi (Duncan et al 2005: 73).

Poudel (2060) focused on non agricultural loan like marketing agro tools, and industries are seen effective loan rather than agricultural purposes in his thesis '*Loan Effectiveness Of Agricultural Development Bank Nepal*'. Effective repayment strategies, effective invest in target people and place and increase the loan repayment rate in agricultural purposes. He found that monthly interest collection system is seen effective. So interest collection and the growth rate of loan collection were increased in every year. The growth rate of loan collection was less than loan disbursement. The reasons were lack of political sustainability, transfer of branches from remote areas, competitive environment, and lack of reinvest. He concluded the appropriate financial program was an essential factor for the country which could reach to the poor farmers. ADBN can play a vital role for the development of the national economy (Poudel, 2060: 25).

Poudel carried out a research on "*Micro Credit in Lekhnath Municipality: A Case Study of Pashimanchal German Bikas Bank (PGBB)*". He found that the bank invested loan for five different sectors which were animal keeping, poultry, farming, small industry and small business. The total loan of PGBB was 45% of support existing business occupation (36% invested to operate new business occupation and 19% invested for household expenditures). The programs had given only a few new employments where 207 different projects were approved but only 97% new employments were created. The investment of PGBB was high in animal keeping, second in farming similarly third in poultry. 88% of the amount of loan for the purpose of small business was used properly and 12% was misused (Poudel, 2007: 31).

Uprety found on "*Policy and Regulatory issues on Microfinance*" that the loan absorption capacity of Nepalese microfinance institutions client was very low. This could be evidenced by average loan size of Rs. 12 to 13 thousand only .But Nepal Rastra bank had set the limit of Rs. 60 thousand for micro finance and Rs. 1.5 for micro enterprises loan. Similarly, wholesale loan limit to microfinance development bank was same as for commercial banks and other financial institution i.e. maximum of 25 percent of core capital to a single capital to a single borrower's microfinance institutions (Uprety, 2008).

According to Tenth plan the growth strategies for agriculture were to modernize diversity and commercialize crop and livestock production by expanding the use of technology, and increasing the access of farmer to modern agricultural inputs and credit. Similar promoting the participation of private sector and NGO/INGOs in service delivery, market promotion and infrastructure development were other major strategies.

Nepal had only US \$556 annual per capita income in 2009/10 at current prices with total population 28.26 million for the same year India and China have the highest growth rate of 10.4% and 10.3% (World Economic Outlook, 2010, IMT)

2.3 Research Gap

The study was conducted on the topic of 'Loan disbursement in Animal Husbandry with Reference to Agriculture Development Bank of Nepal, Bagar, Pokhara'. This study was related to animal husbandry. In the topic of loan in animal husbandry any research had not been conducted till date. It was the first research in animal husbandry by categorizing individually in Bagar branch. The study mentioned the cow/buffalo, goat and pig farming only because they are the main cattle for the farmer to their interest.

The data based during ten years from (2060-2069), so the status of loan in animal husbandry sector can be evaluated of the period of a decade. The findings from this long period were obviously weightier than other temporal observations. This study contained the tabulation of the data; simple figures accompanied by the descriptions that help the readers understand the matters easily.

The main aim of the study was to examine the demand tendency and efficiency and effectiveness of the loan in animal husbandry sector. It helps to evaluate if the rate of change in the number of farmers in animal husbandry, the outcome of profitability of this occupation, and the effectiveness or impact of this occupation in the life of the farmers. It was a short study but it found the answer to how does ADBN disburse the loan in animal husbandry sector, what is the rate of interest for loan in animal husbandry and other sector, how is the trend of loan disbursement of ADBN in the past ten years (2060-2069). So it is different from the other researches. The study is also helpful for the bank itself to forecast its investment for the future. It can help many other researchers to make a reference.

CHAPTER III

RESEARCH METHODOLOGY

The data were collected for theoretical research. This research consists of both the methodologies of qualitative and quantitative method. The data were collected by the self observation. This kind of method is used to assess knowledge, attitudes, behaviors, and opinions of people depending on the topic of the research. In this research, data and the information were gained from the staffs of the bank and the related people who were keeping the cattle as an economic source. The study was done by field visit so the data are accurate and valid.

3.1 Research Design

This research study was conducted by using different data collection tools to examine, explain, evaluate and analyze the soundness of loan disbursement system in animal husbandry of ADBN, Bagar, Pokhara. Data obtained from field visit were tabulated and analyzed in a simple descriptive way as a case study research design. The data were organized carefully into graphs and tables and only the required data are shown.

3.2 Sources of Data

Primary and secondary both type of data are included in this study. Primary data are collected from the field visit and secondary data are obtained from the following sources:

- Annual report of ADBN
- Prospectus and bulletins of ADBN
- Published dissertation, journal and related books
- Unpublished official records and reports of the banks
- Various websites
- Library study
- NRB reports and directives

Besides, some valuable information have been collected from personal interactions or formal and informal talks with managerial staff of ADBN.

3.3 Data Collection Procedure

This research was based on both primary and secondary data. Primary data were collected by field visit. Questionnaire was distributed to the sampled people who were engaged in animal husbandry taking loan from ADBN. From the unstructured interview with other members and staff of ADBN also obtained some information. Secondary data had collected from the branch office of ADBN, Bagar. And other related books, journals, various types of websites and library study also played a vital role in it.

3.4 Data Processing Procedure

Data processing is a vital part of presenting the information. The data are processed here using varied structures. Once the required information was collected, they were arranged in a certain order. The collected data were presented in fourth chapter. The data are tabulated first and then described. The data were analyzed with the help of pie chart and line graph. However, the responses or opinions collected from the field visits have not been given as they were but presented in a tabulation form. They were further discussed in a simple descriptive way without using complex models and theories.

3.5 Reliability and Validity of data

The required data loan had been collected from the primary resource and the other supporting details had been taken from different books and internet. Additionally, the questionnaires were given to the stake-holders involved in animal husbandry in and around the valley. After the collection the researcher simply tabulated those data by applying statistical procedure. The research work was conducted under the supervision and guidance of supervisor.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Geographical Area Covered by ADBN

ADBN has been providing loan in animal husbandry since B.S. 2040. Regional office in western region was emerged for the purpose of looking 6 districts of Gandaki and 4 districts of Dhaulagiri zones. Sub Branch office of Naudada and the rural Sub Branch of Jalpa Road, Pokhara were merged and made a new office as Branch Office Bagar. Programs of Bhalam, Nirmalpokhari, Lwanghai, Ghachok, Naudada, and Salyan were adjusted in Bagar Branch Office, Pokhara. Before B.S. 2066 Bagar branch used to invest in 30 V. D. C. of western part of Kaski districts including Ghandruk, Parkhe, Ghachok, Lahachok etc. but now it has invested more in Pokhara city and also the mentioned places.

The data had been collected from the branch office of ADBN, Bagar. For the primary data, Pokhara and around the valley had been selected. In the study area, most of the farmers of animal husbandry are dependent upon this occupation for the economic source. Most of them are keeping cow and buffalo because it is profitable than other cattle. Some other is rearing Pig and Goat too. Farmers keep the laborer too to run their business smoothly according to their firm size. Some do not keep the laborer if their family size is big as all of the family members are engaged in the business. Nepalese farmers are poor so they do not have enough property to invest more on it. For this, they have taken loan from the bank, financial institution and individual too. Some of them are using their own land too. In the return they are paying more than 10% interest rate to the bank which is very high. It is very hard to pay back the principle and interest as well in time. They must expense most of the income to their cattle like fodder, water, medical treatment, laborer, and other. But some are counting some money in monthly too which keep them in profit in some extent.

4.2 Interest Rate of ADBN

The bank had been providing loan mainly in agricultural sector. The interest rate was different in different sector. The lowest interest rate was charged 10.5% in

small farmer sector and highest was 15% in overdraft loan. Interest rate of ADBN in different sectors is given below:

Table 4.1: Interest Rate of ADBN in Different Sectors

S. N.	Topic	Interest Rate (%)
1.	Agriculture loan	12.0
2.	Agricultural industry	12.5
3.	Housing	12.5
4.	Energy (Hydropower, Biogas, Solar)	12.0
5.	Transportation/ Communication	12.5
6.	Metal Production	12.5
7.	Wholesale and Retail Trade	15.0
8.	Small Farmer	10.5
9.	Hotel, Motel, Tourism	13.0
10.	Gold, Silver	14.0
11.	Services(Hospital, College etc)	12.5
12.	Overdraft Loan	15.0

(Source: ADBN, 2070)

The data shows that the highest interest rate charges 15 % in wholesale and retail production and in overdraft loan. The lowest interest rate is 10% to 11% in small farmer sector. The bank charges 12.5 % in most of the small sector. In 2070, in agriculture loan the interest rate is 12 %.

