THE ROLE OF FINANCING AGENCIES IN RURAL DEVELOPMENT (A CASE STUDY OF THE BAUCHI STATE AGRICULTURAL DEVELOPMENT PROGRAMME, (BSADP), WESTERN ZONE)

BY

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DEDICATION

The work is dedicated to my family, who missed my presence for the period of the course, the peasant farmer who is struggling to survive, and my aged father for insisting that I should go to school.

DECLARATION

I, DATTI Baraya Dauda, hereby sincerely declare that this research project is an original work.

All articles used have been acknowledged accordingly in the footnotes.

CERTIFICATION

This project entitled, 'The Role of Financing Agencies in Rural Development' (A Case Study of Bauchi State Agricultural Development Programme, BSADP, Western Zone), by DATTI Baraya Dauda, meets the regulations governing the award of the degree of Master of Business Administration, (MBA) of Ahmadu Bello University, Zaria, and is approved for its contribution to knowledge and literary presentation.

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ABSTRACT

Agriculture has since been the leading non-oil sector of Nigeria's economy, with production over-whelmingly by small peasant farmers using traditional and manual - energy sapping technology.

The Bauchi State Agricultural Development Programme, BSADP, was designed to increase farm productivity, incomes and standard of living of the rural people in the state by providing a range of farm support services in association with infrastructural modifications. The main objectives of the BSADP was to assist the farmer in the areas of land development and farming, farmer education for the effective dissemination of improved farming techniques and practices. Others include the improvement and establishment of irrigation dams, fisheries and the provision of essential farm inputs.

The BSADP, was based on an expanded enclave project at Gombe which proved successful. There are now about eleven (11) ADPS throughout the country. The BSADP was being organised and administered through four zones: Eastern, Western, Northern and Central zones.

With the activities of the BSADP, Financing agencies have a vital role to play as credit is an important element in any integrative package of rural development efforts. Investigations showed that although the flow of credit have reached the rural areas of the zone, it is

insignificant in quantity and timing for any meaningful continuous economic activities.

The Financing agencies need to examine the orthodox banking practices currently in use so as to be more innovative and hence tap the vast economic potentialities of the zone and state.

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Chapter 1

INTRODUCTION

1.1 Definition of Terms

It is a desirable thing to define certain terms as used in the compilation of this research project:

1. Bauchi State Agricultural Development Programme, (BSADP)

   This is the World Bank (IBRD), and FGN assisted agricultural development programme which was established as the extension of the successful Gombe agricultural development programme, to cover the entire state.

2. Western Zone (WZ)

   Is the western operation of the Bauchi State Agricultural Development Programme, which comprised Bauchi, Dass, Toro and Tafawa Balewa local government areas.

3. Bauchi State Agricultural Supplies Company Ltd (BASAC)

   This is the state farm inputs and implements procurement and distribution company.

4. Rural Development

   Is used as an improvement in the levels of standard of living and may be seen in national income statistics as better village housing, improved transportation to the mass of the people, clothing and shoes, declining death rates, increased per capita consumption of food and betterment in the quality

of diet.

5. Agricultural Development

Is that vital link to the entire growth process of Nigeria.

6. Bauchi State Fourth Five-Year Development Plan 1981-1985

Is that plan list prepared and published by the Bauchi State, Ministry of Economic Planning, Bauchi.

7. Agricultural Credit Guarantee Scheme Fund

Is that fund which came into operation in April 1978, and established by Act 20 in March 1977.

8. The Cooperative Financing Agency (CFA)

Is the Bauchi State Cooperative Financing Agency which is an Apex organisation of the Ministry of Trade, Industry, Tourism and Cooperatives.

1.2 The appropriateness of the ADP approach to Rural Development of Bauchi State

Agriculture constitutes a very important sector of the Nigerian economy and was the dominant sector before the 'oil boom' of the 1970s. Infact, agriculture has continued to be the leading non-oil sector in Nigeria with production over-whelmingly by small-holder farmers using traditional and manual technology.

Table 1

Sectoral Distribution of Nigeria's Gross Domestic Product: 1970-1974 (in Percentages)

	1969/70	1970/71	1971/72	1972/73	1973/74
Agriculture, Forestry and Fishing	47.45	44.56	42.00	36.99	34.06
Oil and Mining	8.10	11.99	15.07	16.79	17.77
Manufacturing	8.17	7.49	6.52	7.56	8.90
Electricity & Water	0.64	0.58	0.62	0.70	0.83
Building & Construction	5.20	6.27	7.51	8.51	8.09
Distribution	12.76	12.15	11.75	10.73	10.84
Transport & Communication	3.95	3.26	3.15	3.64	4.26
General Govt.	8.00	7.40	6.95	8.24	7.85
Education	2.24	2.69	2.83	2.90	3.02
Health	0.72	0.87	0.78	0.94	1.15
Other Services	2.77	2.74	2.78	3.00	3.23
	100	100	100	100	100

Source: Federal Office of Statistics, National Accounts of Nigeria, Lagos 1976.

The agricultural sector's contribution to Gross Domestic Product (GDP), started to decline, since 1960s. Table 1 shows the level and sectoral distribution of Nigeria's Gross Domestic Product for the period 1969/70 to 1973/74. The relative fall of the agricultural sector has been as a result of the increased importance of some other sectors of the economy especially oil and mining, which by 1973/74 became the second most important sector of the economy, its contribution to GDP being surpassed only by that

of agriculture. The rate of economic growth has accelerated since the end of the civil war. The average for the years 1970-74 has been 11.2 per cent per annum.[1] The growth performance of the Nigerian economy would have been more impressive but for the relative stagnation of agriculture, the country's largest economic sector.

The 'stagnation' in production since 1970 has continued in most parts of the country, especially, Bauchi State. Domestic food prices have continued to rise, agricultural exports have continued to decline and food imports has been on the increase.

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1. Federal Republic of Nigeria, Third National Development Plan, 1975-80 Vol. 1, p.21.

Table 2 shows this sad situation of the Nigerian economy.

Table 2

Food Importation In Nigeria

Year	Value in (₦ million)	% increase or decrease on previous year's imports
1970	57.694	-
1971	87.910	52.4%
1972	95.104	8.2%
1973	126.260	32.8%
1974	155.708	23.3%
1975	277.863	78.5%
1976	438.927	58.0%
1977	702.013	60.0%
1978	1,108.662	57.9%
1979	1,105.901	-0.25%
Total	4,156.042	-

Note: Food includes cereals, meat, Dairy Products, Fish etc.

Source: Federal Office of Statistics, Trade Reports, Annual Abstract of Statistics and Review of External Trade. Central Bank of Nigeria, Annual Reports.

The stagnation of agriculture was accorded a wrong prescription by resorting to food importation instead of promoting and reactivating local production; taking a sizeable chunk of the country's foreign exchange.

It was against this background of a pathetic situation, that the Agricultural Development Programme Strategy was formulated to stem the decline in food production, which is a paradoxical situation in a country well endowned with natural resources for a sustained and increased agricultural production, but which continued to experience an increasing food import bill.

The Bauchi State Agricultural Development Programme (BSADP), was intended to increase the productivity, incomes and standard of living of about 280.000 rural families, on about 33,000 hectares of farm land in the state, by providing a range of farm support services in association with infrastructural improvements and institutional modifications.[2]

The Programme was based on an expanded enclave project, of the Eastern part of Bauchi State, centred at Gombe. The enclave ADP was a success and proved beyond doubt that the ADP was capable of meeting the principal objective of increasing food production as average farmer yields rose by 20% between 1977 and 1980.[3]

Thus, the Bauchi State Government (BSG) and the World Bank (IBRD) concluded that the extension of the

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2. Anonymous (1985). New Nigerian, Feb. 25, p.18.
3. Anonymous (1981). BSADP Appraisal Report No. 3040 UNI, p.1-3.

Gombe Agricultural Development Programme concepts on a State wide basis would provide the main bases for the Bauchi state's agricultural development drive during the fourth Five-Year Development Plan 1981-1985.

1.3 Statement Of the Problem

Since the inception of the Bauchi State Agricultural Development Project as a state wide programme in 1981, the adopted policies have proved that Bauchi State can be a net 'exporter' of food grains.

In 1982, which was a relatively good year with adequate rainfall, a surplus of about 20% over the state's requirements for self sufficiency was estimated. And in 1984, by the State Governor's remarks at the 1984/85 farming season Agricultural Show in Bauchi, indicated that there was a considerable increase over the previous year's agricultural production; despite the drought.[4]

The major obstacles in the development of agriculture in the state, besides other environmental factors are (i) drought (ii) inputs supply (iii) fertilizers (iv) simple implements, and (v) credit on a regular and timely basis. Among these inputs, the major relative handicap is the provision of credit at the

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4. Brigadier M.S. Sami (1985). A Radio Broadcast by the Military Governor of Bauchi State, on the occasion of the 1984/85 Agricultural Show at Bauchi.

correct time and quantity.

Institutional credit including bank lending to farmers and craftsmen in the rural areas is not adequately available. Given the structure and the size of the farm holdings, the average farmer relies mainly on his own capital and non-institutional financial sources for working capital and investment in implements. Such sources are mainly borrowings from friends, local money lenders, local merchants and traders. The amount of capital from these sources was small and inadequate relative to the needs of agriculture and other activities in general. To achieve increased Agricultural productivity, incomes and standard of living, will largely depend, among other things, on meeting the increasing credit demand of the rural populace. To provide an adequate and desired credit to the small-holder farmers in the rural areas, the Central Bank of Nigeria has been trying through policies, to encourage the effective presence of financial agencies in the rural areas.

There are many financial agencies operating in the western zone of the Bauchi State Agricultural Development Programme, for granting credits to agriculture and other economic activities.

This study aims at examining the role being played by these Financing Agencies in the rural development efforts of the zone; and hence the state.

1.4 Specific Objectives Of The Study

The specific objectives of the study are:-

a) To investigate whether:
   i) the flow of credit has reached the rural areas.
   ii) such flow has triggered economic activities.
   iii) the result of such triggering has relevance in overall uplift.
   iv) consequential chain activities are existing and continuous.

b) To identify:
   i) areas of bottlenecks and constraints.
   ii) newer/neglected areas for demand credit

c) To suggest:
   i) remedial measures to correct existing weaknesses;
   ii) changes in structural aspects of existing agencies, and
   iii) innovative methods to strengthen rural economy.

1.5 Working Hypothesis

The working hypothesis of the study is that there is an inadequate financial support in the rural areas of Bauchi State especially the western zone; and the Financing Agencies have not evolve suitable outlets for the provision of financial support including other inputs for an integrated rural development. The study aims at testing this hypothesis.

1.6 Research Methodology

For the purpose of this study, we have made use of both the primary and secondary data.

1.61 Primary Data

In obtaining relevant information from both the financing agencies and farmers, two separate sets of questionnaire were prepared and administered to concerned financing agencies and selected farmers. The questionnaire was distributed to all branches of the financing agencies and to farmers in each of the local government areas. Questionnaire to both the managers and farmers were distributed personally. They were either completed on the spot or were collected at a later date, fron both the managers and farmers. In all sixty questionnaire were distributed to farmers and sixteen to financial agency/branch offices. Out of the sixteen, nine (9) were completed and returned by the financing agencies representing 56.25%. Similarly, of the questionnaires distributed to the farmers, 39 filled questionnaire were collected, representing 65 per cent.

Apart from the questionnaires the various departmental heads of BSADP were interviewed and some information which was not available in the published data was collected. Moreover, the present writer has also made use of his practical experience which, he received as an employee of BSADP western zone.

1.6.2 Secondary Data

Extensive use of secondary data has been made in the study and have tried to relied more on publications of government, Central Bank of Nigeria, Development Plans and symposium.

We have also made use of available published data of BSADP, wherever necessary. However, wherever any material was used, has been duly acknowledged at the appropriate place.

1.6.3 Limitations Of The Study

This study has certain obvious limitations. The study is limited to a three year time period only (1982/83 to 1984/85). The study is also confined to the western zone of the Bauchi State Agricultural Development Project, comprising Bauchi, Dass, Toro and Tafawa Balewa local government areas. The local government areas of the zone are only four out of the sixteen existing in the state. This limitation is necessary in view of the time and financial constraints facing the project.

Although the project area may appear small together with the sample, but with the largely 'illiterate' farmers, who could not furnish all the relevant details immediately, the exercise was a pains-taking one. Even the Financing Agency Managers were so 'busy' that no immediate attention

was granted and therefore the delay and frequent reminders.

Similarly, not all relevant questions were answered satisfactorily due to the official 'secrecy' dilemma and so a limitation of the study.

Finally, Bauchi State was created just in 1976, out of the former North Eastern State. Before the creation, only two financing agencies had branches in the zone and infact all located within Bauchi town. Hence sufficient data relating to various aspects of agriculture, finance of trade and small scale industries appear rudimentary and scanty.

1.7 Summary

The project was undertaken against this brief introductory background, of the country's state of Agricultural development characterised by stagnation and increased food imports and the renewed vigour of the Bauchi State government to promote the agricultural development have been described. The study examines the role being played by Financing agencies operating in the zone in the flow of credit for meaningful rural development.

This is the first study of its kind examining the BSADP programme in detail in the state, particularly the western zone. On enquiry, we found that so far no specific study of BSADP and Financing agencies and their role has been made. The Bauchi State Government no doubt has

published some reports on the infrastructural facility and proposed programme of action under the scheme. The reports contain projections on official lines and do not represent the various view points. Some comments have appeared in various media of the press but cannot be taken as authentic. Moreover, whatever is the published data regarding performances of the various financing agencies available in the state, they cover the entire state.

