

Contribution of Agricultural Loans to Farmers' Income and Living Standards in Tubah Subdivision, Cameroon's Mezam Division

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Abstract

The study examined the contribution of agricultural loans to farmers' income and living standard in Tubah Subdivision, Mezam Division, Cameroon. A descriptive research design is used. Structured questionnaire was administered to 90 participants for primary data collection. Data was analyzed at the 95% level of significance ($\alpha = 0.05$) using SPSS (Statistical Package for Social Sciences) software version 25.0 and Microsoft Excel version 13. The findings on the types of agricultural loans available to farmers revealed three primary loan forms including personal finance (nearly 97%), cash subsidies (nearly 90%) and institutional support (almost 36%) were available to farmers in Tubah Subdivision. The findings on the impact of agricultural loans on farmers' income revealed the following factors to be significant: increasing farm size (mean effect of 4.7), productivity (mean effect of 4.57), direct income increases (mean effect of 4.56), and the capacity to hire labour (mean effect of 4.53). The overall rise in household income is of major interest, according to the results, on the impact of agricultural loans on farmers' living standards (a mean score of 4.41 for males and 4.76 for women, $t = -2.085$, $p = 0.04$). Results on the challenges/barriers farmers face in obtaining loans revealed that high interest rates and challenging loan qualifying requirements, as expressed by more than 63% of farmers, was the main constraint faced by these farmers in Tubah Subdivision. The cumbersome procedures for farmers to obtain loans should be revise by agricultural financial institutions for sustainable agricultural development.

Keywords: Cameroon, Agricultural loans, Farmers' income, living standards, Tubah Subdivision.

I. Introduction

The economies and means of subsistence of many nations depend heavily on agriculture. Despite its significance, farmers frequently encounter obstacles, including restricted financial access (Yigezu, 2021) which reduces their output and revenue (Kambali & Panakaje, 2022). Farmers frequently encounter financial difficulties when trying to obtain loans and credit to expand their businesses. Banks have responded to this by offering farmers tailored agricultural loans. These loans provide flexible payback terms and lower interest rates than personal loans. The main goals of microbusiness loans for farmers in India are to improve their standard of living, increase agricultural output, and stimulate the expansion of rural businesses by providing easily available, frequently collateral-free financial support (Sabitha et al., 2019). With the help of these loans, farmers are able to invest in better crops, fertilizer, and contemporary equipment instead of high-interest informal lenders (Kayongo & Mathiassen, 2023). Despite having enormous potential for agricultural resources, Sub-Saharan African (SSA) nations frequently face hunger, poverty, and political instability (Adenle et al., 2018). Even though over 70 per cent of the population works in agriculture (Sakho-Jimbira & Hathie, 2020) and the agriculture industry continues to employ a sizable portion

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of the continent's human capital (Ayentimi & Burgess, 2019), agricultural production is not encouraging, particularly given that the industry only contributes roughly 25 per cent of the sectoral GDP (PokamTchawa, 2023).

Obtaining financing remains a significant challenge for farmers in Sub-Saharan Africa (Jacquemot, 2023). The absence of credit availability is regarded as one of the main, if not the most important, barriers to the adoption of innovations and the expansion, modernization, and diversification of production (Nasereldin et al., 2023). In the upcoming years, there will likely be a greater understanding of how vital it is to assist small-scale farming in Africa (Jacquemot, 2023). Meeting the expected \$200 billion in annual funding needs is the goal (*Ibid.*). The many flaws in financial markets should be addressed by re-legitimizing agricultural finance policies (*Ibid.*). To promote agriculture, fisheries, livestock, and sustainable forestry activities, public and private funds, including those from development agencies, foundations, businesses, and non-governmental organizations should be directed towards incentive systems (Humphreys et al., 2020; Mishenina & Dvorak, 2022; Каримов, 2025). These monies occasionally carry innovations (Jacquemot, 2023).

