Perception of Farmers on Bhutan Development Bank Limited's (BDBL) Farming Loan Facilities

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Bhutan Development Bank Limited (BDBL) has been playing a major role in supporting the Bhutanese economy. BDBL is the only bank focusing on farmers by providing various types of loan to the farmers. The farmers are the mainstay of farming and the need of finance of farming and the need for finance is primary to initiate the farming. A survey through questionnaire was conducted on 247 respondents of farmers including small scale, medium scale, and large-scale farmers who took financial assistance as well as who have not availed through BDBL under Bongo gewog. The questionnaire was segregated into four parts including perception towards farming loan facilities, the problem faced by farmers for receiving the farming loan, perception towards farming loan schemes, and perception of farmers towards loan process of the bank. Where it is analyzing by the descriptive statistics of finding means, percentage frequency, and inferential statistics of finding one-way ANOVA, T-test. It was found that BDBL was far from the house, the scale of finance is inadequate, complicated procedure and process of application is not timesaving. Further, it was also felt that farming loan facilities have a presence in farmer social life and excellent customer services with sufficient amount of loan to the farmers are some of the perceptions studied on the part of farmers seeking for the loan in Bongo gewog through BDBL.

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1. INTRODUCTION

1.1 Background

Farming in Bhutan has been playing a huge role in the development of the economy with over 65 percent of the population involved in agriculture which accounts for over 20 percent of Bhutan's GDP [1]. Finance is the key factor for every farmer and proper investment made by the farmer would be their income. Farming loan facilities have become the major tool in financing the agricultural activities for the farmer in Bongo Gewog. The people have been going through the insufficiency of financial resources which lead them to borrow money through formal and informal lenders. BDBL actively engages in providing loans to the farmer still some of the farmers are not able to access them. Due to lengthy loan process, problem in receiving the loan, and other factors like loan scheme. This study is concerned with examining the availability and accessibility of BDBL loan facilities and the perception of farmers towards farming loan facilities provided by BDBL. To know the true validity of the study Bango Gewog under Chhukha Dzongkhag was taken into analysis.

The main motive of this study is to find out perception on the loan process, the problem faced in receiving farming loans, and the loan scheme. It is much easier to conduct since Bongo Gewog falls under the Gedu locality and BDBL is located at Laptshakha which would save a lot of time and resources.

1.2 Problem Statement

The financial institutions are actively engaged in providing financial services to the people of Bhutan. BDBL plays a vital role in assisting rural developments. The difficulties with the extension of rural credit are; high cost of administration, low rate of recovery, low population density, lack of adequate infrastructure, lack of financial market, and low literacy rate [2]. A performance audit of microfinancing in the country between 2014 and 2018 revealed that only about five percent of total loans were devoted to agricultural development [3]. According to a report Rural Finance Development Project (RRP BHU 53307) [4], in the last five years, there have been sixteen documented cases of fraud and embezzlement which lead to the temporary suspension of a loan in 2018.

BDBL having incurred more than half a billion ngultrums in losses between 2014 and 2018 is faced with sustainability issues, a Royal Audit Authority's performance report stated [5]. Although BDBL has revised the interest rate for agriculture and livestock on April 4, 2017. As of December 2018, it was noted that about 21,125 clients were still repaying old rates of interest, Auditor have revealed that BDBL's clients are mostly rural people with less access to media communication platforms and mostly illiterate. According to auditors' recommendation from the 2014 to 2018 data that "BDBL have to come up with strategies to optimize the performance through cost-effective operations and innovative methods of revenue generation" [3].

Still, then the researchers did not investigate the issues of BDBL even when the issues arose. The main purpose of this research is to know the farmers' perception level about farming loan facilities provided by BDBL and what are the difficulties they face while receiving a loan, the loan process, and loan schemes [6,7]. To achieve this goal, a quantitative research study would be conducted on people who avail of loans from banks in Bango Gewog, located in Chhukha Dzongkhag. Required data for the research is collected from the household under Bango Gewog.

1.3 Research Objective

- To study the perception of farmers towards farming Loan facilities under Bongo Gewog provided by BDBL.

1.4 Research Question

- What is the Perception of farmers under Bongo Gewog towards farming loan facilities provided by BDBL?

1.5 Significance of the Study

This study would help BDBL and the government to know farmer's perception of Loan facilities and the difficulties they are facing while availing loans. According to Wangmo, [8] published in Kuensel that the launch of the client-friendly investment schemes for farmers, the modus operandi is expected to change. Moreover, it is hoped that the findings of this study would help to raise perception on the loan process, the problem faced in receiving farming loans, and

loan schemes. As a result, the outcome would help policymakers to specify on which problem they have to focus on and the importance of microfinance institutions in rural communities. This would make it possible for the country to adopt policies that would help community farmers to meet their goals. Finally, the results of the study would offer a database for further research work.

2. LITERATURE REVIEW

2.1 Bhutan Development Bank Limited (BDB)

BDBL was founded in 1988 with the help of the Asian Development Bank (ADB) to provide micro, small, and medium-sized loans to Bhutanese farmers. Thousands of farmers in Bhutan depend on BDBL as their only source of affordable financing. BDBL is the only Development Bank that offers rural farmers seasonal and other short- and medium-term loans and banking services. It also offers term and working capital loans to Bhutanese manufacturing, commercial, and agricultural business sectors [9]. It was found that a majority of the Bhutanese people do not have access to financial services, such as loans, insurance, and saving. Therefore, it is important to target these people and literate them about this service [10]. As per a finding made by Roderick (2019) Bhutan Development Bank Ltd and Bank of Bhutan are two banks with branches in all of the dzongkhags, giving them the broadest scope. These two financial institutions hold the most deposit and loan accounts in Bhutan.

