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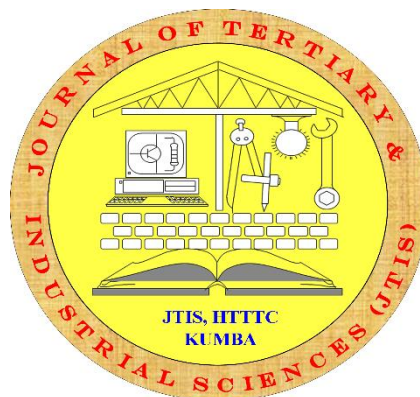
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The contributions of microfinance institutions in the promotion of agribusinesses. Case of NTACCUL in Kumba Municipality

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Abstract

The study examined the contribution of microfinance institutions to the promotion of agribusinesses in Kumba. The study adopted a mixed research approach involving both quantitative and qualitative methods. Primary quantitative and qualitative data were collected through questionnaires and interview guide respectively. Quantitative data were analysed using the Statistical Package for Social Sciences (SPSS), where descriptive statistics such as frequencies and percentages as well as regression analysis were employed. Qualitative data were analysed using thematic analysis. The findings of the study revealed that microfinance loans have a positive and statistically significant effect on the promotion of agribusinesses in Kumba Municipality with a coefficient value of 0.650 and a significance level of 0.000, which is less than 0.05. The findings also revealed that microfinance training has a positive and statistically significant effect on agribusiness promotion with a coefficient value of 0.421 and a significance level of 0.003, which is equally less than 0.05. Furthermore, the regression model was statistically significant with an F-statistic value of 48.215 and a significance value of 0.000. The model summary revealed an R Square value of 0.709, indicating that 70.9% of the variation in agribusiness promotion was explained by microfinance loans and training, while 29.1% was explained by other factors not included in the study. The qualitative findings further identified loan default, lack of collateral, high interest rates, limited financial resources, agricultural risks and poor monitoring of borrowers as the major challenges faced by microfinance institutions in promoting agribusinesses in Kumba Municipality. The study concluded that microfinance institutions play a significant role in promoting agribusinesses in Kumba Municipality through the provision of loans and training services. However, their effectiveness is constrained by several operational and financial challenges. The study therefore recommended that microfinance institutions should strengthen monitoring and supervision mechanism to ensure that loans granted to borrowers are probably utilize for agricultural purposes in Kumba Municipality.

Keywords: Microfinance institutions, Agribusinesses, Loans, Training, Savings, Agribusiness Promotion

1. Introduction

Agribusiness plays a critical role in the economic development of many developing countries. It combines agricultural production with business process, including input supply, processing, marketing and distribution. In Sub-Saharan Africa, and particularly in Cameroon, agriculture remains the backbone of livelihoods. It employs a large portion of the population and contributes significantly to Gross Domestic Product (GDP) and export earnings. However, agribusiness in many rural and semi-urban areas struggles with challenges such as lack of access to affordable credit, poor infrastructure, and seasonal income fluctuations and risks related to weather and market volatility (Armendariz & Morduch, 2010).

Microfinance institutions (MFIs) have emerged over the past few decades as key players attempting to fill the financing gap for small farm holders and entrepreneurs. They provide small loans, savings products, insurance, sometime advisory services, and input supply linkages, which are often inaccessible through conventional banks (Ledgerwood, 1999). In many cases, microfinance services have shown to increase farm productivity, reduced post-harvest losses and enable better access to markets by helping farmers invest in better seeds, fertilizers, tools, or small-scale machinery (Cull et al., 2018).

In Cameroon, MFIs such as AzICCUL have expanded financial inclusion by offering tailored financial products to rural and peri-urban populations. In Cameroon, recent studies underscore the persistent financing constraints limiting agricultural transformation. Kumba municipality, situated in the South West Region of Cameroon is one of the leading agrarian hubs of the country, with cocoa, palm oil, cassava, and plantains production being dominant activities. According to the Cameroon Economic and Financial Outlook (2023), many small farm holders are unable to access loans due to strict collateral requirements and high interest rate. A reports from the Ministry of Agriculture (2021) highlights that's around 70% of rural farmers' relay on informal financial sources (friends, cooperatives, credit unions) because formal loans are often beyond their reach or inaccessible in remote areas.

