



COMMUNITY PARTICIPATORY ASSESSMENT

of Government expenditure on Agriculture (National and States)/Community Score Cards on smallholder farmers accessibility to Agriculture financing in Nigeria



The Public Financing of Agriculture (PFA) project being implemented by ActionAid Nigeria aims to strengthen the capacity of farmer federations and women's organisations, enabling them to engage directly with government agencies and institutions for effective and efficient agriculture budget allocations and utilization that favours smallholder women farmers.

Acronyms

ABP	-	Anchor Borrowers' Program
ACGSF	-	Agricultural Credit Guarantee Scheme Fund
ACSS	-	Agricultural Credit Support Scheme
ADPs	-	Agricultural Development Programs
AGRA	-	Alliance for a Green Revolution in Africa
BOA	-	Bank of Agriculture
CAC	-	Corporate Affairs Commission
CACS	-	Commercial Agricultural Credit Scheme
CBN	-	Central Bank of Nigeria
CSOs	-	Civil Society Organizations
DMBs	-	Deposit Money Banks
ECOWAS	-	Economic Community of West African States
FAO	-	Food and Agriculture Organization
FBS	-	Farm Business School
FCT	-	Federal Capital Territory
FMARD	-	Federal Ministry of Agriculture and Rural Development
FMF	-	Federal Ministry of Finance
GAP	-	Good Agricultural Practices
GDP	-	Gross Domestic Product
GESS	-	Growth Enhancement Support Scheme
IDP	-	Interest Draw-Back Program
IFAD	-	International Fund for Agricultural Development
MFI	-	Micro-Finance Institutions
MOU	-	Memoranda of Understanding
MSME	-	Micro, Small and Medium Enterprises
MSMEDF	-	Micro, Small and Medium Enterprises Development Fund
NAIC	-	Nigerian Agricultural Insurance Corporation
NAIP	-	National Agricultural Investment Plan
NIRSAL	-	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending
PFA	-	Public Financing of Agriculture
RRF	-	Refinancing and Rediscounting Facility
RUFIN	-	Rural Finance Institution Building Program
SME	-	Small and Medium Enterprises
UNDP	-	United Nations Development Program

QUICK FACTS



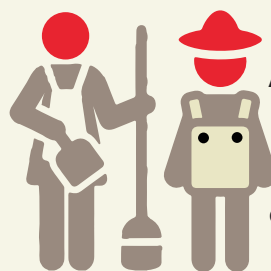
Agriculture is the second largest contributor to Nigeria's GDP making up

23% 
of the country's GDP



Smallholder farmers dominate the agriculture sector and produce...

90%
of the output, yet have difficulties accessing credit



Agriculture employs

70%
of Nigeria's labour force



Between 2009 and 2013 only
2.78%
of the total annual credit provided by deposit money banks went to
SMALLHOLDER FARMERS



WHEN COMPARED WITH
similar developing countries,
Nigeria's yield per hectare is

20%



WOMEN MAKE UP
approximately
80% 
**OF SMALLHOLDER FARMERS
IN NIGERIA**

Between 1978 and 2016:

N98.2bn 
WORTH OF LOANS

was guaranteed by the ACGSF
for smallholder farmers

Objectives

Identify the various agriculture financing schemes at both national and state levels.

Assess to what extent the objectives of the various agriculture financing schemes have been achieved and or met its set targets.

Determine if smallholder farmers were involved in the design and priority setting for funding areas as criteria for accessing such agriculture credit schemes.

Determine the % allocation and expenditure on credit available to smallholder women farmers and cooperatives in relation to annual sector budget per state



Review the appropriateness, usefulness and timeliness of the various agriculture financing schemes in addressing smallholders' financing challenges

Generate information on the quality of public service provision in agriculture financing and its contribution to ending poverty and hunger

Determine the number of beneficiaries in relation to smallholder women farmers against other groups both at National and State level

Agricultural Credit Schemes In Nigeria

Since 1973

Eight Schemes

have been introduced to simplify access to credit for smallholder farmers across the country





