

**SOCIAL ECONOMIC FACTORS INFLUENCING UPTAKE OF
BANK LOANS AMONG SMALL SCALE MAIZE FARMERS IN
KIMININI CONSTITUENCY, TRANS-NZOIA COUNTY, KENYA**

HEZEKIAH BUNDE OBANDA

**A Research Project Report submitted in partial fulfilment of the requirements for the
award of the Degree of Master of Arts in Project Planning and Management
of the University of Nairobi**

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DECLARATION

I declare that this Research Project Report is my original work and has not been presented to any other university.

HEZEKIAH BUNDE OBANDA

DATE

L50/9656/2018

This Research Project Report has been submitted for examination with my approval as the university supervisor.

DR. PATRICK CHEBEN SIMIYU,

DATE

Lecturer,

Department of Open Learning Programmes,

University of Nairobi

DEDICATION

I dedicate this work to my immediate family members; my wife Catherine Namuvuya Murunga and children Zina Fridah Bwabi, Lisa Anne Muteche, Ronald Henry Olunga and Kayla Diana Bwabi.

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God bless you all.

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ABBREVIATIONS AND ACRONYMS

DFID	:	Department for International Development of the United Kingdom
FAO	:	Food and Agriculture Organization of the United Nations
GDP	:	Gross Domestic Product
GOK	:	Government of Kenya
IAICA	:	Inter-American Institute for Cooperation on Agriculture
KAPAP	:	Kenya Agriculture Productivity Assistance Programme
LGA	:	Local Government Areas
SSF	:	Small scale maize farmers
TNCK	:	Trans Nzoia County, Kenya
UN	:	United Nations

ABSTRACT

Despite the varied sources of finance available from banks and other financial institutions, small scale maize farmers have challenges of not accessing these sources. The purpose of the study was to investigate the social economic factors of small scale maize farmers in relation to accessing bank loans in Kiminini Constituency, Trans-Nzoia Country, Kenya. The investigation was guided by the accompanying goals; to determine how land ownership influence uptake of bank loans among small scale maize farmers; farmers' characteristics influence on uptake of loans; family governance structure influence on uptake of bank loans; to determine how employment influences farmers' uptake of bank loans; cultural factors influence on uptake of bank loans among small scale maize farmers. Purposive and Stratified sampling techniques was used to select a sample size guided by Yamen's formula to arrive at 348 farmers. The information was gathered utilizing surveys. A pilot study was utilized to decide the legitimacy and unwavering quality of the surveys. The information was examined utilizing descriptive measurements. The significance of this study included obtaining information that would help establish why there is low uptake of bank loans by small scale maize farmers. The information may help establish the critical role of funding of farming activities and hence ensuring small scale maize farmers are adequately funded. Small scale maize farmers' funding is an important area of study in line with the Government agenda of food security which was boosted among others through funding sources including bank loans. The examination discoveries uncovered that family governance structure was the most influential characteristic on uptake of bank loans by (Mean=4.30, Std Dev=0.492) since a total of 194 respondents indicated on the chi-square findings. There was statistical significant influence between family governance structure and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Family governance is challenged by the status of job security of both parents. When family members or an individual is employed or and has impact over family property then banks can easily accept to offer loan. There was a statistical significant influence between family governance structure and uptake of bank loans among small scale maize farmers in Kiminini Constituency. The status of each parent (father and mother) has got influence on loan uptake because parents who have job as the security to guarantee loan repayment have a better status to enable access of loan. Further, political affiliation of individuals has significant influence on loan uptake. The study recommends to the county assembly of Trans Nzoia County to allocate more funds to the local people especially men aged 50 years who are farming and funding that will be given as the incentives to motivate them.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Globally, Agricultural financial analysts hold that many times, it is not the lack or insufficiency of loan facility that is a major problem, but failing to take a loan that will ensure success in farming. The farmer is sometimes not poised to benefiting from available loan due to certain social economic constraints such as level of education, accessibility to financial institution, farm size, membership of associations, contact with extension agents, and so on (Agbo *et al.*, 2015).

Gyamfi (2016) opines that age, sexual orientation, ranch size, level of training, conjugal status, access to augmentation administration, land obtaining and salary of family unit head essentially decided farmers' entrance to credit. Surveying components affecting smallholder farmers' entrance to horticultural microloan in Northern Ghana uncovered that sexual orientation, family unit salary, ranch capital, improved innovation reception, contact with expansion, the area of the homestead, and attention to loaning foundations in the territory were the critical factors. Besides, he includes, that augmentation visits empower farmers increase better access to data from expansion operators. Additionally, expansion operators help connected farmer gatherings to advance sources.

The importance of the little scale farmers' horticultural exercises in a nation has driven this investigation to investigate the primary social monetary variables that impact the take-up of bank advance offices by little scale farmers. A large portion of the analysts in the territory of advance conveyance to little scale farmers in Kenya and other developing economies have concentrated their research effort on the utilization of the loan by the farmers and their attitude towards

repayment. Such studies include those by Olaitan, (2006); Ozowa, (2008); Iheduru (2002); Oke *et al.*, (2007); Akpabio (2007); Mashatola and Daroch, (2003) and Kizilaslan and Adiguzel (2007) among others. The findings from these researches have tended to brand the farmers in a way to suggest that they are not rational in loan utilization and repayment. Most of the studies have concluded that most farmers delay repayment or are unable to pay back bank loans granted to them simply because they utilize the loans in non-commercial concerns like marrying new wives and not strictly on the farms for which the loan was originally sought.

1.2 Statement of the Problem

Despite the varied sources of finance, small scale maize farmers have challenges over not accessing the sources. The reason for such behavior is not adequately known as most known investors often look for bank loans to facilitate initiation of business or improvement. The problem of this study is the low uptake of bank loans among small scale maize farmers in Kiminini constituency, Trans Nzoia County, Kenya (TNCK). Kenya's economy depends significantly on the agrarian part. Farming contributes 51 percent to Gross Domestic Product (GDP) and 45 percent of government income is gotten from this area. Development in national economy is profoundly related to development and advancement in agribusiness (Government of Kenya (GOK), 2009). This examination hypothesizes that low take-up of bank credits among little scale farmers in Kiminini voting public, Trans Nzoia County, Kenya. Credit has been progressively acknowledged as an amazing instrument to lift the provincial poor from degraded neediness. As indicated by Djoumessi *et al.*, (2018), it assumes a fundamental job in expanding farming efficiency through structure up item resources. Acquiring credits can be viewed as an alternative to enhance inadequate money so as to back factor sources of info, for example, seeds and procured work just as family unit uses, for example, school expenses, and so on. (Bidogeza

et al., 2015). It is contended that numerous Rwandese likes to obtain from casual sources, for example, companions, family, shop, or somebody in the network for reasons unknown, for example, having no insurance to offer or being debilitated by the methods bottleneck (Muhongayire, 2012).

1.3 Purpose of the study

The purpose of this study was to investigate social economic factors influencing uptake of bank loans among small scale maize farmers in Kiminini Constituency, Trans Nzoia County, Kenya.

1.4 Objectives of the Study

- i. To determine how land ownership influence uptake of bank loans among small scale maize farmers in Kiminini Constituency.
- ii. To establish the extent to which small scale maize farmers' characteristics influence uptake of bank loans among small scale maize farmers in Kiminini Constituency.
- iii. To assess the extent to which family governance structure influence uptake of bank loans among small scale maize farmers in Kiminini Constituency.
- iv. To determine how employment influence small scale maize farmers uptake of bank loans in Kiminini Constituency.
- v. To establish how cultural factors influence the uptake of bank loans among small scale maize farmers in Kiminini Constituency.

1.5 Research Questions

- i) How does land ownership factors influence uptake of bank loans by small scale maize farmers in Kiminini Constituency?

- ii) How do farmers' characteristics influence uptake of bank loans in Kiminini Constituency?
- iii) To what extent does family governance structures influence uptake of bank loans among small scale maize farmers in Kiminini Constituency?
- iv) How does a farmer's employment status influence uptake of bank loans among small scale maize farmers in Kiminini Constituency?
- v) To what extent does cultural factors influence uptake of bank loans among small scale maize farmers in Kiminini Constituency?

1.6 Research Hypotheses

H₀₁:Land ownership has no statistical significant influence on uptake of bank loans among small scale maize farmers in Kiminini Constituency.

H₀₂:Farmers' characteristics have no statistical significant influence on uptake of bank loans among small scale maize farmers in Kiminini Constituency.

H₀₃:Family governance structure has no statistical significant influence on uptake of bank loans among small scale maize farmers in Kiminini Constituency.

H₀₄:Employment has no statistical significant influence on uptake of bank loans among small scale maize farmers in Kiminini Constituency.

H₀₅:Cultural factors have no statistical significant influence on uptake of bank loans among small scale maize farmers in Kiminini Constituency.

1.7 Significance of the Study

This study generates vital information that may be used in decision making. In this regard, the information was publicized to researchers and academicians amongst others. The leaders may use the findings of this study to understand the reasons why the residents access bank loans. The noted factors influencing the uptake of bank loans would then be addressed through the relevant policy review and policy-making process to enhance policy and practice in farming among small scale maize farmers.

1.8 Limitations of the study

The study adopted snowball sampling to obtain information on bank loan uptake among small scale maize farmers. Some farmers may be terrified of uncovering insights regarding their cultivating exercises and the returns. To maintain a strategic distance from this restriction of dread among respondents, the specialist looked for assent from the members and guaranteed them of secrecy of their data. Kiminini Constituency, Trans Nzoia County covers a huge region and the analyst was not ready to cover the whole zone without anyone else, accordingly enlisted three research partners to aid information gathering. A few territories in the examination territory are very remote and difficult to reach particularly during stormy days, so as to access such zones; the specialist employed engine cycles which effectively get to misleading regions.

1.9 Delimitations of the study

The study obtained data from small scale maize farmers in Kiminini Constituency only. The major banks that give loan were targeted to give information on factors that influence uptake of their loans by small scale maize farmers.

1.10 Assumptions of the study

The small scale maize farmers do not access bank loans and that there are social economic factors that influence acquisition of bank loans. These social economic factors are known to the small scale maize farmers.

These farmers provided accurate information on the factors and that their information will help attain research objectives.

1.11 Definition of Significant Terms

Bank Loan : This is financing from a bank meant for operations of a business especially farming among small scale maize farmers.

Social Economic : It refers to circumstances, condition or state that surrounds a person and has financial implications.

Land ownership : A state in which one has a right to land and hence can make decisions to hold or transfer it to another user or use it as collateral to obtain a bank loan.

Farmers' characteristics : This refers to the state of a person that may influence uptake of bank loans which include improving business such as farming activities.

Family governance : This may refer to structural leadership role that influence uptake of bank loans due to capacity to service the loans especially in engaging in agricultural activities.

Employment : Is a formal source of income based on a contract of service that will constitute qualification for uptake of a bank loan.

Small scale maize farmers : These are persons engaged in farming activities on land that does not exceed 2.5 acres and are involved in crop and animal production.

Influencing : It refers to the ability to make a choice to choose to act or not to act in order to access or not access bank loans.

