

CHAPTER- ONE

INTRODUCTION

1.1 Background

Agriculture predominate the economy of Nepal. This sector alone provides employment to 73.9 percent of the population, produce nearly 35.36 percent of gross domestic product (MOF,2014). It is reasonably certain that in the foreseeable future too, this sector will continue to occupy a position of major importance in the Nepalese economy. Hence, the first and foremost need for paving the way to economic development is to increase productivity in agriculture.

But the level of agriculture per unit of the land is so poor that most of the Nepalese farmers are not able to save anything out of their income and are perpetually in debt with the result that the condition of land cultivated by them stands hardly any change of improvement. Moreover, about 73.9 percent of the farmers hold less than one hector of land. Increasing majority of land holding with peasant households are turning into nonviable economic units because of the continuous pressure of rising population being exerted on agriculture. This result in relentless and growing build-up surplus labour in rural Nepal with little revenue of employment outside agriculture.

It is the fact that without increasing facilities for small farmer the agriculture development is not possible. Various programs have been made by the government of Nepal to reduce the problem faced by the agriculture sector. The main beneficiaries are rural infrastructure, credit expansion and other services provided by the government and nongovernment agencies. These facilities have largely been used by the rural elite these programmes remained unsuccessful to command people participants which are hallmark to make any program a success.

With the realization government has given attention to the "Target Group Approach" rather than "Equal Opportunity Approach" to reach small farmers. It is the fact that small famers represent vast majority of the population and their aggregate development can be considered country's development as a whole with realization the Small Farmer Development Programme (SFDP) was launched in our country.

The Small Farmer Development Programme (SFDP) has been a major poverty alleviation programme in Nepal implemented by the Agriculture Development Bank,

Nepal(ADB\N) since 1975. The main objective of the programme is to improve to socio-economic condition of the small and landless farmer including women and to reduce real poverty by providing them the basic input such as credit, technologies and training in group basic.(Acharya, 1993)

Positive impact of the program on improvement of socio economic status of rural poor led to expansion of the program all over the country. But as financial institution, the bank is more cautious about strengthening as well as making financial viability of the programme. Considering the fact, ADB\N has initiated the consolidation of SFDP in which some nonperforming and viableSub Project Offices (SPOs) were amalgamated in the neighbouring performingSPOs or branch\sub branch of ADB\N as a unit. This program currently operates 420 sub project offices(SPOs) in 75 districts of the country and small farmer families covering 644 VDC.(SFDB,2013)

It is estimated that 70 million people are below poverty line in Nepal (13th plan). However by the end of 2013\14, only 23 percent of the total people have been benefitted from the program. Consider the affectivity of the SFDP there has been a high demand for the program in rural areas. However, the ongoing strategy of delivering the service to the rural poor through SFDP involve high cost of expansion on one hand and time consuming on the other. Therefore, ADB\N felt a greater need of institutionalizing the program in order to provide services to the large number of rural poor in a time and cost effective manner.

Keeping this in mind, a five year field based action research Institutional Development Programme (IDP) was initiated in 1987 with the technical assistance of the German Technical Services (GTZ). The basic trust behind this approach is to implement the SFDP with the involvement of small farmers in such a way that they could ultimately be able to run the Sub Project Offices (SPOs) independently.

The Institutional Development Project (IDP) is a process where the activities undertaken by the SPOs will be handed over to the Executive body of the small farmers organization i.e. Small Farmer Co-operative Limited (SFCL). Such organizations play role of financial intermediaries between ADB\N and small farmers by taking whole-sale credit to the small famers (individual and the group) upon the recommendation of both groups and the inter groups and the inter-groups of SFCL.

SFDP is considered as one of the effective agricultural and rural development programs in delivering services to the rural poor by seeking their direct participation especially in the socio-economic development front. The existing strategy of SFDP, however, call for high cost of expansion and a prolong time in reaching the small farmer families. Another constraint has been the gross shortage of competent staff within ADB\N who could work effectively in the remote rural settings. This led to the realization of a need to conceive an Institutional Development Programme (IDP) aimed at evolving local self-help organizations of the poor which can take up retail delivery of services on their own. For this Institutional Development Programme experimentation a five year field base 'action research' project was designed FY 1987\88 by the joint effort ADB\N and DDP\GTZ which was implemented in a few SPOs in Dhading district . This followed a continuous process of training group over the operational responsibilities of SPOs.

The observation revealed that the SF-organizations evolve under the 'action research' scheme in Dhading district have become capable to manage the SPOs independently. Such organizations were then registered as Small Farmer Co-operative Limited (SFCL) to give legal entity. Thereafter, 4 of the 9 SPOs via, Chhtrdeurali, Dhuwakot, Bhumisthan and Maidi were handed over to the respective SF-organizations from the beginning of Shrawan 2050 (July 16,1993). The post management of SPOs after the handed over have been found to be satisfactory. Thus reinforcing the validity of the IDA concept. Encouraged from the outcome 77 SPOs have been handed over up to 1998\99. In the same movement SFDP pathariya has been handed over 2061 Baisakh.

Several studies have been made on the socio-economic impact of SFDP. But there is some questions arise after handover of SFDP. Has SFCL achieving the same economic impact that achieved by SFDP before? And, SFCL should be sustainable? Likewise, has SCFL increased the employment opportunity and income level of the rural poor? This research instead to find out the answer of the above question and also recommend some visible suggestion for better performance and to overcome problem facing by it.

1.2 Statement of the Problem

Agriculture has remained the main stay of Nepalese economy, But agriculture production is largely for subsistence. More than 74% farmers are small farmers. Because it is very difficult to finance on new technology enhancing production (CBS 2011)

Productivity of crops is not satisfactory in Nepal due to the implementation of old technology in agriculture. Hence the agriculture production is decreasing consequently the disparity between big and small has widened. It is not able that has emerged general agreement among policy makers and economist that in order to improve the socio-economics condition of the people. More attention should be given to small farmer group.

To improve the economy condition, income level should be increased through credit policy loan investment, collection, outstanding an delinquency of SFCL.

Realising this, government of Nepal has launched many programmes for small farmers. Among these SFDP is one of the important programmes. This study concern with the difference between the small farmers who are participated and not participated in SFDF and its impact in economy sector. It is also try to quest answer of the following question

-) What the impacts of small farmers development program in economy sector in the study are?
-) What is the condition of debt flow adopted small farmers development bank is study area?
-) What are the problems of small farmer who are engaged in SFDP?

1.3 Importance of the Study

There are various studies have been made on SFDP which one reflected in NRB and APRUSE reports. These studies cover a large area and the result is not specified to identify the problem faced by the specific area. But this study is mainly concerned with the VDC level, so the present study provides substantial data socio-economic condition of small farmers of Pathariya programmes are which may be used to measure the success of implication of the programme.

Until now, millions of rupees have been disbursed on small farmers even after have over of SFDP, so impact study is essential to measure its benefit and also to trace the way for measure for maximising the effectiveness of such programme. In order to do, this study will be clue for the measurement.

1.4 Objective of the Study

The specific objectives of the study are

-) To review of Small Farmer Development Bank and
-) The impact of Small Farmer Development Bank of study area farmer who involve or not involve in bank

1.5 Limitation of the Study

The present study is intended not only a throw light on various aspect of SFCL for small farmer of Pathariya VDC, but also to access the impact of programme on the rural poor in term of improvement in income and employment condition. These are some of the limitation of this study.

-) This study is confined only in on SFCL/ Pathariya.
-) This study has not taken net income only the account of gross income taken.
-) This study is only a sample and in general could have suffered from the short-coming of sample.

1.6 Chapter plan

There are five chapters in this thesis. In the first chapter there is introduction of the thesis and the researcher include background, statement of the problem, importance of the study, objective of the study and limitation of the study. There is review of literature in the second chapter where necessary literatures are reviewed. The most importance tools of research work is research methodology which is mentioned in chapter three. The researcher applies necessary tools and technique to get the objectives of the study. Data are collected by the researcher himself and interpreted them to meet goal of research work. Finally in the last chapter researcher find the problem of the study and summarize them and reach in the conclusion of the problem then recommend for the solution for the concern people.

CHAPTER-TWO

REVIEW OF LITERATURE

Most of the less developed countries are agriculture dominant countries, where majority of the population are small farmers. Therefore, the economics development of the countries depends on the progress and prosperity of small farmers, which in turns depends upon the investment of agriculture sector for increasing production to achieve rapid economic growth rate.

The problem of economic development is the problem of raising standard of living. The standard of living can't be raised unless the standard of living of large number of population is raised , Beside in modern world, it is the considered sufficient to raise average living level if the improvement goes to only few.(Mellor 1996)

Addressing Board of governess Mr. Robert S.McNamara, former president of the World Bank , highlighted the importance of small farmers and rural development by observing without rapid progress in small holder agriculture though the developing world there is little hope either of achieving long term stable economic growth or reducing the level of absolute poverty. (McNamara, 1975)

In 1974 the ASARRD conference, to recognize that, it was necessary to bring about suitable change in production structure since then. The small farmers developing ground have functioned exceeding well in both economic and social terms. Family income with substantial ground have been generated and prosperity utilized for both social economics needs of individual members, group production plans have been made , leading to the release by ADB/N of production credit loan repayment have been successfully launched democratically elected members to the government have promoted verities of social activities including literacy classes, community and notation, self reliance, release of initiative and desire to think and plan months and even year ahead instead of day by day as before.

Over-all of SFDP projects are reflected in "Evolution Reports of Approach which were conducted in Dhanusa and Nuwakot districts.

The evaluation study found that SFDF that has raised living standard of group members and helped to developed landless into small farmers and small farmers into big farmers. Member has been benefitted from improve literacy level, use of family

planning, training and high per capita income then non-member were less dependent on no agriculture income. The study also pointed that major problem of increasing borrowing (of ADB) by farmers accompanied by declining rates of repayment. The study also found that for self-reliance is far more gradual process than originally envisage and that is more difficult the project in term of success and failure.

Another evaluation study of SFDP had been carried out by Nepal Rastra Bank Agriculture Credit Division. The study finds that though a number of defects and problems have been perceived, most of the finding of the study were encouraging. The most encouraging achievement has been the rise in the income of the farmers. The annual average farm income of the farmers in the project area was found higher by 24 percent in compares with non-member famers.

The study also highlighted the fact that a better scope exist for increasing production and income of the farmers, provided access to institutional credit and other essential services.

The monitoring and evaluation unit of APROSE conducted next study entitled "monitoring and evaluation of SFDF in Nepal. A baseline study for four us projects area in Nepal, Gorkha, Dhankuta, Sarlahi and Jhapa district in requested of ADB/N IFAD and UNICEF. The study reflects ground of profitability of the proposed activities so that loan repayment schedule can be maintained. Among the economy activities it gave a great emphasis to crop production as 48% total loan was disbursed to livestock raising, there felt a need of qualitative livestock husbandry. One forth to two fourth of total household income were derived from non-farm source which focus on the developed of non-farm employment activities.

