

Assessment of Strategies for Financing Agriculture Development for Sustainable Economic Growth in Taraba State, North East, Nigeria

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Abstract:- The main objectives of the study was to assess strategies for financing Agricultural development for sustainable economic growth in Taraba State, specifically the study sought to: access financial sources for Agricultural development, strategies that could usually serve as a catalyst for agricultural development, determine rational for sustainable economic growth and identify the major cons traits. Survey research design was adopted in carrying out the research. The population of the study areas comprised all registered farmers in the study area, numbering 36,501. 2 steps sampling techniques were adopted to draw the sample size. Six Local Government areas were purposely selected out of which 350 respondent were randomly selected for the study. Validation and reliability test of the instrument for primary data collection were conducted. Mean and standard deviation (SD) were used in data analysis. The finding shows that 64 of respondents engage in farming, the finding also reveal that the strategies needed to improve financing agriculture include: improve Farmers education, granting credit facilities, and encourage farmers to form cooperative society and average (mean = 3.61, SD = .58). The study further reveal that sources of financing agricultural development includes: individual and family saving, Bank of Agriculture, commercial banks, Micro Banks, and Individual money lenders with an average (mean = 3.74, SD = .56). inadequate skills and knowledge by farmers, lack of collateral to access loan and non-formation of cooperative society were identified as a major constraint (mean = 3.50, SD = .58). the study recommended that both the Government, NGO and Private sectors need to provide the needed strategies and improve sources of credit to farmers for sustainable economic growth.

I. INTRODUCTION

Nigeria is entirely a country where a high percentage of the population lives in the rural area and finds employment in agriculture, which is still dominated by small-scale farmers. The farmers mainly operate with simple farm tools, equipment and facilities with or without the application of chemical

fertilizers. The mostly used Green manure, compost manure of farm yard manure. The livestock factor is largely in the hands of the nomadic herdsman, that moved around working for good pasture, water and healthy environment, while the poultry is under the extensive system of domestication, although more scientists methods of poultry management, such as intensive and semi-intensive up all over the country. The fasting sector is also growing but mainly operates under traditional system and rivers, while the forestry and wildlife management still remain under Natural conditions, with the title concerted effort on A forestation (Agbulu, 2023).

Successive Administration in Nigeria have made the noticeable effort towards improving Agricultural production from early to date, through the establishment of various Agricultural and rural development programmes and policies, such as the National Accelerated Food Production Projects (NAFP), Agricultural Development program (ADP), National Fadama Program (NFP), Agricultural Credit Guarantee Scheme (ACGS), River Basin Development Authorities (RDBA) and Youth Empowerment and Social Support Operation (YESSO). All three were deliberate programs and policies arrived at developing the rural areas and faster grass root orientation development based on the diffusion and economic growth centre models (Asogwa, 2023).

Bank of Agriculture (BOA) were established in most of the rural areas, aimed at attracting Agro-allied businesses and to under loans and credits facilities and to farmers at minimum interest rate of 6%, apart from providing the much needed training and technical support to the farmers. There were short, medium and long term loans and credits for the cultivation of food crop, cash crop, livestock management and for the purchase of agricultural inputs (Gidado, 2016).

However (2023), stated that an evaluation of the above programs and policies revealed that most of them failed to address the facilities need the farming communities, which could be attribute to the fact that the key stakeholders were not consulted in developing some of the program and policies, others could be associate with the fact that the target

beneficiaries were not involved in the implementation of the some policies apart from the Top-down approaches adopted by the Government.

Ademola and Uyanga (2022) mentioned that the strategies diffusion model of Agricultural Development for economic growth emphasizes on the adoption of Agricultural extension services, demonstration, experimental farmers, progress farmers, education of the farmers, Agricultural price policy, technological innovation and adoption of the Button-up approaches as the gained considerable acceptance strategies for agricultural development for economic growth in many developing countries of the World Ochur (2020) stated that the basic economic resources theory Emphasizes the role of basic agricultural and environment resources in the development of any nation. The theory stipulate the economic growth depends on the preserved quality and magnitude of basic of base Natural and resources within particular region. It argues that the development of these resources attract capital investment, increase in income generation and employment opportunity.

