

THE MANAGEMENT OF DIRECT SMALL
HOLDER AGRICULTURAL LOAN PORTFOLIO
A CASE STUDY OF NACB LTD, KADUNA.

BY

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CERTIFICATION

This project entitled "THE MANAGEMENT OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO: A CASE STUDY OF NIGERIAN AGRICULTURAL AND COOPERATIVE BANK LTD, KADUNA" by Abdulsamad Nasir Mohammed meets the regulation governing the award of the degree of Master of business Administration (M.B.A.) of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.



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DECLARATION

I hereby declare that this project titled "The Management of Direct Small Holder Agricultural Loan Portfolio: A Case Study of Nigerian Agricultural And Cooperative Bank Ltd, Kaduna." For the award of Master of Business Administration of the Ahmadu Bello University, Zaria is the product of my research findings.

All sources of information used for this write up and where applicable other writers views have been duly acknowledged by means of references and I should be held responsible, for any *error of omission or commission* in the project.



Abdulsamad Nasir Mohammed

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ABSTRACT

Direct Small Holder Agricultural Loan portfolio Management is a major task that must be done if the existing long standing creditable Small Holder clients of the bank are to be retained and not lost to Commercial and Merchant banks. This involves the use of heuristic to the most complicated techniques for decision making. This should be done in such away that funds obtained from both federal and capital markets are not totally put into risky and hopeless transactions that would lead to the collapse of the bank. On the other hand, profitability must be ensured through making loan able funds available and at the same lime maintaining adequate liquidity, safely, survival and growth of the bank. The study reveals that the financial requirements of the Low Small Scale farmers nationwide who applied for the loan could not be met despite the fact that they form the bulk of the farming population in the country. This is a s a result of inadequacy of funds. Also less than half of the amount approved and disbursed were recovered. This is as a result of poor managment of the portfolios.

The analysis done and the solution proffered in this project work will be of immense contribution to knowledge when the issue of Agricultural Loan portfolio management relating to Nigerian Agricultural and Cooperative Bank Ltd is concerned.

In view of the findings from this research work, some suggestions and proposals have been made to the Government and management of the bank which if properly and promptly implemented will help sustain the survival and development of the bank.

CHAPTER ONE INTRODUCTION

1.1 GENERAL INTRODUCTION.

In Nigerian today even though it is the oil sector that dominates the economy, contributing up to 80% of the Government revenue and more than 90% of the country's foreign exchange earnings (World Bank/International Finance Corporation Office Memo on Nigeria February, 26 1980) yet it is the Agricultural sector that is sustaining the bulk (70-75%) of the Nigeria populace estimated at about 100 million in 1991. In addition, it contributes about 23% of the country's Gross Domestic Products (GDP) and 60% of the non-oil sector export.

According to Oluwasami (1965) and Famoriyo (1979), Agriculture forms the major occupation of Nigerians with 70-80% of the people engaging in it. Williams (1973) in his lectures noted that Agriculture is the most important sector of our economy and stated that "In the economy of our country, the Agricultural sector plays an important and varied roles together with Fishery, it employs about 70% of the working population; accounts for 60% of the gross domestic products (GDP) and a high percentage of our foreign exchange". Further more, its contribution and importance are expected to increase steadily if not rapidly into the further since the expansion of the Agricultural Production is the major policy objective of the country's long term economic development. However it is ironical that this vital sector of the national economy remains the most backward and this is evidenced by rising food import bills in the country. For instance in 1976 food import bills were N440.1 million and this increased to 1.02 billion in 1978. Also in recent years the low production of export

crops like groundnut and palm oil became a serious national concern especially to Agricultural scientist planners and policy makers. According to Famoriyo (1979) the rate of food production is 1.5% while that of population growth is 2.5-3.0% per annum. G.O. I Abalu (1981) stated that there exists a food gap because of the excess demand for food over supply capacity of the country. He said that currently domestic crop and crop production as well as livestock are growing at the rate of 0.75% per annum which is far below the rate at which demand for these products is growing. Abahu further said that "to wipe this food requirement gap by 1985, the domestic supply of crops and crop products have to grow at annual rate of over 6% while supply of livestock must grow at an annual rate of over 11%"

As a result of this situation both Federal and State Government started a series of Agricultural development programmes aimed at revitalizing the Agricultural sector, such programmes included the national accelerated food production programme (NAFPP) the river basins and rural development authorities, World Bank assisted Agricultural development projects, operation feed the nation (O.F.N), the green revolution and the national Agricultural land development authority (NALDA). The main objective of these programmes is to achieve a self sufficiency in food production. Other reasons that lead to the revitalization of the sector apart from those mentioned above include the sharp decline of our foreign exchange earnings from the sector and an increase in food prices especially in the cities. Also the revitalization of the sector became necessary as a result of the recent unstable oil markets which consequently results in unstable income for the country as well as the need to diversify our foreign

exchange earnings.

According to Abalu (1979) however, the technology and the new improved methods of Farming which can be used to bring about the increase in food production require a adaptation by the farmers, but their adaptation will not be possible without credit and also due to the fact that Nigerian farmers have very low income from which very little is saved, hence low investment in Agriculture and consequently low productivity, therefore farmers can not adopt such methods, hence many scholars suggested the introduction of credit facilities to the rural areas where most Nigerian farmers live. OlatuboSum (1975) also stated that the need for credit becomes acute only as techniques are modernized and as more equipments and intermediate inputs (fertilizer, herbicides, insecticides, pesticides) are required.

In view of these facts the federal and state Governments have since been embarking on various credit programmes among which are:-

- (a) The local development boards established in 1946.
- (b) The Western regional development board established in 1955.
- (c) The Eastern region fund for Agricultural and Industrial development established in April 1963.
- (d) The Northern region development corporation of 1965.

In the north credit was administered by the registrar of cooperatives under which the Government guarantee loans from Barclays Bank to cover pre-seasons loans. Also ministry of Agriculture operated credit programme through the native authorities for mixed cropping and other farming activities.

At present the Federal Government has taken higher steps towards funding the Agricultural sector and these steps included the establishment of the Nigerian Agricultural and Cooperative Bank Ltd (NACB) in 1973, the Agricultural Credit Guarantee Scheme Fund (A.C.G.S.F) established in 1977 with the main aim of providing fund for guaranteeing loans granted by the commercial banks to the farmers and the international fund for Agricultural development (IFAD) a world bank assisted Agricultural development programme.

1.2 STATEMENT OF THE PROBLEM.

The poor management of Agricultural bank loan portfolio especially among commercial banks has resulted in almost a complete refusal of banks to grant loans to the sector. A close examination of such banks showed that most of them are Government owned. Further investigation revealed that apart from poor management of the general service of these banks the aspects of Agricultural loan portfolio management was most devastating in the profit and loss performance of the banks. General public and the writers have expressed their concern on this issue and they all agreed that banks in Nigeria showing huge debts in form of bad and doubtful debts have traces of Government ownership.

Based on this investigation, the following problems emerged.

- (a) The clients of the bank with traces of Government majority ownership structure deliberately refuse to repay the loans granted to them.
- (b) The display of connection in the consideration and granting of loans is highly responsible for difficulty in debt collection as in most cases some compulsory conditions contained in the

lending procedures are overlooked or waived. This results in loans being classified as bad and doubtful debts.

(c) The lengthy and cumbersome application procedures of the bank as well as paper work involved in the approval and disbursement of the loans contributed immensely towards untimely disbursement of the loans to the formers and this makes repayment very difficult by clients. This results in loans being very difficult to collect because clients always complained of delays in disbursement and hence they reciprocate in the same way during collection. That is they delay repayment of the loans granted.

(d) Some clients of the bank regard the loans granted to them as their share of the national cake. For this categories of clients; the bank to them is partly established to service the loan needs of those at the corridors of power in the Government of the day and the management staff of the bank; as well as the retired generals in the country. This problem can be appreciated if one considers the way Government officials interfere with the operations of the bank as well as the frequent changes in Government which sometimes results in changes in the board and management staff of the bank.

(e) Also some branch managers of the Nigerian Agricultural and Cooperative Bank Ltd hardly comply with the laid down rules and regulations for granting loans and credit administration this contributes to the overall poor management of the bank's loan portfolio.

The above are the problems which the project aims at investigating and addressing.

1.3 OBJECTIVES OF THE STUDY

The Agricultural loans granted by both commercial and merchant banks as well as the Nigerian Agricultural and cooperative bank ltd in the country tend to create bad debts among such banks. This has continued to pile up while huge debts stands uncollected and new ones are still being granted especially at the Nigerian Agricultural and cooperation bank ltd. This indicates bad management of Agricultural loan portfolio. This project therefore intends to.

- (a) Appraise the management of the Nigerian Agricultural and Cooperative Bank Ltd Direct small holder Agricultural loan portfolio.
- (b) Establish the fact or otherwise that the ownership structure of the bank which is predominantly Government is responsible for non-payment of the loans granted by the bank.
- (c) Identify the problems that militate against the effective use of lending procedures and efficient loan recovery methods among direct small holder beneficiaries.
- (d) Point out the problems militating against the successful operation of the Direct small holder loan portfolio in the Bank.
- (e) Suggest possible solutions to the problems identified especially in c and d above.

1.4 THE SCOPE OF THE STUDY.

This research project work will focus its attention on the following only.

- (i) The various sources of funds available to Direct small holder Agricultural loan beneficiaries in NACB Ltd.
- (ii) The processing, recommendations approvals disbursement and repayments of Direct small

holder Agricultural loan portfolio in the Bank.

- (iii) The performance of the Bank in the area of financing Direct small holder Agricultural loan portfolio in relation to Direct Large Scale Agricultural loan portfolio of the bank using percentages.
- (iv) The problems encountered by Direct small holder beneficiaries in securing the loan from the bank.
- (v) The period covered is from the inception of the portfolio to date (i.e 1981-1994). this is to enable the researcher examine the management practices from the time of its inception and also to cover changes in credit guidelines of portfolio in the bank.
- (vi) Recommendation would be made for effective and efficient financing and management of Direct small holder Agricultural loan portfolio in NACB Ltd.

1.5 LIMITATIONS AND DELIMITATIONS

This research project work covers only Direct small holder Agricultural loan portfolio management of the bank since the inception of the portfolio in 1981. It is therefore unrealistic to assume that all necessary facts can be gathered in the process of this research work. Hence information gathered is limited to that made available by the Bank. The information provided may not be free from bias, hence a source of inadequacy of the research findings.

