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Impact of Rural Finance Institution Building Programme on Food Security Status: A Comparative Study between Beneficiaries and Non-beneficiaries

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Abstract

Comparative study on the impact of Rural Finance Institution Building Programme (RUFIN) on the food security status of the beneficiaries and non-beneficiaries was conducted in Anambra State, Nigeria. The study employed multistage, purposive and snowball sampling techniques to select 120 households (60 beneficiaries and 60 non-beneficiaries). Data were collected using structured interview schedule. To determine the food security status of the RUFIN beneficiaries (RB) and non-beneficiaries (NRB), food security survey module was adopted. Descriptive statistics, t-test and factor analysis were used for data analysis. About 43% of RB and 22% of NRB were food secured. No significant ($p>0.05$) difference was seen between the two groups in the number of times households feed in a day ($t = 0.00$) with food insecurity score of $t = -1.53$. Conclusively, beneficiaries were more food secured than the non-beneficiaries but the marginal difference is not so substantial when viewed in the lens of the programme intention. Therefore, the volume of loanable amount and payback period should be increased by RUFIN to allow for meaningful agricultural investment which will in a long run, positively affect the food security status of the beneficiaries.

1. Introduction

Lack of efficiently working rural financial institution is a grave limitation on sustainable local economic growth in Africa (Demirgüç-Kunt and Klapper, 2013). This is because two thirds of Africa's populations are resident in rural areas and require adequate finance for their economic activities which are mostly agriculture based (International Labor Organization, 2014). In Nigeria, less than two percent (2%) of rural families are appraised to have access to any kind of institutional money (World Bank, 2008; Kama and Adigun, 2013). Non-existence of rural access to financial facilities in Nigeria not only lower rural economic growth, but also rises poverty and economic dissimilarity (World Bank, 2008; Akinnagbe & Adonu, 2014). In most rural communities of Nigeria, including Anambra State, access to affordable and timely financial services is extremely difficult because of high risk associated with lending to rural people (International Fund for Agricultural Development [IFAD], 2009; Akinnagbe & Adonu, 2014).

In effort to address these obvious difficulties and problems, the Nigeria government established a number of programmes over the years. Some of these programmes ended without achieving the core objective for which they were launched. This is evident in the current level of poverty in the rural areas which stood at 80% as at 2012 (IFAD, 2012) as against 41% in 1985, 42% in 1992, and 67% in 1996 (Ogwumike, 2002). According to Olawale (2018), the poverty rate in Anambra State Nigeria, is 11.2% and generally, Nigeria's poverty level is the highest in the world.

Rural Finance Institution Building Programme was introduced as a tactical means through which the rural micro financing will be advanced and reinforced in order to render satisfactory, efficient and workable financial services to the rural populace which may go a long way to improve food security, income and general living conditions of rural households. The aim of the intervention is to develop and fortify the result of member-based non-bank rural finance organizations to allow them develop to sustainable rural microfinance institutions (RMFIs) and establish connections between them and formal financial institutions in Nigeria. Rural Finance Institution Building Programme provides the basis for the long-term development of a sustainable rural financial system that will ultimately function all over the country (Federal Ministry of Agriculture and Rural Development [FMARD], 2015; Nigerian Investment Promotion Commission [NIPC], 2015; Rural Finance Institution Building Programme [RUFIN], 2011). Under the programme, the non-bank micro finance organizations would be strengthened in the required areas of capacity building and access to loanable funds with suitable linkages to micro finance banks and commercial banks for credit delivery to the rural population (RUFIN, 2010; FMARD, 2015).

The programme was initiated in 2006 but became effective as a pilot study in 2010 (RUFIN, 2011). The pilot study which ended in 2017 covered 12 states of the federation including Anambra State. Rural Finance Institution Building Programme is structured in a manner that will allow for efficiency in line with the programme goal of enhancing rural livelihood in which finance is a key component. The programme intends to reach out to an estimated population of 345,000 families, of which 138,000 (40%) will be households headed by women, with loan services that will be enhanced in terms of quality, quantity and access to deposit, loan and transfer services. These families include smallholder farmers and rural entrepreneurs such as craftsmen and petty traders. This is to enable them invest in improving productivity in agriculture and small business.