Part 1

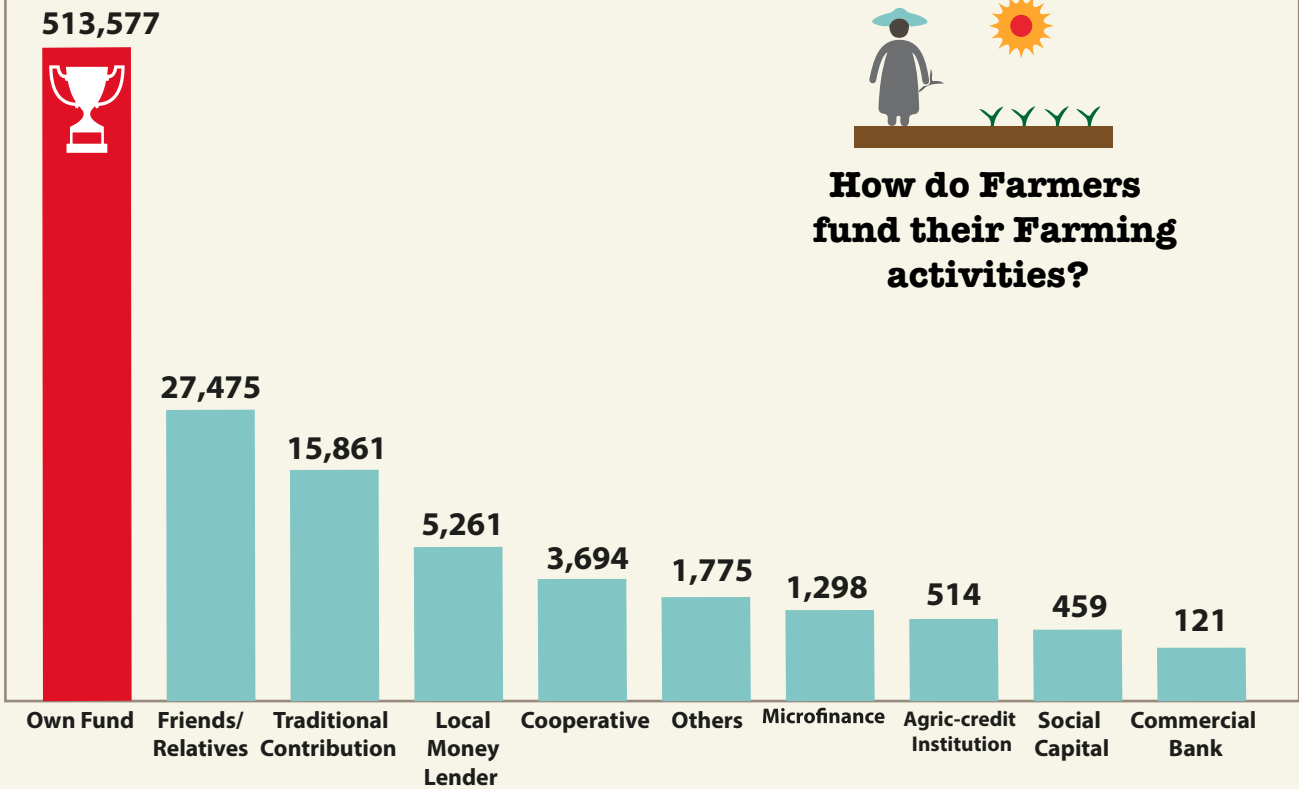
Access to Credit for Smallholder Women Farmers in Nigeria: Which Way Forward

This section discusses the ability and importance of smallholder farmers to access agricultural credit services in Nigeria; identifies the government agricultural credit schemes/programs and institutions that are currently functional; the extent to which these schemes and institutions' objectives are being met, amongst others.

