

Extension users' view on alternative sources of fund for extension services in Ogun state

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ABSTRACT

Extension services in Nigeria have been faced with daunting challenges which affect the quality of service delivery. Among these challenges is the issue of funding hence, this study assessed the views of end users of agricultural extension services in Ogun state about sources of alternative funding. Fifty two small-scale farmers and 15 private farms were randomly selected and information elicited through an interview guide. The information collected was analyzed mainly using descriptive analytical tools such as frequency, mean and percentages. The results of the analysis shows that 86.5% of the small scale farmers are male with low level of education but have been farming for above 15 years and farm on less than 2 Ha of land while the private farms have been practising for less than 15 years with only 20% farming on above 15 Ha. The major source of funding extension presently is from the state government while other possible sources of funding identified include donor agencies, Non-Governmental Organizations, joint financing through Public-Private-Partnership and the farmers themselves. Also, 82.7% of the farmers and 60% of the private farms are willing to pay for extension services with an annual mean price of ₦6,755 and ₦24,455 respectively. The constraints facing extension financing identified are sourcing and management related issues. The study therefore recommends the commercialization of extension services thus allowing the government to regulate activities and enhance commitment of all stakeholders.

Keywords: extension services, alternative source, funding, agricultural extension, farmers

1. Introduction

Agricultural extension in many developing countries is seen as a policy instrument for the promotion of agricultural production and rural development but this service is now plagued with many challenges. Even with the challenges agricultural extension still remains the most crucial means of reaching farmers and their household in rural areas. With changing trends and challenges facing agricultural extension delivery, in Nigeria, there had been a change in mode of operations and funding of extension organizations. Thus necessitating the exploration of other avenues especially private participation and funding. In Nigeria, extension operations have not been properly funded because of the diminishing financial power of the funding authorities mostly the state and federal government. Over the years, other external donors such as the World Bank, International Fund for Agricultural Development (IFAD), Food and Agriculture Organisation (FAO), European Union (EU) have contributed largely to extension funding and programmes and agricultural development in general in Nigeria. Adebayo and Idowu, (2000) reported that the World Bank contributed 60% during the period of tripartite funding of the Agricultural Development Projects (ADPs) while the Federal government and State government contributed 10% and 30% respectively during the same period. They also reported that during this period the extension services were efficient but with the withdrawal of the funding the extension services delivery by the ADPs have been rendered incapacitated or totally ineffective as they were incapable of carrying out their activities effectively due to no alternative fund apart from the dwindling budget vote from the state government. In the review of Ogun State Agricultural Development Programme (OGADEP) activities by Adebayo et al (1999) they reported that after the expiration of the tripartite funding arrangement, the organisation has fallen on 10 out of 19 criteria considered. This along with other factors of inefficiency, lack of relevance, management based issues, mobility and infrastructure have reduced the efficiency of the organisation by increasing the calls for alternative source of funding and involvement of other stakeholders in extension activities.

In the history of extension service in Nigeria, Alabi and Mafimisebi (2004) reported that extension service has been publicly funded and implemented since the pre-independence era most by agencies such as the Ministries of Agriculture, commodity board, National Agricultural Extension and Research Liaison Service (NAERLS), Universities and the ADPs. The ADPs has become the major vehicle of extension service nationwide. In comparing funding of extension between Nigeria and the United States of America (USA), Torimiro and Okorie (2008) reported that the ADPs are funded majorly by each state government with little support from the Federal government and other stakeholders but in the USA funding of extension services involve 40% federal, 40% state

and 20% county (Local Government Areas (LGAs) in the case of Nigeria) in addition to private agencies, Non Governmental Organizations (NGOs) and other stakeholders.

