

## Accessibility of Agricultural Credit and Inputs to Women Farmers of Isoya Rural Development Project

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**Abstract:** This study focus accessibility to agricultural credits and inputs in Isoya Rural Development Projects of Obafemi Awolowo University. The study was carried out in 5 villages randomly selected among the participating villages. 105 women farmers were randomly selected and information was collected using a well-structured interview schedule. Descriptive analysis was carried out using frequency count, percentages, mean and weighted mean score. Correlation analysis was used to determine the relationship between women's socio-economic characteristics and accessibility to credit facilities. The study showed a positive and significant relationship between ownership of land ( $r = 0.356$ ), level of education ( $r = 0.238$ ), occupation ( $r = 0.1983$ ) and accessibility to credit facility.

**Key words:** Accessibility, Agricultural credit and inputs, Esusu.

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### INTRODUCTION

Agriculture has always been the backbone of any nation's economy. Federal government is making concerted attempts to improve the sector from subsistence to mechanized farming. However, some problems such as the rural exodus of the virile labour force, absence or poor physical infrastructural facilities, inadequate input supply, subjected the farmers particularly the small-holders to produce subsistent.

<sup>[1]</sup>Women have always been playing significant roles in agriculture and cannot afford purchased farm input lack collateral security for bank loan and have higher risk aversion for development servicing. Hence women depend heavily on their own income sources from farming activities to meet their responsibilities and sustain their farm.

Another problem facing women farmer in Nigeria is poor input delivery and support service. This also hinges on their poor background and unavailability of credit facility. The federal government has made concerted effort by introducing various agricultural development programmes such as River Basin Development Authorities. Agricultural Input service Units to supply and supervise the agricultural inputs made available to farmers. Like wise the Institution of Nigerian Agricultural cooperative Bank (N.A.C.B) and rural development, to give loan to corporate

bodies/cooperative societies, which in turn pass on the loans to their individual members. The banks N.A.C.B, also give loans to individual applicant who may belong to any cooperative society. <sup>[4]</sup>asserted that financial institution would not readily extend credit to women because they have no collateral security.

Therefore this study seeks answers to the following questions:

1. What are the source of credits and inputs available to women farmers?
2. How accessible are the women farmers to agricultural credits and farm inputs?
3. What are problems encountered in having access to agricultural credits and farm inputs?

**Objectives of the Study:** The main objective of this study was to determine the accessibility of women farmers to agricultural credits and inputs services

The specific objectives are to:

1. Identify the socio-economic characteristics of the women farmers.
2. Examine the various source of credit and input available to women farmers.
3. Determine their accessibility to credit and input.
4. Examine the problems encountered in having access to credit and input services.

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5. Determine the input used by women farmers.

**Hypothesis of the study:** There is no significant relationship between socio-economic characteristics of the respondents and accessibility to credit facilities

### MATERIALS AND METHODS

This study was carried out in Ife central local government area of Osun state in Nigeria. This study covers only villages under Isoya Rural Development project of the Department of Agricultural Extension and Rural Sociology of Obafemi Awolowo university Ile-Ife. 5 villages were randomly selected among the participating villages for the study. A total of 105 farmers were selected for the study from the participating villages and structured interview schedule was used to collect information from the farmers. Sources of credit input facilities, accessibility to credit and inputs and the inputs used by women farmers.

Data analysis was carried out using frequency counts, percentages, weighted mean score and correlation

**Measurement of Variables:** The dependent variable is the accessibility to credit and input facilities. It is measured by the degree to which their sources are easily reached available to farmers and it is measured using 4 point likert scale of very easily accessible 4 points, easily accessible 3 points, fair easily accessible 2 points, not easily accessible 1 points and not accessible zero point.

The independent variables are socio-economic characteristics such as age, occupation, level of education, marital status, family size, farm size, ownership of land and religion. The farm input used are cutlasses, hoes, fertilizer, agrochemicals, seeds/planting materials tractors, sprayers, processing machines, baskets, watering cans, knives and jute bag. Result and Discussion

### RESULTS AND DISCUSSIONS

#### Socio-economic Characteristics:

The data in Table 1 show the distribution of respondent by socio-economic characteristics. About 34.3 percent of the respondent are between 31 and 45 years while 19.0 percent are between ages 46-60 years. Only 17.1 percent are 60 years and above while 29.5 percent are in the age between 15 and 30years. This shows that most of the respondent are mature and still in their active ages. About 41.9 percent of the respondents are illiterate 34.3 percent had primary school education while 23.8 percent had secondary education. Majority