Considering the scope of the study, a restriction has been placed, thus the sample of the study is made up of NACB Ltd Headquarters Kaduna and Beneficiaries of the portfolio from four (4) zonal Offices namely Kaduna, Kano, Abuja, AKure and Enugu. Some of the beneficiaries of the portfolio from these zones were

interviewed. However some of them were not interested in giving the full information required while others did not consider the research work useful to them.

To perceive the level of effective and efficient management applied to the Agricultural loan portfolio, consultations were made with first Bank of Nigeria Plc and United Bank for Africa Plc Agricultural Departments both in Kano, Abuja, Enugu and Kaduna. The difficulty in obtaining relevant and up to date information on Agricultural loan in both Commercial and Merchant Banks in Nigeria should be noted.

1.6 OPERATIONAL DEFINITION OF TERMS.

- i Direct small holders: This refers to clients and or potential Agricultural loan Applicants of the Bank who enjoys or can enjoy a loan volume not exceeding ₦25,000 without collateral security.
- ii Agricultural Bank Loan: This is the sum of money that a Bank can lend out to a client for Agricultural purpose for a period of time. The amount attract interest rate and is paid back with interest.
- iii Portfolio: This in financial circles is technically used to refer to dealings in securities, however I must state here that the Agricultural loan portfolio refers to all those aspects of credit, doubtful and bad debts in the operations of the Bank other than securities traded by the Bank. The English usage of the word which refers to lists of items is accepted here in.
- iv Client: This refers to a person who has established a relationship with the bank by way of benefiting from the bank Agricultural loan facility.

- v Debt: This is the amount of money a client, owned to the bank

- vi Guarantee: This is a system where a guarantor gives an undertaking in writing to the bank accepting responsibility for the debts of the client should he defaults

- vii Personal Security/Guarantee: This refers to a security for a loan which consists of guarantee by a third person.

- viii Collateral Security: This refers to a property or something valuable which is used as a guarantee that some one will repay a loan. It usually has a value not less than the amount of the loan requested.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

2.0 INTRODUCTION

In this country, today, a lot of work has been done as regards to Agricultural loan situation and have been reported by so many scholars in international journals and also through Government sponsored studies by academicians who especially see loan as a major constraints to Nigerian Agricultural Development. The review of some of the work done will be attempted in this chapter. Hence the chapter will deal with the general objectives of Agricultural loan, the role of the loan in Agricultural development, as well as the brief history of the past and present sources of loan to the Agricultural sector in Nigeria. The chapter also discusses the financing problems of Direct small holder Agricultural loan in NACB Ltd as well as the management of the Direct small holder Agricultural loan portfolio of the bank. The over all subject matter of the chapter shall be discussed as found in various books, information booklets of the bank, periodicals and articles written on the subject.

2.1 THE GENERAL OBJECTIVES OF AGRICULTURAL LOAN.

Joseph B. Godwin and Roger selley (1972) stated the general objectives of Agricultural loan as follows.

- i To redistribute income from the urban population to the relatively poor rural population to achieve a more equitable income distribution and to discourage migration from rural areas to the ranks of the urban unemployed.
- ii To redistribute income within Agriculture to help alleviate or avoid social and political problems.
- iii To increase Agricultural production to achieve lower consumer prices.

iv To gain political support from Agricultural sector population.

It should be noted however that these objectives listed above will depend upon the magnitude of the problems in the view of those involved in policy formulation.

2.2 THE ROLE OF LOAN IN AGRICULTURAL DEVELOPMENT

One of the reasons for the importance attached to Direct small holder loan portfolio in NACB Ltd as a pilot to rural development in the country is the belief that lack of loan to small farmers constitutes a critical constraint to the adoption of improved inputs and modern technologies which can lead to increased income and enhance rural welfare, hence if farmers especially small scale are to adopt improved farming methods such as the use of improve livestock, better seeds and pesticides they require loan especially short term, to help them purchase these inputs. Another reason for the emphases placed on Direct small holder loan is the fact that about 90% of the food and fibre produced in the country come from small holder farmers who constitute about 66% of the country's population.

Mosher (1971) stated that "Most methods of increasing farm productivity involves the use of purchased inputs and these farmers near the subsistence end of the continuum from subsistence to commercial, produce little cash income out of which input can be bought". Rice (1973) summarizes the assumption behind the conventional loan programmes as being.

- i. That farmers need credit/loan to adopt new technology.
- ii That they can not get loan economically (if at

all) from unscheduled private sources outside the programme.

- iii That the provision of loan/credit breaks the most important constraint of small farmer progress.

The purpose of production loan is to enable farmers to purchase productive equipments and supplies, loan is therefore less important to Agricultural development than is really available of such supplies and equipment at conventional nearby markets, however where effective and more profitable productive supplies and equipment are available and where farmers have facilities for learning how to use them, production loan can accelerate the adoption of improved inputs. It is also known that individuals and agencies according high priority to the need for providing loan make their case on the fact that Agricultural development involved adaptation by farmers of new more efficient technology, which generally must be purchased. Few small scale farmers they pointed out have all the financial resources to make such purchases and the indigenous credit system can not supply the needed funds on the acceptable terms, hence Agricultural modernization is slowed down by lack of loan however, unless the following pre-condition for the successful use of loan exist or are being created extending loan to small farmers may be a disservice.

- i That the Agricultural research has developed improved technology which is clearly superior to traditional methods.
- ii That the farmers have seen practical demonstrations of the new technology, understand it and are anxious to use it.
- iii That farmers have confidence that the fertilizer, seeds, pesticides and equipments needed to adopt

the new practice will be available in the villages at the proper time in the amount required.

- iv That the necessary loan to purchase these inputs will be made available at the required time.
- v That the farmers have been assured that there will be a market for the extra production at prices which will make financial records of adopting the improved technology well worth the weather, biological and market risks involved.

Some of the pre-conditions for the effective and profitable utilization of Agricultural loan were summed up by Donal in the following sentences. "For the success of a loan programme more than money is needed. There must be a new technology, markets that can supply additional inputs and absorb additional output, institutions willing to lend to small holder farmers on terms the farmers consider attractive and perhaps most important farmers willing to borrow to invest and to repay" Hence where these pre-conditions exists, well managed production loan can give Agricultural development a strong boosting by accelerating the rate of adopting of improved technology by farmers who would otherwise be prevented from using it. As Galbraith has put it "At certain stage in Agricultural development, Agricultural loan clearly does not become a strong force for further improvement when a man with energy and initiative who lacks only the resources for more and more efficient production as enabled by the use of credit to eliminate the one block on his path to improvement".

2.3 THE PAST SOURCES OF AGRICULTURAL LOAN IN NIGERIA

As a result of the limitations of non institutional sources of loans Government in Nigeria

had to set up specialized institution for the operation of rural credit. According to Ramoriyo (1980), the various efforts by the Government includes the establishment of Nigerian local development boards which operated between 1946-1949, the regional local development boards which took over from the Nigerian finance corporation. This administered the loans between 1955 to 1965 then comes the Western Nigerian Agricultural credit corporation, which took over all Agricultural loan operations, in the West. The midwestern Nigeria Agricultural credit corporation which was established in 1964 and the fund for Agricultural and industrial development of the former Eastern regional government all provided fund for Agricultural development of the various regions were they were established. In the Northern Nigeria, credit for Agricultural development was administered by the registrar of cooperatives under which the Government guarantees loans from the Barclays Bank to cover pre-season loans. Also the ministry of Agriculture operated a credit programme through the native authorities for mixed cropping and other farming activities.

According to R. Adeyemo (1982) most of these sources of loans mentioned above did not succeed because of the following reasons.

- i Repayment Problems: This was a serious problems for instance it had been reported that the Northern Nigerian development corporation, gradually reduced its loans to the primary Agricultural sector and increased its loan activities in the manufacturing sector because it experienced a low rate of repayment in the primary Agricultural sector. Also the Western Nigerian Agricultural credit corporation reported low rate of repayment in its loan. For instance

in 1965 a total of =152,855 was approved through cooperatives but only =56,198 was repaid.

- ii Complicated, cumbersome and time consuming procedures which resulted in delays in approvals and in loans not being made available when required, this was as a result of over centralization and dependance on Government ministries for processing of loan application in most of this institutions.
- iii Bribery and Corruption, political interferences and favourism are other major problems that faced this institution in the regions. Forinstance in a few cases loans were applied for and granted to dead persons. Oluwasami and Alao (1964) reported that some farmers complained that they applied to the local loan boards for farming loans without success inspite of the fact that they had spent between N10 and N15 in buying loan application forms and in bribing members of the board.

2.4 THE PRESENT SOURCES OF AGRICULTURAL LOAN IN NIGERIA

As a result of the failures of the past sources of Agricultural loan, the over Whelming number of the farming population in Nigeria, their requirement for loans, their gross inadequacy and often the unsatisfactory nature of the available non-institutional sources of funds for small scale farmer, made both the Federal and state governments to come to the aid of our farmers especially the small scale ones. This is done by liberalizing loans to them.

The existing organizations that provide Agricultural loans to our farmers included the followings.

- i. The commercial and merchant banks including the cooperative banks
- ii The state Governments' credit agencies such as

Agricultural credit corporations ministries of Agriculture/ministries of trade industries and cooperatives credit scheme and the investment companies.

- iii The cooperative organizations such as the farmers multipurpose cooperative societies, cooperative thrift and loans societies, and cooperative credit apexes.
- iv The international bank for reconstruction and development (IBRD) sponsored credit schemes such as small holder cocoa loan project, small holder oil palm loan project, small holder rice loan project, the agricultural development project of Funtua, Gusau Ayamgba and Gombe, and the small holder livestock fattening schemes under the Federal livestock department. (FLD)
- v. The Nigerian Agricultural and cooperative bank (NACB) Ltd.

In general terms the state Government Agricultural loan agencies and the cooperative organizations have made insignificant contributions in providing loans to the farmers especially the small holders. The reason being lack of adequate funds for operations. In case of cooperative organisation, many of them failed to educate their members on the right type of cooperative business to undertake. For the Government credit agencies, political influences on the loan Agencies and improper investigations and supervision of loans are the rules rather than the exception. This resulted in appreciable loan default by borrowers and poor performance of the loan agencies.

