

CHAPTER FIVE

SUMMARY FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary 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.

5.2 Conclusion

Agricultural financing and food production are critical to Nigeria's economic growth, food security, and rural development. However, challenges such as limited access to credit, high-interest rates, poor infrastructure, inconsistent government policies, and climate change continue to hinder progress. Commercial banks, microfinance institutions, cooperatives, and farmers' associations play vital roles in providing funding,

while government interventions and public-private partnerships can further enhance financial accessibility. The impact of agricultural financing extends beyond farming, influencing employment, infrastructure development, and overall economic stability in rural areas. To address existing challenges, strategies such as expanding agricultural credit, investing in rural infrastructure, adopting modern technology, and promoting climate-smart agriculture must be prioritized. By implementing these measures, Nigeria can strengthen its agricultural sector, improve food production, and achieve long-term economic sustainability.

5.3 Recommendations

At the end of the study, the following recommendations are made:

There is need for the government to improve access to low-interest agricultural loans for smallholder farmers.

Government has to strengthen public-private partnerships to enhance agricultural financing and infrastructure.

Government should expand microfinance and cooperative credit schemes for rural farmers.

There is need for the government through the ministry of Agriculture to invest in rural road networks, storage facilities, and irrigation systems

Government should implement policies that ensure transparency in agricultural funding disbursement.

References

- Afolabi, M., & Bello, T. (2020). The impact of insecurity on agricultural productivity in Nigeria. *African Journal of Agricultural Economics*, 15(2), 45-60.
- Afolabi, T., & Bello, K. (2020). Challenges in the implementation of agricultural credit schemes in Nigeria. *African Journal of Agricultural Economics*, 12(3), 45-60.
- CBN. (2021). Agricultural credit schemes and food security in Nigeria. *Central Bank of Nigeria Bulletin*, 28(4), 112-130.
- CBN. (2021). Agricultural Credit Guarantee Scheme Fund (ACGSF) and other intervention programs. *Central Bank of Nigeria Annual Report*.
- Eze, C., Okonkwo, P., & Umeh, G. (2020). Challenges of agricultural financing in Nigeria: A case for policy reform. *Journal of Development Finance*, 22(1), 78-96.
- Eze, J., Okoro, C., & Nwosu, P. (2020). Agricultural financing and its impact on food security in Nigeria. *Journal of Development Studies*, 18(2), 78-95.
- Ibrahim, M., & Sulaiman, A. (2021). Public-private partnerships in agricultural financing: Challenges and opportunities. *Nigerian Economic Review*, 9(1), 34-50.
- Ibrahim, S., & Sulaiman, K. (2021). The role of financial institutions in boosting agricultural productivity in Nigeria. *Nigerian Journal of Banking and Finance*, 19(3), 210-225.
- National Bureau of Statistics. (2023). Nigeria's population growth and food security outlook. *Statistical Report on Economic and Social Indicators*, 11(1), 56-78.
- National Bureau of Statistics. (2023). Nigeria's population growth and its implications on food security. *NBS Statistical Bulletin*.
- Ogunleye, A., & Aluko, F. (2022). Digital financial solutions and agricultural credit accessibility in Nigeria. *Fintech and Rural Development Journal*, 5(2), 90-110.
- Ogunleye, F., & Aluko, D. (2022). Post-harvest losses and the challenges of agricultural supply chain in Nigeria. *Journal of Agribusiness and Rural Development*, 30(2), 134-152.
- Oladipo, J., & Adeyemi, R. (2021). Agricultural financing and food security in Nigeria: Challenges and prospects. *West African Journal of Agricultural Research*, 18(4), 67-83.

QUESTIONNAIRE

Title: Investigating the Impact of Agricultural Financing on Food Security in Nigeria (A Case Study of Ilorin, Kwara State)

Dear Respondent,

This questionnaire is designed for academic purposes and seeks to gather information on the role of agricultural financing in promoting food security in Nigeria. Your responses will be treated with strict confidentiality.

SECTION A: Demographic Information

Please tick (✓) where appropriate.

Gender: ☐ Female ☐ Male

Age: ☐ 46 and above ☐ 36–45 ☐ 26–35 ☐ 18–25

Educational Qualification: ☐ No formal education ☐ Primary ☐ Secondary ☐ Tertiary

Occupation: ☐ Bank/Loan Officer ☐ Agricultural Officer ☐ Farmer ☐ Other
(Please specify): _____

Years of Experience in Farming or Agricultural Work: ☐ Above 10 years ☐ 6–10 years ☐ 1–5 years ☐ Less than 1 year

SECTION B: Types and Sources of Agricultural Financing

What type(s) of agricultural financing have you accessed? ☐ Government loan schemes (e.g., ACGSF, NIRSAL) ☐ Bank loans ☐ Cooperatives ☐ Personal savings ☐ NGO or donor funding ☐ Others (Please specify): _____

How frequently do you access agricultural financing? ☐ Never ☐ Rarely ☐ Occasionally ☐ Always

Which of the following sources do you trust the most for agricultural financing? ☐ Government programs ☐ Commercial banks ☐ Microfinance banks ☐ Cooperative societies ☐ Others: _____

SECTION C: Accessibility and Adequacy of Credit Schemes

How easy is it for you to access agricultural credit? ☐ Very difficult ☐ Difficult ☐ Easy ☐ Very easy

Have you ever been denied agricultural credit? ☐ No ☐ Yes If yes, state the reason(s): _____

Do you consider the amount of credit you receive adequate for your farming operations?
☐ No ☐ Yes

Please explain briefly: _____

How timely is the disbursement of the credit you receive?

☐ Very late ☐ Late ☐ Timely ☐ Very timely

SECTION D: Challenges in Securing Agricultural Financing

What challenges do you face in accessing agricultural financing? (You may tick more than one) ☐ High interest rates ☐ Complex loan procedures ☐ Lack of collateral ☐ Inadequate awareness of available schemes ☐ Political or social interference ☐ Others: _____

In your opinion, what can be done to improve farmers' access to credit in Ilorin or Nigeria at large?

SECTION E: Agricultural Financing and Food Production

Has the agricultural financing you received helped to improve your crop or food production? ☐ Not sure ☐ No ☐ Yes

Which aspects of your farming benefited most from the credit? ☐ Purchase of seeds/fertilizers ☐ Hiring labor ☐ Buying equipment ☐ Expanding farmland ☐ Others: _____

Do you think improved financing will increase food availability in Ilorin and Nigeria as a whole? ☐ Strongly disagree ☐ Disagree ☐ Agree ☐ Strongly agree

Additional Comments on Agricultural Financing and Food Security: