# A PRELIMINARY ASSESSMENT OF THE AGRICULTURAL CREDIT GUARANTEE SCHEME IN NIGERIA*

**Introduction**

Agriculture plays a significant role in the socio-economic development of Nigeria. Yet Nigeria's agricultural sector remains largely backward and unresponsive to the needs of the economy. In an attempt to hasten the pace of agricultural development, government, in the last decade embarked on several capital investment projects aimed at increasing productivity in the sector. A significant proportion of public financial resources was channelled into agriculture through some specialised institutions. However, public institutions for agricultural credit administration were generally handicapped and gave little or no relief to the average farmer (Ilori, 1974; Oshuntogun and Oludimu, 1981)

On the other hand, the performance of commercial banks as regards agricultural lending was anything but encouraging. For instance, total bank loans and advances to agriculture stood at only ₦9.3 million at the end of 1971 and constituted 1.9 per cent of total bank loans and advances to all sectors of the economy. But in the same year, bank loans and advances to "other production" "commerce" "services" and "others" stood at ₦157.1, ₦221.8, ₦35.4 and ₦67.4 million respectively, or 31.9, 45.2, 7.2 and 13.7 per cent of total bank loans and advances to all sectors (see Table 1). In the early 1970's Central Bank credit guidelines for commercial bank credit operations were generally formulated in favour of agriculture and other more productive sectors and these induced a fairly large growth in credit to agriculture. Between 1971 and 1977, bank loans and advances to agriculture recorded a growth rate of 61.7 per cent a year, compared with 47.2 per cent for "other production", 22.4 per cent for "commerce", 43.5 per cent for "services" and 37.4 per cent for "others" (see Table 2).

In spite of the achievement recorded in respect of bank lending to agriculture between 1971 and 1977, it could be claimed that there had been no fundamental change in the traditional attitude of commercial banks which had not favoured that area of operation. For example, at the end of 1977, total bank loans and advances to agriculture was 4.5 per cent of total loans to all sectors, compared with 50.0, 23.2, 9.1 and 13.2 per cent for other production, commerce, services and "others", respectively. It was therefore thought that specific incentives could be given to the commercial banks to lend more to agriculture. Towards this end, the Agricultural Credit Guarantee Scheme (ACGS) was set up in April 1978. The basic objective of the scheme is to reduce the risk of lending to agriculture by commercial banks and hence increase the flow of credit to agriculture with the ultimate aim of increasing output in the sector. At the end of 1982, the scheme had been in operation for nearly five years. But barely two years after its inaguration, the need to review it for greater effectiveness was being mooted and in fact, a bill to amend the enabling act of 1977 was tabled at the National Assembly in 1981, but was yet to be passed at the time of this study.[1]

The basic objective of this paper is to review the main achievements of the ACGS and analyse the major constraints on its operations during the first five years of its implementation. The paper is organised into four sections. A summary of the objectives of the ACGS is presented in Section I, while in Section II, an analysis of its main achievments between 1978 and 1982 is undertaken. Section III contains a discussion of some of the major constraints on the operations of the Scheme while Section IV concludes the paper.

*The views expressed in this paper are those of the authors and are not necessarily shared by the Central Bank of Nigeria. The authors gratefully acknowledge useful comments by colleauges in the Research Department on earlier drafts of the paper.

[1] The amendments to the 1977 Act were based on the report of a Review Panel set up in 1979 by the Federal Government to study the operations of the scheme and identify aspects that may be improved (Central Bank of Nigeria, 1979b).

# I
# OBJECTIVES OF THE AGRICULTURAL CREDIT GUARANTEE SCHEME

The ACGS Fund Act (No. 26), 1977 provided the framework for the operations of the ACGS. The scheme itself was evolved against the background of some serious constraints which had militated against the active participation of commercial banks in the finance of agriculture in Nigeria. Foremost among these constraints were the high risks involved in extending loans to agricultural production. The high risks associated with agricultural production are attributable mainly to crop management problems, excessive dependence on climatic factors, inadequate infrastructural facilities for storage and distribution and pests and disease problems. Any of these problems could lead to either crop failure or cut-back in anticipated output and hence disrupt the loan repayment schedule. A second important constraint on agricultural lending by banks was the subsistent nature of productive activities which could hamper loan repayment. Agricultural production has generally been undertaken by peasant farmers in small holdings primarily to satisfy their own basic requirements. The low commercial orientation of farming was alien to modern banking practices and even if banks could grant loans to farmers' cooperatives, the cost of loan administration might be prohibitive. Finally, a major constraint on bank lending to agriculture was the issue of inadequate security for loans in the form of land and other fixed assets which farmers could not present.

The ACGs intended to get round these problems through several provisions of the act. A basic arrangemement under the scheme which would enable banks to overcome some risks in lending to agriculture is the provision of a ₦100 million Fund to be contributed by the Federal Government (60%), and Central Bank of Nigeria (40%) (Nigeria, FMI, 1977).[2] The purpose of the fund is to provide guarantee in respect of loans granted by banks for all types of agricultural activities throughout the country. The Fund's maximum liability in case of default is 75 per cent of the amount lent by a bank subject to a maximum of ₦50 thousand for an individual borrower and ₦1 million for a loan to a cooperative or limited liability company. The scheme intended to get round the risks of lending to individual farmers by according special status to cooperative bodies in the lending programmes of the banks and the fixing of relatively low interest rates for loans to small farmers. The aim is to encourage the formation of farmers' organisations which can borrow from the banks and then on-lend to their members, as well as to reduce considerably the cost of borrowing to small farmers.[3]

With respect to the issue of inadequate security for agricultural loans, the scheme accepted the need for the presentation of conventional collaterals to secure a loan.[4] But it may be inferred that the adverse effect of this stiff requirement on the small farmer can be alleviated by the basic provisions of the Act itself. First, the system of guarantee under the Scheme should encourage banks to focus more on the viability of projects. Second, acceptable collaterals could be more easily provided where farmers borrow as a group as provided by the Scheme and third, the inclusion of a personal guarantee should make it easier for many individual farmers to obtain loans from the banks.

From the foregoing, it is clear that the general framework of the scheme did not and could not have addressed itself directly to the removal of the constraints on bank lending identified earlier. The scheme made a serious attempt to overcome the effects of these constraints mainly at the commercial bank level and not at the grassroot production level. In this respect, it should be seen as part of a package of programmes embarked upon by government to increase productivity in the agricultural sector.

Consequently, the achievements of the scheme would to a large extent depend on the validity of some basic assumptions about other agricultural development programmes. For instance, with respect to the issue of high risks in agricultural production, it could be presumed that such would be minimised overtime through the provision of more basic infrastructures as envisaged in the various National Development Plans. Similarly, it could have been safely assumed that the structure and orientation of agricultural production would be favourably adjusted overtime and in particular, the problem could, in the short-run, be reduced through the development of farmers' cooperatives which is an important aspect of government agricultural development programmes. Finally, on the issue of collateral security, the ACGS could also have assumed that with more rapid agricultural development, farmers might easily provide any of the collaterals listed. In particular, it could be assumed that land use problems throughout the country would be resolved by more purposeful policies on the part of the government. These assumptions might not have been unrealistic in themselves. But since the removal of those agricultural development constraints were fundamental to increased flow of credit from commercial banks for agricultural production, the time dimension within which they could be eased was an important factor in the successful implementation of the scheme. This is a basic fact that must be taken into account in any objective assessment of the scheme.

