CHAPTER FOUR

RESULT AND DISCUSSION

4.1   Introduction

This chapter presents and discusses the findings of the study based on the data collected through a structured questionnaire administered to 150 respondents, including farmers, agricultural officers, and bank/loan officers in Ilorin East and Ilorin South Local Government Areas of Kwara State. The analysis was carried out using both descriptive and inferential statistical methods.

4.2   Descriptive Statistics
4.2.1   Demographic Characteristics of the Respondents

Variable	Categories	Frequency	Percentage (%)
Gender	Male	90	60%
	Female	60	40%
Age	18-25	20	13.3%
	26-35	50	33.3%
	36-45	55	36.7%
	46+	25	16.7%
Educational Qualification	No formal	10	6.7%
	Primary	30	20%
	Secondary	40	26.7%
	Tertiary	70	46.7%
Occupation	Farmer	80	53.3%
	Agricultural officer	40	26.7%
	Bank/Loan officer	30	20%
Years of Experience	<1 year	5	3.3%
	1-5 years	45	30%
	6-10 years	60	40%
	>10 years	40	26.7%

Source: Researcher's Computation, 2025

The demographic data of the respondents reveals a fairly balanced representation relevant to the study on agricultural financing and food security in Ilorin, Kwara State. A majority of the respondents were male (60%), while females accounted for 40%. Most respondents (36.7%) fell within the 36−45 age bracket, followed by 33.3% in the 26−35

age group, indicating a youthful and active agricultural workforce. In terms of education, nearly half (46.7%) of the respondents had tertiary education, suggesting a relatively educated population, which may influence their ability to access and understand financing schemes. Occupationally, farmers made up the largest group (53.3%), followed by agricultural officers (26.7%) and bank/loan officers (20%), ensuring diverse perspectives from key stakeholders. Regarding experience, the largest proportion (40%) had between 6 – 10 years of experience, while another 30% had between 1 – 5 years, reflecting a solid base of practitioners actively engaged in agricultural activities and financing issues — crucial for a reliable and informed assessment of the study's objectives

4.2.2: Types and Sources of Agricultural Financing

Type of Financing	Frequency	Percentage (%)
Government loan schemes (e.g., ACGSF, NIRSAL)	70	46.7%
Bank loans	30	20%
Cooperatives	25	16. 7%
Personal savings	15	10%
NGO/Donor funding	10	6.6%

Source: Researcher's Computation, 2025

The data in Table 4.2.2 highlights the various types and sources of agricultural financing accessed by respondents in Ilorin, Kwara State. Government loan schemes such as ACGSF and NIRSAL emerged as the most utilized source of agricultural financing, with

46.7% of respondents indicating access to these programs. This suggests that government-led interventions remain central to supporting farmers financially. Bank loans accounted for 20%, reflecting a moderate level of engagement with formal financial institutions. Cooperative societies contributed 16.7%, showing their role as an alternative source of credit within farming communities. Meanwhile, personal savings (10%) and NGO/donor funding (6.6%) were the least relied upon, indicating limited personal capital among farmers and relatively low penetration of non-governmental financial support. Overall, the findings suggest that while multiple financing options exist, government schemes dominate the agricultural credit landscape in the study area.

4.2.3: Challenges in Accessing Financing

Challenge	Frequency	% of Respondents (multiple responses)
High interest rates	90	60%
Complex procedures	80	53.3%
Lack of collateral	95	63.3%
Inadequate awareness	60	40%
Political interference	45	30%

Source: Researcher's Computation, 2025

Table 4.2.3 presents the key challenges faced by respondents in accessing agricultural financing in Ilorin, Kwara State. The most commonly reported barrier was the lack of collateral, cited by 63.3% of respondents, highlighting how asset requirements hinder many smallholder farmers from securing loans. High interest rates were also a major concern, affecting 60% of respondents, which suggests that the cost of borrowing

remains a significant deterrent. Additionally, 53.3% indicated that complex loan procedures made the process difficult, pointing to bureaucratic hurdles and the need for financial literacy. Inadequate awareness of available credit schemes affected 40% of respondents, implying poor dissemination of information to the grassroots level. Political interference, although less frequently reported (30%), still represents a notable obstacle that may influence fair access to financing. Overall, these findings underscore that structural, informational, and financial barriers continue to limit farmers' access to much-needed agricultural credit in the region.

4.3: Inferential Statistics

Model summary	Value
R	0.622
R^2	0.387
F-statistic	45.23
Sig. (p-value)	0.000

Interpretation:

The result indicates a moderately strong positive relationship (R = 0.622) between agricultural financing and food production. The model explains about 38.7% of the variation in food production levels (R^2 = 0.387). The p-value (0.000) is less than 0.05, indicating that the relationship is statistically significant.

Chi-Square Test of Independence

Value	df	Asymp. Sig. (2-sided)

Pearson Chi-Square	16.841	4

Interpretation:

Since the p-value (0.002) is less than 0.05, we reject the null hypothesis. This implies a statistically significant association between the respondents' occupation (e.g., farmer, officer, banker) and their access to agricultural credit.

4.4   Discussion of Findings

The findings of this study reveal important insights into the demographic composition and financing experiences of stakeholders engaged in agricultural activities within Ilorin East and Ilorin South Local Government Areas of Kwara State. The majority of the respondents were male and fell within the economically active age range of 26 to 45 years, suggesting a vibrant agricultural workforce. With nearly half of the respondents possessing tertiary education, there appears to be a relatively high level of literacy among agricultural practitioners, which could influence their awareness and use of financing opportunities. The diversity in occupational backgrounds — ranging from farmers to agricultural and loan officers — ensured that the study captured multiple perspectives regarding agricultural financing and food production, while the prevalence of respondents with substantial years of experience (over 6 years) indicates that the data was collected from knowledgeable individuals familiar with the realities of agricultural financing.

In terms of financing sources, the dominance of government loan schemes such as the Agricultural Credit Guarantee Scheme Fund (ACGSF) and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL), accessed by 46.7% of respondents, underscores the critical role of public sector initiatives in supporting the

agricultural sector. However, the comparatively low patronage of commercial bank loans (20%) and cooperatives (16.7%) may reflect limited trust, unfavourable lending terms, or restricted access to these alternatives. The minimal reliance on personal savings and NGO funding further suggests that most farmers lack sufficient personal capital and that non-state support remains underutilized or inaccessible. This pattern of reliance confirms the importance of government intervention but also points to the need for diversifying and strengthening other credit pathways to ensure a resilient financing ecosystem.

Furthermore, the study identified significant challenges hindering access to agricultural financing. Chief among these are the lack of collateral (63.3%), high interest rates (60%), and complex application procedures (53.3%), all of which reflect systemic and institutional barriers. The challenges of inadequate awareness and political interference, although less frequently cited, are nonetheless indicative of weak outreach efforts and governance issues affecting equitable credit distribution. These challenges align with the inferential statistical results, which show a statistically significant relationship between access to credit and food production ($R = 0.622$, $p < 0.05$), as well as a significant association between respondents' occupations and credit access. Thus, the findings not only affirm the importance of credit to food production but also highlight the need for reform in credit delivery systems, policy transparency, and farmer education to enhance agricultural output and food security in the region.