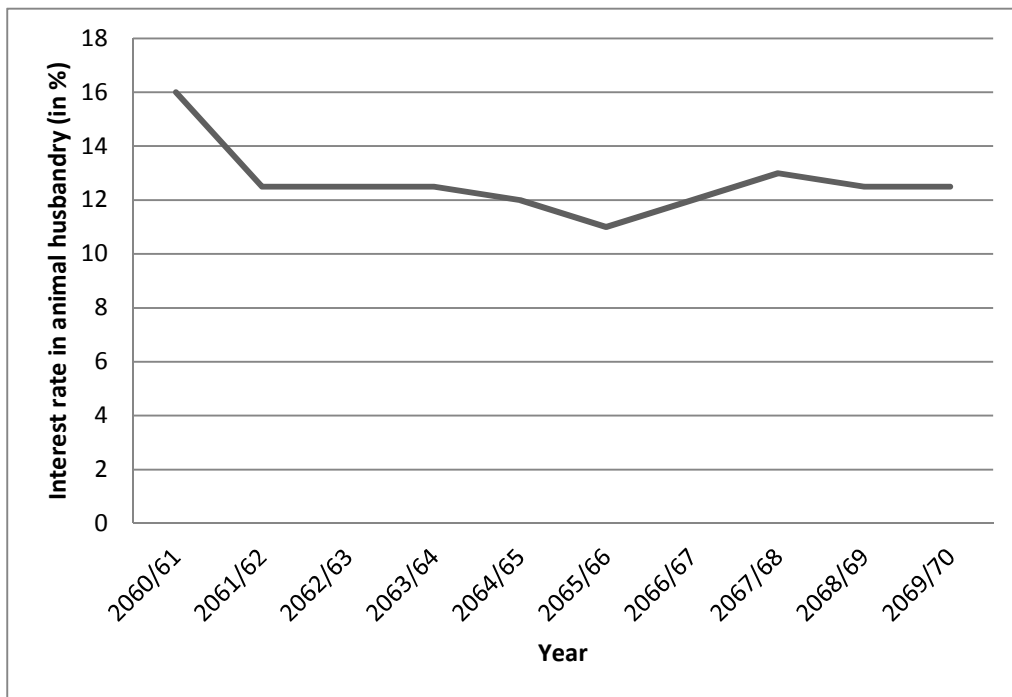
Table 4.2: Interest Rate of ADBN in Animal Husbandry during Ten Years (2060 - 2069)

S. N.	Year	Interest rate in animal husbandry (in %)
1	2060/61	16.0
2	2061/62	12.5
3	2062/63	12.5
4	2063/64	12.5
5	2064/65	12.0
6	2065/66	11.0
7	2066/67	12.0
8	2067/68	13.0
9	2068/69	12.5
10	2069/70	12.5

(Source: ADBN, 2070)

The table shows the rate of interest in loan for animal husbandry in an annual basis for the ten years from 2060/61 to 2069/70. There were some slight changes in the mid of the fiscal year in some years. The bank had charged the highest rate of interest i.e. 16% in 2060/61 and that dropped to 12.5% in the next year. The data shows that the lowest rate was taken in 2065/66 which was 11%.

Figure 4.1: Interest Rate of ADBN in Animal Husbandry during Ten Years (2060 – 2069)



There was a large gap in the rate of interest the bank wanted from the farmers. However, the next nine years after the beginning of the decade had seen almost same rate of interest on the loan.

4.3 Total Loan Disbursement of ADBN

The bank has been investing money as a loan in different sectors like agriculture, housing, energy, transportation, metal production, hotel, motel, tourism, gold, silver, wholesaler and retailer etc. This research was based on last ten years from (2060-2069).The research is mainly focused on animal husbandry so the related topics have been presented below with the help of data and figures.

Table 4.3: Total Loan Disbursement of ADBN, Bagar (2060- 2069)

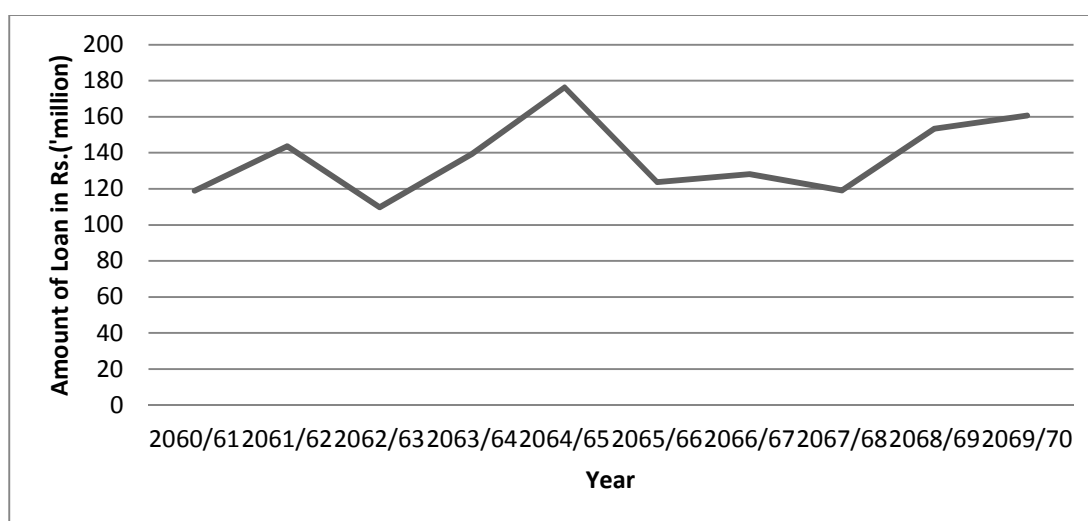
S. N.	Year	Amount in Rs.('million)	Percentage (%)
1	2060/61	119.01	8.67
2	2061/62	143.54	10.45
3	2062/63	109.74	7.99
4	2063/64	139.37	10.15
5	2064/65	176.35	12.84
6	2065/66	123.80	9.02
7	2066/67	128.17	9.33
8	2067/68	119.15	8.68
9	2068/69	153.31	11.17
10	2069/70	160.70	11.70

(Source: ADBN, 2070)

The table shows that in 2060/61 the total amount of loan in different sectors was Rs. 119.01 million. It includes all the topics that the bank is engaging in providing loan. In 2061/62 it reached Rs. 143.54 million which is about 250 lakh increments from the previous year. Surprisingly, the loan amount dropped in 2062/63 and reached Rs. 109.74 million which were only 7.99%. But again, it increased and reached Rs. 139.37 million. In 2064/65, the total loan amount reached the highest peak in the whole sixties which was Rs. 176.35 v. It was nearly 13% of during the ten year. The following year 2065/66, it decreased and reached Rs. 123.80 million and in 2066/67, it was slightly increased and reached Rs. 128.17 million. Again in 2067/68 the loan amount decreased and maintained by Rs. 119.15 million The next year 2068/69 it increased to Rs. 153.31 million. Again in 2069/70 it increased and reached Rs. 160.70 million which is 11.70%.

This shows the overall loan of all sector that the bank provides. To understand the status of agricultural loan of the bank easily the following figure has been drawn.

Figure 4.2: Total Loan Disbursement of ADBN, Bagar (2060- 2069)



The given line graph shows some fluctuations in the loan disbursement from the bank with a good peak up and tumbling down in early years. The loan disbursement amount fluctuated slightly with almost the same going down by about 5 crore. Hopefully, it climbed up the scale with about 3 crore increment in 2068/69 and again by about a crore the next year. It reached the record high in the the year 2064/65 which could not last even for a year. The sharp fall balanced for three years which soared gradually in the last two years. To conclude, the loan disbursement tendency seemed to have seen some ups and downs in the early sixties and reached the peak in the mid that fell down again afterwards. It shows the disturbed consistency in the lending pattern.