One enduring issue facing African agriculture is funding (Shimeles et al., 2018), particularly for small-scale farms (Amadhila & Ikhida, 2016; Mersha & Ayenew, 2018). Just 10 per cent of producers, who are often involved in cash crop value chains, have access to loans (Jacquemot, 2023). Direct financing of rural enterprises has remained relatively limited since it has traditionally been perceived as risky and costly (*Ibid.*). Cameroon's economy is based mostly on agriculture (Anaciet, 2019) which employs more than 70 per cent of the country's rural population and accounts for about 30 per cent of its GDP (Ukpe et al., 2023). Notwithstanding its importance, one of the nation's biggest problems is the restricted availability of agricultural financing, particularly for smallholder farmers who make up most of the agricultural labour (Khan et al., 2024). One possible way to alleviate these issues that farmers encounter is through agricultural loans (Onyiriuba, 2020). Due to excessive interest rates (Raza et al., 2023), lack of collateral, or lack of financial literacy (Government of Pakistan, 2025; World Bank, 2025; Government of Pakistan, 2025), many farmers have trouble obtaining financing. For this reason, it has been suggested by (Mbutor et al., 2013; Kambali & Panakaje, 2022; Okunlola, 2024) that providing farmers with agricultural finance enhances crop productivity and other sources of income.

Formal financial institutions in Cameroon frequently view agricultural loans as high-risk because of price volatility (Raoul, 2021), weather-related concerns (Leblois et al., 2012), and a lack of collateral (Raoul, 2021). Because of this, most rural farmers depend on unofficial lending sources such as family networks, cooperatives, and local moneylenders, frequently with unfavourable terms and high interest rates. Farmers' capacity to expand their operations, embrace modern farming methods, and invest in high-quality inputs is hampered by this funding gap, which ultimately prevents income development and the raising of living standards. To address these issues, the Cameroonian government and development partners have started a few projects to increase access to agricultural financing (Fotabong, 2012). These include the creation of microfinance institutions (MFIs), promotion of rural banking, and subsidized lending schemes. Nonetheless, there is ongoing discussion on how successfully these measures work to raise farmers' incomes and standard of living (CAMCUL Report, 2021). Numerous factors, including a lack of roads, political unpredictability, market accessibility, and agricultural financing, contribute to low agricultural production in Cameroon despite the government's efforts to improve the sector (Menkeh, 2021), which has a detrimental impact on farmers' livelihood. MFIs refrain from actively interacting with loans and other contemporary financial instruments in the agricultural sector because of the inherent difficulties of controlling loan default risk in this industry (Welteji, 2014).

Most smallholder farmers in Tubah reside in remote areas with limited or have no access to retail banks. This is exacerbated by market risk, climate risk, irregular household income flows, and lagging legal systems that make it nearly impossible for smallholder farmers to use their property as collateral, and the low level of financial literacy in the area, according to the CCAST Agric Cooperative Credit Union Annual Report (2023) in Tubah Subdivision. Due to farmers' inability to

obtain agricultural loans to raise their level of living, food insecurity, malnutrition, and hunger continue to be major issues in Tubah Subdivision. This study examined the contribution of agricultural loans to farmers' income and living standards in Tubah Subdivision. In particular, the study examined (i) the types of agricultural loans available to farmers, (ii) impact of loans on income and living standards of farmers, (iii) contribution of agricultural loans to farmers' income and living standard, and (iv) challenges/barriers to obtain agricultural loans by farmers in Tubah Subdivision.

