



CENTRAL BANK OF NIGERIA

COMMERCIAL AGRICULTURE CREDIT SCHEME

EVALUATION AND IMPACT ASSESSMENT REPORT

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STATISTICS DEPARTMENT
CENTRAL BANK OF NIGERIA

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Abstract

The Commercial Agriculture Credit Scheme was established to: fast-track the development of the agricultural sector; enhance national food security; reduce the cost of credit in agricultural production; increase national output; generate employment; and raise the level of foreign exchange earnings of the country. Quantitative and qualitative impact assessment results show that beneficiaries involved in both agriculture production and processing recorded positive aggregate growth difference in income and volume of produce when compared with nominal and real output growth of agriculture and manufacturing. The participating firms and small holder farmers recorded net job gains over the years, however only about 12% were able to meet the anticipated asset growth of 150% in three years. The foreign exchange earnings of participants more than doubled within two years. These are clear indications that access to funding by crop and livestock producers, and manufacturers of food and beverages, enabled their enhanced contribution to economic growth, generation of employment and earning from exports. Further, evaluation results show 80.2% appropriate utilization of the funds while 19.8% of the funds were directed to projects not directly linked to the objectives of the Scheme. Closer supervision of the fund disbursement channels, greater interaction with beneficiaries may improve the impact of the Scheme on targeted macroeconomic outcomes.



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EXECUTIVE SUMMARY

INTRODUCTION

The Commercial Agriculture Credit Scheme (CACS) is a sub-component of the Federal Government of Nigeria's Commercial Agriculture Development Programme (CADP) financed from the proceeds of the N200 Billion seven (7) year bond raised by the Debt Management Office. The fund is made available to participating banks to finance commercial agricultural enterprises at a maximum interest rate of 9 per cent. In addition, each State Government could borrow up to N1.0 Billion for on-lending to farmers' cooperative societies and other areas of agricultural development provided such initiatives/interventions are in line with the objectives of CACS.

The Central Bank of Nigeria established the CACS in collaboration with the Federal Ministry of Agriculture and Water Resources in 2009 to: fast-track the development of the agricultural sector; enhance national food security; reduce the cost of credit in agricultural production; increase national output; generate employment; and raise the level of foreign exchange earnings of the country.

The evaluation is intended to formalize the evidence of the impact of the CACS program and track the progress made in the implementation in line with the program objectives. A mixture of qualitative and quantitative methods were employed.

Quantitative information were collected from CACS beneficiaries using structured questionnaires, while qualitative information were collected from beneficiaries through focus group discussions (FGDs). The structured interviews were designed to collect data from beneficiary firms, while the FGDs from farming groups and individual farmers who benefitted through state governments. All beneficiaries (firms) were approached to provide data on the structure questionnaires (Appendix II), while FGDs were conducted in three (Cross River, Kano, and Oyo) selected states.

Beneficiaries and CACS Funds Utilization

The evaluation report is based on information retrieved from 191 benefiting businesses comprised of; cooperative groups, partnerships, private and public limited liability companies and sole proprietorships. A total of N147.87 billion was disbursed to the 191 businesses between 2009 and 2016. State governments also served as channels to certain groups of beneficiaries. Over the years, 2011 and 2015 recorded highest uptakes of CACS loans. Most (79.1%), of the 191 businesses are private liability companies, 7.3% were government owned, 6.8% sole proprietorships and 4.2% public liability companies.

In terms of number of benefiting firms, Oyo, Kano, Kaduna, Lagos, Edo and Kwara states lead, while seven (7) of the 36 states each received above 5% of the total funds disbursed.

Majority (44.5%), of the 191 beneficiaries are engaged in crop production, this is followed by livestock production (23.0%) and agriculture produce processing (14.7%). Most(80.2%) of the disbursed funds were channeled to these activity areas and applied to agriculture and agriculture related activities, while 19.8% (N29.2 billion) of the funds may have been applied in the areas not intended under the Scheme by 33 or 17.3% of the beneficiaries.

Impact of CACS on Economic Growth

One of the key objectives of the CACS is to “*increase national output*”. National outputs are measured through aggregating the values of *production, income* or *expenditure* of economies. The assessment heuristically compared growth in aggregate income from sales of produce/products of beneficiaries with growth in nominal GDP of corresponding subsectors, and the volume of production of firms as a measure of contribution to growth is compared with real GDP since the real GDP is a value measure adjusted for price increases.

Impact assessment compared growth differential of beneficiaries with growth in agriculture. Results show that, prior to access to CACS facilities, aggregate growth in sales of beneficiaries was far lower than the overall nominal growth of the agriculture sector. After access to CACS loans, aggregate growth of sales of the beneficiaries averaged 28.44% between 2009 and 2016 as compared with average growth of 9.96% in agriculture or the 13.93% average growth of manufacturing in the same period. Beneficiaries recorded a growth differential of 18.48% and 14.51% when compared with growth in agriculture and manufacturing respectively.

The positive impact of CACS funding on growth in sales were recorded across most activity areas as: *crop production* beneficiaries recorded an average growth of 26.69% as against national crop production growth of 9.69%; beneficiaries in *livestock production* averaged growth of 65.33% as against 12.0% of national livestock income; beneficiaries in *fish production* averaged growth of 42.63% as against 13.37% of national fish income; beneficiaries in *food and beverages manufacturing* recorded average growth of 84.26% as against national growth of 10.91%; and the *textile industry* beneficiaries averaged growth of 35.33% as against national textile growth of 28.46% between 2009 and 2016.

Non-metallic and plastic manufacturers did not however record positive impact when compared with national figures as; beneficiaries in *non-metallic* manufacturing recorded an average growth of 9.93% as against national growth of 27.56%, and manufacturers of *plastic products* recorded average growth of 26.70% as against the average growth of 37.20 % recorded in the national output of plastic manufacturing.

Nominal output and income from sales are recorded at current prices. Growth in value measures may be due to growth in volume, unit prices or both. Real income measures growth in volume of production. We further compared real GDP growth with growth in volume of production of CACS beneficiaries.

CACS beneficiaries involved in livestock and crop production recorded an average growth in quantities of produce of 21.09% between 2009 and 2016 as against national average real growth of 4.55% recorded in agriculture production, thereby creating a growth differential of 16.54%. The contribution of CACS benefiting firms towards national output is also pronounced in the manufacturing sector. The firms recorded an average growth in volume of production of 69.0% between 2009 and 2016 as against the average of 8.52% recorded in real GDP growth by the manufacturing sector, leading to a substantial growth differential of 60.54 percentage points.

Between 2009 and 2016, volume of crop production by beneficiaries grew at an average of 15.18%, while growth in national crop production recorded 4.56%. Similarly, CACS beneficiaries involved in livestock production recorded an average growth of 23.62% as against the national average of 4.07%. Between 2011 and 2016, fish farmers output grew on the average by 6.15% while production of CACS beneficiaries grew by 37.74% on the average in the same period. All of the agriculture production activities recorded substantial differential growth in volume of produce, indicating substantial impact of the Scheme on real GDP growth.

Growth in national output from manufacturing of food and beverages has been subdued between 2009 and 2016, and in particular turned negative in 2015 and 2016. The average growth recorded by firms under the Scheme between 2009 and 2016 was 97.80% as against 3.22% recorded by the entire sector. Real growth in the Textile and textile products manufacturing deteriorated between 2011 and 2016. Growth in the volume of production by beneficiaries of the CACS funding had been very unstable but averaged 21.61%. National output of non-metallic products had had robust growth with average real growth of 21.28% as against -3.57% recorded by firms on the Scheme between 2009 and 2016. These results confirm similar observations made in respect of the sales.

Impact on Operational Capacity and Employment of Firms

One of the objectives of the CACS is to deepen the credit market. Evaluation results indicate that about 37 per cent of firms who benefited from the CACS loans leveraged on other resources totaling N22.28 billion from other sources to augment the CACS facility and upgrade financial capacity. Most (64.5%) of the firms obtained the funds from commercial banks, while the equity market (11.1%), family and friends (3.8%) and micro-finance banks (0.4%) were other important sources of leveraged funds.

As hoped, 85.4 per cent of the firms undertook one form or the other of expansion in their operations on receipt of the CACS loan. Most (67.6 %) of the firms acquired new plants or additional equipment/machinery, while other forms of expansion included; recruitment of additional employees (50.3% of firms), improving utilization of installed capacity (41.9%), replacement of old equipment (35.8%), expansion of land under cultivation (30.7%) and establishment of new outlets (22.9%). However, aggregate installed capacity utilization remained low around 50%. Evidences also exist that small holder farmers, who in groups, accessed the facility through state governments expanded operational activities.

Another key objective of the CACS is to “generate employment”. As a group, the firms employment records showed continuous increases in the number of employees between 2008 and 2017, growing from 10,443 employees in 2008 to 70,070 in 2017, consisting of 32% female and 68% male employees. Nominal increases in staffing positions of the beneficiaries that accessed N119.58 billion generated a net job increases of 24,457 since inception of the CACS in 2009. Beneficiaries engaged in crop production, and manufacture of food and beverages recorded the most net job gains with a total of 11,317 (or 46.3% of total) and 10,604 (or 43.4% of total) respectively. Evidence exist that small scale enterprises that accessed funds through state governments also generated new jobs that were not included in the 24,457 new jobs.

Impact on Assets of Benefiting Firms

The foundation assumption on which the Scheme was established is that “provision of funds to small and medium agricultural enterprises with plans to grow their assets base” would stimulate growth in production/output. Specifically, the Scheme targeted commercial agricultural enterprises with agricultural assets of not less than N100 million with plans to increase the assets to N250 million within a period of three years, and non-integrated farms/agriculture enterprises with assets of N50 million with plans to grow their assets to N150 millions within three years.

Results of evaluation indicate that all classes of aggregate assets of benefiting firms recorded growth between 2008 and 2017. After 2015, there is evidence to suggest that firms may have disposed their landed properties and equipment/plants to remain liquid or service their financial liabilities. Since inception of the Scheme in 2009, only 6.8% of the firms had their aggregate assets expanded by 150% and above, 12.3% by the end of the second year, and this dropped to 11.6% in the third year indicating reversal in earlier assets growth.

Aggregate value of foreign exchanges earnings of the benefiting firms increased over the years from \$20 million in 2008 to \$65.3 million in 2016 mainly from exports of; cotton, cowpea, fruits, maize, rubber and lately processed soya bean.

Other Observations and Recommendations

As part of the structured questionnaire and focused group discussions, challenges and lessons learned were solicited from beneficiaries. Amongst the issues highlighted were: business failures due to poor business plans, late disbursement of funds, shortfall in planned budget, tedious bureaucracy and bottlenecks of participating banks. We also observed that timely collection of data from beneficiaries may improve the efficacy of the Scheme.

Following from the results, which obviously demonstrated substantial impact on; economic growth, employment generation and foreign exchange earnings, we make the following recommendations to CACS fund managers:

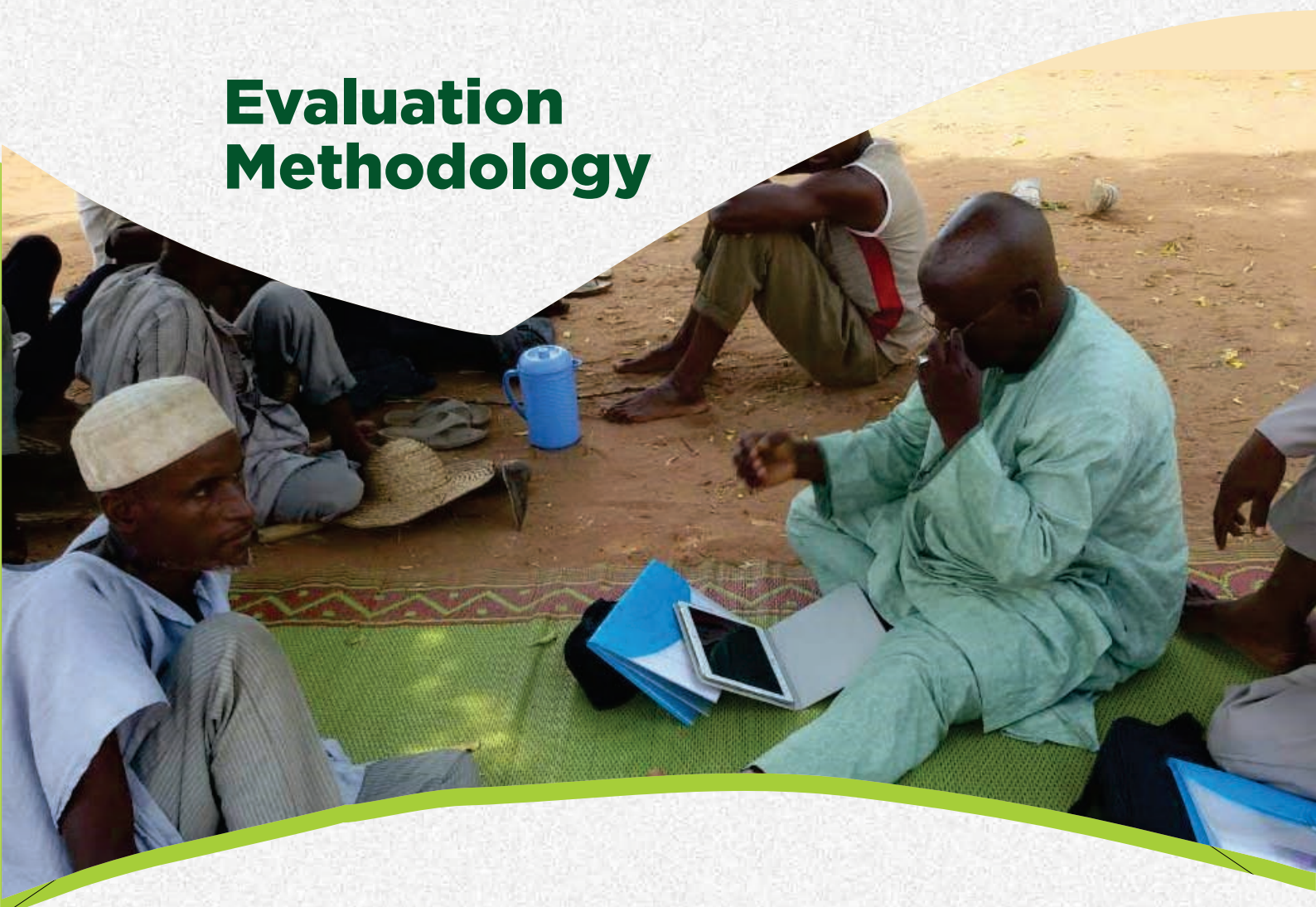
1. There are indications from all categories of beneficiaries that the Scheme provided funding for start-ups and sustenance of operations by existing businesses indicating that cost of funds inhibits economic growth. We therefore recommend that all necessary steps be taken to reduce the cost of funds to businesses.
2. A number of beneficiaries attempted to actively explore the agriculture value chain, in particular start-ups. These efforts were not mostly anticipated by their business case plans, and DFO contacts with them were unable to identify such opportunities. We recommend that interaction with start-ups be more frequent and the objectives of such contacts should include identification of expansion opportunities so as to transit identified beneficiaries to other facilities for maximum funding impact.
3. The absence of data from most states that participated in the Scheme may indicate that such funds may have been misapplied. However, there are indications that some states with special purpose vehicles (SPV) and active extension services made the funds available to end users which produced some success stories, but most

beneficiaries did not have good business plans to be financed. Concerted efforts be made to ensure that states with plans to key into the Scheme are scrutinized and disbursement monitored.

4. Agriculture is rainfed in Nigeria and production activities are seasonal. For a one year tenured facility, correct timing of disbursement is key. All efforts be made to ensure that crop producers receive funding at appropriate cropping periods.
5. A number of benefiting firms were not involved in any active economic activity, and such firms refused provision of information. This calls for the need to monitor closely all beneficiaries through periodic collection of data. We are therefore recommending that the structure questionnaire used for this impact assessment be adopted for annual reporting by all firms under the Scheme.
6. Funding mismatch is a common issues raised by beneficiaries that received funding far less than their planned budget. This resulted in their inability to fully fund planned expansions activities. We recommend that funds approved for disbursement match business plans in terms of timing and amount.