It is expected that the intervention of RUFIN on the beneficiaries' initial conditions should result to changes in their food security status. Information on food security of households in Nigeria is continuously needed for early famine warning purposes so as to plan and target interventions appropriately. This need has become more critical with the prolonged *Boko Haram* insurgency in North East Nigeria and the widespread economic recession across the country. According to Ezeama et al., (2015) and Onyemauwa et al., (2013), food insecurity is a key problem among rural households in Anambra State. Ezeama et al., (2015) associated the food insecurity to recent financial crisis which had contributed to rise in prices of food and drop in the procuring power of rural household incomes.

After about six years (2010- 2016) of RUFIN's existence in Anambra State, it became pertinent to conduct a comparative impact study between the beneficiaries and the non-beneficiaries to ascertain how the programme fared in the state as there is none; other works on RUFIN are mainly newspaper reportage (Daily Trust, 2017) and studies conducted in other states that participated in the intervention programme, in which most did not address the issue of food security (Oshinowo, 2017). The study therefore specifically determined the food security status of beneficiaries and non-beneficiaries; ascertain perceived constraints to beneficiaries in utilizing RUFIN services; and identify possible strategies for improving performance of RUFIN.

Hypothesis

There is no significant difference between food security status of beneficiaries and non-beneficiaries in Anambra State.

2. Methodology

The study was conducted in Anambra State because it is one of the states that was selected for RUFIN pilot intervention in Nigeria. Anambra is one of the states that make up the 36 states in Nigeria, located between latitude 5°80¹ and 6°10¹North and longitude 6°85¹ and 7°60¹ East. Anambra has a projected population of 4.2 million and land space of approximately 5, 000sq.km (National Population Commission, 2006). The state is predominately made up of rural areas. These rural areas are characterized by farming as major occupation.

Anambra State is sub divided into 21 local government areas (LGAs) which are dotted with financial institutions comprising commercial banks, microfinance banks, Bank of Agriculture, Bank of Industry, Cooperatives and thrift societies, with most located in major cities. Out of the 21 LGAs, three (Awka North, Orumba North and Ayamelum) participated in RUFIN.

Beneficiaries and non-beneficiaries within the state constituted the population that justified the comparative study. The beneficiaries' population are those who were privileged by virtue of location and are registered members

of village saving and credit groups (VSCG) that were under RUFIN supervision and have collected loan, while the non-beneficiaries are credit groups that were not under RUFIN loan.

Beneficiaries were selected using multistage, purposive and snowball sampling techniques because not all the VSCGs accessed the loan. In the first stage of selection, all the 3 LGAs participating in the programme in the state were used. These 3 LGAs are Awka North, Orumba North and Ayamelum. In the second stage, four VSCGs that have accessed the loan were purposively selected from each LGA. In the third stage, five respondents from each VSCG were proposed for random selection, on the basis that each VSCG had membership strength of 20-25 persons, but not all members of each group were available at the period of interview, that lasted for a month. The membership strength as revealed in the field, ranged from 10-30 persons. It was gathered that some members were deceased while some travelled to distant land for either business or visit. Reports have also shown that victims or defaulters of loan agreement usually avoid interview (Adebayo, 2017; People's Television, 2017). Hence beneficiaries that were available from the four VSCGs in each LGA were interviewed using snowball and random sampling, giving a total of 60 respondents.

Non-beneficiaries were selected using multistage, purposive and snowball sampling techniques. In the first stage selection, all the 3 participating LGAs in the state were used. In the second stage, snowball and random sampling process was used to select 20 respondents that were members of VSCGs that were not under RUFIN loan, giving a total of 60 respondents. The sampling procedures above gave a total of 60 beneficiaries, 60 non-beneficiaries, and a grand total of 120 respondents.

Data were collected using structured interview schedule because of the target respondents who were mixed of literate and illiterate. The baseline data were collected using recall data techniques. The instruments were subjected to both content and face validity by the help of experts in the Department of Agricultural Extension, Faculty of Agriculture, University of Nigeria, Nsukka and RUFIN desk officers before administering to respondents.