From these published data, it is difficult to draw meaningful conclusion with regards the performances of financing agencies and BSADP in the western zone in particular. We, therefore, collected data from the field, use our own experiences as senior staff of BSADP and have interpreted the data taking into consideration the various view points. Hence, this study is hoped will be a pioneering work on this subject.

In view of these, it's not possible to review any work on this subject and to explain further the importance of financing agencies in the rural development of the project area.

1.8 Schematic Of The Study

Chapter 1. Introduction.
2. Background Of The Study.
3. Farmers' Data Analysis.
4. Analysis of Financing Agencies Questionnaire.
5. Summary, Conclusion and Recommendations.

Chapter 2

BACKGROUND OF THE STUDY

2.1 Development Strategy And Constraints

Successive governments in Nigeria have emphasized the importance of improving agricultural performance. Since 1960, at Independence, we have seen a multitude of programmes in agriculture. None of these seem to have offered a lasting solution to the decline in agricultural production.

The revised Third Five-Year Development Plan, 1975-1980, allocated large sums for agricultural development - partly for direct production projects, such as, mechanized agriculture, capital intensive irrigation schemes; and partly for support to small-holder farmers.

However, the direct production schemes had proved expensive and have achieved little development impact. While past national small-holder programmes like the 'Operation Feed the Nation' (OFN) and 'National Accelerated Food Production Programme' (NAFPP); lacked the institutional capability effectively to deliver services to farmers. But the experience from Bank supported agricultural development projects has indicated the shape that an effective national small-holder could take. This has to involve an 'Integrative Approach' to rural development problems. In its simplest form, the approach means that price incentives, marketing,

farm-inputs supply, extension services and credit must be handled together.[5]

In Nigeria today, the World Bank assisted projects extends to eleven states of: (1) Imo, (2) Rivers, (3) Niger, (4) Kwara, (5) Oyo, (6) Ondo, (7) Bauchi, (8) Kano, (9) Sokoto, (10) Kaduna and (11) Plateau. About two million small-holder and other type of farmers would benefit.

2.1.1 Constraints

There are three main sets of constraints to agricultural development which has to be examined and tackled effectively. These are:-

a) The generation and diffusion of information on improved technology.

b) The adequate and timely appropriate supply of productive inputs and;

c) The construction and maintenance of feeder road links from the farms to markets for easy and rapid evacuation of produce; especially the perishables.

The Agricultural Development Programmes are expected to actively address their energies to these and other development issues for a rapid agricultural development of the country.

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5. Professor G. Dell' Amore (1975). Agricultural Credit for Development. (Ed.) World Conference on Credit for farmers in Developing Countries, Rome. p.4.

2.2 Preview of Agricultural Credit for Development

Agricultural credit is only one of the many factors of significance in the complicated process of stepping up agricultural production. Over 70% of the over-whelming farming population are small-holder farmers, mostly subsistent farmers. Their credit needs should be a major consideration for liberalising institutional credit to farmers.

Financing Agencies provide credit to farmers, mostly for the purchase of current inputs, such as seeds, fertilizer, pesticides and implements. With the current wave of developments into agriculture, many more farmers are being attracted to different types of innovations such as shifting cultivation, the use of improved seedlings, and the use of sophisticated farm implements such as the tractors, which calls for varied financial requirements. These definitely may demand for larger financial outlays than traditional sources can provide. Farm credit is usually a necessity though not sufficient condition for an increase in agricultural productivity particularly for the small farmers who have neither savings nor ready access to institutional sources.

According to a food production plan for Nigeria published by the Federal Ministry of Agriculture (May 1980), it was stated that 'state governments' Agricultural Credit Agencies and Cooperative Organisations have in the

past made insignificant contributions in providing credit to farmers due to lack of fund. World Bank (IBRD) sponsored credit schemes and other inputs supply, have made appreciable contributions to agricultural development by the provision of credit to farmers under close supervision to ensure proper utilisation of the credit in carrying out desired improved farm practices which lead to increased production.

In the past, most financing agencies such as Commercial Banks were not interested in financing agriculture mostly because of its comparatively very risky nature. However, through the controls of the Central Bank of Nigeria, there has been in recent years increased lending to agriculture. The 1985 lending rate to agriculture is now 8%, which was a raise from 6% thereby moving it nearer to the cost of funds. In addition, Commercial Banks have been directed by the Central Bank, to lend a minimum of 12% of their total loans and advances to the agricultural sector. These measures point to the determination of the Federal Authorities to encourage agricultural development in a more pragmatic manner.

There has been a steady growth rate of Commercial Banks lending to agriculture since 1975. Parallel to this growth lending rates, was the fact that Commercial Banks are extending their Branch networks into rural areas thereby bringing bank services to the door step of the rural dwellers.

The inputs on agricultural funding had come a long way, more so by the Federal Government's setting up of the Nigerian Agricultural and Cooperative Bank in 1972 with Headquarters in Kaduna. The Bank has the responsibility to consider loans for individual farmers, Cooperative Societies and incorporate bodies and importantly to state institutions for on-lending to small-scale farmers. The NACB's on-lending to small scale farmers is generally done through state Ministries of Agriculture, Trade, Industry and Cooperatives and Apex Cooperative Organisations. Although, the provision of institutional credit to small scale farmers had improved, most of the Bank's beneficiaries of direct loans are large-scale farmers. The need for credit is great among small scale farmers if they are to produce a marketable surplus and thereby contribute to the development process.

2.2.1 Concepts of Development Loaning

Commercial Banks in Nigeria should keep in view the concepts of 'development loaning' either while formulating projects or for lending instrumentality to these projects.

The basic tenets of development loaning include the following:[6]

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6. Ghulan Ghouse (1981). Financial Institutions and Agricultural Finance in India. Paper presented at a symposium organised by the Central Bank of Nigeria.

a) Every loan should be production oriented and should result in increased production.
b) Loans should be incremental income generating;
c) Every loan that goes in must result in creation of additional employment potential.
d) Since loans are production oriented and result in incremental income generation, then, they should be self-liquidating.

There is always a situation of scarce resources and competing demands, therefore, it must be ensured that investments result in increased productivity and that the increase in productivity should show an upward trend on a continuing basis. This is possible only when there is a continuous effort at sophisticating levels of technology, increasing operational levels of efficiency and effective instrumentality and support from lending institutions by way of adequate supervision of the financial part of the investment including the other technical inputs that goes in too; such as advice to farmers in fertilizer dosages, crop husbandry, marketing, and processing activities etc. The approach besides being integrative should also be "multi-agency", in financing agriculture and rural development.

2.3 The Prospect for Agricultural Finance

The agricultural sector is estimated to grow at an annual rate of 4% during the Fourth National Development Plan.[7] To accommodate the planned growth

7. The Bullion. News from the Central Bank of Nigeria Vol. 7 No.1 dated Jan/March 1982 p.17-18.

rate, there should be brighter prospects for agricultural finance within the plan period. The prospects will depend substantially on the development of an implementing institution for agricultural loan administration.

The need for an effective institutional frame-work for agricultural finance is borne out of the flaws in the existing institutional structure for small farmers loan administration. The existing institutions succeeded in dispensing a large amount of credit but not in collection when due. They are similarly characterised by complex procedures, excessive 'red-tape' in processing loan applications etc.

The envisaged institution for implementing agricultural credit to small farmers could be in the form of a multi-purpose cooperative society; which would be closely linked with extension services, marketing, agrarian reform programmes. This can start by making the individual farmer sufficiently aware of the existence of credit opportunities open to him and the methods for taking advantage of them. The structure should vest policy formulation in the member patrons instead of by the government department; which is often abused.

2.4 The Economy of Bauchi State

Bauchi State has a surface area of 66,510 square kilometres which is 7.2% of the total land area of

Nigeria, with a population estimated at 4 million people and approximated 500,000 farm families which have increased from 1984 after the 'Back to the land' campaign was launched.

Bauchi State is mainly an agricultural and cattle state and most of its Gross Domestic Product comes from this sector.[8] Estimates in the state reveal that there is a total of 11,400 square kilometres or 17% only of the total land area under cultivation which means there is considerable scope for massive expansion. The measured mean farm size ranges from 2.6 to 2.9 hectares per farm. Mixed cropping is practised on about 65% of all plots, with sorghum/millet and sorghum/millet/cowpea the main mixtures. Sorghum and millet account for about 80% of total production.

The industrial sector is not very developed in the state. Practically the companies of any importance in Bauchi State are: Bauchi Meat Products Ltd, Gombe Textiles Industries Ltd, Gombe Oil Seed Processors Ltd, Steyr Nigeria Ltd, Nigerian Asbestors Ltd, Zaranda International Hotel Ltd; Awalah Hotels Ltd and each has received financial help from the Nigerian Industrial Development Bank Ltd, (NIDB).

The Government of Bauchi State, employs more people in the State, than any other single institution,

8. Cotos Nigeria Ltd, Lagos (1981). Feasibility Report on the Establishment of a Commercial Bank in Bauchi p.169-170 and p.173-174.

of some 8,000 persons in 1981. The state was created in 1976, when the previous North Eastern State, was divided into the states of Borno, Gongola and Bauchi, by the Late General Murtala Ramat Muhammad's regime.

2.5 Area of Project Study and its Financial Structure

The Bauchi State Agricultural Development Programme, Operations is being organised into four zones:-

1. Eastern Zone

   This zone comprised of Gombe, Alkaleri, Dukku, Akko, Tangale-waja local government areas of the state.

2. Northern Zone

   This zone comprised of Jamaare, Shira, Misau, Katagum, and Gamawa local government areas.

3. Western Zone

   This comprised of Bauchi, Dass, Tafawa-Balewa and Toro local government areas.

4. Central Zone

   This comprised of Ningi, and Darazo local government areas.

The area of this study is restricted to the Western Zone of the Programme which comprised of four local government areas which are: (i) Bauchi (ii) Dass (iii) Tafawa-Balewa and (iv) Toro. Coordination of of activities at the zone is being achieved through the zonal development committee, consisting of the Chairman and or Secretaries of the zonal local government councils, a representative of the traditional council

in the area, and the zonal project manager and the Chief Technical Officer.

In the Western Zone, there are sixteen financing agencies and credit outlets, with branches and offices as follows:-

Table 3

Financing Agencies in Western Zone

Name Bank/Organisation	Number of Branches/ Location
1. First Bank of Nig. Ltd.	Bauchi, Toro and
FBN Ltd.	Tafawa Balewa
2. Bank of the North Ltd.	Bauchi and Gumau
BON Ltd.	
3. Union Bank of Nig. Ltd.	Bauchi and
UBN Ltd.	Dass
4. Nigerian Agricultural and	
Cooperative Bank Ltd.	
NACB Ltd.	Bauchi
5. Nigeria-Arab Bank Ltd.	Bauchi
6. International Bank for	Bauchi
West Africa Ltd.	
IBWA Ltd.	
7. Bauchi State Coop.	
Financing Agency Ltd.	Bauchi
BSCFA Ltd.	Na-bordo
8. Bank of Credit and Commerce	
International Ltd.	
BCCI Ltd.	Bauchi

9.	Nigeria-Industrial Development Bank Nig. Ltd. NIDB Ltd.	Bauchi
10.	Nigeria Bank for Commerce and Industry Ltd. NBCI Ltd.	Bauchi
11.	Ministry of Agric. and Natural Resources (MANR)	Bauchi
12.	Ministry of Trade, Industry and Cooperatives (Trade & Industry Division)	Bauchi

Source: Data collected from the field by the writer.

Most of these financing agencies are located within the state capital, Bauchi, and have their operations extended beyond the western zone of this study. The Nigeria Industrial Development Bank Nig. Ltd, as an example, has its area of operation covering Bauchi, Plateau, Borno, Gongola and Benue States.

2.6 Financing Pattern of BSADP

The proposed financing of the Bauchi State Agricultural Development Programme, BSADP shows the following break-down:-

Table 4

Financing Plan of BSADP 1981-85 (₦ Million)

	Farmers	World Bank (IBRD)	FGN	BSG	Total
Buildings	-	12.5	5.4	7.0	24.9
Bore-hole drilling	-	7.5	1.4	1.7	10.6
Construction Materials	-	-	4.7	6.2	10.9
Plant, vehicles, Equipment	-	27.7	2.2	2.7	32.6
Staff Cost, International	-	15.2	-	-	15.2
Staff Costs, Local	-		20.7	26.7	47.4
Overseas Training	-	0.4	-	-	0.4
Consultants & Studies	-	1.1	-	-	1.1
Fertilizer	3.8	-	7.6	5.0	16.4
Chemicals & Farm Implements	11.0	8.2	-	(8.2)	11.0
Operating Costs & General Services	-	-	9.7	12.6	22.3
Total	14.8	72.6	51.7	53.7	192.8
Percentage %	8	37	26	29	100
US $ (million)	26.8	132.0	94.0	97.8	350.6

Source: BSADP Staff Appraisal Report dated 6/4/81 p.25.

Out of the total project cost of ₦192.8 million (US $350.6 million) the Bank (IBRD) would finance ₦72.6 million at

the lending rate of interest, current at the time of loan approval and for a period of 20 years, including a five-year grace period. The Bank loan represents 37% of the project costs. The Federal Government of Nigeria (FGN) would provide 26% of project costs, exclusive of farm inputs and BASAC equity. This will result in project financing by FGN of ₦51.7 million, through incremental input purchases, ₦14.8 million or 8%.

