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Analysis of Use of Ajo in Financing Cassava Production in Aniocha North Local Government of Delta State, Nigeria

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Abstract
Ajo collectors are one of the oldest social capital and financial group in Africa. Hence the study focused on the use of ajo in financing cassava production in Aniocha North Local Government of Delta State, Nigeria. The paper becomes necessary due to cassava farmers poor access and use of farm credit in the study area. Purposive random sampling technique was used in selection of twelve communities due to the abundance of ajo cassava farmers. Sample size comprised thirty and thirty cassava ajo members and ajo patronizes respectively. Structured questionnaire was the main tool for data collection. Data collected were analyzed using descriptive statistics, t-statistics and multiple linear regression analysis. Average age was 50.10years. Larger percentages (63.33%) were females. Greater majority (80.00%) were married with a mean household size of 5.0 persons. Average farm size was 1.51Ha while the farmers produced an average output/yield of 1,541.00Kg Ha^{-1} in the 2014 cropping seasons. Mean farm income was ₦84,310.00 (($562.067). Findings confirmed the existence of different ajo group in the area. Average membership strength of the various ajo groups were 354 and 568 persons for males and females respectively. Average range of amount granted as loan and mean range of payback period for amount granted as loan from different ajo group in the area were ₦52,150.00 ($347.67) and 9.21months respectively. Result revealed an average of ₦78,350.00 ($522.33) and ₦61,150.00 ($407.67) as the amount of loan applied for and obtained respectively during the 2014 farming season. Mean interest rate charged and average timeliness of loan were 11.50% per year and 4.10 weeks respectively. Estimated t-statistics revealed a t-value and critical value of 3.152 and 2.936 respectively suggesting a significant difference ($P<0.05$) between the amount of loan applied for and amount eventually obtained by farmers from their various ajo group in the area. The study also found that farmers obtained less than the actual amount of loan they demanded from their various ajo groups in the area. Projected regression result shows that farmers educational level, annual output, farm size, household size, marital status and farming experience were the determinant of volume of loan acquired from various ajo credit group the area. The relationships were statistically significant at 1% and 5% level of probability respectively. The F-ratio (37.831) revealed the overall significant of the model at 1% level of probability. Social capital group such as the ajo credit groups have been invaluable to farmers in the study area. However, farmers complained of service rate and insufficient loan amount. It was therefore recommended that government investment strategies should as a matter of urgency address farmers easy access to credit as well as the reduction of the astronomical interest rate charged by various ajo groups in the area. It is also necessary that government at all levels should supply credit to various ajo credit group, as these would promote cassava production as well as sustain social capital groups/formation in the area.
Keywords: Ajo, Social capital, Amount applied and obtained, Range of payback, Timeliness of loan, Analysis, Barriers

INTRODUCTION

Ajo collectors are one of the oldest social capital and financial group in Africa. Therefore the term Ajo otherwise known as "daily contribution" is used to describe the non-institutional or informal source of fund and indigenous savings and credit institutions to which a social group (social capital groups) of individuals contribute fixed amount of money on a daily basis The "Ajo" collector's duty is to remind contributors of their daily obligation, and safe keep the contributed sum. At the end of each month, the contributors receive their total savings less one day's contribution, the latter being the collector's fee. The traditional daily, weekly or monthly contribution savings and loan scheme known in several Nigerian traditional societies with different names such as 'Ajo' in Yoruba language, 'Akawo' in Okrika language, 'Oha' in Igbo language is practiced on a wide scale in both urban and rural communities in Nigeria. In the same vein agricultural growth in Nigeria is increasingly recognized to be central to sustainable economic development (Manyong *et al.,* 2005). The sector plays a very significant role in addressing food insecurity, poverty alleviation and human development challenges (Etonihu *et al.,* 2013). However, in more recent years, there has been a marked deterioration in the productivity of Nigeria's agriculture (Amaza and Maurice, 2005). Many reasons have been advanced for the declining agricultural productivity in Nigeria. One of the factors attributed to the declining productivity of the sector is farmers limited access to credit facilities (Nwaru, 2004). According to Alfred (2005), acquisition and utilization of credit for agricultural purposes promote productivity and consequently improved food security status of a community.

Also farm credit involves all advances released for farmers' use, to satisfy farm needs at the appropriate time with a view to refunding it later. According to Asiedu-Mante (2005) and Steiner (2008) the formal financial institutions are unable to satisfy credit needs of rural dwellers, thus they tend to use informal credit which are often unsatisfactory, as they carry high interest rate. Aryetey (1996) also noted that despite the development in the formal financial sector informal financial services is still active in rural and urban population. Although the origin of Ajo credit group is quite murky, the Ajo collectors are one of the oldest social capital and financial groups in Africa. The paper becomes necessary due to cassava farmers poor access and use of farm credit in agricultural production in the study area. Access to agricultural credit has been positively linked to agricultural productivity in several studies in Nigeria (Ugbajah, 2011). Despite this positive correlation, some empirical studies have revealed cases of credit insufficiency among rural farmers in Nigeria (Udry, 1990; Zeller, 1994; Deaton, 1997; Idachaba, 2006 and Ololade and Olagunju, 2013). Contribution by Lawal *et al.,* (2009) showed that, a direct relationship exists between social capital, contribution in the associations' by the farming households and access to credit. However, the nature and operation of formal sources of credit have failed not only to deliver credit to a larger proportion of the farmers but also, in promoting a viable delivery system which has caused an increase in the patronage to informal credit sources by rural farmers and other entrepreneurs. Also the social capital, which is horizontal and vertical network of different group with common interest, is a sine-qua-non for obtaining farm credit from both formal and informal credit sources. Also high level of social capital and trust would enhance easy condition for accessing farm credit from bank through reducing interest rate for informal credit group such as the ajo credit group in the study area. Moreover, trust between micro financial institutions and borrowers can diminish the transaction cost and intensify the percentage of repayment as well as facilitate collective action, reduce free-riding or practice of seizing opportunities and risk in credit market In the same vine Understanding farmers use of formal and informal sources of credit in financing agricultural production have been the interest of various researchers (Adegeye and Ditto, 1985; Von – Prischike, 1991; Nwaru, 2004; Ojo, 2005; Ovat, 2008, Alufohai, 2006; Lawal and Abdullahi 2011; Iyoha, 2012; Etonihu *et al.,* 2013;and Ololade and Olagunju, 2013). However, particularly in Aniocha North Local Government Area of Delta State, Nigeria no study have rigorously modeled the use of social capital group such as the ajo credit group in financing cassava production This has left a void in research. Empirical evidence remains largely scanty, isolated and devoid of in-depth analysis of the use of *Ajo* in financing cassava production. These have also geared a wide gap in knowledge. Hence, to fill this gap, it becomes pertinent that the study is critically undertaken by identifying the socio-economic characteristics of cassava farmers in the study area; describing the role of social capital group such as the Ajo credit group in accessing farm credit in the study area; identifying the different *Ajo* groups in the study area; describing the operational procedure of different *Ajo* groups in the study area; analyzing the adequacy and timeliness of loan from Ajo group in the study area; identifying the interest rate charged by different *Ajo* group in the study area; estimating the relationship between cassava farmers socio-economic characteristics on the amount of loan acquired from various *Ajo* group in the study area; identifying the constraints cassava farmers encounter in obtaining loan from their various *Ajo* group. The study was hypothesized that the socio-economic characteristics of cassava farmers do not have any significant effect on their amount of loan acquired from *Ajo* group in the study area and there is no significant different between the amounts of loan applied for and the amount eventually obtained by *Ajo* cassava farmers in the study area.