[2] The Act also provides for the setting up of an ACGS Fund Board of 6 members to be appointed from the public and private sectors. Under the Act, a managing agent, to be appointed by the Minister of Finance, is to administer the Fund on a routine basis. The Central Bank of Nigeria was named as the first managing agent and currently administers the fund on a daily basis through its Agricultural finance Department in the Head Office, Branches and Currency Centres of the Bank

[3] From the inception of the Scheme up to April 1982, the interest rate on agricultural loans to corporate bodies that on-lend to members was 5 per cent, as against 6 per cent for other borrowers. In April 1982, these rates were increased to 7 and 8 per cent, respectively, while in November 1982, they were reduced to 6 and 7 per cent, respectively. Throughout the review period, the interest rates under the scheme, were the lowest among the lending rates of the commercial banks.

[4] Under the ACGS Act, an applicant may be asked to provide one or more of the following securities: land (including assets thereon), a movable property, life assurance policy, stocks and shares and personal guarantee.

## II
## AN ANALYSIS OF THE OPERATIONS OF THE ACGS, 1978–1982

The implementation of the ACGS began in April 1978. Given its ultimate objective of enhancing total agricultural production in the country, an ideal evaluating criterion of its impact is its net contribution to total output in any given period, which presupposes that an appropriate data framework should have been put into use at the start of the scheme. However, available data on the operations of the scheme are not comprehensive to permit such an evaluation. The achievements of the scheme are assessed by its impact on the total volume of agricultural credit, the total number of borrowers accommodated, the sectoral and spatial distribution of credit and the loan recovery rate under the scheme.[5]

**Impact on Total Agricultural Credit**

The ACGS made a modest beginning in 1978 when a total of ₦11.3 million was extended as credit to farmers by commercial banks (See Table 3). In the following four years, the Scheme witnessed a tremendous growth when cumulative credit levels of ₦44.9, ₦75.5, ₦111.4 and ₦143.8 million were recorded for 1979, 1980, 1981 and 1982, respectively. These levels suggest annual growth rates of 297.3, 68.2, 43.8 and 28.5 per cent for 1979, 1980, 1981 and 1982, respectively, or an average growth rate of 109.5 per cent per annum. However, in terms of new loans granted under the scheme, the growth in volumes witnessed a decline of 8.9 and 11.4 per cent in 1980 and 1982, respectively. In 1979, the volume of new loans increased by 197.3 per cent to ₦33.6 million. Thus, the average growth rate of new loans under the Scheme was 48.6 per cent per annum. It can be seen that the tremendous growth in the volume of credit under the scheme occurred in the first two years of operations. This was also reflected in the pattern of growth of total loans and advances to agriculture which increased by 47.1 per cent between 1978 and 1979, compared with an average growth rate of 33.7 per cent in the rest of the review period.

An analysis of the proportionate shares of commercial bank loans and advances to agriculture out of the aggregate loans and advances to all sectors tends to confirm the view that the impact of the scheme on the total volume of agricultural credit was most pronounced in the first two years of operations. During the first year of the scheme, total bank loans and advances to agriculture accounted for 5.5 per cent of aggregate loans and advances – an increase of one per centage point over the level in 1977. In 1979, this share increased further by 1.6 percentage points to 7.1 per cent. But in the subsequent three years, the percentage share increased by an average of only 0.2 point per year.

The volume of loans under the ACGS tended to grow faster than the volume of loans to other agricultural activities not covered by the scheme. Consequently, the proportionate share of ACGS loans out of total loans to agriculture increased steadily during the period (Table 3). From a level of 5 per cent in 1978, it increased by about 4½ percentage points annually, recording a level of 18.9 per cent in 1981. However, in 1982, the proportionate share declined by 0.7 point to 18.2 per cent. Despite this impressive growth, it is clear that the bulk of loans going into agriculture is currently extended outside the Scheme.

Also, a comparison of the proportionate shares of loans under the ACGS during the period when it was in operation (1978–1982) and the preceding five years (1973–1977) reveals only a marginal impact by the scheme. In the five years preceding the launching of the scheme, the proportionate share of bank loans and advances to agriculture out of total loans and advances to all sectors increased by an average of 0.4 point, explained largely by the general decline in loans and advances to the commerce sector (see Table 4). During the period of the ACGS, the proportionate share of bank loans and advances to agriculture increased annually by 0.6 point, which must be shared by the impact of not only the ACGS scheme, but also of the prevailing Central Bank Credit guidelines.

**Number of Farmers Accommodated**

The ACGS was designed specifically to cater for the credit requirements of farmers in general and so the number of farmers accommodated under the scheme can be used as one of the indicators of the scheme's achievements. Tbe number of loans guarateed under the ACGS may be used to measure the number of borrowers accommodated, although a small proportion of these loans is accounted for by cooperative bodies which may on-lend loans to several individual members. As shown on Table 6, a total of 4,758 loans were extended to borrowers under the scheme between 1978 and 1982, showing an average of 952 loans per year. The number of new loans increased from year to year, except in 1980 and 1982 when it declined by 14.6 and 17.2 per cent, respectively. Due to lack of data, it is not possible to compare the average number of loans under the scheme with the period preceding the scheme. Undoubtedly, since these loans were extended to farmers who might not have got such loans without the scheme, the number accommodated was a modest achievement. But in relation to the farm population of about 13 million who are all prospective credit users, the achievement was insignificant. More importantly, the achievement was not encouraging when related to the number of applicants. During the five-year period, an estimated total of 10,000 applicants asked for loans, but only about 4,600 or 46 per cent was accommodated. Tbis limited achievement was of course due to a number of factors some of which are discussed in section III of the paper.

**Distribution of ACGS Loans**

While the analysis so far examines the overall impact of the operations of the ACGS, the sectoral and spatial analysis examines the impact on different types of agricultural activities in the different states and zones of the country.

The sectoral distribution of total amount of loans under the scheme was lop-sided in favour of the livestock sector, and in this, poultry production is the dominating activity (see Table 5). During the five years under review, 64.8 per cent of loans under the scheme was committed to the livestock sector, and of this, about 91.0 per cent was extended to poultry production. In this early phase of the

[5] Similar studies undertaken by Oshuntogun (1973), Oshuntogun and Oludimu (1981) and Ojo and Palmer (1981) adopted this approach.

scheme, the high concentration in poultry can be attributed to the relative ease of starting such projects and the quick returns involved. Of the remaining sectors, food crops received an average of 21.0 per cent of total loans under the Scheme while mixed farming and other crops received 7.7 and 6.5 per cent, respectively.