2.2 Farmer's Perception towards Farming Credit

Joseph [11] an analysis of agricultural credits in Tanzania's rural development found that the credit program was not performing at the planned pace and that there was also a lack of funding for the credit program. S. Gandhimathi & S. Vanitha [12] conducted a comparison study between commercial banks and co-operative banks on the determinants of farmer borrowing behaviour. Found that socioeconomic factors, as well as the amount and coverage of credit, are some of the determinants of farmer borrowing behaviour. Farmers are unhappy due to complicated and time taking procedures of credit disbursement while they are very positive in some aspects of the banks, therefore, the bank should simplify the procedure of credit to provide timely credit to needy farmers, the bank should establish a time limit to avoid loan disbursement delays [13].

2.3 Demographic Factor of Farmers

K. Sarada Siva Reddy & Dr K. Ravishankar [14] in their study on "a study on farmers perception Towards agricultural loans in rural Areas concerning Rayalaseema Region, Andhra Pradesh" stated that the majority of farmers are over the age of 55 and the number of people with a regular education is the highest, at 69.40 per cent. Primary data were collected from farmers in the Rayalaseema Region by meeting with them in person and asking them a pre-prepared questionnaire face-to-face and recording their responses. The sample size was 616 people. The investigator collected data through random sampling. The farmers' responses were examined by using a ranking method based on the number of variables.

Senthilkumar [15] in their study "A study on farmers perception towards Agriculture finance in Coimbatore district" found that Out of 300 farmers, 87 percent were men and 13 percent were women. Around 40 percent of respondents are between the ages of 41 and 50, 30 percent have less than a high school diploma, and 46.7 percent have farms ranging from 5 to 10 acres. To gather data from 300 respondents, a convenient sampling technique was used. The collected data were further analyzed using the Statistical Product and Service Solution (SPSS) to analyze and interpret the data in the analysis. To draw valid conclusions, the following statistical instruments were used: Chi-square Test, Oneway ANOVA, Mean Score, and Weighted Average Methods.

Maheswari [16] in her research "customers perception towards banking habits in rural areas" studied that It was observed that 57.2 percent of respondents are male and 42.8 percent of respondents are female. 40.8 percent of those who responded were under the age of 30. 30% of those surveyed are between the ages of 30 and 40, while 29.2% are over 40. It has been found that 53.6 percent of respondents have completed school level education, 20.4 percent have completed them under graduation, 22% have completed their post-graduation, and 4% have completed technical/professional courses.

2.4 Problem Faced for Receiving Farming Loan

Senthilkumar [15] conducted a study about farmers perception towards Agriculture finance in

the Coimbatore district and found out that the problems faced in receiving agricultural finance are mainly due to awareness of the facilities available, Complex Documentation, Lack of Service, Insufficient loan amount, High-interest rate, Loan has taken other than banks, Inaccessibility to credit, Lack of Educational Knowledge and Difficulties in Opening Bank Account. It was found that the majority of farmers' difficulties in obtaining agricultural financing are due to not aware of the facilities available [17-19].

Shah [20] studied the Problems Faced by the Farmers While Availing the Loan Facilities from the Banks. The Chi-Square test was used to estimate the relation between the different socioeconomic variables and the problems faced by farmers while availing of loans at the household level in Kulgam, one of the districts of Jammu and Kashmir. They found out that there is a relationship between the attribute (age) and the problems that respondents encountered when applying for bank loans and there is no relation between the attribute (gender) and the problems that respondents faced while availing for bank loans. they also found that there is a connection between the attribute (education) and the difficulties that respondents encountered when applying for a loan from the bank.

2.5 Perception of Farmers towards Loan Schemes

Uneducated farmers are usually not well disposed to go through the procedures of formal loan applications non-members of social clubs like farmers associations may be disconnected from relevant loan information. Chen & Chivakul [21] and Rahji & Fakayode [22] highlighted the roles of education, age, farming experience and household size as key impact factors on farmers' chances of benefiting from loans in the financial market. Other studies [23,24] have however revealed contrasting findings on these socioeconomic characteristics and credit or loan participation.

Roy (2014) studied The Perception of Microfinance, Among Rural People Of Kamrup District Of Assam and found that majority of rural residents are aware of the microfinance scheme. Only 10% of the sample size is unaware of the microfinance scheme. It has been shown that 52 percent of those who are aware use microfinance, while 48 percent do not use microfinance. The microfinance facility is used by the majority of the rural people in the Kamrup rural district. Others are unable to participate as a result of the microfinance scheme policy and loan amount is very low. They also found out that the people of the Kamrup rural district are unaware of the microfinance scheme's objective and aim, which is rural growth. According to the respondent, interest rates are high, preventing some rural people from taking advantage of the microfinance loan facility.

