# AN ASSESSMENT OF THE CONTRIBUTIONS OF COMMERCIAL BANKS TO AGRICULTURAL FINANCING IN THE NIGERIAN ECONOMY

**ADEWOLE JOSEPH ADEYINKA**
Department of Banking and Finance,
College of Management and Social Sciences,
Oduduwa University, Ipetumodu.
P.M.B 5533, Ile-Ife,
Osun State,
Nigeria.

**ADEKANMI ADEREMI DANIEL**
Department of Accounting,
College of Management and Social Sciences,
Oduduwa University, Ipetumodu.
P.M.B 5533, Ile-Ife,
Osun State,
Nigeria,

**GABRIEL ADEMOLA OLUKOTUN**
Department of Banking and Finance,
Faculty of Management Sciences,
Kogi State University,
P.M.B 1008 anyigba,
kogi state,
Nigeria.

## ABSTRACT

This study examined the contributions of commercial banks in agricultural financing in Nigeria. It pointed out the roles of bank credit in agricultural development. The study discussed a number of challenges that affected the agricultural financing in Nigeria. This is with a view to shedding light on the relationship between banks and agricultural sector and to evaluate the extent of banks involvement in agricultural financing. Secondary data (2002 -2014) on sectorial distribution of commercial banks' loans and advances to agricultural sector, liquidity ratio of commercial banks, cash reserve ratios of commercial banks and money market minimum rediscount rates, etc. were sourced from various statistical publications of the central bank of Nigeria (CBN). Data collected were analyzed using multiple regression of ordinary least square to achieve its objectives. It was revealed that the parameter of cash reserve and discount rate is not statistically significant and the parameter of liquidity ratio is not statistically significant. It was also discovered that agriculture credit was found as a decreasing function of discount rate, liquidity ratio and cash reserve, this lower the volume of agricultural credit. The study therefore

recommends that there is need for central bank of Nigeria to make available rediscount facilities in which the banks can fall back in the event of liquidity problems arising from lending. More so, banks should provide a means of monitoring the end-use of the loans given to farmers in order for them to manage the loan effectively and efficiently.

**Keywords:** Agricultural Finance, Agricultural Credit, Commercial Banks, Liquidity Ratio, Discount rate, Cash reserves.

## INTRODUCTION

Since Nigeria became independent, most government policies have been directed towards accelerating economic development with the ultimate aim of transforming the economy into an industrialize one, as well as arising the welfare of the population. The foregoing has been the underpinning factor propelling most government policies.

One of the sectors expected to act as a catalyst towards the realization of this goal is agriculture. The traditional role of agriculture in economic development provides the foundation for this position. The role includes product contribution, market contribution, factor contribution and foreign exchange contribution (john stone and Mellor, 1961). No doubt, it has continued to play a very important role in the economic development of the country.

Notwithstanding, the enviable position of the oil sector in the Nigeria economy over the past three decades, the agricultural sector has remained the largest and arguably the most important sector of the economy. Agriculture's is contribution to gross domestic product (GDP) has remained stable within 30 and 42 percent, and employs 65 percent of the labour force in Nigeria (Aigbokhan, 2001). It is estimated to be the largest contributor to non-oil foreign exchange earnings. This means that agriculture holds abundant potentials for enhancing and sustaining the country's foreign exchange.

A dynamic and growing agricultural sector needs adequate finance through banks to accelerate the overall growth. Banks finance agricultural sector by granting loans to farmers for productive purpose which is intended to promote the expansion of financial resources for the credit systems.

Nigeria farmers and agribusiness stakeholders need financing in order to become more competitive but many banks still see the sector as high risk.

It is important to note that not all banks focus on agricultural finance. Agricultural banks require a specialist skill which may not be the core competency of some banks and financial institutions. In addition, agriculture is perceived to be a high risk sector especially with Nigeria agriculture dominated by smallholder farmer who quite often are not in a position to offer traditional securities. Lack of useable collateral, together with production climate and price risk in agricultural finance failing outside of the traditional balance sheet lending approach.

