



**FACTORS INFLUENCING SAVINGS AND INVESTMENT AMONG
SMALLSCALE FARMERS IN BAUCHI LOCAL GOVERNMENT AREA,
BAUCHI STATE, NIGERIA**

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ABSTRACT

The study examined the factors influencing savings and investments among small scale farmers in Bauchi State, Nigeria. A multi-stage sampling technique was used in selecting 320 respondents. Data were collected using structured questionnaire and were analyzed using descriptive and inferential statistics. The result revealed that 38.13% of the respondents were within the age bracket of 28-37 with mean age of 35 years. Majority (53.8%) of the respondents were male. The result also revealed that majority (69.7%) and (55.9%) of the respondents were married having secondary education respectively. The major occupation of the respondents was farming (61.6%). The result also revealed that majority (65.0%) of the respondents' sourced capital from their personal savings. The result further depicts that half (50.0%) of the respondents had household size of 1-6 with mean household size of 7 persons. Most (94.38%) of the respondents had farm size between 1-2 hectares with mean farm size of 2.5 hectares. Most (94.06%) of the respondents had been in farming for about 1-10 years with a mean year of experience of 4 years. Majority (70.3%) of the respondents were members of one cooperative or the other. The result of factors influencing savings of the respondents revealed that, the coefficients of income from off-farm, farm size and farming experience were positive and statistically significant ($P \leq 0.001$). On the other hand, the result of factors influencing investment of the respondents revealed that, age and off-farm income were the factors that are statistically significant ($P \leq 0.001$) and ($P \leq 0.05$) respectively influencing investments of the respondents in the study area. The major constraints to savings and investments in the study area were lack of sufficient returns (40.0%), risk of capital loss (35.0%) and seasonality of agricultural operations. The study concluded that income from off-farm, farm size, and farming experience, age and off-farm income were the factors influencing savings and investments at 1% and 5% level of significance. The study recommended that, incentives such as improved technology, appropriate farm support services and medium and long-term loans should be provided to farmers to boost their income level.

Keywords: Savings, Investment, small-scale and farmers

INTRODUCTION

Agriculture in Nigeria is practiced at subsistent level and is characterized by numerous farmers operating several scattered small and fragmented plots of land using traditional methods such as land rotation, bush burning and crude implements (Odoemenem, 2015). According to Oluwepo, (2015), majority of the rural populace in Nigeria either depend entirely on farming and farming activities for survival and generation of income or depend on other non-farming activities to supplement their main sources of income. The validity of this statement becomes evident when it is realized that over 90.0% of the country's local food



production comes from small farms which are usually not more than 10 hectares in size, while at least 60.0% of the population earn their living from these small farms. It could then be seen that most farmers have limited resources, a factor that limits their production output, income, savings and investment. Savings is a common word used by individuals on daily basis. It simply means putting something aside for future use or what will be considered as deferred expenditure (Amu and Amu, 2015).

Savings are very imperative for supporting and developing rural enterprises, improving well-being, insuring against times of shocks, and providing a buffer to help people cope in times of crisis (Rutherford, 2016; Zeller and Sharma, 2017). Households' savings play an important role in the economic development of both developed and developing nations, due to its significant influence on the circular flow of income in the economy (Iyoha, 2015). Savings may be made in kind such as jewelry, land or livestock. It may be in the form of currency notes deposited in banks or more often hoarded. Savings provide several benefits for farm households. The sustenance of household savings increases the possibility of future investment both at the micro and macro- levels in the economy. Directly, savings could be used for investment. Indirectly, savings indicates repayment ability, also increase credit rating and as collateral in a credit market (Brata, 1999). Savings is both a risk management strategy and determinant of magnitude of investment. Investments are being made in agriculture to improve the quality of rural assets and enhance productivity. The ability, willingness and opportunity of households to save and invest over time can therefore significantly influence the rate and sustainability of capital accumulation and economic growth in developing countries (Oluwakemi, 2018).

Saving is of great importance in a developing economy like Nigeria. This is because of the direct bearing it has on the level of economic activity of the nation. Similarly, within the agricultural sector, the degree of progress attained will largely depend upon what the farmers do with the additional incomes generated year to year from their farming activities. This stems from the fact that the growth rate in the farming economy largely depends on the stock of capital built up in a farm organization and the ploughing back of such stocks in form of investment for further improvement of farm organization. If these increments are spent on house hold expenditure, without building up the necessary infrastructure, the future economic development of the nation will be hampered. Adequate integration of savings and investment programmes into development strategies is capable of improving resource allocation, promoting equitable distribution of income, and reducing credit delivery and recovery costs (Adeyemo and Bamire, 2015).