2.6 Perception of Farmers towards Statement of Loan Process of Bank

Previous studies Adegbite, A, Chatterjee, & Bolarinwa [25] O [26] have also shown factors such as collateral, bureaucratic processes on loan disbursement, fear of defaulting interest rate, etc. as crucial to obtaining formal loans by farmers. But while efforts are being made by the government and relevant agencies at all levels to reduce the impacts of these factors, Nigerian poor farmers may appear to be giving up on the possibility of securing formal loans. A typical farmer may literally not bother to make any efforts towards obtaining formal loans on the presumption that such loans are not for the poor: forming an unrealistic perspective about agricultural loans and making development efforts at improving these factors. Nevertheless, where smallholders are able to struggle to obtain formal loans, their reasons for seeking the loan are not far from reach from the constraints imposed on them by household income [27-28]. Thus, many times, loans meant for production are misappropriated. Adegbite, Akanbi, Idowu, & Ambali [29] into meeting household consumption needs. The likelihood of defaulting therefore becomes inevitable, and the potential benefits of the loans are lost. Adejobi & Atobatele (2008) found that loan default from credit accessed from Nigerian Agricultural Cooperative and Rural Development Bank by farmers in southwest Nigeria was as high as 77 percent, mainly due to misappropriation.

2.7 Conceptual Framework

According to Swaen [30], A conceptual structure is a written or visual representation of a variable's expected relationship. The characteristics or properties that you want to study are known as variables. The conceptual framework is developed based on a literature review of existing studies about the topic.
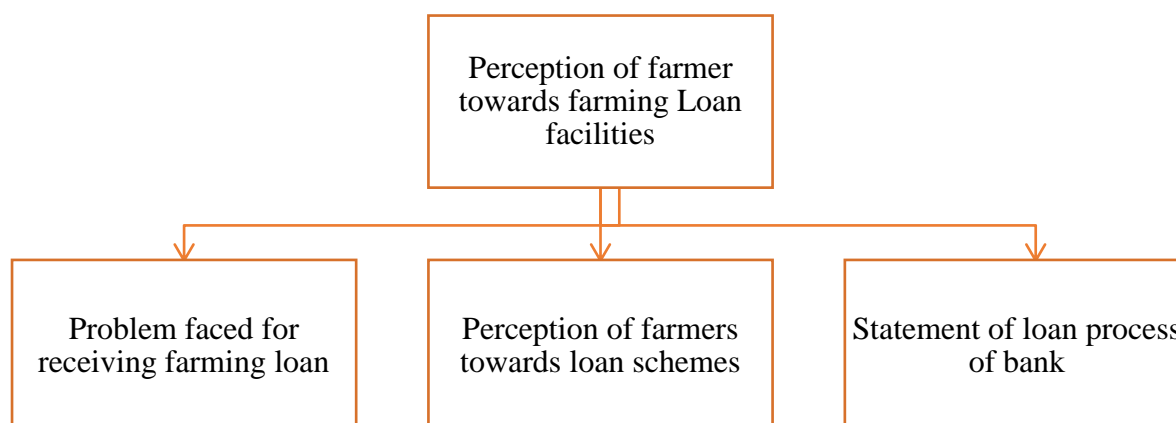
Image 1. Conceptual framework

3. RESEARCH METHODOLOGY

3.1 Research Design

This study is a descriptive survey which aims to determine the perception of farmer towards farming loan facilities provided by BDBL. Survey research according to Okeke, Olise, & Eze (2008), consists of asking questions, collecting and analyzing data from supposedly representative members of the population at a single point in time to determine the current situation of that population concerning one or more variable under investigation. Quantitative research would be conduct consisted of series of well-structured question and for doing survey schedules method would be used, schedule method it is like collecting data through questionnaires but under this method, enumerators are appointed, trained and made acquainted with (set) of questions. The researcher would go to the field with schedules, data are collected by filling up the schedules based on replies given by respondents.
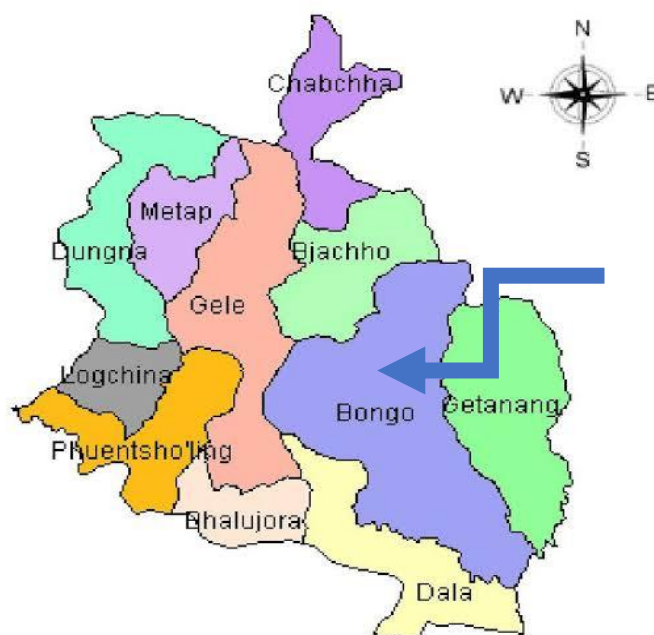

Image 2. Study area

3.2 Targeted Population

According to Worora (2005) studies population refers to a complete set of an individual having common characteristics in which the researcher is interested. The data would be collected from Bongo Gewog which is located 12 km away from Thimphu-Phuntsholing national highway, connected by a feeder road under Chuckha Dzongkhag [31]. There are 700 households with a population of 5850 that are scattered over an area of 396 sq. km.

