

An assessment of the role of extension officers in farmers' micro-credit management in Rivers State.

¹ Vivian C. Ugwuja, ¹Olufemi M. Adesope, ¹Egbe B. Etowa and ²Ekanem C. Wokoma

¹Department of Agricultural Economics and Extension, University of Port Harcourt.

²Department of Crop and Soil Science, University of Port Harcourt

Corresponding e-mail: vivian.ugwuja@uniport.edu.ng

Abstract

The study examined the role of Nigeria Agip Oil Company (NAOC) Green River Project Extension Officers in farmers' micro-credit management in Rivers State. It specifically described the socio economic characteristics of the extension officers (EOs), assessed the role of extension officers in credit management and examined challenges faced by extension officers in assisting farmers in credit management. Data were collected with the aid of structured questionnaire and interview schedule from a total of 14 extension agents using random sampling technique. The study revealed that all (100%) the Extension officers were married, had an average of 11.7 years of experience as an extension officer, attained tertiary education and had on the average 14.6 cooperatives and 12.8 farming groups assigned to each of them per year. All (100%) the Eos indicated that they play key roles in assisting farmers in credit management, such roles as group formation, record keeping, loan application, reminding farmers to repay loan and make savings, and help in conflict resolution. The EOs faced challenges of high level of illiteracy by the farmers and attitude of farmers in seeing loan as a grant. It was recommended that 7 farming groups and 10 cooperatives should be assigned to one extension officer annually for effective job delivery, which implies that NAOC should employ more EOs in other to get more hands that will attend to their numerous farmers efficiently. Extension officers should also help farmers in loan proposal preparation since they are having challenges of high level of illiteracy among farmers.

Keywords: Microcredit, Extension officers, Nigeria Agip Oil Company, Green River Project

Introduction

The Eni-NAOC Green River Projects (GRP) came into existence through the invitation by the Federal Government of Nigeria in 1986 for all foreign oil companies to implement projects for agricultural support (Aleke, 2008).

This was due to complaint raised by the states of the Niger Delta region that the pollution from oil and gas exploration and exploitation

badly affected their ecosystem (Ofuoku, Agbamu, Emah & Nnodim, 2005; Amaniyie, 2006) as cited in NlerumIsife and Albert (2012).

It is a rural development project which promotes the development of the agricultural sector of the Country and is aimed at the communities in the states of Rivers, Bayelsa,

Imo and Delta, involving a total of 500,000 persons.

The Green River Project's broad objective is the creation of a sustainable agricultural and food production system to promote the social and economic wellbeing of the rural populations of the Niger Delta (NAOC,2014). The specific objectives include:

- Improvement of the traditional agricultural system by the introduction of modern farming techniques through extension services.
- Introduction of new crops of nutritional and economic interest.
- Large-scale multiplication of planting material of improved varieties of locally grown food crops.
- Promotion of co-operatives and associations.
- Dissemination of information on the use of agricultural products, correct nutrition, land conservation and management.

GRP activities include introduction of new management practices into local farming, with the distribution of seeds designed to maximize production based on the advice of local research institutes working on the project; a training programme to transfer skills on innovative systems of cultivation (Skill Acquisition Scheme); creation of agricultural cooperatives to ensure that the techniques and

systems of cultivation learnt are put into practice; facilitation of access to micro credit and involving women in the transfer and spread of knowledge in the field of nutrition, health and hygiene (NAOC,2014).

In year 2008, the NAOC instituted a micro-credit scheme which Community Development Foundation (CDF), an NGO is currently managing (CDF, 2014).

The program also incorporates capacity building and training initiatives. In the four year period 2009-2012, the Green River Project made **1,751 persons** to benefit from the micro-credit programme. The Green River Project has various units in which extension is one of them. The extension unit carries improved agricultural technology to NAOC host/transit community. They provide capacity building on credit management and new technologies to farmers. It is unclear how extension officers (EOs) assist farmers in managing credit accessed from CDF, hence, the need for this study.