To determine the food security status of the beneficiaries and non-beneficiaries, food security survey module of the United State Department of Agriculture was used as it vividly classified food security into four groups. The survey module has 18 food security questions/items/indicators in which the number of affirmative responses determines the food status level. Any household with child(ren) or without child that affirms less than three of the food security questions is termed as food secure; household with child(ren) or without child that affirms between three to seven or between three to five of the questions, respectively is classified as food insecure without hunger; household with child(ren) or without child that affirms between eight to twelve or between six to eight of the questions, respectively is termed food insecure with moderate hunger; while household with child(ren) or without child that affirms between thirteen to eighteen or between nine to ten of the questions, respectively is termed food insecure with severe hunger. The 18 food security items are: Worried food would run out; food bought just didn't last; couldn't afford to eat balanced meals; relied on few kinds of low-cost food for children; couldn't feed children a balanced meal, children were not eating enough; adult(s) cut or skipped meals; frequency of adult(s) cutting or skipping meals; you ate less than felt you should; you were hungry but didn't eat; you lost weight because not enough food; adult(s) not eat for whole day; frequency of adult(s) not eating for whole day; cut size of children's meals; children ever skip meals; frequency of children skipping meals; children ever hungry and; children not eat for whole day.

To identify perceived constraints of the beneficiaries in utilizing RUFIN services, a list of likely constraints was provided. Respondents were requested to specify the extent to which each constraint such as high interest rate, short period of payback, high cost of membership registration, small in size of loanable amount etc. is a problem, on a 5-point Likert scale of; to a great extent (4), to some extent (3), to a little extent (2), to a very little extent (1) and not at all (0). The values were added and divided by 5 to get a mean value of 2.0. Items with a mean score equal or greater than 2.0 were considered major constraints, while items with a mean score less than 2.0 indicate minor constraints. Data were subjected to exploratory factor analysis, using the principal factor model with Varimax rotation in grouping the constraints into three major constraints factors of; loan term constraints (factor 1), managerial constraints (factor 2) and system embedded constraints (factor 3). However, only variables with factor loadings of 0.40 and above (10% overlapping variance, were used in naming the factors.

To identify possible strategies for improving the performance of RUFIN, respondents were demanded to tick from a list of options by indicating yes/no. They were also asked to suggest likely strategies that could be used to improve the programme performance that is not on the list.

The hypothesis was determined using food security status indicators, which are number of times household feeds in a day {Once (1), Twice (2), Three times (3), More than three times (4)}, Nature of food eaten in the household {Enough of the kinds of food we want to eat (4), Enough but not always the kinds of food we want (3), Sometimes not enough to eat (2), Often not enough to eat (1), Don't know (99)}, and food insecurity score; determined using

the number of affirmative response to food security questions. Data collected were presented and analyzed using descriptive statistics and independent samples t-test at 0.05 level of significance.

3. Results and discussion

3.1Socio economic characteristics of the respondents

Result in Table 1 shows that the majority (76.7%) of RUFIN beneficiaries (RB) were female. This could be as a result of the 40% minimum involvement provision for women by the programme (NIPC, 2015) which gave them leverage over the male. Similarly, the majority (61.7%) of RUFIN non-beneficiaries (RNB) were female. This could imply that females are more into group activities than male, which may be, as a result of women's inadequate access to productive resources. This substantiates the report by Mucavele (2015), which states that 80% of agricultural production comes from small scale farmers, who are mostly rural women that do not have access and control over all land and productive resources but most times utilize the power of group to achieve their aims. The mean age of RB and NRB was 42.7 and 40.3 years, respectively. About 86.7% of RB and 88.3% of RNB were married. The mean years spent in acquiring formal education was 8.9 for RB and 9.8 years for RNB. The mean household size for both RB and RNB was 6persons, while the mean farming experience for RB was 17.3 and 15.9 years for RNB.