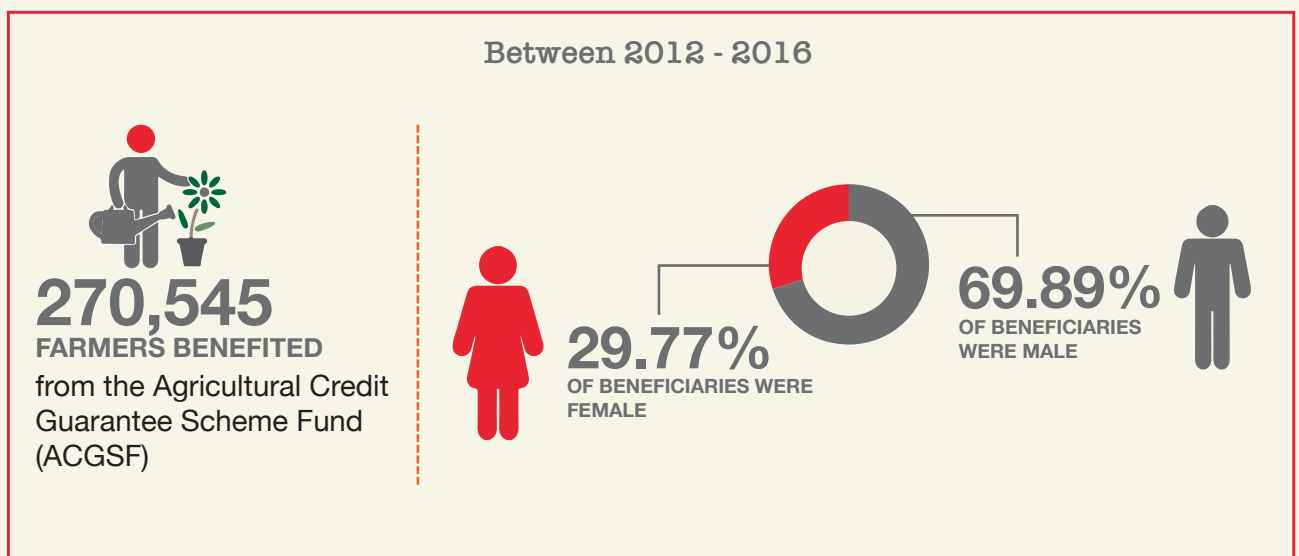


Farmers' Funding

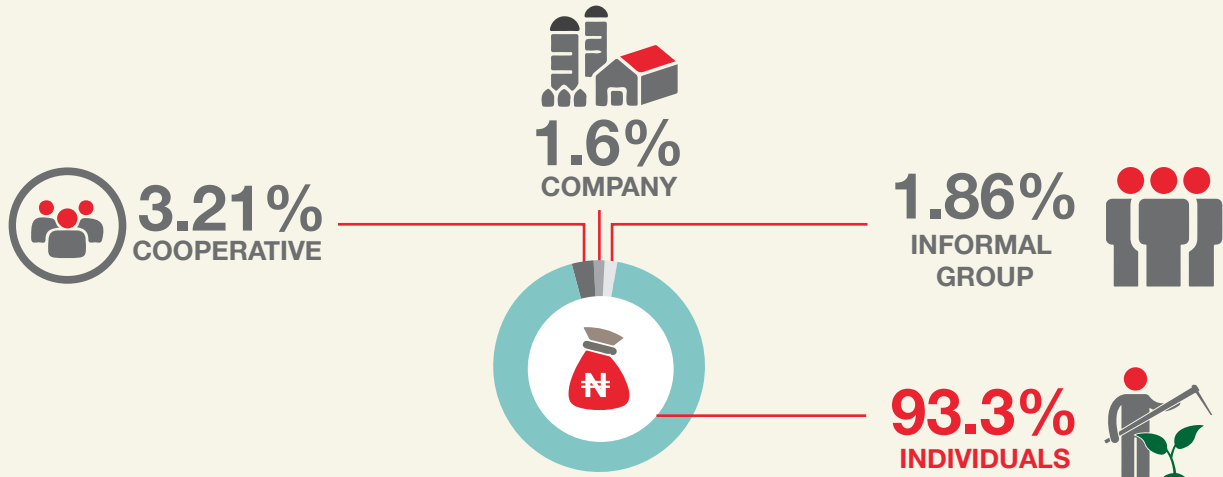
A study on how farmers get funding for their work, ranks own funds as top on the list as farmers themselves provided the highest amount used for crop farming. On the contrary, the commercial bank provided the least amount for crop farming, making it the lowest ranked source among the 10 different sources.



Agricultural Credit Guarantee Scheme Fund (ACGSF)

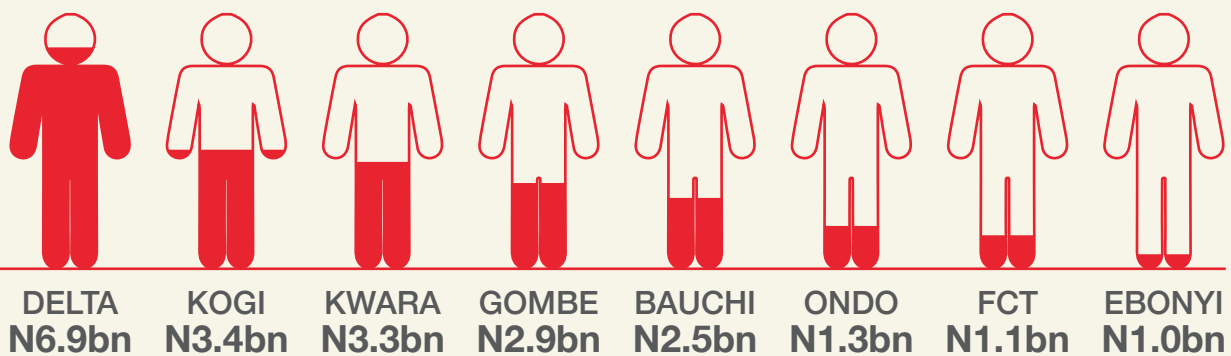


ACGSF Beneficiaries
(By Category)



In Which State Did Farmers Utilise the ACGSF Program Most?

At N6.9bn, more farmers benefited from the ACGSF program in Delta State, while farmers in Ebonyi state benefited the least



What Loan Size Was Guaranteed The Most For Individuals?



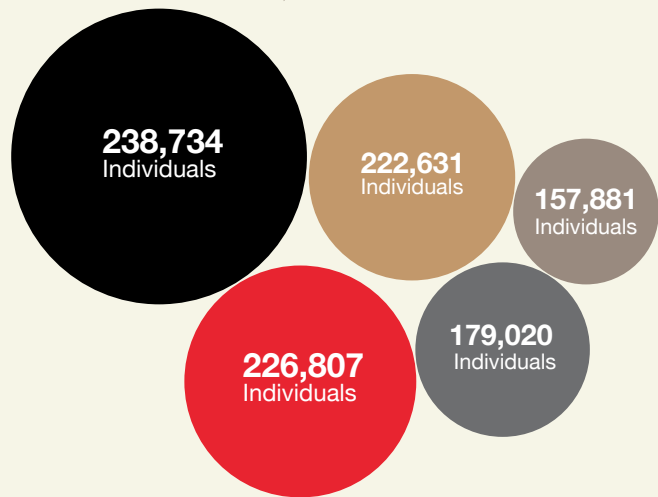
Majority of the individuals were guaranteed loans within the range of N20,001 to N50,000 while the least popular category of loans guaranteed by ACGSF was between N5,000 and N20,000

KEY

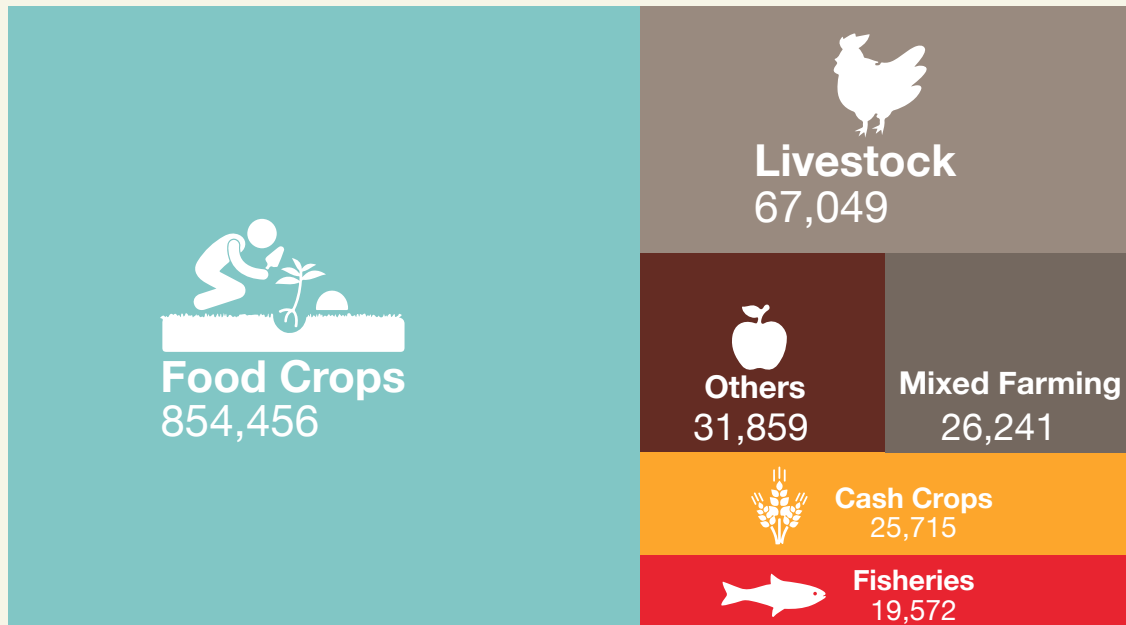
- N5,000 below
- N5,000 - N20,000
- N20,001 - 50,000
- N50,001 - 100,000
- N100,001 and above

