

ABSTRACT

Abstract of thesis submitted to the Graduate School of Maejo University in partial fulfillment of the requirements for the degree of Master of Science in Cooperative Economics

**FACTORS AFFECTING DUE LOANS OF CLIENTS OF BANK OF
AGRICULTURE AND AGRICULTURAL COOPERATIVES,
MAE-TANG BRANCH : CASE STUDY OF MAE-TANG
DISTRICT UNIT, CHIANG MAI PROVINCE**

By

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This research was conducted to examine personal, social and economic backgrounds of the clients with due loans and to determine factors affecting due loans as well as problems, obstacles and solutions to due loan problems of the clients of the Bank of Agriculture and Agricultural Cooperatives, Mae-tang branch.

The data was collected by means of questionnaires from a sample group of 68 clients selected by multi-stage sampling from the total population of 623 clients with due loans of the Bank of Agriculture and Agricultural Cooperatives, Mae-Tang branch, living at Tambon Intakin in the irrigation area and Tambon Sanpayang outside the irrigation area in Mae-tang, Chiangmai province.

The factors applied in this study were gender, age, educational attainment, family size, misuse of loans, farm size, agricultural incomes, other incomes, household expenditures, debts, irrigation area, land usage for agriculture, natural disaster, knowledge and understanding of loan usage and agricultural career.

The results of the study were as follows:

Social Factors : Most of the farmers were male (89.70%). Gender was found to affect due loans ; r was equivalent to .4732 and the level of statistical significance was 0.001. This was because men were considered breadwinners, taking all responsibilities for families and social activities, all of which required expenses. Age, educational attainment, family size and misuse of loans had no relationship with due loans.

Economic Factors : Household expenditures (81,520.97 baht/year) were related to due loans; r was equivalent to .5163 and the level of statistical significance was 0.001. This was because farmers had a big burden of household expenditures, resulting in their inability to repay the loans. It was also found that irrigation area was related to due loans; r was equivalent to .4049 and the level of statistical significance was 0.001. Natural disaster was another factor affecting damage in yields, causing farmers to be unable to repay the loans. Further study indicated that the average cost of damage from natural disaster reached 41,116.36 baht/year. This was related with due loans; r was equivalent to .6538 and the level of statistical significance was 0.001. However, farming size, agricultural incomes, other incomes, debts and land usage for agriculture did not affect due loans.

Knowledge Factors : Knowledge and understanding of agricultural career was related to due loans; r was equivalent to .3116 and the level of statistical significance was 0.01. This was because most farmers (61.77%) used a traditional farming method. It was also found that knowledge and understanding of loan usage was not related with due loans.

According to the results of the research, farmers with due loans could not obtain further loans for their production in the next year, so they had to rely on private money lenders. They faced the lack of labor and water shortage and they did not have knowledge of agriculture. To solve these problems, the Bank of Agriculture and Agricultural Cooperatives should delay their loan repayment without interest and provide them with loans in the next production season. Meanwhile, credit officers should supervise their production and give them advice on production technology e.g. selection of crop varieties suitable to farming land.