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Farmers' Access To Credit Use In Ekiti State, Nigeria

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ABSTRACT

The study examined farmers' access to microcredit and resource use in Ekiti State Sponsored microcredit financing scheme, Nigeria. The objectives of the study were to examine the influence of socio-economic characteristics of farmers on amount of loan accessed, determine the volume of loans demanded, received and repaid on gender basis, ascertain the constraints in accessing the loans as well as repayment of loan, access the determinants of farmers' access to microcredit in Ekiti State Multipurpose Credit Agency, Primary data were generated with structured questionnaire administered to 132 respondents. The respondents were drawn by simple random sampling technique. Descriptive statistics and Regression model were employed. Findings from the study showed that 67.4% of the responses were men, with a mean age of 46years while 95.4% had formal education, with a mean family size of 5 persons per household. About 67.4% of the respondents were married, while 47% had farm size between 0.6 and 1 hectares. 47.7% of the farmers obtained their credit from Ekiti State Multipurpose Credit Scheme, five of the variables examined were statistically significant. The result showed that age, gender, level of education, interest rate and previous loan amount are the major factors that influence farmers' accessibility to micro-credit from Ekiti State Multi-purpose Credit Agency. Age, gender, level of education and interest rate had negative effects while previous loan amount had a positive effect on farmers' access to micro-credit. The study also revealed that women perform better than men in loan repayment. The repayment performance of Male farmers was 52.6% while that of Female farmers was 84.1%. It is recommended that there should be increase in the level of awareness of microcredit financing.

Key expression
Farmer's access to credit.

Background Information

It is known that access to credit is an important factor in determining the future direction of Nigerian agriculture. Lack of credit is a barrier to investment and income growth of poor households in developing countries of the world. Access to credit is an antidote to poverty reduction among rural poor. It enhances the adoption of new and

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more risky technologies that will improve farmers' level of income and hence alleviate their poverty (Park et al, 2003).

Micro-credit has been identified and recognized by governments and development experts as the main engine of economic growth and a major factor in promoting agricultural development. It has been recognized that availability of capital on affordable terms is vital to efforts aimed at enhancing income generating capacity of the poor local farmers (IFC, 2004).

The assumption is that the farmers know what to do to improve their socio-economic conditions and what is required is credit, a critical factor of agricultural production. It is also believed that the structures, operational procedures and policies of formal and informal financial operations constrain the flow of credit to micro, small and medium scale enterprises. Demand for tangible collateral, extensive documentation and cumbersome procedures are often identified as the limiting features of these financial markets. Micro-credit in practice addresses these limitations.

The micro-credit industry began in 1976 with the establishment of the Grameen Bank in Bangladesh and it is now a world wide movement comprising thousands of specialist banks, credit unions, cooperatives, village credit societies, NGO's and charity organisations in both the rich and poor countries. The common goal was to extend the outreach of banking services, especially business credit to those not qualified for normal bank loans. Micro credit was granted at commercial interest rates, though at a much lower rate than charged by informal money lenders. This reflects the status of micro-credit finance institutions as non-profit making but being able to become fully self supporting after a number of years (Grameen Bank, 1999).

In Nigeria, micro-credit is not a new phenomenum. Various communities have rich and long history of financial arrangements with huge savings components. Rotating savings and credit schemes have been organized in various communities under different names. The period between 1930 and 1980 witnessed vibrant micro finance practice within the structure and principles of the cooperative movement. The transformation of the state-promoted cooperative banks to commercial banks was substantially responsible for the decline in cooperative savings

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and credit actives.Non-governmental organizations (NGOs) emerged in the era of financial liberalization which was an important component of the structural adjustment programme introduced in 1986. These institutions were mainly poverty alleviation institutions. The non-governmental initiatives were supported by donor agencies with the Ford foundation at the fore-front. The major NGOs that emerged are Farmers Development Union (FADU), Lift Above Poverty Organization (LAPO), Country Women Association Of Nigeria (COWAN) and Community Women and Development (COWAD). (Olomola, 1999).

