



EFFECT OF CREDIT AND THRIFT COOPERATIVE SOCIETIES ON AGRICULTURAL FINANCING. A STUDY OF AWKA NORTH LOCAL GOVERNMENT AREA OF ANAMBRA STATE, NIGERIA.

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Credit and Thrift Cooperative Societies, Agricultural Financing, Awka North, Anambra.

ABSTRACT: *The study investigated the effect of Credit and Thrift Cooperative Societies on Agricultural Financing, a Study of Awka North Local Government Area of Anambra State. This research examined the roles of Cooperative Thrift and Credit in the provision of Agricultural loan and input to their members and evaluate their rate of loan repayment. Credit and Thrift Cooperative Societies in Awka North has a sample size 104. Data was analyzed using descriptive tools such as simple percentage frequency table and inferential statistics such as regression analysis. Findings shows that the majority of age of members were between of 56-65 years, majority of the respondents have annual income of N510,000 and above which shows that Credit and Thrift Cooperative Societies in Awka North has a significant impact in the income of its members, based on loan assessment, majority agreed to have received loan and input for the past 2 years indicating the effectiveness of the Credit and Thrift Cooperative Societies in Awka North in making available loan and inputs to their members however, members don't repay their loan on time which consequently showed that defaults in loan repayment affects availability of loan to members. It is recommended that the Government policy should be directed at investing in the provision of Agricultural loan through cooperative thrift and credit societies to enhance farmers' productivity. Credit and Thrift Cooperative Societies should intensify effort on farmer's cooperative education and training to bring about increased participation and involvement of small scale farmers in the cooperative movement.*

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INTRODUCTION

BACKGROUND OF THE STUDY

Agriculture is the backbone and the center of the Nigerian Economy, the major occupation of the rural people, providing the main source of livelihood for the majority of Nigerians. Its importance to Nigeria's socioeconomic progress cannot be overstated. More than 60% of Nigeria's population receives employment from it (CIA, 2013, Osabohien, Oluwatoyin, Obindah, Toun, Nwosu, 2019). Eighty percent of the nation's food is grown on tiny farms in Nigeria, which also cultivates 33 percent of its land. Due to its superior levels of production and profitability in this particular industry, this nation leads all others in Africa in terms of agriculture. Nigeria's economy is built on agriculture because it keeps people steady in their livelihoods. However, despite the fact that a large population are involved in farming yet output is not enough to feed the ever increasing population presently the population growth rate is said to be higher than food production level as noted by Osabohien, Oluwatoyin, Obindah, Toun, Nwosu (2019); FAO, (2017).

Budi (2021) observed that the impacts of cooperative lending and credit on agricultural financing and development are a significant area of research, and both academics and cooperatives have contributed significantly to support its critical role in ensuring the nation's economic and political progress. The improvement of agricultural financing through co-operative has economic effect in that; co-

operative enterprise brings better yield which in turn yield better standard of living for the members and their families. In the effort to improve the agricultural sector in Nigeria, government embarked on various programmes some of which were listed by Iwuchukwu and Igbokwe (2016) as; National Economic Empowerment and Development Strategy (NEEDS) – 1999, National Special Programme of Food Security (NSPFS) – 2002 and the Root and Tuber Expansion Programme (RTEP) -2003. In 2005, it was recorded that agriculture contributed 6.8% out of 8.2% growth rate recorded by the entire non-oil sector (NEEDS, 2008) and about 41% of the gross domestic product (NBS, 2007). However, the alarming growth rate of Nigeria's population of about 144 million at 3.2% per annum, which would double in less than 25 years if not checked (Osabohien, Oluwatoyin, Obindah, Toun, Nwosu 2019) is a challenge in a country where more than 90% of the agricultural output is accounted for by small-scale farmers. As a result, it will be challenging for these small-scale farmers to satisfy the burgeoning need of the growing population because of their poor revenue, limited resource utilization, and small and dispersed nature of their farmlands.