2.7 Summary

Since independence, governments have tried to step-up agricultural production through a multitude of programmes which could not arrest the decline in food production. But the Bank assisted agricultural projects seemed to be promising and have been established in eleven states in the country so far, which emphasizes the integrative approach to rural development.

Although credit is only a factor in the agricultural production effort, it's a significant one. The provision of credit to the peasant farmer under close supervision could improve farm practices and so lead to increased production. Bauchi state and in particular the western zone is an agricultural and cattle area. Most of its Domestic product comes from agriclture. Therefore, financing agencies have a relevant role to play in devicing means to improve the flow of credit to agriculture for a meaningful rural development.

Chapter 3

FARMERS' DATA ANALYSIS

3.1 Size of Family and Earning Members

For the purpose of this project the family is classified into five (5) groups. Within each group is the male, female, earning members and the percentage of persons employed to total persons. Table 5 contains the family and earning members classification.

Table 5

Size of Family and Earning Members

Size of Family (persons)	Total	Male	Female	To-tal	No. of Employed Persons	Earning Members as % to total persons
up to 8	16	50	57	107	31	29%
9 - 12	9	48	44	92	24	26%
13 - 16	6	46	38	84	15	18%
17 - 20	6	54	62	116	12	10%
21 and above	2	22	24	46	8	17%
Total	39	220	225	445	86	100

Source: Computed from the Questionnaires.

Table 5 contains the relationship between the size of family and its earning members. The Table shows that sixteen families have family size up to 8 persons, with female members marginally higher than the male members and with 31 earning members. It is also

observed that in the sixteen families in this group with 107 members, 31 are earning members representing 29%. While 76 or 71% are dependent members. The pattern is worst in the 17-20 family size group which has only 10% as earning members while 90% or 104 are dependent members.

This indicates that a disguise unemployment exist among the population of this areas. The alarming increase in population of about 3% of the country will, from all indications, result into further fragmentation of land holdings which will impede the productivity of agriculture and so increase family members' dependencies on earning members. It seems correct, therefore, to assume that the mutual ties which binds these groups are of a social rather than of an economic in nature; since the pattern of dependence follows consistently among all the family sizes. All the groups have earning members less than 30%. The ratio of earning members to total family members in each group from group one are 1:3.45, 1:3.83 1:5.6, 1:9.66 and 1:5.75 respectively. The social ties tends to be more binding in group 4 with family size 17 - 20 persons and less binding in the first group with family size of 0 - 8 persons.

The relatively social coherance has a limiting effects on the personal freedom of members; and can be reflected in the obligation of rendering each other assistance in all sectors of life: religious, social.

economic and perhaps political and in return members are prepared to observe strict rules of customary law and norms which cover aspects of associated life. A defiant stands the risks of being deprived the assistance which he may not dispense with.

From the analysis, it can be concluded that the problem of land fragmentation due to population growth is likely to increase if the existing land tenure system is not modified, so that fewer but more effective hands are allowed to be involved in agricultural production. The size of earning members in proportion to total members showed that large proportion do not undertake activities that would generate income to the family and are therefore totally dependent on the few earning members. Disguise unemployment therefore exists in the project area.

3.2 Educational Background of Family Heads

To assess the ease of receptability or adaptability of families to new improved techniques of farming and the proper use of credit, the family size was divided into two groups each of formal and informal qualifications. Table 6 contains families with different educational background in the project area.

Table 6

Educational Background of head of the family

Size of Family	No. of Family	Qualifications Formal	Informal
up to 8	16	7	9
9 - 12	9	1	8
13 - 16	6	0	6
17 - 20	6	2	4
21 +	2	1	1
Total	39	11	28

Source: As in Table 5.

It is no exaggeration, stating that the traditional, conservative mentality of the rural population is a very important obstacle to most development efforts, and the only efficient remedy to surmount it is functional education. Table 6 indicates the educational background of the heads of families interviewed and how amenable they may be to modern practices. Formal education is used in its wider connotation of adult education, extension work, cooperative propaganda and campaigns and training.

The Table shows a marked difference between head of family of formal and informal education. For example, 9 families with size of family 9 - 12 persons have 8 heads with informal education against only (1) one with a formal education. In group three (3) of Table 6, out of the six family heads, none had a formal education while in group five (5), half had formal education.

Generally therefore, the formal educational background of the family heads was poor. This indicates that the ease of adapting new techniques and ideas relatively quickly is doubtful.

Essentially, as it may be to bring about changes in the mentality of the rural masses, this aspect of rural underdevelopment should not be overrated. It may be a good reason why no proper use of credit is made due to the conservatism, indifference and ignorance of the average farmer. The launching of the adult education drive in the state this year by the military government was timely and very relevant for the meaningful development and desired changes in the rural areas of Bauchi State.

3.3 Sizes of Land Under Cultivation

For the purpose of justifying the economical introduction of farm equipments such as the tractor, the family is classified by the average size of land holding brought under cultivation. There are seven classifications.

Table 7

Sizes of Land Under Cultivation

S/No.	Size of Land Holding under cultivation (HCT)	No. of Families	% to Total
1.	0 - 3 Hectares	5	12.8
2.	4 - 6 "	13	33.4
3.	7 - 9 "	8	20.5
4.	10 - 12 "	5	12.8
5.	13 - 15 "	2	5.1
6.	16 - 18 "	0	0.0
7.	19 + "	6	15.4

Source: As in Table 5.

Table 7 shows that the majority of families cultivated between 4 - 6 hectares of land 33.4% followed closely by 8 families cultivating 7 - 9 hectares, 20.5%. As few as 6 families cultivated land in excess of 19 and above hectares. It would be clear that one-third ($\frac{1}{3}$) of the population 46.2% cultivated between 0 - 6 hectares of land, indicating small sizes of land holding. Secondly, it also shows that land was unevenly distributed amongs the population.

Families cultivating less than 9 hectares may rely heavily on the traditional reciprocal basis of labour exchange, (Gaiya). Children too may be providing a good proportion of the labour but may be expected to fall with the increasing pressure by government for

school enrolments. However, families cultivating 10 and above hectares are most likely to seek less the services of non-family labour. Work-oxen and tractors are likely to be more economically used on larger hectares than the tiny fragmented parcels of land holdings.

3.4 Land Under Cultivation By Crop-wise

For convenience, crop production is classified into three (3) broad groups of food grains, cash crops and others. The classification may give an insight into the income generation potentials of the population.

Table 8

Land Holding Under Cultivation By Crop-Wise
(In Hectares)

Size of Family (Persons)	Food Grains	Cash Crops	Others	Total
up to 8	72	36	16	124
9 - 12	85.5	10	24.5	120
13 - 16	31	23.5	16	70.5
17 - 20	79.5	37	21	137.5
21 +	107	34	15	156
Total	375	140.5	92.5	608
% to Total	(61.7)	(23.1)	(15.2)	(100)

Source: As in Table 5.

The Table looks at the land allocation among food grains, cash crops and others within family groupings. Group one (1) of family size between 0 - 8 persons had twice the hectarage of land for the production of food grains than cash crops. For this group, food grains production takes as much as 72 hectares or 58% of the total hectarage under cultivation. The fourth (4) group had 57.82% of land under food grains cultivation while only 26.91% and 15.27% were for cash crops and other crops respectively. For the fifth group (5) of family size of 20 and above persons, 68.59% of land under cultivation was for food grains.

For all the family sizes, a disproportionately more hectarage was used for food grains cultivation 61.7% than either cash crops with 23.1% or 5.2% for other crops. It can be perceived that the allocation of land to different crops may be as a result of the system of communal ownership of land. The system is not suited to present day requirements in respect of the production of cash crops. The present land occupier has no real incentive to try to maintain or improve the fertility of the land which he is working on, using adequate fertilizer and land conservation methods for long term benefits.

The main food grains cultivated, based on the experiences of the writer, comprised of sorghum, millet and cowpea for subsistance, although it also generated

income for dire cash needs of the population. Access to land appears relatively egalitarian. The over-whelming amount of on-farm labour input was provided by family members' muscles. Besides food grains, cash crops and other crops, families also kept few livestock and birds that brings some reasonable income to the family and supplements the daily food requirements.

3.5 Loan Beneficiaries During The Past 2-3 Years

The Table below examines the number of families that have benefited from loans for development purposes in the last 2-3 years.

Table 9

Loan Beneficiaries During The Past 2-3 Years

Size of Family	Number of Respondents		% to Total	
	Yes	No	Yes	No
up to 8	12	4	30.8	10.3
9 - 12	8	1	20.5	2.5
13 - 16	3	3	7.7	7.7
17 - 20	3	3	7.7	7.7
21 +	2	0	5.1	0.0
Total	28	11	71.8	+28.2 = 100

Source: As in Table 5.

From Table 9 about 71.8% of the respondents have taken one form of loan or the other and only 28.2% have not benefited from any type of loans in the past 2-3 years. It would be clear that 12 out 16 families

representing 75%, of 0 - 8 persons have taken loan in the last 2-3 years, and 8 out of 9 families representing 89% of 9-12 persons have also benefited. This demonstrated that farmers are aware of the importance and relevance of loans for increase productivity. On the whole, the small size of the families have utilized much loans (51.3%) of up to 12 persons than the larger size of families (20.5) of beyond 13 persons.

The bulk of loans taken was from the Cooperative Financing Agency, which by its tradition gives out ₦80.00 or so to new cooperative members each and about ₦150.00 on the average to old members. These loans are highly inadequate for any meaningful agricultural development, bearing in mind the ever-increasing cost of farm inputs such as fertilizer due to government continuous withdrawal of subsidies. Only families with 21 and above persons have benefited from larger loans such as to purchase tractors, land clearing and the purchase of large farm inputs and implements.

3.6 Loan Utilization During The Past 2-3 Years

Conventional wisdom holds that credit is a pre-requisite for agricultural development involving the adoption of a new technology and adequate purchases of inputs. Table 10, for the purposes of the study, is classified into six groups depicting how loans taken were utilized in the past 2-3 years.

Table 10

Loan Utilization During The Past 2-3 Years

S/No.	Purpose	No. of Family	% to Total
1.	Buy seeds	0	0
2.	Buy Farm Implements	5	15.67
3.	Fertilizer	22	66.67
4.	Purchase of Tractor	2	6.06
5.	Cottage Industry	0	0
6.	Others	4	12.12
	Total	33	100

Source: As in Table 5.

It is clear from Table 10 that about 66.67% of families which have taken loans utilized such loans for the purchase of fertilizer only (a single input), and 15.15% for the procurement or rentage of farm implements. This further confirms the inadequacy of credit by volume. The little obtained was mostly used for the purchase of fertilizer. 1985 and subsequent years may even be more crucial to farmers with increasing higher fertilizer costs and dwindling farmer credit financing by 'CFA', based on the prevailing situations.

From the Table, not a single farmily spent any part of the loan taken on seeds. This indicates that perhaps extension services and training had not succeeded in changing farmers outlook of depending upon own seeds rather than improved varieties, or that

the farmer has no enough funds to purchase improved seeds sold in towns, which are very far away from his village, by the Bauchi State Agricultural Supplies Company, (BASAC).

3.7 Existing Source Of Finance

The existing sources of finance as perceived by the rural peasant are very important in determining which source to patronise in solving his credit needs and idiosyncrasies.

Table 11

Existing Source(s) Of Finance

Agency/Institution	No. of Families	% to Total
1. Family Savings	25	37.9
2. Coop. Fin. Agency	25	37.9
3. Friends	5	7.6
4. Money Lenders	3	4.6
5. Government Loan	2	3.0
6. Rural Banks	0	0.0
7. Others	6	9.0
Total	66	100

Source: As in Table 5.

Note: The total number of responses exceeds the total number of respondents due to multiple choices.

The existing sources of credit to farmers in the western zone is very revealing. It is evident that about 75.8% of the population had used either the family

savings or the Cooperative Financing Agency as source of finance for development needs.

Other financing agencies such as the rural banks, government loan outlets and money lenders have made little or no impacts in remote villages that lacked the necessary 'connections'. The rural banks had made a poor impact perhaps of their continued demand for collaterals which the peasant farmer was not in a position to offer any. Thus the rural banks may be more attracted to the 'worthy of credit' customers who lived in towns, than the small-holder peasant farmer who was characterised by 'illiteracy' and often found the banks' conditions, processes and procedures very cumbersome for his liking. Other factors making financing agencies not to be keen in financing peasant agriculture could be the (i) rate of interests, (ii) cost of administration and (iii) the risk factors involved.

3.8 Purpose-wise Future Financial Requirements

In order to have an insight into why the farmer needs future financial assistance, financial requirements are divided into five (5) purposes for convenience; based on the past loan utilized in the past 2-3 years.

Table 12

Purpose-wise Future Financing Requirements

Purpose	'Yes' No. of Family	% of Yes to Total
Buying Agric. Implement.	22	36.67%
Buying other Agric. Inputs	18	30%
Other Improvements	9	15%
Starting New Bus.	1	1.67%
On Agric. Labour	10	16.66%
Total	60	100

Source: As in Table 5.

Note: Total responses exceeds the total number of respondents due to multiple choices.

All our respondents have indicated their desire for finance for next 2-3 years. The purposes for such requirements are very divergent. However, the Table depicts the purpose for future financial requirements.