Nigeria has the surplus land and natural resources to allow increased production. Also, when comparing land in Nigeria is cheap when compared to developed countries provided we get efficiencies to right. Nigeria has the opportunity to become a lower cost produce of commodities.

## 1.2 PROBLEM IDENTIFICATIONS

It is common knowledge that Nigeria of an independent era was predominately an agricultural country. Some of the agricultural products for which the country was widely noted were cocoa, groundnuts, rubber, palm producer and cotton. These crops were the main sources of revenue and foreign exchange.

Since independence in 1960 and the discovering of oil, the yields from this sector have been decreasing. This was due to lack of credit facilities and the neglect of the sector by the government who had found solace in oil. The oil boom of 1970s and 1980s led to fundamental structural changes in the pattern of production and consumption in the economy. It led to a shift in the pattern of investment in the construction and service sectors, high taste for the neglect of the agricultural and exports sectors. This is in turn, resulted in acute food shortages, high food prices and large population drift from the rural to urban sectors, thus, creating a class of people who consume but do not produce material good.

## 1.3 OBJECTIVES

This study aimed at evaluating how commercial banks transform the present system of agriculture into a modern and efficient agricultural industry. In other words, this study aimed at evaluating how bank credits affect agriculture production in Nigeria economy. This study also aimed at investigating the relationship between banking industry and the agricultural sector.

## 1.4 HYPOTHESES

1. There is no significant relationship between Agricultural credit (AGC) and Liquidity ratio (LR).

2. There is no significant relationship between Agricultural credit (AGC) and Discount rate (DR).

3. There is no significant relationship between Agricultural credit (AGC) and Cash reserve (CR).

## 2. REVIEW OF RELATED LITERATURE

Agriculture finance is the economic study of acquisition and use of capital in agriculture (S.O. Adeusi and T.D. Ayodel, 2000). Agricultural credit refers specifically to the process of obtaining control over the use of money, goods and services in the present, in exchange for a promise to repay at future date (S.O Adeusi and T.D. Ayodele 2000).

Lack of credit facilities is one of the factors that make it difficult for farmers to innovate. This was observed by S. Tomori (1979). He maintained that one of obstacles to the development of

agriculture in Nigerian relates to the inadequacy of credit. The innovation, which a farmer might wish to carry out, is a function of his financial resolves, through rural credit among other factor must be adequate. He concludes that the financial institutions have not been an important source of credit to the farmers. Also, the Nigeria banks and cooperative societies have a great role to play in transforming the rural areas.

Shaw (1970) identified problems of extending adequate credit to small-scale farmers in his research on credit and irrigation. According to him, these problems are those of cost, increased administration and risk. He opined that credit to small-scale farmers is more expensive and many banks are unwilling to adopt a policy that favours lending to the peasant farmers.

Gail I. Grammar, Clearance W. Jensen, Douglas D. Southgate JR (1997), emphasized the need for agricultural economics as a strategies measure to find an answer to the problems of agriculture and agribusiness. It was argued that agricultural economics is the application of social science in dealing with how humans choose to use technical knowledge and scare productive resources such as labour, land, capital and management to produce food and fibre and to distribute it for consumption to various members of society over time.

Like economics, agricultural economics seeks to discover cause effect relationships. It uses the scientific method and economic theory to find answers to the problems of agriculture and agribusiness.

Merlinda D. Ingco and John D. Nash (2004), opined that the share of agriculture in both output and labour, falls and this has led some development expert to view agriculture as the only ancillary to development. However, the fall in agricultural output and labour can be as a result of biased domestic policies and international trade policies. The agricultural sector must be an engine of economic growth, especially in the very poorest developing countries where agriculture still represent a significance percentage of GDP (Gross Domestic Product) and where the rural population account for a large percentage of the poor.

According to Oloyede, J.A. and Oke, M.O. (2004), sources of loan to any sector (Agricultural Inclusive) can categories into three viz:

Short term loan

Medium term loan

Long term loan.