The contributions of MFIs in this regard are significant. Beyond providing loans, they support agribusiness through financial literacy programs, savings mobilization, and loan recovery strategies tailored to seasonal farming cycles. As noted by Morduch (1999), the ability of microfinance to reduce the vulnerability and enhance resilience makes it a powerful instrument for promoting sustainable agribusiness. In Kumba, MFIs have been instrumental in financing smallholder cocoa farmers, women cooperative and youth-led agricultural ventures, thereby stimulating local employment and household income.

Kumba, being a commercial and agricultural hub in the South West Region, exhibits the same patterns. Many farmers locally depend on microfinance services from institutions such as Azire Cooperative Credit Union (AziCCUL) for funding inputs, purchasing fertilizers, seeds and transporting produce to the markets. From internship observation I noted that some agribusiness operators in Kumba face delays in obtaining loans, pay high fees, or need to navigate complex paperwork- factors which reduced the potential positive impact of microfinance. These gaps raise important questions about the extent to which MFIs are effectively promoting agribusiness in Kumba municipality.

Also, microfinance institutions themselves face several challenges such as loan default, lack of collateral and limited financial resources, which affect their ability to effectively support agribusiness development.

Therefore, this study seeks to examine the contributions of microfinance institutions in the promotion of agribusiness in Kumba municipality.

The Southwest Region is known for its agricultural capacities. Despite this enormous potential, food items are still very expensive. Kumba is known as one of the agricultural hubs in the South West region of Cameroon. Agribusinesses play a vital role in promoting food production, employment creation and income generation within Kumba. They

contribute significantly to the livelihoods of many households and support the local economy through farming, livestock production, food processing and agricultural marketing activities. Despite the importance of agribusinesses in the municipality, many agribusiness operators continue to face several challenges that limit productivity, business expansion and income generation.

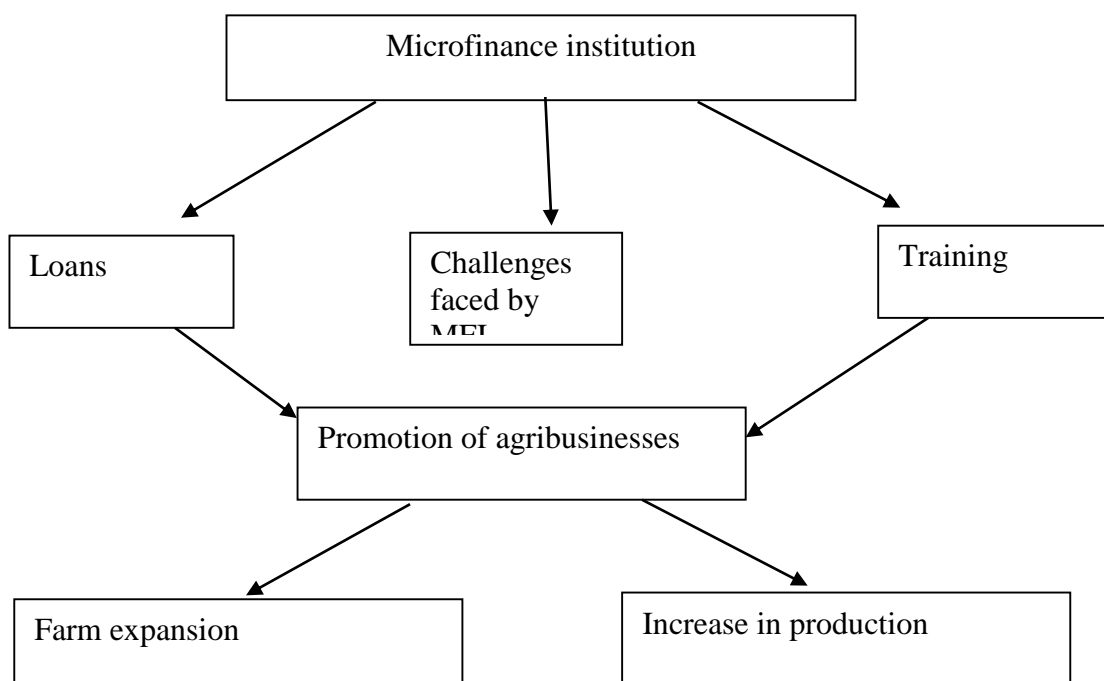
One of the major problems confronting agribusiness operators in Kumba Municipality is inadequate access to finance. Many farmers and small-scale agribusiness owners lack sufficient capital to purchase improved seeds, fertilizers, chemicals, farm equipment and other agricultural inputs necessary to increase their productivity. Also, many agribusiness operators lack adequate managerial and technical skills needed for effective farm management, financial planning and modern agricultural practices. As a result, many of them continue to operate on a small scale with low output and limited profitability.