1,025,073

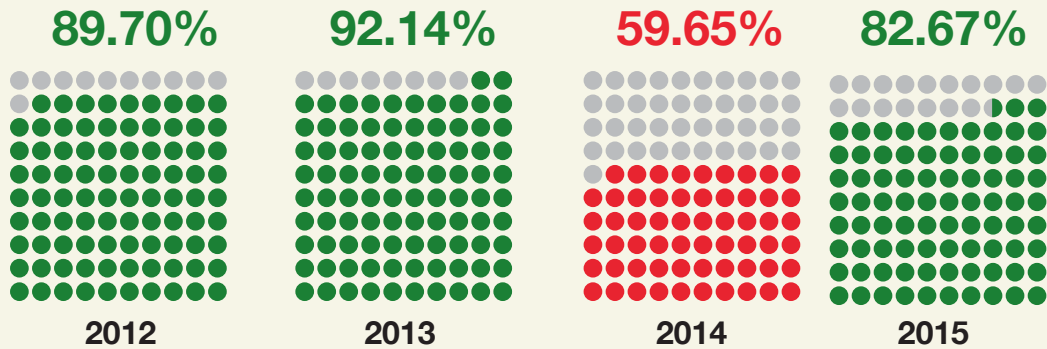
Individual Farmers



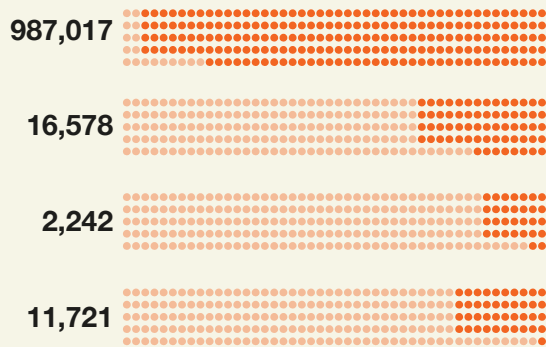
WHAT THE 1,045,980 FARMERS DID WITH THEIR LOANS



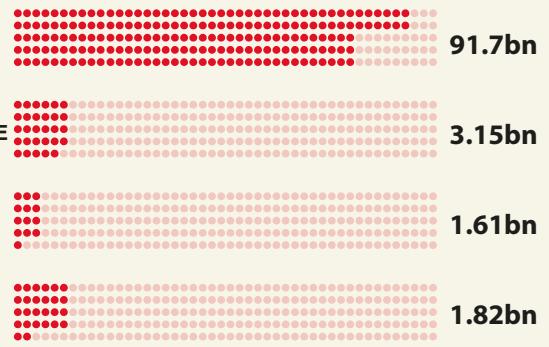
What Percentage Of ACGSF Loans Guaranteed Were Fully Repaid By Farmers Yearly?



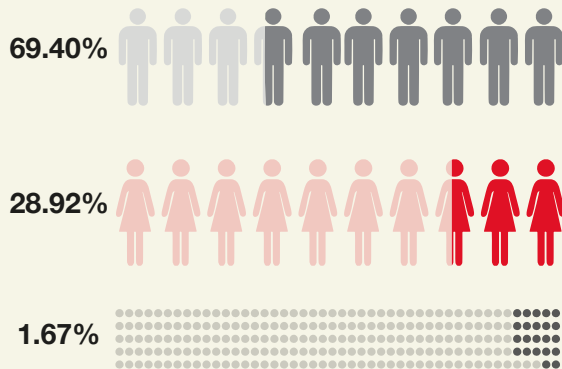
Cumulative Number of ACGSF Beneficiaries per annum by Category 1978 - April 2016



Cumulative Amount of ACGSF Loans disbursed per annum by Category 1978 - April 2016