## 2.1 CONCEPTUAL FRAMEWORK

### THE ROLES OF CREDIT IN AGRICULTURAL DEVELOPMENT

Credit assist agricultural modernization and this brought about agricultural development which involves the adoption by farmers of more efficient technology which generally are purchased with the credit.

Development in agricultural research which improves technology which clearly superior to traditional methods.

Well-managed production credit can give agricultural development a strong boast by accelerating the rate of adoption of improved technology by farmers.

Improve the earnings of a nation and thus its per capital income as improving their citizen standard of living.

A fully developed farm credit system makes provision for meeting farmers' needs for short, medium-term and long-term credit.

A developed farm credit system increases the production of food for the nations as we as agricultural raw materials to the agro-industries.

## THE ROLE OF COMMERCIAL BANKS IN AGRICULTURAL FINANCING.

### a. POOLING OF SAVINGS.

Commercial banks perform this very important function to all sector of the economy by making available the facilities for the pooling of savings through the acceptance of deposits from the public and then making these funds available for economically and socially desirable purpose.

In many villages deposits are received from farmers through saving account on which the banks pay small interest to the depositors. These depositors are allowed to draw their money upon presentation of their savings account passbooks.

The use of fixed or time deposit accounts by farmers has also improved the saving habit of the farmers likewise the use of cheque books (through the current account) to settle their obligating without necessarily holding cash is made possible.

### b. EXTENSION OF CREDIT

Extension of credit facilities by commercial banks is very important to the economy, most importantly, the agricultural sector, for it makes possible the financing of the agricultural, commercial and industrial activities of the nation. Indirect or found-about production as against direct production where consumable goods are secured by the direct application of labour to land or natural wealth is made possible through the extension of these credit facilities. Also, bank credits make possible production for inventory.

For instance, in the food industry, if Nigeria cannot consume all the food that is harvested and processed immediately bank credits to carriers would enable them to purchase, process and store the food which may at a late time be sold to retailers and ultimately to consumers. You discover therefore that the bank credits have made possible the economic handling on the food crop during this interval of time i.e. from producers to carrier, to wholesaler, to retailers and finally to consumer.

## PROBLEMS OF BANKS ON AGRICULTURAL FINANCING

Agricultural sector has not been booming due to fact that it had not been properly finance by commercial banks. This arises as a result of the fact that commercial banks face with some certain problems. Such as:

Inadequate financial resources at the disposal of the commercial banks.

Limited resources of branch network and skilled manpower at the disposal of banks to monitor and control lending in the agricultural sector.

Even though some banks are ready to grant out loan to agricultural sectors (i.e. farmers) of the economy but the effort of the entrepreneurs were directed to industrialization where there is better attraction of high return on investment and high payback period.

Lack of management skills and trained manpower in the sector. This may lead to wrong selection of enterprises. At times, farmers ventures into the area of production in which they have no knowledge and they may refuse to employ the right calibre of staff to manage the venture for them. These are what the bank will consider before giving out loan so that they won't run into the risk of irrecoverable debt.

High risks involved coupled with low returns and long gestation period. This does not encourage banks to give out loans to the sector.

Lack of adequate security due to the land tenure system in the country. The land use Act of 1978 did not provide solution to this problem. As a result of this, bank use to be very careful before advancing credit or loan to any farmer.

Risk of diversion of funds for other purposes which results to high bad and doubtful debts. In this case, even though, if bank grant credit or loan, the bank will monitor the end-use of the loan.

Risk and uncertainty of agricultural product. Agricultural output cannot be accessed with 100% certainty because some products are seasonal in nature. Also at times, climate and whether imbalances may affect an agricultural product. This make banks to give loans to industries more than agricultural sector.

Inadequate banks in the rural area are another point that affects the financing of agricultural sector. This is because most farmers are rural base and as a result of this, they won't be able think of requesting for loan that can make them to buy equipment and cultivate on large scale.