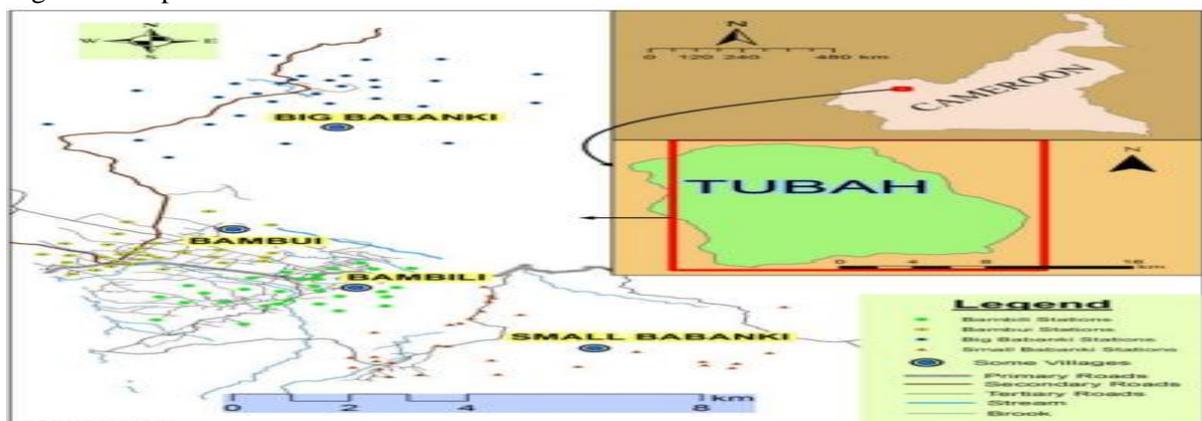
II. Materials and methods

Study area

Tubah Subdivision is in the Mezam Division of the Northwest Region of Cameroon (Njouonkou & Lizby-Joy, 2022). It is one of the Mezam Division's seven subdivisions. According to Egbe et al. (2023), it is located between latitudes 4°50' and 5°20'N and longitudes 10°35' and 11°59'E (Egbe et al., 2023). The elevation ranges from 950 to 1500 meters above sea level, with some regions having flat, wooded lowlands (Egbe et al., 2023) (Figure 1). With a surface area of 365 km², Tubah has a population density of 145 people per km² (Nguh & Maluh, 2017; Dominic et al., 2019). With a total population of roughly 52,635 people (Ballah & Azibo, 2023), Bambili, Bambui, Kedjom-keku, and Kedjom-ketingoh are its four main villages (Nguh & Maluh, 2017). For many people in Tubah, farming is the main source of income (Nguh & Maluh, 2017), and as the region's population grows, so does the demand for agricultural goods. Unsustainable farming methods have reduced soil fertility and partially destroyed forest vegetation (Egbe et al., 2023). To grow their production and agribusiness operations, farmers are compelled to look for additional land and finance from the various financial institutions. The two seasons of the climate are wet and dry. The climate of this region is generally tropical highland (Awazi et al., 2024). During the rainy season, which runs from March to October, the southwest monsoon winds bring in a lot of rain (Egbe et al., 2023).

The northeast trade winds and/or Harmattan are the main drivers of the dry season, which starts in November and lasts until February (Egbe et al., 2023). It is distinguished by intense daytime brightness and bitterly cold evenings. The average yearly temperature is roughly 20.67°C, with the lowest temperatures occurring in July, August, and September and the highest temperatures occurring in January and February (Egbe et al., 2023). Between 13°C and 14°C is the average minimum temperature, and between 20°C and 22°C is the average maximum temperature (Egbe et al., 2023). December has the highest mean maximum temperature, while November has the lowest mean minimum. The annual rainfall ranges from 1780 to 2290 mm (Egbe et al., 2023). The months of July through September often see the most rainfall. The humidity is low in January and February and high in July and August. During the rainy season, there are low clouds and mist (Kiteh, 2011). Tubah Subdivision was chosen for this study because of its rich soil and climate, which are ideal for a range of crops. It is, therefore, the perfect place for the study of rain-fed farming.

Figure 1: Map of Tubah Subdivision



Source: Adapted from Egbe et al. (2023).

Research design

In this study, a descriptive research design was employed. It enables researchers to methodically gather data, characterize beneficiaries, and spot trends in a natural environment. A descriptive research methodology is useful for examining how agricultural loans affect farmers' income and standard of living. It offers a "snapshot" of the current socioeconomic impact on farmers and is especially helpful for determining the "what," "where," and "how" of loan utilization (Siedlecki, 2020). A cross-sectional survey was conducted between April and July 2024. Because this study approach encompasses a wide range of observations, it involves selecting a sample from a subset of the entire population at a certain point in time.

Study population

The study population consists of all farmers who have benefited from agricultural loans in the study area. These farmers constituted a representation of three villages purposively selected for the study because of the degree of accessibility following the uprising of the anglophone crisis, which started in 2016 to date, with the presence of armed separatist groups in the study area. These villages include Bambui, Bambili, and Kedjom Ketingoh in Tubah Subdivision. Farmers who have not benefited from any type of agricultural loan and who are not from the three villages selected for the study were not included in the study.

Sample size and sampling procedures

A sample size of 90 participants was used in the study. Because Tubah Subdivision is home to a sizable population of subsistence farmers who are highly active in their farming endeavours, the researchers purposively chose it. Additionally, the three villages were purposively selected due to their respectable accessibility as explained above. By systematic random sampling, 30 farmers, made up of males and females, were selected from each of the three villages, and they were interviewed on-site or at their homes as needed.

