THE ROLE OF NACB IN SMALL SCALE AGRICULTURAL FINANCING IN NIGERIA: A CASE STUDY OF SOME SELECTED STATES

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BEING THESIS SUBMITTED TO THE POSTGRADUATE SCHOOL AHMADU BELLO UNIVERSITY, ZARIA THROUGH THE DEPARTMENT OF BUSINESS ADMINISTRATION IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)

1998

CERTIFICATION

This thesis titled "The role of NACB in small scale Agricultural Financing in Nigeria: case study of some selected states" by YUSUFU Abubakar Abdullali, meets the regulations governing the award of a degree of master of Business Administration (MBA)of Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

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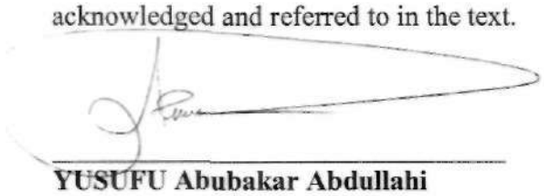
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DECLARATION

I YUSUFU Abubakar Abdullahi, hereby declare that this thesis is a record of my own research work and no part of it has been submitted for award of a degree of any other university.

Information and excerpts from published and unpublished works of others have been acknowledged and referred to in the text.



YUSUFU Abubakar Abdullahi
1998

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DEDICATION

This work is dedicated to my Late Father; **ALHAJI ABDULLAHI YARIMAH YUSUFU** (May Allah the Compassionate, grant him eternal rest, Amen.)

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ABSTRACT

This study examined the role of NACB Small Scale Agricultural Financing as a strategy for restructuring the Nigerian economy. Case study of some selected states. In addition the study reviewed performance of Nigerian economy right from inception to date in conjunction with the various government policies toward economic development of the country.

Six (6) different types of agricultural enterprises from four (4) states were studied to giva a clear judgement on the topic. Percentages, ratios and standard deviations were used to analyse the data obtained from specially designed questionnaires.

The analysis of the data revealed that:

Small Scaled Agricultural Financing play the following roles:

i. Provision of employment to a very large segment of the Nigerian population especially the unskilled workers,

ii. Their usage of local technologies make the sector highly labour intensive,

iii. Inputs raw materials and technology used in such enterprises are mostly locally produced,

iv. The agricultural enterprises are financed mostly by personal savings with little emphasis on bank loans,

v. The agricultural enterprises are mostly owned by sole proprietors,

vi. It shows that with the availability of Credit (From NACB) more people will be involved in the Small Scale Agricultural Enterprises and those already in it will increase their level of production to commercial rate. This will improve the nation's economy through providing employment, improve standard of living of the people, and earn foreign exchange through export. Thereby restructuring the Nigerian economy.

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CHAPTER ONE

INTRODUCTION:

1.1 BACKGROUND OF THE NIGERIAN ECONOMY:

Pre-independence and leading up to the 70's Nigeria's export economy were based centrally on agricultural output. Agriculture then comprised approximately 84% of our export. This was a time when the country could feed itself adequately even after exporting agricultural products.

The nation started to look forward towards developing into A viable, self-reliant and strong nation. Oil was discovered, from the onset of oil exploration, problems developed, because we relied solely on oil revenues at the expense and neglect of agriculture. Agriculture had declined by almost 40% of the country's export earnings, and petroleum export skyrocketed from 10% of total export in 1962 to over 90% of our export in 1990. An agrarian economy suddenly turned into a monotonous oil economy.

Nigerians were so conspicuous by their extravagant spending during the "oil boom" era when a barrel of oil was selling for over $40 fattening foreign reserve in the treasury. The value of the Naira becomes relatively high vis-a-vis other world currencies. Import became cheap for the country which enable us to import food items at the expense and blatant ignorance of agricultural development. Our once good economy suddenly 'exploded'. Although some believed that the 'explosion' was mainly due to the global recession. It affected us because the oil market collapsed, with a barrel of oil selling for below $10. Certainly, that has to do with it, but the economic crash also had to do with an overall

mismanagement of the economy.

Nigeria's Foreign reserve hit an all time low by the end of 1982, mainly due to servicing of import bills accrued. Oil was bringing less and less Dollars as expected from the budgetary forecasts.

Our industries could not compete with imported goods hence were unable to generate the foreign exchange necessary to import their required raw materials.

There was also balance of payment crisis due to economic recession in the developed countries then. There was lower export earnings, vital imports were cut down at the expense of growth. Later came the problem of unemployment and low industrial capacity and the government had to 'turn loose' the workforce in 1981 with massive retrenchment. Inflation began to creep in and the downturn led to recession and ultimately to economic stagnation. Foreign debts raised so high, foreign reserve and per-capital income became very low.

To capture the problem in 1970, the then Military Administration introduced another agricultural programme, that is Operation Feed the Nation (O.F.N) and Green Revolution Programme (G.R.P) by the succeeding civilian administration all in the effort to solve Nigeria's economic problems. Also in 1983, the then Military Government after taking over from the civilian administration came up with the policy of "Counter Trade" and "Back to Land" programmes all in their effort to capture the economic maladjustment, to solve some of the balance of payment problems and increase agricultural productivity, the programmes

were followed by the introduction of "Structural Adjustment Programme" (S.A.P) in 1986 which sought to stem the imbalance in the economy, and restructure the economy.

However, all the above programmes could not help the Nigerian situation in the sense that they did very little towards revamping the economy. In addition to the fact that policies like "Counter Trade" and "Back to Land" were overtaken by events. Looking into the above scenario something had to be done to restructure the Nigerian economy to prevent it from total collapse and according to this project emphasis should be through the financing of small-scale agricultural enterprises. which is presently bedeviled by inadequate or lack of capital to prosper.

Our most recent economic experience as a nation has further confirmed the foremost place of agriculture amongst the components that inform the overall development of the nation. Put differently self-sufficiency in food and fibre production is a strong pre-requisite for a credible economic takeoff of any nation.

In the Nigerian context, like most third World Countries, the small-scale farmers literally constitute the determinant of self-sufficiency or otherwise, why this is so is hardly shrouded in obscurity. In the first place, available records have it that subsisting or Small-Holder account for about 90% of the Nations farming population. In the second place they are responsible for about 95% of the aggregate food and fibre out put in the Country. It is only appropriate therefore to refer to this group of farmers as the backbone of the Nigerian

Agriculture. Indeed, their importance can only be neglected to the nation's peril. The Nigerian Agricultural and Cooperative Bank Limited (NACB Ltd) realized this well over a decade ago and decidedly embarked on farsighted credit programmes that have been a tremendous source of happiness to a great number of Small scale farmers in the Country today.

1.2 STATEMENT OF THE PROBLEM:

While the development of small-scale agricultural enterprise is important, these enterprises are beset with a number of problems. The major amongst these problems that are related to this major problems are lack of basic and improved inputs like Seeds, Fertilizer, pesticide and adequate water supply in the case of Dry season farming and too much adherence to traditional technique of farming.

Other problems that are external to the agricultural enterprises are poor transportation and infrastructure development, restricted markets, poor storage facility etc.

Management capacity and our educational orientation towards white color jobs constitute another problem area for small-scale agricultural enterprise development, as most young men prefer less dirty jobs. Therefore, having read the above, the important questions to be asked here are: -

(a) What are the roles of NACB LTD. in financing small scale agricultural enterprises, and;

(b) How is financing small scale agriculture a strategy for restructuring the Nigerian Economy.

This project at the end attempt to answer these questions.

1.3 AIMS AND OBJECTIVES OF THE STUDY:

The aims of this project is to enable the researcher carry-out a thorough investigation into the role credit and credit Institutions (with particular focus on NACB Ltd), play in the development of the Small scale agricultural enterprises. Their roles in restructuring the economy of the nation and the opportunities abound from the small scale agricultural financing.

1.4 SIGNIFICANCE OF THE STUDY:

The significance of this work is to draw the attention of both government and the general public, about the importance of financing small scale agricultural enterprises, so that the general public will actively participate more in the development of small scale agricultural enterprises, it will also describe the role of NACB in the development of this sector. The work will also bring the benefits of financing small-scale agricultural enterprises to the government and the public in the hope for increase funding and participation for greater success in restructuring the nations' economy.

1.5 METHOD OF CONDUCTING RESEARCH:

There are various types of research methods. But for the purpose of this study, the researcher used the following methods for data collection:

i. Interview schedule (Questionnaire)

ii. Secondary source of data.

i) The interview schedules was employed because majority of the target population comprising of small-scale farmers are illiterate and cannot read and write. Secondly some people feel reluctant to answer questionnaire, more especially when it involves sensitive issues as to what is wrong with the Agricultural policies of the Nigerian economy and how it can be restructured. In view of the foregoing reason the researcher opted for the interview method, in addition to questionnaire (interview schedule).

ii) Secondary source of data was used to supplement other sources especially verbal interviews. As a result of the need for the samples to be represented of the population of interest, the principle of random selection was applied in selecting the following clusters, small scale farmers, beneficiaries of small farmers credit scheme, field officers of agric. credit institutions and departments, field officer of agricultural development projects (ADP).

For adequacy and accuracy, analysis were based on descriptive models and the use of percentages. Textbooks, Journals unpublished lectures, course handouts were equally consulted as part of secondary source of data.

1.6 SCOPE OF THE STUDY:

The present study and data used are restricted to some elected states of the Country, Kano, Jigawa, Katsina and Kaduna states, through responses from questionnaires sent to clusters farmers (major source of data) staff of Agric. credit institutions and Govt. Agric. Units and departments spread all over the Country were also used.

Data obtained and used in this study from NACB are restricted to its Kano Zone comprising - Kano, Kaduna and Jigawa states. With its Headquarters at Kaduna and sample population is judged to be a fair sample representing the general operations of the Bank with its branches spread all over the Country.