Table 1. Socio-Economic Characteristics of the Respondents

Socio-economic characteristics	RB (n=60)		NRB (n=60)	
	%	M (S.D)	%	M (S.D)
Gender				
Male	23.3		38.3	
Female	76.7		61.7	
Age				
<30	5.0		11.7	
30 – 39	35.0		40.0	
40 – 49	35.0	42.7(9.7)	30.0	40.3(11.3)
50 – 59	16.7		8.3	
≥60	8.3		10.0	
Marital status				
Single	3.3		3.3	
Married	86.7		88.3	
Widowed	10.0		8.3	
Educational level				
No formal education	5.0		1.7	
Primary school attempted	6.7		5.0	
Primary school completed	33.3		30.0	
Secondary school attempted	13.3		11.7	
Secondary school completed	26.7		33.3	
OND/NCE	13.3		15.0	
HND/First degree	1.7		3.3	
Higher degrees	0.0		0.0	
Years spent acquiring formal education		8.9(4.2)		9.8(3.8)
Household size				
<5	16.6		29.3	
5 – 10	81.7	6(2.2)	70.7	6(2.0)
11 – 15	1.7		0.0	
Years of farming				
<10	31.6		30.4	
10 – 19	26.3	17.3(11.6)	30.4	15.9(9.9)
20 – 29	21.1		28.3	
30 – 39	14.0		8.7	
≥40	7.0		2.2	

RB = RUFIN beneficiaries; NRB = Non-RUFIN beneficiaries

3.2 Features of RUFIN beneficiaries' loan

Amount of loan obtained

The average amount of loan obtained by each RUFIN beneficiaries from programme inception to the time period was N67,266.7 (Table 2). This suggests that, while the sum could be a big start-up or maintenance package for some people, it could also not do much for some other persons. This agrees with Llanto (2005) who states that agricultural production loan granted by Philippine government translates to only 2% of the total loans to all sectors. This is small to make any meaningful agricultural development in a country. With more substantial amount, longer-term and efficient loan services to farmers, agriculture and rural sector could register more growth.

Length of loan payback period

About 36% of the beneficiaries had 10 – 12months as length of loan payback period. About 29% had 4 – 6months. Only 22% had more than one year. On the average, beneficiaries were given one year to pay back loans. This implies that the loan was not utilized for ventures that could not turnover within a year. As a result, the agricultural sector may be weakened as only very few farmers will be able to invest. This is in consonance with the finding of Ayanda and Ogunsekan (2012) who stated that Bank of Agriculture, in their mandate, stipulates 7 - 12months for loans repayment to be completed. On the contrary, report of Cracking the Nut Conference (2011), indicates that agricultural financial products are given 6 – 36 months, depending on crop cycle and investment purpose. This could be to enable farmers profit from their ventures without having to be under financial pressure of payback.

Numbers of loan obtained

The majority (90%) of the beneficiaries were only able to obtain loan once from RUFIN programme. About 5% obtained twice, while 3.3% obtained thrice. Only 1.7% obtained more than three times. On the average, beneficiaries were only able to access loan once since the inception of the programme. This could be that, the process of securing loan is cumbersome and discouraging, or loanable amount is too small for farmers need. It could also be that the length of payback is not encouraging or the interest on loan is too high. The rate of turnover and profitability in farmers' ventures could also serve as determinants. Wangwe and Lwakatare (2004) asserts that credit facilities are integral part of the process of commercialization of the rural economy. Inaccessibility to loan, poses a danger to the growth of agriculture. When rural economy is developed, agriculture, which is the main stay is said to be sustainable.

Table 2. Features of RUFIN Beneficiaries' Loan

Loan features	Percentage (%)	Mean (M)	S.D
Amount of loan obtained (Naira)			
<50,000	25.0		
50,000 – 90,000	43.3	N67,266.7	38710.1
90,001 – 140,000	20.0		
>140,000	11.7		
Length of loan payback period			
<4 months	1.7		
4 – 6 months	28.9	12 months	0.6
7 – 9 months	11.8		
10 – 12 months	35.6		
>12 months	22.0		
Numbers of loan obtained			
Once	90.0		
Twice	5.0	1	0.6
Thrice	3.3		
More than thrice	1.7		

3.3 Food security status of beneficiaries and non-beneficiaries

About 43% of the RB were food secured (Table 3). A close range (40%) to that were food insecure without hunger. Only about 10% were food insecure with severe hunger while 6.7% were food insecure with moderate hunger. The Table also reveals that, the majority (55%) of NRB were food insecure without hunger. About 22% were food secured, while 20% and 3.3% were food insecure with moderate hunger and food insecure with severe hunger, respectively.

