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Determinants Influencing Small Farmers Credit Accessibility and utilization in Tanzania: A Case of Dodoma Region

James Daniel Chindengwike
Lecturer of the Finance, Accounting and Economics Departement, Faculty of Commerce and Business Studies, St. John's University of Tanzania, Dodoma, Tanzania

ORCIDs:
James Daniel Chindengwike : https://orcid.org/0000-0002-1717-8759
Corresponding author : chindengwikejames@gmail.com

ABSTRACT

The agricultural industry employs more than 65% of Tanzanian workers and has a major economic impact. This study assesses the variables affecting small farmers' access to and utilisation of loans in Tanzania's Dodoma region. Additionally, the study uses a mixed research approach to integrate or combine qualitative and quantitative data. The research used a cross-sectional survey research methodology. The total number of grape growers in the sample was 342. For the inquiry, primary data was selected. Age, education, bank interest rate and term of payment regression coefficients are 0.877, 0.821, 9.22 and 3.821 with P-values of 0.001, 0.005, 0.005 and 0.005, respectively. This means that all the variables are statistically significant. The research discovered that Tanzanian farmers' utilization to funding is affected by bank interest rates, terms of payment, age, and education. The study recommends that development banks collaborate with the government, take the time to fully comprehend the macroeconomics of the nation in which they operate, control operating costs, and establish a stable source of income in order to successfully extend credit to underfinanced areas or sectors where other commercial banks would not.
Keywords: Farmers, Credit, Accessibility, Tanzania

INTRODUCTION

Over 65% of Tanzanians work in agriculture, which is critical to the country's economic success. However, there has been minimal study on how to obtain finance from national development banks (Ullah et al., 2024). More over 65% of Tanzanians work in agriculture, which has a significant effect on the nation's growth of economic. However, there has been little study on how to obtain funds from national development banks (Ullah et al., 2024). Encouraging agriculture is critical to the country's economic growth. In most developing nations, agriculture generates more than 86% of rural income. Large investments in a single industry, however, involve a variety of risks, and financial access to the agricultural sector remains severely constrained, particularly for small-holder farmers (Kiros and Meshesha, 202). Though global agricultural output has increased by 2.4% per year over the last two decades, this is inconsequential when more than 780 million people remain chronically hungry (Adigun, 2022). According to the International Fund for Agricultural Development, "availability to credit for farmers engaged in farming tasks is presumptuous growing significance in numerous quantities of the world as an organised reply to the wants of numerous businesspersons with incomplete money base." The monetary assistance intended to ease or minimise the drain on smallholder agriculturalists and farming in overall cannot be overstated, since it gives farmers access to better agricultural chemicals, agricultural instruments, and all inputs and variables utilised in production. Ensuring that farmers, especially those with little resources, have access to finance promotes their growth in the fields. Most African countries, including Tanzania, rely heavily on smallholder farmers to drive their economies. According to Mulume et al. (2022), smallholder farmers produce more than 90% of total output. If this group of farmers receives assistance, particularly in terms of financial accessibility, they have the ability to greatly enhance the national microeconomic situation.

Haryanto et al. (2023) states that "the outdated influences for the delivery of farming credits is that extra money can momentarily improve the equal of people's original and physical wealth". Nevertheless, the government of Tanzania has launched a number of programs to help the country's agricultural development. In order to boost agriculture and improve the lives of rural farmers, the government has experimented with numerous funding programs, most of which are heavily subsidised, as well as targeted lending packages. TIC (Tanzania Investment Bank), one of Tanzania's growth Banks, was formally created in 1970 with the mission of promoting commercial growth in the nation. Furthermore, notwithstanding the establishment of the TIB, there remained financial deficits in

the agriculture division, prompting the government to found TADB- Tanzania Agriculture Development Bank in 2012. Insufficient agricultural backing has been a main interference to the sector, particularly for agriculturalists and groups, resulting in limited access to basic financial services (Taremwa et al., 2022). Furthermore, one of the most significant barriers to agricultural transformation in Tanzania is the ongoing availability of funds to national development banks such as TIB Development Bank and TADB (Chindengwike, 2025). The inability to obtain financial support has primarily been attributed to one of the causes impeding or impeding the agricultural sector's expansion. Smallholder grapevine farmers in Tanzania have limited access to financing from financial institutions, leaving them with few options for meeting critical demands that fuel their agricultural operations.

