



CURRENT PRACTICES OF FINANCE INSTITUTIONS AND PROGRAMMES FOR URBAN AGRICULTURE IN IBADAN: OPPORTUNITIES, DIFFICULTIES AND BOTTLE-NECKS IN FINANCING SMALL SCALE URBAN AGRICULTURE.

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Table of contents

CHAPTER 1:	
1.0 INTRODUCTION	4
1.2 Objectives of the study	7
CHAPTER 2	
2.0 Methodology	7
<i>2.1 The Study Area</i>	7
<i>2.2 Sampling Technique</i>	7
<i>2.3 Types and Sources of Data</i>	8
<i>2.4 Analytical tools</i>	8
CHAPTER 3	
3.1 Financing Options in Ibadan.	8
3.1.1 Formal sources of financing for UA farmers	11
3.1.2 Informal sources of financing for UA farmers	27
CHAPTER 4	
4.1 Identification of the needs and demands for finance from urban poor engaged in urban agriculture, agro-processing or marketing.	29
4.1.1 POULTRY	30
4.1.2. SHEEP AND GOAT	32
4.1.3 CASSAVA	33
4.1.4 FISH FARMING (AQUACULTURE)	33
4.1.5 FISH SELLERS AT IKOLABA AREA	34
4.1.6 AGBAJE VEGETABLE PRODUCERS	36
4.1.7 ODOGBO BARRACKS VEGETABLE FARMERS	38
4.1.8 MOKOLA VEGETABLE FARMERS	40
4.1.9 VEGETABLE MARKETERS	41
4.1.10 GARI PROCESSORS AT ODOGBO BARRACKS	42
4.1.11 BEE KEEPING	44
4.1.12 FLORICULTURE	45
5.0 Proposal and recommendations to facilitate the access of small scale urban producers to finance.	49
CONCLUSION	51
REFERENCES	52

List of Tables

Table 1: Number and type of farm in Ibadan	5
Table 2: Inventory of financing institutions in Ibadan	9
Table 3: Institutions currently lending to urban agriculture farmers	26
Table 4: Institutions that lend to urban agriculture farmers	27
Table 5: Summary of short term financing needs of selected UA enterprises	51

1. INTRODUCTION

The volume and diversity of demand for food and other agricultural products due to urbanization stimulated the need for increased agricultural production within the vicinity of the city. According to Gbadegesin (1991), the inability of rural farmers to cope with the food demands of the urban population, generated interest in promoting the development of UPA practices in Ibadan city. Economic needs and knowledge of urban and peri-urban have transformed the land left over by urbanization into gardens, which are dominated by short cycle crops and annual cycle crops. These gardens are developed to satisfy the desire to generate household income, improve family nutrition and improve the aesthetics of the surroundings. Thus UPA contributes to the livelihoods and well being of urban populations. However, despite the contribution of UPA to household food security, employment generation, and poverty reduction in Ibadan, UPA has not received adequate recognition and support.

Access to credit facilities has been found to be an important factor in agricultural production and a necessary condition for expansion of farm holdings (Ajakaye, 1985; FAO, 1990). The Government, in recognition of the need to finance agricultural business, has put in place several policies directed at providing agricultural credit with minimal interest and redress the lopsidedness in the availability of credit to small holders. For instance, in 1977, all licensed banks in the country were directed through the Central Bank of Nigeria (CBN) to open bank branches in the rural areas. This was to encourage banking habit, provide agricultural credit with minimal interest and redress the lopsidedness in the availability of banking services in rural area (Awotodunbo, 2008). However, the bulk of these policies favor agricultural producers in the rural areas and little or no opportunities exist for agricultural producers in the urban areas. Although the bulk of agricultural production takes place in the rural areas, urban agriculture is increasingly being recognized as a vehicle for the development of more productive, sustainable and inclusive or democratic cities.

1.1 Characteristics of UPA farmers and farm in Ibadan

Ibadan, the capital city of Oyo State of Nigeria, is the largest indigenous city in West Africa. It is located in South Western part of Oyo State of Nigeria in a hilly settlement with urban and rural sectors covering a total land area of 3,123km². Administratively, Ibadan Municipality is divided into 11 Local Government Area (L.G.A). The overall population is 2,550,593(NPC,2007) with 1,338,659 people residing in the Urban Local Government Areas. The population density of the Ibadan metropolitan area is 586 persons per Km². Majority of the population in Ibadan are Yoruba.

The economic activities undertaken by the people include trading and processing, public service employment, and agriculture. Indeed, farming is the dominant economic activity in peri-urban Ibadan with

the major UPA activities being livestock keeping and crop cultivation. An inventory of UA in the city reveals the following:

Table 1: Number and Type of Farm in Ibadan

Type of Farm	Total Number	Frequency (n=170)	Percentage
Livestock			
Goat	366	43	25.3
Sheep	434	24	14.1
Cattle	53	6	3.5
Piggery	68	9	5.3
Poultry	501	33	19.4
Aquaculture	200	20	11.8
Dog Rearing	58	5	2.9
Sub total			
Crop Production			
Floriculture	109	30	17.9
Vegetable	1,521	75	44.1
Fruit	1,068	26	15.3
Arable Crops	990	45	26.5
Sub total			
Non-Traditional Farming			
Snails	14	7	4.1
Mushroom	2	2	1.2
Bee keeping	7	1	0.6
Herbs	3	1	0.6
Spices	51	3	1.8
, Care rat	1	1	0.6
Sericulture	2	1	0.6
Sub total			
Total			

*Frequency of "Yes" response out of 170 respondents.

Source: Field Survey 2007.

Source: IWMI/RUAF 2007

Substantial proportion of different age groups is involved in UPA with about two out of three farmers in the city below 50 years of age. The UPA farmers have varying form of formal education although some do not have any formal education.

Most of the farmers practice farming throughout the year which ensures the availability of fresh produce for the whole period. Land used for urban and peri-urban agriculture are usually inherited, leased or bought. The land locations and types of holdings vary widely: except for those used for non-traditional farming which are inherited. The land use system is precarious and unsustainable. Various farm inputs used for UPA activities include improve seeds and seedlings, inorganic fertilizer, organic fertilizer/manure, insecticide, herbicides, watering can, pumping machine, bucket etc. These inputs are purchased from the open markets, obtained from other farmers or a combination of various other sources. Public or shared wells, streams and drains are the major sources of water for UPA farmers to irrigate their crops. Some farmers also farm on wetlands. There is an abysmally weak interaction between UPA farmers and other institutions for extension /advisory services, training, veterinary services, loan, input supply and marketing.

The processors and marketers are mostly women. They sell both fresh and processed agricultural products mostly vegetables, fish and gari (Cassava product). They engage in purchasing from the farm, processing, packaging, grading and selling to final consumers. While many deal in the retail market, very few are engaged in wholesales.

Although, high proportion of the farmers has full access and control over funds generated from the sale of their farm produce; enabling them to re-invest the proceeds into their UPA activities, the scale of the business cannot increase without additional financial support. Against the backdrop that UPA contributes to the local economy in the city while also improving nutrition and livelihoods, it is imperative to identify the financing support needs required to give assistance to these group of practitioners and the financing opportunities that exist.

1.2 Objectives of the study

The study sets the following objectives:

- (i) Identification and assessment of current practices of institutions and programmes that finance urban agriculture or other informal productive activities (like micro-enterprise development) in the city and the existing opportunities, difficulties and bottlenecks for financing small scale urban and peri-urban agriculture they encounter.
- (ii) Identification of the needs and demands for finance from urban poor engaged in urban agriculture, agro-processing or marketing.
- (iii) Proposal and recommendations to facilitate the access of small scale urban producers to finance.

2. METHODOLOGY

2.1 The Study Area

The study was conducted in Ibadan; Oyo State in Nigeria .Ibadan is one of the RUAF partner cities.

2.2 Sampling Technique

The study generated a list of available financing institutions for urban agriculture and microenterprises. In addition, the list of cooperatives, NGOs and available informal lenders was also generated. The two lists together form the sampling frame for the study. A sample of active institutions, organizations and lenders were purposively sampled for in depth interviews. In selecting small scale urban and peri-urban farmers along with poor microenterprise practitioners, a cluster sampling procedure was adopted. From each cluster, random sample of practitioners were made for focus group discussion. Care was taken to ensure group heterogeneity in the sample. This enabled us get the views and experiences of practitioners of different socioeconomic and demographic group.

2.3 Types and Sources of Data

Both primary and secondary data were obtained. The primary data were collected from interviews and focus group discussions with practitioners and in depth interviews with heads of financing organizations and NGOs. Secondary data were sourced from Government Ministries and data bases, NGOs, Cooperatives etc.

2.4 Analytical tools

Descriptive statistics which are mainly frequencies and percentages and narratives were employed in the analysis.

3.

3.1 Financing Options in Ibadan

Financing UA and the urban poor engaged in agro-processing and marketing can essentially be considered through various channels from literature which include the following:

- Credit from banks, MFIs, Credit corporations, credit cooperatives, NGOs
- Municipal funding
- Public-private partnership
- Corporate responsibility financing
- Subsidies/grants in cash or kind
- Participatory budgeting
- Informal sources including Esusu, ROSCAS

However, in Ibadan, all these options do not exist. The study has tried to identify the various financing sources available within the city. According to Kormawa (2002), sources of funds available to farmers in Oyo State are from formal and informal sources. Table 1.1 presents an inventory of financing institutions in Ibadan.