The sectoral distribution in terms of numbers of these loans gives a different pattern from that exhibited by the sectoral distribution of the amounts of loans. The livestock sector was displaced to the second position by the food crops sector. The food crops sector accounted for 47.5 per cent of the total number of loans (See Table 6). The livestock sector accounted for 30 per cent. The number of guaranteed loans from the food crops sector was 35.4 per cent of the total in 1979. increasing to 64.1 per cent in 1982. In contrast, the livestock sector which also dominated the loans in terms of number (50.2 per cent) in 1978 experienced a progressive decline to 30.1 per cent in 1982.

An analysis of the total amounts of loans under the scheme by state reveals a high concentration in a few States (See Table 7). Six States (Bendel, Kaduna, Kano, Lagos, Ogun and Oyo) received 53.3 per cent of total loans during the review period, while six others (Benue, Borno, Cross River, Niger, Ondo and Sokoto) received only 12.7 per cent of total loans. On the whole, 10 states had less than the average of 5.3 per cent for all the states, while 3 states (Benue, Borno and Niger) received only 3.2 per cent of the loans recorded. But, a state-by-state analysis of the number of loans reveals more interesting changes vis-a-vis the distribution of amount of loans. As can be observed on Table 8, some states which received significant proportions of amounts of loans as revealed earlier, no longer retain that dominant position when the number of loans is analysed. Such states include Lagos and Ogun. But states, like Bauchi and Sokoto, whose shares out of total amounts of loans were relatively low more or less compensated for this by receiving higher proportions of the total number of loans. The analysis above shows that a majority of states have not benefited as expected under the Scheme. With respect to states that appear to have received more than the average volume of loans, the bulk of their loans went to projects located in or around urban centres of Benin, Kaduna, Kano, Lagos and Ibadan. This is not surprising since most of the projects are for poultry production which may be more viable when located near the markets. Also, taking the broader regional areas of the country, the distribution of the loans under the Scheme seems even more disturbing. Most ecological zones were neglected since it appears that the bulk of loans went into financing activities in the western forest and central savanna zones of the country.

A computation of the average value of loans extended under the Scheme was done in an attempt to have a rough picture of the types of projects financed and the category of farmers most likely to have benefitted from the Scheme's operations. The overall picture painted is that the typical project financed under the scheme by commercial banks was capital-intensive. On Table 9, it is shown that the average value of a loan for all projects in the country during the period was about ₦30 thousand. The average values of projects ranged between ₦16.7 thousand for "Other Crops" and ₦4.4 thousand for poultry. On Table 10, average values are calculated by state and this shows that the average values ranged between ₦8.0 thousand in Niger state and ₦87.3 thousand in Lagos state. On the whole the computed average values tended to confirm the fact brought out earlier that the average Nigerian small farmer might not have benefitted much from the operations of this scheme since it can be guessed that their credit requirements would be much smaller.

**Loan Recovery Rate:**

Ultimately, a loan scheme of the ACGS type is a revolving one in which repayments help in increasing the number of beneficiaries. Therefore, the repayment or default rate is an important measure of the viability of the scheme. Available data on defaults under the ACGS are shown on Table 11. The number of default/claims filed and the respective values of claims filed and settled have increased steadily during the review period. In the first year of the scheme, there were no default notices. But the number of default notices subsequently increased from 4 in 1979 to 511 in 1982, and in all, a cumulative total of 659 default notices was recorded. Out of these notices, claims actually filed by the banks with the Central Bank increased from 4 in 1979 to 170 in 1982, while their values increased from ₦31.2 thousand in 1979 to ₦2.8 million in 1982. The cumulative value of default claims filed during the five years under review was ₦4.1 million, out of which ₦0.2 million was settled by the Central Bank for 39 of the claims.

These amounts may appear small, but given the modest achievements of the scheme in these its formative years, the default rate was quite unsettling. In terms of the average unit value of loans extended during the review period, the value of default claims filed could finance about 136 new projects, while that of the claims settled could finance about 8 new projects. While defaults may be corrected, they clearly deny some borrowers of access to loans either because of the non-availability of funds to lend in the short-run or the erosion of other borrowers' credibility with the attendant caution on the part of the commercial banks.

## III
## A REVIEW OF SOME MAJOR CONSTRAINTS ON THE OPERATIONS OF THE AGRICULTURAL CREDIT GUARANTEE SCHEME

From the analysis undertaken in the previous section, it can be tentatively concluded that, in its first five years of implementation, the ACGS made only a modest impact judged by its contribution to total bank credit to agriculture and the number of borrowers accommodated. Besides, the lop-sided sectoral and spatial distribution of the loans, and the loan recovery rate were not very satisfactory. Several factors have been highlighted in the past as constraining the performance of the scheme (CBN, 1979b; Edordu, 1981; Asabia, 1981). While in this section some of these constraints are recounted, the overall purpose of the review is to assess their general impact and possibly suggest how they can be minimised.[6]

For analytical convenience, these constraints are classified into two categories: lending and borrowing constraints. Lending constraints relate to commercial banks and are problems which tend to limit their supply of credit under the scheme, while borrowing constraints relate largely to farmers and are factors limiting their effective demand for credit. As the originator of the scheme, the government talls in between the two and its role is essentially to influence the supply and demand for agricultural credit.

**Lending Constraints**

From the viewpoint of the commercial banks, most of the problems associated with the operation of the ACGS are externally generated. This view is based on the emphasis placed on three issues by the banks – the level of guarantee under the scheme, the rate of interest and the observed rate of default.

Our investigation shows that most commercial banks would prefer a 100 per cent guarantee as against the official 75 per cent. The main inference is that they would be willing to accommodate more borrowers under the scheme. This stance of the banks appears to be inconsistent with their view on the need for borrowers to assume part of the risk of a venture. It appears reasonable to expect similar sacrifice from them as regards the ACGS. On the other hand, it seems doubtful whether a 100 per cent guarantee under the scheme would have produced any significant impact on the banks' activities beyond the first two years of the scheme. This is a plausible argument in view of subsequent problems raised by the banks and which appeared to outweigh this particular problem.[7] For similar reasons, it appears unlikely that an upward revision of interest rates under the scheme would have produced much better results. But for a different reason, there may be a case for narrowing the gap between the interest rates under the scheme and other lending rates of the commercial banks. Perhaps the most important argument for preferring low rates of interest on agricultural loans is that such would assist the small farmers to whom the cost of credit may make some difference. However, it is clear that the bulk of small farmers did not obtain loans under the scheme during the review period and hence did not benefit from the subsidy.

With respect to the issue of high defaults, there is no gainsaying its negative effect on the banks. From a study of a selected number of default cases, the immediate contributory factor was the lack of expertise in the management of the projects concerned. Many borrowers genuinely went into farming projects only to find out that commitment and expertise far above what they had anticipated were needed to make them successful. They neither had these nor could they draw such conveniently from the labour market. Diversion of funds to other purposes was then considered a second best approach to the problem. Many projects simply failed as a result of this problem. Another important factor was the unwillingness of many borrowers to repay loans probably because of the close association of government with the scheme. A high default rate tended to induce caution on the part of the banks to the detriment of genuine borrowers. There is an obvious need to conduct a more thorough study on this problem. There is also a need to reassess the monitoring system under the scheme.