It is clear that 36.67% of our respondents desire future finance to purchase agricultural implements. This demand was closely followed by the need to purchase other agricultural inputs 30%. Only 1.67% desire future finance to establish new businesses besides farming. Similarly, 15% of our respondents that desire future finance was for farm improvement purposes such as land clearing and land conservation measures.

An interesting feature of the Table, was that the demand for implements and inputs which constitutes

the bulk of the purposes for future finance, might not be unconnected with the increasing costs of securing the inputs and implements. Farmers, often, had to travel far distances to towns to secure their inputs needs such as fertilizers and seeds on very poor roads. The distances and the poor roads made farmers bore enormous costs of transportation and handling.

3.9 Preference For Taking Loans From Various Sources

A multitude of reasons compeled loan beneficiaries into taking credit from particular source(s). For the purpose of our study, the various sources are classified into seven (7), as the major possible credit outlets existing in the westerng zone to the peasants in the villages.

Table 13

Preference For Source Of Loans

	Reasons				Agency Reasons
	Convenience	Less Interest Rate	Secrecy	All Reasons	As % to Total of all reasons
Family Savings	5	1	2	19	39.6%
Money Lenders	1	0	0	2	4.2%
Coop. Fin. Agency	1	1	1	22	46%
Friends	1	1	2	3	6.2%
Rural Banks	0	0	0	0	0
Govt. Loan	0	1	0	1	2%
Others	0	1	0	1	2%
Total	8	6	5	48	100%

Source: As in Table 5.

Note: Total number of responses exceeds the total number of respondents due to multiple choices.

Table 13 depicts which reason or a combination of reasons attracts the family to a particular source of finance. From the Table, it is clear that 5 or 63% of families that prefer loans because of its convenience utilize family savings. Normally no interest payment nor long negotiations needed. However, taking the reasons as a whole, about 22 or 46% of all respondents prefer the Cooperative Financing Agency as a convenient, less interest rate and secret source of finance for agricultural development which covers crop production, cattle fattening, grains marketing and cotton purchases loans. The Cooperative Financing Agency is closely followed by family savings with 19 or 39.6%.

This highlights that, the most satisfactory way of solving the credit and production requirements of small peasant producers was better through the medium of an efficiently run agricultural cooperatives which supplies planting material, fertilizers to its members and deducts the expenses incurred from the value of the members' crops delivered to it.

3.10 Financing Agencies' Loan Procedure/Staff Behaviour Pattern

Agency procedure and staff behaviour pattern has relevance as to how convenient a particular source was

to beneficiaries. Table 14 is thus divided into four (4) parts describing the different levels possible of an experience effects of beneficiaries who took loans in the past 2-3 years.

Table 14

Agencies Loan Procedure/Staff Behaviour

Opinion	No. of Families	% to Total
Very satisfactory	15	39.47%
Satisfactory	16	42.10%
Fairly Satisfied	6	15.80%
Not Satisfied	1	2.63%
Total	38	100%

Source: As in Table 5.

The Table looks at the role played by the different Agencies' staff in facilitating or discouraging farmers to have access to loans.

It is clear from the Table that 15 or 39.4% of our respondents were 'very satisfied' with their financial agency loan procedure and staff behaviour. Similarly, 16 or 42.10% were just satisfied, 6 or 15.80% were fairly satisfied. But only 1 or 2.63% were not satisfied.

We can be safe to conclude from our findings that since 75.8% of our respondents take loans from two main sources, namely family savings and Cooperative Financing Agency (See Table 14 above), the procedure and methods

of loan application, disbursement and collection adopted by these sources must be simple and easy for the peasant farmers' comprehension. The documents the Cooperative Financing Agency uses for example, are a loan list of applicants that was approved by their societies and unions which the farmer thumb-prints on against his name at disbursement. A loan agreement which the society and union officials are expected to sign when a loan is disbursed also accompanies applications. This procedure and documents are easy and simple for the understanding of the average peasant farmer.

This further confirms the suitability and relevance of the cooperatives as a more convenient and effective credit outlet to the rural farmers who are largely 'illiterates', if well organised and managed.

3.11 Preference Of Loan In Kind Or Cash

Farmers lack of adequate knowledge of the proper productive uses of credit may make them inclined to misuse loans or to borrow, when available, much more than they really need. The nature of loan a farmer prefers in Table 15 is classified into cash and kind.

Table 15

Preference Of Loan In Kind Or Cash

Nature of Loan	No. of Families	Percentage (%)
Kind	35	92.0%
Cash	3	8%
Total	38	100%

Source: As in Table 5.

Table 15, attempts to observe the preference of farmers taking loans in either kind or cash basis. The taking of loans in kind rather than cash was a strategy to ensure a proper utilization of loans and to protect the farmer against his natural inclination to use cash loans for purposes not related to his farming or venture needs.

From Table 15, it is seen that 35 or 92% of our respondents prefer loans in kind or a mixture of kind or cash, while only 3 or 8% prefer loans absolutely in cash only. The highly positive responses for loans to be in kind can be interpreted to mean that either farmers are genuinely interested in utilizing loans on farm inputs because of its meagre nature in their area, or that they often find it very difficult to secure the amount of inputs they want. Such inputs include fertilizers, herbicides and implements which costs as much as 50% more in the open markets than at the state's agricultural supplies company. Moreover, farmers had to travel long distances on bad roads for inputs which may not even be enough for their needs.

Our respondents also complained of delayed loans and will wish interest rates reduced. A sizeable of our respondents wish an increased repayment period, since most loans are not repaid out of agricultural outputs due to drought in the past 2-3 years.

3.12 Rural Infrastructure, Past and Present

The development of all-weather roads and farm tracks can be a major constraint to improving agricultural development in rural villages. Similarly, power and water supplied, health and nutrition and education all combine to make citizens both mentally and physically energitic to undertake any serious economic activity. Table 16 is classified into five (5) groups and attempts to discover any possible improvements in rural infrastructure as perceived by the population between the past 3 years and 1985.

Table 16

Ranking Of Services And Infrastructure In Localities

	3 years ago			In 1985		
	Good	Satis-factory	Poor	Good	Satis-factory	Poor
Roads and Communi-cation	2	13	22	6	17	14
Electricity	2	5	30	3	5	29
Water Supply	6	11	19	10	9	17
Health & Nutrition	6	17	14	11	18	8
Education	13	16	6	17	16	2
Total	29	62	91	47	65	70

Source: As in Table 5.

Note: Total number of responses exceeds the total number of respondents due to multiple choices.

Table 16 examined the relative situation of these rural infrastructure today and what obtains in the past 3 years when the BSADP just took off. From the Table, it is clear that a marginal improvement in roads, water supplies, health and educational facilities had taken place. In 1985, 47 or 25.83% of the population claimed that the infrastructure in their localities had improved over the past 3 years and are good. Also 65 or 35.71% claimed a satisfactory position of the infrastructural facilities while 70 or 38.46% claimed that there had been no changes and the infrastructural position are poor. In the past three (3) years, 29 or 15.93% claimed that their rural infrastructure was good. Also 62 or 34.07% claimed it was satisfactory, while 91 or 50% claimed that the infrastructural position was poor in the past 3 years.

Comparing the infrastructural facilities between the past 3 years and 1985 remains much to be desired. For example, in the past 3 years, 50% of the population claimed that the infrastructure was poor while in 1985 38.46% claimed the same poor situation. The meagre changes of the poor state of infrastructure in the western zone was only 50% - 38.46 (11.54%) over a three year period. In view of these responses, it is evident that the objective of the BSADP's road components, which was to provide basic access to community markets and farming areas has not been achieved. Apparently, the

BSADP has failed to make any appreciable impact in this direction in the zone. The marketing system in the zone had therefore not developed and farm produce wastages would continue unchecked while the rural peasants would have to continue getting an unequitable prices for their products. The net effect was unwilling default in loan repayments due to the poor state of infrastructure and drought.

3.13 New Technique And Farming Skills Adaptation

For the sake of this research, we have classified Table 17 into land use, farming methods and farm incomes and production so as to discover the extent new farming techniques and farm skills have been adapted over the past 3 years in the project area.

Table 17

New Technique and Farming Skills Adaptation

Land Use	Not Changed	Increased	Decreased	
Land under upland	3	3	2	
Land under Fadama	7	21	8	
Livestock holding	11	21	4	
Total	21	45	14 =	80
Farming Methods:				
Hand Simple Tool	15	3	18	
Work Oxen	28	8	1	
Tractor	26	2	9	
Total	69	13	28 =	110
Farm Incomes	3	28	3	
Crop Production	3	28	4	
Total	6	56	7 =	69

Source: As in Table 5.

Note: Total number of responses exceeds the total number of respondents due to multiple choices.

Table 17 depicts the changes that took place within the past 3 years in land use, farming methods and farm production and incomes. It is clear from the Table, that land under upland had not changed over the last 3 years according to three family respondents. However, another three claimed an increase while two claimed a decrease. By percentage of total respondents under land use 21 or 26.25% of the population perceived no changes in their land use. But 45 or 56.25% claimed had an increased land use within the past 3 years, while 14 or 17.5% claimed a decreased land use.

Table 2.13 reveals a different trend for farming methods within the past 3 years. Table shows that 69 or 62.73% of the population claimed that their farming methods had not changed over the past 3 years. The simple hand tools such as the hoe, work-oxen and the number of tractors at their disposal had not changed. However, 13 or 11.82% claimed had increased changes in their farming methods while 28 or 25.45% had experienced a decrease in the farming method.

Despite the claim by 62.73% of the population that the farming methods had not changed, 56 or 81.16% had actually claimed to have had an increased crop production and incomes within the past 3 years. A negligible 6 or 8.70% had not perceived changes in their crop production and incomes while 7 or 10.15% had a decreased incomes and crop production within the past 3 years.

Under the land use and farming methods, the Table confirmed that the existence of a proper system of land tenure was a pre-requisite for better methods of land cultivation, improvements and raising the standard of life of the rural peasant farmers. But the land tenure system in this area of the study, permits 'landlordism' and feudal relations to exercise control over land which although the land use had increased, the farming methods has not changed within the past 3 years.

Land under fadama cultivation had a marked increase according to twenty one of our respondents against only seven who have not experience any changes. Similarly livestock holdings had a marked increase which supported the BSADP Staff Appraisal Report No.3040a - UNI of 6/4/81; which claimed that "...western part of the state seem to be better suited to livestock development".

In view of the responses from the field, it can be asserted that the BSADP has succeeded in making an impact on increased crop production, incomes and land use but made little impact on the peasant farming methods. The BSADP should evolve a strategy towards the revolutionalising peasant farming methods.

It was generally perceived by our respondents that the farming methods comprising of hand tools, work oxen and tractors, have not changed over the past 3 years while few claimed have either decreased or

increased for the same period. We can attribute the lack of changes in the farming methods to the continued high cost of tractors and maintenance and increasing cost of oxen ploughs often above the means of the average peasant farmer. The Federal Department of Agriculture occasionally sales out oxens and ploughs to farmers at a heavily subsidised prices but were too few and often do not reach the real peasant farmers in the villages. Despite the lack of increase in land use generally, and the farming methods, production and incomes have increased over the last 3 years. This development could be attributed to higher prices offered for produce due to droughts and government encouragement in the marketing of farm produce.

3.14 Crop Insurance Scheme For Farmers

Risks arising during the course of agricultural production in most parts of the northern states posed a threat to the continued efforts of the peasant farmers. Table 18 was categorised into two parts so that the farmers' perceived importance of crop insurance scheme could be assessed.

Table 18

Crop Insurance Scheme For Farmers

Comments	No. of Respondents	Percentage
Yes	37	97%
No	1	3%
Total	38	100%

Source: As in Table 5.

Agriculture in the western zone of Bauchi State, continued to be plagued by the problems of weather, pests' attacks and diseases with the attendant low crop yields, crop failure and paucity of fodders for livestock. Table 18 examines the receptability of farmers to the possible introduction of crop insurance scheme to reduce the risk burden on peasant farmers.

As can be seen from the Table, 97% were in total support of the scheme, while only 3% do not support the idea. However, even among those who supported the introduction, have reservations on how it should be implemented. Many expressed the opinion that it should not resemble the present 'vehicle insurance premium schemes' with the attendant complexities and incesant delays in the payment of compensation claims. The BSADP could be of tremendous assistance in educating the farmers and negotiations with Insurance agencies when the scheme becomes operational. It should be a vital link between the farmers and the insurance firms because of the first hand knowledge of the problems and opportunities the farmer faces.

3.15 Awareness Of BSADP Operations

The Bauchi State Agricultural Development Programme is in its fifth year of existence since 1981. Table 19 was classified into 'yes' and 'no' to assess farmers' awareness of BSADP operations in their local enclaves.

Table 19

Awareness of BSADP Operations

Comments	No. of Respondents	Percentage to total
Yes	31	82%
No	7	18%
Total	38	100%

Source: As in Table 5.

Table 19 attempts to find out the extent farmers in the zone were aware of the existence of the Bauchi State Agricultural Development Project and its day-to-day operations. According to our findings, 82% of our respondents are aware of the existence of the BSADP, although a good number claimed that their awareness does not mean that they have received any meaningful benefits.

They knew of the existence largely through large signboards and input stores scattered everywhere with no inputs sold to them or that when available was very meagre to go round them for adequate usage.

