

## **Analysis of Poultry Farmers Perception of Farm Credit in Obio/Akpor Local Government Area of Rivers State, Nigeria.**

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**Abstract:** The study examined poultry farmers' perception of Farm credit in Obio/Akpor Local Government Area of Rivers state, Nigeria. Primary data were collected through the use of a structured response type of questionnaire from 60 livestock farmers' randomly selected. Secondary data were sourced from published and unpublished literature. The study revealed that majority of the poultry farmers in the study area are males (60%) and that most of the poultry farmers are between the ages of 40 – 49, with average age of the poultry farmers as 42.40 years. Also, most of the farmers in the study area are educated. 51.7% of them had acquired tertiary education. The study also showed that 68.3% of the poultry are married and that 85% of the poultry farmers had above 5 years experience in poultry farming. The Likert scale was used to measure the perception of farmers' towards farm credit. The study revealed that poultry farmers' in the study area have a positive attitude towards agricultural credit. The poultry farmers' agreed that agricultural credit will help them in increasing their farm output and income and help in the adoption of agricultural innovation and transformation of the poultry business. Therefore, it is recommended that all agencies (private and public; local and international) involved in credit delivery should extend easy and cheap farm credit facilities to poultry farmers in Obio/Akpor L.G.A.

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### **1. Introduction**

Farm credit is any loan or advances that credit institutions provide for agricultural or other rural use. Small-scale farmers have always played dominant role in agricultural productivity in Nigeria but their productivity and growth are hindered by limited access to credit facilities. Farm credit is an important factor in improving agricultural productivity and strengthening rural economy in most developing countries. Farm credit provide poor people with the support needed to generate income which may help them to achieve farm goals and food security. Credit supply to farmers is widely perceived as an effective strategy for enhancing the increase in agricultural productivity [1]. Agricultural credit is considered essential to the process of improving agriculture and transformation of the rural economy [2]. [3] opined that the introduction of easy and cheap credit is the quickest way for boosting agricultural production. Credit allows the Small-holder farmers to satisfy their cash needs, increase the size of their farms, increase productivity and income, facilitate adoption of innovation, becoming climate-smart, Green alternative compliant, encourage capital formation, improve marketing efficiency and smoothen farm family consumption expenses throughout the year [4] and [5]. Credit in the

form of capital, finance, cash or loans has been identified by various economic experts both in government, individuals, group and organizations as the “life – blood” of business and developmental factor which is responsible for improving the standard of living of the people as well as the lubricant which help the wheel of commerce in turning [5].

Several studies [2] and [6] had shown a strong positive relationship between agricultural growth and access to credit. [7] observed that credit supply to farmers, will help the rural poor farmers produce for the market, generate cash surpluses and accumulated savings will be the basis for future income growth. [8] noted that credit has assumed a significant dimension in agricultural finance since credit supply to the agricultural sector had significant influence on the rate at which farmers adopt innovations, increased farm output and returns on investment for farmers.

Agricultural development has been very slow compared to other sectors of the economy because of insufficient fund inflows. [9] contended that if credits were made available to these farmers, the slow growth of the agricultural sector would develop more rapidly. [7] in emphasizing the important role credit plays, describe credit facilities for a small-scale farmers as the catalyst that activate the engine of growth enabling

it to mobilize the forces within it and to advance in the direction expected or planned for it. They maintained that the greater the injection of credit, the more the propensity of the economy to move in the given path.

Livestock sector plays vital role in the Nigeria economy. The animals provide meat, milk and eggs for human consumption, hides and skin for the domestic industry [10]. Poultry meat and eggs play a very significant role in bridging the protein gap among the citizens of Nigeria. They are pleasant to taste and generally acceptable. This acceptability cuts across nearly all religious and cultural boundaries in Nigeria. Poultry birds mature earlier than most breeds of livestock and can bring economic returns within relatively short periods of time.

These important roles played by poultry production make imperative the need for financial assistance for poultry farmers. The importance of farm credit cannot therefore be overemphasized. Apart from personal finances, major sources of credit existing for Nigeria poultry farmers are: Informal Sources and Formal Sources. The informal credit sources are; family members, friends and well – wishers, local money lenders, etc. Most informal credit sources are usually non-governmental. The formal institutional sources of farm credit in Nigeria include; Agricultural Credit Guarantee Scheme (ACGS), Commercial Agriculture Credit Scheme (CACGS), Bank of Industry (BOI), Bank of Agriculture (BOA). Commercial and Microfinance Banks, the Cooperative Institutions and the Agricultural Development Programme which give credit more in kind rather than in cash, etc. The formal sources are those established by law and which can be controlled by government policies.

