

EFFECT OF CONSOLIDATION POLICY IN NIGERIAN BANKING INSTITUTIONS ON AGRIBUSINESS SECTOR PERFORMANCE (1995-2014)

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Abstract

The broad objective of this study was to analyze the effects of consolidation policy in Nigerian banking institutions on agribusiness sector performance. The specific policies of interest were merger and acquisition policy. The study covered 1995-2014 periods. Secondary data from CBN annual reports and statement of accounts, CBN bulletin and National Bureau of Statistics were used for the study. The data were analyzed by the use of regression models. Findings revealed that merger and acquisition consolidation policy in the Nigerian banking institutions, value of banks loan to agribusinesses, lagged value of national savings, population, rainfall and government capital investment to agribusiness sector significantly influenced agribusiness output in Nigeria within the study period. Merger and acquisition consolidation policy in the Nigerian banking institutions, external reserve, capital formation and agricultural export significantly influenced government credit allocation to agribusinesses in Nigeria within the study period. Merger and acquisition consolidation policy in the Nigerian banking institutions, exchange rate, rate of domestic utilization capacity for agribusiness commodities and population significantly influenced agribusiness export growth in Nigeria within the study period. The study concluded that merger and acquisition consolidation policy in the Nigerian banking institutions influenced the agribusiness sector performance as it leads to increase in both agribusiness output and government credit allocation to agribusinesses in Nigeria but did not lead to increase in agribusiness export growth. The study recommended that consolidation policy of the Nigerian banking institutions which led to increase in credit allocation to agribusinesses in Nigeria as well as improved agribusiness output must be sustained by the Central Bank of Nigeria and even made better in such manners that agribusiness output will grow and allow the country to make huge foreign income from agribusiness export especially now that the revenue from oil is on the decrease in the country.

Key words: agribusiness sector performance, banking institutions, consolidation, policy

INTRODUCTION

Policy is a deliberate intervention, a course of action taken by government, or financial institutions, management, an individual, to influence or arrive at pre-determined outcomes. Policies are diversified in nature and scope. According to [9], the relevant policies in the banking institution to agriculture included, direct credit to the agricultural sector on concessionary terms; the rural banking scheme in 1977 under which designated commercial banks were required to open specified numbers of rural branches in different parts of the country and with at least 40% of the total deposits in these rural banks lent to borrowers within those rural areas; Agricultural Credit Guaranteed Scheme Fund

(ACGSF), which was aimed at reducing the risk borne by commercial banks in extending credit to farmers.

Consolidation in the banking system is a global phenomenon, which is said to have started in advanced economies many years ago. The need for a strong, reliable and viable banking system in Nigeria is under-scored by the fact that the industry is one of the few sectors in which the shareholders' fund is only a small proportion of the liabilities of the enterprise. It is therefore, not surprising that the banking institution is one of the most regulated sectors in any economy. It is against this background that the Central Bank of Nigeria (CBN) outlined the first phase of its banking sector reforms designed to ensure a diversified, strong and reliable banking

industry. Thus, the reforms were designed to enable the banking system develop the required resilience to support the economic development of the nation by efficiently performing its functions as the medium of financial intermediation [16].

Merger and acquisition, which are divisions of consolidation are common place in developed countries of the world but are just becoming prominent in Nigeria especially in the banking sector. The issue of merger and acquisition in the banking institution started in October, 2003 under the past CBN Governor, Prof. Soludo. Though, most of the feeble banks were unwilling to comply until the new order on July 6, 2004 [8]. The situation changed from July 6, 2004 as many banks had either merged with or acquired other banks. Thus, merger and acquisition as consolidation tools has become a near permanent feature of our financial system after July 6, 2004 [7]. The policy of 25 billion naira minimum capital base forced banks to enter into merger and acquisition to meet the requirement. Part of the broad objective of consolidation expected included improvement of profitability and efficiency of the banks in terms of operations and finance. Agribusiness sector on the other hand is capital dependent. Agribusiness, given its value chain effect is a vital integral component of economic growth of any country. Various cash crops that are produced in different countries could be major sources of economy if properly managed. A strong and efficient agricultural sector would enable a country to feed its growing population, generate employment, earn foreign exchange and provide raw materials for industries [17]. The agribusiness sector has a multiplier effect on any nation's socio-economic and industrial fabric because of the multifunctional nature of agriculture [12]. The agribusiness sector in Nigeria has been described by [13] as the most important sector of the economy which holds a lot of potentials for the future economic development of the nation as it had done in the past. Agribusiness performance in the economy continues to decline when compared to the contribution of other non-agribusiness sectors of the economy such as petroleum towards gross domestic product

(GDP). Worst still, the budgetary allocations to agriculture has been reduced in the past few years in Nigeria [6].