3.3 Sampling Design

Sampling design is a definite plan for obtaining reasonable sample information from a given population. The targeted population for this research is the people of Bongo Gewog, there is a total of 700 households with a total population of 5850. Purposive sampling techniques would be used to conduct this research, in which researchers rely on their judgment when choosing members of the population to participate in their study. The appropriate sample would be drawn by using the following statistical formula YAMANE. The household would be used to find out the correct sample size instead of the population size [32].

YAMANE formula = $\frac{N}{1+N(e)^2}$

N = $\frac{N}{1+N(e)^2}$

Where,

n = correct sample size
N = population
e = Margin of error (MOE), e = 0.05 based on the research condition.

N = 700 household
e = 0.05

$\frac{700}{1 + 700(0.05)^2}$

Approximately ≈254

The expected sample size would be ≈254 at the marginal error of 5% for 95% confidence interval of loan borrower.

3.4 Data Collection

The descriptive research design was adopted to conduct the study. Non-probabilistic convenience sampling technique was used for sampling. Both primary and secondary data collection techniques were used to collect the data.

3.4.1 Primary data collection methods

Primary data was collected through questionnaires from 254 farmers from Bongo gewogs. The questionnaire was constructed in five-point Likert Scales scoring 5 means Strongly Agree and scoring 1 means Strongly Disagree. The questionnaire was adapted from the thesis work of [13] Farmer's Perception towards Agricultural Credit Provided by District Cooperative Bank.

3.4.2 Secondary data collection methods

The secondary data refers to data that was collected by someone other than the user. This data source gives insights into the research area of the current state-of-the-art method. It also makes some sort of research gap that needs to be filled by the researcher. In this research secondary, data would be collected from BDBL annual reports, newspaper, and journal articles.

3.5 Data Analysis

For this study, data analysis would be descriptive statistics particularly means, percentages, chats, and standard deviation. Data would be enter using Statistical Package for Social Sciences (SPSS). The analysis supported with SPSS software will much contribute to the finding, it will have a contribution to data validation and correctness of the SPPS results. The software analyzed and compared the results of a different variable used in the research questionnaires. Furthermore, T-test is used to analyzed the gender-based dimension and ANOVA is used to analyzed the education level-based dimension. Therefore, inferential statistics are also used to characterized the data and draw a conclusion based on data. Excel is also used to draw pictures and calculate some analytical solutions.

3.6 Development of Questionnaires

The questionnaires were adapted from the previous study which was conducted in Raipur city of Chhattisgarh (Agrawal, 2018). There are four dimensions with 33 questions were there in the questionnaires. All question was in Likert scale questions.

3.7 Question Reliability and Validity

As the instrument was adapted from previous studies, the content validity was already established. For reliability, checking Cronbach's alpha was calculated. Cronbach's alpha score was at 0.871 for the 33 items that were good and acceptable.

Table 1. Questionnaires distribution report

Description	Total number	Percentage
No. of questionnaires distributed	255	100%
No. of questionnaires received	250	98.3%
No. of questionnaires accepted	247	98.8%

The enumerator informed that few of the framer was not willing to give respond to the questionnaires but most of our respondents were willing to respond. The data were collected through students help from Pakshikha higher secondary school and other acquainted friends through online mode (Google form) as well as the paper form. Finally, 247 respondents were punched into the excel sheet after filtering 3 respondents. The percentage of the accepted questionnaires is 98.3% and we had decided to start the work with 247respendents responses.

4. DATA ANALYSIS AND INTERPRETATION

4.1 Analysis of the Data

The data was analyzed through computing percentage, calculating mean and SD value for various items of the questionnaire. The demographic information about the farmers is shown in Table 1.

4.1.1 Demographic information of farmers

According to the Fig. 1 data, out of 257 respondents surveyed, the majority, or 59.5 percent, are male and the remaining 40.5 percent are female. Thus, it has been concluded that the majority of the respondents, that is 57.20 percent, are male.

According to the Fig. 2, 14.6 percent (36) of the respondents are between the age of 18 and 30, 25.9% (64) of the respondents are between the ages of 30 and 40, 37.7 percent (93) of the respondents are between the ages of 40 and 50 and 21.9 percent (54) of the respondents comes under the category of above 50 years. The majority of the responders (37.7%) are between the age of 40 and 50.

According to the Fig. 3, 2% percent (5) of the respondents have studied till college, 17.4 percent (43) have a studied till Primary school, 15.8 percent (39) have studied till Secondary school, 12.1 percent (30) have Non- formal Education and 52.6 percent (130) are Uneducated. The majority of the responder's 52.6 percent (134) are uneducated.

According to the Fig. 4, 28.3 percent (70) of the respondents have farm size below 1 acre, 55.1 percent (136) have farm size between 1 and 5, and 16.6 percent (41) have farm size above 6. The majority of the responders 51.1percent (134) have farm size between 1 and 5 acres.

4.1.2 Type of loan

Fig. 5 shows the perception of farmers towards types of loan. There are fourteen different types of farming loan that BDBL is providing to the farmers. From the mentioned loans in the chart above, most of the farmers are aware of the Poultry loan followed by the Cardamom loan and the least farmers are aware of the Walnut orchard loan. From the total number of respondents of 247 out of which 134 respondents were aware of the Poultry loan whereas 124 were aware of the Cardamom loan and 18 of the respondents were aware of Walnut orchard loan. This chat shows that most of the farmers are not aware of the Walnut orchard, Beekeeping, Pesticide and Fertilizer loan.

