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RESEARCH ARTICLE

IMPACT ASSESSMENT OF THE COMMERCIAL AGRICULTURE CREDIT SCHEME (CACS) IN NIGERIA.

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Abstract

The evolution of the agricultural business environment has rendered traditional farming methods increasingly unprofitable due to the emergence of advanced technologies, high-yield seed varieties, and changing consumer preferences toward value-added, high-quality, and safe food products. Consequently, the agricultural sector requires substantial capital investment across its value chains to enhance productivity and competitiveness. However, access to credit remains a persistent constraint. To address this financing gap, the Federal Government of Nigeria, in collaboration with the Central Bank of Nigeria (CBN), launched the Commercial Agriculture Credit Scheme (CACS) in 2009. This study evaluates the impact of CACS on agricultural productivity, employment generation, asset accumulation, and market integration. A mixed-methods approach, combining structured surveys and focus group discussions, was employed to collect quantitative and qualitative data from beneficiaries nationwide. Findings reveal that CACS contributed significantly to output expansion, employment creation, and asset growth, though challenges related to disbursement timing and market access remain. The study concludes with policy recommendations for enhancing the scheme's impact and sustainability.

Introduction:-

Agricultural business practices globally have been transformed by technological advancements, consumer demand for quality and safety, and the drive for higher yields (FAO, 2021; World Bank, 2022). In Nigeria, these changes have made traditional farming methods increasingly unfeasible, pushing farmers toward adopting integrated value chains to sustain profitability. However, substantial capital investment is essential for improving production, processing, and marketing activities to meet new standards for quality and competitiveness (Olomola, 2019).

Despite the sector's significance, financing for agricultural value chain activities in Nigeria remains minimal. Between 2005 and 2009, the Deposit Money Banks' (DMBs) credit to agriculture averaged a meager 2.08% of total private sector credit (CBN, 2010). In the same period, budgetary allocations to the sector averaged 4.63%, although

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agriculture's contribution to GDP stood at a substantial 33.43% (NBS, 2020). This financing mismatch underscores systemic constraints in mobilizing sufficient resources for agricultural development (Grzybowska, 2013).

Recognizing the critical role of affordable credit in stimulating agricultural productivity and rural development, the Federal Government of Nigeria and the CBN have introduced several policy interventions. One of the flagship initiatives is the Commercial Agriculture Credit Scheme (CACS), launched in 2009 to provide low-interest financing to large-scale agricultural enterprises. The CBN's historical engagement in development financing dates back to the early 1960s through marketing boards and later expanded in the 1980s to export credit guarantee schemes and SME-focused interventions (CBN, 2021).

The CACS was designed to target commercial agricultural enterprises with asset thresholds of at least ₦100 million, with plans to scale up to ₦250 million within three years. Non-integrated agro-enterprises with initial assets of ₦50 million and plans to reach ₦150 million were also eligible. The scheme covered production, processing, input supply, and marketing activities, and was implemented in collaboration with the Federal Ministry of Agriculture and Water Resources (FMAWR). CACS was financed through a ₦200 billion seven-year bond raised by the Debt Management Office (DMO) and disbursed through participating banks at a single-digit maximum interest rate of 9%. Each state government was allowed to borrow up to ₦1 billion for onward lending to cooperatives and agricultural enterprises aligned with CACS objectives.

The objectives of CACS are to:

- Accelerate the development of Nigeria's agricultural sector,
- Enhance national food security,
- Reduce the cost of credit for agricultural production,
- Increase national output and employment,
- Diversify Nigeria's revenue base and foreign exchange earnings, and
- Sustainably provide inputs for manufacturing and processing sectors (CBN, 2021; FAO, 2022).

Given these objectives, assessing the impact of CACS after over a decade of implementation is essential to inform policy refinement, ensure resource optimization, and guide future development finance initiatives.

Justification Of The Study

The Commercial Agriculture Credit Scheme (CACS) is a pivotal intervention aimed at addressing the persistent credit gap in Nigeria's agricultural value chain—encompassing production, processing, storage, and marketing. With agriculture employing over 70% of Nigeria's population and contributing significantly to GDP (NBS, 2020), the effective deployment of CACS resources is critical for sustaining national food security, poverty alleviation, and economic diversification.

Increased agricultural productivity, fostered by enhanced credit access, would also serve to moderate inflationary pressures and stabilize food prices, supporting the CBN's broader macroeconomic objectives (Eze, 2022). Therefore, a rigorous evaluation of the impact of CACS is necessary to understand the program's achievements, challenges, and unintended consequences, especially during the peak period of its operationalization (2009-2017).

Impact evaluations measure changes in beneficiary welfare attributable to specific interventions (White, 2019). For CACS, such an evaluation would ascertain whether observed changes in agricultural output, asset accumulation, employment generation, and income improvements can be credibly linked to the scheme. Key research questions include:

- What lessons have been learned from the provision of CACS loans through commercial banks?
- Are there verifiable outcomes indicating achievement of CACS objectives?
- What income changes have been recorded among beneficiaries?
- How have farming and operational activities evolved post-credit access?
- To what extent has CACS contributed to national capacity utilization, job creation, and economic output?
- How can a sustainable monitoring and evaluation framework (including baseline data, KPIs, and reporting systems) be developed?

Given the dynamic socio-economic, environmental, and political factors influencing agricultural performance in Nigeria, a comprehensive and evidence-based evaluation is indispensable for effective policy recalibration.

Methodology.

Research Design.