The international bank for reconstruction and development (IBRD) sponsored credit schemes for small holders, have made appreciable contributions to

Agricultural development by the provision of loans to farmers under close supervision to ensure proper use of the loans in carrying out the desired improved farming practices, which lead to increase production in the areas concerned. The common problems of these IBRD sponsored credit schemes so far had been the apparent lack of funds as a result of the inability of the Nigerian Government (Federal and especially state Government) in providing their own shares of the matching funds to the IBRD loan funds. The Agricultural development projects, however have recorded impressive achievements to the extent that wide scale application of the Agricultural development projects (ADPS) approach is now being planned on a national scale. These uncluded the establishment by the Federal Government of eighteen (18) river basis and rural development authorities.

2.5 FINANCING PROBLEMS OF DIRECT SMALL HOLDER AGRICULTURAL LOANS IN NACB LTD

The Direct small holder Agricultural loan, sometimes referred to as small holder scheme (SHS) of the Nigeria Agricultural and cooperative bank Ltd was introduced in 1981 as a means of reaching out to small scale farmers, who are the backbone of Nigerian Agriculture. This scheme to date, has occupied an important niche in the bank's loan portfolio. The small holder loan concept was originally developed by the world bank, and was first tried in India, Mexico and Brazil in the early 1960s where it achieved varying degrees of success. It was then recommended for other third world countries. The most important feature of this portfolio is the waiver of tangible security requirement. Initially the loan limit had been N5,000 (five thousand Naira) only to individual farmers however in 1988 the amount was increased to N10,000 (ten thousand Naira) only for the established

clients of the bank. The amount has further been increase to a maximum of N25,000 (Twenty five thousand naira only without tangible securities. The ceiling is however limited to the established clients of the bank who can enjoy such without tangible securities.

The financing of the portfolio in Nigeria however, has not been a complete success due to the followings.

- i In accessibility of the rural areas due to near absence of good rural road network.
- ii Complete absence of telecommunication network in the rural areas.
- iii High illiteracy rate among small holder farmers
- iv High difficulty rate which disrupts the basic principle of the portfolio that is the principle of "revoluability".

V. As a result of the above, there is a high over head cost in administering the portfolio. This problem of high overhead cost of administering the portfolio is fully perceived by the bank management and measures taken so far have been aimed at tackling the problems. One of such measures taken with a view to bringing down the overhead cost of the portfolio on part of the bank and the beneficiaries was the introduction of agricultural credit assistant (ASC) in 1986. The Agricultural credit Assistants, otherwise known as the ASCS are ordinary national Diploma holders in various fields of Agriculture, who serve as first contacts for applicants in the rural area requiring NACB loan facilities. They are equipped with motorcycles, and this had enhanced their ability to penetrate the rural areas where the bulk of the small holder farmers reside. This has brought the services of the bank closer to the target population, reduced the communication gap that rural farmers used

to experience when they are visited by officers with expensive vehicles. This has saved the bank the cost of acquiring vehicles. The introduction of the Agricultural credit Assistants (ASC) to the bank's operation also brings, about other problems. The initial problems faced were largely due to the ASC's inexperience and their low level of assimilation of NACB's "organizational culture". This has however been overcome long ago. To date, the ASCS have been fully integrated into the bank's operation and with the decentralization of the bank's operation in 1988, the ASCS now have a field representative office to themselves. These field representative offices were opened in each of the Local Government headquarters all over the country in 1989. These offices serve as a link between the farmers and the bank's branch offices nationwide.

2.6 MANAGEMENT OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PROFOLIO IN NACB LTD

There are basically two phases that are involved in the management of Direct small holder Agriculture loan portfolio of the bank. These are namely the pre-disbursement phase and the post disbursement phase. The division of the portfolio into these two phases is derived from the fact that as soon as the loan is disbursed, the bank loses some control on the beneficiary and how he or she utilizes the loan. The management of the portfolio is therefore centered on loan procurement, utilization and repayment. The pre-disbursement phase could be sub-divided into the following discrete activities.

- i Printing of application forms and documentation
- ii Sale of application forms and documentation
- iii Cross checking and registration of returned application forms
- iv Short listing of applicants
- v Project identification visit (Farm Visitation)
- vi Pre-Agricultural project and management committee project identification visit reporting (pre-formulation report writing).
- vii Appraisal of pre-formulation visit reports.
- viii Writing of Agricultural project and management committee paper.
- viiii Consideration of Agricultural projects and management committee papers and loan approvals.
- ix Documentation and issuance of letters of offer to beneficiaries.
- x Signification of acceptance and signing of loan Agreement.
- xi Issuance of cheque to clients (Disbursement).

It should be noted however, that loan disbursement in some Branches of the bank are staggered to reflect the bank's supervised approach to credit delivery, though the ratio used per phase differ from Branch to Branch. The post disbursement phase consists of two discrete steps, namely project supervision to (ascertain fund utilization) and loan recovery (loan repayment). These two steps in the context of the scheme could be merged, but where loan disbursement is staggered, project supervision becomes inevitable. The merits of staggered or split

disbursement, are that it conforms with the bank's overall supervised approach to credit delivery and it has shown that majority of defaulters of the scheme fall within the N3,500-N25,000 loan bracket. Disbursing in phases gives impetus for greater supervision and ensures that good money is not injected into bad one.

The Nigerian Agricultural and cooperative bank, has a clear mandate, that is to enhance credit delivery to the Agricultural sector with the ultimate aim of boosting Agricultural production to the point of national self-sufficiency in food production. This aim can only be achieve if the bank's loan get to the actual producers engaged in Agriculture. Therefore one of the most important aspect of managing the scheme is short listing. Short listing prospective applicants ensures that actual farmers are identified for the purpose of approving the loans to them, and the loans get to the right hand. Although at present, the bottom line in evaluating the success of Direct small holder loan portfolio has been the level of loan repayment, it should be understood, that loan repayment without a corresponding increase in Agricultural production is a negation of the objective of the portfolio. This is why proper shortlisting to ensure that the loans get to the right hands, who will produce and consequently repay the loan is the most crucial stage in Direct small holder loan portfolio management.

There are no hard and fast rule or universally applicable formula for shortlisting prospective applicants under the portfolio, however, a few things are certain, it requires hunch, flair and hindsight. The exercise is so crucial that the ultimate fate of

almost all loans are determined by it. It could be said that the "proper loan Utilization and repayment war" is won and lost immediately after the shortlisting exercise. If properly conducted the exercise can ensure 100% loan repayment for it guarantees getting back both the principal and interest. However, the converse is also true ie achievement of 101% default.

A successful shortlisting, contains within itself loan repayment multiplier, clients base expansion multiplier goodwill enhancing multiplier and all these carry within them a cost reduction multiplier. Although, shortlisting has no universal formule as stated earlier, it has been found by experience that the most successful approach is the one called "self-multiplying multiple nucleus". Each farmer beneficiary, who has obtained the loan and successfully repaid becomes a nucleus. Together they form a multiple nucleus. For instance, in the first year 20 (twenty) beneficiaries repay the loans in a particular village, then the following year these twenty beneficiaries are asked to introduce a given number of other farmers of high integrity, who they believe will also repay the loans if granted. The number asked will depend on the set target. If the set target is (60) (Sixty) farmers, then initial (20) twenty farmers would be ask to introduce (4) (four) new applicants each and so on. This will increase client base to infinity and also achieve high repayment.

The trick is that the nuclei having established themselves would not want their records dented and will therefore always strive to introduce good new applicants. There are a variety of ways of encouraging the nucleus. Firstly, the fact that a beneficiary is

asked to introduce new applicant is "prestigious". Secondly, each time a beneficiary repays his or her subsequent loan, the previous amount is increased. When the Direct small holder limit of 25,000 (Twenty five thousand naria) only is reached, the beneficiary is either kept on the limit or advise to apply for a large scales loan (a higher portfolio) if the scale of his operations permits.

The cost of managing the Direct small holder Agricultural loan portfolio, could be determined along the following lines namely, staff cost, general administration costs, stationary costs, travelling costs, rental costs of building (office) and depreciation costs of assets (office furniture, equipments and vehicle). The cost of managing the portfolio to NACB Ltd means the cost to the bank per beneficiary to manage the portfolio each year. The above are direct costs that could be easily determined. However, there are other indirect costs that can not be easily determined. Therefore, it is assumed that the Wider the beneficiary base, the lower the cost to the bank per beneficiary. It could therefore be said that the bigger the Direct small holder loan portfolio, the lower the cost to the bank in managing the portfolio.

2.7 MANAGEMENT PROBLEMS OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO IN NACB LTD

All the Nigerian Agricultural loan portfolios face management problems, although one can assume the management problems of the portfolios, whether large scale or small holder to be similar, the case for Direct small holder loan portfolio tend to be unique.

This is due to the nature and characteristics of the beneficiaries. The problems of the Direct small holders loan portfolio are both financial and non-financial. However, emphasis will be more on non-financial problems such as managerial problems of the portfolio. It is poor management of the portfolio that is at the root of most of the operating problems of Direct small holders portfolio. These management problems includes availability of funds, distribution of funds and terms of funds distribution, high default rate, locational distribution of small scale farmers, security, credit channels, poor infrastural facilities that exist in the rural areas where majority of the small scale farmers live, and inadequacy of Agricultural inputs at the right time and place.

The greatest management problem of the portfolio in the Bank is perhaps the availability of funds, distribution funds and terms of funds distribution among other portfolios. This is because all the branch offices all over the country depend upon the head office for the supply of loanable funds. The funds, when provided are normally for all the portfolios and because of the number of applicants under the Direct small holder portfolio out numbered those from other portfolios, you discovered that the funds are inadequate to take care of the teaming applicants, hence this pose a serious management problems of the portfolio since the funds could not take care of the renewal cases and new applicants, together with Larg Scale applicants who normally take the lion share of the funds at the expense of the Direct shall holde applicants. This therefore makes it difficult for the branches to manage the portfolio effectively interms of provision of funds to this categories of farmers who form the bulk of the farming

population in Nigeria. Closely related to this problem is the distribution of the available fund because most of the available funds have not been distributed adequately, especially among small scale farmers vis-a-vis large scale farmers in the country. The term of funds distribution includes the interest coverage for the Bank, generally low interest rate charged makes it impossible for the bank to expand its source of fund by borrowing from competitive capital market, hence its impact is restricted to what it may get from Federal Government, ECOWAS funds and the ADB. This limits the scope of operations of the banks nationwide.

High default rate is another management problem facing the Direct small holder loan portfolio. This has to do with inability of the beneficiaries to repay the loans granted to them. This therefore makes, it difficult for branches to plan well ahead of time in order for them to meet the demand of funds for the farmers and to provide such in good time. This has a negative effect in that loans are not approved and disbursed in good time for the farmers. The high default rate for instance could be seen from Zaria Branch Office record of the Bank, out of a total sum of fourteen million two hundred and thirty four thousand nine hundred and eighteen naira twenty six kobo (N14,234,918.26) disbursed to four thousand two hundred and eighty two (4282) Direct small holder beneficiaries between 1981 to 1995 under the Direct small holder portfolio only two million three hundred and twenty three thousand one hundred and seventy two naira seventy eight kobo was repaid. This represents only 16:32% recovery.

According to L.F. Miller, the reasons for high default rate in any public credit institution could be

grouped into three points, that the economic benefit from the use of the loans did not live up to expectation, that the credit institution and related services did not fulfilled their obligation and lastly borrowers did not consider repayment important or they accord high priority to family uses of the money. Loan repayment is also affected by wide spread idea that Government loan is ineffect a reward that does not need to be repaid. Hence if high proportion of an institutions loans (like NACB) are not repaid the lenders capital is soon depleted and the institution must cease to function as loan agency unless Government provides additional funds. This is therefore a serious management problem, especially for this particular portfolio under which the majority of Nigeria farmers fall. The bank is known to have existed for sometimes now on this basis, hence it can hardly be considered successful in providing along term solution to the farmers financial needs.

Locational distribution of the categories of farmers that fall under this portfolio is another management problem faced by the bank. Most of the farmers under this portfolio live in the villages where Agricultural activities are carried out throughout the Federation. This pose a special problem of administering credit to large number of farmers distributed over a wide area like Nigeria. This is coupled with fact that this Assistant supervisors credit (ASCS) who are charged with the responsibility of identifying such groups of farmer have no adequate transport system that will enable then identify and supervise these bank loans satisfactorily. This problem has however been reduced by the opening of field representative offices all over the local Government areas of the Federation with the ASC maning them.

problem to the farmers in this regard is the direct lending policy of the bank. Under a situation of inadequate funds as being faced by the bank today, factors such as politics and relationships with the bank officials tend to decide who gets the loan. This has a negative effect in that a good number of genuine farmers may not get the loan and consequently poor repayment results.

Another management problem of the portfolio is the poor infrastructural facilities that exist in the rural areas of the Federation. This problem tends to hinder the successful delivery of credit to small and medium sized farmers by lack of viable Agricultural credit institution in most of the states of the federation and by the fact that where they exist, they reach only a small factor of the farming communities. Further more, limitation in the quality, activity and quantity of the states Agricultural extensions services , non-availability or prohibitive cost of modern technology packages for a number of Nigerian crops, deficiencies in the supply of other Agricultural inputs are other management problems in that where loanable funds are provided, the farmers may not be able to get such services and therefore makes the whole exercise of providing Agricultural loan useless.

It is hoped that the management problems of Direct small holder loan portfolio in the Bank can be put to a minimal level if adequate funding is provided to the Agricultural sectors concerned. In summary, it could be said that many of the so-called management problems of the portfolio in the bank are merely a reflections of the general managerial problems in Nigeria.

CHAPTER THREE:
METHODOLOGY AND HISTORICAL BACK GROUND OF NACB LTD

3.0 INTRODUCTION

This chapter deals with the sources and ways data were collected for the research study. It also deals with the historical background of the bank. Its objective, types of loans portfolios and the conditions for borrowing from the bank. As stated earlier, the objective of this research work is to appraise the management of the Nigerian Agricultural and cooperative bank Ltd Direct small holder loan portfolio, establish the fact or other wise that ownership structure of the banks, which is predominantly Government is responsible for non-repayment of the loans granted by the bank, identify the problems that militates against the effective use of lending procedures and efficient loan recovery methods among direct small holder beneficiaries and suggest possible solutions to the problems identified.

A lot of money had been pumped under the Direct small holder loan portfolio since its introduction in 1981, and alot of that amount is outstanding yet to be repaid. This is all over the federation and this research study cuts across all branches. There are presently sixty seven (67) branches and seven(7) Zonal offices and Local Government field representative offices nation wide.

The main objective of the branch offices is to provide credit to various categories of formers all over the federation, especially small scale farmers who form the majority of the farming population in the country. This is done in order to promote Agricultural production and rural development. The

branches are also expected to improve the incomes and the quality of life of the states rural population where they are located. The financing of Agricultural production is the main business of the branches while the Zonal offices coordinates and supervise their activities. The key activities through which these branches seek to attain these objective are:.

- i Granting loans for Agricultural production.
- ii Granting direct loans to individual formers cooperatives societies or bodies (corporate or incorporate) in appropriate cases.
- iii Transferring any lease or disposing of any liability in part or whole on justified grounds.
- iv Carrying out feasibility studies related to elaboration of projects.

3.1 METHODOLOGY:

The methodology that will be employed in this research work will be descriptive research method. This method will give the picture of the situation of each branch of the federation as per as Direct small holder loan portfolio is concern. A detailed presentation of the data will be made after collection from the head office. The data to be collected will be on the loan Amount required by the various direct small holder applicants in each Branch office of the federation. Also data on the actual amount approved and disbursed by each branch will be collected and analyzed to determine the most favoured portfolio of the bank. The repayments made under the portfolio in each Branch office will also be collected and analyzed.

3.2 HISTORICAL BACK GROUND OF THE NIGERIAN AGRICULTURAL AND COOPERATIVE BANK LTD.

One of the major impediments to Agricultural development in Nigeria was the absence of a national credit institution for financing Agriculture. The problem was identified quite early, and first attempts at correcting the situations were made by the Federal government with a provisions of six million Naira (N6,000,000) in the 1962-1968 national development plan for the establishment of an Agricultural credit Bank. The Federal Government of Nigeria approached the international Bank for reconstructions and development (world Bank) on the matter and by 1968 a feasibility study had been carried out by a joint team of the world bank and USAID experts. However, the project could not be implemented due to the crisis in the country.

In 1969, a fresh study was carried out by the world bank at the request of the Federal Government. The resulting "Stoneham report" contained recommendation for the establishment of the Nigeria Agricultural bank limited NAB, which later became Nigerian Agricultural and cooperative bank ltd (NACB). The recommendation was accepted and included in the 1970-1974 National development plan for implementation. The bank was inaugurated on 6th March, 1973 thus marked the fulfillment of a long standing need on the field of Agricultural development.

The Nigerian Agricultural bank (NAB) or Nigerian Agricultural and cooperative bank ltd NACB as it was later called is a limited liability company fully owned by the Federal Government, registered under the company and allied matters decree of 1968. It

actually started operation in 1974. Its paid up share capital of one hundred and fifty million naira (N150m), is subscribed in the ratio of sixty percent (60%) by ministry of finance and forty percent (40%) by the central bank of Nigeria. The bank main aim is to find a lasting solution to the problem of Agricultural credit in Nigeria, and the bank engages in short, medium and long term financing of all forms of Agricultural projects at highly subsidized interest rates. The banks clientele ranges from individual through cooperative and non-cooperative bodies to government agencies. The bank also provides the necessary technical assistance, supervision and monitoring of all projects in all stages of project implementation. The headquarters of the bank is in Kaduna and there are at present sixty seven (67) Branch offices nation wide, seven (7) zonal offices located at Enugu, Ibadan, Abuja, Bauchi, Kano, Funtua and Akure and over 570 field representative offices located in local government headquarters of the country. All these offices are operating in addition to the head office.

In addition to these branch and zonal offices, the bank also has two subsidiaries namely consultancy and finance company Ltd (NACB -CFC) located in Kaduna and Food development cooperation (FDC) also located in Kaduna.

3.3 NIGERIAN AGRICULTURAL AND COOPERATIVE BANK'S LTD MAJOR OBJECTIVES

The major objectives for which the bank is established are:

- (i) To promote Agricultural production and rural development.

(ii) To improve the incomes and the quality of life of Nigeria's rural population. The financing of Agricultural projects is the main business of the bank and the key activities through which the bank seeks to attain its objectives are:

1. Granting of loans for Agricultural production (including horticulture, poultry farming, pig breeding fisheries, forestry and timber production, animal husbandry and any other type of farming) and for the purpose of storage, distribution and marketing connected with such production to any state or any state institution for on-lending to any farmer, group of farmers or corporate body subject to the state or state institution guaranteeing repayment of the loan.
2. Granting direct loans to individual farmers, cooperative societies, or other bodies (corporate or unincorporate) as in appropriate cases provided that the bank is satisfied that the scheme for which the loans are requested is viable and there is adequate security to cover such loans.
3. Transferring any lease or disposing of any liability in part or whole on justified grounds.
4. Carrying out feasibility studies related to the elaboration of projects.

3.4 NIGERIAN AGRICULTURAL AND COOPERATIVE BANK LTD TYPES OF LENDING, CONDITIONS FOR LENDING AND BENEFICIARIES.

3.4.1 The major types of lending by the bank are as follows.

- (i) On-lending, that is lending to established institutions against repayment guarantees for on-lending to third parties. These institutions include government bodies, cooperative bodies and

association or status of applicant shall be satisfactory to the bank.

- (iii) The third condition is that there should be no proxy. The granting of any loan can only be considered when the application comes from the intending client himself. The bank does not deal with applicants through intermediaries.
- (iv) The fourth condition is borrowing powers and ability to repay the loans. The applicants for the banks loan should keep within the frame work of their financial capacities when applying for a loan. For instance, a limited liability company can only borrow within the provisions of its memorandum and articles of associations. An individual's borrowers ability to repay the loan will be determined by his net income after operating and living expenses are met.
- (v) The Fifth condition is the availability of farm land. Land must be available before applicant applies for a production loan. The bank does not give loans for the acquisition of land. The legal title to such land should be available and not be indoubt. In addition to the provision for land, the applicant is required to make a contribution of a minimum of 15% of the total project cost in cash or in kind.
- (vi) The sixth condition is security (Realty) All applicants for Large scale loan portfolio must provide a security adequate enough to cover the amount requested, while the loan will be granted against at least fourty percent (40%) security for individual and twenty five percent (25%) for corporate bodies, emphasis will be in creation of repayment capacity of the borrowers as a result of technically and economically sound use of investment funds provided. Examples of security required are first legal mortgages of the project

land, realty, endowment insurance policies, Government guarantees acceptable to the bank management.