Table 4.4: Total Loan Disbursement of ADBN, Bagar in Animal Husbandry (2060-2069)

S. N.	Year	Loan Amount in Rs. ('million)	Growth Rate (in %)
1	2060/61	2.57	-
2	2061/62	8.09	214.8
3	2062/63	16.23	100.5
4	2063/64	15.62	-3.8
5	2064/65	12.96	-17.0
6	2065/66	7.74	-40.3
7	2066/67	9.82	26.9
8	2067/68	15.71	59.9
9	2068/69	14.16	-9.9
10	2069/70	15.90	12.3

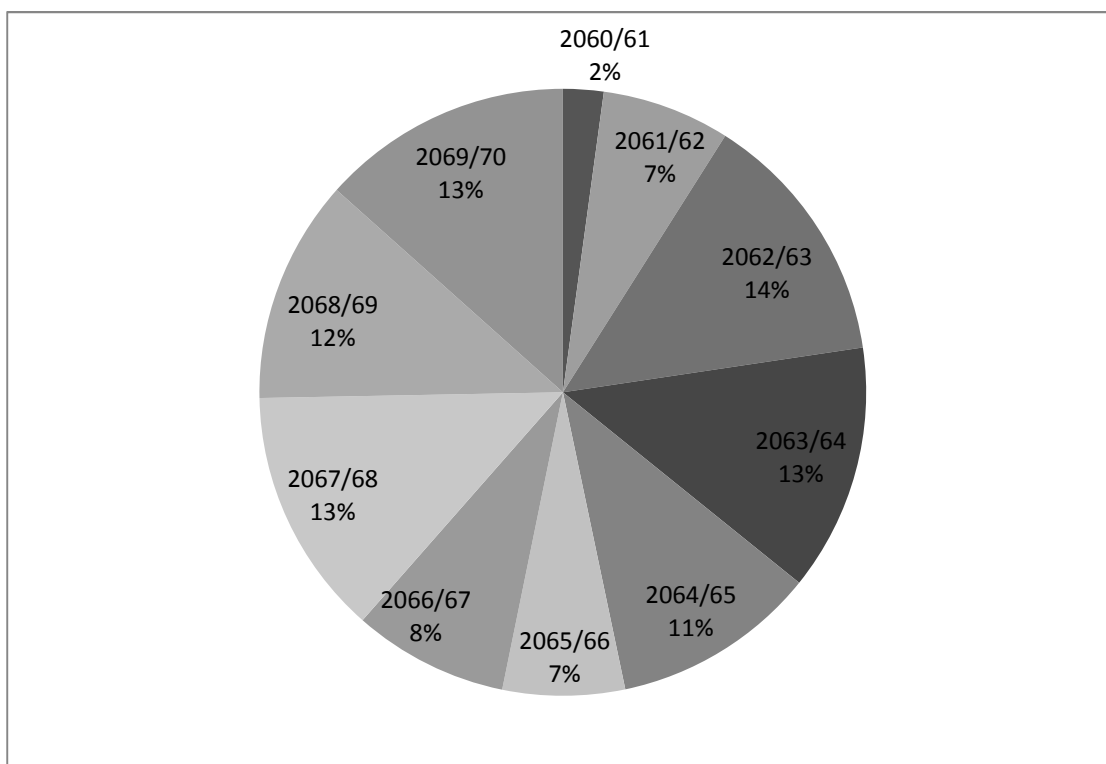
(Source: ADBN, 2070)

The data given by the bank, show that the first year of the decade i.e. 2060/61 had very low disbursal in loan. It indicated the bank seems the high rate as the reason behind the low demand. So, the next year, it made a big reduction in the rate. Hopefully, it increased the loan disbursal by almost 215% from the previous Rs. 2.57 million to 8.09 million. This policy worked for two more years but slowly it relaxed. It may be the cause of changing the political situation in the country, too. The political changes that occurred after 2063/64 left people uncertain about the career. The people were still waiting to see how the socio-economy of the country runs. They expected some more liberal policies from the government. People did not want to take the loans to be tied with a long time bond when they were not sure how the country moves. So, the uncertainty in politics can be the reason why there was low demand and thus disbursal in the loan from the bank in those years. This very low flow of the loan and the growth of saving in the bank pressurized the bank to reduce the interest rate again to attract the farmers in the animal husbandry. Coincided by the static condition of the politics, the decrease in the interest rate from 12% to 11% per annum in 2065/66 worked well in drawing more farmers to the bank for loan. It showed the increase in disbursal by about 27% in compared to the previous year in animal husbandry. However, the bank could not remain friendly with the farmers for longer, the very next year it again increased the interest rate by 1% and ahead to reach 13% in 2067/68. It was the worst part of the commercial banks as the farmers in the survey had also indicated. So, those who were already prepared to start this occupation might have dared to take the loan even in high interest rate which caused continuation in the increase in disbursal to almost 60%. But, it affected this tendency in 2068/69 showing the decrease in disbursal by about 10%. It again alerted the bank to be a bit relaxed in interest rate to bring that down to 12.5 % from 13% per annum in 2068/69. It obviously encouraged the farmers to line up for the loan again at the bank causing the increase of disbursal by 12.3% in 2069/70.

The analysis of the information showed that the rate of interest and the disbursal were inversely proportional to each other. In many cases, apart from the social changes, the bank seemed to have been conscious about the demand of the farmers in case of interest rate. However, as a commercial bank, whenever it had received a large number of customers or demand, the bank had increased its value but to step back again to decrease the rate.

The status of total loan disbursement in animal husbandry has been shown in the given figure.

Figure 4.3: Loan Disbursement of ADBN, Bagar in Animal Husbandry (2060-2069)



The given pie-chart presents the status of total loan disbursement of ADBN, Bagar under Animal Husbandry category in the sixties. The loan grew up by more than three folds from about 2% in 2060/61 to around 7% in the following year 2061/62. The disbursement doubled in 2062/63 that remained the same even next year which dropped by about 2% in 2064/65. In a sharp contrast, 2065/66 saw a sharp cut of about a half the previous year to come down to about 7%. This amount grew slightly next year by 1% with the increment of about 60 lakh in 2067/68. The loan was a slight fall by 1% in 2068/69 and increased by 1% in the year 2069/70. It was a relaxed status in the last two years of the decade.

4.4 Individually Loan Disbursement in Animal Husbandry

The data were collected only of selected animal. The major animals were cow, buffalo, pig and goat. The office had mentioned the loan in cow and buffalo in the same category.

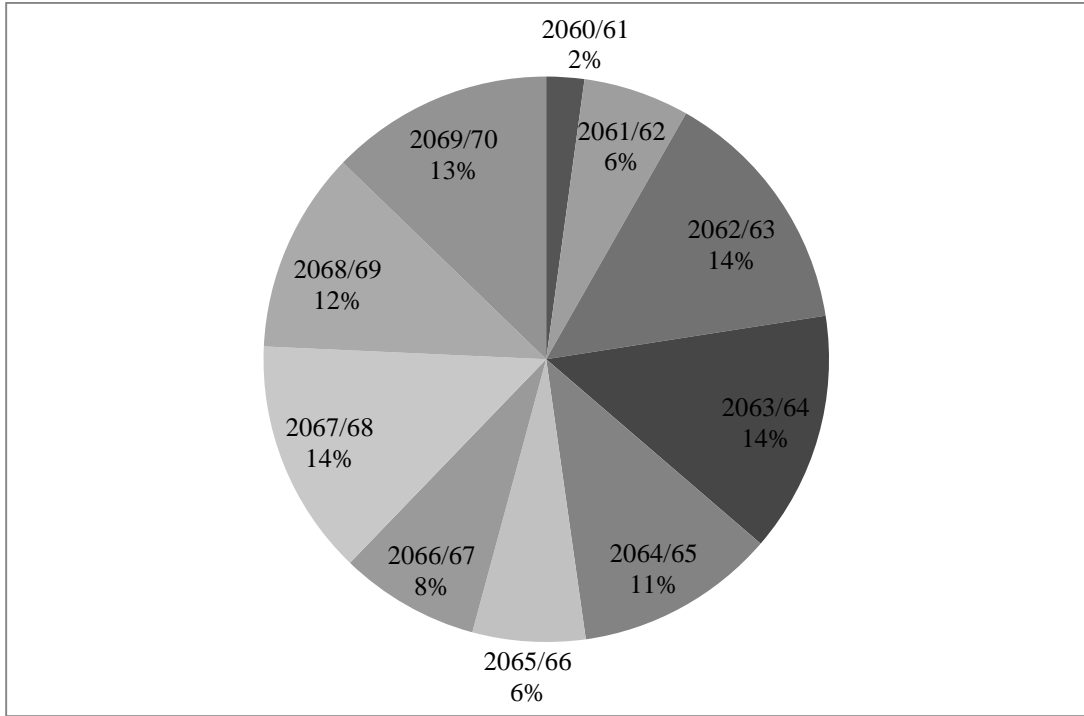
**Table 4.5: Loan Disbursement of ADBN, Bagar in Cow/Buffalo Farming
(2060- 2069)**