The Federal and State government responsible for sustaining the funding of the extension programmes have been found wanting in many areas due to the fact that extension and agriculture services have been seen as just social services with no return. Proponents of alternative source of funding observed that despite the justifications of public funding for extension the general trend of fiscal restraints in the face of global cash crunch and financial crisis thereby has led to inadequate funding which lead to virtual collapse of the extension institutions. So the need for alternative funding (Andersen and Feder 2003). Adebayo et al (1999) reported an average available fund for OGADEP fell by 20% due to reduced commitment to funding of the ADP by the state and federal government. While studies by Adebayo et al 1999, Agwu and Chukwuoma 2004, Omotayo *et al* 2004 have shown that for an effective extension programme in Nigeria, it is not possible for government alone to fund and implement extension programme in all its ramifications. There is a need to assess the other available alternatives of funding extension services and constraints which might impede the alternative sources from the users' viewpoint.

Many of the funds made available have not been enough to meet the demand of the extension organizations leading to reduction of their activities in order to operate within the available funds with marginal performance. Constraints associated with public funded extension services include poor funding, unavailability of materials for field work and transportation facilities, poor remuneration of extension workers, supply driven nature of technology disseminated, inadequate staffing, lack of purposiveness and effectiveness in service delivery. These has led to litany of calls for alternative funding of extension especially privatization, involvement of private organizations in extension service delivery and funding, Non Government Organizations, philanthropic as well as Multinational organizations. The proponents of private involvement base their proposal on provision of timely and appropriate services to the farmers, healthy competition to promote improved efficiency and effectiveness, improve public finance utilisation, re alignment of public finance for other prioritized areas of national development (Saliu and Age, 2009, Alabi and Mafimisebi 2004, Adebayo, 2004). Other views touch on government dwindling budgets and extreming poor progress in raising economic and social well-being of the populace through public extension.

At present extension service in Nigeria is delivered by many organizations dominated by the public extension organizations (State ADPs, State and Federal Ministry of Agriculture, Local government department of agriculture), private organizations (OLAM, SARO Agro allied), Non-Governmental Organizations (JDPMC) Multinational organizations (BATN, Shell), Cooperative Societies (CGA, Yam Growers Association). It is against this background that this study has the following objectives to;

1. identify the present and past sources of funding for extension.
2. identify possible alternative sources for funding for extension.
3. examine the willingness of stakeholders to pay for extension services.
4. ascertain constraints to extension funding from the users perspective.

2. Methodology

This study was carried out in Abeokuta LGA of Ogun state. The LGA was created after been demerged from the old Abeokuta city Council LGA in Ogun state. It is one of the present 20 local governments in the state. Part of the LGA forms part of the Abeokuta metropolis but the large part remains rural in nature. The area is dominated by the Egba speaking Yoruba ethnic group with farming and trading as the major occupation of the people.

The targeted population of this study was the users of extension services in the local government. These include the smallholder's crop and animal farmers, organized private agricultural organisation. The respondents were selected using a simple random sampling technique from a list of farmers from the state ADP (OGADEP) while the Ministry of agriculture provided a list of registered private agricultural organizations. 52 small scale farmers were randomly selected and 15 private organizations were also selected and took part in the study. The main instrument for data collection from the respondents was a questionnaire for the private agricultural organizations and an interview schedule for the farmers. The instrument consisted of questions on the respondents personal characteristics, past and present sources of funds for extension services, alternative sources of funding extension services, willingness to pay for extension services and constraints impeding the funding of extension services in Ogun state.

The dependent variable for the study is the respondent view on sources of alternative funding. These sources were identified by the respondents. The independent variables include the respondent's characteristics, present and past sources of extension services, willingness to pay and constraints impeding extension financing.