Acharya Dixit (1979) Agriculture development bank has established for the overall development of agriculture sector. For that farmers should get sufficient loan and capital in soft manner. The main objective of the bank is doing the agriculture task in modern way and increase the product and productivity by providing agricultural debt and capital should reach in rural area and improve income level with living standard. The various debt provided by the bank is production of food crops and cash crops. It should be refunding after harvasting the crops.

Nepal Rastra Bank (1982), in the evaluation of SFDP that who are involved in the small development group are far better who are not involve in SFDP.

According to the 11th annual report of Small Farmer Development Bank Limited. By the end of the 2012 October 318 co-operatives are involve in the network of this bank. Fourteen co-operatives are in 3 Himalayan districts, 103 co-operatives in 23 Mountain and 204 co-operatives in 20 Terai district included 2,55,204 small farmers family and providing them as a locally microfinance and other services. Last year in that period 254 number of co-operatives were involved in this organization and 2,04,430 family members were involved in the microfinance services .It is itself encouragable result to increase 25 percent beneficial family members in a year. By the end of the 2012 oct. the investment of the bank has reached 7.14 hundred million in different co-operatives. Among of them 4.47 hundred million are mobilized by the internal capital formation. By this fact it is clarified that self dependence and financial capacity of co-operative has developed. By the end of the 2012 July collecting rate of bank remained in 37 percent. It is easy to understand the risk and financial condition of bank.

Rajeshwar Acharya (1983) "Role of SFDP, a study of Dulari Project had pointed out some of the problems faced by small farmers.Lack of proper coordination among various committees, unavailability of hybrid seeds and fertilizer delay in getting loan higher rate of interest charged by ADB/N. The study had also indicate that the outlay of small farmers had been greater than their income.

Regarding impact of the credit disburse, a comprehensive study conduct by APROSE in December 1987 showed several positive changes brought by SFDP with the help of credit availed to small farmers. For instance, fairly encouraging changes were found in the use of improved farming methods cropped are under improved seed increased from 28% to 84% depending on the crop, use of fertilizer and other inputs had increased. Performance among SPOs varied greatly but in general, Terai farmers performed better than the hill farmers.

The study further concluded that farm income grew by 19.5 % during the project period or by 5.1% annually. During the same period, off-farm income increased by 68% and as a result household income increased by 30% or an annual increased of 8%.

Subedi (1984) "Nepal's small farmer development programme Dasdhikot, Bhaktapur; analytical study of small farmer development programme" in this title prepared for the thesis of master degree in Tribhuvan University. The small farmers group should

work effectively and actively. For the purpose of active group member should be 12/15 and they could work effectively and actively.

A study conducted by NEW ERA (1990) reveals that 164 out of 655 sample respondent, small farmer have carried out income generating activities such as livestock poultry, kitchen garden, horticulture cash crops and tea stall and they earned additional income per month with an average of Rs. 345 mainly from livestock, poultry, fruits and vegetables after participating in adult education programme.

In order to assess the impact of irrigation projects of SFDP. A case study of kumroj community irrigation project has signification increased from about 2.9mt to accordingly the gross income of sample small farmers has increased with 2 net margin of Rs 24 thousand.

The study also revealed that labour absorbed in unirrigated that labour in unirrigated farm was equivalent to 2825 man days and in those irrigated 4508 man days which was increased of 59% regarding to use of improvement seeds that technology, the study showed that out of cultivated 1089 ha ,647ha, was under improvement farming. Similarly, the cropping intensity increased from 203% to 278% with an increased of 75%.

A study conducted by Nepal Rastra Bank (NRB 1991) as per the impact of WDP revealed that with project support 65.2 percent of the sample respondents have undertaken fresh activities other than their own family occupation to generate additional income. Such percentage in hills and Terai were 75.6 percent and 48 percent respectively. It was generally observed that large number of women members in hills were engaged in some form of economics activities than Terai. The woman beneficiaries were mainly engaged in extra activities such as weaving, knitting, tailoring, poultry raising and shopkeeping. The overall income per women member from such extra activities was Rs. 2730.67. The same figure in the hills and Terai were Rs3353.08 and 1701.25 respectively (NRB 1991).

According to Sakya (2001) , in the survey of "small farmer development programme" on the topic of 'female participation for the agriculture Farmer Development Programme is given as political and national value. This programme has clarified that financial flourishment as well as member of group can take the more facilities and can

be able to increase their income. Hence, this programme should be necessary to sufficiently expand.

Pokheral and Sapkota(2002), on the survey of Nepal Rastra Bank and ADB shows about rural credit that nearly 39 percent of the rural area family are suffering from rural loan. Among of them 86 percent has taken loan from non-cooperative and only 14 percent has run their activities through cooperative on soft interest rate. Most of them used their credit on hand to mouth as unproductive. Therefore, for the development of the nation is to develop the rural area where most of the people situated socially and economically backward and exploited. It is only possible to escape through local broker by collective agriculture system and cooperative on agriculture providing cheap rate of interest.

Sakya (2002) In the title "Participation of women in small farmer development programme" in the study of International Funds of Agriculture Development (IFAD) small farmer development programme is the best model for South Asian rural development programme. Likewise, small farmer development programme is taken as political and national programme. It is clarifying that it has upgraded economic progress and provided more service and facilities as well as able to increase income level. Thus, this programme is necessary to enlarge yearly.

Subedi Ananda Prasad (2003) on the basis of available resources of Nepal, alleviation of poverty and for the strong economic development is on the basis of agriculture sector. Agriculture sector cannot ahead without utilized modern technology. As such to increase productivity per unit and competence of the productivity new technology is necessary. That is why, targeted by agriculture perspective plan integrated utilize of means of production and services can increase product and productivity of agriculture. For the professional agriculture the infrastructure of agriculture sector such as expansion of agro-technology and training, agriculture loan, market excess etc are guaranteed in package. It is necessary to sustain by refinery agriculture production and market system in feasible sector such as private sector, cooperative, NGO, and women participation in agriculture sector.

Lamichhane (2011) " impact of saving and credit co-operative of small farmer on economic and educational " is focus on four objectives. In this study quantitative and qualitative framework has utilized where primary and secondary source of data has

been used to collect the information. Questionnaire has used for primary source of data where secondary source of data newspaper and various reports about agriculture has used. In the conclusion of the study the farmer who is involved on SFDP are efficient and developed on the basis of socially, educationally and economically. It is concluded that it has increased awareness on people and besides for further betterment of the small member development bank on the process of credit flow and enhance income like as 13 suggestions have presented.

It is found that on the discussion of above literature, the small farmer development bank encourage to the local people to increase the income level and awareness to the general people of the rural area. The significance of the SFDB will decrease if the bank is unable to disburse the debt flow on being more aware, provide facilities and getting loan utilize in education sector which is not clarified by the before research and study. That is why; this study is concentrate in the debt flow of SFDB and in search of effect along with other prospective.

2.1 Historical Background of SFCL

In mid 1970, there were 550 million people, 75% of them in Asia, suffering from absolute poverty in the rural area of the world. This horrifying situation induced the planners to realise the fact that equity and social progress shouldn't be sacrificed to the details of economic efficiency that is the growth in GNP. It also urged for the search of an appropriate effective mechanism which could ensure the participation of small farmers in the development process through constructive group action.

During 1973-1976 FAO/UNDP regional project Asian survey of agrarian reform and rural development (ASARRD) undertook the problem and organized multi level, multi agency and multi disciplinary field workshop in 16 rural areas of 8 countries namely, Bangladesh, India, Indonesia, Korea, Nepal, Philippines, Sri lanka and Thailand.

The objectives of seminars were:

-) To purpose of adjustment in the ongoing programmes in specific area so as to benefit the small farmers.
-) To recommend the institutional structure and policies that would facilitate active involvement of small farmers in the development process.

-) To indicate special field action projects for small farmers development.
-) To explore the possibilities of future regional co-operation and action.

In Nepal, The workshop on "Development Support for Small Farmers" was organized during January 4-14-1974 under the joint auspices of Ministry of Food, Agriculture and Irrigation (MFAI), ministry of land reform, agriculture development bank and FAO/ASARRD. The primary objective of workshop was to identify and analyse the problems of small farmers and landless farmers and design programme to improve their well-being.

During this workshop a comprehensive list of essential elements was prepared. These elements for the field action were considered essential if the rural poor were to be helped in real sense. To test the validity of these 'essential element' eight field action project were initiated. Nepal shared two such project on at mahendranagar in sakhuwapanchayat(VDC) on Dhanusha district in terai and the second at Tupche, in Tupchepanchayat(VDC) of Nuwakot district in the hill. The former was established in September 1975 and the later in March 1976.

The agricultural development bank (ADB) was charged with the responsibility of executing both the project with an initial support from FAO/ASSARRD. The success of the projects preference led to the acceptance of the programmes both in the numbers of projects and the coverage of districts. Upton 1955/56, 422 spo(sub project office) of SFDP have been rendering service to 182507 small farmers including 38886 poor women members of 652 village development committee (VDC) in all the 75 district of the kingdom. As of mid July 1995 the total number of groups formed are 24738 and of which 5153 are formed female and 19585 are male groups.

The total disbursement, collection and outstanding loan more than at Rs 2991 million, Rs 1767 million and Rs 1208 million respectively and the saving amounts stands at Rs 557 million during that period.

2.2 Objectives of SFDP

The main object of SFDP is to improve the socio-economic condition of small farmers, the rural poor through provision of basic input eg. Credit technology, training and facilities related to social and community development. However the specific objectives are to:

-) Help small farmers to increase their productivity, production and income and thereby improving their quality of life by encouraging them to carry out other subsidiary activities which would directly benefit them.
-) Increase employment opportunities for small farmers by mobilizing their skills, resources and labour.
-) Enable small farmers to develop their own institution and formulate. Village level plans and programmes according to their choice and need and implement them accordingly.
-) Build up feelings of social solidarity and trust among group members to rise their voice for different services by different socio-economic programmes like health and sanitation, nutrition, education, water supply, family planning etc.

Initially the land criterion was adopted to identify small farmers. A family having 20 ropani (one hector) in hills or 4 bigha (2.6 hector) in terai was considered as small farmer family. This was change later to include a family with 0.7 hector or less of irrigated land or 1 hector or less of unirrigated land in hills or 1.3 hector or less 2 bigha of irrigated land and 2.6 hector or less of unirrigated land in terai as small farmers. It was, however, found that the land criterion was not suitable as it could be affected by family size, intensity of land use, management of enterprises and tactical act of land holders etc. Therefore this criterion was replaced by the income criterion according to which a small farmer is identified based on income he/she earns. A farmer (family) with a per annum per capita income equal to or less than and 721 is consider as small farmers. This ceiling is based on 2014 based on constant price. Now, a small farmer is defined as follows.

A small farmer is one who depends on the profession of agriculture and cottage industries at village level, whose land holding is small, who is tenant, fisherman, landless labour engage in rural industries and other skill labours whose annual per capita income doesn't exceed Rs 19262 and own less than 0.19 hector of cultivated land (per family).

ADB/N highlights on SFDP in Nepal 2014 ADB/small farmer development division Kathmandu.

