Journal of Research in Economics and Finance Management
ISSN (Print): 2959-099X ISSN (Online): 2959-1007
Volume 2, Issue 2, Page 33-44, December 31, 2023

ECONOMIC ANALYSIS OF OVERTIME CHANGES IN INSTITUTIONAL AND NON-INSTITUTIONAL CREDIT OF AGRICULTURAL FARM IN BALOCHISTAN, PAKISTAN

Dr. Nosheen Abdul Raheem Abro
Lecturer
Sindh Development Studies Centre
University of Sindh, Jamshoro

Dr. Nazir Ahmed
Agriculture Officer
Agriculture, on Farm Water Management (OFWM)
District Kech, Balochistan, Pakistan

Dr. Ghulam Mustafa Gaho
Assistant Professor
Department of Political Science
University of Sindh, Jamshoro

Abstract

Increasing agricultural productivity and income for rural households in Pakistan's Balochistan province has depended mainly on the farming industry. The need for agricultural finance has grown because of several issues in this industry, such as escalating costs of critical farm inputs, water scarcity, and subpar irrigation systems. This research sought to investigate both available and unavailable credit trends, the size of loans made to households, the quantity of land used for agriculture, and the percentage of farm households in debt for the 1960, 1972, 1980, and 1990 census years. The study aimed to investigate the different kinds, sources, and significance of agricultural loans in Balochistan. The study's findings showed that loan availability and the growth of agricultural output nationwide and in the province of Balochistan are positively correlated. The study's findings also indicated that the province of Balochistan first reported institutional and non-institutional credit availability in 1980. For small and medium farms, the percentage of institutional credit is lower than that of non-institutional credit; however, for large farms, the institutional credit is significantly higher than that of non-institutional credit in both census years.

Keywords: Agriculture, Credit, Institutional, Non-Institutional, Balochistan

Introduction

Despite the trend toward industrialization in agriculture, agriculture remains the largest sector of the economy, with substantial implications on people's socioeconomic conditions. It supports 37.4% of the labor force, 22.9% of GDP, and around 60% of foreign exchange revenues. Agriculture is a source of food and fiber for Pakistan's 241.5 million people and a key provider of raw materials and labor to the manufacturing and service industries. No economic development strategy can be accomplished unless agriculture is developed sustainably and broadly (G.O.P., 2023).

This work is licensed under a Creative Commons Attribution 4.0 International License.

Pakistan has diverse climate and soil conditions, industrious laborers, extensive irrigation systems, and agricultural research infrastructure, giving our farmers a competitive advantage over their rivals in the global marketplace. Pakistan's agricultural performance, productivity, production, consumption, exports, diversification, and product quality remain below average compared to affluent nations. The nation's primary industry, agriculture, is in chaos due to several issues. Numerous issues exist, including inadequate technology, enhanced agronomic methods, crop management strategies, timely access to water and contemporary inputs, marketing and supporting infrastructure, rising production costs, unstable annual pricing, and finance availability.

Credit for Agriculture

All modern businesses rely on their own or borrowed funds to operate. In a similar vein, farming needs money. Farm finance is necessary to boost output and efficiently use agricultural resources. A small farmer can obtain agricultural credit, a crucial funding source, to help close the gap between his revenue and expenses in the field. A vital component of the agriculture sector's growth plan is agricultural financing. Credit for better seeds, fertilizer, and contemporary equipment is necessary for farming, but liquid cash is also needed to pay for harvesting, transporting produce, and other related tasks. For Pakistani agriculture to flourish, agricultural loans are a social requirement. Politicians and bankers alike should thoroughly understand this type of credit. The two main issues facing Pakistan's rural economy appear to be resolved solely through agriculture financing. First, the low yield per acre that keeps small farmers' incomes stagnant, and second, the unending losses they incur from being unable to collect debts. Farmers now have distinct social and economic identities due to agriculture credit (Khan, Khan 2019).

