The Role and Efficiency of Bank for Development and Agricultural Credit in Qaluobiya Governorate

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Abstract: The agricultural credit and financing bodies represent, for the role they play in achieving the objectives of economic and agricultural development, important institutions in the Egyptian economy. The main mechanism in application of agricultural credit policy in Egypt is the Bank for Development and Agricultural Credit (BDAC). The agricultural credit policy in Egypt has many changes that have affected the Bank's policy with farmers and dealers. Thus, research aims to study present status of Bank for Development and Agricultural Credit (Bank of the village) and the role and efficiency of agricultural development in Qaluobiya during the period (1992/1993-2010/2011). This study had adopted published and unpublished secondary data, as well as data on a random sample of beneficiaries of the farmers from Bank for Development and Agricultural Credit in Qaluobiya governorate. Aiming to assess the adequacy of the Bank in its dealings with the farmers, put some suggestions and recommendations on the development of its performance, in order to maximize its key role in agricultural development in Qaluobiya the study reached to the following results: Total current and real values of agricultural loans made by the Bank in Qaluobiya were ca.272.35 and 55.62 million pounds, and had increased by some statistical significant values to 17.29 and 2.85 million pounds respectively during the period of study. Centered bank transactions were, for capital turnover rate and the repayment period palace, on agricultural short-term loans despite the importance of other loans to finance agricultural development programmes. Increasing the relative importance of crop loans where these loans amounted to about 197.05 million pounds representing about 52.4% of average total loans (376.08 million pounds) during the agricultural period (2008/2009-2010/2011). Wheat crops, corn, onion, garlic, tomatoes, strawberries, citrus fruits, grapes got 78.1% of the total loans granted by the Bank. The relative importance of their respective loans respectively were 17.8%, 3.8%, 11.5%, 6%, 6.5%, 8.9%, 14.1%, 9.5% of average total loans crops during that period. While investment loans amounted to ca. 179.03 million pounds representing about. 47.6% of the average among agricultural loans during the studied period, where loans of livestock, poultry production, reconstruction and replacement orchard loans and other loans got approximately 96.7% of the total investment loans and the relative importance of each of them were 34.9%, 25.9%, 16%, 19.9% respectively of average total investment loans during the period (2008/2009-2010/2011). Results of farmers' results showed that about 49.5% of the total sample depends on the Bank for Development and Agricultural Credit in financing their farming activities. Farmers said that its branches were scattered in all villages, there was a discipline of their accounts with the Bank, availability for agricultural loans, no discriminating between senior or junior of peasants, and the loan disbursement procedures were appropriate. On the other hand, the majority of the producers reported high interest rates on loans, and unsuitability of loan repayment grace period especially in case of loss of the crop or farm animal deaths or market fluctuations. All respondents confirmed that the Bank did not provide any kind of agricultural inputs, with no control over the loans, which were used on purposes other than those for which it was granted and resorting to "rotate the loan". In light of these findings the study recommended the following: * The need for agricultural loans with increased and tighter control and follow-up to see if these loans are used for the purpose for which was granted or not. *A cut of interest rate and administrative expenses, and increase the number and schedule of debt repayments in the event of default of payment, while ensuring appropriate guarantees requested by the Bank with the farmer's ability to pay. * Increasing investment loans, and loans for agricultural projects, with small and medium-low interest rates. * The need to reconsider the policy of limiting the role of the Bank to grant loans cash only especially in the absence of effective cooperative enterprises that guarantee the stability of prices and quantities of inputs for all agricultural producers. * The need to help the farmers in the marketing of agricultural produce, especially strategic crops "cotton, wheat and corn".

Key words: agricultural loans, investment loans, real value, current value, interest rate.

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INTRODUCTION

Egyptian agriculture strategy aimed at making agricultural development continued within the framework of a comprehensive social and economic perspective, in response to political, economic and social, technological and institutional changes at local, regional and international levels.

Financing institutions are considered the most important institutions in Egypt's economy for the role they play in achieving the objectives of economic development. They represent the axis of the development of the agricultural sector which has the property of seasonal farm income, though spending have all year, which shows the need for agricultural credit for low agricultural incomes and weak savings. Thus, it is sometimes difficult to rely on self-financing, particularly in provinces that rely primarily on agriculture such as Qaluobiya which agricultural area is about 192.95 thousand feddans and a population of around 4.55 million in 2010. (Qaluobiya Governorate, 2011).

There is no doubt that lending and credit policy, which is part of the agricultural policy of the country and its strategy, is one of the most important mechanisms for realizing the development and achievement of its objectives. the Bank for Development and Agricultural Credit represents the main mechanism for applying of agricultural credit policy in Egypt and an important pillar to provide credit to the agricultural sector given for the specialized nature of the geographical spread and the constantly changing of agricultural credit policy, without other Egyptian policy, as they vary according to the circumstances of and particularly the Egyptian farmer society. The objectives of agricultural financing policy is no longer to increase agricultural production, but to raise the level of farm income, increase jobs, encourage activities achieving rural development, self-sufficiency of agricultural crops having deficit, and increasing agricultural crop exports policy in Egypt.

Estimated financing granted by the Bank for Development and Agricultural Credit in the Republic was about 31.72 billion pounds represents about 81.3% of total credit to the Egyptian agricultural sector during the period (1992/1993-2010/2011). The average total agricultural loans provided by the Bank in Qaluobiya were about 272.35 million pounds, and the average short-term loans were around 215.04 million pounds represented about 78.9% of total agricultural loans. Plant production loans were the most important items of those loans where plant production loans average were about 146.48 million pounds representing about 68.11% of short-term loans, and about 53.78% of the total agricultural loans during the average period (1992/1993-2010/2011). (B D A C' 2012).

Research Problem:

Egyptian agricultural economic structure suffers, in general and in Qaluobiya especially, some important economic problems; low income individual farm, weak saving ability, lack of self-funding and difficulty of obtaining requirements for most farmers especially the dwarf landholders which lead to borrow for meeting farm requirements throughout the year. While Qaluobiya is one of larger governorates in volume dealing on agricultural loans, financing and lending efficiencies are low there, this, in turn, is what holds the Bank for Development and Agricultural Credit 's task of providing credit facilities for farmers. And if one takes into account the bias of the Bank's policies in general to the large farmers for usurping the largest share of loans and using those loans in non- Intended purpose, the large part of the funding will go to non-eligible without the desired contribution for the development of the agricultural sector. Thus, it is important to study of the role of the Bank in the development of agricultural sector in Qaloubiya governorate.

The Research Aims:

Research aims to examine the role of Bank for Development and Agricultural Credit in financing of the agricultural sector and in Qaluobiya governorate. To achieve this aim, evolution of agricultural loans (short, medium, long) term provided by the Bank in Qaluobiya will be studied during the period (1992/1993-2010/2011). That in addition of studying aspects of activities and purposes for which loans has been granted, examining the evolution setup and quality dealers and users from the Bank. Also studying the most important problems facing the farmers and explore their views connecting with agricultural credit and development Bank and its branches in the Qaluobiya governorate.

MATERIALS AND METHODS

To achieve goals of research, both descriptive and quantitative analysis methods for data analysis and interpretation of research results on the topic, will be done through the use of certain statistical and mathematical methods such as arithmetic, percentages, and regression analysis method of ordinary least squares (OLS) to estimate the time trend of the studied variables. Also, relations between some statistical variables associated with the present study.