According to Ajayi (2018) investment could be considered as an act of laying out money now in return for a future financial reward or the sacrifice of something now for the prospect of later benefits. The reward in this context may be received in the form of an income flow or by the receipt of a single capital sum or a combination of both. Over the years, many farmers in Nigeria have increasingly not been able to invest adequately on their farming activities. They have as such resulted to forming cooperative movements to achieve a common goal through democratically controlled business organizations. The most important economic obligation of members of the cooperative society is savings. Farmers save a specified amount of money daily, weekly, monthly or quarterly as it is convenient for the group and the individuals. This type of savings is important for agricultural production, because it allows farmers or members' access to credit at the onset of the farming season which could boost farm production and income of the farmers. Odoemenem (2018) were of the view that small scale farmers invest their savings in two major areas. These are the agricultural and non-agricultural sectors. Investment in the agricultural sector or farm activity includes the purchase of fertilizer



and chemicals, hired labour and buying more land for farming. While investment in nonagricultural sector is mainly centered on education, trade expansion, building houses, dowry obligation, and purchase of durable assets.

Nigeria agriculture suffers greatly from low capitalization, it is dominated by millions of small-scale farmers who are predominantly subsistence in nature, and they produce primarily for consumption Ogunbile and Olukosi (2018). Economic theory indicates a one-to-one correspondence between savings and investment so that the size distribution of savings indicates investment potentials and possibilities. If investment remains localized in accordance to size of savings generated in specific areas, there are likely to be more investments in areas of much savings than in those of meager savings. Savings according to Igben and Akande, (2018) is preferred more in the financial form which make funds readily available to investors and others needing money to expand their business operations. This study was therefore carried out to describe the socioeconomic characteristics of the respondents, determine the factors influencing savings and investment and identify the constraints militating against savings and investment of small scale farmers in the study area.

METHODOLOGY

Study Area

Bauchi is one of the oldest towns in the north eastern region of Nigeria. Located at between latitude $8^{\circ}10'00''$ to $8^{\circ}13'16''$ North of the equator and longitude $10^{\circ}15'00''$ to $10^{\circ}15'16''$ East of the Greenwich meridian, Bauchi has a land area of about 415,000 square kilometres. It is located on the forages of the north central Plateau, with an altitude of 690.2m above sea level. Its soil being a stable soil for both cultivation and construction. Scattered mountains are found around and even within the city, probably as a result of the continuation of the Plateau. See Bauchi location on map of Nigeria in Plate i and map of Bauchi state in Plate ii respectively.

Sampling Procedure and Sampling Technique

A multistage sampling technique was used in selecting the respondents for the study. In the first stage, all eight (8) Bauchi metropolis administrative wards were selected for the study. In the second stage, two (2) communities were randomly selected from each of the selected wards making a total of sixteen (16) communities. In the third and final stage, as presented in table 1 below, 20 respondents were randomly selected from each community making a total of 320 respondents as the sample size for the study.



Table 1: Sampling Table Matrix

LGA	WARD	COMMUNITY	SAMPLE SIZE
BAUCHI	Hardo	Unguwan Hardo	20
		Unguwan Dan'amar	20
	Dan'iya	2	40
		Federal low cost	20
		Railway	20
		2	40
	Makama Sarkin Baki 1	Unguwan Borno	20
		Fadan Bayak	20
	Makama Sarkin Baki 2	2	40
		Unguwan Liman	20
		Nasarawa Jahun	20
		2	40
	Majidadi A	Shekal	20
		Warinji	20
	Majidadi B	2	40
		Kofar Dumi	20
		Bakaro	20
		2	40
	Dawaki	Unguwan Dawaki	20
		Unguwan Makafi	20
	Dankade	2	40
		Rariya	20
		Igbo quarters	20
		2	40
Total	8	16	320

Source: Reconnaissance survey (2022)

Method of Data Collection

Primary data were used for this study. The data were gathered by the use of questionnaire administered to the respondents. The data collected focused on farm and non-farm activities, various crops grown, livestock kept, output, consumption, volume of savings, how and why they save, amount and nature of investment, farm size, total amount of loan obtained, farm and off-farm income, type of land tenure, interest on loan, family size, age of farmers, level of education, farming experience, problems affecting savings and problems affecting investments.