Table2: Inventory of Financing Institutions in Ibadan

Category	Name	Location	Activities
Non- governmental organization	Farmer Development Union (FADU)	Iwo Road, New Gbagi Area, Ibadan	Rural financial assistance to farmers and traders, technical training to boost their skills and to improve their production. Collaboration with research institutions e.g CRIN, ADPs, NISER, IITA e.t.c
	Self-Help Economic Advancement Progrmme (SEAP)	Opposite Texaco, Green Spring. Old lfe road, Ibadan	Loan to small scale entrepreneurs, traders And processors.
Micro- finance Institutions(MFI)	Seed- Vest MF	Opposite Intercontinental Bank, Gbagi, Ibadan .	Credit facilities to marketers, Okada riders, and entrepreneurs
	Lift Above Poverty Organization (LAPO)	Iwo Road, Opposite Zenith Bank, Ibadan	Small scale financial aids to traders and entrepreneurs
	Faith MF	Agbeni-Ogunpa Area, Ibadan.	Collection of saving , loan to entrepreneurs, artisans, marketers e.t.c.
	Ojo-Shasha MF	Barrack- Arulogun Area, Ojo, Ibadan.	Regular collection of saving and provision of soft loan to customers.
	Pace Setter MF	Sabo Area, Ibadan- Oyo Road, Ojo, Ibadan.	Financial transaction in form of loan and saving with customers (traders, drivers, Okada riders, marketers, e.t.c.
	Integrated MF	Best way, Iwo road, Ibadan	Soft loans scheme to small scale producers and marketers e.t.c
Commercial Banks	First Bank	Iwo Road	Provision of Agricultural credit facilities
	Union Bank	Secretariat, Agodi	Provision of Agricultural credit facilities

	Wema Bank	Bodija	Provision of Agricultural credit facilities
State Government	Ministry of Agriculture (Agricultural Credit Corporation of Oyo State) AGCOS .	Governor' House, Agodi-Gate Area, Ibadan	Provision of Agricultural credit facilities to the farmers, processors of Agricultural produce, marketers and training of farmers.
	Oyo State Agricultural Inputs Supply Units (OYSAISU)	Oyo State Secretariat, Agodi, Ibadan	Facilitates access to inputs by farmers.
	Ministry of Women Affairs	Oyo State Secretariat, Agodi Area, Ibadan	Widowhood loan scheme without interest, Micro-Credit facilities for women, training of women, single-mothers in skills acquisition.
	Ministry of Commerce and Industry	Oyo State Secretariat, Agodi Area, Ibadan .	Offering financial assistance and soft loans to small scale processors and cottage industries, collaborating with Micro- finance bank to offer loan to entrepreneurs (without collateral)
Federal Government	Nigerian Agricultural, Cooperatives and Rural Development Bank (NACRDB)	Total Garden,Ibadan	Provision of Agricultural credit facilities to the farmers, processors of Agricultural produce, marketers of Agricultural produces.
	National Poverty Eradication Programme (NAPEP)	Federal Secretariat, Ikolaba Area, Ibadan	Coordination of people into self help groups/ cooperatives, Advice people on business enterprises and how to live above poverty. Linking individual / cooperatives/ groups of people with business idea with micro- finance bank for loan and other financial support.
	National Directorate of Employment (NDE)	Federal Secretariat, Ikolaba Area, Ibadan	Training of graduates, retirees, Artisans and unemployed youth, provision of loans to beneficiaries through collaboration with Nigerian Agricultural, Cooperatives and Rural Development Bank (NACRDB)

3.1.1 Formal sources of financing in Ibadan include the following:

- Non-Governmental Organizations(FADU,SEAP)
- Commercial Banks eg First Bank, Union Bank, UBA etc
- State Government
 - Agricultural Credit Corporation of Oyo State(ACCOS)
 - Oyo State Agricultural Inputs Supply Units (OYSAISU)
- National Government
 - Nigerian Agricultural Cooperative and Rural Development Bank(NACRDB)
 - National Poverty Eradication Programme ((NAPEP)
 - National Directorate of Employment(NDE)

The National Government operates through the existing national programmes and institutions to assist small and medium enterprises practitioners from which UPA farmers, agro-processors and marketers can benefit. Other sources of formal financing like municipal funding, public-private partnership funding, corporate responsibility financing, subsidies/grants are absent in financing UPA.

A) Non Governmental Organizations (NGOs) – Three notable NGOs that finance urban and peri-Urban Agriculture in Ibadan are Farmers Development Union (FADU), SEAP and Community Women and Development (COWAD).

i) Farmers Development Union (FADU)

Basic Data

FADU is a non-governmental organization established on August 1989 as a federation of six rural grassroots associations. The NGO was registered as a corporate body by the Federal Ministry of Internal Affairs in 1990. FADU has offices in 14 states but operates in 29 states with its headquarter located at Iwo road, Ibadan, Oyo State. It has employed 50 people on permanent basis and has more than 100 people as part-time staff. The organization targets low income micro entrepreneurs (mostly women) especially in the rural areas, peri-urban and also to a lesser extent, in the urban areas. The main thrust of FADU's development program is to reach the low-resourced poor and vulnerable groups with basic economic and social services for improved rural income, nutrition, employment and living condition. Its program activities have been focused on group development, aimed at rural peasants, for community participation and enhancement of their managerial capacities to operate small-scale farming and non-farming enterprises. Oyo, Ogun and Osun states have the highest concentration of FADU members with about 58% of its members in these states. FADU office in Oyo State is located in Ibadan metropolis.

FADU gives financial services, technical support, training and marketing support services to small scale producers operating in the Nigerian informal economic sector in order to assist this class of informal producers, into the mainstream of the Nigerian production economy. As at December 2005, FADU had 88,350 clients, a loan portfolio of N257 million and a repayment rate of 98 percent. The organization runs a micro loan scheme using society or group methodology and charges an interest rate of 4.2 percent per annum. Since its formation in 1989, FADU has mobilized, trained and technically and financially assisted about 50,000 productive rural network of groups (called societies), mostly women (87%) in villages, urban and peri-urban areas across 28 states of the Nigerian Federation. In addition, the organization has built a very strong self-managed and self-financed grassroots institutional formations (referred to in its own terms as Groups, Societies, Districts and Zones) which have become bases for FADU's savings and credit scheme, agricultural projects, rural health, environment and literacy awareness that are facilitated by the Organization.

Although FADU has made a number of modest achievements, the organization still faces some challenges in the areas of meeting the credit needs of its members. There is also the challenge of making its impact felt and building members in other states yet to be reached.

Financial situation

It has no dealing and financial transaction with commercial bank but it obtains funds from international organizations such as Ford Foundation, Oxfam Novib of Netherland, African Development Foundation, GTZ e.t.c. As at December 2005, FADU had 88,350 clients, a loan portfolio of N257¹ million and a repayment rate of 98 percent. These farmers are mainly resource poor farmers that cannot provide collaterals required for obtaining loan from Banks.

Financing activities

The financial assistance activities of farmer development Union is directed mostly towards grass root beneficiaries in rural areas. All aspects of agricultural activities are catered for including production, processing and marketing. The urban practitioners who engage in economic activities such as textile, feed-mill, gari processing, cassava processing, aquaculture, and other urban agriculture are also beneficiaries of their financial assistance.

FADU has two groups of loans; loan for individual and loan for groups. But mostly the organization accord more priority to group loans due to the ease of administration and repayment. Peer monitoring within helps to recover loans. The minimum number of people recommended for a group is ten (10). Several groups form larger society called FADU community association. The requirements for including any group in the FADU community association include existence of the group for more than 3 months, meeting regularly, contributing savings for more than 3 months and also they must have executive.

Loan amount that have been requested and administered to groups by this organization ranges from a minimum of N200, 000 and a maximum of N1,000,000. As a way of increasing commitment to the group, individuals are expected to have savings in the group. This serves as the basis for the loan request of individual member within a group.

FADU as an organization does not collect savings. The amount saved by the group is managed by the executive members of the group and are used primarily to meet the financial obligation of members who may be in urgent need of limited financial assistance. While waiting for the fund requested from FADU, individual members of the group have the privilege of accessing their savings. FADU's interest rate charges on loans for beneficiaries in rural areas is 3% per month while it ranges between 3% to 5% per month for those in urban areas. This disparity is due to higher rate of transaction of economic activities in urban centers when compared with rural areas. However, the percentage charged also depends on the volume of the money and the purpose for which the loans in collected.

¹ 1US Dollar=N150

Loan approval depends on the purpose of the loan request and viability of the project .For farmers who had obtained loan previously, their previous performance on the project and repayment records will be used to assess their credit worthiness. The loan disbursement to the beneficiaries could be in cash or in kind (e.g. procurement sprayers, cutlass e.t.c). The loan repayment policy allows for weekly repayment although due regard is given to agricultural projects with a grace period on the loans.

There are three types of loans available to beneficiaries which are:

- Working capital which is for meeting short term needs of the business activities and it is for a period of six (6) months. The loan amount depends on the size of the business and type of project.
- Agricultural loans are for farmers who are into crop production, livestock production and agricultural produce processing. The loan is for a period of nine (9) months.
- Loan for fixed capital example equipment. The loan is solely for purchase of fixed asset and the repayment period is usually a year. The amount available under this loan is for a minimum of N100,000 and maximum of N15,000,000. FADU grants this loan in kind and trains on the use and maintenance of the equipment.

The NGO identified constraints in assessing their credit facility to include inability to form a viable group and the high number of applicants for their limited funds. In few cases, the project may not be considered profitable enough to support the loan request. The NGO is open to all in rural and urban areas and it is a viable financing source for UPA and processors.

ii) Self-help economic advancement programme (SEAP)

Basic data

Self-Help Economic Advancement Programme is a non-governmental organization with head-quarters in Ilorin, Kwara State. It has offices in other states including Oyo State. The office is located in Ibadan. SEAP has 18 branches in the city of Ibadan only and advances financial assistance to poor people in the urban and rural populace.

Financial situation

They were reluctant to give information on these probably because it is only a branch office.

