

Analysis of Access to Credit among Rural Farmers in Giwa Local Government Area of Kaduna State, Nigeria

Authors : S. Ibrahim, Bashir Umar

Abstract : Agricultural credit is very important for sustainable agricultural development to be achieved in any country of the world. Rural credit has proven to be a powerful instrument against poverty reduction and development in rural area. Agricultural credit enhances productivity and promotes standard of living by breaking vicious cycle of poverty of small scale farmers. This study examined access to credit among rural farmers in Giwa local government area of Kaduna state. Two stages sampling procedure was employed to select forty-two (42) respondents for the study. Primary data were collected using structured questionnaire with the help of well-trained enumerators. Data were analyzed using simple descriptive statistics. The results revealed that farmers were predominantly male (57.1%) and most (54.7%), were married with one level of education or another (66.5%). Majority of the households' head were between the ages of 31 to 50. majority of the farmers (68.2%) had more than 2ha of farmlands with at least 5 years of farming experience and an annual farm income of N 61,000 to 100,000 (61.9%). The Various sources of credit by the farmers in the study area were commercial banks (38.1%), Co-operative banks (47.6%), Development banks (14.2%) (formal) and Relatives (26.1%), Personal Savings (Adashi scheme) (52.3%), Moneylenders (21.4%) (informal). As regard to the amount of credit obtained by the farmers 38.1% received N 50,000-100,000, 50 % obtained N 100,001-500,000 while 11.9% obtained N 500,001-1,000,000. High interest Inadequate collateral, Complicated Procedures, lack of guarantor were the major constrains encountered by the farmers in accessing loans. The study therefore recommends that Rural farmers should be encouraged to form credit and thrift cooperative societies from which they can access much cheaper credits, Moreover, to ensure that any credit obtained may be manageable for the farmers, financial institutions should provide loans with low interest rates and government and non-governmental organizations should simplify procedures associated with accessing loans.

Keywords : analysis, access, credit, farmers

Conference Title : ICAEM 2024 : International Conference on Agricultural Economics and Management

Conference Location : Cape Town, South Africa

Conference Dates : April 11-12, 2024