3.0 Results and Discussions

3.1 Personal characteristics of the respondents

Table 1; Distribution of the characteristics of the respondents

Variables	Farmers (n=52)		Private Agric Org(n= 15)	
	Freq	%	Freq	%
Sex				
Male	37	71.2	NA	NA
Female	15	28.8	NA	NA
Religion				
Christianity	33	63.5	NA	NA
Islam	18	34.6	NA	NA
Others	01	01.9	NA	NA
Age (years)				
21 – 30	04	07.7	NA	NA
31 – 40	19	36.5	NA	NA
41 – 50	18	34.6	NA	NA
Above 50	11	21.2	NA	NA
Marital Status				
Single	04	07.7	NA	NA
Married	45	86.5	NA	NA
Widowed	03	05.8	NA	NA
Educational Level				
Primary education	26	50.0	NA	NA
Secondary Education	11	21.2	NA	NA
Tertiary education	05	09.6	NA	NA
No formal Education	10	19.2	NA	NA
Duration of practising farming (years)				
Less than 5	03	05.8	04	26.7
06 – 10	01	01.9	04	26.7
11 – 15	10	19.2	06	40.0
Above 15	38	73.1	01	06.7
Available land size (acres)				
Less than 5	47	90.4	01	06.7
6 – 10	04	47.7	07	46.7
11 – 15	01	01.9	04	26.7
16 – 20	-	-	03	20.0
Agricultural Activities				
Cassava Production	52	100	14	93.3
Maize Production	52	100	15	100
Cocoa Production	02	03.9	04	26.7
Pepper Production	15	28.9	05	33.3
Rice Production	10	19.2	05	33.3
Poultry Production	12	23.1	08	53.3

Source; Field Survey 2013 NA= Not Available

The findings of the study show that 71% of the farmers are male, with majority (86.5%) married. The results also showed that 36.5% of the farmers fall within the age bracket of 31 and 40 with a 63.5% being Christians. On the level of education attained the results shows that 19.2% do not have any form of formal education, 50% have primary education, 21.2% have secondary education while only 09.6% have post secondary education. This implies that the farmers are less illiterate, married and a farming population tilting towards old age. These characteristics affect the farmers in their activities. This reflects the typical characteristics of farmers in Ogun state as reported by Adebayo et al (1999) with 86.7% of farmers been male with an average of 46 years with 80% having primary education.

On the duration of practicing farming, the results shows that majority of the farmers (73.1%) have been practicing for above 15 years but in the contrast private agricultural organizations have been reported to be

practicing for less than 15 years. This shows that many of the private organizations are new with less year of involvement. Furthermore on the acres of land used for farming activities, the result showed that 20% of the private farms cultivate above 15 acres while majority (90.4%) of the farmers farm on land less than 5 acres. This shows that the farmers are relatively small scaled subsistence farmers while the private agricultural organizations practice on medium to commercial scale. This is in line with the Federal Ministry of Agriculture and Rural Development (FMARD) (2003) on the classification of farmers based on land cultivated as farmers with less than 2 hectares (5 acres) are small scale farmers, those with between 2 and 5 hectares (17.5 acres) are medium scale while those above 5 hectares are large scale farmers.

Cassava and maize dominated the types of crops planted by both the farmers and private agricultural organizations. Other crops grown by the respondents as shown in table 1 include cocoa, pepper and rice while poultry is the only livestock reported. This is in line with the reports that Ogun state is one of the states with high volume of cassava and maize.

