



Bank financing for the agricultural sector irrigated and rain fed traditional Blue Nile State agricultural season 2017 – 2018

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Abstract:

The study aimed to finding out whether the lack of adequate and timely funding leads to the reduction of cultivated areas, insufficient funding to cover the cost of agricultural production, knowledge of the complications and problems faced by farmers through dealing with resources funded in the Blue Nile State for the agricultural season(2017-2018).The researchers followed the historical approach to identify the literature and previous studies that dealt with the subject of the study in addition to the analytical descriptive method. The data of the field study were collected by preparing questionnaire that was distributed to the study sample and the data were collected after the statistical analysis (SPSS),The researchers found a number of results lack of funding and in time to reduce the cultivated area, bank financing is insufficient to cover the cost of agricultural production in the state of Blue Nile during the agricultural season (2017-2018),complexities and delays in procedures are one of the most common problems facing farmers by dealing with funded sources. The study recommended that the necessary funding be provided in a timely manner so that farmers can increase cultivated areas, that the funding is within the real cost of production, it should be provided before the beginning of the agricultural of season, there should be direct follow-up insure that the funding is orientated to the purpose for which it was granted.

Keywords: Bank financing, Agriculture sector rain-fed traditional, Blue Nile state.

المستخلص

هدفت الدراسة إلى معرفة ما إذا كان نقص التمويل الكافي وفي الوقت المناسب يؤدي إلى تقليص المساحات المزروعة وعدم كفاية التمويل لتغطية تكلفة الإنتاج الزراعي ومعرفة المضاعفات والمشكلات التي يواجهها المزارعون من خلال التعامل مع الموارد الممولة في النيل الأزرق. الحالة للموسم الزراعي (٢٠١٧-٢٠١٨) ، واتبع الباحثون المنهج التاريخي لتحديد الأدبيات والدراسات السابقة التي تناولت موضوع الدراسة بالإضافة إلى المنهج الوصفي التحليلي. تم جمع بيانات الدراسة الميدانية من خلال إعداد استبيان تم توزيعه على عينة الدراسة وتم جمع البيانات بعد التحليل الإحصائي (SPSS)، ووجد الباحثون عددًا من النتائج نقص التمويل وفي الوقت المناسب للحد من المساحة المزروعة ، التمويل المصرفي غير كافٍ لتغطية تكلفة الإنتاج الزراعي في ولاية النيل الأزرق خلال الموسم الزراعي (٢٠١٧-٢٠١٨) ، وتعد التعقيدات والتأخيرات في الإجراءات من أكثر المشاكل شيوعًا التي تواجه المزارعين من خلال التعامل مع المصادر الممولة. أوصت الدراسة بتوفير التمويل اللازم في الوقت المناسب حتى يتمكن المزارعون من زيادة المساحات المزروعة ، وأن يكون التمويل ضمن التكلفة الحقيقية للإنتاج ، ويجب تقديمه قبل بداية الموسم الزراعي ، يجب أن يكون هناك متابعة مباشرة - التأكد من أن التمويل موجه للغرض الذي تم منحه من أجله.

الكلمات المفتاحية: تمويل بنكي ، قطاع الزراعة المطرية التقليدية ، ولاية النيل الأزرق

Introduction:

Sudan is distinguished by a wide variety of agricultural resources represented in the arable land, which is estimated at two hundred million acres in diverse agricultural environments and estimated water resources, whether from the Nile water and its branches, flood irrigation, surface water or underground reserves of water estimated by the competent authorities in the thousands of billions in addition to what More than one thousand billion cubic meters of rain water that falls annually, and the country has great animal wealth, various species and species of cows, sheep, goats and camels, along with a wealth of wildlife. Also, reserved and non-reserved forest wealth represents an economic and development pillar of the macro economy. And the agricultural sector has the ingredients to put it at the top of the list of foreign trade and its foreign exchange earnings if it exceeds many of the obstacles that limit this launch (Othman, 2005). One of the most prominent obstacles and problems is the problem of agricultural financing and its lack of availability in time and low productivity and lack of product quality and diversity so the study came To search the bank financing for the traditional, automatic and irrigated rain-fed agricultural sector in Blue Nile State for the agricultural season 2017-2018.