Many people in Nigeria depend on subsistence farming to exist, which spurred the development of several co-operatives whose goal is to increase agricultural output. Co-operatives help farmers in the Awka North Local Government Area access financing, locally necessary services, and

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inputs. They also provide as a channel through which the government distributes vital goods and inputs required by farmers to facilitate their output. Okoli (2018) maintained that Thrift and Credit Cooperative Societies are involved in so many aspects of agricultural activities directed at giving farmer the support to raise their productivity and income level. In order to examine the influence of Cooperative Thrift and Credit societies towards the development and financing of agriculture, this study was hence carried out.

STATEMENT OF THE PROBLEM

As a result, it will be challenging for these small-scale farmers, who are distinguished by poor income, low resource utilization, small-scale farming, and dispersed farmlands, to satisfy the teeming need of the growing population.

In Nigeria, a sizable portion of the population relies on subsistence farming to exist, which spurred the development of several cooperatives whose goal is to increase agricultural production. In the Awka North Local Government Area, cooperatives help farmers with financing, locally required services, and inputs. They also act as a channel through which the government distributes necessary goods and supplies that farmers need to facilitate their output. So many works have been done on cooperative thrift and credit cooperative but to the best of my knowledge, no work on the effect of thrift and Credit Cooperative societies financing agriculture especially in Awka North Local Government Area of Anambra State.

In relation to the financing of agriculture, the goal of this study is to ascertain how Credit and Thrift Cooperative Societies are assisting in resolving these issues and fostering agricultural growth in the Awka North Local Government Area of Anambra State.

OBJECTIVES OF THE STUDY

The broad objective of this study is to investigate the effects of Credit and Thrift Cooperative Societies on agricultural financing in Awka North Local Government Area of Anambra State. Specifically, it has been designed to: -

1. Examine the roles of Cooperative Thrift and Credit in the provision of agricultural loan to their members.
2. Determine the roles of cooperative thrift and credit in the provision of agricultural input to their member.
3. Evaluate the rate of loan repayment by the members of thrift and credit cooperative.

HYPOTHESIS

1. H^0 = Cooperative thrift and Credit has no significant effect on Agricultural financing in Awka North LGA, Anambra State.
- H^1 = Cooperative Thrift and Credit and has a significant effect on Agricultural financing in Awka North LGA, Anambra State.

Conceptual Review

CONCEPT OF COOPERATIVE

Akerele (2017) opined that cooperative was founded from the Latin phrase “co-operari” where ‘co’ means ‘operari’ ability to work together. Working together for members is the preliminary concept of cooperatives. The

cooperative is a member-based business. In generally, a cooperative can be described as an organization of people that pool their resources together on a mutual basis to solve specific socio-economic problems, which may include income-generating activities. Cooperatives are autonomous associations of people who come together voluntarily to achieve their common economic, social, and cultural needs and ambitions through a jointly owned and democratically run enterprise, according to the International Co-operative Alliance (ICA) definition published in 1995. A self-help group can also be referred to as a cooperative. Producers or consumers may establish these associations. Such cooperatives are typically started by one or two people. These pioneers then take on an advocacy role and recruit new members for the cooperative.

Frequently, the people who started the projects end up being their main proponents and managers, reaping the rewards that come with that.

THRIFT AND CREDIT COOPERATIVE SOCIETY

This essay is primarily concerned with the cooperative thrift and credit society, commonly known as the credits and thrift co-operative or the thrift and loans co-operatives. All of these cooperatives carry out tasks that are related practically (Karafolas, 2016). The main goal of financial intermediation is to increase credit availability at crucial times. In order to increase the quantity of money available for lending to

members, such co-operatives primarily work to make saving simpler for people (particularly those with low incomes) (Ohen, Ofem, Arikpo 2018). Members receive loans and credits under far more conventional and straightforward terms than those used by commercial banks and other financial institutions (D. McKillop et al., 2020). In Nigeria as well as the rest of the world, the thrift and credits co-operative was the first cooperative to be established.

Rotating savings and credit associations (ROSCAs)

ROSCA is a global phenomenon, and these informal microfinance groups have been documented around the developing world by different names. In India and Pakistan, it's called committee or chit fund, Susus in Southern Africa and the Caribbean, Ekub in Ethiopia, Seettuva in Sri Lanka, Tanomoshi-ko or Mujin in pre-1945 Japan, Tontines in West Africa, Arisan in Indonesia, Wichin Gye in Korea, Xitique in Mozambique and Djanggis in Cameroon, and likelembas in the Democratic Republic of the Congo (Manuraj Jain 2016).