The search is adopted on unpublished data which were obtained from the records of Bank for Development and Agricultural Credit in Qaluobiya, data of Central Agency for public mobilization and statistics, and

Directorate of agriculture in Qaluobiya, plus many published research and references, reports, and theses related to the theme, and to identify the most important pros and cons and problems facing the farmers involved of Bank for Development and Agricultural Credit in Qaluobiya. A questionnaire has been designed and compiled through data from interview with a sample of the farmers involved with the Bank in Qaluobiya during the 2010/2011 season.

RESULTS AND DISCUSSION

1- Evolution of Total Agricultural Loans from Bank for Development and Agricultural Credit in Qaluobiya Governorate:

Loans from the Bank for Development and Agricultural Credit in Qaluobiya have a series of changes during the studied period (1992/1993-2010/2011). The total current value was ranging between a minimum of about 130.4 million pounds in season 92/1993, and an upper limit of approximately 407.3 million pounds in season 2008/2009 with an increase of about 212.4% of minimum, and about 49.6% of the average total current value of agricultural loans (272.3 million pounds) during the study period (Table 1).

Estimating the time trend of the current value of the total agricultural loans, equation (1) in Table (2) showed that it increased by a statistical significant annual amount at 0.01 level. This increase was estimated by about 17.2 million pounds equivalent to 6.3% of the average current value of total agricultural loans during the period of study.

Adjusted coefficient of determination (R^{-2}) showed that about 89% of changes were explained by time element. The total real value of agricultural loans was among the minimal (about 34.9 million pounds) during the season 2010/2011, and a maximum of approximately 68.5 million pounds in season 2002/2003. Rate of change was ranging between 96.3% and 59.3% of the average of the real value of the total agricultural loans (about 55.6 million pounds) during the period of study.

Table 1: evolution of total agricultural loans granted from the Bank for Development and Agricultural Credit according to the time period of repayment in Qaliubiya governorate (1992/1993-2010/2011). Value per thousand pounds.

Item	Short term		Medium-term		Long-term		Total agricultural loans	
Years	Current values	Real values*	Current values	Real values *	Current values	Real values *	Current values	Real values *
1992/1993	102438	37684	22844	8404	5122	1884	130404	47972
1993/1994	130749	44809	30209	10353	9154	3137	170112	58299
1994/1995	141338	44307	33215	10412	8495	2663	183048	57382
1995/1996	155518	45875	30482	8992	9332	2753	195332	57620
1996/1997	157600	43332	32308	8883	7884	2168	197792	54383
1997/1998	162509	44318	30552	8332	11375	3102	204436	55752
1998/1999	166045	44684	35368	9518	8309	2236	209722	56438
1999/2000	181434	47973	40279	10650	12700	3358	234413	61981
2000/2001	194561	50549	43775	11373	17514	4550	255850	66472
2001/2002	208032	53812	43894	11354	12482	3229	264408	68395
2002/2003	232282	54182	47618	11107	13937	3251	293837	68540
2003/2004	233922	47009	49357	9919	14026	2819	297305	59747
2004/2005	251685	43627	47318	8202	15101	2618	314104	54447
2005/2006	266878	40363	52041	7871	13344	2019	332263	50253
2006/2007	29439	42056	58825	8411	17659	2525	370623	52992
2007/2008	311712	41794	65459	8777	15586	2090	392757	52661
2008/2009	319995	39004	68159	8308	19200	2341	407354	49653
2009/2010	322819	38751	64563	7750	19369	2325	406751	48826
2010/2011	252197	28093	49442	5508	12507	1393	314146	34994
Mean	215045	43802	44511	9165	12795	2656	272351	55623
Relative importance %	78.9	78.7	16.4	16.5	4.7	4.8	100	100

*Real values were calculated using general index of whole sale prices (1986/1987=100). Source: collected and calculated from the Bank for Development and Agricultural Credit in Qaluobiya-records of credit management- unpublished data-March 2012.

Estimating of time trend equation of the real value of the total agricultural loans during the studied period, equation (2)-Table (2) illustrated the increase is about 2.65 million pounds, it increase by a statistically significant annual value at 0.05 level. This increase represent about 5.12% of the average of the real value of the total agricultural loans during the period of study, and the adjusted coefficient of determination (R^{-2}) showed that about 37% of changes interpreted by time variable.

Table 2: Equations of time trend of agricultural loans granted from the Agricultural Credit and Developmental Bank in Qaluobiya, by thousand pounds, according to time period through (1992/1993-2010/2011).

Loans		Equation no.	time trend equations	Calculated T	Evaluated F	R^{-2} Adj. R-square	average	% annual change	Significance
Total agricultural loans	current	1	$\hat{Y}_t= 430018+ 17295\ x_t$	7.52	56.55	0.89	272351	6.35	*
	Real	2	$\hat{Y}_t= 9311+2852\ x_t$	2.38	5.67	0.37	55623	5.12	**
Short term	current	3	$\hat{Y}_t=359814+15288\ x_t$	9.43	88.95	0.86	215045	7.11	*
	Real	4	$\hat{Y}_t=108759+ 2037\ x_t$	2.36	5.58	0.41	43802	4.65	**
Medium-term	current	5	$\hat{Y}_h=125371+ 2622\ x_t$	6.91	47.77	0.82	44511	5.89	*
	Real	6	$\hat{Y}_t=36580+ 298\ x_t$	2.67	7.14	0.39	9165	3.25	**
Long -term	current	7	$\hat{Y}_t=17401+275\ x_t$	4.09	16.74	0.76	12795	2.15	*
	Real	8	$\hat{Y}_t=6941+ 34.2\ x_t$	1.27	1.62	0.29	2656	1.28	-

Where

$\hat{Y}_t$: The estimated value of the studied variables in year t.

x_t: Time variable per year, where t = (1, 2, 3, ……………..19)

* : significant at 0.01 level.

**: significant at 0.05 level

- : insignificant

Source: Calculated from Table (1) data in the present study.

1-1 Evolution of Agricultural Loans According the Time Period Repayment in Qaluobiya Governorate Through Period (1992/1993-2010/2011):

The agricultural loans (granted by Bank for Development and Agricultural Credit) were classified in accordance with the schedule to three types:

Short-term loans: Their duration is not increased more than one year. Mostly offer as loans for agriculture and various field crops, and some are investment allocated for livestock, poultry, run apiaries, fisheries, agro-processing and other.

Medium term loans: Their duration is increased more than one year and less than five. These loans are often for livestock, fish, poultry, agricultural mechanization and land reclamation, etc.

Long term loans: Their duration is more than five years and normally for land reclamation and the establishment of orchards and other agricultural purposes.

Studying the evolution of such total loans during the study period showed that:

Total current value of short-term agricultural loans was ranged as shown in Table (1), between a minimum of approximately 102.4 million pounds in season 1992/1993, and an upper limit of approximately 322.8 million pounds in season 2009/2010, with an increase of approximately 215.1% compared to a minimum, and approximately 50.1% of the average current value of short-term loans (around 215.04 million pounds) during the study period.

Estimating the time trend of the current value of short-term agricultural loans, equation (3) in Table (2) described that the current value of short-term loans, during the study period, increased by a statistical significant annual amount at 0.01 level. This increase was estimated by about 15.28 million pounds equivalent to 7.11% of the average current value of short-term agricultural loans during the study period, and the adjusted coefficient of determination (R^{-2}) showed that about 86% of changes of current value of short-term agricultural loans interpreted by time element while other changes returned to other factors not measured in the equation.

On the other hand, the total real value of short-term agricultural loans varied among the lower limit approximately 28.09 million pounds in season 2010/2011 and the upper limit of approximately 54.18 million pounds during the season 2002/2003 with change rate of about 92.8% compared to the minimum, and about 23.7% compared to the average value of real short-term agricultural loans (about 43.8 million pounds) during the study period.