For the harmonization of the work, the presentation covers the following: -

(a) The importance of Agriculture in the National economy (b) Definition of Small Scale Agricultural Projects

(c) The role of credit in Agricultural Development

(d) The need for Agricultural Credit Institutions

(e) Credit Institutions and their policies as it affect farmers.

(f) NACB objectives, functions and operational schemes

(g) NACB and Small Farmers credit schemes in Nigeria

(h) Problems and prospects of NACB as an Agric. credit institution

1.7 CONSTRAINS AND LIMITATIONS OF THE STUDY:

Constrains and limitations encountered in the course of the study hinged mostly on time shortage and financial constraint. Time allowed for the study is limited. Collection period for data is very short which would make it impossible to cover all relevant sample population. All responses required might not be obtained, as some questions were not answered, while some questionnaires were not handled at all.

There is also the issue of financial constraints that hinder the researcher to distribute the questionnaires as widely to cover the samples as much as possible and follow-up when necessary to increase the response in an effect to increase the validity of the research.
As the researcher sponsors himself for the research, then it becomes difficult as a Civil Servant for him to source funds easily to finance every aspect of the programme.

The current protracted fuel scarcity which has let to high transport cost and has reduced the freedom of easy movement considerably has definitely affected the research by limiting movement in search or in pursuance of relevant data and information.

1.8 RESEARCH HYPOTHESIS:

Despite the fact that the Federal Government had formulated a number of policies in an effort at boosting agricultural production in the past, such as 'Operation Feed The Nation', 'Back to Land', and 'Green Revolution', geared towards attaining self sufficiency and self reliance in Food Production, which will consequently help in no small way in solving

Nigerians economic problems such as, balance of payment deficits, unemployment, inflation, and general economic stagnation with oil bringing less and less foreign earnings to the Nation. All the above programmes could not solve the Nigerian situation for the simple fact that the programmes were not directed at the right target, which is the small scale farmer, who constitute about 90% of the nations farming population, and who are responsible for about 95% of the aggregate food and fibre output in the Country. Consequently these programmes failed to address the major constraining the small-scale farmer, i.e the financial constraint. There is inadequate supply of credit facility to the small scale farmers who are mostly located in the Rural Areas bedeviled by lack of Capital to promote their agricultural enterprises which is their preoccupation in addition to other secondary problems of agriculture prevalent in the Rural Areas.

The following hypothesis will therefore be tested in the course of this study: -

(a) The inadequate and un-effective channeling of Agricultural Credit to small holder farmers located in the Rural Areas is responsible for the failure of previous agricultural development Programmes aimed at restructuring the nations' economy.

(b) The problems with the nations economy such as self sufficiency in food production, unemployment, rural- urban migration, Inflation and balance of payment deficits can be adequately tackled through promotion of the small holder agricultural enterprises by way of channeling credit to the target farmers.

(c) The key to restructuring the nations' economy and solving the nations economic problems lies in the effective and efficient channeling of adequate agricultural credit to the small farmers who are predominantly situated at the rural areas and semi-urban towns and who constitute 90% of the Nations farming population in addition to addressing other problems related with rural agricultural enterprises.

(d) Embarking on 'White Elephant', urban centered/focused Agricultural programmes in an effort at revitalizing the Agricultural Sector will only fail like its predecessor.

(e) Empowering the genuine Small Scale Farmer who is predominantly situated in the rural areas is the key to the successful restructuring of the nations' economy through increasing agricultural production.

CHAPTER TWO

3.0 INTRODUCTION:

This chapter involves analysis of the methods and sources of data used in conducting the research. The chapter goes on to describe the sources and methods of data collection, ways of administering the questionnaire in connection to the work, problems encountered in conducting the research work as well as source of error from the interview and questionnaire respondents.

The data for this research work were obtained from both internal and external sources. Thus primary and secondary sources.

3.1.1 PRIMARY SOURCE:

The data are expressly collected for the purpose of this project exercise in order to provide accurate or near information on what the researcher wants to find out. The following criterions are used under the primary source.

i. Verbal Interview

In this method the researcher interviewed people from both inside and outside the small-scale agricultural enterprises.

This method was especially useful especially for those who cannot read and write. The bulk

Of which constitute over 60% of the sample population in this research.

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3.1.2 DISCUSSION AS A SOURCE:

Discussion was also used for data collection under the primary source. In this case discussion were held between various individuals from the small scale agricultural enterprises, supportive Agricultural Institutions, like LGA, states and Federal Govt. Agricultural Agencies & Departments, Credit Dept. of Commercial and Central Bank and those having some knowledge and experience on the topic like academicians.

The responses are then gathered and sorted out for proper utilization to the research work.

3.1.3 SECONDARY SOURCE:

The secondary sources of data were used to cross check the information on Primary sources mentioned above.

The following were used as secondary source of data in conducting the research work:

Library Research:

In the position as a storehouse of wisdom and knowledge, library research was adopted for the following reasons: -

(a) It enables the researcher to locate the sources;

(b) It also allows the researcher to brows through multiple sources directly, and

(c) It makes the researcher to call relevant material and to interpret and organize what he has collected.

Published Data:

There source provided ready made data, such source like C.B.N Financial Review, NACB and other related agencies, Brochure, operating manual and periodic publications were used, others used also include Newspapers, Magazines and periodicals because of the important role they play in providing useful data. Details of these sources are given under bibliography.

3.2 SAMPLE AND SAMPLE POPULATION:

3.2.1 SAMPLE POPULATION:

The population for this study comprises of the two broad categories of small-scale agricultural enterprises, which we have, namely, Food and cash crops production. With the Food production predominant within the area of scope of the research.

3.2.2 SAMPLE FOR STUDY:

Samples of six- (6) different classification of small-scale agricultural enterprises were selected to represent the population and these are: -

Arable (rain fed) Farming, Irrigation, Livestock

Fattening/breeding, Poultry, Fishery and Agro-processing and services. Drawn from four(4) selected States of the Country namely: - Kano, Kaduna, Katsina and Jigawa States.

3.2 ADMINISTRATION OF QUESTIONNAIRE AND PROBLEMS ENCOUNTERED:

The questionnaire has to be explained and in many cases had to be translated into the

local dialect of the respondents' majority of who are peasant farmers for better understanding and greater response. Also instructions were provided to further enhance proper completion of the questionnaire in order to obtain accurate information.

In addition to the above, the following ways are other ways by which the questionnaire was administered in the course of this research.

(a) Personal Presentation:

In this case researcher distribute the questionnaires to respondents personally or through reliable colleagues, acquaintances and friends for easy and timely access to the respondents and also for better response rate.

(b) Mail Questionnaire:

Here the questionnaires were posted to the respondents especially the educated and working class who are located far away from the researcher.

Problems Encountered In Administering The Research

A lot of problems were encountered in the course of research. The associated problems in conducting the questionnaires were: - time Factor:

(a) There was no available time within which to go round and distribute the questionnaire as the research has time limit within which it should be submitted.

On the part of the respondents also some do not like to devote a Pinch of their time to complete or answer the questionnaire. While in majority of the cases by the nature of the respondents involved this research, the questionnaire had to be translated to them and then

later filled out for them after their response. All these had to be done within limited time for the research.

(b) Cost of Administration:

The cost of Stationery is also another constraints to questionnaire responding. The is is because of the money involved, the researcher is limited by cost in an effort at reaching wider network of respondents. Other associated cost are administrative costs are the cost of involvement of other people who may at sometime feel reluctant to assist.

(c) Information:

This is more applied to posted questionnaire where it produce few replies, while some are of biased nature.

(d) Misinterpretation of the Questions / Questionnaire:

This is because of the differential meaning of words associated with differences in socioeconomic and cultural status of the respondents.

(e) The Questionnaire:

The questionnaire does not permit the researcher to note apparent reluctance or evasiveness of his respondents. Similarly, the questionnaire does not permit the investigator to follow through on mis-understood or evasive answers. And indeed one of the most important is the problem of returning. Many people fail to return the questionnaire.

3.4 Data Analysis Technique:

A comparative study using ratio percentages, mean and standard deviation were used in analyzing the research data. Responses to different questions were analyzed and put in tabular form to make it easier to understand and interpret. From the table percentages were calculated and some ratios were calculated as well.

CHAPTER THREE

3.0 INTRODUCTION:

Although a lot of write-up has been made on Small Agricultural Enterprises and agriculture in general, yet the sector is not fully developed in the stage of giving meaningful support to the growth of the Nigerian economy, hence the need for this research, in an effort to emphasize the sector as a strategy for restructuring the Nigerian economy.

3.1 THE IMPORTANCE OF AGRICULTURE IN THE NATIONAL ECONOMY:

The emphasis placed on agriculture by all civilization derives from the pivoted position it occupies in any given political economy be it communalistic, or even state. Agricultural practices have over centuries correspondingly changed to respond to the peculiar imperatives and preferences of any dominant economic system. Prevalent among such practices has variously been manual, subsistence, mechanized, and commercial farming etc. In each of the foregoing stages of human development, the primary of agriculture has been fully recognized.

This recognition has led government to make special arrangements for the improvement and modernization of agriculture at any given time. This is true in Nigerian as elsewhere in the third World. Though this project is not primarily focused on agriculture as a theme, it is worth while, to demonstrate the relevance of Nigerian agriculture the Primary target of the subject (small scale agricultural financing) albeit briefly.

At independence, the agricultural Sector of the Nigerian economy was by and large, meeting all the Country's Food and Fibre needs and offered gainful employment to more than 90% of the population that cultivated less than 10% of the arable lands. The export of agricultural commodities was then the main source of revenue for the Country, generating more than 60% of the Gross Domestic Product (GDP). The situation has since changed dramatically such that on account of diminishing labor, untapped huge natural resources, very little capital injection, negligible improvements in agricultural techniques and organizations over the years, a continually limping shortfall was recorded yearly in domestic Food Production, thereby resulting in huge food import bill which rose to an unprecedented #1.5billion in 1979. The Country also imports the raw material needs of the rapidly expanding Industrial Sector. Thus it is imperative that agricultural production be substantially increased belong over 3.5% per annum growth rate of the population in order to enable the Country to not only be self-reliant in Food Production, but also engender marketable surplus.