2.3 Main Features of SFDP

Group Formation and Income Bracket

This is the fundamental characteristic of SFDP. The program underscores the fact that an individual small farmer is economically and socially weak (called Ultra poor) thus dominated by the better off. So this programme aims at providing group professionally to each above mentioned individual and help them to seek benefits from the development programmes by seeking their participation in economic as well as social programmes. Generally, the group thus formed comprise 5-10 member small farmers who have similar type of problem, interest, economic status and live in same village.

Planning from Below

Various studies have indicated that the ' top down ' approach of planning process in Nepal has been unable to take care of the aspiration and felt the need of rural poor. These types' programmes suffered from an inactive implementation process while resulted in ineffective delivery of services and facilities to the poor. Realizing this fact 'planning from below' is harped on in SFDP to enable small farmers make their own plan based on their own needs.

Provision of Credit

Provision of credit facilities for undertaking income generating activities on a group guarantee basis. They need not show their security.

Group Dynamics

For galvanizing the process of group dynamics and the providing of credit act as the entry points to sensitize small farmer on various issue.

Staffing

The Sub-project Office (SPOs) is managed by a group organizer (GO), supported by 2-4 staffs depending on the population coverage and volume of business. Women Group Organizers (WGOs) are also assigned to those potential sites to initiate women focused credit, social and community development activities.

Integration of the Programme and line Agencies

Using the group mobilization mechanism, the GO and WGO fascinates the integration of credit and social\ community development services from the line agencies at the group and community level.

Women's Participation

Increase the participation of women from low income family in the programme at least 25 percent.

2.4 Functional Bodies and Co-ordination Mechanism

For co-ordination the activities of AFDP, mainly a two tier co-ordination structure has been setup at the central level and district level.

Central Co-ordination committee (CCC)

CCC consists of representatives from different ministries and departments of government and headed by the secretary of ministry of agriculture. The GM of ADB\N is the member secretary of the committee. The function of the committee are

-) To formulate basic policies and guidelines for SFDP
-) To provide instruction to SPIC
-) To evaluate the program at the central level ; and
-) To evaluate the program periodically

Sub-project Implementation Committee (SPIC)

SPIC comprises of member from various line agencies at the district level and headed by the chief district officer and co-ordinate by the ADB\N district office. The function of committee are:

-) To formulate programs for SFDP at project level
-) To co-ordinate, inspect and supervise the program at project as well as district level and
-) To evaluate them

2.5 Operational Methodology of SFDP

Identification of Project Area\ Site Inspection

In the district where SFDP is to be launched an area survey is conducted in the VDC where majority of small farmer lived. Based on survey the SPIC identifies the VDC where SFDP needed.

Appointment and Training of Group Organizers(GOs)

Human input is critical and intensive for the success of this programme. This lacuna is fulfilled by posting a well train group organizer in each SPOs site as a central figure of the programme acts as a catalytic change agent. Thus, a group organizer is appointed and trained him intensively for some period and send him\her to the area. He\she conducts pre-household survey which gives detail information on the status of the household and identifies the small farmer.

Group Formation

At the grass-root level, the small farmers are organized into group consists 5-10 members generally having similar occupation and ethnic nature.

Identification of Programme

The organized small farmers group identify, plan and implementation its components with regard to the socio-economic activities.

Major Activities launched under SFDP

1) Economics Activities

2) Soil and community Development Activities

As mentioned above, credit is the primary component for the productivity improvement of small farmers. However, together with credit other social and community activities also essential. Because the economic and social activities are such that they become mutually supportive and reinforcing. So, in addition to credit, SFDP includes social and community development activities viz. adult education, family planning, drinking water, sanitation, irrigation, community forestry etc.

3) Marketing Arrangement

Various types of marketing arrangement have been made. These differ from one SPO area to another depending on the geographical situation. For example:

Marketing loan has been disbursed to SFs to purchase farm product from other SFs and sell it in the market situated in different places.

Group marketing has been carried out in which the small farmer collect the product from the fellow small farmers and sell them in the distant place turn wise.

Milk has been sold through milk collection centres established in potential area by the Dairy Development Co-operative at the request of SFDP\ADB\N.

4) Creation of Productive Asset

Irrigation Development Programme its imperative to increase agriculture productivity and protect small farmers from the vagarious of monsoon. In accordance with this SFDP has been emphasizing the construction of irrigation schemes since the beginning.

SFDP provided community organization and technical support services for the purpose. As of 2013\14 over 21 percent of the total cultivated land was irrigated which benefited lose of 16,000 small farmer families, Technological options utilized for the purpose include row pump, shallow tube-well and sprinkles.

5) Training Programmes

Although training doesnot show direct return. It is essential to increase the efficiency and productivity of small farmers in term of production and income by enhancing their knowledge and skills. Crops production, horticulture, adult education, cottage and small industry, irrigation management, environment and women development programme are the main component of the training imparted to the small farmers.

6) Group Saving

Group saving provisions is one of the fundamental characteristic of SFDP. The main purpose of group saving is to enable small farmers to manage some emergencies such as death, illness etc. Out of the funds, they established on their own. Sometimes small farmers use this fund ceremonial purpose. Eg marriage and also food consumption when they have scarcity of food. Significant advantage of the group saving is to

prevent small farmers from taking credit from the private money lender who generally charged high interest rate. For group saving certain amount of fund is deposited by each group members once a month as per group decision.

7. Livestock Insurance

Livestock Insurances scheme has been implemented in some potential SPDs. The basic features of the scheme is its management through members of farmer, own association. Para veterinary personal have been developed from among the farmers themselves so that the reliance would be as curtained at any amount.

The important feature of the scheme the scheme in self insurance by livestock owner. It is entirely voluntary. As for the premium, it is being replenished by 50% matching fund by ADB/N using Nepal govt'ssubsidy so that the farmers be assured of the commitments from government agencies.

8. Environment Conservation

Realising the adverse effect in agriculture productivity due to the soil erosion, environment conservation programmes have been undertaken since 1990. Presently, This programme has been executed in 35 SPDs, which is envisaged to be expanded further in future. Under this programme a series of activities such orientation, promoter training, skill enhancement training, forest nursery and plantation, river training, low cost electrification etc. are carried out in the project site. Major purpose behind conducting these activities is to create awareness among the villagers regarding environment issues.

9. Women Development Programme

Women Development Programme (WDP) was initiated in 1982 under SFDP. With the aim of providing basic services activities to women. Women Group Organizers (WGOs) assigned to different SPOs remain as the responsible to look after such activities. As of mid 2013/14 a total numbers 88000 women number benefited from such scheme and they were given credit totalling Rs 550 million to undertake different farm and non-farm income raising and employment activities, of which Rs 360 million have been repaid back. Besides women were also imparted various types of training and provided opportunities for inter project observation visits. This programme has been operation in all SPOs.

10. The Institutional Development

2.6 Stage of SFDP Implementation

The first seventeen years of SFDP operation beginning 1975 can be broadly classified into following three stages.

Experimental Phase

This phase, which lasted from 1975 to 1980 was characterized by an 'action research process' of learning and refining implementation modalities on various aspect of SFDP operation. Experiments were also made on same community level programs like community forestry, drinking water and settlement of landless households. The need to form separate women groups was also realized during this phase. This phase culminated with the compilation of codified operation manual relating to the formation and functioning the groups.

Expansion Phase

The expansion phase was prompted by the discovery of the generally replicable nature of the programme coupled by an infusion of loan support from international fund for agriculture development (IFAD) in this phase starting from 1981, both the activities and area coverage were largely expanded. Community irrigation schemes were initiated in many SPOs. Adult literacy, population education, women and child welfare programs were lunched. The diners of IRD programs came forward to support SFDP in their respective jurisdictions. The government declare SFDP as the principal national programme of poverty alleviation. Second round of multilateral loan was also negotiated with IFAD to finance the expansion. At least one SPO in all seventy five district of the country was instituted. By 1988 the expansion became so unruly that a pause and look back was deemed necessary. This brought an end to the phase of rapid expansion.

Consodolation Phase

ADB/N implementation capability was found to be overstretched to uphold the strains arising from too fast and expansion of the office and small farmer groups in the rural areas. The controlling and interaction started becoming unmanageable. Undue pressure for programme expansion needed to be resisted. Due to inadequate supervision, loan default rate and the number of passive small farmers groups marked

a sharp increase. Therefore, the consolidation phase began in 1989 with the following measures taken.

-) Amendments in operational procedures.
-) Over howling of controlling and organizational management.
-) Integration of SFDP credit operation with the regular credit programmes.
-) Rationalization of cost, staffing and striking a balance between the social and economic activities
-) Institutionalization of the small farmers organization

Since the programme was labelled to have served only the boarder line poor an arrangement was also made to include at least one-third member who are ultra poor at one-fourth of the members were required to be women.

For the first time, supervision function was entrusted to the district office of ADB/N with SFDP division assuming only policy related responsibilities. A loan operational manual was prepared and executed defining precise financing limits and control mechanism. Area graduation in the form of institutional development progress were initiated to handover the management of SPDs by the federation of farmers organizations.

SFDP is consider as one of the effective agricultural development programmes in delivering services to the rural poor by seeking their direct participation especially in the economics development front. The existing strategies of SFDP, however call for high cost of expansion and a prolonged time in reaching the SF families. Another constraint has been the grass shortage of competent staff with in ADB/N who could work effectively in the remote rural setting. This lead to the realization of a need to conceive an institutional development programme aimed at evolving local self-help organization of the poor which can take up retail delivery of service on their own. For this, institutional development programme experimentation, a five year field based "action research project was designed in 1987/88 by the join effort of ADB/N and DDP/GTZ which was implemented in a few SPOs in Dhading district. This followed a continuous process of training group leaders, promoters and youth workers commensurate with the objective of handing over the operational responsibilities of SPOs.

The observation revealed that the SF organization evolve under the " action research" scheme in Dhading district have become capable to manage the SPOs independently. Such organization were then registered as small farmers co-operative limited (SFCL) to give legal entity. Therefore, 4 of 19 SPOs viz. Bhumisthan, chhatredeurali, dhuwakot and maidi were handed over to the respective SF-organization from the beginning of shrawan 2050(July 16, 1993). The post management of these SPOs after the handover have been found to be satisfactory thus reinforcing the validity of the IDP concept. Encouraged from the outcome most of the SPOs have been handover up to 2004/05. In the same movement SFDPPathariya has been handedover in Baisakh 2061 B.S.

2.7 Implementation procedure of SFCL

In order to develop the infrastructure for the institutional development of the self-help SF organization, mainly following process are considered to be followed.

-) Develop promoters from within the SF group members and mobilized them to motivate SF groups for creation and development of ward level SF organization.
-) Select and employ youth workers and women group organization from among the SF group members or their immediate relatives who are educate and more informed.
-) Implement social and community development programme through the participation of SF families with the minimum support to their related agencies.
-) Provide credit to SF individual members or group through VDC level SF organization to undertake various income generating activities.
-) Register SF organization with the relative government department and
-) Finally handover the management of SPOs to the respective SF organization.

