

SOME DETERMINANTS OF THE INFORMAL CREDIT ON RICE  
/ PRODUCTION-DISTRIBUTION PATTERNS AMONG RICE  
FARMERS IN TWO PHILIPPINE VILLAGES

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This thesis entitled, SOME DETERMINANTS OF THE INFORMAL CREDIT ON RICE PRODUCTION-DISTRIBUTION PATTERNS AMONG RICE FARMERS IN TWO PHILIPPINE VILLAGES prepared and submitted by RAMESH POUDYAL in partial fulfillment of the requirements for the degree of MASTER OF SCIENCE (Rural Development), is hereby accepted.



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Dedicated to my grandmother  
Dibyaswara Poudyal and  
father Punya Prasad  
Poudyal

## BIOGRAPHICAL SKETCH

Ramesh Poudyal was born to Punya Prasad Poudyal and the Rukmeena Poudyal on October 10, 1954 at Shantinagar Jhapa Mecni zone, Nepal.

He finished his primary education in Shanti Adharasha High School and his secondary education from Dhulabari High School Jhapa. In 1973, he obtained his degree of Certificate of Science from U.P. Board Allahabad, India. In the summer of 1973, immediately upon his certification, he pursued his Bachelor of Agricultural Education degree in the Institute of Agricultural and Animal Science Rampur, Nepal thru a scholarship grant by Tribhuvan University, Nepal.

Since he was able to finish his bachelor's degree prior to his graduation, he was taken in as vocational agriculture teacher in the three different vocational high schools in Nepal. In the year 1976, he joined the Agricultural Development Bank, Nepal as a loan assistant. When the University merged a one and a half year conversion degree programme B.Sc. Agricultural Education to B.Sc. Agriculture, he was in the first batch of those who converted their degrees. He was consistently among the top students who enjoyed university scholarship throughout his study period.

As a graduate of bachelor's degree in Agriculture, he became the chief of a small farmer development project and lift irrigation pilot project in Karaputar Lumjung, Nepal. In the year 1981, he joined Rastriya Baniya Bank, Nepal as an Agricultural Officer. After two years in the bank, he was the only agricultural officer decorated with National Gold Medal Award by the Central Bank of Nepal for his outstanding job performance.

In 1987, he was awarded a USAID scholarship to pursue an M.S. degree in Rural Development at the Central Luzon State University, Munoz, Nueva Ecija, Philippines. He was in the dean's list of students, secretary of Graduate Students Association and secretary cum treasurer of Philippine Cotton Center Dormitory, SY 1987-1988.

He attended an International Workshop on Rural Credit for the Poor, sponsored by FAO in Bombay, India. He also completed various kinds of training like Priority Sector Credit Training for Officers, Group Organizer Training for Small Farmer Project Chiefs, etc. He participated in different seminars, conferences and training programs as a resource person. In the year 1980, he got a certificate of appreciation from the District Assembly, Okhaldunga. Two times he was first in Interdistrict Poetry Competition Contest.

He is married to the former Miss Prema Bhattarai with whom he is enjoying a happy conjugal life. They are blessed with two sons, Amit and Anup Poudyal.

RAMESH POUDYAL

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## ABSTRACT

POUDYAL, RAMESH. Central Luzon State University, Munoz, Nueva Ecija, Philippines, October 1989. SOME DETERMINANTS OF THE INFORMAL CREDIT ON RICE PRODUCTION-DISTRIBUTION PATTERNS AMONG RICE FARMERS IN TWO PHILIPPINE VILLAGES.

Adviser; Dr. Artemia L. Ferrer

This study sought to determine the relationship of farmers' and farm characteristics of rice farmer-borrowers with the informal credit factors. Likewise, informal credit factors are envisioned to have relationship with some selected variables of rice, production and distribution.

Two barangays of Manaoag, Pangasinan were purposively selected for this study. Purposive random sampling was used to draw a total of 168 rice farmer borrowers. The instruments used in data gathering were questionnaires and personal observation.

Results of the study showed that majority of the respondents had low family income and had an average 5.37 years of schooling. Their rice farming experience was 21.27 years and they had an average farm size of 0.8 ha. Majority (37%) of the farmers borrowed their credit from private money lenders in town. Majority (58%) of the

respondents perceived high rate of interest. Likewise, findings also indicate that there was no need for extra collateral for creditors. Majority (66%) of the respondents had fully paid; similarly, research data showed that almost the equal quantity of their production was allocated for stored and sold/paid to borrower-creditors.

Results further revealed that farmers' and farm characteristics of the rice farmer-borrowers, specifically family income, rice farming experience, farm size, land tenure, irrigation availability and land value were significantly related with informal credit factors.

Regarding the relationship between informal credit factors, specifically amount, duration, interest rate, collateral and repayment were significantly related with rice production. Likewise, relationship between informal credit factors and rice distribution pattern was seen significant.

The major problems identified were high rate of interest, limited time for repayment (duration) and need for a guarantor.

Respondents suggested that 1) more farmer cooperative should be established; 2) government should maintain optimum rate of interest; 3) optimum duration should be provided to the rice farmer-borrowers.

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