Presently, nearly 70% of the population make out their livelihood and existence from the huge land resources spread over a range of the agro-ecological zones in Nigeria. Accordingly raising the productivity and income of the rural sector is a most crucial prerequisite for the overall growth of the National

In essence, the Nigerian Agriculture had and continues to perform the primary role

expected of the agricultural sector in any nation, the roles include:-

i. Food Production

ii. Production of raw material for industries

iii. Earning Foreign Exchange through export

iv. Provision of market for Industrial Products, such as agricultural machinery and equipment.

v. Servicing of a reliable source of personal Income

vi. Providing employment opportunities for the teaming population

vii. Sustenance of Modern Industrialization

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3.2 DEFINITION OF SMALL SCALE AGRICULTURAL FARMERS:

For the purpose of this work, the small scale farmers are defined by their peculiar characteristics which are the following:-

- they are mostly residents of the nations rural areas which are poorly served by basic public amenities;
- they are generally engaged in subsistence farming, working on small plots of land either for themselves or as landless workers;
- they are generally poor with static or at best declining standard of living;
- as a result of the above features, their common denominators are low productivity, low savings and of course, low capital accumulation;

- In most cases, they are unwilling to adopt new farming techniques and illiteracy.

3.3 THE ROLE OF CREDIT IN AGRICULTURAL DEVELOPMENT

Much has been written on Credit needs in agriculture. Some writers have argued that the lack of credit on suitable terms is a major constraint on agricultural development. Such writers base their argument on the belief that increased production is synonymous with the adoption of innovation and improved practices. They contend that the adoption of most technology involves the purchase of improved seeds and inputs by farmers have such financial resources and consequently credit becomes a major constraint to agricultural development. Other argue that it is not the lack of credit that limits agricultural development but rather the absence of other 'essentials' like research findings and reliable marketing systems. This group believe that credit is only one of the factors necessary for agricultural development, and thus availability of credit to farmers without the other 'essentials' is a great disservice to the farmers.

2. Olusanmi and Alao writing on Nigerian experience on the role of credit in the transformation of traditional agriculture said that "Traditional Agriculture in Tropical Africa was until recent time subsistence farming. The farmer produced mainly for the satisfaction of his own wants and of his family. Changes in African agriculture will require basic changes in the traditional techniques and organisation of production. The application of science and technology implied in this transformation will involve considerate outlays of

capital and thus increasing demand for credit".

3. Professor Millar in his book on agricultural credit said that agricultural development requires much than providing credit. He is of the opinion that unless preconditions for the successful use of credit exist or are being created, extending credit to small farmers may be a disservice. The precondition are summarized thus:-

i. development of improved and superior technology through agricultural research.

ii. understanding of the use of such new technology by farmers and also the farmers willingness to use them

ii. regular supply of inputs like fertilizer, seeds, pesticides and equipment's needed to adopt the new practices. These, he said, should be provided in the required amounts and should be available at appropriate time.

iv. timely disbursement if the necessary credit to purchase these inputs.

v. organized marketing systems coupled with stable prices for products which will make the financial rewards of adopting the improved technology will worth the weather, biological and market risks involved.

4. Olayide S.O in his book titled " Capital in Nigerian Agricultural Development" seems to emphasize on the need for credit and improved technology for increased production when he said, "But when increased capital base or loanable funds are combined with improved technology, greater opportunities exist for larger volume of production and higher levels of

farm income".

Still on the need for agricultural credit, Galbraith said "At a certain stage in agricultural development, agricultural credit does clearly becomes a strong force for further improvement when a man with energy and initiative who lacks only the resources for more and more efficient production is enabled by the use of credit to eliminate the one block on his part to improvement".

He contend that for credit to realize its potential development, it must be part of an integrated package.

6. Ogunfowora wrote that "Credit is needed to expand the scale of farm production and for introducing supplementary enterprises which could increase labor utilization and promote a steady flow of income". The importance of credit in agriculture cannot be over emphasized. This is more so in Country where the bulk of the producers are small scale peasant farmers with minimal income[7].

Adams in his report on credit programmes said that "agriculture in less developed Countries is credit starved".

Also a study by Miller in an old regional state of Nigeria revealed that small farmers hold the key to Nigeria's agricultural progress. but they often operate under credit constraints.

Agriculture is characterized by risk and uncertainties. These risks and uncertainties, which in most cases are non-insurable, affect the farmer's willingness to adopt improved

farming techniques and use credit in the process.

Credit is primarily needed for purchase of land. With the increasing population in the Country, there is a need for a shift from subsistence agriculture to commercial production. To attain this goal, large acreage need to be cultivated. The present "Land use Decree" might not solve the problem of the farmer unless government takes adequate steps to ensure its application at all level in the Country. Where this fails, the farmer needs money to purchase land for effective and extensive cultivation. Also, a good deal of capital is necessary to correct loss of soil fertility due to lack of change in production techniques to meet the changing conditions.

Increase in farm size and level of production are accompanied by improved infrastructure which require heavy expenditure. The presence subsistence level of production by Nigerian Farmers makes it difficult for them to save enough money to provide adequate working capital to improve their farming activities. The farmers thus need credit to cater for such infrastructures.

Many agricultural crops and livestock go through a long period of 'gestation' during which the money is tied down. At the same period, the overhead costs on the farm are still expanded. Credit is needed to meet such overhead expenses.

For effective adoption of innovations, the farmer needs to be assured of a continuous and steady supply of modern farm information and tools. The government is presently

making efforts at providing equipment's like tractors to the farmers to facilitate farm work. The govt. effort towards increased yields is also seen in the provision of farm inputs like improved seeds and livestock, insecticides, herbicides and sprays to farmers through Agricultural Input Supply Units (AISU).

Unfortunately, the supply of such items is intermittent and in most cases the items are not available at the time the farmer requires them most. Even when available, malpractice's like sectionalism and favoritism lead to some farmers not having access to them, Credit facilities to the farmers would not only break that dependence on government but would motivate them in the adoption of improved farm inputs and technology.

The non-mechanization of farm work in Nigeria calls for more labor if large acreage's are to be cultivated. Credit is required for the cost of such labor.

The seasonality in agricultural production in Nigeria means seasonality of the income of the farmers. Credit would help break this seasonal income earning since the farmers can embark on a number of measures to improve the situation some of these measures could include:-

i. Cultivating under irrigation systems during the dry season.

ii. Erecting storage facilities to store surplus farm products, which are often otherwise wasted. The stored surplus can be sold out according to demand.

The above measures would increase the income of the farmers. The farmers

themselves are no longer satisfied with subsistence production in this era of inflation. The farmers needs money to send his Children to School, pay his tax, buy Clothing's for his Children and wives as well as satisfy his felt needs [9].

Making, S.M summarized the credit needs by saying that the "individual African farmer needs much working capital both to facilitate the provision of food for his family and make it possible for him to improve his market economy"

Credit facilitate the commercialization of farms, provides the basis for financing profitable alternatives, smooth the seasonal variation in demand for household inputs and in so far as it leads to substituting non-farm for farm resources, it should help in releasing agricultural factors for non-agricultural uses. Credit can therefore contribute to the betterment of the socioeconomic life of the peasant farmer.

Furthermore, supply of loans may strengthen the farmer's position in the disposal of his produce instead of having the timing determined by urgent for cash.

Finally, credit is needed to expand the scale of farm production and for introducing supplementary enterprises which could increase labor utilization and promote a steady flow of income.[10]

3.4 CREDIT INSTITUTIONS AND THEIR POLICY AS IT AFFECTS FARMERS:

There are two (2) major sources of agricultural credit in Nigeria. These are the formal and non-formal sources.

The formal sources of agricultural credit are the commercial Banks, credit corporations and the Nigerian Agricultural and Co-operative Bank Limited.

The non-formal sources include money lenders and the earnings of the farmers. The farmer's earnings can be described as a "non-starter" judging from the very nature of subsistence farming which most of the farmers operate.

The agricultural products obtained from such subsistence farming hardly generate enough money to cater for the farmer's felt needs. As a result, the farmer hardly saves any reasonable amount.

The money lenders on the other hand charge such high interest rates that the farmer is not encouraged to approach them for loan. Worse still, some of them use exploitative tactics like 'trade by barter' where the farmer exchange his farmland for credit. In such ways, most farmers loose their farmland to the money lenders who later use such lands for developing their estates.

The commercial banks until recently were reluctant in giving credit to farmers. Since commercial banks deals with peoples' money, they would rather give loan to individualists who would realize immediate income, than to farmers. This is due to the risk and uncertainty in agriculture coupled with the long periods of gestation of most agricultural products resulting in money being tied down. To alleviate the problems if the farmers, the Federal Govt. set up the Nigerian Agricultural and Co-operative Bank, solely for the farmers.