➤ *Problem Statement*

Despite the fact that the Country is making serious effort to break away from the various circle of economic backwardness, the efforts have not yet yielded positive dividend. Most of the Nigeria one still operating under traditional system, entrapped poverty, unemployment and inequality, it's against this background that the researcher intends to assess what have been attempted on suggest more sources for financing agricultural development and strategies that could serve as catalyst to bring more on better agricultural development for sustainable economic growth.

Gidado (2021) confirmed that the government system and politics were party implemented because of this up-down approaches and corruption which made it difficult for the farmers to access credit facilities and agricultural farming inputs.

World Bank (2024) reports that poverty is a plague affecting people all over the world and it is considered one of the symptoms of manifestation of under development.

The report further stressed that poverty encompasses different dimension of deprivation that related to human capabilities, including inability of the farmers to access education self development inputs and decent work. It's the position of this research therefore that the presence of the aforementioned features in the Nigeria developing poverty among farmers.

Consequently, this study sought to assess strategies for financing agriculture developments for sustainable economic

growth in Taraba State, to explore whether the farmers access to financial resources and either the function of Agricultural production as the strategies could improve economic growth.

There research questions are expected to be answered by the study:

- What are the sources for financing agricultural development?
- What are the strategies that could wisely serve as a capitalist for agricultural development?
- What are the major constraints?

➤ *Objectives of the study*

The main objective of the study was to assess strategies for financing agricultural development for sustainable economic growth in Taraba State; specifically the study sought to:

- Assess the financial sources for agricultural development.
- Assess financial strategies that could likely serve as a catalyst for agricultural development.
- Identify the major constraints militating against Agricultural Development for sustainable economic growth.

II. METHODOLOGY OF THE STUDY

The study was conducted in Taraba Stated, located in the North East, Nigeria. It lies between latitude 6°.30 and 9°.36 North and latitude 9°.10' and 11°.10' and 11°.50' east, had a projected population of 3,609,800 (NPC, 2020), projection 58,795km², area 61.40/km² population density.

Tropical climate is prevalent in the study area. The rainy season in the area last for five months (May - September). The rest of the year is hot and dry with temperature climbing as high as (40°c, 04°Of). the vegetation ranges from tall grasses and forest in the southern parts to short grasses and shrubs in the northern part. Agriculture is the best rock of the economy, over 80% of the population engage in farming related activities. The area is blessed with fertile land, excellent climate conditions and immense agro raw materials.

➤ *Population and Sampling Procedure*

The population of the study comprised all registered farmers in the study areas numbering 36,501 ministry of Agriculture and rural development (MOARD, 2024). Two steps sampling techniques were adopted to get the sample size. Six Local Government Area were purposely selected out of which their headquarters were randomly selected for the study. This include: Jalingo, Gassol, Bali, Takum and Donga (37.5%) or it was used to obtain the primary data for the study. The 37.5% was selected from each farming of community to obtain a sample size of 350 respondents as shown in the below table:

Table 1. Sampling Procedure for the Study:

SLGA	NO. OF RESPONDENT (REGISTERED FARMERS)	PERCENTAGE
Jalingo	54	16
Yorro	50	14
Gassol	70	20
Bali	52	15
Takum	64	18
Donga	60	17
	350	100

Source: Field Survey (2024), MOARD (2024).

III. RESULT AND DISCUSSION

Based on the percentage (%). The result shows that 223 respondents (64%) engaged in farming both in crop and investock rearing, 78 respondents in agro-allied business (22%), 22 respondents engaged in civil servant (6%) and 27 respondents engage in various trading. This is in line with findings of Agbulum and Wever (2024) whom stated that Majority of the Nigeria population (67%) engaged in farming, especially in the rural community, the Government main contribution is in terms of research, creating security framework and provision of farming inputs.

Tab.1 Percentage (%) Distribution of Respondents Occupation (N=350)

MAJOR OCCUPATION	RESPONDENTS	PERCENTAGE
Farming	223	64
Agro-allied business	78	22
Civil Servant	22	6
Other trades	27	8
Total	350	100

Sources: Field Survey (2024)

Tab.2 Show the strategies needed includes: conselling and regular companing on the value of Agriculture (m=3.52, SD=20), organizing agricultural shows/trade fare on crops, annial and afro-allied products (m=3.61, SD=.64), provision of credit facilities (m=3.61, SD=.60) improve farmers education (m=3.56, SD=.66), subsidizing farmers inputs (m=3.64 SD=.54), formation of co-operative society (m=3.59, SD=.58) and adoption of Bottom-up approach policy (m=3.59, SD=.62).