This study employed a mixed-methods research design to explore the impact of the Commercial Agriculture Credit Scheme (CACS) on agricultural enterprises in Nigeria. Mixed-methods approaches leverage the strengths of both

qualitative and quantitative research to provide a comprehensive and nuanced understanding of complex phenomena (Braun & Clarke, 2006; Creswell & Plano Clark, 2018). Quantitative data were collected through structured surveys, while qualitative insights were gathered via Focus Group Discussions (FGDs) to triangulate findings and enhance the validity of results (Ingham-Broomfield, 2014).

Given the scale and diversity of the agricultural sector across Nigeria's 36 states and the Federal Capital Territory (FCT), the study design emphasized wide geographical coverage and inclusion of diverse agricultural sub-sectors (crop production, livestock, processing, and marketing). Descriptive and inferential statistical techniques were utilized to analyze the quantitative data, whereas thematic analysis guided the interpretation of qualitative responses.

Area of Coverage.

The survey was conducted nationwide, encompassing all 36 states of the federation and the FCT.Beneficiaries of the CACS across these regions were targeted, ensuring representation across Nigeria's key agro-ecological zones.

Population and Sample

The population for this study were the beneficiaries of the CACS programme in all the 36 states of the Federation, including the Federal Capital Territory. In each of the states, clusters of beneficiaries based on their type of activity were identified and purposive sampling technique was used to select participants that can provide accurate information from their experiences as beneficiaries of the scheme. The survey exercise was conducted with questionnaires administered to beneficiaries in all the 36 states, including FCT. Also, the questionnaire forms for second level beneficiaries were administered to the states government, to obtain the list of their beneficiaries, out of which a focus group discussion was conducted in three states (Cross River, Kano, and Oyo) as a representative sample.

Data Collection Instruments.

Primary data were collected using:

- Structured questionnaires designed to obtain quantitative information on credit utilization, output, asset accumulation, employment, and income changes,
- Focus Group Discussion (FGD) guidesdesigned to facilitate exploration of beneficiaries' experiences, challenges, and perceptions regarding the scheme,
- Secondary sources such as Central Bank of Nigeria (CBN) reports, government publications, and project monitoring documents.

Interviewers and field officers were trained on qualitative research ethics, questionnaire administration, and techniques for conducting FGDs to enhance data quality and reliability.

Analytical Techniques.

The analysis of quantitative data involved the use of:

- Descriptive statistics (frequencies, percentages, means) to summarize patterns and outcomes,
- Inferential analysis where possible to assess relationships between variables (e.g., asset growth and loan access).

For qualitative data, thematic content analysis was conducted following Braun and Clarke's (2006) methodology, involving familiarization with data, generating initial codes, identifying themes, and refining themes for presentation.

Attribution, a common challenge in impact evaluation, was addressed through comparison of pre- and post-intervention conditions, although the absence of randomized control groups limited the ability to make definitive causal inferences (White, 2019).

Data Analysis & Major Findings

This section presents a discussion of the analysis and survey findings, with graphs generated based on key variables from the questionnaire to address the study's expected outcomes..

Figure 1 describes the ownership structure of the beneficiary firms. Of the 191 beneficiaries that responded to the survey, 151 are private liability companies, representing 79 percent of the respondents. Government-owned Agencies and Sole Proprietors represent 7.9 and 6.8 percent, respectively. Additionally, eight Public limited liability companies, three Partnerships, and one Cooperative were among the beneficiaries that responded.

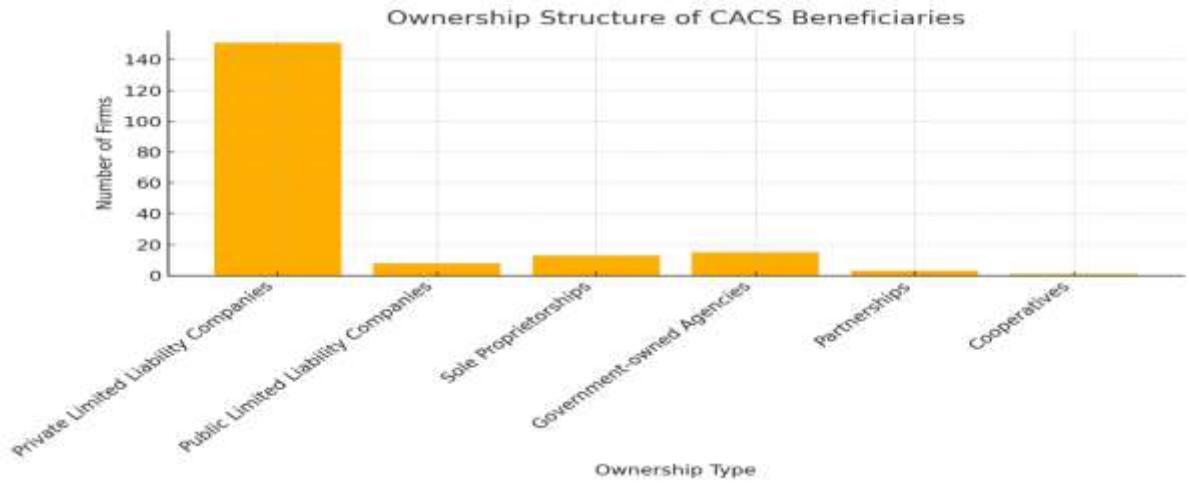


Figure 1

Employment.