Cultural factors : It refers to circumstances, condition or state that surrounds beliefs, taboos or traditional practices of a given community

1.12 Organization of the examination

The examination is composed in five sections. Part one has the prologue to the examination and it covers the accompanying regions; establishment of the examination, articulation of the issue, motivation behind the investigation, destinations, and research questions. It likewise covers

centrality of the investigation, essential presumptions, impediments, and delimitation of the examination, meaning of key terms lastly association of the examination.

Part two breaks down writing by different researchers in connection to the subject by investigating further on each exploration objective. Part three chiefly covers the examination strategy, which involved the exploration setup, target people, test size and test decision procedure, investigate instruments, data gathering strategies and data examination frameworks. Section four presents information examination, understanding and discourse. Section five then again gives the synopsis of discoveries, ends, proposals and recommendations for further investigation. Also, the investigation shows a rundown of references and informative supplements of the examination.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature of scholars in relation to the influence of social economic factors on uptake of bank loans by small scale maize farmers in Kiminini Constituency, Trans Nzoia County, Kenya. It deals with issues derived from the objectives of the study which are: land ownership, farmers' characteristics, family governance structure, employment and cultural factors. The chapter also covers the theoretical framework, conceptual framework, subsequent knowledge gap and a summary of the literature review.

2.2 The Concept of social economic factors and uptake of bank loans by small scale maize farmers

Agricultural financial analysts believe that many times, it is not the lack or insufficiency of loan facility that is a major problem but rather that the farmer is sometimes not poised to benefiting from available loan due to certain socioeconomic constraints such as level of education, accessibility to financial institution, farm size, membership of associations, contact with extension agents, and so on (Anang *et al.*, 2015; Agbo *et al.*, 2015).

Gyamfi (2016) opines that age, sex, ranch size, level of instruction, conjugal status, access to augmentation administration, land securing and salary of family unit head altogether decided farmers' entrance to credit. Surveying elements affecting smallholder farmers' entrance to agrarian microloan in Northern Ghana uncovered that sexual orientation, family unit pay, ranch capital, improved innovation selection, contact with augmentation, the area of the homestead,

and attention to loaning establishments in the zone were the critical factors. Furthermore, he adds, that extension visits enable farmers increase better access to data from augmentation operators. Additionally, expansion operators help connected farmer gatherings to advance sources.

Access to advance is viewed as a significant determinant of profitability development (Bowles, 2012). Anang et al., (2015) likewise noticed that advance permits ideal information use, bringing about a positive effect on farming efficiency. As needs be, there are a few endeavors by both administrative and non-legislative associations to expand smallholders' entrance to horticultural advance.

Juma (2018) in a distribution *Small Scale Maize Farmers in Western Kenya – ZaKenya* states that, "there is an absence of attention to current, improved specialized skill and horticultural practices. This can be credited to a great extent to an absence of adequate connection among farmers and augmentation officials and research specialists in the territory. Farmers still depend on conventional cultivating techniques which lead to diminished creation. Besides, an absence of the important ranch data sources is an issue that most farmers think about in this locale. The vast majority are poor and unfit to bear the cost of essential ranch inputs. Getting to monetary guide and advance is additionally a thistle in the substance for the majority of the little scale maize farmers in the district.

2.3 Land ownership and uptake of bank loans

Domeher et al., (2017) in his publication *Land ownership by farmers in Southern Africa* opines that small scale maize farmers who were previously excluded from bank loans would allow these farmers to gain access to agricultural finance from sources such as commercial banks. These

problems of small scale and emerging farmers would be an important contribution to the process of empowerment. He adds that in the past, the principles adopted by formal sources of loan such as banks and cooperatives in general prevented emerging black farmers from obtaining loan. Land ownership by these farmers that were previously excluded would allow these farmers to gain access to agricultural finance from sources such as banks.

Sussan and Obamuyi (2018) states that all through the greater part of Africa, peri-urban farming area is winding up rare and increasingly profitable because of growing urban focuses and populaces. Also, most sub-Saharan farmers don't have formal titles to the land they ranch. Formal land-titling frameworks are additionally costly to actualize and they for the most part support those with political power and frequently act to confiscate farmers who had developed land for a considerable length of time and whose family may well have first cleared the land. For the most part, standard rights (with land the executives and assignment by conventional specialists, for example, town boss and town gatherings) are bound to dominate in urban centers.

2.4 Small scale maize farmers' characteristics and uptake of bank loans

Small scale farming systems generally operate differently than the large ones and as such have unique experiences, challenges and problems. Small scale farming in Barbados generally takes place on marginal land with very limited space. The small size of the majority of agricultural holdings would affect adversely factors such as the small farmers' capability and efficiency regarding the degree of yield and the quantity of harvests that they can develop. Ladies farmers' work on the littlest land regions and accordingly notwithstanding confronting issues like those of their male partners, they likewise face those getting from sex relations (Ali and Deininger, 2014).

Nonetheless, Willy, Muyanga and Jayne, (2018) express that the financial attributes got at family levels don't completely clarify land utilization. For example, age or level of instruction is uncertain qualities and their job isn't straight advance. They recognized a positive impact of instruction on interest in indigenous protection measures. Willy et al., (2018) found a negative connection among training and the reception of work escalated land the executives practice because of the higher open door cost of work for farmers with an advanced education.

For example, Baumgartner and Cherlet (2016) discovered that training was emphatically identified with the utilization of manure. In this way, every one of the investigations alluded to above have discovered the effects of these financial elements are setting explicit. At the end of the day, the family unit level attributes clarify some portion of the story, yet other factors play an important role too. Baidoo and Baidoo, (2016) state that many small scale maize farmers tend to sell off their farm produce when prices are low in order to repay social-obligated loans and also meet up some social obligations. Among the explanatory variables, interest rate charged and collateral given positively influenced loan acquisition while response to loan conditions impacted negatively on it.

According to Augustine and Asiedu (2017), numerous individuals in the tremendous rustic territories of Africa need access to money related administrations, and most business banks are not keen on moving into these zones because of their low salary levels, absence of scale economies, and poor framework. Additionally, few banks really comprehend the most well-known financial movement in rustic territories is horticulture. Subsequently, the nonappearance of monetary foundations in country Africa has frequently allured governments to venture in, especially with state overwhelmed banks concentrated on horticulture. A considerable lot of these activities have fizzled, notwithstanding, in light of the fact that they were excessively

bureaucratic, too arrangement situated, excessively focused on hazard to just one portion of the populace, or excessively powerless in client center. Moreover, customers considered this Government supported organizations to be instruments that given awards; consequently, the banks experienced poor advance recuperation rates. While micro-finance establishments have made a few advances into rustic Africa with the money related support of global non-legislative associations and different backers, their maintainability is flawed. They will in general need banking licenses and in this manner have a constrained item range, and they can't bear the cost of present day innovation based dispersion frameworks.

As indicated by Thein (2017), one of the most unmistakable holes in creating banking administrations for rustic Africa is poor foundation, for instance: awful streets, unpredictable power arrangement, and absence of correspondences frameworks, which obstructs compelling effort to clients. The lawful condition in these provincial zones is likewise suspect. Shaky property rights particularly land titles in provincial zones, limit any bank's insurance choices; joined with poor contract requirement openings, this removes a bank's impetus to give credit, particularly for long haul advances. Appropriate land enrollment and enforceable home loan frameworks are significant issues for provincial advancement. The wastefulness of business sectors is likewise an obstruction to creating provincial monetary administrations.

Rural worth chains are frequently ineffectively composed, ailing in straightforward evaluating, and divided in essential generation, all of which results in high exchange costs. Partners including givers, governments, and advancement banks, who don't generally view farming as a financial movement, yet rather as a social issue. These partners give financed subsidizing to farmers or cooperatives, which mean private banks regularly, do not have a level playing field.

Poor budgetary education rates, particularly among little farmers, and a constrained comprehension of banking prerequisites additionally represent an issue (Thein, 2017).

2.5 Family governance structure and uptake of bank loans by small scale maize farmers

Lusardi (2015) defines financial literacy as the ability to process information and make informed decisions on personal finance. According to Food and Agricultural Organization (FAO) (2012) financial education is all about making people aware of the need of regular saving, budgeting and debt management. A big challenge facing smallholder farmers in farm management and expansion is the fact that most of them are not financially literate, meaning they have a high likelihood of making poor financial decisions which could harm not only their farm business but also their families.

According to FAO (2012), seeking financial support from a bank without proper knowledge of income, expenses, assessment of risks and being able to monitor one's farm progress is a recipe for failure in money management. As more financial institutions are reaching down to low income market segments and advanced technology is creating more opportunities to small holder farmers a more holistic approach is needed for little scale farmers to access and profit by monetary administrations. Small holder farmers in Kenya are perceived as a group of people who cannot afford to utilize finance in a productive way. These farmers cannot afford securities to acquire loan service with most banks finding it more risky lending to them.

According to Cabral, Favareto, Mukwereza and Amanor (2016) on leading theories of low demand for financial services in emerging markets, the study found that financial education programme had modest effects, increasing demand for bank accounts only for those with limited education or financial literacy. In contrast, small subsidies greatly increased demand for bank

account. In comparison between small subsidies and financial literacy the study showed that financial trainings had little hope in improving accounts uptake by farmers.

In the Van Holst, Hartvigsen and Onega Lopex (2018), African families are like families anywhere else in the world, but whereas the tendency in some Western cultures nowadays is to talk about equality in the family and not about the head of the family, Africa's family structure is still exceptionally conventional. There is the dad and leader of the house, the mother who deals with the house, and after that the kids. Each individual from the family has some capacity, at any rate, that is anticipated from the person in question. Even until today, men are still considered the breadwinners of the family in most African cultures, even if the wife is equally gainfully employed and compensated. The well employed wife may assist in the financial needs of the family, but the husband is considered primarily responsible. The children have other functions that they must execute as their own contribution towards keeping the family running. The children, depending on their ages, do the dishes and take care of lighter chores in and around the home, and fetch water from the distance where this is applicable. Then the parents are expected to take care of the children until they are capable of leaving their parents and starting their own families. Children do not have to rush out of their parents' home in Africa, nor are they forced out by their parents for whatever reason. They can stay there with them for as long as they please, and there is no problem. After all, later on in life, it is the children's responsibilities to take good care of their aging parents, and this is done with a lot of joy and honor. In fact, in traditional Africa, the father always gave a portion of his land to his sons as they matured, for them to start their own families. Such pieces of land were usually close to the father's own personal property, and so the family remained very close.

2.6 Employment and uptake of bank loans by small scale maize farmers

According to Kalunda (2014) in addition to work status, credit augmentation has improved and the general execution of the little scale ranchers in numerous pieces of the nation and henceforth making opportunities to draw in the endeavors of the jobless. Through credit, there is additionally salary age and incitement of development in rustic regions and thusly adding to the improvement of the nation all in all financially, socially and even politically.

Smallholder ranchers have been seen to offer the most astounding business prospects for the most part to provincial South Africans. Notwithstanding, their maximum capacity has not been acknowledged because of absence of access to credit required for the buy homestead sources of info and capital hardware. The issue has been exacerbated by insufficient credit circulation channels. Past examinations have shown a decay of business bank offices in country regions. The principle reason regularly referred to by banks for not loaning to smallholder ranchers is high default hazard, vulnerability and hazard inborn in rural generation and advertising. Different reasons referred to are the staggering expense of loaning to little ranchers, absence of guarantee, the low rate of enthusiasm on farming credits, and the long haul nature of agrarian advances which isn't good with bank loaning, especially in circumstances of high hazard. An insignificant number of provincial borrowers get credit from institutional sources (Collier and Dercon, 2014).