The continuous population growth in Nigeria and its attendant increase in the demand for poultry products, calls for effort to increase credit to the poultry sector. Thus, the major objectives of this study are to evaluate the socio-economic characteristics of poultry farmers and the perception of poultry farmers towards agricultural credit in the study area.

## 2. Materials and Methods

The study area is Obio /Akpor Local Government Area of Rivers State. Obio-Akpor is a Local Government Area in the metropolis of Port Harcourt, one of the major centres of economic activities in Nigeria, and one of the major cities of the Niger Delta, located in Rivers State. Obio/Akpor Local Government Area was created on the 3<sup>rd</sup> of May, 1989 out of the old Port Harcourt Local Government Area. The Local Government area covers 260 km<sup>2</sup> and has a population of 878,890 [11]. Obio/Akpor has its

## 3. Results and Discussion

headquarters at Rumuodomaya. Obio/Akpor is bounded by Port Harcourt Local Government Area to the south, Oyigbo L.G.A to the east, Ikwerre L.G.A to the north, and Emohua L.G.A to the west. It is located between latitudes 4°45'N and 4°60'N and longitudes 6°50'E and 8°00'E. It lies in the tropical wet climate zone, characterized by abundant rainfall with little dry season. The monsoon (rainy) season occurs between March and October, bringing heavy rainfall ranging from 2000mm to 2500 mm with temperatures up to 25 °C and a relatively constant humidity. Sixty poultry farmers were randomly selected for the study from all the poultry farmers registered with the Agricultural Development Programme (ADP). A structured response type of questionnaire for poultry farmers' was designed to collect data on their attitude towards agricultural credit. The questionnaire consists of twelve (12) items. The first seven of the items are positive in nature while the remaining five are negative in nature. The mean and pooled percentages as used by [12] and [13] were used to analyze the data. The mean response to each item was calculated using the following formula.

$$\bar{X} = \sum FX / N$$

Where  $\bar{X}$  = mean response  
 $\sum$  = Summation  
 F = Number of respondents choosing a particular scale point.  
 X = Numerical value of the scale and  
 N = Total number of respondents.

The mean response to each item was interpreted using the concept of real limits of numbers. The numerical value of the scale points (Response modes) and their respective real limits are as follows:  
 Strongly Disagree (SD) = 1 point with real limits of 0.5-1.49  
 Disagree (D) = 2 points with real limits of 1.50 – 2.49  
 Agree (A) = 3 points with real limits of 2.50 – 3.49  
 Strongly Agree (SA) = 4 points with real limits of 3.50-4.49

Similarly, the pooled percentages were calculated as follows:

$$PP = \frac{\sum (FX) - N \times 100}{N(4-1)}$$

Where PP=Pooled Percentages  
 $\sum$ =Summation  
 F=Number of respondents choosing particular scale point  
 X=Numerical value of the scale point  
 N=Total number of respondents

**Table 1: Socio – economic characteristics of the poultry farmers**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Sex</b>		
Male	36	60.0
Female	24	40.0
	<b>60</b>	<b>100</b>
<b>Age</b>		
20 -29	06	10.0
30-39	20	33.3
40-49	22	36.7
50-59	08	13.3
60 – Above	04	6.7
	<b>60</b>	<b>100</b>
<b>Educational level</b>		
No formal education	03	5.0
Primary education	05	8.3
Secondary education	21	35.0
Tertiary education	31	51.7
	<b>60</b>	<b>100</b>
<b>Marital status</b>		
Single	10	16.7
Married	51	68.3
Divorced	07	11.7
Widowed	02	3.3
	<b>60</b>	<b>100</b>
<b>Farming experience (years)</b>		
1 – 5	09	15.0
6 – 10	12	20.0
11- 15	15	25.0
16 – 20	17	28.3
21 – Above	07	11.7
	<b>60</b>	<b>100</b>

Table 1 above indicated that 60% of the poultry farmers are males and 40% are females. This implies that poultry farming in the study area is dominated by males and they have a strong influence over poultry farming in the study area. Also, the result on table 1 shows that 36.7% of the farmers are within the age bracket of 40 – 49 years, 33.3% are within 30 – 39 years and 13.3 are within the age range of 50 – 59 years. The average age of poultry farmers in the study area was found to be 42.4 years. The means that poultry farmers in the study area are mainly of middle age, which is an advantage to withstanding rigours and stress associated with poultry farming.