SECTION ONE

Evaluation Methodology



1.0 Introduction

Development financing is one of the requirements for a sustainable economic growth in developing nations, as the supply of finance to various sectors of the economy will help promote the growth of the economy in a holistic manner. The Central Bank of Nigeria has the primary mandate of maintaining price stability and safeguarding the financial sector through preserving financial stability. Other mandates of the Bank include encouraging economic growth and employment generation. In the long-run, achieving price and financial system stability can be threatened in an environment of redundant growth. The CBN in recognition of its role as an enabler in the economy has continuously collaborated with the Federal Government to provide an enabling environment to quicken the pace of economic development through the real sector of the economy, thereby contributing to the growth of the GDP, employment and wealth creation. To achieve this objective, the Bank initiated some funding initiatives aimed at increasing output, generating employment, diversifying the revenue base of the economy, increasing foreign exchange earnings, providing input and value chain, specifically to the real sector. The CBN's involvement in development financing dates back to the early sixties through financing of the activities of marketing boards, and later in the 1980s through administered schemes providing export credit guarantees. A greater number of the Bank's schemes that followed mainly focused on agriculture-based financing and the promotion of small and medium scale enterprises. Recently, the Bank included youth start-up financing and the provision of low cost funds to key industries like; power, airlines, etc.

These plethora of interventions were strategically targeted at the real sector to deepen financial intermediation towards stimulating the diversification of the Nigerian economy which has enormous potentials to drive inclusive growth, employment creation, industrialization and increased national output. These were the overarching objectives on the interventions and it becomes imperative to assess the realization of these objectives over time.

1.1 Overview of Commercial Agriculture Credit Scheme

Prior to the establishment of the Commercial Agriculture Credit Scheme (CACS), deposit money banks (DMBs) lending to the agricultural sector as a percentage of total sectoral distribution of loans averaged 2.08 per cent between 2005 and 2009, and 3.0 percent in recent years. Similarly, budgetary provisions for the agriculture sector over the same period averaged 4.63 per cent, while agriculture's contribution to GDP averaged 33.43 per cent over the same period. Lack of financing to the sector has constrained its growth, thereby limiting the sector's optimal contribution to output growth, employment, wealth creation and boost value chain activities.

In order to mitigate the trend of limited funding to the sector, the Central Bank of Nigeria (CBN) introduced the CACS in 2009 to target commercial agricultural enterprises with agricultural assets of not less than N100 million with plans to increase the assets to N250 million within a period of three years. Also, Non-integrated farms/agro-enterprises with assets of N50 million and have plans to grow their assets to N150 millions within three years. These firms may be in the production, processing, marketing or supplies of farm inputs; and such services cover a wide range of agro-products. It was established in collaboration with the Federal Ministry of Agriculture and Water Resources.

The Scheme is a sub-component of the Federal Government of Nigeria's Commercial Agriculture Development Programme (CADP), and is financed from the proceeds of the N200 Billion seven (7) year bond raised by the Debt Management Office (DMO). The fund is made available to participating bank(s) to finance commercial agricultural enterprises at a maximum interest rate of 9 per cent. In addition, each State Government could borrow up to N1.0 Billion for on-lending to farmers' cooperative societies and other areas of agricultural development provided such initiatives/interventions are in line with the objectives of CACS. The subsidy arising from the stipulated rate and the market rate on all loans granted, and the administrative expenses of the Scheme are borne by the CBN.

The Objectives of the Scheme include:

- a. fast-track the development of the agricultural sector of the Nigerian economy by providing credit facilities to large-scale commercial farmers at a single digit interest rate;
- b. enhance national food security by increasing food supply and effecting lower agricultural produce and products prices, thereby promoting low food inflation;
- c. reduce the cost of credit in agricultural production to enable farmers exploit the untapped potentials of the sector;
- d. increase national output;
- e. generates employment;
- f. diversify Nigeria's revenue base, raise the level of foreign exchange earnings; and
- g. provides input for manufacturing and processing on a sustainable basis.

Since inception till December 2016, the sum of N407.362 billion have been released to 487 projects (436 valued at N327.362 billion to private projects while 51 valued at N80.0 billion to State Government Projects).

The total releases from the CACS Receivables Account remained at N199.831 billion while the total releases from the CACS repayment account stood at N207.531 billion. The cumulative fund repaid by banks into the Repayment Account stood at 225.009 billion in respect of 445 CACS projects out of which 109 projects had been fully repaid at end of December 2016.

1.2 Objectives of the Impact Assessment

The Commercial Agriculture Credit Scheme (CACS) was established in 2009 to provide finance for the country's agricultural value chain (production, processing, storage and marketing). Increased production arising from the intervention would moderate inflationary pressures and assist the CBN to achieve its goal of price stability in the country. Loans to eligible entities under the Scheme are disbursed at a maximum interest of 9%. Agricultural sector is the main stay of the Nigerian economy, contributing a substantial percentage to the GDP, employ over 70 percent of the population, and provide income flow to majority of households.

With the resources deployed by the CBN into the scheme, it is imperative that an evaluation is conducted to determine the level of impact of the intervention on the businesses, the growth of the sector, the leveraging provided by the scheme, and how the sector has contributed to the development of other sectors. Commercial agriculture in Nigeria operates in a dynamic environment where many social, economic, political, environmental and demographic changes

are occurring, any of which might have influenced the observed outcomes, an evaluation of impacts, and changes attributable to CACS become very necessary.

Impact assessment is intended to formalize the evidence of the impact of the CACS program and track the progress made in the implementation of programs in line with the program objectives.

- a. To what extent has the CACS met its stated objectives in terms of capacity utilization, job creation and contribution to total production
- b. To identify the extent of linkages (forward and backward integration) incidental to CACS
- c. Identify areas of success, impacts and challenges
- d. To test some of the critical assumptions and hypotheses on which the scheme is based (monetary indicators, such as interest rate, credit availability, exchange rate, and inflation)
- e. To serve as input in evolving new initiatives for the financing of large scale agricultural enterprises on a sustainable basis

How to develop a sustainable monitoring and evaluation framework (baseline data, KPIs, & Report)

1.3 Evaluation Methodology

The evaluation employed a mixture of qualitative and quantitative methods. Quantitative information were collected from CACS beneficiaries using structured questionnaires, while qualitative information were collected from beneficiaries through focus group discussions (FGDs). The structured interview was designed to collect data from firms, while the FGD from farming groups and individual farmers who benefitted through state governments. All beneficiary firms were approached to provide data on the structure questionnaires, while FGDs were conducted in three (Cross River, Kano, and Oyo) selected states.

Attribution is a major problem of impact evaluation as it is difficult to delineate changes in macro-economic variables to a specific programme. For instance, attributing increased access to finance, increased agricultural output, income gains, increased employment generation, etc. to participation in the Commercial Agriculture Credit Scheme (CACS). This problem stems from the challenge of obtaining a baseline data and control group or element upon which impact could be measured. Most of the funds were also disbursed to existing businesses with existing skills and capacities where realized funds were applied mainly to support ongoing operations.

To prepare field officers for this exercise, a short but effective training programme was organized to acquaint them with the essential elements of qualitative research methods relevant for the exercise. The survey was conducted nation-wide (36 States and the FCT) as we have CACS beneficiaries and stakeholders in every state of the federation.

SECTION **TWO**

Beneficiaries and CACS Funds Utilization



2.1 Characteristics of Beneficiary Firms and Funds Utilization

The CACS evaluation involved the administration of structured questionnaires to beneficiaries with a retrieval of 191 from businesses that benefited from a total of N147.87 billion between 2009 and 2016. State governments also served as channels to certain groups of beneficiaries. Participating states were requested for details of groups and individuals that drew on the loan through them, and focused group discussions were scheduled in three of the states. Over the years, 2011 and 2015 recorded highest disbursements of CACS loans (Figure 2.1).

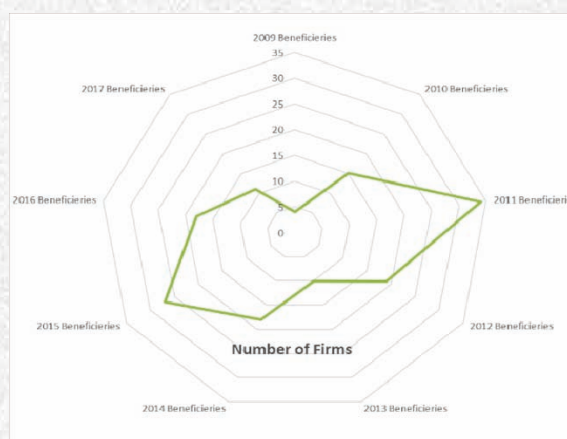


Figure 2.1: Number of Beneficiaries by Year Disbursement

2.2 Type of Business Ownership of Beneficiaries

Most (79.1%), of the 191 businesses are private liability companies, 7.3% were government owned, 6.8% sole proprietorships and 4.2% public liability companies (Table 2.1).

Table 2.1 Nature of Ownership of Benefitting Businesses

Nature of Ownership	Number of Firms	% of Total	Total Loans (N'millions)	% of Total
Cooperative	1	0.5	200.00	0.1
Government Owned	14	7.3	16,350.00	11.1
Partnership	3	1.6	2,196.21	1.5
Private Limited Liability Company	151	79.1	114,729.20	77.6
Public Limited Liability Company	8	4.2	8,655.61	5.9
Sole Proprietorship	13	6.8	4,737.25	3.2
Other (not stated)	1	0.5	1,000.00	0.7
Grand Total	191		147,868.27	

2.3 Dominant Economic Activity of Beneficiaries

Majority (44.5%), of the 191 beneficiaries are engaged in crop production, this is followed by livestock production (23.0%) and agriculture produce processing (14.7%), while most of the disbursed funds were channeled to these three activity areas (Table 2.2). There were indications that most beneficiaries were engaged in multiple activities but predominantly in the agriculture production areas.

Table 2.2: Nature of Dominant Economic Activity of CACS Beneficiaries

Area of Dominant Economic Activity	Number of Firms	% of Total	Loans (N'millions)	% of Total
Agriculture - Crop Production	85	44.5	64,618.38	43.7
Agriculture – Fishing Production	8	4.2	929.44	0.6
Agriculture – Livestock Production	44	23.0	24,610.63	16.6
Manufacturing - Food, Beverage & Tobacco	28	14.7	29,450.67	19.9
Manufacturing - Non-Metallic Products	1	0.5	198.28	0.1
Manufacturing - Other Manufacturing	17	8.9	21,605.86	14.6
Manufacturing - Plastic & Rubber Products	1	0.5	180.00	0.1
Manufacturing - Textile, Apparel & Footwear	1	0.5	500.00	0.3
Other Agriculture-Processing	1	0.5	425.00	0.3
Agriculture-Services	3	1.6	4,150.00	2.8
Unknown	2	1.0	1,200.00	0.8
Grand Total	191		147,868.27	

Table 2.3: CACS Loan Utilization by Beneficiaries

Utilization of Loan	Number of firms	% of Total	Loans (N'million)	% of Total
Agriculture and animal husbandry services, except veterinary activities	11	5.8	8,113.32	5.5
Distribution of agriculture chemicals, seeds, fertilizer and other inputs	23	12.0	24,982.30	16.9
Exporting of farm produce	2	1.0	2,400.00	1.6
Farming of animals	36	18.8	15,886.65	10.7
Fishing, operational of fish hatcheries and fish farms	7	3.7	918.04	0.6
Forestry, logging and related services	1	0.5	1,000.00	0.7
Growing of crops	28	14.7	21,819.05	14.8
Growing of crops combined with farming of animals (mixed farming)	5	2.6	2,920.00	2.0
Manufacture of dairy products	5	2.6	490.80	0.3
Manufacture of grain mill products, starches and starch products and prepared animal feeds	11	5.8	9,310.00	6.3
Manufacture of other food products	10	5.2	9,437.18	6.4
Manufacture of special purpose machinery	1	0.5	850.00	0.6
Manufacture of textiles, clothing and leather goods	1	0.5	500.00	0.3
Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats	17	8.9	20,026.09	13.5
None of these mentioned above	33	17.3	29,214.83	19.8
Grand Total	191	100.0	147,868.27	100.0

2.4 CACS Loan Utilization by Beneficiaries

Statements on activities undertaken by the CACS beneficiaries show that, most (80.2%) of the funds were applied to agriculture and agriculture related activities, by 82.7% of the firms, while 19.8% (N29.2 billion) of the funds may have been applied in the areas not intended under the Scheme by 33 or 17.3% of the beneficiaries (Table 2.3).

2.5 Distribution of Funding by Geographic Location

Nine of the 36 states recorded zero participation in the scheme, while we have noticed that some firms used addresses different from their head offices to apply for the CACS loan thereby distorting the true distribution of access by location. In terms of number of participating firms, Oyo, Kano, Kaduna, Lagos, Edo and Kwara states lead, while seven (7) of the 36 states each received above 5% of the total funds disbursed (Table 2.4).

Location of Beneficiary	Number of Firms	% of Total	Loans (Naira)	% of Total
Abia	6	3.1	1,314,140,000.00	0.9
Adamawa	6	3.1	10,747,350,000.00	7.3
Akwa Ibom	1	0.5	1,000,000,000.00	0.7
Anambra	7	3.7	9,287,656,274.64	6.3
Bauchi	5	2.6	5,035,000,000.00	3.4
Benue	6	3.1	1,029,970,718.18	0.7
Borno	2	1.0	1,532,000,000.00	1.0
Cross River	4	2.1	3,350,000,000.00	2.3
Ebonyi	5	2.6	3,405,000,000.00	2.3
Edo	13	6.8	9,771,756,000.00	6.6
Enugu	3	1.6	319,200,000.00	0.2
FCT-Abuja	4	2.1	2,418,000,000.00	1.6
Kaduna	16	8.4	6,871,668,400.00	4.6
Kano	16	8.4	14,645,800,000.00	9.9
Katsina	4	2.1	450,000,000.00	0.3
Kebbi	4	2.1	2,350,000,000.00	1.6
Kogi	8	4.2	8,925,000,000.00	6.0
Kwara	12	6.3	11,907,519,011.00	8.1
Lagos	15	7.9	19,573,708,370.00	13.2
Nassarawa	3	1.6	1,625,115,632.99	1.1
Ogun	5	2.6	4,693,000,000.00	3.2
Ondo	7	3.7	2,580,000,000.00	1.7
Osun	5	2.6	2,883,400,000.00	1.9
Oyo	22	11.5	13,545,371,874.00	9.2
Rivers	5	2.6	6,075,000,000.00	4.1
Sokoto	1	0.5	250,000,000.00	0.2
Taraba	1	0.5	1,000,000,000.00	0.7
Zamfara	5	2.6	1,282,610,000.00	0.9
Grand Total	191	100.0	147,868,266,280.81	100.0

SECTION **THREE**

Impact on Economic Growth



3.0 Impact of CACS on Economic Growth

One of the key objectives of the CACS is to “increase national output”. National outputs are measured through aggregating the values of production, income or expenditure of economies. Without baseline and control population, measuring the impact of the Commercial Agriculture Credit Schemes (CACS) on growth is daunting. However, since access to funds by firms generally enhances and sustains production and expansion activities, and improve the production level of firms, developments in aggregate production of the firms may be compared with developments in nominal output. We compare heuristically, growth in aggregate income from sales of produce/products of beneficiaries with growth in nominal/real GDP of corresponding subsectors. It should be noted that growth in nominal GDP and sales of firms may come from either growth in volume or prices or both. The real GDP is a value measure adjusted for price increases and this will be compared with the volume of production of firms as a measure of contribution to economic growth from volume of production.

3.1 Comparison of Growth in Sales and Nominal GDP

One hundred and twenty one (121) benefiting firms provided data on income/total sales of agriculture produce and services. To measure their relative contribution towards nominal economic growth, we compared the growth in income of the 121 firms to the growth in nominal GDP of the agriculture and manufacturing sectors between 2009 and 2016. The 121 firms were involved in either agriculture production or agriculture processing/manufacturing.

In 2009, prior to access to CACS facilities, growth recorded by the 121 CACS beneficiaries was far lower than the overall growth in the agriculture sector. However, subsequently, growth in aggregate sales of the 121 beneficiaries was far more robust (28.44% on average) than overall growth in both manufacturing (average of 13.93%) and agriculture (average of 9.96%) sectors (Table 3.1, Figure 3.1). Beneficiaries recorded much higher growth than national growth in agriculture output and manufacturing output in most years between 2009 and 2016.