2.8 Objectives of SFCL

The major objectives of the programmes are

-) To develop local level small farmers organization
-) To enhance the financial and managerial capability of grass root organizations through imparting knowledge and skills.
-) To give legal status to those organization in order to established long term relation between ADB/N and the small farmers and also develop SFCL as an autonomous and self reliant organization.
-) To empower small and poor through those organizations.
-) To create confidence among the small farmers about saving collection and mobilize rural saving.

CHAPTER- THREE

RESEARCH METHODOLOGY

In this topic, there is a discussion about the process of the study during the research period. In this study there is description about source of statistics, research design, procedure of sampling and census, tools of data collection, process of validity and determination, data collection and process of analysis.

3.1 Research Design

To complete the study, there has used descriptive and quantitative design. Most of the data are described originally so that descriptive design has applied here. For the analysis of primary and secondary data table, pie-chart, bar diagram, graph etcetera are used.

3.1.1 Sources of Data

Both of the sources primary and secondary are used to collect the data in this study

3.1.2 Source of primary data

The source of primary data is the respondents of this study area. This study area is belongs to PathariyaVDC at Jhapa. The source of primary data is co-ordinator of SFDP and the numbers of farmers involve and not involve in the bank.

3.1.3 Source of Secondary Data

To make the research work in study area effective, data are collected related to the SFDP as they are ministry of agriculture and cooperative, central office of the agriculture bank, central beauro of statistics, office of VDC,Pathariya; Pathariya Agriculture Development Bank which are published or no published.

3.1.4 Population

In this study, total population has taken from the ward no 3 and 7 among the 9 wards of the Pathariya VDC of Jhapa who are involve and not involve in the SFDP. There are 117 households in ward no 3 and 221 household in ward no 7. Among of them, 185 households are involved in the bank and 153 households are not involve in the bank are selected through census method. Which is shown in below table:

Table no 3.1

Description of Ward wise Population and Family House

Ward no	Total population	Family house	Male	Female
1	1541	350	791	750
2	682	130	344	338
3	629	117	313	316
4	1633	284	853	780
5	780	420	403	377
6	457	91	253	204
7	1148	221	628	520
8	2931	579	1512	1419
9	1021	197	513	508
Total	10822	2389	5610	5212

Source: Office of the VDC Pathariya, Jhapa

3.1.5 Sampling

Due to the lack of the time, money and manpower to the researcher certain area and population are taken as sample. Researcher has used purposive sampling method who are involve and not involve in the bank of Pathariya VDC.

1. In the study Pathariya VDC of Jhapa district has been selected through the purposive sampling method.
2. The Small Farmer Development Bank situated in Pathariya VDC has been selected through purposive sampling method in my study because there is no other research work would have done before.
3. The managing director of Small Farmer Development Bank of PathariyaVDC has been selected in my study through purposive sampling method.

3.1.6 Tools of Data Collection

For the purpose of research, different tools have used to collect the necessary data. Researcher has used two types of questionnaire for collection the primary data. One is for the members who are involved in the SFDP and another is for not involved in the SFDP.

3.1.6.1 Tools of primary data: Questionnaire and Interview

3.1.6.2 Tools of secondary data : Publicised and Unpublicised sources

3.2 Process of Data Collection

3.2.1 Process of Primary Data Collection

To fulfil the objectives of the study for purpose of primary data collection researcher himself has reached the study area and take the information from the respondent directly through interview.

3.2.2 Process of Secondary Data Collection

Secondary data has collected by the researcher reaching in the source himself.

3.3 Data Analysis Process

In this study, data are analysed and presented by using Average, Percentage, Table, Chart, Graph, Pie-chart and Lorentz curve. Farmer's percentage is shown comparatively who are involved and not involve in bank.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF DATA

4.1 The Study Area

Topographically Nepal can be divided into three regions from north to the south: the mountain region, the hilly region and the flat plains known as the Terai. The mountain area lies at an altitude that varies from 4877m to 8848m above the sea level. This region includes the world's highest peak, Mt. Everest. The hilly region lies in the middle part of the country with altitude between 610 m to 4877 m above the sea level. The Kathmandu valley, capital of country and other scenic valleys, basin and pockets lies in the region. The Terai which is an extension of the Ganges plains of India, forms of a low flat land along the southern border. It includes 17 percent of country's total area and altitude varies 70 m to 610m above the sea level.

Administratively, Nepal is divided into five development regions and 75 district. Out of 75 districts Jhapa is a district which lies in the Eastern Development Region. It is surrounded by Morang district in the west, Illam district in the north, Indian Province North Bangle in the east and Bihar in the south. It lies between 26⁰20" north to 26⁰50" north latitude and 87⁰39" east to 88⁰12 east longitude on the world map. The altitude of this district from sea level is varying between 70m to 381m. The climate of Jhapa is sub-tropical and temperate and the average temperature of the district is max. 38.6⁰ and min. 14.2⁰ with 2518.7 mm rainfall. The district covers total land area is 1606sqkms. The population of the district is 688109 of which 341675 are male and 346434 are female. Jhapa headquarter is Chandragadi. There are 47 VDCs and 3 Municipalities in the district. Among of Pathariya is one of the VDC of the district.

4.2 Pathariya VDC

There are 47 VDCs in the Jhapa district. Among of them Pathariya is one. This VDC is rich in term of agriculture production. It is 26 km south from the district headquarter. It is surrounded by different VDCs Jalthal, Kechana, Balubadi and Rajgadh in north south, east and west sides respectively. (VDC profile)

4.3 Population

The total population of this VDC is 10,822. There are 2389 households. Among the total population 5610 are male and 5212 are female. By the following table we can see ward wise population and family house.

Table no 4.1

Description of Ward Wise Population and Family House(2068)

Ward no	Total population	Family house	Male	Female
1	1541	350	791	750
2	682	130	344	338
3	629	117	313	316
4	1633	284	853	780
5	780	420	403	377
6	457	91	253	204
7	1148	221	628	520
8	2931	579	1512	1419
9	1021	197	513	508
Total	10822	2389	5610	5212

Source: office of the VDC, Pathariya, Jhapa

Table 4.1 shows the density of population of ward no 8 is highest and density of population is least in ward no 6.

4.4 Caste

It has the cast diversity as per the national context. Cast structure has been shown in the below table.

Table 4.2**Ward Wise Family Structure 2068**

S.N.	Caste	Wards									Total
		1	2	3	4	5	6	7	8	9	
1	Brahmins	373	122	197	414	342	110	296	1690	120	3664
2	kshatri	150	50	153	210	90	25	45	650	210	1583
3	Janajati	129	12	35	118	127	126	86	225	125	983
4	Adibasi	810	661	340	529	296	420	645	500	260	4461
5	Dalit	5	38	-	5	3	6	21	-	10	88
6	Other	2	1	4	5	3	2	4	12	10	43
Total											10822

Source: office of the VDC ,Pathariya,Jhapa,2070

In the table 4.2 there are more Adibasi in each ward.

4.5 Age Wise Structure

Age wisestructure of the aborigines of this VDC are as following:

Table 4.3**Age Wise Structure 2068**

Ward no	Age group			
	0-5 yr	5-16 yr	16-60yr	Above 60yr
1	286	332	840	83
2	152	148	357	25
3	85	129	382	33
4	199	302	995	83
5	241	127	363	49
6	64	132	333	72
7	137	205	636	70
8	280	610	1812	239
9	134	225	590	70
Total	1578	2210	6310	724

Source: VDC office pathariyaJhapa

In the table 4.3 age wise structure of sixteen to sixty year is more in each ward or it is 6310. Likewise, the population of 5-16 year is 2210. Below the five year is 1578 and above the 60 year is least is 724.

Most of the people of this VDC are literate. Here 74.12 % people are literate or 25.88 are illiterate. Remaining 13.13% are SLC or more than SLC. We know the literacy rate of this VDC from the table below.

Table no 4.4
Literacy Rate of VDC, 2068

S.N.	Level	Female	%	Male	%	Total	%
1	SLC	360	25.53	1050	74.47	1410	13.13
2	Literate	2050	37.27	3450	62.73	5500	50.82
3	Illiterate	2250	57.52	1662	42.48	3912	25.88
Total			100		100		100

Source: VDC office, Pathariya, jhapa, 2070

SLCpassed female are 360 or 25.53 %, male are 1050 or74.47%.In total 1410or 13.13%. Likewise, female literacy rate is 37.27% and male literacy rate is 50.82%.As such illiteracy rate is 25.88%.

Table no 4.5
Description of Educational Institute, 2070

S.N.	Level	Community	Private	Total
1	Child D. C.	9	6	15
2	Primary	13	7	20
3	Lower sec.	5	3	8
4	secondary	3	2	5
5	Higher sec.	1	1	2
total		31	19	50

Source:VDC, profile 2070

There are 50 educational institutions in the VDC providing education to the people.

4.6 Economic Characteristic

1 Occupation

Economic improvement of Pathariya VDC cannot be strong even being sufficient probability. 77.97 % people of Pathariya are involved in agriculture occupation. Other people are involving in teaching, foreign employment and trade for their livelihood. Lack of scientific and modern agriculture system, the people of state in other region are also force to facing the poverty. Even though some industries are opened but employment opportunity cannot be given sufficiently. So, unemployment problem is the big challenges issue of this VDC.

Table 4.6

Professional Structure of VDC,2070

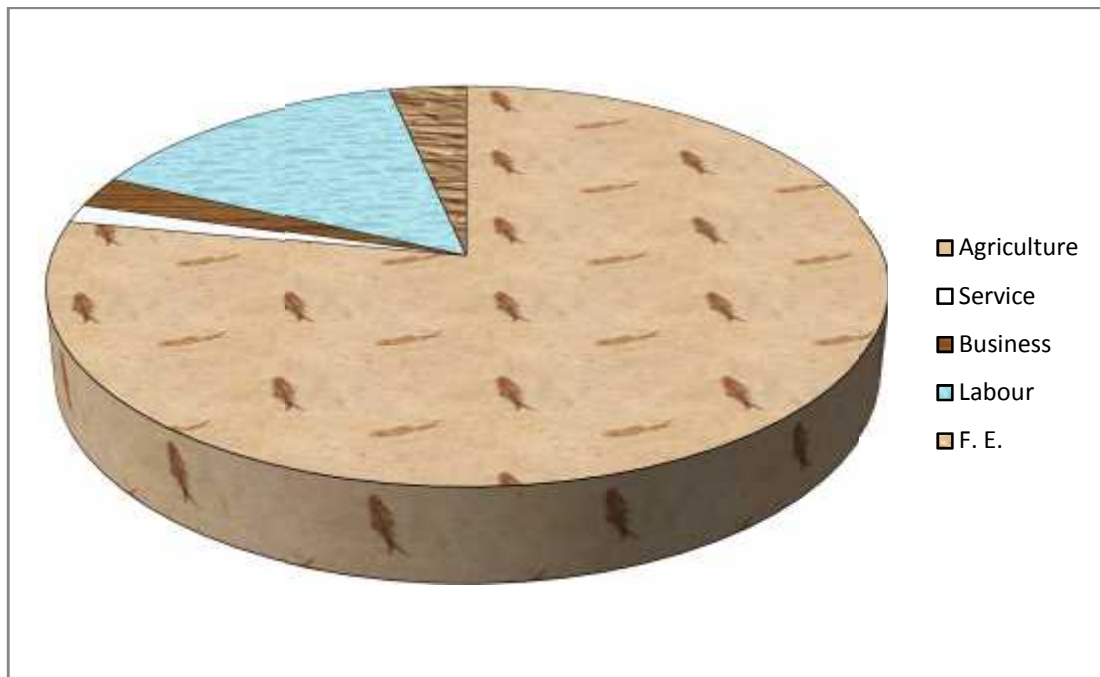
S.N.	Occupation	Population	Percentage	Degree
1	Agriculture	8438	77.97	280.69 ⁰
2	Service	160	1.48	5.32 ⁰
3	Business	275	2.54	9.14 ⁰
4	Labour	1580	14.6	52.56 ⁰
5	Foreign employ.	369	3.41	12.27 ⁰
Total		10822	100	360 ⁰

Source:VDC office, PathariyaJhapa,2070

In the above table 4.6, the population of VDC, 2070 divided as a professional structure, where 8438 or 77.97 % population are involved in agriculture. It changes in degree, comes 280.69⁰, like this in service sector there are 160 people or 1.48% which change into degree, it comes 5.32⁰, like this in business sector there are 275 people or 2.54% it comes into degree 9.14, the number of labour are 1580 or 14.6% and in degree 52.56 and there are 369 people in foreign employment or 3.41, in degree 12.27.

