



EFFECT OF CREDIT UTILIZATION ON THE PRODUCTIVITY OF SMALL-SCALE COWPEA FARMERS IN SELECTED LOCAL GOVERNMENT AREAS OF NIGER STATE, NIGERIA

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ABSTRACT

Small-scale farmers use their meagre household resource to finance their agricultural production. The study investigated the effects of credit utilization on the productivity of small-scale cowpea farmers in the selected Local Government Areas in Niger State, Nigeria. Data were obtained from 212 respondents comprising of 98 credit and 114 non-credit users through the administering of questionnaire. Data were analysed using descriptive statistics, Ordinary Least Squares (OLS) regression, Data Envelopment Analysis (DEA) and Additive Multiplication Dummy Variable Approach (AMDVA) The study found that access to credit, farm size and distance to farm were the significant factors affecting the farmers' productivity. Results specifically revealed that access to the credit had a significant effect on the productivity of the cowpea farmers at P 0.01 probability level. Late disbursement and unavailability of bank in the communities were found to be major problems limiting farmers' access to credit. The study recommended sufficient availability of credit facilities to the farmers through government interventions to enhance farmers' incomes and productivity, and also, farmers should be encouraged to form co-operative societies so as to enable them have access to credit facilities from formal lending institutions.

Keywords: Credit utilization, Productivity, Small-scale farmers, Niger State.