



ORIGINAL ARTICLE

## Identifying the Reasons of None Repaying Of Greenhouse Loans in Ilam Province (Case Study: Greenhouse Owners)

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### ABSTRACT

*The aim of this research is identifying the effective factors on none repaying the greenhouse loans. The research method was correlative and its aim was implication. Statistical society of research is including all active people in greenhouse that based on statistics of agricultur5e office in 93 were 150 subjects and because of low volume, all of them were considered as sample. To measuring validity, content validity (expert opinions) and construct validity by AVE index were used that its minimum was 0.82 that is more than 0.5 and so it is accepted. To determine reliability, the combine reliability (cr) was used) that its minimum was 0/84 and it is more than 0.6 and so it is determined. To testing hypothesizes confirm analyzing was used by SPSS software, version 20 and Liseral software. Research findings indicate that all 5 factors (economical- social- cultural- professional and individual) have effect on none repaying of greenhouse loans that by obtained factors we can ordering these factors, (economical, 0.79)- (cultural,0.64)- (individual, 0.63)- (professional, 0.56) and (social, 0.54).*

**Keywords:** greenhouse owners, none repaying, loans.

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### INTRODUCTION

Since most of the machinery and equipment used in agriculture, requires enormous resources and capital, and providing the resources of the small farmers out. Therefore, the need to invest in agriculture and the demand for loans increases. In response to this need, in developing countries, including Iran, from the early 1950s to the beginning of the agricultural revolution and accelerate the pace of agricultural development, the Official Credit Institute and the most important banking expert agriculture, with an emphasis on government sources, the effort estimate credit needs of farmers [1].

Credit Bank System, one of several funding sources will be provided. In most countries, the main source of considerable agricultural credit banks, savings and loans have been repaid. By governments, with cheap rates and with the aim of supporting the agricultural sector and the second source, funding is added to the above two cases, so that the number of credit institutions operating in the agricultural sector, are more dependent on aid from other sources [2].

Due to the very small proportion of the underlying funds, savings institutions, credit much of the credit repayment on their side more credits will become apparent. Therefore, any problem that threatens the repayment of loans, credit institutions are required to provide loans to farmers will be faced with a problem. In Iran, the rate of repayment of bank loans granted to agriculture by an average of 25%, and this suggests poor credit repayment performance of the Agricultural Bank of Iran [3].

According to most experts, the lack of investment in agriculture, particularly small farmers and peasants, includes the problems of the sector in the face of difficulties, and abnormally vulnerable to natural disasters. The problem, then the conditions for ideas and innovations related to agricultural activity and difficult to impossible. It's one of the limiting factors of agriculture and rural development [4]. Agricultural Bank, the main formal agricultural credit institution, responsible for financing the agricultural sector is needed [5]. Therefore, knowledge of the factors affecting agricultural credit defaults and can be a good guide for planners of the country's agricultural credit [2].

Sharifi Renani et al [6] study the factors of non-repayment of loans to farmers, it concluded that the borrowers were younger, had a better performance in the repayment of loans. Loans to agriculture and its

allied industries have better loans. Also, the loan amount is less; the borrower has to repay it better. In addition, lower interest rates provide better conditions for the repayment of the loan. Obtaining loans with collateral property in better condition than Vsyqhhay joint and several.

Obilor [7], in a study entitled "The impact of commercial bank credit to agriculture in agricultural development in Nigeria", he concluded that the credit guarantee fund allocation of funds by the government to agriculture, a significant effect on productivity of have been. However, other factors had a considerable negative effect on agricultural production. He recommended that farmers have to borrow from banks in order to increase agricultural productivity and encouraged.

Khalan Shah et al [8], in research on agricultural productivity and income as a result of agricultural credit to farmers in northern Pakistan, the results were as follows: positive relationship between agricultural productivity and farm credit from the banks there. A similar relationship was observed with the farmers' income. They stated that this positive relationship can be attributed to the availability of timely and institutions needed, according to the Institute ZTBL loans.