Agriculture credit in Pakistan mostly comes from two sources: non-institutional and institutional. Friends, neighbors, and professional money lenders are examples of non-institutional credit suppliers, whereas Zari Tarkiati Bank Limited, commercial banks, cooperatives, and domestic private banks are institutional sources (Pollen, 2023). Ensuring timely finance availability to farmers to propel them toward higher production is a top concern for the Pakistani government. Over time, there has been a noticeable increase in the credit needs of the farming industry. All types of farmers in agriculture require finance, but small and marginal farmers require it the most. Microcredit availability can significantly assist small and marginal farmers in preventing their poverty decline. Because funding people with low incomes is their top priority, microcredit providers have not typically addressed the credit needs of small and marginal farmers. Some of the perceived issues are (a) the risk of investing in agriculture, (b) the seasonality of agricultural production, (c) the poor loan repayment performance of agriculture lending, and (d) the technical nature of the agriculture production system. Small and landless farmers have difficulty obtaining institutional loans because of the complicated application processes and the absence of collateral requirements. Thus, a credit program that will assist as many underprivileged populations as possible and does not require a convoluted collateral structure must be launched immediately (Ahmad, 2007).

Since agriculture has historically been a non-monetary activity for Pakistan's rural population, credit is essential to any business. This is especially true for

ISSN (Print): 2959-099X ISSN (Online): 2959-1007
Volume 2, Issue 2, Page 33-44, December 31, 2023

agriculture. The modernization of agriculture and the commercialization of the rural economy require agricultural loans. Increasing agricultural output quickly involves the introduction of inexpensive, simple finance. Therefore, meeting the credit requirements of Pakistan's farming community was the top priority for all succeeding governments. The agricultural industry is highly dependent on credit compared to other economic sectors due to seasonal fluctuations in farmer yields and the shift from subsistence to commercial farming. According to Abdullah et al. (2009), credit can allow them to make more money and raise their living level. A portion of the productivity gained by the credit goes directly to consumers, while agro-based industries use the remainder to produce other goods. The industries help the nation's unemployment issue by creating jobs. The productivity of agriculture and agribusiness determines food inflation and overall inflation. They increase people's purchasing power and income levels. Life on Earth cannot exist without food. Pakistan's economic growth is primarily dependent on agriculture since it is said that "agriculture fails, the world fails."

Rationale of the Study

It is crucial to comprehend the accessibility and availability of agricultural loans in Balochistan to make well-informed policy decisions and implement focused interventions. The study aims to present a thorough analysis of agricultural lending today, offering insightful information to financial institutions and policymakers alike.

Problem Statement

In the Province of Balochistan, access to agricultural loans is a serious issue that requires research. The study aims to evaluate the accessibility of farm loans to farmers in the area, pointing out any obstacles or gaps in the market.

Objective of Research

The primary goals of the research are:

- To determine whether agricultural loans are available to farmers in the Province of Balochistan and whether they are not.
- To investigate the kinds, sources, and significance of agricultural loans in Balochistan.

Significance of the Study

They explain the sorts, assets, and normal importance of agricultural loans in Balochistan, making it full-size. By bringing to mild the intricacies of agricultural financing, the research hopes to help formulate policies to enhance farmers' economic support, promoting agricultural increase and sustainability.

Literature Review

Khan (2020) examined how agricultural loans contributed to the growth of agriculture. The examination discovered a correlation between farmers' views on implementing modern farming technologies and their earnings ranges. In the Kark district, twelve union councils furnished the observe's facts. As a result of having agricultural financing, 75% of the hundred twenty farmers who had been sampled had implemented basic progressed practices in keeping with the outcomes. According to the look, the farmers' money-saving behavior is in line with their educational attainment. According to the survey, farmers who had been given credit embraced business fertilizers, agricultural manure, and higher tools.

According to Khan et al. (2020), the Federal Bank for Cooperatives, ADBP, and different commercial banks increasingly provide rural finance to advantage rural communities. The study concluded that screening candidates very well before granting credit would lower the nonpayment price and that increasing pressure on those who may want to repay the credit, however, selected or not, should bring about higher compensation obligations.

Latif et al. (2020) looked at the institutional credit in the sector and found that it grew at an average annual rate of more than five percent between 1980 and 1995. Creating new financial institutions and implementing credit policies to boost the flow of credit for the industry generally and for small farmers coincided with improved agriculture credit. He added that despite all the efforts made by the Pakistani government, no significant small farmers were receiving institutional loans, but enterprising farmers were receiving more than they needed. He added that one major issue facing farmers was the lack of access to sufficient credit. Since most of them were uneducated and impoverished, they hesitated to adopt new concepts or technological innovations. The issue requires legislators to give it significant consideration. For credit to eventually reach the target demographic, the current credit system needs to be restructured and revitalized after it was determined to be unsound and flawed.

