Global Journal of Agricultural Research
Vol.3, No.3, pp.38-52, September 2015
Published by European Centre for Research Training and Development UK (www.eajournals.org)

COMPARATIVE ANALYSIS OF CONSTRAINTS TO CASSAVA PRODUCTION BY CASSAVA FARMER LOAN BENEFICIARIES AND LOAN NON-BENEFICIARIES IN SOUTH-SOUTH NIGERIA

Kuye, Olufemi Oludayo

Department of Agricultural Economics & Extension, Faculty of Agriculture & Forestry Cross River University of Technology, PMB 102, Obubra Cross River State, Nigeria

ABSTRACT: *This study was carried out to analyse and compare the constraints to cassava production among cassava farmer loan beneficiaries (CFLB) and cassava farmer loan non-beneficiaries (CFLNB) in South-south Nigeria. Purposive, multi-stage random sampling techniques were used to select a total of five hundred (500) respondents which comprised of two hundred and fifty (250) CFLB and another 250 CFLNB. Primary data were sourced through three sets of well - structured questionnaires to the two categories of farmers and the third to the banks officials. Both descriptive and inferential statistics were employed in data analysis. The result of data analysis showed that the mean age of CFLB was 43 years with 26% within 36 and 45 years active working population while the mean age of CFLNB was 41 years with about 31% within 36 and 45 years. Majority, about 60% of CFLB and about 74% of CFLNB were males while about 40% of CFLB and about 25% of CFLNB were females. The mean household size for both CFLB and CFLNB was 5 persons. However, the mean number of years spent in schools by CFLB was 12 years, while the CFLNB spent 10 years. The mean farming experience by CFLB was 5 years while the CFLNB was 6 years. The mean annual farm income of CFLB was N188,602.00 whereas the mean annual farm income of CFLNB was N100,000.00. The major constraints limiting cassava production among CFLB and CFLNB were scarcity and high cost of fertilizer (87.97%) and (77.46%), high cost of agrochemicals (87.55%) and (77.05%), unavailability of research results to cassava farmers at the appropriate time (79.25%) and inadequate extension services (77.59%). The least problems were drought (43.98%), soil water pollution (36.93%) and stream/river pollution (35.68%). It was concluded that increasing cassava farmers' access to loan would enhance their productivity through improved well-being and living standard. Recommendations such as timely disbursement of loans, improved supervision by bank officials, regular visit by the extension staff, adequate training of successful loan applicants, design and implementation of cassava- friendly loan package as well as small-loan mechanisms to favour cassava farmers were made among others.*

KEYWORDS: Comparative analysis, Constraints, Cassava production, CFLB, CFLNB, South-south Nigeria.

INTRODUCTION

Cassava (*Manihot esculenta crantz*) is a perennial crop. It is grown throughout the tropical lowland. It is regarded as a benchmark for food security in the sub-Saharan Africa. It is ranked second to maize in terms of calorie intake (FAOSTAT, 2009). Cassava was introduced to West Africa from Central America and north-eastern Brazil by slave merchants about 16th centuries ago. In Africa, Nigeria in particular, cassava is one of the most important staple foods (Polson and Spencer, 1990; Otoo, 1994 in Okpukpara, 2006). Cassava grows in different types of soils

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

including marginal soil that cannot support the growth of most crops (Asadu, 2004). This good attribute of cassava enables it to have a comparative advantage over other tropical crops. It can be processed into many forms including ‘’garri’’, cassava chips, flour, bread, starch and beer, among others. In fact, Kormawa and Akoroda (2003) asserted that cassava can be processed into many other forms useful as raw materials in industries like in livestock feed mill, confectioneries, textile and brewery. The forms include cassava chips, pellets, flour, adhesive, alcohol, and starch.

Cassava is the only crop whose production level has tripled over the past 50 years while its development has been further advanced in the continent by the activities of the International Institute of Tropical Agriculture (IITA) located in Ibadan, Nigeria. IITA has distributed more productive new varieties that are resistant to a number of diseases as well as drought. African countries produce over 103 million metric tons of cassava per annum with Nigeria accounting for approximately 35 million metric tons per annum (FAOSTAT, 2009).

In Nigeria, cassava is mainly produced for home consumption and for sale in the village markets since the bulk of it is produced by small-scale farmers. Because of its multiple uses, and its large production level in the country, the Federal Government of Nigeria during the regime of President Olusegun Obasanjo introduced the Cassava Expansion Programme to further boost the production of cassava cultivation in the country. The former government further embarked on measures to ensure that cassava exportation is given serious attention. In order to increase Nigeria’s foreign exchange, cassava is regarded as one of the non-oil export crops. It is worthy to note that rural small-scale farmers are widely involved in cassava production in Nigeria. These farmers use low-level production techniques. They are constrained to adopt improved technologies in cassava production. Some of their constraints include inaccessibility to credit facility, illiteracy, small farm size, inadequate access to agricultural information like market product prices, input prices, high interest rates and poor market and rural road networks (Kuye, 2015).