3.2 Past and Present Sources of Funding Extension

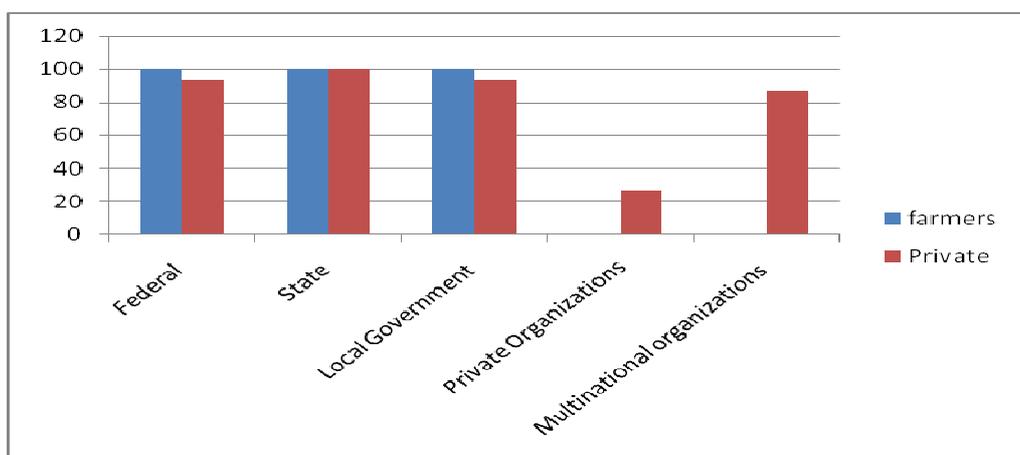


Fig 1; past sources of extension financing

The result of the study as shown in fig 1 shows that the farmers reported that the federal, state and local government were the major sources of funding in the past but the private organizations also reported in addition to those of the farmers include some private agricultural farms like Obasanjo farms and multinational companies which also rendered some extension activities to other farmers. Many of the activities of the private farms and multinationals were mainly in the areas of support to the main extension body in the state.

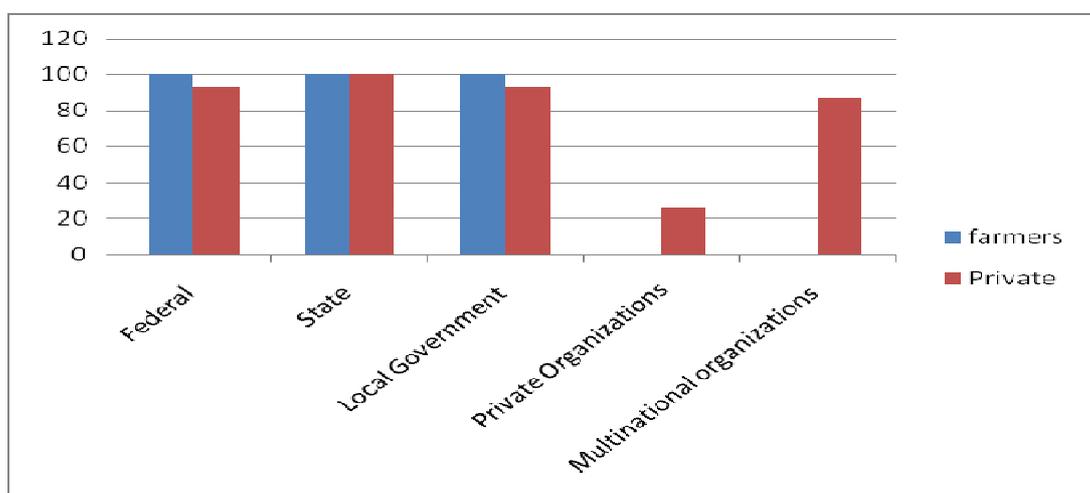


Fig 2; present source of extension financing

For the present sources of funding, there were no much differences as those identified but the farmers claimed that at present they are not aware of any private organisation supporting extension funding activities. This implies that the government especially state government has been the major financier of extension services. This is in line with Adebayo 2004 who reported that the state government has been the major financier of extension activities through the state ADP after the expiration of the tripartite funding arrangement. Also, the finding of the study also shows that private and multinational organizations have been assisting in funding extension but with little impact.

3.3 Possible Alternative Sources of Funding

Table 2; Extension user's view of alternative sources of funding

Sources	Farmers		Private	
	Freq	%	Freq	%
World Bank and other donor agencies	50	96.2	14	93.3
Non- Governmental Organizations	52	100	15	100
Farmers	50	96.2	14	93.3
Joint financing (Public Private Partnership)	48	92.3	13	86.7
Wealthy Individuals/ philanthropist	50	96.2	15	100
Taxes and special levy	38	73.1	13	86.7

Source; Field Survey 2013

On the alternative sources of funding the farmers were of the opinion that donor agencies, private organizations, Non-Governmental Organizations could be involved in financing extension. Other identified alternatives include Joint financing through public private partnership, wealthy individuals/philanthropist and taxes and special levy could be explored in funding extension services alongside the present sources.