Objectives of the study

The objectives of the study were to;

- i) Describe the socio-economic characteristics of GRP extension officers.
- ii) Assess the role of extension officers in farmers' credit management.

- iii) Examine challenges faced by extension officers in assisting farmers in credit management.

Materials and methods

The study was conducted in Rivers State. Rivers State is one of the 36 states of Nigeria, and the state has a population of 5,185,400 (NPC, 2006) making it the sixth-most populous state in the country. Rivers State is bounded on the South by the Atlantic Ocean, to the North by Imo, Abia and Anambra States, to the East by Akwa Ibom State and to the West by Bayelsa and Delta states. It is home to many indigenous ethnic groups: Ikwerre, Ibani, Opobo, Eleme, Okrika, Kalabari, Etche, Ogba, Ogoni, Engenni and others. Random sampling technique was used to select 14 extension officers out of the 17 EOs that formed the sampling frame.

The major instruments that were used to collect data from the respondents were the use of structured questionnaire and interview schedule. Data analysis was done by the use of descriptive statistics such as mean, frequency and percentages.

Results and discussion

Socio-economic characteristics of GRP extension officers

Table 1 shows the breakdown of the socioeconomic characteristics of GRP

Extension Officers. From the table, it could be observed that majority (57.1%) of them were male while 42.9% were female. Analysis of age of the extension officers showed that their mean age was 44 years, majority (71.4%) of them were within the age bracket of 41-50 years while 28.6% were within the age bracket of 31-40 years.

The result of the marital status showed that all (100%) the extension officers were married, while the analysis on household size showed that majority (85.7%) had 6-9 people living in their household. All (100%) the extension officers had tertiary education. Majority (71.4%) of them had extension experience of between 11-15 years, while on the average an extension officer had extension experience of 11.7 years. Analysis of working experience at GRP showed that most (71.4%) of them had worked in GRP within a period of 11-15 years, while the mean working experience at GRP was 11.7 years.

The result of number of cooperatives assigned per extension officer showed that most (85.7%) of them were assigned 15 cooperatives per extension officer, while only 14.3% were assigned 12 cooperatives per extension officer. Also results in table 1 showed that majority (71.45%) of the extension officers were assigned 15 farming

groups per extension officer, while only 28.6% were assigned 12 farming groups per extension officer.

Roles of extension officers in assisting farmers on credit management.

The roles played by extension officers in helping farmers to manage their credit are presented in Table 2. It was observed that all (100.0%) the extension officers helped farmers in group formation; loan application and procedure; loan utilization; record keeping; gave reminder on debt payments and savings; recommended the best inputs for optimum yield; helped in conflict management; linked farmers to market for produce sales and helped in coordinating meetings. All (100.0%) the extension officers indicated that they did not help farming groups and cooperative in preparing loan proposal.

Challenges faced by EOs in assisting farmers in credit management

Table 3 represents response of EOs on challenges they face while helping farmers in credit management. From the analysis it could be observed that all the Eos(100%) disagreed with the following statements; High rate of default among farmers; Lack of facilities for effective demonstration, monitoring and supervision; My salary is too small; Group coordination is too tedious and farmers do not

keep records. Majority (57.1%) of the EOs indicated that high level of illiteracy among farmers is a challenge while helping farmers to manage their credit. Analysis on Table 3 also showed that most (71.4%) of the EOs agreed that some farmers see credit as a grant and not a loan to be repaid. About (87.5%) of the EOs disagreed that NAOC does not motivate them while majority (57.5%) indicated that frequent meetings with the groups is a challenge to them. Only (14.7%) indicated that scattered household is a constraint to helping farmers manage their credit.

Conclusion

The study shows clearly that all the EOs have worked for a longtime in GRP, attained tertiary education and have many farmers assigned to each of them. The EOs play key roles in assisting farmers on credit management, such role as group formation, record keeping, loan application, reminds farmers to repay and save, and helps in conflict resolution.. The EOs faced challenges of high illiteracy by the farmers, frequent meeting with the farmers and attitude of farmers in seeing loan as a grant.