3.16 Farmers' Perception Of BSADP And Purpose(s)

The population have different perception about a single activity. Table 20 was classified into seven (7) possible purposes of the BSADP as may be perceived by the rural peasants.

Table 20

Farmers' Perception of BSADP And Purpose(s)

Purpose	No. of Respondents	% to Total
Provide loan	2	3.08%
" Implements	7	10.77%
" Seeds	6	9.23%
" Pesticides	7	10.77%
" Extension Service	27	41.53%
No. idea of BSADP's Purpose	8	12.31%
Others	8	12.31%
Total	65	100%

Source: As in Table 5.

Note: Total number of responses exceeds number of respondents due to multiple choices.

Table 20 depicts how farmers perceived the purpose of the BSADP in their respective areas. As the Table shows, about 41.53% of our respondents perceived the existence of the BSADP to be the provision of extension service, while the remaining respondents almost equally share the view that the BSADP was established to provide pesticides and implements 10.77%. As much as 12.31% have no idea of BSADP's mission. In each case, however, there is the need for increased farmer education of the purpose of setting up the BSADP, so that they can tap the possible benefits of the programme.

3.17 Derived Farmer Benefits Of The BSADP

Table 2.17 was classfied into six (6) possible benefits the BSADP could offer to the population. The classification consisted of some main constraints to agricultural and rural development.

Table 21

Benefits From BSADP

Nature of Benefits	Yes	No
Water Supply	1	
Extension Service	7	
Improved Methods of Farming	4	
Provision of Inputs	3	
Provision of Implements	3	
Infrastructure	3	29
Total	21 (42%)	29(58%)= 50 (100%)

Source: As in Table 5.

Note: Total number of responses exceeds the number of respondents due to multiple choices.

The Bauchi State Agricultural Development Programme was established among other objectives to improve farm practices, improvement of extension work, farm inputs supply and access roads and marketing. Other primary aim was the improvement in the civil works such as rural water supply including livestock watering points.

Table 21 examines in which way the farmer has taken any benefit mostly. From the Table, the

peasant farmers took the least benefit in the area of improved water supply and followed by inputs supply and infrastructure. On the whole 21 or 42% of our respondents claimed to have taken one form of benefit or the other from the BSADP. About 29 or 58% have not received any benefit in any way from improvements in access roads of the BSADP. The BSADP should therefore address itself more to the rehabilitation and maintenance of roads in the villages.

3.18 BSADP Advice To Farmers

Table 22 classification contains the range of possible advice the BSADP had offered to farmers within the past 3 years in the areas of methods and farming techniques dissemination including the safety of chemicals, either using the media or personal contacts between officials and farmers.

Table 22

BSADP's Advice To Farmers

Nature of Advice	No. of Families	% to Total
Land use	11	12.09%
Use of Pesticides	20	21.98%
Use of Fertilizer	8	8.79%
Use of Agric. Implements	23	25.27%
Cropping Pattern	7	7.69%
Marketing Produce	4	4.40%
Animal Feeds & Disease Control	6	6.59%
Others	4	4.40%
Never Received Advice	8	8.79%
Total	91	100%

Source: As in Table 5.

Note: Total number of responses exceeds the number of respondents due to multiple choices.

From the Table, adequate advice has been received in the areas of use of agricultural implements, pesticides 21.98% and agricultural implements 25.27%. However, there is low level of advice received in areas of fertilizer usage 8.79%, marketing of produce 4.40%, and animal feeds and disease control 6 or 6.59%. Comparing the level of advice received by farmers from the BSADP with the benefits taken was not commensurate with efforts of the BSADP in techniques dissemination.

This can be attributed to the general lack of adequate availability of inputs and implements to put these acquired methods and techniques into practice; both in the right quantity, price and time, for any meaningful benefits to the farmers. The BSADP, therefore, has the duty of striving to synchronize its efforts of advice dissemination with inputs and implements provision to the peasant farmers in the villages where they are most needed.

3.19 Farmers' Perceived BSADP's Contribution To Agricultural Output And Income Levels

Table 23 attempted to mirror the perceived BSADP's contribution in raising farmers' farm output and income levels within the past 3 years.

Table 23

BSADP Contribution In Farm Output And Incomes

Comments	Respondents	% to Total
Yes	24	61.5
No	15	38.5
Total	39	100%

Source: As in Table 5.

As shown from the Table, 24 of our respondents representing 24 or 61.5% claimed that the BSADP had contributed in raising their farm outputs and incomes. About 15 or 38.5% claimed that the BSADP had failed to raise their output and incomes because they had taken no benefits.

It was interesting to note that even those farmers that responded favourably claiming the BSADP contribution, had reservations that such contributions was essentially through the media propaganda and extension staff contacts only. A good number claimed had never seen most of the inputs such as fertilizers, pesticides and herbicides in their farming locations within the past 3 years. This should be a challenge to the programme to improve in its distributory efforts of farm inputs and implements to the grassroot levels. Responding to the questions if the farmers favour a continuation of the programme, 31, of our respondents representing 79% recommended that the BSADP

should continue. Despite the recommendation for a continuation of BSADP, many made such a recommendation out of the belief that 'half-bread' is better than non. A few expressed a strong feeling that if the BSADP could be replaced with another more effective programme or extensively modified, they would have recommended its discontinuation.

From the 21% who recommended the discontinuation of the BSADP, some recommended the alternative of the cooperatives to undertake the advising function of the BSADP, and the provision of farm inputs and implements in addition to the duty of credit provision. Yet others recommended that Agricultural extension staff should be posted to stay with the farmers in the villages where there was no light and water nor inputs to appreciate their plights. They claimed that the stay of extension staff in towns had not helped them much in alleviating their problems.

3.20 Perceived Significant Contribution Of BSADP

Table 24

Most Significant Contribution Of BSADP

S/No.	Contribution	No. of Families	% to Total
1.	Increase farm production	11	15.7%
2.	Increased Income from Livestock	5	7.1%
3.	Motivated People to work	8	11.4%
4.	Helped in introducing new techniques of production and use of farm implements	23	32.9%
5.	Created Awareness for better way of life	12	17.1%
6.	No contribution	8	11.4%
7.	Others	3	7.4%
	Total	70	100%

Source: As in Table 5.

Note: Total number of responses exceeds the total number of respondents due to multiple choices.

Table 24 contains the farmers' perceived most significant contribution of the BSADP in their own villages.

From the Table it's clear that about 23 or 32.9% perceived the most significant contribution of BSADP to their area, to be the aid in the introduction of new techniques of production and the use of farm implements. This was followed by the rekindling ofawareness for a better way of life among farmers 12 or 17.1%. But of equal importance was about 11.4% who perceived the BSADP

as having made 'no contribution' whatsoever to their area. It was possible that these people live in the remotest parts of the villages that had not got into contact with the programme's operations.

3.21 Shortcomings Of BSADP

Farmers responses to the various short-comings of the BSADP in the western zone was diverse and often conflicting. However, majority felt that the most obvious short-comings related to its supposed objectives included: apparent failure in the areas of rural water supply, rural access roads and the provision of agricultural inputs. Another strong allegation of short-comings was the attitude of BSADP staff, who devoted much of their official time, resources and BSADP equipments such as tractors and spraying machines to developed their own personal farms and totally neglecting the rural farmers they are paid to attend to. Farmers also claimed that extension staff gave recommendations to their problems without visiting farms to assess the magnitude of situations before and after. Finally, many farmers claimed that extension and BASAC officials hoard scarce inputs such as prefered brands of fertilizers for their use and for important people of the villages.

The suggestions our respondents made range from the desire of extension staff changing their attitude of neglect of the peasant farmers and be more dedicated

to duty, to frequent postings and re-postings. Similarly, farmers strongly recommended that farm inputs such as fertilizers, seeds and credit should be made available at good times and prices. Tractors and implements for hire should be increased.

3.21.1 Conclusion

The responses received shows that the rural dwellers are far from being satisfied with the operational performances of the BSADP and financing agencies. The land under cultivation has not made any appreciable improvements during the past 2-3 years. Farmers still use the traditional farming techniques because either the new methods and techniques are expensive or very limited to go round. Food grains dominates the crops grown. This appeared to be because of the size of dependents on the family earning members. Food grains comprised mainly of sorghum, millet and cowpea, though for subsistance, it also generates income.

Loans taken during the past 2-3 years was largely utilized to finance the procurements of farm inputs - which was in short supply. Future financial requirements is to finance the purchase of farm implements and inputs. However, majority of the respondents would prefer future loans in kind. This is evident from the hardships encountered to procure these inputs due to the non-availability and difficult terrain in transportation.

In the light of the above, the BSADP and the financing agencies will have to evolve new strategies to improve the lot of the rural people, if they wish to justify their rural locations. Bauchi State Agricultural Supply Company, BASAC, should consider the widening of its farm inputs distribution network to open up the remote settlements and so discourage hoarding of essential inputs just to be resold at exhorbitant prices in the open markets.

The extension staff of the BSADP should live up to expectations in new technique and idea dissemination. While financing agencies need to evolve easier methods and lesser stringent conditions for effective utilization of loan facilities by the largely ignorant peasant farmers.

Chapter 4

ANALYSIS OF FINANCING AGENCIES' QUESTIONNAIRE

A substantial proportion of the peasant farmers in the project area, are 'illiterates' with little or no experience of the operations of financing agencies which have tended to make the processing of loan request rather difficult and their administration cumbersome. The high rate of dilenquency in the repayment of loan facilities by farmers, frequent crop failures as a result of drought and plant and livestock diseases, and the lack of trained manpower to process and monitor agricultural lendings in financing agencies are some of the problems thse agencies face in their efforts to meet the credit quota of the Federal authorities. Other issues include the interest rate structure on agricultural loans which does not generally take cognisance of the agencies' borrowing and deposit rates, and the lack of proper records of operations by most farmers which are necessary for successful loan applications.

4.1 Financing Agencies In Western Zone

The Financing agencies that responded to our questionnaires agreed that they have a short history in the western zone of Bauchi State. Before 1976 when the state was created majority of them had no branches in the western zone. By 1976, only three out of the nine had branches in the zone. But by 1981 and 1983 there was a sudden rush to open up branches in the zone, which our respondent agencies agreed was largely to comply with the Central Bank's (CBN) directives that all commercial banks must go

rural by opening up allocated number of branches across the country. In addition to this objective, one of the respondent agency went rural, because it was chosen by the BSADP to be the main source of agricultural production credit for cooperative small-holders in the zone. Yet another opened a branch in the zone, to bring agricultural loan facilities to the door-steps of the rural farmers.

Table 25

Financing Agencies In The Zone

Financing Agency	Year Branch Opened	Number of Employees	% to Total
NACB Ltd., Bauchi	1976	18	9.00%
Min. of Trade & Industry (Comm. Division) Bauchi	1976	36	18.00%
Min. of Trade SSICS Division Bauchi	1976	34	17.00%
CFA Ltd Nabordo	1981	11	5.50%
U.B.A. Ltd Bauchi	1981	30	15.00%
BCCI Ltd Bauchi	1983	15	7.50%
IBWA Ltd Bauchi	1983	20	10.00%
NAB Ltd Bauchi	1983	25	12.50%
BON Ltd Gumau	1984	11	5.50%
Total		200	100%

Source: Computed from Questionnaire for Managers.

Table 25 depicts our respondent financing agencies with the year they opened branches in the western zone. The Table also contains the approximate number of staff

in each of the branches. There were a total of about 200 workers in the nine branches. Three financing agencies were opened in 1976 with a total of 88 workers. This represented 44% of employees of financing agencies that were in employment by 1976. Similarly between 1981 and 1984, six branches were opened, which implied that about 56% of financing agency employees were employed by 1984. This indicated how recent financing agency operations effectively came to western zone.

4.2 Status Of Financing Agency Office

The Financing agencies had different mandates in the opening up of branches. Table 26 depicts the different status of our respondents. The status varies from loan office, deposit-cum-loan office, monitoring office to a combination of all.

Table 26

Status of Financing Agencies

S/No.	Agency Status	Number	% to Total
A	Loan Office	1	11.11%
B	Deposit-cum-loan-office	1	11.11%
C	Monitoring office	2	22.22%
D	All the above	5	55.56%
	Total	9	100.00%

Source: As in Table 25.

It is clear from Table 26 that five (5) out of the nine respondents or 55.55% had the status of a loan office, deposit-cum-loan office and a monitoring office. This meant that these branches not only take deposits from the public within which they operate, but also gave loans and monitor such loans for proper utilization. The branches had experts who supervised projects for proper executions. Agencies found that supervision tended to encourage beneficiaries of loan advancements attend desired levels of expectation, thus making the loans "self-liquidating".

Two of the nine agencies had their branches only as monitoring offices 2 or 22.22% with loans given out of headquarters or other offices outside the zone. Finally, two other were either loans or deposit-cum-loan offices with virtually no experts for monitoring activities.

4.3 Other Objectives Of Financing Agencies In The Zone

Besides the main objectives of complying with the Central Bank's directives of going rural, financial agencies in the zone had other objectives of opened branches. Table 26 depicts four other important objectives.

From Table 27, 38.46% of our respondents had the objectives of inculcating banking habit within the communities they are located. Also 30.77% opened up branches because they were profit motivated. As few as 15.39% had their

branches opened to bring agricultural credit to small-holder farmers for effective utilization and to assist industrialists.