Financing activities

Majority of its financing products are for small scale microenterprises and are not suitable for agricultural production. The repayment schedule is not favourable for agricultural production due to the gestation period of most agricultural production. SEAP has two sets of products.

- Micro-soft loan programme
- Investment loan programme.

A beneficiary must be a registered member of a group with SEAP and attend weekly meetings regularly. Contributions and loan repayment must be made either weekly or forth-nightly. The amount of loans that an individual is entitled to depends on his or her deposit and performance on previous loan. The amount of loans offered is in multiples of five of the saving contribution of the member with an interest rate of 23% for a period of 10 months or 41 weeks.

The conditions for investment loan are similar to those under Microsoft loans. The minimum amount for investment loan is N50, 000. The regular member must have 25% of loan requested as deposit while non member must have 35% of the loan requested as deposit with SEAP. Both member and non-member must attend regular weekly meeting. The loan conditions especially the weekly loan repayment and the high interest on the loans make it difficult for farmers to benefit from these products. Nethertheless, the organization is currently working on new products to extend loans for agricultural production.

B) Micro Finance Institutions – Nigeria’s National Microfinance Policy Framework aims at facilitating the provision of microfinance services on a long-term, sustainable basis to the poor. The Central Bank of Nigeria supervises and regulates the Microfinance Banks, and the Nigeria Deposit Insurance Corporation insures their deposits. The Microfinance Policy Framework also ensures that Microfinance Banks benefit from tax incentives and access to wholesale funds and refinancing facilities. These Banks aim at empowering small-scale businesses to achieve significant growth. However, Anyanwu (2004) noted the following as challenges of the Micro Finance Banks:

- Need for a wider reach to the poor whose numbers are increasing as also is their need for microfinance
- Need to give more preference for loans going to agricultural ventures
- Savings by clients are low yet lending is high; this could affect sustainability.

i) Seedvest Microfinance Bank Limited

The institution started in 2002 as a limited company but became a microfinance bank in 2007. The bank has many loan products which are:

- Traders Relief Scheme
- Transport Support Scheme
- Farmers' Support Scheme
- Church Assets Acquisition Scheme
- Shares Purchase Loan
- Equipment Purchase Loan

Although one of these schemes is intended to meet the financial needs of farmers, the conditions are not favorable. For individual loans, the interest rate is 7% per month or 6% weekly on reducing balance. For group loans, the rate is 4% per month. A processing fee of 6% of the loan amount is added to the loan for those who desire to repay monthly and 5% for those who want to make weekly repayment. The loan period is usually for 6 months. No grace period is given and collateral is required. Loan beneficiaries are also expected to have an account with the Bank.

The manager stated that the Bank is reluctant to advance loan for agriculture because their conditions does not favor agricultural production processes. However, for processors and marketers, they can approach the bank if they can meet the conditions for such loans. Another concern expressed is that many of the farmers divert the loans and are not trustworthy.

ii) Lift Above Poverty(LAPO) Microfinance Limited

LAPO also offers credit to traders, transporter, microprocessors but are equally reluctant to grant credit to farmers. However any farmer that can meet the conditions for the loan will be assisted. They have two types of loans:

- Regular loans
- Agricultural loans

For regular loans, the minimum credit from LAPO is N30,000, interest rate is 20% and the loan period is 8 months.

For agricultural loans, the minimum credit from LAPO is N30,000, interest rate is 20% and the loan period is 10 months.

Repayment is expected to be made weekly or twice a month as agreed with the loanee. The only difference between the two loan types is the loan period. While the conditions for the loan may be favorable for other enterprises, it is not for agricultural production.

iii) Integrated Microfinance Bank

They provide banking services to the rural and urban poor

They give out funds to credit worthy small-scale entrepreneurs, including agribusiness practitioners who are in the low income class in rural and urban areas.

The Bank provides fund to co-operative societies.

They engage in equipment financing example buying of tools and also provide working capital

In April 2009, the Bank signed a Memorandum of Understanding (MOU) with the Oyo State Government for the release of the sum of N250 million to farmers and processors to address food insecurity in the state. The funds were released through the Agricultural Trust Fund Model of Oyo state and the venture is in collaboration with the Central Bank of Nigeria (Tribune, 2009). As at today, the Bank has not advanced loans to these farmers.

In general, the conditions for loan from MFIs are not favorable for agricultural production but can be assessed for processing and marketing. However, due to apathy on the part of MFIs to finance agriculture, obtaining loan from them is not recommended. An exception is the case of LAPO that extended credit to an urban farmer and a florist in particular. A thorough investigation of the singular case revealed that the farmer engaged in other enterprises which gave LAPO some measure of confidence to consider the farmer credit worthy. While the experience can be considered as a bright spot ,it shows that LAPO can be approached for partnering with UA practitioners.

C) Commercial Banks

i) First Bank

First Bank Plc was established in 1894 and has branches national wide.

Financing Products

It financing activities covers short term financing needs (e.g. working capital, packaging material) and long term financial support of farmers, processors and marketers. The conditions for the loan vary with the type of loan facilities requested. Some of the financing products available to producers, processors and marketer at the Bank include:

a) Agricultural Produce finance scheme which provides credit to meet the cash flow needs of produce businesses. Activities that are funded include procurement, warehousing and marketing of agricultural

products. The credit ranges from N100,000 to N10,000,000. Requirements for the loan are: a minimum of 3 years experience in produce business, suitable storage facilities and a bank account maintained with any branch of the Bank for a period not less than 6 months. This type of credit facilities is for well off farmers or cooperative societies and may not be accessible to poor and small-scale producers.

b) Industrial end-user's out grower scheme- it is meant for farmers who produce agricultural commodities as raw materials for specific industrial or commercial end-users. This scheme is a tripartite arrangement between an industrial to commercial end-user, the farmers and the Bank and usually with a memorandum of understanding (MOU). This loan is guaranteed by the commercial end-user with collateral. The farmers could be individuals or group of farmers that are in a cooperative society.

c) Cooperative/Linkage Banking Schemes is for farmer groups with membership of 10 to 25 person's. This allows the group to save collectively and obtain credit facilities when required. This group must have 25% of their credit requirements over a period of about 6 months before applying for credit. This loan is meant for cooperative societies, self-help groups and associations. Other conditions attached to determine accessibility to this credit include a letter of introduction by a recognized community leader, certificate of registration of the group by a Local Government Authority and By-laws of the group, group savings account, and consent by members to be jointly liable for each member of the group. This loan can be assessed by UPA farmers but due to transaction cost of processing the loan, bureaucracy, extended period of loan processing, farmers are not willing to request for it.

d) First Bank Agricultural Credit to Schools (FACTs) is another loan scheme to secondary schools and tertiary institutions with agricultural and agro-allied projects. This scheme is designed primarily to impart knowledge to students and commercialization of school farm project in secondary and tertiary institutions that have agricultural science programme. This takes advantage of technical know-how available in the educational institutions. This programme is for all post primary institutions. Other requirements for accessing this credit facility include: Agricultural science should be offered as a subject or course, school demonstration of commercial farm, comprehensive farm record, a functional Parent Teacher Association, Students Union Government, Faculty Association e.t.c. Although this facility is not appropriate for UPA practitioners, it expands the possibility of improving and modernizing UA. Schools curricula now include entrepreneurship training with the intent that school leavers can be self-employed after school. Enhancing their technical knowledge and ensuring adequate practical exposure while in school gives school leavers confidence to start their own enterprises including UA.

f) Guaranteed Fund Credit (GFC) is another loan scheme in which the beneficiary has to provide at least 25% of the amount needed to operate the farm. It is covered under the Agricultural Credit Guarantee Scheme (ACGS) of the Central Bank of Nigeria. This enables the farmers to enjoy a refund of up to 40%

of interest paid on credit facility under an interest Draw Back Programme sponsored by the Federal Government and Central Bank of Nigeria. Also, this scheme qualify the beneficiary for participation in the prestigious bi-annual farmer of the year Award of the Central Bank of Nigeria and ensure the safety of farm investment through the mandatory Nigerian Agricultural Insurance Scheme. This loan facility is accessible by individual farmers, cooperative societies and corporate bodies. The applicant must be a practicing farmer with verifiable investment in the enterprise of interest. A proposal or feasibility report on the proposed farm activity, a saving bank deposit balance of about 25% of credit request, mandatory insurance cover by the Nigerian Agricultural Insurance Company to be taken on approval of facility and provision of accepted collaterals for credit limits exceeding N1 million are the necessary requirements.

Generally, the interest rate on loan facilities offered by First Bank Plc is 22% per annum but agricultural loans are given at a maximum of 20% interest rate per annum.

Example of First Bank Loan to Commercial Farmers

With the support of World Bank, First Bank issues loan worth between N500,000 and N1m to farmers e.g Cat fish farmers, poultry farmers etc. The farmer who wants to benefit from the programme must register in his/her association with AFAN and the association must be ready to identify him/her as a practicing farmer. Also he must insure his/her farm by registering with NAIC. The loan attracts 17.5% interest rate but if the farmer repays the loan as at when due, the World Bank through first Bank will refund 40% of the interest paid. The Bank will inspect the farm before and after the repayment to verify that the farmer indeed invested the loan on his/her farm. The repayment period depends on the maturity period of the enterprise.

Factors that facilitate or hamper financing small-scale commercial urban agriculture

The financial institutions have their conditions for the award of the loans and farmers or groups that meet these conditions will be given. However, many farmers particularly small-scale farmers have not been able to meet these conditions. Small-scale UA practitioners do not trust the sincerity of the Banks to give them the loans and consider it a waste of time trying to access these loans. In addition, they consider the interest rates too high for their enterprises.

Financing UA particularly small-scale enterprises is not a focus for the big commercial Banks. None of their products is suitable for the individual farmer. Groups can obtain these loans but the bureaucracy and timeliness makes it undesirable.