The contributions of agriculture are expected to increase rapidly if credit is made available to farmers through the micro-credit and finance institutions in Nigeria (Olomola and Akande 1999). Ijewere(2013) noted that there is need for Nigerians to embrace Agricultural Transformation Agenda(ATA) of the Federal Government of Nigeria. He asserted that Nigerians need to re-orientate themselves and transform from the traditional system of agriculture. It is that transformation that will replace agriculture as we knew it and replace it with agribusiness tied to value chain where the person providing the high yielding seed is as important as the bank providing the microfinance.

Statement of the Problem

Access to credit is a critical factor in the development and growth of economies across the world. This is more prominent in developing nations where credit supply to a large extent, determine credit availability to the majority of entrepreneurs among farmers for procurement and adoption of improved technologies; value addition among local processors; traders, artisans, craftmen, etc. (Makarfi and Olukosi, 2012).

Several studies on farmer's access to credit and resource use efficiency in Ekiti State have shown some gaps yet to be filled in microcredit delivery to the farmers.

A study by Ugwumba and Omojola (2013) on credit access and productivity growth among subsistence food crops farmers in Ekiti State reported that credit access was most seriously constrained by high interest rate charged and cumbersome loan processing procedures.

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Also, Simon-Oke and Jegede (2013) in a study of the impact of spatial distribution of MFIs on Agricultural Development in Ekiti State revealed that the problems of collateral security and poor facilities have hindered access to credit facilities to farmers in the State.

However, there are several credit problems facing farmers across the State such as poor loan administration, high default rate, inadequate loan sum and high processing cost. Given the compelling nature of these problems, the Government of Ekiti State established the Ekiti State Multipurpose Credit Agency (EMCA) with mandate to alleviate the credit problems of farmers in the State. This agency has the widest coverage in the State above other microcredit institutions' terms of outreach and access to farmers and that is why this study chooses to assess the institution's lending activities to farmers in the State with respect to the following research question:

i. What are the socio-economic characteristics that influence the amount of loan accessed by farmers?
ii. How much of the loans requested by farmers were granted them?
iii. What factors determine farmers' access to these facilities?

Objectives Of The Study

The broad objective of this study is to investigate farmers' access to microcredit in Ekiti State Multipurpose Credit Agency. The specific objectives are to:

I. examine the influence of socio-economic characteristics on the amount of loan accessed.
II. determine the volume of loans demanded, received and repaid on gender basis.
III. assess the determinants of farmers' access to microcredit in Ekiti State Multipurpose Credit Agency.

Hypotheses of the Study

The hypotheses tested in this study in the null form are:

i. H_0: Farmers' socioeconomic characteristics do not have any significant effect on the amount of loan disbursed to them.

Justification Of The Study

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Farmers' accessibility to microcredit are very key to the growth of agricultural production capacity in Ekiti State. Hence, this study seeks to improve on the existing literature on the access of farmers to government-sponsored microcredit programmes. It will also contribute to knowledge by using data generated from the study to measure the performance of government sponsored microcredit institutions in terms of loan repayment rates, interest rates, credit access, loan processing and disbursements among others. Policy makers and other resources persons can use the information provided by this study to formulate policies that will further enhance efficient credit delivery in the Ekiti State and Nigeria as a whole.

Sampling Procedure and Sample Size

Simple random sampling was used to draw samples for this study. Data were collected from different microcredit beneficiaries and non-beneficiaries. For the non-beneficiaries, same questionnaire was used excluding the questions related to loan.

A sample of 10 respondents was randomly selected from each of the 16 local government areas covered by the Ekiti State Multipurpose Credit Agency (EMCA). In all, a total of 160 respondents were selected for interview.

Method of Data Collection

Data for the study were obtained from both primary and secondary sources. The primary data were collected using structured questionnaire. The set of questionnaires were administered to the beneficiaries from the various local government areas. Secondary data include journals, articles, seminar papers, conference papers, records of Ekiti State Multipurpose Credit Agency (EMCA), published and unpublished work.

Variables on which data were collected were socio-economic characteristics of the farmers such as farm size, farming experience, and level of education, age, amount of loan demanded, granted, and repaid; determinants of loan accessed by the farmer and constraints in accessing loans.

Method of Data Analysis

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Data collected for the study were analyzed using the following analytical tools:

Objective one was analyzed using the logistic regression model; Objective two and three were analyzed using simple descriptive statistical tools such as tables, frequency distribution, mean and percentages.