Oluwasanmi and Alao in their book tried to critically examine factors contributing to low inflow of Bank money into farming. They are of the opinion that Banks are dealers in other people's money and for this reason must make careful calculations of the risk they run in lending money entrusted to them by customers. They further asserted that the imperfect knowledge of agricultural production which leads to difficulty in forecasting future yields is an important deterrent to the flow of Bank money into farming. Added to this they said, is the difficult task of determining the personal integrity of a farmer-borrower who lives in a remote village and in most cases is too poor to either operate Bank Accounts or own assets that are readily acceptable to Bankers as security 12

Odumosu , in his studies arrived at the conclusion that, the farmers still depend largely on private and traditional source for their credit. Though, he believes that non-formal sources of credit are very expensive, he does not support that these sources should be banned completely. Rather he is of the opinion that they should be integrated in the credit structure because by reason of their intimate knowledge of the farmers and local conditions, they should be able to supply the Bank with information on the Banks' prospective borrower. He also suggest that non-formal sources of credit should be able to introduce the farmers to the Banks and in some cases act as guarantors for the loans 13

Professor Miller , said that while government established agricultural credit schemes may well be a part of the solution to credit needs in agriculture, there are other prerequisites

for a successful credit system. This he says include extension education, agricultural research to discover profitable new technologies and transport facilities to bring inputs to rural areas and to convey farmers' produce to markets.[14]

Finally Olusanmi and Alao , still on credit institutions also gave an explanation as to why commercial Banks rarely finance agriculture. They said "The problem of financing farm investment by borrowing from commercial Banks and other established lending institutions is further complicated by the way the business of farming is conducted in Africa. Peasant African agriculture is for the most part a hit and miss affair. It conforms more closely to the conception of farming as a way of life rather than as a business enterprise with conscious - that is, its income and receipts from present enterprise combination to be seen at a glance by prospective lenders. No banking system, however easy its terms can afford to lend money to un-organised and unplanned business enterprise".

3.5 FARMERS' RESPONSE TO CREDIT FACILITIES & FACTORS MILITATING AGAINST LOAN PROCUREMENT

Risks and uncertainties characterize agriculture. This makes it difficult for the farmer to estimate yields and the accompanying Capital Returns. Most Small Scale Farmers have little or no access to new technology. Where the new technology is available, it is either economically unlivable, technologically not feasible or culturally not compatible with the existing techniques.

The attempt by innovators to shift the farmers completely from the old techniques to

the modern ones without an intermediary makes the farmers unwilling to adopt new innovations and invest in farming. When the future is so "Murky" that the farmer feels he has no valid basis for decision-making, he may not commit his resources to a production plan.

Similarly, studies in rural areas have revealed that most farmers are reluctant to obtain loan for fear of being prosecuted if unable to repay the loan. Some others also assume that there is a slower rate of adoption of new techniques when additional risk is involved or when the technique is less profitable than prevailing techniques.[15]

Fogg, found a direct relationship between the adoption of a new technology and its monetary return to the farmer in Nigeria. A similar relationship was found in Pakistan by[16] Refugio The two studies explain the attitudes of farmers to credit facilities. If the farmer is not assured of reasonable monetary return, he will not be interested in the loan scheme.[17],

Finally, Belshow wrote that agricultural credit has been static in the great majority of under-developed Countries. He explained this to mean that at the end of the credit period there has been no net increase in out put in the income of the peasant farmer or in his assets.

3.6 REPAYMENT OF LOANABLE FUNDS:

Problems in marketing account partially for the repayment of loanable funds. Factors in the failure of marketing systems are:

- Lack of storage facilities

- Small markets size

- Few buyers who would pay on delivery[18]

Professor Miller commenting on marketing problems said that the " lack of satisfactory local storage and markets were important problems affecting loan collections"

Agriculture being a risky business enterprises affects the repayment of loanable funds in the same proportion, as the risk element is applied on the business enterprise.

In other words the more prosperous or yield the better the chances of repayment of loanable funds and the lower the yield the lower the chances.

Some farmers who get loans regard the Banks, especially NACB as a government parastatal established to approve and disburse loans to farmers as part of the "National Cake", what has contributed to the above impression is the granting of loans at concessionaire interest rates. The effect of this is that even where the beneficiaries had the means to repay the Bank's loans when due, they lacked the will to do so. The result is low repayment rate

3.7 NACB OBJECTIVES, FUNCTIONS AND OPERATIONAL SCHEMES:

The Nigerian Agricultural and Cooperative Bank Limited (NACB) was established as a agricultural credit institution on November, 24th, 1972 and went into operation on March 6 , 1973.

Its establishment was said to be hinged on the vindicated condition that the Bank will enhance the income level of farmers and thus make farming more attractive.

Today's NACB started off as the Nigerian Agricultural Bank Limited (NAB), and actually took its new name in 1978 at the instance of the Nigerian Government. This in the governments view, was to reflect more vividly, the Bank's commitment to agricultural development through the promotion and financing of the Nigerian Agricultural Sector, was essentially being handled by a variety of public intuitions. These included the fund for Agricultural and Industrial Development; the regional local government boards.

The general consensus however was that these Credit Financing Institutions failed due to some factors. Agricultural experts say these factors range from "political Interference. Inefficient project appraisal, monitoring and supervision", to ' Low coverage of the farming population, inadequate funding, adoption of excessively rigid and time consuming procedures for processing loan applications, low loan recovery and untimely loan disbursement".

The non institutional lenders consisting of such informal sources as money lenders, friends relations and thrift societies, took advantage of the weakness of these institutional lenders to charge exorbitant rates of interest to loan seeking farmers.

This was the state Nigerian farmers found themselves when the government commissioned a number of studies which finally culminated in the World Bank "Stoneham Report" of 1969. The report recommended among other things, the establishment of a National Credit Institution whose major function would be the provision of credit to farmers

so as to exterminate the death of capital which has been the major impediment to agricultural development in Nigeria.

Main Objectives and Functions:

As a development finance institution, the Nigerian Agricultural and C-operative Bank Limited (NACB) was established to deliver credit to the agricultural sector of the Nigerian economy having the following specific objectives as its Central Focus:

1. Promotion of agricultural production and rural development
2. Assisting in the improvement of the income and quality of life of the Nigerian rural population.
3. Contributing to the overall growth and development of the Nigerian economy.

Thus the functions of the Bank are:-

1. The provision of loans to individual farmers; co-operative organizations, limited liability companies, state and Federal Government Agencies.
2. Financing direct investment in the equity Capital of major agricultural and Agro-allied ventures;
3. Providing guarantees for viable agricultural and aggro allied ventures to enable them raise financing either locally or from abroad;
4. Assisting in improving the incomes and welfare of farmers, promoting rural development

5. Increasing the Nations output of food and cash crops to meet the need of a rapidly increasing population.

6. Financing of all forms of agricultural projects which include, Fishery, Cattle, Poultry, Rabbitary, Piggery, Forestry and Timber production, Horticulture, Arable crops and Tree crops.

7. Provision of finance for the marketing of agricultural produce locally and for export. It also makes finance available to industries that process agricultural products.

8. Financing of aggro-allied projects including tractor hiring operations, aggro-processing and storage.

Operational Schemes:

NACB has carried out a solid niche for itself in the era of agricultural projects financing and today it is the acclaimed lender in the field. The Bank operates a supervised credit delivery system through the following schemes.

(a) On-Lending:

Under this scheme, lending is made to established institutions against repayment guarantees for on-lending institutions which include state governments, co-operatives, agricultural development projects and River Basin and Rural Development Authorities.

(b) Direct Lending:

Under this scheme, the Bank deals directly with individual farmers and farmers'

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organizations without going through an on-lending intermediary.

(c) Small Holder Direct Loan Scheme:

This scheme was first introduced in this Country by NACB and it is designed to directly reach small farmer who produce the bulk of our food. This step was taken in order to meet the increasing credit demand of the small-scale farmer who produces over 90% of the food and fibre requirements of the Country. The security requirement such as certificate of occupancy of project Land and other security requirements applicable to the direct lending are waived for borrowers under the small holder scheme.

What is required is only that he is largely full-time farmer with a farmland belonging to his or her family. That he is resident in the village where the farmland is located. He is also required to produce two (2) guarantors to guarantee the loan.

(d) Special Small Holder Loan Scheme:

This is a special on-lending scheme designed to reach small-scale farmers. The disbursement is supervised by the state ministries of agriculture and directly controlled by the offices of the state Governors.

The terms of loan under this scheme are one year. One of the differences between this scheme and the other on- lending scheme is that further loan will not be made to a State Government until the previous one is fully repaid.

(e) Workers Scheme:

Moved by the plight of retrenched workers, the Bank has created an avenue for them to earn extra income as well as contribute their own quota towards the growth of agricultural output of the Nation.

(f) Marketing Loans:

To reduce problems posed to peasant farmers by poor transportation and inadequate marketing facilities, the Bank resuscitated the granting of marketing loans to clients to enable them purchase excess crops during harvesting season. It is envisaged that this will eliminate wastage and serve as incentive to farmers to produce more.

Other areas of intervention are;

- aggro-industrial Services
- Consultancy Services

Other Subsidiary Companies are:

- Food Development Corporation
- National Poultry Production Company.

3.8 NACB LIMITED AND SMALL FARMERS CREDIT SCHEME IN NIGERIA ADVENT AND BRIEF HISTORY OF THE SCHEME

The direct small holder loan scheme is designed to directly reach the small scale farmers who produce the bulk of the Country's food and fibre requirements.

Up to 1981, NACB dealt with small-scale farmers through various intermediaries like

Cooperative financing Agencies, Ministries of Agriculture, River Basin Development Authorities etc. The evaluation of the effectiveness of this approach over several years gave the Bank an indication that the desired result were not being achieved. Evidence clearly showed that funds provided by the Bank hardly reached small scale farmers. In a few extreme cases, the funds did not reach any farmer at all, as the intermediaries converted such funds to other uses.

This led to a rethinking and collection of information on how to move effectively reach the teeming population of small scale farmers all over the Country. In 1981, the sum of N100,000 (one hundred thousand Naira) only was made available to each State office of the Bank for the scheme. Subsequently, this was progressively increased to 1.3 Million for each State office and 0.65m for the Federal Capital Territory on a revolving basis. In 1987, the revolving nature of the scheme was discontinued and funds were provided to each field office of the Bank on the basis of need. Today, over 600,000 Nigerian farmers have benefited from this scheme and the Bank committed a total of about N600Million into it. This figure is without prejudice to the ones still being made available under On-Lending schemes which has over the years been strengthened to be more result oriented.