4.1.3 Descriptive analysis

Table 2. Research questions about farmers perception towards Farming loan facilities

S. no.	Items	Mean	SD
A	**Perception towards farming loan facilities**		
1	I am aware about the farming loan facilities provided by BDBL.	3.96	1.231
2	I had attended awareness campaign provided by BDBL and gain Knowledge about Loan facilities.	1.94	1.163

S. no.	Items	Mean	SD
3	The awareness Campaign was effective and useful.	1.84	1.043
4	I could easily avail loan from BDBL.	3.38	1.353
5	I am aware about the duration of loan amount	3.44	1.225
6	I am able to get good respond from customer care service of BDBL about loan related problem.	3.83	1.212
7	Has the presence of the BDBL loan facilities changed the social life of the farmer	3.88	1.178
	Grand mean	3.18	
B	**Problem faced for receiving farming loan**		
1	Not aware of loan facilities available	2.37	1.489
2	Lack of service from BDBL	2.57	1.301
3	BDBL is far from house	3.47	1.434
4	Inaccessibility to loan information	2.62	1.42
5	Inaccessibility to loan	2.49	1.352
6	Insufficient loan amount	2.61	1.469
7	High interest rate	2.72	1.371
8	Complex documentation	2.86	1.416
9	Complex mortgage policy	2.97	1.462
	Grand mean	2.74	
C	**Perception of farmers towards loan schemes**		
1	Volume of loan is sufficient	3.58	1.293
2	Timely lending of loans	2.96	1.365
3	Need specific loan facilities and schemes	3.01	1.353
4	Interest rate	2.8	1.362
5	Instalment period	3.02	1.322
6	Unfair treatment to client	2.44	1.345
7	Excellent customer services	3.93	1.105
8	Simple procedures and formalities	3.51	1.371
	Grand mean	3.16	
D	**Perception of farmers towards loan process of bank**		
1	Loan amount is not in time	2.5	1.446
2	Scale of finance inadequate	2.74	1.313
3	Process of applications not time saving	2.65	1.415
4	Complicated procedure	2.74	1.348
5	Bank 's follow-up not sufficient	2.48	1.369
6	More biased	2.28	1.175
7	Unreasonable repayment schedule	2.21	1.193
8	Banker 's behavior not encourage	2.45	1.334
9	Banks expect unwanted documents	2.27	1.37
	Grand Mean	2.48	

4.1.4 Reliability

Table 3 is indicating the data analysis in four sections. Section A depicts the analysis of farmers perception towards farming loan facilities. "I am aware of the farming loan facilities provided by BDBL" has the highest mean value of 3.96 with Std. deviation of 1.231 followed by "Has the presence of the BDBL loan facilities changed the social life of the farmer" with the mean value of 3.88 with Std. deviation of 1.178. "The awareness campaign was effective and useful" has the lowest mean score of 1.84 with std. deviation of 1.043, Which indicates that farmers are aware of BDBL farming loan facilities and it has a significant presence in their social life. It has a reliability of 0.672 with 7 no. of items.

Table 3. Reliability statistics

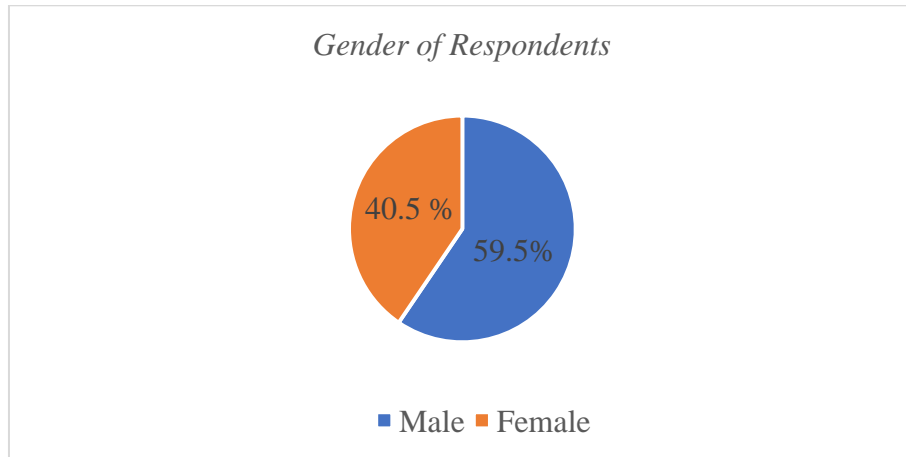| Factor	Cronbach's alpha	No. of items
Perception towards farming loan facilities	0.672	7
Problem faced for receiving farming loan	0.799	9
Perception of farmers towards loan schemes	0.715	8
Perception of farmers towards loan Process of bank	0.863	9
Overall Cronbach	0.871	33