S. N.	Year	Amount in Rs.('million)
1	2060/61	2.40
2	2061/62	6.74
3	2062/63	15.87
4	2063/64	15.28
5	2064/65	12.72
6	2065/66	7.15
7	2066/67	8.87
8	2067/68	15.00
9	2068/69	12.78
10	2069/70	14.16

(Source: ADBN, 2070)

The table shows that loan disbursal pattern of ADBN, Bagar, Pokhara in cow/buffalo during 2060/61 to 2069/70. It says that the loan amount was Rs. 2.40 million in 2060/61. It was increased in 2061/62 and reached Rs. 6.74 million. In 2062/63 and 2063/64, the loan amount was almost same which were Rs. 15.87 million and 15.28 million respectively. With a slight decrease in 2064/65, it reached Rs. 12.72 million. In 2065/66, it got a sharp fall to Rs. 7.15 million. With a little increment, the loan amount increased to Rs. 8.87 million in 2066/67. In 2067/68, with a good growth of loan disbursal, it reached to Rs. 15.00 million. But it dropped to 12.78 million in 2068/6. Again, the loan disbursal record climbed up to Rs. 14.16 million in 2069/70.

**Figure 4.4: Loan Disbursement of ADBN, Bagar in Cow/Buffalo Farming
(2060- 2069)**



This pie-chart shows that the disbursement was not even throughout the decade. 2060/61 had the record low disbursement that is only 2%. In the year 2061/62 and 2065/66, the loan disbursement was same level of 6%. In the year 2062/63, 2063/64, and 2067/68, the loan amount was disbursed in same level of 14%. It was the highest percentage of the decade. There is almost 8% gap between these two data. Such a wide gap is hard to believe. This speaks of big increase in cow/buffalo farming in the bank's client areas. Except very low disbursements in the first two years and mid two years, the pattern seems almost at the same level in 2064/65, 2068/69 and in 2069/70 that is 11%, 12% and 13% respectively.

Table 4.6: Loan Disbursement of ADBN, Bagar in Pig Farming (2060- 2069)

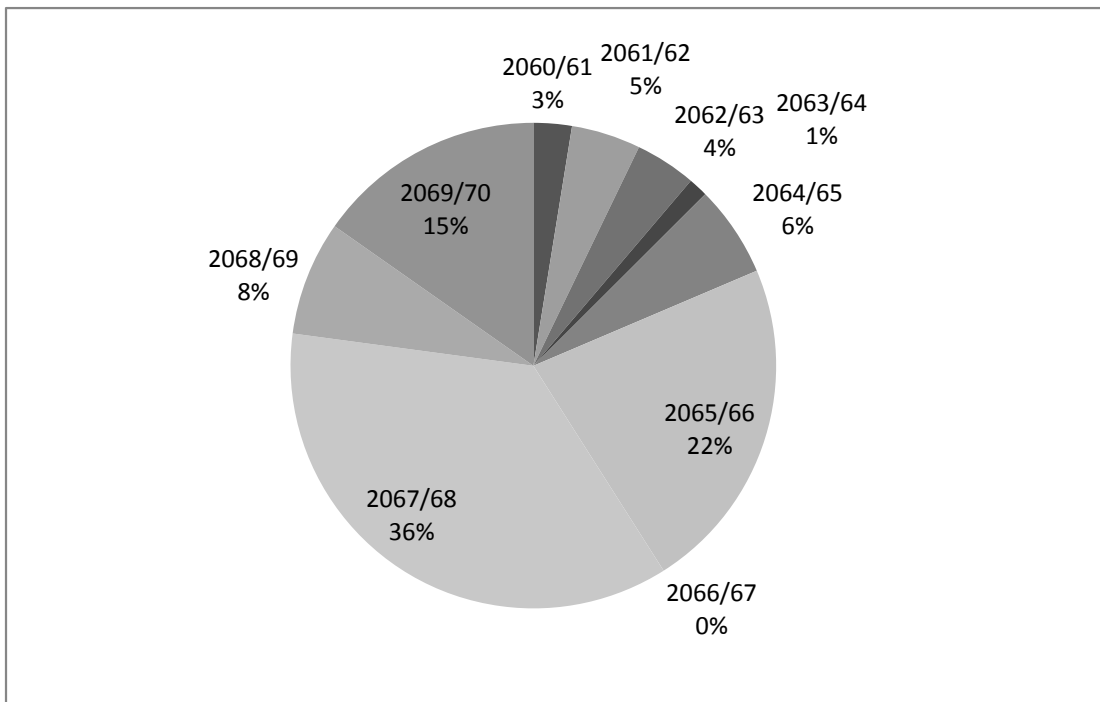
S. N.	Year	Amount in Rs. ('000)
1	2060/61	50
2	2061/62	91
3	2062/63	80
4	2063/64	25
5	2064/65	120
6	2065/66	440
7	2066/67	N/D
8	2067/68	710
9	2068/69	150
10	2069/70	300

N/D- Not Disbursed

(Source: ADBN, 2070)

The given table shows the loan disbursal by ADBN, Bagar, Pokhara for pig farming during 2060/61-2069/70. In most of the years, the loan disbursal is less than 1 lakh for pig farming. In 2060/61, the bank disbursed 50 thousand only. In 2061/62 it increased to 91 thousand. Next year it decreased and limited in 80 thousand. In 2063/64, it again decreased by about 55 thousand which is the least disbursal in the decade. After that it started to rise up for two year 2064/65 and 2065/66 and recorded 120 thousand and 440 thousand respectively. There is no record of the loan disbursal in pig farming in the year 2066/67 whereas 2067/68 had the highest disbursal that is 710 thousand. Again it started to drop up to two year 2068/69 and 2069/70 and reached 150 thousand and 300 thousand respectively. The following figure has been shown to make easier to understand.

Figure 4.5: Loan Disbursement of ADBN, Bagar in Pig Farming (2060- 2069)



The pie chart shows the loan disbursement in pig during the year 2060/61 to 2069/70. In the first year of this the loan was disbursed only 3%. In 2061/62 it increased to 4%. It was again increased and reached 5% in 2062/63. But in 2063/64 it dropped to 1%. That is the least amount of loan disbursement during the decade. It started to rise up from the year 2064/65. In this year it reached 6% and the next year 2065/66, it was 22%. But in 2066/67, there is no official record of loan disbursement in pig farming. In 2067/68 the amount was sharply increased and recorded 36%. That is the biggest amount of the decade. In 2068/69, the loan is highly decreased and limited to only 8% but in 2069/70 it recovered to 15%. In most of the years, the loan disbursement is less than 1 lakh for pig farming.