Table 3.1: Value of Production of Beneficiaries (N'millions)

Economic Activity	No. of Firms	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture - Crop Production	63	18,356.74	20,257.03	29,693.12	46,757.48	43,631.83	49,542.81	61,265.61	75,239.40	109,699.18
Agriculture - Fishing	4	-	-	40.71	128.99	116.48	132.36	159.57	132.81	174.24
Agriculture - Livestock	28	543.29	1,080.13	2,582.02	6,114.25	9,744.47	9,595.07	12,960.94	14,847.41	20,862.88
Manufacturing - Food, Beverage & Tobacco	13	1,243.05	2,226.79	2,247.33	1,679.11	1,402.71	2,171.81	9,883.26	26,420.27	41,895.51
Manufacturing - Non-Metallic Products	1	832.00	810.00	796.50	966.00	1,134.00	1,160.00	1,152.00	1,224.00	1,680.00
Manufacturing - Other Manufacturing not mentioned	9	9,080.76	7,905.06	8,505.96	10,528.14	17,224.19	11,054.08	11,066.51	25,630.02	31,460.58
Manufacturing - Plastic & Rubber Products	1	157.66	197.23	541.35	660.38	693.22	598.50	529.24	491.70	587.14
Manufacturing - Textile, Apparel & Footwear	1	-	-	29.14	70.72	49.92	94.69	97.05	161.83	64.37
Others	1	187.00	190.00	165.00	162.00	191.00	218.00	163.20	244.80	243.60
Grand Total	121	30,400.50	32,666.24	44,601.13	67,067.07	74,187.81	74,567.33	97,277.37	144,392.25	206,667.49
Growth Rate			7.45	36.54	50.37	10.62	0.51	30.46	48.43	43.13

The 2012 Flood Post-Disaster Needs Assessment Report (The FGN, 2013) indicate that the agriculture sector suffered damage to physical and durable assets valued at N101.01 billion and losses of crops and livestock valued at N380.52 billion. The manufacturing sector also suffered losses of N21.80 billion to physical and durable assets and N74.42 billion of goods and stock. This was in addition to 363 deaths and 3.87 million people displaced from the affected communities.

The 2012 flood therefore affected activities in agriculture in that year and the following.

This is obvious in the agriculture growth recorded in 2012 and 2013. CACS beneficiaries may have focused on fertile farmlands and river basins that were prone to flooding.

With average growth rate of 28.44% between 2009 and 2016 as against the growth rate of 9.96% and 13.93% for nominal agriculture and manufacturing output, there is clear evidence that access by firms to the Commercial Agriculture Credit has had positive impact on economic growth as measured by substantial growth difference of 18.48% and 14.51% with aggregate output of agriculture and manufacturing respectively

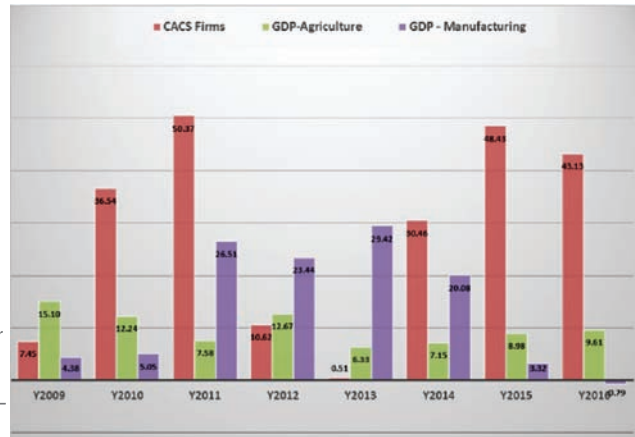
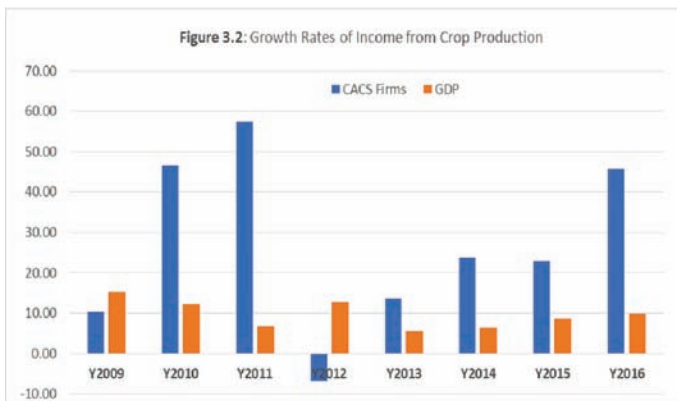


Figure 3.1 Growth of Nominal GDP and Income of CACS Beneficiaries

3.1.1 Growth in Income of Crop Production



Growth in national income from crop production stayed positive and averaged 9.69% between 2009 and 2016, but far lower than average growth of 26.69% recorded in aggregate income of CACS benefiting firms involved in crop production (Figure 3.2). In 2012, the 63 CACS benefiting firms recorded a negative growth because of the devastating effects of the 2012 flooding of farm lands and communities during which the agriculture

sector recorded an estimated losses of N481 billion in produce and physical/durable assets. The growth in income of firms that benefitted from CACS facility remained more robust over the period, indicating improved contribution by the firms to economic growth. This is a clear evidence of the positive impact of the Scheme on crop production, that funding received by these firms enhanced national crop production output and recorded growth difference of 17 percentage points above national crop output.

3.1.2 Growth in Income of Livestock Production

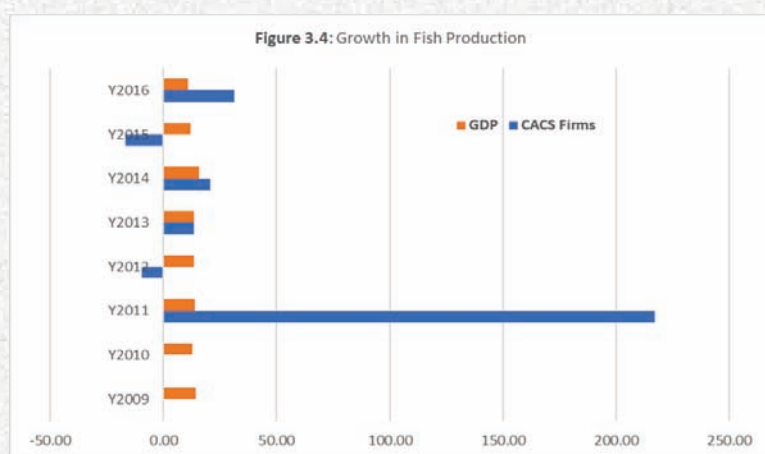
Livestock production is one of the important subsectors of the national agriculture. Livestock production ensures food security through supply of protein and income from export of hides and skin. Between 2009 and 2016, growth in livestock output averaged 12.0% as against the average growth of 65.33% in income of CACS beneficiaries.



Very robust growth was recorded in the first four years of the Scheme, but as from 2013, beneficiaries may have been faced with challenges of insecurity and cattle rustling as growth moderated (Figure 3.3). It is very clear that beneficiaries used funding obtained from the Scheme to expand production as prices were stable between 2009 and 2012. With growth difference of 53.33 percentage points, funding from the scheme enhanced production capabilities of firms involved in livestock production.

3.1.3 Growth in Fish Production

Overall, nominal growth in national income from fish production averaged 13.37% and has been stable between 2009 and 2016, while growth in income of CACS benefiting firms averaged 42.63% but fluctuated over the years (Figure 3.4). This is as a consequence of marketing challenges and processing alternatives as enumerated by beneficiaries. We have recorded during focused group discussions that CACS beneficiaries into production of fish recorded a number of



challenges including: glut in the immediate environment; lacked/difficulty of access to markets beyond their immediate environments; rises in the cost of feeds and sensitivity of fish species to the environment. These are responsible for the volatility in production and growth in income. Beneficiaries admitted failures to make good plans and identifying marketing risks during the development of their business cases. If policies are to be directed

towards fish production, developing the fish value chain must be focused on to reduce waste and sustain prices and production. However, the growth difference of 29.26 percentage points between growth of national fish production and CACS beneficiaries showed that provision of funding to fish producers enhanced GDP growth eventually despite the challenges.

3.1.4 Growth in Income of Food and Beverages Manufacturing

Growth in food and beverages manufacturing averaged 10.91% between 2009 and 2016, but the sales of CACS beneficiaries in the manufacturing of food and beverages grew by an average of 84.26% over the same period. The substantial growth difference of 73.35 percentage points is an evidence of the contribution of the beneficiaries of the CACS funds towards national output growth (Figure 3.5).

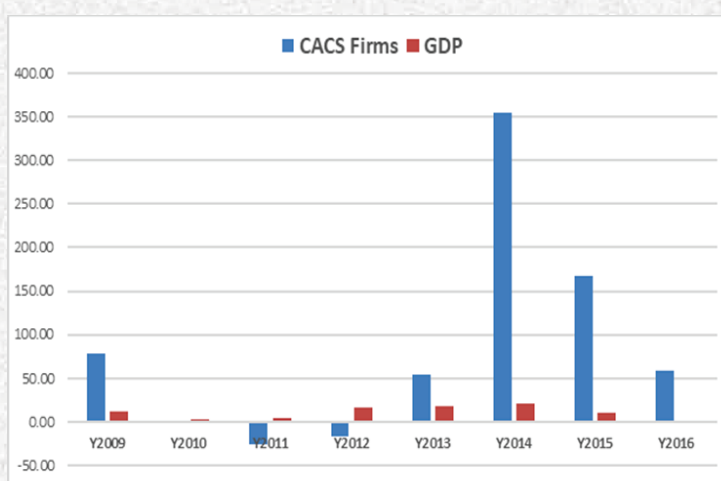


Figure 3.5: Growth in Food & Beverages Manufacturing

3.1.5 Growth in Non-Metallic Manufacturing Income

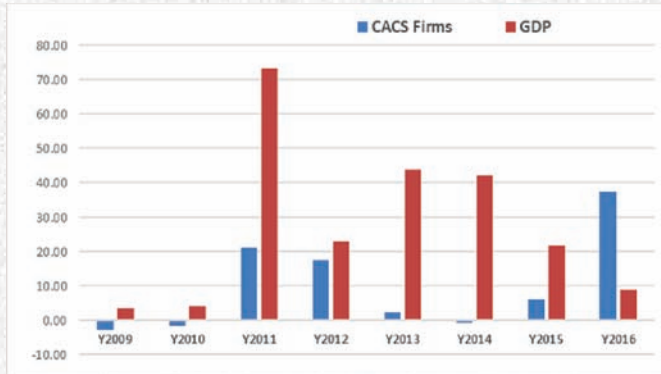


Figure 3.6: Growth in Non-Metallic Manufactur-

Unlike other sectors, the national income of non-metallic manufacturers grew better than growth in income recorded by CACS beneficiaries, as the national output from non-metallic manufacturing grew on the average at 27.56% as against 9.93% of income of beneficiaries of the CACS funding in the period 2009 to 2016. This is an indication that this group impacted far less than, but still recorded growth in output in few years (Figure 3.6).

3.1.6 Growth in Textiles Manufacturing

Beneficiaries in the textile industry came on board in the year 2011, and between 2011 and 2016 recorded an average growth in income of 35.33%, 6.87 percentage points above the growth of 28.46% recorded by this sector of manufacturing. Project managers should note the reversal in growth recorded in 2016 by beneficiaries (Figure 3.7).

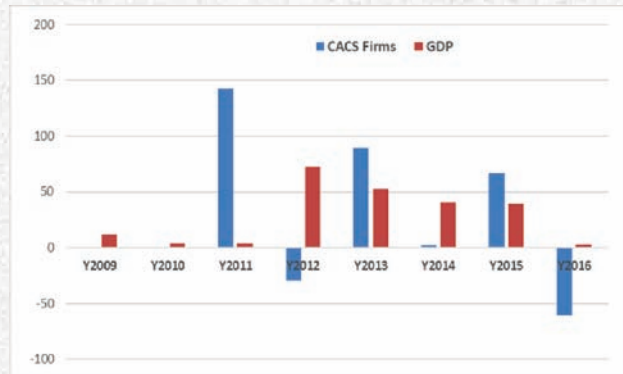


Figure 3.7: Growth in Textile Manufacturing

3.1.7 Growth in Plastic Manufacturing

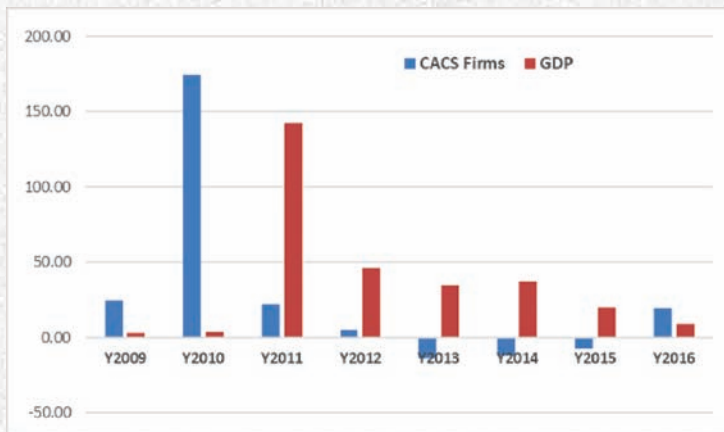


Figure 3.8: Growth in Plastics Manufacturing

Manufacturers of plastic products also benefited from CACS funding, and they grew at an average of 26.70% as against the average growth of 37.20 % recorded in the national output of plastic and related products manufacturing between 2009 and 2016. Like the textile subsector, plastics also performed far below the national output (Figure 3.8).

3.2 Growth in Volume of Production

As noted earlier in the use of nominal output and income at current prices, growth in value measures may be due to growth in volume, unit prices or both. However, growth in volume of production better reflects expansion in activities of production entities than value. In this section, comparison is made of growth in volume of production with national growth in real output to isolate expansion in production activities from rises in prices.

Growth in Volume of Agriculture Production

CACS beneficiaries are involved in livestock and crop production. On aggregate, the firms recorded an average annual growth in quantities of produce of 21.09% between 2009 and 2016. This far outperformed the average real growth of 4.55% recorded in agriculture production in the same period. Growth in their combined production were more robust than national agriculture output and was only surpassed in 2016. The recent concerted efforts towards the production of cereals under different programmes of the Bank like the Anchor Borrowers Programme may here be showing up in national agriculture production. This is a clear indication that provision of funds to these firms may have sustained expansion in their productive capacities. *In quantities, the aggregate contribution of the CACS funded firms contributed 16.54 percentage points growth differential above the national average of all firms in the sector towards national real GDP growth. This is a substantial contribution towards national growth.*

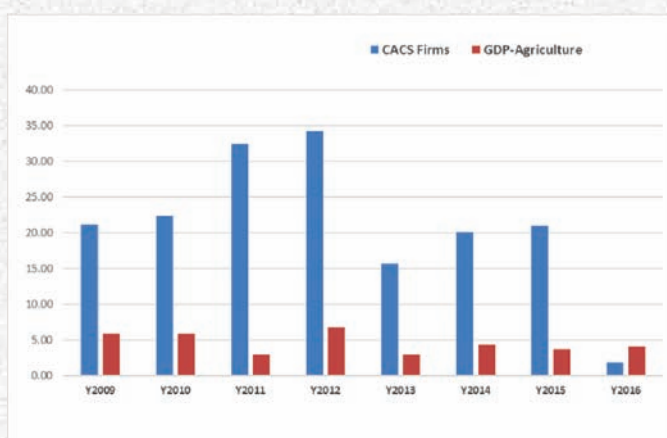


Figure 3.9: Growth Production and Real GDP of Agriculture Production

Growth in Volume of Agriculture Processing and Manufacturing

The contribution of CACS benefiting firms towards national output is very pronounced in the manufacturing sector. The volume of production of the firms that benefitted from the scheme grew at an average of 69.0% between 2009 and 2016 as against the average of 8.52% recorded in real GDP growth by the manufacturing sector, leading to a growth differential of 60.54 percentage points. However, in 2014, CACS beneficiary firms recorded negative growth in volume of production after high level of expansion recorded in 2013, but far surpassed the growth in manufacturing national output in all other years, including in 2015 and 2016 when there was suppressed demand. The sharp growths recorded in 2010, 2013 and 2015 by CACS firms in expansion activities are mainly due to new disbursements of funds to the firms.



Figure 3.10: Real Growth in Agriculture Processing & Manufacturing

3.2.1 Growth in Volume of Crop Production

In the early years of the CACS programme and up to 2012, growth in the volume of crop production of benefiting firms were far more robust than growth in real national crop output. National crop production received renewed policy focus as a result of dwindling oil revenues and is gradually becoming prominent in the last few years under various programs of government.

Between 2009 and 2016, volume of crop production grew at an average of 15.18% under the CACS scheme while growth in national crop production recorded 4.56%. In recent years, including in 2015 and 2016, real growth in crop production surpassed growth recorded under the CACS scheme. This is reflecting the prominence of programs like the anchor borrowers and NIRSAL that boosted the production of rice in particular.