D) State Government

OYO STATE AGRICULTURAL CREDIT COOPERATION

Agricultural Credit Cooperation of Oyo State (AGCOS) is a public financial institution set up by the state government to offer financial assistance to farmers and agro-allied enterprises in order to boost their

productivity. Funds are provided by the State Government and the available capital at any time period depends on the amount provided by the incumbent government. The loan is usually a revolving one.

The organization supports both individual and group of farmers in both rural and urban areas. The amount of loan for individual is between N25, 000 and N150, 000 with 10% as interest rate charged per annum. The conditions for accessing loan from this organization include: Purchase of loan form and the cost depend on the category or amount of loan request. The categories are: loan form of N250 for loan of N25, 000; N500 for loan size of N35, 000, N1000 for loan size of N100, 000 and N1,500 for loan size of N150,000. Other conditions for the loan are physical inspection of the farm or the project for which the loan is needed, presentation of a guarantor who must be a current civil servant on salary grade level 12 and above.

Lump sum or instalmental loan repayment is allowed by AGCOS depending on the preference of the farmer but the loan must be repaid within one year. The loan is for all categories of farmers and does not discriminate by type of enterprise or gender. However, the period for processing and administration of loan by AGCOS is determined solely by government.

Theoretically, these loans can be accessed by all, however, access is usually hindered by political factors.

D) Federal Government

i) NATIONAL POVERTY ERADICATION PROGRAMME (NAPEP) OYO STATE

NAPEP was established by the Federal Government in the year 2001 with branches in all the state capitals. The funds are provided by the Federal Government and are in the form of a revolving loan. Presently, the value of outstanding loans could not be ascertained but is considered large. The financing activities of this organization cover every aspect of economic activities, be it urban and rural farming, processing or marketing. The financing activities include short term, medium or long term financial support for beneficiaries. The maximum period for any of these loans is 2 years.

The conditions for accessing the loans include formation of a cooperative society with membership of ten people and the cooperative society is expected to forward an application of their project proposal. The proposal must state the total amount needed and the timing of the project. Afterward, inspection of the intended project will be carried out and thorough evaluation will be done. NAPEP then approves projects considered economically viable and financially feasible. Since members of the cooperative society are considered to be poor, no collateral is demanded. The executives of the cooperative society are responsible for the total amount of loan collected on behalf of the group members. The amount of loan varies with the type and size of the enterprise. The amount of loan administered to a cooperative society

ranges from a minimum of N500,000 to N10,000,000. The interest rate charged is 9% and disbursement is in cash. NAPEP does not collect savings and does not disburse loan directly to the cooperative society. Disbursement is made through micro-finance bank which acts as intermediary between NAPEP and the cooperative society. The cooperative society is required to open an account with the micro-finance bank. The payment schedule varies and it depends on the method agreed by the cooperative society and the bank. However, the maximum repayment period is 2 years after the disbursement date. NAPEP does not give special consideration based on gender. The time interval between the period of loan application and loan disbursement depends on the availability of funds. Approval of the loan is given on the basis of first come, first serve.

The process reduces transaction cost of processing the loan because only the executive of the cooperative are involved in the processing. The low interest rate charged on the loan is a form of subsidy to the beneficiary. Other opportunities existing within NAPEP include training on wealth creation, book keeping, loan utilization and improving entrepreneurship skills. A major challenge of NAPEP is that loan recovery has been very poor.

NAPEP looks potentially promising for UA but as stated earlier, the poor repayment is a challenge. Beneficiaries take assistance from government as opportunity to have their share of the national cake and are reluctant to repay. Since the loan is expected to be revolving, the non repayment has almost paralyzed activities within the organization. In addition, some of the beneficiaries diverted the loans for other non-agricultural purposes. NAPEP needs to strategize on better ways of loan administration and recovery.

ii) Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB)

NACRDB is a Federal Government financial institution established to provide financial assistance for agricultural and small scale processors and marketers. The Bank is an amalgam of the former Peoples Bank of Nigeria, the Nigerian Agricultural and Cooperative Bank (NACB) and the Family Economic Advancement Programme (FEAP). The amalgamation took place in 2000. Prior to this time, each of these organizations were mandated to offer loans to farmers and microenterprises particularly the poor. Only NACB advance long term loans for large investments in addition. Presently, NACRDB primarily finances agriculture as well as small and medium enterprises. Also, it is set up to promote saving habit among the practitioners. The Bank is located in all states in the country with headquarters in Kaduna in the northern part of the country. The sources of NACRDB's funding are mainly equity, as well as interest on loans and investments. The NACRDB is structured to accept deposits and offer loans/advances in which the interest rates are stratified according to the purpose for the loan. The Bank also offers a number of microfinance services, including targets savings, start-up as well as smallholder loan schemes. The financial

assistance extended by the Bank can be classified into direct micro credit, on lending credit and macro credit. As at 2003, a total sum of N4.6 billion had been invested in loans and venture capital.

The Bank's financing *products* are available to individual and groups. These include the small holder scheme and medium holder scheme. The small holder loan scheme for individuals has a maximum loanable amount of N 250,000. This requires consent to guarantee the loanee from two top public servants on salary scale of grade level 12 and above. For small holder scheme for group, the amount obtainable under this scheme ranges from N250, 000 to N3, 000,000.00. Collateral is required for the loan and landed properties with complete title documents is preferred. As part of the process, the property tendered as collateral will be valued and the report will be used to determine the worth of the loan. In addition, consideration is given to the financial viability of the proposed project and also its feasibility. The interest rate on this loan is 8% per annum. The Bank assists farmers in groups of not less than 5 people with a start up loan of a minimum of N100, 000.

The medium holder scheme is meant for registered agro-allied company and such company can access loan more than N3,000,000. Also, the Bank is willing to give loans to non-governmental organization (NGO) for on lending to farmers or agroprocessors. The NGO must have an account with NACRDB and not less than 10% deposit of their loan request which is part of their repayment. Based on the peculiarity of agricultural production and other related activities the management strives at timely disbursement of loan. NACRDB loan is a revolving type and can be assessed by processors, marketers and other farming related activities.

Factors that facilitate or hamper financing small-scale commercial urban agriculture

- group formation will enhance access to loan as this makes it possible for the farmers to achieve the required minimum deposit. The benefit of a larger network will also make it easier to get a guarantor.
- evidence of owning a farm or agribusiness

The main factor that hinders is having a poor record of loan repayment with the Bank.

The beneficiaries opine that the problems of getting loan from NACRDB include:

1. Timeliness – Loan processing time takes a long while thereby causing delay. Farmers often get the loan late or at off season which makes them divert the funds.
2. Collateral – Majority of the poor urban producers do not have collateral worth the value of their loan request.
3. Guarantor – Civil servants are reluctant to guarantee loan request of producers due to risk attached to farming activities

Financing UA is easier if beneficiaries approach the Bank as a group since they are resource poor. Pooling their resources together will help to achieve the required minimum conditions. However, the need for a guarantor remains a challenge.

Table 3: INSTITUTIONS CURRENTLY LENDING TO URBAN AGRICULTURE FARMERS

Institutions	Institution currently lending to Urban and Peri-urban Agriculture	Interest Rate	Min. and Max. value	Grace Period	Outstanding loan	Type of loans
Non-Governmental organization	Farmer Development Union (FADU)	3-5% / month	₦200,000-1,000,000 per group	Varies	₦200 millions revolving loans	1. Agricultural production 2. Agricultural processing loans 3. Equipment loan scheme
	Self –help Economic Advancement Programme (SEAP)	10-20%/yr	₦10,000-50,000	Few days to 1 week	Not available	1. Agricultural marketing
Micro Finance Institution	Lift Out of Poverty(LAPO)					
Commercial Bank	First Bank Plc	20-22% /yr	₦100,000-1,000,000	Varies with types	Not available	1. Agricultural produce finance scheme 2. Industrial End-user's out grower scheme 3. Cooperative/ linkage Banking scheme 4. First Bank Agricultural credit to schools 5. Guaranteed fund credit
State Government	Agricultural Credit and Corporation, Oyo State	10%/ yr	₦25,000-150,000	3-6months	Not available	1. General Agricultural activities
	Ministry of Commerce and Industry	5%/yr	It depends on the project	Varies	Not available	1. Small and medium industries
Federal Government	Nigerian Agricultural Cooperative and Rural Development Bank	10%	25% of loan requested	3-6 month	Not available	A). Short term 1. Agricultural production 2. Agricultural processing loans B). Long term 1. Capital Asset loan scheme

Table 4: INSTITUTIONS THAT CAN BE APPROACHED FOR LENDING TO URBAN AGRICULTURE FARMERS

Institutions	Institution currently lending to Urban and Peri-urban Agriculture	Interest Rate	Min. and Max. value	Grace Period	Outstanding loan	Type of loans
Micro Finance Institution	Lift Out of Poverty(LAPO)	20%/yr	N30,000-	Two weeks	Not available	1.Regular loans 2.Agricultural loans
Federal Government	National Poverty Eradication Programme (NAPEP)	9%/yr	500,000-10,000,000 per Cooperative society	Varies and depends on the type of project	Not available	Loans are given on all types of economically viable enterprises including urban agriculture

3.1.2 The informal sources of financing for farmers are mainly:

- cooperative societies
- personal savings
- loans from family members or relatives
- Esusu(savings collectors)
- ROSCAS
- Farmer savings and credit schemes(in kind or cash-individual or collective)
- Pre financing by input providers
- Deferred payment arrangement offered by farmers to marketers

Pre financing by traders is not practiced.