Table 27

Other Objectives Of Financing Agencies In Zone

S/No	Objectives	Agency number	% to Total
A	Profit motivated	4	30.77%
B	Inculcate Banking habit	5	38.46%
C	Agricultural credit to small-holder farmers for effective utilization	2	15.39%
D	Assist small Industrialists	2	15.38%
	Total	13	100%

Source: Same as in Table 25.

Note: Number of responses exceed number of respondents due to multiple choices.

4.4 Physical Facilities For Financing Agencies

From the sixteen questionaires sent out to the identified sixteen existing financing agencies, only nine were completed and returned. The feed-back revealed much data about the financing agencies.

Table 28

Physical Facilities For Financing Agencies

Nature of building	Number	Adequacy	Number
Owned	3	Adequate	7
On Lease	1	Inadequate	2
Rented	5		
Total	9		9

Source: Same as in Table 25.

Table 28 depicts the physical facilities of financing agencies as a possible pre-requisite to the proper pursuance of their main and other objectives.

We observed that (5) five of the agencies had their building facilities rented and (3) three actually owned the office blocks, while only one occupied its premises on lease basis. However, of the nine branch agencies, seven claimed that the physical facility was adequate, while only two had no adequate facility yet. The two agency branches claimed that besides buildings, lights, roads and water were still constraints.

The area of operations of these agencies was generally not specific. But from contacts with key officers, each attempted to state an approximate area of coverage. Five claimed to operate covering the whole state, although the bulk of their operations are within the zone. This followed the fact that the five financing agencies had only one branch each in the state. The estimated population of Bauchi state was four million. The remaining four had their operations mainly within the western zone with an estaimated population of 1.8 million.

From all indications, it was clear that either the financing agencies were not sufficient or the existing branches were inadequately staffed or both. More branches should be opened or recruit enough qualified staff to reduce the density ratio.

4.5 Deposit Mobilization And Incentives Schemes

Financing agencies that operated as a deposit offices, could introduce schemes and incentive measures to achieve results. Table 29 displays deposit holdings of respondent agencies and their structute. Out of the nine respondents only four completed this portion of the questionnaire on the assumption of a classified information.

We, however, observed that from the five agencies that completed this portion of the questionnaire, two had deposit savings of between 0 - 25% of their total deposit holdings. Two others had savings of between 25-50% of total deposit holdings while only one agency had as high as 75% of deposits in savings. Two financing agencies provided house savings and loan schemes to the population. The four, offer incentive schemes of interest rate adjustments as directed by the Central Bank from time to time. One agency claimed that as an incentive for deposits do give out gifts such as calendars to customers.

Table 29

Deposit Mobilization And Incentive Scheme

Nature	Savings	Fixed Deposits	Current
0 - 25%	2	1	0
25% - 50%	2	3	3
50% - 75%	0	0	1
75% +	1	0	0
Total	5	4	4

Source: Same as in Table 25.

Similarly three financing agencies had as much as between 25 - 50% of their total deposits in fixed deposits, while only one had fixed deposits of between 0 - 25% of the total deposit holdings. Finally, we equally observed that three Agencies had deposits on their current Accounts of between 25 - 50% of their total deposit holdings, while only one Agency had as much as 50 - 75% of deposits in the current accounts of its customers.

The implications of this finding, suggests that those agencies with greater deposits in savings and fixed deposits are most likely to finance viable investments with longer maturity periods than those with greater deposits in the current accounts. The financing agencies' deposit structure shows that the population are becoming increasingly aware of the benefits of savings. The writer's contact with the managers however showed that most savings generated was by small traders, employees of government and government and private organizations.

4.6 Processing Of Loan Applications

Table 30, depicts the average time it normally takes an agency to appraise, approve a loan proposal. Since most of the financing agencies in the zone were opened in the 1980s, only a limited number of project proposals were received, appraised or rejected.

However, from Table 30 and information obtained from personal contacts of the writer with managers, the time period varies alot with the type of loan and how soon important information were supplied by clients to the agencies. The time vary between 0 to 6 months. The

agencies claimed to make loans available at the earliest convenient time for the loanee. But the farmers were not fully aware of the existence of loan facilities and most of the financing agencies wait for the farmers to make the initial contacts.

Six agencies or 75% take less than (3) three months to process applications. Most small-holder schemes fall in this category, such as seasonal credit to farmers. Two (2) agencies or 25% take as long as 3 - 6 months to process a project of a relatively medium or long term involvements. Such loan applications are often referred to agency headquarters for final veting. Recently, whether a project is a short, medium or long term investments, there is an increasing management consideration of experts' comments.

Table 30

Processing Of Loan Applications

Average length of time	No. of Agencies	% to Total
Less than 3 months	6	75%
3 - 6 months	2	25%
6 - 9 months	0	0%
9 months +	0	0%
Total	8	100%

Source: Same as in Table 25.

4.7 Purposes-Wise Assistance Granted

Loans to the rural areas of the western zone, are expected to be agricultural loans since about 80% or more

of rural peasants engage in farming as means of livelihood. Table 31 seeks to establish what proportion of loans went for buying seeds, farm implements, tractors, machinery, cottage industry and others.

The Table depicts that two financing agencies received loan applications for the purchase of seeds and fertilizer which were appraised and granted loans of different sums in the past two (2) years. This represented 16.66% of total loans granted for the same period as assistance of agriculturally related purposes. Machinery loans have 25% or 3 agencies that gave loans for the purchase of machinery, while 16.67% agencies each had specifically granted loans for the purchase of tractors and farm implements. It is interesting to discover that loans for the purchase of machinery and cottage industry were each under the agricultural credit guarantee scheme. The various amounts involved in these loans were not disclosed by the financing agencies.

Table 31

Purposes-wise Assistance Granted

S/No.	Purpose of Assistance	Number	% to Total
A	Purchase seeds and Fertilizer	2	16.66%
B	Farm Implements	2	16.68%
C	Tractor and others	2	16.66%
D	Machinery	3	25%
E	Cottage Industry	1	8.33%
F	Others	2	16.67%
	Total	12	100%

Source: Same as in Table 25.

Note: Number of responses exceeds number of respondents due to multiple choices.

The general trend appears discouraging as few loan proposals fullfilled the strict conditions of most of the agencies. The financing agencies should be made to lessen their conditions so as to participate effectively in rural development efforts. The loan procedures including the demand for collaterals, must not be made to discourage prospective and serious minded investors. Also, loans should be given along with adequate assistance in terms of advice and guidance in execution to ensure prompt recovery.

4.8 Type of Securities Acceptable

Financing agencies often take strict precautionary measures to reduce the amount of losses from their loan advancements, by way of acceptable securities for loans granted. Loans granted, especially to agriculture have had high chances that hazards could make crop yields poor due to exogeneous variables such as poor rainfall and pests. It is not a surprise therefore that none of the agencies take crops as security for loan proposals.

Table 32

Type of Securities Demanded

S/No.		Number of Agency	Percentage
1.	The crops	0	0%
2.	Buildings and Immovables	5	26%
3.	Self Recognition	4	21%
4.	Land	3	16%
5.	Guarantors	6	32%
6.	Others	1	5%
	Total	19	100%

Source: Same as in Table 25.

Note: Number of responses exceeds number of respondents due to multiple choices.

Table 32 displays the various type of securities demanded by the financing agencies operating in the western zone. From the Table, five (5) or 26% of our respondent agencies demand buildings and other immovables as security for loans. Four or 21% grant loans in self-recognition and intergrity of applicants. Investigations showed that loans granted in self-recognition of applicants were mostly of the cooperatives small-holder schemes. Three or 16% of the financing agencies that completed the questionnaire demand land titles of the loanee as sufficient security. Essentially, securities depended upon their value and the probable chances of defaults. A striking discovery was that as many as 6 agencies or 32% favour guarantors especially governments and wealthy individuals.

The implications are that, the peasant farmers were neither in a position to offer land titles and buildings nor successfully solicit the government as guarantor. Thus the small-holders had obvious shot-comings in loan utilization despite the Central Bank's recent policies to boost credit for agriculture. The alternative which was feasible was for the peasant farmers forming cooperatives to strengthen members' bargaining power with the financial agencies and governments.

4.9 Mode Of Re-payments Of Loans

The mode of loan recovery depended on the nature and amount of loan involved, according to investigations by

the writer. A loan to a farmer, for example, depending on his past and present financial performance and standing as well as the amount involved, expected repayments may be annual at the end of the cropping season. Generally loans for the production of crops attract between annual and bi-annual repayments.

Table 33 shows how often financing agencies expected loan repayments within the past 3 years. As shown 4 or 50% expected loan repayments to be quarterly, 2 or 25% claimed an annual repayments while 1 or 12.5% had a bi-annual loan repayments agreements.

Table 33

Mode of Repayments of Loans

S/No.	Frequency of Instalmental	Number of Agency	% to Total
1.	Quarterly	4	50%
2.	Half Annually	1	12.5%
3.	Annually	2	25%
4.	Others	1	12.5%
	Total	8	100%

Source: Same as in Table 25.

Our respondents indicated that quarterly repayments were largely for medium and large loans. But peasants' crop lending schemes are repaid at once and in full at the end of the year, when most crops must have been harvested. Normally, it was at that time that the peasant farmers had money because much of the harvests were sold out due to lack of storage.

It would therefore be sugested that under all circumstances, priority should be given to the supply of credit for maintaining and increasing the repayment capacity of the borrowers. Hence, more attention could be given to the provision of credit in kind than was actually practised by a number of financing agencies in the western zone. Similarly, it was the opinion of the writer that financing agencies should support crop insurance scheme for farmers when introduced. The scheme would help in the repayments of loans in the event of crop failure.

From our investigations, financing agencies in the zone, were discovered not to charge any 'penal' interest for overdue loans nor provide any form of incentives such as a rebate for early repayments to encourage quicker and prompt repayments. The writer was of the opinion that a form of 'penal' interest for overdue loans be charged and appropriate rebate on loans paid for prompt repayments. These measures could instil discipline to beneficiaries.

Out of the nine financing agencies that responded, none had so far written-off any bad debt within the past 3 years. Commercial agencies in rural areas insisted on collaterals before loans were granted. But the cooperatives financing agency does not. Instead, demand members to be jointly and severally liable for all unrepaid loans. No new loans until old ones are repaid in full.

Table 34

Interst Rate Structure

S/No.	Rate of Interest	Number of Agency	Percentage
1.	0 - 5%	1	14%
2.	5 - 10%	4	57%
3.	10% +	2	29%
Total		7	100%

Source: Same as in Table 25.

The issue of interest charges on the different types of loans granted by Agencies was a complex one. At the moment interest charges was being regulated by the monetary policies of the Central Bank of Nigeria. Financing Agencies in the zone charged interest on Agricultural loans based on the maximum rate pegged by the Central Bank at 9%. However, our finding showed that financing agencies claimed that 9% was too meagre in view of the risk element involved. The poverty of peasant farmers, the illiquid character of the collaterals which they provide, if, any, and the complete dependence of agriculture on the whims of nature, made risks enormous.

Table 34 shows that 57% of our respondents charged between 5 - 10% while 29 charged 10% and above and only 14% charged 5% or less. It was generally discovered that Financing agencies charged rates within the limits set by

the Central Bank. Rural Banks however criticised the Central Bank for not honouring its obligation under the Agricultural Credit Guarantee Scheme.

The writer is of the opinion that the governments should continue to subsidise loans, since the rate of interests financing agencies will wish to charge are based on their 'cost price' which are deemed to be higher than what the average farmer can afford to pay.

Table 35

Level of Loan Recovery

Satisfied	Agency Number	% to Total	Reasons if 'No'	Agency Number	% to Total
Yes	3	43%	Drought	2	28.56
			Epidemics	1	14.29
No	4	57%	Unwillingness to Repay	1	14.29
			Lack of proper loan utilization	3	42.86
Total	7	100%		7	100%

Source: Same as in Table 25.

Table 35 attempts to study the satisfaction or otherwise by financing agencies, the level of loan repayments. The Table shows that 43% of our respondents were satisfied with the level of repayments of loans granted in the zone, while as many as 57% felt that they were not satisfied and that something had to be done. Among the possible reasons given by the financing agencies for the failure of loanees to make prompt repayments were

drought and Epidemics or 42.85% which were beyond the control of the loan beneficiary. Another relatively strong reasons was the lack of proper loan utilization by loanees either because of the difficulty of getting such loans and so not sure of a second time, or that the Agencies were not properly staff to supervise the loan utilization.

Table 36

Other Services

S/No.	Other Services	No. of Agencies	% to Total
1.	Printed literature in local languages	4	15%
2.	Cooperation from government	7	27%
3.	Experts Advice in loan Processing	8	31%
4.	Supervision of loan utilization	7	27%
	Total	26	100

Source: Same as in Table 25.

Note: Number of responses exceeds the number of respondents due to multiple choices.

Table 36 attempts to examine the extent other services were provided, by financing agencies.

From the Table, only 15% of our respondents print any form of literature in the local languages in the zone, to enlighten prospectus loan applicants. Also

27% of our respondents claimed adequate cooperation from government and government agencies in loan supervision. Out of the nine financing agencies, about 31% consider and utilised various expert advice in the processing of loans. But as low as 27% claimed that loans utilization were properly supervised by them.

These findings confirmed the following:

a) Since financing agencies do not provide much literature to highlight their operations, the peasant farmers in the villages may not be informed of the services being offered, Television advertisements does not reach the rural farmers.

b) Loan supervision by rural banks was not adequate because of the huge amount of field work necessary to verify loan applications, to supervise the spending of the money disbursed and to recover loans. These activities have to be performed to clients scattered over wide and remote areas.