Problem of the study:

The problem of the study to identify the bank financing for the agricultural sector irrigated and rain fed traditional Blue Nile state agricultural season 2017- 2018 .



Study questions:

There are many factors that helped in the deterioration of the agricultural sector of Blue Nile State, and through this study, we examine these factors and answer the following questions:

- Do not provide the necessary funding and timely lead to a reduction of cultivated areas.
- Is bank financing insufficient to cover the costs of agricultural production?
- Are the complications and delays in the proceedings is one of the most common problems facing farmers through dealing with state-funded sources of Blue Nile agricultural season 2017/2018 .

Hypotheses of the study:

- The lack of necessary funding and timely lead to a reduction of cultivated areas.
- Bank financing is insufficient to cover the costs of agricultural production.
- The complexities and delay in procedures are one of the most problems facing farmers by dealing with sources funded in Blue Nile State for the agricultural season 2017-2018.

Importance of the study:

The importance of the study in funding issues because provided in a timely manner and the size required different agricultural inputs involved in the agricultural sector leads to the creation of agricultural boom and expanding horizontally and vertically agricultural production base, in addition to correcting some of the concepts of farmers state and disclose some interpretations of erroneous plans by the management the mandate of public projects with a view to reforming and developing the agricultural sector and the organization of the blue Nile state.

Objectives of the study:

- Knowing of the lack of necessary funding and timely lead to a reduction of cultivated areas.
- Knowing the size of bank financing to cover the costs of agricultural production.
- What are the complications facing farmers through dealing with funding sources during the agricultural season.

Methodology of the study:

The study uses the historical and analytical descriptive approach (SPSS) to describe the case in question and determine its various characteristics after distributing a questionnaire to the study sample of 100 questionnaires.

Sources of the data: This study is based on secondary data from several sources, including references, researches and various publications related to the issue, and data from Central



Limitations of the study:

- a) Spatial limits: Republic of Sudan.
- b) Time limits: 2017-2018.

Previous studies and the theoretical framework for bank financing:

First: Examples of previous studies:

1- Bashir Al-Awad Mohammed (2002) Study

The study examined bank financing for agriculture in Sudan in the period from (1990 - 2000 AD). The study aimed to reach an integrated economic model for studying agricultural banking finance in light of rational expectations, The following historical, deductive and inductive and descriptive approach. The study reached several results, the most important of which are: insufficient volume of financing compared to the real cost of production, the absence of real investment data from methods, transport and energy. Increasing financing leads in turn to increasing total production. The study recommended: the necessity of bank financing for the agricultural sector with scientific foundations that achieve interest for the financier and financier. Increasing agricultural banks to cover the areas of agriculture in Sudan.

2- Souad al-Faki al-Amin Ahmad (2003) Study

The study examined bank financing and its impact on agricultural production in Gedaref State in the period (1990-2000). The study aimed to know the reasons that affect agricultural financing and focused on understanding and analyzing the most important obstacles to bank financing Sudan in general and in particular Gedaref State during the period (1990 – 2000). Use the historical and descriptive analytical method. The study reached a number of results, the most important of them are: equal to the rates of self-financing and informal financing, Official financing does not include all agricultural operations. The study recommended that the financial services need to be integrated, from marketing and provision of production requirements and agricultural extension, to educate farmers about the direction of savings financing institutions and to take financing and make them aware of the use of technical packages.

Comment on previous studies:

We note that previous studies have followed the historical descriptive methodology, however, this study followed the systematic use of analytical and descriptive statistical program (SPSS)



in addition to this study was conducted in the state of the Blue Nile, which is characterized by agricultural environment in the season (2017- 2018).