Although there is a large body of research on the determinants of smallholder farmers' access to credit in East Africa, most studies have focused on traditional predictors such as collateral ownership, household income, education, farm size, and proximity to financial institutions, often treating these factors as broadly applicable across different contexts. As a result, there is little data on how these drivers interact in specific institutional and socioeconomic contexts, particularly in understudied local settings where credit markets, policy implementation, and financial inclusion programs differ significantly. This study fills that gap by using context-specific empirical evidence and a rigorous multivariate approach to determine the relative impact of household, institutional, and market-related factors on the chance of obtaining formal credit.

The economic and traditional financial environment of Dodoma remains unchanged, with many smallholder farmers relying on informal financial systems before obtaining credit from conventional banking institutions. In many rural communities, indigenous savings and lending arrangements such as Rotating Savings and Credit Associations (ROSCAs), Village Savings and Loan Associations (VSLAs), accumulated savings and credit associations (ASCAs), and locally organised community savings groups known as VIKOBA play an important role in mobilising capital, smoothing household consumption, and financing agricultural activities. These methods are usually based on trust, social networks, and flexible payback terms, making them more accessible than conventional banks, which sometimes need collateral, substantial documentation, and official credit records.

While informal systems provide an important financial safety net, they often offer small loan amounts and may not match the capital requirements for productivity-enhancing investments or farm growth. As a result, many farmers finally seek formal loans, but they face challenges such as collateral requirements, transaction costs, financial literacy, and institutional procedures. Placing formal credit access within this broader continuum of indigenous and community-based financial practices reveals that smallholders' borrowing decisions are influenced not only by banking constraints but also by existing informal financial ecosystems, providing a more comprehensive foundation for investigating the determinants of formal credit access in Dodoma.

The presence of risks and uncertainties in agricultural operations has repeatedly been identified as a source of financial constraints for these businesses. The scenario might be derived from the Dodoma region, where grapevine farmers are having difficulty acquiring agricultural financing to address a number of challenges that arise during the production process cycle (Chindengwike, 2026). This circumstance prompts the researcher to investigate why Tanzanian agriculturalists have limited availability to development credit of bank to expand the agricultural activity. According to the International Monetary Fund Country Report, Tanzania's financial industry has undergone considerable structural reform since the 2003 FSAP. Private financing has fuelled the rapid growth of financial sector assets. Nonetheless, the financial industry is small and inefficient, and access to finance is severely constrained. One of the challenges that smallholder farmers face in agriculture is a lack of financial access, which contributes significantly to agricultural stagnation. Kyire et al., (2025), revealed that "Notwithstanding of numerous problems opposite farming sector monetary convenience comprised, the sector has still been recognized as the important sector for growth particularly in revenue cohort and job formation which brands the sector being recognized as the mainstay of the greatest frugalities counting Tanzania". Others researchers stressed the role of national development banks in economic change, while others absorbed on the problems that banks confront when lending to agriculturalists. The investigator's goal with this study is to look at the issues that restrict smallholder grapevine producers' financial accessibility. The study reveals superfluous elements, such as the criteria used by Tanzanian national development

banks to issue loans to smallholder farmers. The study recommends measures to expand smallholder farmers' financial access to these TADB and TIC.

Objective of the Study

1. To Investigate the effect of age on farmer's credit accessibility in Tanzania
2. To Investigate the effect of education on farmer's credit accessibility in Tanzania.
3. To Investigate the effect of bank interest rate on farmer's credit accessibility in Tanzania.
4. To Investigate the effect of terms of payment on farmer's credit accessibility in Tanzania.

