

**THE RELATIONSHIP BETWEEN
LOAN FACILITIES AND 4 C'S
AMONG FARMERS IN
TANAH MERAH AND MACHANG**

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ABSTRACT

To improve agriculture sector, farmers need more facilities especially loan facilities to buy other facilities. But, not all loan application by these farmers are being approved by bank especially Bank Pertanian Malaysia. Bank officers have to use the 4C's in analyzing the loan application by these farmers. This study is designed to identify the relationship between loan facilities and 4 of the 5C's among farmers in Tanah Merah and Machang. The study was carried out in Kg. Kerilla, Kg. Pauh, Kg. Sungai Bedal and Kg. Paloh Rawa in Temangan, Machang and Kg. Kursial Baru, Kg. Kulim and Kg. Che Dol in Gual Ipoh, Tanah Merah. The data collected using the convenience sampling by distributing 100 copies of questionnaires. Also from interviews with bank's officer and chief clerks in Pejabat Tanah dan Jajahan in Machang and Tanah Merah. All the data provided had been analyzed by using frequency distribution, cross tabulation and chi-square. From the findings, the researcher found that there is a significant association between character, collateral, capacity and capital with loan's approval. Most of the farmers are male between the ages of 41 to 50 years. There are 55 out of 100 farmers succeed in their loan applications. The strongest variable is "capacity" and the weakest variable is "income" as the representative for "character".

CHAPTER 1

1.0 INTRODUCTION

1.1.1 Definition of Agriculture

Food, no single person on this great earth can do without. And to think that all this while we don't give a second thought. It has always been interesting since the early days, whence life was not so quick paced, to see the land being tilled by the vegetables farmers who seem to be able to produce veggies out of land that seemed infertile to the uninitiated. What with them landless and toiling under the high-tension wires, these are the folks had tried to do simple agriculture towards contributing in their small way to a much-needed commodity.

The current focus of the nation to develop the agriculture and agro-based industries into an important engine of growth of the national economy is without doubt a far-sighted policy to enhance the position of the Malaysian economy from all angles. Why leave out a renewable resource for potential foreign exchange earnings, especially when it uses god-given resources