The other conditions for lending includes provision of photographs of applicants, and that of the security offered as well as that of the individual guarantors for Direct small holder loan portfolios. Further more, the mortgaged property must be valued by the bank's estate department to ensure acceptability. The property offered also must be insured with the banks interest clearly stated. It should be noted that the banks credit offers accepted but not utilized within six months of approval will lapse automatically for Large scale loan portfolios while for Direct small holder loan portfolios will lapse within one month (30 days).

3.4.3 THE BENEFICIARIES OF THE BANK

Generally the bank's loan beneficiaries include the followings.

- (a) Individual farmers
- (b) Cooperative organizations
- (c) Limited liability companies.
- (d) Government-owned Agricultural organisation financial institutions and other government bodies.

The Direct small holder loan portfolio of the bank covers mainly the individual farmers and the cooperative organizations.

The loan terms or duration of the loan are categorized into three as follows.

- i Short-term (under two years) mainly pre-seasonal loans and marketing loans. Direct

small holder loan portfolio falls under this category.

- ii Medium term (2-5 years) This is aimed at the quicker maturing crops, poultry and pig production.
- iii Long term (more than 5 years) This is aimed at forinstance slower maturing crops and beef production, cattle fattening and breeding.

The loan period run from the date of first disbursement to the date of repayment of the final instalment of the loan. This applies to all category of the bank loan portfolio. Over the periods interest is charged. The loan period include also the "grace" period. The bank regards the period during which a beneficiary (client) pays interest only without repaying principal as the grace period. The current interest rates charged by the bank for all categories of its loan portfolios are as follows. It should be noted however that the current prime lending rate of the Bank is sixteen percent (16%.) hence the other lending rates are listed below as per portfolio.

No	portfolio type	rate of interest charged
1	Marketing loan Domestic	21%
2	Marketing loan (Export)	21%
3	Agro-Services	21%
4	Agro-allied	21%
5	Direct production	20%
6	On-lending	20%
7	Direct small holder	16%

- 1 Source: General manager finance memo to general manager operations, zonal controllers and Branch managers dated 2/8/94.

Loan granted to beneficiaries are to be secured by debentures and or mortgage to be charged on the land, buildings and or other fixed and current assets being the proven property of the beneficiary. The borrowers or beneficiaries are usually required to.

- (a) Keep proper books of accounts which should be available for inspection and scrutiny by the bank officials at anytime.
- (b) Prepare and forward periodically progress reports in a form acceptable to the bank.
- (c) Refrain from further borrowing without the bank's prior written approval.
- (d) Insure the organizations/farm assets with a reputable insurance company.
- (e) Take an endowment insurance policy acceptable to the bank with the bank as first beneficiary incase the borrower is an individual farmer.

- (f) Accept and pay all expenses reasonably incurred by the bank in relation to legal documentation of the loan granted by the bank.

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

The chapter deals with Data presentation and analysis for the purpose of the research study. The data collected from the bank would be presented and analyzed, so as to deduce a true picture of the financing and management of the Direct small holder Agricultural loan portfolio of the bank.

- 4.1 DATA PRESENTATION: The data used in this research study was collected directly from the bank headquarters in Kaduna. The data is presented and discussed in details under two broad sections, namely analysis of zonal Direct small holder Agricultural loan portfolio operations from inception to December, 1994 by branches, and comparative analysis of Direct small holder Agricultural loan portfolio operations also from inception (1981) to December 1994 by Zones.

The first section show the operations of the portfolio by the branch office in each zone and the relative performance and management of the portfolio in the branches. This is aimed at assessing, the best branch in the each zone as far as the operations and management of the portfolio is concerned.

The second Section shows the comparative analysis of the portfolio operation and management by each zone. This is also aimed at assessing the best zonal office interms of operations and management of the portfolio.

4.2 ANALYSIS OF ZONAL DIRECT SMALL HOLDER AGRICULTURAL
LOAN PORTFOLIO OPERATIONS INCEPTION TO DECEMBER, 1994
BY BRANCHES.

This section deals with the analysis of the operations of the portfolio in each branch under each zone. There are seven (7) Zonal offices of the bank in the country, namely Abuja, Akure, Bauchi, Enugu, Funtua, Kano and Ibadan. Each zone has a certain number of branches which reports to it. Each zonal office is headed by a zonal controller while a branch is headed by a branch manager.

4.2.1 ABUJA ZONE:

This is one of the zonal offices of the bank. This zone has its headquarters at Abuja, There are (9) branches under this zone. Appendix (A) Table (1) shows the summary of the operations of each branch in this zone on Direct Small Holder Agricultural loan portfolio.

Table 1 Appendix A shows that, a total of 50,962 (Fifty thousand nine hundred and sixty two applicants applied for a total loan amount of N302,529,587 (three hundred and two million, five hundred and twenty nine thousand five hundred and eighty seven naira only) in the zone. The table further shows that, out of that number who applied for the loan, 28,194 (twenty eight thousand one hundred and ninety four applicants got the loan. This represents about 55.32%. In terms of the amount however, N143,374, 582 (one hundred and forty three million, three hundred and seventy four thousand five hundred and eighty two naira was approved representing about 47.39% of the total amount applied for by the applicants. The disbursement and repayment pattern shows that about N101 million Naira was disbursed to them, out of which about N50 million

Naira was repaid during the period under consideration. This represents about 49.50%.

From the individual branch view point, Makurdi branch had the highest number of application received, followed by Abuja and Kontagora with Bida branch having the least number. In terms of amount requested, however Makurdi branch also ranks first, following by Keffi branch, kontagora with Bida being the last. The analysis further shows that, Makurdi branch ranks first interms of number of applications approved, followed by Minna and Keffi with Bida being the last. The approval and disbursement pattern among the branches in the zone, shows that Makurdi has the highest amount approved (N54,275,448) and disbursed (N20,978,209). This is followed by Kontogra and Minna interms of approval, however disbursement pattern shows that New-Bussa comes second, followed by Minna with Oturkpo having the least. Interms of repayment, Kontagora branch comes first, followed by Keffi and Makurdi. New-Bussa is the last in this respect. The over all assessment shows that, Makurdi branch is the best in the zone. This was as result of the fact that, the branch is one of the oldest in the zone with a lot of Agricultural potentials in the area. This has shown a good performance and management of the portfolio in the branch.

4.2.2 AKURE ZONE:

This is another zonal office of the bank. The zone has its headquarters at Akure, Ondo state. It has a total number of 9 (nine) branches under its control. The summary of the Direct Small Holder Agricultural loan portfolio operations in the zone is shown in Appendix (B): Table 2.

The table shows that 41,249 (forty one thousand

4.2.3 BAUCHI ZONE

This zone has its headquarters at Bauchi. It has eleven (11) branches under its control. The summary of the Direct small holder Agricultural loan portfolio operations in the zone is shown in Appendix (C): Table 3

It is seen from the table that 127,989 (One hundred and twenty seven thousand nine hundred and eighty nine) Applications were received in this zone. In this regard, Yola Branch ranks first, followed by Bauchi and Maiduguri branches respectively. The last branch is Jalingo. In terms of amount applied for in the zone, we have a total of N452,343.862 (Four hundred and fifty two million three hundred and forty three thousand eight hundred and sixty two naira. Ganye branchi has the highest amount requested, followed by Bauchi and Yola respectively., While Jalingo is the last. ,The analysis further shows that 85,871 (Eighty five thousand eight hundred and seventy one) applicants were considered for a total amount of N249,837.905 (Two hundred and forty nine million eight hundred and thirty seven thousand nine hundred and five naira only. This represents 55.23% of the total amount applied for in the zone under the portfolio. In terms of percentage of number of beneficiaries in the zone, 67.09% of the total number of applicants benefitted. In this regards Bauchi branch has the highest number, followed by Yola Branch, while Jalingo ranks last. In terms of amount, Yola ranks fist, followed by Gombe, Maiduguri and Bauchi in that order, respectively with Jalingo being the last branch. As far as disbursements and repayments are concerned, a total of N215,404,415 (two hundred and fifteen million four hundred and four thousand four hundred and fifteen naira only), representing 86.22% of the total approval has been disbursed, while N118,841,718 (one

hundred and eighteen million eight hundred and forty one thousand seven hundred and eighteen naira has been repaid. This represent about 55.17% of total disbursement made in the zone under the portfolio. For the individual branches, yola ranks first, followed by Gombe and Maiduguri, while Jalingo comes last interms of disbursements. As for the repayment, Gombe is ranked first, followed by Yola and Bauchi branches respectively, with Jalingo being ranked last. The overall assessment indicates that, Yola branch is the best branch interms of performance and management of the portfolio in the zone.

4.2.4 ENUGU ZONE

This zone has its headquarters at Enugu. It controls nine (9) branches. The summary of the direct small holder Agricultural loan portfolio in this zone is shown in Appendix (D): Table 4

From the table, it can be seen that 55,925 (fifty five thousand nine hundred and twenty five applicants applied for a total loan amount of N364,223,948 (three hundred and sixty four million two hundred and twenty three thousand nine hundred and forty eight naira. However, 28,848 (Twenty eight thousand eight hundred and forty eight applicants were considered for a loan of N146,696,883 (one hundred and forty six million six hundred and ninety six thousand eight hundred and eighty three naira only. In terms of percentage, it represents 51.58% of the total number of applicants and 40.28% of the total amount applied for in monetary terms. The disbursement and repayment pattern in the zone shows that N128,563,881 (one hundred and twenty eight million five hundred and sixty three thousand eight hundred and eighty one naira was disbursed out of the total amount approved. This represents 87.64%.