Instruments used in data collection

Due to its quantitative methodology, the study used a structured survey instrument to collect information from respondents. A structured survey instrument is a standardised data-collecting tool that collects quantifiable, numerical data using closed-ended, pre-defined questions with predetermined response alternatives (van den Berk Clark et al., 2024). The survey instrument was standardized and supplemented with additional Participatory Rural Appraisal (PRA) instruments, including field observations. These included direct observation, brainstorming, interactive talks, transect walks, simple rating, and site visits (walkabouts). For rural data collecting, combining a structured survey instrument with Participatory Rural Appraisal (PRA) techniques is crucial because it bridges the gap between quantitative breadth (how many/how much) and qualitative depth (why/how) (Chambers, 2005). PRA methods like mapping and rating provide localized, context-specific insights directly from community members, whilst structured surveys offer quantifiable, comparative data.

Data source

The study included both primary and secondary data sources. Structured questionnaires were given to research participants and observational methods were used to collect primary data. The questionnaire was divided into two sections. Section A questionnaire focused on participants' demographic information, while Section B captured the main issues in the study such as (i) the types of agricultural loans available to farmers, (ii) impact of loans on income and living standards of farmers, (iii) contribution of agricultural loans to farmers' income and living standard and (iv) challenges/barriers to obtaining agricultural loans by farmers. Reviewing published and unpublished

books, library records, online resources, newspaper pieces, and journal articles was how secondary data was gathered.

Administration of instruments

The researchers were responsible for administering the questionnaire. They spent two months (in April-May 2024) in the field and collected data from 90 participants. The questionnaires were orderly administered to illiterate people in pidgin language (lingua franca), and literate respondents who opted to fill theirs were allowed to do so. Participants who collected questionnaires but failed to return them at the appointed time were replaced by those on the waiting list.

Methods of data analysis

Microsoft Excel Version 13 and SPSS software version 25.0 is used to analyze questionnaire data at the 95 per cent level of significance ($\alpha = 0.05$). Frequencies and percentages from the analyzed data are displayed in tables and charts. The contributions of agricultural loans to farmers' income and living standards are examined using the T-test and the analysis of variance (ANOVA). To ascertain whether there are notable variations in the income and standard of living between farmers who have benefited from collecting agricultural loans, the differences are examined. The impact of several elements, including loan amount, interest rate, and farm size, on farmers' income and living standards are also examined by the researchers with the aid of both the tests.

Ethical consideration

Before discussions with a farmer, the researchers politely greeted and introduced themselves, explaining to them the objectives and rationale of the study. Participant consent was obtained, and participants were made to understand that they were free to participate or not to participate in the study. Issues of confidentiality and anonymity were observed by assuring the farmers that no information provided or their identities would be disclosed in the final report.

III. Results

Socio-economic characteristics of farmers

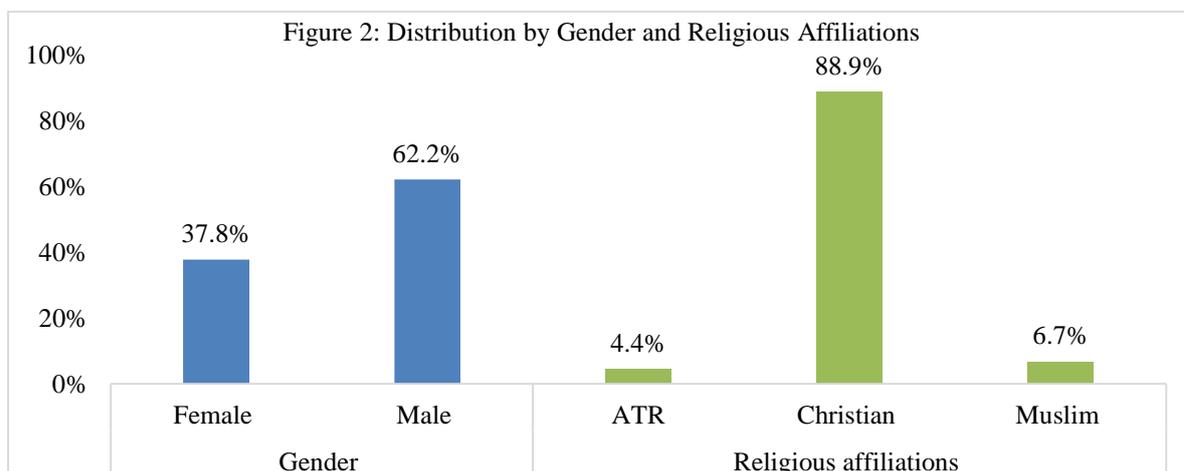
Table 1 indicates that most of the farmers interviewed were married (70%) as compared to those who were still single (10%), those divorced (close to 9%) and those widowed (over 11%).