By 1984, it became clear to the Bank that the scheme was a success in terms of both fund utilization by farmers for farming and related activities and loan recovery. It thus received Federal Government backing through pronouncements compelling even commercial

Banks to adopt the scheme. The successes of the small holder loan scheme led to a tremendous increase in the volume of funds allocated to it and to the recruitment of Assistant supervisors - Credit (ASC) now Mobile Credit Officers (MCOs) and the creation of representative offices and more Branch offices currently 300 and 70 respectively and 7Zonal Offices spread all over the Country. These have led to further successes and a very significant increase in the Bank's loan portfolio. In recognition of this fact, appropriate steps have been taken to accord the scheme its proper status in the monitoring, decision and control activities of the Bank.

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Initially, the scheme was designed to benefit only full-time farmers. however, the economic hardship in which the Country found itself led to Large scale retrenchments in 1984 in both the private and public sector of the economy. Consequently, the Bank widened the scope of its direct small holder scheme to take care of retrenched workers who wanted to take up farming as an occupation. This facility was later extended to those still in employment in both the public and private sector but who are interested in farming.

Achievement of Scheme:

On a macro level, the bank, through the scheme, made a laudable contribution to the changing face of the Nigerian agricultural credit delivery system. For one thing, the scheme restored the lost confidence of the Nigerian farmer in formal credit institutions. For the other, the fact that loans under the scheme are the cheapest in the Nations finance sector

eroded the popularity of the informal lending institutions such as the money lenders.

With the scheme, NACB also played a leading role in permanently asserting the importance of the small scale farmers on the Nigerian Agricultural Lending.

Perhaps more satisfying to the Nigerian small farmers is the reality of a well packaged scheme of the small holder type being brought to their doorstep through the Banks Representative offices spread nation wide. This was unthinkable some years past. It is indeed, a great achievement.

Even at the national level, the scheme gained the genuine recognition and conviction of the Federal Government so much so that it directed in 1986 that commercial Banks should incorporate amongst their products, lending to small holder farmers under the Agricultural Credit guarantee scheme (ACGS).

The scheme was consequently amended and given a legal backing by decree No 18 of 14th June,1988. In the same year the Federal Government formally established the National Small Farmers' Credit Scheme, used to channel into agriculture as well as increase the access of rural farmers to farm credit.

Another notable achievement of the scheme is that it has given an incontrovertible credence to the Banks' (NACB) traditional policy of placing emphasis on the small scale farmers.

For instance, available records show that 97% of all loans given in 1989 went to the

small scale farmers. And besides the percentage increase in the Bank's small holder beneficiaries in the past eight (8) years is 126.28%.

3.9 PROBLEMS AND PROSPECTS OF NACB AS AN AGRICULTURAL CREDIT INSTITUTION:

Inspite of its very impressive performance over the years. Several constraints are responsible for a number of set backs being experienced by the Bank.

Some farmers still see the bank as an organization where loans are granted through bureaucratic and cumbersome procedures, this is mainly to the bank requirements of supervised credit system. Among the farmers who still hold this belief are people who could make good application of funds, thereby increasing the general food production, and ultimately pay back their loans promptly.

- Some of the farmers who get loans regard the bank as a government parastatal established to approve disburse loans to farmers as part of the "National Cake". What has contributed to the above impression perhaps is the granting of loans at concessionaire interest rates. The effect of this is that even where the beneficiaries had the means to repay the Bank's loans when due, they lacked the will to do so. The result is low repayment rate and decrease in the bank's liquidity resulting in reduced loanable funds.
- The cost of administering the direct small-holder loan is expensive and is often accomplished at a loss to the Bank. The reason is obvious. Small holder credit

anywhere in the World is expensive to administer because the return are never enough to cover the cost of credit administration.

Moreover, the interest charged on NACB small holder loan, in previous years was 2.5% lower than the then Central Bank of Nigeria minimum rediscount rate (MRR) of 17.55. In effect NACB's interest rate charged on small holder was less than minimum cost of money in the Nigerian economy. (16% is the current NACB interest charge on small holder loan).

- The loan granted to the poultry sub-sector have mostly become bad and irrevocable.
- Some government agencies e.g. the River Basin Development Authorities are indebted to NACB to the tune of over N105 million as at December, 1991. Most of them are either unwilling or unable to pay back to date.
- These problems have been further compounded by the fact that government has soft pedaled in granting soft loans to the bank, perhaps due to the recent discovery of mismanagement of funds in the bank by the former management and also due to competing needs. Furthermore, loanable funds from International Agencies are no longer forthcoming due to high default rate by the bank which is as a result of the high exchange rate fluctuation and the Naira slide.

Problems of Off-Shore Sources of Funds:

At inception, the Federal government granted soft loans to the bank for its operations, this was complimented by loans from the Central Bank of Nigeria, mainly as shortfalls from

the Agricultural Credit Guarantee Scheme. The Central Bank loans are granted at the minimum rediscount rate (MRR) which is currently 12% (As at August 1998).

Other sources of funds for the NACB include the International Bank for Reconstruction and Development (IBRD) that is granted on soft terms and the African Development Bank (ADB). The African Development Bank has been a major source of fund to the bank since 1988. In fact recourse to these later sources of fund became necessary when the Federal Government, and Central Bank loans could no longer be relied on for effective operations of the bank.

The off-shore loans are obtained on soft and liberal terms, but the excessive slide of the local currency, the Naira in exchange value has made off-shore facilities less attractive. Apart from direct loan funds the bank is also responsible for administering the European Investment Bank (EIB) loans to the Oil-Palm Industry in the country.

Future Prospect:

Going by NACB's performance in areas of agricultural financing and rural development through institutions, groups, and individuals, it can be said with some degree that the future of Nigerian agricultural development is bright. This feeling is reinforced by the fact that the government has come out with a comprehensive and well articulated agricultural policy which not only caters for all facets of agriculture, but also involves all those of government, their institutions and private sector. It goes without saying that the

bank by virtue of its status as the foremost Agricultural Finance Institution in the country will be involved immensely in the execution of this policy. All indications therefore point to the fact that the bank will continue to maintain its strong hold on the Nigerian Agricultural scene in the foreseeable future most specially in the area of agricultural credit delivery.

Inspite of the short-coming of off-shore credit to the bank, one largely due to the substantial slide of the local currency the Naira in exchange value, it must be admitted that the discovery of this source of fund was a giant leap forward. It is only hoped that the Federal Government will bail the bank out of its current offshore debt problem, which resulted from the excessive Naira slide.

Nevertheless, in the face of the challenges- ignorance, low repayment, problems off-shore facilities, the NACB is faced with very lean loanable funds. Continuous dependence on off-shore funds may not be the solution as the problems associated with it has been highlighted. But the government can continue to provide more of such funds on soft terms and on a revolving basis. In this way, the bank will continue to have loanable fund to meet its varied operations.

It is also hoped that the bank will play a significant role in assisting farmers in the exportation of their produce as well as the importation of inputs that are difficult to source locally. This is the basic understanding behind initiation of the foreign exchange operations of the bank.

Under its subsidiary, the Food Development Corporation LTD. the bank ventured into agricultural commodity exchange market. The market increased food output by stabilizing and harmonizing agricultural commodity prices. Other gains are the creation of local market for the raw material supply of Nigerian industries, attraction of investment as well as serving as vendible avenue for storage and provision of necessary information on Nigerian commodities.

Plans have reached advanced stage to expand its intervention in the rural areas. In doing this, it will actively involve the state government co-operatives and farmers organizations, its strategy towards this end is the establishment of state Agricultural and Co-operative Banks (SACB), these banks are expected to serve as on-lending institutions for channeling NACB loans to farmers in rural areas. The majority equity shares of these banks would be held by NACB, co-operative and farmers organizations, while, the state governments will hold the majority shares. By this exercise the bank will reach the majority of Nigerian farmers at the grass-root level in the near future.

The plans of the bank to venture into areas not directly agricultural in nature, but of great support to agriculture are also worthy of mention. Area in mind include, anti-desertification, tangential agro-projects, equipment leasing and other non conventional projects. presently, the bank encourages and participates in the establishment of plants to, manufacture agro-chemicals in Nigeria. This is also completely in agreement with Federal

government policy. NACB gave concrete effect to this policy by playing a prominent role in the establishment of an aggro-chemical company known as Gaskiya chemicals Limited to produce aggro-chemicals using essential local materials. Furthermore, it has teamed up with other banks to syndicate a loan of N9.687million for the company.

From the foregoing, it is apparent and conclusive that NACB has, by virtue of its National responsibility, seriousness and consistent dynamism, used the small holder scheme to place Nigerian small farmers on the center stage of national recognition.

The effective operation of the scheme in the past seventeen years has not only changed the course of the nation's agricultural history but has also changed the lives of men directly and indirectly. Directly because over 600,000 small scale farmers have joyfully benefited from the scheme and indirectly because their improved income and quality of life have had multiplier effect on their environments. Besides, the operation of the scheme led to the creation of more jobs, more offices and more facilities in the rural areas.

Finally, it is hoped that with the strong determination of NACB, support of other finance houses, government and individual, further pursuance of this scheme will one day bring Nigeria to the realization of its avowed dream of self- sufficiency in food production thereby restructuring and enhancing the nations economy.

CHAPTER FOUR

4.0 DATA ANALYSIS AND PRESENTATION:

In chapter two discussion of the methodology was given. In this chapter therefore, detailed analysis of the data and results of the findings are presented. For clear discourse on the result of the findings the analysis are discussed under different sub-heads as outlined-structural analysis of the questionnaire, establishment of Agric. enterprise, forms of ownership, finance, education, inputs/raw materials, and other related issues.

