

DEFINITIONS

1. ACAC

It stands for Agriculture Credit Advisory Committee. It was set up in the light of Finance Division's Notification dated 16th September, 1972. The Governor State Bank of Pakistan is the Chairman of this committee. It consists of members from Federal/Provincial governments, Banks, and Chambers of Agriculture/Farmers' Associations. It was set up to assess credit requirements of the agricultural sector in order to assist the NCC in the preparation of Annual Credit Plan and to consider the ways and means for improving the disbursal and recovery of agricultural credit together with suggesting measures for the strengthening of institutional frame work of agricultural credit.

2. Agriculture Credit Card (Kissan Credit Card)

Means Cards which allow a farmer to make payment on credit supplementary credit card shall be considering part of the principal borrower for the purpose of these regulations. The regulation for credit card shall also be applicable on charge card, debit card, store value card and BTF (Balance transferred facility) etc.

3. Agriculture Development Loans

Agriculture Development loan means any financing facility to carry out some developmental work. It comprises of two categories. For Farm Credit (Tractor, Tube well, Farm Machinery, Land Improvement) etc & Non Farm Credit (Live Stock, Dairy, Poultry, Fisheries, Forestry) as described under SBP-Methodology report on preparation of estimates of agricultural credit requirements.

4. Agriculture Credit Regulations(ACRs)

Regulations prepared in 2004, for the purpose of Agriculture financing in Pakistan.

5. Agricultural Credit Estimates

Agricultural Credit Estimates are prepared on the basis of data supplied by Provinces and AJK, according to their needs

6. Agriculture Financing

Means any credit facility (FB or NFB) or equity financing allowed for agricultural production / development / grading / polishing of agricultural products etc, prior to any processing, financing of receivables against sale of agricultural products, lending to any institution/person. It includes such financing for Forestry, Horticulture, Fish farming, Dairy farming, Poultry farming, financing to agricultural value chain, export of agricultural goods or

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for any other purpose declared eligible by State Bank of Pakistan in its Methodology Report. It is classified as;

- **Sector wise:** Farm (Crop) and Non Farm (Non Crop Credit).
- **Purpose wise:** Production loans and Development Loans.
- **Term wise:** Short term up to two years, Medium term up to five years and Long term above five years.

7. Agricultural Household

It means Farm Households and Non Farm Household.

8. Agriculture Pass Book

It is a set of two books. Red and Green Pass Books maintaining all Revenue Records and confirms land ownership of the farmers having details such as Ownership of Land with address, exact location Khewat, Khatooni & Khasra Number, PIU Value & Market Value mutation / transferred, loan obtained, loan repaid, land of mortgage with etc, authenticated by a competent revenue officer.

9. Agricultural Production Finance/Loans

It is basically for production purposes usually for short term requirement of farmer for Seed, Fertilizer & Pesticides and other short term requirements.

10. Agricultural Running Finance

Time to time disbursement and adjustment within sanctioned limit for Agriculture purpose.

11. Agricultural work

Includes farm and Non farm work or planning thereof. It includes work on the farm, e.g. ploughing, planting, hoeing, weeding, application of fertilizer(s) and plant protection material(s), harvesting, winnowing, feeding, supervision of agricultural works, hauling farm produced to market and any other work related to the operation of the farm and caring of Livestock, Dairy farms, Poultry, Forestry and Fisheries etc.

12. Apiculture

Bee keeping - the cultivation of bees on commercial scale for the production of honey.

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13. Area Fertilized

Means the area of a crop treated with chemical fertilizer(s) before and / or after sowing, irrespective of the number of times it was fertilized.

14. Area not Available for Cultivation

It is that uncultivated area of the farm which is under farm house, barn, storage, farm roads and channels, etc. and therefore not available for cultivation.

15. Area Owned

It includes the total area owned by all members of a household irrespective of its location. It also includes the area held in owner like possession. Such as land temporarily allotted for mortgaged land under possession, Government land taken on lease etc.