Two main constraints which significantly affected the performance of the banks were manpower shortage and the inadequate network of bank branches in the rural areas. The current situation with respect to the manpower situation is that most banks operating the scheme have only small units specialising in agricultural lending operations in the head offices. Such units could hardly cope with the enormous work of processing applications and monitoring of borrowers' activities which are scattered throughout the country. The manpower problem cannot be solved speedily within the overall framework of manpower development in the country and so it requires a special programme of development to be drawn up and implemented by the banks in close cooperation with the Central Bank. The accessibility of banks as dictated by their branch net work is another important factor in their ability to service many prospective customers under the scheme. Considerable progress has been made in increasing the number of bank branches since the rural banking scheme was launched in 1977 by the Central Bank but the number of bank branches and their spatial distribution are still far from the ideal.

As indicated in Table 12, the number of bank branches appears to vary inversely with the land areas of states, indicating a high concentration of bank branches in certain areas, particularly urban locations. On the whole, only in Lagos State is the average walking distance of a bank low enough for convenience. But, the average of 2.7 kms in Lagos State must be attributed to high concentration in Lagos metropolis. In other states, the average walking distance ranges between 7.3 and 33.5 kms. For the whole of Nigeria, the average is 17.1 kms. Even in states (Lagos, Imo and Anambra) with shorter walking distances to banks, population densities are very high, resulting in over crowded banking halls which can discourage prospective

[6] Part of the information used in this section was obtained from oral interviews had with the commercial banks early in 1983 and the country-wide surveys of agricultural production conducted by the Central Bank of Nigeria in 1981 and 1982.

[7] Such problems include the issues of low interest rate, the mounting level of defaults, especially the sheer unwillingness of borrowers to repay loans due to a misconception that government owns the resources, and the complaint about the slow pace of settling default claims.

borrowers. The current rural banking programnme can only change the situation gradually. A more positive impact can be attained if an incentive scheme is designed purposely to achieve this objective.

**Borrowing Constraints:**

Just as the commercial banks claim that most of the problems inhibiting the ACGS are due to factors external to them, the borrowers also maintain that the main problems of the scheme are created by the banks. In fact, the guarantee system has very often been erroneously equated by borrowers with actual provision of funds by the Government, leaving the banks as mere agents to allocate such funds. This general attitude of the farmer is based on two main factors – the administrative procedure under the scheme and the prerequirements for obtaining a loan. Our investigation shows that most borrowers detested the tough scrutiny before loans are granted. But the conditions governing the processing of applications under the scheme are not generally harder than for other types of bank loans. The period for the consideration of the application is however longer because of the need for the managing agent to assess and document it. The main constraint in this area appears to be the inability of the borrower to meet the stipulated conditions (collaterals and feasibility studies) at the first attempt. Recently too, it seems the new rural bank branches would not entertain requests for application forms on the excuse that their resources are not yet adequate to accommodate borrowers. One effect of the commercial bank practices such as the unwillingness to issue out application forms is that the scheme is denied knowledge on the general profile of many prospective borrowers and this may not assist policy makers. One way out is to devise a preliminary assessment period during which the prospective borrower presents his proposals to the managing agent before approaching his banker. This need not lengthen the processing of his application, but could require more effort on the part of the managing agent.

One important constraint which is generally articulated by banks, but not usually appreciated by farmers is the apparent gap in the status of commercial banking and farming in the country. By and large, commercial banking has moved with time. A commercial banker is in business and wants to deal with customers who have a clear grasp of their own businesses. The average Nigerian farmer is yet to reach the threshold of development in most respects. He is yet to conceive of his farming activity as a business and managed as such. Under these circumstances, it is difficult to achieve widespread participation in the ACGS by peasant farmers. The inevitable solution to this problem is to design and implement an agricultural development strategy aimed at a comprehensive structural transformation of the agricultural sector. The cornerstone of such a strategy should be a dynamic rural development programme aimed at restoring stability in the rural areas, a conscious development of rural institutions such as farm cooperatives and a drastic reform of the land use system. Agricultural credit policy should also be an important component of such a strategy.

## IV
## CONCLUDING OBSERVATIONS

This study set out to review the operations of the ACGS in Nigeria and to assess some of the constraints which have limited its performance. The main finding is that the scheme could be said to have made a moderate impact in the first five years of its implementation. The major constraint on the working of the scheme seems to be the backward status of agricultural development in the country vis-a-vis the requirement of modern banking practices. Other administrative and technical constraints frequently cited appear secondary and often symptomatic of the stage of agricultural development. The inference from this is that as agricultural development gathers momentum, commercial banks would accommodate farmers without specific incentives to do so. In the meantime, the paper advocated some changes for greater effectiveness of the scheme. These include: narrowing of the gap between ACGS interest rates and other lending rates of the banks. More effective monitoring to detect possible defaults at an early stage, implementation of a special manpower development programme in cooperation with Central Bank, an incentive scheme to further expand the rural bank net-work, possibility of a quick preassessment of applications by Central Bank and a vigorous pursuit of a dynamic rural development strategy for the whole country.

Furthermore, for the ACGS to bring about desirable changes more quickly than would be the case, it is essential to review and evaluate its impact periodically. However, the framework for collecting information that is necessary for such evaluation appears inadequate at present. Beyond the project appraisal stage, it is necessary to carry out a continuous ex-post analysis of the impact of the scheme by using several criteria some of which were indicated in this paper. It is also necessary for policy review purpose to study the profile of both rejected and other prospective applicants. There is enough justification for creating a special monitoring and evaluation unit that can compile and analyse the required data and information.

M. O. OJO
Deputy Director of Research
Economic Policy Unit

and

O. O. AKANJI (Mrs)
Senior Economist
Sectoral Studies Division

Table 1

**SECTORAL ANALYSIS OF COMMERCIAL BANK LOANS AND ADVANCES IN NIGERIA, 1971-1977**

| | LOANS AND ADVANCES (₦ million) | | | | | | SECTORAL DISTRIBUTION (per cent) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Agriculture | Other Production | Commerce | Services | Others | Total | Agriculture | Other Production | Commerce | Services | Others | Total |
| 1971............ | 9.3 | 157.1 | 221.8 | 35.4 | 67.4 | 491.0 | 1.9 | 31.9 | 45.2 | 7.2 | 13.7 | 100 |
| 1972............ | 19.2 | 203.3 | 222.2 | 49.5 | 125.2 | 619.4 | 3.1 | 32.8 | 35.9 | 7.9 | 20.2 | 100 |
| 1973............ | 21.6 | 265.0 | 267.1 | 62.8 | 136.9 | 753.4 | 2.9 | 35.2 | 35.5 | 8.3 | 18.2 | 100 |
| 1974............ | 27.2 | 368.4 | 285.0 | 73.2 | 184.3 | 938.1 | 2.9 | 39.3 | 30.4 | 7.8 | 19.6 | 100 |
| 1975............ | 37.4 | 639.8 | 403.7 | 99.1 | 257.4 | 1,437.4 | 2.6 | 44.5 | 28.1 | 6.9 | 17.9 | 100 |
| 1976............ | 79.6 | 1,035.9 | 531.0 | 202.2 | 274.2 | 2,122.9 | 3.7 | 48.8 | 25.0 | 9.5 | 12.9 | 100 |
| 1977............ | 139.1 | 1,537.5 | 711.9 | 279.3 | 406.8 | 3,074.6 | 4.5 | 50.0 | 23.2 | 9.1 | 13.2 | 100 |
| Average ...... | 47.6 | 601.0 | 377.5 | 114.5 | 207.5 | 1,348.1 | 3.1 | 40.4 | 31.9 | 8.1 | 16.5 | 100 |

*Source:* Central Bank of Nigeria.