Table 1: Distribution by civil status, education and main occupation

Characteristics	%
Marital status of farmers	
Married	70.0
Divorced	8.9
Single	10.0
Widowed	11.1
Educational level of farmers	
No schooling	20.0
Primary	14.4
Secondary	15.6
High school	31.1
University level	18.9
Main occupation	
Civil servant	4.4
Farmer	92.3
Trader	3.3

Most of the farmers had a high school level of education (over 31%), followed by those with no formal schooling (20%) and then those with a University level of education (close to 19%). Over 92 per cent of the farmers interviewed had farming as their main source of livelihood, which gives them a higher probability of having received agricultural loans.

Figure 2 shows that a greater proportion of the farmers interviewed were males as compared with their female counterparts (over 62% and 28%, respectively). More so, close to 89 per cent of the farmers were Christians.



Age and income of farmers

Table 2 reveals that the youngest farmer interviewed was 29 years while the oldest was 74 years: however, the mean age was 52 (52.29±10.74) years. Similarly, the smallest household size recorded was 2 and 14 for the highest, with a sample average of 6 (6±2) persons recorded for the farmers living in their respective households. While some of the farmers reported an estimated monthly household income of FCFA 50,000, others had as much as FCFA 1000,000 as monthly household income. However, an average monthly income of FCFA334,850 was calculated for these farmers.

Table 2: Age and income of farmers

Items	Minimum	Maximum	Mean	Std. Deviation
Age of farmers/years	29	74	52.29	10.74
Estimated monthly income/FCFA	50,000	1,00,000	3,34,850	1,59,440
Household size	2	14	6	2

Types of agricultural loans available to farmers

Findings on the different types of agricultural loans available to farmers in Tubah Subdivision (Table 3) reveals that personal financing (reported by close to 97% of the farmers), cash subsidies (90% of the farmers) and institutional support (close to 36% of the farmers) were the three main loan types identified by these farmers to be involved with. Though at lower levels, loans from friends and tontines (close to 25% of the farmers) and loans from family and parents (20% of the farmers) were also identified to have been used by these farmers. The use of loans from banks and/or microfinance institutions was the least adopted by these farmers (reported by only 14% of the farmers). The findings of this study indicate high reliance on institutional (government and NGO) support, as well as informal financial arrangements by these farmers in obtaining loans to improve agricultural productivity.

Table 3: Types of agricultural loans available to farmers in Tubah Subdivision

Loan type	SD	Disagree	Neutral	Agree	SA
Personal financing	1.1	1.1	1.1	20	76.7
Bank/microfinance loan	73.3	5.6	6.7	10	4
Loans from family/parents	62.3	3.3	14.4	17.8	2.2
Loans from friends/tontines	64	0	11.2	21.4	3.4
Institutional support (gov't and NGOs)	54.4	4.4	5.6	31.2	4.4
Subsidies in kind (inputs)	80	5.6	3.2	5.6	5.6
Subsidies in cash	7.8	1.1	1.1	24.4	65.6

Note: SD = Strongly disagree, SA = Strongly agree.

Impacts of loans on income and living standards

The data on the impact of loans on income and living standards are presented in Table 4 and Figure 3. In this study, all (100%) of the farmers interviewed reported having received at least one agricultural loan in the past. Table 4 shows that these farmers have received, on average, 3 (3±1) agricultural loans in the past to boost production, though some have received loans as many as six times. In addition to this, while an average loan amount of FCFA 1,647,555 was recorded for these farmers, some of them had received as much as FCFA 3,500,000 as agricultural loans. This probably explains the reason for the very high response rate on the impacts of the agricultural loans received on farmers' incomes as well as their living standards reported by 95.5 per cent of the farmers (Figure 3).