[22] studied the impact of consolidation on performance, proxies performance as efficiency and profitability between the period 2003 to 2008. The finding show that consolidation has impacted on both profitability and efficiency but not significant. [20], reported a positive significant difference between earnings per share of nine banks, following their study of post-consolidation on profitability in Nigeria, using a time frame of 2006 to 2010, and also employing cumulative earning per share as the profitability or performance measure. Similarly, [1], considered recapitalization and bank performance, using yield on earnings asset, return on asset and return on equity as performance proxy. The study found a positive significant relationship between recapitalization and profitability (ROA and ROE) and a negative significant relationship with yield on earning asset (YEA). Furthermore, the study by [19] reported a strong positive significant effect of bank consolidation on bank performance, which implies that bank return increases with consolidation. [4] also found return on equity to be positively and significant to asset profile and capital structure of a bank which was used as proxy for consolidation in their study of merger and acquisition in Nigeria, analysis of pre and post-consolidation between 2006 to 2008. In addition, [14], study merger and acquisition on bank performance in Nigeria (UBA and SKYE banks) and reported a strong positive relationship between consolidation (shareholders' fund) and performance (total assets).

[2] evaluated the impact of mergers and acquisitions on performance of banks in Nigeria. Pre-merger and post merger financial statements of two consolidated banks were obtained, adjusted, carefully analyzed and compared. The result revealed that all the two groups produced in addition to operational and relational synergy, financial gains far more than the $2+2=5$ synergistic effects. Ratio technique and inferential statistical tools were used to highlight synergistic effects on the

merging banks.

MATERIALS AND METHODS

The study was carried out in Nigeria. Nigeria is an agrarian country with about 70% of her people engaged in agricultural production [10] and provides subsistence for two-thirds (2/3) of Nigerians who are low income earners [22]. There are 25 consolidated Nigerian banking institutions, precisely commercial banks operating in the country some of which were merged and acquired as a result of the consolidation policy by CBN in order to strengthen the financial system of the banks.

The study used secondary data, mostly time series. Consolidation policy data were collected from the publications of development finance and research department of the CBN, National Bureau of Statistics (NBS) on bank's credit allocation to agribusiness sector, agribusiness output, and government credit allocation in agribusiness sector of the economy and so on were elicited. The tool of data analysis was multiple regression models. Regression analyses were employed in analyzing the data. The regression model estimated the response of agribusiness output to merger and acquisition consolidation policy in the Nigerian banks of study. It was specified in its implicit form as given below:

Agribusiness Output Model

$$AIO_t = f(\text{NASAV}_{t-1}, \text{ADLR}_t, \text{DOD}_t, \text{INF}_t, \text{BCAA}_t, \text{GCEA}_t, \text{VFI}_{t-1}, \text{RainFall}_t, \text{RER}_t, \text{POP}_t, \text{DMER}_t)$$

Where:

AIO_t = Aggregate agribusiness output (Grain equivalent)

NASAV_{t-1} = National savings (₦' Million) in period t;

ADLR_t = Bank's lending rate to agribusiness (%) in period t;

DOD_t = Domestic outstanding debts (₦' Million) in period t;

INF_t = Inflation rate (%) in period t.

BCAA_t = Bank's credit allocation to agribusiness (₦' Million) in period t,

GCEA_t = Government capital expenditure on agribusiness (₦' Million) in period t

VFI_{t-1} = Value of food imports (₦' Million)

in period t-1,

Rainfall_t = Average annual rainfall (mm) in period t, RER_t = Real exchange rate (₦/\$) in period t,

POP_t = Nigeria's population (Millions) in period t,

DMER_t = Merger and acquisition consolidation policy period (0 = pre-merger and acquisition consolidation policy period and 1 = post-merger and acquisition consolidation policy period). e_i = error term.