Method of Data Analysis

The collected data was analyzed with the use of both descriptive and inferential statistics. Descriptive statistics was used to achieve objective i, On the other hand, multiple linear regression is the inferential statistics that was used to achieve objective ii.

Analytical Tools

The following analytical tools was used to achieve the objectives of the study

Descriptive statistics

Descriptive statistic such as percentages, means, frequency distribution was used to achieve objectives I.



Multiple regression

A multiple linear regression model was used to achieve objective ii. In this study, only quantifiable factors, which were hypothesized to affect savings and investments, were included in the models.

Model Specification

a. The model that will be used for savings is specified as:

$$S = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7, e) \dots \dots \dots (1)$$

Where:

S	=	Amount of Savings (₦)
X ₁	=	Total income from farm activities (₦)
X ₂	=	Total income from off-farm activities (₦)
X ₃	=	Age of farmer (years)
X ₄	=	Educational level (years)
X ₅	=	Household size (Number)
X ₆	=	Farm size (Ha)
X ₇	=	Farming Experience (Years)
e	=	Error term.

b. The model to be used for investment is specified as

$$Y = F(X_1, X_2, X_3, X_4, X_5, X_6, X_7, U) \dots \dots \dots (2)$$

Where:

Y	=	Amount of investment in both farm and off farm (₦)
X ₁	=	Farm size (Ha)
X ₂	=	Total amount of loan obtained by farmer (₦)
X ₃	=	Farm income during the previous season (₦)
X ₄	=	Off-farm income during the previous season (₦)
X ₅	=	Interest rate charged on loan (₦)
X ₆	=	Age of farmer (years)
X ₇	=	Farming Experience (years)
U	=	Error term.

RESULTS AND DISCUSSION

Socio-economic characteristics of the respondents

In agricultural value chain, age of farmers is seen as important variable as it reflects the performance and level of both technical and economic efficiencies of the individual or households (Oseni, 2010). The result from Table 2 reveal that 38.13% and 26.5% of the respondents were within the age bracket of 28-37 and 18-27years respectively while 21.25% fell within the age range of 38-47years. Respondents that were within the range of 48-57, 58-77, 68-77 and 78-87 years constitutes 8.44%, 4.38%, 0.94% and 0.63% respectively with a mean age of 35 years. This implies respondents in the study area were young and in their active age of production which can in turn make them more productive and thus increase their savings. This also implies that, there was significant number of productive, energetic and active individuals that could involve in various forms of farm and non-farm activities. Olowoyeye *et al.* (2018) found out that, these farmers were strong enough to bear the tedious tasks involves, hence improved their incomes and savings.

Table 2 also depicts that, majority (53.8%) of the respondents were male and less than half (46.3%) were female. This indicates that the respondents in the study area were dominated by male. Male have lots of responsibility of taking care of the family such the provision of



food, shelter, health care service and even unforeseen circumstances among others, this could make them save and/or invest more in order to carter these responsibilities. The presence of high percentage of female in the study area is consistent with that of Osondu *et.al* (2015) where he asserted that the female farmers generally make greater contributions towards agricultural production.

Marital status can influence the saving of individual. The result from the table further disclosed that majority (69.7%) of the respondents were married and 30.3% were single. This could be translated to as presence of households under the care of the respondents in the study area. This implies that majority of the respondents were more committed in farming because of the need to supplement the family's means of livelihood (Adegboye, *et.al*, 2008)



Table 2: Distribution of the Respondents Based Socioeconomic Characteristics (n =320)