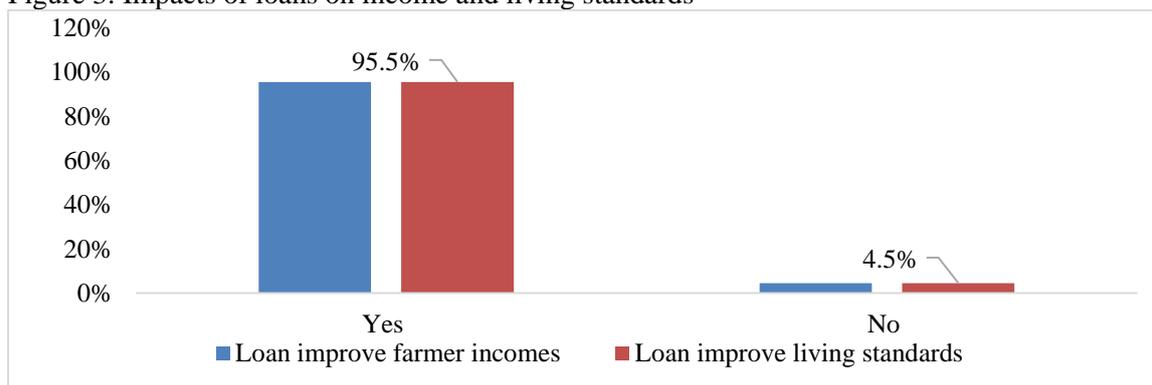
Table 4: Number and amount of loans

Items	Minimum	Maximum	Mean	Std. Deviation
Number of times the farmer has received loans	1	6	3	1.108
Maximum loan amount/FCFA	5,00,000	35,00,000	16,47,555	8,63,570

Note; FCFA (Franc de la Communauté Financière Africaine or African Financial Community Franc).

Figure 3 indicates that 95 per cent of farmers agreed that agricultural loans improve farmers' income and living standards, while 4.5 per cent of all the study participants said no, that agricultural loans do not improve farmers' income and living standards in Tubah Subdivision.

Figure 3: Impacts of loans on income and living standards



Contribution of agricultural loans to farmers' income

Following the ANOVA test results, the distribution on Table 5 shows that expansion of farm size (mean effect of 4.7), increase in productivity partly due to increase in farm size (mean effect of 4.57), direct increase in incomes (mean effect of 4.56) as well as increase in ability to hire labor due to acquired loans (mean effect of 4.53) had significant contributions towards farmer's incomes in Tubah ($F = 15.087$, $p = 0.000$).

Table 5: Contribution of agricultural loans to farmers' income

Items	Mean/5	Std. Deviation	Std. Error	Minimum	Maximum	ANOVA
Increased farm income	4.56	0.751	0.079	1	5	F = 15.087
Improve food security	3.87	1.083	0.114	1	5	p = 0.000
Encourage women participation	3.84	1.208	0.127	1	5	
Increase the ability to hire labour	4.53	0.889	0.094	1	5	
Expansion of farm size	4.7	0.756	0.08	1	5	
Increase productivity	4.57	0.835	0.088	1	5	

Contribution of agricultural loans to farmers' living standard

Table 6 shows that the highest changes in living standards for these farmers as a results of obtaining agricultural loans were recorded for ability to send their children to school (a mean score of 4.5 for the men and 4.79 for the women, $t = -1.734$, $p = 0.086$), access to better health care (a mean score of 4.5 for the men and 4.79 for the women, $t = -1.796$, $p = 0.076$), access to better amenities (a mean score of 4.452 for the men and 4.65 for the women, $t = -0.775$, $p = 0.44$) as well as improvement in the knowledge and skills of the farmers (a mean score of 4.57 for the men and 4.56 for the women, $t = -1.796$, $p = 0.076$). Of significant interest to the living standards for these farmers was the general increase in household income (a mean score of 4.41 for the men and 4.76 for the women, $t = -2.085$, $p = 0.04$).

Table 6: Contribution of agricultural loans to the living standards of farmers

Items	Sex	Mean	Std. Deviation	Std. Error Mean	t-distribution
Improve agricultural production	Male	4.3	0.807	0.108	$t = 0.053$
	Female	4.29	0.836	0.143	$p = 0.958$
Improve knowledge and skills	Male	4.57	0.892	0.119	$t = 0.068$
	Female	4.56	0.786	0.135	$p = 0.946$
Increase farm productivity	Male	3.7	1.22	0.163	$t = -0.934$
	Female	3.94	1.179	0.202	$p = 0.349$
Use of modern technology	Male	4.04	0.808	0.108	$t = -0.125$
	Female	4.06	0.919	0.158	$p = 0.901$
Access to better amenities	Male	4.52	0.687	0.092	$t = -0.775$
	Female	4.65	0.884	0.152	$p = 0.440$
Access to healthcare	Male	4.48	0.786	0.105	$t = -1.796$
	Female	4.76	0.606	0.104	$p = 0.076$
Able to send children to school	Male	4.5	0.874	0.117	$t = -1.734$
	Female	4.79	0.592	0.101	$p = 0.086$
Increase household income	Male	4.41	0.869	0.116	$t = -2.085$
	Female	4.76	0.606	0.104	$p = 0.04$

Challenges/barriers in accessing agricultural loans by farmers

Table 6 indicates that most of these farmers face challenges at the level of application (reported by 71% of the farmers), and for some, both at the application stage as well as during repayment (reported by over 23% of the farmers). As stated by the farmers, difficult loan qualification criteria and high interest rates are the main obstacles to acquiring agricultural loans (reported by over 63%), followed by both delays and high interest rates (reported by close to 27% of the farmers).