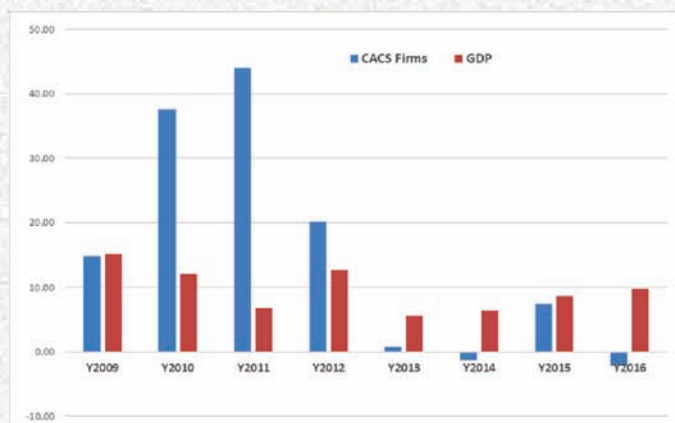


Figure 3.11: Real Growth in Crop Production

3.2.2 Growth in Volume of Livestock Production

Growth in livestock production has been steady but slightly declining possibly as a result of cattle rustling that has become prevalent in many states in the country, and the near absence of production activities as a result of insurgency in the northeast region of the country. Between 2009 and 2016, growth recorded by CACS beneficiaries involved in livestock

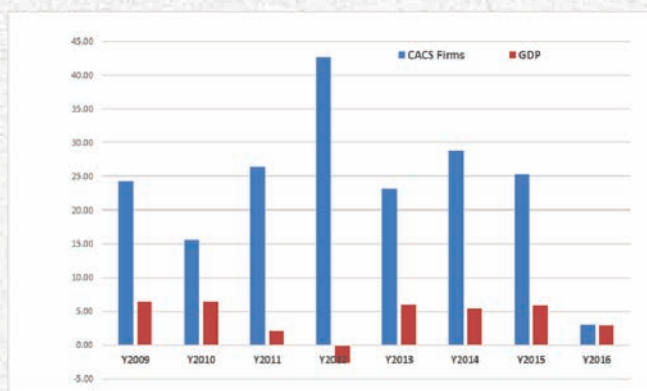


Figure 3.12: Real Growth in Livestock Production

production averaged 23.62% as against the national average of 4.07%. The scheme outperformed national growth by 19.55 percentage points. Beneficiaries of the scheme recorded far greater growth than the national average with exception of the year 2016, indicating a very clear positive impact of the funding of the activities of these firms. Of particular interest is the declining productivity in national livestock production in recent years, calling for an urgent need to resolve cattle rustling and insecurity that clearly affects producing entities.

3.2.3 Growth in Volume of Fish Production

Fish production was boosted by the scheme in 2011, recording a growth of over 200% in quantity of fish produced by beneficiaries. This was reversed in 2012 and remained volatile with beneficiaries stating marketing challenges as a factor contributing to the reversal in production gains. Between 2011 and 2016, fish farmers output grew on the average by 6.15% while production of CACS beneficiaries grew by 37.74 on the average in the same period. In terms of relative contribution to national growth in fish production, CACS beneficiaries outperformed Growth in national fish output by 31.60 percentage points.

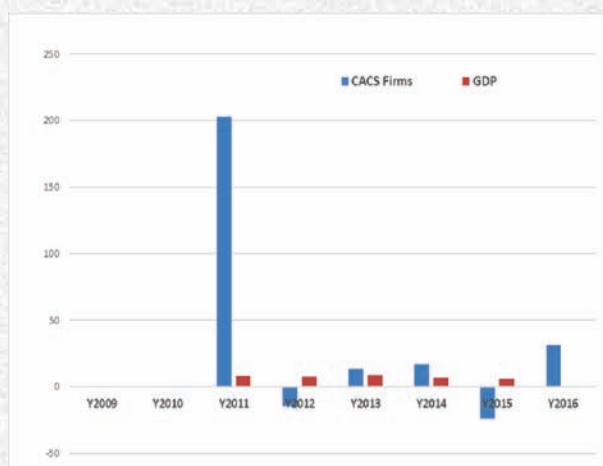


Figure 3.13: Real Growth in Fish Production

3.2.4 Growth in Volume of Food and Beverages Manufacturing

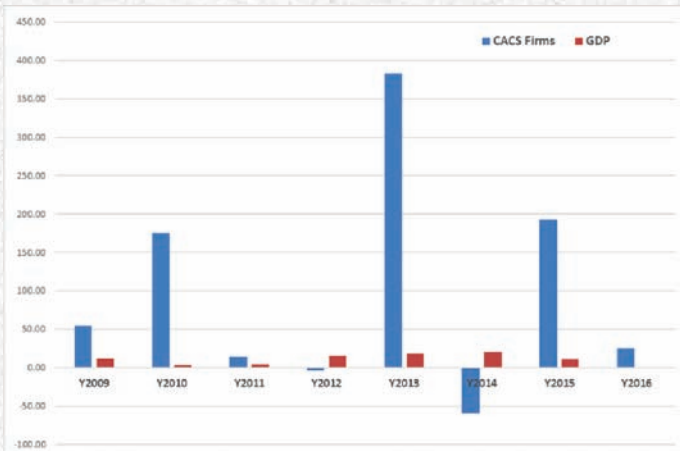


Figure 3.14: Real Growth in Food & Beverages Manufacturing

Growth in national output from manufacturing of food and beverages has been subdued between 2009 and 2016, and in particular turned negative in 2015 and 2016. However, in 2010, 2013 and 2015, high expansion were recorded by CACS beneficiaries mainly as a result of new disbursements, thereby outperforming the national real growth in this sector. The average growth recorded by firms under the scheme between 2009 and 2016 was 97.80% as against 3.22% recorded by the entire sector. When these developments

are compared with the nominal numbers and value of production in Figure 3.5, the benefits recorded in value of production were mainly due to price increases. The impact has been mixed, and it is not clear which other policies that are responsible for high degree of volatility in production.

3.2.5 Growth in Volume of Non-Metallic Products Manufacturing

National output of non-metallic products had had robust growth with average real growth of 21.28% as against -3.57% recorded by firms on the Scheme between 2009 and 2016. Even though the funding of the firms may have sustained production, contribution to growth had been diminishing.

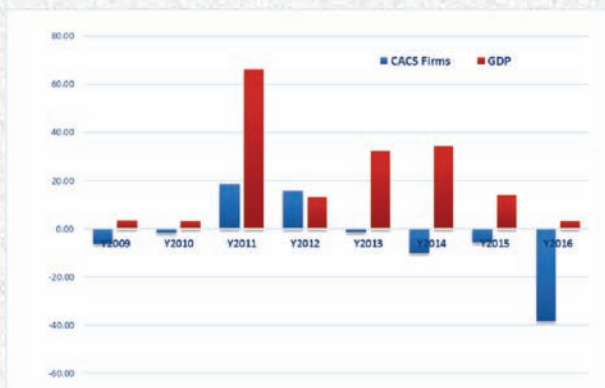


Figure 3.15: Growth in Non-Metallic Products Manufacturing

3.2.6 Growth in Volume of Textile Manufacturing

Real growth in the Textile and textile products manufacturing deteriorated between 2011 and 2016. Growth in the volume of production by beneficiaries of the CACS funding had been very unstable but averaged 21.61%. This calls for closer interaction between the firms and managers of the scheme to understand the market conditions or production factors responsible for production volatility in switching patterns in alternating years.

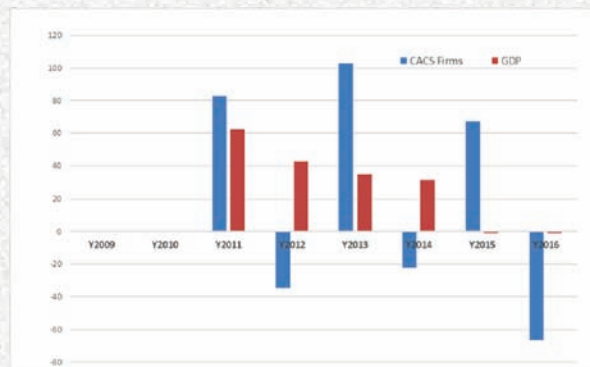


Figure 3.16: Growth in Textile and Textile Products

SECTION **FOUR**

Impact on Operational Capacity & Employment of Firms



4.1 Leveraging of Additional Funds by Beneficiaries

About 37 per cent of firms who benefited from the CACS loans leveraged on other resources totaling N22.28 billion from other sources to augment the CACS facility and upgrade financial capacity. Most (64.5%) of the firms leveraging resources obtained the funds from commercial banks, while the equity market (11.1%), family and friends (3.8%) and micro-finance banks (0.4%) were other important sources of borrowed funds (Table 4.1). In terms of economic activity of beneficiaries, crop production (34.5% of total leveraged funds), manufacturing of food and beverages (37.0%), livestock production (8.0%) and other manufacturing (11.6%) attracted the leveraged funds. At this level, the leverage rate of CACS funding is N150.62 million per N1.0 billion of disbursed funds.

Figure 4.1: Sources of Leveraged of Funds by CACS Beneficiaries

Source of Funds	Funds Leveraged	% of Total
Commercial bank	14,357,679,337.00	64.5
Equity market	2,467,532,323.00	11.1
Family and Friends	836,862,790.00	3.8
Micro-finance bank	85,000,000.00	0.4
Unspecified	4,525,000,000.00	20.3
Total Funds Leveraged	22,272,074,450.00	
Economic Activity of Beneficiary	Funds Leveraged	% of Total
Agriculture - Crop Production	7,690,395,113.00	34.5
Agriculture - Fishing Production	125,000,000.00	0.6
Agriculture - Livestock Production	1,778,000,000.00	8.0
Manufacturing - Food, Beverage & Tobacco	8,248,545,337.00	37.0
Manufacturing - Non-Metallic Products	-	0.0
Manufacturing - Plastic & Rubber Products	-	0.0
Manufacturing - Textile, Apparel & Footwear	-	0.0
Manufacturing - Other Manufacturing	1,855,134,000.00	8.3
Others (Unspecified)	2,575,000,000.00	11.6
Total Funds Leveraged	22,272,074,450.00	

4.2 Expansion in Operations Activities by Beneficiaries

As expected, 85.4 per cent of the firms undertook one form or the other of expansion in their operations on receipt of the CACS loan. Most (67.6%) of firms acquired new plants or additional equipment/machinery, while other forms of expansion included; recruitment of additional employees (50.3% of firms), improving utilization of installed capacity (41.9%), replacement of old equipment (35.8%), expansion of land under cultivation (30.7%) and establishment of new outlets (22.9%), Figure 4.1.

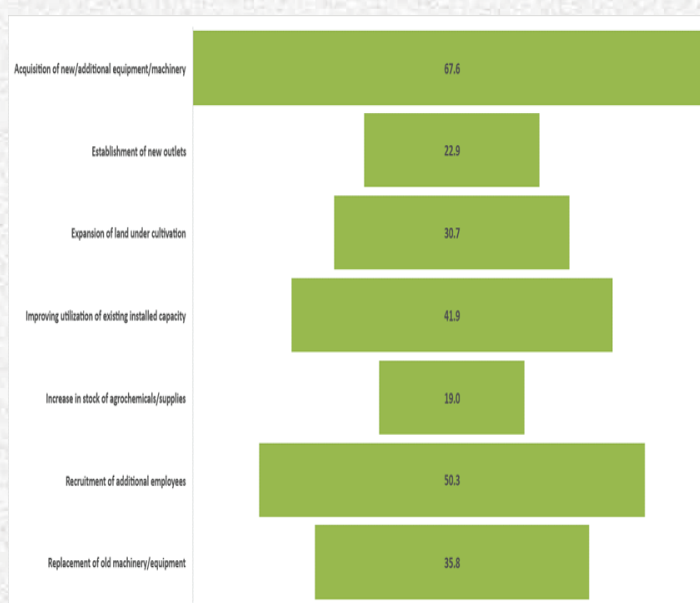


Figure 4.1: Application of Areas (%) of CACS Funds

4.3 Capacity Utilization of Beneficiaries

As a group, the installed capacity utilization for benefiting firms remained steady since 2008, but trended slightly downward to 50% in 2017 (Figure 4.3) possibly a reflection of other structural rigidities in the economy like; lack of electricity, transport infrastructure and other policies of government.

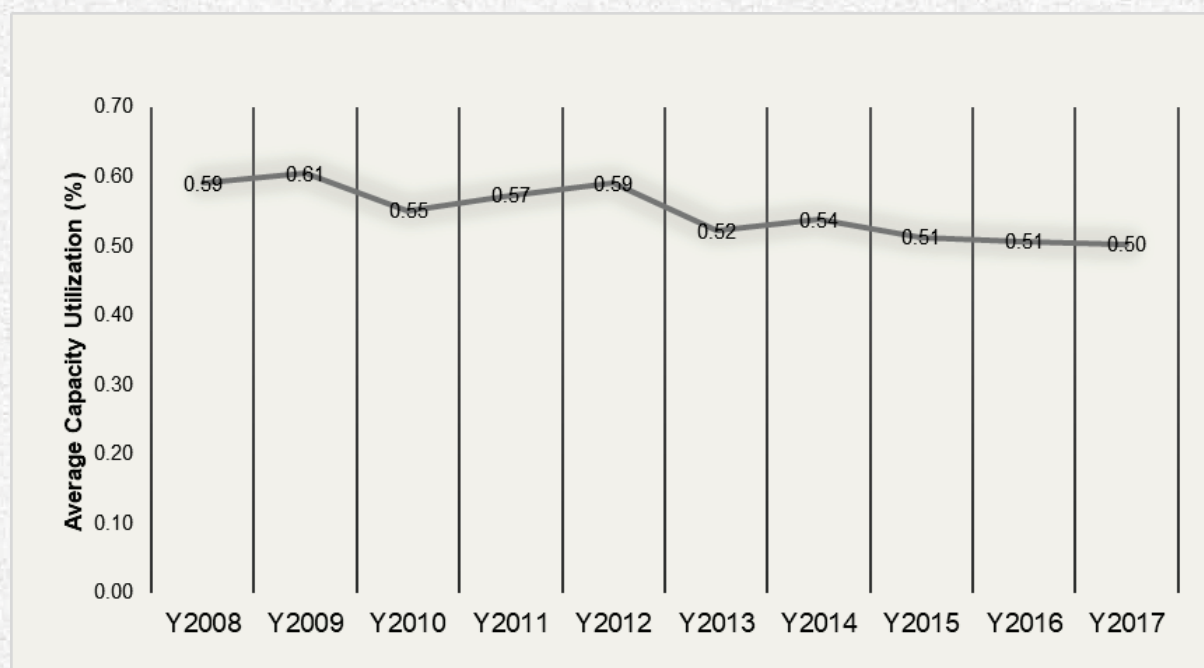


Figure 4.2: Average Capacity Utilization (%) of Beneficiaries

Figure 4.2: Average Capacity Utilization (%) of Beneficiaries

In the same way, we looked at improvements in capacity utilization of responding firms by economic activity sector over the years noting that firms accessed the loans in different periods. Collectively, manufacturers of food and beverages clearly made gradual progress towards improvements in capacity utilization between 2008 and 2016, crop producers maintained existing capacity utilization, while startups in fish production closed shop after a year's production (Table 4.2).

Table 4.2 : Average Capacity Utilization (%) of CACS Benefiting Firms

Economic Activity of Beneficiary	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture - Crop Production	55	61	55	57	66	56	58	51	52
Agriculture – Fish Production	0	0	0	0	100	0	0	0	0
Agriculture – Livestock Prod.	84	75	67	66	49	46	49	50	44
Manufacturing – Food & Bev.	24	30	31	51	56	60	62	62	66
Manufacturing - Non-Metallic Products	100	100	100	45	50	45	40	40	40
Manufacturing - Other Manufacturing	64	47	35	33	28	23	22	38	32
Manufacturing - Plastic & Rubber Products	42	50	50	60	60	52	52	48	40
Manufacturing - Textile, Apparel & Footwear	0	0	60	70	40	70	50	35	35
Average	60	61	55	57	59	52	54	51	51

Looking at the baseline and progressive operations of the beneficiaries in various activity areas, there are indications (Table 4.3) that firms either improved or sustained the current levels of capacity utilization within the first two years of receipt of the CACS loan, but such gains were eroded by the fourth year. A sustained improvements in capacity utilization was only recorded by beneficiaries in the manufacturing of food and beverages sector which improved aggregate capacity utilization from 21% in the loan year to 45% four years after receipt.

Economic Activity	Firms	Loan Year	Years after Receipt of Loan			
			1	2	3	4
Agriculture - Crop Production	40	0.48	0.50	0.48	0.40	0.28
Agriculture - Fishing	1	0.00	1.00	0.00	0.00	0.00
Agriculture - Livestock	13	0.28	0.42	0.47	0.31	0.20
Manufacturing – Food & Bev.	11	0.21	0.26	0.32	0.38	0.42
Manufacturing - Non-Metallic Products	1	1.00	1.00	0.45	0.50	0.45
Manufacturing - Other Manufacturing not mentioned	8	0.10	0.20	0.12	0.25	0.12
Manufacturing - Plastic & Rubber	1	0.50	0.50	0.60	0.60	0.52
Manufacturing - Textile, Apparel & Footwear	1	0.70	0.40	0.70	0.50	0.35

4.4 Employment and Labour Quality of Beneficiaries

One of the objectives of the CACS is to “generate employment”. However, no targets for the number of new jobs were specified, and evaluation attempted to enumerate the number of new jobs as “the nominal increases in staffing positions” of the beneficiary firms. As a group, the 166 firms that provided employment records showed continuous increases in the number of employees between 2008 and 2017, growing from 10,443 employees in 2008 to 70,070 in 2017 (Figure 4.3), consisting of 32% female and 68% male employees.