Second: the theoretical framework for funding:

1- The concept and definition of bank financing:

Finance and bank credit is defined as loans granted by the bank in its various forms device. The concepts of contemporary bank financing have been linked to the origins and development of contemporary banks over time since the experiences of ancient Italian cities, as mentioned by the friend Talha Muhammad. (Thanks to the development of banking business, the goldsmiths and money changers in the cities of (Lombardy region) in northern Italy, who gained the confidence of their customers when they started to accept deposits from individuals and merchants in order to preserve them from loss and theft In contrast, those issued goldsmiths and moneychangers receipts or instruments of official deposit. They were sitting behind their wooden desk called “Banco” and the word “Banco” or bank became a guide for every institution doing banking in medieval Europe. (Rahmatallah, 2005)

The goal of profit maximization is the primary axis upon which commercial and conventional banks, and it is all the management functions of the bank and its activities to achieve this, whether the goal was including terms of attracting deposits, savings or loans and advances, which in this regard biased in favor of large-scale projects and are reluctant to finance small projects. As a researcher sees the same tendency to loan repayment period short, regardless of the quality of the project, and do not care about the social aspects of their investments, and do not hesitate to finance projects, but produces goods and services prohibited in Islam. (Rahma, 2001)

Funding controls and sources:

Banking financing controls in Sudan:

There are factors and foundations that control the setting of estimates of funding limits from the Bank of Sudan to banks within the general plan of the state and the funding and monetary policies established annually, in the light of the ceiling set for the private sector within the general plan decided by the overall policies prepared by the General Department for Policies and Research , The assessment of the banks' ability to meet the needs of the financing plan and usually results in the inability of banks to meet the needs of funding (funding gap) comes to the role of the Bank of Sudan to cover the deficit in accordance with the plan and program monthly and quarterly basis for funding.



Within the framework of the general plan, banks are dealt with individually according to requests submitted by banks, and they are dealt with (Rahmatallah, 2005)

- Evaluating the financial and liquidity position of the bank and determining its eligibility, focused on the position of its dealings with the Bank of Sudan in terms of fulfilling all the requirements of reconciliation of conditions and inspection reports by monitoring the banks and the position of its accounts with the Bank of Sudan and not be facing a permanent shortfall in liquidity (by analyzing its financial position and accounts with the Bank of Sudan).

- The required financing shall be in accordance with the confrontations with the financing policies issued by the Bank of Sudan and the priorities that govern them.

- The Bank to clarify the feasibility of the financing process and the size of the required funding, purpose, guarantees and customers who will carry out the financing process and to clarify their financial and their dealings with him, the funding request includes the following conditions:

a) The name of the bank.

b) Budget bank balance documented review of the tax.

c) The type of operation required to enter into with customers (issued, manufactured, etc.).

e) Funding formula (speculation (restricted / absolute) ... participation ... etc).

f) Customers who will Bank entered with them in funding their CV and their role in the sector in which they work and documented review of financial and tax positions.

g) Feasibility of the process and the expected size of the required funding and the date of liquidation and its results.

It's also not permissible for commercial and traditional banks may not grant or enter into an agreement to grant any financing without prior permission from the governor for any of the following. (Ahmad, 2005)

1- Director of the Directorate.

2- Accompany, partnership, or person with which any of its directors has ample interest, with the exception of a public joint stock company.

3- Accompany or partnership in which any of its directors is a manager, agent, employee, or guarantor thereof, in which he has ample interest.

4- An individual who has any bank manager, partner or guarantor, or who has ample interest in it.



5- Company owned by the bank or have an interest and ample. In this regard, the word (director) includes a president or member of a board of directors, ie a bank, its general manager, deputy general, assistants, legal counsel, legal reviewer, members of the Sharia Supervisory Board, its general security, branch managers and the like.

There are other controls on banks' prejudice the obligation not to grant any funding for the following purposes: (Janjul & others, 2006)

- Customer financing for the purchase of foreign currency and finance the construction or purchase of real estate and land other than those properties that are funded within the popular and factional residential real estate sector Or real estate that is funded within the development financing of agricultural and industrial productive projects and import financing except for the import of the drug and its raw materials and on commercial and traditional banks taking into account that the percentage of financing for non-priority sectors should not be less than 1% of the total financing and also the financing and monetary policy was set in the years (1993 - 1994).