4.1 STRUCTURAL ANALYSIS OF QUESTIONNAIRE:

As already stated, questionnaire was distributed to various groups and individuals of small-scale agricultural farmers from different locations of the four states under focus (i.e. Katsina, Kano, Kaduna and Jigawa State).

The result indicated that our of the 100copies of questionnaire distributed only 63 were returned fully completed while 21 copies and 14 copies represent those that were not fully completed and those not returned respectively. This indicated percentages of 65%, 21% and 14% or ration of 13:4:3 for fully completed and returned, not fully completed but returned and not returned, respectively.

Therefore, due to the above ratio/percentages and also due to the fact that only some selected states are used as case study the research is not likely to be 100% perfect, instead will give a fair representation in relation to the total questionnaire distributed, hence, 65%

fully completed and returned; and ultimately allow a fair conclusion on the topic research.

The questionnaire completed and returned were classified into the six (6) different classification of Small Scale Agricultural Enterprises, as enumerated in chapter two under sample for the study.

Table 4.1 shows that the largest respondents are Arable farmers followed by Livestock fatteners/breeders, Irrigation farmers, Poultry, Fishermen and Agro-processing/services in that order constituting 34%, 31%, 15%, and 3% respectively of the total respondents.

Similarly Table 4.1.1 categorize the respondents into their various state locations and their corresponding agric. enterprises.

Table 4.1: Distribution by Class of Agric. Enterprises:

S/N.	CLASS OF AGRICULTURAL ENTERPRISES	NO. OF RESPONDENTS	PERCENTAGE (%)
1.	**Arable (Rain Fed)**	**22**	**34**
2.	**Irrigation**	**10**	**15**
3.	**Livestock Fattening/Breeding**	**20**	**31**
4.	**Poultry**	**8**	**12**
5.	**Fishery**	**3**	**5**
6.	**Agro processing/services**	**2**	**3**
	Total	**65**	**100**

Source: Survey Data

Table 4.2: Distribution by State Location:

S/No.	Class of Agric. Enterprises	KT.	KN.	KD.	JG.	Total	(%)
1.	Arable (Rain fed)	6	6	4	6	22	34
2.	Irrigation	1	2	-	7	10	15
3.	Livestock Fatt. / Breeding	5	2	6	7	20	31
4.	Poultry	-	1	2	5	8	12
5.	Fishery	-	1	-	2	3	5
6.	Agro-Processing / Service	-	1	-	1	2	3
-	Total	12	13	12	28	65	100
-	Percentage (%)	18.5	20	18.5	43	100	-

Source: Survey Data

The above table indicates the number of small scale Agricultural enterprises by state locations as per the areas covered by this research. It shows that Katsina State constitutes 18.5% of the total small scale Agricultural enterprises under review, while Kano State constitutes 20%, Kaduna 18.5% and Jigawa 43%.

The disparity in percentages is due to a number of reasons:

(a) Jigawa State being the researcher's current place of residence have an advantage over other states in both the distribution and collection of the research data. Kano is also closer to Jigawa than Kaduna or Katsina states.

(b) The researcher found it easier to gather research from small scale peasant farmers, the primary target population of the study, mostly located at the grassroots, villages and hamlets in the area of his domicile, currently Jigawa state.

(c) It is easier and less expensive to follow-up and collect completed questionnaires from the researcher's state of abode than from other states.

4.2 EMERGENCE AND SPATIAL DISTRIBUTION OF THE SMALL SCALE AGRICULTURAL ENTERPRISES:

From the various interview conducted with the farmers and the data available it was gathered that most of the agricultural enterprises were inherited and have been a going concern from time immemorial passing from one generation of farmers in a family to another, from father to Son, Few of the farmers interviewed however, most of whom are Civil Servants, indicate the various times at which they established their farm business which in most cases are a carry over from the ones they set up in their previous places of former employment.

Generally speaking therefore, Small Scale Agricultural enterprises is a way of life with the peasant farmers and has been like that passing from one generation to another.

On the spatial distribution, there are more Small Scale Agricultural enterprises in the Rural Areas where there exist vast land available for farming and were the majority of the population are farmers, than the Urban centers where land for farming is restricted and majority of the inhabitants are Civil Servants, Businessmen/Women, Traders etc., the major types of agricultural activities found in the Urban centers are mostly Poultry Projects, Aggro-processing/ Services enterprises and Livestock Fattening/ Breeding.

4.3 OWNERSHIP:

These Class of enterprises (Small-Scale Agric.) are owned by Nigerians, this feature makes people see small agric. enterprises as the best way for encouraging the development of indigenous enterpreneurship which will consequently assisting restructuring the Nigerian economy.

The result of the survey indicated that the agric. enterprise owned and operated by sole owner had the largest number. Forty-Six (46) or 71% of the total Six-five (65) respondents, while Fourteen (14) or 21.5% are owned by partnership. Private limited Company has four (4) or 6% and public Limited Company One (1) or 1.5%.

Table 4.3 Form of Ownership:

S/No.	Form of Ownership	No. Of Agric. Enterprises	Percentage (%)
1.	Partnership	14	21.5
2.	Sole Owner	46	71
3.	Private Limited Company	4	6
4.	Public Limited Company	1	1.5
-	Total:	65	100

Source: Survey data.

The dominance of Sole owners over others clearly shows the simplicity of Managing such enterprise, no much need for heavy Machinery and inputs are available locally. Furthermore, capital required for the establishment of such organization (Agric. Enterprises) is low enough to be managed by an individual.

4.4 EMPLOYMENT:

As earlier stated in chapter one, studies and available records point to the fact that subsistence or small scale Farmers account for about 91% of the nations farming population. And Agriculture being the greatest employer of labor in the country than any other sector employs more than 70% of the nations population, majority of whom are Small Scale farmers as stated above.

Majority of the workers engaged, as will be seen in the below table, in small scale Agricultural enterprises surveyed are on part-time basis, this is so mainly due to the fact that most of the Agricultural activities are seasonal and not of a continuous nature that may require full-time employees.

Table 4.4.1 Nature of Employment:

S/No.	Type of Employment	Number	Percent (%)
1.	Part-time	55	85
2.	Full-time	10	15
3.	Apprenticeship	-	-
4.	All of the above	-	-
-	Total	65	100

Source: Survey Data

Fifty-five (55) or 85% out of the total respondents engage workers on part-time basis and only Ten (10) or 15% engage their workers on full-time basis. These last categories are

mostly the once engaged in poultry, Aggro-services and Livestock fattening/Breeding Agricultural enterprises, that are of a longer project gestation period, and require more skill.

The structure of employment as would be seen in the next table indicated that employees in small scale Agricultural enterprises. The unskilled workers constitute 39 or 60% out of the employees engaged by the respondents, while the skilled and semi-skilled workers constitute 19 or 29% and 7 or 11% respectively.

Table 4.4.2 Employment Structure:

S/No.	Type of Employment	No. of Employed	Percent (%)
1.	Skilled	19	29
2.	Semi-Skilled	7	11
3.	Unskilled	39	60
-	Total	65	100

Source: Survey Data

A skilled worker used in this survey is referring to the worker who is both educationally abreast with the knowledge of work in question and is physically skilled in the act of performing the work, an unskilled worker lacks both attributes mentioned above, he is merely used to perform a task based on instructions and supervision to achieve the desired result. The semi-skilled therefore lies between the two extremes, he usually have one

attribute but non of the other or may have only half of each.

Most of the workers employed are unskilled workers because, as we gathered from interview conducted on the farmers, skill are not in what they are engaged to perform, they are normally instructed by the farmers and supervised on the task to be performed. They are therefore only engaged to assist in the performance of specific tasks e.g. weeding , planking, cutting etc., of which specific instruction are given on how to do the job.

Our next table, i.e 4.5.3 according to interviews conducted and information gathered therein indicated that the employment of unskilled workers run from one (1) employee to twenty (20) employees depending on the scale of operation of the agric. enterprise. But majority are employed by agric. enterprise, that employed between One (1) and Ten (10) people. Therefore, those that employ One (1) to Ten (10) people constitute 76. 92% of those interviewed, while those employing eleven (11) to Twenty (20) constitute the remaining 23.08%.

Table 4.4.3 Frequency Distribution of Unskilled Workers in The Agric. Enterprises:

S/No.	Employment Level (x)	Number (f)	Mid-Value of (x)	F (x)	- (x-x)	- (x-x)2
1.	1 - 5	30	3	90	-4.2	17.64
2.	6 – 10	20	8	160	0.8	0.64
3.	11 - 15	10	13	130	5.8	33.64
4.	16 – 20	5	18	90	10.8	116.64

Source: Survey Data (Interview)

The above table helps to arrive at the mean and standard deviation of the unskilled employee from the sample of sixty-five (65) agric. enterprises interviewed. Therefore mean (x) is given by:

$$\bar{x} = \frac{f(x)}{n} = \frac{470}{65} = 7.2$$

The mean employment of unskilled workers is Seven (7) persons. Therefore the standard deviation will be:-

$$\sqrt{} = \sqrt{\frac{E(x-x)2}{n}} = \sqrt{\frac{165.56}{65}} = 1.6$$

Therefore one point six (1.6) can be added or subtracted to our mean (x) to obtain the class interval of unskilled workers that constituted or dominated the agric enterprises. The result will give approximate figures of 8.8 and 5.6.

Therefore, looking at our table 4.4.3, this result indicates the enterprises employing between One (1) and Ten (10) workers of 65 farmers interviewed.

According to the survey and the tables presented it is clear that the Small Scale Agricultural enterprises employ mostly unskilled workers, this impliedly means that the large numbers of workforce are from the immediate environment where the agric. Business is sited. In addition to the provision of employment, the sector also help in absorbing the labor force from the rural areas who are mostly engaged in traditional agriculture, who in turn give rise to other economic activities in such localities and consequently employ more people, thus retaining them in their villages and districts, thereby solving the problem of rural

migration and its consequences.