RESULTS AND DISCUSSION

Socio-Economic Determinants of Farmer's Access to Credit in Ekiti State.

Gender Distribution of Respondents

The result in Table 4.1 indicate that 67.3% were males, while only 32.7% were females. This means that more male farmers have access to microcredit than female farmers. The result agrees with Ambali (2011) that reported that male farmers dominate the activities of microcredit to farmers than female farmers.

Age Distribution of Respondents

Majority (35.6%) of the farmers were aged between 41 – 50 years. Farmers within the age of 31 – 40 years, who are more energetic and ambitious constituted a fraction of 23.5% of the agricultural workforce. The distribution gave a mean age of 46 years which implies that the farmers are still active in their production age. This conforms to the findings of Oruonye & Musa (2012) that reported a mean age of 43 years in Gassol Local Government Area of Taraba State.

House hold Size

The Household size indicated that 27.3% had household size of 1 – 3 persons, 59.1% had household size ranging from 4 – 6 persons, and 13.6% had household size of 7 – 9 persons. The household size range between 1 – 9 persons with a mean of 5 persons per household, indicating that most of the farmers in rural areas of Nigeria enjoy labour in farming activities. Findings is in agreement with Ambali (2013) that reported a mean household size of 6 persons in Egba division of Ogun State, Nigeria.

Marital Status

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Also, 67.4% were married, 21.2% were single,6.8%, 3.8% and 0.8% of the respondents were widowed, widowers, and separated. This indicated that most of the farmers have marital responsibilities in addition to farming.

Farm Size

The table revealed that majority of the respondents representing 47% had farm ranging from 0.6 – 1.0 hectares and 43.9% had farm size below 0.5 hectares. Small farm holders characterized the study area, since over 90.9% of the farmers had less than 1 hectares of farm land. This finding is closely supported by Ojo (2007) and Oluwatosin (2011) that reported a mean household size of 8 persons and 7 persons per household for farmers in Ondo and Osun state respectively.

Educational Background

On educational level of farmers, 50.7% of the farmers had tertiary education, 39.4% of the farmers had secondary education, 4.5% and 5.3% of the farmers had primary education and no formal education. Findings disagree with Oruonye & Musa (2012) who reported low educational level among small scale farmers in Gassol Local Government Area of Taraba State.

Farming Experience

Table 4.1 shows the years of farming experience of respondents. Out of the total respondents, 16(12.1%) had years of farming experience of 0 – 9 years, 54(40.9%) had years of farming experience of 10 – 19 years, 37 (28.0%) had years of farming experience of 20 -29 years and 17 (12.9%) had years of farming experience of 30 – 39 years, while 8(6.1%) had years of farming experience of 40 – 49 years with a mean farming experience of about 15 years. The minimum was eight years while the maximum was 28 years, with an average of 15years. This implies that farming is not only an occupation but a way of life of the people in the study area.

Annual Farm Income

The distribution of farmers annual income in the study area revealed that proportions of the respondents 46 (34.8) had farm income ranging from ₦200,001 – ₦400,000, 32 (24.2%) earn between the range of ₦400,001 – ₦600,000 per annum, 28 (21.2%) earn between the range of

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₦600,001 – ₦800,000 per annum, 4 (3.0%) earn between the range of ₦800,001 – ₦1,000,000 per annum, 10 (7.6%) earn between the range of ₦1,000,001 and above, while 12 (9.1%) earn less than ₦200,000 per annum. The findings reveals that majority of the respondents earn between the range of ₦200,001 – ₦400,000 per annum in the study area.

Distribution of respondents according to socio-economic determinants

Parameter	Frequency	Mean/mode
Gender		
Male	89 (67.4)	Male
Female	43 (32.6)	
Age of farmers (Years)		
0- 30	11 (8.3)	
31 – 40	31 (23.5)	
41 – 50	47 (35.6)	46
51 and above	43 (32.6)	
Household Size		
1 – 3	36 (27.3)	
4 – 6	78 (59.1)	5
7 – 9	18 (13.6)	
Marital Status		
Single	28 (21.2)	
Married	89 (67.4)	Married
Widowed	9 (6.8)	
Widower	5 (3.8)	
Separated	1 (0.8)	
Educational Level		
No Formal Education	6 (4.5)	
Primary Education	7 (5.3)	
Secondary Education	53 (39.4)	
Tertiary Education	67 (50.7)	Tertiary Education
Farm Size (Hectares)		
0- 0.5	58 (43.9)	
0.6 – 1.0	62 (47.0)	0.8
1.1 – 1.5	8 (6.	
1.6 – 2.0	4 (3.0)	
Farming Experience		
0 – 9	16(12.1)	