Waqar (2002) stated that all respondents' monthly income and savings had risen due to their proper use of credit. Seventy-three percent of the increase was seen in the respondents' monthly income. The target area has seen a rise in employment opportunities as well. The living standards of those who get microcredits have also improved due to the credit program.

Abdullah et al. (2009) found that credit availability increased livestock breeders' income by over 100%, indicating the function of credit in the livestock industry. It contributes to expanding economies of size and raising the cattle industry's productivity relative to the resources. It turns out that family labor plays an even more critical function than credit. Thus, growth in the livestock industry may be able to absorb the unskilled and unemployed rural laborers right at their doorstep, thereby slowing the flow of this labor away from rural areas and into urban areas. The types, origins, and significance of agricultural credits in Pakistan were investigated by Chandio et al. (2017). The study's findings demonstrated the critical role of institutional credit in the growth of agriculture and, eventually, the economy. The

ISSN (Print): 2959-099X ISSN (Online): 2959-1007
Volume 2, Issue 2, Page 33-44, December 31, 2023

results also showed that the country's increased production of agricultural products and the availability of loans have a beneficial relationship.

Moreover, the literature reveals that problems like the risk of loan recovery, incomplete credit information, etc., affect both financial institutions and farmers. Thus, the study suggested that the Pakistani government open new Village Township Banks (V.T.B.s) in rural regions. These banks will be a helpful financial tool for resolving farmers' issues.

Research Methodology

Secondary data was used in this study to assess the types, sources, and value of agricultural credits in the Pakistani province of Balochistan And to assess the kinds, sources, and relevance of agricultural credit in Balochistan, Pakistan. The data came from the Pakistan Census of Agriculture in 1960, 1972, 1980, and 1990, the Economic Survey of Pakistan, the Agricultural Statistics of Balochistan, books, previous publications, and online sources. Due to time and budget constraints, it was tough to collect data from the field survey; consequently, we obtained data from several internet sources. Nonetheless, this study will be valuable for policymakers, scholars, and students.

The study had multiple primary objectives, including observing how farmers in the province of Balochistan could obtain agricultural credit and exploring the types, sources, and significance of agricultural credit in the region. Descriptive statistics were used to achieve the goals and produce insightful data. The data have been used to compute descriptive statistics, including the mean, frequency distribution, and percentage.

Analyses and Interpretations

Agricultural Credit Types and Sources of Credits

The sorts of agricultural credit being given to farmers in Balochistan, Pakistan, both through institutional and non-institutional sources, are listed in this subsection.

Agricultural credit types

According to Fayas et al. (2006) and Rehman et al. (2015), all institutional sources of credit in Pakistan offer three types of agricultural credits. The first is a short-term loan plan that can be used to acquire agricultural inputs such as enhanced seed varieties, fertilizers, insecticides, etc., where the maximum term of this credit plan is 18 months. Additionally, the second medium-term financing plan covers renovations to water channels the acquisition of animals, and contemporary tools. This medium-term lending program lasts between one and five years. In contrast, a 5-7-year long-term loan program is available to purchase agriculture implements, machinery, buildings, land reclamation, and tube wells (Iqbal et al., 2003; Kabir et al., 2006).

Non-institutional sources of credit

In Pakistan's rural areas, landlord farmers have better access to institutional sources of credit than small farmers and most small farmers rely on non-institutional

sources of credit (Chandio et al., 2016). Similarly, non-institutional sources of credit include money lenders, shopkeepers, landlords, aria, input suppliers, and commission agents. Since ancient times, the non-institutional credit market has played a significant role in rural areas (Shehla et al., 2007). Non-institutional credit sources have numerous advantages in providing better services at a lower cost than institutional sources of credit. A portion of the benevolent amount is reimbursed in input in exchange for the input provider, commission agent, and aria providing financing for both consumption and output.

In contrast, produce grown by small farmers is often forced to sell to landlords and commission agents at a lower price than market value (Chandio et al., 2016). There are several advantages that non-institutional lenders, such as friends and family, offer over institutional finance sources. Thanks to non-institutional sources, individual credit lenders are familiar with each borrower.