Igwe, Ogundana, Egere and Anigbo (2018) review in Nigeria distinguished sporadic pay, joblessness and separation as the real obstacles to having a record. It additionally recognized determinants of budgetary incorporation, for example, the degree of training, network, ability to produce overflow, and accessibility of monetary suppliers. The relatively lower level of training and pay of ladies could halfway clarify their more noteworthy avoidance. In Bangladesh,

absence of monetary education was viewed as a noteworthy obstruction for money related incorporation. The National Survey for Financial Inclusion in Mexico decided, among others, that costs, poor money related information and absence of trust were significant difficulties to address.

According to Jumare, Visser and Brick (2018), in sub Saharan Africa and Asia small scale maize farmers provide 80 percent of food consumed. In Nigeria agriculture is a key contributor to gross domestic product but efforts to improve it have been hindered by lack of financial support for small scale maize farmers.

This study investigated the factors affecting loan acquisition among farmers in Otukpo LGA of Benue State of Nigeria. The findings indicate that the loan collected during the 2006/2007 farming season was significantly lower (1000 times lower) than the amount of money spent on family obligations. This brings to the front burner the issue of food security and income stability of the little scale farmers. It has been found that numerous little scale farmers tend to sell off their farm produce when prices are low in order to repay social-obligated loans and also meet up some social obligations. Among the explanatory variables, interest rate charged and collateral given positively influenced loan acquisition while response to loan conditions impacted negatively on it. Even though farm size is not a very key factor in loan acquisition, the negative sign it has seems that loan acquisition is not related to farmers need. And this is what most loan agencies have not appreciated in designing loan regimes for farmers. Most agencies have made tailor-type regimes without regard to specific needs of the farmers and the need to design loan regimes to fit each farmer conditions (Carter, Cheng and Sarris, 2016).

Jayne and Muyanga (2012) in the magazine *The Conversation*, state Driven by populace development and developing area shortage, most African homestead family units are seeing the slow sub-division of their territory. After some time ranches are getting littler and littler. Today, over 80% of ranches in generally thickly populated nations – like Kenya, Ethiopia, Malawi and Rwanda are littler than one hectare. Since they're so little, few can produce enough pay to keep farmers over the destitution line and the majority of them progressively depend on off-ranch wages". The outcome has been that a portion of these farmers look for business somewhere else more often than not in the close-by urban zones to look for different wellsprings of work so as to support their pay. While there are great deals of positives, these progressions are removing the conventional social texture and making new power structures.

2.7 Social cultural factors and uptake of bank Loan by SSF

Ilozumba, Van Belle, Dieleman, Liem, Choudhury and Broerse (2018), portrays bank credit as the way toward getting authority over the utilization of cash, products and ventures in the present in return for a guarantee to reimburse in a future date. Horticultural credit is "a financial investigation of getting assets by farmers, the association and task of homestead loaning offices and of society's in advance for agribusiness."

Morais, Dash and Bacic (2017) portrayed agrarian credit as a piece of agricultural budgetary viewpoints, which oversees and cash related resources related to individual farm units. Gomal Journal of Agriculture in Pakistan orchestrated cultivating account into two general arrangements: scaled down scale level and full scale level. Huge scale record oversees different wellsprings of raising resources for cultivation all things considered in the economy while scaled down scale cash insinuates budgetary organization of the individual farm strength units.

Enormous scale cash deals with the perspectives relating to hard and fast development needs of the agrarian part, the terms and conditions under which the development is open and the methods for usage of full scale credit for the improvement of agriculture, while scaled down scale store insinuates the fiscal organization of individual estate business. Provincial credit in this way is any development or other extension of development that a bank obliges agrarian or other nation use (Aye, Gupta and Wanke, 2018).

Aye *et al.*, (2018) state that that the loans collected in Otukpo LGA of Benue State of Nigeria during the 2006/2007 farming season was significantly lower (1000 times lower) that the amount of money spent on family obligations. This brings to the front burner the issue of food security and income stability of the small scale maize farmers. It has been discovered that many small scale maize farmers tend to sell off their farm produce when prices are low in order to repay social-obligated loans and also meet up some social obligations. Among the explanatory variables, interest rate charged and collateral given positively influenced loan acquisition while response to loan conditions impacted negatively on it. This findings indicates that farmers are favourable disposed towards taken loan with interest and given of collateral and this is contrary to what many researchers have tended to postulate.

Social structure of an overall population is the manner by which it is formed into families, tribes, systems and various groupings or divisions. A person's moods, and people's wants for that individual, are influenced by the social affairs to which the individual being referred to has a spot; so too is the individual's passageway to conditions vocations and land. Social divisions inside a general public can be founded on a few unique variables, including age, sex, religion, home, connection and basic monetary intrigue. Financial decide the way of life that individuals can accomplish and they additionally influence a farmer's relative monetary and political impact.

Enormous farmers are bound to be given advance than little farmers, and dealers and merchants will give them better terms since they purchase and sell in bigger amounts. Organizers and political pioneers regularly hear them out more promptly. Augmentation operators may likewise think that its progressively appealing to work with the bigger farmers. Be that as it may, if littler farmers are to be helped, expansion operators ought to know about these divisions and search for methods for supporting those farmers who are quick to improve their homesteads yet have very little political or financial impact (Fortes, 2018).

There are additionally, in all social orders, little gatherings of individuals who meet up for a typical reason or movement. A portion of these gatherings may remain in presence for quite a while. An investment funds gathering, for example, may keep on gathering without fail for a long time. Despite the fact that the individuals may change, the gathering will remain. Different gatherings might be transitory, for example, when a few neighbors consent to help with the homestead take a shot at one another's property (Parsons, Shils and Smelser, 2017).

In the Republic of Korea, as per the FAO report, conventional ladies' reserve funds gatherings have formed into Mothers' Clubs, which are incredibly persuasive in town improvement exercises. These clubs collect enormous wholes of cash for network ventures, contribute work for self improvement extends, and are a channel for data on cultivating and famous training for rustic ladies. In all social orders there are formal and casual pioneers; people who settle on choices for the benefit of others, or who are regarded by others, and along these lines have some impact on their mentalities and conduct. Such pioneers can be significant for starting routes in getting to bank credit to the farmers (Njoh, 2016).

Individuals who hold perceived places of power are known as formal pioneers. They are commonly easy to perceive once the case of activity in the overall population is understood. Some procure their position; others are picked, and others are named by someone in increasingly unmistakable pro. Activity may be shared by a couple of individuals or be held by a single person. In most informal organizations there are religious pioneers, for example, clerics, just as common pioneers, for example, chose councilors and town heads. The FAO report includes, it is the standard in certain social orders, for instance, for a wedded lady to eat her feast simply after her significant other has completed the process of eating. These standards are profoundly instilled in individuals' frames of mind and convictions. They not just decide how other individuals figure an individual ought to carry on; they figure out what conduct the individual feels is right. In like manner, the regarded and fruitful farmers were duplicated by others on the off chance that they seek after bank credit (Bassit, 2018).

The lifestyle of an overall population is the acknowledged method for getting things done in that specific culture. Culture isn't an unplanned gathering of traditions and propensities however has been developed by the general population to help them in their direct of life. Every part of the way of life of a general public has a clear reason and work and is, in this manner, identified with the various parts of its way of life. Changes in a single part of culture may affect different parts of that culture. On the off chance that adjustments in a single part of culture are presented, and these are probably going to unacceptably affect different angles, at that point a program may have minimal possibility of achievement. The more monetary foundations find out about and come to regard the way of life of the general population with whom they connect, the more they are acknowledged by them. They will likewise be progressively delicate to the sort of money related exhortation and bolster that was helpful (Kottak, 2016).

2.8 Theoretical framework

2.8.1 Theory of Planned Behaviour

Theory of Planned Behavior began as the Theory of Reasoned Action in 1980 to predict and explain all behaviors which individuals have the capacity to put forth a concentrated effort control. The key segment to this hypothesis is conduct aim; social expectations are impacted by the disposition that the conduct will have the normal result and the abstract assessment of the dangers and advantages of that result. The hypothesis expresses that social accomplishment relies upon both inspiration and capacity (Carsrud, Brännback, Elfving and Brandt, 2017). The hypothesis involves a few develops that altogether speak to an individual's genuine power over the conduct. These incorporate; Attitudes - This alludes to how much an individual has a good or troublesome assessment of the conduct of intrigue. Social goal - This are the inspirational variables that influence a given conduct where the more grounded the expectation to play out the conduct, the almost certain the conduct was performed.

This hypothesis avows that steady conduct needs self-control. It points out that individuals will behave in a certain way depending on the expected outcome. If they expect a positive outcome then they are motivated to behave in a particular way. This theory helps to explain factors influencing small scale farmer adoption of bank products. According to this theory, if small scale maize farmers expect increased productivity by using formal farm loan then they will embrace formal borrowing. If they do not expect increased productivity then they will not embrace formal borrowing.