Table 2

**SECTORAL GROWTH IN COMMERCIAL BANK LOANS AND ADVANCES IN NIGERIA, 1972-1977**
(per cent)

| Year | Agriculture | Other Production | Commerce | Services | Others | Total |
|---|---|---|---|---|---|---|
| 1972.......................... | 106.5 | 29.4 | 0.2 | 39.8 | 85.8 | 26.2 |
| 1973.......................... | 12.5 | 30.3 | 20.2 | 26.9 | 9.3 | 21.6 |
| 1974.......................... | 25.9 | 39.0 | 6.7 | 16.6 | 34.6 | 24.5 |
| 1975.......................... | 37.5 | 73.7 | 41.6 | 35.4 | 39.7 | 53.2 |
| 1976.......................... | 112.8 | 61.9 | 31.5 | 104.0 | 6.5 | 47.7 |
| 1977.......................... | 74.7 | 48.4 | 34.1 | 38.1 | 48.4 | 44.8 |
| Average.................... | 61.7 | 47.1 | 22.4 | 43.5 | 37.4 | 36.3 |

*Source:* Derived from Table 1

Table 3

**AGRICULTURAL CREDIT GUARANTEE SCHEME IN RELATION TO TOTAL BANK LOANS AND ADVANCES TO AGRICULTURE IN NIGERIA, 1978-1982**

| Year | Total bank credit to all sectors (1) | Total bank credit to Agriculture (2) | Total bank credit under ACGS (3) | Total bank credit to Agriculture Excluding ACGS (4) | RATIOS (per cent) (2) ÷ (1) (5) | (3) ÷ (2) (6) | (4) ÷ (1) (7) |
|---|---|---|---|---|---|---|---|
| 1978.......................... | 4109.7 | 224.0 | 11.3 | 212.7 | 5.5 | 5.0 | 5.2 |
| 1979.......................... | 4624.4 | 329.6 | 44.9 | 284.7 | 7.1 | 13.6 | 6.2 |
| 1980.......................... | 6349.1 | 462.2 | 75.5 | 386.7 | 7.3 | 16.3 | 6.1 |
| 1981.......................... | 8582.9 | 590.6 | 111.4 | 479.2 | 6.9 | 18.9 | 5.6 |
| 1982.......................... | 10275.4 | 786.6 | 143.8 | 642.8 | 7.7 | 18.3 | 6.3 |
| Average | 6788.3 | 438.2 | 77.3 | 401.3 | 6.9 | 14.4 | 5.9 |

*Source:* Central Bank of Nigeria

Table 4

**SECTORAL ANALYSIS OF COMMERCIAL BANK LOANS AND ADVANCES IN NIGERIA, 1978-1982**

| | LOANS AND ADVANCES (₦ million) | | | | | | SECTORAL DISTRIBUTION (per cent) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Agriculture | Other Production | Commerce | Services | Others | Total | Agriculture | Other Production | Commerce | Services | Others | Total |
| 1978............ | 224.0 | 2,060.2 | 868.6 | 497.6 | 459.3 | 4,109.7 | 5.5 | 50.1 | 21.1 | 12.1 | 11.1 | 100 |
| 1979............ | 329.6 | 2,452.8 | 863.7 | 472.8 | 505.5 | 4,624.4 | 7.1 | 53.0 | 18.6 | 10.2 | 10.9 | 100 |
| 1980............ | 462.2 | 3,333.1 | 1,209.3 | 780.2 | 564.3 | 6,349.1 | 7.3 | 52.5 | 19.0 | 12.2 | 8.9 | 100 |
| 1981............ | 590.6 | 4,498.3 | 1,475.0 | 1,148.3 | 870.7 | 8,582.9 | 6.9 | 52.4 | 17.2 | 13.4 | 10.1 | 100 |
| 1982............ | 786.6 | 5,216.9 | 1,826.9 | 1,302.9 | 1,142.4 | 10,275.4 | 7.7 | 50.8 | 17.8 | 12.7 | 11.1 | 100 |
| Average | 478.6 | 3,512.3 | 1,248.7 | 840.4 | 708.4 | 6,788.3 | 6.9 | 51.8 | 18.7 | 14.0 | 13.3 | 100 |

*Source:* Central Bank of Nigeria

Table 5

**SECTORAL DISTRIBUTION OF LOANS UNDER ACGS, 1978-1982**

| | AMOUNT (₦ million) | | | | | | PROPORTION OF TOTAL (per cent) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sector | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL |
| *Livestock* | *6.0* | *21.4* | *21.1* | *25.1* | *24.2* | *97.8* | *53.5* | *63.8* | *68.1* | *70.5* | *68.0* | *64.8* |
| Poultry | 5.7 | 19.9 | 19.5 | 20.8 | 23.1 | 89.0 | 50.3 | 59.2 | 63.2 | 58.4 | 61.9 | 58.6 |
| Cattle | 0.3 | 0.5 | 0.3 | 3.3 | 0.4 | 4.8 | 3.0 | 1.6 | 1.0 | 9.3 | 3.3 | 3.6 |
| Other | — | 1.0 | 1.2 | 1.0 | 0.6 | 3.8 | 0.1 | 3.0 | 3.8 | 2.8 | 2.6 | 2.5 |
| *Food Crops* | *2.9* | *7.5* | *5.2* | *7.4* | *5.8* | *28.8* | *25.4* | *22.2* | *16.7* | *20.7* | *20.0* | *21.0* |
| Grains | 2.3 | 6.7 | 3.8 | 6.1 | 4.9 | 23.8 | 20.2 | 20.0 | 12.1 | 17.1 | 16.6 | 17.2 |
| Roots & Tubers | 0.6 | 0.7 | 1.4 | 1.3 | 0.9 | 4.9 | 5.2 | 2.2 | 4.6 | 3.6 | 3.4 | 3.8 |
| *Mixed Farming* | *1.6* | *2.2* | *2.8* | *1.1* | *0.8* | *8.5* | *13.8* | *6.6* | *8.9* | *3.1* | *5.9* | *7.7* |
| *Other Crops* | *10.8* | *2.5* | *1.9* | *1.9* | *1.6* | *8.7* | *7.3* | *7.4* | *6.3* | *5.3* | *6.1* | *6.5* |
| TOTAL | 11.3 | 33.6 | 30.9 | 35.6 | 32.3 | 143.8 | 100 | 100 | 100 | 100 | 100 | 100 |