Paradoxically, the city of Kumba has many financial institutions, including banks and microfinances such as AFRI land first bank, SCB, AzICCUL, NtaCCUL which can provide loans and training services to support farmers and agribusiness operators. However, despite the increasing presence of microfinance institutions in Kumba Municipality, many agribusiness operators still complain of inadequate loan amounts, high interest rates and insufficient training support. Consequently, many agribusinesses continue to experience poor growth and low productivity. Furthermore, microfinance institutions themselves face several operational challenges such as loan default, lack of collateral, agricultural risks and limited financial resources, which affect their ability to adequately support agribusiness operators. These challenges raise concerns as to whether microfinance institutions are effectively contributing to the promotion of agribusinesses in Kumba Municipality, raising the question: What is the contribution of microfinance institutions in the promotion of agribusinesses in Kumba?

2. Literature Review

2.1 Conceptual framework

Figure 1: conceptual review



Source: Field work, 2026

2.1.1 The concept of microfinance institutions

Microfinance institution is defined as an organization/institution established with the goal of providing financial service to people with low income who do not have large collateral security to get financial services from conventional commercial banks (Kasaana & Fidel, 2015). Micro finance services include micro credit (small loans), micro savings, insurance, and sometimes advisory/ training support. The aim of this financial institution is to empower poor and marginalized groups to engage in productive economic activities, accumulate assets, manage risks, and improve their livelihoods (Yunus, 1999). Microfinance institutions have become a vital tool in promoting inclusive economic growth by promoting financial and non-financial services to low-income individuals, farmers, and entrepreneurs who lack access to formal banking systems (Ledgerwood, 2013). In agrarian communities such as Kumba municipality, the contributions of microfinance institutions in providing agricultural loans, capacity building, and financial literacy training plays a significant role in enhancing the productivity and sustainability of agribusiness enterprises (Obisesan et al., 2019).

MFIs are financial organizations established to provide financial services such as credit, savings, insurance, and training to low-income individuals who are excluded from the formal banking sector (Robinson, 2001). According to Morduch (2010), MFIs aim to enhance financial inclusion by supporting micro-entrepreneurs and small farm holders to improve their productivity and living standards.

Microfinance plays a critical role in poverty reduction and rural development through the provision of small-scale financial services tailored to meet the needs of micro and small enterprises. Schreiner and Colombert (2001) describe microfinance as a tool for building assets, generating income, and risk among low-income earners. These institutions operate under different models such as credit unions, village banks, savings and credit cooperatives, and non-governmental micro-finance programs, each design to serve specific community needs (Annim, 2012).

In many developing countries including Cameroon, MFIs has evolved to become key players in financing agricultural sectors, particularly by supporting agribusiness ventures through agricultural loans, training initiatives (Tchakoute-Tchuigoua, 2010). By providing access to credit and financial literacy programs, MFIs help farmers adopt improved agricultural technologies and practices, leading to increased productivity and food security (Obisesan et al., 2019).

Classifications of Microfinance Institutions

Microfinance institutions can be classified based on ownership structure, operational scope, and the range of financial services they are authorized to provide. In the context of the Central Africa sub- region particularly Cameroon, the classification of microfinance is guided by the banking commission of central Africa (COBAC) regulation R-2002/01 of 13 April 2002. This regulation establishes three main categories of microfinance institutions (COBAC, 2002).

Category 1: MFIs collecting savings only from their members

These are cooperative-type institutions or credit unions that operate on mutual basis. They collect and grant loans exclusively to their members. Their activities are limited to the internal membership structure and they do not operate for public deposit-taking. Examples include local credit unions village savings and loan associations (Nembo, 2010). There is no stipulated capital for category one institutions, instead COBAC text requires the capital to be sufficient to cover and meet up with the stipulated prudential norms (Fotabong, 2012).