**Table 4.7: Total Loan Disbursement of ADBN, Bagar in Goat Farming
(2060- 2069)**

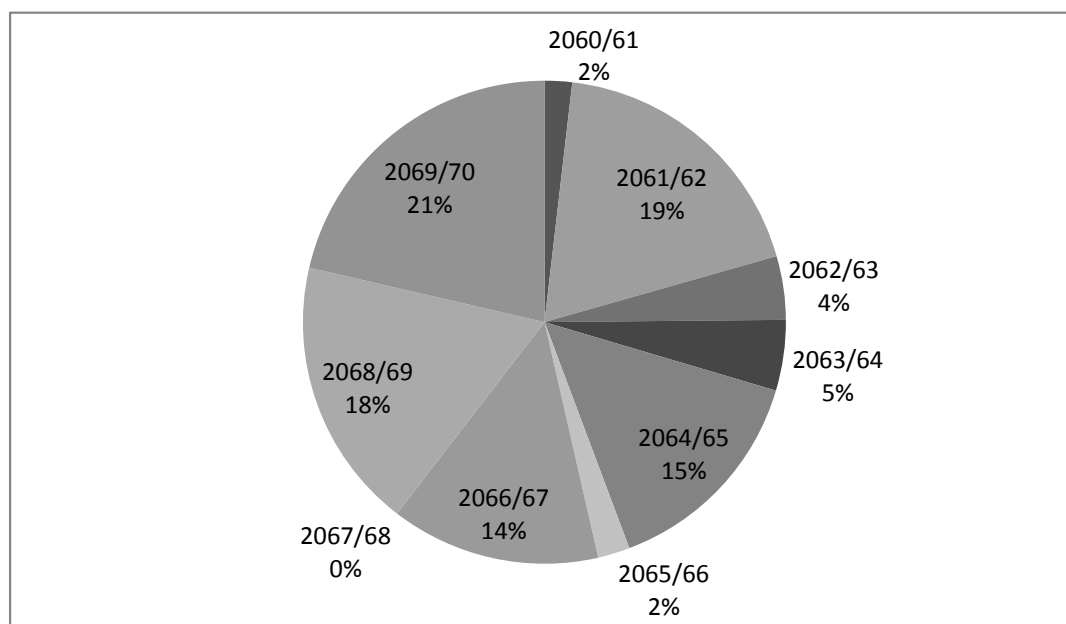
S. N.	Year	Amount in Rs.('000)
1	2060/61	125
2	2061/62	1269
3	2062/63	289
4	2063/64	320
5	2064/65	995
6	2065/66	145
7	2066/67	950
8	2067/68	N/D
9	2068/69	1230
10	2069/70	1448

N/D- Not Disbursed

(Source: ADBN, 2070)

This data shows that in 2060/61, the loan amount in goat farming is 125 thousand only. It is the least amount in the decade of 2060 to 2069. In 2061/62, it increased sharply and reached 1269 thousand. But in 2062/63 the loan amount decreased very sharply and maintained in 289 thousand. It increased slightly and reached 320 thousand in 2063/64. The loan amount reached 995 thousand by increasing in 2064/65. In 2065/66, again it fell to 145 thousand. It is the second least loan amount of the decade in goat farming. There is no official data of loan disbursement in 2067/68. In 2068/69 and in 2069/70 loan amount increased and reached 1230 thousand and 1448 thousand respectively.

Figure 4.6: Total Loan Disbursement of ADBN, Bagar in Goat Farming (2060- 2069)



The given pie chart presents the scenario of loan disbursement by ADBN, Bagar, Pokhara in goat farming. It has a limited data of a decade from 2060/61 to 2069/70. The first fiscal year 2060/61 of the decade made the least disbursal i.e. 125 thousand and the last 2069/70 made the biggest i.e. 14.48 lakh which was 2% and 21% accordingly. The loan disbursal tendency does not seem to be static in this decade. There are some sharp rises and falls. The second year 2061/62 saw a ten-fold rise in loan in goat farming from the first year, which is 19%. The year 2062/63 and 2063/64 have almost same amount of loan that is, 4% and 5% respectively. In 2064/65 it increased to 15%. It was sharply decreased in 2065/66 and limited to 2%. In 2066/67 with a good increment it met 14%. The year 2067/68 shows no any disbursal record in the official data. After then, the two year 2068/69 and 2069/70 with the slight increase got 18% and 21% respectively.

4.5 The Comparison of Loan Disbursement among the Animal Husbandry

The research presents the unequal tendency of demand in cow/buffalo, pig and goat farming. In a nutshell, the increase in the disbursal of loan is clearly seen in all in 10 years time. The cow/buffalo and pig made almost six-fold increment whereas that in goat is more than ten-times. In this comparison the years of absent data have been ignored.

Table 4.8: The Comparison of Loan Disbursement among the Cow/Buffalo, Pig and Goat Farming (2060-2069) Rs. in ('000)

S.N.	Year	Loan in Cow/Buffalo	Loan in Pig	Loan in Goat	Total
1	2060/61	2396 (93.19%)	50(1.94%)	125(4.86%)	2571
2	2061/62	6735 (83.20%)	91 (1.12%)	1269(16.00%)	8095
3	2062/63	15865 (97.72%)	80 (0.49%)	289(1.78%)	16234
4	2063/64	15277 (97.80%)	25 (0.16%)	320(2.05%)	15622
5	2064/65	12721 (98.15%)	120 (0.93%)	995(7.68%)	12961
6	2065/66	7154 (92.44%)	440 (5.69%)	145(1.87%)	7739
7	2066/67	8868 (90.32%)	N/D	950(9.68%)	9818
8	2067/68	14996 (95.48%)	710 (4.52%)	N/D	15706
9	2068/69	12776 (90.25%)	150 (1.06%)	1230(8.69%)	14156
10	2069/70	14156 (89.00%)	300 (1.89%)	1448(9.10%)	15904

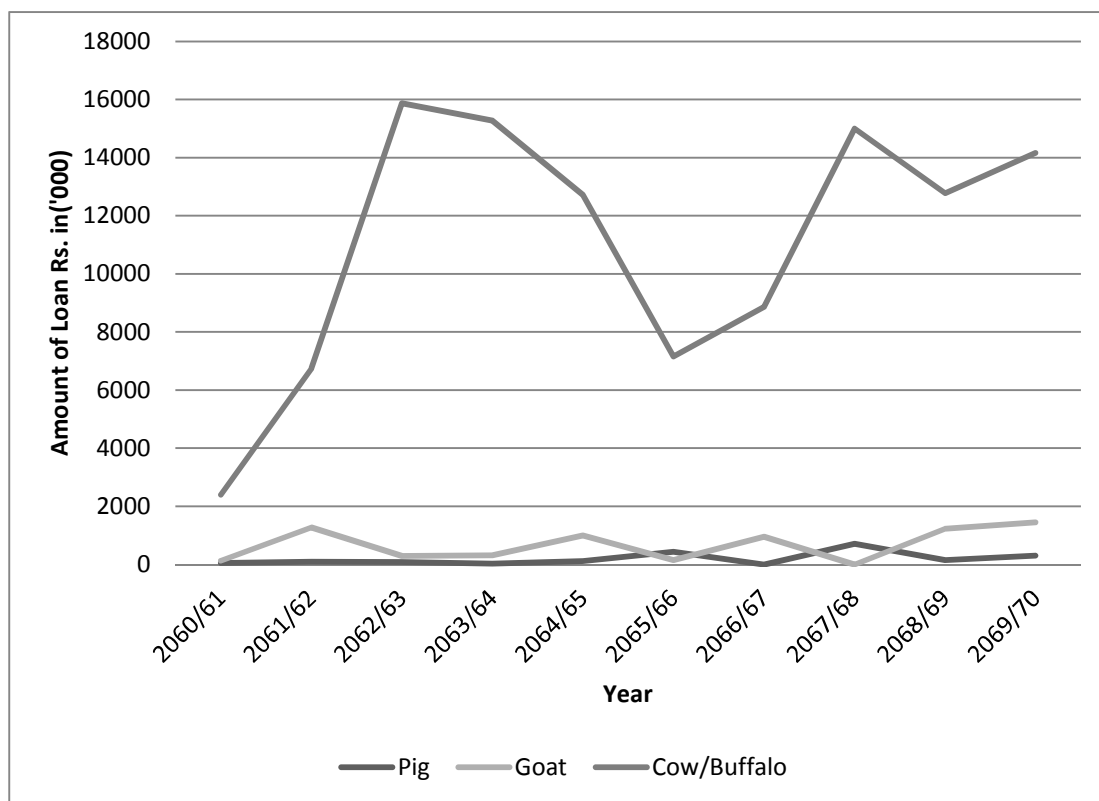
N/D- Not Disbursed

(Source: ADBN, 2070)

The data depicts that the loan for cow/buffalo stands at the biggest amount which is quite incompatible to the other two i.e. pig and goat. In the first year of the decade, the loan for cow/buffalo was around twelve-fold the sum of that for pig and goat. In 2060/61, the loan was about 2396 thousand but the other two took about 50 thousand and 125 thousand respectively. But in 2061/62 the disbursal increased by about ten-fold in goat but just around double in pig and about three-fold in cow/buffalo. Surprisingly, it was changed in the second year of the decade. The loan fell slightly in pig but sharply in goat as 25 thousand and 320 thousand accordingly, whereas it climbed up more than double in cow/buffalo in 2063/64 and reached 15277 thousand. The statistics shows that the disbursal has always been the highest for cow/buffalo but lowest for pig except in 2065/66 when the loan disbursal in pig was around three times more than that in goats. The table shows that though the disbursal fell back both in cow/buffalo and goat in 2065/66, it was increased in pig and met 440 thousand. The same kind of inconsistency is seen even in 2064/65 when the loan was increased by almost three-times in pig and goats, it dropped down in cow/buffalo. In

2062/63 it was quite opposite when the disbursal dropped in pig and goats, it went up in cow/buffalo.