A) Cooperative societies

At the heart of cooperative principles is the concept of human development and brotherhood of man expressed through people working together to achieve an improved standard of living. According to Olaleye (2007), there are three major co-operative societies available in Ibadan. They are: the Co-operative Investment and Credit Society (CICS), Consumer Co-operative Society (CCS) and the Transport Co-operative Society (TCS). These co-operatives grant credit to members at convenient period of pay back. Acquisition and distribution of vehicles to members, organization of literacy programmes, mutual aids and exchange of labour, training in record keeping, training in thrift and banking habit and acquisition of vocational skills, introducing them to profitable ventures distribution of household equipment and distribution of essential commodities are other activities undertaken by these co-operatives.

The co-operatives offer opportunities for cooperators to build up capital for financing their business through gradual but regular savings of money. Employment opportunities also exist as the cooperatives are the second largest employer of labour after government in the city (Oladele, 2007). However, Owojori and Oladejo, (2006) identified the following as challenges of co-operatives in financing small scale enterprises:

- (i) Lack of adequate working capital
- (ii) Bad leadership and succession problems characterized by mismanagement
- (iii) Lack of modern business techniques
- (iv) Bad record keeping and shortage of supervisory staff
- (v) Inadequate capital base to cope with the need of SMEs
- (vi) Proliferation of weak cooperative societies which results from lack of coordination of activities.

- (vii) Inconsistency on the part of government in supervision
- (viii) Widespread illiteracy and mass ignorance of the members
- (ix) Out dated cooperative laws
- (x) Government interference and manipulation of cooperative programmes
- (xi) Corrupt and embezzlement of cooperative fund by leaders and paid workers

In spite of the problems of cooperative societies, it remains a virile organ of implementing Government programmes. Many UPA practitioners obtain loan from their credit and thrift cooperative societies. The conditions include having being a registered member for a period of not less than six months, and making regular monthly savings with the society. Often, the loan amount approved depends on the savings of the member and the availability of funds. The interest rate charged is often less than 10% per annum with a loan period of 10 months. Problem occurs where there are corrupt leaders that are not transparent and honest in loan approvals and disbursement.

CHAPTER 4

4.1 Identification of the needs and demands for finance from urban poor engaged in urban agriculture, agro-processing or marketing.

All Farmers Association of Nigeria-AFAN (Oyo state Chapter) has about 28 commodity associations depending on the type of crops cultivated and livestock raised. The association serves as the organ through which the Government reaches the farmer. It also takes the needs of the farmers to the Government and serves as a pressure group to press home their demand. All interested farmers are eligible to join the association and it has been observed that membership cuts across various socioeconomic groups including age and wealth status. The associations within and around Ibadan formed part of our sampling population are:

- (1) Sheep and Goat Farmers Association
- (2) Cassava Growers Association
- (3) Maize Association
- (4) Plantain /Banana Farmers Association
- (5) Poultry Association
- (6) Potato Growers Association
- (7) Melon farmers Association
- (8) Groundnut farmers Association
- (9) Castor oil Producers Association
- (10) Vegetable Growers Association
- (11) Fruit Farmers Association
- (12) Cotton Growers Association
- (13) Pig Farmers Association
- (14) Fish Farmers Association
- (15) Fruit Farmers Association
- (16) Bee Keepers Association
- (17) Cocoyam Growers Association
- (18) Kolanut farmers Association
- (19) Rice Growers Association
- (20) Yam Farmers Association
- (21) Locust Bean Producers Association

Of the associations within and around Ibadan, six were available for focus group discussions. These are Sheep and Goat Farmers Association, Cassava Growers Association, Poultry Association, Bee Keepers Association, Fish Farmers Association. These came together from their various farms scattered within and around Ibadan to participate in the focus group discussion as members of their respective associations. To get information from other commodity groups, members were gathered together for discussion on their respective farms and/or location of their enterprises thus they formed clusters of UA practitioners engaged in the same enterprise. These are fish sellers, Agbaje vegetable producers, Odogbo vegetable farmers, Mokola vegetable farmers, Gari processors at Odogbo and floriculture. In all, twelve UA enterprises were engaged in discussion.

4.1.1 Poultry

The poultry enterprise has become very important due to its prime role as a source of animal protein. In Ibadan, poultry products are marketed within the city and also to the northern part of the country. It is thus a virile and profitable business practiced by both male and female in backyards, small and big farms. The focus group consisted of a mix of 14 men and 3 women. They are within an age range of 28 and 54 years. The discussion lasted for about one hour.

Source of finance: The government does not grant subsidies which makes credit the viable means of finance. The main sources of finance are through personal savings and daily contribution (Esusu). The daily contribution is simply a way of getting back all past savings except one. The only saving not collected back is given as a form of payment for the service of the collector. No additional interest is charged. Loans can also be obtained from commercial banks. Input suppliers occasionally gives credit financing by supplying inputs on credit or allowing for instalmental payment.

Obstacles in accessing credit or subsidies

There is no problem in obtaining finance through daily contribution since it is a form of savings. Obtaining credit through commercial banks poses a challenge due to bureaucracy, demand for collateral and high interest rate. The time interval between period of loan application and release of funds is usually between 3 to 6 months. This has negative effect on production plan and execution. The major problem encountered generally in accessing loan from commercial bank bureaucracy in processing. However, the poultry association assists loyal and reliable members who apply for financial assistance from commercial bank by giving them recommendation letters to support their loan request. The association however does not guarantee loans.

Financial needs

- Short term needs- The financial needs of an average poultry farmer (production capacity ranges from 500 – 1,000 birds) for the coming year ranges from N550,000 to N1,000,000 for average of 1000 pullet. This amount covers expenses from day old chicks (DOC) to point of lay.

Recommendations

- All input use in poultry production should be subsidized e.g. Day old chicks, feed, drug and vaccine, cage e.t.c
- Majority of assistance needed should be 70% in kind (provision of inputs at subsidized price) and 30% in cash.

- The moratorium period ideal for poultry production is 6 month before the commencement of repayment and the repayment period should be spread over 2 to 3 years period. The desired interest rate for poultry production is 3.5 % per annum instead of the current 8%.
- Marketing Problem:- The cost of poultry production in Nigeria is high compared with cost in other countries and people prefer to import frozen chicken because it is cheaper than locally produced poultry products including hatchable eggs. Government should enforce the ban on importation.

4.1.2 Sheep and goat

Sheep and goat are raised by many households particularly among the poor. Only few actually raise them in large numbers. There is market for them as they are consumed mostly in the south. It is practiced by both male and female in backyards and small farms. The focus group consisted of a mix of 8men and 5women. They are within an age range of 35 and 60 years.

Sources of finance: The main sources are personal savings and relatives. In some cases, the starts off of the business were from the sheep and goats given to them as gifts.

Obstacles in accessing credit or subsidies

The stringent and cumbersome conditions attached to commercial bank loans have not made the farmers access such loan facilities.

Experience in getting credit or subsidies

The farmers have not received any direct financial assistance from either commercial bank or government. Shortage of finance has been the constraint to the expansion of goat and sheep production among the farmers. This lack of finance has not allowed the farmers to have proper facilities required for healthy production and management.

Short term needs – Among the facilities needed include: shed, grazing plot, production of hay and silage to feed these animals especially during the dry season. The cost of management of these animals usually is high during the dry season. One of the problems is disease among sheep and goat usually leading to the death of animals especially during the rainy season. Inadequate access to veterinary services due to scarcity of veterinary doctors and high cost of veterinary services. Farmers want subsidy on veterinary services. With an average of N50,000, a small scale farmer can raise sheep and goat. Often, the loan request exceeds this because they already have started but will want to increase the scale. Farmers revealed that there is demand for sheep and goat but the high cost of production is the main problem that government should address.

4.1.3 Cassava

The cassava farmers under this focus group discussion were male, household heads, married and have at least primary education. They are between ages 23 and 56 years old. They have together formed an association called Cassava Association of Nigeria. The association has no financial capability to provide loan assistance to its members. However, the association has about 3500 hectares of farm land where any interested member can cultivate. The farm land is located at the peri urban area in Elere Akilo village Eruwa road, Ido Local Government, Ibadan, Oyo State. Although the association does not offer financial assistance, it identifies its farmers and gives them letters of recommendation to financial institutions for loan.

Source of finance: Farmers primary source of finance is self.

Obstacles in accessing credit or subsidies: Lack of collateral

Expectations with respect to subsidies and grants: They ask for subsidy on inputs which include improved cassava stems, fertilizers, tractor services and other farm implements, herbicide, pesticides, market channel for the end product. Farmers want 70% of their inputs to be supplied in kind and others in cash.

4.1.4 Fish farming (Aquaculture)

Fish farming has lately become popular in Ibadan particularly among the elite. It is now common to find ponds within houses in the cities. Also, due to improved nutritional awareness, the consumption of fresh fish as against imported frozen fish has become popular. This has resulted in increased number of fish farms within the city with ponds of various sizes. The focus group consists of 15 men and 1 woman. The main actors are men while women are more into marketing of fish.

Source of finance- Mainly personal savings and sometimes friends

Obstacles in accessing credit or subsidies: The loan amount required by farmers is large particularly due to increases in the prices of inputs. These loan demands require collaterals which the farmers do not have.

Experience in getting credit or subsidies: They complained of not getting assistance from Government.

Financial needs

Short term needs- Fish floating feed (N90, 000) and training on skretting which is the technology of making feeds

Long term needs-

Investment in fixed assets- Pelleting machines (N95, 000), kilns that are locally fabricated at N350, 000 with capacity to process 2tons of fish in one hour. Government subsidized kilns with very low capacity (process 200kg in 8hours) cost N10, 000.