Category 2: microfinance collecting savings from the public and granting loans

These MFIs have the authorization to collect savings from the general public and grants loans to both members and non-members. They operate almost like microfinance banks but under microfinance regulatory frameworks for example express union finance, CCA and 1st Trust S.A. They usually have more capital requirements, professional management, and stronger governance structure than category 1 institutions (Kipesha, 2013). The minimum capital for category two institutions as stipulated by the COBAC text is 50 million FCFA. Proof of this amount must be shown in the form of the bank statement from any of the commercial banks.

Category 3: MFIs providing credit without collecting savings

It is made up lending institutions that do not collect savings and deposits. They include micro credit and project financing institutions (NGOs). The minimum capital of this institution is 25million FCFA. This amount must be paid in full and evidence shown in the form of bank statement from a commercial bank as at the time of application for accreditation examples includes ACEP Cameroon, NGO-based microcredit programs (Fotabong, 2012)

Services Offered by Microfinance Institutions

Microfinance institutions provide wide range of financial and non-financial services aimed at enhancing the economic well-being of low-income individuals, micro-entrepreneur, and small businesses that are often excluded from formal banking systems (Ledgerwood, 2013). The services they offer have evolved from traditional microcredit to a broader set of financial solutions tailored to meet the diverse needs of their clients.

Financial services

Financial services represent the core activities of MFIs and include a range of products such as loans, savings, insurance, and leasing activities.

Loans: the primary service offered by MFIs is the provision of credit to individuals and small enterprises. These loans are design to finance micro and small-scale businesses, agricultural activities, or household needs (Cull et al., 2018). According to Casaburi (2024), MFIs provide different types of agricultural loans including group agricultural loans and individual agricultural loans.

Savings and deposits: in addition to credit, MFIs also provide savings products, allowing clients to deposit money securely and earn interest. Savings services help clients manage irregular income, prepare for emergencies, and accumulate funds for future investment (Ledgerwood, 2013). Deposit mobilization has become an essential function, particularly for category 1 and category 2 MFIs that operate under COBAC supervision.

Micro-insurance products: this protects farmers from weather-related shocks and losses. Churchill and Matul (2022) observe that such risk-management instruments strengthen the resilience of agricultural enterprises against unforeseen events such as droughts and pest outbreaks.

Digital financial services (DFS): recent developments have introduced digital financial services such as mobile banking and e-wallet payments which allow rural farmers to access credit, make payments, and repay loans without physical contact. World Bank (2023) notes that digital platforms are transforming rural finances by reducing transaction costs and improving efficiency in agricultural loan delivery.

Non- financial services

Beyond credit provision, MFIs also deliver non-financial services that enhance the impact of financial assistance. These include training, technical support, market facilitation, and business advisory services. Gracia (2022) refers to this as the “credit-plus” model, where financial products are combined with training to ensure effective loan utilization and improved productivity.

Training: training is another major way MFIs contributes to agribusiness. Beyond loans, they organized workshops, seminars, and mentoring sessions on financial literacy, record-keeping, farm management and marketing strategies. As noted by Nwosu et al. (2014), training improves farmers’ managerial and entrepreneurial skills, enhancing the efficiency of agribusiness operations. In Kumba municipality, credit unions like NtaCCUL and AziCCul have collaborated to train farmers on the “5Cs of credit” which are: **Character:** Assessing the borrower’s honesty, reliability, and past credit behaviour, **Capacity:** Evaluating the borrower’s ability to repay the loan, based on income and cash flow, **Capital:** Considering the borrower’s owned investment or savings, which reflects commitments to the projects or loan, **Collateral:** Determining whether there are assets pledged that can secure then loan in case of default, **Condition:** Examining the purpose of the loan and external factors, such as age (from 70years and above cannot be granted loan), market conditions or business risks, that may affect repayment,

These 5Cs helps both loan officers and borrowers in assessing agricultural investments prudently.

Types of training offered by MFIs

Microfinance institutions (MFIs) provide both financial and financial services, among which training is essential to ensuring the effective use of credit and the sustainability of agribusiness enterprises. According to Nama et al. (2023), the GERME program in Cameroon combined agricultural and managerial training, demonstrating that training participants achieved higher productivity and profitability. MFIs offer four major categories of training which includes: **financial literacy training:** Farmers are taught how to manage credit, savings, and investments. This help to reduce loan default because farmers learn repayment discipline, **technical agricultural training which** focuses on improved farming techniques for example modern poultry housing, piggery management, and cocoa spraying

methods. **group dynamics and cooperative training** for those taking group loans, microfinance institutions train members on leadership, teamwork, and peer monitoring, **agribusiness management training** which covers planning, budgeting, record keeping, and marketing strategies. This encourages farmers to see agriculture as a business venture, not just subsistence.