*Source:* Central Bank of Nigeria

Table 6

**NUMBER OF LOANS BY SECTOR UNDER ACGS, 1978-1982**

| | AMOUNT (₦ million) | | | | | | PROPORTION OF TOTAL (Per cent) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sector | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL |
| *Livestock* | *137* | *339* | *263* | *275* | *323* | *1337* | *40.2* | *30.7* | *27.8* | *21.2* | *30.1* | *30.0* |
| Poultry | 109 | 285 | 234 | 246 | 282 | 156 | 32.0 | 25.8 | 24.8 | 18.9 | 26.3 | 25.6 |
| Cattle | 22 | 40 | 13 | 17 | 36 | 128 | 6.5 | 3.6 | 1.4 | 1.3 | 3.4 | 3.2 |
| Other | 6 | 14 | 16 | 12 | 3 | 51 | 1.7 | 1.3 | 1.6 | 0.9 | 0.3 | 1.2 |
| *Food Crops* | *116* | *391* | *472* | *701* | *687* | *2367* | *34.0* | *35.4* | *49.9* | *54.2* | *64.1* | *47.5* |
| Grains | 79 | 306 | 403 | 546 | 492 | 1826 | 23.2 | 27.7 | 42.6 | 42.2 | 45.9 | 36.3 |
| Roots & Tubers | 37 | 85 | 69 | 156 | 195 | 542 | 10.8 | 7.7 | 7.3 | 12.0 | 18.2 | 11.2 |
| *Mixed Farming* | *35* | *27* | *12* | *30* | *26* | *130* | *10.3* | *2.4* | *1.3* | *2.3* | *2.4* | *3.7* |
| *Other Crops* | *53* | *349* | *198* | *288* | *36* | *924* | *15.5* | *31.5* | *21.0* | *22.2* | *3.4* | *18.7* |
| TOTAL | 341 | 1106 | 945 | 1295 | 1072 | 4758 | 100 | 100 | 100 | 100 | 100 | 100 |

*Source:* Central Bank of Nigeria

Table 7

**ANALYSIS OF LOANS BY STATE UNDER ACGS, 1978-1982**

| | AMOUNT (₦ million) | | | | | | PROPORTION OF TOTAL (Per cent) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL |
| Anambra | 0.2 | 1.3 | 1.2 | 1.9 | 2.4 | 6.9 | 2.2 | 3.8 | 3.7 | 5.3 | 7.4 | 4.5 |
| Bauchi | 1.3 | 1.5 | 1.3 | 2.9 | 0.5 | 7.5 | 11.3 | 4.6 | 4.4 | 8.1 | 1.5 | 6.0 |
| Bendel | 0.6 | 6.7 | 2.7 | 1.6 | 1.5 | 13.1 | 4.9 | 19.9 | 8.7 | 4.5 | 4.6 | 8.5 |
| Benue | 0.3 | 0.1 | 0.1 | 0.5 | 0.2 | 1.2 | 2.6 | 0.4 | 0.2 | 1.4 | 0.6 | 1.0 |
| Borno | 0.2 | 0.7 | 0.2 | 0.1 | 0.3 | 1.5 | 1.6 | 2.2 | 0.5 | 0.3 | 0.9 | 1.1 |
| Cross River | 0.5 | 0.3 | 0.7 | 1.3 | 2.0 | 4.8 | 4.3 | 0.9 | 2.2 | 3.7 | 6.2 | 4.1 |
| Gongola | — | 0.5 | 0.4 | 3.6 | 1.2 | 5.7 | | 1.5 | 1.4 | 10.1 | 3.7 | 4.2 |
| Imo | 0.6 | 1.7 | 1.1 | 1.2 | 2.0 | 6.6 | 5.4 | 5.1 | 3.7 | 3.4 | 6.2 | 4.8 |
| Kaduna | 1.0 | 3.1 | 1.4 | 3.0 | 3.5 | 12.0 | 8.7 | 9.3 | 4.7 | 8.4 | 10.8 | 8.4 |
| Kano | 0.6 | 3.2 | 3.2 | 2.1 | 3.4 | 12.5 | 5.6 | 8.5 | 10.3 | 5.9 | 10.5 | 8.2 |
| Kwara | 2.0 | 0.8 | 1.1 | 1.0 | 0.5 | 5.4 | 18.1 | 2.4 | 3.6 | 2.8 | 1.5 | 5.7 |
| Lagos | 0.3 | 3.2 | 3.2 | 4.0 | 3.5 | 14.8 | 2.7 | 9.5 | 10.3 | 11.2 | 10.8 | 8.9 |
| Niger | 0.1 | 0.2 | 0.3 | 0.8 | 0.4 | 1.8 | 0.7 | 0.6 | 1.0 | 2.2 | 1.2 | 1.1 |
| Ogun | 0.8 | 2.3 | 3.3 | 3.5 | 1.5 | 11.4 | 6.8 | 6.8 | 10.6 | 9.8 | 4.6 | 7.7 |
| Ondo | — | 0.4 | 1.9 | 0.6 | 0.8 | 3.8 | 0.2 | 1.1 | 6.0 | 1.7 | 2.5 | 2.3 |
| Oyo | 1.0 | 4.0 | 5.3 | 2.8 | 4.9 | 17.0 | 9.0 | 11.8 | 17.2 | 7.9 | 11.9 | 11.6 |
| Plateau | 0.7 | 0.9 | 1.3 | 1.2 | 0.7 | 4.8 | 6.1 | 2.5 | 4.1 | 3.4 | 3.4 | 3.9 |
| Rivers | 0.4 | 2.0 | 1.8 | 2.2 | 2.3 | 8.7 | 3.9 | 6.1 | 5.8 | 6.2 | 6.1 | 5.6 |
| Sokoto | 0.7 | 0.6 | 0.5 | 1.2 | 0.7 | 3.7 | 6.0 | 1.9 | 1.6 | 3.4 | 2.6 | 3.1 |
| TOTAL | 11.3 | 33.6 | 30.9 | 35.6 | 32.3 | 143.2 | 100 | 100 | 100 | 100 | 100 | 100 |

