

338.13
M52

FINANCING POULTRY PROJECTS
IN CAVITE

THESIS

Corazon B. Mendoza

Don Soterino Agricultural College

Indang, Cavite

April, 1979

FINANCING POULTRY PROJECTS
IN CAVITE

Undergraduate Thesis
Submitted to the faculty of the
Don Severino Agricultural College, Indang, Cavite

#280

In Partial Fulfillment of the Requirements
for Graduation with the Degree of
Bachelor of Science in Agriculture
(Major in Agricultural Economics)



00001034

Financing poultry projects in Cavite
338.13 M52 1979
T-380

Corazon Y. Mendoza
April 1979

088 17

ABSTRACT

The objectives of the study "Financing Poultry Projects in Cavite" were to determine the: (1) the socio-economic characteristics of the farmers; (2) different forms and sources of financing poultry projects in Cavite; (3) requirements needed in obtaining credit or loan; (4) repayment ability of the farmers, and (5) relationship between poultry business financing, repayment performance, income and selected variables.

The different towns of Cavite were chosen as research area of the study. The list of poultry projects was obtained from the Bureau of Agricultural Economics in Trece Martirez City. The sample yielded a total of sixty five respondents.

The most common forms of financing poultry projects were family income, savings and credit or loan from rural banks, Development Bank of the Philippines (DBP) as well as private individuals. Also, farmers who obtained credit from rural banks and Development Bank of the Philippines cited some requirements needed in borrowing money. First, lending institution required the borrowers with collaterals. Second, borrowers must present the production characteristics as well as the estimated value of the project.

Farmers on their repayment performance practiced

paying their credit fully, partially and sometimes paying only the interest. However, repayment performance of the farmers was only significantly associated with the size and production characteristics of the projects.

On the other hand, income of the farmers were closely related with the size of the project, capital invested in the project, number of stocks raised as well as to the production value of the projects. Age, educational attainment, size of the household and experience from poultry farming seemed not related to income of the farmers, while the forms of financing used by the respondents were only associated to farmers' experience in poultry farming.

TABLE OF CONTENTS

| | Page |
|---|------|
| BIOGRAPHICAL DATA | iii |
| ACKNOWLEDGEMENT | iv |
| ABSTRACT | v |
| LIST OF TABLES | vi |
| LIST OF FIGURES | vii |
| INTRODUCTION | 1 |
| Importance of the Study | 2 |
| Statement of the Problems | 3 |
| Objectives of the Study | 3 |
| Definition of Terms | 4 |
| REVIEW OF RELATED LITERATURE | 6 |
| Sources and Forms of Financing | 6 |
| Requirements needed in obtaining loan | 10 |
| Repayment of the farmers | 11 |
| METHODOLOGY | 14 |
| Place of the study | 14 |
| Sampling and Data gathering..... | 14 |
| Statistical Analysis | 14 |
| Hypotheses | 15 |
| Level of Significance | 17 |

| | |
|--|------|
| | Page |
| Scope and Limitation of the Study | 17 |
| DISCUSSION OF FINDINGS | 18 |
| Socio-economic characteristics of the farmers | 18 |
| Forms of Financing used by poultry raisers | 23 |
| Sources of loan or credit | 25 |
| Requirements needed in obtaining loan | 27 |
| Repayment performance of the farmers. | 27 |
| Capital investment of poultry raisers | 28 |
| Number of Stocks raised by poultry farmers | 29 |
| The Value of production | 30 |
| Relationship of Income, Repayment performance and forms of financing of poultry raisers to some selected variables | 32 |
| SUMMARY, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS | 59 |
| Summary | 59 |
| Conclusion and implications. | 61 |
| Recommendations | 63 |
| BIBLIOGRAPHY | 65 |
| APPENDICES | 68 |
| QUESTIONAIRES | 70 |

LIST OF TABLES

| Table | Page |
|--|------|
| 1. Distribution of farmers according to their socio-economic characteristics | 21 |
| 2. Distribution of farmers according to forms of financing | 23 |
| 3. Distribution of poultry farmers according to sources of credit | 25 |
| 4. Distribution of farmers according to the require- ments needed in obtaining loan | 27 |
| 5. Distribution of farmers according to their repayment performance | 28 |
| 6. Distribution of farmers according to capital investment | 29 |
| 7. Distribution of farmers according to number of stocks raised | 30 |
| 8. Distribution of farmers according to value of production of their projects | 31 |
| 9. Age and Income of poultry raisers | 34 |
| 10. Educational Attainment and Income of poultry raisers | 35 |
| 11. Size of household and Income of poultry raisers | 36 |

| | | |
|-----|--|----|
| 12. | Number of years in poultry farming and Income | 37 |
| 13. | Size of the project and Income of the Raisers | 38 |
| 14. | Capital Investment and Income of Poultry Raisers.. | 39 |
| 15. | Number of stocks raised and Income of the farmers | 40 |
| 16. | Value of production and Income of the farmers | 41 |
| 17. | Age and repayment performance of the farmers ... | 42 |
| 18. | Educational Attainment and repayment perform- ance of the raisers | 43 |
| 19. | Size of household and repayment performance of the farmers | 44 |
| 20. | Number of years in poultry farming and repayment performance of the farmers | 45 |
| 21. | Annual gross income and repayment performance of the farmers | 46 |
| 22. | Size of the project and repayment performance of the farmers | 47 |
| 23. | Capital investment and repayment performance of the farmers | 48 |
| 24. | Number of stocks raised and repayment perform- ance of the farmers | 49 |

| | | |
|-----|--|----|
| 25. | Value of production and repayment performance of the farmers | 50 |
| 26. | Age and forms of financing used by farmers | 51 |
| 27. | Educational attainment and forms of financing used by farmers | 52 |
| 28. | Size of household and forms of financing used by farmers | 53 |
| 29. | Number of years in poultry farming and forms of financing used by poultry farmers | 54 |
| 30. | Annual gross income and forms of financing used by farmers | 55 |
| 31. | Size of the project and forms of financing used by poultry farmers | 56 |
| 32. | Capital investment and forms of financing used by farmers | 57 |
| 33. | Number of stocks raised and forms of financing used by farmers | 58 |
| 34. | Value of production and forms of financing used by poultry raisers | 59 |

LIST OF FIGURES

| | Page |
|---|------|
| 1. Pie diagram showing the percentage distribution of farmers using different forms of financing | 24 |
| 2. Pie diagram showing the percentage distribution of farmers' sources of credit | 26 |
| 3. Map of the province of Cavite showing the location of the different towns included in the study | 69 |

FINANCING POULTRY PROJECTS

IN CAVITE

by

Corazon Y. Mendoza

¹Thesis (to be) presented to the Faculty of the Don Severino Agricultural College, Indang, Cavite in partial fulfillment of the requirements for graduation with the Degree of Bachelor of Science in Agriculture (BSA), major in Agricultural Economics. Department of Social Sciences, Contribution No. S.S. (Econ.)-79059-003. Prepared under the direction of Miss Maria M. Alano.

INTRODUCTION

Financing of poultry projects has always been a problem of poultry raisers in the Philippines. Although the Banking System in this country has been able to provide credit in more or less adequate quantities for the financing of agricultural projects, credit assistance in poultry and other livestock production is still inadequate. Because of this, interested farmers could not enter in this particular business. As a result, supply of meat and foodstuff of animal origin is still far from satisfying the effective demand of our population.

The government at present gives more attention to this situation. Some government financing institutions were created