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Farmers' Perception of Repayment of Loans Obtained from Bank of Agriculture, Ogun State, Nigeria

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ABSTRACT This study examined farmers' perception of repayment of loans in Ogun State, Nigeria. A multi-staged sampling technique was used to select 120 respondents for the study. Descriptive and Pearson Moment Correlation Statistics were used to analyze the data. Results showed that loan beneficiaries were mostly youth. Majority (74.8%) disagreed with the loan payback period of 7-12 months while 74.2% of the farmers perceived loans as grant (not payable). A significant and inverse relationship exist between interest rate ($r = -.151$; $p \leq 0.05$), low farm output ($r = -.113$; $p \leq 0.05$) and loan repayment; a linear relationship exists between age of farmers ($r = .715$; $p \leq 0.05$) and loan repayment. The loans have the potential to create employment in the rural areas. Youth with repayment capability should be given priority in the issuance of loans to farmers. Officials of Bank of Agriculture should strengthen loan recovery strategies.