Table 7: Challenges/barriers in accessing agricultural loans by farmers

Items	%
Challenges faced in the loan process	
Face a challenge in the application	71.0
Face a challenge during repayment	6.7
At the application and during payment	23.3
Difficulties faced	
Delays in approval	6.9
High interest rates	3.3
Difficult qualification criteria and rates	63.1

IV. Discussion

To fund necessary expensive inputs like fuel, fertilizer, and seeds, farmers need agricultural loans to maintain lucrative, modern, and sustainable production. They assist in managing risks like crop losses due to climate change, bridge revenue gaps brought on by periodic cash flows, and enable investment in infrastructure and machines. This study examines the contribution of agricultural loans to farmers' income and living standards in Tubah Subdivision, Cameroon's Mezam Division. Specifically, the study determines (i) the types of agricultural loans available to farmers, (ii) impacts of loans on income and living standards of farmers, (iii) examined the contribution of agricultural loans to farmers' income and living standard and (iv) the challenges/barriers to obtaining agricultural loans by farmers.

Findings on the different types of agricultural loans available to farmers reveal that personal financing (reported by close to 97% of the farmers), cash subsidies (90% of the farmers) and institutional support (close to 36% of the farmers) were the three main loan types identified by these farmers. These results imply that because of the high transaction costs, absence of collateral, and lengthy processing times associated with traditional financial institution (bank) loans, farmers often opt for personal loans, cash subsidies, and informal institutional help. Although these options provide quick money, they frequently result in high-interest debt traps, a lack of long-term investment, and diminished financial sustainability. Tambi and Bime's (2019) study entitled *Adequate financing and agricultural production: response to new generation agriculture in Cameroon* supports these findings. According to it, there is a strong correlation between agricultural production and adequate financing. However, the results by type and nature of agricultural credit indicate that personal financing, banks and micro-financial institutions, family and partners, friends and tontines, and institutional support contribute to an increase in agricultural production (Tambi & Bime, 2019). Furthermore, compared to cash subsidies, in-kind subsidies have a greater impact on increasing agricultural output. In terms of increasing agricultural output through sufficient funding, in-kind subsidies, and income growth during this time of economic emergence, these findings have significance for solving the issue of food security and reducing poverty.

Results on the impact of loans on the income of farmers indicate that these farmers have received, on average, 3 (3±1) agricultural loans in the past to boost production, though some have received loans as many as 6 times. In addition to this, while an average loan amount of FCFA 1,647,555 was recorded for these farmers, some of them had received as much as FCFA 3,500,000 as agricultural loans. The implications are that these farmers can increase productivity, farm expansion, and the use of modern technologies, which are made possible by agricultural loans, which give farmers the necessary funds to buy inputs, automate processes, and manage cash flow. But these loans also come with several serious risks that could jeopardize long-term viability such as large debt accumulation, possible collateral loss, and susceptibility to interest rate changes. These results are also consistent with a study by Sagbo and Kusunose (2021) titled *Does experience with agricultural loans improve farmers' well-being? Proof from Benin*. Their results show that recipients' farm income, food security, and women's empowerment are all positively impacted by their experience with agricultural loans in a statistically meaningful way. These favourable outcomes, despite being

rare, can be attributed mostly to the lender's strict loan implementation method and the extremely low loan repurposing rate.

Results on the contribution of agricultural loans to farmers' living standards reveal that 95 per cent of all the farmers agreed that agricultural loans improve farmers' living standards. This suggests that farmers' living standards are significantly impacted by agricultural loans in a variety of ways, chiefly through their role as a catalyst for higher welfare, income and productivity. These loans help farmers to invest in cutting-edge gear, better inputs, and new technology by easing liquidity constraints. This typically leads to improved yields and lower levels of poverty in rural economies. The findings of Geza et al.'s (2020) investigation into "What is the contribution of agricultural finance to farmer livelihoods?" are in line with this study's findings. Their results demonstrated that farmers' operations improved after receiving financial and technical assistance.