Figure One

The Table Has Shown in Pie-Chart as below



In the figure, the people involved in difference profession are shown in pie-chart. Where the large part 77.97% people are involved in agriculture. After that labour people are 14.6%, foreign employment 3.41%, trade 2.54% and service 1.48% have got by involving for their livelihood.

Market

Markets are to take place twice a week in this VDC, where daily needed goods use to sell and buy. Market used to take place Wednesday and Saturday in ward no 4. Except that, for economic exchange local people used to buy goods from different markets of India because of near and open boarder. Among of them main markets for Nepalese to buy and sell their goods in India are Kisangunj,Puwakhali,Thakurganj,Islampur etc.The people of PathariyaVDC used to go sell and buy goods from main market of Jhapa like Bhadrapur,Birtamode, Damak etc. Especially the people of this VDC used to go both market Nepal and India to buy goods comparatively where is cheap for buying.

Transportation

Netra high way (Garamuni to Kechana) of this VDC has become the active medium for facility and production. Due to the road facility, production should be export and

fulfilled the daily needs easily. Economic status has become strong due to the Gravel road and other small roads. For the development of local area and enhance the local people status and local natural resources play a vital role. In this study major natural resources land, water and forest are described. Source: VDC, 2070

Land

In this study area , there are three types of soil: Abbal,Doyam and Sim. Here the soil is suitable for agriculture. The main source of income is also the land.

Forest

Forest is the main source of energy of this VDC. It is also important for agriculture purpose. There are three community forest committee. Besides, here only two types of forest.

) Private forest

) Community forest: there are two community forest namely Durgavittaand Abhimukteswar (Adhakari 2069)

4.7 Present Condition of Small Farmer Development Bank

It is necessary to bring into the main stream of development to the rural poor,aboregin,female,madhesi and optimum utilize their skill, intelligence and capacity. By realising the fact, the bank has been providing inspire to assemble to the group of member to increase their skill and talent. It includes them in training programme and regulate the income able programme has provided micro capital and micro loan. The structural of the bank is three steps: village, wada and VDC level. The total share of capital of this bank is Rs. 2,07,97,020 per share is 1,000 and 2,331 shareholders. For the purpose of being member of the bank has to make one group which should be at least 7 members. The bank has estimated the following objectives and programme to get success.

4.7.1 Introduction of Bank

It has initiated as a pilot project in Ashoj2032BS. It has established as biggest programme for rural poverty alleviation. It has made the different identity by conducting the program such as group credit flow, group saving, social and community development programme, women development program, literacy

programme, nutrition and child care services, environment conservation program and self-employment training.

It is situated in ward number four. The main objectives of this bank is to develop to the rural farmer by increasing production by providing loan in cheap interest rate to the poor community.

4.7.2 Objectives

During the study time of this bank's objectives are

1. Improving the status and condition of farmers
2. Develop the habit of saving and mobilized them
3. Enhance the economic condition of farmers
4. Arranged the market for goods and equipment which are produced in the market
5. To help the child development programme
6. To provide the financial service to its member in any cost

4.7.3 Functions

1. Bank has flow the loan to the farmers in the suitable rate according to time
2. Hybrid seeds and fertilizers are providing to the farmers
3. Encourage saving and providing appropriate interest
4. To grow up the economic level of farmers different kinds of programme are being mobilized such as livestock, vegetable farming, collective paddy farming etc.
5. Encouraging types of programme are mobilizing for children
6. By opening child deposit fund, child themselves are being encouraged to deposit
7. It has got that bank has provided the loan cheap interest rate for the sons and daughters of farmers for their abroad study by taking the debenture
8. Different seminars and training are presenting in VDC office

9. It has got that for irrigation, water, pump and motor is kept for farmer in a group
10. Dam has been built in the river for irrigation
11. Farmers children are sent foreign country for agriculture training by selecting them who are involve in group member.

4.7.4 Shareholders of Sampled Bank

Sample are selected of small farmer development bank member at Pathariya ward no 4 on the basis of purposive method. Here, mentioned all of the nine ward bank member and their percentage as under.

Table 4.7

Number and Percentage of Shareholder

Ward No.	Committee No.	Total share member	Percentage
1	4	76	4.14
2	4	113	6.15
3	7	234	13.24
4	3	88	4.79
5	4	180	9.80
6	5	234	12.75
7	8	326	17.76
8	7	304	16.56
9	5	271	14.76
Total	47	1835	100

Source : study survey 2070

In the table 4.7, we get that there are 1,835 farmers are involve in the bank where 47 committee are there. In this bank, the high no of farmers involved in the bank is ward no 7; 17.76 percent and the low in ward no 1; 4.14 percent.

4.7.5 Organizational Structure of Sampled Bank

Organizational structure of small farmer development bank has been divided into different two committees. The main purpose of the division of the bank is to provide loan as simple manner to its members.

4.7.6 Trend of Debt

It is found that the bank total income Rs. 3,14,116, expenditure Rs. 20,32,174 and total saving collection Rs. 4,414,409 in FY 2070\71. In this fiscal year refund is Rs. 19,52,566 and remain to repay Rs. 5,602,959. Total loan investment of the FY 2069\70 was Rs. 1,697,679 and 2068\69 was Rs. 20,797,020 where return Rs. 16,987,813 and loan Rs. 3,809,207 and interest return was Rs. 3,452,031. The investment pattern of this bank on the sectoral basis is 33.37 % in agriculture, 25% in interest, 16.6 % foreign employment, 8.3% education, 8.3% health and 8.3% in building construction.

Table 4.8

Credit Tendency After and Before Bank

Source of loan	Before bank		After bank	
	Number	Percentage	Number	Percentage
SFDB	-	-	28	51
Bank and financial institution	20	36.3	18	32
Sahumahajan	25	45.4	7	13
Other	10	18.3	2	4
Total	55	100	55	100

Source :study survey,2071

From the above table 4.8, in the study area the small farmers used to borrow loan from Sahumahajan highly 45.4% before SFDB established. They borrow 36.3% loan from bank and financial institution and other sectors 18.3%. When this programme has started, now, 13% from Sahumahajan, 32% from bank and financial institution and highest 51% from the SFDB. That is why; it is great achievement from the side of cooperative credit facilities.

Small farmer development bank has made the agriculture sector as major investment sector because Nepal is based on agro economy and most of the people are subsistence in agriculture.

4.7.7 Saving Programme Conducted by Bank

Saving is collected as per the decision of the group of the member of share holders of the bank. The saving collected by the share holders as group and has to submit to the bank and they got 8% interest rate from the SFDB. The saving of the bank are women

saving, credit defence saving, individual saving and children saving has been shown in the table below.

Situation of Saving

S.N.	Programme	Given interest rate in %
1	Women saving	8
2	Credit defence saving	8
3	Children saving	8
4	Individual saving	8

Source : study survey 2071

The gap rate of given and taken rate is 9 percent.

CASH FLOW DESCRIPTION OF BANK 2069\70

Internal Increment of Cash

Internal increment of cash	Amount
Depreciation expenditure	82,906
Increment in capital	4,02,466
Increase in fund	2,49,589
Increase in deposit liability	11,88,550
Debt	21,67,673
Increase in current liability & management	1,96,060
Total	42,87.224

Source : study survey 2071

External Flow of Cash

Investment & loan	41,11,15,287
Advance borrowing	1,93,213
Increase & decrease in fixed capital	1,81,246
Total	44,85,987

Source: study survey 2071

4.8Sector wise Investment

This bank has given loan in agriculture, business, education, foreign employment etc. In agriculture livestock, sericulture, fishery, seasonal or unseasonal vegetable and food crops. In business textile, grocery and hotel. Foreign employment consists the

people who works out of the country. The investment description of the bank FY 2070\71 is as following.

Table 4.9

Distribution of Sector Wise Investment

S.N.	Distribution	Investment	Percentage
1	Agriculture	69,32,340	33.33
2	Business	51,99,255	29
3	Foreign employment	34,66,170	16.66
4	Building construction	17,33,085	8.33
5	Health	17,33,085	8.33
6	Education	17,33,085	8.33
Total		2,07,97,020	100

Source : study survey 2071

In the above table 4.12 credit investments has shown to the member of the bank sectorally. The total credit investment in FY 2071 is 2,07,97,020 where agriculture sector has 69,32,240 or33.33% of the total investment. Likewise, in business sector Rs. 5,19,225 or 25%, foreign employment sector Rs. 34,66,170 or16.66 and building construction, health and education is Rs. 17,33,085 or 8.3%. The maximum investment in agriculture sector and minimum investment in building construction, health and education sectors.

4.8.1 Situation of Debt Return

SFDB which had distributed the loan refund according to the SFDP at certain period as instalment and with interest rate. For that ,bank has projected the target every year . Sectoral debt return situation of FY2069\70 has shown in table below.

Table 4.10

Situation of Debt Return in FY 2069\70

S.N.	Distribution	Debt return	Percentage
1	Agriculture	58,84,230	32.93
2	Business	47,52,413	26.59
3	Foreign employment	33,22,284	18.59
4	Building construction	10,18,324	5.69
5	Health	15,43,085	8.63
6	Education	13,46,157	7.53
Total		1,78,66,493	100

Source : study survey 2071

In the above table 4.13 sectoral debt return amount and percentage has been shown where in agriculture Rs. 58,84,230 or 32.93%. Likewise in business Rs 47,52,413 or 26.59%, foreign employment Rs.33,22,284 or 18.59%, building construction Rs. 10,18,324 or 5.69%, health Rs 15,43,085 or 8.63% and education Rs. 13,46,157 or 7.53%

4.9 Demographic Situation of Sampled Farmer

During the study survey, the people who are engaged and no engaged in the bank , age group and cast wise description is shown below.