Equation (4) Table (2) described real value of short-term agricultural loans taking an increasing and statistically significant trend at 0.05 level. This increase was estimated about 2.03 million pounds, representing about 4.65% of the average real value of short-term agricultural loans during the study period, and R^{-2} value indicated that about 41% of changes may return to a time element.

Total current value of medium-term agricultural loans was ranged as shown in Table (1), from a minimum of about 22.84 million pounds in season 1992/1993, and an upper limit of approximately 68.15 million pounds in season 2008/2009, with an increase of approximately 198.36% compared to a minimum, and approximately 53.13% compared with the average current value of medium-term agricultural loans (around 44.51 million pounds) during the study period.

Estimating the time trend of the current value of medium-term agricultural loans, equation (5) in Table (2) described that the current value of medium-term loans, during the period of study, increased by a statistical significant annual amount at 0.01 level. This increase was estimated by about 2.62 million pounds equivalent to 5.89% of the average current value of medium-term agricultural loans during the study period, and the adjusted coefficient of determination ($R^{-2)}$) indicates that about 82% of changes of current value of medium-term agricultural loans may return to time variable.

On the other hand, the total real value of medium-term agricultural loans varied among the lower limit approximately 5.50 million pounds in season 2010/2011 and the upper limit of approximately 11.37 million pounds during the season 2000/2001 with a rate of change of about 106.48% compared to the minimum, and

about 24.09% compared to the average value of real medium-term agricultural loans (about 9.16 million pounds) during the period of study.

Estimating the time trend of real value of medium-term agricultural loans, equation (6) in Table (2) showed that it take an increasing and statistically significant trend at 0.05 level. This increase was estimated about 0.298 million pounds, representing about 3.25% of the average real value of medium-term agricultural loans during the studied period, and R^{-2} value indicated that about 39% of changes may return to a time element.

With regard to long-term agricultural loans data in Table (1) showed that the total current value of long-term agricultural loans ranged between a lower limit of around 5.12 million pounds during the season of 1992/1993, and an upper limit of around 19.36 million pounds from season 2009/2010, with an increase of approximately 278.15% compared to a minimum, and about 51.38% of the average total value of current long-term agricultural loans (about 12.79 million pounds) during the study period.

Estimating the time trend of the current value of long-term agricultural loans, equation (7) in Table (2) described that it increased by a statistical significant annual amount at 0.01 level. This increase was estimated by about 0.275 million pounds annually, equivalent to 2.15% of the average current value of long-term agricultural loans during the study period, and the adjusted coefficient of determination (R^{-2}) showed that about 76% of changes of current value of long-term agricultural loans interpreted by time variable.

On the other hand, the total real value of long-term agricultural loans varied among the lower limit approximately 1.39 million pounds in season 2010/2011 and the upper limit of approximately 4.55 million pounds during the season 2000/2001 with change rate of about 226.63% compared to the minimum, and about 71.31% compared to the average value of real long-term agricultural loans (about 2.65 million pounds) during the period of study. But significance of estimating equation of time trend of increase in the real value of long-term agricultural loans, during the study period was not confirmed.

Thus, Bank for Development and Agricultural Credit in Qaluobiya contributed a significant role in achieving the objectives of agricultural development in the governorate. This was done through infusion of loans in different agricultural activities in the three types; "short and medium terms" for increasing crop production, and other investment areas (animal production, poultry, and fish, apiaries, agro-processing, agricultural mechanization), while long-term loans, despite their limitations, went to the land reclamation activities and establishment of orchards. This therefore, allowed opportunity to reach full operation of agricultural work and contribute to resolving the phenomenon of unemployment in various forms in the agricultural sector and rural areas.

2-1 development of agricultural loans from Bank for Development and Agricultural Credit according to the purpose of the activity in the Qaluobiya during (1992/1993-2010/2011):

2-1-1: Livestock loans:

Table (3) showed that the current value of the total livestock loans amounted to about 42.84 million pounds as an annual average over the period (1992/1993-2010/2011) and represented about 15.73% of the total agricultural loans during the same period. The total current value ranged from a minimum of about 19.56 million pounds during the season of 1992/1993, and an upper limit of around 69.25 million pounds during the season 2008/2009, with an increase of approximately 254.02% of minimum, and about 61.62% of average current value of total livestock loans, during the studied period.

Estimating time trend of current value of livestock loans, equation (1) Table (4) illustrated that this value had a general statistically increasing trend which was significant at 0.01 level. This annual increase was estimated by about 4.89 million pounds represented around 11.43% of the average current value of total livestock loans during the study period. And the value of R^{-2} showed that about 92% of independent changes were due to changes in the time variable.

On the other hand, the real value of total livestock loans ranged among lower limit of about 5.94 million pounds during the season 2010/2011 and an upper limit of about 10.96 million pounds in season 2002/2003, with a decreasing change of about 84.33% compared to a minimum, and about 26.82% compared to the real value of the total livestock loans (8.64 million pounds) during the study period.

Estimating the time trend of the real value of the total livestock loans, equation (2) Table (4) illustrated that, this value had an increasing statistically significant general trend at level 0.01. This increase was estimated by about 0.757 million pounds representing approximately 8.76% of the average of the real value of the total livestock loans during the studied period, and a value of R^{-2} showed that about 87% of the changes in the real value of livestock loans might be due to time factor.

Table 3: development of agricultural loans from Bank for Development and Agricultural Credit in Qaluobiya, according to the purpose of the activity during the period (1992/1993-2010/2011).

Item	Livestock		Poultry		Agricultural mechanization		Land reclamation		Reconstruction and replacement orchards		Other loans		Plant production loans		Total agricultural loans	
years	Current	Real	current	Real	current	Real	curr ent	Real	current	Real	Current	Real	current	Real	Current	Real
1992/1993	19561	7196	14344	5277	1956	719	26	10	9780	3598	12388	4557	72349	26615	130404	47972
1993/1994	25517	8745	18712	6413	2552	874	34	12	12759	4373	16161	5538	94377	32344	170112	58299
1994/1995	27457	8607	20135	6312	2746	861	37	11.5	13729	4303.5	17389	5451	101555	31836	183048	57382
1995/1996	29300	8643	21486	6338	2930	864	39	11.6	14650	4321.4	18557	5474	108370	31968	195332	57620
1996/1997	27691	7614	23735	6526	2967	816	59	16	14439	3970	18197	5003	110704	30438	197792	54383
1997/1998	30665	8363	22488	6133	3066	836	21	5.8	15333	4181	19421	5296.2	113442	30937	204436	55752
1998/1999	31458	8466	23069	6208	3565	959	63	17	14890	4007	20133	5418	116544	31363	209722	56438
1999/2000	39850	10537	28129	7438	3985	1054	94	25	17815	4711	22269	5888	122271	32328	234413	61981
2000/2001	38378	9971	28144	7312	4349	1130	52	13	19189	4985	24306	6315	141432	36746	255850	66472
2001/2002	39661	10259	29085	7523	3966	1026	52	13.4	19831	5129.6	25119	6497	146694	37947	264408	68395
2002/2003	47014	10966	32322	7539	4408	1028	118	27	22038	5140	32322	7539	155615	36301	293837	68540
2003/2004	47569	9559	35677	7170	5946	1195	94	19	23784	4780	29730	5975	154505	31049	297305	59747
2004/2005	50257	8712	37692	6534	6282	1089	63	11	23558	4084	29839	5173	166314	28844	314104	54447
2005/2006	49839	7538	36549	5528	4984	754	66	10	24920	3769	31565	4774	184340	27880	332263	50253
2006/2007	59299	8479	44475	6360	7413	1059	74	11	28909	4134	35209	5034	195244	27915	370623	52992
2007/2008	62841	8426	47131	6321	7855	1053	78	11	29457	3950	37312	5003	208083	27897	392757	52661
2008/2009	69250	8441	52956	6455	6065	739	81	10	30552	3724	38699	4717	209751	25567	407354	49653
2009/2010	65080	7813	48810	5860	6101	733	72	9	30506	3662	38641	4639	207541	26110	406751	48826
2010/2011	53405	5949	37698	4200	4712	525	126	14	24503	2730	29844	3324	163858	18252	314146	34994
Average	42847	8647	31718	6392	4518	911	66	14	20560	4187	26163	5348	146479	30124	272351	55623
Relative importance %	15.73	15.55	11.65	11.50	1.66	1.64	0.02	0.02	7.55	7.53	9.61	9.61	53.78	54.15	100	100