On *a priori* ground, it is expected that the coefficient estimates for POP_t , RF_t , GCEA_t , BCAA_t , NASAV_t , $\text{DMER}_t > 0$; and RER_t , ADLR_t , DOD_t , INF_t , $\text{VFI}_{t-1} < 0$.

In this model DMER_t was the focus variable.

A regression model was used to estimate the response of banks' credit allocation and agribusiness export growth in agribusiness sector to merger and acquisition consolidation policy within the period of study. The model is specified implicitly below:

Banks' Credit Model

$$AS_t = f(\text{AIO}_t, \text{RER}_t, \text{EX}_t, \text{CF}_t, \text{IF}_t, \text{PSQ}_t, \text{AE}_t, \text{VFI}_{t-1}, \text{DMER}_t, e_i)$$

Where:

AS_t = volume of banks' credit to agribusiness sector (₦) in period t;

AIQ_t = agribusiness output (₦' million) in period t

RER_t = Exchange rate (₦/\$) in period t.

EX_t = External reserve (₦' million) in period t.

CF_t = Capital formation (₦' million) in period t.

IF_t = Inflation rate (%) in period t.

PSQ_t = Percentage share of other sectors used of government investment in the total capital investment (%) in period t.

AE_t = Total agribusiness sector export (₦' million) in period t.

VFI_{t-1} = Value of food imports (₦' Million) in period t-1,

DMER_t = Merger and acquisition consolidation policy period (0 = pre-merger and acquisition consolidation policy period and 1 = post-merger and acquisition consolidation policy period).

e_i = error term.

On *a priori* ground, it is expected that the coefficient estimates for DMER_t , AQ_t , RER_t , CF_t , $\text{AE}_t > 0$; and EX_t , INF_t , PSQ_t , $\text{VFI}_{t-1} < 0$.

In this model $DMER_t$ was the focus variable. $DMER_t$ = Merger and acquisition consolidation policy period (0 = pre-merger and acquisition consolidation policy period and 1 = post-merger and acquisition consolidation policy period).

e_i = error term.

On a priori ground, it is expected that the coefficient estimates for $DMER_t$, EX_t , $WP_t > 0$; and $DUAC_t$, INF_t , POP_t , < 0 .

In this model $DMER_t$ was the focus variable.

Export model

$AE_t = f (EX_t, POP_t, IF_t, WP_t, DUAC_t, DMER_t, e_i)$

Where,

AE_t = Total agribusiness sector export (₦'million) in period t.

EX_t = Exchange rate (₦/\$) in period t.

POP_t = Population (Million) in period t.

IF_t = Inflation rate (%) in period t.

WP_t = Average world price of agribusiness commodities (Naira /tonne) in period t;

$DUAC_t$ = Aggregate domestic utilization of agribusiness commodities (tonne) in period t.

RESULTS AND DISCUSSIONS

The results and discussion are presented in the order covering the response of agribusiness output to merger and acquisition consolidation policy, response of banks' credit to merger and acquisition consolidation policy and response of agribusiness export to merger and acquisition consolidation policy. The response of agribusiness output to merger and acquisition consolidation policy is presented in Table 1.

Table 1. The response of agribusiness output to merger and acquisition consolidation policy

Variable	Linear	Exponential++	Double-log	Semi-log
$DMER_t$	57.567(2.732)**	0.215(4.131)***	0.168(1.368)	46.533(1.308)
INF_t	0.187(0.687)	0.000(0.492)	-0.013(-0.360)	0.500(0.049)
$BCAA_t$	0.000(-1.529)	-1.34E-08(-2.513)**	-0.014(-0.184)	-3.796(-0.169)
$ADLR_t$	1.024(0.675)	0.003(0.762)	-0.041(-0.159)	6.281(0.083)
DOD_t	-0.005(-0.574)	-2.36E-05(-1.145)	-0.300(-1.311)	-97.813(-1.474)
$NASAV_{t-1}$	-0.062(-5.078)***	0.000(-6.891)***	-0.326(-2.750)**	-106.296(-3.087)**
POP_t	5.757(3.124)**	0.020(4.426)**	3.304(2.314)**	1078.771(2.602)**
VFI_{t-1}	0.000(0.759)	2.12E-06(1.444)	0.037(0.592)	11.659(0.643)
$RAINFALL_t$	0.139(4.255)***	0.000(5.736)**	0.631(2.665)**	193.728(2.819)**
RER_t	-0.083(-0.428)	0.000(-0.388)	0.146(2.388)**	42.337(2.380)**
$GCEA_t$	-0.517(-3.569)***	-0.002(-5.254)***	-0.042(-1.452)	-12.507(-1.498)
Constant	-554.879(-2.597)**	2.748(5.208)***	-11.008(-2.095)*	-5119.963 (-3.357)***
R^2	0.978	0.989	0.937	0.934
Adj R^2	0.947	0.974	0.849	0.844
F-Statistic	32.042***	65.326***	10.741***	10.347***
DW-test	1.663	1.680	1.843	1.929