16. Area Self Operated

It includes whole or only that part of area owned which is under the day-to-day operational control of a household on the census date.

17. Area Shared Crop

Includes the rented in area for which a pre-decided share of the produce is paid by the tenant to the owner of the area.

18. Area Taken on Lease / Rent

Means the area rented in, for which a pre-decided fixed rent in cash or kind is paid by the tenant to the owner of the area.

19. Arthee / Commission Agent

Any person /individual or a group of persons who is/are engaged in purchasing the produce from the farmer for resale or facilitates the sale of the produce by keeping certain percentage as a commission for himself.

20. Artificial Insemination

The facilitation of reproduction of live stock by artificial means.

21. Bank

Means a banking company as defined in Banking Company ordinance 1962.

22. Barani Land

Land where cultivation depends on rain water.

23. Bonafide Losses

The losses suffered by the banks due to non recovery of loans and for which all recovery efforts have been exhausted, including legal remedies and where Loans have become eligible for filing claim up to 50% of the losses from State Bank of Pakistan.

24. Borrower

Borrower means an adult individual (male/female) or entity to which Bank/DFI has allowed Agricultural Financing during course of business.

25. Casual Labour

Means the labour employed occasionally on daily wages basis for specific agricultural works.

26. Cattle

It is the collective name given to bovine animals.

27. Categories of land holding

Following are the three types of land holdings as defined by the Federal Land Commission in April 1975.

a- Above Economic Holding

Land holding for farmer that falls in “above economic holding” is;

Province	Land Holding
PUNJAB	Above 50 acres
NWFP	Above 50 acres
SINDH	Above 64 acres
BALOUCHISTAN	Above 64 acres

b- Economic Holding

As defined in loan for Agriculture purpose rules 1973. The existing size of land in four provinces for economic holding is;

Province	Land holding
Punjab	Above 12.5 to 50 acres
NWFP	Above 12.5 to 50 acres
SINDH	Above 16 to 64 acres
Balouchistan	Above 32 to 64 acres

c. Subsistence Holding

Land holding shall be considered Subsistence land holding if it is ;

Province	Land Holding
Punjab	Upto 12.5 acres
NWFP	Up to 12.5 acres
Sindh	Upto 16 acres
Balouchistan	Upto 32 acres

28. Agricultural Census

Means the Census of Agriculture Sector.

29. Census Day

Refers to the day of examination of a household.

32. Census Year

It Begins from 1st July and ends on 30th June. In terms of Agricultural year, it begins from March and ends on February, and covers the crops of Kharif and Rabi season every year.

33. Collateral

Any property/good or item placed with and acceptable to the bank, which serves as a security, against the loan borrowed by the customer of the bank.

34. Commodity financing

Financing to the government for the purchase of commodities.

35. Complete Kacha House

It means a residential place, walls of which are made up of mud or unbaked bricks bonded with mud.

36. Complete Pacca House

It means a residential place, walls of which are made up of baked bricks / stones / concrete bounded with mud or cement.

37. Corporate farming

A form of farm ownership, which is a separate legal entity from the owners of the farm.

Farming activity carried out on a large portion of land leased by the government to any individual or firm.

38. Cropping Period

Following two cropping periods are considered for cultivation of crops.

a- Kharif

Summer crop sown from March to August; crops are sown in summer and harvested in late summer or early winter. The important Kharif crops are Cotton, Rice, Sugarcane, Maize, Jowar and Bajra.

b- Rabi

Winter crop sown during September to February. Main Rabi Crops are Wheat, Barley, Gram, Rape / Mustard Seed, Tobacco, Lucien & Bar seems.

39. Crop Area Covered with Plant Protection Measures

Means the area of a crop on which plant protection material was applied / sprayed irrespective of the number of applications / sprays made. It does not include aerial spray and seed treatment.

40. Crop Area Irrigated

Means area of crop actually irrigated at least once by artificial mean(s). It also includes one or more irrigations given as part of land preparation before sowing of the crop.