Total Number of Individuals who accessed ACGSF Loan by Gender 2012 - June 2016

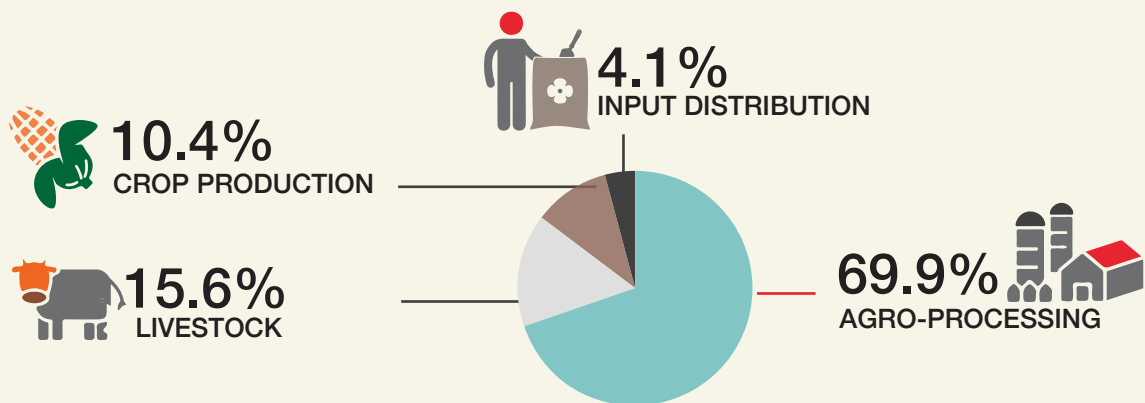


Total value of ACGSF Loan accessed by Gender 2012 - June 2016



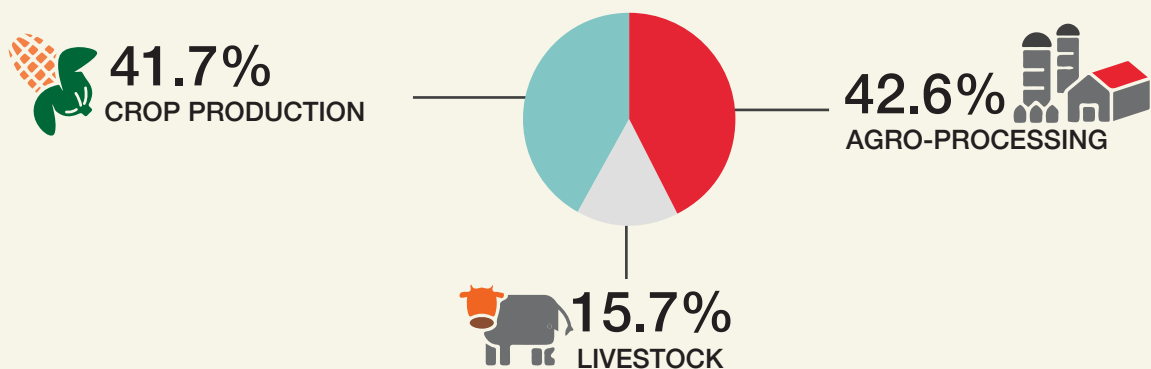
2013

Percentage Credit Risk Guaranteed By Activity/purpose



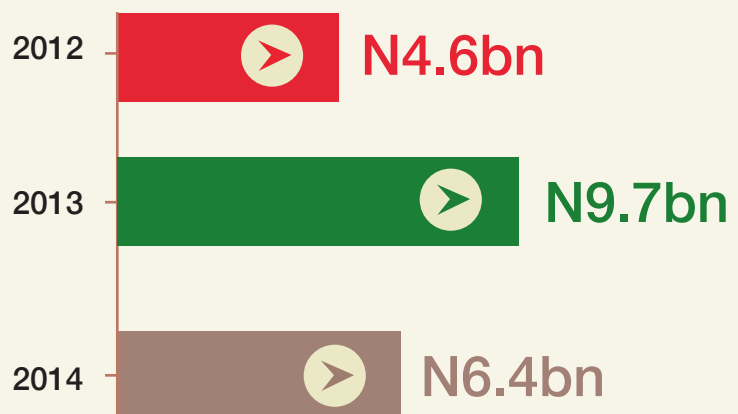
2014

Percentage Credit Risk Guaranteed By Activity/purpose



Value Of Credit Risk Guaranteed By NIRSAL

NIRSAL guaranteed the highest amount of credit risks in 2013 at N9.7bn and this decreased to N6.4bn in 2014





The program targets smallholder farmers across the country by providing them with credit, ready market or buyers, improved technologies and inputs, and support services, such as extension services, technical assistance, etc



EXPECTED OUTCOME

7.0% ↑

Increase the total value of agricultural lending from 3.72 percent as at 2014 to about 7.0 percent of total bank lending within the next 5 years.



600,000 FARMERS

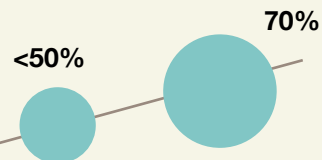
Empower at least 600,000 farmers in the rice (100,000), oil palm (100,000), wheat (100,000), cotton (200,000), and fish (100,000) value chains in the next 5 years.



1,000,000 JOBS

Create at least 1,000,000 direct and indirect jobs in the processing segment of the value chains of selected commodities including rice (300,000), oil palm (200,000), wheat (100,000), cotton (300,000), and fish (200,000) in the next 5 years.

Increase Capacity Utilization



Increase capacity utilization in the agro-allied industry from the current level of less than 50 percent to at least 70 percent in the next 5 years.

10%

Reduce Nigeria's import bill on the identified commodities by 10 percent annually.



Increase Output per hectare

Increase output per hectare of selected commodities to international standards and increase hectarage for smallholder farmers from an average of one (1) hectare per farmer to at least two (2) hectare per farmer in two (2) years, which is four (4) seasons. per farmer in two (2) years, which is four (4) seasons.