The result on the educational level of the poultry farmers showed that majority (51.7%) of the farmers had tertiary education, 35% of the farmers had secondary education, 8.3% of the poultry farmers had first school leaving certificate and 5% of them had no formal education. The 5% who do not have formal

education acquired poultry farming skills through apprenticeship programmes in established poultry farms within and outside the study area. All these imply that poultry farmers in the study area are knowledgeable and understand the importance of farm credit to poultry farming and would be favourably disposed to it. The result also showed the marital status of poultry farmers. It indicated that 68.3% of the farmers are married, 16.7% are single, 11.7% are divorced and 3.3 are widowed. The result also showed the farming experience of poultry farmers in the study area. The result indicated that 28.3% of the farmers had 16 – 20 years experience in poultry business, 25% had 11 – 15 years experience, 20% had 6 – 10 years experience, 11.7% had 21 years and above farming experience and 15% had 1 – 5 years experience. The result showed that poultry farmers in the study area are well experienced in poultry production.

**Table 2: Distribution of the Responses of Poultry Farmers' to the Attitude Items.**

S/N	Attitude Items	Relative Frequency				Pooled %	Mean
		SA	A	D	SD		
1	Farm credit is very useful in the farm.	35	20	4	1	82.78	3.48
2	Farm credit will help me increase my farm size.	40	17	2	1	86.57	3.60
3	I need credit to construct a larger poultry house.	29	21	6	4	75.00	3.25
4	Credit will help me to buy farm assets.	39	15	6	0	85.00	3.55
5	Credit will help to buy poultry feeds in bulk.	35	19	6	0	82.78	3.48
6	I need credit to pay for farm labour.	10	20	30	0	55.56	2.67
7	I need credit to adopt innovation/technology	34	19	7	0	81.66	3.45
8	I do not have need for credit to increase my farm business.	0	4	16	40	13.33	1.40
9	I will never use credit in my farm because of the risky nature of poultry business.	0	6	22	32	18.81	1.57
10	I will never use credit because the interest charged is too high.	1	5	35	19	26.67	1.80
11	Untimely release of funds discourages me from using farm credit.	2	7	33	18	29.44	1.88
12	Unfavorable period of loan repayment discourages me from using farm credit.	3	6	34	17	30.56	1.97

The table 2 shows the distribution of respondents based on their perception of farm credit in Obio/Akpor Local Government Area. The table also indicates the pooled percentages and the mean scores of responses to indices of Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD).

Following [12] and [13] items one to seven on the table below investigated the opinion of poultry farmers towards using agricultural credit to improve and increase the current capacity of their farms. The table showed that poultry farmers agreed that agricultural credit will help them in increasing their farm output and income and help in the adoption of innovation and transform the entire poultry production business.

Items eight to twelve on the table below showed that risk attached to livestock production, interest on loan, unfavourable period of loan repayment and untimely release of funds will discourage poultry farmers' from using agricultural credit in the study area.

#### 4. Conclusion and Recommendation

The study examined poultry farmers' perception of Farm credit in Obio/Akpor Local Government Area of Rivers state, Nigeria. The study revealed that majority of the poultry farmers in the study area are males (60%), with average age of the poultry farmers as 42.40 years. Also, most of the farmers in the study area are educated. 51.7% of them had acquired tertiary education. The study also revealed that 68.3% of the poultry are married and that 85% of the poultry farmers had above 5 years experience in poultry farming. The Likert scale analysis revealed that poultry farmers' in the study area have a positive attitude towards agricultural credit. Poultry farmers

have craving for credit to enlarge their scale of production, increase income and better their living conditions. It can therefore, be concluded that farm credit is an important ingredient for improving poultry production in the study area in particular and Rivers State in general.

The poultry farmers' agreed that agricultural credit will help them in increasing their farm output and income and help in the adoption of agricultural innovation. Therefore, it is recommended that all agencies (private and public; local and international) involved in credit delivery should extend credit facilities to poultry farmers in Obio/Akpor L.G.A at a lower cost.

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