James Chen (2017) posits that a Rotating Credit and Savings Association (ROSCA) is made up of a group of individuals acting as an informal financial institution in the form of an alternative financial vehicle. A ROSCA occurs by predetermined withdrawals and donations to and from a common fund. Rotating Credit and Savings Associations are mainly prevalent in emerging markets or among immigrant communities in established nations. These are

created when a number of people band together to make consistent donations to a common fund, which is then combined as a source of credits. Members of the group could be neighbors, friends, or coworkers.

The group forum provides an opportunity for social interaction and is quite popular with women. These self-help groups may be classified under informal microfinance institutions. Federal Reserve Bank of Philadelphia (2006) explains ROSCAs serve both an economic and a social function. Their primary purpose is to pool funds from multiple participants in order to achieve certain financial goals. In addition to the economic benefits of ROSCAs, ROSCA gatherings offer chances for networking, eating, and drinking. Many localities have ritualistic meeting processes that follow the group's social norms.

The "Esusu" is another illustration of a ROSCA in Nigeria. In several West African nations, "Esusu" is a revolving loan program that originated in Nigeria and serves as a source of credit and savings.

Similar to that, members of such a community contribute set amounts of money at predetermined periods. One member is responsible for gathering all of the contributions at each interval. The "esusu" is a programme that can assist people raise funds to execute projects including the expansion of capital for investment purposes and purchase of Agricultural assets.

AGRICULTURAL COOPERATIVE IN NIGERIA

Federal Ministry of Agriculture, Water Resources and Rural Development, Abuja stated the primary objectives of Government on agricultural cooperatives are:

i. To develop an effective system that makes their practice and use in agriculture as a tool for social and economic development at the local level across the federation.

ii. To use agricultural cooperatives as a tool for rural transformation and development that will have an impact on various aspects of rural life.

Cooperatives are formed by agricultural producers, suppliers, and traders to gain affordable access to more markets and supplies. Their goal is to reduce cost by increasing the scale of their economies. In other words, the more agro-producers combine their efforts in a cooperative society, the cheaper the total cost of production becomes. Similarly, the traders united under a cooperative can compete in an open market with large industrial corporations in a fair way.

Agricultural co-operative is one of the major types of co-operative which is specifically designed to cater for agricultural sector needs. Thus, it can be found in mostly rural areas and they engage in consumption, production, marketing and credit. Agricultural co-operatives engage in different types of activities aimed at helping the farmers overcome difficulties in their occupation (Olagunju et al., 2021). All agricultural cooperatives can be found in the

many subsectors of the industry. These subsectors include farming, raising livestock, fishing, forestry, and protecting wildlife.

Cooperatives enable farmers to combine their little resources in order to increase agricultural productivity, which will benefit socioeconomic activity overall, especially in rural areas. Usually, a member is attracted to a particular agricultural cooperative as a result of problems facing him.

Types of Agricultural Co-operative.

In the view of Nnadozie, Oyediran, Njouku & Okoli (2016), Agricultural cooperative can be:

- Single or multiple purpose cooperatives
- Agricultural input supply cooperatives
- Marketing cooperatives
- Agricultural credit cooperatives
- Machinery cooperatives
- Land acquisition cooperatives
- Livestock producer's cooperatives
- Fishermen cooperative society
- Oil mill cooperatives
- Rice mill cooperatives, etc.

AGRICULTURAL FINANCING

Agricultural finance is a sectorial concept that incorporates financial services for agricultural production, processing, and marketing. These services include short-, medium-, and long-term loans, leasing, savings, payment services, as well as crop and livestock insurance.

Finance for agriculture refers to (public or private) resources (in the form of equity, gifts, or loans) for enhancing societal welfare through development of the agricultural sector. Agricultural finance is the practice of securing

control over the use of cash, goods, and services (for agricultural uses) in the present in exchange for a guarantee to pay back an agreed-upon sum in the future (Ejiogu, 2018, p. 10). It includes both public and private funding that non-profit groups employ in their efforts to advance local empowerment, income equality, and community and sector development through the utilization of matching grants.