Firms accessed the CACS loans at various times between 2009 and 2017. In attributing increases in employment size of firms to the funds received, nominal increases in employment size was counted as new jobs for subsequent years after receipt of loan. Firms in various activity areas keyed into the scheme in different years (Table 4.4) indicated by green. In the absence of comprehensive records of staff movements, we

use nominal increases in staffing positions and the 166 respondent beneficiaries that accessed N119.58 billion generated net increases of 24,457 in employment size since inception of the CACS in 2009. Beneficiaries engaged in crop production, and manufacture of food and beverages recorded the most net job gains with a total of 11,317 (or 46.3% of total) and 10,604 (or 43.4% of total) respectively. Most economic activity groups recorded net job losses over the years. In particular, firms involved in fish production recorded job creation a year after receipt of loan but laid off staff subsequently.

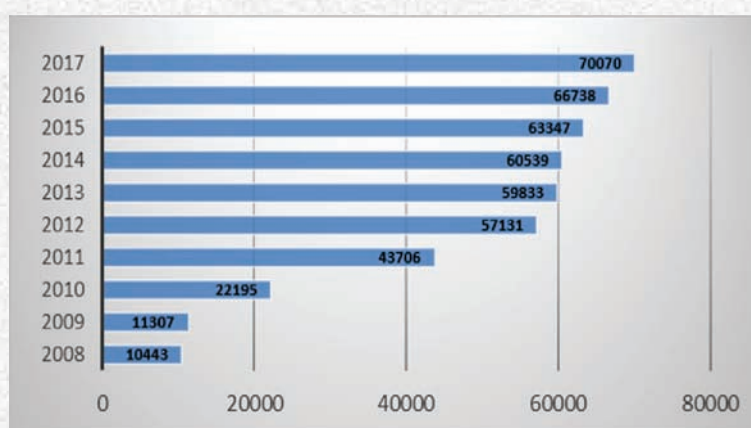


Figure 4.3: Aggregate Number of Employees

Table N4.4: Net Job Gain/Loss of Beneficiaries

Economic Activity	Firms	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
New Loans		5	17	37	22	12	20	26	18	9	166
Agriculture - Crop	73	9	985	-42	7135	931	616	-918	2621	-93	11317
Agriculture – Fish	7			0	75	-16	-68	-88	-18	-19	-127
Agriculture – Livestock	42	0	65	403	771	190	165	103	-93	177	1823
Manufacturing – Food & Bev-	21	0	10	2708	955	2095	-125	1316	692	2932	10604
Manufacturing - Non-Metallic	1		32	41	9	-5	1	-6	-60	-11	2
Manufacturing - Other Manu-	16	0	146	-182	157	-199	169	16	-4	260	379
Manufacturing - Plastic &	1		21	0	29	0	-9	-4	-3	-7	28
Manufacturing - Textile, Ap-	1				40	0	0	5	-5	0	41
Other Agriculture Produce	1			38	31	14	12	4	25	12	137
Other Agriculture Related	3		40	10	20	50	30	50	30	20	253
Grand Total	166	9	1299	2976	9222	3060	791	478	3185	3271	24457

Indicate year CACS disbursement commenced

In terms of job returns on investment, the aggregate return is one job per N4.89 million of loan received, while the manufacturing of food and beverages sector is the most efficient with a return of one job per N2.78 million of loan received. Scheme managers are to note that providing preferential support to food and beverages processors has higher potential to enhance the achievement of job creation objectives. More so, a vibrant manufacturing sector creates higher demand for primary goods which results in increased production of agriculture primary produce, a model, which the Anchor Borrowers programme is built around. In addition to the creation of new jobs, the 166 benefiting firms in the CACS embarked on skills improvements of the existing staff. Their aggregate staff participation in training programmes rose from 70 or 0.67% in 2009 to 8038 or 1.15% in 2017.

4.5 Income of Beneficiary Firms

One hundred and twenty one firms reported on volume and value of income from primary and processed agricultural products like; beans, birds, cassava, rice, flour, etc. between 2008 and 2016. There has been positive growth over the years in volume of production and nominal income of the 121 firms. Of particular interest is the slowed growth in production and low growth in income recorded in 2013 as a result of losses emerging from the flooding of that year. Although income picked up in 2015 and 2016, the deceleration in volume of production are indications that price increases in those years mainly drove the increases in income.

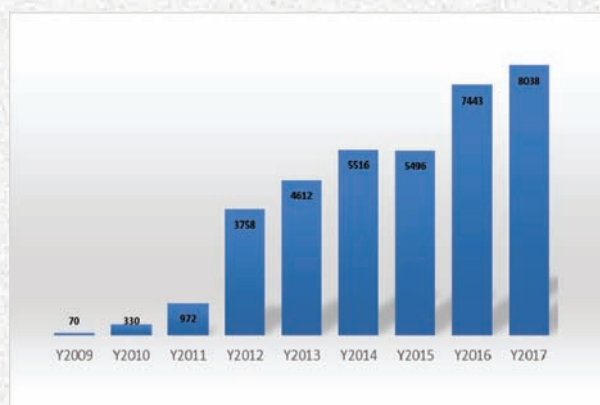


Figure 4.4: Number of Employees Trained by Beneficiaries

Table 4.5: Income(N'millions) and Production of Beneficiaries

Aggregate Income of Firms from Primary Agro Products											
Year	Agriculture - Crop Production	Agriculture - Fishing	Agriculture - Livestock	Manufacturing - Food, Beverage & Tobacco	Manufacturing - Non-Metallic Products	Manufacturing - Other Manufacturing not mentioned	Manufacturing - Plastic & Rubber Products	Manufacturing - Textile, Apparel & Footwear	Others	Grand Total	Growth Rate
Firms	63	4	28	13	1	9	1	1	1	121	
2008	18,356.74	-	543.29	1,243.05	832.00	9,080.76	157.66	-	187.00	30,400.50	
2009	20,257.03	-	1,080.13	2,226.79	810.00	7,905.06	197.23	-	190.00	32,666.24	7.45
2010	29,693.12	40.71	2,582.02	2,247.33	796.50	8,505.95	541.35	29.14	165.00	44,601.13	36.54
2011	46,757.48	128.99	6,114.25	1,679.11	966.00	10,528.14	660.38	70.72	162.00	67,067.07	50.37
2012	43,631.83	116.48	9,744.47	1,402.71	1,134.00	17,224.19	693.22	49.92	191.00	74,187.81	10.62
2013	49,542.81	132.36	9,595.07	2,171.81	1,160.00	11,054.08	598.50	94.69	218.00	74,567.33	0.51
2014	61,265.61	159.57	12,960.94	9,883.26	1,152.00	11,066.51	529.24	97.05	163.20	97,277.37	30.46
2015	75,239.40	132.81	14,847.41	26,420.27	1,224.00	25,630.02	491.70	161.83	244.80	144,392.25	48.43
2016	109,699.18	174.24	20,862.88	41,895.51	1,680.00	31,460.58	587.14	64.37	243.60	206,667.49	43.13
Aggregate Volume Produced of Agricultural Products											
2008	1,547,501.19	-	3,256,059.00	17,550.40	6,400.00	3,393.85	1,659.60	-	900.00	4,833,464.04	
2009	1,777,719.41	-	4,043,119.00	27,219.45	6,000.00	554.05	1,936.20	-	950.00	5,857,498.11	21.19
2010	2,445,633.12	90.46	4,674,793.00	74,863.20	5,900.00	26,119.86	4,285.80	309.40	850.00	7,232,844.83	23.48
2011	3,522,513.06	274.25	5,908,010.00	85,514.86	7,000.00	40,891.24	5,753.28	565.65	800.00	9,571,322.33	32.33
2012	4,231,615.17	234.31	8,429,442.42	82,427.21	8,100.00	89,416.62	6,638.40	368.36	970.00	12,849,212.49	34.25
2013	4,263,928.16	265.80	10,380,199.72	398,447.60	8,000.00	110,410.58	5,532.00	747.82	1,100.00	15,168,631.69	18.05
2014	4,212,269.24	310.84	13,371,216.89	160,773.66	7,200.00	115,346.27	5,200.00	582.71	820.00	17,873,719.61	17.83
2015	4,524,956.54	237.08	16,743,841.07	470,366.39	6,800.00	145,952.68	4,646.88	975.27	1,230.00	21,899,005.91	22.52
2016	4,426,301.08	311.01	17,237,958.00	589,501.58	4,200.00	112,581.01	4,425.60	326.12	1,210.00	22,376,814.39	2.18

SECTION **FIVE**

Impact on Assets of Firms



5.1 Aggregate Assets of Benefiting Enterprises

The foundation assumption on which the Commercial Agriculture Credit Scheme (CACS) was established is that “provision of funds to small and medium agricultural enterprises with plans to grow their assets base” would stimulate production/output as capsulated in the statement “in order to mitigate the trend of limited funding to the sector, the CBN in collaboration with the Federal Ministry of Agriculture and Water Resources introduced the Commercial Agriculture Credit Scheme (CACS) in 2009 to target commercial agricultural enterprises with agricultural assets of not less than N100 million with plans to increase the assets to N250 million within a period of three years. Also, Non-integrated farms/agriculture enterprises with assets of N50 million and have plans to grow their assets to N150 millions within three years. These firms may be in the production, processing, marketing or supplies of farm inputs; and such services cover a wide range of agriculture products”.

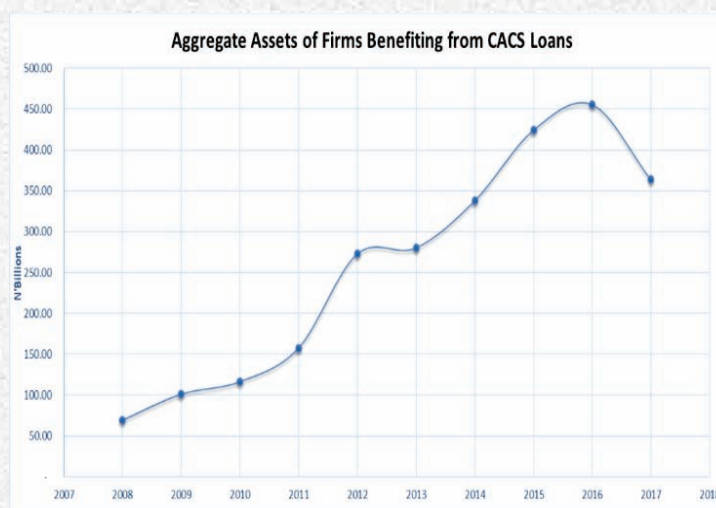


Figure 5.1: Aggregate Assets of CACS Beneficiaries

The main firm level objective of the CACS facility is therefore to enable small and medium scale enterprises grow their assets by 200 and 150 percent respectively over a period of three years. The evaluation looked at the aggregate assets of responding firms that benefitted from the CACS loans between 2008 and 2017. The firms generally, recorded upward trend in aggregate nominal assets with a turning point recorded in the year 2016 possibly because of the negative economic growth recorded in that year (Figure 5.1).

All classes of assets recorded growth between 2008 and 2017. After 2015, there is evidence to suggest that firms may have disposed their landed properties and equipment/plants to remain liquid or service their financial liabilities (Figure 5.2).

We further looked at the firm level growth in assets, and findings reveal that the growth in aggregate assets of the benefiting firms may have come from some success stories. Since inception of the Scheme, only 6.8% of the firms had their aggregate assets expanded by 150% and above, 12.3% by the end of the second year, and this dropped to 11.6% in the third year indicating reversal in earlier assets growth. The economic activity sectors that showed higher potentials for growth were; crop and livestock production, manufacturing activities with exception of textiles, and agriculture services.

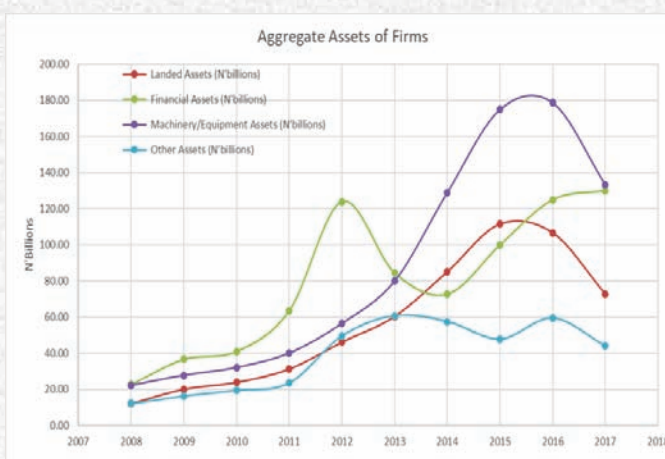


Figure 5.2: Aggregate Assets of Beneficiaries by Type

Table 5.1: Firms (%) Meeting the Aggregate Assets Growth of 150% and Above

Economic Activity	First Year	Second Year	Third Year	Number of Firms
Agriculture - Crop Production	6.2	13.8	10.8	3
Agriculture - Fishing	0.0	0.0	0.0	14
Agriculture - Livestock	5.7	8.6	11.4	33
Manufacturing - Food, Beverage & Tobacco	10.5	15.8	21.1	19
Manufacturing - Other Manufacturing not mentioned	7.7	15.4	7.7	11
Manufacturing - Plastic & Rubber Products	0.0	0.0	0.0	16
Manufacturing - Textile, Apparel & Footwear	0.0	0.0	0.0	25
other (specify) Agriculture processing	0.0	0.0	0.0	16
Others	33.3	33.3	33.3	9
Grand Total	6.8	12.3	11.6	146

Table 5.2: Firms (%) Meeting the Aggregate Assets Growth of 150% and Above

Year of Access	First Year	Second Year	Third Year	Number of Firms
2009	33.3	33.3	33.3	3
2010	21.4	21.4	35.7	14
2011	3.0	3.0	0.0	33
2012	5.3	10.5	10.5	19
2013	0.0	9.1	9.1	11
2014	12.5	12.5	12.5	16
2015	8.0	32.0	24.0	25
2016	0.0	0.0		16
2017	0.0			9
Grand Total	6.8	12.3	11.6	146

5.2 Growth in Landed Assets

For firms involved in agriculture oriented production; cropping, fisheries, poultry, animal husbandry and grazing, require extensive land. Over the years, firms who benefitted from CACS facilities recorded growth in land and related assets, and as expected, beneficiaries in these areas of economic activity were more likely to grow their landed and related assets by 150% or more in the first few years of loan

Table 5.3: Firms (%) Meeting Land and Related Assets Growth of 150% After Receipt

Activity Sector	First Year	Second Year	Third Year
Agriculture - Crop Production	3.1	4.6	4.6
Agriculture - Fishing	0.0	0.0	12.5
Agriculture - Livestock	2.9	5.7	5.7
Manufacturing - Food, Beverage & Tobacco	10.5	10.5	26.3
Manufacturing - Other Manufacturing not mentioned	0.0	0.0	0.0
Manufacturing - Plastic & Rubber Products	0.0	0.0	0.0
Manufacturing - Textile, Apparel & Footwear	0.0	0.0	0.0
Other Agriculture processing	0.0	0.0	0.0
Other Agriculture Services	0.0	0.0	0.0
Grand Total	3.4	4.8	7.5

Identification, processing and eventual disbursement of funds to beneficiaries may slightly change with time as trade, export/import and other fiscal policies in addition to the general economic environment may affect processes and investment decisions of firms. Over the years, indications are that, the 2011, 2013, 2016 and the 2017 beneficiaries of the CACS facility faced greater challenges of growing their assets (Table 5.2). It may as well be that, these enterprises did not have viable plans for expansion.

5.3 Growth in Financial Assets

As expected, beneficiaries in the livestock production and manufacturing activities with high operating costs maintained relatively high liquid assets. The few beneficiaries involved in the manufacture of plastics and textile were unable to meet the expect growth within three years.

Table 5.4: Firms (%) Meeting Financial Assets Growth of 150% after Benefiting

Activity Area	Number of Firms	First Year	Second Year	Third Year
Agriculture - Crop Production	65	9.2	13.8	9.2
Agriculture - Fishing	8	12.5	0.0	0.0
Agriculture - Livestock	35	11.4	8.6	14.3
Manufacturing - Food, Beverage & Tobacco	19	21.1	26.3	15.8
Manufacturing - Other Manufacturing not mentioned	13	7.7	7.7	0.0
Manufacturing - Plastic & Rubber Products	1	0.0	0.0	0.0
Manufacturing - Textile, Apparel & Footwear	1	0.0	0.0	0.0
Other Agriculture processing	1	0.0	0.0	0.0
Other Agriculture Services	3	33.3	33.3	33.3
Grand Total	146	11.6	13.0	10.3

5.4 Growth in Machinery/Equipment Assets

Firms engaged in agriculture production and manufacturing of agriculture products invest in farm and industrial machinery and equipment. One area expected to attract investments of the CACS facility is machinery and equipment to enhance the productive capacity of beneficiaries. Access to CACS loans resulted in the growth of machinery and equipment assets of producers and agriculture processors as indicated by the number that were able to meet the 150% growth within three years of access to the loan.

