

NEW PUBLICATION

Utilisation of Digital Financial Services Among Smallholder Farmers in North Central Nigeria

Why Digital Finance Isn't Solving Financial Inclusion for Farmers

AUTHOR

Dr. Marcus O. Ogunfolaju

Resident Senior Research Fellow, CISD

PUBLISHED

23 July 2026

Open Access

WHY THIS RESEARCH MATTERS

Nigeria has invested heavily in digital finance. However, farmers still struggle to access credit, save, and grow their businesses

What exactly is digital finance solving?

This study uncovers what is really happening on the ground.

MULTI-STAGE SAMPLING

NORTH CENTRAL NIGERIA

812

Smallholder farmers

28 Cells • 15 Blocks • 6 ADP Zones • 3 States.

NIGER | KOGI | KWARA

The First Surprise

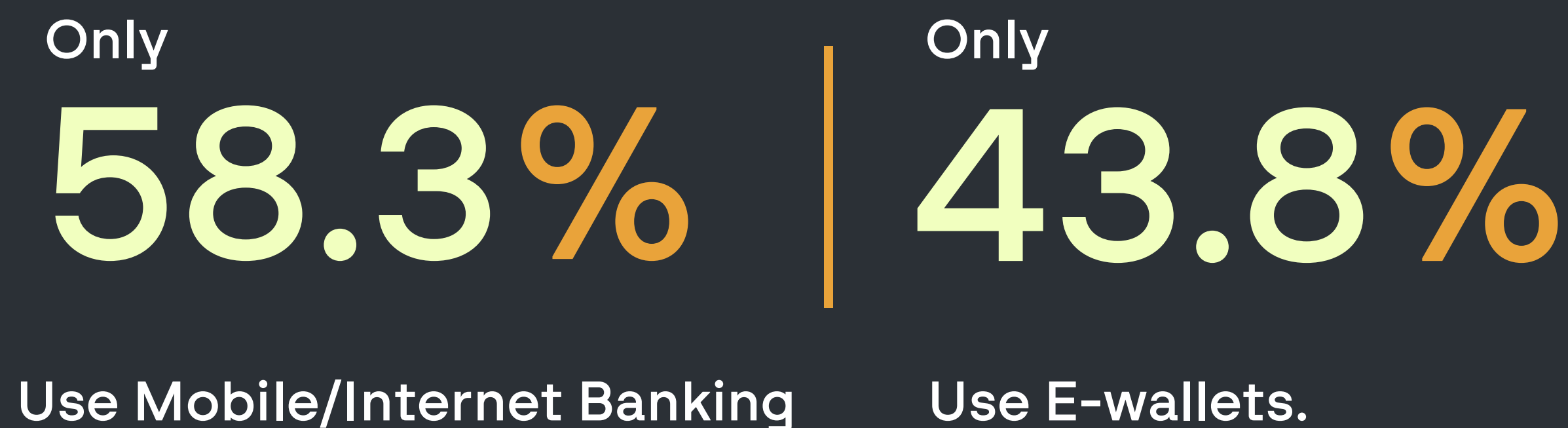
90.4%

of farmers already use POS.

Almost the same proportion use ATMs.

Digital finance is not new to rural Nigeria.

BUT THE DEEPER TOOLS ARE MISSING



Most farmers are using digital finance...
but only at the surface level.

USE PATTERN

What farmers actually use digital finance for

Highest Use

Paying for farm inputs

Checking account balances

Receiving payments

Lowest Use

Loans

Paying farm workers

Bills



Digital finance supports transactions...
not financial growth.

THE BIGGEST **BARRIERS** AREN'T WHAT YOU THINK

The biggest problem isn't ~~cost~~.
It is reliability.

Top constraints

01 *Transaction failures*

02 *Fear of sending money to the wrong account*

03 *Poor network access*

Confidence—not availability—is holding adoption back.

THE PARADOX

The farmers who use digital finance the most , also report the most problems.

The research found a positive relationship between usage and constraints.

Why?

Because active users experience the system's failures firsthand.

THE FINDINGS POLICY MAKERS NEED TO HEAR

**Digital financial inclusion isn't just
about ~~opening more accounts~~**

**It is about making digital finance
reliable enough that people trust it.**

FROM EVIDENCE TO ACTION

What needs to Change?

- 01 *Improve rural network coverage.*
 - 02 *Reduce transaction failures.*
 - 03 *Strengthen digital financial literacy.*
 - 04 *Build trust by addressing fraud concerns.*
-

CISD FELLOWS PROGRAMME

INAUGURAL RESIDENT FELLOW



RESIDENT SENIOR RESEARCH FELLOW

Dr. Marcus Ogunfolaju

Leading CISD'S research agenda on rural livelihoods, smallholder economies, and evidence-based food system policy for Nigeria

Download the *Complete Study* Explore Evidence

Share with someone working in agriculture or financial inclusion.

Follow CISO for research that explains what the data really means.



Scan to read more

CISDNIGERIA.ORG