Government and stakeholders at all levels have proposed a number of strategies to increase food production. One of these strategies is based on the need to increase farmers' access to agricultural finance (credit) in order to increase productivity, while other strategies emphasize agricultural diversity (Osabohien et al., 2020). These tactics are crucial since the agricultural sector employs more than half of the labor force in developing nations, particularly in Africa, and it greatly boosts the GDP (Osabohien et al., 2020; Matthew et al., 2019). In the same way, the production of food across the African continent, especially in Nigeria, agriculture represents a crucial proportion of activities engaged and captures about 80% of total industry size with livestock, forestry and fishing accounting for the balance of 20% (Osabohien et al., 2019).

Forms of Agricultural Financing

Cooperative credit and thrift societies can carry out Agricultural financing in several ways such as: Input finance for purchasing farm materials and livestock funding, emerging farmers finance and asset finance.

i. Input finance for purchasing farm materials, livestock funding

This the finance used for purchasing farm materials such as livestock, feed, seeds, and fertilizer. Additionally, you can spend money to buy animals like pigs, cattle, sheep, or goats.

ii. Emerging farmer finance

Specifically, start-up farms are the target of this kind of financing. Due to the fact that they are viewed as higher-risk clients than their more established competitors, emerging farmers frequently struggle to receive the financial aid they require.

As private lenders could perceive it as a dangerous venture, emerging farmer financing is typically given by financial institutions and commercial banks. If a financial institution can help an emerging farmer secure a contract with a major store, the financial institution may be able to use that contract as collateral for a loan.

iii. Asset Financing

Asset finance may not cover the costs of large equipment or machinery but it does allow you to purchase other essential items that help with the smooth running of your farm. Additionally, you may use this money to buy other supplies or even little pieces of machinery like mini tractors or farming implements. This kind of finance is especially tailored to the unique financial requirements of farmers and enables them to acquire equipment, plant, harvest, market, and carry out other activities required to maintain their farms.

Effect of Thrift and Credit Cooperative Societies on Input financing

Thrift and Credit Cooperatives promoting savings amongst members through the Village Savings and Loans Associations are able to raise or generate own capital which can be invested and increase agricultural productivity or used as working capital for purchase of input materials, farm equipment, agro processing, and value addition.

1. The advanced technological changes in the agricultural sector necessitated the requirement of more working capital, thrift and credit cooperative may facilitate the procurement of mechanical equipment such as tractor, irrigation, harvester, planter, etc for farmers, the equipment can be leased to farmers at a subsidized rate. This will improve their production as well minimize the use of crude tool.
2. These credits serves as an instrument for stimulating increase in output, income and employment. Credit society provide credit for small and marginal farmers and other weaken sections (emerging farmers) to carry on their agribusinesses.
3. The cooperatives make it easier for its members to access inputs for productivity through collective buying or linkages to suppliers or sellers.
4. The cooperative encourages prospective farmers who are interested in Agricultural activity. This can be done either by provision of credit facilities or sorting of new markets for

them to deliver their harvests. They can also act as the actual market/buyer where cooperatives buy commodities from members for resell or for value addition.

5. The thrift and credit society will relieve the poor farmers from the clutches of the money lenders by providing credit to prospective farmers and other farmers to carry on their agribusinesses.

Theoretical Framework

The Functionalist Theory

Functionalism is a theoretical viewpoint that emphasizes on the roles that social structures like institutions, hierarchies, and norms play in society. According to this notion, function describes how much a specific action encourages or hinders the upkeep of a system. Functionalism was prevalent in American social theory in the 1950s and 1960s and is linked to writers like Émile Durkheim, Talcott Parsons, Herbert Spencer, and Robert Merton (Gloria Gómez-Diago 2020). Functionalism first appeared in the early 20th century. According to functionalist theory, social institutions—each created to address a specific need—make up the majority of the many social structures. To grasp this theory and the fundamental institutions that constitute sociology requires a grasp of the family, government, economy, education, media, and religion.

According to functionalism, a society's institutions only exist because they are essential to its operation. An institution will disappear if it is no longer needed, and new institutions will be

developed to fill the void. Functionalism stresses societal consensus and order, putting a special emphasis on public values and social cohesion. According to this viewpoint, systemic disorder, such as deviant behavior, results in change because social components must adapt in order to reach stability. When one component of a system is broken, it affects the other components, causes societal issues, and encourages social reform.

