CAPITAL FORMATION AND UTILIZATION IN AGRICULTURE: THE CASE OF SOCIAL DEVELOPMENT SANGSHAD AT BASHAIL THANA UNDER TANGAIL DISTRICT

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ABSTRACT

The present study was conducted on capital formation and utilization in Agriculture in the form of productive and non productive capital assets in different household groups who were the members of social development Sangshad. The study area consisted of three villages named Kashil, Bashail & Batholishadi under Bashail Ichana of Tangail district. To examine the pattern of capital formation and its utilization, 48 sample farm households were selected on the basis of stratified random sampling procedure from amongst the members of socio economic development project under Social Development Sangshad. The farm households were divided into four groups based on land holding (i.e. marginal, small, medium & large farm households). Tabular method of analysis was followed and descriptive statistics including mean, percentage ratio and regression model were used to present the socio economic profile of the sampled farm households, pattern of capital formation, examine the effect of farm size, income, saving, education level and occupation on capital formation and utilization pattern of saving. The analysis showed that the average family size in the study area was 6 (six) and level of education was increased during the study period, average land holding 3.07 acres, average dependency ratio was 1.97 considering all categories of farm household., agriculture was the main occupation and main source of income, and found that the overall farm income was higher than non-farm income. It was found from the study mat the amount of capital formation for large farm household was always higher than other farm household categories. There was a positive effect of farm size, income and saving on capital formation. The capital formation of agriculture cum other occupation related farmers was higher compared to only agriculture related farm household. The total expenditure amounted to Tk.2210, Tk. 3366, Tk 4748 and Tk. 8125 for marginal, small, medium and large farm households, respectively. But the marginal fanner utilized their accumulated saving more on non-agricultural sector. It may be recommended that for accelerating the rate of capital formation, non-farm income should be increased through proper use of savings, credit on current farm expenditure and by increasing agricultural capital stock.