* Real values calculated using general index of whole sale prices (1986/1987 = 100). Source: collected and calculated from Bank for Development and Agricultural Credit in Qaluobiya-records of credit management. Unpublished data-March 2012.

Table 4: Equations of time trend of the development of agricultural loans granted from Bank for Development and Agricultural Credit in Qaluobiya, for the purpose of the activity through (1992/1993-2010/2011).Value per thousand pounds.

Loans		Equation	time trend equations	Calculated T	Evaluated F	R^{-2}Adj. R-sq	Average	% annual change	significance
Livestock	current	1	$\hat{Y}_t= 13085+4899\ x_t$	13.15	172.93	0.92	42847	11.43	*
	Real	2	$\hat{Y}_t= 11060+757.5\ x_t$	7.10	50.41	0.87	8647	8.76	*
Poultry	current	3	$\hat{Y}_t=12019+3965\ x_t$	9.52	90.63	0.92	31718	12.5	*
	Real	4	$\hat{Y}_t=9704+553\ x_t$	6.93	48.02	0.84	6392	8.65	*
Agricultural mechanization	current	5	$\hat{Y}_t=10448+286.4\ x_t$	2.60	6.76	0.09	4518	6.34	**
	Real	6	$\hat{Y}_t=5779+ 42.1\ x_t$	1.04	1.08	0.28	911	4.62	-
Land reclamation	current	7	$\hat{Y}_t=103-2.35\ x_t$	-0.44	0.19	0.03	66	3.56	-
	Real	8	$\hat{Y}_t=31.7- 1.08\ x_t$	-1.14	1.30	0.12	14	7.71	-
Creating and restoring orchards	current	9	$\hat{Y}_t=10927+797x_t$	3.82	14.59	0.45	20560	3.87	*
	Real	10	$\hat{Y}_t=3194+ 84.6\ x_t$	2.64	6.97	0.18	4187	2.02	**
Other loans	current	11	$\hat{Y}_t=20075+1238x_t$	2.58	6.65	0.35	26163	4.73	**
	Real	12	$\hat{Y}_t=9117+129\ x_t$	1.51	2.28	0.14	5348	2.41	-
Plant production loan	current	13	$\hat{Y}_t=39503+12729\ x_t$	5.17	26.73	0.74	146479	8.69	*
	Real	14	$\hat{Y}_t=13385+1259\ x_t$	3.36	11.29	0.39	30124	4.18	*

Where : $\hat{Y}_t$: The estimated value of the variables studied in year (t).

x_t: Time variable per year, where (t) = (1, 2, 3, ……….19)

* : significant at 0.01 level.

**: significant at 0.05 level

- : insignificant.

Source: Calculated from data of table (3) in the present study.

2-1-2: Poultry loans:

The average current value of total poultry loans was about 31.71 million pounds represented approximately 11.65% of all agricultural loans during the period 1992/1993-2010/2011 (Table, 3). While, the current value of total poultry loans was ranged between a minimum of about 14.34 million pounds in season 1992/1993, and an upper limit of around 52.95 million pounds in season 2008/2009 by an increase of approximately 269.18% of minimum and average about 66.96% of current value of total poultry loans during the studied period. Estimating the time trend of the current value of the total poultry loans equation (3) in Table (4) showed that this value had a general trend of increasing and statistically significant at 0.01 level. An annual increase was estimated of 3.96 million pounds represented approximately 12.5% of the average current value of total poultry loans during the period of study, and the value of the coefficient of determination rate R^{-2} showed that about 92% of the changes in this value may return to time element.

The real value of poultry loans were ranged from a minimum of approximately 4.20 million pounds in season 2010/2011 and an upper limit of about 7.53 million pounds in season 2002/2003 by a decreasing rate of about 79.5% of minimum and about 17.94% of the mean of real value of total poultry loans 6.39 million pounds during the investigated period (Table 3). While estimating equation of time trend of the real value of the total poultry loans, equation (4) in Table (4) showed that, this value had taken a significant increasing general trend at

0.01 level. This increase was estimated by about 0.553 million pounds represented around 8.65% of average real value of total poultry loans during the study period, and R^{-2} value indicated that approximately 84% of the changes in that value may return to time element.

2-1-3 Agricultural Mechanization Loans:

Table (3) showed that the average current value of agricultural mechanization projects' loans, during the study period (1992/1993-2010/2011) were approximately 4.51 pounds. This value ranged between a minimum of approximately 1.95 million pounds in 1992/1993, and an upper limit of about 7.85 million pounds in 2007/2008; up approximately 301.58% minimum and average of 73.86% current value of total agricultural mechanization loans during the studied period.

Estimating the time trend of the current value of the total agricultural mechanization loans, equation (5) in Table (4) showed that this value had taken a general trend of increasing and statistically significant at the 0.05 level and the annual increase was estimated of approximately 0.286 million pounds represented around 6.34% of the average current value of total loans of Qaluobiya agricultural mechanization during the investigated period.

While, the real value of the total agricultural mechanization loans were ranging from a minimum of about 0.525 million pounds in 2010/2011 season and an upper limit of around 1.19 million pounds in 2003/2004 season (Table 3), by a decreasing change of about 127.62% in 2010/2011 compared to 2003/2004, and an average of 31.17% compared to real values of total agricultural mechanization loans 0.911million pounds during the period of study.

Estimating the time trend of the real value of agricultural mechanization loans, equation (6) in Table (4) described that this value had taken an increasing general trend and that increase amounted to approximately 0.042 million pounds representing approximately 4.62% of the average of the real value of the total agricultural mechanization loans during the studied period. But this increase had no demonstrated significance at any of the known significant levels.

2-1-4 Land Reclamation Projects Loans:

The annual average of current value of Bank for Development and Agricultural Credit's loans provided for land reclamation projects in the Qaluobiya was about 0.066 million pounds during the period 1992/1993-2010/2011 (Table 3). This value was ranged between a minimum of about 0.021 million pounds in season 2010/2011 with a rate of change of nearly 500% in 2010/2011 compared to season 1997/1998 by an increase of approximately 90.91% of the average of current value of loans for land reclamation during the study period. Time trend equation (7) in Table (4) described that, this value had taken a declining general trend by about 0.002 million pounds a year, and did not demonstrate statistical significance for this decline statistical significance for this decline was not confirmed. Ture value for total land reclamation projects loans, during the study period, was ranged between a minimum of about 0.0058 million pounds in 1997/1998 and a maximum of about 0.027 million pounds in 2002/2003 with a rate of increase of nearly 365.52% in 2002/2003 compared to 1997/1998 (Table 3). Time trend equation (8) in Table (4) described that, this value had taken a declining general trend by about 0.001 million pounds a year, and did not demonstrate statistical significance of this decline.

