ANALYSIS OF THE DETERMINANTS OF PLANTAIN SUPPLY BY SMALL HOLDER FARMERS IN OSUN STATE, NIGERIA

Ojediran, E. O.*, Adewumi, M. O., Falola, A., Ibrahim, H. K., Belewu, K. Y., Oyedeji, O. A. Department of Agricultural Economics and Farm Management, University of Ilorin, Ilorin, Ilorin, Nigeria.

*Corresponding author: busuyinka@gmail.com

ABSTRACT

This study analyzed the determinants of supply among plantain farmers in Osun State, Nigeria. A four-stage sampling technique was adopted for this study. The first stage involved a purposive selection of Ife Agricultural zone due to its high plantain production and marketing activities in the area. The second stage involves the random selection of Ife North and Ife South Local Government Areas (LGAs) from the four LGAs that make up the Agricultural zone. The third stage involved the random selection of six) villages from each of the selected local governments making a total of 12 villages. Thereafter, 10 plantain farmers were randomly selected from each of the 12 villages. In all, 120 farmers were used for the study and data were collected using a semi-structured questionnaire. The data were analyzed using descriptive statistics and Ordinary Least Square Regression model. The results of the study revealed that 69.2% of the sampled farming household heads were male. The significant factors influencing the decision to supply plantain in the study area were distance to market, current market price, household size, quantity processed and farm size. The current price of plantain, quantity processed and farm size were positively significant suggesting a direct relationship while household size and distance to market were found to be negatively significant suggesting an inverse relationship with supply. It is therefore recommended that farmers should be encouraged to increase the supply of plantain by providing adequate and easy means of processing and disposing their product to curb loss as well as making up a centralised price both at the farm-gate level and at the market.

Keywords: Determinants, Plantain, Factors, Supply.

INTRODUCTION

People in both the developing and developed world consider plantain as an important staple (Akinyemi, Aiyelaagbe and Akyeampong, 2010; Ekunwe and Ajayi, 2010). It meets their day-to-day food requirement in the form of chips, flour, flakes, cakes, fried plantain, roasted plantain and so many other forms of culinary thereby contributing to the fight against food insecurity/poverty. Plantain represents more than 25% of the food energy requirement and 10% calorie for over 70 million people in the region of the Sub-Saharan Africa and its lengthy harvesting period ensures a constant supply of this staple (Kainga and Seiyabo, 2012). It has the ability to improve living standard and when fully explored, can be a sole source of income for both the current and potential investors thus becoming essential to economic growth and poverty eradication (Tetang, 2006). Plantain was first discovered in South East Asia and Western pacific region (John & Marchal, 1995). It belongs to the family of "Musaceae" and is of two types: "Musa acuminata" (genome AA) and "Musa balbisiana" (genome BB). Its production requires an optimum temperature of 30°C, mean monthly rainfall of 100mm, soil pH of 4.5-7.5 and a partly drained sandy-loam soil (Ajiboye and Olaniyan, 2016).

Despite its vast resources and potentials, Nigeria is still suffering from food insecurity and low per capita consumption (Bala, 2016). This obvious food shortages and its accompanying problems majorly emanates from the under-development of the Nigerian agricultural sector. Idachaba (2004) explained that food insecurity could be caused by demand-side factors as well as the supply-side factors. These supply side factors involve those factors that relate to the farmers and all the distribution chain actors as well as processes and policies (governmental and non-governmental) involved in making products available to the final consumers. He further argued that the dwindling agricultural production in Nigeria is a confirmation of its unattractiveness. This he explained was evident in the low returns to farmer's effort and meagre compensation being paid to them which is majorly due to the under-developed nature of the market. As a result, farmers are discouraged to go into a large-scale production but have rather chosen to produce on a small scale to curb their loss given the perishable nature of the crop in study. All these have contributed to reducing the supply of this crop and its potential in contributing to bringing down food and nutritional insecurity. Therefore, to step up the production of this crop, it is important to understand the prime movers of farmers' decision to supply the crop. This is because when these factors are tuned in such a way that would favour or compensate their efforts, increased production would be encouraged. In the light of the foregoing, the study seeks to contribute its own quota in bridging this gap in knowledge by seeking to determine the factors that encourage or discourage the supply of plantain among smallholder farmers in the study area.

MATERIALS AND METHODS

Study area

The study area is Osun State. The state is divided into four zones by Osun State Agricultural Development Programme (OSSADEP). These are; Osogbo Agricultural zone, Ife Agricultural zone, Ijesha Agricultural zone and Iwo Agricultural zone. The dominant occupation and economic activities of the people centre on farming, agro allied productions, trading, artisanship, school administration, teaching and cottage industries. The dominant crops produced are plantain, cocoa, palm oil and kernels, banana and kolanuts among others (OSSADEP, 1997).