High interest rates of banks make many farmers to run-away for bank loans and advances.

## PROBLEMS OF AGRICULTURE IN NIGERIA

In spite of the fact that more than 60% of the total population of West Africa is involved in agriculture, small scale farming still exists and their productivity is low compared with some

advanced nations where less than 20% of their population engage in agricultural and produce enough food for the rest of the people. This can be attributed to the following reasons:

The use of crude implements: Farmers in Nigeria still use the traditional crude implements like hoes and cutlasses because agriculture has not been mechanized in Nigeria.

Poverty: As a result of this, the farmers cannot afford to embark on large-scale farming, buy good implements and hire labour that can increase their productivity.

Illiteracy and ignorance: As a result of these farmer in Nigeria cannot adapt to the modern methods of farming, neither do they use implements like tractors, harvesters, the application of insecticides and pesticides etc. which increase agricultural productivity.

Lacks of medical facilities: This results in poor health of the farmers which militates against their efforts.

Conservatism: Many farmers follow the footsteps of their parents and as a result, find it inconvenient to change the system of farming they were brought up with.

Lack of credit facilities: Credit facilities like loans, seeds insecticides, pesticides etc. do not go the real farmer but to emergency ones who are businessmen, who use the loans for their business and resell the seeds etc.

Lack of storage facilities: this forces farmer to embark on low productivity and practice small scale farming since they do not have storage facilities where they can store the excess products if they produce more-crops.

Poor transportation: this prevents the farmers from carrying their crops to areas where they can attract higher prices and are therefore, forced to sell them within their vicinity where they attract low prices because almost everybody is a farmer.

Problem of land tenure system: it does not encourage large scale farming since land is owned communally, and as a result does not make provision for outsiders who have the capital and willingness to embark on large scale farming.

Poor marketing system: agricultural products in West Africa are not put in good condition before they are marketed for instance; they are not graded and packaged in order to attract higher prices.

Natural disasters: they include drought, erosion etc. which play major role in causing low productivity in West Africa.

Unfavourable climate: the climate of some areas in West Africa is not element for large scale farming.

Pests and diseases: they reduce the quality and quantity of agricultural products and the poor condition of farmers put them in a pitiable situation where they cannot afford to purchase insecticides and pesticides to reduce insects and pest menace.

Absence of research: farmers, because of their low level of education, do not carry out research on how to improve their productivity.

Absence of able- bodied youths: farm work is left to the aged men and women in Nigeria.

Inadequate research and extension services: this is common especially in the tropical areas and the available services are on export crops. Furthermore, the available extension services have not reached many of the farmers in their rural areas especially the subsistence farmers.

## 3. METHODOLOGY

This section specifies the model, sources of data and method of data analysis used in this study. It also contains the definitions of variables, the hypothesis to be tested and the justification for the choice of the estimation technique.

It also aimed to ensure that the estimation of the coefficients of economic relationships is reliable and are useful for prediction, forecast and decision about economic variables.

### 3.1 MODEL SPECIFICATION

The statistical method will involve the use of multiple regression analysis and this will consist of simple models and percentages. The main issues is an investigation of the relationship between the banking industry and the agricultural sector.

This is analysed by specifying the model below:

AGC = F (CR, LR, DR)

AGC = a0 + a1CR+ a2LR+a3DR +U

AGC =Agricultural credit

CR =Cash reserve

LR =Liquidity ratio

DR =Discount rate

a0 =intercept

a1 =Coefficient of cash reserve

a2 =Coefficient of liquidity ratio

a3 = Coefficient of discount rate

U = Stochastic or error term

## 3.2 MODEL ESTIMATION TECHNIQUES

The model employs in this research is the multiple linear regressions equation, designed to predict the relationship between the dependent and independent variables.

‘‘Ordinary least square’’ is used to determine the parameters of the models. The models are estimated using annual data for the period of 2002-2014’

Although, there is no consensus on which of the available economic model on the most suitable for empirical studies, but the parameter estimates obtained by ordinary least square (OLS) have some optimal properties and the computational procedure of OLS is fairly simple and easily understandable compared with other econometric techniques.