Funding sources:

Sources of bank financing are concentrated in three main sources:

- External funding sources: include the rights of depositors and creditors represented in various bank deposits, which allow the bank to use. It includes demand deposits, current and savings deposits, and then investment deposits with Islamic banks.
- Bank accounts payable: It is the benefits of the Central Bank and other banks - and stand out in loans from the central bank to meet the shortfall in the reserve ratio and also in the liquidity reserve at the cases of sudden withdrawal of some major customers. Then the source of exchange of liquidity between the banks and the following correspondents.
- Self-financing sources: These are the bank's capital, reserves, undistributed profits and various provisions. Knowing that banks are intermediate financial institutions that aim to achieve maximum profits from various sources from which you can obtain the funds.

Funding sources for ownership are divided into: (Al-Hajj, 2002)

- a) Funding from the owners themselves.
- b) Funding from non-owners (lenders) may be suppliers of origin or banks or financial institutions are called to borrow money, and in terms of type divided into bank financing which, which offers from banks and other financial institutions and trade finance.

In terms of source, it is divided into the following:



- a) Internal financing sourced from the institution itself or its owners. Such as selling or leasing assets or withholding profits.
- b) External funding, a source of funding from outside the organization and away from their owners, such as bank disks, trade finance, bonds.

Controls and importance of agricultural financing sources:

The importance of agricultural bank financing lies in advancing agricultural development and improving production to increase national income and raise the standard of living for farms through achieving food security and optimal utilization of resources available in the agricultural sector and increase its contribution to gross domestic product and increase the proceeds of agricultural exports and reduce the domestic burden on the balance of payments and increase the capital formation in Agriculture, where finance helps increase the capital invested in agricultural work, especially when it comes to providing medium and long-term financing for building infrastructure, purchasing machinery, and creating productive projects with Various types. Maintaining appropriate agricultural activity and bank financing helps the agricultural sector through the investor's access to modern livestock and agricultural machinery and the purchase of fertilizers and other production requirements, as well as facing seasonal fluctuations in income and expenditures as a result of the impact of agricultural production on seasonality and climatic conditions, and agricultural bank financing provides the necessary liquidity to meet Expenditures while no revenue is available. Finance plays an essential role in the process of economic and social development, without which it is not possible to establish productive and service establishments and projects and other other capital formations (Ajaj, 2001)

First: the concept and importance of agricultural financing:

The word agricultural finance came in the sense of agricultural lending, agricultural credit and agricultural credit, all of which have meanings that are synonymous in one sense, where the investor in the agricultural sector needs certain resources to achieve the production process, the most important of which is capital. There are many sources for obtaining capital, including farm assets and private savings, whether in the form of capital assets or liquid or semi-liquid funds, or whatever. It is obtained from inheritance, from contractual lease, or from loans.



Some sometimes used the term agricultural finance (finance Agricultural) synonymous with agricultural lending (Agricultural Credit), and the means of funding the provision of money needed to invest in the agricultural sector Regardless of its source, whether through lending, self-financing, aid, or bond issuance. Therefore, agricultural finance is a more comprehensive term meaning than agricultural lending, but rather lending forms part of it. As a result of this overlap, the word agricultural lending synonymous with agricultural financing. (Ajaj, 2001)

Second: sources of agricultural finance in developing countries:

- Private agricultural financing sources: These include moneylenders, merchants, brokers, owners of agricultural land, agricultural processing companies, commercial banks, relatives, friends, etc. Although accurate statistics are not available on the extent to which these sources contribute to agricultural investment, the available information confirms that it has a major role in providing the necessary money for various agricultural activities, often exceeding the role of official credit sources. (Rahmatallah, 2005)

- Money lenders:

They are members of the local community who own the money and lend to those who need it, to be paid by the farmer after a specified period of no more than one agricultural season.

-Merchant and Middlemen:

This type of financing is funded jointly with farmers in the financing stage, marketing and exploitation, despite the taint of this method, but the spirit of competition between these intermediaries and agricultural input companies significantly contributed to the provision of funding for farmers.

