

An Empirical Investigation of the Impact of Small and Medium-Scale Enterprise Financing on Food Security in Nigeria: Implications for Sustainable Development

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Abstract:

Small and medium-scale enterprises (SMEs) play a critical role in promoting agricultural productivity, food security, and sustainable development, particularly in developing economies such as Nigeria. Despite several government initiatives and financial interventions aimed at improving agricultural financing, food insecurity remains a persistent challenge due to inadequate access to affordable credit by agricultural SMEs. This study investigates the impact of SME financing on food security in Nigeria and examines its implications for sustainable development. Specifically, the study evaluates the effects of commercial bank financing, cooperative financing, and microfinance on food security among agricultural SMEs. The study adopted a quantitative survey research design. Primary data were collected through structured questionnaires administered to 180 owners and managers of agricultural SMEs in Sagamu, Ogun State, Nigeria, of which 150 valid responses were analyzed. The research instrument was validated by experts and demonstrated satisfactory reliability with a Cronbach's alpha coefficient of 0.81. Data analysis involved descriptive statistics, Pearson correlation analysis, and multiple regression analysis, while the hypotheses were tested using t-statistics. The findings revealed positive relationships between SME financing and food security. However, commercial bank financing, cooperative financing, and microfinance financing each exhibited positive but statistically insignificant effects on food security. Although the regression model explained a substantial proportion of the variation in food security, the results suggest that existing financing mechanisms

have not sufficiently enhanced agricultural productivity or strengthened food security outcomes. The study concludes that inadequate access to effective financing remains a major constraint to achieving sustainable food security in Nigeria. It recommends strengthening government commitment to agricultural financing, reforming lending policies to improve accessibility for SMEs, reducing collateral requirements, and expanding financial inclusion in rural communities. Future studies should investigate the effects of borrowing costs, financing accessibility, institutional quality, and other structural factors influencing agricultural productivity and food security across different regions of Nigeria.

Keyword: *SME Financing; Food Security; Commercial Banks Financing; Cooperative Financing; Micro Financing; Agricultural Productivity.*

1.0 Introduction of the Study

Food security is a measure of food availability, accessibility, acceptability and affordability. The Rome Declaration on World Food Security defines it as food that is available at all times, to which all persons have means of access; which is nutritionally adequate in terms of quantity, quality and variety, and is acceptable within the given culture (Clover, 2003; FAO 2007). It is when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (FAO 2007). Food plays an important role in the existence of man, needed for healthy living, labour and economic productivity (Clover, 2003; Agboola, 2014; Ajagbe & Adeogun, 2026a). Lack of ensuring food security is tantamount to political instability, hunger, malnourishment, and reliance of food importation and its adverse effects on trade deficits. Havas & Salman (2011) concluded that food security can be used to measure development of a country's agricultural sector. However, the expectation is that every country should be able to feed itself.

Fawole et al. (2015) reported that a country that can grow its agricultural sector to such a degree that it can provide quality food at affordable prices for its citizens, is said to have advanced. Unfortunately, food security is not a feature of all economies. This is because it is a common problem among several developing countries, hence many countries lack affordable and quality food for its populace (Fawole et al., 2015; Metu, 2016). Such countries are not always able to meet the 2250 kcal calorie intake per adult per day, as recommended by the World Health Organization. Report from the United Nations shows that about 805 million people are undernourished as of 2014 (Cargill, 2014); and many of these persons are from developing countries (Fawole et al., 2015). Between 1996 and 2000, an estimate of 840 million persons were undernourished: 11 million of them were from developed countries, 30 million are from emerging countries, and 799 million are from developing world (Food and Agricultural Organization, 2002).

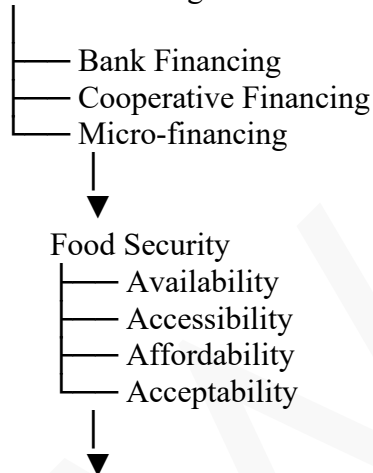
In Nigeria, the situation is escalating. The average daily per capita of calorie intake in Nigeria has been on the decline, dropping from 140 in 1992 to 37 in 2013, and was 42 in 2016 (World Development Indicators, 2019). Fawole et al. (2015) noted that prevalence of food insecurity in Nigeria increased from 9% in 2009 to 11% by the end of 2014. These statistics suggest that there has been low agricultural productivity in the country. Metu et al. (2016) noted that the expected productions from crops, forests and livestock have been lower than their agricultural potentials. This decline can be attributed to lackadaisical attitude of government, private sector, formal and informal financial institutions to finance and promote agricultural sector in Nigeria.