Source: CBN authors' computation 2015

The exponential model was selected as the lead equation (++) based on the magnitude of the coefficient of multiple determinations (R^2) and the signs of the regression coefficients (as they conform to a priori expectations) and the number of significant variables. It can be inferred the model that 98% of the observed variation in agribusiness output were explained by the explanatory variables. The Durbin-Watson statistic test indicated no serial autocorrelation since there was no positive first-order serial autocorrelation at 1% probability level given DW (1.680) Du

>(1.623). Merger and acquisition consolidation policy, value of banks loan to agribusinesses, period lagged value of national savings, population, rainfall and government capital investment to agribusiness sector were the significant variables that influenced agribusiness output in Nigeria within the study period. Merger and acquisition consolidation policy was the focus variable in this study and had a significant positive relationship with agribusiness output performance in Nigeria within the period under review. This implies that Merger and

acquisition consolidation policy led to an increase in agribusiness output. By Merger and acquisition consolidation policy, most Nigerian banking institutions achieved cost efficiency through economies of scale. They diversified on the range of business activities they were involved and thus improved performance. According to [21] and [18], banks that participated in merger and acquisition consolidation activities perform higher than before because future dividends and earning streams are expected to rise and subsequently improve efficiency. This enables most weak banks who if not for merger *vis-a-vis* consolidation policy would not have dared to venture into investment in real sector like the agribusiness sector due to its characteristic huge risk nature. As the level of banks investment in agribusiness enterprises increases due to merger and acquisition consolidation, the output from the agribusiness sector also increased. As a result, merger and acquisition consolidation policy in the Nigerian banking institutions led to an increase in agribusiness output in Nigeria within the reference periods. This finding is similar with the study of [5] and [15] who reported enhanced efficiency and performance of the financial sector in Nigeria during consolidation policy.

Value of banks credit allocation to agribusiness had a significant positive relationship with agribusiness output performance within the period under review. This implies that increase in the value of banks credit allocation to agribusiness led to an increase in agribusiness output. Agribusiness production is credit dependent. The extent of access to credit of a farm firm will influence its decision of how much land, labour, inputs and equipment required for agribusiness production, and will also influence its rate of adoption of new and improved systems of agribusiness production [11]. As a result, agribusiness output increased with increased value of bank's loan to agribusiness sector. A lagged value of national savings had a significant positive relationship with agribusiness output performance within the period under review. This implies that increase in national saving in

the preceding year leads to increase in agribusiness output performance in the current year and *vice versa*. Previous year increase in national saving will make more cash to be available for investment in agribusiness sector in the current year and hence increase in agribusiness output. Population was positively related to agribusiness output an indication that agribusiness output increased as population increased and vice versa. Population in agriculture serves as the labour need to achieve a meaningful increase in agribusiness output. As more people engaged in agribusinesses the more the output of the sector. The result is not consistent with the findings of [12] and [3] who found population growth to be negatively related to agricultural output and posited that reducing the rate of desertion of farming caused by rural-urban migration is essential for increased agricultural productivity.

Rainfall had a significant positive relationship with agribusiness output performance within the period under review. This implies that increase in rainfall leads to an increase in agribusiness output. Nigerian agriculture is rainfall dependent. Increase in adequate and timely annual rainfall enables crops to grow and produce fruits. Increase in fruit production by crops will likely lead to an increase in agribusiness output, As a result agribusiness output increased as annual rainfall increased.

Government capital expenditure on agribusinesses was negatively related to agribusiness output. An indication that agribusiness output decreased as government capital expenditure increased. An increase in government capital expenditure on agribusiness is expected to culminate into an increase in the agribusiness output by creating an enabling environment for agribusiness production to strive through a reduced cost of production. However, diversion of government funds meant to serve as subsidy to agribusiness operators makes agribusiness production to deviate in growth as expected with the increase in government capital expenditure to the sector. Thus, the relationship between government capital expenditure and agribusiness output may

probably be due to diversion of government funds meant to serve as subsidy to agribusiness operators by some individuals.