One of the objectives of the CACS scheme is to facilitate the generation of employment by beneficiary firms. Figure 2 shows the employment history of the firms categorized based on the economic activities of the beneficiaries. The crop production sub-sector recorded the highest number of persons in employment compared with the other economic sectors. The crop production sub-sector employed additional labour of 43,990 from 2009 to 2017, representing 74.86 percent of the total employees by the beneficiary firms surveyed. Food, Beverages, & Tobacco and Livestock added a total of 11,227 and 2,686 to the labour force, representing 19.11 and 4.57 percent, respectively. A total of 58,763 persons were employed from 2009 to 2017 by the beneficiary firms (Figure 2)

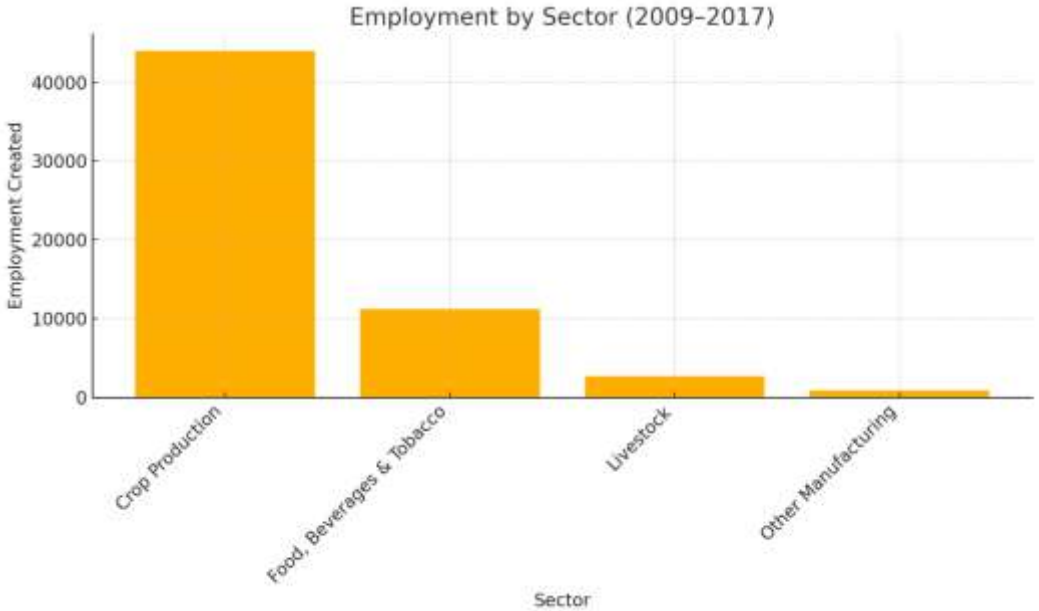
A beneficiary reported that:

"*the company operates two shifts presently with 68 staff for each shift.*"

Another beneficiary said that:

"*we employed over 100 people directly and indirectly*"

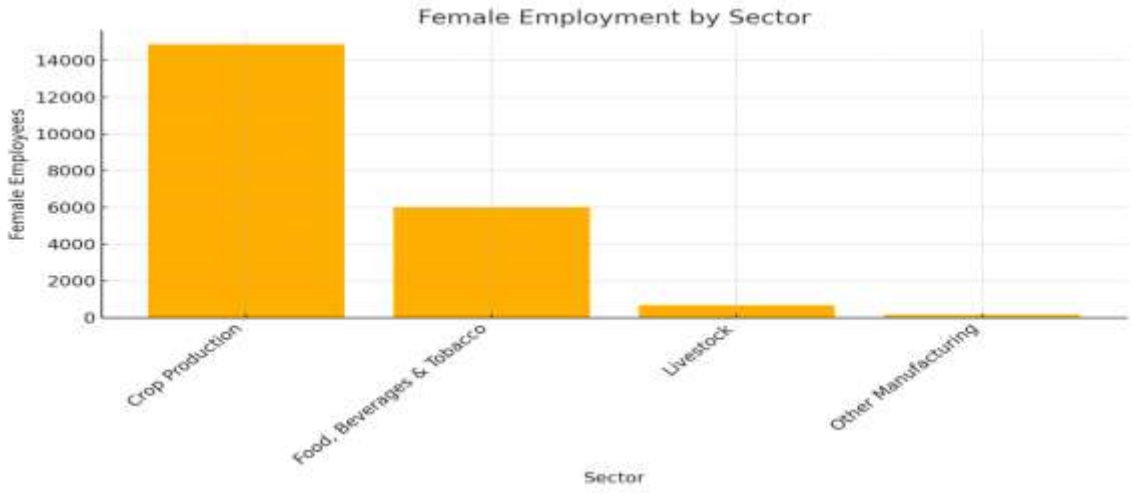
Figure 2: Employment Generation



Figures 3 and 4 show employment by gender of the Firms surveyed. The crop production sector has the highest number of both female and male employees, which stood at 14,873 and 35,678 in 2017, respectively. From the year

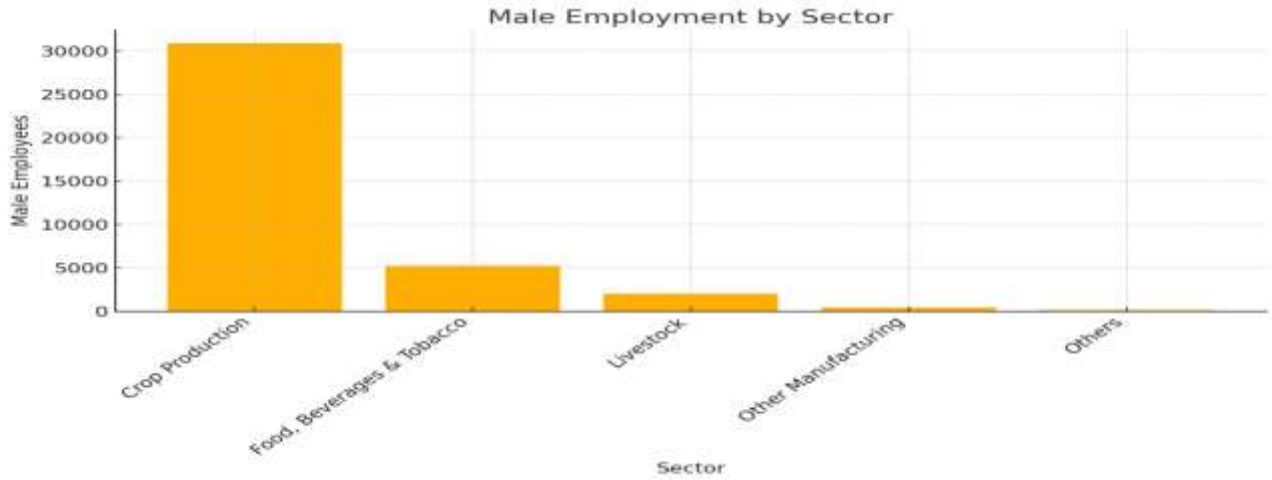
of the commencement of the CACS scheme, the beneficiary firms surveyed had added to the labour force 20,303 female employees. Of the total, crop production, food, beverages & tobacco, and livestock and other manufacturing sub-sectors accounted for 13,427 (66.13%), 6,017 (29.64%), 671 (3.30%), and 155 (0.76%), respectively. There was no female employment at the manufacturing textile, apparel & footwear sub-sector.