The repayment made however, shows that only N25,656,528 (twenty five million six hundred and fifty six thousand five hundred and twenty eight naira) was recovered representing 19.96% of the total disbursement made during the period. For the individual branches, the analysis shows that Owerri branch has the highest number of applicants. This is followed by Portharcourt, Calabar, and Ogoja with Awka having the least number. However, in terms of amount applied, Owerri is ranked first, followed by Portharcourt and Uyo, with Awka being last in the ranking. The analysis further shows that Portharcourt branch has the highest number of beneficiaries, followed by Calabar and Ogoja branches in the zone, Awka branch is ranked last in this regard. For the amount approved however by individual branches, Owerri is ranked first, followed by Calabar and Ogoja, while Onitsha is ranked last. The disbursement and repayment pattern shows that Calabar is ranked first in both disbursement and repayment, followed by Owerri branch. However, Portharcourt is ranked third in disbursement and sixth in repayment while Ogoja branch is ranked third in repayment and fourth in disbursement. The overall assessment shows that Owerri branch is the best in performance and management of the portfolio in this zone.

4.2.5 FUNTUA ZONE

This zone has its headquarters at Funtua with nine (9) branches under its control. The summary of the Direct small holder Agricultural loan portfolio operations in the zone is shown in Appendix (E): Table 5.

The table shows that, the zone received 79,778 (seventy nine thousand seven hundred and seventy eight

applications, out of which 54,931 (fifty four thousand nine hundred and thirty one) were approved, representing 68.85% of the total. The total amount applied in the zone is N479,681,584 (Four hundred seventy nine million six hundred and eighty one thousand five hundred and eighty four naira only; out of which N205,008,768 (Two hundred and five million eight thousand seven hundred and sixty eight naira only) was approved. This represents 42.74% of the total. In terms of disbursement and repayment the analysis shows that N186,083,127 (One hundred and eighty six million eighty three thousand one hundred and twenty seven naira) was disbursed to the beneficiaries, representing 90:77% of the total amount approved. For the repayment, the sum of N93,749,340 (ninety three million seven hundred and forty nine thousand three hundred and forty naira) has been repaid. This represents 50:38% of the total amount disbursed during the period.

For the individual branches, the analysis shows that Gusau Branch has the highest number of applications received followed by Funtua and Katsina respectively. In terms of the amount applied, Gusau branch is ranked first followed by Katsina and Funtua, while Talatan Mafara ranks the least. Funtua branch however, has the highest number of beneficiaries, followed by Katsina and Gusau, with Talatan Mafara having the least. For the amount approved, Katsina branch is ranked first, followed by Funtua and Gusau with Talatan Mafara being the last branch. The disbursement pattern as shown by the analysis indicates that Katsina has the highest amount disbursed, followed by Funtua and Gusau respectively, with Talatan Mafara having the least amount. The repayment pattern however, shows that Funtua ranks first, followed by Katsina and Binin-Kebbi

respectively, while Talatan Mafara ranked the least.

4.2.6 KANO ZONE

This zone has ten (10) branches under its control. Its headquarters is at kano. The Summary of direct small holder Agricultural loan portfolio operations in the zone is shown in Appendix (F): Table 6.

This table shows that a total of 77,419 (Seventy seven thousand four hundred and nineteen applications were received out of which 52,463 (fifty two thousand four hundred and sixty three) were approved, representing 67.77% of the total. The amount requested by the applicants for the portfolio was ₦499,903,463 (Four hundred and ninety nine million nine hundred and three thousand four hundred and sixty three naira out of which ₦183,419,720 (one hundred and eighty three million four hundred and nineteen thousand seven hundred and twenty naira only was approved for them. This represents 36.69% of the total. The analysis further shows that ₦165,786,786 (One hundred and sixty five million seven hundred and eighty six thousand seven hundred and eighty six naira was disbursed to the beneficiaries out of the total amount approved, representing 90.39%. The amount repaid however during the same period was ₦71,727,880 (seventy one million seven hundred and twenty seven thousand eight hundred and eighty naira) only. This represents 43.26% of the total amount disbursed.

For the individual branches, the analysis shows that Kaduna branch had the highest number of applications received followed by Kafanchan and Hadejia, with Birnin Gwari having the least number. The amount requested from individual branches by the applicants shows that kaduna had the highest amount,

followed by Kafanchan and Hadejia with Birnin Gwari having the least amount. The table further shows that Kafanchan had the highest number of beneficiaries, followed by Kaduna and Hadejia with Birnin Gwari having the least number. For the amount approved however, Kaduna had the highest amount, followed by Kafanchan and Hadejia with Birnin Gwari having the least amount. The disbursement pattern shows that Kaduna is ranked first, followed by Kafanchan and Hadejia with Birnin Gwari being ranked last. The repayment pattern shows that Kafanchan ranks first, followed by Hadejia and Kaduna with Birnin Gwari being ranked last. On the average, Kaduna branch performance was considered the best in the zone followed by Kafanchan branch office. Birnin Gwari's performance is considered the least due to the fact that it was one of the newly opened branch offices in the zone.

4.2.7 IBADAN ZONE

This is the seventh zonal office of the bank. It has its headquarter at Ibadan and has ten (10) branches under its control. The summary of operations of the portfolio in the zone is shown in Appendix (G): Table 7

The table shows that 54,863 (Fifty four thousand eight hundred and sixty three applications) were received in the zone out of which 32,388 (Thirty two thousand three hundred and eighty eight) applicants were considered, representing 59.03% of the total. The analysis further shows that a total of N780,204,014 (Seven hundred and eighty million two hundred and four thousand and fourteen Naira) was requested by the applicants, out of this amount, N97,516,702 (Ninety seven million five hundred and sixteen thousand seven hundred and two naira) was approved for them. This represents 12.50% of the total

amount requested. The disbursement shows that the sum of ₦81,542,002 (Eighty one million five hundred and forty two thousand and two naira only) was disbursed to the beneficiaries, representing 83.62% of the total approval. The amount repaid however was ₦30,909,262 (Thirty million nine hundred and nine thousand two hundred and sixty two naira only, representing 37.91% of total amount disbursed.

For individual branches, the analysis shows that Ibadan branch had the highest number of applications received, followed by Ilorin and Abeokuta branches respectively, with Oshogbo branch being the least. The two branches at Ijebu-Igbo and Lafiagi had just been opened and have not started operations as at December, 1994.

The amount applied for by the applicants in each branch offices shows that Ibadan had the highest amount, followed by Ilorin and Iseyin with Oshogbo having the least amount. For the number of applications approved, Ibadan branch topped the highest followed by Ilorin and Iseyin with Oshogbo having the least.

The analysis further shows that, Ilorin branch had the highest amount approved followed by Ibadan and Abeokuta respectively, with Oshogbo having the least amount. The disbursement pattern shows that Ilorin had the highest amount disbursed to the beneficiaries, followed by Ikeja and Iseyin branches respectively, with Ilesha having the least amount. The repayment pattern however shows that Ilorin is ranked first, followed by Iseyin and Abeokuta branches respectively, with Ilesha branch being ranked the last. The overall assessment shows that Ilorin branch had the

highest performance and hence good management of the portfolio. This is closely followed by Ibadan branch.

4.3 COMPARATIVE ANALYSIS OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS INCEPTION TO DECEMBER, 1994 BY ZONES.

This deals with the comparative analysis of the operations of the Direct small holder Agricultural loan portfolio by zonal offices in terms of number of applications received, amount requested, number of applications approved, amount approved, disbursed and recovered in each zonal office. This data is the summary of the overall operations of the portfolio as recorded by each zonal office from the data received from the branches under their control. This analysis will help in the ranking of the zonal offices as far as the operations of the portfolio is concerned using the above mentioned parameters. See Appendix (H) Table 8

The Appendix H shows that a total number of 488,185 (Four hundred and eighty eight thousand one hundred and eighty five applications were received by the seven zonal offices out of which only 309,698 (three hundred and nine thousand six hundred and ninety eight applications were considered, representing 63.44% of the total request. In terms of amount applied for by the applicants, the analysis shows that N3,101,054,389 (Three billion, one hundred and one million fifty four thousand three hundred and eighty nine naira was requested. However, only 1,120,627,685 (One billion, one hundred and twenty million six hundred and twenty seven thousand six hundred and eighty five naira was approved. This represents 36.14% of the total. The disbursement and

repayment pattern shows that N958,415,591 (Nine hundred and fifty eight million four hundred and fifteen thousand five hundred and ninety one naira) was disbursed out of the total amount approved, representing 85.52% of total approval. Out of this amount however, only N418,579,752 (Four hundred and eighteen million five hundred and seventy nine thousand seven hundred and fifty two naira) has been recovered. This represents 43.67% of the total amount disbursed.

The analysis further revealed that, Bauchi zonal office had the highest number of applications received, followed by Funtua and Kano respectively with Akure having the least number. In terms of amount applied for by the applicants, Ibadan zonal office is ranked first, followed by Kano and Funtua with Akure having the least amount.

In terms of number of beneficiaries under the portfolio Bauchi zonal office is ranked first, followed by Funtua and Kano with Akure being ranked last. As for the amount approved, Bauchi has the highest amount, followed by Funtua and Kano respectively, with Akure having the least. The disbursement pattern shows that Bauchi had the highest amount disbursed followed by Funtua and Kano respectively, with Akure having the least. The repayment pattern shows that Bauchi is ranked first, followed by Funtua and Kano with Enugu having the least amount. From the above analysis, it can be said that Bauchi Zonal office is the best in terms of performance and management of the portfolio followed by Funtua and Kano respectively.

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.0 INTRODUCTION:

This chapter deals with the summary of major findings, conclusions and recommendations made from the study.

5.1 SUMMARY OF FINDINGS:

The Nigerian Agricultural and cooperative Bank Ltd (NACB) as a development bank is charged with the responsibility of providing funds for financing of all Agricultural development projects in Nigeria. The bank is a leader in Agricultural financing in the country. This research project however, focused its attention in the financing and management of the Direct Small Holder Agricultural Loan portfolio of the bank all over the country. The summary of the findings in terms of performance and management of the portfolio are as follows:

- (i) Abuja Zone: The over all assessment shows that Makurdi branch is the best out of nine branches while New Bussa is the last.
- (ii) Akure Zone: The findings shows that Akure branch is the best out of nine branches while Ipoti-Ekiti is the last.
- (iii) Bauchi Zone: The best branch in this zone as shown by the findings is Yola while Jalingo is the last.
- (iv) Enugu Zone: The findings here shows that Owerri branch is the best while onitsha branch is the last.
- (v) Funtua Zone: The findings shows that Katsina branch ranked first in approval and disbursement while Funtua branch ranked first in repayment followed by Katsina

5.2 CONCLUSIONS:

From the major findings of the research work it can be said that the management and performance of the Direct small holder Agricultural loan portfolio of the bank need to be improved. It can further be said that the bank is yet to achieve its desired objectives. This is because the financial requirements of the few small scale farmers nationwide who applied for the loan could not be met despite the fact that they form the bulk of farming population in the country. The inadequacy of funds available for lending is accountable for this.

