ABSTRACT

Small farmers dominate agriculture sector in Pakistan because 93% of the total farmers belong to the category of small and marginal farmers. These farmers face many problems, which include shortage of inputs, price volatility, low bargaining power and changing government policies in the favor of large farmers. As such, small farmers are trapped in vicious cycle of poverty because they have low income and savings leaving them in a weak position to invest in their farming activities. The study was designed to explore the impact of those variables, which directly or indirectly affect income, and savings of these small farmers in the province of Punjab. In this context, stratified random sampling technique was used to select district Sargodha from Punjab province. Sahiwal tehsil from district Sargodha was selected randomly and then three villages were selected randomly from this tehsil. A sample of ninety small farmers was selected randomly from these villages. Data were collected from these farmers to estimate income and saving models. Log-log form of regression was used to estimate income model and multiple linear regression was used to estimate saving model. In the income model, academic qualification, land holding, agricultural expenditures and number of family members involved in agricultural activities affected income of these small farmers significantly whereas in saving model, age, academic qualification, health expenditures, income of farmer (both from farm and off-farm sources), number of dependent members and credit installments affected savings of these farmers significantly. It was suggested that new technology should be provided to small farmers on easy conditions so they can adopt new agricultural production practices to enhance productivity hence their income and savings.

Keywords: Small farmers, income, saving, log-log regression model