Figure 3: Female Employment



Similarly, the number of male employees from 2009 – 2017 stood at 38,777. The crop production employed 30,880 persons from 2009 – 2017, representing 79.63 percent of the total employed during the period. Male employed in the food, beverages, & tobacco, livestock, other manufacturing, and others stood at 5,210 (13.44%), 2016 (5.20%), 430 (1.11%), and 118 (0.30%), respectively. However, employment in the manufacturing plastic & rubber products, textile, apparel & footwear sub-sectors were statics, recording no major employment, as firms surveyed under the sub-sector have not benefitted majorly from the scheme.

Figure 4: Male Employment



Also, the number of employees trained by the beneficiary firms from the commencement of the scheme to the period the survey was conducted. Before the commencement of the CACS scheme, a total of 6,956 employees were trained across the different agricultural value-chain economic sub-sectors. In the year 2009 when the scheme started, firms surveyed had trained 7,592 employees, which increased to 15,024 in 2010. Firms surveyed had continued to train their employees on an incremental basis. In 2017, a total number of 46,369 persons were trained, with employees in

Crop production accounting for 76.94 percent, followed by Food, beverages & tobacco, and Livestock with 13.07 and 6.85 percent, respectively.

A beneficiary from Calabar acknowledged that:

> *"By the time I requested for the loan, we were given training on fishery farming, and we tried to put into practice what we were trained. I was trained on fish and honestly, we did very well."*

A beneficiary from Kano said:

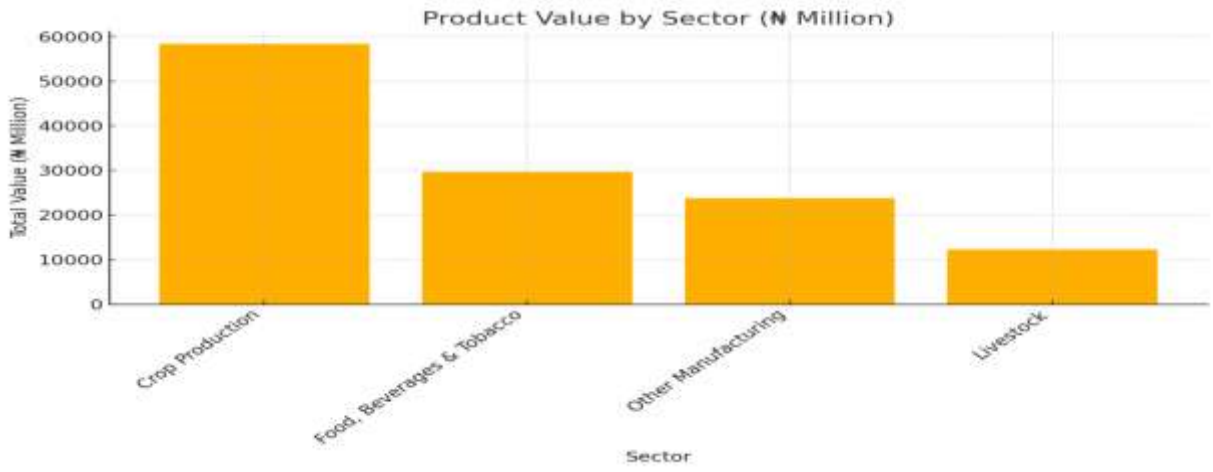
> *"On capacity building, instead of the women and young boys' employees, we bought multi-purpose stressor for N300,000. We employed the services of 3 employees and attached them to the person that made the stressor to teach them how to operate it and manage. We employed the services of someone to make a distiller and par boiler that grand the rice chips. We employed two persons that were taught how to operate the distiller."*

Products by Sector – Quantity Produced.