According to Ochu and Achagh-Hyande (2005), one of the mechanisms governments use for promoting cassava production by smallholder farmers in Nigeria is the Agricultural Credit Support and Inputs Subsidy Programme (ACSISP). The inability of the smallholder cassava farmers to obtain credit at subsidized rate has been a serious problem militating against viable approaches to promote worthwhile agricultural-oriented programmes that will enhance cassava production in Nigeria. Extending credit to genuine smallholder cassava farmers is an effective approach to promote cassava production in the country. Indeed, this call for a careful administration, as the efficiency of credit delivery process largely depends on the adopted institutional framework of the programme.

According to Arene (1990), accessibility to agricultural credit from formal sources is dependent on meeting some laid down conditions for the protection of the lenders and borrowers. The success of credit application depend on the ability to process the credit application forms to the stage of approval and disbursement, evidence of the project, land and ability of the farmer to get acceptable guarantors required by the credit operators.

The purpose of this study was to comparatively analyse the constraints to cassava production among cassava farmer loan beneficiaries (CFLB) and cassava farmer loan non-beneficiaries (CFLNB) in the South-south Nigeria. Therefore, answers were sought to the following questions:

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

i) What are the socio-economic characteristics of CFLB and CFLNB?

ii) What are the constraints faced by CFLB and CFLNB?

iii) What are the causes of loan default, constraints to loan administration as well as problems faced by financial institutions like BOA, FBN and UB in loan delivery to farmers?

Objectives of the Study

The broad objective of this study was to comparatively analyse constraints to cassava production among cassava farmer loan beneficiaries (CFLB) and cassava farmer loan non-beneficiaries (CFLNB) in South-south Nigeria.

Specifically, the objectives seek to:

i) compare the socio-economic characteristics of CFLB and CFLNB;

ii) analyse and discuss constraints limiting cassava production, loan acquisition and utilization by CFLB and CFLNB and;

iii) analyse and explain causes of loan default, constraints to loan administration as well as the general problems faced by financial institutions like BOA, FBN and UB in loan delivery in the study area.

METHODOLOGY

This study was carried out in South-south Nigeria, which is made up of the following states: Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers. The area lies between longitude 4^0 $15^{'}$ E – 9^0 $30^{'}$ E and latitude 3^0 $35^{'}$ N – 7^0 $00^{'}$ N. The area is rich in crude ore, majority of the people living there are farmers and fishermen. They cultivate staple food crops like rice, cassava, yam and vegetables because of the favourable climatic conditions with tropical rainforest (Amnesty International, 2009). Purposive, multi-stage and random sampling techniques were employed for the study. Akwa Ibom, Cross River and Rivers States were purposively selected because they predominantly produce cassava in large quantity. A total of two hundred and fifty (250) cassava farmer loan beneficiaries (CFLB) and two hundred and fifty (250) CFLNB were randomly selected across the three states using a multi-stage sampling technique. Primary data were gathered by administering three sets of well-structured questionnaires to the CFLB, CFLNB and the bank officials (Managers and Loan Officers). The data gathered were analysed using descriptive statistics such as frequency distribution tables, percentages and charts.

Results and Discussion

The results of this study were analysed, presented and discussed according to the specific objectives of the study.

Socio-economic characteristics of CFLB and CFLNB in the study area

The result of the comparative analysis of the socio-economic characteristics of the respondents (CFLB and CFLNB) is shown in Table 1.

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Table 1: Percentage distribution of the socio-economic characteristics of CFLB and CFLNB

Parameters	CFLB Freq (N=241)(%)	Mean	CFLNB Freq (N=244)(%)	Mean
Age (years)				
15- 25	21 (8.71)		28 (11.48)	
26 – 35	40 (16.60)		48 (19.67)	
36 – 45	63 (26.14)	43	75 (30.75)	41
46 – 55	86 (35.68)		50 (20.49)	
> 55	29 (12.03)		32 (13.11)	
Non-response	2(0.83)		11(4.51)	
Gender				
Male	144(59.75)		180(73.77)	
Female	88(36.51)		60(24.59)	
Non-Response	9(3.73)		4(1.64)	
Marital Status				
Married	155(64.32)		199(77.87)	
Single	65(26.97)		48(19.67)	
Divorced	18(7.47)		5(2.05)	
Non-Response	3(1.24)		1(0.41)	
No of wives				
One	92(38.17)		140(57.38)	
Two	24(9.96)		17(6.97)	
Three	10(4.15)		6(2.46)	
Four	1(0.41)		5(2.46)	
Five	2(0.83)		3(1.23)	
Non response	112(46.47)		73(29.92)	
Household Size				
One	3(1.24)		112(45.90)	
Two	34(14.11)		63(25.82)	
Three	31(12.86)	5	12 (4.92)	5
Four	37 (15.35)		1 (0.41)	
More than four	84 (34.85)		10 (4.60)	
Non- response	52 (21.58)		56 (18.35)	
Education Level				
No formal education	11 (4.56)		30 (12.30)	
Primary school completed	22 (9.13)		38 (15.57)	
Secondary school completed	99 (41.08)	12	76 (31.15)	10
Poly/College of Education	70 (29.05)		57 (23.36)	
University	38 (15.77)		33 (13.52)	
Non-response	1 (0.41)		10 (4.10)	
Farming Experience (yrs)				
One	24 (9.96)		33 (13.52)	
Two-three	36 (14.94)		9 (3.69)	

