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Analysis of Loan Repayment among Small Scale Farmers in Oyo State, Nigeria

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ABSTRACT The study analysed loan repayment among small scale farmers in Oyo State, Nigeria. It specifically identified socio-economic characteristics of the respondents and quantitatively determined some socio-economic characteristics of these farmers that influence their level of loan repayments. A multi stage sampling technique was used to select 286 respondents in the study area and structured questionnaire administered on them to collect data. Descriptive statistics was used to analyse the socio-economic characteristics of the respondents while multiple regression using Ordinary least square (OLS) was used to quantitatively determine the socio-economic characteristics that influence the level of loan repayment among small scale farmers in the study area. The result showed that 60.23% of the respondents were more than 50 years old and 92.35% of them were males. Analysis also revealed that 83.92% of these farmers operated 4.9 hectares or less as farmland. About 82.17% of the respondents obtained their loans from informal sources while 17.83% patronized formal sources. The result of the repayment function showed that the included regressors explained 68.4% in the variation of the regressand.