Institutional sources of credit

In Pakistan, around 3,900 officially recognized agricultural sector branches give agricultural loans and financial help to increase farmers' income and production (Khandker and Faruqee, 2003). Twenty-six banks are the primary providers of agricultural loans. Of them, five are commercial banks: Allied Bank Limited (A.B.L.), Habib Bank Limited (H.B.L.), Muslim Commercial Bank (M.C.B.), National Bank of Pakistan (N.B.P.), and Union Bank Limited (U.B.L.). There are also two specialist banks called ZTBL and Corporative Bank Limited. However, seven microcredit banks and fourteen additional domestic private banks offer farmers various agricultural credit for activities such as fish, poultry, cattle, and crop production (Jan et al., 2012). These institutional forms of agricultural loans have given Pakistan's rural households and agriculture sector financial support. ZTBL Bank, a State Bank of Pakistan subsidiary, provides various unique lending programs, such as loans for production, development, agriculture, off-farm income generation, and cottage industries. Ln order to make it possible for farmers to purchase cutting-edge tools and inputs that will raise their standard of living and increase agricultural production. Khandker and Faruqee (2003) claim that the enclosed risk in these loan schemes makes them unfeasible.

Use of credit by Farm Household

Households under debt by size

Examining the information gathered from four agricultural censuses in Balochistan on farm households in debt, the following table illustrates the situation based on different household sizes. A household listed as having debt of any kind at the time of the census is considered under debt. Farm homes with debts were approximately 57.73 thousand (74.4%) in 1972; by 1990, that number had dropped to about 75.51 thousand (39.4%). Among all tiny homes, debt was 78.6% in 1972, 36.6% in 1980, and 38% in 1990; correspondingly, for medium and large farms, the figures were 73.8% and 72.7% in 1972, 38% and 36.5% in 1980, and 40.3% and 39% in 1990. The peak of this percentage ratio was reached by large farms in 1990 and by small, medium, and large farms in 1972.

ISSN (Print): 2959-099X ISSN (Online): 2959-1007
Volume 2, Issue 2, Page 33-44, December 31, 2023

Over time, there has been fluctuation in the total number of households and the percentage of homes under debt. For example, between 1972 and 1980, the number of debated households increased by 30.7%, and between 1980 and 1990, the percentage of households under debt increased to 95.9% compared to 1972. The upward trend of small, medium, and large families—but notably tiny households was primarily responsible for increased contested households between 1972 and 1990.

Table 01: Farm households under debt by size in Balochistan

Farm Size	1972			1980			1990		
	Under debt	Index	% of total farm	Under debt	Index	% of total farm	Under debt	Index	% of total farm
Small	10685	100	78.6	21239	198.7	36.6	20509	191.9	38
Medium	32322	100	73.8	41118	127.2	38	53643	165.9	40.3
Large	14720	100	72.7	13138	89.2	36.5	21661	147	39
Overall	57727	100	74.4	75495	130.7	37.3	95813	165.9	39.4

Farm households under debt by Tenure

The first report on farm households with debt, categorized by Tenure, was made in 1972. According to a farm study of the data in the following table, in the census years 1972, 1980, and 1990, the percentage of farm households with debt was highest for owner families, followed by owner-cum-tenant and tenant households. In 1960, 1980, and 1990, the proportion of farm households in debt among all households in the province of Balochistan was highest among owner-cum-tenant households (80%, 41.4%, and 48%, respectively).

Table 02: Farm households under debt by Tenure in the Balochistan

Tenure	1972			1980			1990		
	Under debt	% of total household	%	Under debt	% of total household	%	Under debt	% of total household	%
Owner	40284	76	69.7	57683	36.4	76.4	73193	37.3	76.4
O.C. T	4562	80	7.9	5670	41.4	7.5	5746	48	6
Tenure	13033	69	22.6	12140	40	16	16867	48.4	17.6
Overall	57727	74.4	100	75495	37.3	100	95813	39.4	100

Availability of institutional and non-institutional credit by Size of Farm and Tenure

The availability of both institutional and non-institutional credit was first reported in 1980. According to the agricultural census, the total amount of outstanding debt in 1980 was 450.81 thousand, of which 8.35 percent was institutional credit and

91.7% was non-institutional. In 1990, the total amount of debt was 2395 thousand, of which 18.9% was institutional credit and 81% non-institutional. Among farm households of different sizes, medium-sized households receive a larger share of credit, 47.4% in 1980 and 46.2% in 1990, than large and small families. In 1980, the loans for medium-sized households comprised 4% institutional credit and 96% non-institutional credit; in 1990, the proportion was 13.8% institutional credit and 86.1% non-institutional credit. The analyzed data demonstrated a direct correlation between farm household size and institutional credit, i.e., that institutional credit rises as the household size grows. Conversely, there was an inverse relationship between non-institutional credit and household size—that is, non-institutional credit declines as household size grows. Every household size category across the board has a similar correlation between credit and household size.