2.9 Conceptual Framework

INDEPENDENT VARIABLES MODERATING VARIABLES

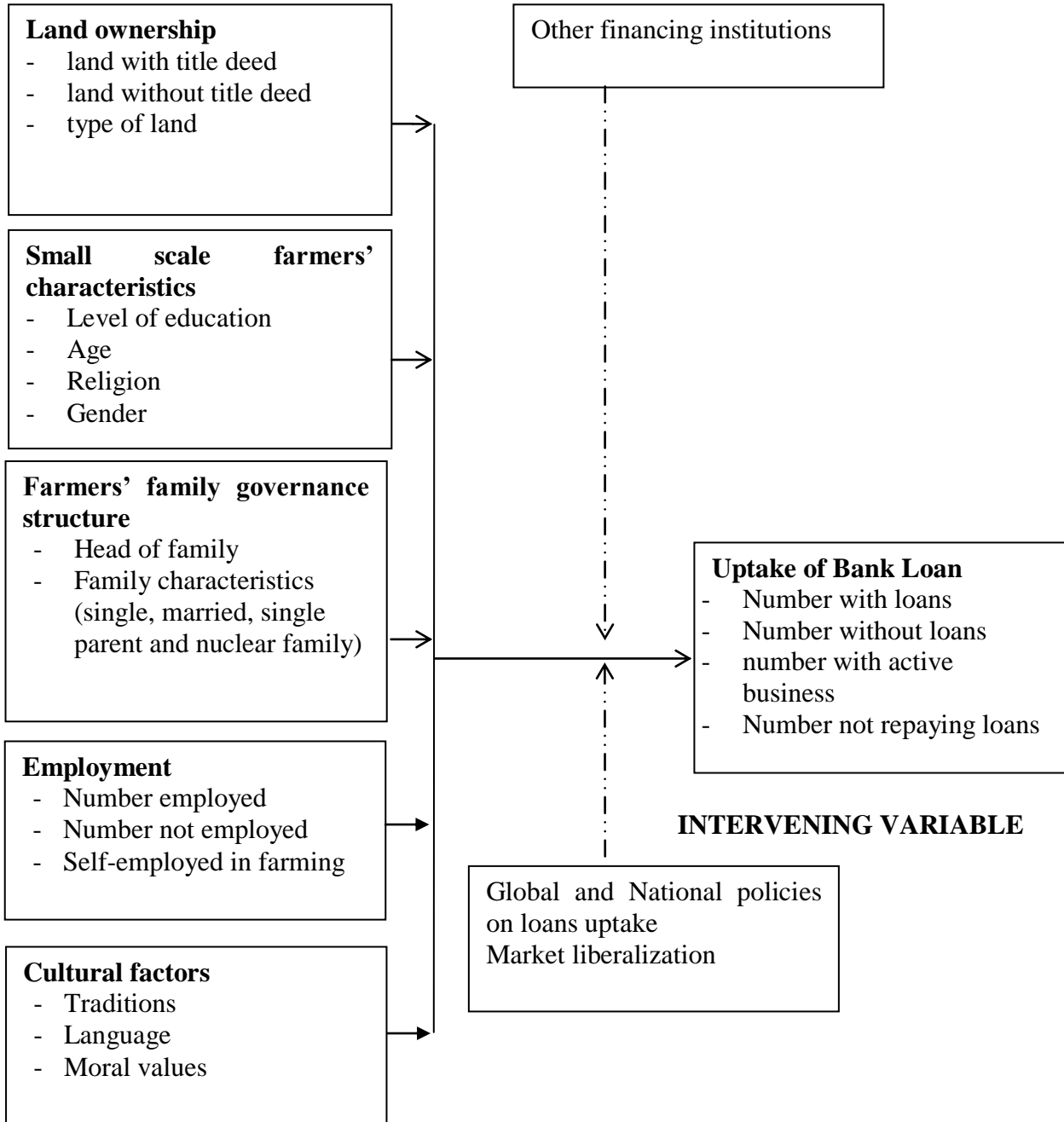


Figure 2.1: Researcher's conceptual framework

2.10 Knowledge Gap

According to Asenso-Okyere (2012), in sub Saharan Africa and Asia, small scale maize farmers provide 80 percent of food consumed, however he did not expand its effects on loan uptake. Muema (2015) investigated loan rationing in rural households in Rwanda and found that with elimination of all loan constraints formal loan uptake would increase by 17 percent among Rwanda rural households. Muema in his paper expanded on constraints of loan uptake but didn't look at the repayment challenges. Therefore the study is geared to close the gap by researching on social economic factors influencing uptake of bank loan among small scale maize farmers in Kiminini constituency, Trans-Nzoia County, Kenya.

2.11 Synopsis of Literature Reviewed

This section has writing on the up take of credits in smaller scale money and the financial components that influence the equivalent. The section has analyzed these financial factors in the worldwide field, in Africa and in Kenya; comparative investigations have been inspected to get real situations in these regions. The section looks at: how accessibility of security impacts the take-up of credit as a bank item for little scale farmers in creating nations, family administration structure and level of instruction has an immediate association with money related proficiency which thus influences the take-up of advances and so on. The reasonable structure and hypothetical system are shown and the significant pointers operationalizing the investigation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents; the exploration structure, the objective populace, testing strategy, test size, examine instruments, information gathering, information investigation methods and moral contemplations and operationalization of factors table.

3.2 Research Design

With the end goal of this investigation, illustrative plan was utilized. As per Orodho (2003) distinct research is utilized when the issue has been very much structured and it includes actuality finding and enquiries of various kinds. It clarifies a situation as it exists. Likewise it alludes to research concentrates intended for giving rehashed estimations of an occasion over some undefined time frame. An examination configuration is the structure of research that is said to be the glue that holds all of the segments of the examination together. The course of action of conditions for social affair and examination of data in a manner that expects to combine noteworthiness to the investigation reason with economy in strategy (Kothari, 2004).

3.3 Target Population

As indicated by Orodho (2005), target populace is an enormous populace from which an example populace is chosen. The focused on populace was all the dairy farmers in Kiminini Constituency. The farmers were bunched in two cells signifying the wards in the investigation region, specifically; Kiminini and Waitaluk. Kiminini Constituency has 19,613 family units. These little scale farmers' families are circulated as stipulated in the table beneath.

3.4 Sampling procedures and Sample size

3.4.1 Sampling technique

To concoct the example size befitting the investigation, the scientist utilized the stratified arbitrary inspecting technique, putting together it with respect to the regulatory limits of the two divisions of Kiminini Constituency. As indicated by Mugenda and Mugenda (2003), stratified irregular examining alludes to the inspecting strategy where the populace is gathered. The choice turns out to be free of individual inclination since the examiner does not practice his attentiveness of inclination in the selection of things.

3.4.2 Sampling design

A sample is a set of respondents selected from a larger population for the purpose of a survey. (Kothari 2004) confirms that a sample size is part of the population that will take part in the study.

Table 1: Sampling design

Respondents	Target Population	Sample Size	Proportion (%)
Number of small holder farmers in Waitaluk location	1,721	225	64.66
Number of small holder farmers in Kiminini location	939	123	35.34
Bank Credit managers	15	15	
Total	2,660	348	100.00

The study used Yamen formula (1967) to calculate the sample size of the target population within the Kiminini Constituency. The equation for the formula was

$$\frac{N}{1 + N(e)^2}$$

Where n = Number of samples,

N = Total population

e = Error tolerance

$$n = N / (1 + N(e)^2) \quad 2660 / (1 + 0.0025 * 2660) \quad n = \text{Sample} = 348$$

The example size for the investigation was 348 as per the 10% of the objective populace recipe.

3.5 Research instruments

Information accumulation instruments are apparatuses used to gather information from respondents. With the end goal of this examination, a semi organized survey was utilized. Polls were suitable when tending to touchy issues and they gave obscurity just as decreased hesitance or deviation from respondents. At that point they were regulated to various respondents simultaneously to keep up consistency starting with one estimation then onto the next. The poll was regulated through drop and pick strategy.

The questionnaires have open and shut finished inquiries joined by a rundown of potential options from which the respondents chose the appropriate response that showed most appropriate for their reaction. This was simpler to direct and conservative regarding time and cash, and was anything but difficult to break down as they were in a quick usable structure. Notwithstanding,

they restricted the analyst's decisions and the respondents were constrained to address inquiries to the specialist's choices.

3.5.1 Piloting of the Instrument

Piloting of 1% of the populace was utilized to find out the legitimacy and unwavering quality of the poll (Fountain and Thomas-Hawkins, 2016).

The validity of the questionnaire was initially authenticated by a panel of examiners at the proposal defense and was further scrutinized by the supervisor after the feedback on the same questionnaire from a pilot study revised to enhance the ability to obtain relevant feedback from the respondents in the main study. On the other hand, the questionnaires reliability was determined using “Split Half Technique” and the Spearman Brown’s Prophecy formulae and Pearson Correlation Coefficient formulae as recommended by Rao, Dey and Kuruvilla (2018).

Spearman Brown’s Prophecy policy is as follows:

Reliability of the entire instruments is **R**

$$\mathbf{R} = \frac{2 \times \text{Reliability of 0.5 test}}{1 + \text{Reliability of 0.5 test}}$$

Since the computation of the pilot data using the above formulae yielded the reliability of

R=0.7, so this reflected the magnitude of the relationship for the entire test. In this regard the questionnaire instrument was found a reliable tool in measuring the influence of uptake of bank loans to small scale maize farmers. The criteria for determining the strength of the influence is based on Best and Kahn (2007) criteria.

Table 2: Reliability coefficients

Coefficient (r)	Relationship/ Influence
0.00 to 0.20	Negligible
0.20 to 0.40	Low
0.40 to 0.60	Moderate
0.60 to 0.80	Substantial

Source: Best and Kahn (2007)

Reliability was used to empower the scientist discover whether the instruments were reasonable for this investigation. The analyst embraced a pilot think about in the neighboring Cheranganyi Constituency with a couple inspected respondents unwavering quality of the exploration instruments.

3.5.2 Validity of the Instruments

Legitimacy is the degree to which contrasts found with an estimating instrument reflect genuine contrasts among those being tried. Kothari (2004); the examination decided substance legitimacy which is the degree to which an estimating instrument gives sufficient inclusion of the theme under investigation.

So as to improve content legitimacy the scientist guaranteed that the exploration instruments were precise by making the essential changes in the wake of leading a pilot think about and guaranteeing the inquiries were getting the correct reaction to gauge what was planned, the specialist likewise imparted the instruments to the Supervisor in the Department of Open Learning learns at the University of Nairobi as prescribed, to discover its legitimacy. The instruments were then rebuilt and hazy inquiries explained.

3.6 Information Collection Procedure

The general point of this examination is to research the Social financial components impacting take-up of bank credits among little scale farmers in Kiminini Constituency. The accompanying information accumulation devices were utilized.

The educators' polls comprised of two areas of shut and open finished inquiries looking to build up the social economic factors and uptake of bank loans (APPENDIX II). The questionnaires were given to the small scale maize farmers (SSF) individually to fill in and thereafter were collected. They were instructed to give information accurately without guess work but honesty.

The bank officers were briefed on how to fill in the interview guides (APPENDIX III). The interview guides were then issued out to them to give out accurate information to enable the researcher find out the social economic factors on uptake of bank loans by small scale maize farmers. The filling of the interview guide was done and were collected thereafter.

3.7 Data analysis techniques

In data analysis the researcher applied both Descriptive and Inferential Statistics methods whereby internal level measurement; likert scale score 1 for Strongly Disagree (SD) and 5 for Strongly Agree (SA). For Inferential statistics the researcher used Null hypotheses using Chi-square formulae given here below:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where O = observed frequency,

E = expected frequency, and

X^2 = test of goodness of fit (Chi-square test)

Upon collecting data the researcher analyzed both quantitative and qualitative data to get information. Quantitative information was investigated through graphic insights in type of proportions of focal propensity. Subjective information was then again broke down through substance investigation. So as to set up the components influencing take-up of bank advances by little scale farmers, information was caught utilizing the likert scale and utilized spellbinding insights counting the standard deviation which evaluated the components and the mean deviation that deliberate the focal propensity.

3.8 Ethical Considerations

Approval to direct the investigation was looked for from University of Nairobi Department of Open Learning Programs. The Government County Commissioner of Kiminini Constituency was likewise educated regarding the investigation. The standard of intentional support necessitates that individuals are not constrained into taking an interest in research (William, 2006). Firmly identified with the thought of intentional cooperation is the necessity of educated assent. Basically, this implies forthcoming examination members were completely educated about the systems and dangers associated with research and were required to give their agree to take an interest. The specialist guaranteed that the respondents contributed energetically and uninhibitedly during the examination.