Variable	Frequency	Percentage	Mean
Age (years)			
18-27	84	26.25	35
28-37	122	38.13	
38-47	68	21.25	
48-57	27	8.44	
58-67	14	4.38	
68-77	3	0.94	
78-87	2	0.63	
Sex			
Female	148	46.3	
Male	172	53.8	
Marital status			
Single	97	30.3	
Married	223	69.7	
Educational level			
Never Attend School	28	8.8	
Non-formal education	33	10.3	
primary education	39	12.2	
secondary education	179	55.9	
tertiary education	41	12.8	
Occupation			
Hunting	2	0.6	
Farming	197	61.6	
Civil Service	47	14.7	
Trading	26	8.1	
Others	48	15.0	
Source of capital			
Relatives	43	13.4	
Friends	18	5.6	
Personal Savings	208	65.0	
Money Lenders	51	15.9	
Household size (number of persons)			
1-6	160	50.0	7
7-12	120	37.5	
13-18	28	8.75	
19-24	9	2.81	
25-30	3	0.94	
Farm size (Ha)			
1-2	302	94.38	2.5
3-4	13	4.06	
5-6	4	1.25	
7 and above	1	0.31	
Farming experience (Years)			
1-10	301	94.06	
11-20	14	4.38	



21-30	3	0.94	4
31-40	1	0.31	
41-50	1	0.31	
Membership of Association			
Member	225	70.3	
Not Member	95	29.7	

Source: Field Survey (2023)

The result in Table 2 pointed out that majority (55.9%) of the respondents had secondary education while 12.8%, 12.2%, 10.3% and 8.8% had attended tertiary, primary, non formal and never being to school as their level of education respectively. This implies that the respondents in the study area were literate and may be capable of employing savings technique that would enhance their livelihood. Another benefit of being educated was that, it could increase their awareness and subsequent access to various sources of credit and saving. Singh and Urmila (2015) emphasized that education assists the households to better utilize efficiently whatever available resources in the rural area. Thus, the higher the level of education of individual or household, the stronger is the demand for his/her services in relation to supply.

The result also revealed that majority (61.6%) of the respondents were farmers while 14.7%, 8.1%, 0.6% and 15.0% were civil servants, traders, hunting and others, respectively as their occupations in the study area.

The result of the respondents' sources of capital as indicated in table 2 reveal that, majority (65.0%) of the respondents sourced capital from their personal savings while 15.9% from non-formal money lenders. Other respondents (13.4% and 5.6%) sourced credit from relatives and friends respectively. This implies the power of savings that could serve as a capital for investments for future use in the study area.

Household size refers to the total number of individuals that are living under same roof and feeding from the same pot. It is an important socioeconomic variable that determines availability of family labour supply and consumption (Iheke *et al.*, 2008). However, Table 2 further depicts that half (50.0%) and 37.5% of the respondents had household size between 1-6 and 7-12 persons respectively. Meanwhile 8.7%, 2.81% and 0.94% of the respondents had between 13-18, 19-24 and 25-30 persons as their households respectively with a mean household size of 7 persons. This is expected to reduce the amount of money spent on hired labor, thereby enhancing their savings. This result agreed with the findings of Jhingan, (2003) who identified labor as one of the variables that significantly influence output. This result indicates that the small scaled farmers in the study area had relatively large household sizes which are an advantage in the area of provision of farm labour for agricultural production in the area. This is in agreement with Henri-Ukoha *et.al* (2012) who opined that larger household size impacts on output positively. The result is in contrast with Okeke (2007), large family size had negative consequences, because the family heads bear heavy burden which greatly undermined their investment and savings capacities.

Most (94.38%) of the respondents as revealed in Table 2 had farm size of 1-2 hectares while 4.06% and 1.25% have between 3-4 and 5-6 ha respectively and only 0.31% had above 7 hectares. The mean farm size of the respondents in the study area was 2.5 hectares. This implies that, the respondents in the study area were small scale farmers operating on a farm land less than 3 ha. The result agreed with the report of Oluwakemi Adeola Obayelu (2012) that majority of farmers were small-scale farmers and as such a significant part of their non-farm incomes from small and medium scale enterprises (SMES). Similarly, the finding is in



agreement with the conclusions of Pailwar *et al.* (2010) that, large farmland ownership helps farmers to benefit from economies of scale, higher production, and income and thus increase their savings.

Most (94.06%) of the respondents had been in farming for about 1-10 years with a mean experience of 4 years. A proportion of 4.38%, 4.38%, 0.94% and 0.31% of the respondents had farming experience range between 11-20, 21-30 and 31-40 years respectively. The respondents that have being in farming for about 41-50 years were 0.31%. This finding implies that, the respondents in the study area were experienced farmers. This could infer that, the more the years of experience the more the ability of the farmers to save. Oluwoyeye (2018) found similar findings and stressed that, experience in agricultural value chain has been identified as a key qualitative variable for farm output. Individuals with longer farming experience tend to utilize savings mobilization more efficiently than the new entrants. One may conclude that the longer a farmer stays farming in the study area the more the stability and regularity of income which can in-turn determine his/her saving capacity.