LITERATURE REVIEW

Therefore the term Ajo otherwise known as "daily contribution" is used to describe the non-institutional or informal source of fund and indigenous savings and credit institutions to which a group of individuals contribute fixed amount of money on a daily basis (Nwaiwu, 2010). The "Ajo" collector's duty is to remind contributors of their daily obligation, and safe keep the contributed sum. At the end of each month, the contributors receive their total savings less one day's contribution, the latter being the collector's fee. The traditional daily, weekly or monthly contribution savings and loan scheme known in several Nigerian traditional societies with different names such as 'Ajo' in Yoruba language, 'Akawo' in Okrika language, 'Oha' in Igbo language is practiced on a wide scale in both urban and rural communities in Nigeria (**Nwaiwu**, 2010)**.** These daily contributions held in trust by the practitioner, either male or female provide a pool of available funds for loans to both contributors and non-contributors**.** Contributors have easier access to loans without interest while non-contributors must provide guarantors in addition to paying interest rates on amount granted as loans**.** The deposits collected from the client are determined from the beginning of each new cycle by the client and sustained at the predetermined rate till the end of that particular cycle, it is at the discretion of the client to decide how much he/she can deposit on a daily basis. The contribution is fixed around a 31 day calendar per month and at the completion of each monthly cycle, the depositor retrieves the funds minus a service charge equivalent to one day deposit which is usually for the first day deposited. For a client who chooses to make a daily contribution of ₦1, at the end of 31 days, he is entitled to get back ₦30 from the Ajo operator, ₦1 fee is retained for the services of the operator. A unique feature of the Ajo is the loan apparatus which is technically interest free and has a nearly non-existent

default repayment rate when compared with the very high loan defaults associated with the contemporary microfinance banking system we have in operation today in Nigeria. Other features include that the fundamental foundation for the Ajo business is built upon trust and relationship. It is not recognised or regulated by government, there is virtually no form of institutional oversight body supervising thrift collection operators, majority of their clientele base is of the low income class drawn from the base of the pyramid. The only form of regulation or supervision available in the domain of the thrift collector operators is usually of the informal trade unions (which serve to regulate the activities of members who volunteer to be a part of the unions, the activities of these unions are usually unorthodox, anti-competitive and pose unpleasant barriers to free market entry by new entrants).To start a thrift collection business, an intending Ajo operator usually requires minimal funding (startup capital required is usually of the logistics and administrative type) to enter into this line of business – high dose of passion and commitment usually serve as more strategic incentive to convince prospective clients into patronage than financial power. The Ajo collection business in its purest form is not financed or operated using bank credit facilities. An Ajo operator usually operates on a micro-clientele base of usually around 50 to 100 clients per operator, this small scale enables them to effectively relate and supervise on an intimate basis with clients rather than what is obtained in microfinance banking sectors (one on one relationship between operator and client).The loans offered are non collateral based. Non-repayment/default for loans is rare and in some cases loans might be rescheduled but they are never underwritten or declared as bad loans. The amount loaned varies with each client. The amount does not exceed the monthly contribution capacity of individual clients, e.g. for a ₦30 per month client, he/she is entitled to ₦30 loan to be repaid in one month or rescheduled to the next month in a worst case scenario, whereas for a ₦300 per month client, he/she is also entitled to ₦300 per month on unified repayment terms basis for all clients. In essence, the loans made out to clients do not exceed the monthly contribution capacity of the client in question. The loan is usually advanced as an upfront for a new month, and then the client is required to commence with a daily repayment cycle for which the client is expected to complete repayment of the loan by the end of the month. However, the relevance of cassava production in the study area cannot be over-emphasized. This is because greater proportion of the farmers in the study area are engaged in cassava production to meet-up to their societal need, to address acute cassava shortage in the study area as well as diversify livelihood activities (Delta, ADP, 2011). Cassava is the third most important food source in tropical countries with over 500 million people relying on it as their main source of calories with subsistence farmers in sub-Saharan African countries in the majority (IITA, 2011). Apart from being a major source of calories, cassava's derivatives are applicable in many types of products such as confectioneries, monosodium glutamate, drugs, amongst others (Onubuogu *et al.,* 2014). As an energy derivative, cassava has been found and shown by the US Department of Agriculture to be more efficient in the production of ethanol, yielding double or triple the amount of carbohydrate for ethanol production that is found in field corn (Adinya, 2001). The discovery of its capacity to also act as substitute for wheat has generated anxiety in the Nigerian federal government policy formulation matrix. Nigeria currently imports wheat worth N635 billion annually basically for bread production (FMARD, 2013). It is argued that including 50 percent cassava flour in wheat flour will save Nigeria and over N315 billion food import bills contribute in the reduction of the worsening rate of unemployment and consequently reduce poverty through the value chain mechanism.

However, social capital is used to describe membership in formal or informal organizations or associations or by the access of individuals or associations to formal and informal sources of credit (Kaschula, 2008). Social capital refers to the relationship between different family members that determines how individual members can take advantage of whatever financial and human capital other family members possess (Astone and Mclanahan, 1991). In times of financial hardship, food shortages, or severe illnesses, various studies in Africa have shown that the social capital that families have access to make a big difference in their abilities to surmount these adverse events (Mtika, 2001 and Muga and Onyango-Ouma, 2009). However, informal organizations such as the ajo credit group are designed explicitly to bring members together to undertake a primary task, to coordinate resources and to supervise activities. By design, they rely on social capital as well as generate it. The informal agricultural system is designed to be the network structure.