41. Crops Grown in Orchard

If the orchard consists of trees not of bearing age, the entire area of crop grown in the orchard is reported. If the orchard consists of trees of bearing age, only half of the area of the crop grown in the orchard may be taken into consideration. The area under orchard is included as such in either case.

42. Crops Grown Together

If the two crops grown together were harvested at the same time, one half of the area in the crops grown together is to be reported for each of the crops. If the two crops grown together were harvested at different times, the entire area of the crops grown together is to be reported for each of the crops.

43. Cultivated Area

It is that farm area which was sown at least once during the census year, or a year before. It is the sum of area Net Sown and Current Follow.

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44. Current Follow

Means that cultivated farm area which was not cropped during the census year for the purpose of regaining fertility and / or any other specific objectives but was cropped during the preceding year.

45. Culturalable Waste

It is that uncultivated farm area which is otherwise fit for cultivation but was not cropped during the census year or in the year before due to presence of any of the constraints like no availability of water, water logging, salinity, manpower and / or funds shortage etc.

46. Current Due

The amount of loan /installment due during the current year.

47. Current Recovery

Amount of principal/installment recovered during the current year.

48. Disbursement

Amount of loan released to the borrower for its onward use.

49. Documents

Include vouchers, cheques, bills, pay-orders, and promissory notes, securities for leases / advances and claims by or against the Banks or other papers supporting entries in the books of a Bank.

50. Economic Activity

The data on the type of economic activity is based on the concept of “usual” activity using 12 months period as a reference period in contrast to labor force concept of “current” activity in which a short time reference of one week or less in general used.

51. Economically active person

A person, of either sex, of 10 years or above in age, who during the reference period, participated in the production of economic goods or services.

52. Farm

A farm is defined as any place that has or has the potential to produce.

53. Farm Credit

Credit facility that has been given to farmers for either production, development or both purposes to agricultural sector.

54. Farm Equity

The net worth of the farm sector's assets (i.e., farmland, machinery, equipment, facilities, crop and livestock inventories) against which there is no debt. This represents all farm proprietors' residual claims to farm assets. Increases in farm equity in the late 1970s became increasingly important for most agricultural producers as a source of additional collateral against which to obtain credit for operating and expansion purposes. The level of farm equity ranges widely from one farm to another. The overall debt-asset ratio is a measure of the farm sectors financial condition.

55. Farm Gate Price

The price received by the farmer at the gate of the farm. This price does not include transportation or processing cost.

56. Farm House Holds

Farmer operating on the farm is to be considered as farm house hold.

57. Farm Income

Several measures are used to gauge the earnings of a farming operation over a given period of time: Gross cash income is the sum of all receipts from the sale of crops, livestock, and farm related goods and services. Gross farm income is the same as gross cash income with the addition of non money income, such as the value of home consumption of self-produced food and the imputed gross rental value of farm dwellings. Net cash income is gross cash income less all cash expenses such as for feed, seed, fertilizer, property taxes, interest on debt, and wages to hired labor, contract labor and rent to non operator landlords. Net farm income is gross farm income less cash expenses and non cash expenses, such as capital consumption, perquisites to hired labor, and farm household expenses. Net farm income is a longer term measure of the ability of the farm to survive as a viable income-earning business, while net cash income is a shorter term measure of cash flow.

58. Farm Inputs

These are the resources that are used in farm production, such as chemicals, equipment, feed, seed, water and energy. Most farm inputs are purchased (a change from the days when animals powered most of the operations), making production costs susceptible to non farm economic conditions. Over time, prices of farm inputs have increased relative to commodity prices, creating what farmers describe as a cost-price squeeze. The relationship between prices paid for inputs compared to prices received for output is quantified in the parity ratio.

59. Farm Price

The price that farmers receive for the commodities they market.

60. Farmers' Market

A market where producers, generally farmers, sell their goods directly to consumers.