4.9.1 Agewise Population

The people who are selected in the sample and involve and not involve in the bank total 160 are shown in below table.

Table 4.11

Age Wise Structure or Farmers Selected In Sample Size

S.N.	Age group (in year)	No. of involve farmer	No of non-involved Farmer	No of total farmer	percentage
1	Below 20	3	3	6	3.75
2	20-30	21	20	41	25.62
3	30-40	25	27	52	32.5
4	40-50	20	20	40	25
5	Above 50	11	10	21	11.66
	Total	80	80	160	100

Source: study survey ,2071

According to the table the people who are selected in the sample size are 160 . Among of them the people less than 20 yrs group , 3 are involved and 3 are not involved total 6; 20-30 yrs group involved 21 and not involved 20 total 41; 30-40 year group involve 25 and not involve 27, total 52 persons; 40-50 year group involve is 20 and not involve 20 total 40 and above the 50 year are involve are 11 and not involve is 10, total 21. The maximum group year is 30-40 year group where 52 person and minimum group year is less than 20 year group is 6.

4.9.2 Racial Structure

There is diversity in unity in this VDC. The major caste of this VDC are Brahmins, Kshatri, Rajbanshi, Satar, Muslim, Gurung etc. The caste who selected in sample in study area either they are involve or not involve in the bank can be sketched as under table.

Table 4.12

Racial Description of Respondent

S.N.	Caste	Involve farmer	Not involve Farmer	Total Farmer	Percentage
1	Brahmins\Kshatri	28	6	34	21.5
2	Janajati	32	36	68	42.5
3	Dalit	12	25	37	23.12
4	Other	8	13	21	13.12
Total		80	80	160	100

Source: study survey, 2071

In the above table, the people who are selected in sample size are shown in racial figure.

Where researcher get that Brahmins\Kshatri are involve in bank are 28 and not involve in bank are 6 in total 34 or 21.25%. Likewise, Janajati involve in the bank are 32 and not involve are 36 in total 68 or 42.5%. Dalit involve in the bank are 12 and not involve are 25 in total 37 or 23.12% and other involve in the bank are 8 and not involve are 13 in total 21 or 13.12%. The participation of caste are alike even though high rank in Janajati and low rank in other caste.

4.9.3 Record Related with Profession

Altogether 160 farmers those who are involve in bank and selected in sample and those who are not involve in bank, are involve in different kinds of occupation such as agriculture, trade, wage labour, business etc. In agriculture seasonal and unseasonable farming, food, crops, livestock, fishery, collective paddy farming etc. Job means to work in governmental or personally work in farm, trade means simple retail shop, hotel, textile etc. wage-labour means to work daily for the livelihood and trader

means those who invest themselves and remain their own possession such small and cottage industries. During study of survey the following professional data's are achieved which are shown in following table.

Table 4.13

Professional Status of Farmer in Study Area-2071

S.N.	Occupation	Involve farmer		Not involve farmer	
		Number	Percentage	Number	Percentage
1	Agriculture	30	37.5	50	62.5
2	Business	15	18.75	8	10
3	Service	10	12.5	7	8.75
4	Foreign employment	10	12.75	6	7.5
5	Wage labour	8	10	6	7.5
6	Entrepreneur	7	8.75	3	3.75
Total		80	100	80	100

Source: study survey, 2071

From the above table 4.17, shows that the farmer who not involve in bank are participate in agriculture largely.

4.9.4 No of SFDP Member Household Selected in Sample

The farmer who are selected in sample size and they involve and not involve in small farmer shown in the below table.

Table 4.14

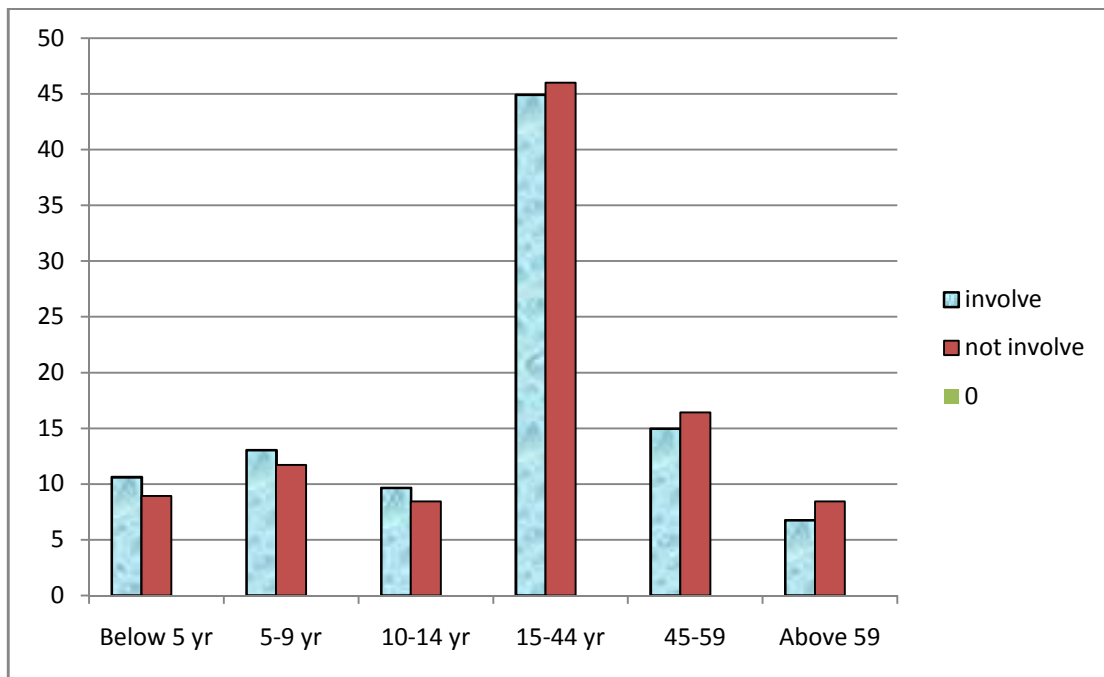
Age Group of Farmers Selected in Sample

Age group	Involve	Percentage	Not involve	Percentage	Total	Percentage
Below 5 yr	22	10.62	19	8.92	41	9.76
5-9	27	13.04	25	11.73	52	12.38
10-14	20	9.66	18	8.45	38	9.04
15-44	93	44.92	98	46.00	191	45.47
45-59	31	14.97	35	16.43	66	15.71
Above 59 yr	14	6.76	18	8.45	32	7.61
Total	207	100	213	100	420	100

Source : study survey 2071,

According to the table who are selected in the sample the total no of family are 420. Among of them 207 are involve or 49.28% and not involve are 213 or 50.71%. Active population (15-59)yr of this sector are 275 and dependent are below 14yr and above 60 yr are 163. By observing the fact, it is found that the number of family who are not involve are greater which is shown in bar diagram.

Figure Two



4.9.5 Economic Status of Farmer Involve in the Bank

The main objectives of the study is to research of economic status of the farmer who are involve or not involve in the bank. For that purpose, status of land distribution of farmers, income, expenditure, saving and other are shown as below.

4.9.6 Land Ownership of the Farmer Involve in the bank

The distribution of land is classified on the basis of kattha. The distribution of land means the land which is in the possession of the farmer themselves. A study has been done what is the condition of distribution of land in study area in Small Farmer Development Bank (SFDP). Involvement of land ownership of SFDP are shown in following table.

Table 4.15

Land Distribution Status, 2071

Land status in kattha	Number	Percentage
1-5	12	15
5-10	17	21.25
10-15	19	23.75
15-20	16	20
20-25	9	11.25
Above 25	7	8.75
Total	80	100

Source : Field survey 2071

According to the table 4.19, land possession of farmers who are involved in the bank or land owning data is shown. To see the land data of sample farmers 10-15 kattha land owner are more and more than 25kattha land owner are less.

4.9.7 Annual Income on the Basis of Source

Those who are sampled and involved in the bank and those who are not involved in the bank, such farmer are incoming by involving different occupation like agriculture, job, service, trade, business etc. During the study of survey give occupation, achieving income of farmer are shown in the following table.

Table no 4.16

Annual Income on the Basis of Source, 2071

S.N.	Source of income	Involved farmer		Not involved farmer	
		Total income	Percentage	Total income	Percentage
1	Agriculture	56,82,458	49.76	38,58,423	57.54
2	Service	13,62,231	11.93	5,38,916	8.03
3	Business	22,28,999	19.52	9,82,610	14.65
4	Wage	2,68,830	2.35	34,03,214	4.52
5	Entrepreneur	18,75,148	16.42	10,22,316	15.24
Total annual income		11417666	100	6775379	100

Total annual income of sample selected farmers involved in the bank is Rs. 11,417,666 and per capita income is Rs. 1,42,720 and the total annual income of those farmers who are not involved in the bank is Rs. 67,05,379 and per capita average income was 58.73.

4.10 Debt Source of Farmers Involved in the Bank

The farmers who are selected in sample are source of debt are bank and financial institution, cooperative, Sahumahajan and other after and before involve and not involve in the bank. During the study, the description of debt source are shown in the table below.

Table 4.17

Source of Debt after and Before Involve in the Bank

S. N.	Source of debt	Before involve		After involve	
		Number	Percentage	Number	Percentage
1	Bank & financial Institution	-	-	54	67.5
2	Co-operative	10	12.5	19	23.75
3	Sahumahajan	52	65	3	3.75
4	Other	18	22.5	4	5
Total		80	100	80	100

Source : study survey 2071

According to the table 4.21, this study found that the farmer who involved in the bank used to take debt Sahumahajan were 52 % before the established of bank, 10 % from the cooperative and from other neighbour and relatives 18%. But after established of the bank the highest debt taken from the bank is 67.5 % and least from the Sahumahajanis 3.75 and from the other neighbour and relatives is 5 %.

4.10.1 Reaction about Bank Interest Rate

Under this study area, the member involve in the bank is found that the rate of interest is given by SFDB is low and reliable. The get rid of the high interest rate from sahumahajan, The reaction of member of bank and included in the questionnaire is as following.

Table 4.18

Reaction of Bank Rate

S.N.	Reaction	Involved member	Percentage
1	Expensive	4	5
2	Normal	31	38.75
3	Cheap	23	40
4	Equal to other financial institution	13	16.25
Total		80	100

Source : study survey, 2071

According to the table, the reaction given by the member who are selected in the sample are expensive 5% normal 38.75% cheap 40% and equal to other financial institution is 16.25% . It is cleared that the interest rate is taken by bank is desirable.

4.10.2 Income Record

It has been studied the that the member who are selected in the sample and involve in the bank after and before it is found that there is large gap between the two period due to the expensive of goods and services.