METHODOLOGY

The study was carried out in Aniocha-North Local Government Area, Delta State, Nigeria with a population of about 104, 711 persons (NPC, 2006 and NBS, 2008). There are two main seasons in the zone –dry and rainy seasons. The annual rainfall is between 1900mm and 2200mm while the mean annual temperature is between 20^0C with a relative humidity of about 75% annually (Microsoft Corporation, 2009). Aniocha-North Local Government Area covers twenty four communities which includes; Abudalo Camp, Aniioma, Ezi, Idum-Ujuno, Idumuje-Ugboko, Idumuje-Unor, Idumuogo, Ikem Camp, Isa-Ogwashi, Issele-Azagba, Issele-Uku, Obior, Obomkpa. Ogbeanei Camp, Okofia Camp, Onicha-Olona, Onicha-Ugbo,Onicha-Ukwu, Ubulubu, Ugboba, Ugbodu, Ugodor, Ukunzu and Ukwu-Nzu. Aniocha-North local government area is richly endowed with fertile land suitable for arable crop and livestock production (Delta-ADP, 2010). The area is predominantly rural and it

is agricultural based. The major economic activity of the people is farming. The crops cultivated include cassava, yam, cassava, egusi, maize, cocoyam, oil palm, pineapple, banana, plantain and different types of vegetables. Aniocha-North local government was chosen purposively for the study because of proximity and accessibility as well as the existence of different ajo credit groups and cassava farmers in the area. A sample was drawn from ajo collectors and cassava farmers who have patronized ajo in the study area. Random sampling technique was used in selection of twelve communities namely; Abudalo Camp, Aniioma, Ezi, Idum-Ujuno, Idumuje-Ugboko, Idumuje-Unor, Idumuogo, Ikem Camp, Isa-Ogwashi, Issele-Azagba and Issele-Uku. Finally in each of the selected communities, thirty cassava farmers who have patronized ajo and thirty ajo collectors was purposively selected given a sample size of sixty. Primary data was used for the study. Primary data were collected through the use of a set of validated structured questionnaires. The primary data that was collected for the study includes the socio-economic characteristics of cassava farmers, output per hectare, amount applied for and amount eventually obtained during the 2014 farming season, operational procedures of the different ajo, the different ajo groups in the area, the adequacy and timeliness of loans from the ajo group, interest rate charged by the various *ajo* group in the study area and the associated problems in acquiring loan from ajo group. Descriptive statistics, t-statistics and multiple regression analysis were used to realize the objectives. The implicit model of the multiple regression is given as follows:

$Y = f(X_1,X_2,X_3,X_4,X_5,X_6,X_7,X_8, +ei)$

Where Y = Amount of Credit Obtained (₦)

X_1 = Age (years)

X_2=Educational Level (number of years in school)

X_3=Farming Experience (years)

X_4 = Household size (Number of Persons in House)

X_5 =Annual output (kg)

X_6 =Farm Size (hectare)

X_7 =Gender (male =1 and female=0)

X_8 =Marital status (married =1 and otherwise=0)

e_i=Error term

The t-statistics is stated below;

$$t = \frac{\overline{x_1} - \overline{x_2}}{\sqrt{\frac{S_1^2}{N_1} + \frac{S_2^2}{N_2}}}$$

where t is t calculated, X_1 and X_2 are mean amount of loan applied and obtained of the cassava farmers respectively, S_1 and S_2 are standard deviation for of loan applied and obtained of the cassava farmers respectively, while N_1 and N_2 are sample sizes of loan applied and obtained of the cassava farmers respectively. If t calculated is less than t tabulated, the null hypothesis is accepted or rejected if otherwise.

RESULTS AND DISCUSSION

Socio-economic Characteristics of Farmers

As complied in **Table 1**, it shows the age distribution of the cassava farmers in the area. It indicates that majority (40.00%) of the farmers fell within the age bracket of 51-60 years. It also indicate that (30.00%) of the cassava farmers fell within the age bracket of 41-50 years, approximately 20.00% of the farmers fell within the age bracket of less than 40 years, while the remaining 18.00% fell within the age bracket of 60 years and above. The mean age was 50.10years. This implies that farming activities in the study area are dominated by middle age farmers. This age group constitutes the major productive work force and has the potential to source for credit to increase their agricultural production. Also poor rural infrastructure and low prices for farm produce were the primary reasons why able bodied young and qualified youth felt reluctant to engage in farming activities. This will have a negative impact on labour availability, cost of production, low cassava productivity and increase the amount of loan applied for to address farm resources issue in the study area. Entries in **Table 1** also revealed the distribution of the cassava farmers in the study area by gender. It reveals that larger proportion (63.33%) of the cassava farmers were females while about 36.67% were males. This result implies that both men and women were engaged in cassava production in the study area, but females constituted a greater proportion of those involved in cassava production in the study area. The finding supports the assertion of Esiobu *et al.,* (2014) that agribusiness enterprise especially in sub- Saharan Africa is turning out to be female activities. **Table 1** displays the educational distribution of the cassava farmers in the study area. It shows that majority (43.33%) of the farmers had secondary education, about 26.67% had primary education, and approximately 20.00% had no formal education, while about 10.00% had tertiary education. The mean educational year was 10.16 years which is equivalent to secondary education. With the result, farmers in the study area could be said to be literate enough. This is because approximately 80.00% of the farmers have education in formal institution. The results disagree

with general farm-level survey data reported by Ekong, (2003) which described and classified most Nigerian farmers as illiterates. The findings is similar to that of Adinya *et al.,* (2007) who observed that education is likely to enhance the farmers ability to receive, convert and comprehend information relevant to making innovative decisions in their farms as well as borrow fund and make judicious use of what is borrowed. **Table 1** also describes the distribution of the cassava farmers by marital status in the study area. It indicates that that greater proportion (80.00%) of the farmers were married, about 13.33% were single, while approximately 6.67% were widowed. This implies that greater proportion of cassava farmers in the area are married individuals which no doubt increases their access to production variables such as land and labour which are traditionally owned and provided by husbands. Adebayo and Adeola (2008) and Esiobu and Onubuogu (2014) asserted that marital status increases farmers access to labour and reduces the dependence on external fund to address farm labour issue. The distribution of the cassava farmers by farming experience is also compiled in **Table 1**. It indicates that majority (60.00%) had 21-30 years of farming experience. Approximately 26.67% had between 31-40 years of farming experience. Others represented by 10.00% and 3.33% had less than 20 years and 41years and above of farmers experience respectively. The mean farming experience was 20.03 years. With the result, farmers are expected to demand a reasonable amount of fund from their various ajo group as well as make judicious use of it. Experience in agribusiness enhances demand for and judicious use of farm credit. The finding tallies with the studies of Onubuogu and Esiobu (2014) who opined that farmers with higher years of experience would be more efficient, have better knowledge of climatic conditions, better knowledge of efficient allocation of resources and market situation and are thus, expected to run a more efficient and profitable agribusiness enterprise. Entries in **Table 1** also show the household distribution of the cassava farmers in the area**.** It indicates that larger percentage (63.33%) of the farmers had a household size of 6-10 persons while the approximately 36.67% had a household size of 1-5 persons. The mean household size was 5.0 persons. This implies that farmers in the study area have a relatively large household size. It is expected that farmers who have small household size would apply for huge amount of loan from their various ajo group to address their farm labour challenges and associated farm barriers more than those who have large household size. However, Alufohai (2006) have argued that heavy household size reduces the cost of hired labour, ensures availability of labour as well as expansion of farm size. The distribution of the cassava farmers by farm size is also complied in **Table 1.** It reveals that larger proportion (53.33%) of the farmers in the study area had a farm size of between 1.0-2.0 hectares; approximately 26.67% had a farm size of less than 1.0 hectare, while the remaining proportion (14.00%) had farm size of 2.1-2.5 hectares. The mean farm size was 1.52 hectares. The findings implies that farmers in the area are mainly smallholders operating on less than or equal to 2.0 hectares of farmland. This could be as a result of land tenure system or due to the increasing population predominate in the area. **Table 1** also shows the distribution of the cassava farmers by annual output in the study area. It reveals that larger proportion (70.00%) of the cassava farmers produced less than 2,000Kg of cassava annually, while approximately 30.0% produced between 2,000-3,000Kg of cassava annually. The mean annual output of cassava produced was 1,581.00Kg while the mean output per hectare was 1,040.13Kg. This is relatively small despite the large household size they occupied. The poor output of cassava might not be unconnected with problems of land scarcity which could be as a result of land tenure system or due to the increasing population predominant in the study area. Onubuogu *et al.,* (2014) opined that inadequate credit facilities, high cost of labour, high cost of improved and varieties of input are the bane of agricultural production in developing countries such as Nigeria.