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10 – 19	54(40.9)	15
20 – 29	37 (28.0)	
30 – 39	17 (12.9)	
40 – 49	8 (6.1)	
Annual Farm Income		
0 – 200,000	12 (9.1)	
200,001 – 400,000	46 (34.8)	
400,001 – 600,000	32 (24.2)	
600,001 – 800,000	28 (21.2)	
800,001 – 1,000,000	4 (3.0)	
1,000,001 and above	10 (7.6)	

Source: Field Survey 2014

Formal Sources of Credit Available to Farmers.

Table 4.2 shows the formal sources of credit available to farmers in the study area, out of the 132 respondents, 1 (0.8%) sourced credit from microfinance bank, 63 (47.7%) sourced credit from Ekiti State Multi-purpose Credit Scheme, 3(2.3%) sourced their credit from State Government Agencies, 29 (22%) Sourced Credit from Cooperative societies, 1 (0.8%) sourced credit from commercial Banks and State government Agencies, 8(6%) sourced credit from microfinance bank and Ekiti State Multi-Purpose credit agency, 17(12.9%) sourced credit from Ekiti State Multi-Purpose Credit Agency and from State Government Agency and 7(5.3%) sourced credit from Ekiti State Multi-Purpose credit agency and Cooperative Society. Findings revealed that majority (47.7%) of the sampled farmers sourced formal credit from Ekiti State Multi-Purpose Credit Agency, which majority of the farmers in the study area have proved to be reliable source of financing.

Distribution of farmers According to their Formal Source of credit

Formal Source of Credit	Frequency	Percentage
Microfinance	1	0.8
Ekiti State Multipurpose Credit Scheme	63	47.7
State Government Agencies	3	2.3
Cooperative societies	29	22

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Commercial Bank & Microfinance	1	0.8
Microfinance Bank And Ekiti State Multi-Purpose Credit Scheme	8	6
Ekiti State Multi-Purpose Credit Agency and State Government Agency	17	12.9
Ekiti State Multi-Purpose Credit Agency and Cooperative Society	7	5.3
Total	132	100

Source: Field Survey 2014

Informal Sources of Credit Available to Farmers

Table 4.3 shows the distribution of informal source of credit available to farmers in the study area. Out of the 132 response, 38(28.8%) sourced credit from personal savings, 18 (13.6%) sourced credit from friends and relations, 2(1.5%) sourced credit from money lenders, 3 (2.4) sourced credit from Ajo/Esusu/Adashe, 46 (34.8%) sourced their credit from personal saving/ friend and relations, 12 (9.09%) sourced their personal saving/ Ajo/Esusu/Adashe, 2(1.5) sourced their credit from personal saving/friend and relations and money lenders, while 11 (8.3%) sourced their credit from personal saving/ friend and relations/ Ajo/Esusu/Adashe. Findings revealed that majority of the farmers 34.8% sourced their informal credit from personal saving / friends relatives.

Distribution of farmers according to their informal source of credit.

Informal Source of Credit	Frequency	Percentage
Personal saving	38	28.8
Friends and Relations	18	13.6
Money lenders	2	1.5

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Ajo/Esusu/Adashe	3	2.4
Personal Saving / Friends and Relations	46	34.8
Personal Saving / Ajo / Esusu/ Adashe	12	9.1
Personal Saving / Friends and Relations/ Money lenders	2	1.5
Personal Saving / Friends & Relations & Ajo/ Esusu/ Adashe	11	8.3
Total	**132**	**100**

Source: Field Survey 2014

Gender distribution in credit demand, disbursement and repayment

The table 4.4 shows that both gender participated actively in terms of credit demand, disbursement and repayment,. It also revealed that the microcredit institution disbursed 39.3% of loans demanded by Men and 63.7% of loans demanded by Women.