2.2.2 The Concept of agribusiness promotion

The term agribusiness regroups two key words, notably agriculture and business. Agriculture is the set of activities that use land and other natural resources to produce food, fibre and animal product that can be used for direct consumption (self-consumption) or for sale, either as food or as input to the manufacturing industry. On the other hand, the business represents an organized systematized human activity that involves the manufacturing of goods and provision of services, aiming to earn profit or benefits (Ngoran et al., 2023).

The food and agriculture organization (FAO, 2017) defines agribusiness as the collective business activities perform from farm input supply, production processing, and marketing to the distribution of food and fibre products. This definition emphasizes that agribusiness is not limited to farming alone but includes all sectors and processes along the agricultural value chain.

Furthermore, according to Aremu and Adeyemi (2011), agribusiness can be viewed as the commercialization of agriculture- the transformation of subsistence farming into market-oriented production. It involves integrating agriculture with industry, trade, and services to create economic value and employment opportunities.

Agribusiness refers to all business activities involved in the production, processing, and distribution of agricultural products (Davis & Goldberg, 1957). According to Porter and Kramer (2011), agribusiness encompasses a wide range of economic activities that link farmers, inputs suppliers, processors, marketers, and consumers in an integrated value chain. It includes both small-scale and large-scale enterprises that engage in farming, agro-processing, storage, transportation, and marketing of agricultural goods.

Types of Agribusinesses

Agribusiness can be classified based on the stage of the agricultural value chain in which they operate. According to Van der Vorst et al. (2011), agribusinesses form an integrated system that connects input suppliers, producers, processors, and marketers to deliver agricultural products to consumers. Each type of agribusiness plays a unique role in enhancing food production, value addition, and rural employment.

Input supply agribusiness: these include firms or individuals involved in providing agricultural inputs such as seeds, fertilizers, pesticides, animal feed, and equipment. According to Oladele (2011), input supplies business ensures that farmers have timely access to quality inputs that improve productivity and yield. In Cameroon, examples include agro-dealer shops and cooperative input distribution centres supported by microfinance institutions.

Production agribusiness: these are the core farming enterprises that produce crops and livestock for consumption or for sale. They include individual farmers, farmers' groups, and cooperative farms. As noted by Chukwuji (2016), production agribusiness is the foundation of agricultural value chain because it determines the quantity and the quality of output

available for processing and marketing. In Kumba municipality, such activities include cocoa farming, poultry production, pig rearing, and vegetable cultivation.

Processing agribusinesses: processing agribusinesses add value to raw agricultural commodities by transforming them into consumable or marketable forms. For instance, cocoa beans are processed into cocoa butter and chocolate, and cassava is turned into garri or flour. According to Adebayo (2012), agro-processing industries create jobs, reduce post-harvest losses, and increase farmers' income by enhancing the market value of agricultural products.

Marketing and distribution agribusinesses: these involve the collection, transportation, storage, and sale of agricultural goods. Marketing agribusiness link producers with consumers and help stabilize prices through efficient market system. As Mhlanga (2010) observed, the efficiency of marketing agribusiness determines how profitable agricultural production is, particularly for smallholders' farmers.

Support service agribusinesses: these include organizations and institutions that provide non-financial services such as training, advisory support, research, and credit facilities to farmers and agripreneurs. Microfinance institutions (MFIs), non-governmental organizations (NGOs), and agricultural extension services fall under this category. They are essential for building farmers' capacity, ensuring access to finance, and fostering sustainable agribusiness growth (Kisaka & Simiyu, 2015).

3. Research Methodology

This study adopts a descriptive and exploratory research design. The descriptive design will enable the researcher to obtain detailed information on how microfinance institutions contribute to agribusiness promotion, while the exploratory approach helps to gain deeper insight into the relationship between microfinance services (such as loans and training) and agribusiness growth. The study population consisted of agribusinesses in Kumba Municipality. The target population of the study comprises all agribusinesses within Kumba municipality that have received support from microfinance institutions (MFIs) and the accessible population includes: farmers, managers, and agribusiness owners who benefited from microfinance services, as well as staff members selected through purposive sampling technique based on the knowledge of the researcher to get the required information from the sample population. The sample size is 100.