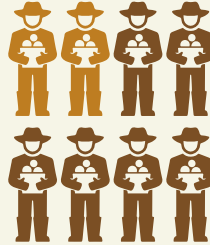
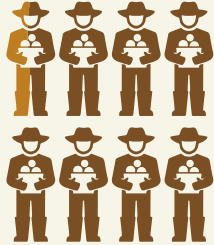
Number Of Beneficiaries

KEBBI

KADUNA

78,000

60,000



Amount disbursed

KEBBI

KADUNA

N16.4bn

N2bn

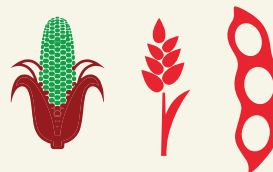
Commodities

KEBBI

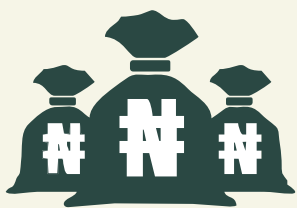
KADUNA



Wheat and Rice



Maize, Rice & Soyabean



A TOTAL OF
44,280
CLAIMS

VALUED AT
N469.1m

was settled in 2013, compared with 46,605 valued at N454.6 million in 2012

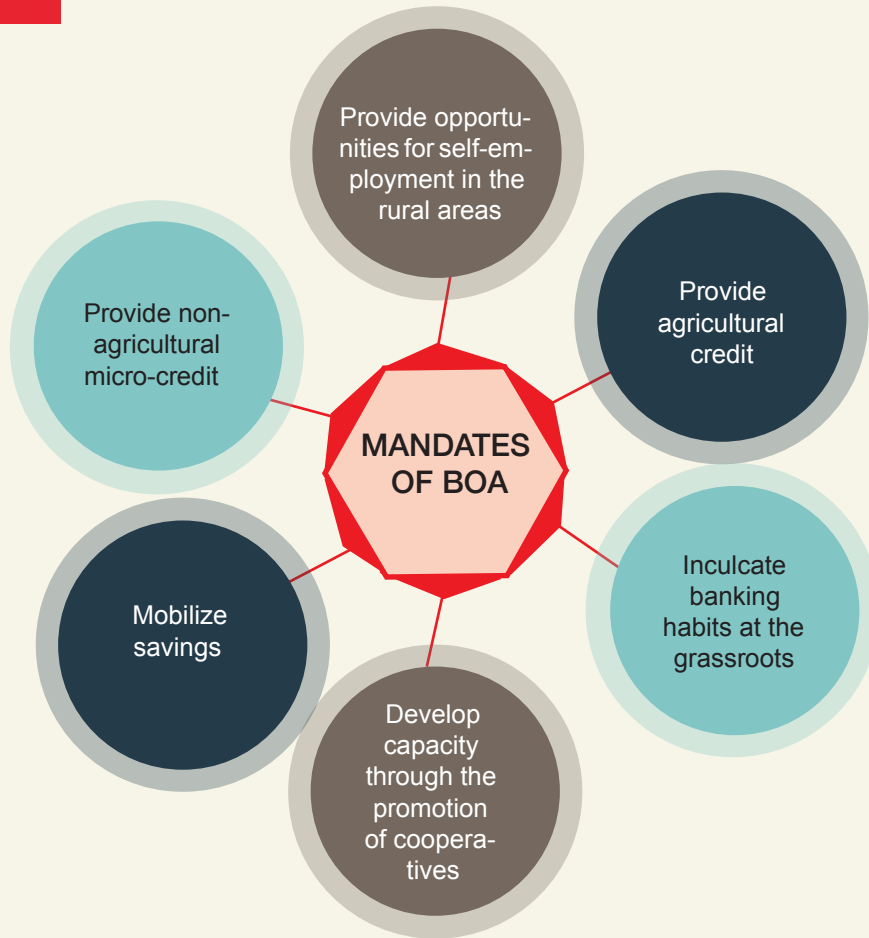


CUMULATIVELY
224,494
CLAIMS

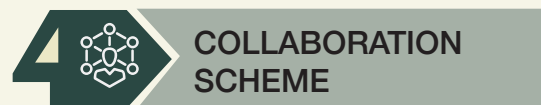
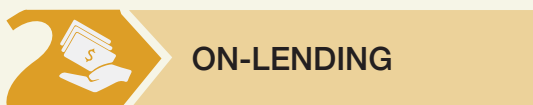
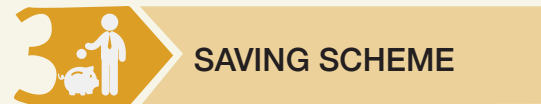
VALUED AT
N1.9bn

had been settled since the inception of the Scheme in 2004 (Central Bank of Nigeria Annual Report 2013)

MANDATE



SERVICES



01

- Considering the 14 million farm households in the country (National Agricultural Investment Plan (NAIP) – 2011-2014) and the amount of loan disbursed annually by the formal banking system, we can conclude that the general performance of the scheme [ACGSF] is abysmally low.

02

Analysis of the ACGSF shows the following:

- The objectives of ACGSF are far from being attained.
- Credit to smallholder farmers from the formal banking sector remains very low and cannot be said to be progressively consistent.
- It can also be said that smallholder farmers have not imbibed the habit of banking because they only open accounts with banks when it is required of them to do so for credit transactions; besides, the formal banking system is far from their communities.
- Therefore, it could be safe to say that the informal credit market is flourishing as suggested in the ranking of local moneylenders, fourth among the major sources of funding for crop farming in Nigeria.

03

- Currently, the government is heavily funding the Anchor Borrowers' Programme of the Central Bank of Nigeria with little contribution from the formal banking sector, thus, sustainability is questionable.
- The ABP program targets few strategic commodities, which means many smallholder farmers are still excluded.
- Apart from what stakeholders hear over the radio, on TV and read on the pages of print and electronic media, not much information can be accessed for analytical reasoning and assessment of the ABP's activities and performance.