3.9 Operationalization of Variables Table

Table 3: Operationalization of Variables Table

Objectives	Variables	Level of Measurements	of Analysis
To determine how land ownership influence uptake of bank loans among small scale maize farmers.	Number of farmers with collateral Number of farmers without collateral Type of land	Ordinal Nominal Interval Ratio	Descriptive Inferential
To establish the extent to which farmers' characteristics influence uptake of bank loans among small scale maize farmers.	Level of education Age Religion Gender	Ordinal Nominal Interval Ratio	Descriptive Inferential
To assess the extent to which family governance structure influence uptake of bank loans among small scale maize farmers	Head of family Family characteristics (single, married, single parent and nuclear family)	Ordinal Nominal Interval Ratio	Descriptive Inferential
To determine how employment influence small scale maize farmers uptake of bank loans.	Number employed Number not employed Self-employed in farming	Ordinal Nominal Interval Ratio	Descriptive Inferential
To determine the cultural factors influencing the uptake of bank loans among small scale maize farmers.	Cultural factors	Ordinal Nominal Interval Ratio	Descriptive Inferential

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

Chapter four presents data analysis, interpretation and discussion of the study findings. The study sought to investigate social economic factors influencing uptake of bank loans among small scale maize farmers in Kiminini Constituency, Trans Nzoia County, Kenya. The guiding objectives were how land ownership influence uptake of bank loans among small scale maize farmers, the extent to which farmers' characteristics influence uptake of bank loans among small scale maize farmers, the extent to which family governance structure influence uptake of bank loans among small scale maize farmers, how employment influence small scale maize farmers uptake of bank loans and the cultural factors influencing the uptake of bank loans among small scale maize farmers in Kiminini Constituency. The subsections discussed are the findings on the reaction rate, the statistic data of the respondents and the study objectives.

4.2 Questionnaire Return Rate

The study response rate was 72.1%. Out of the 348 questionnaires administered to respondents, 251 were completed well and returned for data analysis. This showed that the questionnaire response rate of the data collected meet threshold for data analysis as indicated by Mugenda and Mugenda (1999) who noticed that a reaction rate of 70% or more is worthy and acceptable for information examination. The findings are presented in table Table 4.1.

Table 4: Questionnaire Return rate

Category	Frequency	Percent
Administered	348	100.0
Returned	251	72.1

4.3 Demographic Characteristics of the respondents

The study further determined demographic characteristics of the respondents. Among the characteristics included were their gender, age, education, experience in farming, age category, output per season and size of land under small scale farming. Respondents were first asked to indicate their gender. This is shown in Table 4.2.

Table 5: Demographic Characteristics of the respondents

Demographic Characteristics	Frequency	Percent
Distribution of respondents by Gender		
Male	154	61.4
Female	97	38.6
Total	251	100.0
Distribution of respondents by Education level		
Primary level and below	22	8.8
Secondary level	155	61.8
Post-secondary	74	29.5
Total	251	100.0
Distribution of respondents by experience		
1-5 years	46	18.3
6-10 years	94	37.4
11-15 years	89	35.5
Over 15 years	22	8.8
Total	251	100.0
Distribution of respondents by Age		
Below 18 years	1	0.4
18-25 years	12	4.8
26-35 years	30	12.0
36-45 years	54	21.5
46 -50 years	71	28.3
Above 50 years	83	33.1
Total	251	100.0
Distribution of respondents by output of maize per season		
Below 5 bags	46	18.3
5-10 bags	23	9.2
10-15 bags	92	36.7
15-20 bags	68	27.1
Above 20 bags	22	8.8
Total	251	100.0
Distribution of respondents land size		
Under 1acre	52	20.7
1-2 acres	101	40.2
2-4 acres	50	19.9
4-6 acres	24	9.6
Above 6 acres	24	9.6
Total	251	100.0

Employment status		
Only maize farmer	68	27.1
Casual and farmer	99	45.4
Professional and farmer	34	26.5
Total	251	100.0
Work period for bank credit officers		
Below 5 years	9	60.0
10-15 years	4	26.7
Over 15 years	2	13.3
Total	15	100.0

The study results in table 4.2 on gender response showed that 61.4% were male and 38.6% were female. This implied that the study was gender sensitive and not biased. The study findings on education level of the respondents showed that 8.8% had attained primary level of education, 61.8% had attained secondary education level and 29.5% had attained post-secondary education. This implied that most of the farmers had basic knowledge and could easily understand needs of the questions asked in the questionnaires.

The study findings on farmers experience in their work showed that 18.3% of farmers had experience of farming for period between 1-5 years, 37.4% of farmers had farming experience for period of 6-10 years, 35.5% of farmers had farming experience for period of between 11-15 years and 8.8% of the farmers had farming experience of over 15 years. The study findings on age category of the respondents showed that 0.4% of the respondents were aged below 18 years, 4.8% of the farmers were aged between 18-25 years, 12.0% of the farmers were aged between 26-35 years, 21.5% of the farmers were aged 36-45 years, 28.3% of the farmers were aged 46-50 years and the remaining 33.1% were 50 years and above. This implied that majority of the farmers were aged 50 years and above.

The study findings on the output of maize per season showed that 18.3% of the farmers produced below 5 bags per season, 9.2% of the farmers produced between 5-10 bags per season, 36.7% of the farmers produced between 10-15 bags per season, 27.1% of the farmers produced between 15-20 bags per season and the remaining 8.8% of the farmers produced above 20 bags per season. The study findings on size of the land under small scale farming showed that 20.7% of

the farmers owned less than 1 acre, 40.2% of the farmers owned 1-2 acres, 19.9% of the farmers owned between 2-4 acres, 9.65% of the farmers owned between 4-6 acres and the remaining 9.6% of the farmers owned 6 acres and above. This implied that majority of the farmers owned between 1-2 acres and hence had limited space to expand their farming activities.

The study also reviewed employment status of the small scale maize farmer, results showed that purely maize farmers were 27.1%, 45.4% were casual workers and maize farmers as well, 26.5% were both professional employees as well as maize farmers.

The study findings of the interviewed bank credit officers on their work period showed that 60% of the interviewed bank credit officers had worked for less than 5 years, 26.7% had worked for between 10-15 years and the remaining 13.3% had worked for more than 15 years in their current position. This implied that they had experience when handling loan to the small scale maize farmers. Also credit officers handle loan facilities for small scale maize farmers for as long as they are still active.

4.4 Findings on Specific Objectives based on Descriptive Statistics

The descriptive statistics that were done and discussed under this section included frequencies of the respondents and their percentages. The study determined the respondents' level of agreement on a five point Likert scale. The Likert scale used ranged from Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) and Strongly Agree (5).

4.4.1 Land ownership and uptake of bank loans

The study sought to determine how land ownership influence uptake of bank loans. The study findings are shown in table 4.3 and table 4.4

Table 6: Land ownership and uptake of bank loans

Land ownership		SD	D	N	A	SA	Total	Mean	Std. Deviation
Do you agree that land with title deeds influence uptake of loan to small scale maize farmers?	F %	15 6.0	12 4.8	0 0.0	136 54.2	88 35.1	251 100.0	4.08	1.038
Does land without title deeds influence uptake of bank loans by small scale maize farmers?	F %	13 5.2	8 3.2	0 0.0	141 56.2	89 35.5	251 100.0	4.14	0.966
Do you agree that a number of farmers without collateral do not access loans?	F %	15 6.0	16 6.4	0 0.0	145 57.8	75 29.9	251 100.0	3.99	1.047
Do you agree that land size of a small scale farmer influence uptake of loans?	F %	15 6.0	14 5.6	4 1.6	139 55.4	79 31.5	251 100.0	4.01	1.047
Do you agree that those without collateral should be entitled to bank loans?	F %	18 7.2	13 5.2	0.0 0.0	148 59.0	72 28.7	251 100.0	3.97	1.069

The study findings in table 4.5 showed that (Mean=4.08,Std Dev=1.038) respondents were of the opinion that land with title deeds influence uptake of loan to small scale maize farmers. Also, (Mean=4.14,Std Dev=0.966) respondents were of the opinion that land without title deeds influence uptake of bank loans by small scale maize farmers. Again, (Mean=3.99,Std Dev=1.407) respondents were of the opinion that a number of farmers without collateral do not access loans. Also, (Mean=4.01,Std Dev=1.407) respondents were of the opinion that the land size of a small scale farmer influence uptake of loans and further (Mean=3.97,Std Dev=1.069) respondents were of the opinion that those without collateral should be entitled to bank loans.

The study findings are in line with Domeher *et al.*, (2017) publication on *Land ownership by farmers in Southern Africa* who opines that small scale maize farmers who were previously excluded from bank loans would allow these farmers to gain access to agricultural finance from

sources such as commercial banks. These problems of small scale and emerging farmers would be an important contribution to the process of empowerment.

Table 7: Land ownership

Title deeds	Frequency	Percent	Mean	Std. Deviation
Yes	177	70.5	1.295	0.457
No	74	29.5		
Total	251	100.0		
Extent of Title deeds				
Large extent	126	50.2	1.594	0.659
Small extent	101	40.2		
Does not influence	24	9.6		
Total	251	100.0		

The study findings on title deeds influence showed that (Mean=1.295, Std Dev=0.457), 70.5% took loan through title deeds and the remaining 29.5% took loan independently. The study findings on extent of title deeds influence showed that (Mean=1.594, Std Dev=0.659), 50.2% of the small scale maize farmers were influenced by title deeds at larger extent, 40.2% of the small scale maize farmers were influenced by title deeds at smaller extent and the remaining 9.6% of the small scale maize farmers were not influenced by title deeds.

Land ownership had influence on bank loan uptake by small scale maize farmers. Collaterals used such as title deed that existed amongst the small scale maize farmers made greater effect on contribution to loan acquisition. It is thus encouraged for small scale maize farmers to use collateral that enable them acquire loan to be used for farming and improve productivity.

4.4.2 Inferential statistics on Land ownership and uptake of bank loans

Do you agree that Land ownership influence uptake of bank loans?

Table 8: Inferential statistics land ownership and uptake of bank loans

Response	Uptake of bank loans among small scale maize farmers				Total
	Disagree	Neutral	Agree	Strongly agree	
Strongly disagree	13	0	0	0	13
Disagree	2	4	0	0	6
Neutral	1	23	14	0	38
Agree	0	14	119	0	133
Strongly agree	0	0	21	40	61
Total	16	41	154	40	251
$\chi^2 = 432.698$, $df = 12$ and $sig = 0.000$					

Table 4.5 presents Pearson's Chi-square value as 432.698; degree of freedom as 12 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. This implies that there was statistical significant influence between land ownership and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Land ownership has the potential to enable farmers acquire loan because they could use it as a collateral. Majority of the respondents (133) agreed that land ownership by possession of title deed was one of the most important asset that banks could easily accept as a collateral before issue of loan.

4.4.3 Farmers' characteristics and uptake of bank loans

The study sought to establish the extent to which farmers' characteristics influence uptake of bank loans. The study findings are shown in table 4.6.