Table 1: Socio-economic Characteristics of Farmers

Age (years)	Frequency	Percentage (%)
Less than 40	6	20.00
41-50	9	30.00
51-60	12	40.00
Above 60	3	10.00
Total	**30**	**100.00**
Gender		
Male	11	36.67
Female	19	63.33
Total	**30**	**100.0**
Educational Level (Years)		
Non-formal	6	20.00
Primary	8	26.67
Secondary	13	43.33
Tertiary	3	10.00
Total	**30**	**100.0**
Marital Status		
Married	24	80.00
Single	4	13.33
Widowed	2	6.67
Total	**30**	**100.0**
Farming Experience (Years)		
Less than 20	3	10.00
21-30	18	60.00
31-40	8	26.67
41 and above	1	3.33
Total	**30**	**100.0**
Household Size (Number of Persons)		
1-5	11	36.67
6-10	19	63.33
Total	**30**	**100.0**
Farm size (Hectare)		
Less than 1.0	8	26.67
1.0-2.0	16	53.33
2.1 and 2.5	6	20.00
Total	**30**	**100.0**
Output/Yield (Kg)		
Less than 2,000	21	70.00
2,000-3,000	9	30.00
Total	**30**	**100.0**
Average Income (₦aira)		
Less than 20,000	3	10.00
20,000-49,999	19	63.33
50,000-69,999	8	26.67
Total	**30**	**100.0**

Average age = 50.10years; Mean Educational level= 10.16 years; Average Farming Experience = 20.03 years; Mean Household size= 5.0 persons; Average Farm Income = ₦50,182 ($334.546); Average Farm Size= 1.52Ha; Mean Output= 1,040.13Kg. Source: Field Survey Data, 2014

The distribution of farmers according to their average annual farm income is shown in Table 1. It revealed that larger majority (63.33%) of the farmers in the study area have an average farm income of between ₦20,000-49,999, about 26.67% had an average farm income of between ₦50,000-69,999, approximately 10.00% had an average of less than ₦20,000. The mean farm income was ₦50,182 ($334.546). The result implies that farmers in the study area are still operating at the subsistence level in spite of the large family size they supported. This is in agreement with the opinion of Ijere (2000) that over 90 percent of the country food supply comes from the agricultural population who are smallholder farmers. It is also expected that farmers with a relatively low farm

income will demand for huge amount of loan from their various ajo group than their counterparts who have high farm income.

Different *Ajo* Group in the Study Area

Entries in **Table 2** show the distribution of the cassava farmers by names of different ajo group and the membership strength in the area. It reveals that there are different ajo group in the area which includes Ogigia Savings Association, Nduka and Sons, Okey Daily Contribution, Nneoma Daily Contribution , Ijeoma and Sons Daily Contribution, Odiaka Daily Saving, Farmers Association Daily Contribution, All Well Daily Contributions, Joe Bros Daily Contribution, James and Sons Contribution, Obi Ekire and Sons, Johnsons Daily Contribution, One With God Daily Contribution, Ndubuisi and Sons Daily Contribution, Agii and Onyisi, Obioma Daily Contribution, Adams Daily contribution, All well Business Daily Contribution, Lucky Daily Loan, Dickson Daily Contribution and Johnbull and Sons daily Contribution. The study found that there were more than one ajo group in the sample communities. The membership strengths of the different ajo group show that approximately 354 and 568 persons are males and females respectively. The finding also supports the assertion that agribusiness enterprise especially in sub- Saharan Africa is turning out to be female activities (DAC, 2005). In the same vein, the high membership of female members may be attributed to the fact that informal credit organization is usually of voluntary membership, free from gender, political, religious and tribal considerations. In the same vein from the findings it could be asserted that the major determinant of membership of any social capital group or any farmers association is shared interest and common purpose.

Table 2: Distribution of Names of Different Ajo Group in the Area

Names of Ajo Group	Communities in Aniocha LGA, Delta State	Membership Strength		Percentage (%)
		Male	Female	
Ogigia Savings Association and Farmers Association	Abudalo Camp	22	32	13.33
Nduka and Sons and Okey Daily Contribution	Anioma	34	40	6.67
Nneoma Daily Contribution and Ijeoma and	Issele-Uku	22	52	10.00
Odiaka Daily Saving and Sons Daily Contribution	Idum-Ujuno	40	64	6.67
James and Sons farmers daily Contribution	Idumuje-Ugboko	36	48	10.00
All Well Daily Contributions and Joe Bros Daily Contribution and	Idumuje-Unor	10	80	6.67
Ohi Ekire and Sons and Johnsons Daily Contribution	Idumuogo	10	20	3.32
One With God Daily Contribution and Ndubuisi and Sons Daily Contribution	Ikem Camp	18	28	10.00
Agii And Onyisi and Obioma Daily Contribution	Isa-Ogwashi	32	46	10.00
Adams Daily and All well Business Daily Contribution	Issele-Azagba	40	58	6.67
Lucky Daily Loan	Ugbodu	46	60	10.00
Dickson Daily Contribution and Johnbull and Sons daily Contribution	Ezi	44	40	6.67
Total		**354**	**568**	**100.0**