It can be suggested, therefore, that commercial banks can as an interim measure give loans, for on-lending, to state Agencies such as the Cooperative financing agency, which deals with small-holder farmers and whose cost of operations are continually being subsidised by the state government and the Bauchi State Agricultural Development Programme, (BSADP).

4.10 Summary

Financing agencies in the western zone were recently established largely to comply with the Central Bank's directives to go rural. Most of these agencies have the status of a full commercial bank, although few had experts in the field of agriculture to offer advice. Majority of the physical facilities of the agencies were rented but adequate. The structure of deposit holdings showed that the population is fast developing the banking habit to save, although mostly done by traders and government employees.

Loans granted by the financing agencies in the zone indicated that agriculture had received less priority in the past 3 years than other sectors. This was partly as a result of hazardous nature of agriculture in the zone, the lack of acceptable securities to offer by small-holder peasant farmers and the ignorance of the farmers to the loan facilities the agencies had. Financing agencies' interest charges was in conformity with the ceilings pegged by the Central Bank (CBN) of Nigeria. Loan repayments to agencies within the past 3 years was made largely quarterly. Repayments were not satisfactory and agencies felt that the authority should discharge its obligations under the credit guarantee scheme to re-establish the confidence the agencies had in the scheme due to large default situations.

Chapter 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Agriculture has for long been the backbone of Nigeria's economy and the biggest employer of labour in the country before the oil 'boom'. From independence when agriculture was the main foreign exchange earner to the present time when it cannot feed the population, so many agricultural policies have been implemented with little success to raise production. Despite the fact agriculture has continued to receive priority attention in the allocation of funds especially under the Third and Fourth National Development Plans, what appeared to be lacking is the right policy with which to apply the Funds. Much emphasis was without regard to our agricultural culture.

It was against this background that the Agricultural Development Project (ADP) strategy was formulated to stem the decline in food production and arrest the mass food importation trend. The Bauchi State Agricultural Development Programme (BSADP) was based on an expanded enclave project at Gombe which was successful in increasing food production of the average farmer.

Since the inception of the BSADP as a state-wide programme in 1981, the adopted policies proved to have been contributing in the effort to increase agricultural production in the state. The role of the Bauchi state

government in agricultural Development of the state has been that of a facilitator giving support and encouragements, to procedures such as making available the necessary inputs and advice. The main objectives of the BSADP was making land available to genuine interested farmers, assist in land development and farming, and farmer education such as farming techniques and methods. Other areas of concern are irrigation, fisheries and infrastructural developments.

The implementation of the BSADP was seen as the most appropriate vehicle for an effective national smallholder programme which possessed the institutional capability to deliver services to the farmers. The importance of the small-scale farmer to food production has been recognised. This category of farmers constitute some 85% of the farming population of the state.

With this background in view, the objective of the study was to examine the role of various Financing agencies operating in western zone with special reference to the BSADP programme. It was also thought to pin-point the short-comings in the programme and suggest measures for improving the programme of the BSADP including the Financing agencies to become a real catalyst of economic changes.

In order to measure the performances of the BSADP and Financing agencies, our working hypothesis was deviced to test their performances.

BSADP And Financing Agencies Operations In The Western Zone

The BSADP, western zone is one of the zones where the BSADP operations was being undertaken since when it went state-wide in 1981. The zone covers four local government areas of Bauchi, Dass, Tafawa Balewa and Toro, with the administrative headquarters at Na-bordo. Within the zone there are some sixteen financing agencies who, from all indications had a short history of existence. Majority commenced operations around the early 1980s when the Central Bank's rural banking scheme was being implemented.

The feed-back from the set of questionnaires sent to farmers showed that majority of families have large dependent members who do not undertake any economic activity. Similarly, about 71% of the families we interviewed showed that they have no formal education. This has a direct relationship to the receptability of new farming techniques and methods. The sizes of land under cultivation has not changed very much during the past 2-3 years. Also the farming techniques and methods has not improved. Farmers attribute the lack of improvement to the attitude of the extension staff and the general scarcity of implements, equiptments and inputs including the deplorable state of infrastructure in the project area.

Majority of the farmers interviewed showed that they have taken loans which was used essentially to buy

fertilizers. The most significant sources of finance to the peasant farmers has been family savings and cooperative Financing agency. These sources were patronised because of the convenience, ease and secrecy of obtaining the loans. Our investigations also showed that as many as 92% of farmers have expressed desire to get loans in kind. This highlights the seriousness of the scarcity of farm inputs particularly in the remote farming locations of the zone.

In response to how farming risks as a result of the weather, pests and diseases etc. are to be averted, farmers welcome the introduction of the Crop Insurance Scheme, but should be simple, un-complicated and devoid of exploitative profit motive and tendencies.

On the awareness of the BSADP, farmers are very much aware with its existence but not as a result of any significant benefits they haven taken in the past 2-3 years. Farmers perceived BSADP's purpose as essentially to provide extension service. Even then, they feel extension officers do not readily make themselves available in remote villages. Those who are seen are often busy attending to their own needs and advice given are without a first hand experience of complaints by farmers. Inputs and implements do not reach the peasant farmers, which they claimed was unfairly restricted for the use of offcials and influential people mostly.

The apparent short-comings of the BSADP in the zone has been in relation to its principal objectives. A substantial percentage of our respondents claimed that the most obvious short-comings is in the area of rural water supply, rural access roads and the provision of agricultural inputs. Others are the misplaced priorities of the extension staff, who devouted much of their official time, resources and equiptments to developed their own personal farms neglecting the rural farmers they are paid to serve.

On the whole therefore, farmers in the zone are largely not satisfied with the operations of the BSADP and the financing agencies in the efforts to trigger a meaningful rural uplift. This assertion was without prejudice to the fact that financing agencies have not done well enough in the area of making loans available to peasant farmers. A multitude of reasons could be attributed which include the relatively recent history of financing agencies in the zone, lack of adequate campaign to educate the farmers of facilities available and the complicated nature of security demanded by the financing agencies which the farmers are not in a position to provide. The farmers have also complained of the lack of understanding of the complicated techniques and procedures being adopted by the financing agencies while granting assistance.

Farmers are also not familiar with the various financing schemes being offered by the Financing agencies in the zone.

Conclusion

From the investigations we have made so far, and the data analysed, a fairly accurate conclusions could be drawn:

(a) That the flow of credit has reached the rural areas, although not at the right quantity and time needed by the rural peasant farmers. The main sources of their credit needs was essentially from family savings and the Cooperative Financing Agency. The rural commercial banks have not yet made any appreciable impact.

But such a flow has not triggered any meaningful economic activities. The Livestock Production Unit (LPU) and the Cooperative Financing Agency Cattle Fattening Schemes if on a fairly wider scale could have help in sustaining a continuous chain of economic activities during the dry season when most hands are idle.

(b) Investigations confirm that most financing agencies operating in the western zone operate on the orthodox banking practices. They provide financial cover to clients who do not really need to be catered for, and do so only when clients do not face adverse financial conditions.

Because of the wide-spread illiteracy in the project area and the lack of securities demanded by financing agencies, credit flow to the rural areas is very limited. The major bottleneck to such a situation is the general lack of innovation in the collaterals demanded to suit the farmers credit situations by financing agencies.

Another bottlenectk and constraints for the flow of credit for the rural development of the zone is the attitude of the banks towards entrepreneurs. The Financing agencies ought to change their attitudes by chasing and helping the entrepreneurs develop businesses and economic activities instead of waiting for proposals to be lodged with the agencies all the time.

Recommendations

The recommendations listed below are those the writer feels if fully implemented will help accelerate the rate of rural development of the western zone and the state in general.

A. Government

1) Our investigations showed that the zone is producing large quantities of vegetables especially tomatoes, peppers and onions mostly around the Dass area. There are also potentialities for the production of other vegetables. It is therefore desirable that action commences towards the setting up of a tomato and vegetable industries in the zone.

This will greatly reduce wastages because they are perishables, create and boast economic activities and revenue for the government in the zone. The Financing agencies, wealthy individuals and the government should address their efforts towards this aspect of rural development.

2) During the start period of any agro-based venture, tax concessions should be offered by the government, until such businesses are on a sound footing.

3) A definite action should be taken to organise marketing operations for farms and livestock products in the zone and throughout the state; with a view to ensuring that farmers despose off their farm produce at economic prices, through the cooperation of the various agencies of the BSADP.

4) Since the western zone has been identified as a good livestock development area, the government with the active assistance of the various Financing agencies should set up livestock ventures such as dairy farms, Fattening and Breeding ranches, small ruminant farms, poultry farms etc. required basic inputs needed by starter livestock owners to go into livestock raising.

5) In order to encourage farm mechanization and new farming techniques within the zone, special provision should be made for the availability of spare parts for the maintenance and repairs of plants, equipments and implements.

B. Bauchi State Agricultural Development Programme, (BSADP)

6) The major organ of the BSADP, for the distribution of inputs is BASAC. A main failing of this organ is the inadequate timing of the availability of essential farm inputs. Therefore a relevant recommendation would be for

BASAC, with the active assistance of the government through BSADP, to attempt a one year overlap in input procurement and distribution. The management of BASAC may require a detailed evaluation for increased efficiency.

7) We recommend that at the end of BSADP effective life, the programme need be replaced by other equally capable agencies with the continued local farmer involvement. It will be desirable that the BSADP should not be scrapped at the expiration of its planned life.

8) The BSADP should re-assess its priorities in the zone with the hope of a serious improvements in the areas of rural water supply, rural access roads and the provision of agricultural inputs at a much wider network than before.

Despite the 'WAI' phases, the Programme need to constantly rebuke its officials to pay greater attention in the service of the local farmers they are employed to attend to.

9) We also recommend that the BSADP should be re-evaluated with a view to examining in detail the socio-economic impact it has created/likely to be created in the project area. It was not possible for the writer to go into the various facets of the programme in detail due to the numerous constraints including finance and time.

C. Financing Agencies

10) Our working hypothesis has been well proved, that there is inadequate financial support in the rural areas of

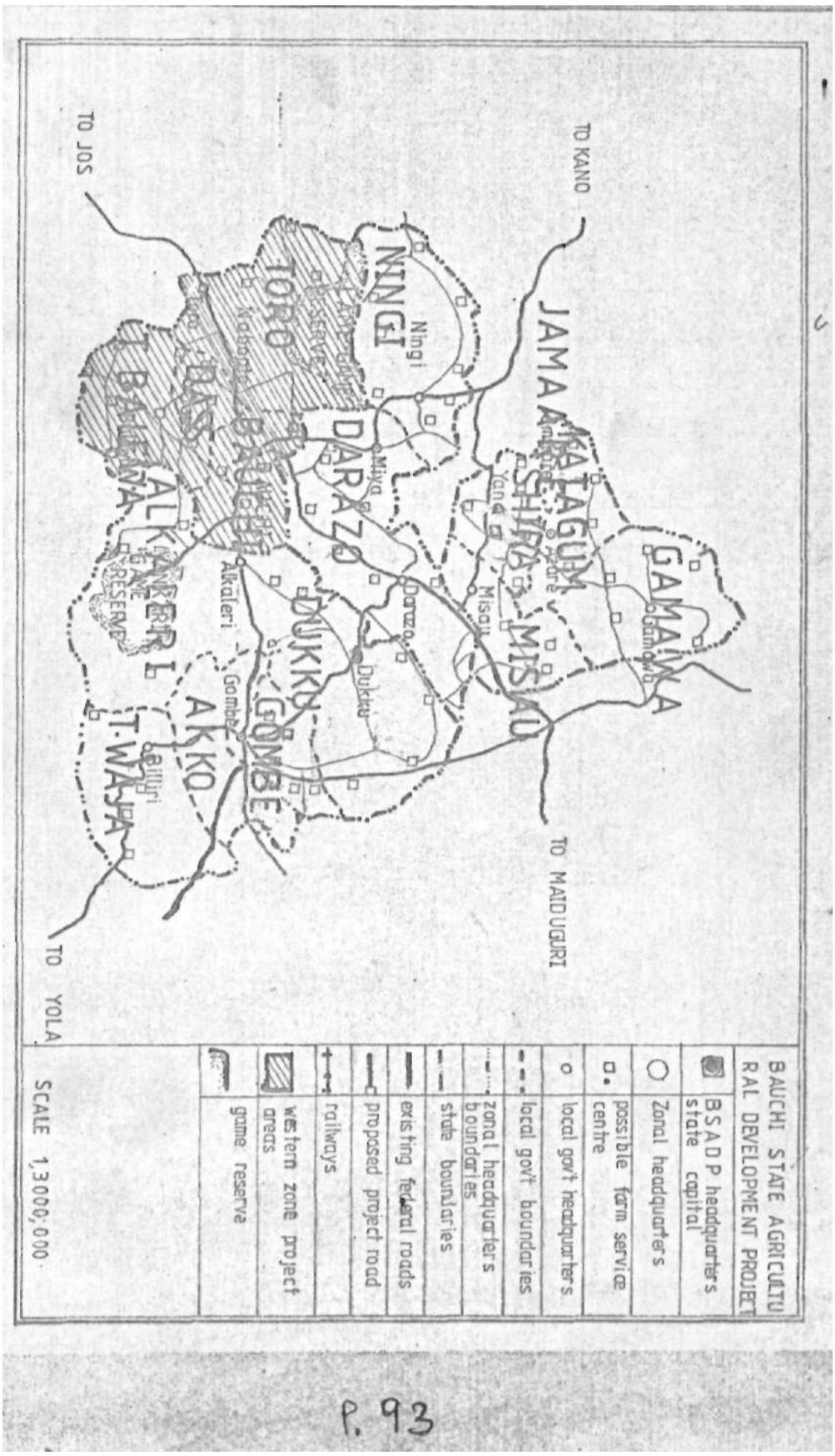
the western zone. Therefore, the financing agencies should evolve a credit strategy for the rural areas which meets the total credit needs; thus for both production and consumption needs, instead of only filling up the gaps in respect of the so-called productive needs.