Anthony et al. (2015) opined that the relevance of agricultural credit to farmers, one of fundamental problem disrupting agricultural success is lack of access to adequate financing, which

has been a bane to small and medium farmers. The authors added further that agricultural development in Nigeria suffers setback due to inability of small and medium scale farmers in the rural communities to have access to loan funds. According to the Central Bank of Nigeria in 2010, lack of accessibility to loan by rural farmers is the absence of a national credit policy and paucity for credit institutions (CBN 2010). However, the nature of business activities in rural areas do not support establishment of commercial banks that will aid provision of credit to rural farmers for agricultural production. Nwankwo (2013) added that the processes involve in accessing or granting credit for farmers in rural area is unattractive to commercial banks. Furthermore, the inability to properly direct agricultural credit to farmers in rural communities has contributed to overall poverty and decline in economic conditions of rural area and affects the overall growth of the economy. Anthony et al. (2015) suggested that within the sphere of problems affecting small and medium rural farmers, lack of access to adequate financing seems to bedevil farmer's productivity the most. Therefore, this paper aim is to establish from the literatures, if financing is a major impediment to small and medium-scale agricultural enterprises in promoting food security in Nigeria. Figure 1.1 below indicated the relationship among the research variables such as SME Financing, Food security and sustainable development.

1.1: Research Conceptual framework

SME Financing



Sustainable Development

Figure 1: Relationship Among the Research Variables

2.0 Literature Review of the Study

Financing of agricultural activities is very fundamental towards improving agricultural output efficiency and effectiveness in any economy. To achieve greater production from agriculture, agricultural credit directed towards small and medium-scale farmers mostly domicile in the rural communities is very crucial. In Nigeria, according to Fadeyi (2018) there are two important sources of financing to smallholder farmers which are; formal/institutional financial sector and non-institutional/informal financial sector (Dabor et al., 2015). Therefore, the sources of finance to small and medium-scale farmers in Nigeria are informal sources of finance, finances from banks, and finances from government and international bodies. Dabor et al. (2015) mentioned that informal sources of finance are financing channels from cooperative societies known as Esusu, family members, friends and relatives and money lenders in the society. Fadeyi et al. (2018) added

that the informal sectors where farmers get finance from are not regulated, thus, they charged high interest rates and requested for collaterals which farmers most at times use personal belongings to secure. However, the other approach that rural farmers adopt in securing financing for agricultural purposes are through cooperative societies.

According to Fadeyi (2018), cooperative societies are a group of individuals of same interest who come together, make contributions on daily, weekly or monthly basis, then give it out to each other on rotational basis until the last person is reached. In addition, the cooperative society makes fund available within them and give it out on loan on demand by any member at agreed interest rates which are mostly higher, such as 10 to 15% interest rate for a month loan (Afolabi, 2010). For rural farmers to secure finance through this informal source, it is difficult due to higher interest rate charged and the period that the cash will be handed down to you may not meet up with agricultural cycle of 3-4 months before harvest. Although, small and medium-scale farmers in the rural community's access most of their loans through informal sources frequently because it is closer to them than other sources of agricultural credits.

Ugwu (2010) argued that banks as a formal financial institution offer various financial services to individuals, businesses and government. Banks responsibility includes acceptance of deposits and offering same deposits are credit to industries, traders, farmers, among others (Olowo et al., 2022; Oke et al., 2023). Small and medium-scale farmers are part of individuals that commercial banks rendered financial credit to in Nigeria. However, commercial bank's credit offered to the agricultural sector is low, compared to loans offered to other sectors in the economy (Fadeyi, 2018). Although one of the reasons why banks do not want to channel their credit facilities towards farmers especially small and medium-scale farmers in the rural communities is because of higher default rate (Anthony et al., 2015). Another issue is that, rural farmers lack collateral to secure loans from banks (Kehinde, 2012). Over the years, Nigerian government has placed more emphasis on agriculture (Okoro & Nwakai, 2017) and banks should not neglect allied and agricultural activities (Ugwu, 2010). Therefore, banks credit to agriculture has been on the rise from 3.5% in 2015 to 4.21% in 2019, though it is below 7% targeted as banks credit to the agricultural sector in Nigeria (Babajide, 2019; Okoh et al., 2021).