Source: Field Survey Data, 2014

Estimation of Social Capital and Farmers Access to Farm Credit

The result in **Figure 1** shows the model and interrelationship between social capital and access to farm credit in the study area. The social capital drive in agribusiness for this study were based on asking farmers about their perceptions on joining the ajo credit group and that enhance their access to farm credit in the group in the study area. The various drives for membership in ajo credit group that farmers reported may be profit/economic driven, rather than social capital driven. Regardless of this dearth in knowledge, the study assumed that farmers actions were purely based on social capital driven rather than profit/economic driven in the study area. In the same vein,

a fundamental issue that developing countries such as Nigeria are facing is lack of access to farm credit. Farm credit is important to facilitate households farmers to solve the difficulties in income generation, invest for production and enhance the capacity to cope with shock or unexpected event that happened in daily life; and expand their farm business. Also farmers ease access to farm credit is expected to build the motivation for applying the technique to increase the efficiency and productivity in farm production. Particularly in the study area farmers access to farm credit is based on their physical collateral and grantor. Hence, this issue restrained access to farm credit because farmers in the study area are lacking assets for collateral as well as an influential grantor. Social capital serves as a catalyst for the rural farmers easy access to farm credit through supplying the information about the availability of credit sources as well as provide feedback about the borrowers' information to the creditors. Vertical social network can enhance the chance for rural farmers to gain the farm credit through the mechanism of social collateral while the horizontal social network is based on the trust creation among the rural farmers leading to the establishment of rotating credit association to improve the opportunity for loans access. It is expected that both vertical and horizontal social network plays an important role in rural farmers access to farm credit in the study area.

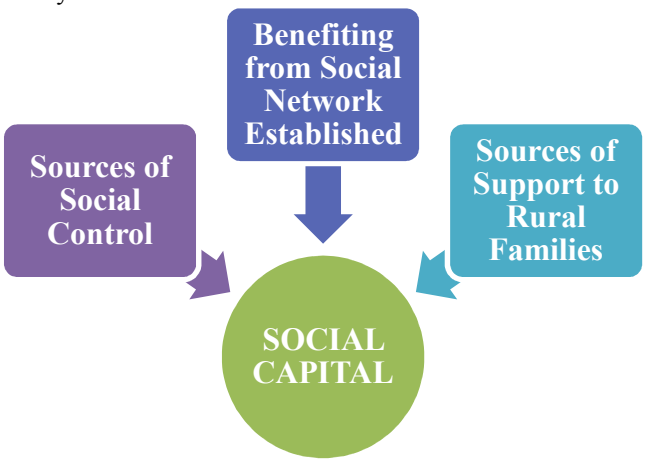

Figure 1: Social Capital and Access to Farm Credit Model

The role of social capital such as the ajo credit groups in the study area to access to farm credit has become a core issue when farm credit system development is discussed. In the same vein estimating of the interrelationship between social capital and access to farm credits in the model was realized based on the major functions of social capital in the study area. As complied in figure 1, in understanding the need for "Sources of social control", social capital became a valuable asset of the people (rural farmers) who have no collateral to get loans from bank. Instead, they can get other sources of farm credit basing on their social capital group such as the ajo credit group in the study area. Until now, greater proportion of financial institutions provided credit to borrowers basing on the social collateral through the network of the borrowers. Analyzing the term "Benefiting from social network established" as shown in **Figure 1,** social network established create good condition for promoting interpersonal relationship and basic foundation for credit development through social capital. The benefits from Benefiting from social network established are in three forms: increasing the capacity for accessing the market information and reducing the searching cost, supporting basic establishment of rotating save credit groups activities, enhancing the linkage among the credit stakeholders and creating tie network among members in ajo credit groups in the study area. As reported in **Figure 1**, "Sources of Support to rural families" is based on trust. If members in family or community trusted each other, they can save the cost for managing and contractual enforcement. Basing on trust, some farmers could gain the farm credit source from the members of their families because the bank refused their requirement for loans. From all of these above issues, we can conclude that social capital embedded by network was used as the catalyst for the process of getting loans.

Operational Procedure of Ajo Group

As compiled in Table 3, it revealed the operational procedure of different ajo group in the area. The different ajo group in the area have various operational procedures on which they stand, operate and practice which includes; fixed contribution for all members, provision of bio-data, registration by obtaining a membership card for ₦100, voluntary and open membership for all, information for all members, deduction of one-day service charge for all members, autonomy and independence, collateral demand for non-members, no interest charge for members and interest charge for non-member. The procedures include voluntary and open membership for all, fixed contribution for all members, information for all members, deduction of one-day service charge for all members, collateral demand for non-members, interest charge for non-members and surety required for non-members for loan were ranked 100% each. This implies that the different ajo groups in the area

have a laid-down procedure for operational and for their continuous existence. The result shows that operational procedure is very important for any social capital group as social capital group without a concert and feasible laid down-procedure is tantamount to waste of collective effort as some dubious members would only work for their selfish interest thereby affecting the vision and mission of the organization.

Table 3: Distribution of Operational Procedure of Different Ajo Group

Operational Procedure	Frequency	Percentage (%)
Registration by obtaining a membership card for ₦100	24	80.00
Fixed contribution for all members	30	100.00
Provision of bio-data	12	40.00
Voluntary and open membership for all	30	100.00
Autonomy and independence	23	76.67
Freedom of information for all members	30	100.00
Deduction of one-day service charge for all members	30	100.00
Collateral demand for non-members	30	100.00
No interest charge for members	28	93.33
Interest charge for non-members	30	100.00
Surety required for non-members for loan	30	100.00

Multiple Response; Source: Field Survey Data, 2014

Range of Amount Granted as Loan (Naira) by Ajo Group in the Area

Table 4 shows the range of amount granted as loan by different ajo group in the area. It revealed that larger majority (53.33%) of the cassava farmers identified an amount within the range of ₦51,000- ₦80,000 as their various ajo group range of amount granted as loan, approximately 40.00% reported a range of amount Less than ₦50,000 while a simple majority (30.00%) of the farmers identified a amount within the range of ₦81,000-₦100,000. The average range of amount granted as loan was ₦52,150.00 ($347.67). The result confirmed the earlier findings that these cassava farmers that made-up the aggregate ajo groups in the area are smallholder farmers operating on less than or equal to 2.0 hectares of farmland. However the finding shows that the various ajo groups in the area are conscious of the loan they disburse to both their members as well as non members so as to ensure a guided securities as well as her continuous extensive. The implication of the finding is that attaining large scale production would be relatively impossible as these cassava farmers are only limited to a relatively small amount of credit as well as a sky-scrapping interest rate from other formal credit group in the area.

Table 4: Distribution of Range of Amount granted as loan

Range of Amount granted as loan	Frequency	Percentage (%)
Less than 50,000	12	40.00
51,000-80,000	16	53.33
81,000-100,000	9	30.00
Total	**30**	**100.00**

Average range of amount granted as loan ₦52,150.00 ($347.67); Source; Field Survey Data, 2014

Range of Payback Period for Amount Granted as Loan (Naira)

Table 5 indicates the range of payback period for amount granted as loan by different ajo group in the area. It revealed that greater proportion (76.67%) of the cassava farmers identified a range of payback period for amount granted as loan as a range between 6-12 months, about 70.00% reported less than 6 months as their various ajo group range of payback period for amount granted as loan. Approximately 16.67% of the cassava farmers identified a range of payback period for amount granted as loan as a range between 12 months and above. With the findings it is expected that cassava farmers in the area who patronize ajo group would have to work hard so as to pay back the loan and the interest rate if included at the stipulated time frame. This is to avoid loan defaulting which may attract severe penalty as maybe outlined in the term for lending of the different ajo group in the study area.