Similarly, the OLS model has been with fairly satisfactory results in a wide range of economic relationships.

The mathematical technique employed is as follows:

AGC =a0 + a1CR+ a2LR + a3DR +U

AGC =Agricultural credit

CR =Cash reserve

LR =Liquidity ratio

DR =Discount rate

a0 =intercept

a1 =Coefficient of cash reserve

a2 =Coefficient of liquidity ratio

a3 = Coefficient of discount rate

U = Stochastic or error term

## 3.3VARIABLES AND SOURCES OF DATA COLLECTION

The models are estimated using annual Nigeria data of Agricultural Credit Commercial Banks (AGC), Liquidity ratio (LR), Discount rate (DR) and cash reserves (CR) for the period of 2002-2014.

Secondary data were sourced from such publication as Central Bank of Nigeria's Statistical Bulletin, Annual Reports and Statement of Account and other published materials from Central Bank Survey.

Data are also sourced from other means such as magazines, periodicals, Nigerian journal of banking and financial issues and textbooks.

## 3.4 DEFINITION OF VARIABLES

### (1) AGRICULTURAL CREDIT

Agricultural credit is a yearly sectorial distribution of commercial bank's total loans and advances to the agricultural sector.

### (2) LIQUIDITY RATIO

Liquidity ratio is the ratio that measures the ability of the banks to meet its current obligations. The failure of banks to meet its obligations due to lack of liquidity ratio are:

Current Ratio = Current Assets

Current liabilities

Quick ratio or acid test = Current asset- Inventory

Current Liabilities

### (3) CASH RESERVE

Cash reserves are a supplementary reserve requirement that is kept with Central Bank, which is above the legal minimum reserves. It is express in form of percentages which is aiming at influencing bank lending by freezing i.e. assets that normally constitute the bases on which banks erect their credit creating policies. It takes the forms of special deposits and stabilization securities.

### (4) DISCOUNT RATES

Discount rates are weighted average interest rates on the loans and advances given out by commercial banks. It is express in percentages and it is a technique of monetary control designed to influence the ''cost of credit''.

### (5) DATA ANALYSIS

Data is analysed by specifying the model below:

AGC = F (CR, LR, DR)

AGC = a0 + a1CR+ a2LR+a3DR +U

AGC =Agricultural credit

CR =Cash reserve

LR =Liquidity ratio

DR =Discount rate

a0 =intercept

a1 =Coefficient of cash reserve

a2 =Coefficient of liquidity ratio

a3 = Coefficient of discount rate

U = Stochastic or error term

**MULTIPLE REGRESSION RESULTS**

What equation fits the data the best?

[A:] = -46166 + 23.085*[B:years] + 9.971E-05*[C:agc]
+ 1.188*[D:deposit rate] - -0.5396*[E:lending rate] - -49.330*[F:cash reserve]

| Variable | Coefficient | SE | 95% Confidence Interval |
|---|---|---|---|
| (constant) | -46166 | 105373 | -1385038 to 1292706 |
| B:years | 23.085 | 52.362 | -642.22 to 688.39 |
| C:agc | 9.971E-05 | 0.0007617 | -0.009579 to0.009778 |
| D:deposit rate | 1.188 | 31.792 | -402.75 to 405.13 |
| E:lending rate | -0.5396 | 1.036 | -13.698 to 12.619 |
| F:cash reserve | -49.330 | 41.027 | -570.62 to 471.96 |

How good is the fit?

R squared = 88.27%.

This is the percent of the variance in A: explained by the model.

The P value is 0.5479, considered not significant.

The P value answers this question:

If there were no linear relationship among the variables, what is the chance that R squared would be that high (or higher) by chance?