Table 5.5: Firms (%) Meeting Machinery & Equipment Assets Growth of 150%

Activity Area	Number of Firms	First Year	Second Year	Third Year
Agriculture - Crop Production	65	4.6	13.8	7.7
Agriculture - Fishing	8	0.0	12.5	12.5
Agriculture - Livestock	35	0.0	8.6	11.4
Manufacturing - Food, Beverage & Tobacco	19	10.5	10.5	26.3
Manufacturing - Other Manufacturing not mentioned	13	0.0	0.0	0.0
Manufacturing - Plastic & Rubber Products	1	0.0	0.0	0.0
Manufacturing - Textile, Apparel & Footwear	1	0.0	0.0	0.0
Other Agriculture processing	1	0.0	0.0	0.0
Other Agriculture Services	3	33.3	0.0	0.0
Grand Total	146	4.1	10.3	10.3

5.5 Impact on Exports and Foreign Exchange Earnings

Diversification of the economy towards widening the avenues for foreign exchange earnings is one of the key objectives of most intervention programmes including the CACS. Over the years, beneficiaries in crop production, and manufacturing of food and beverages were able to export products, mainly; cotton, cowpea, fruits, maize, rubber and lately processed soya bean. Total value of foreign earnings of beneficiaries increased after assessing the CACS loan, peaking in 2010 after about 170%. Value of exports declined until in 2016 when substantial increase in export of rubber, cowpea and processed soya were recorded.

Row Labels	Number of Firms	First Year	Second Year	Third Year
Agriculture - Crop Production	65	4.6	13.8	7.7
Agriculture - Fishing	8	0.0	12.5	12.5
Agriculture - Livestock	35	0.0	8.6	11.4
Manufacturing - Food, Beverage & Tobacco	19	10.5	10.5	26.3
Manufacturing - Other Manufacturing not mentioned	13	0.0	0.0	0.0
Manufacturing - Plastic & Rubber Products	1	0.0	0.0	0.0
Manufacturing - Textile, Apparel & Footwear	1	0.0	0.0	0.0
Other Agriculture processing	1	0.0	0.0	0.0
Other Agriculture Services	3	33.3	0.0	0.0
Grand Total	146	4.1	10.3	10.3

Even though the value of exports is low, the growth has been substantial lending credence to call for policy focus on diversification of the economy by promoting agriculture sector value chain.

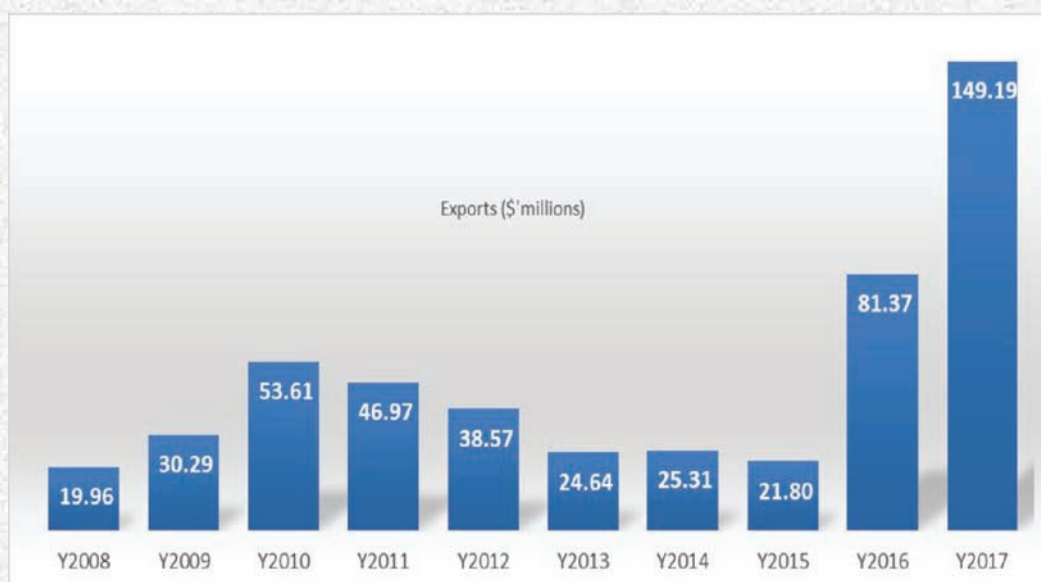


Figure 5.3: Value of Exports of Beneficiaries (\$'millions)

SECTION **SIX**

Beneficiaries through States Disbursements



6.0 Introduction

The summary of transcript of discussions held at three locations; Kano, Calabar and Ibadan is given in Appendix I. Nine beneficiaries were selected from a list provided by the states to participate in focused group discussions (FGD) in each state. Opening remarks were made to highlight the objectives of the meeting and participants responded to random questions from a list prepared to guide discussions. The questions asked mainly focused on: how the CACS Loan was utilized; what has changed economically with the beneficiary families after the CACS Loan was accessed; and what challenges were encountered while accessing or utilizing the loan and how they were resolved or they could be resolved? Whether any beneficiary had undertaken recruitment, purchase of equipment, expansion in business or land, and any formal training or education of employees during the business.

6.1 Type of Beneficiaries through States

Beneficiaries understood that states were required to establish/use special purpose vehicles (SPVs) to disburse funds received under the CACS to end users. The states then used the SPVs to disburse loans to groups involved mainly in agriculture production. The CACS funds were disbursed through participating financial institutions to farmers associations and societies, and SMSEs.

In Kano State, funds were disbursed to groups like: KNARDA Engineering Department Multipurpose Cooperative Society; Mainasara Multipurpose Cooperative Society; Dala Hills Cattle Farmers; Farinwata Multipurpose Cooperative society; Nagarta Farmers Association; Lado Farmers Association; and Rimingado Agriculture and Aquarian Services.

In Cross River State, the CACS funds were disbursed to SMSEs like: Akwato Oil Farms

Nigeria Limited, Ejakem Palm cocoa; Idigda Ventures; and Rajuno Farms; and individual entrepreneurs like: Barr. Eko Bassey Eyong; Mr. Enemde Ekedem; Engr. Pious Effiong; Rt Hon. Chief Effiong Etim Okon; and Mr. Benerable Augustin Ekwor

In Oyo State, farmers multipurpose cooperative societies (MFCS) and associations like: Irawo Atisfo Farmers Association; Ibadan/Ibarepu Farmers Limited; Surulere Gari Processing Sakwa; Wofund Synergy FMCS Ltd; Oki Agbelere Livestock MFCS Ltd; Idi-amu Ogbomoso; and Olobi Idi-Obi Agbdere FMCS were the beneficiaries.

6.2 CACS Loan Utilization by Beneficiaries

The activities undertaken by beneficiaries of funds disbursed through state governments include: fish, rice, onions, poultry and wheat production in Kano; fish, poultry, piggery, oil palm, grass cutter and cocoa production in Cross River; and poultry, cassava, maize and fish production in Oyo State. The individual and group beneficiaries were mainly into production even though subsequently a number of beneficiaries as recorded in Kano and Cross River ventured into marketing services and processing.

Although difficult to verify the extent to which funds disbursed to states were utilized properly, most states could not provide the list of beneficiaries of the funds given to them. Even in the states that took appropriate steps to disburse the funds, we recorded mixed views during the FGDs on the appropriateness of state governments playing significant role in the Scheme. While others see the positive role of guarantee and linkage of SPVs with extension services by states, others stated the existence of substantial political patronage thereby reducing the impact of the fund since most politicians that would benefit are likely to use it for purposes other than farming.

6.3 Leveraging of Additional Funds by Beneficiaries

A number of beneficiaries of funds disbursed through the states relied mainly on the funds disbursed to them for production purposes, but we recorded a few that indicated leveraging funds from other sources. The proprietor of Rimingado Agric and Aquarian Services, Mr. Ibrahim Malami a beneficiary in Kano State for instance leveraged tenfold of the loan collected, "I got CACS loan of N1 million and added my gratuity of N10 million". The Chairman Lado Farmers Association, Mohammed Kabir Jibril also in Kano, collected N3 million of the CACS loan and added N12 millions of family funds.

6.4 Expansion in Operations and Growth in Landed and other Assets

The evidence of expansion in farming activities were more pronounced in activities of beneficiaries of funds disbursed through the states than direct beneficiaries. This is mainly because some were start-ups while others were small holder farmers who could expand operations through expansion of land under cultivation or in the number of animals. Mohammed Kabir Jibril a rice farmer in Kano had 1.5 hectares of land for rice cultivation but after collecting the loan expanded to 2.5 hectares and in addition cultivated maize and guinea corn simultaneously". Also, Abdulrahman Bawa Bello, Chairman, Dala Hills Cattle Farmers expressed expansion in activities like "before the loan, we were cultivating about four hectares of wheat, after getting the loan, we acquired some more land in Gabasawa town and we realized that we have the capacity to do more than what we are doing currently but there was no available land, even land to hire. We contacted the District Head for some land, we were granted a large forest area, the land was more than four hectares". Ibrahim Malami of Rimingado Agriculture and Aquarian Services in Kano who is into poultry production

increased the number of birds from 200 chickens to 2000 broilers after receiving the loan under the CACS.

In Cross River State; Benerable Augustin Ekwor collaborated with the Nigerian-American Tobacco to acquire smoking clime for fish processing. Another beneficiary, Effing A Ekweme the Farm Manager in Akwato Oil Farms Nig. Limited, stated that up to 100 hectares of landed was planted with oil palms after collecting N9 million in addition to purchasing an oil Mill for processing. Rt Hon. Chief Effiong Etim Okon was granted N2, 250,000, after which he approached NIPOR in Benin for farm suitability assessment and acquired an equipment and 10,000 planting material enough for about half of the 38 hectares of land. Barr. Eko Bassey Eyong used the funds to build permanent poultry structure on his farm even though he run out of capital to utilize the structure after. In Oyo State, Irawo Atisfo farmers Association expanded their land under cultivation from 3 hectares to about 7 hectares after access. Mr. Dickson Adekunle Arewa stated that after accessing the CACS facility, his Union comprising of 15 primary societies into cultivation of maize and cassava increased their land from 35 hectares to 50 hectares and harvested a very good yield. Also, Mr. Kanni Ojo of Idi-amu Ogbomoso are into cassava and fish production. The Farmers' Cooperative group commenced their farming activities after accessing the loan with 100 acres of land.

6.5 Employment and Labour Quality of Beneficiaries

Access to funds provided beneficiary individuals, groups and firms opportunity to engage more employees to utilize the expansion in capacity. Dala Hills Cattle Farmers in Kano reported it employed 10 people for the cleaning, 5 people for the packaging and loading, and 2 supervisors to handle their business expansion. Mohammed Kabir Jibril, the Chairman Lado Farmers Association, also reported that the farm employed the services of 3 employees and attached them to the person that made the stressor to teach them how to operate it and manage, thereby creating 3 new jobs needed to operate a new plant acquired with the loan.

Mr. Effing A Ekweme of Akwato Oil Farms Nigeria Limited in Cross River also stated that the firm used the money to buy a Mill and for payment of salary to 5 permanent and 10 temporary staff on monthly basis. Engr. Pious Effiong, also reported that he employed up to 18 workers to work on his farm after receiving the CACS loan.

SECTION **SEVEN**

Other Observations and Recommendations



7.1 Observations and Experiences of Beneficiaries

As part of the structured questionnaire and focused group discussions questions, challenges and lessons learned were solicited from beneficiaries. Amongst the issues highlighted were:

- a. At the focused group discussions, beneficiaries into the production of fish recorded a number of challenges including: glut in the immediate market environment; lacked/difficulty of access to markets beyond their immediate environments as a result of distribution risk; increases in the cost of feeds and sensitivity of fish species to the environment. These, according to them are responsible for the volatility in the production and growth in their income. Beneficiaries admitted failures to make good plans and identifying marketing risks during the development of their business cases.
- b. We have observed declining productivity in livestock production in recent years that may not be unrelated with exogeneous factors like cattle rustling affecting producing entities including CACS beneficiaries.
- c. Beneficiaries highlighted mismatch between funds requested to finance their plans and funds finally disbursed. The delay in timing of the disbursement also affected production activities because of the cyclical nature of agriculture activities in the country.
- d. Beneficiaries indicated the tedious bureaucracy and bottlenecks of participating banks, and the additional burden of other bank charges and stringent collateral requirements.
- e. There was near absence of extension services to beneficiaries, and expected visits by loan officers (DFOs) were less frequent as to be able to identify expansion potentials/opportunities that existed with start-ups. Identification of such opportunities could enable such beneficiaries transit to other schemes for increased impact on economic growth.
- f. For the evaluation exercise, we have difficulties in accessing comprehensive records of beneficiaries of funds disbursed through state governments. A significant number of private firms were also not located, while some firms had no sign of active economic activity and further refused to provide any information about the utilization of the funds collected.
- g. The instruments used for this impact assessment could be utilized for the collection of routinely (yearly) information to make impact data readily available. This will require closer collaboration between fund managers and Statistics Department.

7.2 Recommendations

Following from the results of this impact assessment, which obviously demonstrated substantial positive growth difference between firms with access to CACS facility and overall national growth, CACS and similar schemes are in quantitative terms enhancing economic growth, job creation and deepening of the credit market. The schemes are appropriate policy option to achieve the diversification of the economy as a way of positioning the country towards self-sufficiency. The results show clearly which activity areas that are more efficient in the delivery of project objects, that increased production provided opportunities for agriculture processing, while foreign exchange earnings may be low but potentials are there for growth.

In this light, we make the following recommendations to CACS fund managers:

1. There are indications from all categories of beneficiaries that the Scheme provided funding for start-ups and sustenance of operations by existing businesses indicating that cost of funds inhibits economic growth. We therefore recommend that all necessary steps be taken to reduce the cost of funds to businesses. Also, funding mismatch has to be resolved through full funding of business plans in terms of both timing and ensuring that beneficiaries demonstrate that supplementary funding is available of the Scheme provides full funding.

2. The absence of data from most states that participated in the Scheme may indicate that such funds may have been misapplied. However, there are indications that some states with special purpose vehicles (SPV) and active extension services made the funds available to end users which produced some success stories, but most beneficiaries did not have good business plans to be financed. Concerted efforts be made to ensure that states with plans to key into the Scheme are scrutinized and disbursement monitored.

4. A number of benefiting firms were not involved in any active economic activity, and such firms refused provision of information. This calls for the need to monitor closely all beneficiaries through periodic collection of data. We are therefore recommending that the structured questionnaire used for this impact assessment be adopted for annual reporting by all firms under the Scheme.

3. A number of beneficiaries attempted to actively explore the agriculture value chain, in particular start-ups. These efforts were not mostly anticipated by their business case plans, and DFO contacts with them were unable to identify such opportunities. We recommend that interaction with start-ups be more frequent and the objectives of such contacts should include identification of expansion opportunities so as to transit identified beneficiaries to other facilities for maximum funding impact.

5. Agriculture is rain fed in Nigeria and production activities are seasonal. For a one year tenured facility, correct timing of disbursement is key. All efforts be made to ensure that crop producers receive funding at appropriate cropping periods.

Appendix I

Focused Group Discussion Transcript

Opening Statement

You will recall that some years back, precisely 2009, the CBN established a scheme named the Commercial Agriculture Credit Scheme (CACCS) to assist farmers, people engaged in agricultural value chain, and users of agricultural implements, and producers of such implements to boost agricultural production. This initiative has been on for over 10 years with funding being earmarked for the above individuals and societies as loan with minimal interest rate or single digit. There are banks that give out loan but at very high interest rate, which do not give a small-scale farmer the opportunity to break-even. That is why the government through the CBN offered this funding scheme to banks at 2 percent interest rate with a markup of 7 percent for the banks, cumulating to 9 percent maximum, unlike the rate in the banks that usually amount to about 20 percent and above.

This exercise looks back and aim to assess the impact of the scheme on the beneficiaries and the economy, and document lessons learned. The focus of this meeting therefore is to hear from the beneficiaries about experiences with utilization of the loan. Some companies have accessed this funding directly from banks, while some states collected the loan for onward disbursement to individuals and associations. The individuals and associations that collected the loan through their respective states are many and we cannot bring all of them under one umbrella, so we selected few of you to hear from you about your experiences regarding the scheme on behalf of the numerous beneficiaries that are not here.