Table 5: Distribution of Payback Period of Ajo Group

Range of payback period (Months)	Frequency	Percentage (%)
Less than 6	21	70.00
6-12	23	76.67
Total	**30**	**100.00**

Mean Range of payback period were* 9.21months respectively*; Source; Field Survey Data, 2014

Amount Applied for and Amount Obtained and Adequacy and Timeliness of Loan from Ajo Group

Entries in **Table 6** showed the distribution of farmers according to adequacy and timeliness of loan from various ajo groups. It reveals that 53.33% of the cassava farmers applied for an amount ranging between ₦51,000-₦80,000 from their various ajo group. 26.67% of the cassava farmers requested for an amount ranging between

₦21,000-50,000 on third of January, 2014 (03-01-2014). Others 13.33% and 6.67% of the cassava farmers demanded for an amount within the range ₦80,001- ₦120,000 and less than ₦30,000 on fourth of February, 2014 (04-02-2014) and sixth of June, 2014 (06-02-2014) respectively. The mean amount demanded was ₦78,350.00. The relatively small average loan demanded by farmers could attributed to the fear of loan default, small range of pay back for amount granted as loan, relatively small and medium scale nature of their farming enterprise as well as their social and economic contribution to their various ajo group in the area. The result disputes the findings of Adebayo and Adeola (2008) who opined that the average volume of loan demanded by smallholder farmers was ₦292,800.00. Entries in **Table 6** also reveal the distribution of adequacy and timeliness of loan from various ajo groups. It indicates that majority (63.33%) of the cassava farmers obtained an amount of loan ranging between ₦51,000-80,000 on first of February, 2014 (01-02-2014) for farming activities in the study area. Approximately 23.33% and 13.33% of the cassava farmers obtained an amount ranging between ₦51,000-70,000 and less than ₦30,000 on 6th of March, 2014 (06-03-2014) and 16th of March, 2014 (16-03-2014) respectively. The mean amount of loan obtained was ₦61,150.00. The result contradict with the findings of Adinya *et al.,* (2013) who opined that the average amount granted as loan by farmers from their informal group was ₦100,380.00. The result implies that none of the farmers got the actual amount of loan they demanded; they only got less than the amount of loan they applied for from their various ajo group. The findings could be attributed to limited credit availability of the ajo groups, fear of loan default on part of the farmers, small scale nature of the farmers agricultural enterprise, various operational procedure such as the range of amount granted as loan, range of payback period for amount granted as loan as well as administrative bottleneck of the various ajo group in the area. The study shows that the average timeliness of loan was 4.10 weeks. This is relatively high considering the important of credit as well as it timely availability to farmers as reported by Ijere (1998) who opined that agricultural credit in the farmers hand will enable him to reap the economies of scale, thereby enhancing productivity growth, venturing into new fields, discovering new and cheaper products, creating demands where none exists and providing utilities to satisfy a wider market. It could be concluded that there is a significant difference ($P<0.05$) between the amount applied for of the farmers and amount eventually obtained.

Table 6: Distribution of Amount of Loan Applied for, Adequacy and Timeliness of Loan from Ajo group

Amount Applied (Naira)	**Date applied (Timeliness of Loan)**	**Frequency**	**Percentage (%)**
Less than 30,000	06-02-2014	4	13.33
31,000-50,000	03-01-2014	8	26.67
51,000-80,000	05-01-2014	16 **(Highest)**	53.33
80,001-120,000	04-02-2014	2 **(Lowest)**	6.67
Mean (X)		**₦78,350.00 ($522.33)**	
Amount Obtained (Naira)	**Date obtained**	**Frequency**	**Percentage (%)**
Less than 30,000	16-03-2014	4 **(Lowest)**	13.33
31,000-50,000	01-02-2014	19 **(Highest)**	63.33
51,000-70,000	06-03-2014	**7**	23.33
Mean ($\bar{X}$)	**4.10 weeks**	**₦61,150.00 ($407.67)**	
Total		**30**	**100.0**

Mean amount of loan applied for and obtained are ₦78,350.00 ($522.33) and ₦61,150.00 ($407.67) respectively; Source: Field Survey Data, 2014

Interest Rate Charged by Ajo Credit Group

Table 7, shows the distribution of cassava farmers by interest rate charged by ajo credit group in the area**.** 46.00% of the farmers paid an interest rate between the range of 8-10% per year. 23.33% and 20.00% of the farmers paid an interest rate of between 11-12% and 3-7% respectively. Furthermore 10.00% of the farmers reported and paid an interest rate of less than 3%. The mean interest rate charged per year is 11.50% . The average interest rate charged is very high in the study area. The result is in line with the findings of Afolabi (2008) who opined that high interest rate of loan for farmers have continued to deter farmers from seeking credit. However, Ojiako and Ogbukwa (2012) have argued that agricultural or farm credit is a crucial input required by the smallholder farmers to establish and expand their farms with the aim of increasing agricultural production, enhancing food sufficiency, promoting household and national income. In strengthening the findings Ijere (1998) who opined that agricultural credit in the farmers hand will enable him to reap the economies of scale, thereby enhancing productivity growth, venturing into new fields, discovering new and cheaper products, creating demands where none exists and providing utilities to satisfy a wider market. The implication of the findings is that if the

towering interest rate charged by farmers ajo credit source is not rigorously addressed by stakeholders in the area agricultural production would decline, farmers production capacity and income would be negatively affected thereby the food security with over time.

Table 7: Distribution of Interest Rate Charged by Ajo Credit Group

Interest Rate (%) (Per year)	Frequency	Percentage (%)
Less than 3	3	10.00
3-7	6	20.00
8-10	14	46.00
11-12	7	23.33
Total	**30**	**100.0**

Mean($\overline{X}$): Interest rate: 11.50% per year, Source: Field Survey Data, 2014

Comparisons of the Cassava Farmers Amount Applied for and Obtained during the 2014 Farming Season

In order to compare the cassava farmers amount of loan applied for and amount obtained during the 2014 farming season, the t-statistics was used as shown in **Table 8**. The mean, standard deviation, standard error of means and the t-value of the two variables (amount applied and amount obtained) were obtained. The mean amount of loan applied for (₦78,350.00) ($522.33) was found to be relatively higher that the average of the amount of loan eventually obtained (₦61,150.00) ($407.67) while the means difference was found to be ₦17,200.00. The standard deviation of the amount of loan applied for and obtained were ₦12412.832 and ₦10272.734 respectively, the difference in standard deviation was ₦2140.098. Also t-value (3.152) obtained was found to be significantly higher than the critical value (2.936 and P<0.05), suggesting that the t-statistics model is appropriate to model changes in means of farmers amount of loan applied for and the amount eventually obtained in the study area. The finding from the result indicates that there is a significant difference between the amount of loan applied for by the cassava farmers and the amount obtained during the 2014 farming seasons. It could be asserted that farmers were not given the actually amount of loan they applied for from their various ajo credit group during the 2014 farming season in the area. The findings could be attributed to limited credit availability of the ajo groups, fear of loan default and small scale nature of the farmers agricultural enterprise. Finally, the result from the findings accepted the alternative hypothesis (H_1) hence concludes that there is a significant difference between the amount of loan applied for and the amount obtained of the cassava farmers during the 2014 farming seasons from their various ajo credit groups.