Since P is high, the rest of the results will be of little interest.

| | |
|---|---|
| Sum-of-squares | 1310.1 |
| SD of residuals | 36.196 |
| R squared | 0.8827 |
| Adjusted R squared | 0.2964 |
| Multiple R | 0.9395 |
| F | 1.5056 |

Which variable(s) make a significant contribution?

| Variable | t ratio | P value | Significant? |
|---|---|---|---|
| (constant) | 0.4381 | 0.7371 | No |
| B:agc | 0.1309 | 0.9171 | No |
| C:deposit rate | 0.03738 | 0.9762 | No |
| D:lending rate | 0.5210 | 0.6942 | No |
| E:cash reserve | 1.202 | 0.4417 | No |

Each P value compares the full model with a simpler model omiting one variable. It tests the effect of one variable, after accounting

for the effects of the others.

Is multicollinearity a problem?

| Variable | VIF | R2 with other X |
|---|---|---|
| B:years | 58.60 | 0.9829 |
| C:agc | 3.68 | 0.7279 |
| D:deposit rate | 58.19 | 0.9828 |
| E:lending rate | 1.51 | 0.3367 |
| F:cash reserve | 4.40 | 0.7730 |

Each R squared quantifies how well that X variable is predicted from the other X variables (ignoring Y). VIF is calculated from R squared.

Some R squared values are quite high (>.90). Multicollinearity is a problem.

This means that the X variables provide redundant information, making the confidence intervals very wide (by a factor of VIF).

Consider removing one or more X variables from the model, or obtaining data over a wider range of X values.

Correlation Matrix

| | B: | C: | D: | E: | F: |
|---|---|---|---|---|---|
| B:years | 1.0000 | 0.6143 | -0.9644 | -0.1039 | 0.6124 |
| C:agc | 0.6143 | 1.0000 | -0.6894 | 0.2134 | 0.3403 |
| D:deposit rate | -0.9644 | -0.6894 | 1.0000 | 0.1421 | -0.4422 |
| E:lending rate | -0.1039 | 0.2134 | 0.1421 | 1.0000 | 0.0086 |
| F:cash reserve | 0.6124 | 0.3403 | -0.4422 | 0.0086 | 1.0000 |

| | A: (Y) |
|---|---|
| B:years | 0.6079 |
| C:agc | 0.3877 |
| D:deposit rate | -0.7251 |

E:lending rate | -0.3143

F:cash reserve | -0.1723

Each correlation coefficient (r) is calculated independently,

without considering the other variables.

(Except that rows are excluded when any variables are missing.)

Summary of data

Number of rows (subjects) analyzed: 7

Number of rows with missing data, excluded from calculations: 6

Number of degrees of freedom (#subjects - #variables - 1): 1

## 6. DISCUSSION OF FINDINGS

It was revealed that the $R^2$ is 87%. This is very high and it indicated that the independent variable is well explained by the independent variable. This also means that the model is highly relevant for the explanation of the variable. The remaining 13% was due to disturbance or error term e.g economy meltdown, low-productivity farmers default, bad weather, low profitability e.t.c.

Secondly, the p-value 0.5 is greater than 0.05. this made the result not to be statistically significant. This means that the effort of commercial banks to finance and develop agricultural sector proves abortive due to some factors like farmers default, bad weather, low liquidity of commercial banks, low profitability, low productivity e.t.c

## 7. CONCLUSION

Commercial banks' credit to agricultural sector for the period 2002 to 2014 has no significant positive impact on agricultural sector productivity in Nigeria.

Agricultural Credit led to significant positive growth in agricultural productivity in Nigeria.

Prices of agricultural products have not made any significant positive impact on agricultural productivity.

## 8. RECOMMENDATIONS

The study therefore, recommends that Banks should mobilize enough deposit from their customers in order to gather enough liquidity to finance and develop the agricultural sector of the Nigerian economy.

Farmers should recognize the practice and advantages of accumulated savings, which is often allowed to group when existing facilities are not fully adjusted. This can help the banks to hope that the loan will be paid and usher sustainability of bank and customer friendly relationship.

Government should put more commitments implements vigorously the policy of granting loan by purpose so that those segments of the nation's agricultural produce that are targeted for improved productivity will be achieved.