Table 9: Farmers' characteristics and uptake of bank loans

Farmers' characteristics		SD	D	N	A	SA	Total	Mean	Std.
Do you agree that level of education influence uptake of bank loan among small scale maize farmers?	F	0.0	6.0	0.0	146	99	251	4.35	0.609
	%	0.0	2.4	0.0	58.2	39.4	100.0		
Do you agree that age of a small scale farmer influence the uptake of bank loans?	F	1.0	15.0	0.0	126	109	251	4.30	0.787
	%	0.4	6.0	0.0	50.2	43.4	100.0		
Do you agree that age should not disadvantage small scale maize farmers in the uptake of bank loans?	F	1.0	10.0	0.0	113	127	251	4.41	0.729
	%	0.4	4.0	0.0	45.0	50.6	100.0		
Do you agree that one's denomination should not influence uptake of bank loans?	F	1.0	10.0	0.0	126	114	251	4.36	0.721
	%	0.4	4.0	0.0	50.2	45.4	100.0		
Do you agree that managerial aptitude of the small scale farmer influences the uptake of bank loans?	F	0.0	15.0	0.0	116	120	251	4.36	0.769
	%	0.0	6.0	0.0	46.2	47.8	100.0		

The study findings on table 4.6 showed that (Mean=4.35,Std Dev=0.609) respondents were of the opinion the level of education influence uptake of bank loan among small scale maize farmers. (Mean=4.30,Std Dev=0.787) respondents were of the opinion that age of a small scale farmer influence the uptake of bank loans. (Mean=4.41,Std Dev=0.729) respondents were of the opinion that age should not disadvantage small scale maize farmers in the uptake of bank loans. (Mean=4.36,Std Dev=0.721) respondents were of the opinion that one's denomination should not influence uptake of bank loans. And further (Mean=4.36,Std Dev=0.769) respondents were of the opinion that managerial aptitude of the small scale farmer influences the uptake of bank loans.

The study findings on farmers' characteristics revealed that age did not influence non participation in farming by small scale maize farmers in the uptake of bank loans since banks

considers age of a small scale farmer when giving out loans. There is a growing number of youths who are business oriented and they are ready to take up loans so that they can expand their business. Creditors in this regard are required to consider youths without job securities. Also farmer's characteristics which include large land size, high income and more educated farmers receive loans more easily because they have the security. Farmers' characteristics thus influence uptake of bank loans in Trans-Nzoia County.

These findings are supported by Dassah, Ulzen-Appiah and Bulley (1996) who illustrates the socio-economic characteristics of small scale maize farmers, more particularly, the way of life and the attitude of the rural farmer. These include Gender and Age structure which is viewed as an index of viability and sustainability in rural agriculture; Farmer's educational background which is considered to be a measure of attitude to farming; Farmer's occupational background which is seen as the determinant or attraction to farming vis-à-vis other occupations; Farm household composition and structure which indicate the farmer's responsibilities and financial commitments as well as the household component of farm labour; Ownership of land or farmer status which is seen as an index of the rights and obligations of the farmer in the use of land and resources.

4.4.4 Inferential statistics on farmers' characteristics and uptake of bank loans

Do you agree that farmers' characteristics influence uptake of bank loans?

Table 10: Inferential statistics on farmers' characteristics and uptake of bank loans

Response	Uptake of bank loans among small scale maize farmers				Total
	Disagree	Neutral	Agree	Strongly agree	
Disagree	1	4	1	0	6
Neutral	0	6	1	0	7
Agree	14	27	121	0	162
Strongly agree	1	4	31	40	76
Total	16	41	154	40	251

$\chi^2 = 147.969$, $df=9$ and $sig=0.000$

Table 4.7 presents Pearson's Chi-square value as 147.969; degree of freedom as 9 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. This implies that there was statistical significant influence between farmers' characteristics and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Small scale maize farmers had to meet bank requirements so as to get loan. Their age, credit worth status, employment status, marital status among others was characteristics that are checked. Characteristics of small scale maize farmers had impact because majority of the respondents agreed that banks use it to check if the small scale maize farmer meets the requirement to secure a loan.

4.4.5 Family governance structure and uptake of bank loans

The study sought to assess the extent to which family governance structure influence uptake of bank loans among small scale maize farmers in Kiminini Constituency. The study findings are shown in table 4.8.

Table 11: Family governance structure and uptake of bank loans

Family governance structure		SD	D	N	A	SA	Total	Mean	Std. Deviation
Do you agree that head of the nuclear family status influence the uptake of bank loans among small scale maize farmers?	F %	0.0 0.0	1 0.4	1 0.4	171 68.1	78 31.1	251 100.0	4.30	0.492
Do you agree that single parent family status influence the uptake of bank loan among small scale maize farmers?	F %	0.0 0.0	1 .4	0 0	103 41.0	147 58.6	251 100.0	4.58	0.519
Do you agree that extended family status influence the uptake of bank loans given that the risk is distributed?	F %	0.0 0.0	20 8.0	3 1.2	133 53.0	95 37.8	251 100.0	4.21	0.818
Do you agree that one's individual perceptions about family influence the uptake of bank loans?	F %	0.0 0.0	1 .4	1 .4	108 43.0	141 56.2	251 100.0	4.55	0.530
Do you agree that the size of the family influence the uptake of bank loans?	F %	0.0 0.0	5 2.0	0 0.0	171 68.1	75 29.9	251 100.0	4.26	0.559

The study findings in table 4.6 showed that (Mean=4.30,Std Dev=0.492) respondents were of the opinion head of the nuclear family status influence the uptake of bank loans among small scale maize farmers. Also, (Mean=4.58,Std Dev=0.519) respondents were of the opinion that single parent family status influence the uptake of bank loan among small scale maize farmers. (Mean=4.21,Std Dev=0.818) respondents were of the opinion that extended family status influence the uptake of bank loans given that the risk is distributed. (Mean=4.55,Std Dev=0.530) respondents were of the opinion that one's individual perceptions about family influence the uptake of bank loans. And (Mean=4.26,Std Dev=0.559) respondents were of the opinion that the size of the family influence the uptake of bank loans among small scale maize farmers.

The study findings on family governance revealed that single parent family status influence the uptake of bank loan among small scale maize farmers. Banks are focus to empower single parents and the less fortunate in the society. By transforming the lives of the many who are poor and self-dependent, then the economy can grow. Also the individual perceptions about family

influence the uptake of bank loans. The status of the each parent (father and mother) has got influence on loan uptake. This is because parents who have job as the security to guarantee loan repayment have a better status to enable access of loan. Further, findings of the interviewed credit officers mentioned that in the family governance structure; managers of the family business are in charge of loan crediting and debiting.

The findings are in line with FAO (2012) that mentioned that seeking financial support from a bank without proper knowledge of income, expenses, assessment of risks and being able to monitor one’s farm progress is a recipe for failure in money management. As more financial institutions are reaching down to low income market segments and advanced technology is creating more opportunities to small holder farmers a more holistic approach is needed for small-scale farmers to access and benefit from financial services.

4.4.6 Inferential statistics on family governance structure and uptake of bank loans

Do you agree that family governance structure influence uptake of bank loans?

Table 12: Inferential statistics on family governance structure and uptake of bank loans

Response	Uptake of bank loans among small scale maize farmers				Total
	Disagree	Neutral	Agree	Strongly agree	
Disagree	0	0	1	0	1
Neutral	0	4	0	0	4
Agree	16	35	136	7	194
Strongly agree	0	2	17	33	52
Total	16	41	154	40	251
$\chi^2 = 132.395, df=9$ and $sig=0.000$					

Table 4.9 presents Pearson’s Chi-square value as 132.395; degree of freedom as 9 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. This implies that there was statistical significant influence between family governance structure and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Family governance is challenged by the status of job security of both parents. When family members or an individual is employed and has impact over family property then banks can easily accept to offer loan.

Family governance either with single parent or extended family have got an influence because credit worth of the person to be charge and accountable for loans determines uptake of loans from the bank

4.4.7 Employment and uptake of bank loans

The study sought to determine how employment influence small scale maize farmers uptake of bank loans in Kiminini Constituency. The study findings are shown in table 4.10.

Table 13: Employment and uptake of bank loans

Employment		SD	D	N	A	SA	Total	Mean	Std. Deviation
Do you agree that alternative employment of a small scale farmer influence the uptake of bank loans?	F %	5.2	8.3	3.1	118.47.0	117.46.6	251.100.0	4.33	0.824
Do you agree that unemployment status of a small scale farmer influence the uptake of bank loans?	F %	5.2	10.4	0.0	141.56.2	95.37.8	251.100.0	4.24	0.814
Do you agree that a self-employment status of a small scale farmer influence the uptake of bank loans?	F %	5.2	10.4	0.0	141.56.2	95.37.8	251.100.0	4.37	0.887
Do you agree that multiple employment status of small scale maize farmers influence the uptake of bank loans?	F %	4.1	6.2	0.0	180.71.7	61.24.3	251.100.0	4.15	0.680
Do you agree that part-time employment status of a small scale farmer influence the uptake of bank loans?	F %	13.5	11.4	0.0	138.55.0	89.35.5	251.100.0	4.11	0.994

The study findings in table 4.10 revealed that (Mean=4.33,Std Dev=0.824) respondents were of the opinion that that alternative employment of a small scale farmer influence the uptake of bank loans. (Mean=4.24,Std Dev=0.814) respondents were of the opinion that unemployment status of a small scale farmer influence the uptake of bank loans. (Mean=4.37,Std Dev=0.887)

respondents were of the opinion that a self-employment status of a small scale farmer influence the uptake of bank loans. (Mean=4.15,Std Dev=0.680) respondents were of the opinion that multiple employment status of small scale maize farmers influence the uptake of bank loans. (Mean=4.11,Std Dev=0.994) respondents were of the opinion that part-time employment status of a small scale farmer influence the uptake of bank loans.

The study findings on occupation or employment status have revealed that the alternative employment of a small scale farmer influences the uptake of bank loans. Small scale maize farmers who have got multiple businesses that generate money have a better credit worth to loan. It is also noted that unemployment status of a small scale farmer influence the uptake of bank loans because farmers without employment cannot easily get loan unless they present a viable project that guarantees benefits. Further multiple employment status of small scale maize farmers influences the uptake of bank loans because it guarantees loan repayment. Finally, findings on interviewed credit officers revealed that farmer employment status influence uptake of bank loan small scale maize farmers in Trans Nzoia County because their income generation guarantees loan repayment. They could easily get access to loan.

Also FAO (2012) mentioned that seeking financial support from a bank without proper knowledge of income, expenses, assessment of risks and being able to monitor one's farm progress is a recipe for failure in money management. As more financial institutions are reaching down to low income market segments and advanced technology is creating more opportunities to small holder farmers a more holistic approach is needed for small-scale farmers to access and benefit from financial services.

4.4.8 Inferential statistics on employment and uptake of bank loans

Do you agree that Employment influence uptake of bank loans?

Table 14: Inferential statistics on employment and uptake of bank loans

Response	Uptake of bank loans among small scale maize farmers				Total
	Disagree	Neutral	Agree	Strongly agree	
Strongly disagree	0	2	2	0	4
Disagree	0	1	3	0	4
Neutral	11	3	19	0	33
Agree	5	23	126	34	188
Strongly agree	0	12	4	6	22
Total	16	41	154	40	251
$\chi^2 = 86.028, df=12$ and $sig=0.000$					

Table 4.11 presents Pearson's Chi-square value as 86.028; degree of freedom as 12 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. This implies that there was statistical significant influence between employment and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Employment secures loan repayment thus banks can easily accept to offer to farmers who are employed or have security as business. Both salaried and farmers with stable profitable operational business had higher chances of securing loan because their credit status is more convincing than farmers without either.