Figure 4.7: The Comparison of Loan Disbursement among the Cow/Buffalo, Pig and Goat Farming (2060- 2069) Rs. in ('000)



In the above figure, the loan disbursement in animal husbandry is compared among cow/ buffalo, pig and goat farming. The loan disbursement in cow/ buffalo is going up sharply for two years in 2061/62 and 2062/63. But in goat farming and pig farming loan disbursement increased in 2061/62 and decreased in 2062/63. There is almost the fluctuation in loan disbursement in the decade. The highest loan amount of cow/buffalo was Rs. 15865 thousand in 2062/63 and lowest was Rs. 2396 thousand in the first year of the decade. The highest loan amount of pig was 710 thousand in 2067/68 and lowest was 25 thousand in 2063/64. The highest loan disbursement of goat was Rs. 1448 thousand in 2069/70 and lowest was 125 thousand in 2060/61.

4.6 Repayment Status of Loan and Interest in Animal Husbandry

Table 4.9 Repayment Status of Loan and Interest in Animal Husbandry
(2060-2069) (Amount in lakh)

S.N.	Year	Loan Disbursement	Principal Collection	Interest Collection
1	2060/61	25.71	24.69(96.03%)	5.48
2	2061/62	80.95	96.18(118.81%)	15.51
3	2062/63	162.34	189.27(116.59%)	27.27
4	2063/64	156.22	141.38(90.50%)	26.67
5	2064/65	129.61	130.94(101.03%)	24.39
6	2065/66	77.39	69.02(89.18%)	27.93
7	2066/67	98.29	169.97(172.93%)	36.30
8	2067/68	156.70	176.28(112.93%)	34.18
9	2068/69	141.06	132.68(94.06%)	37.56
10	2069/70	159.04	161.92(101.81%)	39.92

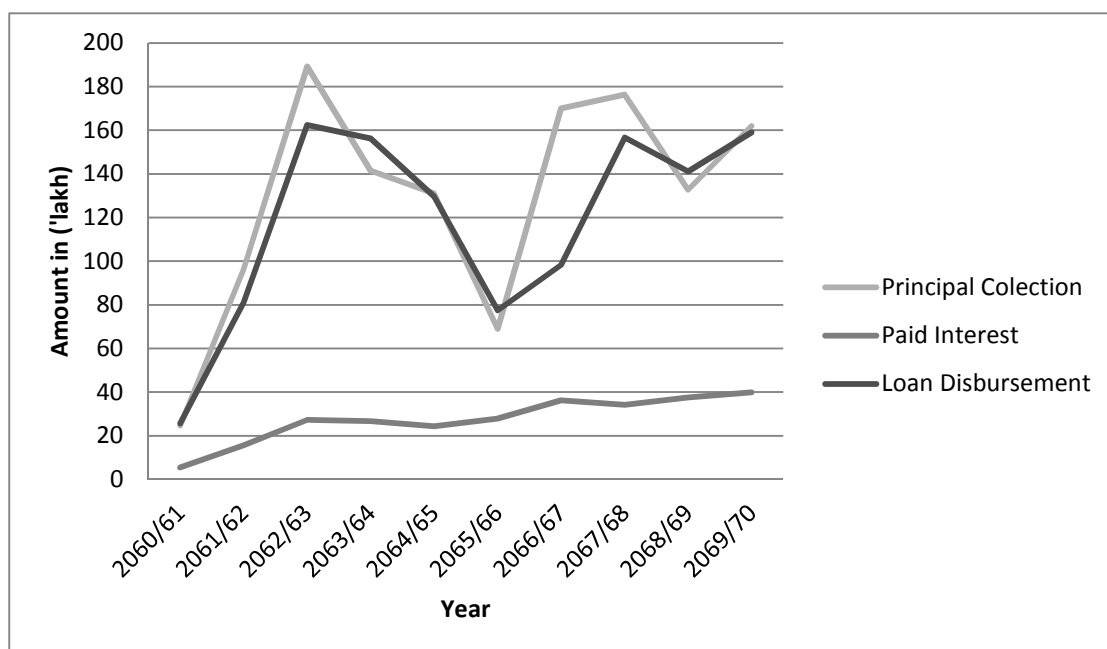
(Source: ADBN, 2070)

The given data show that the repayment status of the loan and the interest is not stable in ADBN, Bagar, Pokhara. In the fiscal year 2060/61 the bank showed its more flow to farmers than in collecting back. While checking the status of 2066/67, it can be found that the bank has made a big collection from many of the farmers whose repayments were at due. That year the bank collected Rs.71.68 lakh more than the disbursement under the repayment. Except for the first, fourth, sixth and the ninth, the bank has been able to get more repayment than the disbursement amount. The interest collection was the highest in the last year (2069/70) and the lowest in the first year (2060/61) of the decade.

In this data, the loan disbursement was the highest in 2062/63 with 162.34 lakh but the interest collection was much lower than in other fiscal years. Similarly, though the bank disbursed almost the same amount of money i.e. 156.22 lakh in

2063/64 and 156.70 in 2067/68, there was a huge gap in interest collection. The record shows that once the interest rate was brought down to the lowest ever point the farmers came up to pay at least the interest. So from that year it can be notice the collection of the interest going up. That year only 77.39 lakh was disbursed but the interest collection was 27.93 lakh which is much higher as compared to the past years. This encouraged the interest collection even the following year with an increment of 8.37lakh. So though the disbursement was not so high the interest collection kept growing when the bank lowered the interest rate.

**Figure 4.8 Repayment Status of Loan and Interest in Animal Husbandry
(2060-2069)**



The data may surprise the readers in the first look since the loan disbursement, principal and the interest do not go in balance. People generally expect that the principal collection and the disbursement must be balanced to show the progress of the bank. But it does not happen so since a farmer agrees to clear the loan in certain time not the same year the loan is taken. Next, the relation between the interest collection and the loan disbursement also looks unbelievable. Naturally, the interest collection must go high or low as per the loan disbursement. But, this is here disturbed largely because of the interest rate applied in that particular year and the farmers' response to paying interest.

4.7 Monthly Income and Saving Pattern of the Selected Households

The field survey was taken in 10 households. It was about 10% of total households taking loan from ADBN, Bagar in 2070. The monthly income and saving pattern is given below.

Table 4.10: Monthly Income Pattern of the farmer

S.N.	Income (Rs. in '000)	Number of Households
1	40-50	2
2	50-60	2
3	60-70	1
4	70-80	1
5	80-90	3
6	90-100	1
	Total	10

(Source: Field study, 2070)

The given data have been prepared through the survey of the farmers who have obtained the loan from ADBN, Bagar, Pokhara within the period of 2060/61 to 2069/70. It was taken through the questionnaires related to their occupation. It shows their monthly income pattern from animal husbandry. These farmers have been engaged in cow/buffalo, goat or pig farming in and around Pokhara valley. Among many, 10 households were taken as sampling to analyze the impact of animal husbandry in the lives of the farmers. The table shows that three household had the biggest income in all with 80-90 thousand a month, two households had very nominal income and one household says that it can earn more than ninety thousand a month from this occupation. Their monthly income seems very good. However, this income is not the total saving. Much of their income goes in buying the necessary stuffs, medicine, fodder, interest and loan-installment, rent, labourers and others. So, the total saving comes to the farmers only after they manage paying all the sectors of expenditure. The monthly saving of these farmers is presented below reducing the expenditure they have stated in the report during the interview.