However, the cumbersome administrative procedure in the treatment and approval of applications as well as the disbursement of the loan might have contributed immensely towards the untimely disbursement of the loan to the farmers. Hence not all approved loans were fully disbursed and repaid by the bank and the clients respectively.

By implications this probably attests to the none repayments of the loan or difficulty in recovery of such loan because clients always complain of delay in the disbursement and hence try to reciprocate in the same way during recovery. This also explains the poor performance of some branch offices. Furthermore, the display of connections in the consideration and granting of the loan, by some applicants play a major role in debt recovery. Some of these categories of clients become serious defaulters and hence makes it difficult for the loan to be recovered by the bank officials.

The ownership structure of the bank sometimes makes it possible for some clients to regard the loans granted to them as their share of the national cake.

For this category of clients, they believed that the bank is partly established to serve the needs of their people or those at the corridors of power in the Government of the day and the management staff of the bank, as well as retired Generals in the country. This problem can be appreciated when one considers the way Government officials interfere with the management and the operations of the bank. Also frequent changes in the Government sometimes results in changes in the board and management staff of the bank. All these affects the management of the bank and the projects being financed. This has several negative implications on the performance of individual branches and hence their performances..

5.3 RECOMMENDATIONS:

In order to improve the efficiency, performance and management of the Direct small holder Agricultural loan portfolio of the bank, the following recommendations are hereby made.

- (i) The Federal Government and the Central Bank of Nigeria (CBN) being the major share holders of the Bank should inject more capital funds to the bank to enable it meet the financial requirements of the numerous applicants nationwide.
- (ii) The management of the bank should intensify its debt recovery efforts. The bank is now more than ever before faced with the problems of inadequate provision for bad debt as prescribed by CBN prudential guidelines. In this regards therefore, all resources of the bank should be pool together to achieve maximum results. This is necessary if the bank is to stay in business.
- (iii) Enlightenment compaigns should be under taken using mass media to educate the beneficiaries on the need to repay their loans promptly and to further

make them understand that the funds are meant to be returned and not to be considered as a national cake.

- (iv) The bank's credit challenging procedures should be totally overhauled to reduce the unnecessary paper work involved. This if implemented will make it easier and faster in processing of loans to the applicants. This will likely prevent delays in approval and disbursement of loans with a resultant positive effect on repayment and general performance and management of the portfolio in the branches.
- (v) The major objectives of the Direct Small Holder Agricultural loan portfolio of the bank need to be re-examined by the bank management and the staff adequately informed to enhance coordinated efforts towards achieving the objectives.
- (vi) The branches of the bank should pay more attention to the management of the portfolio to ensure its effective and efficient performance, hence management of the bank should demphasise cash disbursement of loans infavour of kind disbursement to the small scale farmers to avoid diversion and ease of recovery.
- (vii) The management and staff of the bank should make it clear to all applicants/clients especially those close to them that the loans are to be repaid and in good time to enhance the performance and management of the portfolio, So that the (applicants/clients) can better understand the position of management and staff on the loan.

It is strongly believed that if these recommendation are promptly implemented by the management of the bank, the efficiency, performance and management of the portfolio of all the branches will be greatly improved.

5.4 SUGGESTIONS FOR FURTHER STUDY.

This study is limited to the management of Small Holder Agricultural portfolio of NACB, Ltd Kaduna. The researcher however offers some areas that needs researching. This includes the following:-

- (a) Critical analysis of the management ~~of~~ problems *of* Large Scale Agricultural loan portfolio of the bank.
- (b) Analysis of problems militating against the successful recovery of the bank's loan.

APPENDIX (A)
 ABUJA ZONE
 TABLE 1: SUMMARY OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS INCEPTION TO DECEMBER, 1994 IN ABUJA ZC

S/No	Name of Branch	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	ABUJA	7394	14.51	2nd	18,065,933.00	5.97	6th	3396	12.05	5th	11,718,818.00	8.17	5th	10,383,319.00	10.22	5th	4,618,233.55	9.22	7th
2	KEFFI	7040	13.81	5th	54,684,550.00	18.08	2nd	4474	15.87	3rd	13,950,895.00	9.73	4th	12,426,383.00	12.23	4th	7,400,419.49	14.77	2nd
3	JOS	1437	2.82	7th	13,711,606.00	4.53	8th	1433	5.08	6th	9,541,451.00	6.65	6th	9,629,205.00	9.48	6th	5,662,288.93	11.30	5th
4	MINNA	7084	13.90	4th	25,615,345.00	8.47	4th	6161	21.85	2nd	19,161,590.00	13.37	3rd	13,658,060.00	13.44	3rd	6,933,790.01	13.84	4th
5	MAKURDI	17015	33.39	1st	87,832,306.00	29.03	1st	6342	22.49	1st	54,275,448.00	37.86	1st	20,978,209.00	20.65	1st	7,292,589.13	14.56	3rd
6	KONTAGPRA	7137	14.00	3rd	50,904,265.00	16.83	3rd	4307	15.28	4th	20,943,549.00	14.61	2nd	9,391,979.00	9.24	7th	9,231,463.13	18.43	1st
7	BIDDA	869	1.71	9th	11,294,206.00	3.73	9th	358	1.27	9th	6,283,049.00	4.38	7th	5,847,212.00	5.76	8th	5,478,332.00	10.94	6th
8	NEW-BUSSA	2026	3.98	6th	24,458,000.00	8.08	5th	1233	4.37	7th	4,515,600.00	3.15	8th	16,800,900.00	16.54	2nd	1,438,483.90	2.87	9th
9	OTURKPO	960	1.88	8th	15,963,176.00	5.28	7th	490	1.74	8th	2,984,172.00	2.08	9th	2,475,915.00	2.44	9th	2,036,825.90	4.07	8th
TOTAL		5062	100		302,559,587.00	100		28,194			145,374,582.00	100		101,591,290.0			50,092,326		

(60)

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APPENDIX (B)

TABLE 2: DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS AKURE ZONE INCEPTION TO DECEMBER, 1994.

S/No	Name of Branch	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	AKURE	6600	16.00	4th	1,540,000.00	6.60	8th	6127	27.69	1st	20,573,692.00	21.71	1st	18,212,881.54	22.93	1st	9,662,384.18	35.00	1st
2	ASABA	6900	16.73	3rd	11,665,000.00	5.25	7th	1425	5.25	7th	5,232,190.00	5.52	8th	4,351,741.54	5.45	8th	1,051,246.56	3.74	8th
3	AYWGBA	3499	20.60	1st	29,002,307.00	17.56	3rd	4332	16.04	3rd	15,660,137.00	14.41	3rd	11,136,983.72	14.02	3rd	4,173,719.26	15.12	3rd
4	BENIN	3473	8.42	6th	28,718,584.00	12.93	4th	2245	8.31	6th	10,251,510.00	10.82	5th	9,049,371.40	11.39	5th	2,400,659.14	8.70	4th
5	IPOTIENS	0	-	9th	0	-	9th	0	-	9th	0	-	9th	0	-	9th	41,243.28	0.15	9th
6	IRRLA	2528	6.13	7th	17,079,962.00	7.59	5th	2253	8.34	5th	10,219,872.00	10.78	6th	8,695,543.50	10.83	6th	1,700,448.74	6.16	7th
7	KABBA	7616	18.46	2nd	49,483,706.00	22.27	2nd	5055	20.92	2nd	14,243,766.00	15.03	2nd	12,592,624.50	15.85	2nd	4,668,113.03	16.91	2nd
8	LOKOJA	1375	3.33	8th	15,350,655.00	7.00	6th	1311	4.86	8th	7,350,462.00	7.76	7th	6,085,761.50	7.66	7th	2,066,918.10	7.49	5th
9	WARRI	4258	10.33	5th	59,327,687.00	26.70	1st	3659	13.55	4th	13,241,496.00	13.97	4th	9,408,982.50	11.34	4th	1,857,965.41	6.73	6th
	TOTAL	41,249	100		222,167,931.00	100		27,043	100		94,773,125.00	100		79,444,090.00	100		27,602,698	100	

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APPENDIX (C)

TABLE 3: SUMMARY OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS INCEPTION TO DECEMBER, 1994 IN BAUCHI ZONE, ABUJA ZONE

S/No	Name of Branch	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	AZARE	1936	1.52	7th	24,748,100.00	5.47	7th	1401	1.63	8th	7,912,420.00	3.17	10th	7,323,051.00	3.40	3th	3,91,099.37	3.02	8th
2	BAUCHI	31253	24.42	2nd	87,865,850.00	19.42	2nd	30901	35.99	1st	32,252,885.00	12.91	4th	24,317,979.00	11.29	2th	15,166,158.02	12.76	3rd
3	BIV	1306	1.02	10th	10,773,200.00	2.38	10th	1152	1.34	10th	7,943,460.00	3.18	9th	7,084,259.00	3.29	9th	1,690,146.26	1.42	10th
4	DAMATURU	1644	1.28	8th	25,958,167.00	5.74	5th	3143	3.66	7th	15,075,412.00	5.22	6th	10,880,134.00	5.05	6th	5,037,144.66	4.24	6th
5	GANYE	9679	7.56	5th	104,382,657.00	23.08	1st	6105	7.11	5th	9,123,017.00	3.65	7th	8,230,619.00	3.82	5th	4,716,893.97	3.97	7th
6	GOMBE	5315	4.15	6th	25,054,732.00	5.54	6th	4871	5.67	6th	57,492,563.00	15.01	2nd	32,532,798.00	15.10	2nd	33,841,972.14	28.48	1st
7	EALINGO	601	0.47	11th	7,743,000.00	1.58	11th	315	0.37	11th	2,905,725.00	1.16	11th	2,111,685.00	0.98	11th	4,560,403.88	4.08	11th
8	MAIDUGURI	28,922	22.60	3rd	13,479,100.00	2.98	9th	10,769	12.54	3rd	56,482,807.00	14.60	3rd	28,641,919.00	13.30	3rd	12,445,229.16	10.47	4th
9	MUBI	1452	1.13	9th	19,015,515.00	4.36	8th	1,400	1.63	8th	8,644,000.00	3.46	8th	7,073,466.00	3.23	19th	2,990,152.83	2.52	9th
10	POTISKUM	9991	7.81	4th	60,015,515.00	13.27	4th	67,54	7.86	4th	23,623,160.00	9.46	5th	21,617,547.00	10.04	5th	11,839,850.11	9.96	5th
11	NOLA	33892	26.04	1st	73,187,745.00	16.18	3rd	19,060	22.20	2nd	70,381,456.00	28.17	1st	65,590,960.00	30.45	1st	27,066,664.24	22.78	2nd
	TOTAL	127,989	100		452,543,862.00	100		82,871	100		249,837,905.06	100		215,404,415.00	100		115,841,718.00	100	

(62)

APPENDIX (E)

TABLE 5: SUMMARY OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS IN FUNTUA ZONE INCEPTION TO DECEMBER, 1994.