Recommendations

Based on the findings, the study recommends 7 farming groups and 10 cooperatives should be assigned per extension officer annually for

effective job delivery. Extension officers should help farmers in loan proposal preparation since they are having challenges of high level of illiteracy among farmers. Tutorial lessons should be organized for the farmers by NAOC to boost their reading and writing skills.

References

- Aleke, S. E. A. (2008). Finance Services Supply in Nigeria Eni-Naoc-Green River Projects Experiences and Challenges in the Niger Delta. Retrieved on 25th Sept,2015 from <http://www.cdfnigeria.org>
- Amanyie, V. (2006). *The Struggle of the Niger Delta, Nigeria*. Owerri, Springfield Publishers Limited, pp. xvix – viii.
- CDF (2014). Nigeria Agip Oil Company - Green River Project (NAOC-GRP) Obrikom, accessed on 13th Oct 2015 at <http://cdfnigeria.org>.
- NAOC (2014). Green River Project. Retrieved on 25th Sept, 2015 at http://www.eni.com/en_NG
- Nlerum, F. E., Isife, B. I. & Albert C. O. (2012). Agricultural and Socio-economic Impact of Green River Project in Rural Communities of Imo State, Nigeria. *International Journal of Rural Studies*, 19 (1): 1-6.
- National Population Commission (2006). Nigeria 2006 Population Census, National Population Commission, Abuja, Nigeria.
- Ofuoku, A. U., Agbamu, J. U., Emah, G. N & Nnodim, A. U (2005). “Youth Restiveness in Delta State as Perceived by Community Development Committees and Implications for Agricultural Development”. *Journal of Agriculture and Social Research*, 5 (2): 27-35.

Table 1: Distribution of socioeconomic characteristics of GRP extension officers

Socioeconomic characteristics	%(n = 14)	Mean	Min	Max
Gender				
Male	57.1			
Female	42.9			
Age(Years)				
21-30	0.0			
31-40	28.6	44	40	49
41-50	71.4			
Marital status				
Single	0.0			
Married	100			
level of education				
No formal education	0.0			
Primary	0.0			
Secondary	0.0			
Tertiary	100.0			
Household size				
1—5				
6—9	85.7	8.7	8	10
10—13	14.3			
Extension experience(Years)				
1-5	14.3			
6-10	14.3			
11-15	71.4	11.7	3	15
Working experience at GRP (Years)				
1—5	14.3			
6-10	14.3	11.7	3	15
11-15	71.4			
No of cooperative/EO				
12	14.3	14.6	12	15
15	85.7			
No of Farming Grp/EO				
12	28.6	12.8	12	15
15	71.4			

Field Survey, 2016

Table 2. Results of roles played by GRP Extension Officers in assisting benefitting farming groups and cooperatives in credit management.

S/N	Roles	%(n = 14)
1	Helps in group formation	100.0
2	Guides in loan applications and procedures	100.0
3	Helps in preparing loan proposals	0.0
4	Ensures proper loan utilization	100.0
5	Guides in recording keeping	100.0
6	Reminds group of debt and savings payments	100.0
7	Recommends the best inputs for optimum yield	100.0
8	Helps in conflict management	100.0
9	Links groups/cooperatives to markets for produce sales	100.0
10	Helps in coordinating meetings	100.0

Field Survey, 2016

Table 3. Challenges faced by extension officers in helping farmers manage their credit.

S/N	Challenges	%(n=14)
1	High rate of default among farmers	0.0
2	Lack of facilities for effective demonstration, monitoring and supervision	0.0
3	High level of illiteracy among farmers	57.1
4	Loan diversion by farmers	0.0
5	Some farmers see credit as a grant and not a loan to be repaid	71.4
6	My salary is too small	0.0
7	Lack of motivation by NAOC	14.3
8	Group coordination is too tedious	0.0
9	Frequent meetings with the groups	42.9
10	Farmers do not keep records	0.0
11	Scattered farm households	14.3

Field Survey, 2016