Sampling procedure

A four-stage sampling technique was adopted for this study. The first stage involves the purposive selection of the Ife agricultural zone due to its high involvement in plantain production and marketing. This zone in Osun State is generally known as the home of plantain. Ife agricultural zone consist of four local governments; Ife North, Ife South, Ife East and Ife Central local governments. The second stage involves the random selection of Ife North and Ife South. The third stage involves the random selection of six (6) villages from each of the selected local governments making a total of twelve (12) villages. Lastly, 10 plantain farmers were randomly selected from each of the twelve (12) villages making a total of 120 plantain farmers used for the study. Primary data were used for this study and collected from the farmers using a semi-structured questionnaire augmented by interview schedule.

Analytical technique:

The data were analyzed using descriptive statistics and the Ordinary Least Square regression analysis. Descriptive statistics was used to analyze the socio-economic characteristics of the respondents while regression, as used by Osondu, (2015), was used to analyze the determinants of supply among the smallholder plantain farmers.

Ordinary Least Square Regression Model

Regression analysis was used to analyze the determinants of supply among the plantain farmers in the study area. It is implicitly expressed as:

$$Y_i = f(X_1, X_2, X_3...X_8, e)$$

Where:

Y = Quantity supplied in tonnes

 X_1 = Land size (ha)

 X_2 = Current market price (Naira/tonne)

 X_3 = Distance to market (kilometres)

 X_4 = Access to credit (1 = yes; 0 = No)

X₅ = Household Size

 X_6 = Quantity processed (Kg)

 X_7 = Farming experience (years)

 X_8 = Quantity of Labour (man-day)

e = error

Four functional forms were employed in the analysis of relationship in the supply of plantain by the method of Ordinary Least Squares. They were the exponential, semi-log, linear and double log. Explicitly, they are expressed as:

Linear:

$$Y_i = f (\beta_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 + B_6 X_6 + B_7 X_7 + B_8 X_8 + e)$$

Semi-Log:

$$log Y = f (B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 + B_6 X_6 + B_7 X_7 + B_8 X_8 + e)$$

Double-Log:

$$log Y = f (\beta_0 + B_1 log X_1 + B_2 log X_2 + B_3 log X_3 + B_4 log X_4 + B_5 log X_5 + B_6 log X_6 + B_7 log X_7 + B_8 log X_8 + e)$$

Exponential:

$$InY = f(\beta_0 + B_1InX_1 + B_2InX_2 + B_3InX_3 + B_4InX_4 + B_5InX_5 + B_6InX_6 + B_7InX_7 + B_8InX_8 + e)$$

As suggested by Bollen & Long, (1992), the following were considered in selecting the best model for this study

- The highest coefficient of determination (R2);
- Highest number of significant variables;
- The sign (negative or positive) of the significant variables and
- Conformity to apriori expectation.

RESULTS AND DISCUSSION

Socio-economic characteristics of sampled farmers

Table 1: Socio-economic characteristics of farmers

Description	Number of Farmers	Percentages	
	(N=120)	(%)	
Sex			
Male	83	69.2	
Female	37	30.8	
Marital status			
Married	99	82.5	
Single	7	5.8	
Divorced	10	8.3	
Separated	4	3.3	
Age of farmer			
21-30	8	6.7	
31-40	32	26.7	
41-50	44	36.7	
51-60	24	20	
>60	12	10	
Highest level of education			
No formal education	33	26.8	
Primary	30	25.2	
Secondary	48	40.3	
Tertiary	9	7.5	
Farming experience			
<5 years	9	7.5	
5-10 years	23	19.2	
10-15 years	16	13.3	
15-20 years	41	34.2	
>20	31	25.8	
Primary occupation			
Farming	60	50.0	
Trading	45	37.5	
Civil servant	12	10.0	
Others	3	2.5	

Source: Survey result, 2016.

Table 1 shows the socio-economic characteristic of the respondents in the study area. The majority of the farmers were male indicating that the enterprise is labour intensive. The average age of the farmers was 46 years indicating that most of the plantain farmers were in their active/prime age. Majority of the farmers (82.5%) were married. This suggests the availability of family labour to the farmers. Furthermore, majority (73.2%) of the farmers had some level of formal education, indicating the possibility of the presence of a good and informed decision-making ability. The average years of experience in farming of plantain was13 years. The primary occupation of about 50% of the sampled respondents was farming.