The result in table 2 also revealed that, majority (70.3%) of the respondents were members of one cooperatives or the other while 29.7% do not belong to any cooperatives. Cooperative membership can serve members with more access to productive resources such credit, farm inputs at a subsidized rate which could in turn affect their savings and investments. Cooperatives are of different types and purposes, but the most common type in rural areas of Nigeria appears to be farmer's cooperatives. These are association of farmers who voluntarily come together to achieve a common goal through a democratically controlled business organization. Members contribute equitably to the capital and personnel requirements of their cooperative and accept a fair share of the risks and benefits of their undertakings (Ukaga, 2012).

Factors Influencing Savings and Investment of the Respondents

Table 3 revealed the result of factors influencing the saving of the respondents. The adjusted R^2 value was found to be 0.61, implying that the independent variables explained 61.0% of the variations in the dependent variable. The result revealed that of the seven variables included in the model income from off-farm, farm size and farming experience were the factors that significantly influence savings of the respondents in the study area. The overall significance of the model was depicted by the F-statistics which was significant at 1% level of significance. The significance of F-ratio shows that the regression result was statistically reliable.

The coefficient of income from off-farm was found to be positive and significant at ($P \leq 0.001$). This suggests that farmers who received an increased from off-farm income save more of than those who did not thus implying that availability of income from off-farm enhances saving. This is in line with Osondu *et al.* (2015) who posited that the farmers' ability to save depends on their level of income. Ike and Umuedafe, (2013) reported a similar finding that non- farm income turnout is one of the major determinants of volume of savings/capital accumulation of the rural farmers in the area. Non-farm income is statistically significant in the model. This implies that the earning from non-farm activities is most likely to influence their volume of saving or capital accumulation of the rural farmers. If they are intensively involved in these non-farm activities like petty trading, hair dressing, sewing etc they are likely to save or accumulate more capital than those who are not involved.

Farm size farm size was found to be positive and statistically significant at ($P \leq 0.001$). This means that as the farm size increases, savings also increases. Farm size has bearing on the capacity of farmers to have more output which could be sold. Farmers with large farm size can afford to devote part of their incomes for savings without significantly affecting their households needs compared to small land holders. The results agreed with the report of



Onwuka (2005) and Oputa (2005) that the larger the farm, the more quantities of inputs that would be needed in the farm, hence greater saving and income. This result is expected because large farm size leads to gains known as economic of scale (Onyebinama, 2004). Meanwhile, this finding contradicted Anyiro and Oriaku (2011) that suggest efficiency in the use of land rather than expansion of cultivated areas as a necessary requisite that could increase farmer's income. Land size is one of the indicators of the level of economic resources available to farmers (Ajibefun, 2016).

The result also shows that farming experience was found to be positive and significant at ($P \leq 0.001$). This means that the more their farming experience, the higher the probability of saving. Farming experience is an important determinant of the respondent's level of farm income. Farming involve a lot of risks and uncertainties, therefore to be competent enough to handle all the vagaries of agriculture farmers must have stayed in farming business for quite some time (Ogundele and Okoruwa, 2016). Meanwhile income from farm, age, educational level and household size were not significant in influencing savings of the respondents in the study area. Odoh *et al.* (2020) reported a similar finding that experience equally had a positive coefficient and statistically insignificant, indicating that the more farming experience a farmer acquires over the years, the higher the savings pattern he will adopt. Ike and Umuedafe, (2013) Also reported that the relationship between volume of saving and years of experience is positive. This gives an indication of both the length of rural farmers' experience and savings. A long experienced rural farmer in is more likely to have realized the importance of savings and where credit facilities are not available such farmers are likely to mobilize enough capital from saving.