04

- In addition, smallholder farmers' access to agricultural credit is biased for the male farmer. Even though it is a known fact that smallholder farmers in Nigeria are mostly women farmers, their access to agricultural credit remains limited.
- For instance, only few of them (the female farmers) were able to access agric-credit from the ACGSF guaranteed scheme that has been operating for more than three decades.
- And as earlier observed, the inability of female smallholder farmers to access agric-credit could significantly hinder the Federal Government's effort to improve agricultural productivity and food security in the country.

05

- An average and inconsistent progressive repayment rate will not give the formal banking sector the confidence they need to effectively support smallholder farmers with agric-credit.

06

- In the case of NIRSAL, the initiative is not meeting expectations. Even after five years of its operation, it could not be said that Deposit Money Banks are responding as expected. Moreover, because of lack of transparency and none availability of data, it is not clear as to the extent smallholder farmers have accessed its services.

07

- The Bank of Agriculture from its mandate can be described as the people's bank for agriculture. However, it is difficult to say how the bank has performed over the years because of the limited information available in the public domain.
- Furthermore, it is also clear that BOA is suffering from limited capital base for credit.



Part 2








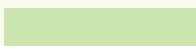














Voices of Smallholder Women Farmers on Access to Credit in Nigeria

This section shows the performance of government supported agricultural credit services to smallholder farmers using the community scorecard approach. It presents findings on 11 vital indicators from responses of smallholder farmers and the performance of each state with respect to each indicator on a scale of 1 to 4.

S/N	CRITERION	Table 1: Score Range and its Interpretation by Criterion			
		3.26 - 4.0	2.51 - 3.25	1.76 - 2.50	1.00 - 1.75
1	AWARENESS	AWARE	SOMEWHAT AWARE	NOT AWARE	DON'T KNOW
2	KNOWLEDGE ABILITY	KNOWLEDGEABLE	SOMEWHAT KNOWLEDGEABLE	NOT KNOWLEDGEABLE	DON'T KNOW
3	ACCESSIBILITY	ACCESSIBLE	SOMEWHAT ACCESSIBLE	NOT ACCESSIBLE	DON'T KNOW
4	PROCESS	PROCESS ENTRY	PROCESS SOMEWHAT ENTRY	PROCESS NOT ENTRY	DON'T KNOW
5	AFFORDABILITY	AFFORDABLE	SOMEWHAT AFFORDABLE	NOT AFFORDABLE	DON'T KNOW
6	TIMELINESS	TIMELY	SOMEWHAT TIMELY	NOT TIMELY	DON'T KNOW
7	REPAYMENT	FARMERS REPAY THEIR LOAN	FARMERS SOMEWHAT REPAY THEIR LOAN	FARMERS DON'T REPAY THEIR LOAN	DON'T KNOW
8	ADEQUACY	ADEQUATE	SOMEWHAT ADEQUATE	NOT ADEQUATE	DON'T KNOW
9	USAGE	USEFUL	SOMEWHAT USEFUL	NOT USEFUL	DON'T KNOW
10	SUPPORT SERVICES	SUPPORT SERVICE PROVIDED	SUPPORT SERVICE SOMEWHAT PROVIDED	SUPPORT SERVICE NOT PROVIDED	DON'T KNOW
11	FARMERS' INVOLVEMENT	FARMERS ARE INVOLVED IN POLICY DECISION MAKING	FARMERS ARE SOMEWHAT INVOLVED IN POLICY DECISION MAKING	FARMERS ARE NOT INVOLVED IN POLICY DECISION MAKING	DON'T KNOW























Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

BAUCHI STATE

	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 3.59	Process easy
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 3.38	Aware
	ADEQUACY How adequate were the Agricultural loans for farmers?	 2.79	Somewhat adequate
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 2.63	Somewhat accessible
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 2.59	Somewhat knowledgeable
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 2.46	Not on time
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 2.38	Not affordable
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 2.25	Not used for the purpose
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 2.25	Farmers not involved in the development and implementation of government supported agric-credit services.
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2.17	Support services not provided
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 1.88	Farmers don't Repay









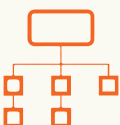













Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

DELTA STATE















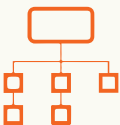







	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 4	Aware
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2.5	Support services not provided
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 2	Not accessible
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 2	Farmers not involved in the development and implementation of government supported agric-credit services
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 1.5	Don't know
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 1.5	Don't know
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 1.5	Don't know
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 1.5	Don't know
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 1.5	Don't know
	ADEQUACY How adequate were the Agricultural loans for farmers?	 1.5	Don't know
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 1.5	Don't know

Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

EBONYI STATE























	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 3	Somewhat Aware
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 2	Not accessible
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2	Support services not provided
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 1.5	Don't know
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 1.5	Don't know
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 1.5	Don't know
	ADEQUACY How adequate were the Agricultural loans for farmers?	 1.5	Don't know
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 1.5	Don't know
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 1	Don't know
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 1	Don't know
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 1	Don't know

Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

		FCT		
	CRITERION	SCORE	INTERPRETATION OF THE SCORE	
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 3.33	Aware	
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 2.33	Not used for the purpose	
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2.17	Support services not provided	
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 2	Not knowledgeable	
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 2	Not on time	
	ADEQUACY How adequate were the Agricultural loans for farmers?	 2	Not adequate	
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 1.83	Not accessible	
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 1.83	Process not easy	
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 1.83	Not affordable	
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 1.83	Do not pay when due	
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 1.5	Farmers not involved in the development and implementation of government supported agric-credit services.	