This is in line with Gidado (2021) report that provision of credit facilities, formation of cooperative society and improve education to farmers and the universal instruments for advancing the dignity of farmers, a potentiality of transforming the socio-economic status of an individual, community and consequently sustain the economic growth of the Nation.

Tab.2 Item rating of the respondents on the strategies needed for financing Agricultural Development (N=350).

STRATEGIES NEEDED	N	MEM	SD	REMARKS
Counseling and regular company on values of agricultural products	350	3.52	.70	Agreed
Organizing agricultural show	350	3.56	.64	Agreed
Provision of credit facilities	350	3.61	.60	Agreed
Improves farmers education	350	3.56	.66	Agreed
Subsidizing farms inputs	350	3.64	.54	Agreed
Formation of co-operative society	350	3.62	.58	Agreed
Adoption of Bottom-up approach	350	3.59	.62	Agreed

N = Number of respondents, SD = Standard Deviation

Source = Field Survey (2024).

Tab.3 revealed that grandy loans by Bank (m=3.75, SD=47), collecting loans from Household saving (m=3.74, SD=.54), Borrowing from co-operative (m=3.62, SD=.49), Borrowing from money lenders (m=3.71, SD=.58), granting loan from community fund (m=3.70, SD=.53) and money/skills partnership (m=3.66, SD=.51).

Ademola (2024) reported that Bank of Agriculture (BOA) and Micro Finance Bank were established by the Government in collaboration with States to provide credit/loans to the farmers at law interest rate (6%), both to individual farmers are the co-operatives societies, with the aim of boosting farmer's productivity and economic growth.

Agbulum and Were (2024) stated that most of the farmers in the rural areas obtained loans and credit facilities from individual money lenders, cooperative society and family household serving, this is a reflection of this study.

Tab.3 Mean Distribution of Respondents on Sources of Financing Agricultural Production (N=350).

SOURCES	N	MEAN	SD	REMARKS
Farmers household serving	350	3.75	.47	Agreed
Granting loans from Banks	350	3.74	.45	Agreed
Borrowing from co-operative	350	3.62	.49	Agreed
Collecting loan from money lenders	350	3.71	.58	Agreed
Granting loan from community funds	350	3.70	.53	Agreed
Money/skills partnership	350	3.66	.51	Agreed

N= Number of respondents, SD= Standard Deviation

Tab.4 Mean Distribution of Respondents on the Constrain Militating Against Agricultural Development for Sustainable Economic Growth. (N=350).

Constraints	N	Mean	SD	Remarks
Inadequate knowledge and skills by farmers	350	3.61	.53	Agreed
Poor access to education	350	3.65	.58	Agreed
Inadequate market information	350	3.71	.59	Agreed
Lack of collateral to access credit facilities	350	3.70	.58	Agreed
High cost of farming inputs	350	3.64	.63	Agreed
Poor socio-economic status of the farmer	350	3.68	.54	Agreed
Inadequate security of land tenure	350	3.65	.58	Agreed
Soil and land degradation	350	3.71	.59	Agreed
Top-down approach of the Government	350	3.61	.53	Agreed
High interest rate change on loan by Bank	350	3.70	.58	Agreed

N = Number of respondents, SD = Standard Deviation

Source = Field survey data (2024).

This is in line with the report of world Bank (2024) stated that most of the farmers in Nigeria are operating under traditional system of agricultural production, using traditional tools, equipment and implement. Many lack access to credit facilities, faced insecurity, poor soil management and can hardly access farmer's inputs due to the farmer's socio-economic status.

From the founding of their study, the gathering conclusion were drawn: financing agricultural development for sustainable economic growth in the study area could be successfully achieve, if the Government NGOs, and private sectors should provide conducive atmosphere and security. The finding of the study concludes that Banks and (BOA), Commercial Banks, Microfinance Banks and other sources of credit/loan could grant loans and credit facilities to the farmers at minimum interest rate charges without landed properties as collateral.

The finding further concludes that should provide farming inputs at subsidized rate, quality education to the farmers as well as the market information, these could likely improve agricultural production and enhance economic growth in the study area on the Nation at large, based on the accepted mean rating from 3.52 - 3.75 and Standard Deviation (SD) ranged from .47 - .70.

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