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Three –five	34 (14.11)		4 (2.87)	
Five – seven	68 (28.22)	5	27 (11.07)	6
Eight and above	76 (31.54)		104 (67.21)	
Non-response	3 (1.24)		4 (1.64)	
Farm size (ha)				
>1	37 (15.35)		18 (7.38)	
2 – 3	68 (28.22)		77 (31.56)	
3 – 5	40 (16.60)		36 (14.75)	3
5 – 7	28 (11.62)	4	12 (4.92)	
7 – 9	49 (20.33)		30 (12.30)	
>9	18 (7.47)		64 (26.23)	
Non-response	1 (0.41)		7 (2.87)	
Annual Farm Income (N)				
N50,000 – N100,000	30 (12.45)		65 (25.41)	
N101,000 – N150,000	58 (24.07)		45 (18.44)	
N151,000 - N200,000	38 (15.77)	188,602	76 (31.15)	100,000
N201,000 – N250,000	59 (24.48)		7 (2.87)	
N Above N300,000	5 (2.07)		24 (9.84)	
Total	**241 (100)**		**244 (100)**	

Source: Field survey, 2014

Age

The results of the socio economic characteristics of the cassava farmer loan beneficiaries as presented in Table 1 showed that majority 35.68 percent of the CFLB fell within age bracket of between 46-55 years while minority 8.71 percent were between 15-25 years. Their mean age was 43 years. The results also showed that majority 30.75 percent of CFLNB fell within age bracket of between 36-45 years while the least 11.48 percent were between 15-25 years. However, their mean age was 41years.

The increasing age of cassava farmer loan beneficiaries (CFLB) would lead to low productivity because the ageing farmers are less energetic to work (Hinaka *et al.* 1995; Ajibefun and Aderinola, 2004 and Anyaegbunam *et al.* (2006).

But, Pattern *et al.* (2002) cited in Kuye (2015) asserted that the age bracket of his respondents was between 31-50years and agreed that they fell under the economically active age and as such would be able to respond positively to any intervention aimed at improving their productive capacity such as loan acquisition. According to Kuye (2015) since the farmers were within the economically active age, improving their access to agricultural loan will ensure better investment in cassava production which will result to improved production.

Gender

The results of data analysed on gender of CFLB in Table 1 revealed that majority 59.75 percent of the CFLB were males while others 36.51 percent were females.

Among the CFLNB, majority 73.77 percent were males while others 24.59 percent were females. This showed that men were involved in cassava production more than women in the

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

study area. Thus, men dominated cassava production activities. This result contradicted the findings of Ironkwe *et al.* (2007) who asserted that women were mostly involved in farming activities in the south-east agro ecological zone of Nigeria.

The findings of this study also agreed with the observations of Bawa, *et al.* (2009), Edeh (2008) and Oladele and Oboh (2008) who opined that males are mostly the household heads who take major decisions on the type of agricultural enterprise to undertake. Bawa *et al.* (2009) further noted that men are major decision-takers when it comes to such issues like loan acquisition.

Marital Status

The results of the marital status of cassava farmer loan beneficiaries (CFLB) indicated that majority 64.32 percent were married, 26.97 percent were single while 7.47 percent were divorced. In the case of CFLNB, majority 77.87 percent were married, 19.67 percent were single while 2.05 percent were divorced. Dikito-Watchtmeiser (2001) opined that marital status is an important factor in terms of social- rural participation and acceptance. He confirmed that 55 percent of his respondents were married. The result was also in consonance with the findings of Oderhohowo (2008). The implication of the findings is that marriage remains valued in the study area. The higher percentage of married respondents was due to the fact that they derived enough income from cassava production to support and sustain their families (Kuye, 2015).

Number of wives

The results of data analysed in Table 1 showed that majority 38.17 percent of the CFLB had only one wife while minority 0.41percent had four wives whereas among the CFLNB majority 57.38 percent had only one wife while minority 1.23 percent had four wives.