61. Fertilizer

Any organic or inorganic material, either natural or synthetic, used to supply elements (such as nitrogen, phosphate and potash) essential for plant growth. If used in excess or attached to eroding soil, fertilizers can become a source of water pollution.

62. Fish Farming

Usually, freshwater commercial aquaculture; Breeding fish in ponds for sale purposes.

63. Forest Area

It is that uncultivated farm area which is under forest. It does not include area under government forest. It includes areas where trees cover at least 10% of the land and must be at least an acre in size.

64. Form IB-7

It was issued under ACD circular no.05/2744-2762/A&b /2003,dated 11th August 2003.It was approved as a common and uniform charge form ,which covers all legal aspects of the financing and applicable for Demand Finance Running Finance and Revolving Credit ,to be implemented /adopted by all Commercial Banks and Domestic Private Banks immediately.(Annexure-I)

65. Forced Sale Value (FSV)

Means the value which fully reflects the possibility of price fluctuations and can currently be obtained by selling the mortgaged / pledged assets in a forced / distressed sale conditions.

66. Fragment / Parcel

Refers to any piece of land of a farm entirely surrounded by land of other farm(s) and / or by land and / or water not forming part of any farm. One farm may have one or more fragments / parcels.

67. Girdawari / Khasra

A land cultivation proof issued by Land Revenue Department mentioning

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Land number (Khewat/Khatooni), ownership, tenant etc.

68. House

Means any structure in use for human inhabitation.

69. Household

Means a person or a group of persons living together and eating from the same kitchen whether or not related to each other, hostels, jails and hotels are not considered as household.

70. House Hold Members Doing Part-time Work

Include members of the household who in addition to the agricultural work of the holding also do some other work such as services, business etc.

71. Household Under Debt

Include households, reported under any type of debt at the time of census enumeration.

72. Individual Farm

Means a farm operated by one or more persons of the same household.

73. Intensity of Cropping

Represents the cultivated area measured in terms of total cultivable area multiplied by 100. i.e;

$$\text{Intensity of Land use} = \frac{\text{Cultivated area} \times 100}{\text{Total cultivable area}}$$

It indicates the extent to which the cultivable land was used for cultivation of crops.

74. Intensity of Land Use

Represents the total cultivated area in terms of total Farm area multiplied by 100, i.e.

$$\text{Intensity of Land use} = \frac{\text{Total cultivated area} \times 100}{\text{Total Farm area}}$$

It indicates the extent to which the total Farm land was used for cultivation of crops.

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75. Interest Free Loans

Loans which were introduced in 1979-88, did not carry any interest charges and are detailed under ACD circular No.3/79 dated 8th November 1979.

76. Irrigated Area

Includes the cultivated area actually irrigated at least once during the census year by artificial means.

77. Joint Farm

Means a farm jointly operated by persons belonging to two or more different households.

78. Land Tenure

It is concerned with the rights / arrangements under which the land is operated.

79. Land Utilization

Means classification of the farm area in accordance with the use.

80. Livestock Holder

It is a household having at least one head of cattle and / or buffalo, 5 sheep / or goats but not operating any farm area.

81. Mandatory Credit Targets

Credit targets, allocated by SBP for agriculture lending, to five big commercial Banks on yearly/half yearly basis, as provided under section-25 of Banking Companies Ordinance -1962.

The targets allocated to commercial banks are advised on six monthly bases with the ratio of 40:60. i.e; 40 % for the first half and 60% for the second half.

82. Manuring

Any animal or plant material used to enhance the productivity of land, especially animal excreta, usually with litter material.

83. Mechanization

Use of machinery and modern inputs to increase productivity of the farm.

84. Mouza / Deh

It is a demarcated terminal unit for which separate revenue record including a cadastral map is maintained.

85. Net Sown Area

Means the cultivated farm areas which was actually cropped during the census year regardless of becoming kharaba (crop failure) and / or the number of crops raised, and also include area under orchards.