-Land lords:

This type of financing is based on the credit of the owners of agricultural holdings to farmers who work in their land as tenants or shareholders, with what they need of agricultural requirements or other living expenses that they retrieve from them after the sale of production and in many cases the owners provide financing without any interest and in the case of unavailability The money the landlords borrow from formal and informal credit sources and finance their tenants. In such cases, the costs of borrowing are shared by the landlord and the tenant, in proportion to their respective share of the costs. (Janjul & others, 2006)

- Agricultural Companies:

It deals in the sale of agricultural machinery, equipment and supplies to farmers, providing the farmer with the requirements he needs at a price that usually corresponds to the cash sale



price, plus a certain percentage sufficient for the bank interest rate, collection expenses, and other administrative expenses. (Mustafa & others, 1995)

-Commercial Banks:

Commercial bank financing was limited to lending to an excellent class of large farmers, but commercial bank loans and financing indirectly reached small farmers through a series of intermediaries and others at a high cost, often (these banks finance importers of agricultural machinery, tools, and agricultural materials sold to farmers before Agricultural processing companies with deferred payment method, and thus the banks contribute an indirect role in agricultural financing). (Mustafa & others, 1995)

Relatives & Friends:

They are a limited source of agricultural credit in developing countries, where the few wealthy friends and relatives lend to their friends or relatives limited amounts, and for short periods, in the form of a good loan without any interest or expense. Although this source is the least costly, it is not an indicator, given the small number of people who can lend without charge. (Rahma, 2001)

However, these sources of private agricultural financing are taken from the following:

- High cost of borrowing from these sources due to the high interest rates.
- The main goal is to achieve the maximum profit to the lender without regard for the benefit of a large borrower.
- Do not bother to advice or guide the farmer on what is relevant to him, develop his cultivation and increase his income.
- They don't care how to dispose of loans or monitor them.
- The lender dictates its terms while the borrower is in most cases incapable of equality.
- The procedures in the recovery may be strict, sometimes, it may lead to the sale of the borrower's assets and stripped of his livelihood.

General agricultural funding sources:

It may be in some countries more than one type of these institutions called public institutions for agricultural financing can be divided into three categories as follows:

a) Governmental agricultural lending departments: They are government departments that are part of the administrative apparatus of the state, where the government is responsible for spending on them and providing them with the necessary funds from the state budget, and the task of these departments is to provide farmers with loans.



Agricultural financing programs, through government agricultural lending services, are distinguished by the following: (Ajaj, 2001)

- The relatively low interest rates because the state budget is responsible for the major part of the costs of managing the lending operations.
- These institutions are not intended for profit, but rather are aimed at achieving benefit for farmers, especially if it is a specialized department that can provide advice, guidance and guidance in addition to providing them with loans.
- Provide opportunities to borrow for farmers who do not qualify them to borrow from their other sources of credit because of the lack of sufficient guarantees for them.
- Departments accept loan repayments in kind, making it easier for farmers to market their crops at reasonable prices. Despite the advantages of the official agricultural finance departments, some of the disadvantages that make the desired benefit from their programs are limited are taken on, and the chances of their failure are great. The most important of these disadvantages are the following:
 - Routine procedures that result in non-disbursement of loans in the appropriate dates on the one hand, and increase borrowing costs on the other.
 - The governmental administrative apparatus in these departments may not be specialized, and in this way it is not qualified to carry out proper credit and collection operations.
 - Insufficient funds allocated in the state budget to meet the needs of all categories of farmers, which makes loan amounts slim and insufficient, to include broader groups of farmers.
 - The possibility of a lack of racial control and guidance, leading to the absence of the foundations of the success of the agricultural credit program.
 - The program has been affected by government policy and decisions of senior officials in the country, which may harm the efficiency and decision to disburse loans.
 - The participation of farmers in the management or financing of the program is very limited, or the element of the relationship and personal knowledge between borrowers and the lender, which negatively affects the progress of the financing program in the disbursement and collection operations.