Owner farms received 81.5% of total credit from institutional and non-institutional resources, significantly more than owner-cum-tenant and tenant households, which received only 7.8% and 10.7% of total credit in 1980 and 1990, respectively. In addition, owner farms received the highest amount of loans from institutional sources compared to owner-cum-tenant and tenant households, which received 5.7% and 9.2%, respectively.

Table -3 Availability of institutional and non-institutional credit by size of farm and Tenure in Balochistan (amount in 000)1980

Size of farm household	All household			Owner households			O. C.T Households			Tenant households		
	Total Credit	Inst.%	Non-Inst.%	Total Credit	Inst.%	Non-Inst,%	Total Credit	Inst.%	Non-Inst,%	Total Credit	Inst.%	Non-Inst,%
Small	108463 (24.1%)	1.6	98.4	102693 (94.6)	1.5	98.4	2353 (21.5)	0.5	99.6	3416 (3.1)	3.8	96
Medium	213709 (47.4%)	4	96	166018 (77.7)	4.4	95.5	14346 (6.7)	7.2	92.8	33345 (15.6)	0.7	99.2
Large	128623 (28.5%)	21	79	98697 (76.7)	21.5	78.4	18448 (14.3)	27.9	72	11479 (8.9)	6.4	93.5
Overall	450795 (100%)	8.3	91.7	367409 (81.5)	8.2	91.8	35148 (7.8)	17.6	82.4	48238 (10.7)	2.3	97.7

While tenant households were compelled to obtain credit from non-institutional resources to the degree of nearly all of the total credit taken by them, owner-cum-tenant households received a greater quantity of institutional credit than other tenurial groups. The percentage of institutional credit fell when we moved from owner to owner-cum-tenant, but the percentage of non-institutional credit rose. Larger households of all tenure levels received more credit from institutional resources than smaller households. Still, the tenurial household size categories received a more significant proportion from non-institutional resources. This is similar to Mahmood's (2009) research, which found that large farms approach institutional credit more favorably than small and medium-sized farms.

ISSN (Print): 2959-099X ISSN (Online): 2959-1007
Volume 2, Issue 2, Page 33-44, December 31, 2023

Table 04: Availability of institutional and non-institutional credit by size of farm and Tenure in Balochistan (amount in 000)1990

Size of farm household	All household			Owner households			O. C.T Households		Tenant households		
	Total Credit	Inst.%	Non-Inst.%	Total Credit	Inst.%	Non-Inst,%	Total Credit	Inst.%	Non-Inst,%	Total Credit	Inst.%	Non-Inst,%
Small	443524 (18.6)	6.8	93	429249 (96.8)	7	93	3531 (8)	1.3	98.6	10743 (2.4)	2.8	97.2
Medium	1107322 (46,2)	13.8	86.1	898654 (81.1)	16.4	83.6	51319 (4.6)	8.8	91.2	157360 (14.2)	1.1	98.9
Large	844243 (35.2)	32	67.9	709713 (84)	33.8	66.1	81478 (11.5)	32.8	67.1	53058 (6.3)	6.7	93.2
Overall	2395009 (100)	18.9	81	2037616 (85)	20.5	79.5	136328 (5.7)	22.9	77	221161 (9.2)	2.5	97.4

Loan size Household and Per Cropped Acreage

In 1980, there were 4.6%, 23%, and 72.4% institutional and 95.4%, 77%, and 27.6% non-institutional resources available to small, medium, and enormous households. By 1990, however, there were 6.7%, 33.8%, and 59.5% institutional resources and 93.3%, 66.2%, and 40.5% non-institutional resources available to small, medium, and large households, While the total loan amount per household was Rs. 185.29 in 1980, the average non-institutional loan size was Rs. 29.78 for small households, Rs. 79.58 for medium households, and Rs. 755.61 for large households. The average non-institutional loan size was Rs. 1837.49 for small households, Rs. 1981.54 for medium households, and Rs. 2823.7 for large households. In 1990, the average loan amount per household was Rs. 8214.01 for small families, Rs. 8318.86 for medium-sized households, and Rs. 15147.72 for large households. However, the average loan amount per family was Rs. 1870.96. Institutional loans averaged Rs. 562.24 for small households, Rs. 1125.51 for medium-sized households, and Rs. 4854.77 for big households. In contrast, non-institutional loans averaged Rs. 7651.77 for small households, Rs. 7166.34 for medium-sized households, and Rs. 10292.94 for large households. Loan sizes were more significant for larger households.