Literature Review

The economic impact and financial importance of banking institutions have been extensively studied in the economic theory literature. Many empirical studies have conclusively shown that banking institutions have a considerable impact on economic growth and development via financial intermediation. In other countries, multiple studies have been conducted to address the issue of assisting smallholder farmers through various sources of financing, including lending from financial institutions. Khan and Kim (2025) commented on it, having performed research on the elements that influence credit accessibility. The study employed the bivariate probity model to estimate the chance that corporate farms would take loan from commercial banks if they could also get credit from rural credit partnerships, as well as to explain the elements influencing this choice. "The key variables that determine whether an agricultural enterprise will be given credit are farm size, farm productivity, and collateral. The analysis also indicated that the reward from obtaining bank credit is modest and inversely proportional to the chance of credit.

The fundamental goal of empirical research is to develop and collect as much data as possible to back up the findings. As with any research endeavour, evidence collection is the foundation of the study, determining and moulding the evidence gathered. Khan and Kim (2025), working on the question "What do Development Banks do?" The study looks at data from Brazil from 2002 to 2009 to see if these development banks are a valuable tool for reducing capital constraints in tight credit markets and unleashing productive projects, or if they exist purely for cheap loans and political links. The paper examines these contrasting opinions using World Bank loan and equity distribution data from 2002 to 2009. The study revealed, using fixed effect regressions, that bank allocations do not appear to alter firm-level cost of capital due to government lending subsidies. The research went on to explore how bank capital is dispersed. Based on this, the Bank picks firms with both excellent operational success and political linkages (as assessed by campaign donations to winning politicians).

The investigation revealed little evidence that the World Bank often bailed out businesses; hence, the Bank typically chooses corporations that can repay their loans, just as conventional commercial banks would. Ambler et al.'s (2025) study "Development Banks and Their Role in Facilitating Economic Growth Case Study of Kazakhstan" attempted to investigate the relationship between development funding and economic growth at the industrial, regional, and intra-regional levels. The econometric approaches were employed in conjunction with a huge amount of data and statistics to generate new interpretations or generalise the previously existing theory, allowing the researcher to examine the links between economic growth and increasing finance in the proposed study. The question of whether finance and growth development in Kazakhstan's transition economy have a positive or causal relationship is being investigated further.

Ambler et al., (2025) discovered that "the majority of farmers had access to finance," with cooperatives serving as the principal source of credit for families. The logistic model results revealed significant determinants of credit accessibility as gender, age, main occupation, participation in off-farm activities, membership in farmers' associations, and crop yield; and a high rate of poverty among cassava farming households was revealed, with 66.7% of households being poor, while households with limited credit access had higher poverty rates." Ambler et al., (2025) studied the Abura area in Ghana's central region to determine the factors that restrict or promote smallholder farmers' access to formal finance. 100 prior credit applicants from five towns in the Abura Asebu Kwamankese area were chosen, and the quantitative data was evaluated using descriptive statistics and a binary logistic model.

The likelihood of a small holder obtaining formal credit increased by a factor of 601.09, 371.40, and 10.98 for savings habits, extension contact, and education level, respectively, with 35% of sampled farmers having access to formal credit. Ambler et al. (2025) evaluated the factors that influence smallholder farmers' access to finance sources

in the Capricorn District Municipality of Limpopo Province, South Africa. The study comprised 250 smallholder farmers from the research region who were selected using a stratified sample technique and the logistic regression model. The model discovered that the following criteria significantly contributed to credit availability: the demand for credit, attitude toward risk, distance between lender and borrower, perception of loan repayment, assessment of lending processes, and overall asset value." Ambler et al., (2025) found that "43.1% of the sampled farm households were formal credit users, whereas the remaining 56.9% were non-users," and that credit access to female-headed households remains limited. Group lending was determined to be a strategy that addresses the issue of collateral requirements while lowering the risk of default. Furthermore, the smaller loan size, earlier savings need, and payback duration were important considerations."