2-1-5 Reconstructing and Replacement Orchards loans:

Table (3) showed that the average annual current value of reconstructing and replacement loans during the study period (1992/1993-2010/2011) amounted to be 20.56 million pounds representing about 7.55% of the total agricultural loans (about 272.35 million pounds) during the same period. It showed also that, current value of reconstructing and replacement loans was ranged between minimum of approximately 9.78 million pounds in season 1992/1993 and an upper limit of approximately 30.55 million pounds in 2008/2009 with an increase of about 212.39% minimum, and about 48.60 of average current value of reconstructing and replacement loans during the study period. Estimating time trend of current value of creating and restoring orchards loans, equation (9) in Table (4) described that this value had taken a significant increasing general trend at 0.01 level. This annual increase was about 0.797 million pounds representing about 3.87% of the average current value of creating and restoring orchards loans during the studied period. While R^{-2} value indicated that about 45% of changes in that value may return to a time variable.

The average annual real value of reconstructing and replacement loans was about 4.18 million pounds during the study period, and the real value of these loans ranged between a minimum of about 2.73 million pounds in 2010/2011 season and an upper limit of about 5.14 million pounds in season 2002/2003, with a decrease of about 88.28% in 2010/2011 season compared to upper limit in season 2002/2003 (Table 3).

Estimating time trend of real value of creating and restoring orchards loans from Bank for Development and Agricultural Credit in Qaluobiya during the studied period, equation (10) in Table (4) showed that this value had taken a significant increasing general trend at the 0.05 level, and that increase had been estimated of about 0.084

million pounds annually representing about 2.02% of the average value of the creation and restoring orchards loans during the study period.

2.1.6 Other Agricultural Project Loans:

The average annual current value of other agricultural projects loans during the period (1992/1993-2010/2011) was about 26.16 million pounds, representing approximately 9.61% of the total current value of agricultural projects during the same period. This value was ranged between a minimum of around 12.38 million pounds in season 1992/1993 and an upper limit of about 38.69 million pounds in season 2008/2009, with an increase of about 212.39% during 2008/2009 compared with season 1992/1993 and an increase of about 47.91% of the average current value of other agricultural project loans (table 3). Estimating equation of time trend of the current value of other agricultural loans, equation (11) table (4) illustrates that they had taken a significant increasing general trend at the 0.05 level. That increase was about 1.23 million pounds annually, representing approximately 4.73% of the average current value of other agricultural loans during the study period.

On the other hand, the average annual real value of other agricultural loans was about 5.34 million pounds, representing approximately 9.61% of the total real value of agricultural loans during the study period (Table 3). They were ranged from a minimum of around 3.32 million pounds in 2010/2011 season and an upper limit of approximately 7.53 million pounds in season 2002/2003 with a decreasing rate of change about 126.80% in 2010/2011 season compared to the season 2002/2003. Estimating time trend of the true value of other agricultural loans, equation (12) table (4) illustrates that this value has taken an increasing general trend about 0.129 million pounds annually. But the significance of this increase did not demonstrate statistically.

2-1-7 Plant Production Loans:

The average current value of plant production loans (crops, vegetables and some others) was about 146.47 million pounds, representing approximately 53.78% of the average current value of total agricultural loans during the studied period 1992/1993-2020/2011 (Table 3). These loans were ranged between a minimum of about 72.34 million pounds in season 1992/1993 and an upper limit of around 217.54 million pounds in 2009/2010 season, with an increasing rate of the minimum limit of approximately 200.68% and 48.51% of an average current value of plant production loans during the studied period.

Estimating the time trend of the current value of plant production loans, equation (13) in Table (4) referred that they had taken a significant increasing general trend at 0.01 level. This increase was about 12.72 million pounds annually, representing approximately 8.69% of the average current value of plant production loans during the studied period. While R^{-2} value indicated that about 74% of the changes in that value were due to time variable.

On the other hand, the average real plant production loans during the study period were about 30.12 million pounds (Table 3). This value was ranged between a minimum of approximately 18.25 million pounds in 2010/2011 season and an upper limit of around 37.94 million pounds during the season 2001/2002, with a decreasing rate of approximately 107.91% in season 2010/2011 compared to that in season of the upper limit.

Estimating time trend of the real value of plant production loans during the study period, equation (14) in Table (4) showed that they had taken a significant increasing general trend at 0.01 level, and that increase had been estimated at approximately 1.259 million pounds annually, representing approximately 4.18% of the average of the real value of plant production loans during the studied period. While R^{-2} value indicated that about 39% of the changes in the real value of plant production loans may return to time element.

Thus, the study showed that Bank for Development and Agricultural Credit in Qaluobiya governorate focused, during the studied period, only on short-term agricultural loans, and this may be due to rapid turnover and the short duration of payment which did not increase over one year. Also, results indicated high relative importance of "plant production loans", where their relative importance reached about 53.78% at current prices and about 54.15% at real prices, during the studied period. While investment loans represented approximately 46.22% at current prices and about 45.85% at real terms which production livestock loan and poultry represented about 15.73%, 11.65% respectively. This was at the expense of the rest of other fields such as land reclamation and agricultural mechanization during the studied period (1992/1993-2010/2011).

2- Structure of the Distribution of Agricultural Loans Granted from Bank for Development and Agricultural Credit in Qaluobiya Governorate During the Period (2008/2009-2010/2011):
2-1 Plant Production Loans:

Studying distribution of plant production loans granted to farmers in the Qaluobiya, according to different agricultural crops, showed that the total value of these loans amounted to about 197.05 million pounds representing about 52.4% of average total agricultural loans during the period of 2008/2009-2010/2011 (Table 5). Wheat crop was the top of crops that were borrowing by, where the total value of its loans amounted to about 35.16 million pounds representing approximately 17.8% of the total value of plant production, with a mean of loans per feddans reached to 2500 pound. It was followed by citrus where the total value of loans was

approximately 27.85 million pounds with a mean of loans per feddans reached to 4000 pounds. Then, onions came where the total value of loans was approximately 21.97 million pounds with a mean of loans/feddans reached to 4500 pounds, then grapes with a total value of loans amounted to about 18.64 million pounds and an average loans/feddans of about 4500 pounds too. Followed by strawberry, tomatoes, garlic, corn, cotton, cucumber, sugar beet crops, with percentages about 8.9%, 6.5%, 0.6%, 3.8%, 2.9%, 1.6% and 1.6% of the total value of plant production loans each respectively. While sorghum loans had been disrupted in last place by approximately 0.62%. Table data also indicated that the average value of loans/feddans ranged from a maximum of about 7000 pounds/feddan strawberry crop, and a minimum of about 1900 pounds/feddan of permanent clover. The time period of repayment of the loan was ranged from between 6-12 months with an average interest rate of 5.5% on all crops. While value of loans to other agricultural crops reached towards 24.81million pounds, with an average loan of about 3250 pounds/feddan.

Table 5: structure of plant production loans to farmers granted from Bank for Development and Agricultural Credit in Qaluobiya through the period (2008/2009-2010/2011).