Fig. 1. Gender of respondents
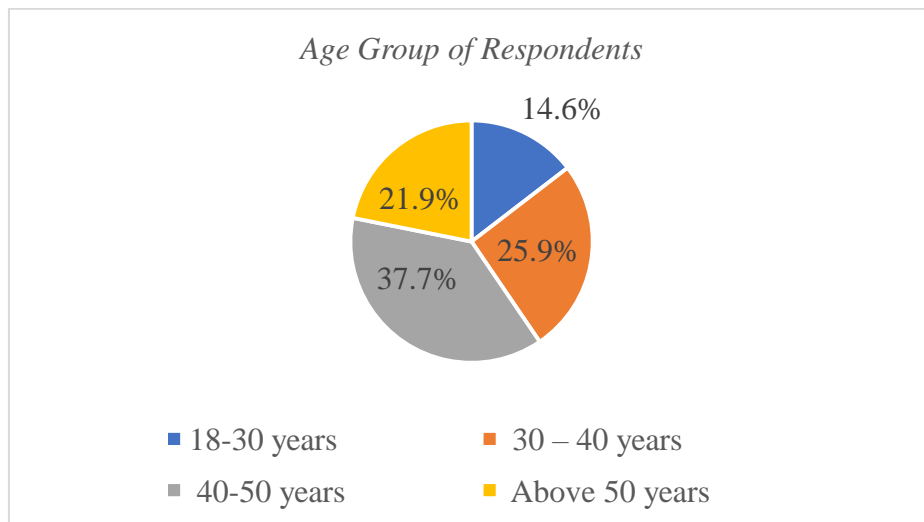*Note: This figure illustrates the Gender of Respondents*

Fig. 2. Age group of respondents
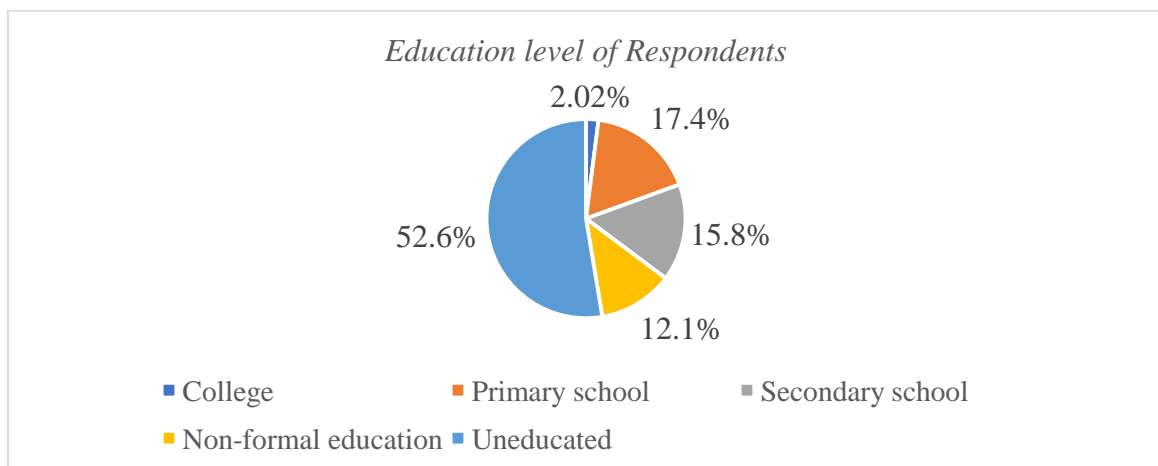*Note: This figure illustrates the Age Group of Respondents*

Fig. 3. Education level of respondents
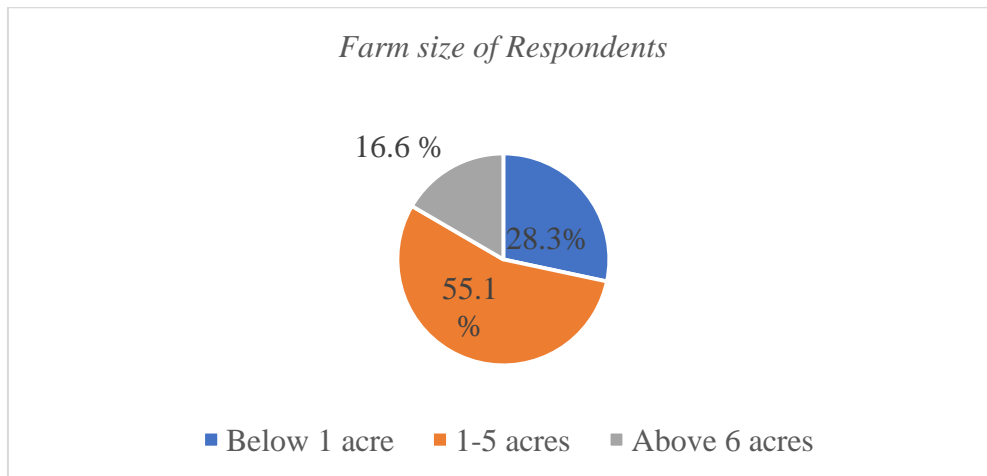*Note: This figure illustrates the education level of Respondents*