86. Non-Farm Households

Includes households not operating any farm area. Households owning land but not operating any land area are also included in this category.

87. Non Performing Loans

Loans on which interest/ mark up and principal are due and have been classified according to the Agricultural Prudential Regulations.

88. Non-Agricultural Households

Includes households, which do not fall in the categories of Farm Households and / or Livestock Holders or Non farm house holds are those who are engaged in activities other than agricultural activities.

89. Non-Agricultural Work

Reference to the work other than agricultural work which may relate to trade cottage industry, occupation of village functionaries, service with government or other agencies and non-agricultural labor etc.

90. Past Dues

It is the amount of Principal/Installment which has been due for more than one year.

91. Past Recovery

It is the amount of Principal/Installment recovered against balances Outstanding up to the last year.

92. Revolving Credit

By Revolving Credit it is meant the scheme announced by the State Bank of Pakistan vide its circular No. ACD Circular No. /06 dated 9th October, 2003.

93. Sample Mouza / Deh / Village / Killi

It is a unit selected by means of certain sampling methods for census enumeration in settled areas, mouza / deh has been used as a sampling unit while in unsettled areas village / Basti / Killi and in urban areas block has been taken as the sampling unit.

94. SBP Credit Line

State Bank of Pakistan provided credit line to Zarai Taraqiati Bank Limited, Federal Bank For Cooperatives (now liquidated) in the past and now such credit line is available to Punjab Provincial Cooperative Bank only, at Government Treasury Bill rate of six months maturity.

95. Seasonal Finance

Financing for the production purpose of Rabi And Kharif Crops.

96. Sericulture

Raising silk worms in order to obtain raw silk for onward sales.

97. Small Farms

Farm areas that come under subsistence holdings.

98. Small Loans

Loans up to One hundred thousand rupees per farmer per year are considered as small loans.

99. Statement showing Province wise Disbursement of Agriculture Credit

This statement shows Province wise monthly disbursement of agriculture credit by the banks.

100. Statement "D"

This statement shows province wise disbursement of Agricultural production and development loans on monthly and yearly basis (cumulative).

101. Statement "R"

It shows monthly and yearly (cumulative) recovery position of agricultural loans during the month.

102. Statement "S"

It shows information regarding agricultural loans qualifying for State Bank Guarantee.

103. Statement "T"

It shows information regarding credit targets, progressive disbursements, progressive repayments and amount outstanding on the last working day of

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each month.

104. Statement "TGLQ"

Statement requiring information regarding financing for the purpose of Tractor, Godowns, Leasing companies and High Quality Seed Processing Units.

105. Statement "X"

Half yearly bank wise statement showing details of agricultural loans, i.e, province wise, purpose wise and by size of holding.

106. Statement "Y"

It is a consolidated statement showing recovery position bank wise, province wise, purpose wise, size of holding.

107. Tenant Farm

A farm of which entire land is taken from other household(s) against a fixed rent in cash / kind or a share in the produce.

108. Tree Farming

The cultivation of trees for the production of timber.

109. Total Cropped Area

Means the aggregated area of crops raised at a farm during the census year including the area under orchards / gardens.

110. Total Culturable Area

It includes cultivated area and culturable waste.

111. Total Farm Area

Includes total cultivable and un-cultivable area of the farm, but it does not include area outside the farm such as area under government forests, roads railways, schools, playgrounds, canals, rivers, abadi, deh, urban built-up area undistributed government land etc.

112. Un irrigated Area

Includes the cultivated area not artificially irrigated. It depends for cultivation solely on rainfall (barani or rain fed) or river floods and seepage water (sail-aba) etc.

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113. Vegetable Area

Includes the area under Sugar beet, Potato, Tomato, Onion, Chilli, Melon, other Rabi and Kharif vegetables.

114. Village / Basti / Killi

Means a chunk of houses known by a certain name. There may be one or more villages / basties / killies in a mouza.