We intend to ask some questions, which could be answered based on your experience on what has happened. I want to inform you that whatever we discussed here is not an investigation on any individual, but an assessment that will help in improving the scheme. The outcome of this meeting will only be used as views and opinion collected directly from beneficiaries, which may form part of the report.

I want to welcome you to the meeting and ask for your active participation.

Questions asked focused on: how the CACS Loan was utilized, what has changed economically with the beneficiary families after the CACS Loan was accessed, and what challenges were encountered while accessing or utilizing the loan and how they were resolved or they could be resolved? Whether any beneficiary had undertaken recruitment, purchase of equipment, expansion in business or land, and any formal training or education of employees during the business?

Kano State Participants, Held at CBN Kano Branch

1. Engr. Haruna, Chairman, KNARDA Engineering Dept Multipurpose Coop. Society.
2. Ismaila Yau Umar, Mainasara Multipurpose Cooperative Society
3. Dr. Shehu Bawa
4. Mohammed Kabir Jibril, Chairman Lado Farmers Association
5. Abdulrahman Bawa Bello, Chairman, Dala Hills Cattle Farmers
6. Abdulmutallib Lawan, Chairman Farinwata Multipurpose Cooperative society
7. Murtala Garba Haris, Chairman Nagarta Farmers Association
8. Ibrahim Malami, Rimingado Agriculture and Aquarian Services

I am Engineer Haruna (*Beneficiary 1*) from KNARDA Engineering Department Multipurpose Cooperative Society. We are talking about this fund before it reaches the beneficiaries, for me truly there are challenges. Firstly, this initiative is very important and a most if a country is to develop, especially Nigeria. Nigeria is a country that possessed very large arable farmland, rivers, forest, and an active population that can sustain agriculture. A far from food production, we can get raw materials and employment. The challenge is funding, so this initiative is a welcome development. In our own association, it has been indicated that when you are filling the form for the loan, you are to attach your business plan with the promise of the amount you will be given. Surprisingly towards the tail end of the disbursement to beneficiaries, the loan earmarked for the beneficiaries was reduced to about one-third of the initial amount written on the form, which has distorted our business plan and moral. Secondly, the participating banks took long time before they disburse the fund, which led to most beneficiaries been skeptical about the scheme. This affected our market price because we had already done a market survey based on the existing price and the initial amount written on the form.

My name is Ismaila Yau Umar (*Beneficiary 2*) from Mainasara Multipurpose Cooperative Society. The challenge What I want to mention here relates to the selection process of the beneficiaries. It is unfortunate we are in the era of politics and that the funds were given to government to disburse to beneficiaries. One of the challenge mentioned earlier relate to this one, because many people applied for the loan and politics came into play as many people must be satisfied, so the amount was reduced to satisfy the numerous applicants, especial the politicians. At the end, beneficiaries were not adequately catered for what they applied for, which made it impossible to do what they intended. This has contributed to the negative benefit to the beneficiaries. The loan for about 100 people was disbursed to 200 people. Second challenge is the technicalities related to the loan such as developing business plan, registration with an association which is cumbersome. The registration with an association is to satisfy the KYC principle. It is not about the registration with an association, but the process of the registration, opening a bank account, payment of some fees, which sometimes are numerous. So, all these payments erode the funds you are expecting to get.

I am Dr. Shehu Bawa (*Beneficiary 3*). We have discussed the Scheme, I want to say that the CBN must remove the state government from the process of disbursing to beneficiaries, CBN should deal directly with the beneficiaries through their Associations by creating a Special Purpose Vehicle (SPV).

My name is Mohammed Kabir Jibril (*Beneficiary 4*). I am privy of some information when I was the Managing Director of KNARDA when this scheme was initiated. KNARDA is an acronym of Kano Agricultural and Rural Development Authority. During the first regime of Governor Kwankwaso, the CACS initiative was created by the CBN, and one of the conditions at that time for accessing the loan was that any state interested in the loan must create an outfit and it was realized that Kano state has already such outfit in KNARDA, which was called Rural Infrastructure Development (IRD) that disbursed similar loans to farmers. Based on this development, the CACS loan was channeled through KNARDA.

It is my candid opinion that this type of programme cannot be done without the involvement of government as the funds is guaranteed by the state government. Assuming state government did not guarantee the funds, the CBN may not give farmers the financing. Regarding associations, we all know what an association is, especially in the Northern part of the country, it is weak and did not have the requisite requirements needed to function effectively.

My name is Mohammed Kabir Jibril (*Beneficiary 4*). I want to go back to the issue of benefit derived from the scheme. The standard of living of my members had improved through increment in the income that had accrued to farmers. Problems apart, when an individual access the loan, at the initial stage, people were promised 7million, 1million or 2million, and people were categorized based on turnover. For example, people with turnover of 500,000 will be given 1 million, which automatically your capital has increased.

An additional challenge is the wrong timing of the disbursement, the challenge was that the time loan was disbursed, the cropping season has already elapsed. Loan disbursement not synchronized with the planting season, which causes losses to the farmer. Another problem is that of market outlay for the products with no guarantee for good prices.

My name is Doksha Danjuma (*Beneficiary 5*) from L & Z Integrated. We have one issue which must be considered either from the banks angle or CBN. In the disbursement of the CACS loan, there is management fee and renewable management fee. This has become a problem to us as every year the banks renew their management fee.

What did we think has changed about farmers that benefitted from this loan? What differences did we see in terms of their operations?

My name is Mohammed Kabir Jibril (*Beneficiary 4*). I cultivated rice and many of my peers also cultivated rice. At that time, I have seen improvement, for example in my group before the collection of the loan I was cultivating about 1.5 hectares of land for my rice and after the collection of the loan I was able to cultivate 2.5 hectares and in addition cultivated maize and guinea corn simultaneously. We employed four people that cleared the farm but in some farms the people were about ten.

My name is Abdulrahman Bawa Bello (*Beneficiary 6*), Chairman, Dala Hills Cattle Farmers. After the receiving the loan, the living standard of our farmers had changed. What we released was that we were skeptical about given the money to every member of the association, because some intended to use it genuinely, while others were thinking of using the loan for a different purpose which negated the intent of the loan. For example, one of the intended beneficiary had already priced a car which he wanted to buy with the money. Due to this development, we prevented the access of the funds by our members. We identified those that genuinely needed to expand their farming activities and those that were not. We sat down with them and educated them of the importance of utilizing the loan adequately. The loan had significantly assisted our association in boosting our farming activities. A far from our own association, our friend and sister association also benefited from the loan. Before the loan, we were cultivating about four hectares of wheat. After getting the loan, we acquired some more land in Gabasawa town and we realized that we have the capacity to do more than what we are doing currently but there was no available land, even land to hire.

We contacted the District Head for some land, we were granted a large forest area, which we cleared and had spent a lot of money for clearance. We employed people from the village for the land clearance and hired tractor for the same purpose. The land was more than four hectares of land that we hired, we cultivated wheat and the output was significantly more than what we had in the previous farms more than what we envisaged. Our capacity has increased to about 75 percent. We also planted onions and had entered agreement with Shoprite in Kano for the supply of onions on weekly basis. However, what we cultivated was not enough for the need of Shoprite, we have to buy from the market and employed people that clean, arrange and package it to the standard of Shoprite. We employed 10 people for the cleaning, 5 people for the packaging and loading, and 2 supervisors. We buy onions from villages and towns such as Kibiya, Gombe, Sokoto and Republic of Niger. Because of the loan, we have ventured into other farming businesses that hitherto we were not able to.

We have gotten the loan and invested and made remarkable profit, but we have not been asked to pay back the money. Those that gave us the facility (state government) had never reverted to us for the payment of the loan. We have not been asked to pay back and we don't know where to go and pay back the loan. Are you aware that you can access other facilities to boost your activities as you have moved to another level in the value chain? Honestly, we are not aware of that, what we were meant to understand was that once you access one facility, you could not access another. We shall be very glad if we can get access to another facility, because presently we intend to start fattening and build abattoir that will meet the standard of our customers, such as Shoprite, because they complained of the way meat is being processed in our abattoirs, which do not meet their standard. We already have the land for that purpose, but we are constraint by funding.

My name is Abdulmutallib Lawan (*Beneficiary 7*), Chairman Farinwata Multipurpose Cooperative society. I am into ginger and fattening. I started fattening before getting the loan in a small scale and usually sale during festive period. After receiving the loan, we entered into agreement with Shoprite to supply them with beef after every ten days we supply a minimum of ten cows of beef and goat meat.

I am Murtala Garba Haris, (*Beneficiary 8*) Chairman Nagarta Farmers Association. We benefitted from the loan, however, we were all amateur farmers and our experience was not palatable. We were told we must get a farmland and those that will oversee the processes of cropping to cultivation. We sat down as a group and examined the pros and cons of the hiring people to look after the farm for us and the different testimonies we heard about people that did that, we decided to give each member a portion of the loan as his share. On my part, after getting my share I was advised to buy sesame seeds to keep for a time before selling. At that time a kilo of sesame seed was N290, and from time to time I used to contact Dawanau Market to know the price movement which kept fluctuating. I was advised to keep it till December of that year as the price was expected to rise. However, the price plummeted to N240. The association has no technical know-how about farming.

My name is Ibrahim Malami (*Beneficiary 9*) from Rimingado Agric and Aquarian Services. Before my retirement from government services, I had a small poultry farm at my backyard with about 200 chickens. I got CACS loan of 1 million and added my gratitude of 10 million and bought large farmland, which I filled with 2000 broilers. Due to non-availability of a professional handler for broilers, we encountered problem and all the broilers died. I turned to fattening with different species of cattle about 200 in number and employed a Fulani man to look after a selected specie of the local breed.

I planted different type of plants to cater for their feeding and the manure I got from the animals was used in the farm with little additional of the modern fertilizer. In addition, I expanded to include horticulture with tomatoes, onions, sugarcane, and pepper using the borehole in the farm for irrigation. I employed three people, one to look after the borehole and generator, another to do watering of the plants in the morning period, while the third to do the watering during the evening period.

The challenge we are facing regarding the CACS funding is that there is no close monitoring and supervision from both the CBN and the state government. None of the two agencies really took time to monitor what really are the beneficiaries doing with the money. There is no linkage between the farmers, CBN and the banks. Weak visitation team and no professional to evaluate facility.

My name is Mohammed Kabir Jibril (*Beneficiary 4*), Chairman Lado Farmers Association, regarding capacity building. Initially we used to cultivate 100 bags of rice, but now with the intervention we cultivated 250 bags of paddy rice. I got 3 million of the CACS loan and added 12 million of personal money. On capacity building, instead of the women and young boys' employees, we bought multi-purpose stressor for N300,000. We employed the services of 3 employees and attached them to the person that made the stressor to teach them how to operate it and manage. We later released that the rice chips and by-product can be used for fattening, which we decided to venture into. We employed the services of someone to make a distiller and par boiler that grand the rice chips. We employed two persons that were taught how to operate the distiller. In term of capacity building we have trained five people on how to operate these machines. We decided to be processing the rice such fresher, de-stoner, par boiler and polishers for the process of the rice.

There are some of my friend that applied but did not get the loan because the beneficiaries were categorized into different sectors, therefore they fell into the sector that was not eligible for the loan according to the state at that period. They requested the loan for poultry which has been removed from the list.

My name is Engineer Haruna (*Beneficiary 1*). In my association, ten people were earmarked for the loan, but only three people got it due to funding constraint.

Cross River State Participants, Held at CBN Calabar Branch

1. Augustine. E. A. Ogra
2. Effiom A. Ikpeme
3. Engr. Pius Effiom
4. Enembe Okon Edet
5. Ekpo. B. Ekpo
6. Sunday Basse
7. Felix. B. Umo
8. Rev. Dr. Brown Ubom
9. Ntunkae Mary-Teresa Ikwen

My name is Benerable Augustin Ekwor (*Beneficiary 1*) I thanked God for the intervention of Cross Rivers State government, I was given a facility to run a fish farm, before the facility I did not have much experience on fishery. By the time I requested for the loan, we were given training on fishery farming and we tried to put into practice what we were trained.

I was trained on fish and honestly, we did very well. I was given N560,000, which was not enough, quite inadequate. Because by the time you talk of fishery farming, you must have a location, and the cost of borehole, cost of ponds, cost of feeding the fish and cost of generators, well we managed through and I added some money and got all those facilities to start, which I started with 3000 finger lips.

We cultivated the 3000 finger lips, the challenge was that the cost of feeds was increasing by the day and the problem of marketing, because the locals prepare mostly the fish in the sea, so only a handful of visitors buy from us and those that do BBQ. While we were feeding the fish nowhere to sell, that was a major constraint. That affected our payment for the loan. I think the way forward is the marketing of these products because you needed to sell the fish fresh and to get one fish from finger lip to table size, it will cost you N700, and the buyer will buy at N750 or N800, which was not good enough. Right now, I am collaborating with Nigerian-American Tobacco, which they assisted me and other farmers to get a smoking climate. I had to initially shut down the ponds because there was no fund, but right now, I am bringing back the ponds since I have the smoking climate.

Didn't you write feasibility studies and identified the market before you go into such production? Yes Sir, the market we were looking at was just the public. So it suffice to say that rather than the market was not there, it is your feasibility plan that was not adequate. If it was adequate, you could have been able to identify the market.

What do you think you have learnt? The plan from the beginning was not adequate, I have learnt that the feasibility plan was not adequate and what we planned was not what was given to us. We had to look for money somewhere like additional 1 million naira from salary, family and friends.

Effing A Ekweme (*beneficiary 2*) Farm Manager in Akwato Oil Farms Nig Limited, the Managing Director is Dr Kofi Ekweme. We planted up to 100 hectares, the loan collected was 9 million naira, so far we paid between 4 and 5 million naira. We use the money to buy the Mill and we have been paying salary to 5 permanent staff and 10 temporary staff on monthly basis. Yearly we clear the farm, and ring wedding of the plants. We have not installed the Mill yet, so we leased out the farm to harvesters to harvest the FFP, which is the fresh fruit punches. The challenge we had was that when we were planning to buy harvesters, tractors and hectares for planting of cocoa, the militants in that area came and disturbed the workers not to go to the farm again. I was called upon and the Managing Director instructed me have a meeting with them. I entertained them and they said they are the owners of the area and that they needed their own share. Finally we decided to be given them something from time to time, which slowed down our plans for the investment to continue but we are still making efforts. Additionally, we are planning an integrated farming that is piggy and fishery, we did the feasibility study on it.

Rt Hon. Chief Effiong Etim Okon (*beneficiary 3*). It was in 2011 that I applied for this facility from Ministry of Agriculture, and I was granted N2, 250,000. I am into palm plantation. When I got the facility, I went to NIPOR in Benin and asked for their assistance. NIPOR attached one extension officer to me, who I brought to my farm in Calabar, and did test on my farm and the result showed that the land is fertile for palm plantation and I have to use the extension worker to get equipment and 10,000 planting material for the farm.

The cost of clearing the land was very much because to clear the land once, you spend about N600,000. I have planted half of the 38 hectares that I bought and they are doing very well now. Like last year, I had 100 rubbers of 25 liters of palm oil. This year I hope to have more than that because it is increasing yearly. I have employed 6 people, one farm manager and five other workers. I do not have issue with the market, *Aboki* from *Bagobiri* always come to ask when the palm oil will be available. The challenge I have is to have a Mill, I am just milling at the local Mill. Why don't you want to go for another facility to establish a Mill? *DFO*, *why are people not benefitting from the MSE fund, like the person here that want to establish a Mill. What we observed is that people find it difficult to come to the CBN office to discuss their issues.* Not that we find it difficult to come, we are not aware. The milling machine I want to buy is being fabricated by NIPOR, they introduced me to one but I have funding constraint.

Engr. Pious Effiong (*Beneficiary 4*) I was given the facility and got N900,000 for poultry and in the process they introduced a company called NAIC Insurance to assist us whenever we have a problem. From the N900,000 I started the production at a time thieves broke into the farm and stole all the 500 birds, and after employing security, the thieves came with force. I reported to the Ministry of Agric and they said I should report to the insurance (NAIC), but could not find the insurance people to find them. I was able to pay part of the money on my own without the NAIC assistance. I was able to find a secured place and I am now into poultry, grass cutter, and fishery. The challenge I have is to do with funding constraint. I have employed up to 18 workers under me.

Enemde Ekonedem (*Beneficiary 5*) I was involved in the loan process, I was into broiler production before I took the loan. I stocked 1500 birds, and started egg production after I took the loan. However, the birds were losing weight despite of the feeding. The challenge I had was the weight of the birds was dropping at 10 months old. We brought a veterinary doctor and after examining the birds, he said it was a genetic problem from the hatchery. I reported to NAIC to assist, as the birds had no weight we had to sell all the birds. We approached NAIC to bring us back to business but it was difficult, many people have litigation with the insurance company. It was so punitive to the beneficiaries, the Ministry was not protecting the beneficiaries, because when you report to them, they refer you to NAIC and they were the people that enforced the insurance company on the beneficiaries. We had no option to go to other insurance company it was only NAIC. Most people are still suffering because of this problem, it was a very serious issue to farmers here. Secondly, the release of the fund is not timely, they started releasing the funds around September of that year. For somebody that wanted to plant rice, the funds will not be meaningful at that period, so the farmer may divert the fund for some other uses.