Fig. 4. Farm size of Respondents
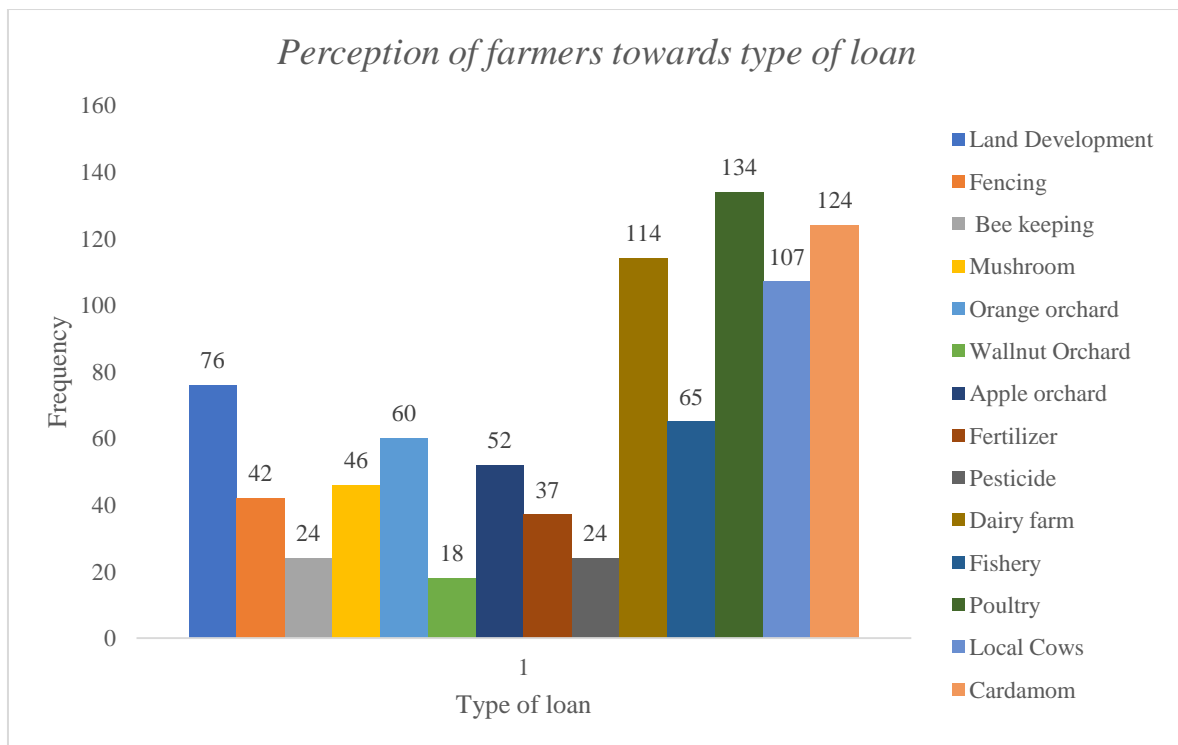*Note: This figure illustrates the Farm Size of Respondents*

Fig. 5. Perception of farmers towards type of loan
Note: This figure illustrates the perception of farmers towards different type of loan providing by BDBL

Section B of the analysis regarding farmer perception on problem faced for receiving BDBL farming loan. BDBL is far from house has the highest mean value of 3.47 with std. Deviation of 1.434 followed by complex mortgage policy with a mean score of 2.97 and std. Deviation of 1.462. Not aware of loan facilities available has the lowest mean value of 2.37 with std. deviation of 1.489. This is portraying the picture that the majority of the farmers are facing the problem of BDBL being far from home and 50 percent of farmer felt that mortgage policy is complex whereas the other 50% felt mortgage policy is not complicated while receiving the farming loan. It has a reliability of 0.799 with no. of items 9 which indicates that reliability should be > 0.5 since the number of items is less than 10.

Section C describes the perception of farmer towards loan scheme. Excellent customer services have the highest mean value of 3.93 with Std. deviation of 1.105 followed by a volume of the loan is sufficient with a mean score of 3.58 and std. deviation of 1.293. Unfair treatment to the client has the lowest mean score of 2.44 with std. deviation of 1.345. This can be interpreted that the farmers felt that bankers are giving excellent customer services and credit sanctioned to them is sufficient. The reliability of 0.930 with several items 9.

Section D of the analysis part representing the perception of farmer towards the loan process of the bank. The scale of finance inadequate and complicated procedure is having the highest value of 2.74 each and with std. deviation of 1.313 and 1.348 respectively followed by process of application not timesaving with mean score 2.65 with std. deviation of 1.415. An unreasonable repayment schedule has the lowest mean score of 2.21 with std. deviation of 1.193. Thus, it is showing the picture that farmers perceived that there are improper on a scale of finance, complicated procedure and process of application are having neither positive response nor negative response during loan procedure. It has a reliability of 0.715 with no. of items 8.

4.1.5 Inferential analysis

Interpretation on the perception of farmers towards farming loan facilities based on gender (male and female) of the respondents.

To find whether the mean score between gender (male and female) is significant towards the test variable of I) Perception towards farming loan facilities (PTFLF) (ii) Problem faced for receiving farming loan (PFFRL) (iii) Perception of farmers towards loan schemes PFTLS and (iv) Perception of farmers towards loan process of bank (PFTLP), independent T-test has been run as shown in Table 4.

The independent sample t-test results presented in Table 4 shows that the mean score between gender (male and female) has significant difference towards PTFLF and PFTLS. The p value of less than 0.05 in PTFLF (0.000) and PFTLS (0.001) But in other side there is no significant differences between gender (male VS female) towards PFFR and PFTLP as p value is more than 0.05 in PFFRL (0.632) and PFTLP (0.663). In the study on the topic a study on farmer perception towards agriculture finance in Coimbatore District revealed that there are no significant differences between gender (male VS female) and their option towards perception on loan schemes and loan process from bank (Dr. R. Padma, 2018).