He furthermore discovered that "participation in extension package programs, experience in credit use from formal sources, total cultivated land size, number of livestock, collateral or group formation were highly vital in influencing access to formal credit use as evidenced by the model output". The question of where farmers get financial support if not from the two development banks can be seen in the previous section on microfinance institutions. In Tanzania, there are a number of microfinance institutions that operate under their own conditions, which sometimes differ from other organisations due to the environment or nature of the operation area, particularly rural to urban areas. Most smallholder grapevine producers recommend a variety of tactics, and the majority of them continue to cultivate in the same sites. Some of the strategies mentioned include SACCOS and borrowing from friends and relatives. According to Ambler et al., (2025), "the origin of the credit concept stems from the necessity to break the vicious circle of low capital formation"; the image below expands on the concept.

Figure.1 The Vicious Circle of low capital formation (Heidhues & Schrieder, 1999)

RESEARCH METHOD

The study uses a mixed research approach to integrate or combine qualitative and quantitave data. The research used a cross-sectional survey research methodology. The study used simple random sampling to select the sample size. The total number of grape growers in the sample was 360. For the inquiry, primary data was selected

Model Specification

According to Mulume Bonnke *et al.,* (2022), the Binary Logistic Regression Model include the response variable which is *categorical* ("Access or not access") and nature of the questions should be 5 Likert scale. The general form as follows:

$Y = \beta_0 + \sum \beta_i X_i + \mu_i$ ……..*(i)*

where $i = 0, 1,2,3$ ……..*(ii)*

Y= Number of farmers who can assess financial services ; $\beta 0$*=Constant term;* μ*= Error Term*

Expressed by

$Y = \beta 0 + \beta_1(X1)_i + \beta_3(X2)_i + \beta_6(X3)_i + \beta_7(X4)_i + \mu \ldots\ldots\ldots\ldots\ldots (iii)$

Whereas;

Y= Farmers, $\beta 0$=Constant term; X1= Age; X2=Education; X3=Bank interest rate; X4=Terms of payment; μ= Stochastic Tern

$Y = \beta 0 + \beta_1(X1)_i + \beta_3(X2)_i + \beta_6(X3)_i + \beta_7(X4)_i + \mu \ldots\ldots\ldots\ldots\ldots (iv)$

Y= Credit accessibility and utilizatio, $\beta 0$=Constant term; X1= Age; X2=Education; X3=Bank interest rate; X4=Terms of payment; μ= Stochastic Tern

RESULTS AND DISCUSSION

Determinants influencing farmers' credit availability.

The research objective was to evaluate monetary convenience to farmers, and a variety of factors were found. Hypotheses were created to determine whether there is a link between variables.

1. Age

The concept was that "earlier smallgossip agriculturalists have advanced admission to bank credit than older agriculturalists," and that their eagerness and aptitude to study new agricultural approaches and knowledge would help them secure bank funding.

Table 1 Age descriptive on financial accessibility

Sn	Age	Obs	Mean	Std Dev	Min	Max
1	18to 30	342	0.321	.345	1	2
2	30 – 42	342	0.541	.892	1	2
3	42 – 54	342	0.321	.678	1	2
4	54+	342	0.832	.414	1	2

Research data: 2026

The mean of 0.239 indicates that the majority of farmers aged 42 - 54 have access to funding from these financial institutions.

Table 2. Marginal Impact on agriculturalists

Variable	Farmers			
	Low	Decreasing	Moderate	High
Age				
30 – 42	0.071	0.0413	-0.221*	-0.0111
	(1.0321)	(1123)	(1.0231)	(1.0211)
42 – 54	-1.234	1.221**	-1.212**	1.0563
	(1.333)	(1.0231)	(1.0111)	(1.0213)
54 +	-1.0214	1.0341	-1.321*	1.341**
	(1.0211)	(0.0239)	(1.122	(1.0222)

Research data: 2026

Existence between the ages of 42 and 54 reduces the likelihood of accessing financial services by 13% compared to being between the ages of 18 and 30. Additionally, being between the ages of 30 and 42 reduces the likelihood of accessing moderate financial services by 12% compared to being between the ages of 18 and 30.Being between the ages of 42 and 54 reduces the likelihood of retrieving reasonable monetary facilities by 14.5% compared to being between the ages of 18 and 30. Additionally, being over the age of 54 reduces the likelihood of retrieving reasonable monetary services by 13.5% compared to being between the ages of 18 and 30.