Table 3. Food Security Status of the Respondents

Food security status	% of RB	% of NRB
Food secured	43.3	21.7
Food insecure without hunger	40.0	55.0
Food insecure with moderate hunger	6.7	20.0
Food insecure with severe hunger	10.0	3.3

Figure 1 shows that, 56.7% of RB and 78.3% of RNB were food insecure. The findings concur with Etim *et al*. (2017**)** that food insecurity is one of the problems facing Nigeria. According to Aidelunuoghene (2014), over 80% of the population in Nigeria is living on less than a Dollar per day. Poverty and food insecurity are more in rural areas where the majority of people are resident and making livelihood from agriculture (Akerele, 2013; Mirza et al., 2013). Akombi *et al*. (2017) also found out that most Nigerians are food insecure and malnutrition is evidently widespread as many Nigerians children under five are stunted, resulting from micronutrient deficiency. In 2009, Nigeria ranked 18th out of 42 African countries on the Global Hunger Index (GHI) and 46th out of 84 developing countries captured globally (Abubakar, 2010). However, from the findings of the study, more of RB are food secure compared to RNB which indicates that RUFIN is making progress in addressing the food insecurity situation in Anambra State and in a long run in Nigeria. Increasing the amount of loan and payback period, and possibly increasing the scope of the programme to reach more people, could translate into having more food secured households. The findings agree with Olaolu (2016) who recorded that beneficiaries of Second National Fadama Development Critical Ecosystem Management Project (Fadama II-CEMP) were more food secure than the non-beneficiaries. Although food security is higher among RB than RNB, it is still below the acceptable standard and this could be linked to financial mismanagement of most beneficiaries, who instead of utilizing finance for the purpose it is meant for, most often divert it to meeting more pressing needs. This goes to confirm the high poverty rate in rural areas. Most of them leave in abject poverty and unable to meet their pressing needs and therefore any financial opportunity given them may lead to mismanagement if not properly supervised.

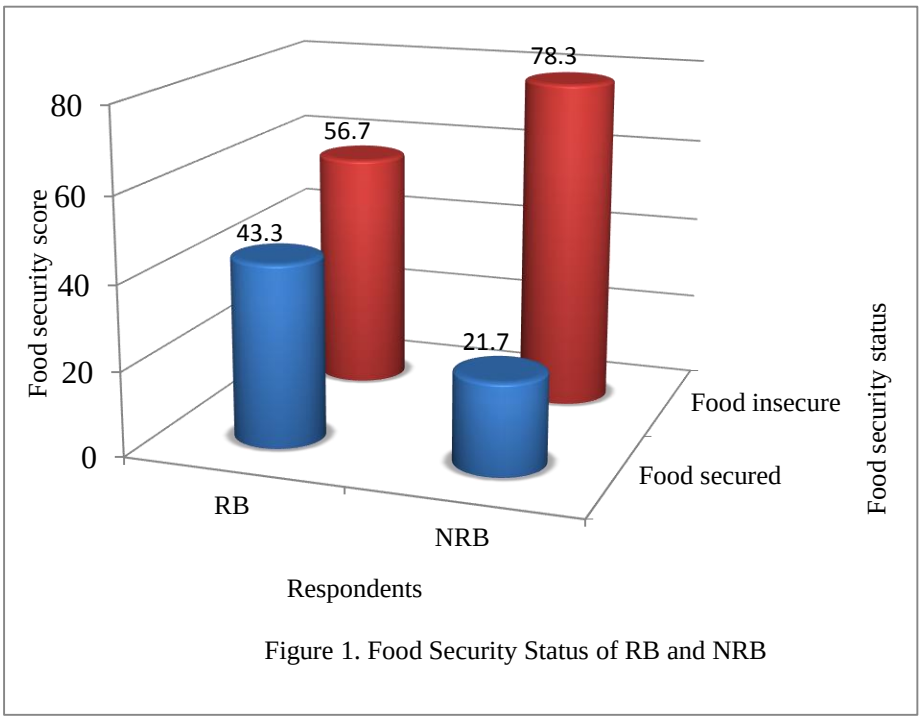

Figure 1. Food Security Status of RB and NRB

Difference in the food security status of RB and NRB

Table 4 shows that there is no significant (p>0.05) difference between the two groups in the number of times households feed in a day (t = 0.00). There was also no significant difference in the food insecurity score (t = -1.53) for RB and RNB.