However, the table revealed that there is a difference between the repayment rate of Female farmers and Male farmers. The repayment performance of Male farmers was 52.6% while that of Female farmers was 84.1%. This shows that in terms of loan repayment, Female farmers performed better than Male farmers.

Gender distribution in credit demand, disbursement and repayment by farmers

Gender	Total Amount Demanded	Total Amount Disbursed	Total Amount Repaid	Percentage Of loan Disbursed (%)	Percentage Of loan Repaid (%)
Male	11,579,493	4,551,687.5	2,395,648	39.3	52.6
Female	18,630,507	11,875,000.5	9,984,412	63.7	84.1
Total	30,210,000	16,426,688	12,380,060	54.4	75.4

Source: Field Survey 2014

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Current Loan Repayment Status

Current micro-credit repayment status in the study area was captured by fully repaid, partially repaid and yet to pay. Findings revealed that farmers that paid their loan/credit fully accounted for 16.7% (22) of the total loan / credit repayment, while partially repayment of their loan / credit accounted for 57.6% (76) of the total loan /credit repayment and those that were yet to pay back their loan / credit were 25.8% (34). Findings revealed that majority of the farmers had partially repaid their loan / credit facilities received from other sources, which is an indication that the farmers not defaulting in their loan/ credit repayment status.

Distribution of Farmers According to their Current Loan Repayment Status

Current Repayment Status	Frequency	Percentage
Fully Repaid	22	16.7
Partially Repaid	76	57.6
Yet to Pay	34	25.8
Total	**132**	**100**

Source: Field Survey 2014

Farmers' Reasons why they did not obtain loan from Ekiti State Multi – Purpose Credit Agency (ESMCA)

Farmers' Reasons why they did not obtain loan from Ekiti State Multi – Purpose Credit Agency (ESMCA)

Farmers' reasons why they did not obtain loan from Ekiti State Multi-purpose Credit Agency (EMCA), revealed that majority 62.9% of the farmers did not obtained loan because they were not interested, while 28.8% of the farmers did not obtain loan because their applications were not

	N	*Percent*
Flexible Working Hours	***25***	***20.7%***
Open communication in workplace	***25***	***20.7%***
Good Health Care Facilities for staff	***25***	***20.7%***
Career breaks for junior staff	***23***	***19.0%***

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More WLB education for employees	*14*	*11.6%*
Implementation of employee friendly WLB policies by the Government	*9*	*7.4%*
121	*100.0%*	

granted. Also, 8.3% of the farmers did not obtain loan from the agency because they were not aware that the micro-credit agency give loans to farmers. Findings revealed that majority of the farmers were not interested in obtaining micro-credit from the agency.

Distribution of farmers According to their Reason why they did not obtain loan from Ekiti State Multi-purpose Credit agency (ESMCA)

Reason Why farmers did not obtain loan	Frequency	Percentage
Not aware	11	8.3
Not Interested	83	62.9
Application was not granted	38	28.8
Total	**132**	**100**

Source: Field Survey 2014

Farmers' Response to the volume of loan granted from Ekiti State Multi-purpose Credit Agency

Table 4.7 revealed the distribution of farmers according to loan granted from agency. The result revealed that 59.1% of the respondents were granted loan from the agency while 40.9% of the farmers were not granted loan from agency. This implies that most farmers in the study area obtain their loan from agency.

Distribution of Farmers According to the amount of Loan Granted from Ekiti State Multi-purpose Credit Agency

Granted loan from ESMCA	Frequency	Percentage
Yes	78	59.1%
No	54	40.9%
Total	**132**	**100**

Source: Field Survey 2014

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Farmers' Response whether they were Granted the Exact Amount of Loan Requested

Table 4.8 shows farmers response to whether they were granted the exact amount of loan requested, findings revealed that majority of the farmers 60.6% were not granted the exact amount of loan requested for, while 39.4% of the farmers were granted the exact amount of loan requested for.

Distribution of farmers According to Whether they were Granted the Exact Amount Requested for

Granted Exact Amount	Frequency	Percentage
Yes	52	39.4
No	80	60.6
Total	**132**	**100**

Source: Field Survey 2014

Mode of Loan Repayment by farmers

Table 4.9 shows farmers response to mode of loan repayment, findings revealed that majority 74%of the farmers repayed their loan on a monthly basis, while 26% of farmers repayed their loan on a quarterly basis, and non indicated yearly.

