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Impact of Farm Credit on Farmers Socio-economic Status in Ogun State, Nigeria

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ABSTRACT Dwindling farmers productivity as a result of lack of adequate capital to increase yield necessitates this study. Information was obtained from a total of 250 farmers randomly selected from Ogun state, Nigeria. The farmers' were stratified into beneficiaries of credit and non-beneficiaries. The study shows that there is inadequate provision of loan from formal credit institutions with about 40% of beneficiaries securing loan from formal credit institution and 80% from informal credit institution. Beneficiaries recorded higher 80,000tons cocoa production compared to lower 21,000 tons of cocoa production recorded by non-credit beneficiaries. Consequently, 28% of beneficiaries recoded higher mean income of between ₦21,000-50,000 compared to 10.4% of non-beneficiaries. Beneficiaries 54.1% were of higher socio-economic status compared to 10.4% of non-beneficiaries in the same category. There was positive and significant correlation between performance of farm production operations and securing of credit for crops production level (r-- = 0.382) adoption of new technologies (r=0.490) and proper processing, storage and utilization (r=0.224). The study recommends that for positive impact to be recorded on farmers' socio-economic status credit should be given to the farmers and research should be intensified at the farm level for farmers to benefit.
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