We are therefore, not wrong by saying that the hypothesis which says Small Scale Agricultural enterprises are important in creating more employment and reducing the number of rural Urban migration is proved to be true.

4.5 EDUCATIONAL BACKGROUND:

Although formal education training and background play a Vital role in running business enterprises, majority of runners of Small Scale Agricultural enterprises lack formal training, they mostly learn on the job. There is generally low level of Western education in the sector, from the interview conducted on the Sixty-five (65) respondents the Table below clearly explain the educational level of those engaged in each of the agricultural enterprises surveyed.

Table 4.5 Form of Education of Employment by Type of Agric. Enterprises

Level of Education	No.	Arable	Irrg.	L/S	Poultry	Fishery	Agro-P&S	(%)
Graduate	7	1	1	2	2	-	1	1.47
Diploma	20	5	5	5	5	-	-	4.19
Secondary	80	15	15	40	5	-	5	16.77
Primary	140	70	30	25	-	15	-	29.35
Quaran/ Illitrate	230	175	25	15	10	5	-	18.22
Educ. Total	477	266	76	87	22	20	6	100

Source: Survey data

The table above indicates that large numbers of employees are those having quaranic education/illiterate and Primary education. It also tries to relate the level of education of an employee to the type of Agric. enterprise.

For example graduate employee are more in Livestock fattening / Breeding and Poultry farming when compared to the other agric. activities. The reason is that most of them are Civil Servants or work in private business and so have less time to supervise the projects at a different site than their place of residence. Most of these projects are currently located at the farmers residence. Furthermore, agric. enterprises of this nature requires some level of knowledge as regards to livestock and Poultry feeds and medication which may be too technical for an illiterate.

However, the result reflects that these are longer concentrated of those employees with lower level of education in such Agric. Enterprises like Arable & Irrigation, because these enterprises do not require much expertise since most of the processes are done manually. The effect of these is that the low level educated people will be engaged in these agric. activities and thereby being productive to the National economy instead of chasing unavailable White collar jobs or becoming undesirables in the society.

4.6 FINANCE:

Investment in Small Scale Agriculture does not require much capital, that which is required, however, is largely financed by personal savings of the owners. Personal savings

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constitute 80% of the source of Capital, 16.9% represent Bank loan as the source of Capital and 3.1% represent other sources. This is shown in table 4.6 below.

Table 4.6 Source of Finance:

S/No.	Source of Finance / Capital	No. of Respondents	Percentage (%)
1.	Bank	11	16.9
2.	Personal Savings	52	80.0
3.	Other Sources	2	3.1
-	Total:	65	100

Source: Survey data

The fewer number of agric. enterprises financed by bank loans according to some farmers, from the questionnaire and from interview conducted on some are as a result of; lack of awareness of bank facilities; too much administrative bottle necks, high cost of loan; too much paper work and inadequate disbursement fund on the part of the bank. Majority of them however, expresses their inability to increase or expand their production level by the restriction on finance or inability to secure bank loan.

4.7 INPUTS RAW MATERIAL AND TECHNOLOGY:

The survey that most of the farmers source their inputs and raw materials locally, and the technology used is mostly traditional. On the part of Animal and Poultry Feed the rice bran is also sourced from our local rice mills. Inputs such as improved seeds and fertilizer are obtainable from the local farmers supply companies of the various state governments.

This applies also to animal and poultry medication, insecticide and herbicides.

Majority of the farmers uses traditional and local manure as their fertilizer, though compound fertilizer is also used when available and affordable. A few of the larger farmers however express the problem of machinery and equipment's e.g. poultry cages, tractors, combine harvesters etc. Nevertheless, we can conclude that raw materials and technology are sourced locally, the crux of the matter however lies with the scarce necessary resources to finance the acquisition of all necessary inputs and raw materials required for the various enterprises.

4.8 MARKETING AND DISTRIBUTION:

From the survey it is confirmed that the small scale farmers, use the readily available markets to sell off their produce and products of their farming enterprises, few of them sell their products and by-products to some industries as raw materials to those industries e.g. Cotton to Textiles, Groundnut to Oil Mills etc.

The products of agric. enterprises in the states under review are mostly distributed and marketed under review are mostly distributed and marketed to the low income earners as food and consumed locally. However, investigation revealed that a great number of the agric. outputs are also distributed and marketed to some African Countries e.g. Niger Republic, Chad and Cameroon. Nevertheless a number problems have been expressed by respondents the boarder on the above heading.

Table 4.8 Problems Encountered in Agric. Activity

S/No.	Type of Problem	No. of Farmers	Percentage(%)
1.	Marketing	20	30.8
2.	Financing	18	27.7
3.	Storage	14	21.5
4.	Machinery & Equipment	13	20.0
-	Total:	65	100

Source: Survey data

The problem associated with financing has been reviewed under finance (4.6). The problem of marketing and storage have been associated by most of the respondents to the abolishing of the marketing Boards which formally performed the dual role of buying up surplus from farmers and also storing the produce. Immense benefits are associated with the marketing boards to the farmers, some of which are, price stability of their produce, buying up their surplus and solving the storage problem of the farmers, whose produce of some which are perishable. The restoration of the marketing boards and the provision of special storage facilities including cold stores for livestock products and fish will go along way in solving the problem of marketing and storage, which the farmers face. Consequently, these measures will result into increase in Food production, growth in the nations Growth Domestic Product (GDP), stem the menace of inflation and earn the Country the much needed foreign exchange.

CHAPTER FIVE

5.0 INTRODUCTION:

Chapter four (4) analyzed the features, and basic characteristics of Small Scale agricultural enterprise with particular reference to Arable, Irrigation, Livestock fattening and Breeding, Poultry, Fishery, Aggro-processing / Services situated in Jigawa, Katsina, Kano and Kaduna States.

In this Chapter, the findings of the last chapter will be summarized and potentials and problems of the enterprises highlighted. This chapter will also consist of conclusion and policy recommendations.

5.0 SUMMARY OF THE FINDINGS:

Although the development of Small Scale agricultural enterprise has been as old as Nigeria itself and even older, this project in its attempt to answer the question of whether financing Small Scale agricultural enterprise can restructure the Nigerian economy, 1993 to date are considered in the analysis for proper understanding of the topic. The result indicated that the sector is fast declining. The trend of the decline clearly gives an insight of the relative drop and stagnation of the sector, the rural - Urban migration, drop in food production both for Consumption and export and high rate of unemployment.

Nevertheless though, there is substantial potential for the growth and development of Small scale agricultural enterprises, which will if exploited, enhance greater achievement in

restructuring the Nigerian economy.

The research also revealed that the concentration of small agricultural enterprises are more in Rural areas than in Urban centers. This infact has to do with the availability of vast land in the Rural areas and also farming being their preoccupation than in the Urban centers where land is limited and the preoccupation being Business, Civil Service, Trading etc.

The survey also revealed those single individuals own 71% of the Agric. enterprises of the respondents. This indicates that it provides potentials for the development of enterprenual skills and talents.

The study indicated that the sector Small Scale agricultural enterprise) provides employment opportunities for the many number of the uneducated population and those with only Primary School Education of the Country, together they constitute about 77.6% of the category of people employed in our sample population of the survey.

The sector has a great potential to redress the influx of people from the rural area to the Urban Centers, because unskilled workers who constitute the largest single category of its employees are from the rural areas and therefore farming the majority sources of rural employment.

The job also made us to know about the types of training prevalent in the rural areas, which is on the job training hence majority of the workers have not undergone the process of formal / Western education.

On the area of finance however, personal savings as we have seen is the main source of finance, constituting 80% of the source of finance of the respondents in our survey. This factor greatly limits the farmer's ability to expand their agric. activity and reduce them to only subsistence farming in most cases.

It has been established that some of the respondents in our survey are not aware of agricultural credit institutions, while some that are aware deliberately avoid utilizing the facilities offered by such institutions for fears of ranging from Bureaucratic procedures, high interest rate on loans and lack of collateral required by the credit institutions.

Another important part noted is that Small Scale agricultural farming as revealed by this research work is labor intensive, since most of the work is done manually, the technology is simple and local with little need for professional competence in most cases.

The mode of sales and distribution were also observed. This shows a good extend the need for an overhaul of the marketing and storage policies of the government in this direction in order to solve the problem.

There has been potential in all the markets for expansion if one considers the continuous population growth which result in continuous demand for food and also in industrial goods who in effect get their raw materials from the agricultural sector. There exist also, growing potentials in neighboring

Country markets for our food and industrial products. These have a positive effect

on the need for credit facilities from sources such as NACB, more so that the farmers cannot on their own be able to finance the much needed increase in production which is associated with the use of improved technology in farming, improved inputs, the use of compound fertilizer and the labor Naira that may be required.

Another area complained by farmers include lack of information flow from Agric. Agencies and extension workers with respect to improved techniques of farming, procurement of improved inputs and available credit institution that can be exploited and the necessary education on how to go about utilizing such facility.

Furthermore, there has been improvement on the activities of supportive institutions, as a result of government policies, funding still constitute a problem facing the small scale agricultural sector, as most of the farmers interviewed

Complained of lack of sufficient funding. This is why most of them fund their business through personal savings instead of bank loans.

In effective management has also been observed to be responsible for failure of some small scale enterprises this is due to lack of formal education on the part of the owners who assume business to be considered as a family affair and for subsistence only.

5.2 CONCLUSION:

For any Country to restructure its economy and bail it out from total collapse there must be concrete policies to suit the condition prevailing in that Country.

Development should therefore be seen as a multidimensional process involving the re-organization and re-orientation of the whole economic, social and political systems.

To achieve a successful, self reliant nation, strategy for small scale agricultural policy should be the one that will improve the living standard of the poor, thereby bridging the gap between the Rich and the Poor and work within the limit of the available resources, of the Country.