Beneficiaries were asked to provide information about the product their firms produce. Figure 5 shows the different categories of products based on their measurement given by the surveyed firms. Crop production, which is measured in tons has maintained considerable increase from 83,863.84 tons in 2009 to 684,853.69 tons in 2017. The livestock sub-sector is further categorized into different products based on their measurement. Under the livestock products, eggs measured in crates was 5.44 million in 2009, 10.21 million in 2012, 17.58 million in 2015 and 14.48 million in 2017. This is followed by the number of poultry birds produced (1.17 million in 2009 to 4.65 million in 2017).
A beneficiary from Kano said:

> *we cultivated wheat and the output was significantly more than what we had in the previous farms more than what we envisaged. Our capacity has increased to about 75 percent".*

Figure 5: Product Value



A beneficiary from Kano reported that:

> *"I started fattening before getting the loan in a small scale and usually sale during festive period. After receiving the loan, we entered into agreement with Shoprite to supply them with beef after every ten days we supply a minimum of ten cows of beef and goat meat."*

A beneficiary from Calabar said that:

> *"We planted up to 100 hectares, the loan collected was 9 million naira."*

At inception of the CACS scheme in 2009, the products value in Naira of the surveyed beneficiaries rose to N33,396.24 million, representing an increase of 8.69 percent from the value in 2008. Figure 5 reveals that a greater percentage of the total value recorded is attributable to the Crop production economic sub-sector. This is followed by Food, beverage & tobacco, Other manufacturing products, and Livestock. From 2009-2017, firms surveyed recorded a substantial increase of N123,930.57 million in their earnings, representing 372.2 percent. Of this

increase, the Crop production accounted for 47.08 percent, Food, beverages & tobacco (23.93%), Other manufacturing (19.21%), and Livestock (9.90%).

The CACS objectives of increasing food supply, food security, income levels of farmers and improving agricultural value-chain is gradually attaining.

A beneficiary from Imo State stated:

"Our poultry is doing well, we have also expanded by commissioning another poultry farm in Imo State"

Another beneficiary from Imo State stated:

"We have well integrated processes cutting across the value chain of Oil palm and still expanding."

A beneficiary from Kano said:

"I want to go back to the issue of benefit derived from the scheme. The standard of living of my members had improved. The increment I am talking about is the income that had accrued to farmers".

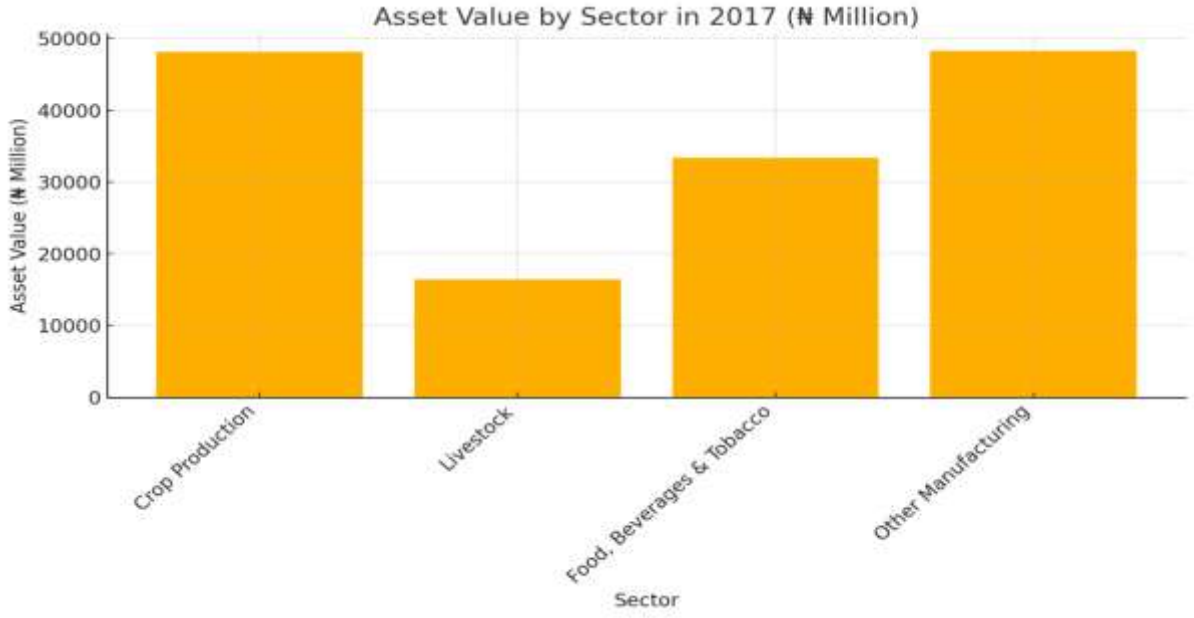
Another beneficiary from Kano reported:

"We planted onions and had entered agreement with Shoprite in Kano for the supply of onions on weekly basis. However, what we cultivated was not enough for the need of Shoprite, we have to buy from the market and employed people that clean, arrange and package it to the standard of Shoprite. We buy onions from villages and towns such as Kibiya, Gombe, Sokoto and Republic of Niger. Because of the loan, we have ventured into other farming businesses that hitherto we were not able to."

Figure 6 reveals information of the total value of assets of the beneficiary firms. Information solicited relates to whether after obtaining the loan, beneficiaries were able to increase their assets and improve their capacity to deliver their products. Results from the beneficiary firms show that before the commencement of the loan, total assets of beneficiaries surveyed stood at N48,789.28 million, this increased to N77,906.25 million, representing 59.68 percent. Further analysis shows that from the year of the commencement of the scheme, total assets of the beneficiary firms surveyed rose to N293,694.33, indicating an increase of 279.98 in 2017. The economic activities that contributed to the growth in total assets were crop production (231.55%), livestock (204.60%), food, beverages & tobacco (376.82%), and other manufacturing sectors (1141.94%).

The holdings and value of assets by the participating firms cannot be attributed only to the utilization of the CACS loan by the beneficiaries. However, beneficiaries have acknowledged that the loan has contributed to improving their quantum of assets.

Figure 6: Asset Growth



The findings as indicated that from the year 2008 prior to the commencement of the CACS scheme to 2009, beneficiaries had increased their fixed assets substantially to utilise the loan received. This is shown in the growth of the value of their holdings of Land & Building from N8,470.22 in 2008 to N15,957.68 million in 2009, representing an increase of 88.40 percent. However, the findings also indicated a mixed trend in the subsequent years, with the value of their fixed assets declining, especially when compared with the figures between 2015 to 2017.