**Table 1:** Distribution of respondents by socio-economic characteristics.

Socio-economic characteristics	frequency	percentage
<b>Age</b>		
15-30 years	31	29.5
31-45 years	36	34.3
46-60 years	20	19.0
60 and above	18	17.1
<b>Level of Education</b>		
Illiterate	44	41.9
Primary school	36	34.4
Secondary school	25	23.8
<b>Marital status</b>		
Married	94	89.5
Widowed	10	9.5
Divorced	1	1.0
<b>Family size</b>		
1-4	78	74.3
5-9	24	22.9
10 and above	3	2.9
<b>Farm size</b>		
1-5 acres	84	80
5-10 acres	18	17.1
10 and above	3	2.85
<b>Religion</b>		
Christians	95	90.5
Muslim	10	9.5
<b>Occupation</b>		
Farming	100	95.5
Petty trading	5	4.5
<b>Ownership of land</b>		
Husband land	32	30.5
Purchased	11	11.5
Hired	50	47.6
Inherited	12	11.5

\*Multiple response

Source: Field survey, 2004

of the respondents (89.5%) are married, about 9.5 percent are widowed while only one percent are divorced. About 74.3 have family size between 1 and 4 people, 22.9 percent had between 5 and 9 while only 2.9 percent had family size of 10 and above majority (90.5%) of the respondents are Christians while 9.5 percent are Muslims. About 95% are farmers while 5 percent engaged in petty trading. Majority (80%) of the respondent had their farm size between 1-5 acres, 17.1 percent has between 6-10 acres while 2.5 percent had their farm size between 10 above. About 47.6 percent of the respondents hired land, 30.5 percent used land belonging to their husbands, 11.4 percent inherited the land used while 10.5 percent purchased the land used for their farming activities.

#### Source of Credit and Input Available to Women Farmers:

Data in table 2 show that Majority (100%) of the respondents sourced for loan from cooperative societies. About 87.5% percent of the respondents

**Table 2:** Distribution of Respondents by Sources of Credits.

Source of credits	Frequency	percentage
Friends	55	52.3
Relatives	65	61.9
Cooperatives societies	105	100
Bank (commercial / Agricultural)	90	87.5
Esusu group	90	87.5
Others (Gift)	39	37.1

\*Multiple response  
Source: Field survey, 2004

**Table 3:** Distribution of Respondents by Sources of Farm Input.

Sources of Credit Farm Inputs	Frequency	Percentage
Chemical dealers	105	100
OSSADEP 100	95.2	
Open Market	90	85.7
Farmers group (FADU)	60	57.1
Farmers congress	30	28.6
NGOS,s	30	28.6

\*Multiple response  
Source: Field survey, 2004

**Table 4:** Rank Order of Respondents by Accessibility of Credit

Sources of credit	weighted means score (WMS)
Cooperative societies	3.81
Esusu group (contribution)	3.43
Relatives 2.05	
Friends	1.81
Banks	1.52
Other (Gift)	0.37

Source: Field survey, 2004

**Table 5:** Rank Order of Respondents by Accessibility to Farm Inputs.

Source of Credits	Weighted Mean Score (WMS)
OSSADEP 3.55	
Open market	3.29
Chemical dealers	3.24
Farmers group (FADU)	1.62
Farmers congress	0.95
NGO's	0.86

Source: field survey, 2004

Obtained loans from Esusu group and Banks respectively while 61.9 percent sourced for credit from relatives. About 52.3 percent obtained credit from friends and 37.1 percent obtained credit from gifts.

Table 3 shows the distribution of respondents by source of inputs to farmers. Majority (100%) of the respondents obtained inputs from the chemical dealers. About 95.2% obtained their inputs from OSSADEP while 90 percent sourced for inputs from farmers group, For example Farmers Agricultural Development Union (FADU), while 28.6 percent obtain their own input from farmers group and NGO's respectively

**Accessibility of Credit and Farm Inputs to the Respondents:** Data in Tale 4 show the accessibility of respondents to credits. Cooperative societies ranked

**Table 6:** Distribution of Respondents by Problems Faced with Agricultural credit.

Problems encountered with Agricultural	Frequency	Percentage
In accessibility to credit	105	100
Inaccessibility to credit information	78	74.3
Lack of collateral security	100	95.2
Untimely credit disbursement	95	90.5
Administrative bureaucracy	105	100
High interest rate	102	97.2
Insufficient amount	105	100

\*Multiple response  
Source: Field survey, 2004

**Table 7:** Distribution of Respondents by Inputs Procurement Problems.

Problems	Frequency	Percentage
Untimely supply	105	100
High prices	102	97.1
Bureaucracy	101	96.2
Inavailability	100	95.2
favouratism	96	91.4