In order for such agricultural development to succeed in Nigeria, it must involve not only the large and medium scale agric. enterprises but the small scale ones as well.

To restructure the Nigerian economy, future development of small scale agricultural enterprises must be considered in the context of the overall growth of the Nigerian economy. Measures and programmes aimed at improving the performance of the sector must be seen to a greater perspective.

Therefore considering the nature of such enterprises and the urgent need ti address them, the following policies are recommended.

5.3 POLICY RECOMMENDATIONS:

(a) Review Government Agricultural Policies:

Government agricultural policy should designed in such a way that they promote the development of small scale agriculture. The policy should move towards encouraging the production of both food and cash crops by the small scale farmers and also encourage them

to produce food crops far above the subsistence level as is the usual practice with some of them now, due to many constraints. The government should aim at protecting the small scale farmers from the competition of the bigger ones.

Marketing Boards should be reintroduce to stabilize the price of agricultural produce of the small scale farmers, buy their surplus production and provide storage facilities for the surplus outputs of the small scale farmers. This will go along way in encouraging production from this sector.

(b) Provision of Incentives to Small Scale Farmers:

The government should encourage the local production of much agricultural input, such as fertilizer, pesticides, herbicides, storage chemicals and improved seeds. It should also purchase machinery and equipment's like tractor, combine-harvester, threshers etc, that are too expensive but very important to the small scale farmer, on hire or lease basis by the farmers to increase and boost their production.

The government should also provide training and education on the use and utilization of these machinery and equipment's. Subsidy by way of incentives in agricultural inputs, machinery and equipment is not only desirable but necessary if the desired increased in food production, Growth in GDP, stemming of inflation etc, are to be realized.

(c) Provision of Liberal Credit Facility:

Here lies the crux of the matter again, because from Chapter Three we have seen

that, without the financial empowerment for the farmers, there is very little they can do to capitalize on all the incentives, that the government may provide, and there is also very little they can do on their own to increase the level of production of agricultural output to the desired commercial rate.

We have also seen the role NACB Limited play despite all the constraints in channeling credit to the Small Scale farmers as the leaders currently in agricultural financing in the Country. We have seen also the role played by commercial / Merchant Banks in this direction though forced by government policy, due to the risky nature of the business. A lot of skills need to be done in this direction.

NACB as the leaders in agricultural financing with seventy (70) Branches and Seven (7) Zonal Offices and a number of subsidiaries and representative offices nationwide should be re-invigorated in order to serve the growing need of the small scale farmers in the country. The government must not relent on its policy of opening Branch of the Bank in every LGA of the Country in the Long run, in order to bring the facilities of the Bank to the grass-root and closer to the relevant population targeted.

In order to achieve these objectives, the government should look at the possibility of solving the Bank's Current Foreign Exchange fluctuation problem in respect of its external debt, in order to recapture the credit worthiness, of the Bank from external creditors and also government to make special concessionaire grant to the Bank on a revolving basis in order

to boost its fund for lending.

The bank therefore must on its part redirect its focus more on the Small Scale farmers who have been identified to be more promising and credit worthy.

The government should also enforce it policy on agricultural lending with the Commercial/Merchant Banks especially in the rural areas were the bulk of the small scale farmers are situated.

Subsidy should also be seriously considered by way of concessionary lower interest rate on Small Scale Agricultural lending, this would eliminate the fears by farmers on Bank loans.

The Federal Government should also make good its promise of encouraging State Governments to establish their agricultural Banks in order to satisfy the growing need for agricultural credit by the small scale farmers at the grass root.

(d) Provision of Infrastructure:

There should be provision for adequate Water, Electricity supply, good and accessible Roads, decent Housing, Medical facilities and other related infrastructure in those areas where small scale agricultural activities are located. These measures will go along way in providing all the necessary avenues to stem the problem of rural Urban migration, provide necessary Roads and transportation for the easy movement of agricultural produce to markets

and provide the necessary basic Medical attention to the majority population of our labour force in the Country.

(e) Provision of an Effective Insurance Policy:

The activities of the Nigerian Agricultural Insurance Company (NAIC) should be extended as to be effective at the grass-root. The activities currently are mostly concentrated in the urban centers, the mandatory insurance cover imposed by the government on all agricultural loans including that of NACB by NAIC at the moment is not serving the objective for which it was imposed. Majority of NACB Small Holder Loan beneficiaries pay their NAIC Premium before collecting their loans from NACB, however regardless of the type of loss they may incur, they hardly know or see any NAIC staff or Office up to the full payment of their loan with NACB.

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This is associated with, lack of awareness of the facility of NAIC to the affected farmers, lack of this (NAIC) presence at the grass-root, and too much technicalities associated with their operations, that is not easily adaptable to the peasant farmers who constitute majority of their clients by imposition through NACB loans.

The activities of NAIC should be reviewed in order to provide effective and adequate cover to the small scale farmers at the Urban as well Rural areas were the majority of them are found. NAIC should justify its existence by encouraging more investment in agriculture by providing effective cover against risks.

(f) Encouragement of Training /Research:

The government should support and encourage the agricultural and research institutions in order to provide the necessary supportive services (Technical & Knowhow) to the development of the sector.

Training and research are activities that are expensive to embark on their returns to the undertaker is not immediate, such that they cannot be carried-out single handedly by the small scale farmer.

(g) The Role of Federal and State Agric. Agencies:

The Federal and State Government Agricultural Agencies should play a greater role than before by providing extension Education services to the farmers, this will boarder on the use of improved inputs, Machinery and equipment's, Agric. credit facilities available, NAIC activities, better management guidance of farmers agric. Enterprises for increased output. They could also encourage the farmers to farm themselves into farmer's co-operatives, so that they pull their resources together and take advantage of the Union. NACB for one have shown their preference for dealing with farmers Co-operatives than individuals.

(h) Relationship Between All Sectors of Economy:

For the development strategy, in this case small scale agricultural enterprises to be achieved, there must be the co-ordination and inter-relationship between all the economic sectors. One sector should not be allowed to grow and develop at the expense of another nor without regard to others.

Recommendation For Further Research:

In view of some limitations of the research undertaken, the following suggestions for further research are recommended for better understanding of the ways financing small scale agriculture can restructure the Nigerian economy.

The area covered by the study may constitute a short coming. In this research only four (4) States were studied, which are Katsina, Kaduna, Kano and Jigawa States. As such this narrows the findings of the study and generalization nation-wide becomes limited.

The sample and the population for the study is also limited by cost constrain and time. Only Six (6) agricultural enterprises were studied and the respondents to questionnaires were only Sixty-five (65) as at the time of compilation. This may constitute a limit to generalization of the findings. More samples and more population should be involved in conducting further research.

In addition, the following research work may be found to be worthwhile.

(a) A study which may provide a useful basis for predicting which of the small scale agricultural enterprises are best for Nigerians economic reconstruction and development.

(b) There may also be a need for a research on the role of Women in Small Scale agricultural development in Nigeria, to highlight the contribution of Women towards the development, establishment and growth of small scale agricultural farming in the Country individually and collectively through Women farmers cooperatives.

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INTERVIEWSCHEDULE FOR SMALL-SCALE FARMER

INSTRUCTION: Please tick (✓) where applicable

1. Name: (optional) _____
2. Sex: Male ( ) Female ( )
3. Type of farming:

a. Arable (rain fed)
b. Irrigation
c. Livestock fattening/breading
d. Poultry
e. Fishery
f. Agro-processing/services

4. Location of agric. Enterprises

a. Katsina state
b. Kano state
c. Kaduna state
d. Jigawa state

5. Type of ownership

a. Partnership
b. Sole owner
c. Private limited company
d. Public limited company

6. Do you employ your staff on

a. Part-time
b. Full-time
c. Apprenticeship
d. All of the above

7. Inputs used:

a. Available locally
b. Imported

8. Type of crop/product produced:

a. Cash crop
b. Food crop
c. Others (please specify)

9. Are your employees mostly:
a. Skilled
b. Unskilled
c. Semi-skilled
d. (a) and (b)
e. (a) and (c)
f. (b) and (c)

10. What is your source of finance:
a. Personal savings
b. Bank loan
c. Others (please specify)

11. Which other supportive institution do you know or you are aware of:
a. NDE
b. NACB
c. Peoples and community banks
d. Commercial and merchant banks
e. Others (please specify)

12. If your source of finance is bank loan, are you satisfied with the procedure of getting the loan:

a. Yes
b. No

13. If no, give reasons and suggest ways for improvement:

_____

_____

14. Do you think the interest charge on loans (bank loans) is:

a. High
b. Moderate
c. Low

15. Do you make regular repayment of loan (principal + interest)

a. Yes
b. No

16. If no, state your reasons:

_____

_____

17. Are you satisfied with kind of security required for loan
a. Yes
b. No

18. Are you satisfied with existing arrangement for loan under the supportive institution, you know.
a. Yes
b. No

19. If no, what do you suggest for improvement?

_____

_____

20. If you have not taken any type of loans before you started your agric. Enterprises, what are your reasons:

a. You have no need for it
b. You have other sources
c. Your application was turned down
d. Others (please specify)

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21. Do you employ the services of professionals before you set up your enterprises?
a. Yes
b. No

22. Do you
a. Export
b. Sell locally
c. All of the above

23. What roles in your opinion can small scale agric. Enterprises play in the economic restructuring of the country.

a. _____
b. _____
c. _____
d. _____
e. _____
f. _____

24. What sort of problems do you encounter in the course of your agric. Activity?
a. Marketing problems
b. Financial problems
c. Accounting and record keeping problems
d. Storage problems
e. Machinery and equipment problems
f. Others (please specify)

25. State the likely causes of this problems
a. _____
b. _____
c. _____

26. What, to the best of your knowledge, will be the remedies to the above problems?
a. _____
b. _____
c. _____

Thank you for your cooperation in completing this questionnaire.