The questionnaire was used to collect data from agribusinesses. These data were analysed using the mathematical and statistical approaches with the help of Statistical Package for Social Sciences (SPSS 2022 version).

Specification of the model

The model used in this study is the empirical model design to examine the contributions of microfinance institutions to the promotion of agribusiness in Kumba municipality. The model is specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where: Y = Promotion of agribusiness, β_0 = Constant term, representing other factors influencing agribusinesses promotion not captured in the model, $\beta_1, \beta_2, \beta_3$ = coefficient of the independent variables, X_1 = loan granting, X_2 = Training, X_3 = challenges, ε = Error term (captures all other variables not included in the model but affecting agribusiness promotion)

A priori expectations:

$\beta_1 > 0 \rightarrow$ A positive relationship is expected between loan granting and agribusiness promotion

$\beta_2 > 0 \rightarrow$ A relationship is also expected between training and agribusiness promotion.

$\beta_3 < 0 \rightarrow$ A negative relationship is expected between the challenges face by MFIs and the promotion of agribusiness.

4. Results

4.1 Descriptive Statistics

Table 1: The effect of microfinance loans on the promotion of agribusinesses in Kumba municipality

Specific objective 1	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
The loan I obtained from MFI helped me to purchase my seed	0	0	0	57	43
percentage	0	0	0	57%	43%
The loan I obtained helped me to purchase chemicals	0	0		28	72
Valid percentage	0	0		28%	72%
The loan enabled me to expand the size of my farm	0	0		37	63
percentage				37%	63%
Helped me to improve my agricultural productivity	0	0	0	19	81
percentage	0	0	0	19%	81%

Source: field survey (2026)

From the table, the majority of respondents strongly agreed that microfinance loans play a significant role in promoting agribusiness activities in Kumba Municipality.

Regarding the purchase of seeds, 43% of respondents strongly agreed while 57% agreed that loans obtained from microfinance institutions helped them purchase seeds. There were no cases of disagreement, indicating a strong consensus that access to credit facilitates input acquisition.

Concerning the purchase of chemicals, 72% strongly agreed and 28% agreed. This suggests that respondents acknowledge the importance of loans in purchasing farm chemicals and fertilizers.

With respect to farm expansion, 63% strongly agreed, and 37% agreed that loans enabled them to expand the size of their farms. This implies that microfinance loans significantly contribute to business expansion for a majority of farmers.

Finally, 81% strongly agreed and 19% agreed that loans improved their agricultural productivity, with no recorded disagreement. This reflects a very strong perception that microfinance loans directly enhance farm output.

Overall, the findings demonstrate that microfinance loans significantly contribute to input purchase, farm expansion, cost management, productivity improvement, and market participation in Kumba Municipality. The absence of disagreement across all items further confirms the positive role of microfinance loans in promoting agribusiness in the study area.

Table 2: The effect of microfinance training on the promotion of agribusinesses in Kumba municipality.

Specific objective 2	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Training helped me to better select the right seed for my farm	0	0	0	21	79
Percentage	0	0	0	21%	79%
Improve my knowledge on modern farming techniques	0	0	0	37	63
percentage	0	0	0	37%	63%
Training helped me to identify and better managed risk	0	0		24	76
Percentage	0	0	0	24%	76%
Training helped me improve pest and disease control	0	0	0	21	79
Percentage			0	21%	79%

Source: field survey (2026)

From the table above, the majority of respondents strongly agreed that microfinance training plays a significant role in promoting agribusiness in Kumba Municipality.

Regarding better seed selection, 79% of respondents strongly agreed and 21% agreed that training helped them select the right seeds for their farms. This suggests that training enhances farmers' decision-making capacity in selecting appropriate farm inputs.

Concerning improvement in knowledge of modern farming techniques, 63% strongly agreed and 37% agreed. This indicates that microfinance training has significantly enhanced farmers' technical knowledge and adoption of modern agricultural practices.

Similarly, 76% strongly agreed and 24% agreed that training helped them identify and better manage risks. This demonstrates that training strengthens farmers' ability to anticipate and manage agricultural uncertainties.

Regarding pest and disease control, 80% agreed and 20% strongly agreed that training improved their pest and disease management practices. This shows that training contributes substantially to improved farm management techniques.