1. Determinants of the supply of plantain:

The semi-log function was chosen as the lead equation model on the basis of conventional statistical and econometric criteria as stated in the methodology. The value of the coefficient of multiple determination obtained and its statistical test at 10%, 5% and 1% indicates that the size of farm, quantity processed, distance to market, current market price, and household size explain about 82.10% of the variation in the quantity of plantain supplied to the market by the farmers. Current price of plantain, quantity processed and land size were positively significant while household size and the distance to market were found to be negatively significant to the supply of plantain. The coefficient of current market price of plantain (2.530E-005) was positively significant at 10% indicating that the higher the market price, the higher the increase in the supply of plantain to the market and vice-versa. With a good prevailing price, the farmer has the tendency of commercializing all he or she produces. The farmers would be willing to sell their product rather than consume if they know it will fetch them more money. This goes with the findings of Eronmwon, Alufohai & Ada-Okungbowa, (2014). The coefficient of quantity processed was also positive (1.007) meaning that the quantity supplied increases as quantity processed increases. This probably stems from the fact that farmers are able to process their product into forms that will fetch them more money or into storable form to be later disposed when prices are favourable. The coefficient of household size has a negative sign (-0.013) and was significant at 10%. This means the greater the household size, the lower will be the supply of this product to the market. This is logical as farmers with larger households utilize more of his/her output to first satisfy its family needs especially when current market price is not favourable. The coefficient of farm size (0.011) was positively significant at 5% level. Farmers with larger farmland have more to supply to the market due to their larger scale of production while farmers with smaller land supply less. This agrees with the findings of Okoje (2014). Finally, distance to market was negatively significant at 1%. Meaning the greater the distance, the less they supply to the market and vice-versa. Farmers residing in remote areas with a considerable distance to market may choose to consume their product when they consider the cost of transporting them or the meagre price offered by the rural assemblers.

Table 2: Determinants of supply of plantain

Variables	Linear	Semi log	Cobb Douglas	Exponential
(Constant)	-17.371***	0.995***	-1.045	-6.112E+107
	(-3.510)	(10.094)	(-4.535)	(-0.005)
PRICE	0.003***	2.530E-005*	0.210	6.311E+103
	(3.815)	(1.892)	(3.475)	(2.546)**
DIST TO MKT.	0.045	-0.002***	-0.005	-7.7975E+85
	(0.612)	(2.514)	(-0.228)	(-1.294)
LAND SIZE	1.333**	0.011*	0.003	-3.549E+97
	(2.930)	(1.660)	(0.093)	(-0.075)
HOUSEHOLD SIZE	-0.225	-0.013*	-0.043	6.722E+106
	(-0.641)	(-1.773)	(-1.935)	(5.318)***
YEAR OF EXP	0.477*	0.018	0.266	4.722E+096
	(1.808)	(3.433)	(5.577)	(0.054)
QTY PROCESSED.	0.615	1.007***	0.002	1.137E+103
	(1.117)	(2.623)	(0.367)	(2.005)
ACC TO CRED.	-0.577	0.000	-0.022	2.250E+107
	(-0.272)	(-0.011)	(-1.365)	(2.757) *
QTY. OF LABOUR	0.001	-0.005	6.029E-005	-3.160E+97
	(3.815)	(-1.327)	(0.046)	(0.0364)
R^2	0.735	0.821	0.442	0.257
No. of observation	120	120	120	120

Source: Survey result, 2016

NB: The values in parenthesis are absolute value of t-ratio; (***) at 1%, (**) at 5%, (*) at 10%

CONCLUSION AND RECOMMENDATIONS

Majority of the plantain farmers in the study area were of the male gender and in their active age. significant factors influencing the farmers' decision to supply plantain to the market in the study area were the distance to market, current market price, quantity processed, household size, and land size. Current price of plantain, quantity processed and land size were positively significant suggesting a direct relationship while household size and distance to market were found to be negatively significant to the supply of plantain suggesting and inverse relationship between the variable.

In line with the result of this study, the following are therefore recommended:

- Government should create an organization that buys perishable crops in bulk from the farmers and from traders, offering prices that complement their efforts so as to foster further investment. This will go a long way in pacifying the problems of low product pricing and distance to market.
- 2) Licensing and sale regulatory bodies of the government that will help in controlling the activities of plantain traders and other crops are highly recommended. When such a body exists, there would be a kind of centralized and coordinated operation in the market which will curb the problem of low producer price that ultimately deterproduction.
- 3) Processing facilities can also be supplied to the farmers as it obviously increases the supply of plantain.

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