

**THE IMPACT OF AGRICULTURAL LOAN ON STANDARD OF LIVING OF
PADDY FARMERS**



By:

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ABSTRACT

Contribution of agriculture sector is extremely important to the development of a country. Especially in rural areas it plays the major role in the living standard of individuals. Therefore, financing for agriculture is a key issue. And the present study examines the essential framework condition of importance of agriculture in rural sector the access to credit for financing the agriculture and the impact of the agriculture credit on the living standard of paddy farmers.

So far lack of research has been carried out in Sri Lanka to investigate the impact of agriculture loan on paddy farmer's life. This study is mainly consider primary data. The primary data were collected through closed structure questionnaire from 200 respondents who are the borrowers of agriculture loan in Manmunai South West Divisional Secretariat in Batticaloa. The collected data was analyzed by using, univariate, and correlation and regression analysis.

Based on finding of the study, it concludes that Agriculture Loan and Standard of living of Paddy Farmers have high level among respondents. And Agriculture Loan has strong positive relationship with Standard of living of Paddy Farmers. In order to measure the Agriculture Loan, this study used the following dimensions of Loan Amount, Repayment Capacity, and Repayment Period. For the measurement of Standard of living, this study used Income Level, Health Quality, and Education Quality as dimensions

Keywords: Agriculture Loan, Standard of living of farmers.

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