Being 54 years or older boosts the likelihood of receiving high-quality financial services by 14.7% compared to being 18 to 30 years old. According to Mulume Bonnke et al. (2022), the applicant's age influences his or her ability to obtain credit. The fact that financial organisations or loaning organizations give facilities to small-scale

farmers benefits the middle-aged groups who are still active and productive. Mulume Bonnke et al., (2022) contend that Middle Ages clusters are thought to be more disciplined in allocating credit to scheduled farming operations, making it easier for them to get credit than younger and older groups.

2. Education

The research philosophy was that "small holder scuttlebutt agriculturalists with a high level of education have more admission to loan than those with less or no education at all," and that more education leads to small holder farmers with managerial skills, which improves their chances of repaying loans and having a good credit recovery history. According to the table, the majority of farmers are in the Diploma and Degree batches, with a mean of 0.181 for Diploma and 0.181 for Degree level education, whereas those with primary school had 0.242.

Table 3: Educations level

SN	Education of Farmer	Obs	Mean.	Std Dev.	Min	Max
1.	None	342	1.189	1.392	1	2
2.	Primary	342	1.242	1.429	1	2
3.	Secondary	342	1.208	1.407	1	2
4.	Diploma	342	1.181	1.385	1	2
5.	Degree	342	1.181	1.385	1	2

Source; Research data, 2026

Financial services are reduced compared to those who are strongly opposed. Supporters of farmer education are 13% additional probable to have admission to high-quality financial services than those who are firmly opposed. Mulume Bonnke et al., (2022) revealed that a small holder farmer's education level not only boosts farm output but also improves their capacity to evaluate and accept new farming and production technology. Furthermore, Mulume Bonnke et al., (2022) found that having an advanced education is one of the requirements for acquiring official praise from formal financial organisations that provide microcredit to individuals.

Table 4 Tables on farmers Education

Items	Number of Agriculturalists			
	Low	Decreasing	Moderate	High
Education Level				
Disagree	1.0121	-1.23***	1.0744	1.116
	(1.111	(1.06433)	(1.0796)	(1.0707)
Neutral	1.1231	-1.0421	-1.0313	-1.0274
	(1.0344)	(1.0233)	(1.0776)	(1.0596)
Agree	1.00431	-1.0223	-1.0592	1.133**
	(1.0213)	(1.0231)	(1.0716)	(1.0656)
Strongly agree	1.0222	-1.0211	1.0217	-1.0113
	(1.0211)	(1.02323)	(1.0777)	(1.0609)

Source: Research data, 2026

3. Bank Interest rate

In this regard, it was hypothesised that if the rate rose, small-scale grapevine growers would have less options to secure bank funding. According to Mulume Bonnke et al. (2022), credit facilities are accompanied by interest costs, which lenders charge borrowers for using a specific amount of credit. Lenders subscribe to the interest rate that borrowers are compelled to pay before entering into a credit arrangement.

Table 5. Interest rate of bank

Item	Number of Agriculturalists			
	Low	Decreasing	Moderate	High
Interest Rate of Bank				
Disagree	-2.7683	1.165**	-1.0345	-1.0677
	(1.0758)	(2.0686)	(1.0786)	(1.989)
Neutral	-1.1119	2.0346	-1.0728	1.0501
	(0.0799)	(2.0647)	(1.0808)	(1.9099)
Agree	-1.0984	2.115*	-1.0356	0.1222
	(2.111)	(2.0697)	(1.0813)	(1.111)
Strongly agree	-2.2777	-0.0166	-1.0447	1.108
	2.0728)	(2.0542)	(1.0772)	(1.888)

Research Data: 2026

Persons who affect with bank interest rates are 176.5% more probable to seek lower-cost monetary facilities than persons who powerfully disagree. Persons who agree with bank interest rates are 11.5% more probable to use dwindling monetary facilities than those who powerfully affect.