Relevance of the Theory

Functionalism has a significant impact since it examines every part of society to see how it works and how it influences how society works. In order to address the requirements of the people that make up society, this theory aids in integrating all facets of society. Functionalism shows us how our society stays balanced. Hence, we can state that, for the gap in agricultural financing to be breach, credit and thrift cooperative offer an option in order to create a balanced system.

Empirical Review

Ohen, Ofem and Arikpo (2018) studies the efficiency of cooperative societies in credit delivery to Agricultural enterprise in Yakurr LGA, Cross River State, Nigeria. Among the objectives are identify the sources of finance that are available and utilize for credit by cooperative societies, analyze the efficiency of cooperative using the arrival rate of loan request and the service rate and the challenges militating against cooperative as a means of providing credit facilities to farmers in the study area. Data were obtained using questionnaire and analyzed using

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descriptive statistics and queue theory. Findings showed that insufficient funds for disbursement, lack of qualified personnel, insincerity of members in credit management and changes in government credit policies were serious challenges that affected efficient delivery of credit by cooperative societies to agricultural enterprise in the study area. However it was recommended that capacity building for cooperative member to enable them adequately source for funds and efficiently manage loan disbursement and repayment by members.

In Ogun State, Nigeria, Akerele and Adekumbi (2017) investigated the effects of cooperative credit and savings facilities on members' business output. Both primary and secondary data were used for the study and data collected was analyzed using descriptive tools such as budgetary analysis, logit and multiple regression model. The funding shows that majority of the members had experience in business. It was also revealed that start-up capital, labour and credit obtained were significant to cooperative member's access to credit. More so, respondents suffered from non-remittance of deduction by the government as their own challenges. The study concluded that cooperative credit society is productive and efficient in assisting members in achieving their goal and also improve their standard of living.

Iheanacho and Ahaotu, (2017), examined the role of cooperative thrift and credit societies in Agricultural financing. The research was designed to assess the role of thrift credit

cooperative society in Agricultural financing in Mbaitolu Local Government Area. The objectives were to ascertain the volume of saving made by members, determine the volume of loans disbursed and prepaid, identify problems encountered. Data were collected from oral interviews with the societies' officers and administration of structured questionnaire to the members. 5 thrift and cooperative societies having a total population of 50 members were selected. The data was analyzed with chi-square statistical testing tool finding revealed that very few people were given loan at lower interest rates in Mbaitolu LGA and that aggregate saving from 5 society studies was enough to reduce financial problems of members, however the volume of loans disbursed were not enough for business expansion.

Methodology

The descriptive survey design was adopted for the study. The study area is Awka North, while the population of the study was 10 registered thrift savings and loan Cooperatives.

For this study, the primary source of data was employed through the use of questionnaire. Judgmental sampling technique was used to select the societies from which the samples were drawn. Therefore, ten (10) active cooperative societies with total membership size of 202, were selected due to, the selected societies are functional and viable. Judgmental sampling technique was used to select the societies from which the samples were drawn. Therefore, ten (10) active cooperative societies with total

membership size of 202, were selected due to functionality and accessibility.

Method of Data Analysis

The response from the respondent were organized into frequency distribution and the collected data was tabulated and converted into mean rating using 5-point likert scale as shown below.

Formula for mean: $\frac{\sum NFX}{N}$ Where \sum - Sum of F - Frequency X - Normal Value N - Total number of respondent The nominal values assigned to the

different scaling items used are as follows, Strongly Agree = 5, Agree = 4, Undecided = 3, Disagree = 2 Strongly Disagree = 1. $X = \frac{5+4+3+2+1}{5} = 3$, the cut-off point is 3.