Household size

The analysis of the household size of the CFLB showed that majority 34.85 percent lived with more than four persons in their households whereas minority 1.24 percent lived with only one person in their households. Also, majority of the CFLNB 45.90 percent lived with more than four persons in their households while minority 0.41 percent lived with one person in their households. However, the mean value of the household sizes of both CFLB and CFLNB was five. The findings of this study conformed to that of Okoye *et al.*, (2008) who confirmed that cocoyam farmers in Anambra state had large household size of more than 4 persons. Similarly, Odebode and Mungong (2001), Bammeke (2003) reported an average household size of 6-10 people as the modal family size group among rural households. The results of this study was also in line with that of Ebewore et al. (2013) who reported that majority 70 percent of his respondents had family size of between 6-10 persons. The implication of this was that most respondents had large families. Bammeke (2003) asserted that family size is an important factor in any rural development intervention. Family size can affect the outcome of the intervention.

Education level

The results of the education level attained by the CFLB revealed that majority 41.08 percent completed secondary education whereas minority 4.56 percent had no formal education. The mean of number of years of formal schooling among the CFLB was 12 years. The result of analysis of the education level of CFLNB showed that majority 31.15 percent completed secondary education whereas minority 12.30 percent had no formal education. The mean of number of years of formal schooling among the CFLNB was 10 years. The findings of this

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

study agreed with Chukwuji (2006) who opined that education had positive effect on cassava production output in Delta State, Nigeria. This is true because lack of education has been identified as a major factor militating against institutional support towards agriculture (Poly-Mbah and Udeogu, 2007). The findings of Apata et al. (2010) agreed with this work. They asserted that access of farmers to credit, education and agricultural seminars will significantly reduce chronic poverty among rural households in Nigeria.

Farming experience

As shown in Table 1 above, majority of the cassava farmer loan beneficiaries (CFLB) 31.54 percent had been involved in cassava farming for over eight years while minority 9.96 percent had cassava farming experience of below one year. Their mean number of years of farming was five. Most of the CFLNB 67.21 percent had been involved in cassava farming for over eight years while few 2.87 percent had cassava farming experience of between three to five years. Their mean number of years of farming was six. The number of years a farmer spent in the farming business according to Nwaru (2004) and Iheke (2006) could give an indication of the practical knowledge he or she had acquired on how he or she could overcome certain inherent problems. This is applicable to knowledge on loan acquisition and utilization. Henri-Ukoha et al. (2011) asserted that farmers who used bank loans are experienced.

Farm size (Ha)

The results of the analysis as contained in Table 1 indicated that majority 28.22 percent of CFLB had farm sizes of between 2-3 hectares whereas minority 7.47 percent had farm sizes more than 9 hectares. The mean farm size of the CFLB was four hectares. The results also showed that majority of the CFLNB 31.56 percent had farm sizes of between 2-3 hectares whereas minority 4.92 percent had between 5 -7 hectares. However, the mean farm size of the CFLNB was three hectares. This result implies that most of the CFLB and CFLNB were small and medium-scale farmers. This finding is in line with Kolawole and Ojo (2007) who opined that Nigerian agriculture involved small-scale farmers who were scattered in various communities.

Annual farm income (N)

Further investigation through the data analysed on the annual farm income of CFLB in the study areas revealed that majority 24.48 percent earned above N300,000 per annum while minority 12.45 percent earned between N50,000 – N100,000 per annum. Whereas majority 31.15 percent of the CFLNB earned between N151, 000 - N200, 000 per annum while minority 2.87 percent earned above N300, 000 per annum. However, the mean value of the annual farm income of CFLB was N188,602 or N15,716 monthly while that of CFLNB was N100,000 or N8,333 monthly. The average annual farm income of N188,602 earned by CFLB was far better than the N100,000 earned by the CFLNB per annum as indicated in Table 1. Okello (2005) remarked that increase in income would enable poor households to save more financial resources and consequently gain the required financial ability to invest in cassava production. As a result, the need for loan acquisition should not be neglected.

Researchers like Odejide (1997), Apata et al. (2010), Panjaitan-Ddriodisuryo et al. (1991), Owuor (2007), Khandker (1988), Zeller and Sharma (2001) showed that the significant effect of having access to credit facilities in reducing household poverty is as a result of the flexibility of using the credit for different activities in their households

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Constraints to cassava production, loan acquisition and utilization by CFLB and CFLNB in the study area

The constraints faced by CFLB and CFLNB were analysed and shown in Table 2.

The results in Table 2 showed the general constraints as identified by both CFLB and CFLNB in the study area. The result showed that the greatest problems faced by CFLB were scarcity and high cost of fertilizer 87.97 percent, high cost of agro-chemicals 87.55 percent, unavailability of research result to farmers at the appropriate time 79.25 percent and inadequate extension services 77.59 percent. The least problems were drought 43.98 percent, soil water pollution 36.93 percent and streams/river pollution 35.68 percent.

Further analysis showed that the greatest problems faced by CFLNB were scarcity and high cost of fertilizer 77.46 percent, high cost of agro-chemicals 77.05 percent, poor research 74.18 percent and unfavourable market prices 70.49 percent. The least problems encountered by CFLNB were soil water pollution 38.93 percent, land fragmentation 38.93 percent, crop destruction by cattle 45.90 percent and poor soil fertility 48.38 percent (Kuye, 2015).

Table 2: Percentage distribution of constraints limiting cassava production among CFLB and CFLNB in South-south Nigeria

Identified constraints	CFLB		CFLNB	
	Frequency (N= 241) (Yes)	Percentage (%)	Frequency (N=244) (Yes)	Percentage (%)
Inadequate farmland	146	60.58	157	64.34
Land fragmentation	109	44.40	95	38.93
Poor soil fertility	136	56.43	118	48.36
Poor/marginal soil	155	64.32	138	56.56
Pests and diseases attack	144	59.75	158	64.75
Use of local varieties	147	61.00	127	52.05
Excess rainfall	127	52.70	125	51.23
Unfavourable market prices	152	63.07	172	70.49
Unavalability of research result	191	79.25	181	74.18
Lack of functional cooperatives	116	48.13	128	52.46
Inadequate extension services	187	77.59	179	23.36
Soil water pollution	89	36.93	95	38.93
Scarcity & high cost of fertilizer	212	87.90	189	77.05
High cost of agro-chemicals	211	87.55	188	79.05
Air pollution	140	58.09	115	47.13
Scarcity of improved varieties	151	62.66	159	65.16
Drought	106	43.98	119	48.77
Crop destruction by cattle	165	68.46	112	45.90
Stream/river pollution	86	35.68	122	50.00
Unfavourable government policies	187	77.59	169	69.26

Source: Computed from field data, 2014

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Also, it was necessary to identify specific constraints limiting credit acquisition and utilization by cassava farmer loan beneficiaries (CFLB) in the South-south, Nigeria. This was done in order to find out the greatest problems encountered by the farmers. The result of field survey was analyzed and shown in Table 3.

Table 3: Percentage distribution of constraints to loan acquisition by CFLB

Constraints	Yes (%)	No (%)
Late granting of loan	169 (70.12)	66 (27.39)
Distance from bank	117 (48.55)	119 (49.38)
High transport cost	132 (54.77)	101 (41.91)
Collateral security	115 (47.72)	121 (50.21)
Number of guarantors	167 (69.29)	50 (20.75)
Much filling of forms	167 (69.29)	50 (20.75)
High interest rate	161 (66.80)	65 (26.97)
Poor supervision	162 (67.22)	56 (23.24)

Source: Field Survey, 2014

Late granting of loan

The results of data analysed in Table 3 showed that majority of the cassava farmers 70.12 percent indicated that late granting of loan was the major problem they faced in loan acquisition whereas minority 27.39 percent indicated that it was not a major problem.

Distance from bank

Table 3 revealed that majority 49.38 percent did not agree that distance of the farmers from home to bank or distance of banks to their homes was a major problem hindering loan acquisition. But minority 48.55 percent identified distance of bank from home as a serious constraint. Oji (n.d) noted some factors limiting commercial banks to extend loans to farmers to include location of the banks in the urban areas to the farmers, among others.

High cost of transportation

The result of data analysed showed that high cost of transportation to the bank was a major constraint faced by majority 54.77 percent of the respondents. But minority 41.91 percent did not consider it as a serious problem in loan acquisition.

Provision of collateral security

The results of data analysed showed that majority of the respondent 50.21percent agreed that collateral security was not a problem in loan acquisition. But minority 47.72 percent indicated it as a problem. Okojie *et al*. (2010) reported that limited access of farmers to loan facility from banks is as a result of lack of bank account, lack of collateral and limited knowledge of loan acquisition procedures.

Number of guarantors required by the banks

Results showed that the majority 69.29 percent of the respondents identified number of guarantors as a constraint in obtaining loan while minority 28.63 percent indicated that it was not a problem.

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Much Filling of Forms

Further analysis showed that majority of the respondents 76.35 percent identified much filling of forms as a problem they faced in acquisition of loan while very few 20.75 percent could not agree that it was a problem. This result agreed with Agnet (2004) who indicated that the complex mechanism of commercial banking was least understood by the small scale farmers and thus limit their access to credit facilities.

High Interest Rate

Results showed that majority 70.95 percent of the respondents identified high interest rate charged on loans as a serious constraint limiting loan acquisition from the banks while minority 26.97 percent said that it was not a serious problem. This result was in agreement with Philip et al. (2009) who asserted that high interest rate and short term nature of loans with fixed repayment periods did not suit annual cropping and thus hinders access to credit.