Empirical studies have found that another important source of finance to small and medium-scale farmers is through government funding (Anthony et al., 2015; Fadeyi, 2018; Osabohien et al., 2020). Extant studies have shown that government intervention through provision of finance to agricultural activities are required to achieve greater agricultural production in the country (Benzemer & Headey, 2008). Over the years, Nigerian government had put in place various programmes and activities that will help channel more finance to small and medium-scale farmers in the country. Since 1960, government had established the following programmes to support farmers in Nigeria. These are: mandatory Credit Guideline to SMEs, Small Scale industries Credit Scheme, Agricultural Credit Guarantee Scheme, Nigeria Agriculture and Cooperative Bank, Rural Banking scheme which target rural farmers, Family Economic Advancement Programme, Nigerian Agricultural Co-operative and Rural Development Bank (NACRDB) - being merger of NACB, Peoples Bank and Family Economic Advancement Programme (FEAP) in 2002, Interest Drawback Programme, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Nigerian Incentive-Based Risk Sharing System for Agricultural Lending, (NIRSAL), Commercial Agriculture Credit Scheme (CACS), Small and Medium Enterprises Credit Guarantee Scheme for SMEs, Anchor Borrower's Programme (ABP), Paddy Aggregation Scheme (PAS), Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS), Accelerated Agricultural Development Scheme (AADS), Micro, Small and Medium Enterprises Development

Fund (MSMEDF), Among others. However, given all these efforts by Nigerian government to finance agricultural sector, the fund are not sufficient to achieve sufficient production required from the sector. In 2013, only 1.70% of the whole budget was allocated to agricultural development. This declined in 2014 to 1.47%, then 0.90% in 2015 (World Bank, 2018). In 2016, there was a positive change in the government allocation to agriculture as the percentage of the budget allocation to agriculture increased from 1.25% to 1.82% in 2017, 1.89% in 2018, and further decrease to 1.20% in 2019, and 1.8% in 2022 (Izuaka, 2021, CBN, 2022). Although, it is still far below 10% mandatory budgetary allocation for agriculture as recommended in the 2015 by Comprehensive Africa Agriculture Development Program (CAADP) (Budget Office, 2018; Ofoegbu, 2015).

Based on empirical investigation, Osabohien et al. (2020) examined the role of agro financing on food production in Nigeria in order to establish if it support Sustainable Development Goals (SDGs) goal 2. The study adopted descriptive research design and it was found that agro financing has significant effect on increase in food production in Nigeria. However, access to financing has been found to be one of the major challenges to farmers mostly in rural communities. In this vein, it was recommended that more financing channels such as farmers' cooperative be created in other to boost productivity. In same vein, Osabohien et al. (2018) established that lack of access to financing affects subsistent farmers output.

Mattew et al. (2019) in their study which examined agriculture and social protection for poverty reduction in ECOWAS region established that decline of agricultural contribution to GDP in Nigeria is because of low productivity arising from low engagement of farmers through financing. Abu et al. (2017) in their study observed that small and medium-scale farmer's lack of collateral security hampers their effort to secure bank loans, hence impacting negatively on their production capacity. This was in line with the study of Njuguna & Nyairo (2015) as it was concluded that small and medium-scale farmers are incapable to provide collateral security for loans needed in Kenya, which thus contribute to their inability to access needed funds for farming purposes. Furthermore, Iderawumi & Ademola (2015), Antony et al. (2015), Okoro & Nwali (2017) found that rural farmers are incapable of accessing credit facilities from financial institutions because of their inability to secure guarantors on time, high interest rates, non-return of loan by defaulters, among others.