Distribution of Farmers According to Loan Repayment Mode

Loan Repayment Mode	Frequency	Percentage
Monthly	98	74
Quarterly	34	26
Yearly	-	-
Total	**132**	**100**

Source: Field Survey 2014

Farmers' expenses on various inputs

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The loan as spent by farmers in the study area presented in Table 4.10. The result revealed the percentage spent by farmers as planting materials 7.6%, farm tools/equipment 4.4%, herbicide 5.3%, fertilizer 7.6%, buildings/fittings 5.4%, chemical 5.9%, feeds 10.7%, labour 2.9%, crop / livestock 9.1%, while marketing & transportation account for 41%.

Distribution of Farmers' expenses on various inputs

Input	Total Amount	Percentage
Planting Materials	2,350,000	7.6
Farm Tools / Equipment	1,374,000	4.4
Herbicide	1,649,000	5.3
Fertilizer	2,352,000	7.6
Buildings/Fittings	1,665,000	5.4
Chemical	1,815,000	5.9
Feeds	3,319,000	10.7
Labour	895,000	2.9
Crop / Livestock	2,817,000	9.1
Marketing & transportation	12,661,000	41
Total	**30, 897,000**	**100**

Source: Field Survey 2014

Farming Enterprise Engaged in by Farmers

The distribution of farmers according to farming enterprises engaged in, as shown in Table 4.11, revealed that 65 (49%) of farmers engaged in food crop production only, while 30 (23%) of farmers engaged in livestock production only, and 37 (28) of farmers engaged in both food and livestock production. Findings implies that majority (49%) of the farmers in the study area engage in crop production.

Distribution of Farmers According to Farming Enterprise Engaged in

Farming Enterprise Engaged in by farmers	Frequency	Percentage
Food Crops only	65	49

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Livestock only	30	23
Both food and livestock	39	28
Total	**132**	**100**

Source: Field Survey 2014

Food Crops Grown by farmers

The distribution of farmers according to food crops grown, revealed that 20 (15.2%) grow maize, 8 (6.1%) grow cassava, 50 (37.9%) grow maize and cassava, 4 (3%) grow maize and yam, 2 (1.5%) grow maize and cocoa, 1 (0.8%) grow maize and potatos, 2 (1.5%) grow cassava and yam, 42 (31%) grow maize, cassava and yam, and 3 (2.3%) grow maize, cassava, yam and potatoes. This implies that farmers in the study area grow more maize and cassava.

Distribution of Farmers According to the Food Crops Grown

Food Crops Grown	Frequency	Percentage
Maize	20	15.2
Cassava	8	6.1
Maize and Cassava	50	37.9
Maize and yam	4	3
Maize and Cocoa	2	1.5
Maize and Potatoes	1	0.8
Cassava and Yam	2	1.5
Maize, Cassava and Yam	42	31.8
Maize, Cassava, Yam, and Potatoes	3	2.3
Total	**132**	**100**

Source: Field Survey 2014

Livestock kept by Farmers

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The distribution of farmers according to livestock kept by farmers, as shown in Table 4:13, revealed that 42 (32%) of the farmers kept poultry birds, 7 (5%) of the farmers kept goats, 25 (19%) of the farmers were engaged in fish farming, 15 (11%) of the farmers were engaged in poultry birds and goats production, 16 (12%) of the farmers were engaged in poultry birds and fish farming, 14 (11%) of the farmers were engaged in poultry birds and snails farming, 3 (2%) of the farmers were engaged in poultry birds, goats production and snails farming, and 6 (5%) of the farmers were engaged in poultry birds, fish farming and pigs production. Findings revealed that majority of the farmers were engaged in poultry production.