S/No	Name of Branch	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	B.KEBBI	10958	13.74	5th	48,192,020.00	10.05	4th	6857	12.41	5th	26,934,120.00	12.41	5th	24,550,245.00	13.19	4th	14,329,523.69	15.28	3rd
2	DUTSIN-MA	1994	2.50	7th	18,023,896.00	3.76	7th	1114	2.03	8th	10,99,1060.00	5.36	6th	7,373,890.00	3.96	6th	3,571,550.33	3.81	6th
3	FUNTUA	15,843	19.86	2nd	77,606,692.00	16.18	3rd	14039	25.56	1st	42,252,506.00	20.62	2nd	41,287,128.00	22.19	2nd	26,596,164.60	28.37	1st
4	GUSAL	17228	21.60	1st	160,285,692.00	33.41	1st	10086	18.36	3rd	36,531,086.00	18.79	3rd	29,538,187.00	15.88	3rd	6,363,527.16	6.81	5th
5	KASTINA	7590	9.79	3rd	85,238,214.00	17.77	2nd	12398	22.57	2nd	49,693,561.00	24.24	1st	48,691,039.00	26.17	1st	25,557,808.99	27.37	2nd
6	SOROTO	14300	17.93	4th	41,435,700.00	8.64	5th	7686	13.99	4th	26,333,043.00	12.84	4th	22,953,356.00	12.86	5th	12,962,601.57	13.83	4th
7	TMAFARA	137	0.17	9th	2,189,000.00	0.46	9th	52	0.09	9th	202,200.00	0.10	9th	152,074.00	0.08	9th	87,244.26	0.09	9th
8	YACRU	1463	1.83	8th	12,227,100.00	2.55	8th	1422	2.59	6th	5,701,840.00	2.78	8th	4,902,499.00	2.63	8th	1,910,791.90	2.04	8th
9	ZURU	2465	3.09	6th	54,447,531.00	11.48	6th	1317	2.40	7th	5,865,305.00	2.86	7th	5,652,709.00	3.04	7th	2,350,927.50	2.40	7th
	TOTAL	79,778	100		479,651,584.00	100		54,931	100		205,008,768.00	100		186,083,127.00	100		93,749,340.	100	

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APPENDIX (F)

Table 6: SUMMARY OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS INCEPTION TO DECEMBER, 1994 IN KANO ZONE.

S.No	Name of Branch	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of Application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	DUSTE	2135	2.76	6th	21,496,937.00	4.30	6th	1526	2.91	6th	7,337,659.09	4.00	6th	7,337,459.00	4.45	6th	2,297,810.65	3.20	7th
2	GAYA	1972	2.55	7th	17,395,350.00	3.48	7th	1443	2.75	7th	6,240,534.00	3.40	7th	3,632,922.00	3.40	7th	2,387,115.25	3.33	6th
3	HADEJA	9,135	11.80	3rd	52,980,585.00	10.60	3rd	9095	17.34	3rd	28,502,169.00	15.34	3rd	27,452,610.00	16.36	3rd	15,552,409.86	21.68	3rd
4	KADUNA	30,531	39.44	1st	168,871,962.00	33.78	1st	12055	23.04	2nd	61,516,634.00	33.43	1st	56,037,316.00	33.80	1st	12,885,258.18	17.97	5th
5	KANO	7770	10.03	4th	36,239,472.00	5.25	5th	6451	12.30	4th	23,466,948.00	12.79	4th	22,129,393.00	13.35	4th	11,113,839.49	15.49	4th
6	KAFANCHAN	18,605	24.04	2nd	156,910,880.00	31.39	2nd	16127	30.72	1st	33,634,161.00	18.24	2nd	28,279,119.00	17.06	2nd	21,062,598.33	29.36	1st
7	KAZAURE	921	1.19	8th	9,302,035.00	1.86	8th	430	0.82	9th	2,955,750.00	1.61	8th	2,680,275.00	1.61	8th	664,614.45	0.93	9th
8	TUDUN WADA	585	0.75	9th	9,023,000.00	1.40	9th	517	0.99	8th	2,574,133.00	1.29	9th	2,245,952.00	1.55	9th	1,840,097.43	2.57	8th
9	ZARIA	5612	7.24	5th	37,808,230.00	7.56	4th	4636	8.93	5th	17,160,930.00	9.36	5th	13,561,265.00	8.15	5th	3,901,315.89	5.44	5th
10	BIRNIN GWARI	152	0.20	10th	1,573,000.00	0.38	10th	98	0.18	10th	431,500.00	0.24	10th	429,875.00	0.26	10th	19,849.45	0.03	19th
	TOTAL	77,419	100		499,903,463.00	100		32,463	100		183,419,720.00	100		165,786,786.01	100		71,727,880	100	

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APPENDIX (G)

TABLE 7: SUMMARY OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS IN IBADAN ZONE INCEPTION TO DECEMBER, 1994.

S/No	Name of Branch	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	ABEOKUTA	10380	18.92	3rd	51,130,580.00	3.99	4th	5003	15.45	5th	16,431,443.00	16.85	3rd	15,232,292.00	16.23	4th	5,969,000.11	19.31	5th
2	IBADAN	16337	30.18	1st	606,221,781.00	77.70	1st	8377	23.86	1st	17,733,027.00	18.19	2nd	10,953,659.00	13.41	5th	4,385,350.78	14.18	4th
3	WEMU-IGBO	0	0	-	0	0	0	0	0	-	0	0	-	0	0	-	0	-	-
4	IKERJA	3314	6.04	5th	21,669,300.00	2.78	5th	2817	8.70	5th	15,959,589.00	16.35	4th	15,434,755.00	18.93	2nd	1,376,989.72	4.45	5th
5	ILE-IFE	1859	3.35	6th	18,868,000.00	2.42	6th	1256	4.19	6th	5,259,754.00	3.34	6th	2,436,366.00	3.23	6th	665,638.76	2.15	7th
6	ILESHA	3185	2.16	7th	8,850,000.00	1.13	7th	1161	3.58	7th	2,835,446.00	2.91	7th	2,472,446.00	3.03	5th	527,400.77	1.71	8th
7	ILORIN	14041	25.59	2nd	45,500,060.00	5.85	2nd	7777	24.01	2nd	33,954,219.00	34.56	1st	20,539,671.00	25.19	1st	9,040,626.31	29.25	1st
8	ISEYIN	6643	12.11	4th	39,877,245.00	5.11	3rd	3050	15.59	5th	14,618,824.00	14.99	5th	13,815,143.00	16.94	3rd	7,808,971.36	25.26	2nd
9	LAFIAGI	0	0	-	0	0	0	0	0	-	0	0	-	0	0	-	0	0	-
10	OSHOGBO	904	1.65	8th	8,087,108.00	1.04	8th	547	2.62	8th	2,742,400.00	2.81	8th	2,477,640.00	3.04	7th	1,137,284.19	3.68	6th
	TOTAL	54863	100	-	780,204,014.00	100	-	32,388	100	-	97,516,702.00	100	-	51,542,002.00	100	-	30,909,262	100	-

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APPENDIX (H)

TABLE 8: SUMMARY OF DIRECT SMALL HOLDER AGRICULTURAL LOAN PORTFOLIO OPERATIONS BY ZONES INCEPTION TO DECEMBER, 1994.

S.No	Name of Zonal Office	No. of Application Received	% of Total	Ranking	Amount Applied	% of Total	Ranking	No. of application	% of Total	Ranking	Amount Approved	% of Total	Ranking	Amount Disbursed	% of Total	Ranking	Amount Repaid	% of Total	Ranking
1	ABUJA	50962	10.44	6th	302,529,387.00	9.76	6th	28194	9.10	5th	143,374,582.00	12.79	5th	101,591,290.00	10.60	5th	50,092,326.00	11.97	4th
2	AKURE	41249	8.45	7th	222,167,931.00	7.16	7th	27003	8.72	7th	94,773,125.00	8.45	7th	79,444,090.00	8.29	7th	27,602,698.00	6.39	6th
3	BAUCHI	127989	26.22	1st	452,343,862.00	14.59	4th	85371	27.73	1st	249,837,905.00	22.29	1st	215,404,415.00	22.47	1st	118,841,718.00	28.39	1st
4	ENUGU	55925	11.45	4th	364,223,948.00	11.74	5th	28848	9.31	4th	146,696,883.00	13.09	4th	128,563,881.00	13.41	4th	25,656,528.00	6.13	7th
5	IFUNTILA	79778	16.34	2nd	479,681,384.00	15.47	3rd	54921	17.74	2nd	305,068,768.00	18.29	2nd	186,082,127.00	19.42	2nd	93,749,240.00	22.40	2nd
6	KANO	77419	15.86	3rd	499,903,463.00	16.12	2nd	52465	16.94	3rd	185,419,720.00	16.38	3rd	165,786,786.00	17.30	3rd	22,227,880.00	17.14	3rd
7	IBADAN	54863	11.34	5th	780,204,014.00	25.16	1st	52388	10.46	4th	97,516,702.00	8.70	6th	81,542,002.00	8.51	6th	30,969,262.00	7.38	5th
	TOTAL	488,185	100	-	3,101,054,389.00	100	-	309,688	100	-	11,206,276,55	100	-	9,584,153,91	100	-	418,579,752.00	100	-

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