Level wise Based on Income Record the people who are selected in the sample size and involve in the bank after and before are generating income from various sector. The description of annual income in series is mention below

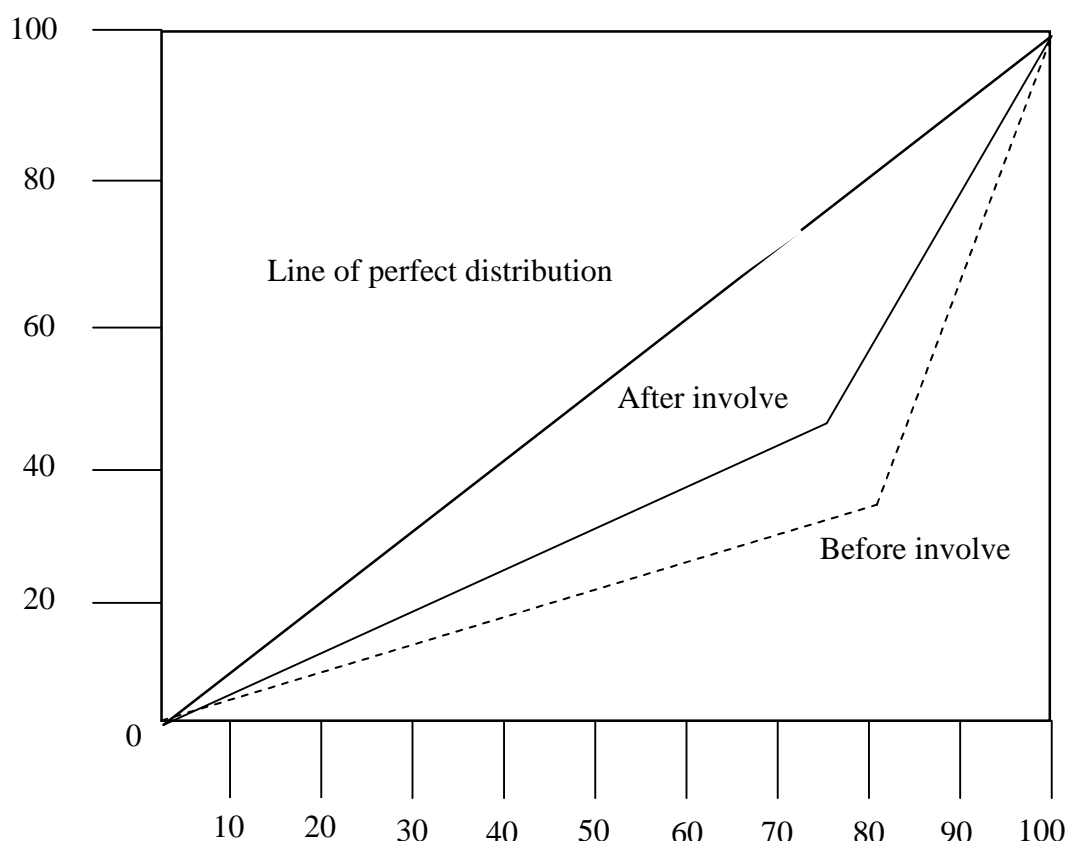
Table 4.19

Income Status After and before Involve in Bank

S.N.	Annual Income (Rs.000)	Before Involve		CF	After Involve		CF
		Number	Percentage		Number	Percentage	
1	0-50	45	56.25	56.25	26	32.5	32.5
2	50-100	19	23.75	80	13	16.25	48.75
3	100-150	8	10	90	18	22.5	70.75
4	150-200	5	6.25	96.25	15	18.25	89.5
5	Above 2000	3	13.75	100	8	10	100
Total		80	100	100	80	100	100

In the above table, there is comparative study of annual income of the farmer after and before involve in the bank. In the study income between 0-50 thousand and, it is found the before was 45 member and after is 26. Form 50-100 thousand before was 19 and after is 13 likewise the people who the involved in the bank is raising the annual income gradually. This fact is clarify by the Lorentz curve.

Figure Three



According to the figure 3, the curve who don't involve in the bank is far away from the line of perfect distribution and oriented to the infinity. The curve where people involve in the bank after, is come near the line of perfect distribution. Thus, it is clear that the people who involve in the bank are nearly equally distribution. So it is the great achievement of the bank. As a whole, the bank play the positive role to increase the income level of small farmers after they involve in the bank.

4.11 Expenditure

The small farmer selected in the sample size, involve and not involve in the bank has found to expense on consumption, education, health, festival and other sector. During the study survey, where and how much they expense their income in a year is mention below table.

Table 4.20**Annual Expenditure Description on the Basis of Sectors**

S.N.	Description of expenditure	Involved		Not involved	
		Expenditure in Rs.	Percentage	Expenditure in Rs.	Percentage
1	Consumption	28,36,453	29.95	2023855	27.31
2	Education	23,55,241	24.87	1416631	19.11
3	Health	9,13,524	9.64	1524431	20.57
4	Festival	2,345,562	24.77	1754439	23.67
5	Other	10,17,885	10.74	690355	9.31
Total		9468755	100	7409711	100
Per capital average expenditure		118359.42		92621.38	

Source : study survey 2071

In the above table shows the expenditure status of the member of bank involve or not involve. The total expenditure of the involve farmer is Rs. 9468755 and per capita expenditure is Rs. 118359.42 . Like this the people not involve in the bank is Rs. 7409711 and average expenditure is Rs. 92621.38

4.12Condition of Saving

It is studied that how much do they save by their income either involve in the bank or not.The annual saving description is mentioned below table.

Table 4.21**Situation of Annual Saving**

S.N.	Annual saving	Involve farmer		Not involve farmer	
		Number	Percentage	Number	Percentage
1	0-5000	21	26.25	33	14.25
2	5000-10000	22	27.5	12	15
3	10000-15000	11	13.75	8	10
4	15000-20000	8	10	6	7.5
5	20000-25000	7	8.75	4	5
6	25000-30000	5	6.25	4	5
7	30000-35000	4	5	3	3.75
8	Above 35000	2	2.5	10	12.5
Total		80	100	80	100

Source : study survey, 2071

In the table 4.25, it is found that involve in the bank is saving 0-5 thousand is 26.25 % and not involve in the bank 14.25 % . Yearly saving from 5-10 thousand involve in the

bank 27.5 % and not involve in the bank is 15%. Comparatively saving status is far better who involve in the bank. The cause of these facts are low income, lack of awareness of saving and does not have the separate account. However, the saving which is higher than 35 thousand above is higher of not involve in the bank. It is because some farmers are high level of bureaucrat and local landlord.

4.13 Purpose of Bank Loan

The bank has provided loan on agriculture, business, education, health, foreign employment, purchase land and building construction. It is studied in study area, selected in the sample size how much loan do they demand for different objectives? Which is shown in below table.

Table 4.22

Number and Percentage of Purpose of Bank Loan

S.N.	Objective of bank loan	Number	Percentage
1	Agriculture, business and education	11	13.75
2	Agriculture and business	19	23.75
3	Agriculture and building construction	8	10
4	Business, education and foreign employment	12	15
5	Business, health and foreign employment	9	11.25
6	Land purchase and building construction	13	16.25
7	Education and foreign employment	8	10
Total		80	100

Source : study survey, 2071

According to the table, most of the member involve in the bank has taken loan in multiple purpose. Among of them 13.75 % in agriculture, business and education purpose, 23.75% in agriculture and business, 10% agriculture and building construction, 15 % business, education and foreign employment, 11.25% in business, health and foreign employment, 16.25% land purchase and building construction and 10% in education and foreign employment.

4.13.1 Achievement of Small Farmer Development Bank

In survey area small farmer development bank has achieved many achievement. By depending on small cottage industries level's trade and agriculture who live in rural area, to collective emotion of small farmers and minimise the high rate of interest from Sahumahajan, they are committed in the group and according to their interest and need and implement to develop their economic and social growth. The organization has taken as a sustainable development and institution has been conducting different kinds of programme. Organization has achieved various achievement providing financial and nonfinancial service to the small farmers who lives in rural area. Main achievements are analysed as following.

1. Increase in income and production

For remarkable growth in production and income became necessity and challenge in personal context of Nepal. To increase the level of income, to prepare the environment of employment to unemployed people and mobilized in different kinds of programme. During the survey period, according to coordinator of this bank 65% people have the habit of saving. After involve in the bank, farmer informed that their annual income has increased by 20% and 20-30 % increase in their production.

2. Developing Trend's of Saving

In the survey area of small farmers who are involve in the SFCL , they have taken various types of training and increase their level of knowledge, skill and capacity. The farmers are attracted in saving collection because of enhancement and encouragement and they are interested in resaving because of more income . On the other hand, the farmers who are interested to take loan from this bank who are involved , they must have to make committee of 4-7 members and certain amount of money should be collected compulsory. In this way, the farmers have trends of saving on the other hand that saving can invest and achieve the income . This is also taken as a achievement.

3. Development of Organizing and Social Interfere

The farmers who are participated in this bank have the trend of collective discuss, advise, communication of thought etc. have developed in organizing and social interfere. Every people have the well knowledge of the process and method of committees decision. This is a kind of important achievement of the bank in the survey area according to the coordinate of this bank during the survey period.

4. Soft Loan Rate

In this survey area, farmers have getting loan low rate of interest of credit than other source of loan as reliable and certified. They have got rid of the obligation of high interest rate from Sahumahajan according to the coordinator of bank and also further said 41% people have taken the loan at low rate from the bank.

4.13.2 Analysis of Problem on Small Farmers Development Bank

Even being the merits and demerits of programme, inside this weakness and bad aspect are hidden. The programme can progress in the future if such kind of problem can be identified, evaluated and inquiry in the right time. An opportunity can be achieved to forward the program with plan. So that, there are also many problem in this study area . By identifying the problems of SFCL remark as follows.

1 Problem of Debt Return

Due to the change of government policy, problem has created in debt returns in this study area. Because of government declaration that are once those who has taken less than 30 thousands loan was free. So farmers again delay to pay the loan by expecting discount. Have you paid the loan of bank in time? Asked this question to the farmers and answer was 67% but 33% people say that they have not payed on time. Another question was asked if you have not pay the loan then why? For this question four options are kept in their reply. 45% said lack of income , 23% reply expecting for discount, 11% reply because of loss and other 21% show their various causes.

2 Problem of Debt Misuse

Misuse of debt means using the loan in other sector rather than specific sector. Due to the misuse of loan reduce the production and social prestige and could not refund the loan in time. The farmer who involves in bank and selected in the sample size reply the question of answer is 67.8% say Yes and 32.2% say No about the question do you expense your loan in the same objective?

3 Problems of Supervision and Observation

For the success of any programme supervision and observation are necessary in time to time. Supervision is a process of observing and monitoring of any work. It can not be evaluated good and bad without supervision. The effective supervision can not be implemented affected sector. It is the serious problem in study area. The people who

are selected in sample are asked is there supervision during the effective implementation of your plan? and found 93% No and 7 Yes .So this bank does not involve in the supervision which create the great problem.

