

ACCESSIBILITY OF POULTRY FARMERS TO CREDIT FACILITIES IN AKINYELE LOCAL GOVERNMENT AREA OF OYO STATE.

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ABSTRACTS

Availability of credit to farmers could be regarded as one of the factors contributed to problems been faced by poultry farmers. Therefore, the study intended to examine the accessibility of poultry farmers to credit facilities in Akinyele Local Government Area of Oyo State. A well-structured questionnaire was used to collect data from 120 poultry farmers while random selection of the respondents was done in the study area. Data were analysed with the use of simple descriptive analysis such as (frequency and percentages) and inferential analysis. Linear regression technique was employed to estimate the production function and determine accessibility of poultry farmer to credit facilities in the study area. The results of analysis shows that majority of respondents are male in the study area. This implies that male respondents are more into the poultry business than female due to the risk and stress involved and it is believed that male manage the risk better than their female counter part. The study also revealed that almost all the respondents in the study area were married with Age range 40-49, and also of higher certificate with years of experience of 1–19 years in the study area. Furthermore, the result of analysis revealed that the majority of respondents had access to credit facility with highest percentages of 62.5%, with source of their loans to be from Association which limit the funds they have access to. The result also shows the effect of Government policy on access to credit facilities with majority of respondent (poultry farmer) claimed that getting Association certificate is an hindrance to credit facilities.

Result also confirmed that there is no significant relationship between accessibility and credit facilities of poultry farmers in the study area. It is therefore recommend that Poultry farmers should be encouraged to form cooperatives to enable them have access to agricultural credit loans, also veterinary clinic should established in addition to making drug and veterinary doctors available to enhance their productivity.

Keywords: Accessibility, Poultry farmers, Credit-Facilities

INTRODUCTION

Livestock/poultry is one of the most important ready cash emergency needs as well as an important source of protein for consumers. Its role in rural livelihoods and food security is enormous. Okoli (1991) describe Poultry meat and Eggs as very useful

role in bridging the protein gap in Nigeria. This acceptability cuts across nearly all cultural religion boundaries in Nigeria. Poultry industry plays important roles in the development of Nigerian economy. It is major source of eggs and meat which have a high nutritional value particularly in the supply of protein. Eggs are also important in the preparation of confectionery and vaccines.

Also, poultry industry provides employment opportunities for the populace, thereby serving as a source of income to the people. However, the poultry industry in Nigeria, as well as other developing countries of Africa, is continually characterized by low production levels. This is largely associated with lack or limited finance (credit facilities) for the procurement of basic poultry equipment and materials. Feed ingredients are also expensive. This makes it difficult for the farmers to produce and supply sufficient and good quality feeds to the poultry birds which in line with Oboth (2003) observed that about 88.9 percent of the poultry farms were funded to the tune of N2.5 million per annum while the average annual funding rate was N1.701 million. This thus indicated the poor funding status of the small scale poultry farms in South Western Nigeria.

It was also reported that only 4.21% of the poultry farms had between N3.1 to N3.5 million funding rate per year. As the majority of these farms operated below fund secure level, there were limited credit facilities to procure necessary items such as high quality and abundant feeds, drugs and vaccines, cages and feeding troughs, hybrid chicks and so on. Funds were also required for settling workers' salaries, constructing feed mills and rendering various marketing services. Akanni (2007) reviewed the low level of credit supply to the poultry farms has what limits productivity and expansion in the sub-sector. To enhance performance in the small scale commercial poultry farms, therefore, adequate and timely release of funds that will see the farms beyond the fund insecure zone is mandatory.

agricultural sectors serving as 'safety net' providing Credit for poultry farmers is assuming increasing importance in many parts of the world as a deliberate response to the needs of numerous entrepreneurs with limited capital based IFAD. (2001). In Nigeria the present government emphasizes the the transformation of poultry farmers from subsistence orientation to market and thus requires the availability of adequate capital. CREDIT AND

LOANABLE FUND is regarded as more than just another resource such as land, labour equipment because it determines access to all other resources on which farmers depends. The reason is that farmers adoption of new technologies necessarily requires the use of some improved input which must be purchase. Therefore, farm credit either from the formal or informal sources remains the major means of improving farm capital investment. In response to this need, the Nigerian government established amongst others the Nigeria Agricultural and cooperative Bank (NNACB)

It is generally agreed among researchers and policy makers that lack of access to adequate credit can have significant negative consequences for various aggregate and household level outcome, including technology adoption, agricultural productivity, food security, nutrition, health, and overall household welfare (zeller et al.,2001). Availability and accessibility to credit by farmers can alleviate capital constraints on agricultural households. Most farm households show a negative cash flow during planting season because of expenditures on agricultural inputs, and on food and essential non-food item (Oboh. 2008).