Parasternal funding institutions:

They are institutions that have financial and administrative independence, separating them and distinguishing them from the state budget and its administrative apparatus. These institutions may take the form of agricultural banks, construction and reconstruction banks, agricultural development banks, construction councils, agricultural marketing councils, and other forms, Although there is some independence for these institutions, they operate according to the state's laws and regulations, and are subject to government oversight bodies, and their board of directors holds full responsibility for the results of their actions before the state, These advantages can be summarized as follows: (Ahmad, 2005)

- The interest rates charged by these institutions are usually lower than those charged by private credit sources, and may be equal to or slightly more than government institutions.
- It is not profit-oriented, but rather is intended to provide assistance, assistance and guidance to farmers.
- monitors loans to ensure they are disbursed for the purposes for which they were taken, especially for medium and long-term loans.
- Ease and flexibility of procedures, which helps to disburse loans on time.
- Including the board of directors of some agricultural, helping to draw more appropriate agricultural policies.
- The policy of these institutions is not directly related to government policy and the decisions of senior officials, which makes their programs less affected by government intervention.
- Hardware development due to freedom of decision.

The disadvantages of these institutions include the following: (Janjul & others, 2006)

- Despite the independence given to these institutions in managing their affairs, they are subject to state interference in its policy of lending, borrowing and loan recovery.
- Some are them to accept the guarantees provided by borrowers, which sometimes miss opportunities to borrow on small farmers.
- Its borrowing services, such as extension, research and marketing, are not complete because they are independent of other state departments.
- Loans with low interest rates sometimes lead to an inability to compete in the area of attracting farmers' savings.
- The low rate of loan collection due to the farmers 'view that they are government institutions and have public money that may be underestimated.



Cooperative agricultural lending:

It means cooperative agricultural lending or credit means providing the funds necessary to implement individual or group agricultural projects within the framework of cooperative regulation. In general, agricultural cooperative lending has many advantages that made most developing countries encourage its establishment and support, and can be summarized as follows: (Mustafa & others, 1995)

- Cooperative agricultural lending provides farmers with broad participation in the management, implementation and supervision of lending programs.
- Cooperatives are working with farmers' participation in the financing themselves, by buying shares and the deposit their saving in cooperative associations and build capital reserve.
- Study loan applications and determine their amounts and collected locally, which saves the borrower a lot of effort, time and money. This helps to observe the principles of proper timing in different credit operations.
- The cooperatives have the capabilities to monitor the use of the loans and ensure that they were spent on the goals for which they were given, without any expenses because the monitoring is the responsibility of the members, sponsors, and members of the boards of directors.
- The simplicity and flexibility of the procedures and their lack of formal bureaucracy.
- Provide an element of personal relationship and knowledge of direct agricultural cooperative credit operations, due to the presence of regular and permanent relationship between the human element and the cooperative association.
- The full independence of the cooperative societies in carrying out their work, which makes them not affected by the decisions of others except for the benefit of their members. Despite Excellence for agricultural lending.

The third axis: the statistical analysis method used in the study:

This axis includes the procedures followed by the researcher in the applied study in terms of defining the applied study community, and selecting and describing the vocabulary of the sample representing this community, With an indication of the tool used to collect data and how to access it, and conducting stability and honesty tests for this tool to ensure its suitability for study, as well as the statistical measures and methods used to study and analyze data are clarified as follows:



First: the study community:

The study community consists of farmers in the rain fed and irrigated agricultural sector in the state. The researcher distributed (100) one hundred questionnaires after it was divided into two sections (50) questionnaires for the rainy sector and (50) questionnaires for the irrigated sector in a random manner on farmers of the rainy and irrigated sectors. (97) Returned a questionnaire, (48) of which were for the rainy sector, and (49) a questionnaire for the irrigated sector, (7) questionnaires were excluded from them due to their lack of suitability for analysis (4) from the rainy sector and (3) from the irrigated sector. The researcher was included in filling most of the questionnaires by himself (by the corresponding method) in order to take care of the information and the lack of familiarity of some farmers with reading and writing, and thus the study consisted from (90) farms (45) farms in the rain and (45) farms sector in the rain fed sector as shown in table (1) below.