4 Problem of Training

Training is necessary in all sectors to increase the knowledge, skill and capability. Due to the lack of the training, farmers misuse the loan ,decrease in debt return and reduce the production as such they become discourage. It is happened to conduct such training by the concern institution. Which is the problem appeared in the study area. The farmers selected in the sample are asked do you take awareness and skilful training from the SFDP after involve in the bank ?Among of them 61% say Yes and 29% No. Skilful training taken by 26.07% and not include in such training is 63.93%. It is found that the skilful training is not taken by more member. Where relatives are taken in priority in training and deprivation to the poor, low class, backward which has remained as a problem in study area.

5 Insufficient Debts

The debt provided by the bank is different according to the production objective and investment amount. The farmer can not conduct their business as they expect due to the insufficient debt has become problem for small farmers. According to the managing director of this bank there is complained of low debt from the small farmer in the study area.

6 Political Dominance in Investment

SFDP is established on the objective of inclusive in production but it is dominated by the some political individual. They remain in the major committee and affect the debt investment programme. Which is the great problem of this institution? Some of the share holder alters the decision of bank which is misfortune for small farmer.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

After completing the data analysis to get the objectives of the study the results are presented as summary, conclusion and recommendation.

5.1 Summary

Data are presented differently with the help of tables and graphs as well as presented and analysed to get the objectives of the study in chapter six. In this analysis, there is a comparative study about the small farmers who involve and do not involve in the small farmer development bank. Under consideration, to find the present condition of SFDP, different economic conditions of small farmers who involve and do not involve in the bank. Problems of SFDB and methods of solution are depicted separately by various tables, graphs and tables.

1. The bank is operating in Pathariya VDC. It has 47 committees and 1826 farmers are shareholders which maximum capital share is Rs. 9,623,900 and per shareholder is Rs. 1,000
2. The bank provides loans on the basis of bailment as collective debenture and shares to its members
3. The bank has been taken an interest rate of 14%-18% from its members according to the objective of the investment loan
4. The time period of loan refund is one month to one year
5. It is found that the total income of the bank for FY 2070/71 is Rs. 314,116, expenditure is Rs. 203,217.4, total savings collection is Rs. 441,440.9, return is Rs. 195,256.6 and remain to return is Rs. 560,295.9
6. The total loan investment was for FY 2068/69 Rs. 169,767.9 and for FY 2069/70 Rs. 169,878.13, debt remains Rs. 380,920.7 and attained interest rate is Rs. 345,203.1
7. The bank has invested debt investment on the basis of sectoral description: 33-37% in agriculture, 25% in foreign employment, 8.3% in education, 8.3% in health and 8.3% in building construction

8. According to the age group of farmers selected in the sample are below 20 yrs 3.75%, 20-30 yrs 25.62%, 30-40 yrs 32.5%, 40-50 yrs 25% and above the 50 yrs is 11.62%.
9. Coastwise structure of the farmers selected in the sample are Brahmin/Kshatri are 21.25%, Janajati 42.5%, Dalit 23.12% and other cast are 13.02%
10. The farmers involve in the bank and selected in sample size are agriculture 37.5, Business 18.75%, service 12.05%, foreign employment 12.75%, labour 10% and entrepreneur 8.75%. Likewise not involve in bank are agriculture, business, service, foreign employment, labour and entrepreneur in percentage are 62.0, 10, 8.75, 7.5, 3.75 respectively
11. The percentage of loan taken by the member involve in the bank are for agriculture, business and education is 13.75%; for agriculture and building construction is 10%; for business, education and foreign employment is 15%; business, wealth and foreign employment is 11.25%; purchase land and building construction is 16.25%
12. By observing the land distribution of small farmer selected in the sample size and involve in the bank are in Kattha is 1-5 Kattha; 5-10 Kattha 21.5%; 15-20 Kattha 20%; 20-25 Kattha 11.25% and above the 25 Kattha is 8.75%. Likewise, not involve in the bank are 1-5 Kattha 28.75%; 5-10 Kattha 23.75%; 10-15 Kattha 17.5%; 15-20 Kattha 13.75%; 20-25 Kattha 8.75 Kattha and above the 25 Kattha is 7.5%
13. Income distribution of the farmer selected in the sample size and involve in the bank are 0-50 thousand 56.25%; 50-100 thousand 23.75%; 100-150 thousand 10%; 150-200 thousand 6.25% and above the 200 thousand is 3.75%. Like this not involve in the bank are 0-50 thousand 32.5%; 50-100 thousand 16.25%; 100-150 thousand 22.25%; 150-200 thousand 18.75% and above the 200 thousand is 10%.

5.2 Conclusion

In the study area, small farmers involve in the SFDB are economically, socially and educationally capable, progressive and developed. Bank has increased awareness to the small farmer and increase saving. Due to the bank programme, there is economic progress and assist to alleviate the poverty. This is great effect of the program

conducted by the bank in all side. It is concluded that , programme played the vital role to upgrade the life standard of rural poor's.

By observing the study area we can reach the following conclusion

1. It is partially success to improve the level of economic status of the small farmers.
2. The small farmer have realised that the loan given by the bank cheaper than the Sahumahajan.
3. It is found that the bank provided loan to the small farmer on the basis of collective debenture bailment.
4. The bank has determined 12-16 % rate of interest to its bank loan according to the objectives abd provide 8% interest rate all type of loan.
5. The time period of loan is one month to one year on the basis of its objectives.
6. There is systematic complexity in the bank program to group formation, meeting and decision, condition of saving, individual and group bailment.
7. There is no system to inspire loyal and disciplined loan taker.
8. Helpful farmers comparatively not involve in the bank but able to collect the saving.
9. Bank has increased employment to small farmers.
10. Small famer are able to earn more income involve in productive activities by getting cheap interest rate from the bank.
11. The cash flow of the bank in FY 2070/71 is Rs.2,07,97,020. Which is gradually increasing than passed year?
12. The bank debt returns is low than the investment loan.
13. The farmer involves in the bank and selected in sample are more literate rather than not involve in the bank.
14. In conclusion, the bank has got some achievement but it can not be able to success perfectly which is known by attainment of the saving and investment of this institution.

5.3 Recommendation

The role of SFCL with regard to socio-economic upliftment of poor small farmers is not exaggerated. The overall impact of SFCL is found to be positive. However, there are some bottlenecks to be removed in order to make the cooperative more approachable, more effective and self-sustained. These are some of the recommendations

5.3.1 Publicizing of the importance of SFCL

Attempts should be made to publicize the importance and concept of SFCL to the small farmers through:

-) Local government members (VDC members)
-) Mobilizing the staff (community workers and women group organizers) of SFCL
-) Arranging speech programme about SFCL in different place of VDC in different times
-) Non-participant farmers should be encouraged to be involved in the Cooperative programs
-) Organizing exhibition and seminars on the micro-enterprises products of small farmers specially of women so that they will encourage to innovate the new product
-) The different competition programs relating to income generating activities should be organized among SFCLs district wise\nation wise so that small farmers are encouraged for the better performance of their economic and other activities.

5.3.2 Loan Disbursement and Adjustment in Interest Rate

Loan disbursement process should be made simple and effective through:

-) Making the official procedure of loan disbursement simpler.
-) Making adequate fund available in order to support the project program.
-) Existing interest rate seems to be high so it should be lower down so as more farmer may enjoy the outcome of the programme of cooperative.

-) Providing incentives for the farmers who take loan and repay in the right time so as more farmers would join the programme of cooperative and should like to repay in the right time.
-) Because of the good feasibility of tea plantation in this area, more capitalists are attracted to implement their own tea firm. To protect the small farmers from migration the new policy about tea farming should be developed urgently. Because tea farming is quite long run project and will give return after three to four years, so small farmers can not invest in this sector due to their daily hand to mouth problem.

5.3.3 Management and Administration

-) Management and administration efficiency should be enhance so as to launch the programme of cooperative smoothly and meet the target with in a specified time period.
-) Technical assistance of new farming technique should be introduced so as the productivity of the local level farming could be raised.
-) Group participation should systematized by establishing a proper coordination among the participants and the community workers.
-) Bank should be kept far from political intervention.

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Schedule-one

Questionnaire for Household Survey 2014/2071

Central Department of Economics, T.U.

**For the Purpose of M.A. Thesis Impact of Small Farmer Cooperatives on small
Farmers : A Case Study of Pathariya V.D.C. Jhapa District**

1 General Information

- a) Name :
- b) Age: Sex: Caste:
.....
- c) Education: Occupation:
.....
- d) Pathariya Ward No. :
- e) Religion: Mother Tongue:
.....
- f) Family Members: Male: Femele:
Total:

S.N	Name	Sex(M/F)	Age	Education	Marital Status	Occupation
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

2. What are the source of income of yours family?

- a) Agriculture b) Business c) Governmental Job
- d) Private Job e) Foreign Employment
- f) Other Specify:

3. Household Ownership

- a) Private b) Rent c) Other Specify:

4. Structure of House

- a) RCC b) Wood c) Clay
d) Tile e) Other Specify:

5. How much land do you have?

- a) 5Kattha b) 10 Kattha c) 15 Kattha
d) More than 20 Kattha

6. Uses of land and cropping pattern

- | Crop | Area |
|-----------|------|
| Paddy | |
| Wheat | |
| Vegetable | |
| Others | |

7. Are you using improved seed, fertilizer and insecticides?

- a) Yes b) No

8. Family planning practices

- a) permanant b) Temporary c) No d) I do not know anything

9. Drinking water facilities

- a) Tubewell b) well c) Tap d) Other specify

10. Do you have modern toilet facility?

- a) Yes b) No

11. If yes, how to manage money to built toilet?

- a) Family income b) From relatives\friends c) credit from SFCL
d) Commercial loan

12. Access in health facility

- a) Government hospital b) Private hospital
c) Local medicine d) Witchcraft

13. Are you member of SFCL

- a) Yes b) No

(Following questions are only for the member of SFCL)

14. How much day (per year) do you engage in following:

Particular	Before joining SFCL	After joining SFCL
Agriculture		
Livestock		
Labour		
Other		
Total		

15. What is your income, before and after joining the SFCL, from the followings?

- a) Agriculture b) Livestock c) labour d) other specify.....

16. What is your source of credit?

- a) Bank (SFCL) b) Sahumahajan c) Relatives d) Other specify.....

17. What are the problems in getting loan from SFCL? (Multiple response possible)

- a) Higher interest rate b) complicate procedure
c) No problem at all d) other specify

18. Do you support the programme of SFCL?

- a) Yes b) No

19. If no, why did not you join in the SFCL programme?

- a) Lack of information b) Lack of time
c) No interest d) other specify

Schedule- Two

Points of Disussion with community workers (Staffs of SFCL)

- a) How long have you been the community worker (staff) of the community?
- b) What are the main differences between the credit policies of SFDP and after handover?
- c) What types of activities are launched mostly and what programme is mostly appreciated by small farmers?
- d) What types of action do you prefer to these small farmers who fail to repay the loan in time? And incentives to those who repay the loan at prescribed time.
- e) What is the reason behind the delay of payment or overdue?
- f) The main difficulties suffered to form groups, loan operation, collection and supervision?
- g) What type of loan is being timely collected?
- h) Any suggestions to make the SFCL more effective and successful.