

<u>AGE-861</u>	<u>Agricultural Credit and Finance</u>	3(3-0)
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Course Description

The course aims to impart knowledge and expertise in the field of agricultural finance. It enables the student to understand the business planning and financial management of an agribusiness; become aware of the international models for gauging agricultural debt and the role of the regulator in agricultural financing.

Educational Objectives

The course focuses on

- Interpretation of financial statements for farms, agribusinesses and agricultural lenders.
- Financial intermediation in agriculture and the management of major financial intermediaries
- The process of extending and manager credit to agricultural firms
- The meaning and management of liquidity, risk and capital structure in farm businesses and agricultural firms
- current policy issues and the role of the government in agricultural finance

Course Outcomes

Upon successful completion of this course the students should be able to

- Understand the role of agriculture in the economic development of Pakistan
- Understand impact of agriculture on the macroeconomic indicators
- Explain nature and scope of financial management in agribusiness
- Understand the functions of agricultural lending products
- Understand agri value chain finance and it's different business models

Course Contents

- Nature and scope of agricultural finance;
- An introduction to competitive strategy
- Agriculture Credit Markets
 - Farm financial conditions
 - structure of agricultural credit markets
 - Micro credit and role of NGO's in agricultural lending and development

- Role of commercial banks in agricultural lending
- Cooperative farming financing
- Corporate farming financing
- Contract farming – methods and procedures
- Group lending system – methods and procedures
- Formal and informal sources of agricultural credit,
- Supervised Agricultural Credit,
- Financing Agribusiness
- Capital budgeting and long term decision making
- Agricultural credit policies and their problems,
- Credit Instruments and Legal Documentation
- Risk analysis, management and insurance for farmers
- Agri-Value Chain Finance
 - Value chain business models
 - producer-driven model
 - buyer-driven model
 - facilitator-driven model
 - integrated model
- Role of central bank and other financial institute in agricultural financing

Recommended Books

1. Reddy, S. 2008. Agricultural Finance and Management, Oxford and IBH. 18 Books Recommended 1. Barry, P. J., Ellinger, P. N., Hopkin, J.A., Baker, C. B. 1999. Financial Management in Agriculture. 6th Edition. Prentice Hall.
2. Pandey, U.K. 1990. An Introduction to Agricultural Finance. Kalyani Publishers, New Delhi 3. Downey, W.D. & Enieson, S.P. 2002. Agribusiness Management, Singapore, McGraw Hill.