A beneficiary from Kano stated that:

> *"I have seen improvement, for example in my group before the collection of the loan I was cultivating about 1.5 hectares of land for my rice and after the collection of the loan I was able to cultivate 2.5 hectares and in addition cultivated maize and guinea corn simultaneously".*

Another beneficiary from Kano said that:

> *"Before the loan, we were cultivating about four hectares of wheat. After getting the loan, we acquired some more land and we released that we have the capacity to do more than what we are doing currently but there was no available land, even land to hire. We contacted the District Head for some land, we were granted a large forest area, which we cleared and had spent a lot of money for clearance. We employed people from the village for the land clearance and hired tractor for the same purpose. The land was more than four hectares of land that we hired,*

A beneficiary from Ibadan stated that:

> *"We cultivate maize and cassava and we increased our hectares from 35 to 50 hectares. We harvested a very good yield, we were expected to pay N152,000 per month as repayment but were paying N500,000."*

The results from the survey relating to the value of Machinery &Equipments of the beneficiaries are presented in Figure 6, which shows, crop production sub-sector contributed 49.97 percent, followed by Livestock (25.12%) and Food, Beverages & Tobacco (24.20%). As at 2017, the total value of machinery &equipments of the firms surveyed stood at N92,135.84 million, representing an increase in the value of 394.00 percent. The share of the sub-sectors to the total value in 2017 revealed that crop production contributed the highest with 39.61 percent, followed by Food, Beverages & Tobacco (28.28%), Other Manufacturing (17.12%), and Livestock (13.93%). However, the asset value of machinery &equipments of the firms surveyed exhibited similar trendswith the value of Land & Building. This result showed that there is correlation between the two categories of assets in terms of usage.

Figure 7: Financial Growth

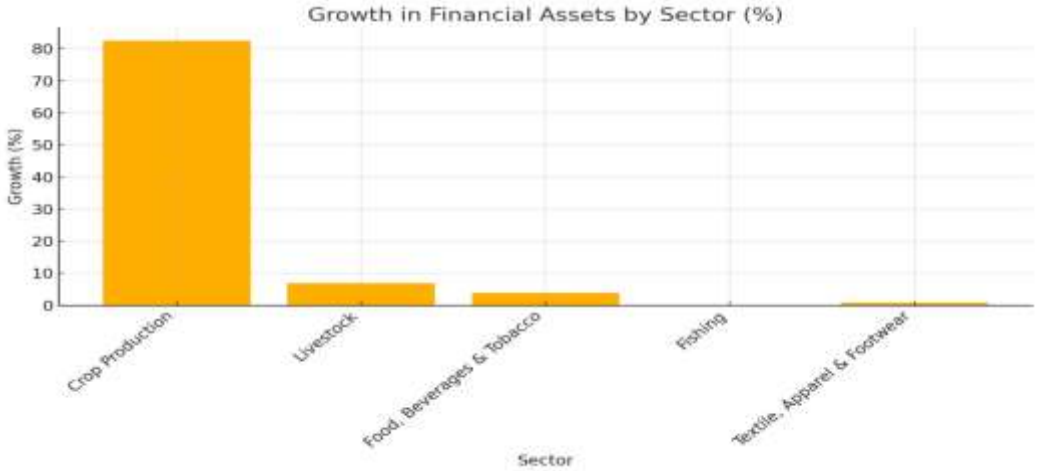


Figure 7 shows the holding of financial assets, which include cash balances, bank deposits, and equities by the beneficiary firms surveyed. Sectoral analysis of the beneficiaries' firms shows that between 2008 and 2009, the firms surveyed had increased their financial assets by N13,943.55 million, representing 64.12 percent. The growth in financial assets over the period of 2009 – 2017 averaged 82.52 percent (Crop production), 6.87 percent (Livestock), and 3.88 percent (Food, Beverages & Tobacco). The two economic sub-sectors of Other manufacturing and Plastic & Rubber products witnessed non-growth, while Fishing and Textile, Apparel & Footwear grew by an average of 0.03 and 0.88 percent between 2009 to 2017.

A beneficiary from Ibadan stated that:

> "*The time we got the loan, everybody was happy we extended our hectares. We expanded from 3 hectares to about 7 hectares we became very busy. Our yield grew, and we had more money and the most important thing people were engaged in the farm."*

A beneficiary from Calabar collaborated the development in the Fishing sub-sector when he stated that:

> *"We cultivated the 3000 finger lips, the challenge was that the cost of feeds was increasing by the day and the problem of marketing, because the locals prepare mostly the fish in the sea, so only a handful of visitors buy from us and those that do BBQ. While we were feeding the fish nowhere to sell,"*

A beneficiary from Kano reported that:

> "*Another problem is that of market outlay for the products. For example, a farmer cultivated fishponds, however, could not get adequate buyers and must sell at giveaway prices, which was not encouraging."*