There are currently 84 nurseries in Ilam province, of which 44 nurseries in the city of Elam. Collective debt figures or the failure of the collection suggests that in terms of accounting standards and risk management risk is severe and undesirable. Therefore, research is needed on this issue to be determined by factors related to the subject, and consequently the remedy in its decision. Therefore, research in order to identify the reasons for non-repayment of loans greenhouse Ilam, is of utmost importance.

## MATERIALS AND METHODS

The purpose of this research is applied. Also, based on the paradigm, and the cross-correlation is low. The independent variables in this study include: economic, demographic, cultural factors, professional factors and social factors.

The study sample of all greenhouse owners who enjoyed Ilam, Ilam Province Agriculture Organization, 150 respectively. In the present study because of the small size of the study population, the census put the population.

In this research was to determine the validity (validity) measurement tools, content validity and construct validity have been used. The validity of this study, the questionnaire Faculty of Agriculture, University of free Elam was Islamic. After talking points they were attempting to modify and adjust the final questionnaire.

In this study, to evaluate the reliability of the research instrument, the final blend was used. Cronbach's alpha value in the table below.

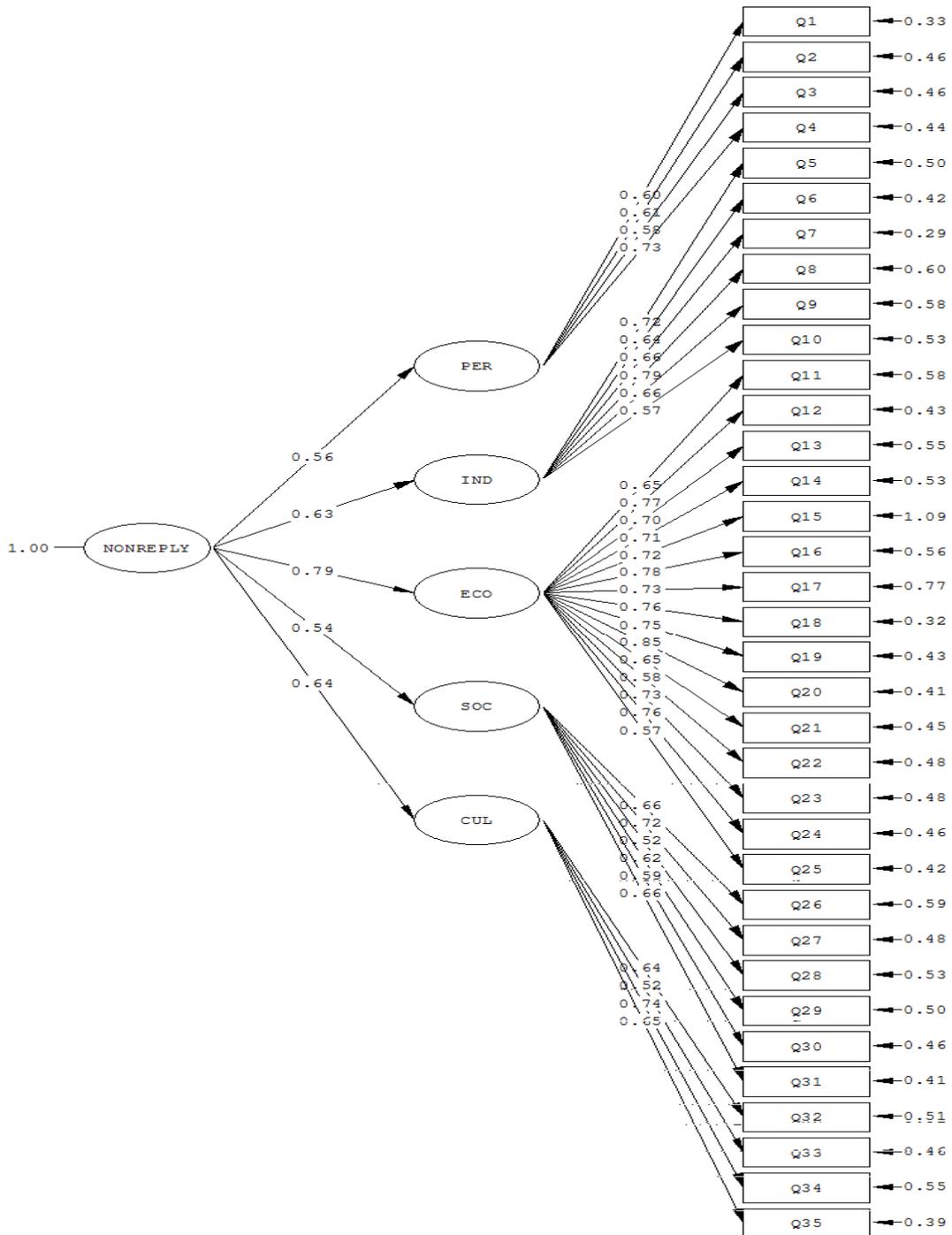
Table 1: Cronbach's alpha values for different parts of the questionnaire