4.4.9 Cultural factors and uptake of bank loans

The study further sought to determine the cultural factors influencing the uptake of bank loans among small scale maize farmers in Kiminini Constituency. The study findings are as shown in table 4.12.

Table 15: Cultural factors and uptake of bank loans

Cultural factors		SD	D	N	A	SA	Total	Mean	Std. Deviation
Do you agree that community traditions influence uptake of bank loans?	F %	15 6.0	16 6.4	0 0	145 57.8	75 29.9	251 100.0	3.99	1.047
Do you agree that small scale maize farmers encounter language barriers in the uptake of bank loans?	F %	15 6.0	14 5.6	4 1.6	139 55.4	79 31.5	251 100.0	4.01	1.047
Do you agree that small scale maize farmers' society moral values influence the uptake of bank loans?	F %	18 7.2	13 5.2	0 0	148 59.0	72 28.7	251 100.0	3.97	1.069
Do you agree that a small scale farmer's political affiliation influence the uptake of bank loans?	F %	0 0	6 2.4	0 0	146 58.2	99 39.4	251 100.0	4.35	0.609
Do you agree that religion / denomination of a small scale farmer influence the uptake of bank loans?	F %	1 .4	15 6.0	0 0	126 50.2	109 43.4	251 100.0	4.30	0.787

The study findings on table 4.12 revealed that at (Mean=3.99,Std Dev=1.047) respondents were of the opinion that community traditions influence uptake of bank loans. (Mean=4.01,Std Dev=1.047) respondents were of the opinion that small scale maize farmers' encounter language barriers in the uptake of bank loans. (Mean=3.97,Std Dev=1.069) respondents were of the opinion that small scale maize farmers' society moral values influence the uptake of bank loans. (Mean=4.35,Std Dev=0.609) respondents were of the opinion that a small scale farmer's political affiliation influence the uptake of bank loans. And (Mean=4.30,Std Dev=0.787) respondents were of the opinion that religion / denomination of a small scale farmer influence the uptake of bank loans.

The study findings on cultural factors reveal that small scale farmer's political affiliation influences the uptake of bank loans. Political affiliation of individuals has significant influence

on loan uptake. Also small scale maize farmers' encounter language barriers in the uptake of bank loans; for example communicating with credit agencies.

The results were in line with Pasha, S. A. M., and Negese, T. (2014) who posited that 42% of yam farmers in Sene district are illiterates. More males (93%) are involved in yam farming than females (7%) and most of the farmers are married (91%). Also most of the yam farmers in the district have a family size of 6-10 households (66%) and 54% of them have 1-10 years of yam farming experience. Also, the results show that education, experience, profit, age, supervision and off-farm income have positive effects on loan repayment performance. Conversely, gender and marriage have negative effects on loan repayment while the effect of household size was found to be ambiguous.

4.4.10 Inferential statistics on cultural factors and uptake of bank loans

Do you agree that Employment influence uptake of bank loans?

Table 16: Inferential statistics on cultural factors and uptake of bank loans

Response	Uptake of bank loans among small scale maize farmers				Total
	Disagree	Neutral	Agree	Strongly agree	
Strongly disagree	0	0	0	0	0
Disagree	0	1	0	0	1
Neutral	2	5	21	0	27
Agree	2	25	89	65	181
Strongly agree	0	5	21	16	42
Total	4	36	130	81	251
$\chi^2 = 76.001, df=6$ and $sig=0.000$					

Table 4.12 presents Pearson's Chi-square value as 76.001; degree of freedom as 6 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. This implies that there was statistical significant influence between cultural factors and uptake of bank loans

among small scale maize farmers in Kiminini Constituency. Cultural factors like traditional norms, values and beliefs might expose small scale maize farmers to appreciate the importance of loan uptake through hard work to service it. Or limit use of loan with the fear of losing securities that are attached to the stated loan because of poor skills in managed loans mend for farming.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, RECOMMENDATIONS AND SUGGESTIONS

5.1 Introduction

Chapter five presents; summary of the findings for each objective (land ownership, Farmers' characteristics, family governance structure, employment and cultural factors that influence uptake of bank loans), conclusions, recommendations, suggestions.

5.2 Land ownership and uptake of bank loans

The study findings on land ownership influence revealed that 70.5% of the small scale maize farmers took their loan through collaterals and the remaining 29.5% of the small scale maize farmers took their loan independently. Also 40.2% of the small scale maize farmers were influenced by collaterals at smaller extent and the remaining 9.6% of the small scale maize farmers were not influenced by collateral. At (Mean=4.08, Std Dev=1.038) respondents concluded that land with title deeds influence uptake of loan to small scale maize farmers. Also, (Mean=4.14, Std Dev=0.966) respondents concluded that land without title deeds influence uptake of bank loans by small scale maize farmers. At (Mean=3.99, Std Dev=1.407) respondents concluded that a number of farmers without collateral do not access loans. At (Mean=4.01, Std Dev=1.407) respondents concluded that the experience of a small scale farmer influence uptake of loans and further (Mean=3.97, Std Dev=1.069) respondents concluded that those without collateral should be entitled to bank loans.

The Pearson's Chi-square value was 432.698; degree of freedom was 12 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. Thus there was statistical significant influence between land ownership and uptake of bank loans among small scale maize farmers in Kiminini Constituency. The study findings is supported by De Vijlder and Schoors (2018) who determined that local land and ownership rights were one of the most important factors in explaining why using title deeds as collateral is a barrier for farmers who seek loan from a formal financial institution. One thing that is often cited as an obstacle in uptake of bank loan with farmers is collateral requirements. Ownership of land is seen as an index of the rights and obligations of the farmer in the use of land and resources.

5.3 Farmers' characteristics and uptake of bank loans

The findings on farmers characteristics revealed that (Mean=4.35, Std Dev=0.609) of the respondents were of the opinion the level of education influence uptake of bank loan among small scale maize farmers. (Mean=4.30, Std Dev=0.787) of the respondents concluded that age of a small scale farmer influence the uptake of bank loans. (Mean=4.41, Std Dev=0.729) of the respondents concluded that age should not disadvantage small scale maize farmers in the uptake of bank loans. (Mean=4.36, Std Dev=0.721) of the respondents concluded that one's denomination should not influence uptake of bank loans. And further (Mean=4.36, Std Dev=0.769) of the respondents concluded that managerial aptitude of the small scale farmer influences the uptake of bank loans. The Pearson's Chi-square value was 147.969; degree of freedom was 9 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. Thus there was a statistical significant influence between farmers' characteristics and uptake of bank loans among small scale maize farmers in Kiminini Constituency.

5.4 Family governance structure and uptake of bank loans

The findings on family governance structure revealed that (Mean=4.30,Std Dev=0.492) of the respondents were of the opinion head of the nuclear family status influence the uptake of bank loans among small scale maize farmers. Also, (Mean=4.58,Std Dev=0.519) of the respondents concluded that single parent family status influence the uptake of bank loan among small scale maize farmers. (Mean=4.21,Std Dev=0.818) of the respondents concluded that extended family status influence the uptake of bank loans given that the risk is distributed. (Mean=4.55,Std Dev=0.530) of the respondents concluded that one's individual perceptions about family influence the uptake of bank loans. And (Mean=4.26,Std Dev=0.559) respondents concluded that the size of the family influence the uptake of bank loans among small scale maize farmers. The Pearson's Chi-square value was 132.395; degree of freedom was 9 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. Thus there was statistical significant influence between family governance structure and uptake of bank loans among small scale maize farmers in Kiminini Constituency. The study findings are in agreement with Van Holst *et al.*, (2018) who posits that Africa's family structure is still very traditional. There is the father and head of the house, the mother who manages the house, and then the children. Every member of the family has some function, at least, that is expected of him or her. Even until today, men are still considered the breadwinners of the family in most African cultures, even if the wife is equally gainfully employed and compensated. The well employed wife may assist in the financial needs of the family, but the husband is considered primarily responsible. The parents are expected to take care of the children until they are capable of leaving their parents and starting their own families.

5.5 Employment and uptake of bank loans

The findings on employment or occupation revealed that (Mean=4.33,Std Dev=0.824) of the respondents concluded that that alternative employment of a small scale farmer influence the uptake of bank loans. At (Mean=4.24,Std Dev=0.814) respondents concluded that unemployment status of a small scale farmer influence the uptake of bank loans. At (Mean=4.37,Std Dev=0.887) respondents concluded that a self-employment status of a small scale farmer influence the uptake of bank loans. At (Mean=4.15,Std Dev=0.680) respondents concluded that multiple employment status of small scale maize farmers influence the uptake of bank loans. And finally (Mean=4.11,Std Dev=0.994) respondents concluded that part-time employment status of a small scale farmer influence the uptake of bank loans. The Pearson's Chi-square value was 86.028; degree of freedom was 12 and a p-value of 0.000 was obtained. Since the $p < 0.05$, the study rejected the null hypotheses. There was statistical significant influence between employment and uptake of bank loans among small scale maize farmers in Kiminini Constituency.

The study findings agree with (Collier and Dercon, 2014) who found that farmer's occupational background is viewed as the determinant or fascination in cultivating versus different occupations. Smallholder ranchers have been seen to offer the most noteworthy work prospects predominantly to country South Africans. Notwithstanding, their maximum capacity has not been acknowledged because of absence of access to credit required for the buy ranch information sources and capital hardware. The issue has been exacerbated by lacking credit conveyance channels. Past investigations have demonstrated a decay of business bank offices in provincial territories. The principle reason frequently referred to by banks for not loaning to smallholder

ranchers is high default hazard, vulnerability and hazard inborn in horticultural generation and showcasing.

5.6 Cultural factors and Uptake of Bank Loans

The study findings on cultural factors revealed that at (Mean=3.99, Std Dev=1.047) respondents concluded that community traditions influence uptake of bank loans. (Mean=4.01, Std Dev=1.047) respondents concluded that small scale maize farmers' encounter language barriers in the uptake of bank loans. (Mean=3.97, Std Dev=1.069) respondents concluded that small scale maize farmers' society moral values influence the uptake of bank loans. (Mean=4.35, Std Dev=0.609) respondents concluded that a small scale farmer's political affiliation influence the uptake of bank loans. And (Mean=4.30, Std Dev=0.787) respondents concluded that religion / denomination of a small scale farmer influence the uptake of bank loans.

The examination discoveries are in concurrence with Olila (2014) who opines that family unit earnings just as sex of the family unit were the principle elements influencing rancher cooperation in getting to bank credit. The FAO report expresses that "ranchers and their families are individuals from the general public in which they live. In any general public there are solid weights on its individuals to carry on in specific ways. For the ranchers, a portion of these weights will originate from inside. In all social orders there are acknowledged methods for getting things done and these ways are legitimately identified with the way of life of the general public. Ranchers' frames of mind and wants are impacted by their general public's way of life.

5.7 Conclusions

The study concluded that there was statistical significant influence between land ownership and uptake of bank loans among small scale maize farmers in Kiminini Constituency because small scale maize farmers with title deeds can use them as the collaterals in uptake of bank loan. Also there was a statistical significant influence between farmers' characteristics and uptake of bank loans because small scale maize farmers with income and large tracks of land can easily secure bank loans. Also there was statistical significant influence between family governance structure and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Finally, there was statistical significant influence between employment and uptake of bank loans among small scale maize farmers in Kiminini Constituency. Individuals who are employed or secured an occupation easily access the loan. Also small scale maize farmers' characteristics influence the uptake of bank loans; for example age, marital status and employment status.