Response of banks' credit allocation to merger and acquisition consolidation policy in Nigerian banking institution

The regression results of the response of bank's credit allocation to agribusiness sector to merger and acquisition consolidation policy in the Nigerian banking institutions are shown in Table 2.

Table 2. The regression results of the response of bank's credit allocation to agribusiness sector to merger and acquisition consolidation policy in the Nigerian banking

Variable	Linear	Exponential++	Double-log	Semi-log
AIQ _t	-11333.77(-0.588)	-0.004 (-1.314)	-0.236(-0.237)	2687688.(0.505)
RER _t	-16813.35(-0.477)	0.002(0.722)	0.240(1.189)	366017.6(0.341)
EX _t	-172.8923(-2.539)**	-2.95E-05(-2.985)**	-0.104(-2.341)**	-415354.5(-2.257)**
CF _t	-8.253944(-0.636)	7.50E-06(5.126)***	1.510(2.749)**	2424190.(0.828)
INF _t	27208.70(2.745)**	0.002(0.413)	0.240(1.281)	1209688.(3.213)***
PSQ _t	1197525.(2.969)***	0.007(0.340)	0.950(0.353)	22592158(1.574)
AE _t	-2.595812(-0.221)	2.09E-06(2.949)**	0.144(1.625)	-377404.5(-0.308)
VFI _{t-1}	0.139364(0.002)	-1.01E-06(-0.071)	-0.058(-0.315)	902275.4(0.917)
DMER _t	6831196.(3.084)**	1.950(5.466)***	1.458(3.411)***	5807096.(2.551)**
Constant	2567001.(5.518)***	11.212(4.987)***	-10.652(-0.701)	-1.51E+08(-1.862)*
R ²	0.841	0.900	0.684	0.637
Adj R ²	0.827	0.881	0.660	0.601
F-Statistic	17.631***	111.722***	69.948	16.612
DW-test	1.996	2.014	1.973	2.252

Source: CBN authors' computation 2015

The exponential model was selected as the lead equation (++) based on the magnitude of the coefficient of multiple determinations (R²) and the signs of the regression coefficients (as they conform to a priori expectations) and the number of significant variables. It can be inferred from the model that 90% of the observed variation in value of banks loan to agribusinesses were explained by the explanatory variables. The Durbin-Watson statistic test indicated no serial autocorrelation since there was no positive first-order serial autocorrelation at 1% probability level given DW (2.014) > Du (1.623). Merger and acquisition consolidation policy in the Nigerian banking Institutions, external reserve, capital formation and agricultural export, were the significant variables that influenced government credit allocation to agribusinesses in Nigeria within the study period.

Merger and acquisition consolidation policy was the focus variable in this study and had a significant positive relationship with government credit allocation to agribusinesses within the period under review. This implies that Merger and acquisition consolidation

policy led to an increase in banks' credit allocation to agribusinesses in Nigeria. By Merger and acquisition consolidation policy, most Nigerian banking institutions achieved cost efficiency through economies of scale through diversification on the range of business activities they can involve for improved performance. Banks that participated in merger and acquisition consolidation activities perform higher than before because future dividends and earning streams are expected to rise and subsequently improve their capital base. As the capital base of the Nigerian banking institution increased due to merger and acquisition consolidation, their lending capacity also increases. This increases the level of banks credit to agribusiness enterprises. As a result merger and acquisition consolidation policy in the Nigerian banking institutions led to an increase in government credit allocation to agribusinesses in Nigeria. Government credit allocation to agribusinesses in Nigeria responded positively to such other factors as capital formation, agricultural export and external reserve accumulation. This implies that increase in capital formation, agricultural

export and external reserve accumulation leads to increase in banks' credit allocation to agribusiness sub-sectors in Nigeria within the period under review.

Response of agribusiness export growth to merger and acquisition consolidation policy

in Nigerian banking institutions.

The regression results of the response of agribusiness export growth to agribusiness sector to merger and acquisition consolidation policy in the Nigerian banking institutions are shown in Table 3.