Expectations with respect to subsidies and grants

They call for subsidies on the cost of feeds. Other suggestions made include the:

- Ensuring the quality of fingerlings
- Opening up more market outlets to avoid depressed prices due to glut
- Grant subsidies on the cost of floating feed usually imported from the Netherlands
- Give grants for fish farming
- Encourage research with respect to the use of maggot and earthworm as sources of feed

4.1.5 Fish sellers at Ikolaba Area

Marketing of fish is prominent among women than men. They contribute and buy directly from fish farmers in bulk and share the fish among themselves for sale. This is a way of pooling resources to reduce the unit cost and enjoy economies of size. Moreover, fish farmers are often reluctant to sell in small quantities. Only the middle aged are actively involved in this enterprise. These marketers can be found often in the open market but seldom on vacant lands in low density residential areas where high income earners reside. The focus group discussion was made up of 11 women and 2men. Their ages ranged between 25 and 48years. The discussion was conducted for 50minutes.

Sources of Finance

- Self – A high proportion of the fish sellers has full control over funds generated from the sale of their goods; enabling them to re-invest the proceeds and expand their UPA activities.
- Family and friends – Some women among them get financial support from their husbands and friends
- ROSCAS
- Co-operative – society
- Purchasing on credit based on thrust

Obstacles in accessing credit

- Lack of collateral – They do not have collateral worth the value of their credit need to finance their enterprises.
- Guarantors – Public servants are not willing to act as guarantor for them

Experience in getting credit or subsidies

Integrated Micro Finance Bank disappointed the marketers because the Bank promised them loan but renege. They were asked to open an account with the bank and made weekly savings. After several weeks of saving with the Bank, the officials did not show up again but the marketers learnt that the Bank was no longer in operation. The bank did not formally inform them nor did it return their deposits. Since they are largely illiterates, they bore their loss in silence but no longer any micro-finance initiatives. Some of them joined co-operative societies but they were highly disappointed because they could not access the loan while few of them formed groups of daily contribution (ROSCAS) which they believe is viable.

Financial Conditions

They operate their business on equity and re-invest their profits. However, this is inadequate to meet their financial needs and grow the business because the capital is very small. They request for financial assistance of about N300, 000 per marketer. This enables bulk purchase, lowers average cost and increases profit. Also, the transaction cost is greatly reduced as the marketers rotate purchasing fish from fish farmers among themselves. This practice besides reducing cost helps those who do not have much capital and cannot access loan or those that cannot afford the conditions of securing the loan.

Financial Needs

Their short term needs are plastic/rubber trough, baskets, sacks, weighing balance and working capital while their long term needs include how to get permanent site of marketing their products and vehicle that will ease their movement at very low cost. Their short term needs is estimated to be about N30,000 without the working capital.

4.1.6 Agbaje vegetable producers

Vegetable farmers at Agbaje cultivate the land area around Eleyele water dam. These farmers organize themselves and formed an association that meet every Saturday between 11am and 1pm. The group comprises of male and female who are between 15 and 50 years of age. Their levels of formal education vary from primary school leaving certificate to tertiary institution (N.C.E). Some are house head, spouse and other members of the household. They cultivate vegetables in dry season and also maize and vegetables in rainy season. The land area cultivated is vast but the actual acreage could not be provided during the FGD. The discussion lasted 1hour 30 minutes. Although, they participated actively in the FGD , the main problem mentioned by many is finance. There are still opportunities for increasing the scale of their business due to availability of land and water all year round but the main constraint is finance as stated earlier.

Sources of Finances

- Farmers saving and credit scheme

- Relatives- Majority of this group of farmers get financial aid from their families members like husband, spouse, grown up children, uncles, Aunty etc.
- Friends – Some were enjoying benefits in cash and kind from friends though the benefits are not enough because of the high cost of the agricultural inputs.
- Co-operative society - Some of them are members of one co-operative society or the other outside their farm area and they get loan worth about N150,000 at the rate of 12% per annum.
- ROSCAS – part of the farmers formed group within the main group and they are contributing between N1,500 and N7,000 weekly. The amount realized would be given to one member per week and this depends on the number of the group members. Yet some did not join any group (co-operative/ROSCAS) because of lack of trust.
- Pre-financing by input providers – some purchase inputs on trust and refund after harvesting

Obstacles in accessing credit

- Guarantors – getting guarantors has been a serious problem and obstacle in accessing credit for Agbaje vegetable; many people are not willing to stand for farmers because of the high level of risks involved in farming activities e.g. weather
- Collateral – Some financial institutions demanded for collateral (eg landed property) that the small scale farmers do not have.
- Lack of trust – Those who failed to join co-operative society or groups that are practicing ROSCAS could not access credit because of lack of trust.

The farmers experience so far were not encouraging because several organizations like state government have disappointed them. The current state government promised them N50, 000 per farmer but they got nothing. Those who wanted to participate in fadama II project did not get the promised assistance after several meetings were held with them and promises made to them. They wasted time and money on registration and transportation and got nothing.

Financial Conditions

Currently, farmers work with limited funds they have but ask for financial assistance to increase the size of their business and also invest in improved technologies. Their loan demand is between N100,000 and N200,000 payable within 12 months, if given to time ; between November and February.

Financial Needs

Their short term needs are seeds, boot, rake, watering can, hoes, cutlasses and labor cost. The costs of these items vary depending on the source of purchase and the number required. The amount required for

a starter is N50, 000. Their long term needs are pumping machine, pen for those who want to go into animal husbandry. They also expect grants and subsidies from government at all levels and NGOs.

4.1.7 Odogbo vegetable farmers

Majority of the farmers in this group are spouses of military officers in Odogbo Barracks while others are their siblings. They registered as Divine Multipurpose Women Vegetable Farmers with Ministry of Commerce in Oyo state. They have five sub-groups based on the location of their farms and each group has leaders apart from general /central leaders. The sub grouping is to ease the administration due to the large number of farmers in Odogbo Barracks. The groups are:

- (i) Garrison group
- (ii) BAD Group
- (iii) Workshop Group
- (iv) Codo Group
- (v) Signal Group

The FGD held with only the Garrison group and lasted 1hour 15minutes.

Sources of Finance

- Farmers saving and credit scheme
- Relatives
- Friends
- Co-operative society
- Contribution e.g daily contribution, ROSCAS
- Pre-financing by input providers
- Language meeting – The women have groups based on their diverse languages. Each group gives out loan worth of N1,000 – N5,000 for a minimum of 2 months and maximum of 3 months at the interest rate of N100 on N1000 per month.
- NIHORT – The Institute gives technical advice and trained them to make and use compost.
- Fadama II project – they benefited from fadama II project in that they got some inputs like watering can, buckets and technical advice through fadama facilitator
- NGOs e.g JDPC has given them technical assistance and linked them up with international organizations/ foreign organization like RUAF support. Some of their leaders have traveled out of the country to attend workshop on urban and peri urban agriculture

Obstacles in accessing credit

The major constraint is collateral. They do not have collateral because they are poor and do not have landed property in Ibadan. Besides, they are not permanent residents in the town and would have to move in case their husbands are transferred out of town.

Their experience with the Union Bank was bad. They were asked to open an account with N2,000. The Bank promised a loan of N50,000 per farmer after a total deposit of N12,500 in their account. Later, the Bank reduced the loan amount to N20,000 per farmer and were expected to pay at the end of 3 months. The farmers felt that the repayment period is too short and besides some already had deposits of N15,000. They could not remember the interest rate charged by the financial institution in question. In the end, the farmers rejected the offer. The Integrated Micro Finance Bank collected deposits but did not grant them any loan.

Financial Conditions

They need financial assistance to increase the size of their farms because they have uncultivated hectares of land which can be cultivated. Loan demand ranges from N20,000 to N200,000. The loan request depends on the size of their farms and their risk preference. They prefer repayment period of up to one year although it is possible to repay within 6 months if that is the preference of the financier.

Financial Needs

The short term needs of this group of farmers are watering can, matchets, rain boots, glove, seeds, seedling and cash to prepare the land for cultivation in the dry season. Their immediate financial needs are estimated to cost N50,000. Majority of them want to diversify into poultry enterprise and need financial support in erecting pens.

Expectation

They are willing to access loan if any financial institution is ready to assist them and the repayment period should not be less than 12 months with low interest rate. If NARCCDB will assist them, they are ready to invest the loan/credit on their farms but it must not be later than mid December for them to make proper and maximum use of it.

4.1.8 Mokola vegetable farmers

These farmers are mainly young men who are either in school or out of school and are trying to raise funds to go back to school. Some are out of school and are artisans; in addition to being farmers. They lack tenural rights over the land they cultivate and can be evicted at any time. However, since they are the children of past or serving military men in the barracks, they are of the opinion that it may be difficult to eject them. They cultivate small plots of land due to limited resources like land, water and funds. Their

greatest constraint is lack of adequate water particularly in the dry season. They claim they do not have funds to dig wells to provide enough water during dry season. It is believed that financiers will be reluctant to advance them loans to expend on fixed infrastructure like well because they lack tenurial rights to the land and stand the risk of eviction. The FGD held for 1 hour with 11 of the farmers.

Sources of Finance

- Personal savings
- Fortnight contribution of N50 to assist members that need funds to buy seeds or some pressing academic responsibility.

Obstacles in accessing credit

Lack of security to land and lack of proper coordination are main obstacles. It is also difficult to get guarantors because farming is a risky business.

Financial Conditions

Currently, they are using their personal savings which is meager. The assistance offered by their association in critical times of need for the purchase of seeds is occasional.

Financial Needs

Their demand is between N20, 000-N80,000. They need it primarily for digging wells and purchase of inputs like improved seeds and agrochemicals.

Expectation

They do not know where they can get assistance because government and NGOs that had approached them previously to offer assistance had failed them. And due to tenure insecurity, they do not expect assistance from any source. They have decided to keep doing their best in their circumstance.

Their situation is a difficult one in view of the fact that no financier will want to finance a permanent infrastructure on a land without title.