4. Terms of Payment

The concept was that "the lengthier payment retro entices agriculturalists to access credit compared to the smaller payment period" under this aspect. Bank policies vary in their techniques, and factors such as payment dates have a substantial impact on the number of agriculturalists who may be touched and documented as recipients of loan convenience.

Table: 6 Table on Terms of payment

Item	Agriculturalists			
	Low	Decreasing	Moderate	High
Terms of Payment				
Disagree	-1.0111	-1.2300	0.1112*	-1.213
	(1.0435)	(1.345)	(1.031217)	(1.44)
Neutral	-2.0356	-1.056	1.181**	-0.888*
	(1.0231)	1.0289)	(1.11453)	(0.0312)
Agree	2.0521	2.1983	1.3211	-0.721**
	2.345)	(1.1231)	(0.1566)	(1.321)
Strongly agree	2.0453	-1.11122	0.41511	-0.112
	(0.0251)	(1.01346)	(0.23453)	(0.6555)

Source; Research data, 2026

People who disagree with payment terms are 12.6 percent more likely to utilise moderate financial services than those who strongly disagree. Those who are undecided about payment terms are 12.9% more likely to obtain high-quality financial services than those who firmly disagree. Those who approve of the payment terms are 15.9% less likely to obtain high-quality financial services than those who strongly disapprove. Tanzania Investment Bank

has set payment periods ranging from six months to fifteen years, depending on the project being funded and the outlook. The bank allows for a three-year grace period depending on crop maturity estimates.

5. Binary Logistic Regression Model Summary

Based on -2 log-likelihood base age, education, bank interest rate and terms of payment can help to access the credit by 34.23% and based on Cox and Snell R Square Age, education, bank interest rate and terms of payment can assess the credit by by 0.54 per cent. Based on Nagelker R Square, age, education, bank interest rate and terms of payment can assess the credit by 0.52. This finding is supported by findings in other studies which revealed that Age, education, bank interest rate and terms of payment influence Credit Accessibility

Table 7: Binary Logistic Regression Model Summary for E-tendering Practices

Step	-2 Log Likelihood	Cox & Snell R Square	Nagelker R Square
1	34.23	0.54	0522

Source: SPSS (Output), 2026

Binary Logistic Regression Model shows the determinants influencing grapes farmers credit accessibility in Tanzania: a case of Dodoma region

The binary logistic regression model on independent variables and a dependent variable indicates that the Age, education, bank interest rate and terms of payment has a statistically positive significance with grapes farmers credit accessibility in Tanzania since P-Value is less than 0.05 (which is 0.001). Also, the findings indicated that age significance by 0.001 Also, education can influence grapes farmers credit accessibility by 0.005 based on beta. The findings also indicate that the bank interest rate has a statistically positive significance on grapes farmers credit accessibility since P-Value is less than 0.05 (which is 0.005). Also, the findings indicated that terms of payment can be explained by the farmer's credit accessibility by 0.005. This finding supported by Ullah *et al.,* (2024) and Adigun (2022) who said that Age, education, bank interest rate and terms of payment has a statistically positive significance with grapes farmers credit accessibility.

The investigation should also critically evaluate demographic and socioeconomic aspects in connection to credit accessibility. For example, if education, agricultural experience, or household income are linked to increased credit availability, the discussion should explain how these traits improve financial literacy, record-keeping, repayment capability, and lender trustworthiness. Conversely, lesser access among less educated or resource-constrained farmers may highlight long-standing disparities that necessitate targeted interventions rather than market-based solutions. This interpretation converts descriptive results into useful evidence concerning financial inclusion and exclusion.