The no significant difference in the number of times households' feed in a day could be linked to households' effort to satisfy the African custom or norm of eating three times in a day, irrespective of food quality. This agrees with Idachaba (2004) who reports that many households and individuals in Nigeria merely eat for survival. Irohibe (2012) opined that the number of meals consumed by households did not necessarily indicate adequate food utility. The non-significant difference recorded in the food insecurity score, could be attributed to the low volume of loan obtained, short payback period and the small number of times loan was obtained within the time period, which if increased could further reduced food insecurity among households. Irohibe (2012) attributed food insecurity in Bayelsa State, Nigeria to the following: Poor income, inadequate access to farmland which resulted to limited crop production, inadequate access to credit facilities, limited extension contacts which affects the use of modern food technologies and, low educational status which may affect farmers' comprehension and use of agricultural information for achieving food security.

Table 4. Difference in The Food Security Status of RB and NRB

Food security variable	Mean of RB (M)	Mean of NRB (M)	t-value
Number of times household feed in a day	3.00	3.00	0.00
Food insecurity score	3.80	4.98	-1.53

P≤0.05

3.4 Perceived constraints to utilization of RUFIN services

Table 5 shows the result of the rotated components matrix indicating the extracted factors based on the responses of beneficiaries on constraints to utilization of RUFIN services. The Table reveals three major factors, which are: loan term constraints (Factor 1), managerial constraints (Factor 2) and system embedded constraints (Factor 3).

Under the loan term constraints factor, the following were constraining variables: high interest rate (0.57), short period of payback (0.71), high initial deposit (0.65), small in size of loanable amount (0.67), too little information available on RUFIN services (-0.74), difficulty in getting in touch with RUFIN desk officers (-0.69), demands for collateral (0.63), and unavailability of loan when needed (0.62). This implies that the terms or a condition surrounding a loan programme or service determine to a large extent the rate at which people will subscribe. Most people tend to subscribe to loan with very low interest rate, relaxed repayment plan, without collateral, unrestricted amount, and easily accessible. This agrees with the report of International Finance Corporation (2012) that farmers and their producers' association frequently lack the collateral traditionally required by banks for larger and longer-term loans.

The small size of loan obtained may discourage beneficiaries to utilize the knowledge gained rom RUFIN trainings due to financial limitations. It could also bring to not, the intended businesses and expectation of beneficiaries before joining the programme. This could dampen the morale and motivation of beneficiaries to put into effective use the loan available to them, but rather may divert it to other needs.

High interest rate was also indicated as a constraint. Some of the interest rate was as high as 56%, with the lowest as 16% (personal observation). With the high interest rate, some beneficiaries might have paid back the loan using their personal savings from other businesses that was not associated to RUFIN. This may discourage beneficiaries to take loan and could also be the reason why most beneficiaries accessed loan just once. Unavailability of loan when needed implies that beneficiaries had to delay some of their productive activities; which may affect their output. This may have serious implications to agricultural productivity and food security of households in the study area.

Payback period was a major constraint to utilization of RUFIN services. This was pointed out by many, to be too short. The shortness in period may have constrained beneficiaries from venturing into business of interest that might have yielded more profit. Farmers cannot venture into biennial and perennial production with one-year loan scheme. Beneficiaries were required to open an account with an amount they perceived to be high before financial institutions could release loan (personal observation). This may have been perceived as constraint on the note that, under normal condition, majority might not have willingly opened an account with the bank.

Variables that loaded under managerial constraints factor were un-thriftiness of farming enterprise (0.77), lack of market for farm produce (0.82), inadequate knowledge on finance diversification (0.41), poor record keeping attitude (0.51) and lack of supervision (0.42). This suggests that capacity building workshop on market identification and maximization, resources diversification, fund growth and management, leadership ethics, and record keeping, is crucial if beneficiaries must maximize RUFIN potentials. From personal observation, some people subscribe to intervention programme, especially loan programme without adequate plans for repayment. This is in agreement with

Cracking the Nut Conference report (2011) which revealed that subsidized credit programmes are often hijacked by politically-connected clients who sees loan as gift or grant.