Table 3. Estimation of the response of agribusiness export growth to merger and acquisition consolidation policy in the Nigerian banking institutions (1995 -2014)

Variable	Linear	Exponential++	Double-log	Semi-log
DMER	-142180.7(-2.848)**	-0.324(-0.996)	-0.464(-1.444)	-145677.3(-2.665)**
Exchange Rate	-2066.232(-3.403)***	-0.009(-2.175)**	-0.468(-2.060)*	-128478.1(-3.318)***
Av. World Price	-128.4861(-1.297)	0.000(0.378)	0.271(1.352)	-43734.83(-1.283)
Inflation	1469.218(1.699)	0.004(0.778)	0.138(0.959)	21296.15(0.871)
ADUCR	-5125.385(-2.428)**	0.019(1.393)	0.725(0.952)	208824.2(1.610)
Population	-21657.39(-8.082)***	0.034(1.920)*	8.332(4.564)***	2873425.(9.244)***
Cap. Formation	-0.320235(-1.017)	0.000(2.641)**	0.359(0.735)	-170086.2(-2.043)*
Constant	-2564292.(-7.942)***	4.324(2.053)*	-36.162(-3.934)***	-11669007(-7.455)***
R ²	0.963	0.858	0.758	0.855
Adj R ²	0.942	0.833	0.733	0.829
F-Statistic	44.944***	38.831***	39.025***	36.283***
DW-test	2.159	2.013	2.032	2.137

Source: Computed by the author from CBN (2014) statistical bulletin and Annual Report and Statement of Accounts for the year Ended 31st December, 1995- 2014. ***, ** and * represent 1%, 5% and 10% significance levels respectively. Figures in brackets are t- values. ++represents lead equation.

The linear model was selected as the lead equation (++) based on the magnitude of the coefficient of multiple determinations (R²) and the signs of the regression coefficients (as they conform to a priori expectations) and the number of significant variables. It can be inferred from the model 96.3% of the observed variation in value of banks loan to agribusinesses was explained by the explanatory variables. The Durbin-Watson statistic test indicated no serial autocorrelation since there was no positive first-order serial autocorrelation at 1% probability level given DW (2.159) > Du (1.623).

Merger and acquisition consolidation policy in the Nigerian banking institutions was the focus variable in this study and had a significant negative relationship with agribusiness export growth in Nigeria within the period under review. This implies that Merger and acquisition consolidation policy in the Nigerian banking institutions has not led to an increase in agribusiness export

growth in Nigeria. This finding is not consistent with *a priori* theoretical expectations. Earlier in this study, merger and acquisition consolidation policy in the Nigerian banking institutions had a positive influence on agribusiness output in Nigeria, likewise is expected to grow agribusiness export as well.

The deviation from this expectation may be adjudicated to be due to population growth in the country that increases geometrically in relation to food agribusiness production the increases algebraically as postulated by Malthusian theory. The inability of the country to export more of its agribusiness products as a result of merger and acquisition consolidation policy in the Nigerian banking Institutions means that there is gap existing between agribusiness demand and supply and that merger and acquisition consolidation policy in the Nigerian banking institutions have not driven the growth in the agribusiness sector to a substantial height that could

translate into increased growth in agribusiness export. As a result, agribusiness export growth did not respond to merger and acquisition consolidation policy in the Nigerian banking Institutions within the period under review.

Agribusiness export growth in Nigeria responded negatively to such other factors as exchange rate, rate of domestic utilization capacity for agribusiness commodities and population. This implies that increase in exchange rate, rate of domestic utilization capacity for agribusiness commodities and population leads to decrease in agribusiness export growth in Nigeria within the period under review and *vice versa*.

CONCLUSIONS

The study showed that merger and acquisition consolidation policy, value of banks loan to agribusinesses, lagged value of national savings, population, rainfall and government capital investment to agribusiness sector specifically affected agribusiness output in Nigeria positively.

Further, Merger and acquisition consolidation policy, external reserve, capital formation and agricultural export significantly and incrementally affected banks' credit allocation to agribusinesses positively. The various analysis carried out in this study reveals that merger and acquisition consolidation policy enhanced agribusiness sector performance in Nigeria within the reviewed study.

This consequential analysis supports the notion of consolidation policy through merger and acquisition in the Nigerian banking institutions. Agribusiness sector performance fared better both in output performance and export growth.

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