Figure 8: Loan Disbursement

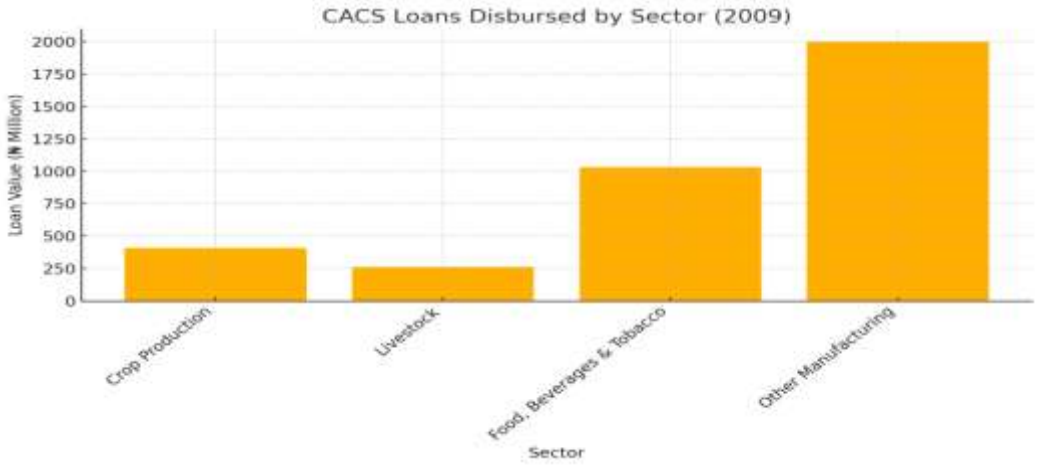


Figure 8 shows that at the beginning of the scheme, from the result of the beneficiaries surveyed, only five were able to access the loan in the year 2009. The total value of the loan for the firms amounted to N3,704.00 million. Out of the total, two firms under crop production received N410.00 million (11.1%), One Livestock firm N262.00 million (7.1%), One Food, Beverages & Tobacco N1,032.00 million (27.8%), and One Other manufacturing activity N2,000.00 million (54%). Production of these economic activities sectors grew from 2008 to 2009 when the loan was given. Of the beneficiaries that collected the loan in 2009, the crop production sector recorded an increase of products by 8,548.33 tons valued at N1,900.29 million from the figures of 2008. Similarly, Livestock, mainly poultry eggs and poultry broilers grew by 1,348,338.9 crates and 206,840 broilers with a value of N932.84 million. Food, Beverages & Tobacco added 3,121.09 tons with a value of N983.29 million.

In 2010, the survey result shows that 20 firms accessed the loan valued at N15,738.99 million. Eight crop production firms received 33.66 percent of the total, followed by 3 Food, Beverages & Tobacco (23.78%), 3 Livestock (13.79%), 3 Other manufacturing (13.66%), and 1 Others (12.71%). The beneficiaries surveyed reveal an increase in the number of firms to 39 that accessed the loan in 2011 valued at N22,648.94 million. Twenty crop production firms received 68.11 percent of the total loan in that year, followed by 10 Livestock firms (19.94%), 3 Food, Beverages & Tobacco (4.70%), 1 Other manufacturing firm (4.42%), 2 Others (2.54%). However, in 2012, two economic activity sectors accounted for about 89 percent of the total loan of N12,057.54 million, mainly 11 crop production firms (68.50%), and 7 Livestock firms (20.61%). This trend was witnessed in 2013, with only three of the economic activity sectors recording substantial ratio of the total loan. The result of the survey shows that in 2013, a total of 12 firms received the loan valued at N10,266.00 million, with Food, Beverages & Tobacco receiving 36.53 percent, followed by Other manufacturing (32.3%), and Crop production (31.17%).

Figure 8 shows that in 2014 and 2015, loans were granted to 21 and 26 firms valued at N16,705.47 and N21,991.35, respectively. Similarly, in 2016 and 2017, beneficiaries' access to the scheme amounted to N13,301.6 and N16,220.18 million, respectively.

A beneficiary from Kano said:

> *"Before my retirement from government services, I had a small poultry farm at my backyard with about 200 chickens. I got CACS loan of 1 million and added my gratitude of 10 million and bought large farmland, which I filled with 2000 broilers, and I am also into turned to fattening with different species of cattle about 200 in number and employed a Fulani man to look after a selected specie of the local breed. I planted different type of plants to carter for their feeding and the mature I got from the animals was used in the farm with little additional of the modern fertilizer".*

Another beneficiary from Kano stated that:

> *"I got 3 million of the CACS loan and added 12 million from my pension money"*

Figure 9: Additional Funding

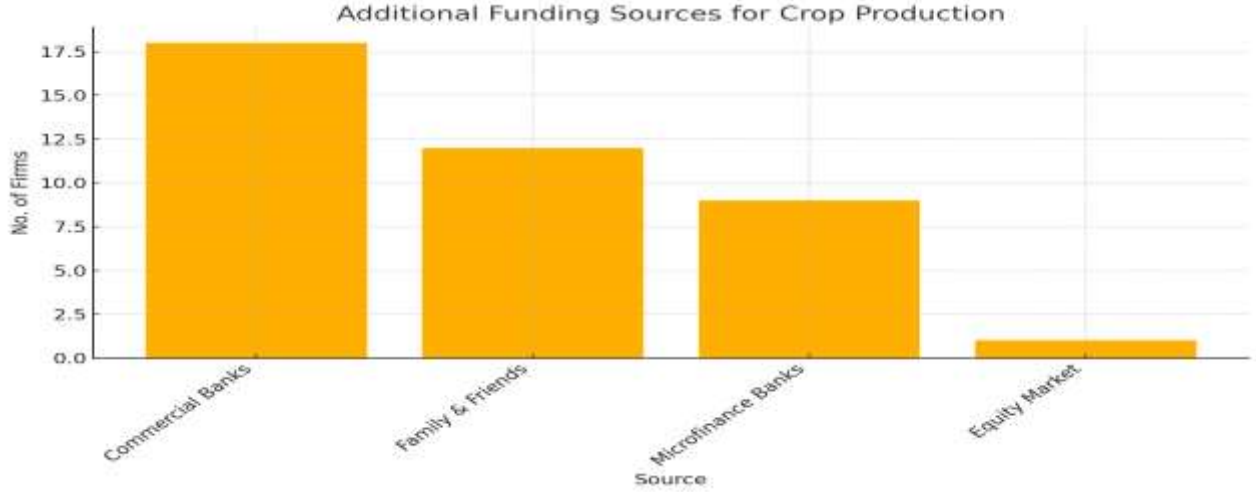


Figure 9 reveals beneficiaries' access to other funding window to argument the financing from the scheme. Beneficiaries in the crop production sector surveyed indicated the majority patronize financing from commercial banks, followed by Family and Friends and Microfinance. Only one beneficiary indicated sourcing funds from the equity market. Additional funding for fishing activity came from family and friends, while Livestock firms' majority prepare bank financing as alternative financing window in addition to the CACS funding. The survey results indicate that mainly the beneficiaries across board prepare financing from the banking sector as additional funding to the CACS facility received.