Interpretation on the perception of farmers towards farming loan facilities based on education (colleges, primary school, secondary school, non-formal education and uneducated) of the respondents.

To find whether the mean score among the education level (colleges, primary school, secondary school, non-formal education and uneducated) is significant towards the test variable of I) Perception towards farming loan facilities (PTFLF) (ii) Problem faced for receiving farming loan (PFFRL) (iii) Perception of farmers towards loan schemes PFTLS and (iv) Perception of farmers towards loan process of bank (PFTLP), one-way ANOVA has been run as shown in Table 5.

Table 4. Independent Samples t-test

Dimensions	Variances	Levene's test for equality of variances		t-test for equality of means		
		F	Sig.	t	df	Sig. (2-tailed)
PTFLF	Equal variances assumed	.287	.592	3.633	245	.000
	Equal variances not assumed			3.626	211.239	.000
PFFRL	Equal variances assumed	1.321	.252	-.480	245	.632
	Equal variances not assumed			-.472	200.610	.637
PFTLS	Equal variances assumed	16.054	.000	3.277	245	.001
	Equal variances not assumed			3.165	186.266	.002
PFTLP	Equal variances assumed	2.756	.098	1.590	245	.113
	Equal variances not assumed			1.562	199.579	.120

Table 5. ANOVA test result

Dimensions	Income groups	Sum of squares	df	Mean square	F	Sig.
PTFLF	Between Groups	9.726	4	2.432	4.407	.002
	Within Groups	133.515	242	.552		
	Total	143.241	246			
PFFRL	Between Groups	4.918	4	1.230	1.233	.297
	Within Groups	241.354	242	.997		
	Total	246.273	246			
PFTLS	Between Groups	43.254	4	10.813	5.200	.000
	Within Groups	503.272	242	2.080		
	Total	546.526	246			
PFTLP	Between Groups	38.309	4	9.577	4.873	.001
	Within Groups	475.608	242	1.965		
	Total	513.917	246			

Table 5 ANOVA analysis shows that at 5% level of significant there is significant difference towards PTFLF, PFTLS and PFTLP. The p value of less than 0.05 in PTFLF (0.002), PFTLS (0.006) and PFTLP (0.001) But in other side there is no significant differences among education (colleges, primary school, secondary school, non-formal education and uneducated) towards PFFRL as p value is more than 0.05 in PFFRL (0.297). As per study conducted by P.Ramachandran (2020) it also was found that there is no significant difference in the mean value among their education and perception of famers towards problems faced while receiving loan.

5. RESULTS AND DISCUSSION

The present study is projected to identify the farmer's perception regarding the farming loan provided by BDBL, Gedu, Chhukha Dzongkha. The BDBL is far from the house, complex mortgage policy, the scale of finance is inadequate, complicated procedure and process of application are not timesaving are some of the perceptions of the farmers during loan procedure. Further, farmers also felt that farming loan facilities has a presence in their social life of farmers and the loan schemes have excellent customer services with sufficient loan amount. In the previous study conducted by Agrawal [11], they found out that untimely credit disbursement, complex documentation and lack of information about loan procedure are some of the perceptions of the farmers during the loan procedure.

6. RECOMMENDATIONS AND CONCLU-SION

6.1 Recommendations

The recommendations based on results may vary. Following are the suggestions -

6.1.1 Suggestions to the bank

1. BDBL bank should simplify the procedure of credit and complex mortgage policy.
2. Like BOB agent, BDBL should also enforce BDBL agent under Bongo gewog.
3. The bank should define the time constraint to avoid the delay of loan disbursement to avail the timely credit to the needy farmers.
4. The bank should change the scale of finance to fulfil the needs of the poor farmers.
5. BDBL should come up with a campaign program to make aware of the different type of farming loan facilities provided by BDBL.

6.1.2 Suggestions to farmers

1. The farmers must pay their borrowings regularly so that they can avail more loans from the bank without affected by suspension loan.
2. Farmers have to update and educate by the nearby branch office about the procedures and recent information about different types of loans.

6.2 Conclusion

This study was conducted to determine farmer 's perception of BDBL farming loans facilities. 247 farmers were respondents including male and females to conduct the study. The data was collected from the farmers who are creditors as well as those who are not creditors. Farmers are unhappy due to complicated and time taking procedures of credit disbursement while they are very positive in some aspects of the banks.

7. LIMITATION OF STUDY

- Unavailability of resources
- Restriction to collection of primary data.

- Lack of previous research on similar studies.
- Time constraints

8. SCOPE OF FURTHER RESEARCH

- Study on formal and informal credit market in rural area of Bhutan.
- Farmer perception of repayment of loan obtained from BDBL.
- Perceived risk and willingness to provide loan to smallholder farmer in Bhutan.

CONSENT

The participant will be well-informed about the purpose of the research that we are going to do and making them aware of our research objectives.

Respondents of the survey questionnaires will be based on their voluntary participation and willingness to reveal. Right to withdraw from the process at any point and this will be aware them to the nutshell.

Research data will be confidential at all stages of the process from collection to publication and if any identity of participating is required then permission will be obtained first.

The research will not harm the participants that are going to involve and if there is any possibility that participants might be harmed then strong justification for doing so.

While extracting any information from banks and Gewog office proper procedure will be followed and any issues will be bind from happening.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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