Reliability of Compound	Factors studied
0.90	Economic factors
0.87	Cultural factors
0.85	Professional factors
0.87	Social Factors
0.84	Individual factors

In this research work, data processing and data analysis in spss software and software version 20 Liserel for confirmatory factor analysis is analyzed and processed.

## RESULTS AND DISCUSSION

According to the standard rate can be said that most of the greenhouse effect on non-repayment of loans by the economic dimension, the highest level path (0.79) had. Second and third place in the individual's influence and cultural variables. Social variables (0.53), has minimal effect on non-repayment of greenhouse facilities. Also, with the help of software LISREL, effective model for non-repayment of greenhouse facilities were extracted.



Chi-Square=192.25, df=74, P-value=0.00000, RMSEA=0.069

**Figure 1: Model of the estimated coefficients in the standard**

Figure 2, in the case of models significantly coefficients (t-value) shows. According to the results of t-test all factor loadings are significant at the 99% confidence level and have played a significant role in the determination of their structures. The results of the factor loadings to confirm the validity of the model.

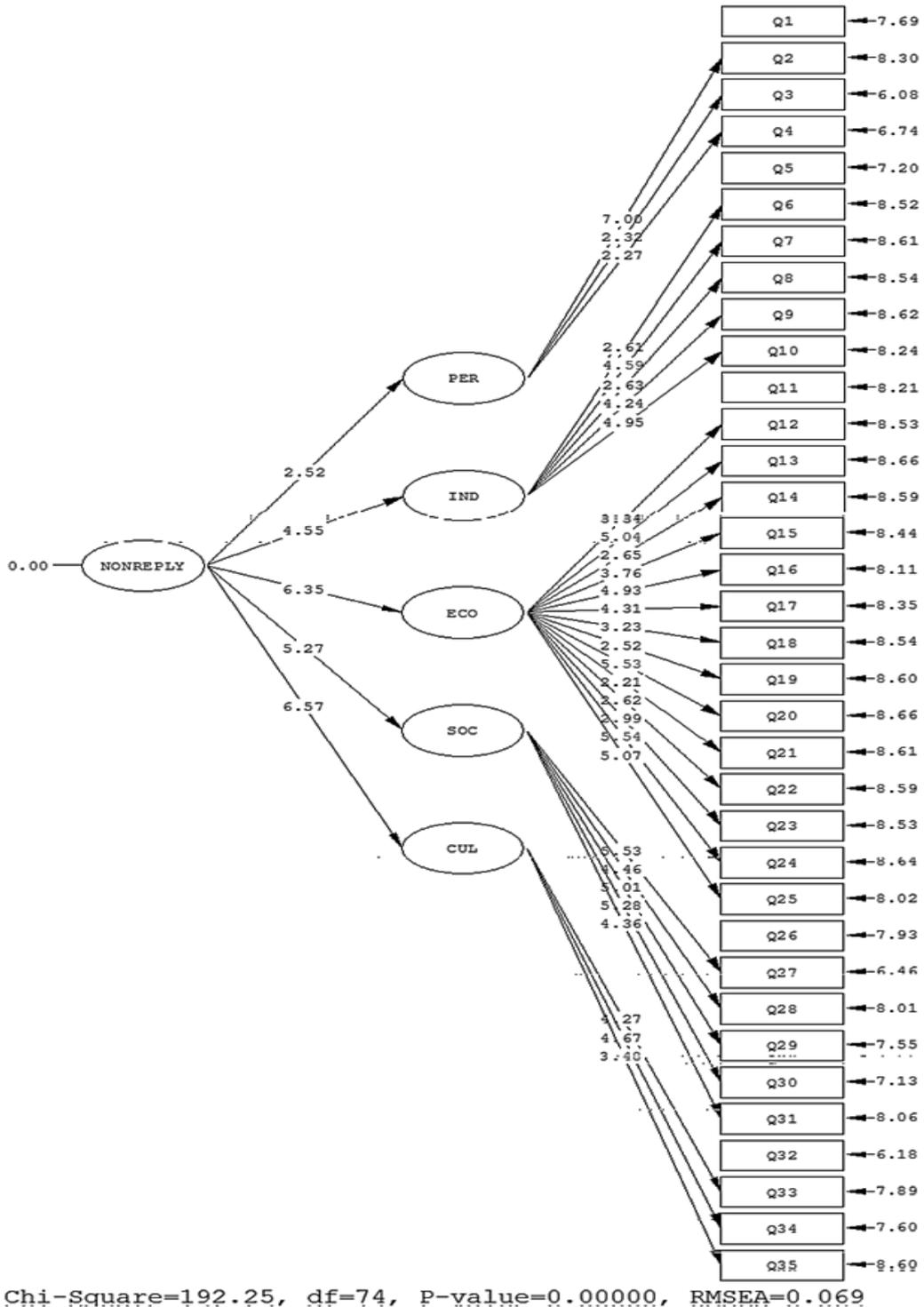


Figure 2: Significant assumptions in the model coefficients

In order to assess the fitness models, there are many tests, which are generally known as indicators of fitness. Although these tests are compared with the continuous development and evolution, but still there is no general agreement about the optimal test. Generally, a number of indicators to measure the fit of the model used, but usually to verify the model, using three to five index is sufficient.

1. The chi-square statistic ( $2\chi$ ): In the present study, the chi-square statistic is equal to 192.25 with 74 degrees of freedom is obtained. Square of the degrees of freedom is less than 3 indicates that the model has the necessary competence.
2. The root mean square error of approximation (RMSEA): a model index, root mean square error of approximation to the square of 0.69 is obtained, which indicates a very good fit.

3. The absolute fit indices: The GFI is equal to 0.91, indicating an acceptable fit of the model.
4. The relative fitness indicators: some sources, NNFI index and comparative fit index (CFI) which Takr- Lewis index (TLI) is called to investigate the recommended model. The soft-fit index (NFI) is equal to 0.94 were obtained show a good fit.
5. The value of these coefficients indicate that the model is a good fit.

According to the questionnaire and to detect any structural constituent elements of confirmatory factor analysis was used. Based on these results, we can say that for all dimensions, all have built significant weight at 99 and 95 percent confidence level could have significant loadings.