Decision Rule: The cut-off point mean is 3. Any response that has a mean score of 3 and above is accepted while any response with a mean score below 3 is rejected. Using SPSS package, regression analysis was run at significance level of 0.05 with the degree of freedom (df) = (n-1)

Table 1: Provision of Agricultural Loan to Farmers

S/ N	Items	(5) SA	(4) A	(3) UD	(2) D	(1) SD	Mea n	Decision
1	Loan is available to farmers before planting season	58 (290)	40 (160)	2 (6)	-	-	4.56	Accepted
2	The output of farmers is generally affected by the level of finance available to the farmer	60 (300)	40 (160)	-	-	-	4.60	Accepted
3	As a member of cooperative society, loans can be easily granted to you with relatively little or no collateral	52 (260)	39 (156)	-	-	9 (9)	4.25	Accepted
4	Farmers are skeptical in collecting loans from cooperative Society.	15 (75)	10 (40)	-	45 (90)	30 (30)	2.35	Rejected
5	Loan availability will encourage new emerging farmers	53 (265)	44 (176)	-	3 (9)	-	4.50	Accepted
Grand Mean							4.05	

Source: Research study February, 2022

Table 1 above displays member's distribution based on provision of agricultural loan farmers. Item 1,2,3 and 5 were accepted because the mean score was above 3.00 which is the threshold for acceptance. Item 4 was rejected because the mean scores is 2.35 which is below the threshold

which implies that the respondent did not agree on the notion that Credit and Thrift Cooperative Societies in Awka North is effective in provision of agricultural loan for farmers. The grand mean is 4.05 which shows acceptance by the respondents.



Table 2: Provision of Agricultural Input to Farmers

S/N	Items	(5) SA	(4) A	(3) U D	(2) D	(1) SD	Mean	Decision
1	Inputs are available to farmers before planting season	70 (350)	30 (120)	-	-	-	4.70	Accepted
2	Farmers are unable to access agricultural inputs, this has drastically reduced the output of farm produce.	35 (175)	65 (260)	-	-	-	4.35	Accepted
3	Have you received any Agricultural input in the past 2 years.	85 (425)	15 (60)	-	-	-	4.85	Accepted
4	The Agricultural input was very helpful	100 (500)	-	-	-	-	5.00	Accepted
5	Available of input will encourage new emerging farmers	100 (500)	-	-	-	-	5.00	Accepted
Grand mean								4.78

Source: Research study February, 2022

Table 2 shows the distribution based on the provision of agricultural input to farmers with the adoption of a five-point Likert scale. The entire item is regarded as accepted with a grand mean score of 4.78. While item 4 and 5 has the highest mean score of 5.00 respectively, item 1

has a mean score of 4.70, item 2 has a mean score of 4.35 and item 3 has a mean score of 4.85 which all are above the threshold of 3.00. This result indicates that Credit and Thrift Cooperative Societies in Awka North provide agricultural inputs to farmers.



Table 3: Loan Repayment by Members

S/N	Items	(5) SA	(4) A	(3) UD	(2) D	(1) SD	Mean	Decision
1	Members repay their loans on time	20 (100)	21 (54)	-	30 (60)	29 (29)	2.45	Rejected
2	Defaults in loan repayment affects availability to loan to members.	100 (500)	-	-	-	-	5.00	Accepted
3	Agricultural credits are specifically meant for Agricultural purposes	100 (500)	-	-	-	-	5.00	Accepted
4	Thrift savings among members affect availability of loan	22 (110)	20 (84)	-	29 (58)	29 (29)	2.81	Rejected
5	The interest charge on loan for cooperative members are low and encouraging	95 (475)	5 (20)	-	-	-	4.95	Accepted
Grand Mean							4.04	

Source: Research study February, 2022

Table 3 shows the distribution based on loan repayment by members with the adoption of a five-point Likert scale. Item 2, 3 and 5 is regarded as accepted with means of 5.00, 5.00 and 4.95 respectively which all is above the threshold of 3.00. Items 1 and 4 has a low mean score of 2.45 and 2.81 respectively and as a result was rejected because their mean score was below the threshold.

Test of Hypothesis Using SPSS Version 23

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.353 ^a	.125	.062	30.11902

a. Predictors: (Constant), Credit and Thrift Cooperative Society effect on provision of Agricultural Loan

H₀: Credit and Thrift Cooperative Society has no significant effect on provision of Agricultural Loan in Awka North LGA, Anambra State.

H₁: Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan in Awka North LGA, Anambra State.

Note: Alpha value (α) = 0.05

Decision Rule: Where the Sig. value is less than the alpha value (α), H₀ is rejected and H₁ accepted.

