

## Disposition of Livestock Farmers towards Agricultural Credit in Imo State.

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**Abstract:** The study evaluated the attitude of livestock farmers' in Imo State towards agricultural credit. Primary data were collected through the use of a structured response type of questionnaire from 90 livestock farmers' randomly selected (10 farmers' each from the nine L.G.As that make up the study area). The primary data were complemented with secondary data from published and unpublished literature sources. The Likert scale was used to measure the disposition of farmers' towards agricultural credit. The study revealed that livestock farmers' in the study area have a good attitude towards agricultural credit. The livestock farmers' agreed that agricultural credit will help them in increasing their farm output and income and help in the adoption of agricultural innovation and transforming the livestock business. Also, majority of the livestock farmers' (44.4%) are involved in poultry enterprise. This is closely followed by goat enterprise(42.2%).The study also revealed that few livestock farmers' (4.4% and 9.0%) are involved in piggery and sheep enterprises respectively. It is therefore recommended that all agencies (private and public; local and international) involved in credit delivery should extend credit facilities to livestock farmers' in Imo State.

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### Introduction

Agricultural credit compasses all loans and advances granted to borrowers relating to agriculture; crops, fisheries, livestock, forestry, processing, marketing, storage and distribution of products resulting from these activities (Abe, 1981). Credit supply to farmers is widely perceived as an effective strategy for enhancing the increase in agricultural productivity (Phillip et al; 2008). Agricultural credit is considered essential to the process of improving agriculture and transformation of the rural economy (Tasie, 2008). Mahmood et al, (2009), opined that the introduction of easy and cheap credit is the quickest way for boosting agricultural production.

Ehagiamusoe (2008) 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.

Ellinger, Artarska and Wilson (2005) 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. Ihimodu (1983) and Adeyemi (2008) contended that if credits were made available to these farmers, the slow growth of the agricultural sector would develop more rapidly. Ijere

(1987) and Ehiagiamusoe (2008), 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 (Damisa et al, 2010). The continuous population growth in Nigeria and its attendant increase in the demand for livestock products, calls for effort to increase credit to the livestock sector. Thus, the major objective of this study is to evaluate the perception of livestock farmers towards agricultural credit in the study area.

### Methodology

The study area is Owerri Agricultural zone of Imo state. The zone is made up of nine local government areas, namely Aboh Mbaise, Ahiazu Mbaise, Ezinihitte Mbaise, Mbaitoli, Ikeduru, Ngor Okpala Owerri Municipal, Owerri North and Owerri West. Total of ninety livestock farmers were randomly selected for the study. This comprises ten livestock farmers each from the nine LGAs of the zone.

A structured response type of questionnaire for livestock farmers' was designed to collect data on their attitudes 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 Ibitoye and Onje (2011) were used to analyze the data. The mean response to each item was calculated using the following formula.

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

- Where 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 to the item.

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:

- Strong 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:

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

- 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 to the item

**Results and discussion**

Table one shows the type of livestock kept by the farmers. Poultry (44.4%) constitute the bulk of the animals kept in the study area. Goats (42.2%), sheep (9.0%) and pig (4.4%) were also reared by the farmers.

Table two shows the distribution of respondents based on their perception of agricultural credit in Owerri agricultural zone. The table also indicates the pooled percentage and the mean scores of responses to Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD).

Items one to seven on table two investigated the opinion of livestock farmers towards using agricultural credit to improve and increase the current capacity of their farms. The table showed that livestock 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 livestock business.

Items eight to twelve on table two showed that risk attached to livestock production, interest on loan, unfavorable period of loan repayment and untimely release of the fund will discourage livestock farmers’ from using agricultural credit in the study area.

Table 1: Distribution of Respondents by type of animal kept (N=90)

Animal Enterprise	Number (N)	Percentage
Cattle	0	0
Goats	38	42.2
Sheep	8	9.0
Pigs	4	4.4
Poultry	40	44.4
	90	100%

**TABLE 2: DISTRIBUTION OF THE RESPONSES OF LIVESTOCK FARMERS TO THE ATTITUDE ITEMS.**

S/N	ATTITUDE ITEMS	RELATIVE FREQUENCY				POOLED %	MEAN
		SA	A	D	SD		
1	Agricultural credit is very useful on the farm.	50	25	15	0	77.8	3.3
2	Agricultural credit will help me increase my farm size.	57	20	13	0	83.0	2.45
3	I need credit to construct a larger livestock house.	40	40	8	2	77.0	2.3
4	Credit will help me to buy farm assets.	51	20	16	3	77.4	3.3
5	Credit will help to buy livestock feeds in bulk.	45	35	10	0	79.6	3.38
6	I need credit to pay for farm labour.	10	25	55	0	50	2.5
7	I need credit to adopt innovation.	48	27	15	0	78.9	3.37
8	I will never use credit to increase my livestock business.	0	5	30	55	14.8	1.44
9	I will never use credit in my farm because of the risky nature of livestock business.	2	6	30	52	17.8	1.53
10	I will never use credit because the interest charged is too high.	7	15	43	25	34.8	2.04
11	Untimely release of fund discouraged me from using Agric credit.	4	20	40	26	34.2	2.02
12	Unfavorable period of loan repayment discouraged me from using Agric credit.	15	15	40	20	42.6	2.28

### Conclusion

The study showed that most of livestock farmers' in the study area have positive disposition towards agricultural credit. Therefore, livestock farmers are desirous of agricultural credit to expand their scale of production, increase income and better their living conditions. It can therefore, be concluded that agricultural credit is a significant ingredient for improving livestock production in the study area in particular and Nigeria in general.

### Recommendation

It is therefore recommended that government and all the agencies (private and public; local and international) involved in credit delivery should extend more credit facilities to livestock farmers' in Nigeria at affordable rate.

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