\*Multiple response  
Source: Field survey, 2004

**Table 8:** Distribution of Respondent by Agricultural Farm Inputs.

Agricultural Farm Inputs	Frequency	percentage
Fertilizer	105	100
Processing machine	102	97.1
Chemicals 95	90.5	
Seeds	90	85.7
Agricultural equipments	70	66.7
Silos & cribs	60	57.1
Herbicides 56	53.3	
Tractors & equipments	40	38.1

\*Multiple response  
Source: Field survey, 2004

highest in terms of credit accessibilities with weighted mean score of 3.81. Next in Esusu group or contribution with mean of 3.43. Credit from relatives ranked next with mean of 2.05. The rest are in the following order: friends (1.81), banks (1.52) while credits from other sources e.g. gift ranked least in other of accessibility with mean of 0.37.

The data in table 5 shows the rank order of accessibility of respondents to farm inputs. OSSADEP ranked highest in the order of accessibility to the respondents with mean of 3.55. This is followed closely by open market with mean of 3.29. Next is chemical dealer with mean of 3.24 while farmers group had mean of 1-81, farmers congress and NGO's had their accessibility below 1.0 respectively.

Data in Table 6 show the distribution of respondent by problem faced in obtaining credit. A hundred percent each of the respondent faced problem of in accessibility to credit, administrative bureaucracy and insufficient amount respectively. About 97.2 percent faced problem of high interest rate while 95.2 percent had problem with lack of collateral security.

**Table 9:** Relationship between Socio-economic characteristics and Accessibility of Respondents to Credit Facilities.

Characteristics	Coefficient of Correlation
Age	-0.158
Level of education	0.238**
Marital status	0.187
Family size	-0.026
Religion	0.0618
Occupation	0.1987**
Ownership of land	0.356*

\*\*Significant at 0.05

\* Significant at 0.01

\*\*Coefficient of correlation at 0.05 = 0.1946

\* Coefficient of correlation at 0.01 = 0.2540

About 90.5 percent faced untimely/late credit disbursement and 74.3 percent have problem of inaccessibility to credit information.

Table 7 show the distribution of respondents by problems faced with input procurement. Majority of the respondents attributed problems of inputs procurement to untimely supply, 97.1 percent to high prices while 96.2 percent viewed the problem as bureaucracy. Other problems identified are inavailability of inputs (95.2%) and favouritism (91.4%) on the part of the sales agents that are involved in the distribution.

**Agricultural Inputs Used by the Farmers:** Data in Table 8 show the distribution of respondents by agricultural farm inputs used. A hundred percent of the respondents used fertilizer. Majority (97.1) of the women used processing machine, while 90.5 percent and 85.7 percent used chemical and seeds respectively. About 66.7 percent used agricultural equipments. 57.1 percent used Silos and Cribs while 53.3 percents used herbicides. The least used input was tractors and implements.

**Relationship between Socio-economic characteristics and Accessibility of Respondents to Credit Facilities:** The data in Table 9 show a positive and significant relationship between ownership of land ( $r = 0.356$ ), level of education ( $r = 0.238$ ), Occupation ( $r = 0.1983$ ) and accessibility to credit facility. However marital status ( $r = 0.187$ ): farm size ( $r = 0.181$ ) and religion ( $r = 0.0618$ ) had positive but insignificant relationship with access to credit facility. Age ( $r = -0.158$ ) and family size ( $r = -0.026$ ) had a negative and insignificant relationship with access to credit.

The result implies that people who owns landed properties will have more access to credit facilities because they will be able to fulfill the collateral security demanded before loan is granted. Also a well literate person would have been able to put the loan into good use to enjoy maximum profit on any venture having direct relationship between occupation and accessibility. However, variables which have negative relationship with example age, the higher the age the less access to credit. This means older people may not be granted access to loan because they are no more agile to be able to cope with rigours of farming and hence the loans may be diverted to other uses other than farming business.

**Conclusion:** Findings showed that the women among the respondents showed lack of interest in loan procurement. The major sources of credit available to the farmers are cooperative societies and commercial banks while chemical dealer and OSSADEP were the major source of inputs to them. The major problems facing the women's accessibility credit are accessibility to credit are inaccessibility loan and loan information, administrative bureaucracy, high interest and untimely disbursement of loan where as untimely supply of inputs, high prices and bureaucracy are the problems facing farms use of inputs.

**Recommendations:** The future of the agricultural sector in effect belong to the farmers and their wives failure to ensure a development of positive attitude in the women farmers towards agriculture would imply a failure of our goals with respect to agriculture. Therefore, there is an urgent need to encourage agricultural development through the provision of loans and farm inputs for women farmers to increase their production and make food to be available in Nigeria.

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