Table 8: Estimation of the T- statistics of Cassava Farmers Amount of credit applied for and Amount Obtained

Estimated Variable	Frequency	Mean ± SD Amount applied	Mean ± SD Amount obtained	SEM Amount applied	SEM Amount obtained	Difference between means	t-cal	t-value at (P<0.05)
Amount applied for and obtained	30	78,350.00±12412.832	61,150.00 ± 10272.734	12012.742	11852.471	17,200.00	2.936	3.152

Source: Computer Printout of STATA (2014); SD; Standard Deviation; SEM; Standard Error of Means, t-values are statistically significantly (P<0.05), d.f ($n_1+n_2-2=58$)

Influence of Cassava Farmers Socio-economic Characteristics on Volume of Loan Acquired from Ajo Credit Group

In order to determine the influence of farmers socio-economic characteristics on the volume of loan acquired from their various ajo group in the area, a multiple regression analysis was carried out in four functional forms, linear, semi-log, double-log and exponential forms. Based on the statistical significance of the coefficient and goodness of fit, the double-log function was chosen as lead equation. Based on the statistical significance of the coefficient, goodness of fit, conformity of the signs with *a priori* expectations of the model the double-log function was chosen as the lead equation. The double-log regression function was chosen as the lead equation based on the value of R^2(0.781), F-Ratio value(37.831), conformity of the signs with *a priori* expectations of the model and has the highest number of significant variables (Six variables) as shown in **Table 9** , The coefficient of multiple determinations (R^2) was found to be 0.781 (78.1%). This is an indication that 78.1% of the variation on the volume of loan obtained of the cassava farmers was totally explained by the explanatory variables (socio-economic variables) while approximately 21.9% was accounted-for due to error term (e_i).

Educational level (X_2): Education had a positive coefficient with the amount of credit obtained by farmers and is statistically significant at 1% level of probability. This implies that farmers with higher years of

education obtained higher loan amounts than the less educated farmers. Exposure to high level of education is an added advantage in terms of accepting improved innovation. This finding collaborates with the study of Nwaru (2010) who reported that higher education was likely to enhance information access of farmer for to a reasonable farm credit and it judicious utilization.

Farming Experience (X_3): Farming experience had a positive coefficient with the amount of loan obtained by the farmers. This implies that farmers with higher years of experience acquired higher amount of loan to enhance their agricultural production than the less experienced farmers. The study is in line with the findings of Nnadi *et al.,* (2011) who opined that farmers with higher years of experience would be more efficient in acquiring credit and it utilization than less experience farmers. The relationship is significant at 10% level of probability.

Household Size (X_4): The household size had a negative coefficient with the amount of loan acquired by cassava farmers. This implies that farmers with larger household size acquired less amount of loan than their counterparts with smaller household size. This indicates that farmers who have larger household size would have the fewer tendencies to need and acquire more loan as they have huge of farm labour unlike their counterparts with smaller household sizes. The study tallies with the findings of Nwaru *et al.,* (2011) who opined that large household size reduces the cost of hired labour, ensures availability of labour as well as expansion of farm size. The relationship was significant at 5% level of probability.

Annual output **(X_5):** annual output was found to be positively related to the volume of loan acquired by the farmers. This implies that a cassava farmer who realized huge output acquired substantial amount of credit than their counterpart with poor output. The study shares view with the finding of Nwaru *et al.,* (2006) who asserted that huge annual farm output enhances farmers easy access to reasonable credit. The relationship was significant at 1% level of probability.

Farm Size (X_6): Farm size was found be positively related to the amount of loan obtained by farmers. This implies that cassava farmers who cultivated larger cassava acquired substantial amount loan than their counterparts who have less farm size. The relationship is significant at 1% level of probability. The study is in line with the findings of Enoma (2010) who asserted that large farm size increases farmers access to credit and farm productivity.

Marital Status (X_7): The marital status had a negative coefficient with the amount of loan acquired by farmers. This implies that farmers who are married acquired less amount of loan than their counterparts who were single. This indicates that farmers who are married would have the fewer tendencies to need and acquire more loan as they have of farm labour, land and other farm resource associated with married individual in the area. The relationship was significant at 1% level of probability. The F-ratio (37.831), which determines the overall significance of the regression model, is highly significant at 1% level of probability. This implies that the independent variables jointly exerted great influence on the volume of credit acquired of the cassava farmers. This compels the researcher to reject the null hypothesis of the study which states that, "there is no significant relationship between farmers socio-economic characteristics and volume of loan obtained from their various informal group in the study area. Hence the study concluded that the volume of loan acquired of the cassava farmers from their various ajo group in the study area is significantly affect their socio-economic characteristic.

Barriers Farmers Encountered in Obtaining Loan from Ajo Credit Group

Figure 2 shows the barriers cassava farmers encountered in obtaining loan from their various ajo groups in the area. It shows that all the sampled cassava farmers in the study area complained of high service charge and deficient loan amount (insufficient loan amount). The result is expected as the mean interest rate charged by the various ajo groups as well as the average amount granted as loan were 11.50% and ₦61,150.00 respectively. The average interest rate charged is very high while the amount granted as loan is also relatively high in the study area. The result is in line with findings of Nwaru (2004) who opined that high interest rate of loan for farmers has continue to deter farmers from seeking credit from credit institute and other informal credit group as well as the bane of poor loan repayment among farmers. Approximately, 96.00% of the cassava farmers identified late disbursement of loan. This is relatively high considering the importance of farm credit as well as its timely availability to farmers as reported by Ijere (1998). Agricultural credit in the farmers hand will enable him to reap the economies of scale, promote continuous production, thereby enhancing productivity, venturing into new fields, discovering new and cheaper products, creating demands where none exists and providing utilities to satisfy a wider market. Other 64.00% of the cassava farmers complained of poor record keeping. The barrier left the ajo group unaware of the actual amount of credit at hand, in bank, the number of credit applicant as well as the number of credit disbursed. These problems tend to be responsible for the poor credit access of the cassava farmers in the area. Fighting these identified barriers will enhance standard of living and food security in the study area and maybe beyond.