Availability of credit to farmers also increases their risk bearing ability. The more knowledge that credit will be available to cushion the effect of any risky but potentially profitable investment may therefore be willing to adopt new riskier technologies (Oboh. 2008). Therefore, this study seek to identify socio-demographic characteristics of respondents in the study area, determine Government policy on getting access to credit facilities among respondents in the study area, determine the accessibility of poultry farmers to the credit facilities in the study area.

MATERIAL AND METHODOLOGY

The study was carried out in Akinyele Local Government Area of Oyo State, in south west Nigeria, it comprises of 12 wards. (Adegbite, 1994). It occupies a land area of 464.892 square kilometers

with a population density of 516 persons per square kilometer. Dominated by the Yoruba ethnic group among others, (Oyo State Government, 2010). In the southern part of the local government, there is secondary forest and in the north derived savanna. The major streams are Ose, Ona and Odo-Oba while there is a forest reserve at Atan/Imini near Ijaye.

Agriculture is the main occupation of the people in the area, the climate in the study area favours the cultivation of crops and livestock's. Also the area experiences seasonal variation characterized by the West African monsoon climate, marked by distinct seasonal shift in the wind pattern. The season of the year are rainy and dry with the former between March and October, the latter between November and February.

Sampling Procedure and Sample size

Random Sampling technique were used to select respondents from the Twelve electoral wards, to ensure appropriate representation of farmers in each wards and a total of one hundred and twenty (120) respondents were obtained.

Data Analysis

Data were analysed with the use of simple descriptive analysis such as (frequency counts, percentages) and Linear regression techniques was employed to estimate the production function and determine accessibility of poultry farmer to credit facilities in the study area.

$$Q = f(X_1, X_2, X_3, X_4, X_5, D)$$

Where

Q = Number of birds on the farm

X₁ = total quantity of feed supplied (in kg)

X₂ = Number of poultry attendants employed per farm

X₃ = Cost of drugs supplied to birds per farm

X₄ = Educational level of the farmer

X₅ = Accessibility of poultry farmers to credit facilities

D = Dummy variables for the production function taking on values of one for farmer with credit and 0 for farmer without credit

RESULTS AND DISCUSSION

Table 1: Socio-demographic Distribution of respondents.

Variables	Frequency	Percentage%
Gender		
Male	86	71.7
Female	34	28.3
Age		
Less than 30years	8	6.7
30-39	44	36.7
40-49	52	43.3
50-59	14	11.7
60 and above	2	1.7
Marital Status		
Single	9	7.5
Married	107	89.2
Divorced	4	3.3

Education		
Higher certificate	46	38.3
Senior secondary certificate	21	17.5
Junior secondary certificate	12	10.0
Primary secondary certificate	28	23.3
No formal Education	13	10.9
Years of experience		
1-19	100	83.3
20-39	20	16.7
Level of Production		
High	44	36.7
Medium	58	48.3
Low	18	15.0
Total	120	100.0

The result of analysis revealed that the population of male respondents in the study area is greater than that of the female as male account for 71.7% of the total respondents against that of the female which account for 28%. It is understandable that male poultry farmers are more than female in the study area. This implies that male respondents are more into the poultry business than due to the risk and stress that is involved and it is believed that male manage the risk better than their female counterpart. The findings concur with those of Babalola (2014) and Babatunde, Adekunle & Olagunju (2012) who reported that majority of poultry farmers in Nigeria were males. The study also revealed that almost all the respondents in the study area were married account for 89.2% of total respondents against 7.5% of their single counterpart. This means that married people are more into poultry production than their single people. This is in line with Jibowo (2000) that says high percentages of rural farmers are married due to a lot of responsibilities they carry out which

will one way or other affect cost of production. This also revealed the various age categories of people that were involved in poultry production in the study area. Age range 40-49 years has the larger percentage and followed by the range 30-39 years. This implies that adult or old people are more involved in poultry production than the younger ones. This could be due to the knowledge, techniques and risk that is involved in poultry production and majority of the respondents has the higher certificate with 38.3%, followed by the primary school certificate 23.3%. This revealed that the greater proportion of the poultry farmers in the study area are literates which enhances their access to credit facilities and give them more access to latest innovations and techniques and this improve their contribution towards poultry production. This is in line with Swanson (2008) who confirm that education enables poultry farmers to made decision regarding production and how to improved their standard of living.