The empirical findings should be evaluated using existing socioeconomic and financial theories to explain not only if particular variables are important, but also why they affect smallholder farmers' access to formal loans. For example, if education is found to have a statistically significant beneficial influence on loan availability, the findings are compatible with credit rationing theory, which contends that lenders limit credit when they have asymmetric knowledge and uncertainty about borrowers' repayment capabilities. Better-educated farmers are more likely to keep accurate farm records, comprehend loan terms, establish business strategies, and complete application procedures correctly, lowering perceived lending risks and improving credit availability.

Human capital theory, which holds that investments in knowledge and skills increase individual productivity and economic prospects, may also be used to explain the importance of education. In Dodoma, many smallholder farmers with low formal education struggle to grasp complex banking procedures, loan paperwork requirements, interest computations, and collateral commitments. As a result, individuals may avoid applying for formal loans completely or submit incomplete applications that may not match institutional requirements. These financial literacy challenges exacerbate exclusion from formal financial institutions, despite the availability of loan programs designed to aid agricultural growth.

The findings also demonstrate the institutional complexity of formal banking institutions in rural Tanzania. Commercial banks and other formal lenders usually need significant documentation, collateral, credit histories, and comprehensive repayment plans, which many small business owners struggle to deliver. These bureaucratic restrictions may disproportionately affect farmers with lower educational attainment, poor reading, or little experience dealing with official banking institutions. As a result, many people continue to rely on informal savings organisations, family networks, or local loan arrangements, which have easier procedures and more flexibility, even if these sources do not supply enough funds for long-term agricultural investment.

Table 8 Binary Logistic Regression Model shows the Determinants Influencing Grapes Farmers Credit Accessibility in Tanzania: A Case of Dodoma Region

Variables	β	S.E.	Wald	DF	Sig.	Exp($\boldsymbol{\beta}$)
Age	0.877	0.555	2.074	1	0.001	6.122
Education	0.821	0.612	2.888	1	0.005	2.689
Bank Interest Rate	9.22	0.921	55.862	1	0.005	4.111
Term of Payment.	3.821	0.461	8.732	1	0.005	15.33

Dependent Variable (0=Yes 1= No).
Source; Research data, 2026

CONCLUSION

The policy proposals should shift from broad national goals to realistic, locally implementable actions that directly address the obstacles that smallholder farmers experience in Dodoma. First, the Dodoma Regional Administration, in collaboration with local government authorities and financial institutions, should create crop-specific credit guarantee schemes for farmer cooperatives, particularly those that grow high-value crops like grapes, sunflowers, and horticultural products. Such systems would lower lenders' exposure to default risk while allowing farmers with little collateral to qualify for formal loans based on cooperative membership and collective repayment processes.

Second, Dodoma-based financial institutions should simplify loan application procedures for small-scale farmers by implementing standardised, easy-to-understand Kiswahili forms, reducing unnecessary documentation requirements, and allowing local government introduction letters or cooperative membership certificates to supplement traditional collateral. Mobile banking units and periodic outreach clinics at the ward and village levels should also be deployed during planting seasons to help farmer’s complete applications and understand loan terms without incurring high travel costs.

Third, district councils should enhance and formalise existing community-based savings clubs (vikoba) and farmer organisations within the rural financial ecosystem by offering governance training, record-keeping assistance, and connections to licensed financial institutions. Well-managed savings organisations with certified financial records might serve as entry points for group-based lending or graded financing arrangements, allowing members with good payback records to move from informal finance to bigger formal credit facilities.

The study revealed that age, education, bank interest rates, and payment intervals impact farmers' access to loans in Tanzania. The study recommends that development banks devote adequate time to understanding the macroeconomics of the country in which they operate, collaborating with the government, and productively offering credits to underfinanced areas or sectors where other commercial banks would not lend, all while keeping operational costs low and correctly establishing their source of revenue.

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