Overall, the findings reveal that microfinance training has a positive and significant influence on knowledge acquisition, productivity improvement, risk management, networking, and farm management practices among agribusiness operators in Kumba Municipality. The absence of disagreement across the items further reinforces the importance of training in promoting agribusiness activities in the study area.

4.2 Regression analysis

Regression analysis was conducted to examine the effect of microfinance loans and microfinance training on the promotion of agribusinesses in Kumba Municipality.

Table 3: Regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820 ^a	.75	.71140	0.000

Source: field survey (2026)

The model summary revealed a correlation coefficient (R) of 0.842, indicating a strong positive relationship between the independent variables (microfinance loans and microfinance training) and the dependent variable (promotion of agribusinesses). The coefficient of determination (R Square) was 0.709, implying that 70.9% of the variation in the promotion of agribusinesses in Kumba Municipality is explained by microfinance loans and microfinance training, while the remaining 29.1% is explained by other factors not included in the model.

Furthermore, the Adjusted R Square of 0.703 indicates that after adjusting for the number of predictors in the model, approximately 70.3% of the variation in agribusiness promotion is still explained by the independent variables. The Standard Error of Estimate of 0.842 shows that the model predictions are reasonably accurate.

This therefore implies that microfinance loans and training play an important role in promoting agribusinesses in Kumba Municipality.

Table 4: Anova

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145.672	2	72	48.215	.000 ^b
	Residual	54.348	97	0.560		
	Total	200.00	99			

a. Dependent Variable: PROMOTION OF AGRIBUSINESS

b. Predictors: (Constant), MICROFINANCE TRAINING, MICROFINANCE LOAN

Source: field survey (2026)

The ANOVA table was used to determine whether the regression model was statistically significant. The findings revealed an F-statistic value of 48.215 with a significance value of 0.000. Since the significance value (0.000) is less than 0.05, the regression model is statistically significant.

This indicates that microfinance loans and microfinance training jointly have a significant effect on the promotion of agribusinesses in Kumba Municipality. Therefore, the model is suitable for explaining the relationship between the variables under study.

Table 10: coefficient

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.114	0.681		-3.102	.0002
	MICROFINANCE LOAN	0.65	.0066	0.701	9.842	.000
	MICROFINANCE TRAINING	0.421	0.088	0.398	4.763	0.003

a. Dependent Variable: PROMOTION OF AGRIBUSINESS

Source: field survey (2026)

The coefficients table was used to examine the individual contribution of each independent variable to the promotion of agribusinesses.

The constant value was -2.114 with a significance value of 0.002. This implies that when microfinance loans and microfinance training are held constant, the promotion of agribusinesses decreases by 2.114 units.

The findings further revealed that microfinance loans had a coefficient value (B) of 0.650, a standard error of 0.066, a beta value of 0.701, a t-value of 9.842 and a significance value of 0.000. Since the significance value is less than 0.05, microfinance loans have a positive and statistically significant effect on the promotion of agribusinesses in Kumba Municipality. This implies that an increase in access to microfinance loans leads to improvement in agribusiness activities such as expansion of farms, purchase of farm inputs, transportation of produce and increased agricultural productivity. Therefore, the null hypothesis was rejected and the alternative hypothesis accepted.

The findings also showed that microfinance training had a coefficient value (B) of 0.421, a standard error of 0.088, a beta coefficient of 0.398, a t-value of 4.763 and a significance value of 0.003. Since the significance value is less than 0.05, microfinance training has a positive and statistically significant effect on the promotion of agribusinesses in Kumba Municipality. This implies that training provided by microfinance institutions improves the managerial, financial and technical skills of agribusiness owners, thereby enhancing

business performance and productivity. Therefore, the null hypothesis was rejected and the alternative hypothesis accepted.

Therefore, the coefficients table shows that both microfinance loans and training positively and significantly affect agribusiness promotion, with loans having the strongest contribution.

5. Discussion, Conclusion and Recommendations

5.1 Discussion of Findings

Effect of Microfinance Loans on the Promotion of Agribusinesses in Kumba Municipality

The findings of the study revealed that microfinance loans have a positive and statistically significant effect on the promotion of agribusinesses in Kumba Municipality. The regression results showed that microfinance loans had a coefficient value of 0.650 and a significance value of 0.000, which is less than the 0.05 level of significance. This implies that increased access to microfinance loans significantly improves agribusiness activities in Kumba Municipality.