Table 05: Loan size per household and cropped area (acreage) in the Balochistan 1980

Size of household	% of credit			Loan size/household			Loan Size /cropped area		
	Total	Instt.	Non-instt.	Total	Insstt.	Non-Instt.	Total	Instt	Non-Instt
Small	24.1	4.6	95.4	1867.28	29.78	1837.49	119.25	19.02	1173.50
Medium	47.4	23	77	1971.13	79.58	1891.54	263.54	10.64	252.9
Large	28.5	72.4	27.6	3579.32	755.61	2823.70	127.39	26.89	100.51
Overall	100	100	100	2226.80	185.29	2041.50	235.83	196.62	216.21

Table 06: Loan size per household and cropped area(acreage) in Balochistan 1990

Size of household	% of credit			Loan size/household			Loan Size /cropped area		
	Total	Instt.	Non-instt.	Total	Insstt.	Non-Instt.	Total	Instt	Non-Instt
Small	18.6	6.7	93.3	8214.01	562.24	7651.77	4471.14	306.04	4165.09
Medium	46.2	33.8	66.2	8318.86	1125.51	7166.34	1041.32	144.26	897.05
Large	35.2	59.5	40.5	15147.72	4854.77	10292.94	545.62	174.87	370.75
Overall	100	100	100	9862.82	1870.96	7991.86	883.84	167.66	716.17

The loan size per cropped area was also Rs. 235.8 in 1980, compared to Rs. 19.62 and 216.21 for institutional and non-institutional loans, respectively. However, in 1990, it climbed to Rs. 883.84, while the loan sizes for institutional and non-institutional loans were Rs. 167.66 and 716.17, respectively. The loan amount per cropped ace for medium-sized homes was the highest among all household sizes, at Rs. 263.53 in 1980 and 1041.32 in 1990. Non-institutional credit had bigger overall loan sizes per cropped acre than institutional credit. However, among different household sizes, the institutional loan amount per cultivated acre for large households was higher than the non-institutional amount, as the above table indicates.

Conclusion

To assess the extent to which agricultural credit is available to farmers in the Province of Balochistan, Pakistan, as well as to look into the types, sources, and significance of agricultural credit in this region, secondary data was gathered from various sources, including the Pakistani Economic Survey and the Pakistan Census of Agriculture, 1960, 1972, 1980, and 1990. The study's findings suggest that credit is crucial to advancing agriculture. Agricultural credit in rural Balochistan, Pakistan, comes from institutional and non-institutional funding sources. However, several factors, such as a high default risk, rigid loan repayment terms, a lack of credit information, and an inadequate guaranteeing system, have hindered the growth of these sources. In 1980, institutional and non-institutional credit availability was first reported. According to the findings, the ratio of institutional financing for small and medium-sized farms is less than zero. However, in both census years, the institutional credit for the large farm was significantly higher than the non-institutional credit. Large farms are indeed treated better by institutions than small and medium-sized farms. Regarding institutional and non-institutional credit, the large farm category's loan size was more significant in the 1980 and 1990 census years. Past here, Word limit

Recommendations

The following suggestions were offered in light of the study's findings.

- The application process should be as straightforward and flexible as possible to ensure that small farmers can use finance.

ISSN (Print): 2959-099X ISSN (Online): 2959-1007
Volume 2, Issue 2, Page 33-44, December 31, 2023

- Farmers' understanding of the value of agricultural loans should be raised through print and electronic media.

- To address the financial needs of small farmers, the Pakistani government should establish new Village Township Banks (V.T.B.s) in rural areas.

- To boost agricultural output, the Pakistani government should create new credit programs, such as in-kind loans via Khushhali Bank Limited at affordable interest rates, which will be simple to apply for small farmers.

- The Province of Balochistan needs to educate its farmers.