Mean of Incomes

Income (Rs. in '000)	Households (f)	Mid value(m)	Fm
40-50	2	45	90
50-60	2	55	110
60-70	1	65	65
70-80	1	75	75
80-90	3	85	255
90-100	1	95	95
Total	n= 10	Total	∑fm = 690

Number of households (n) = 10

$$\begin{aligned} \text{Mean } (\bar{X}) &= \frac{\sum fm}{n} \\ &= \frac{690}{10} \\ &= 69 \text{ thousand} \end{aligned}$$

It shows that average income of the sampled farmers was 69 thousand per month which was in class interval of 60-70.

Table: 4.11: Monthly Saving Pattern of the Farmer

S. N.	Saving (Rs. in '000)	Number of Households
1	0 -10	2
2	10-20	2
3	20-30	2
4	30- 40	1
5	40-50	1
6	50-60	2
Total		10

(Source: Field study, 2070)

Most of these farmers have got very little saving (0-10 thousand) and some have got big (50-60 thousand). Many of the households were found to have made less than thirty thousand saving a month. Those who were with little saving have started their occupation with little investment. But the others who took big loans and had many cattle are saving a lot. When observed minutely, it was found that the farmers in Cow/Buffalo rearing had been able to save much as it went on giving the production regularly. Comparatively, the only household in pig farming said that the saving was pretty low.

Surely, the saving they had made from their occupation had helped them a lot in their life. This maintained many of the household expenses. They had been able to meet the education fees of their children. Many farmers said that they had increased the number of cattle every other year. The report shows that some farmers had added more animals in their groups. They had got a busy schedule and learned a lot about managing money. Even the illiterate family's members were getting something to engage in and some others were getting job, too. Other farmers who had kept workers for them had also earned social prestige. Some of these farmers had given loan to others and got good interest from it.

Mean of savings

S.N.	Saving (Rs. in '000)	Households(f)	Mid value(m)	Fm
1	0 -10	2	5	10
2	10-20	2	15	30
3	20-30	2	25	50
4	30- 40	1	35	35
5	40- 50	1	45	45
6	50-60	2	55	110
	Total	n= 10	Total	$\phi fm = 280$

Number of households (n) = 10

$$\begin{aligned}
 \text{Mean } (\bar{X}) &= \frac{\phi fm}{n} \\
 &= \frac{280}{10} \\
 &= 28 \text{ thousand}
 \end{aligned}$$

The data shows that the average saving of the sampled family was 28 thousand per month. It is in the class interval of 20-30 thousand. It was the part amount of total income excluding the expenditure in the animal farming.

4.8 Major Findings

The research discovered a number of facts about the animal husbandry and the loan disbursement by ADBN, Bagar, Pokhara. These findings have been numerated below:

-) The loan disbursement in animal husbandry is increasing in these days.
-) The lowest amount of loan was disbursed in 2060/61 which was 25.71 lakh. Similarly, the highest amount was disbursed in 2062/63 which was 162.34 lakh.
-) Among three categories (Cow/Buffalo, Goat and Pig Farming), the bank had disbursed the loan for cow/buffalo the most. Every year, more than 90% of the total loan under animal husbandry had gone for cow/buffalo. Comparatively, pig farming expected the least demand.
-) The interest rate of the bank was very high so some of the farmers tend to get the loan from other individuals.
-) The loan-taking procedure was difficult and often discourages the small struggling farmers because of its policy of taking the alternative source of income at the time of approval of loan.
-) The occupation changed the life of the people for better but the farmers were scared that this occupation turns to be risky too as there was no insurance.
-) The loan disbursement decreased when the interest rate was high and it increased the next year when the bank lowered the rate.
-) The bank studied the flow of the loan and increased the rate when it got good demand and decreased it when it realized that the farmers have stepped back from taking loan.
-) It is hard to find the labour force in this occupation. Many farmers said that most of the families members were busy in the household work and their study and hired labourers were not static in the works.

-) The interest rate on the animal husbandry had remained almost constant in the ten- year period after a sharp fall from 16% to 12.5% in the second year of the decade.
-) The bank had seen no any big growth like the second year (i.e. 214.8%) in the following years of the decade.
-) More families engaged with a few cattle giving them a little monthly saving.
-) The disbursal of loan was decreasing for pig-farming but it was increasing for cow/buffalo and goat farming in the later years of the decade.
-) Of the total loan disbursed, animal husbandry shares very low share of the loan from the bank. It was just 2% of the total in the first year and the biggest was in the second year i.e. 2062/63 which was just 14%. Among them, the amount was in cow/buffalo (97.72%), pig (0.49%) and goat (1.78%).
-) The total loan disbursement of the bank was not parallel to loan for animal husbandry. In the second year of the decade, the bank made a good amount of disbursal i.e. 143.54 lakh, but the animal husbandry got only 7% of the total. In sharp contrast, in 2062/63, the bank's disbursal dropped down to 109.74 lakh but it was the year, animal husbandry got the highest share of the decade (2060-2069) i.e. 14%.
-) The repayment trend might have been affected by the socio-economic condition of the farmers but the interest payment seems to directly move with the rate of interest.
-) The highest interest collection was 39.92 thousand in the last year (2069/70) and the lowest was 5.48 thousand in the first year (2060/61).
-) The highest principal collection was 189.27 in 2062/63 and lowest was 24.69 2060/61.
-) Average monthly income of the farmers was 69 thousand and average monthly saving was 28 thousand.

CHAPTER V

SUMMARY, CONCLUSION AND SUGGESTIONS

5.1 Summary

The research is based in the loan disbursement in animal husbandry with reference to ADBN Bagar. Basically, the study has five chapters. They are introduction, review of literature, research methodology, data presentation and analysis and the last chapter is summary, conclusion and suggestions. Each chapter contains its sub-chapters too to make the concept clearer. The first chapter is 'Introduction'. Statement of the problem, objective of the study, scope of the study, significance and limitation of the study and organization of the study are the sub topics of the first chapter. In this chapter, problem of the study, objectives, area covered, justification, limitations and organization of the study are presented. Review of the Literature is in the second chapter. It contains three sub topics like: theoretical review, review of the related studies and research gap. The theoretical research and the cited parts are included in this chapter. Third chapter is Research Methodology. It includes research design, sources of data, data processing procedure, reliability and validity of the data. The structure of research is shown in this chapter. The fourth chapter incorporates Data Presentation and Analysis. Primary and secondary data are kept in this chapter. Interest rate in different sectors, interest rate in animal husbandry during ten years, total loan disbursement of ADBN, total loan disbursement in animal husbandry, sector wise loan disbursement in animal husbandry and comparison among them are presented in this chapter. Data are tabulated first and then explained using pie chart and line graph. Major finding also is included in this chapter. The last chapter includes Summary, Conclusion and Suggestions. It contains the summary of the study, conclusion of the research and suggestions of the researcher.

The main objective of the study is to estimate the loan disbursement in ADBN in Bagar, Pokhara in the past 10 (from 2060- 2069) years, to find out the rate of growth of loan disbursement in Pokhara, to find out the interest rate in animal husbandry and other sector and to analyze the agricultural loan disbursement pattern of ADBN, Bagar, Pokhara in animal husbandry. This study based on both primary as well as secondary data. Primary data were collected through questionnaires with the farmers who are lending loan from ADBN, Bagar. The personal direct interview was

taken by the researcher herself. For this, 10 households were selected. The data shows that the average income of the selected farmers was found 69 thousand per month and average saving was the 28 thousand per month.

Secondary data were taken from ADBN Bagar. As the data shown, during the year (2060-2069), the highest total loan disbursement of ADBN, Bagar was Rs. 176.35 million in 2064/65 and the lowest was Rs. 109.74 million in 2062/63. The highest amount of loan disbursement in animal husbandry was Rs. 16.23 million (14.79% of total loan) in 2062/63 and lowest amount was Rs. 2.57 million (21.60% of total loan) in 2060/61. The highest growth rate of loan disbursement in animal husbandry was 214.8% in 2061/62. The average interest rate in animal husbandry during the study period was 13.5%. The highest interest collection by the ADBN, Bagar was 39.92 thousand in the last year (2069/70) and the lowest was 5.48 thousand in the first year (2060/61). The highest principal collection was 189.27 in 2062/63 and lowest was Rs. 24.69 thousand in 2060/61. The low interest rate was stimulating the farmers in paying the interest in time.