Poor Supervision

Poor supervision by bank officials was identified as a major problem by majority 71.37 percent while others 23.24 percent did not identify it as a serious problem. Furthermore, in order to support the finding of this study, Adekunle *et al.* (2009) categorized some constraints that cassava farmers are facing in Nigeria. They are economic, social and environmental in nature. Kuye (2015) categorized cassava farmers' constraints into social constraints which include inadequate farmland, land fragmentation and poor perception about farming, among others. Production/technical constraints include poor soil fertility, poor/marginal soil, pest and diseases attack, use of local varieties, excess rainfall, scarcity/high cost of fertilizer and other agrochemicals, drought and scarcity of improved varieties. Environmental constraints include soil/water pollution, air pollution, crop destruction by cattle and stream/river pollution. Institutional constraints include unfavourable market price, poor research, inadequate functional cooperatives, inadequate extension services and unfavourable government policies (Kuye, 2015).

Causes of loan default, constraints to loan administration and general problems faced by financial institutions (BOA, FBN and UB) in loan delivery in South-south Nigeria

The causes of loan default by farmers, constraints to loan administration and the general problems faced by financial institutions in the South-south of Nigeria as indicated by Bank of Agriculture, First Bank and Union Bank officials were analysed in Tables 4, 5 and 6.

Table 4: Percentage distribution of causes of loan default by farmers as indicated by BOA, FBN and UB officials

Parameters	Frequency(N=9)	Percentage (%)
Farmers perception of loan as their share of nation cake	9	100
Low or lack of profit from farm enterprises on which loan funds were invested	1	11.1
Poor loan monitoring and supervision by banks	7	77.78
General apathy to loan repayment by borrowers	9	100
Low output and income due to risk and uncertainty	5	55.56
Fluctuation in prices of farm inputs	9	100

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Poor project evaluation	4	44.44
Untimely loan disbursement	5	55.56
Diversion of loan to other uses	9	100
Government inconsistent policies towards agric cultural sector	8	88.89
Occurrence of natural disasters such as flood, fire and disease outbreak	9	100

Source: Field Survey, 2014

Table 5: Percentage distribution of constraints to loan administration as indicated by BOA, FBN and UB officials

Parameters	**Frequency (N=9)**	**Percentage (%)**
Non- repayment of loan by beneficiaries	9	100
Delay in repayment of loans	9	100
Diversion of agric loan to Non-Agric sector	9	100
Inability of farmers to produce collateral	7	77.78
Inadequate fund for loan disbursement	1	11.11
Low patronage due to lack of awareness by farmers	7	77.78
Unsteady government policies	2	22.22
High default rate	9	100
Inadequate monitoring and evaluation	9	100
Uneven distribution of agricultural loan	4	44.44
Illiteracy of farmers	9	100
High cost credit administration	6	66.67
Lack of farmers awareness about bank product innovation	9	100
Total	**9**	**100**

Source: Field Survey, 2014

Table 6: Percentage distribution of general problems faced by financial institutions as sources of agricultural loan as indicated by BOA, FBN and UB officials

Identified general problems	**Frequency (N=9)**	**Percentage (%)**
General weakness in extension linkage role	9	100
Inadequate on-the-spot supervision and continuous monitoring	9	100
Problem of identifying genuine clients	4	44.44
Problem of inadequate rural branches to serve rural customers	8	88.89
Most farmer loan beneficiaries are not exposed to ICT	9	100
Most farmers perceived loan as part of national cake	9	100
Low or lack of profit from farm enterprises	1	11.11
Risk and uncertainty	9	100
Dishonesty and fraud by some loan beneficiaries	7	77.78
Granting of loan to portfolio farmers	8	88.99
Total	**9**	**100**

Source: Field Survey, 2014 (Adapted from Kuye, 2015)

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

The results on Table 4 showed the causes of loan default among the farmers as indicated by the bank officials in the study areas. They include farmers' perception of loan as part of their national cake 100%, general apathy to loan repayment by borrowers 100%, fluctuation in prices of farm inputs 100%, diversion of loan to other uses 100%, natural disasters 100%, government inconsistent policies 88.89% and poor loan monitoring and supervision 77.78%. However, other problems considered by bank officials with low percentage were untimely loan disbursement 55.56%, effect of risk and uncertainty in agriculture 55.56%, poor project evaluation 44.44% and low or lack of profit from farm enterprises 11.10%.