3.4 Willingness to Pay

Table 3; willingness to pay for extension services

	Farmers (n=52)		Private Agric Org (n=15)	
	Freq	%	Freq	%
Yes	43	82.7	09	60.0
No	09	17.3	06	40.0

Source; Field Survey 2013

Table 4: Amount willing to pay for extension services by the users (Annually)

Amount (₦)	Farmers (n=43)		Private Agric Org (n=09)	
	Freq	%	Freq	%
Less than 5,000	33	76.7	02	22.2
5,001 – 10,000	07	16.3	01	11.1
10,001 – 15,000	02	04.7	02	22.2
15,001 – 20,000	-	-	-	-
Above 20,000	01	02.3	04	44.5
Mean (\bar{x})	Annual (₦6,755) monthly (₦ 563)		Annual (₦24,455) monthly (₦ 2,037)	

Source; Field Survey 2013

On the willingness to pay for extension services, 82.7% of the farmers are willing to pay for extension while 68% of the private agricultural organizations are also willing to pay. For the farmers the mean amount to be paid for extension services per annum is ₦ 6,755 with a monthly average of ₦ 563 while those private organizations willing to pay a mean amount of ₦ 24, 455 per annum with a monthly average of ₦ 2,037. This finding is in line with the outcome of Farinde and Atteh (2009) where they reported that arable crop farmers in Niger state are willing to pay for extension services for a sum of ₦ 15,133.84 per annum through their cooperative societies and farming groups. Also Uzokwe and Ofuokwu (2006) reported farmers were informally paying for extension services by paying for transportation, feeding and other expenses to the extension agents when they visit. In the position of Bawa et al 2009 that farmers are now willing for the privatization and commercialization of extension services in order to improve their farming activities.

Table 5; reasons adduced for willingness to pay and not to pay

Those willing to pay	Not willing to pay
Government alone cannot fund extension	Lack of commitment from government
To improve efficiency	Extension services are of no importance
To get information at the right time	I don't have the money to pay (Poverty)
To improve my business	Incompetence of extension personnel
	Government alone can fund extension
	Government should explore other sources
	Extension organization should account for past funds
	No new technology is disseminated from the extension organizations

Source; Field Survey 2013

For those willing to pay, reasons adduced include that government alone cannot fund an efficient and effective extension services, in order to improve the efficiency of extension services, in order to get information which will improve their farming activities. But those that are not willing to pay also adduce their unwillingness to factors such as lack of commitment from government, extension services are of no important in this global world as there are other sources of getting information, their poor status, government has the capacity to fund it alone and no new technology is disseminated from the extension services.

3.5 Constraints Facing Extension Financing

Table 6; Constraints facing extension financing and effective extension service delivery

	Farmers (n=52)		Private Agric Org (n=15)	
	Freq	%	Freq	%
Sourcing				
Poor financial base of probable source	51	98.1	12	80.0
Untimely provision of relevant documents	11	21.1	05	33.3
Inability of different sources to provide fund	52	100	14	93.3
Management related problems				
Weak management skills by the organization	52	100	13	86.7
Fund misappropriation	52	100	15	100
Poor prioritization of activities	52	100	13	86.7
Poor commitment of all stakeholders	30	57.7	09	60.0

Source; Field Survey, 2013

The study identified several constraints militating against funding of extension. These identified constraints were categorized into sourcing and management related problem.

For sourcing related problem, poor financial base of probable source in meeting the high capital outlay needed in financing extension services was the major problem affecting extension financing. Other constraints include untimely provision of relevant documents, inability of different sources to provide sufficient funds. Also the respondents identified funds misappropriation, weak management skills,, poor prioritization of activities and poor commitment of all stakeholders as management related constraints impeding extension funding. This implies that there is a need to improve the capacity of the extension organizations and commitment of stakeholders in better financing of extension services.

4. Conclusion

The study concludes from its findings that the ADPs have become the major vehicle of extension service with the government especially the state government being the major source of funding extension and there is a need to explore other avenues as identified by the respondents. Also, extension users are willing to pay for extension service if the service improves and would improve their farming activities. Hence the study recommends that there is a need to improve the funding of extension services by commercializing extension, allowing joint partnership in financing such that the private sector is involved in financing and implementing extension activities while the government creates the enabling environment for private investors as well as regulate the activities of the stakeholders. This will create a more sustainable fund mechanism that will involve the commitment of all stakeholders.

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