Table 9: Estimated Regression Analysis of the Influence of cassava Farmers Socio-economic Characteristics on Volume of Loan Acquired

Explanatory Variable	Linear	Semi-Log	Double-Log	Exponential
Constant	6261.515	-7053.517	8159.025	-251.315
	(19.361)***	-(22.384)***	(23.183)***	(-13.583)***
Age (X_1)	5313.031	3314.53	0.611	4125.753
	(0.215)	(1.021)*	(0.521)	(0.351)
Educational level (X_2)	4152.421	4272.35	-1.536	5126.362
	(2.291)**	(0.011)	(-3.291)***	(1.418)*
Farming experience (X_3)	7153.313	7213.51	0.332	5291.113
	(5.110)***	(3.120)***	(1.210)*	(2.561)***
Household size (X_4)	5171.317	-3526.01	-0.015	-3425.315
	(-1.519)*	(-1.525)**	(-1.512)**	(-0.231)
Annual output (X_5)	-5116.928	1287.11	0.582	5123.060
	(-0.021)	(1.210)*	(2.931)***	(2.025)**
Farm size (X_6)	1319.417	5141.91	1.412	3142.111
	(4.217)***	(0.267)	(2.570)***	(0.315)
Marital status (X_7)	6124.315	9121.29	-1.841	3.005E-309
	(3.021)***	(5.101)***	(-4.027)**	(7.215)***
Gender (X_8)	5151.318	9848.32	-0.621	6114.618
	(0.411)	(0.982)	(-0.792)	(1.311)*
R^2	0.742	0.815	0.835	0.704
R^{-2}	0.652	0.730	0.781	0.624
F-Ratio	31.510***	36.406***	37.831***	23.033***
Sample size (n)	30	30	30	30

Source: Computer Printout of STATA (2014); values in Parenthesis are t-values *Statistically Significant at 10%; **Statistically Significant at 5%; * Statistically Significant at 1% *; Field Survey Data, 2014***

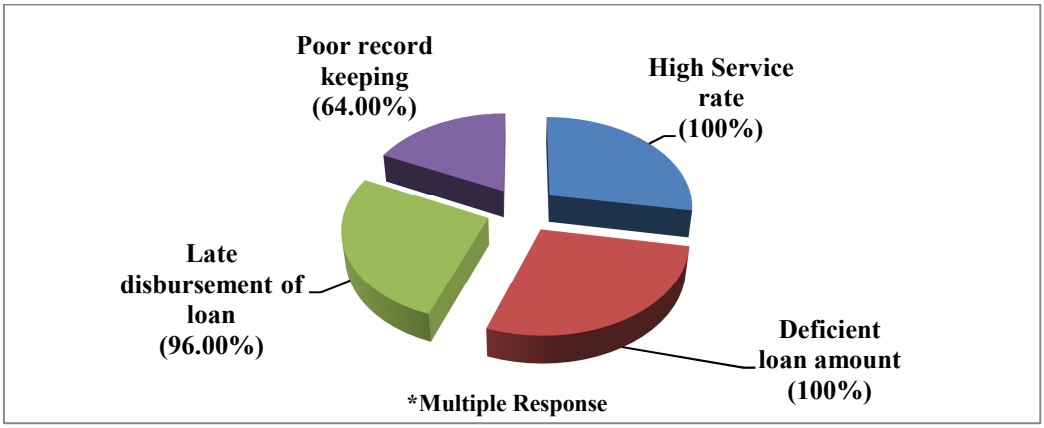

Figure 2: Distribution of Barriers Associated in Obtaining Loan from Ajo Credit Group; *Source: Field Survey Data, 2014*

CONCLUSION AND RECOMMENDATIONS

Ajo collectors are one of the oldest social capital and financial group in Africa. Hence the study focused on the use of ajo in financing cassava production in Aniocha North Local Government of Delta State, Nigeria. The paper becomes necessary due to cassava farmers poor access and use of farm credit in the study area. Purposive random sampling technique was used in selection of twelve communities due to the abundance of ajo cassava farmers. Sample size comprised thirty and thirty cassava ajo members and ajo patronizes respectively. Structured questionnaire was the main tool for data collection. Data collected were analyzed using descriptive statistics, t-statistics and multiple linear regression analysis. Average age was 50.10years. Accessing farm credit in rural area has been affected by the factor of social capital such as the ajo credit group in the study area. Focusing on this study, social capital functions as a catalyst for obtaining farm credit sources including creating the mechanism of joint liability in group lending for farmers in the area. Larger percentages (63.33%) were females. Greater majority (80.00%) were married with a mean household size of 5.0 persons. Average farm size was 1.51Ha while the farmers produced an average output/yield of 1,541.00Kg Ha^{-1} in the 2014 cropping seasons. It

shows all the sampled cassava farmers in the study area complained of high service charge and deficient loan amount. The result is expected as the mean interest rate charged by various ajo groups as well as the average amount granted as loan were 11.50% and ₦61,150.00 respectively. The average interest rate charged is very high in the study area. The result is in line with findings of Nwaru (2004) who opined that high interest rate of loan for farmers has continue to deter farmers from seeking credit from credit institute as well as the bane of poor loan repayment among farmers. Mean farm income was ₦84,310.00. Findings confirmed the existence of different ajo group in the area. Average membership strength of the various ajo groups were 354 and 568 persons for males and females respectively. Average range of amount granted as loan and mean range of payback period for amount granted as loan from different ajo group in the area were ₦52,150.00 ($347.67) and 9.21months respectively. Result revealed an average of ₦78,350.00 ($522.33) and ₦61,150.00 ($407.67) as the amount of loan applied for and obtained respectively during the 2014 farming season. Mean interest rate charged and average timeliness of loan were 11.50% and 4.10 weeks respectively. Estimated t-statistics revealed a t-value and critical value of 3.152 and 2.936 respectively suggesting a significant difference ($P<0.05$) between the amount of loan applied for and amount eventually obtained by farmers from their various ajo group in the area. Projected regression result shows that farmers educational level, annual output, farm size, household size, marital status and farming experience were the determinant of volume of loan acquired from various ajo credit group the area. The relationships were statistically significant at 1% and 5% level of probability respectively. The F-ratio (37.831) revealed the overall significant of the model at 1% level of probability. Different ajo groups have been very useful to farmers in the area. The following recommendations were made based on the major findings of the study.

a) Cassava farmers who are not members of any ajo group should be encouraged to belong to one so as to benefit from the credit facilities of such group.
b) Government investment strategies should as a matter of urgency address cassava farmers easy access to credit facilities as well as the reduction of the high interest rate charged by various informal groups such as ajo group in the area.
c) Investment effort by the government or any interest group should address cassava farmers access to credit as these would promote farmers standard of living and ensure food security all year round in the area and beyond.
d) Adult education programme should be implemented for the cassava farmers in the area as this would enhance their access to credit.
e) Any positive effort by the government geared towards sustaining the existing of social capital group such as the ajo credit group is necessary.

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