*Source:* Central Bank of Nigeria

Table 8

**NUMBER OF LOANS BY STATE UNDER ACGS, 1978-1982**

| | NUMBER OF LOANS | | | | | | PROPORTION OF TOTAL (Per cent) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL | 1978 | 1979 | 1980 | 1981 | 1982 | TOTAL |
| Anambra | 16 | 50 | 48 | 77 | 122 | 313 | 4.7 | 4.5 | 5.1 | 5.9 | 11.4 | 6.3 |
| Bauchi | 15 | 132 | 193 | 223 | 80 | 643 | 4.4 | 11.9 | 20.4 | 17.2 | 7.5 | 12.3 |
| Bendel | 18 | 96 | 49 | 51 | 60 | 274 | 5.3 | 8.7 | 5.2 | 3.9 | 5.6 | 5.7 |
| Benue | 3 | 5 | 5 | 24 | 19 | 56 | 0.9 | 0.5 | 0.9 | 1.9 | 1.8 | 1.1 |
| Borno | 12 | 21 | 8 | 12 | 7 | 61 | 3.5 | 1.9 | 0.8 | 1.0 | 0.7 | 1.6 |
| Cross River | 13 | 13 | 29 | 39 | 27 | 121 | 3.8 | 1.2 | 3.1 | 3.9 | 2.5 | 2.7 |
| Gongola | — | 15 | 15 | 58 | 50 | 138 | — | 1.4 | 1.6 | 4.5 | 4.7 | 2.4 |
| Imo | 26 | 88 | 55 | 39 | 35 | 243 | 7.6 | 8.0 | 5.8 | 3.0 | 3.3 | 5.5 |
| Kaduna | 77 | 170 | 160 | 176 | 186 | 769 | 22.6 | 15.4 | 16.9 | 13.6 | 17.4 | 17.2 |
| Kano | 22 | 229 | 93 | 82 | 68 | 494 | 6.5 | 20.7 | 9.8 | 6.3 | 6.3 | 9.9 |
| Kwara | 44 | 38 | 25 | 38 | 44 | 189 | 12.9 | 3.4 | 2.6 | 2.0 | 4.1 | 5.0 |
| Lagos | 5 | 16 | 24 | 22 | 12 | 79 | 1.5 | 1.4 | 2.5 | 1.7 | 1.1 | 1.6 |
| Niger | 3 | 12 | 31 | 111 | 68 | 225 | 0.9 | 1.1 | 3.3 | 8.6 | 6.3 | 4.0 |
| Ogun | 15 | 22 | 24 | 22 | 18 | 101 | 4.4 | 2.0 | 2.5 | 1.7 | 1.7 | 2.5 |
| Ondo | 1 | 14 | 15 | 8 | 14 | 52 | 0.3 | 1.3 | 1.6 | 0.6 | 1.3 | 1.0 |
| Oyo | 22 | 84 | 60 | 70 | 65 | 301 | 6.5 | 7.6 | 6.3 | 5.4 | 6.0 | 6.4 |
| Plateau | 8 | 41 | 31 | 29 | 51 | 160 | 2.3 | 3.7 | 3.3 | 2.2 | 4.8 | 3.3 |
| Rivers | 16 | 18 | 20 | 18 | 8 | 80 | 4.7 | 1.6 | 2.1 | 1.4 | 0.7 | 2.1 |
| Sokoto | 25 | 41 | 60 | 195 | 138 | 459 | 7.3 | 3.7 | 6.3 | 15.1 | 12.9 | 9.1 |
| TOTAL | 341 | 1105 | 945 | 1295 | 1072 | 4758 | 100 | 100 | 100 | 100 | 100 | 100 |

*Source:* Central Bank of Nigeria

Table 9

**AVERAGE VALUES OF LOANS BY SECTOR UNDER ACGS, 1978-1982**
(₦'000)

| Sector | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| *Livestock* | *44.1* | *63.3* | *80.1* | *91.4* | *74.9* | *70.8* |
| Poultry | 52.1 | 69.8 | 83.5 | 84.6 | 81.9 | 74.4 |
| Cattle | 15.8 | 13.4 | 26.7 | 194.0 | 11.4 | 52.3 |
| Other | 2.2 | 71.5 | 113.5 | 87.3 | 206.7 | 96.2 |
| *Food Crops* | *24.7* | *19.1* | *11.0* | *10.6* | *8.4* | *14.8* |
| Grains | 28.8 | 21.9 | 9.3 | 11.1 | 10.0 | 16.2 |
| Roots & Tubers | 16.0 | 8.8 | 20.7 | 8.7 | 4.6 | 11.8 |
| *Mixed Farming* | *44.4* | *82.2* | *230.1* | *37.6* | *30.8* | *85.0* |
| *Other Crops* | *15.5* | *7.1* | *9.8* | *6.7* | *44.4* | *16.7* |
| Average | 33.1 | 30.4 | 32.7 | 27.5 | 30.1 | 30.8 |

*Source:* Computed from Tables 5 and 6.

Table 10

**AVERAGE VALUES OF LOANS BY STATE UNDER ACGS, 1978-1982**
(₦'000)

| State | 1978 | 1979 | 1980 | 1981 | 1982 | Average |
|---|---|---|---|---|---|---|
| Anambra | 12.5 | 26.0 | 25.0 | 24.7 | 19.7 | 22.0 |
| Bauchi | 84.7 | 11.7 | 7.0 | 13.0 | 6.3 | 11.7 |
| Bendel | 31.0 | 69.8 | 54.8 | 29.2 | 25.0 | 47.8 |
| Benue | 96.8 | 28.1 | 12.6 | 20.8 | 10.5 | 21.4 |
| Borno | 14.9 | 35.2 | 20.6 | 7.7 | 42.9 | 24.6 |
| Cross River | 37.2 | 22.2 | 23.8 | 33.3 | 74.1 | 39.7 |
| Gongola | — | 33.4 | 29.1 | 62.1 | 24.0 | 41.3 |
| Imo | 23.3 | 19.4 | 20.9 | 30.8 | 57.1 | 27.2 |
| Kaduna | 12.8 | 18.5 | 9.1 | 17.0 | 18.8 | 15.6 |
| Kano | 28.5 | 13.9 | 34.1 | 25.6 | 50.0 | 25.3 |
| Kwara | 46.4 | 21.4 | 44.1 | 26.3 | 11.4 | 28.6 |
| Lagos | 60.0 | 200.2 | 132.8 | 145.5 | 291.7 | 187.3 |
| Niger | 27.7 | 16.9 | 10.8 | 7.2 | 5.9 | 8.0 |
| Ogun | 51.5 | 104.1 | 136.4 | 159.1 | 83.3 | 112.9 |
| Ondo | 25.0 | 25.6 | 123.4 | 75.0 | 57.1 | 73.1 |
| Oyo | 46.1 | 47.3 | 88.6 | 40.0 | 75.4 | 56.5 |
| Plateau | 86.1 | 20.8 | 41.4 | 41.4 | 13.7 | 30.0 |
| Rivers | 27.2 | 113.1 | 89.8 | 122.2 | 287.5 | 108.8 |
| Sokoto | 26.3 | 15.4 | 8.1 | 6.2 | 5.1 | 8.1 |
| Average | 33.1 | 30.4 | 32.7 | 27.5 | 30.1 | 30.1 |

*Source:* Computed from Tables 7 and 8.