Item Crops	Total value of loans "pounds"	average loan amount per feddans "pounds"	average life of the loan "month"	Percent of total loans in plant production	% Of average interest rate
Wheat	35160	2500	6-9	17.8	5.5
Corn	7505	2500	6-9	3.8	5.5
Sorghum	1227	2100	6-9	0.62	5.5
Cotton	5859	3500	6-12	2.9	5.5
permanent clover	1471	1900	6	0.75	5.5
Onion	21972	4500	9	11.5	5.5
Chinese garlic	11837	5000	9	6.0	5.5
Municipal beans	1914	2500	6	0.97	5.5
Tomato	12740	4500	6	6.5	5.5
Cucumber	3107	2500	6	1.6	5.5
Eggplant	2300	3500	9	1.2	5.5
Strawberry	17560	7000	9-12	8.9	5.5
Sugar beet	3085	2500	6	1.6	5.5
Citrus	27853	4000	12	14.1	5.5
Grapes	18647	4500	12	9.5	5.5
Other crops	24813	3250	6-12	12.6	5.5

Source: collected and calculated from Bank for Development and Agricultural Credit in Qaliubiya, statistics, Statistics Department records, .unpublished data, March 2012.

2-2 Investment loans:

Table (6) showed that the total investment loans granted by Bank for Development and Agricultural Credit in Qaluobiya (2008/2009-2010/2011) amounted to about 179.03 million pounds represented approximately 47.6% of the total value of agricultural loans and distributed as follows:

2.2.1-Livestock Production:

Value of loans granted for livestock production activity was towards 62.57 million pounds represented approximately 34.9% of the total value of investment loans during the study period. About 10.63 million pounds loans for milch cows representing about 5.9% of the total investment loans, 13.14 million pounds for cows calves representing approximately 7.3%, 12.16 million pounds for milch buffalo representing around 6.8%, 14.15 million pounds for buffalo calves representing around 7.9%, 11.88 million pounds for fattening calves representing about 6.7% of the total investment loans each. On the other hand, the value of loans granted to sheep and goats activities were only about 0.591 million pounds representing around 0.33% of the total value of investment loans during the study period. Animal production loans were ranged between a minimum of 2500 pounds and around 300,000 pounds maximum with an average repayment period ranged from 1-5 years, having an average interest rate 12.5% annually.

2-2-2 Poultry Production:

Poultry production loans amounted to be about 46.48 million pounds representing about 25.9% of the total value of investment loans during the study period. They spread over some activities; 14.87 million pounds representing about 8.3% of poultry for egg production, 29.41 million pounds were representing 16.4% for fattening poultry and 2.19 million pounds for feed activity representing about 1.2 % of total investment loans during the study period. Poultry loans values were ranged between a minimum (5000 pounds) and a maximum (300,000 pounds) and the average repayment reached to 1-2 years, with an interest rate of 12.5% annually.

Table 6: structure of investment loans granted from Bank for Development and Agricultural Credit in Qaluobiya during the average period (2008/2009-2010/2011).

Loans Item	Total value of loans "pounds"	Average loan amount in pounds		Average period of repayment of loans "year"	Percent of total investment loans	% of average interest rate
		Minimum	Maximum			
1- Livestock production	62578	2500	300000	1-5	34.9	12.5
Milch cows	10639	5000	250000	1-5	5.9	12.5
Cattle calves	13142	2500	300000	1-5	7.3	12.5
Milch buffalo	12164	5000	250000	1-5	6.8	12.5
Buffalo calves	14153	2500	300000	1-5	7.9	12.5
Fattening calves	11889	2500	300000	1-5	6.7	12.5
Goat and sheep	591	2500	100000	1-5	0.33	12.5
						12.5
2- Poultry production	46488	5000	300000	1-2	25.9	12.5
Poultry for egg production	14877	5000	250000	1-2	8.3	12.5
Fattening poultry	29412	5000	300000	1	16.4	12.5
Feed	2199	5000	175000	1-2	1.2	12.5
3- Agricultural mechanization	5478	5000	250000	1-5	3.1	12.5
Agricultural tractor	3013	5000	250000	1-5	1.7	12.5
Irrigation machine	2192	5000	20000	1-5	1.2	12.5
Motor spray	273	2000	170000	1-5	0.2	12.5
4- Reclamation and cultivation land	93	5000	100000	1-5	0.05	13.5
5- reconstruction and replacement orchards	28521	5000	350000	1-5	16.0	12.5
6- Fisheries	148	2500	50000	1-2	0.09	11.5
7- Other loans	35728	3000	100000	1-3	19.9	10.5-12.5
-Youth loans	8932	5000	100000	1-3	5.0	10.5
-Protected cultivation	4287	5000	80000	1-2	2.4	12.5
-Work related to agriculture Create	9646	3000	25000	1-2	5.3	12.5
- develop irrigation systems	3216	3000	20000	1-2	1.8	10.5
-Agricultural marketing	5359	3000	20000	1-3	3.0	12.5
-Agricultural processing	4297	5000	50000	1-3	2.4	12.5

Source: collected and calculated from the Bank for Development and Agricultural credit in Qaluobiya, Statistics Department records, unpublished data, 2012.

2-2-3 Agricultural Mechanization:

Agricultural mechanization loans amounted to 5.47 million pounds representing approximately 3.1% of the total value of investment loans distributing on; tractors, around 3.01 million pounds representing 1.7% of investment loans, watering machines, nearly 2.19 million pounds representing 1.2% and some spray motors, 0.273 pounds representing 0.2% of the total value of investment loans each. Agricultural mechanization loan repayment period ranged between one to five years and the annual interest rate was 12.5%.

2-2-4 Reclamation and Cultivation Land:

Value of loans granted for this activity was about 0.093 million pounds, representing about 0.05% of the total value of investment loans, and loan repayment period was 1-5years with an interest rate of approximately 13.5% annually.

2-2-5 Construction and Replacement Orchards:

Value of loans granted for this activity was about 28.52 million pounds representing around 16% of the total value of investment loans. These loans ranged between a minimum of about 5000 pounds and upper limit of approximately 350,000 pounds. Repayment period was ranging from 1-5 years with an interest rate of about 12.5% annually.

2-2-6 Fisheries:

Value of loans granted for this activity was about 0.148 million pounds representing around 0.09% of the total value of investment loans. These loans ranged between a minimum of about 2500 pounds and upper limit of approximately 50,000 pounds. Repayment period was ranging from 1-2 years with an interest rate of about 11.5% annually.

2-2-7 Other Investment Loans:

These loans amounted to about 35.72 million pounds representing approximately 19.9% of the total value of investment loans during the studied period. Other loans included also investment loans for youth worth (youth loans) 8.93 million pounds representing around 5% of the total value of investment loans, and loans for agricultural greenhouses and protected crops which amounted to approximately 4.28 million pounds, representing about 2.4%, agriculture-related business loans worth about 9.64 million pounds representing about 5.3%, loans for the creation and development of farm irrigation systems by approximately 3.21 million pounds

representing about 1.8%, agricultural marketing by about 5.35 million pounds representing around 3% and agricultural industrialization loans were around 4.29 million pounds representing about 2.4% of total value of investment each and other loans. They ranged between the minimum of approximately 3000 pounds and a maximum of about 100,000 with an interest rate ranging from 10.5%-12.5% annually.

2-3 Distribution of Agricultural Loans Granted by bank for Development and Agricultural Credit in Qaluobiya at Districts During the Period (2008/2009-2010/2011):

Qaluobiya, comprises seven districts which are: Tukh, Banha, Shebin-El kanater, Qalyub, El- Kanater Al-Khairia, Kafr shoukr, El-khanka. Table (7) shows that the total current value of plant production loans totaled 197.05 million pounds representing 52.4% of average of total agricultural loans 376.08 million pounds during the period (2008/2009-2010/2011). It was distributed among the districts of Qaluobiya. Tukh was the first in plant production loans by about 21.8% followed by Shebin El Kanater, Banha, Qalyub, El- Kanater Al-Khairia, Kafr Shoukr and Al Khanka, with ratios of approximately 19.5%, 15.3%, 14.2%, 13.1%, 8.5%, 7.6% each respectively of the total value of loans for plant production during the study period.