Table 2 : Respondents according to the access to credit facilities

Variable	Frequencies	Percentage (%)
Access To Credit Facilities		
Yes	75	62.5
No	45	37.5
Loan Given (#)		
100,000-200,000	44	36.7
210,000-300,000	75	62.5
310,000 and above	1	0.8
Source of loan		
Cooperative bank	12	10.0
Agricultural bank	22	18.3
Micro Finance bank	34	28.3
Commercial bank	7	5.8
Association	45	37.5
Duration of paying bank		
Three months	2	1.7
Six months	37	30.8
A year and above	81	67.5
Interest Rate		
5%	60	50.0
10%	12	10.0
15%	1	0.8

20%	47	39.2
Total	120	100.0

This revealed that the majority of respondents has access to credit facility with highest percentages of 62.5% while the respondent with no access to credit facilities has just 32.5%. It is understandable that having access to credit facility assist their production which shows that the more access to credit the more output they produce. Result from the table also shows the source of loan to respondents. It was review that the major source of loan given to the poultry farmers in the study area are from the micro finance bank which has the highest percentages of 28.3% and followed by Agricultural bank with 18.3% which shows that micro finance bank enhances performances of the poultry farmers in the study area with their adequate and timely

release of funds(loan) to farmers. It indicate the duration of paying back of the loan given to the respondent where six months and a year and above which is the duration in returning back of loan collected by the farmers which carry the same percentage of the respondent with 30.8%. This implies that the both micro finance and agricultural bank loan are more favorable to the poultry farmers in the study area in term of returning interval. Also shows that 5% of interest rate collected by the bank carries the highest percentage of 50.0% followed by 10% interest rate. It was observed with this that the lowest interest rate collected by the microfinance and agricultural banks make the loan attractive to the farmers and assist their production.

Table 3: Government policy on getting access to credit facilities

Variables	Frequency	percentages%
Policy on getting access to credit facilities		
Yes	35	29.2
No	85	70.8
What ways does it affect your farm		
Association certificate	95	79.2
Changing of government	11	9.2
Delay in granting loan	3	2.5
Reluctant	7	5.8
Interest rate	1	0.8
Rejection of loan	3	2.5
Total	120	100.0

The result of analysis in table 3 shows the effect of Government policy on getting access to credit facilities there is higher number of respondent (poultry farmer) claimed that the government policy did not affect them in getting an access to credit facilities with about 70.8% as its percentage. While the rest percentage goes to those respondents who

claimed that the policy affected their access to credit facility, this is further explained in the next table stating their reasons, changing in government has the highest percentage of 9.2 which implies that changing in the government contributed to not let them be able to gain access to credit facilities.

Table 4: Linear regression estimates

Variables	Coefficient (B)	Frequency	Sig.
(constant)	132415.45	3.164	.002*
Total quantity of birds per Farm.	2.822	2.697	.008*
Number of poultry attendants Employed per farm.	14.924	3.650	.000*
Cost of drugs supplied to Birds per farm.	6.525	.657	.513
Educational level of the Farmer.	2.326	4.993	.000*
Accessibility of poultry Farmers to credit facilities.	2.995	.819	.414

The result of analysis in table 4 revealed that accessibility of poultry farmers Y was regressed as the dependent variable on the recipient level of Cost of drugs supplied to Birds per farm (X_3) and Accessibility of poultry Farmers to credit facilities (X_5) which in tandem with Okoronkwo and Anozie (2007) who says credit facilities only access by strong group of people, able and ready to use it effectively.

Conclusion

The empirical findings of results highlight the effect of accessibility of credit facilities on poultry production under the prevailing economic circumstances. It is obvious that the need for increased in credit facilities to argument the poor resource based on poultry farmers inevitable of productivity of the poultry enterprises is to be therefore eminent as farmers with access to credit realized more output and profit. Therefore the government should try and make the credit available through the designated banks with affordable collateral security. The feed supplied to the birds has been identified as a variable that has greater effects on poultry production significantly. Government at all levels should encourage the private investors by providing very conducive environment to establish feed mill so as to assist the poultry production. Poultry farmers is also be encouraged to form cooperatives to enable them have access to agricultural credit loans, veterinary clinic should established in addition to making drug and veterinary doctors available.

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