

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 Agricultural Extension

**ADAPTIVE PROCESS OF LOW INCOME FARM HOUSEHOLDS TO SOLVE
PRIVATE LOAN INDEBTEDNESS PROBLEMS IN AMPHUR YANG TALAD,
KALASIN PROVINCE, THAILAND**

BY

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The objectives of this research were to examine 1) indebtedness burden of low income farm households in Amphur Yang Talad, Kalasin province; 2) factors relating to their private loans; and 3) their adaptive process to solve private loan indebtedness problems. The data were collected by means of interview schedules covering general conditions of the low income farm households, their indebtedness burden, factors relating to their private loans, and their adaptive process to solve indebtedness problems, and then analyzed with the use of computer. The statistics used were percentage, arithmetic means, standard deviation and stepwise multiple regression analysis.

The research findings were as follows:

1. The farm households had an average debt of 22,317 baht. An average debt of 16,908 baht was from commercial finance institutions and an average of 10,773 baht from private lenders. The biggest part of the debt burden was caused by investment in agriculture, followed by repayment of earlier debts, and expenses on children's education.

2. The factors significantly relating to private loans of the low income farm households were ranked in importance as follows: access to agricultural information and agricultural loans by household heads, duration of loan repayment, number of times of cropping per year, household incomes, household heads' attitudes toward private loans, presence of facilitators in the loan-obtaining process, and household heads' educational level. The factors cumulatively affected acquisition of loans from private sources at 44.20% ($R^2 = 0.442$; $p < 0.01$) and could explain best the regressive co-efficient equation of those factors as follows:

$$ZY = -0.0295Z_{x10} + 0.355Z_{x5} - 0.259Z_{x6} \\ - 0.166Z_{x3} - 0.196Z_{x11} + 0.0142Z_{x9} - 0.127Z_{x2}$$

3. In terms of adaptive process to solve private loan indebtedness problems, the farm households were found to have discussed among household members on alternative activities, reducing unnecessary expenditures, increasing production to gain more income, and finally selling their own labour force. The actual activities conducted were raising livestock, increasing farm labour by having their children drop out of school, and releasing some of the household members to work in industrial sectors in town. The study of systematic thinking and the in-depth interview made it clear that the rapid external changing socioeconomic situations created household pressure, resulting in various adaptive processes; some households abandoned the traditional way of agricultural production and adopted new technology and capital intensive method in order to respond to the market.