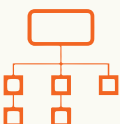















Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

GOMBE STATE

	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 3.67	Useful - used for the purpose
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 3.5	Aware
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 3.5	Affordable
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 3.34	Accessible
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 3.25	Farmers somewhat repay when due
	ADEQUACY How adequate were the Agricultural loans for farmers?	 3.17	Somewhat adequate
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 3	Process somewhat easy
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 2.67	Somewhat knowledgeable
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 2	Not on time
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2	Support services not provided
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 1.5	Don't know







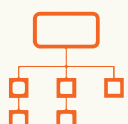















Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

KOGI STATE

	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 3.5	Aware
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 3.5	knowledgeable
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 3	Support somewhat provided
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 2.5	Process not easy
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 2.5	Not used for the purpose
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 2	Not accessible
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 2	Not affordable
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 2	Not on time
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 2	Farmers don't Repay
	ADEQUACY How adequate were the Agricultural loans for farmers?	 2	Not adequate
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 1	Don't know























Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

KWARA STATE

	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 3.63	Aware
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 2.88	Somewhat knowledgeable
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 2.5	Not accessible
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 2.5	Process not easy
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 2.5	Not affordable
	ADEQUACY How adequate were the Agricultural loans for farmers?	 2.5	Not adequate
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 2.25	Farmers not involved in the development and implementation of government supported agric-credit services.
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 2	Not on time
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 2	Not used for the purpose
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2	Support services not provided
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 1.98	Don't pay when due

Community Scorecard on Government Supported Agricultural Credit Services for Smallholder Farmers in:

ONDO STATE

	CRITERION	SCORE	INTERPRETATION OF THE SCORE
	AWARENESS How aware are farmers about Agricultural Credit Schemes?	 4	Aware
	KNOWLEDGEABLE How Knowledgeable are farmers about Agricultural Credit Schemes?	 2.5	Not knowledgeable
	ACCESSIBILITY How accessible are Agricultural Credit Schemes to farmers?	 2.5	Not accessible
	PROCESS How simple is the process for accessing Agricultural Credit Schemes for farmers?	 2.5	Process not easy
	TIMELINESS What do farmers think about the timeliness of the Agricultural Credit Schemes?	 2.5	Not on time
	SUPPORT SERVICES What other support services did smallholder farmers who got credit receive?	 2.07	Support services not provided
	AFFORDABILITY How affordable are Agricultural Credit Schemes for farmers?	 2	Not affordable
	REPAYMENT How well did farmers perform in terms of Loan Repayments?	 2	Farmers don't Repay
	ADEQUACY How adequate were the Agricultural loans for farmers?	 2	Not adequate
	USEFULNESS How useful was the loan in the Agricultural Credit Schemes to smallholder farmers ?	 2	Not used for the purpose
	INVOLVEMENT OF SMALLHOLDER FARMERS How involved were smallholder farmers with the Agricultural Credit Schemes?	 2	Farmers not involved in the development and implementation of government supported agric-credit services

1

Government should aggressively continue to persuade and encourage the formal banking sector with favourable policies, incentives and initiatives to direct both their human and financial resources to harnessing this huge business opportunity of providing agricultural credit to smallholder farmers.

2

The formal banking sector can contribute to the reviving of the Nigerian economy by studying and understanding the smallholder farmer and smallholder farming, sourcing out creative and innovative ways of doing business with them, and collaborating and building linkages with other sectors that have built relations with and understand smallholder farmers

3

Government should build and harness the capacity of the private insurance sector to effectively participate in agricultural insurance for the smallholder farmer's benefit. This will certainly provide additional assurance to the formal banking sector to lend to smallholder farmers

4

Like any other business endeavour, smallholder farmers need adequate, correct and relevant information to make informed decision regarding their farming ventures. Educating them should be the task of the government and the private financial sector

5

Integrate effective support services like the processes of acquiring loans, accessing genuine inputs, use of improved farming technologies and marketing their produce into agric-credit services meant for smallholder farmers

6

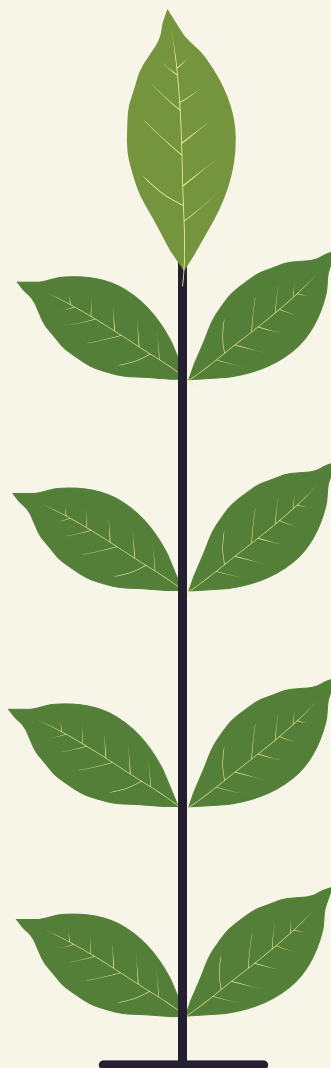
De-politicize and recapitalize government agricultural lending institutions such as Bank of Agriculture and insist on performance-based approach of doing business

7

Involve smallholder women farmer organisations and civil society organisations in the development and implementation of government supported agricultural credit initiatives

8

Finally, there is the need for synergy, collaboration and cooperation among government financial institutions



act:onaid

ActionAid Nigeria
Plot 477, 41 Crescent,
off Sa'adu Zungur Avenue,
Gwarinpa Abuja.
Telephone: +234 (0) 812 8888 825-7
Email: info.nigeria@actionaid.org

2017