Distribution of Farmers' According to Livestock Kept

Livestock Kept	Frequency	Percentage
Poultry Birds	42	32
Goats	7	5
Fish Farming	25	19
Poultry Birds and Goats	15	11
Poultry Birds and Fish Farming	16	12
Poultry Birds and Snails	14	11
Poultry Birds, goats and Pigs	3	2
Poultry Birds, goats and Snails	4	3
Poultry birds, Fish Farming and Pigs	6	5
Total	**132**	**100**

Source: Field Survey 2014

Effects of farmers socioeconomic characteristic on Access to credit from Ekiti State Multi-purpose Credit Agency

Logit regression analysis was employed to ascertain factors that influence credit accessibility. This was regressed on age, gender, interest rate, family size, previous loan amount and previous repayment status). The results of the logistic regression showed that among the 10 variables in the model, only five variables significantly influence farmers' credit accessibility. They are age, gender, level of education, interest rate and previous loan amount.

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Also, there was a negative relationship between credit access and age. This suggested that older people have low chances to access credit and this can be adduced to risk averse nature of older farmers. Gender was negative but significant, implying that gender has a low influence to credit access in the scheme. Level of education was negative but significantly related to credit access. Interest rate was negative but significant at 5%, shows that farmers pay less attention to it, in accessing credit for their farming activity. Previous loan amount is also significant but had a positive coefficient, implying that the agency consider the farmers previous loan amount before, approving loan for them, this enable them to know the repayment history of such farmer.

Logit Regression Result on the Determinant of Access to Micro-credit

Variable	Coefficients	Odds Ratios	Std. Error
Age	0.023	0.411	0.036*
Gender	-0.353	0.518	0.490*
Level of Education	-0.686	4.740	0.315*
Farming Experi4nce	-0.023	0.681	0.027
Farm Size	-0.021	0.001	0.581
Farm Income	0.000	1.024	0.000
Interest Rate	-0.328	1.821	0.243*
Family Size	-0.159	1.343	1.138
Previous Loan Amount	0.000	10.378	0.000*
Previous Repayment Status	0.307	0.643	0.383
Constant	6.756	3.588	3.567
Observation	132		
Pseudo R^2	0.233		
Log Likelihood	153.508		

Source: Field Survey, 2014 Note * = significant at 5%,

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

SUMMARY

The study was carried out to determine access to microcredit use efficiency of farmers in government sponsored microcredit financing scheme in Ekiti State, Nigeria. Specifically, the study was aimed to examine the influence of socio-economic characteristics of the micro-credit beneficiaries on the amount of loan accessed, determine the volume of loan demanded, disbused and repaid by farmers, access the determinants of farmers access to microcredit in Ekiti State Multi-Purpose Credit Agency.

Data for this study were obtained with the aid of questionnaire that was administrated to micro-credit beneficiaries and non-beneficiaries drawn from ten (10) communities each, in sixteen (16) Local Government Area of Ekiti State.

The result show that micro-credit beneficiaries and non-beneficiaries in the study area were aged between 41 – 50 years with a mean age of 46 years, although more men were found to benefit more than female farmers. Average household size was 5 persons, while 126 micro-credit beneficiaries had formal education. Farm size ranged between 0.6 – 1.0 hectares, and family members were the major sources of labour. Factors such as High interest rate, delay in disbursement, Lack of awareness of loan package, family responsibility. The result also shows that age, gender, level of education, interest rate and previous loan amount are the major factors that influence farmers accessibility to micro-credit from Ekiti State Multi-purpose Credit Agency. Land and Capital were found to be under-utilized by farmers while labour was over-utilized. Thus under utilization of some inputs was due to improper practice, while over-utilization of the other inputs may be attributed to lack of technical known-how.

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5.2: Conclusion

Farmers accessibility to micro-credit from Ekiti State multi-purpose credit Agency was found to be mostly dominated by males being 67.4 percent of those that benefit from the scheme. With injection of more capital into the scheme, more farmers might adopt modern method of farming and thereby increase their production capacity.

5.3: Recommendations

Based on the findings of the study, the following recommendations were made:

I. In order for farmers to achieve optimal allocation in the use of production resources, inputs such as labour have to be reduced, while more land and capital should be put to use. This, in addition to improved managerial ability will raise output and consequently net returns in farming business.
II. Farmers should be effectively monitored to ensure consistency in loan repayment.
III. The society could help in improving the mobilization of saving from the farming sector thereby facilitating credit provision.
IV. Women participation in micro-credit financing schemes should be encouraged.

Contribution to knowledge

Based on the findings of this study, the following contribution has been made:

I. The study has been able to establish that women perform better than men in loan repayment.

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