Table 7: Distribution of agricultural loans granted by Bank for Development and Agricultural Credit on Qaliubiya's districts during the period (2008/2009-2010/2011). By thousand pounds.

Item District	Plant production loans		Investment values		Total loans	
	Value	%	value	%	value	%
Tukh	42957	21.8	34553	19.3	77510	20.6
Banha	38425	19.5	33300	18.6	71725	19.1
Shebin El- kanater	30149	15.3	26855	15.0	57004	15.2
Qalyub	27981	14.2	24886	13.9	52867	14.0
El- Kanater Al-Khairia	25813	13.1	22737	12.7	48550	12.9
Kafr Shoukr	16749	8.5	17725	9.9	34474	9.2
Al Khanka	14976	7.6	18978	10.6	33954	9.0
Total governorate	197050	100	179034	100	376084	100

Source: collected and calculated from Bank for Development and Agricultural Credit iin Qaliubiya, credit management, unpublished data, March 2012.

The average current value of distributed investment loans from Bank for Development and Agricultural Credit to Qaluobiya districts for an average period of study was 179.03 million pounds, representing about 47.6 % of total agricultural loans. Tukh was the first with about 34.55 million pounds representing about 19.3% of the total investment loans, followed by districts: Banha, Shebin El kanater, Qalyub, El- Kanater Al-Khairia, Kafr shoukr and El Khanka having approximately 18.6%, 15%, 13.9%, 12.7%, 9.9%, 10.6 % of total investment loans for each respectively.

With regard to total agricultural loans distributed at Qaluobiya districts, hauled on Tukh held the top having about 20.6% of the total agricultural loans during the studied period, followed by Banha, Shebin El kanater, Qalyub, El- Kanater Al-Khairia, Kafr shoukr and Al Khanka with approximately rates about 19.1%, 15.2%, 14%, 12.9%, 9.2%, 9% of the total value of agricultural loans to each respectively during the studied period.

3. Questionnaire About the Efficiency of Bank for Development and Agricultural Credit in Credit Servicing to Qaluobiya:

Trends and a survey of a sample of the farmer beneficiaries towards the efficiency of Agricultural Credit and Developmental Bank in Qaluobiya in providing agricultural credit services have been studied. That in addition of studying, the most important pros and cons and problems face farmers when dealing with the Bank, with some suggestions to enhance its efficiency. This was done through multi-stage questionnaire to regular random sample of the farmers benefiting from the Bank. The largest two districts, according to the relative importance, were selected for this study for number of acreage holders and size of the agricultural loans, during the average period (2008/2009-2010/2011). So, "Tukh" and "Banha" have been chosen for being the first and second districts, in Qaluobiya in many terms. One of them is the relative importance of number of holders, where they were approximately 27.3% and 20.9% respectively of the total number of holders in the governorate which amounted to be about 202246 holders. The other is the relative importance of acreage amounting to be around 25%, 18.2% each respectively of the total acreage of approximately 192953 feddans. The third is the average size of agricultural loans, which amounted to be approximately 20.6%, 11.9% each respectively of total agricultural loans in Qaluobiya, which is around 376.084 million pounds for the average of the previous period.

The sample of the study amounted to a total of 107 observation; 59 in Tukh district representing about 55.1% of the total sample and 48 in Banha district representing about 44.9% of total sample. The largest two villages were selected by each district to be the representative sample for the study population, and data were obtained by interview the producers through questionnaires filled and prepared for this purpose during the 2010/2011 season.

Economic Indicators of The Results of The Field Study Sample:
Sources of Financing of Agricultural Activity:

Because agricultural sector in Egypt has distinctive characteristics such seasonality, inflexibility, dwarfism of agricultural holdings and areas and farm income drop. Thus, it did not provide necessary and sufficient savings for any agricultural activity either plant or investment, and therefore many farmers resort to multiple sources of financing, to get enough of their agricultural activities. So, this part of the study considers to explore interact by posting about farmers on the most important sources of funding used by them to exercise their farming activities.

Major different funding sources used by farmers for borrowing are shown from table (8). Approximately 49.5% of the total sample of the study relied on Bank for Development and Agricultural Credit (Bank village) in obtaining agricultural loans needed to fund agricultural activity and approximately 3.7% of respondent to the commercial banks. While approximately 7.5% of the total sample claimed that they relied on a family member in the financing this activity and according to some 2.8% of the total sample members resorted on the social fund for development and some another 2.8% of respondent to borrow from merchants (particularly fruit and vegetable market traders). Another 6.6% of the total sample relied on farm participation system in financing of agricultural activity. As well as, approximately 19.6% relied on personal savings to finance their agriculture, and about 0.9% on private associations and non-governmental organizations. Some 6.6% of the total sample depended on selling part of his property such as "production of rural animals" or selling a portion of their crop surplus available from the preceding year. It was clear from the foregoing that approximately 49.5% of the respondents relied on banks for the villages in financing various agricultural activities.

Table 8: The relative importance of different sources of financing for the study sample members in Qaluobiya in (2010-2011) season.

Source of funding	Tukh district		Banha district		Total sample	
	no.	%	no.	%	no.	%
Sample size	59	-	48	-	107	-
1-A family member	5	8.5	3	6.3	8	7.5
2- Bank for development and agricultural credit	30	50.8	23	47.9	53	49.5
3- Commercial banks	2	3.4	2	4.2	4	3.7
4-Social fund for development	2	3.4	1	2	3	2.8
5- merchants	1	1.7	2	4.2	3	2.8
6-Participation	3	5.1	4	8.3	7	6.6
7-Savings	11	18.6	10	20.8	21	19.6
8- Eligibility associations	1.7	1	-	-	1	0.9
9- Sailing of part of the property	4	6.8	3	6.3	7	6.6

Source: collected and calculated from questionnaire of field study sample for season 2010/2011.

Survey of Farmers on Efficiency of Credit of Bank for Development and Agricultural Credit in Areas of
Field Study Sample in Qaluobiya in Season 2010/2011:

Growers' answers who dealing with development and agricultural credit Bank in villages of field study sample (Table 9) showed that the majority of farmer's sample (79.9%) indicated that Bank for Development and Agricultural Credit offered them facilities when obtaining agricultural loans and approximately 90.7% of respondents reported that its branches scattered in all villages. all members of the study sample claimed that there was a confidential to their Bank accounts. As well as 81.1% of sample members confirmed that the Bank offered loans they required and around 93.9% confirmed their discipline at the Bank. And that about 69.1% reported that there was no discrimination in dealing with older or small farmers, and this may be attributed to the desire of the Bank in expanding its dealings with various categories of farmers as long as conditions are needed to prevent loans. 99.2% of the study sample said that bank staff explained instructions and how to pay for agricultural loans they require from the Bank. As well as 91.7% of members of the study sample saw that exchange procedures of agricultural loans from the Bank of the village proper and had no complications, while approximately 71.7% of respondents resorted to repay loans owed to the Bank by getting new loans to repay old loans (rotate loans). While 71.8% of the study sample members said that there was a speed in performing credit at the Bank when dealing with them.