Table 5: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1813.263	1	1813.263	1.999	.0017 ^b
	Residual	12700.174	14	907.155		
	Total	14513.438	15			

a. Dependent Variable: Provision of Agricultural Loan to Farmers

b. Predictors: (Constant), Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan

Table 6: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	45.633	10.487			4.351	.001
	Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan in Awka North LGA,	-.348	.246	-.353		-1.414	.0017

a. Dependent Variable: Provision of Agricultural Loan to Farmers

Source: Researcher's computation using SPSS Version 23, Output, 2021

Table 4 above presents the regression result to test the hypothesis; Credit and Thrift Cooperative Society has no significant effect on provision of Agricultural Loan in Awka North LGA, Anambra State vs Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan in Awka North LGA, Anambra State. From the result, the coefficient of determination (R) was .353^a representing 35.3%; the adjusted R-square .125 which implies that the variables were nicely fitted and Std. Error of the Estimate is 30.11902. Table 5 presents the ANOVA result of the regression analysis. From the results, the Sum of

Squares for the Regression is 1813.263 and Residual 12700.174. The Mean Square for the Regression is 1813.263 and 907.155 for the Residual and the F-test showed 1.999.

From table 6 the sig. value for the regression analysis is 0.0017 which implies that Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan.

Decision

Since the sig. value 0.0017 is less than the alpha value 0.05, the researcher, therefore, accepts the H₁ and concludes that that Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan

Discussion of Findings

The findings from the presentation of data through the responses of questionnaires administered showed the socio-economic characteristics of Credit and Thrift cooperative members. The Age distribution shows that majority were between the ages of 56-65 years. According to gender distribution, the majority of the respondents were females and a good number of them are married. Greater numbers of the members indicated married as their marital status. The study indicated that most of them attained secondary school certificate examination.

The results show that majority of the respondents have annual income of ₦510,000 and above which shows that Credit and Thrift Cooperative Societies in Awka North has a significant impact in the income of its members. Majority agreed to have received loan and input for the past 2 year indicating the effectiveness of the Credit and Thrift Cooperative Societies in Awka North in making available loan and inputs to their members.

From the findings of the study based on provision of agricultural loan to farmers; Credit and Thrift Cooperative Societies in Awka North is effective in provision of agricultural loan to farmers.

Findings based on provision of agricultural input to farmers. The results show that Credit and Thrift Cooperative Societies in Awka North

provide agricultural inputs to farmers as the respondents agreed as follows; inputs are available to farmers before planting season, farmers are unable to access agricultural inputs, this has drastically reduced the output of farm produce, the Agricultural input was very helpful, available of input will encourage new emerging farmers and also agreed to have received agricultural input in the past 2 years.

Findings shows that majority of members don't repay loan on time which, consequently showed that defaults in loan repayment affects availability of loan to members. The result also shows that the interest charge on loan for cooperative members are low and encouraging. The result of hypothesis testing shows that Credit and Thrift Cooperative Society has a significant effect on provision of Agricultural Loan in Awka North Local Government Area.

Conclusion

From the research findings the researcher concludes that; credit and thrift cooperative society has a significant role to play in the provision of agricultural loan to their members. Credit and Thrift Cooperative Societies in Awka North provides agricultural inputs to farmer before planting season; such agricultural input was identified as being very helpful and its availability encourages new emerging farmers. Also, the researcher concludes that members of credit and thrift cooperative society don't repay loan on time which, consequently leads to defaults in loan repayment. This invariably affects availability of loan to members.

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Recommendations

Based on the findings of the study, the following recommendations were made;

- Government policy should be directed at investing in the provision of agricultural loan through Cooperative thrift and Credit Societies which would enhance farmer's productivity and access to productive resources, especially credit and thus achieve financial leverage that would further boost farm production through the revolution agenda of the Federal Government of Nigeria.

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- Credit and Thrift Cooperative Societies should increase their efforts in provision of agricultural input to farmers so as to enable members participate more actively in group activities.
 - Cooperatives should also intensify effort on farmer's cooperative education, training and public enlightenment to bring about increased participation and involvement of small scale farmers in the cooperative movement as well as sensitize cooperative farmers on how to make maximum use of the loan received, adopt technics to ensure ease of repayment so as to guarantee effective production and sustainability of the credit and thrift cooperative societies.

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