Table 3: Results of the factor loadings

Priority	The result	sig	T	Factor loadings	Variable observed		Hidden variable
3	Significant	0.01<	Fixed	0.60	Q1	Lack of adequate information about the greenhouse greenhouse owners have	Professional
2	Significant	0.01<	7	0.71.	Q2	Borrower's lack of experience in greenhouse activities have	
4	Significant	0.05<	2.32	0.76	Q3	Inability to make decisions when necessary	
1	Significant	0.05<	2.27	0.73	Q4	Lack of expertise in the field	
2	Significant	0.01<	Fixed	0.72	Q5	Lack of time management	Individual
5	Significant	0.01<	2.61	0.64	Q6	Failure Risk	
3	Significant	0.01<	4.59	0.76	Q7	Lack of consciousness	
1	Significant	0.01<	2.63	0.79	Q8	Lack of accountability	
4	Significant	0.01<	4.24	0.66	Q9	Non-adherence to ethical principles	
6	Significant	0.01<	4.95	0.87	Q10	Disdain for government	
12	Significant	0.01<	Fixed	0.65	Q11	Mismatch term repayment plan income	Economic
3	Significant	0.01<	3.34	0.77	Q12	High interest rates	
11	Significant	0.01<	5.04	0.70	Q13	Insufficiency of facilities approved for the project	
10	Significant	0.01<	2.65	0.71	Q14	High prices of inputs and greenhouse products on the market	
9	Significant	0.01<	3.76	0.72	Q15	Unfavorable financial situation of the borrower	
2	Significant	0.01<	4.93	0.78	Q16	Unfavorable financial situation of the borrower	
7	Significant	0.01<	4.31	0.73	Q17	Malpractice and negligence in obtaining sufficient and The records	
4	Significant	0.01<	3.23	0.76	Q18	The cost of the construction of greenhouses	
6	Significant	0.05<	2.52	0.75	Q19	Not enough credits to greenhouse owners	
1	Significant	0.01<	5.53	0.85	Q20	No terms of inflation	
13	Significant	0.05<	2.21	0.65	Q21	Late payment penalty rate	
14	Significant	0.01<	2.62	0.58	Q22	Project Executive at maturity financial debility and payments	
8	Significant	0.01<	2.99	0.73	Q23	Transmission facilities received by borrowers to other sectors	
5	Significant	0.01<	5.54	0.76	Q24	Price increases greenhouse	
15	Significant	0.01<	5.07	0.57	Q25	Lack of timely payment of working capital	
3	Significant	0.01<	Fixed	0.78	Q26	Development of rent-seeking behavior of borrowers	Social
1	Significant	0.01<	6.53	0.72.	Q27	literacy	
6	Significant	0.01<	4.46	0.82	Q28	Lack of justification borrower	
4	Significant	0.01<	5.01	0.72	Q29	Lack of confidence	
5	Significant	0.01<	5.28	0.89	Q30	Failure to use the talents and capabilities of people interested in and familiar with the work	
2	Significant	0.01<	4.36	0.76	Q31	Lack of education, control and management of greenhouse owners	
3	Significant	0.01<	Fixed	0.64	Q32	Lack of interest in the greenhouse	Cultural
4	Significant	0.01<	4.27	0.82	Q33	Negative feelings towards greenhouse	
1	Significant	0.01<	4.67	0.74	Q34	Values, beliefs and norms greenhouse owners	
2	Significant	0.01<	3.40	0.75	Q35	The lack of use of the products produced greenhouse	

\* All the above coefficients are significant at a confidence level of 99% and 95%

According to Table (4), by taking Miran statistic T, it can be argued that the 5 factors identified for professional, personal, economic, social, cultural and other factors.

According to the results of Table (5), of professional, personal, economic, social and cultural rights on the level of reimbursement effective greenhouse facilities.

Table 5: Results of the second order factor analysis

The result	T-statistics	Path coefficients ( $\beta$ )	
Confirmed	2.52 *	0.57	Professional-non-repayment of loans
Confirmed	4.55 **	0.63	Individual non-repayment of loans
Confirmed	6.35 **	0.79	Economic non-repayment of loans
Confirmed	5.27 **	0.54	Social non-repayment of loans
Confirmed	6.57 **	0.64	Cultural non-repayment of loans

\*\* Significant at 99% confidence level, \* significant at 95% confidence level.

The aim of this study was to answer the research questions. 5 questions were raised in the study, which used the LISREL software to answer the following questions to discuss Tbbyn results.