Table (1) Number of questionnaires distributed and returned used

	distributed questionnaires	returned questionnaires	questionnaires used in the study
Rain sector	50	48	45
Irrigated sector	50	49	45
Total	100	97	90

Source: statistical analysis (SPSS)

Social and economic characteristics of the sample:

Table (2) Distribution of respondents according to marital status

Sector	Statement		Number	Percentage	Corrected Percentage
Rain fed	satisfied data	Married	39	86,7	88,6
		Single	5	11,1	11,4
		Total	44	97,8	100
	Data not satisfied data	Did not specify	1	2,2	
	Total		45	100	
Irrigated	satisfied data	Married	42	93,3	90,0
		Single	2	4,4	4,0
		Total	44	97,8	100
	Data not satisfied data	Did not specify	1	2,2	
		Total		45	100

Source: statistical analysis (SPSS)

Table (2) shows that 86.7% of the respondents in the rainy sector are married, 11.1% of them are unmarried and 2.2%, and 93.3% of the respondents in the irrigated sector are married, 4.4% of them are unmarried and 2.2%.

Table (3) age groups of farmers in the two sectors

	Age	Range	Lees age	largest age	Average	standard deviation
Rain fed Sector	45	40	23	63	42.36	9.98
Irrigated Sector	45	41	23	64	42.40	10.53

Source: statistical analysis (SPSS)

Table(3) shows that less than the age of farmers in rain fed sector is 23 years old and the largest age of them is 63 years old, and the average age was 42 years with a standard deviation of age was 9.98 years which shows the difference in age of the sample. While Table (3) shows that less than the age of farmers in the irrigated sector is 23 years old and the largest age of them is 64 years old with an average age equal 42 years with a standard deviation equal 10.53.

Table (4) Distribution of respondents according to educational level

	Description	number	percentage
Rain fed Sector	Literacy	4	8,9
	khalwa	11	24,4
	Primary (basic)	3	6,7
	Secondary	20	50,6
	University	2	4,4
	Total	40	100
Irrigated Sector	Literacy	1	2,2
	khalwa	16	35,6
	Primary (basic)	0	11,1
	Secondary	21	46,7
	University	2	4,4
	Total	40	100

Source: statistical analysis (SPSS)

Table (4) notes that there are all levels of education, reaching the illiteracy rate in the rain fed sector 8.9% and being alone with 24.4% and primary 6.7%, secondary 55.6% and university 4.4% while the rate of illiteracy in the irrigated sector 2.2% and retreat 35.6%, primary 11.1% and secondary 46.7. % and university 4.4%, these ratios reflect the high educational level of the Blue Nile state.

As for postgraduate education, there is no one, and it may herald the future of an increase in the percentage of undergraduates, relative to the many colleges of agriculture and economics in Sudanese universities, especially the Blue Nile University, in which the Faculty of Economics and Management is located.

Table (5) the main source of income for farmers

Distribution by sector	Occupation	Number	Percentage
Rain fed Sector	Agriculture	٤	٨,٩
	Agriculture and function	٢١	٤٦,٧
	Agriculture and trade	١٩	٤٢,٢
	Agriculture and grazing	١	٢,٢
	Total	٤٥	١٠٠
Irrigated Sector	Agriculture	١	٢,٢
	Agriculture and function	٣٠	٦٦,٧
	Agriculture and trade	١١	٢٤,٤
	Agriculture and grazing	٣	٦,٧
	Total	٤٥	%١٠٠

Source: statistical analysis (SPSS)

Table (5) shows that 46.7% of the respondents in the rain fed sector depend on agriculture and employment, 42.2% depend on agriculture and trade, 8.9% depend on agriculture only and 2.2% depend on agriculture and grazing, while 66.7% of respondents in the sector The irrigated depend on agriculture and trade, 22.4% depend on agriculture and employment, 6.7% depend on discussion and grazing and only 2.2% of them depend on agriculture. Table (5) shows that only 8.9% of farmers in the rainy sector depend on agriculture and only 2.2% in The irrigated sector and the low percentage of those who depend on agriculture for their income in the two sectors (rain fed and irrigated) confirm lack of interest Mother of Blue Nile State farmers with agriculture, due to the exposure of agriculture to many risks, such as drought, desertification, pests, diseases, and destructive events that occur in the lands adjacent to the Blue Nile, the return of agriculture to productive seasons, and the state's failure to contribute to insolvency issues.



Inductive statistics:

Identify phrases associated with the assumptions and tested:

The first hypothesis: lack of necessary bank financing offer in a timely manner may result in a reduction of cultivated areas.