5.8 Recommendations for policy and practice

The study recommends to the County Assembly of Trans Nzoia County to allocate more funds to the local people especially men aged 50 years who are farming and funding that will be given as the incentives to motivate them. This will encourage self-employment as well as a source of income to the local jobless youths and women. As far as the youths get employed they also contribute to the Gross Domestic product index of our economy.

5.9 Suggestions for Further Research

From the study finding, a suggestion on further research should be done on effects of cultural factors that influence uptake of bank loans by small scale maize farmers. The moral values,

beliefs and norms are factors that greatly influence decision making on economic activities in the society.

The study also suggests that influence of family status on uptake of bank loans by small scale maize farmers need to be researched. This will help banks in educating families on the use and importance of growing their economic status.

The study also suggests further study to be narrowed on the effects of employment constraints that influence uptake of bank loan. Finally, another study can be done on the challenges faced by small scale maize farmers in repayment of banks loans and their economic status.

5.10 Contribution to the Body of Knowledge

Farmers who owned lands and had their title deeds could easily access loan because they could use their title deeds as the collaterals to secure loan. On the family structure banks are encouraging the youths, single parents and the disadvantaged groups of the society to come up with viable ideas that can help them secure loan for farming or business activities that can change their economic status.

The size of the family influence the uptake of bank loans among small scale maize farmers; nuclear families have an advantage of labour force compared to the single parent families. Large labour force can help in accomplishing tasks and generate more income.

Unemployment status of a small scale farmer influences the uptake of bank loans because farmers without employment cannot easily get loan unless they present a viable project that guarantees profitability. Further multiple employment status of small scale maize farmers influences the uptake of bank loans because it guarantees loan repayment.

Finally, socio-cultural factors reveal that small scale farmer's political affiliation influences the uptake of bank loans. Good political leadership encourages small scale maize farmers to develop their economic status through enactment of sound agricultural policies. This enables the bank to offer wide range of flexible loan packages to the small scale maize farmers' e.g. dairy, farm inputs, poultry, and horticulture e.t.c.

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APPENDICES

APPENDIX I: LETTER TO RESPONDENTS

**Hezekiah Bunde Obanda,
University of Nairobi,
P.O Box 30197-0100,
Nairobi**

Dear respondent,

RE: PARTICIPATION IN RESEARCH.

My name is Hezekiah Bunde Obanda, an MA Project Planning and Management degree student at the University of Nairobi, Kitale Extra Mural Centre. I am currently undertaking a research project as part of the requirement for the course.

I would like to request you to participate in this study by responding to items in the Questionnaire. The research is meant to explore Social economic factors influencing the uptake of bank loans among small scale maize farmers in Kiminini Constituency, Trans Nzoia County, Kenya. (Please note that the study is specifically for learning purposes, all the information given was treated with due confidentiality).

Sincerely,

Hezekiah Bunde Obanda

Tel. 0721202370 or 0720132069

APPENDIX II: QUESTIONNAIRE FOR SMALL SCALE MAIZE FARMERS

Instructions:

The schedule consists of Part I and Part II. Part I consist of section A which is the demographic Information and was intended to verify the respondent's details while Part II consist of section B to F which was based on the research objectives.

PART I

SECTION A: Demographic Information

1. Gender of the Small Scale farmer

Male () female ()

2. What is your education level?

Primary level and below () secondary () post-secondary ()

3. What is your experience in small scale farming?

1-5yrs () 5-10yrs () 10-15yrs () over 15yrs ()

4. Indicate your age category

Below 18yrs () 18-25yrs () 26-35yrs () 36-45yrs () 46-50yrs () above 50yrs ()

5. What is your output per season?

Below 5 bags () 5-10 bags () 10-15 bags () 15-20 bags () above 20 bags ()

6. Indicate the size of your land under small scale farming

Under 1 acre () 1-2 acres () 2-4 acres () 4-6 acres () above 6 acres ()

PART II

SECTION B: Land ownership and uptake of bank loans among small scale maize farmers

- 1) Answer the question by indicating their levels of agreement or disagreement using 5 point likert scale where Strongly Agree(SA), Agree(A), Neutral(N), Disagree (D) and Strongly Disagree (SD).

Statements	SA	A	N	D	SD
Do you agree that land with title deeds influence uptake of loan to small scale maize farmers?					
Does land without title deeds influence uptake of bank loans by small scale maize farmers?					
Do you agree that a number of farmers without collateral do not access loans?					
Do you agree that experience of a small scale farmer influence uptake of loans?					
Do you agree that those without collateral should be entitled to bank loans?					

- 2) Does number of farmers with collateral influence the uptake of bank loan among small scale maize farmers?

Yes [] No []

- 3) Rank the number of farmers with collateral to the extent it influences the uptake of bank loan to small scale maize farmers using 3 point likert scale where Large Extent (LE), Small Extent (SE) and Does Not Influence (DNI)

LA SE DNI
[] [] []

SECTION C: Small scale farmer’s characteristics and uptake of bank loans among small scale maize farmers

- 4) Answer the question by indicating their levels of agreement or disagreement using 5 point likert scale where Strongly Agree(SA), Agree(A), Neutral(N), Disagree (D) and Strongly Disagree (SD).

Statements	SA	A	N	D	SD
Do you agree that level of education influence uptake of bank loan among small scale maize farmers?					
Do you agree that age of a small scale farmer influence the uptake of bank loans?					
Do you agree that age should not disadvantage small scale maize farmers in the uptake of bank loans?					
Do you agree that one’s denomination should not influence uptake of bank loans?					
Do you agree that managerial aptitude of the small scale farmer influences the uptake of bank loans?					

SECTION D: Farmers family governance structure and uptake of bank loans among small scale maize farmers

5) Answer the question by indicating their levels of agreement or disagreement using 5 point likert scale where Strongly Agree(SA), Agree(A), Neutral(N), Disagree (D) and Strongly Disagree (SD).

Statements	SA	A	N	D	SD
Do you agree that head of the nuclear family status influence the uptake of bank loans among small scale maize farmers?					
Do you agree that single parent family status influence the uptake of bank loan among small scale maize farmers?					
Do you agree that extended family status influence the uptake of bank loans given that the risk is distributed?					
Do you agree that one's individual perceptions about family influence the uptake of bank loans?					
Do you agree that the size of the family influence the uptake of bank loans among small scale maize farmers?					

SECTION E: Occupation and uptake of bank loans among small scale maize farmers

- 6) Answer the question by indicating their levels of agreement or disagreement using 5 point likert scale where Strongly Agree(SA), Agree(A), Neutral(N), Disagree (D) and Strongly Disagree (SD).

Statements	SA	A	N	D	SD
Do you agree that alternative employment of a small scale farmer influence the uptake of bank loans?					
Do you agree that unemployment status of a small scale farmer influence the uptake of bank loans?					
Do you agree that a self-employment status of a small scale farmer influence the uptake of bank loans?					
Do you agree that multiple employment status of small scale maize farmers influence the uptake of bank loans?					
Do you agree that part-time employment status of a small scale farmer influence the uptake of bank loans?					

SECTION F: Social cultural factors and uptake of bank loans among small scale maize farmers

7) Answer the question by indicating their levels of agreement or disagreement using 5 point likert scale where Strongly Agree(SA), Agree(A), Neutral(N), Disagree (D) and Strongly Disagree (SD).

Statements	SA	A	N	D	SD
Do you agree that community traditions influence uptake of bank loans?					
Do you agree those small scale maize farmers' encounter language barriers in the uptake of bank loans?					
Do you agree that small scale maize farmers' society moral values influence the uptake of bank loans?					
Do you agree that a small scale farmer's political affiliation influence the uptake of bank loans?					
Do you agree that religion / denomination of a small scale farmer influence the uptake of bank loans?					

APPENDIX III: INTERVIEW GUIDE FOR BANK OFFICERS

SECTION A: Profile

1. For how long have you worked in your current position?
2. To what extent do you handle loan facilities for small scale maize farmers?

SECTION B

3. How does the fact that a small scale farmer has land title deed influence uptake of bank loans in Trans-Nzoia County?
4. How do farmers' characteristics influence uptake of bank loans in Trans-Nzoia County?
5. To what extent does family governance structure influence uptake of bank loan among small scale maize farmers in Trans-Nzoia County?
6. How does a farmer employment status influence uptake of bank loan small scale maize farmers in Trans Nzoia County?
7. To what extent does cultural factors influence uptake of bank loans among small scale maize farmers in Trans-Nzoia County?

APPENDIX IV: RESEARCH PERMIT

THIS IS TO CERTIFY THAT:

MR. HEZEKIAH BUNDE OBANDA
of UNIVERSITY OF NAIROBI, 4380-30200
KITALE, has been permitted to conduct
research in Transzoia County

Permit No : NACOSTI/P/19/63289/30392

Date Of Issue : 29th May,2019

Fee Received :Ksh 1000

on the topic: SOCIAL ECONOMIC
FACTORS INFLUENCING UPTAKE OF
BANK LOANS AMONG SMALL SCALE
FARMERS IN KIMININI CONSTITUENCY,
TRANS-NZOIA COUNTY, KENYA

for the period ending:
23rd May,2020


Applicant's
Signature




Director General
National Commission for Science,
Technology & Innovation

THE SCIENCE, TECHNOLOGY AND **INNOVATION ACT, 2013**

The Grant of Research Licenses is guided by the Science,
Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS

- 1. The License is valid for the proposed research, location and specified period.**
- 2. The License and any rights thereunder are non-transferable.**
- 3. The Licensee shall inform the County Governor before commencement of the research.**
- 4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.**
- 5. The License does not give authority to transfer research materials.**
- 6. NACOSTI may monitor and evaluate the licensed research project.**
- 7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.**
- 8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.**

National Commission for Science, Technology and innovation
P.O. Box 30623 - 00100, Nairobi, Kenya

TEL: 020 400 7000, 0713 788787, 0735 404245

Email: dg@nacosti.go.ke, registry@nacosti.go.ke

Website: www.nacosti.go.ke



REPUBLIC OF KENYA



National Commission for Science,
Technology and Innovation
RESEARCH LICENSE

Serial No.A- 25059

CONDITIONS: see back page

**APPENDIX V : NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND
INNOVATION**



**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

Telephone: +254-20-2213471,
2241349, 3310571, 2219420
Fax: +254-20-318245, 318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/19/63289/30392**

Date: **29th May, 2019.**


Hezekiah Bunde Obanda
University of Nairobi
P.O Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Social economic factors influencing uptake of Bank loans among small scale farmers in Kiminini Constituency, Trans-Nzoia County, Kenya.”* I am pleased to inform you that you have been authorized to undertake research in **Trans Nzoia County** for the period ending **23rd May, 2020.**

You are advised to report to **the County Commissioner and the County Director of Education, Trans Nzoia County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:
The County Commissioner
Trans Nzoia County.

The County Director of Education
Trans Nzoia County.