The findings on the contribution of agricultural loans to farmers' income and living standards reveal that from the ANOVA test results, expansion of farm size (mean effect of 4.7), increase in productivity partly due to increase in farm size (mean effect of 4.57), direct increase in incomes (mean effect of 4.56) as well as increase in ability to hire labour due to acquired loans (mean effect of 4.53) had significant contributions towards farmer's incomes ($F = 15.087$, $p = 0.000$). This implies that by addressing capital restrictions, facilitating the adoption of contemporary technology, and encouraging the purchase of productive inputs, agricultural loans increase farmers' income. Research suggests that having access to credit can raise farm income. In South Africa, one study found that loan borrowers' income increased by more than ZAR 2.8 million when compared with non-recipients (Jonas & Christian, 2025).

Findings on the contribution of agricultural loans to farmers' living standards reveal that the highest changes in living standards for these farmers as a results of obtaining agricultural loans was recorded for ability to send their children to school (a mean score of 4.5 for the men and 4.79 for the women, $t = -1.734$, $p = 0.086$), access to better health care (a mean score of 4.5 for the men and 4.79 for the women, $t = -1.796$, $p = 0.076$), access to better amenities (a mean score of 4.452 for the men and 4.65 for the women, $t = -0.775$, $p = 0.44$) as well as improvement in the knowledge and skills of the farmers (a mean score of 4.57 for the men and 4.56 for the women, $t = -1.796$, $p = 0.076$). This implies that access to credit availability frequently leads to far greater yields: beneficiaries can achieve yields three times higher than those of non-beneficiaries. For example, greater adoption of yield-enhancing technologies is directly correlated with financial availability in Sub-Saharan Africa (Chaiya et al., 2023). The results of Gershon et al. (2020), (*A study on household access to agricultural loans and agricultural production in Nigeria: A propensity score matching model*), are different from these. According to its primary finding, households with access to agricultural finance facilities had yields that were three times higher than those without such facilities. Farmers without a source of finance are frequently compelled to take actions like cutting back on consumption and selling assets in the event of a shock, which eventually makes their poverty levels worse.

Results on the challenges/barriers to obtaining agricultural loans by farmers in Tubah Subdivision reveal that difficult loan qualification criteria and high interest rates are the main obstacles to acquiring agricultural loans (reported by over 63%), followed by both delays and high interest rates (reported by close to 27% of the farmers). This implies that most farmers are poor because these challenges hinder them from acquiring loans and so they cannot improve agricultural productivity. The results of research by Kapari et al. (2023) on smallholder farmers' contributions to food security and prospects for resilient farming systems are different from these findings. Their research showed that cash availability, knowledge access, and farm size are the main obstacles smallholder farmers face. This makes it more difficult for smallholder farmers to support food security. In another study - *Access to and repayment of agricultural credit in the face of COVID-19: A gender analysis in selected microfinance institutions in Cameroon* by Shillie et al. (2022) – it was found that while family commitment, price fluctuation, crop failure, high production costs, and interest payment were major barriers to loan repayment, lack of sensitization, lack of collateral security, and illiteracy were significant obstacles to loan access. According to their findings, lowering

burdensome bureaucratic processes and raising the maximum loan amount authorized for farmers will guarantee less loan diversion, increased farmer income, and improved repayment rates.

V. Conclusion

According to reports, Cameroon's economy is primarily based on agriculture which employs more than 70 per cent of the country's rural population and accounts for nearly 30 per cent of its GDP. Access to agricultural finance is one of the nation's biggest obstacles, despite its importance, particularly for small-holder farmers who make up most of the agricultural labour force. Examining the contribution of agricultural loans to farmers' income and living standards in Tubah Subdivision has been the aim of this study. Key findings from the data analysis were as follows: First off, all (100%) of the farmers had obtained agricultural loans for the three primary loan kinds that they had specified, including institutional support, cash subsidies, and personal finance. Second, 95.5 per cent of farmers concurred that agricultural loans have raised their income and living standards. Thirdly, agricultural loans led to a notable rise in household income in the study area. Finally, the biggest barriers to obtaining agricultural loans were challenging loan qualifying requirements, high interest rates, and delays. Notwithstanding these obstacles, this study finds that farmers' incomes and living standards have significantly improved by obtaining agricultural loans.

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