However, the results of the analysis of constraints that financial institutions (BOA, FBN and UBN) were facing while administering loans to cassava farmers and their general problems as a source of agricultural loan in the study area as contained in Tables 5 and 6. Among the constraints mentioned by the banks which affect effective administration of loans were non-repayment of loan by farmers (100%), delay in repayment of loans (100%), diversion of agricultural loans to non-agricultural sector (100%), inability of farmers to produce collateral security where there is need for it (medium and long- terms loans) (77.78%), low patronage by farmers due to lack of awareness about loan (77.78%), high default rate among farmers (100%), illiteracy level among farmers (100%), high cost of loan administration (66.67%), lack of farmers awareness about bank products innovation (100%), general weakness in extension linkage role (100%), poor supervision and monitoring by bank officials (100%), inadequate number of rural branches of banks (88.89%), non- exposure of loan beneficiaries to ICT (100%), perception of farmers on loan as a share of national cake (100%), risk and uncertainty (100%), dishonesty and fraud among loan beneficiaries (77.78%) and granting loans to portfolio farmers (88.89%). However, the analysis further indicated that minority of the respondents reported inadequate fund for loan disbursement (11.11%) as a minor problem. Other minor problems were unsteady government policies (22.22%) and uneven distribution of agricultural loans (44.44%), identifying genuine clients (44.44%) and low profit from farm enterprises (11.11%) (Kuye, 2015).

CONCLUSION

This study had shown that cassava farmers (both CFLB and CFLNB) generally faced series of challenges in their farm production. Similarly, financial institutions also faced barrage of problems while administering and delivering their funds to farmers, utilization. But improved access to credit facilities by the farmers would improve cassava production, increase income and overall well-being of the farmers and promote economic development of the South-south of Nigeria.

RECOMMENDATIONS

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

i) loans should be timely disbursed to enable cassava farmers use it maximally;

ii) Adequate supervision of loan by bank officials should be ensured.

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

iii) Extension agents should visit the cassava farmers regularly for proper training on improved technologies.

iv) Cassava friendly loan packages should be implemented to favour the loan beneficiaries.

v) assava farmers should be encouraged to join Cassava Growers Association Cooperatives so that they can follow to enjoy the benefits of group dynamics in cooperatives.

vi) Financial institutions should strengthen their supervisory roles and be flexible in their lending conditions to farmers.

REFERENCES

Agnet,C.O (2004) Making farm credit work for the small-scale farmers.<http://www.agnet.org/library/nc/145b>Accessed on July 20, 2010.

Ajibefun, I. A and Aderinola, E.A (2004) ''Technical efficiency and policy implications in traditional agricultural production'' Paper presented at the Bi-annual Research Workshop of AERC. Nairobi, Kenya, 24th -29th May.

Amnesty International (2009) Nigeria: Petroleum pollution and poverty in the Niger Delta. United Kingdom Publication. International Secretariat, London.

Anyaegbunam, H.N, Ogbonna M.C, Asumugha, G.N (2006)''Determinants of adoption of cassava technology by small-scale farmers in Abia State, Nigeria'' Proceedings of the 40th Annual Conference of the Agricultural Society of Nigeria held at NRCRI, Umudike ,16th-20th October pp 776-780.

Apata, T.G, Apata, O.M, Igbalajobi, O.A and Awoniyi, S.M.O (2010) ''Determinants of rural poverty in Nigeria: Evidence from smallholder farmers in south-western Nigeria'' Journal of Science and Technology Education Research Vol. 1(4) pp 85-91.

Arene, C.J (1990) ''Evaluation of the Supervised Agricultural Credit Scheme of Anambra State, Nigeria'' Unpublished PhD Thesis submitted to the Dept.of Agricultural Economics, University of Nigeria, Nsukka.

Asadu, P.O (2004) "Presidential Initiative on Cassava Production and Export: Genesis and scope" Paper presented at a conference organized by National Cereal Research Institute held at Moor Plantation, Ibadan, Oyo State, Nigeria. 24th -27th April, 2004.

Bammeke,T.O.A (2003) ''Accessibility and utilization of agricultural information in the economic empowerment of women farmers in South-western Nigeria''. Unpublished Ph.D Thesis, Department of Agricultural extension and Rural Development, Univeristy of Ibadan, Nigeira.

Bawa, D. B., Ani, A.O. and Nuhu, H.S. (2009) ''Perception of privatization and commericialization of agricutlrual extension services in Adamawa State, Nigeria''. American European Journal of Sustainable Agricutlure, 3:375-380.

Chukwuji, C.O (2006) Factors affecting the production and technical efficiency in cassava-based food crop production systems.

Dikito-Watchmeiser, M.S (2001) Empowering women to achieve food security. International Food Policy Research Institute, Washington D.C. Focus 6, policy Brief 9 of 12, August 2001.

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

Ebewore, S.O, Ebodion, J. and Oboh, O.O. (2013) "Profitability analysis of yam production in Ika South LGA of Delta State, Nigeria." Journal of Biology, Agriculture and Healthcare Vol 3, No2. www.iiste.org p. 121.