4.1.9 Vegetable marketers

The marketers are from Apete, Agbaje and Bodija markets. They are mainly women. The Focus group discussion consisted of 15 female marketers. It was more difficult to arrange an FGD with them therefore they were discussed with in 3 groups of 5, 6 and 4. Their ages ranged between 24 and 55 years old. However, 8 of them were in their thirties. The discussions lasted for an average of 45 minutes each. They have not been receiving financial assistance from government though NGOs have linked some with producers who grant them trade credit.

Sources of Finance

- Personal saving
- Relatives
- Friends
- Co-operative society
- Contribution e.g ROSCAS, daily contribution
- Pre-financing by producers based on trust.
- NGOs – e.g SEAP whose conditions are stringent. However they strive to repay the loan.

Obstacle in accessing credit.

- Lack of guarantors
- Lack of collateral
- Lack of trust

Some of them who are members of one group or the other (co-operative, ROSCAS) were disappointed because they were not given the loan when it was their turn to collect. Some got it late or at the wrong time (off season) and they spent it on social functions which are not profitable.

Financial Conditions

Majority of these vegetable marketers are using money realized from their personal savings, friends and relatives. The initial capital for the enterprise is between N3000 – N5000.

Financial Need

Their financial need is modest and is required mainly for marketing.

4.1.10 Gari processors at Odogbo barracks

The Gari processors at Odogbo Barracks are spouses of military officers serving in Odogbo Barracks. They are all women with between age 21 and 45 years. They buy fresh harvested cassava tubers from farmers from far and near and process it into gari. Different categories of people specialize at the various stages of processing. A cluster of processors numbering 7 were discussed with for 50 minutes. The processors hold meetings on weekly basis but have not been assisted financially before by government or NGOs.

Sources of finance

- Personal savings
- Relatives

- Friends
- Co-operative society
- ROSCAS

Obstacles in accessing credit

- Lack of trust
- Lack of collateral
- Lack of guarantors

Some organizations like the International Institute of Tropical Agriculture (IITA) promised to assist them but they were disappointed. They have lost confidence in any organization coming in to assist in any form.

Financial Conditions

A load of pickup of cassava is worth N60, 000 at farm gate. After processing, About 24 bags of gari would be realized from it and be sold at the rate of N5, 000 per bag. They are willing to access loan worth between N200, 000 – N500,000 with a repayment period between 6-12 months. This will enable them store processed gari and sell when market price is favorable thereby increasing their profit.

Financial Need

Their short term need is to get funds for the purchase of fire wood and cassava tubers. This amounts to N100, 000. In the long term, they want to purchase fabricated machine.

4.1.11 Bee keeping

Bee keeping is not popular in Ibadan with only few people engaging in the enterprise. However, it is becoming an important one because of the increased use of honey in the health sector and also as a preferred alternative to sugar particularly for the elderly. Also, it has the potential of being exported if it is produced in commercial quantity. Presently, it is at a small-scale but with great potentials. The FGD was held with 5 honey keepers for 30 minutes.

Source of finance

The main source of finance is from personal savings

Obstacles in accessing credit or subsidies

Presently, there are no subsidies on any of the inputs used in the enterprise. In addition to long and cumbersome bureaucratic processes, conditions for formal loans are stringent which make them unattractive. Interest rates on informal loans are prohibitive.

Experience in getting credit or subsidies

One of the bee-keeping farmers narrated his story in trying to obtain loan from one of the commercial Banks, UBA. He explained that the conditions for the loan were not acceptable. The conditions include the provision of collateral, 16% interest rate, and two months grace period before commencement of repayment and bureaucratic processes.

Financial conditions

-Currently, the enterprise is worth about N400, 000

-Loan demand (value, conditions, purpose etc)

He requested for a loan of N200, 000

-Financial needs

Short term needs-purchasing of materials for packaging and branding of honey

Long term needs- purchasing of extractor

Investment in fixed assets- construction of more beehives,

Expectations with respect to subsidies and grants

The following suggestions were made:

Government should subsidize equipments and other inputs

Training and awareness on bee-keeping to encourage more people to engage in the enterprise

Timely disbursement of loans to farmers without passing through cumbersome bureaucratic exercise

4.1.12 Floriculture

Floriculture is practiced by only few people within the city. However, it is a promising enterprise with the recent call for greening the city by the state Government. The recent increase in awareness for households to keep and beautify their environment has made it an attractive enterprise. Although there are large numbers of itinerant operators, few are fully engaged in the business. These itinerant operators engage in it during the rainy season and opt out during the dry season when water is scarce. It was difficult to hold a FGD because the practitioners are scattered all over the city and were reluctant to meet us at a common venue. We resorted to interviews and synthesized the information. Each interview was held for about 40 minutes.

Source of finance

The main source of finance is from personal savings and financial support from family. Others include ROSCAS and credit from NGO.

Obstacles in accessing credit or subsidies

A major obstacle is that many do not believe in the viability and profitability of the business. Since many Africans do not appreciate the gift of flowers as cash probably due to poverty and culture, it is difficult for financiers to believe that the business is worthwhile. Like other enterprises, there are no subsidies on any of the inputs used in the enterprise.

Experience in getting credit or subsidies

One source of formal credit has been LAPO, an NGO. The florist explained that she has enjoyed credit facility from the NGO and is presently on for the third time. The loan amount offered was increased with the repayment of the previous loan and she presently enjoys a loan facility of N100, 000. The interest rate on the loan though high at 20% is alright considering the timeliness of the loan and absence of bureaucracy in processing the loan. Repayment is made weekly on the loan and the loan period is usually 8months. She is expected to pay back N15, 500 per month. For starters, they are expected to come in a group of 10 but loan is advanced to individuals. In addition, they are expected to attend weekly meetings with the officials of LAPO.

Financial conditions

-Currently the enterprise is presently in need of additional funds particularly with the potential of increased market demand as a result of governments greening the city programme

-Loan demand (value, conditions, purpose etc)

The only source of loan is the NGO and the institution determines the loan amount. Since the maximum that can be obtained considering the florist years of patronizing them is N100, 000, that became the loan demanded. However, the amount required is N250, 000

-Financial needs

Short term needs-purchase of top soil and seedlings of expensive plant species like araucaria

Long term needs- purchase of top soil and nylons

Investment in fixed assets- purchasing of water pumps and generators

-Expectations with respect to subsidies and grants

They do not have any expectation with respect to subsidies. However, they hope for increased patronage from government as is being done in another city in Nigeria, Lagos. In Lagos, florists are awarded contracts to green areas around their location and are paid monthly to maintain them.

Interview with AFAN Secretary

In order to identify the needs and demands for finance from urban poor engaged in urban agriculture , agro-processing or marketing, the secretary of AFAN was interviewed.

Sources of finance

- Self – Majority of the farmers depends on their savings to finance their enterprise. Though some of them get assistance from relative .this has been inadequate.
- Contributions/rotating saving: This is done among farmers that agree to save together and collect in turns. The number of group members determines the length of time a cycle takes. Also, the amount of savings per member depends on the amount agreed to by all.
- Co-operative society: this may be among farmers or farmers with non-farmers who are ready to save their money based on individual ability but there is always minimum amount one can save. The amount of loan individual member can apply for, depends on his/her saving. The interest rate is between 2-5% per annum.
- Commercial Banks e.g. UBA – The AFAN secretary secured loan worth of N10million from UBA with collateral (his son's house) with interest rate of 14% for member commodities associations.
- Self help (Aaro, Owe) – This is done among the farmers' group whereby the members are spending less money on labor by helping one another to carry out one activity or the other on the farm. e.g in Oluyole LGA and Ona Ara Although not very popular, it is still in existence
- FAO collaborating with government – These are foreign bodies or organizations supporting farmers financially in collaborating with Federal government through the state government.
- AFAN (Oyo state chapter) has access to Bank loan through Nigerian Agricultural, Co-operative and Rural Development Bank Limited (NACRDB) and commercial Banks like UBA.

NACRDB gives out loan to farmers individually and or to co-operative farmers at 8% interest rate. The farmers were asked to form groups of 5 or more members. According to the AFAN secretary, Oyo state chapter. It requires collateral and two guarantors who must be civil servants of level 12 and or above. That is, the guarantor should be able to refund the loan in case of default. Another condition of getting loan from NACRDB is that the farmer(s) must open an account with them and the first repayment would be deducted before the loan is given. AFAN collected loan from NACRDB in 2006 for the maize and cassava Association. Maize farmers were given the grace of 3 months and cassava farmer 1 year. Time of loan repayment depends on maturity of enterprise.

- **Financial conditions**

Currently, high proportion of the farmers has full control over funds generated from the sales of their farm produce; enabling them to re-invest the proceeds and expand their UPA activities. The size of loan

demand depends on farm size and type of farming enterprise., e.g A crop farmers needs initial capital of N50,000, sheep and goat farmer need N50,000 per farmer, cattle's farmer needs more than N500,000 while pig farmer needs N7,000 – N8,000 to acquire a matured pig.

- **Financial needs**

The following are short term needs of farmers: improved seeds, seedlings, inorganic fertilizer, organic fertilizer/manure, insecticides herbicides etc. Long term needs are, pens, pumping machine, land, vehicles, well, bore hole etc. Majority of them are not investing in fixed assets because they cannot afford it.

- **Expectation with respect to subsidies**

AFAN is expecting government at all levels to subsidize inputs. Also the organization is expecting grants from both government and NGOs, this will help them to invest on fixed assets to improve the productivity.