Table (6): Quantitative statistics of the area of possession and cultivated ones:

sector	indication	number	range	less area	largest area	total area	mean	Standard deviation
Rain fed	Tenure space	45	4997	3	5000	35829	796.20	1220.16
	Cultivated ones in season	45	4249	1	4250	18571	412.68	710.07
irrigated	Tenure space	45	12	2	14	231	5.13	2.82
	Cultivated ones in season	45	13	1	14	155	3.44	2.19

Source: statistical analysis (SPSS)

Table (7) the date of receipt of funding from the Bank (Thousands of pounds)

Description	June 2006	July 2006	August 2006	Total
Number	4	13	16	33
Percentage	12.1	39.4	38.5	100%

Source: statistical analysis (SPSS)

The necessary and timely bank financing is an important factor in increasing the cultivated areas and thus increasing production. The study has found, and in Table (6) the quantitative statistics of the state's possession area, that the volume of funding obtained from the total financing ratio is only 25% according to the opinion of 68.9% of the sample Table (7) also shows that 48.5% of respondents then received funding in August, and found in funding (6) that the average holding area in the rainy sector amounted to 796.20 acres, and the cultivated area was estimated on average at 412.68 acres, with a decrease of 51.8%, and this Confirm the proof of the study hypothesis.

The second hypothesis: Insufficient bank financing to cover the production costs of some agricultural crops.



Table (8) the value of financing from banks in pounds.

Description	frequency	range	lowest value	largest value	sum	mean	standard deviation
	33	63200	1800	65000	656800	19903.03	15884.278

Source: statistical analysis (SPSS)

Found in the table (8) that the funding provided by banks to farmers value equal to an average of 19903.03 pounds comparing funding with an average area under cultivation, which was estimated at 412.68 acres as the table shows (6), and this confirms the study hypothesis of the theory that the banking funding is not enough to cover production costs for some agricultural crops in the season.

The third hypothesis: the complications and delays in the proceedings is one of the most common problems facing farmers by dealing with funding sources.

Distribution by sector	Description	number	percentage	Corrected percentage	
Rain fed	Complete data	Many guarantees and high cost of financing	1	2.2	2.7
		Complications and delays in the proceedings	19	42.2	51.4
		Many guarantees	6	13.3	16.2
		High cost of funding	4	8.9	10.8
		Complications, delay in procedures and frequent guarantees	4	8.9	10.8
		Complications, delay in procedures and high cost of funding	3	6.7	8.1
		Total	37	82.8	100%
	Incomplete data	Not specified	8	17.8	
Total		45	100%		

irrigated	complete data	Bad reception of work	1	2.2	3.7
		Complications and delay in procedures	15	33.4	55.6
		Many guarantees	1	2.2	3.7
		High cost of funding	8	17.8	29.6
		Complications and delays in the procedures many guarantees	1	2.2	3.7
		Complications and delays in the procedures and the high cost of funding	1	2.2	3.7
		Total	27	60%	100%
	Incomplete data	Not specified	18	40%	
Total			45	100%	

Source: statistical analysis (SPSS)

During statistical analysis, it was found that 42.2% of the surveyed sample out of the total who were funded in the rainy sector and 33.3% in the irrigated sector confirm this, as shown in Table (9). This supports the hypothesis of the study.

Results and recommendations:

First: Results:

- a) The lack of necessary funding and timely lead to a reduction of cultivated areas.
- b) 2- The bank funding is not sufficient to cover the costs of agricultural production in Blue Nile State during the 2017-2018 agricultural season.
- c) 3- The complications and the delay in the procedures are one of the most problems facing farmers by dealing with the financed resources.

Second: Recommendations:

- a) Provides the necessary and timely funding so that farmers can increase their cultivated areas.
- b) The funding should be within the real costs of production, that it should be provided well in advance of the start of the agricultural season, and that there be field follow-up to ensure that the funding granted is directed to the purpose for which it was granted.



c) The central bank and financial institutions more effort in the development of appropriate conditions conducive to the possibility of benefiting from agricultural finance to expand agricultural production and increase productivity area and adjust the deviations that occur by farmers such as direct funding for other purposes.

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