A beneficiary from Calabar reported that:

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

Monitoring and Evaluation (M&E) Framework.

A robust Monitoring and Evaluation (M&E) system is critical for tracking the performance, impact, and efficiency of development interventions like the Commercial Agriculture Credit Scheme (CACS). The proposed M&E framework is designed to ensure regular, evidence-based assessment of the scheme's contribution to the agricultural sector and the broader economy.

Components of the M&E Framework.

Component	Description
Objective	To provide a fact-based assessment of the CACS scheme's efficiency and outcomes.
Scope	Covers all participating states, sectors (production, processing, marketing), and firms.
Frequency	Annual data collection and evaluation (quarterly tracking where applicable).
Tools	Structured questionnaires, field officer reports, focus group templates, KPIs.
Data Sources	CACS beneficiaries, participating banks, state ministries, DFOs, CBN database.

Key Performance Indicators (KPIs)

Indicator	Measurement	Frequency
Number of active beneficiaries	Total number of firms utilizing CACS	Annually
Employment created	Disaggregated by gender and sector	Annually
Loan repayment rate	% of principal + interest repaid	Quarterly
Asset growth	Change in land, machinery, financial assets	Annually
Output per sector	Tonnes/liters/units produced	Annually
Value of production	₦ value of annual output per sector	Annually
Beneficiary income changes	Difference in income pre- and post-loan	Annually
Capacity utilization	% of production capacity used	Annually
Market access metrics	Number of off-take contracts signed	Annually
Job retention	Jobs maintained after initial creation	Bi-annually

POLICY RECOMMENDATIONS, LIMITATIONS, AND FUTURE RESEARCH.

Policy Recommendations

Based on the findings from the CACS impact assessment, the following policy recommendations are proposed to optimize the scheme's performance and ensure sustainable benefits:

i. Improve Timeliness and Adequacy of Loan Disbursement

- Disbursement processes must align with seasonal agricultural calendars to avoid missing planting and harvesting cycles.
- Ensure full funding of approved business plans and support blended finance arrangements with banks or development partners.

ii. Strengthen Monitoring and Evaluation (M&E) Systems

- Institutionalize annual reporting using standardized tools developed in this study.
- Mandate all beneficiaries to submit yearly updates on financials, employment, and operational outputs.

iii. Enhance Capacity Building and Extension Services

- Facilitate regular technical visits by Designated Field Officers (DFOs) to identify scaling opportunities and provide tailored guidance.
- Revive and integrate extension services into the scheme to assist startups with production, marketing, and risk management.

iv. Promote Market Linkages and Value Chain Integration

- Partner with off-takers such as large supermarkets (e.g., Shoprite) and processing industries to guarantee market access for producers.
- Support the creation of agro-hubs that connect farmers with input suppliers, transporters, and processing firms.

v. Institutionalize Transparency and Accountability

- Enforce performance contracts for state government participants and require quarterly fund utilization reports.
- Audit firms with idle assets or unverifiable operations to ensure value-for-money in future disbursements.

vi. Foster Gender Inclusion and Youth Participation

- Introduce dedicated sub-windows of CACS for women and youth-owned agribusinesses.
- Simplify collateral requirements for these groups and promote financial literacy training.

vii. Diversify Support to Underserved Sub-sectors

- Prioritize overlooked areas such as aquaculture, textile processing, and rubber-based industries which show untapped potential.
- Facilitate sector-specific incentives for firms investing in climate-smart technologies.

viii. Link Scheme to Broader Industrial Policy

- Encourage integration between CACS and other national initiatives such as the Anchor Borrowers' Programme, the Presidential Fertilizer Initiative, and industrial parks.
- Design an exit strategy for matured firms to transition from subsidized credit to commercial finance.

Limitations

The study focused on farmers who successfully accessed credit, overlooking those excluded. As a result, thefindings of the study cannot be generalised to the broader population of agro farmers. The assessment conducted was within

the peak period of the intervention as such cannot adequately capture long-term effects on farm productivity, asset accumulation, or sustainability of repayment behavior, especially in the face of climatic or market shocks.

Similarly, Farmers who benefitted from the CACs loans differ systematically, thus without experimental or quasi-experimental designs (e.g., randomized rollouts, instrumental variables), attributing observed yield or income changes solely to credit access is problematic.

Key outcome variables such as crop yields, farm income, input usage—are often self-reported, leading to recall bias or intentional misreporting. Without independent verification, the effect sizes may be over- or under-estimated. Also, credit schemes evolve with regulatory shifts (interest-rate deregulation, collateral rules) and changes in implementing agencies. Studies that do not account for these evolving institutional frameworks may conflate scheme design effects with broader policy reforms.

Implications for Future Research.

Addressing these limitations requires mixed-methods designs, longer panel data,randomized or quasi-experimental evaluations, improved data-collection protocols (e.g.,GPS-verified plot yields), and careful stratification to ensure representativeness acrosscontexts. This will strengthen the evidence base on what works, for whom, and under whichconditions.

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