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Capital Resource Use and Allocation in Cereal Crop Enterprise: Empirical Evidence from the Cereal Crop Farmers of Benue State, Nigeria

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ABSTRACT Lack of evidence on allocation and use of capital resource among the small-scale cereal crop farmers of Benue State has led to a continuous depression of capital resource flow in the sub-sector. In providing this evidence a singular, convenient and sufficient criteria for appraising the use of credit by the small-scale farmers is explored. Using 370 respondents drawn from 6 Local Government Areas of Benue State which is acclaimed the “Food Basket of the Nation”, their sources and uses of capital resources are explored. Field data were collected using structured questionnaire. The data were analyzed using simple descriptive statistics comprising frequency distribution, percentages and means, as well as multiple Regression analysis. The findings of the study indicated that the cultivated farm size of the surveyed cereal crop farmers ranged between 0.5-10 hectares with a mean of 3.01 hectares. Eighty –four percent of the surveyed farmers utilized their agricultural credits for the purchase of improved seeds, agro-chemicals and hiring of farm labour, while sixteen percent used part of their agricultural credit for family health services and the payment of school fees .These are forms of capital accumulation for future agricultural services.