Barr. Eko Basse Eyong (*Beneficiary 6*) I went into poultry farming with 4 million I got from the loan. I must admit that I made mistake at the initial stage. I have been in poultry in small farmhouse, the mistake I made was to put in the bulk of the money into building permanent structure. Second mistake, which was not my making, was having bad broilers and the mortality was very high. I contacted NAIC and benefitted from some of their rebate. I had to carry the birds for autopsy and several other test and they have been recommending drugs, which I have being buying. What put me out of market was the second time I stocked over 500 birds and the group was very poor. That put me down, I could not meet up, at a point even the ones that have grown up starting dying.

Again, I have to go to NAIC, they asked if I have been to the veterinary division of the Ministry. I showed my certificate of their visitation. When I sat down and reviewed the whole process, I realized that I had committed too much into the farmhouse. I started paying back and to pay out of the other business. I have converted the farm into another purpose. I am very passionate about agriculture and now that I have known the CBN has facilities for agriculture, I am negotiating with my community for a large piece of land that will make it possible for me to expand in future.

My name is Felix B. Ubom (*Beneficiary 7*) Ejakem Palm cocoa, we had the loan facility in 2013, and the loan interest is high and time short. The government supposed to put agriculture as priority list and suppose farmers. *You see if the government is for all of us and decides to give loan to only a few, why should the government give you free.* No I am saying the interest rate is high the government should bring it to 2 or 4 percent. The infrastructure, especially the road to our farm is not accessible. The cocoa and palm oil that come from that area is amazing but there is no road accessibility. *The DFO should do an advocacy to the state institutions, and should include their report on the issue of challenges towards farm products evacuation. DFO should generate a one-paragraph mail to see if we can escalate it to Management.*

My name is Ntunkae Mary-Teresa Ikwen (*Beneficiary 8*) Idigda Ventures. I keyed into the project, actually, I took the facility when I was a Permanent Secretary and established a Fish farm. We started with 2000 finger lips, I used a collapsible artificial pond. The first pond did well, but I could not get buyers to buy. I incurred losses because I was feeding the fish for over six months but they were still looking tiny and finally we sold them. The market was not so good because the buyers purchase in pieces because they do point and kill. The fish was taken my money for feeds and the cost of feeds was so high, presently it cost about N12,000, but the price per table fish goes for N600 or N700 and at the end, the money you get is not even up to one bag of feeds. I also incurred additional cost of paying the security and the person looking after the ponds. I enjoyed the business, I am doing it as a hobby but when the cost of the feeds became too high I have to slow down. I want to suggest that if there is a way in which those producing Feeds will be supported with some facility.

Interrupted: Yes, the Feeds people benefitted from the CACS. Engr. Pious Effiong (*Beneficiary 4*) this brings me to the issue of the way forward. While the Cross Rivers state government gave these loans to individuals, it was a good thing. But my going into farming, I discovered that individual loan might not help us, what will help us is cluster farming.

Rev. Dr. Brown Ubom (*Beneficiary 9*) Chairman of Rajuno Farms. Generally, Sir, when we came in the problem was that there was quantum difference between the feasibility amount of finance and the actual amount given. For me it was a basic problem when you prefer a feasibility plan that the borehole is going to cost a particular amount, the land and other infrastructures and you are given less amount of what you budgeted for, example one-third of the amount you expected. For me I was given N1.3 million and I saw that it was going to be riskier for me to continue with fishery, so I have to strategically change to poultry. I think the issue of getting the amount of financing stated in the feasibility plan will help the farmer very well otherwise you are going to create a problem, you may think the farmer is not performing. Where the disparity of funding occurs, it is difficult for the farmer, especially if he does not have families or friends that can support him. Another area is that of working in clusters, it is very good now to work in clusters.

Oyo State Participants, Held at CBN Ibadan Branch

1. Den Adekunle Arewa Ibadan/Ibarepu Farmers Limited
2. Ilori B. Alabi, Surulere Gari Processing Sakwa
3. J. A. Adedeji, Irawo S Fadama
4. Eid Aridele Mayo, Olobi Idi-Obi Agbdere FMCS
5. Olajide Akanji
6. Ebum Rose Samson, Igboora Ibanapa Central Agbelagba
7. Kanni Ojo, Idi-amu Ogbomoso
8. Fadiji Tayo, Wofund Synergy FMCS Ltd
9. Dr. Ajewumi Lere, Oki Agbelere Livestock MFCS Ltd

My name is J. A. Adedeji from Irawo Atisfo farmers Association. Before we started quite honestly, we used to hold meetings, we gather ourselves we have some lands we used to work there but we do not have enough money. Whatever we contributed among ourselves was not enough. The time we got the loan, everybody was happy we extended our hectares. We expanded from 3 hectares to about 7 hectares we became very busy. Our yield grew and we had more money and the most important thing people were engaged in the farm, we have 12 members in the association. The first year after the loan was very good, however, subsequent years we experienced crop failure, so we were unable to make more money. The challenge we had was that we needed fertilizer for our crop but we could not get therefore all our crops failed. *Did you take insurance?* Yes in the first year, we took insurance but subsequent years we did not, because they said our insurance only last for one cropping season. However, we were able to repay our loan in two and half years while the tenure of the loan was two years.

My name is Dickson Adekunle Arewa. Ours is a union comprising about 15 primary societies. We are having about 450 members and we were given 3 million. When we got the loan, the activities of the Society improved because it was dying down. However, the loan was very little but it helped a lot. We cultivate maize and cassava and we increased our hectares from 35 to 50 hectares. We harvested a very good yield, we were expected to pay N152,000 per month as repayment but were paying N500,000, but at the end of the second year our yield decreased because we were affected by the disease, we could not have anything. We were only managing our shares and savings. Why didn't you approach the DFOs to get another loan? Unfortunate we have not finish paying the loan, we still have some balance to pay that why we could not come to the DFOs to request for another loan.

Ebum Rose Samson, Igboora Ibanapa Central Agbelagba. When we got the loan, we distributed it into two groups, the farmers and the poultry. We had three big fences and we booked about 3000 birds, but we had only 500 birds before the loan. The challenge we had that year was high cost of feeds this affected us because we had to feed them for six months before they start production, we also encountered some diseases. We did not the birds had some foreign diseases and we lost many birds in the first year. The following year we had to gather ourselves, we bought some more birds, and at the time they started laying we did not break-even due to lack of money. We had to start finding ways to pay the loan. The cassava group, we had six employees that were working on both farms, the problem we had was that cows eat the cassava and there was nothing to cultivate.

We had two hectares but we could not increase the hectares due to lack of money.

My name is Kanni Ojo, Idi-amu Ogbomoso, I am into cassava, fisheries. The problem we started as cooperative society and later translated into farmer. We are about 15 members and formed the Farmers' Cooperative group. We started with 100 acres with cassava, maize and other different plants. For me I started with just 2 acres and when we got the money, we shared it among ourselves. The little one that came to me I used on my farm, some collected about N200,000 others N500,000, the money was not shared equally. We started having problems with the people that put fire on the farms in order to catch rats. We did not take insurance, so to go back to farming was very difficult even the repayment of the loan was difficult.

Fadiji Tayo, Wofund Synergy FMCS Ltd. We invested the loan in pastoral farming. We did not give the loan or share it to members, we invested the money as a group. Some of our members were into the business of buying and fattening cows. We started in January 2016, within six months the business was flourishing, we employed Fulani man that we pay monthly to take care of the cows. Each month we buy about 10-20 cows a month and we make N10,000 to N30,000 per cow profit. Within the first six months of the business, we were making it. After that, the cows that we bought at that time we lost about six cows and the reason was that the cows we bought were not accustomed to our environment. Some people called Beroro took some of the cows, so the remaining we sold to butchers, gathered the remaining money, and invested into Road Transport but we later withdrew the bus from the driver and sold it. Since then we have been battling how to refund the loan.

We took loan from Bank of Agriculture, which they give us a year, but we went to Ministry of Agriculture and their interest is reduced to 7 percent, while bank of Agriculture was 12 percent. The Commissioner of Agriculture told us that the loan is not free we have to pay. Our Community gave us small piece of land to cultivate, but for me I went to my village to utilize my own land. I started fishing and dug ponds and I was doing Pure Water business before then. By the time we planted the crops, some members complained that their plants were not doing well. I told them that I do not want them to pay the time we are supposed to pay. We were paying N152,000, we were about 20 people and we shared the money I got the highest share of the loan. Some people that we gave small were not ready to pay the money so I provided by myself from another business to refund the loan. What I see on the agriculture, it is a business that you have to be monitoring, because people in the village do steal from your farm.

Did you get additional money from other sources a far from the loan?

We did that, because we have savings banks so where we received money that was not enough, we have to withdraw from our savings.

Appendix II

Impact Assessment Questionnaire

CONFIDENTIAL

COMMERCIAL AGRICULTURE CREDIT SCHEME BENEFICIARIES SURVEY



CENTRAL BANK OF NIGERIA

The questionnaire is to be completed by business owners with competent knowledge of the business that benefited directly as borrower or indirectly as consumer of products or services of borrowers.

The information provided here is strictly for Policy Formulation and Intervention, And would be treated with all sense of confidentiality.

1. Name of Establishment: _____
2. Physical Address _____
3. City _____ State _____
4. E-mail Address _____
5. Website Address: _____
6. Contact Tel. No(s): _____
7. Year of Commencement of Business: _____
8. Form of Ownership: **(Tick as appropriate)**

Sole Proprietorship

Partnership

Private Limited Liability Company

Government Owned

Cooperaive

Public Limited Liability Company

Statutory Corporaion

Others (specify)

.....

9. Percentage of shareholding by a). Foreign b). Nigerian
10. Does your irm operate in another state? Yes No
11. Does your irm face internaional compeiion? Yes No

12. Please provide the number of employees as at end -December of each of these years

Year	Number of employees	Female employees	Male employees

13. Looking at the economic activities listed below, tick as many of these activities your firm is engaged in (**Please tick as appropriate**)
14. Your firm benefitted from the Commercial Agriculture Credit Scheme, provide the details/history of the loan in table below

Date application made	
Date loan received	
Amount applied/requested	
Amount of Loan received	
Interest charged on loan	
Other charges other than interest on loan	
Loan amount repaid	
Loan amount outstanding	

15. Has your firm undertaken any form of expansion in recent years?**YES/NO**
16. If **YES**, in which of these ways was the expansion? (**Please tick all that apply**)

<input type="checkbox"/>	Expansion of land under cultivation
<input type="checkbox"/>	Acquisition of new/additional equipment/machinery
<input type="checkbox"/>	Increase in stock of agrochemicals/supplies
<input type="checkbox"/>	Improving utilization of existing installed capacity
<input type="checkbox"/>	Establishment of new outlets
<input type="checkbox"/>	Recruitment of additional employees
<input type="checkbox"/>	Replacement of old machinery/equipment
<input type="checkbox"/>	Other (Specify): _____

17. Looking at the economic activities listed below, tick as many of these activities your firm is engaged in (**Please tick as appropriate**)
18. Which of these activities did your firm utilize the CACS loan for? (**Tick the corresponding box of as many as they relate to your firm**)

Distribution of agro chemicals, seeds, fertilize and other inputs
Exporting of farm produce
Growing of crops
Farming of animals
Production of organic fertilizer
Forestry, logging and related services
Fishing, operational of ish hatcheries and ish farms
Growing of crops combined with farming of animals (mixed farming)
Agricultural and animal husbandry services, except veterinary acivities
Game hunting, trapping and game propagation, including related services
Other Farming, unspecified
Production, processing and preservation of meat, ish, fruit, vegetables, oils and fats
Manufacture of dairy products
Manufacture of grain mill products, starches and starch products and prepared animal feeds
Manufacture of other food products
Manufacture of beverages
Manufacture of tobacco products
Manufacture of textiles, clothing and leather goods
Manufacture of footwear spinning, weaving and finishing of textiles manufacture of other textiles
Tanning and dressing of leather; manufacture of luggage, handbag, saddlery and harness
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials;
Manufacture of paper and paper products; publishing, printing and saw milling and planning of wood
Manufacture of products of wood, cork, straw and plaiting materials manufacture of paper and paper products
Manufacture of special purpose machinery
None of these (Specify): _____

19. In your own assessment, list in what ways the CACS loan impacted on your business
20. In what ways do you think any aspect of the scheme could be improved?

Form CACS Survey 001

Name of Firm: _____

For the years 2008 to 2016 provide the quantity and value of products produced/services provided by your firm

Year	Name of Product/ Service	Unit	Quantity produced	Value in Naira

Form CACS Survey 002

Name of Firm: _____

Assets history of your firm

Year	Value of Financial Assets (cash balances, equities, etc.)	Value of Land/ Building	Value of Machinery, Equipment including vehicles	Value of other assets (Specify)	Total Assets Value

Name of Product: _____			
Year	Installed Capacity	Installed capacity utilized	Reasons for not utilizing 100% installed capacity

Name of Agricultural Product: _____			
Year	Quantity Produced	Quantity sold locally	Quantity exported

Form CACS Survey 004

Name of Firm: _____

Please provide the contacts of firms who bought your products/services in large quantity between 2008 and 2016

Product/ service	Large quantity buyers/consumers	Address (street & number and city) and contact persons. Please include phone numbers where possible

Form CACS Survey 005

State _____

Provide details of Projects financed with the Funds Granted to the State through the Commercial Agriculture Credit Scheme

Name of Project	Amount Granted	Address (street & number and city) and contact persons. Please include phone numbers where possible of Project

Form CACS Survey 005

State: _____

Provide details of Projects financed with the Funds Granted to the State through the Commercial Agriculture Credit Scheme

Name of Project	Amount Granted	Address (street & number and city) and contact persons. Please include phone numbers where possible of Project

Economic Activity Groupings in Question 13

A Agriculture		D Services	
Crop Production	<input type="checkbox"/>	a Financial Institutions	<input type="checkbox"/>
Livestock	<input type="checkbox"/>	b Real Estate Services	<input type="checkbox"/>
Forestry	<input type="checkbox"/>	c Insurance	<input type="checkbox"/>
Fishing	<input type="checkbox"/>	d Administrative and Support Services	<input type="checkbox"/>
		e Professional, Scientific & Technical Services	<input type="checkbox"/>
B Solid Minerals		f Medical Services (Hospital, Laboratory, etc.)	<input type="checkbox"/>
Coal Mining	<input type="checkbox"/>	g Public Administration	<input type="checkbox"/>
Metal Ores	<input type="checkbox"/>	h Education	<input type="checkbox"/>
Quarrying & Other Mining	<input type="checkbox"/>	i Human Health & Social Services	<input type="checkbox"/>
Coal Mining	<input type="checkbox"/>	j Arts, Entertainment & Recreation	<input type="checkbox"/>
C Manufacturing		k Transport Services:	
Crude Petroleum & Natural Gas	<input type="checkbox"/>	Road Transport	<input type="checkbox"/>
Oil Refining	<input type="checkbox"/>	Rail Transport & Pipelines	<input type="checkbox"/>
Cement	<input type="checkbox"/>	Water Transport	<input type="checkbox"/>
Food, Beverage and Tobacco	<input type="checkbox"/>	Air Transport	<input type="checkbox"/>
Textile, Apparel and Footwear	<input type="checkbox"/>	Transport Services	<input type="checkbox"/>
Wood and Wood Products	<input type="checkbox"/>	Post and Courier Services	<input type="checkbox"/>
Pulp, Paper and Paper Products	<input type="checkbox"/>	l Information and Communication:	
Chemical and Pharmaceutical Products	<input type="checkbox"/>	Telecommunications & information services	<input type="checkbox"/>
Non-Metallic Products	<input type="checkbox"/>	Publishing	<input type="checkbox"/>
Plastic and Rubber products	<input type="checkbox"/>	Motion Pictures, Sound recording & Music	<input type="checkbox"/>
Electrical and Electronics	<input type="checkbox"/>	Broadcasting	<input type="checkbox"/>
Basic metal, Iron and Steel	<input type="checkbox"/>	m Utilities:	
Motor vehicles & assembly	<input type="checkbox"/>	Electricity, Gas, Steam & Air conditioner	<input type="checkbox"/>
Other Manufacturing not mentioned	<input type="checkbox"/>	Water supply, sewage, waste Management	<input type="checkbox"/>
		Accommodation and Food Services	<input type="checkbox"/>
		n Other (specify) _____	<input type="checkbox"/>