Mallum (2016) and Coker & Audu (2017) study showed that having access to credit is very crucial to agricultural development and lack of accessibility to such can impede farmer's ability to invest. In addition, Gunes & Movassaghi (2017) conducted a comparative analysis on agricultural credit system and organization in some selected countries. The research indicated that, inadequate credit facilities have been a major constraint affecting the effectiveness and development of small and medium-scale farmers in Nigeria. Mgbenka & Mbah (2016) conducted a review of stallholders farming in Nigeria in respect to need for transformation; it was found that rural farmers are affected by different constraints which include economic, political and financial problems. Another finding revealed lack of access to finance is a major disruption to development of smallholders' farm cultivation and livelihood in rural settlements in Nigeria. In addition, study by Evbuomwan (2016) and Fadeyi (2018) showed that there are funding channels available for small farmers in Nigeria, however, the impact of credit facilities on productivity, modernization of farm using technology and improvement in standard of living of the farmers is yet to be harnessed.

Enilolobo et al. (2022) examined the determinants of food security in Nigeria. Multiple regression model was specified, which captured the effects of labour input (measured using employment in the agricultural sector), domestic capital investment (measured using gross fixed capital), bank

inclusion (measured using bank lending to agriculture), environmental quality (measured using percentage of carbon dioxide emission to gross national income, and oil revenue (Enilolobo et al., 2024; Ajagbe & Adeogun, 2026b). The autoregressive distributed lag (ARDL) method was adopted for analyzing the model, while pairwise granger causality was used to provide robust results. The results from the regression estimates found that only domestic capital had significant positive impact on food security in Nigeria; whereas bank lending only had significant positive impact on food security in Nigeria during the short run period.

Afolabi et al. (2021) empirically analyzed the nexus between agricultural financing, food security and economic growth of Nigeria. Secondary data spanning from 1994 to 2018 was used in the study. Techniques of analyses used in the study include error correlation mode (ECM) estimation and granger causality analysis. Result showed that Commercial bank loan and advances to agricultural sector exert significant positive impact on food export on the long run, but on the short run the impact is not significant though positive. Additionally, agricultural credit guarantee scheme fund exerts significant positive effect on food export on the long run, while on the short run the impact is not significant, showed that total government expenditure on agriculture has significant positive impact on food export on the long run, but the impact is insignificant on the short run. The study concluded that agricultural financing has the capacity to position the country for improved food production, availability, and sustenance.

Nevin et al. (2019) opined that there is decline in agricultural financing as evident in allocation captured in the budget. In line with the standard set by the Maputo Declaration on Agriculture and Food Security, African Union (AU) through the declaration concluded that its members should allocate not less than 10% of their respective countries annual budget to finance agriculture. In 2018, budgetary allocation to agriculture in Nigeria was N0.20 trillion which is just 2.2% of annual budget of 9.12 trillion Naira. The authors further posited that despite government effort to deepen agricultural credit, the access to credit by farmers still remain low because bank credit to other industries is much higher than for the agricultural sector, not minding the fact that agricultural sector contribute more to GDP. Hitherto, the inadequacy of flow of finance to the SMEs sector affect food security in the country. Farmers cannot produce food in maximum quantity because of failure of formal and informal banks in granting credit facilities to them, and of course, this in-turn result to hunger and food scarcity in the country.

Ayegba & Ikani (2013) stressed that smallholder farmers require constant and consistent access to finance, as it is critical to achieve required growth in agricultural sector thereby leading to food security. Fadeyi (2018) argued that the provision of credit facilities for small and medium-scale farmers has been known as an important mechanism towards agricultural growth, because it will help in boosting the quantity and quality of machines tools to use on farmlands (Ajagbe et al., 2025; Oke et al., 2016). Agriculture financing which means the availability of credit for small and medium-scale farmers uses to increase efficiency and productivity of farm produce, is a process of obtaining control over the use of money, goods and services (for agricultural purposes) in the present in exchange for a promise to repay an agreed amount at a future date” (Ejiogu, 2018). Credit to farmers are loans for food production, processing, storage and distribution (Anthony et al., 2015). Thus, financing small and medium-scale farmers through agricultural credits is a panacea to the growth and development of the agricultural sector, hence, boosting food security in Nigeria (Ayegba & Ikani, 2013).

Therefore, based on the aforesaid, the study hypothesized that:

- i. SMEs commercial bank financing has no significant impact on food security in Nigeria.
- ii. SMEs cooperative financing has no significant impact on food security in Nigeria.
- iii. SMEs micro-financing has no significant impact on food security in Nigeria.