The study has been able to show that the demand for loan in cow/buffalo farming is a high profitability than Goat and Pig farming in Pokhara. Every year, more than 90% of the total loan under animal husbandry has gone for cow/buffalo. Comparatively, pig farming expects the least demand. The interest rate of the bank is very high so some of the farmers tend to get the loan from other individuals. Due to the difficulty in loan-taking procedure, it often discourages the small struggling farmers. The policy of taking the alternative source of income at the time of approval of loan is difficult process for the poor farmers. The occupation has changed the life of the people for better but the farmers are scared that this occupation turns to be risky too as there is no insurance.

5.2 Conclusion

Definitely, banks and other financial institutions can play a very important role in the economic progress of the country. For this, suitable financial and banking policy, tax policy, land reform and subsidies are necessary. ADBN, Bagar, Pokhara has been making significant contributions to the farmers through its lending operation, yet the services seemed to have reached only to a handful of people.

Since the bank has been promoting different agro-based industries for long, it has the variations in the amount of loan delivered too. The data show that it has disbursed the biggest amount of loan for cow/buffalo and the least has gone to pig farming. Definitely, besides being costly in its original price, cow/buffalo rearing needs much space, fodder and other veterinary expenditures, too. The demand for the loan under this category seems to be big because of numerous reasons. The interviews have shown that the market for the milk is in rise in recent days. Accessibility of the fodder in the locations whether from the locality or through import from other districts has also prompted cow/buffalo rearing. The products are very successfully consumed in the local areas. It is also environment friendly. The farmers can earn from anyway around like dung or urine or milk or the sale of buffalo for meat after when it turns sterile. Surely, the farmers feel some problems in this occupation. The goat-keepers feel the risk of the wild animals in times of grazing. The pig cause much bad smell in the locality and the neighbours hardly want it be started close-by so sometimes the renters need to pay big for the space. Additionally, it has a limited market. Despite all these challenges they need to earn to compensate their labour and the bank loan, too. Goat-rearing has some strong points behind its high loan disbursement. The research shows that the goats can be sold very easily and quickly within the local market so it cuts off the expenses and trouble in farming them to the city market. Similarly, the little fodder they demand can be managed from the forestry around the valley.

Compared to the first year of the fiscal year, the second year shows the increment in the loan for animal husbandry was (214.8%) that can be partly because of the decrement in the interest rate from 16.0% to 12.5% in that year. The low interest rate was stimulating the farmers in paying the interest in time. The repayment trend might have been affected by the socio-economic condition of the farmers but the payment interest seems to directly move with the interest rate. This decrease encouraged the farmers to run to the bank demanding the loan for their mission. It continued even the next year. But surprisingly, though the year 2065/66 shows the lowest rate of interest (11%), very small amount of loan seems to have been disbursed that year (123.8 million). So, it can be hardly find any concrete relationship between the status of the rate of interest and the disbursement of the loan, though it has been noticed as a key factor behind the changes in the trend in some years. A lot more

social issues can also be there that affect the farmers' loan disbursement, but these are out of the concern of this research.

Though animal husbandry is getting attention, the farmers are struggling with the common problem of the care-takers, unpredictable life of livestock and the troublesome bank loan procedure. They feel that if the cattle die they have nothing to compensate with for the loan obtained from the bank. Many farmers complained on the complex structures in the bank loan so they prefer going to some other private sectors rather than applying for the loan here. The condition of the bank-loan to show up the alternative source of income so as to guarantee the regular payment of the interest is a difficult part of obtaining the loan. The beginners feel discouraged by this tough condition in loan procedure. It shows that the bank policies have not been the farmer-friendly.

5.3 Suggestions

No doubt, there are also some liabilities of the banks that they must maintain for their standard and the progressive report. The condition on the loan is a must to establish an honest and successful farmer-bank relationship. Some of the suggestions for the promotion of animal husbandry are:

-) The bank must think of reducing the interest rate in animal husbandry. It is equal to the housing, transportation business, college, hospital, hotels and some others. It's what the farmers feels not a fair judgment to their occupation.
-) Animal husbandry suits the environment of the country and bears lots of possibilities. It also creates lots of job opportunities as well as offers healthy useful products that are connected directly to the life of the farmers.
-) The bank should rethink upon its policy of establishing collateral or alternative source of income in the loan procurement process. It discourages the beginners who are skilled energetic but lack the property. Instead, the cattle in the occupation can be kept as the collateral but regular observations can be done to make sure that no dishonesty occurs there. In their cases, an extra charge can be levied to meet the observation expenditure.
-) The bank must not increase the rate of interest just because it got a good flow of the farmers for the loan. It disturbs their plans and expectations. The data

show the increase in rate the next year when the disbursement grows up. If it needs to do so, the farmers had better get information some months prior to the increase. It makes them alert on balancing their expenditure and income, thus plan to meet the increased expenditure in future.

) The government had better allocate certain areas for animal husbandry where the farmers can have good access to the conditions or facilities for their occupation thus causing less harm to environment. If it can manage the industrial estate, it can act for the animal husbandry, too.

) The bank had better take initiation in insuring the cattle since due to the growth of the unpredictable diseases and the wild animals' attacks, the farmers feel that the return is risky. So they may feel a little relieved if such provisions are established.

) The disbursal in animal husbandry is very low, though it can do lots good for the overall development of the country. The bank must bring some promotional programmes especially in the rural areas that bear lots of space and fodder for the cattle and people are jobless. It will help in reducing our dependency for animal products on other countries and we can get something healthy in our own country. Additionally, it also helps addressing poverty alleviation.

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Appendix A

This questionnaire is prepared for the research in thesis in M.A. Economics. The title of the thesis is 'Loan Disbursement in Animal Husbandry with reference to ADBN, Bagar. The data will be use only for research purposes.

Name:

Station Address:

Type of Animal husbandry:

1. What is the major occupation of your family?
 - a. animal husbandry/agriculture
 - b. service
 - c. other
2. Are you running the business in your own location?
 - a. Yes
 - b. No
 - c. own plus in lease
3. How many members are engaged in your business?
 - a. less than 5
 - b. 5-10
 - c. above 10
4. Are there any employed laborers?
 - a. Yes
 - b. No

If yes, how many are there?

 - a. less than 5
 - b. 5-10
 - c. 10 plus
5. Is it your single investment or a joint adventure?
 - a. single
 - b. joint
6. Which animals are you rearing?
 - a. buffalo/ cow
 - b. pig
 - c. goat
 - d. others
7. When did you first start your occupation?
 - a. less than a year
 - b. 1-5 years
 - c. more than 5 years
8. With what budget did you start it first?
 - a. self- finance
 - b. bank loan
 - c. private loan
9. How much was the first investment?
 - a. less than 1 lakh
 - b. 1-5 lakh
 - c. more than 5 lakh

10. How many cattle did you start it with?
- a. less than 20 b. 20-40 c. 40 plus
11. How many cattle do you have now?
- a. less than 20 b. 20- 40 c. 40 plus
12. Have you received any loan for this occupation?
- a. Yes b. No
- If yes, when did you first take the loan?
- a. less than a year b. 1-5 years c. more than 5 years
13. What was the amount of first loan?
- a. less than 50 thousand b. 50 thousand -1 lakh c. more than 1 lakh
14. What rate of interest are you paying?
- a. 0-5% b. 5-10% c. more than 10%
15. How did you know about ADBN loan?
- a. friends b. advertisement c. local office
16. How is your target in paying back the ADBN loan?
- a. less than 5 years b. 5-8 years c. 8 plus years
17. How much is the monthly expenditure in your business?
- a. less than 50 thousand b. 50 thousand - 1 lakh c. more than 1 lakh
18. If possible please categorize your monthly expenditure in the following items:
- Fodder: Rs..... Laborer: Rs.....
- Medical treatment: Rs..... Others: Rs.....
19. How much can you save in a month?
- a. less than 10 thousand b. 10 thousand- 20 thousand
- c. more than 20 thousand
20. How do you manage the fodder?
- a. from own field b. from collection centers c. from leased field

21. Who are your major clients?

a. local people

b. shopkeepers

c. companies

22. Are you planning to get additional loan in near future?

a. yes

b. no

c. not decided yet

23. What is the major problem with the bank loan? Please write a few sentences.

.....