Opportunities and constraints of UPA in Ibadan

The following are the opportunities offer by UPA

- ✓ Adequate food supply to households
- ✓ Employment creation.
- ✓ Beautification of the environment
- ✓ Space confined productions like snail, glasscutter etc

Some of the constraints are

- ✓ Inadequate finance
- ✓ Prohibitive cost of farm inputs
- ✓ Lack of adequate extension visits
- ✓ Inadequate access to land
- ✓ Poor pricing of UPA produce
- ✓ Climatic factors

5.0 PROPOSAL AND RECOMMENDATIONS TO FACILITATE THE ACCESS OF SMALL SCALE URBAN PRODUCERS TO FINANCE.

The study has identified that currently apart from savings, family and friends, the major sources of finance are informal sources mainly Esusu and ROSCAS. Some of the formal sources have conditions for financing that are difficult to meet by UPA farmers and small-scale microenterprise practitioners. A summary of these constraints reveal that lack of collateral, lack of trust, high interest rate and in some cases lack of tenure rights are key factors inhibiting access to finance. In addition, lack of trade credit,

Creating Enabling Environment For UA Financing

Group lending has proved to be a very viable solution to the problem of trust and lack of collateral. Due to its peer monitoring, it has helped in loan recovery and therefore is highly recommended for UA financing. The rate charged on loans are regulated by the country's apex financial institution and therefore cannot be influenced easily. However, there are Government institutions that provide credit at subsidized rates. Options for creating enabling environment for financing are:

1. With the current awareness on greening the city programme of the government, municipal funding and participatory budgeting should be encouraged. The only way is to lobby the government. Partnering with Government agencies as is currently done by RUAF and going further to prioritize the financing needs of UA farmers will help achieve this.
2. NGOs can have MOU with NACRDB and commercial Banks for on-lending credit programme. This is an option that can be explored immediately if there are NGOs that are willing to participate. JDPC with which RUAF has an MOU and is a partner in this project can be approached with the idea.
3. AFAN has a national body and can liaise with State and Federal Government Institutions like NAPEP, NDE, FADAMA, OYSAICO for partnership in financing UPA practitioners. RUAF-Fest programme can organize a sensitization programme for AFAN and also invite stakeholders in the agricultural financing sub-sector.
4. Improving mode of operation of daily savings (ESUSU) and ROSCAs to encourage literate farmers participate. This requires educating the operators and may not be achieved in the short term but can be achieved in the long term.

Practical Solutions to meet short term needs of Farmers

Other Viable options for financing are:

5. Government should be lobbied to patronize UPA practitioners as is already practised with Florist in Lagos state. This will improve the income of the practitioners and improve capital formation
6. Micro Finance Banks can be approached by marketers and processors since they can meet their conditions and there are no bureaucratic constraints
7. Although, there are commodity group associations, UPA practitioners can organize themselves in groups of between 5 and 10 members in each group and approach NACRDB
8. Grants from government institutions and kind disbursement as was practised under the just concluded FADAMA 11 project will assist UPA practitioners meet their input needs. Under FADAMA 11, communities identified priority projects and contributed 10% of the cost while FADAMA office contributed 90%.
9. Advocacy for subsidy on inputs is required and this applies not only for UPA but all in agriculture
10. FADU is a virile source of finance for UPA practitioners

Table 5: Summary of Short Term financing Needs of Selected UA Enterprises

Enterprises	Amount(N)
Poultry	550,000
Sheep and goat	50,000
Fish sellers	300,000
Agbaje vegetable producers	150,000
Mokola vegetable producers	80,000
Vegetable marketers	5,000
Cassava processors	100,000

The Agbaje vegetable producers are well organized and can serve as a group for UA financing. This group is recommended due to their access to land and water and are well experienced practising farmers. They can be encouraged to organize themselves into groups of a minimum of 5 persons and a maximum of 10. NACRAB is a Federal Government institution predisposed to giving group loans at subsidized rate and favourable conditions for agricultural production. Under the Bank's small holder loans scheme, the farmers can access credit. The success of this first attempt can then be out scaled to others.

CONCLUSION

Urban and peri-urban agriculture has been practised for a long while in Ibadan. With urbanization and economic recession, it has become an important contributor to household and local economy and a poverty reduction strategy. In spite of its importance, it is yet to receive the necessary support from Government. One of the constraints encountered by UPA practitioners is poor financing. Although there are formal sources of financing, obtaining financial assistance from Government institutions have proven difficult. UPA practitioners are unable to meet the conditions for credit in commercial Banks. Micro Finance banks are better suited for microenterprises practitioners in processing and marketing. Other forms like municipal funding and grants are rare. Informal sources are the most viable and reliable sources currently.

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Identification and assessment of current practices of institutions and programmes that finance urban agriculture or other informal productive activities (like micro-enterprise development) in the city and the existing opportunities, difficulties and bottlenecks for financing small scale urban and peri-urban agriculture they encounter.

- Current Practises(Basic information wrt financial offer to small-scale urban producers)
- Profile (Annex 1)
- Performance
- Opportunities
- Difficulties encountered
- Suggestions

Basic Data

Name of establishment.....
 Location.....
 Date established.....
 Number of Employees.....
 Legal Status(cooperative,bank,private enterprise,NGO,Local or state Govt)

Financial Situation

Source of Funds.....
 Capital base(Optional).....
 Value of outstanding loans.....

PERFORMANCE

Financing Activities

Type of activities.....
 Type of financing activities(short term financing needs (e.g. working capital such as for buying inputs, packaging material, marketing labels) and longer term financial support needs (e.g. investments in fixed assets such as a shed, irrigation equipment, processing equipment, a greenhouse, a market-stall etc.) will be taken into account (both for individual producers as well as for farmer groups)

Urban farmers.....

Processors.....

Marketers.....

What are the conditions for the loan(conditions for access, max and min value of loan,grace period, guarantees required, down payment, savings, interest rate, loan period).....

Do conditions differ for different enterprise.....

Are they group or individual loan.....

What determines the loan amount.....

Is your loan only in cash or cash and kind.....

Do you collect savings.....

How is repayment made.....

What is the repayment performance.....

How many beneficiaries do you have for each enterprise.....

Any special condition for women.....

Any special offer to any enterprise or group of people.....

Do you grant any form of concessions on loans or subsidy.....

Do you try to reduce transaction costs? How?.....

Do you have annual reports or secondary information for the public? What are the portfolios of loans in the past five years.....

OPPORTUNITIES

What opportunities do you see for financing urban farmers,processors and marketers.....

What conditions do you need to open up/increase financing to this group.....

Can you have a special grant/portfolio for UA.....

DIFFICULTIES

What do you think hinders access to finance for small scale farmers particularly urban farmers and processors.....

SUGGESTIONS

What are your suggestions to correct for this.....

Annex2

FOCUS GROUP DISCUSSION

- **Identification of the needs and demands for finance from urban poor engaged in urban agriculture, agro-processing or marketing(Farmers,Processors,Marketers).**
- (informal **sources** e.g. relatives, rotating saving and credit schemes, pre-financing by input providers or traders; and by formal sources: micro-credit institutions, banks, etcetera), the
- **obstacles** that they are facing at financial level to get credit or subsidies,
- their specific **financial conditions** and
- their **financing needs** for the coming years (both qualitative as well as quantitative).

GENERAL INFORMATION FOR FARMERS

1. Where is your enterprise located?
a. LGA: ----- b: Village/Town.....

SOCIO-ECONOMIC CHARACTERISTICS

2. Name of the respondent: _____ Gender (Male/Female).....
3. The position of the respondent in the Household:
I. Household head, II. Spouse III. Other members of the household (specify)
4. Marital status: (Married/Single) Age of respondent: -----5.
Educational level of household head (_____ years of schooling). i. Primary, ii. Middle/JSS iii. Secondary/Vocational, iv. Tertiary v. No formal education.

ENTERPRISE FINANCING

1. What are the enterprises you engage in?.....
2. What are your major sources of finance:

A) Formal-

- banks,
- micro finance institutions,
- credit corporations
- credit cooperatives
- Municipal funding
- Public-private partnership funding
- Corporate responsibility financing
- Subsidies/ grants in cash or kind(tax or fiscal incentives)
- NGOs
- Private sector
- Local or national Governments
- International Organizations

B) Informal

- Participatory budgeting
- Esusu
- ROSCAS
- Farmer savings and credit schemes(in kind or cash-individual or collective)
- Relatives
- Friends

- Pre financing by input providers
- Pre financing by traders

Source of fund	Source	Amount demanded	Amount obtained	Purpose used for
Savings				
a) Individual				
b) Family based				
c) Collective (savings of small grps of producers)				
1) ROSCAS				
2) Esusu				
3) others				
Loans from friends or relatives				
Loans from financial institutions				
a) Banks				
b) Microfinance Institutions (MFI)				
c) Credit corporations (OYSAICO)				
d) Credit cooperatives				
1)				
2)				
Others (specify)				
Federal Government				
State Government				
Local Government				
Informal credit lenders				
NGOs				

What are the conditions for the loan (grace period, interest rate, loan period)

Are the conditions favorable.....

What problems do you face in obtaining credit for your farming activities in general?

Do men and women having equal access to credit? (Yes/No)
 If no, identify the group and give reasons:

How many visits do you make

.....

Was the process easy or
 cumbersome?.....

.....

Subsidies.

Types	Fed Govt	State Govt	Local Govt	NGOs	Civil Societies	Banks and other financial inst.
Finance						
land						
water						
Seed						
Technical advice						
Training						
Transportation						
Marketing						
Enabling environment eg subsidized transport						
Friendly policy						
Grants						
Charities						
Others(specify)						

PREFINANCING

Pre financing by **input providers**

What form
 for what purpose
 what are the repayment terms

Pre financing by **traders**

What form
 for what purpose
 what are the repayment terms

What obstacles do you encounter to get credit or subsidies

What are your specific **financial conditions**

What are your **financing needs** for the coming years (both qualitative as well as quantitative).