3.0 Research Methods

The study applied survey research approach to select and administer 180 copies of questionnaire to selected small and medium-scale enterprises agricultural production in Sagamu, Ogun State. The issues addressed in the research instruments relates with how deposit money banks, microfinance banks and cooperative financing affect food security in Nigeria. The validity and reliability of the instrument was proof read by experts in Agricultural finance and tested via Cronbach alpha to attain 0.81%. The instruments are sourced from publication of existing studies however with modification. The study regressed SMEs deposit money bank financing, SMEs micro-financing and cooperative financing as the explanatory variables on food security as dependent variable in Nigeria. The model is mathematically specified as:

$$FDS = f(SBF, SCF, SMF) \quad 1$$

$$FDS = \alpha_0 + \beta_1 SBF + \beta_2 SCF + \beta_3 SMF + \epsilon_t \quad 2$$

Where:

FDS = Food security

SBF = SMEs bank financing

SCF = SMEs cooperative financing

SMF = SMEs micro-financing

Where: β_0 = Constant, $\beta_1 - \beta_3$ = beta coefficients of the independent variables; μ_t = error term. *A priori expectation* = $\beta_1 > 0$; $\beta_2 > 0$; $\beta_3 > 0$

The application of multiple regression was applied as the data analysis. To validate the hypotheses, t-test of multiple regression was used.

4.0 Data Analysis of the Study

This section presents the data analysis findings and analysis.

4.1 Analysis of the Given Questionnaire

Table 4.1: Analyses of the Questionnaires

Questionnaires	Responses	Percentage (%)
The number of completed forms	150	83.34
Unfilled forms	2	1.11
Not returned forms	28	15.55
Total	180	100%

Source: Researchers' Field Survey, 2023

Hitherto, the result connotes that from the 180 questionnaires that were given out, 150 (or 83.34 percent) were filled out, 2 (or 1.11 percent) were left blank, and 28 (or 15.55%) were not returned. This suggests that the analysis of the questionnaire's questions was based on 150 respondents, the number of people who filled out and returned the questionnaire. As a result, the 150 valid replies were further coded and examined for analysis.

4.2 Correlation Analysis

Table 4.2: Result of Pearson Correlation Matrix

Variables	RA	FK	FB	FA
Food security	1			
SMEs bank financing	.581**	1		
SMEs cooperative financing	.512**	.324**	1	
SMEs micro-financing	.323**	.301**	.261**	1

Source: Researcher's Computation

Table 4.2's findings show a correlation coefficient of 0.581 for SBF, 0.512 for SCF, and 0.323 for SMF, respectively, suggesting a positive link between small and medium-scale financing and food security. This shows that the variables changed in the same ways among the SMEs in Ogun State that were sampled.

4.3 Regression Analysis of the Study

Table 4.3: Multiple regression effect of SMEs bank financing, SMEs cooperative financing and SMEs micro-financing on food security in Ogun State, Nigeria.

Model Summary						
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		.892 ^a	.731	.701	.537	
a. Predictors: (Constant), SMEs bank financing, cooperative financing and SMEs micro-financing						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.611	3	4.537	20.001	.000 ^b
	Residual	39.072	147	.283		
	Total	52.683	150			
a. Dependent Variable: Food security						
b. Predictors: (Constant), SMEs bank financing, cooperative financing and SMEs micro-financing						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.617	.250		7.813	.000
	SMEs bank financing	.193	.051	.211	2.001	.061
	SMEs cooperative financing	.251	.044	.291	1.093	.097
	SMEs micro-financing	.106	.029	.197	1.984	.066
a. Dependent Variable: Food security						

Source: Data Analysis

The results showed that the dependent and independent variables have a strong linear connection, as reported in the above table 4.3's correlation coefficient of 0.892 for the model. The table also demonstrated the goodness of fit (R²) to be 0.731 and the independent variables' contribution to 73.1% of the change in the dependent variable food security to be independent. Additionally, the stochastic error term explains the significance and contributions of the explanatory variables to the dependent, i.e., how SMEs bank financing, cooperative financing and SMEs micro-financing

impact food security. The stochastic error term accounts for the remaining 29.9% of the corrected R square. In addition, the F-value of 20.001 and the F-(probability) value of 0.00 in the ANOVA result, which evaluated the model's robustness, were statistically significant. The study demonstrated that the regression model is reliable, error-free, and does not exhibit specification bias, demonstrating its significance.