The variables that loaded under system embedded constraints include: difficulty in getting business permit (0.47), conflict among members (0.82), gender centeredness of RUFIN services (0.45) and incompetence of RUFIN desk officers (0.89). This means that farmers might better appreciate RUFIN services if system embedded constraints were addressed. System embedded constraints are un-envisaged elements enshrined in the structure of a programme that pose as challenge to its effectiveness. They are not seen during programme design but manifests in the course of programme execution.

Table 5. Factors Constraining Beneficiaries from Utilizing RUFIN Services

Constraints	Components		
	Loan term constraints	Managerial constraints	System embedded constraints
High interest rate	0.57*	0.38	-0.03
Short period of payback	0.71*	0.18	-0.08
High initial deposit	0.65*	-0.06	0.134
Small in size of loanable amount	0.67*	-0.02	-0.03
Too little information available on RUFIN services	-0.74*	0.01	0.31
Problem of land acquisition	-0.37	-0.19	-0.10
Difficulty in getting in touch with RUFIN desk officers	-0.69*	0.20	0.26
Difficulty in getting business permit	-0.16	-0.15	0.47*
Demand for collateral	0.63*	0.02	-0.07
Unavailability of loan when needed	0.62*	0.06	0.23
Conflict among members	0.12	-0.08	0.82*
Embezzlement of fund by group top officials	0.08	0.55*	0.13
Un-thriftiness of farming enterprise	0.09	0.71*	-0.01
Lack of market for farm produce	0.16	0.82*	-0.02
Gender centeredness of RUFIN services	-0.07	0.18	0.45*
Inadequate knowledge on finance diversification	-0.15	0.41*	-0.22
Incompetence of RUFIN desk officers	-0.03	-0.06	0.89*
Fear of business failure (risk)	-0.17	-0.06	0.09
Poor record keeping attitude	0.11	0.51*	-0.10
Lack of supervision	-0.37	0.42*	0.06

Extraction method: Principal Component Analysis.
Rotation method: Varimax with Kaiser Normalization.
*Loaded at 0.40

3.5 Possible strategies to improve RUFIN programme

Results in Table 6 reveal that giving farmers loan at subsidized rate (91.7%) and strengthening the legal backings of group activities (91.7%) were the major possible strategies to enhancing utilization of RUFIN services among farmers. This could address the phobia many people have towards group activities. Exposing farmers to financial literacy trainings (90%) and trainings on possible areas of income diversification (90%) also ranked high. This could solve the problem of most farmers in diverting loans to purposes that would not yield back the loan. The report of Cracking the Nut Conference (2011) shows that a robust macroeconomic atmosphere together with legislation and implementation mechanisms, stir confidence in financial institutions to lend to agriculture. E.g. a warehouse receipts package allows farmers to securely store grains and use them as guarantee to access a loan. This apparatus necessitates a lawful and regulatory structure to permit receipts for commodities stored to be used as collateral (Cracking the Nut Conference, 2011).

Table 6. Possible strategies to improve RUFIN programme

Strategies	Percentage (%)
Making loan interest free	65.0
Giving loan without collateral	25.0
Regular supervision of group activities	36.7
Exposing farmers to financial literacy trainings	90.0
Increasing the volume of loanable amount	78.3
Giving all gender equal opportunity	5.0
Increase in length of payback	57.6
Provision of readily available market for farmer's produce	15.0
Provision of farmland for interested farmers	21.7
Readily accessible business permit	16.7
Access to loan from financial institutions on a personal basis	75.0
Promotion of policy on establishment of commercial banks in rural areas	78.3
Loans should be given at a subsidized rate to farmers	91.7
Training of farmers on possible area of income diversification	90.0
Strengthening the legal backings of group activities	91.7

4. Conclusion and Recommendation

The beneficiaries were more food secured than the non-beneficiaries though the marginal difference is not so substantial when viewed in the lens of the programme intention. Therefore, the volume of loanable amount and payback period should be increased by RUFIN to allow for meaningful agricultural investment which will in a long run, positively affect the food security status of the beneficiaries. Effort should also be made by policy makers to address the loan term, managerial and system embedded bottlenecks faced by farmers with regards to agriculture financing. The study further recommend that similar study should be conducted in other states that participated in the programme to ascertain impact.

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