Table 3: Factors Influencing Savings of the Respondents

Variables	Coefficient	Std. Error	T-value	Sig.
Constant	-206242.38	220357.32	-0.936	0.350
Income from farm	-0.263	0.516	-0.570	0.611
Income from off-farm	0.422	0.066	6.420	0.000***
Age	5335.84	4745.94	1.124	0.262
Educational level	-17095.22	40496.38	-0.422	0.673
Household size	-6998.82	10755.63	-0.651	0.516
Farm size	116154.82	17092.34	6.796	0.000***
Farming experience	1.987	0.159	12.526	0.000***

F-statistics = 63.93***

R² = 0.62

Adjusted R = 0.61

Source: Field survey (2023)

*** significant at 1%

Factors Influencing Investment of the Respondents

The result of factors influencing investment of the respondents was reveal in Table 4. The adjusted R² value was found to be 0.85, implying that the independent variables explained 85.0% of the variations in the dependent variable. The result revealed that out of the five variables included in the model age and off-farm income were the factors that significantly influence investments of the respondents in the study area.

The result revealed that age of the respondents was found to be positive and statistically significant at ($P \leq 0.001$). This implies that the younger farmers invest more than the older farmers probably because they are more adventurous than their older counterparts. Conversely, older farmers invest less of their money. The income of the respondents from off-farm was



found to be positive and significant at ($P \leq 0.05$). This implies that farmers who received an increased from off-farm income invest more than those who did not thus implying that availability of income from off-farm enhances investments.

Table 4: Factors Influencing Investment of the Respondents

Variables	Coefficient	Std. error	T	Sig
Constant	98133.57	62606.14	1.567	0.118
Farm income	-0.177	0.203	0.871	0.384
Age	-4359.85	1839.85	2.370	0.018**
Farm size	-664.78	6463.05	-0.103	0.918
Farming experience	5750.68	4442.33	1.295	0.196
Off-farm income	2.177	0.054	40.42	0.000***
F-statistics = 346.07***				
R² = 0.85				
Adjusted R = 0.84				

Source: Field survey (2023)

significant at 5%, * significant at 1%

Constraints to Savings and Investment

The result from Table 5 reveal the various constraints to savings and investments in the study area. the major constraints reveal in the Table were lack of sufficient returns (40.0%), risk of capital loss (35.0%) and seasonality of agricultural operations which were rank 1st, 2nd and 3rd respectively. About 16.6%, 11.9%, 11.9%, 10.9% and 10.3% of the respondents were constraints by poor market structure, lack of bank branches, heavy consumption expenditure and perishable nature of agricultural produce respectively. Among the other constraints to savings and investments were lack of information, lack of agents for collection, low literacy level and too much expenditure on social obligation constituting 9.7%, 9.7%, 9.4% and 8.8% of the respondents respectively in the study area. This finding agreed with Babatunde *et al.* (2007) who pointed out that one of the factors negatively influencing the saving pattern of the cooperative farmers is household size. The larger the households size, the more will be the expenditure on family needs with less to save. These findings disagreed with Adeyemo and Banire (2005) who identified farmers' numerous problems that hinder their attaining to full potential in food production and saving as high input price, low access to saving, inadequate funds, unstable policies and general poverty.

Table 5: Distribution Based on Constraints to Savings and Investment

Constraints	*Frequency	Percentage	Ranking
Lack of sufficient returns	128	40.0	1 st
Risk of capital loss	112	35.0	2 nd
Seasonality of Agricultural operations	69	21.6	3 rd
Poor market structure	53	16.6	4 th
Lack of bank branches	38	11.9	5 th
Heavy consumption expenditure	38	11.9	6 th
Perishable nature of Agricultural produce	35	10.9	7 th
Activities of middlemen	33	10.3	8 th
Lack of information	31	9.7	9 th
Lack of agents for collection	31	9.7	10 th
Low literacy level	30	9.4	11 th
Too much expenditure on social obligation	28	8.8	12 th

Source: Field survey (2023)

*Multiple response



CONCLUSION AND RECOMMENDATIONS

The study concluded that the respondents in the study area were young in their active years of production, mostly male, married and literate. Income from off-farm, farm size and farming experience were the factors influencing savings of the respondents while age and off-farm income were the factors influencing investments of the respondents in the study area.

- i. To improve saving and investments among small holder farmers in Nigeria, policies on tax rate reduction and free or subsidized education are strongly advocated. These will reduce their expenditure and subsequently increase their aggregate monthly income, which is positively related to saving.
- ii. Small holder farmers should be encouraged to form cooperative societies to enable them access credit facilities especially from formal financial institutions/banks as this will encourage the accumulation of social capital in form of savings.

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