The results in this study also showed that food security is positively and insignificantly influenced by each of the explanatory variables SMEs bank financing, cooperative financing and SMEs micro-financing. As a result of an increase in SMEs bank financing, cooperative financing and SMEs micro-financing, SMEs in Ogun State have a positive with an insignificantly financing option on food security to the tune of 19.3%, 25.1%, and 10.6%, respectively compared to their counterparts in other states. The economic a priori expectation of a positive correlation is supported by these outcomes. The study found that the food security in Ogun State, Nigeria is insignificantly influenced by SMEs bank financing, cooperative financing and SMEs micro-financing.

5.0 Discussions, Conclusions, and Contributions

5.1 Discussion and Implication of Findings

An empirical investigation into the impact of small and medium-scale enterprise financing on food security in Nigeria: Implication for sustainable development has been conducted. The most reliable and effective estimation, the multiple regression estimate, serves as the foundation for the presentation of the findings for the three hypotheses. In all, the study established that deposit money bank, cooperative society and microfinance bank contributed positively to the financing of SMEs in Nigeria but with an insignificant effect. This suggests that effort to ensure food security is not at its optimal best in Nigeria. Governance and institution towards financing of SMEs to enhance food security should be prioritized like many developing nations around the world. It is generally true that no institution can survive without financing, just like SMEs sector promoting agricultural produce. Deposit money banks has not been faithful to SMEs in accessing credit facilities due to size of firm, net worth, employee size, capital etc which many at times makes deposit money banks place huge interest rate and stringent collateral to borrowing by SMEs in a bid to scare them away.

The rationale behind the establishment of microfinance bank is to ensure financial inclusiveness in rural areas where deposit money banks have no branch network. However, evidence from the result implies that microfinancing of SMEs is not effective in credit distribution. Agricultural producing SMEs should be given more consideration in a bid to produce at their maximum capacity. The findings for cooperative society are not surprising because of member savings and loan requests attached. The implication of this to national growth and development is that if formal and informal financial institutions failed in their obligatory duties of promoting investment creation through credit distribution, there will continue to be hardship and hunger in the land which has an end result of poverty. However, government need to re-enact some policies and programmes that will erroneously benefit SMEs thereby providing and ensuring food security in the country.

5.2 Conclusions of the Study

In this study, authors found that small and medium-scale farmers which are mostly domesticated in the rural communities had over the years faced adequate financing which has impede their productivity that has contributed to inadequate food supply in the country. Thereby, given the range of problems affecting production of agricultural produce among the rural farmers, it has been established in the literatures that financing is a major bane to agricultural prosperity for farmer's

mostly small and medium-scale farmers, particularly in rural communities. Thus, this study validates the study of Aliyu (2021) to conclude that albeit other problems, financing of agricultural activities is still far from satisfactory and remain a major challenge for small and medium-scale farmers in Nigeria. Therefore, financing through agricultural credit to small and medium-scale farmers should be made available to farmers that have record of successes in their agricultural activities albeit not having proper financing sources. This will help to maximize the essence or purposes of setting up agricultural credit institutions in Nigeria. This study suggested that the CBN needs to investigate bank lending policies and iron out gray areas that inhibit bank lending to the agricultural sector. Formal and informal banking institutions should be more accommodative to SMEs by providing finance to support their businesses. Lastly, to fast-track financial inclusion in the rural communities for farmers, policies should be put in place which will direct financial institutions to provide more credit facilities to rural farmers.

5.3 Contributions and Suggestions for Further Area of Studies

The study adds significantly to the paucity of research on SMEs financing and food security in Nigeria, particularly in Ogun State, where there is a dearth of empirical research. Additionally, it has contributed to our comprehension of the insignificant influence that deposit money banks, microfinance banks and cooperative societies financing plans for SMEs to actualise food security in Nigeria. The research also expanded our knowledge because it showed that some SMEs in Ogun State chose to use personal savings, loans from friends, and financing from family rather than turning to financial institutions because of the high denial rate, interest rates, and labor-intensive paperwork requirements. This was true even though these SMEs were financially literate. It is possible to do more research on the nexus between high borrowing rates of SMEs and food production in Nigeria.

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