Results and Discussion Question 1 R (economic factors affecting defaults greenhouse facilities)

Check items affecting economic defaults greenhouse facilities using confirmatory factor analysis showed that all 15 items listed, economic factors affecting greenhouse facilities were not reimbursed because they show the correlation factor loading buoy, in the structure of limit (5.0) is higher.

Results and Discussion Question 2 R (social factors affecting defaults greenhouse facilities)

Check items affecting not open community greenhouse payment using confirmatory factor analysis, showed that all 6 items listed on the non-repayment of loans greenhouse have been effective. Because the load factor which represents the correlation between the corresponding items in the structure of the limit (5.0) is higher.

The load factor in order of preference is

literacy, lack of education, control and management of greenhouse owners, ground rent-seeking behavior by borrowers, lack of confidence, lack of talent and capabilities of people interested in and familiar with the work, not the borrower's primary justification

Results and Discussion Question 3 R (cultural factors affecting the non-payment of greenhouse).

Study cultural items not affecting the payment of greenhouse using confirmatory factor analysis showed that all 4 items noted above, cultural factors influencing the greenhouse facilities were not reimbursed because they represent the correlation factor loading buoy, in the structure of the limit (5.0) is higher.

Results and Discussion Question 4 R (professional factors affecting defaults greenhouse facilities).

Check items affecting non-paying professional greenhouse facilities using confirmatory factor analysis showed that all 4 items noted above, professional factors influencing the non-repayment of loans been Greenhouse. Because the load factor which represents the correlation between items in the structure of the limit (5.0) is higher. Loadings in order of preference, are:

Lack of expertise in the field of interest, the borrower's lack of experience in greenhouse activities Dary- lack of adequate information about the greenhouse greenhouse owners Dary- inability to make decisions in emergency situations.

Results and Discussion Question 5 R (individual factors affecting defaults greenhouse facilities).

Check individual items not affecting the payment of greenhouse using confirmatory factor analysis showed that all 6 items noted above, factors affecting greenhouse facilities were not reimbursed. Because the load factor which represents the correlation between items in the structure of the limit (5.0) is higher.

As stated in previous articles, the findings suggest that the 5 factors (economic, socio-cultural, professional and personal) on non-repayment of greenhouse facilities have been obtained using the factor loadings, can these 5 factors as well as the priorities are as follows.

Table 5: Effect of Various Factors on non-repayment of loans  
Greenhouse

Priority	Load factor	Factor	Row
1	0.79	Economic factors	1
2	0.64	Cultural factors	2
3	0.63	Individual factors	3
4	0.56	Professional factors	4
5	0.54	Social factors	5

Since each of the 5 factors (economic, socio-cultural, professional and personal) were effective greenhouse expressed on non-repayment of loans; therefore, we should also try to reduce the negative impact, affecting the strengthening one.

- The organization of training courses to enhance the greenhouse owners information, in order to better manage the greenhouse.
- Lending to people with relevant education, to enhance the quality of work and better efficiency.
- Enhance accountability by giving borrowers a reliable guarantee.
- The creation of an active market for greenhouse crops.
- Reduction of interest rate payments for facilities granted to encourage greenhouse owners.
- Prices of inputs and raw materials greenhouse.
- Fitness facilities are paid according to the extent of greenhouse greenhouse owners.
- Reduced late payment penalty rate.
- Create a positive mindset towards greenhouse products through advertising, etc.
- Use of experts to approve the grant.
- Timely payment of the amount of working capital.
- The primary justification greenhouse owners of the facility received, interest rate loans, the rate of late payments, etc.
- Monthly inspections to ensure the implementation and promotion of design experts.
- Organizing training workshops propaganda now a successful greenhouse.
- Use of an experienced and trained in the greenhouse.
- Avoid transfer credits to other businesses in the greenhouse.
- Cultural consumption and greenhouse products.
- Payment to the veteran or active carbon as possible.
- Non-payment of greenhouse facilities for people with bad banking history.

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