On the other hand about 50.4% saw that agricultural credit interest rate is high compared to the farmer stressed conditions and about 44.2% of respondents declared that the grace period for repayment of the loans was not suitable. In addition, approximately 54.6% confirmed that the date of repayment of the loans was not commensurate with farm income through the sale of crop and farm animal production. Also, 87.8% of respondents reported the failure of the Bank debts in case of tumble schedule payment and 95.6 % of respondents said that the Bank did not give the grace period for repayment of the loans in the event of loss of the crop or animal deaths and for price fluctuations and market for agricultural produce. At the same time about 86.2% of farmers reaffirmed the answers ' lack of control of the Bank to use loans for purposes of exchange and that most of those loans went to other purposes such as boys marriage or the construction of new housing on farm land. while all the sample answers that the village Bank did not provide them any agricultural production

supplies such as fertilizers, seeds, pesticides and this may be due to the economic trends which accompanied the phase of economic liberalization and withdrawal development and agricultural credit Bank from agricultural production supplies trade since 1993. as stressed about 95.0% of the sample of the study on the failure of the Bank to provide indicative services or technical guidance to farmers. Also, 66.3% of respondents cleared that only Legal procedures and methods would done by the Bank in the event of non-payment, while about 79.9% and 87.4% of the sample requested rescheduling, short notice about one month payment respectively, and approximately 55.5% of respondents said that the Bank Rotates loans with payment of interest due.

Table 9: survey of farmers on credit efficiency of Bank for Development and Agricultural Credit in studied sample areas in Qaluobiya during the season (2010-2011).

Question	Tukh district		Banha district		Total sample	
	yes %	no %	yes %	no %	yes %	no %
1- Is it easy to get loans from the Bank?	82.3	16.7	77.5	20.3	79.9	18.5
2-Are Bank branches scattered and close to the village?	89.4	9.5	92.1	6.9	90.7	8.2
3- Does the Bank of agricultural credit take into account your circumstances as a farmer?	70.2	23.5	66.2	32.5	68.2	28
4- Does the interest rate on loans right for you?	51.0	47.9	45.7	53.0	48.4	50.4
5- Is it easy to get loans from the Bank?	66.0	34.0	70.5	28.1	68.3	31.0
6 - Do branches scattered and close to the village?	83.5	15.0	78.7	14.3	81.1	14.7
7- Does Bank for Development and Agricultural Credit take into account your circumstances?	10.4	88.9	8.0	92.0	9.2	90.5
8- Does the interest rate on loans right for you?	100	-	100	-	100	-
9 -Is there a set for your accounts with the Bank ?	92.7	4.5	95.2	4.0	93.9	4.2
10 -Does the Bank differentiates between a great deal and small farms?	70.2	23.0	68.0	25.0	69.1	24.0
11--Does the Bank offer you investment loans?	67.5	23.4	58.0	27.8	62.7	25.6
12-Is there a Bank tells you the payment method?	98.5	1.0	100	-	99.2	0.5
13- Do Bank loan procedures disbursement suitable?	89.4	10.6	94	3.5	91.7	6.8
14- Does the grace period for repayment of the loan suitable ?	48.1	44.9	51.2	43.5	49.6	44.2
15 -Does the date of repayment of the loan fit you have entered?	28.7	51.3	33.5	58.0	31.1	54.6
16-Do you sometimes repays loans via loan recycling?	74.5	25.5	68.9	30.5	71.7	28.0
17--Does the Bank scheduling your debts if you find reimbursement?	13.1	87.0	11.5	88.5	12.2	87.8
18 -Does the Bank give you a grace period if the crop loss?	22.0	75.3	22.6	76.0	22.3	75.6
19 -Is there a speed in performing bank credit services?	71.3	13.5	72.4	11.9	71.8	12.7
20- Is there supervision of the Bank to use your loans	11.2	84.5	7.5	88.0	9.3	86.2
21 -Does the Bank provide inputs (fertilizers, pesticides, seeds)?	-	100	-	100	-	100
22--Is there any propaganda from the Bank about the type of services provided by?	6.5	92.1	5.5	94.0	5.5	93.0
23 -Does the Bank give you advisory or technical services?	2.0	95.7	2.1	95.0	2.0	95.0
24 -What are the actions taken by the Bank in case of non-payment?	-	-	-	-	-	-
- Legal action	30.5	67.1	32.1	65.5	31.5	66.3
- Debts and taking into account the conditions of farms	15.1	82.8	20.4	77.1	17.7	79.9
- Notice of payment during the month	10.0	87.8	12.9	85.0	11.4	86.4
-Rotate the loan with the payment of accrued interest	40.1	57.5	45.5	53.5	42.8	55.5

*Supplementing the percentage represents neutral answers if confirm Yes or no. Source: calculated and collected from questionnaires of field study sample for 2010/2011 season.

Trends and Views of the Farmers About the Proposals to Develop the Performance of Agricultural Credit Bank Development in Sample Field Study Areas:

It is clear from the table (10) that, approximately 95.3% of the sample believed the necessity of lowering interest rates and administrative expenses to agricultural loans and approximately 83.2% stressed that appropriate safeguards required with the farmer's ability especially small farmers. While approximately 90.6% and 93.4% of the total sample study found an increase in the number of repayments and emphasized increasing slack respectively. About 82.2% of the total sample confirmed that the Bank must take into account the conditions of farms and the borrower for the project. Approximately 68.2% of it required a Bank village tightening controls on agricultural loans and investment granted to prevent them from being used for other purposes. 85.9% and 92.5% of the total sample required providing extension and technical services and special production requirements, especially with the rise in private sector companies, and being not available in agricultural cooperatives at the village level. Also about 91.6% of the study sample saw that there must be a help for farmers for marketing strategic crops "cotton and wheat and corn", while 93.4% wanted increase investment loans volume and low interest rates, especially in the field of livestock production. As seen around 96.3% of the total sample needed to increase loans to small enterprises with appropriate interest rates, and about 99.1% confirmed the Bank should schedule the debtor payment in the case of change, particularly in volatile market for most crops. About 97.2% of the total sample saw that Bank for development and agricultural credit must be the farm bank taking into account the circumstances and is not similar to other commercial banks.

Table 10: Trends and opinions on some of the proposals of the farmers to develop the performance of Bank of Development and Agricultural Credit at study sample level in Qaluobiya in 2010/2011 season.

Credit performance development proposals	Tukh district		Banha district		Total sample	
	no.	%	no.	%	no.	%
Sample size	59	-	48	-	107	-
1-An interest rate cut and administrative expenses	55	93.2	47	97.9	102	95.3
2-Suitable safeguards with the ability of farm	48	81.4	41	85.4	89	83.2
3- Increase the number of repayments	54	91.5	43	89.6	97	90.6
4- Increase slack	55	93.2	45	93.7	100	93.4
5- Into account the conditions of farms and a borrower project	43	72.8	45	93.7	88	82.2
6 -Tighter control on loans	41	69.5	32	66.6	73	68.2
7-Servicing and technical guidance for farms	53	89.8	39	81.2	92	85.9
8- Provide special inputs of fertilizers and pesticides and seeds	57	96.6	42	87.5	99	92.5
9 -Help farmers crop marketing	55	93.2	43	89.6	98	91.6
10-Increase investment loans at low interest rates	55	93.2	45	93.7	100	93.4
11- Increase youth loans for small simple interest rates	58	98.3	45	93.7	103	96.3
12- Schedule Debt in case you find Tumble in reimbursement	59	100	47	97.9	106	99.1
13 -Not turning the Bank for Development and agricultural credit to be similar to commercial banks.	58	98.3	46	95.8	104	97.2

Source: data collected and calculated from questionnaire of field study sample in Qaliubiya 2010/2011.

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