## 9. REFERENCES

Abbott, J.E. &Makeham, J.P. (1980): ''Agricultural Economics and Marketing in the Tropics'' Longman, Ibadan.

Adams, Dale W. And Gerald Iheiman: ''Borrowing costs and Agricultural Loan Demands in low income countries''. Occasional paper No. 368 Dept. of Agricultural Economics and Rural Sociology, Ohio State University,

Adegboye, R. O Procuring Loans through Pledging of cocoa Trees. Journal of the Geographical Association of Nigeria vol. 12 no 1, 2 Dec. 1969.

Adeusi. S.O (2000) Financial Investment Strategy, vol. 1 (Conceptual and Analytical Approaches).STEMOS Publishers.

Adegeye, A. J and Ditton, J.S.(1985): Essentials of Agricultural Economics.

Adekanye, F.(1984): The Element of Banking in Nigeria.2nd Edition, U.K. Graham Burn.

Agu, C.C. Nigeria Banking structures and performance, the Banking System's Contribution to Economic Development African FEP Publishers. Ltd (1968)

Baker, C.B Credit in the Production Organisation of the Firm America Journal of Agricultural Economic vol. 50 no 3 (1968)

Baker, C.B Role of credit in economic development of small farm agricultural U.S.A.I.D. Spring review of small farmer credit vol. xix Washington D.C. June 1973. Pp4-5.

Capstick, M. (1970): Economics of Agricultural London, Allen and Unwin, (1970).

Ekezie E.S (1997) The Elements of Banking, Africana-Fep P ublishers ltd, Onisha, Nigeria.

Gail L. Cramer, Clarance W. Jensen and Douglas D. Southgate (1997). ''Agricultural Economics& Agribusiness.''

Iloeje N.P. (1981) A New geography of Nigeria.New revised edition, Longman Nig. Ltd., Ibadan.

J.A. Oloyede & M.O Oke (2004): '' Effective Credit Management as the Determine of Loans Quality in the Nigerian Journal of the Management.

J.A. Oleyede (2002): Principles of International Finance.

J. Prince Gittincer (1982): Introduction to the Economics of Agricultural Production.

Johnson UgojiAnyaele (2003)'' comprehensive Economics''.

L.A. Suliaman (2006):Monetary and Fiscal Policies Management.

M.O. Oke (2002): Law and Practice of Banking ''.

Makings S.M (1967): Agricultural Problems of Developing countries in Africa (Oxford University Press Nairobi,1967).

Martin Uipon (1977) farm management in Africa: The Principles of Production and planning; Oxford University Press.

Merlinda, D. Ingco& John D. Nash (2004).'' Agriculture and the W.T.O Miller, L.F. (1997) Agricultural Credit and Finance In Africa. The Rockefeller Foundation.

Nwankwo G.O And Jones R.P (1980) Ground work of Commerce, West African Edition, Edward Arnold (publishers) ltd., London.

Ogunsakin and Sulaiman, L.A.(2006): Readings in Monetary Economics.

Okigbo. P.M.C (1981): Nigeria Financial System Structure and Growth. Longman Group.

Oladele Olashore (1988) perspective on finance, banking and economic policy in Nigeria. Heineman educational books Nig .Ltd. Ibadan

Perry F.E (1980) The Element of Banking, 4th Edition, Spectrum books ltd., Ibadan Nigeria.

P.L Sankhayan (1988): introduction to the Economics of Agricultural Production''

Ralesh M. (2006): BIS Review 126/2006 on Agricultural Development in the World.

Samson Olajunwon O.et al (1981) Elements of Rural Economics Ibadan University Press Publishing House, Ibadan.

S.O. Adeusi and T.D Ayodele (2000): ''Agricultural Finance in Nigeria''.

Samson Olayide& Earl Orel Heady (1982): '' Agricultural Production Economics. Scientists, vol.1, No1, May 2004, University of Ado-Ekiti.