

Sources and Uses of Agricultural Credit by Small Scale Farmers in Surulere Local Government Area of Oyo State

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ABSTRACT The role of credit in agricultural economy is crucial and its constraint which can affect farmer's investment behaviour necessitated the investigation of sources of agricultural credit and its uses in Surulere Local Government area of Oyo State. One hundred and twenty respondents randomly selected from twenty villages were interviewed using structured questionnaire. The study found that most of the respondents obtained loans through informal sources with co-operative societies being the most popular source. The results also showed that payment for labour wages consumed the larger percentage of the credit obtained by most of the respondents. Accessibility to agricultural credit was constrained by certain factors identified in the study. However, to ensure effective utilization of available sources of credit, establishment of agricultural and community banks in the rural areas with simple procedures of securing loans was recommended. Also, mobilization of farmers into formidable groups in order to enjoy the benefit of collective investment of group savings was also recommended.