The descriptive findings equally revealed that the majority of respondents strongly agreed and agreed that microfinance loans help agribusiness operators to purchase farm inputs, expand farm size, improve productivity and increase income levels. This therefore indicates that access to credit remains an important factor influencing agribusiness development in Kumba municipality.

The findings of this study are consistent with the work of Ledgerwood (2020), who stated that access to microfinance credit enhances agricultural productivity and promotes the growth of small-scale agribusinesses by enabling farmers to invest in productive activities. Similarly, Armendáriz and Morduch (2021) observed that microfinance loans improve the financial capacity of farmers and contribute significantly to rural economic development.

Furthermore, the findings are in line with the study carried out by Karlan and Zinman (2020), who revealed that access to microfinance services positively affects business expansion, income generation and employment creation among small business operators. The implication of these findings is that microfinance loans constitute a major source of financial support necessary for agribusiness promotion in Kumba Municipality.

However, despite the positive contribution of microfinance loans, some respondents indicated that access to loans is still constrained by factors such as high interest rates and collateral requirements. This suggests that although microfinance institutions contribute to agribusiness development, there is still a need to improve accessibility and affordability of financial services to agribusiness operators.

Overall, the study concludes that microfinance loans play a significant role in promoting agribusinesses in Kumba Municipality through increased access to capital, expansion of business activities, and improvement in agricultural productivity.

Effect of Microfinance Training on the Promotion of Agribusinesses in Kumba Municipality

The findings of the study revealed that microfinance training has a positive and statistically significant effect on the promotion of agribusinesses in Kumba Municipality. The regression results showed that microfinance training had a coefficient value of 0.421 and a significance value of 0.003, which is less than the 0.05 level of significance. This implies that training provided by microfinance institutions contributes positively to agribusiness development in Kumba Municipality.

The descriptive findings further revealed that a majority of respondents agreed that training programs organized by microfinance institutions improve their managerial abilities, financial management skills and business performance. The respondents equally indicated that training enhances their knowledge in areas such as record keeping, budgeting, loan management and business planning.

The findings are supported by the work of Robinson (2021), who argued that training programs provided by microfinance institutions enhance entrepreneurial capacity and improve business sustainability among small-scale business operators. In the same vein, Yunus (2020) emphasized that training equips beneficiaries with the necessary skills required for efficient management of businesses and productive utilization of loans.

Similarly, Brau and Woller (2022) revealed that business training improves productivity and increases the efficiency of small business operators, thereby contributing to business growth and development. These findings therefore suggest that microfinance training plays an important role in enhancing the managerial and technical capacity of agribusiness operators in Kumba Municipality.

Despite the positive effect of training, some respondents noted that training programs are not frequently organized and sometimes lack practical orientation. This limits the ability of beneficiaries to fully apply the acquired knowledge in their agribusiness activities.

Overall, the findings indicate that microfinance training contributes positively to agribusiness promotion by improving business skills, managerial competence and operational efficiency among agribusiness operators in Kumba Municipality.

Implications of the study

Managerial implications: this study will enable agribusiness owners to discover and benefit from loans and training from MFIs to increase not only their productivity, but also the quality of their product and even the management of their business.

Empirical implications: this study is a great contribution to science as it will open a new sphere of research in agribusinesses and MFIs.

Recommendations

Based on the findings of the study, the following recommendations were made:

Microfinance institutions should increase access to affordable loans for agribusiness operators in order to improve agricultural productivity and business expansion.

Interest rates charged on agricultural loans should be reduced to encourage more farmers and agribusiness operators to access credit facilities.

Microfinance institutions should organize regular and practical training programs aimed at improving the managerial and technical skills of agribusiness operators.

Government should support microfinance institutions through subsidies and agricultural financing schemes in order to strengthen their financial capacity.

Agribusiness operators should be educated on proper loan utilization and repayment in order to reduce loan default rates.

Microfinance institutions should strengthen monitoring and supervision mechanisms to ensure that loans are used for the intended agricultural purposes.

Suggestions for Further Studies

Future researchers should examine the contribution of digital financial services to agribusiness development in Cameroon.

Further studies can also investigate the role of government agricultural policies in enhancing access to microfinance services among farmers.

In addition, future studies may expand the scope of research to other municipalities and regions in order to make broader generalizations on the contribution of microfinance institutions to agribusiness promotion in Cameroon.

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