- Before loan provision, a short- and long-term benefit-cost analysis

Limitations of the Study

Even though the study aims to provide insightful information, it is essential to acknowledge its limitations. Variables like time constraints, resource availability, and the complexity of the agricultural finance environment may limit the research's depth and scope. Recognizing these limitations is necessary for a nuanced interpretation of the study's findings.

References

Abedullah, N., et al. (2009). The role of agriculture credit in the growth of livestock sector: A case study of Faisalabad, Pakistan. *Veterinary Journal, 29*(2), 81-84.

Abid, H. (2001). Micro-credit and rural development effect evaluation in Union Council Shakardra. *Master's thesis*, I.D.S., Agriculture University Peshawar, Pakistan.

Ahmad, M. (2007). The effect of AKRSP's micro-credit program on agriculture and enterprise development in district Astore Northern areas: Implications for poverty alleviation. *Master's thesis*, Department of Agricultural Economics, Agriculture University Peshawar, Pakistan.

Chandio, A. A., Jiang, Y., & Magsi, H. (2016). Agricultural Subsectors Performance: An Analysis of Sector-Wise Share in Agriculture G.D.P. of Pakistan. *International Journal of Economics and Finance, 8*(2).

Chandio, A. A., Magsi, H., Rehman, A., & Sahito, M. (2017). Types, Sources, and Importance of Agricultural Credits in Pakistan. *Journal of Applied Environmental and Biological Sciences, 7*(3), 144-149.

Fayaz, M., Jan, D., Jan, A., & Hussain, B. (2006). Effects of Short-Term Credit Advanced By ZTBL For Enhancement Of Crop Productivity And Income Of Growers. *Journal of Agricultural and Biological Science, 1*(4), 15-18.

Government of Pakistan. (2023). *Economic Survey of Pakistan 2022-23*. Ministry of Finance, Economic Advisor's Wing, Islamabad, Pakistan.

Iqbal, M., Ahmad, M., & Abass, K. (2003). The Impact of Institutional Credit on Agricultural Production in Pakistan. *Pakistan Development Review, 42*(4), 469-485.

Jan, I., & Himayatullah, K. (2012). Factors responsible for rural household participation in institutional credit programs in Pakistan. *African Journal of Business Management, 6*(3), 1186-1190.

Kabir, M. A. M., Ashraful Alam, A. K. M., & Rahman, A. H. M. A. (2006). Impact of agricultural credit on MV Boro rice cultivation in Bangladesh. *Agricultural and Rural Development, 4*(1&2), 161-168.

Khan, A., Bibi, S., Lorenzo, A., Lyu, J., & Babar, Z. U. (2020). Tourism and development in developing economies: A policy implication perspective. *Sustainability, 12*(4), 1618.

Khan, N., & Khan, M. (2019). Effects of Zarai Tarqiaiti Bank Limited Credit Program on Desi Tenda (Squash) Production in Rural Area of District Mardan-Pakistan. International Journal of African and Asian Studies www. iiste. org ISSN, 2409-6938.

Khandker, S., & Faruqee, R. R. (2003). The impact of farm credit in Pakistan. *Journal of Agricultural Economics, 28*(3), 197-213.

Latif, W. U., Ullah, S., Ahmed, W., Sultan, M. U., Jafar, R. M. S., Tariq, M., & Linping, W. (2020). Microcredit and economic welfare: Experience of poor rural households from Pakistan. *Journal of International Development, 32*(6), 976-997.

Mahmood, H. Z. (2009). Resource distribution and productivity analysis within Pakistan's agriculture.

Nouman, M., Siddiqi, M. F., Asim, S. M., & Hussain, Z. (2013). Impact of socioeconomic characteristics of farmers on access to agricultural credit. *Sarhad Journal of Agriculture, 29*(3), 469-476.

Pollen, A. (2023). The Developing World. *The Big Issue*, (1564), 38-39.

Rehman, L. J., Du, Y., & Rafia Khatoon, A. (2015). Banking Role and Loan Schemes for Agricultural Development in China & Pakistan. *Global Journal of Human-Social Science Research, 15*(7).

Shehla, A., & Hasnu, S. A. F. (2007). Smallholders access to rural credit: Evidence from Pakistan. *The Lahore Journal of Economics, 12*, 2, 1-25.

Waqar, M. (2002). Effects of SRSPs micro-enterprise development program on income and employment: *Master's thesis*, Agriculture University Peshawar, Pakistan.