Edeh, H.O. (2008)'' Analysis of environemtnal risk factor affecting rice farming in Ebonyi State, Nigeria'' Unp[ublished MSc Dissertation submitted to the Department of Agricultural Economics, Univeristiy of Nigeira, Nsukka p45-50.

FAOSTAT (2009). Online Statistical Database. Rome, Italy.www.fao.org.

Henry-Ukoha, A, Orebiyi,J.S, Obasi, P.O, Oguoma,N.N, Ohajianya, D.O, Ibekwe, U.C and Ukoha, I.I (2011) Determinants of loan acquisition from the financial institutions by smallscale farmers in Ohafia Agricultural Zone of Abia State, South-east Nigeria Journal of Development and Agriculturral Economics Vol.3(2) pp.67-74.

Irokwe, A.G, Asumugha, G.N, Ekwe, K.C and Okoye, A.C (2009) Gender inequalities in technical efficiency among small-holder cassava farmers in Enugu State, Nigeria. Nigeria Agricultural Journal, 40(1): 44-51.

Iheke, C.O (2006) ''Farmers related factors influencing the adoption of agricultural innovations in Imo State, Nigeria'' Unpublished Ph.D Thesis submitted to the Department of Agricultural Extension, UNN, Nigeria pp 100-150.

Khandker, S.R (1998b)''Micro credit programme evaluation: A critical review" Institute of Development Studies Bulletin Vol. 29 No 4. pp11-18

Kormawa, P. and Akoroda, M. O. (2003)**.** *Cassava Supply Chain Arrangements for Industrial Utilization in Nigeria*, IITA, Ibadan

Kuye, O.O (2015) ''Comparative analysis of performance of Bank of Agriculture and selected commercial banks (FBN and UB) in enhancing cassava production by farmers in South-south Nigeria (2009-2013)'' Unpublished PhD Thesis submitted to the Department of Agricultural Economics, Management and Extension, Ebonyi State University, Abakaliki. Pp138-139.

Nwaru, J.C (2004) Determinants of farm and off-farm incomes and savings of food crop farmers in Imo State, Nigeria: Implications for poverty alleviation. The Nigerian Agricultural Journal. pp36:26-42.

Ochu, A.O and Achagh-Hyande, N. (2005)''Promoting indigenous cassava processing knowledge for poverty eradication among Nigerian farmers: Implications for farmers education'' In: Obinne, C.P.O (ed) Readings on Indigenous Processing, Storage and Marketing for Poverty Reduction in Nigeria. NSIKAD 2005 CEKARD Associates (Publishing Dept.) Makurdi, Nigeria. Pp132-147.

Odejide, A.F (1997): "Breaking the vicious cycle of poverty among women in developing countries: The case for micro- credit" In: NES - Poverty Alleviation in Nigeria. Dept of Economics, University of Ibadan.

Oderhohow, E. (2008). Beef marketing in Ugheli North Local Government Area of Delta State. Unpublsihed B.Agric Project submitted to the Department of Agricultural Economic and Extension, Delta State Univeristy, Abraka, Nigeria pp 48.

Oji, K.O (n.d) Policy needs in the micro finance sector: The missing angle. In: Policy challenges for micro finance design and practice in Nigeria. Enugu Forum Policy Paper 7 In: Eboh, E.C, Ukeke, S, Ibe, C and Ikpi, K (eds) African InstituteforAppliedEconomics. <http://www.alaenigeria.org/publications/policypaper7pdf>>.

Okojie, C.A, Monye-Emina, K, Eghafona, G, Osaghae, O and Ehiakhamen, J.O (2010) Institutional and environmental access to micro finance by self-employed women in

ISSN 2053-5805(Print), ISSN 2053-5813(Online)

rural areas of Edo State. NSSP Brief No. 14. Washington D.C. International Food Policy Research Institute.

Okpukpara, B.C (2006)"Credit constraints and adoption of modern cassava production technologies in rural farming communities of Anambra State, Nigeria." In: Proceedings of the 20th Annual National Conference of Farm Management Association of Nigeria held at Forestry Research Institute. Jos. 18th -21st Sept. 2006 pp282-290.

Panjanitan-Drioadisuryo, Rosintan, D and Cloud, K (1999) Gender self-employment and micro-credit programs: An Indonesian case study.Q. Rev. Econ. Fin., 39:1-8.

Poly-Mbah, C.P and Udeogu, B.C (2007)''Women participation in root crops production: A case of Njaba, Imo State''. International Journal of Agriculture and Rural Development 10(2): 150-153.

Zeller, M. M, Sharma, A, Ahmed, U and Rashid, S (2001) Group- based financial institution for the rural poor in Bangladesh: An institutional and household level analysis. IFPRI Research Report 120 (disc I.D 2001-08).

ISSN 2053-5805(Print), ISSN 2053-5813(Online)