Table 11

**ANALYSIS OF DEFAULTS UNDER THE ACGS, 1978-1982**

| Year | No. of default Notices | No. of Claims Filed | Value of Claims Filed (₦'000) | No. of Claims Settled | Value of Claims Settled (₦'000) |
|---|---|---|---|---|---|
| 1978 | — | — | — | — | — |
| 1979 | 4 | 4 | 31.2 | — | — |
| 1980 | 10 | 10 | 504.0 | — | — |
| 1981 | 134 | 56 | 789.2 | — | — |
| 1982 | 571 | 170 | 2,780.6 | 39 | 244.8 |

*Source:* Central Bank of Nigeria

Table 12

**ACCESSIBILITY OF COMMERCIAL BANK BRANCHES IN NIGERIA 1982**

| State | Population '000 (1982) | Land Area (km$^2$) | Population Density (persons per km$^2$) | No. of Bank Branches | Land Area served by a Bank Branch (km$^2$) | Average walking Distance of a Bank Branch (km) |
|---|---|---|---|---|---|---|
| Anambra | 5735 | 17,675 | 324 | 77 | 230 | 8.6 |
| Bauchi | 3877 | 64,605 | 60 | 29 | 2228 | 26.6 |
| Bendel | 3924 | 35,500 | 110 | 69 | 514 | 12.8 |
| Benue | 3870 | 45,174 | 86 | 26 | 1737 | 23.5 |
| Borno | 4780 | 116,400 | 41 | 33 | 3527 | 33.5 |
| Cross River | 5546 | 27,237 | 204 | 36 | 757 | 15.5 |
| Gongola | 4154 | 91,390 | 45 | 30 | 3046 | 31.1 |
| Imo | 5856 | 11,850 | 494 | 71 | 167 | 7.3 |
| Kaduna | 6535 | 70,245 | 93 | 55 | 1277 | 20.2 |
| Kano | 9208 | 43,285 | 213 | 54 | 802 | 15.0 |
| Kwara | 2734 | 66,869 | 41 | 37 | 1807 | 24.0 |
| Lagos | 2644 | 3,345 | 790 | 145 | 23 | 2.7 |
| Niger | 1904 | 72,352 | 26 | 27 | 2680 | 29.2 |
| Ogun | 2473 | 16,762 | 148 | 39 | 430 | 11.7 |
| Ondo | 4352 | 20,959 | 208 | 60 | 349 | 10.5 |
| Oyo | 8306 | 37,705 | 143 | 98 | 385 | 11.1 |
| Plateau | 3231 | 58,030 | 56 | 33 | 1759 | 23.7 |
| Rivers | 2742 | 21,850 | 125 | 54 | 405 | 11.4 |
| Sokoto | 7237 | 102,535 | 71 | 35 | 2930 | 30.5 |
| Nigeria | 89117 | 923,768 | 97 | 1012 | 913 | 17.1 |

*Sources:* (1) Federal Office of Statistics, (a) Social Statistics of Nigeria 1982. (b) Annual Abstract of Statistics 1981
(2) Central Bank of Nigeria Lagos.

## REFERENCES


1. Asabia, S. O. (1981): Financial Institutions and Agricultural Finance: The role of commercial Banks; in Ojo M. O. et al, eds. (1981)
2. Bangladesh Bank (1973): Seminar on Agricultural Financing; Dacca
3. Central bank of Nigeria (CBN) (1978): Agricultural Credit Guarantee Fund: First Annual report and Statement of Accounts; Lagos
4. Central Bank of Nigeria (CBN) (1979a): Agricultural Credit Guarantee Scheme Fund: Second Annual Report and Statement of Accounts, Lagos.
5. Central bank of Nigeria (CBN) (1979b): Review of the Agricultural Credit Guarantee Scheme; Memorandum Submitted to the Agricultural Credit Guarantee Scheme Review Panel by AFD
6. Central bank of Nigeria (CBN) (1980): Agricultural Credit Guarantee Scheme Fund Third Annual Report and Statement of Accounts; Lagos.
7. Central Bank of Nigeria (CBN) (1981): Agricultural Credit Guarantee Scheme Fund: Fourth Annual Report and Statement of Accounts; Lagos.
8. Edordu C.C. (1981): The Role of Farmers' Cooperatives Under the Agricultural Credit Guarantee Scheme; in Ojo M.O., et al, ed (1981)
9. F. A. O. (1973): FAO/FINLAND Regional Seminar on Agricultural Credit for Africa, country Report, Nigeria; Accra
10. Ghosal, S. N. (1963): Agricultural Financing in India with Special Reference to Land Mortgage Banks; Asia Publishing House, London.
11. Hunt, Diana (1975): Credit for Agricultural Development: A case Study of Uganda; East African Publishing House, Nairobi.
12. Idachaba, F. S. (1981): The Role of the Banking sector in the Food Strategy Programnme; Paper Presented at the Seminar marking 20th Anniversary Celebration of U.B.A. Limited, Lagos
13. Ilori, C. O. (1974): Agricultural Credit Problems In Nigeria; A Case Study, F.A.O. Agricultural Credit case studies Working Paper, No. 3, Rome.
14. Miller, Leonard F. (1977): Agricultural Credit and Finance In Africa; The Rockefeller Foundation
15. Nepal Rastra bank (1972a): Agricultural Credit Survey Report, Vol. II, Kathmandu.
16. Nepal Rastra Bank (1972b): Agricultural Credit Survey: Summary and Recommendation, Vol. IV
17. Nigeria, Federal Ministry of Information (1977): Agricultural Credit Guarantee Scheme Fund Act, 1977. Supplement to Official Gazette, No. 12, vol. 64; Lagos.
18. Ojo, M. O. et al, (ed), (1981): Agricultural Credit and Finance in Nigeria: Problems and Prospects; Proceedings of a Seminar organised by C.B.N., April 1981.
19. Ojo, M. O. and Palmer E. (1981): An Appraisal of the Role of the Public Sector in Agricultural Finance in Nigeria, in Ojo, M.O. et al Ibid.
20. Olayide, S. O. et al (1980): Nigerian Small Farmers – Problems in Integrated Rural Development, University of Ibadan.
21. Oshuntogun, A. (1973): Some Policy consideration in the Extension of Public Agricultural Credit Schemes in *West African Journal of Agricultural Economics* Vol 2, No. 1 1973
22. Oshuntogun, A and Oludimu, O. (1981): Extending Agricultural credit Through Public Institutions in Nigeria: A comparative study of the Ondo State Agricultural Credit Corporation and the Ogun State Agricultural Development Corporation, in Ojo, M.O. et al, Ibid.
23. Philippines, Presidential Committee on Agricultural Credit (1977): Financing Agricultural development: the Action Programme; Manila
24. Philippines, Presidential Committee on Agricultural Credit (1978): A study of the Non-repayment of Agricultural Loans in the Philippines; Manila
25. Reserve Bank of India (1966): Report of the All India Rural Credit Review Committee; Bombay
26. Reserve bank of India (1968): Financing Agriculture by commercial Banks; Report of a Seminar held in December 1968; Bombay.
27. Semowo, B. I. (1980); Financing Agriculture: Role of the Central Bank, CBN, Mimieograph, Lagos.