11) In order to mobilise deposits particularly from the lower stratum of the society, Financing agencies should create the banking awareness and improve their communication system, through new marketing techniques.

12) Commercial banks should not only confine their activities to meet the present demand of the existing clients, but always strive to generate the credit demand by developing bankable projects.

13) Bankers should train their staff in processing loan applications in such a way and manner that applications are speedily processed and loans granted to farmers with the least delay possible.

APPENDIX 1


TO KANO
TO MAIDUGURI
TO JOS
TO YOLA
JAMA'ARE
KALAGUM
SHIRA
MISAU
GAMAWA
NINGI
Ningi
TORO
DARAZO
Darazo
DUKKU
Dukku
GOMBE
Gombe
AKKO
Alkaleri
BALANGA
T. WAJA
Bauchi
Miya
Misau
Yana
Gamawa
Kaborofa
RESERVE
GAME RESERVE
BAUCHI STATE AGRICULTURAL DEVELOPMENT PROJECT
BSADP headquarters state capital
Zonal headquarters
possible farm service centre
local govt headquarters
local govt boundaries
zonal headquarters boundaries
state boundaries
existing federal roads
proposed project road
railways
western zone project areas
game reserve
SCALE 1:3000,000

c/o The Postgraduate School,
Dept. of Business Administration,
Ahmadu Bello University,
Zaria.

April 1, 1985

Dear Sir,

QUESTIONNAIRE ON "THE ROLE OF FINANCING AGENCIES IN RURAL DEVELOPMENT, (A CASE STUDY OF BAUCHI STATE AGRICULTURAL DEVELOPMENT PROGRAMME (BSADP) WESTERN ZONE)

I am a student of the MBA (Master of Business Administration) Programme of Ahmadu Bello University, Zaria; for the 1984/85 Session.

I am writing my project on "The Role of Financing Agencies in Rural Development (a case study of BSADP, Western Zone). I, therefore enclose herewith, a copy of the questionnaire drawn up about the topic, which you should please complete, noting the following:-

a) Mark a tick or write where appropriate.

b) Early return shall be highly appreciated, please.

c) Your opinions, views and responses are strictly confidential as the result will be reported as a group data without any reference to you or any other. So, please, complete as frankly as possible.

Any questions about this project should be sent to the above address.

Thank you for your anticipated co-operation.

Yours faithfully

(Sgd)

DATTI Baraya Dauda

APPENDIX 2

TOPIC:

THE ROLE OF FINANCING AGENCIES IN RURAL DEVELOPMENT
(A CASE STUDY OF BSADP, WESTERN ZONE)

QUESTIONNAIRE FOR MANAGERS

Note:

Please put a tick or write in the space provided.

Part A

1) Name of the Financing Agency _____

_____

2) Name and location of Branch Office _____

_____

3) Date Branch Office was opened _____ Day_____

Month_____ Year _____

4) Number of employees in the Branch Office_____

5) Name of status of Branch Office _____

(a) Loan Office ☐

(b) Deposit-cum-loan office ☐

(c) Monitoring office ☐

(d) All the above ☐

6) Specific known objectives of opening the branch office

_____

_____

(Please specify if any) _____

7) Nature and adequacy of Agency facility e.g. Building; transport etc.

(a) owned ☐

(c) On lease ☐

(c) Rented ☐

(d) Adequate ☐

(e) Inadequate ☐

8) Approximate area of operation of your office i.e. Number of villages/LGAs/BSADP Dev. Areas etc.

(Please state) _____

_____

9) What is the approximate population of the area of operation?

Part B

1) Do you take Deposits?

Yes ☐ No ☐

If 'Yes' what is the nature of deposit accounts:

(a) Savings

i) 25% ☐

ii) 25-50% ☐

iii) 50-75% ☐

iv) 75%+

(b) Current

i) 25% ☐

ii) 25-50% ☐

iii) 50-75% ☐

iv) 75% ☐

(c) Fixed Deposits

i) 25% ☐

ii) 25-50% ☐

iii) 50-75% ☐

iv) 75%+ ☐

2) Amount outstanding on December 31:

1983 and 1984

(a) Savings ☐ b) Savings ☐

Current ☐ Current ☐

Fixed ☐ Fixed ☐

3) Any target fixed for deposit mobilization: 1983 and 1984?

Savings ☐ Savings ☐

Current ☐ Current ☐

Fixed deposits ☐ Fixed deposits ☐

4) Reasons of short-fall or otherwise, please specify

1. _____

2. _____

3. _____

4. _____

5) Any incentive given or deposit mobilization scheme introduced? Yes ☐ No ☐

If yes, please specify the scheme _____

_____

Part C

1) How long does it take you in processing a loan proposal/ project from the date of receipt of application?

(a) Less than 3 months ☐ (b) 3-6 months ☐

(c) 6-9 months ☐ (d) 9 months + ☐

2) What is the nature of Assistance/loan granted for?:-

(a) Buying improved seeds and fertilizer ☐

(b) Farm implements ☐

(c) Tractor and others ☐

(d) Machinery ☐

(e) Cottage Industry ☐

(f) Others ☐

3) The amount of loan granted during the past 2-3 years (1983-'84)

- Buying seeds _____
- Buying fertilizer _____
- Farm Implements _____
- Tractor and Machinery _____
- Cottage Industry _____
- Farm Improvements _____

4) (a) Nature and Security Accetable:

The crop ☐ Land ☐

Buildings and Immovable property ☐

Personal Recognition ☐

Gaurantors ☐

(b) If any guarantor required:

Personal ☐ Official ☐

Others ☐

(specify)

5) Number of instalments in which loan recovery is made:

Quarterly ☐ Half yearly ☐

Annually ☐ Others ☐

6) Rate of Interest Charged Per annum:

(a) 0 - 5% ☐ (b) 5 - 10% ☐

(c) Above 10% ☐

7) Are you satisfied with the recovery of loan to date?

Yes ☐ No ☐

If 'No' please specify reasons _____

_____

8) Do you charge any 'Penal' interest for overdue loan or provide rebate for early repayments. Yes ☐ No ☐

If 'Yes' how many times have have you ccharged penal interest or paid rebate in the past 2-3 years?

_____

_____

9) Any amount of bad debt written off during the past 2-3 years? Yes ☐ No ☐

10) How is loan recovered in the event of death and the absence of collaterals _____

_____

_____

11) Do you find loan proposals/project in order most of the time? Yes ☐ No ☐

If 'No' Please state deficiencies:

a) _____

b) _____

c) _____

Part D

1) Do you provide printed forms and other literature in local languages?

Yes ☐ No ☐

2) Do you get reasonable co-operation from government/ parastatals in the loan granting process or recovery efforts?

Yes ☐ No ☐

3) Do you get or have any agricultural experts' advice before granting loan?

Yes ☐ No ☐

4) If 'Yes' what is the weighting of his advice towards loa granting?

Very much Much Fair

Poor

5) Do you supervise the loan utilization effective?

Yes ☐ No ☐

If 'No' please state constraints?

a) _____

b) _____

c) _____

d) _____

6) Do you notice any constraints among clients that retards effective achievements of projects financing?

Yes ☐ No ☐

If 'Yes' please state most important ones only:

a) _____

b) _____

c) _____

d) _____

e) _____

APPENDIX 3

TOPIC: THE ROLE OF FINANCING AGENCIES IN RURAL DEVELOPMENT (A CASE STUDY OF BSADP, WESTERN ZONE)

QUESTIONNAIRE FOR FARMERS:-

Note: Put a tick mark or write in the space provided.

Part A

1) Name of the Head of the family _____

2) What is your formal qualification: Primary ☐

Secondary ☐ Technical ☐ Others ☐

3) Total number in the family _____

Male _____

Famle _____

4) Number of earning members:

Male _____

Female _____

5) Earning members of the family employed in Agricultural Services ☐ Small Industry ☐

6) Total Annual Income of family from

Commercial Agricultural crops Others ☐

Total ☐

7) Approximate Hectarage of land under cultivation for:

- Food grains and tuber ☐
- Cash crops ☐
- Others ☐

8) Number of Animals (livestock) and Birds (poultry):-

Cattle ☐ Goats ☐

Sheep ☐ Fowl ☐

Part B

1) Any amount of loan taken during the last 2-3 years?

Yes ☐ No ☐

2) If loan was taken, state the purpose of loan:-

Buy seeds and Fertilizer ☐ Buy farm implements ☐ Purchase tractor etc ☐

3) Your total amount of Investment in Agriculture _____

Other activities _____

4) What are your existing source(s) of financing Agriculture/other activity?

Family savings ☐ Money lenders ☐

Cooperative Financing Agency ☐ Friends ☐

Rural Banks ☐ Government loan ☐

Others ☐

5) Do you need financial assistance for another 2-3 years?

Yes ☐ No ☐

If 'Yes', please state the purpose:

Buying Agric. Implements ☐ Other improvements ☐

Buying other Agric. Inputs ☐ On Agriculture ☐

Starting new Business ☐

6) How do you propose to repay the loan?

Out of Agric. Production ☐

Out of Business Income ☐

Other sources ☐

7) Why do you want loan from (4) above?

i) Convenience ☐

ii) Lesser Interest rate ☐

iii) Secrecy is maintained ☐

iv) All the above ☐

8) Are you satisfied with the loan procedure adopted by your source?

Yes ☐ No ☐

9) Financial source's staff official behaviour is:-

i) Satisfactory ☐

ii) Very satisfactory ☐

iii) fairly satisfactory ☐

iv) Not satisfactory ☐

10) Would you like or prefer to get loans in kind? e.g. Seeds, Fertilizer, chemicals, equipment.

Yes ☐ No ☐

11) Would you like to make any suggestion(s) as regards agricultural loans. _____

_____

Part C

1) Which of these do you think constraints your effort in agricultural production?
(in order of importance)

i) Weather e.g. rainfall, drought etc ☐

ii) Fertilizer ☐

iii) Credit and loans ☐

iv) Good road to transport farm produce ☐

v) Markets for produce ☐

vi) Farm Equipment ☐

vii) Extension ☐

viii) Others (Please state) _____

2) Are Agricultural inputs supplied on good time?

Yes ☐ No ☐

If 'No' please recommend time _____

3) How do you rank the following services provided in your area:-

i) Roads and communications:

	Today 1985	Three years Ago
Very good	☐	☐
Good	☐	☐
Satisfactory	☐	☐
Poor	☐	☐

ii) Electricity Supply — Very good ☐ ☐

Good ☐ ☐

Satisfactory ☐ ☐

Poor ☐ ☐

iii) Water Supply — Very good ☐ ☐

Good ☐ ☐

Satisfactory ☐ ☐

Poor ☐ ☐

iv) Health & Nutrition — Very good ☐ ☐

Good ☐ ☐

Satisfactory ☐ ☐

Poor ☐ ☐

v) Education — Very good ☐ ☐

Good ☐ ☐

Satisfactory ☐ ☐

Poor ☐ ☐

4) Has any of the following changed between 1982 - 1985?

Land Use:	Not changed	Increased	Decreased
i) Land under upland cultivation	☐	☐	☐
ii) Land under Fadama	☐	☐	☐

iii) Livestock holding ☐ ☐ ☐

Farming Methods

i) Hand simple tool ☐ ☐ ☐

ii) Work-oxen ☐ ☐ ☐

iii) Tractors

Personal ☐

Hire ☐

Farm Incomes: ☐ ☐ ☐

Crop Production ☐ ☐ ☐

5) Marketing of farm Produce:

1) Do you sale your produce easily in the market?

Yes ☐ No ☐

ii) Do you view produce prices in the markets as attractive to your investment costs incurred?

Yes ☐ No ☐

iii) When do you sale your produce?

- Immediately after harvest ☐
- When market prices are highest ☐
- When ever there is need for cash in the family ☐

6) Do you welcome the introduction of crop insurance scheme for farmers?

Yes ☐ No ☐

If 'No' please give reasons: _____

_____

7) Do you have any information, recommendation not asked above in aid of Agricultural Development of your area and Bauchi State? (Enumerate)

_____

_____

Part D BSADP

1) Do you know about the BSADP? Yes ☐ No ☐

2) What are its purpose

Provide loan ☐ Provide seeds ☐

Provide Agric Implements ☐ Provide Pesticides ☐

Provide Extension Servicd ☐ Others ☐

3) Have you taken any benefit from BSADP?

Yes —— No ☐

If 'yes', please state the benefit

a) _____

b) _____

c) _____

d) _____

4) Do you get any advice from BSADP on the following?

Land use ☐ Use of Pesticides ☐

Use of Fertilizer ☐ Cropping pattern ☐

Use of Agric. Implements ☐

Marketing of produce ☐

Animal feeds and disease control ☐

Others ☐