EVALUATION OF SMALLHOLDERS PALM OIL PRODUCTION IN EDO STATE, NIGERIA

BY

BANKOLE, AJOKE SADIAT
ARE/14/0361

A THESIS IN THE
DEPARTMENT OF AGRICULTURAL AND RESOURCE ECONOMICS,

SUBMITTED TO

THE SCHOOL OF POSTGRADUATE STUDIES,
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF MASTER OF AGRICULTURAL TECHNOLOGY
(M. AGRIC. TECH.) DEGREE IN
AGRICULTURAL AND RESOURCE ECONOMICS,
THE FEDERAL UNIVERSITY OF TECHNOLOGY, AKURE,
ONDO STATE, NIGERIA.

JULY, 2017
ABSTRACT

The study focused on the evaluation of smallholders’ palm oil production in Edo State, Nigeria. The specific objectives of the study are to describe the socio-economic characteristics of smallholders palm oil producers, determine the factor affecting the profitability, examine the technical, allocative and economic efficiencies of smallholder palm oil production and to identify the constraints associated with palm oil production in the study area.

Primary data were collected through well-structure questionnaire, administered to 110 smallholders’ palm oil producers selected using multi-stage sampling technique. Descriptive statistics, budgeting analysis, OLS and Stochastic Frontier production Function were used in analyzing the data. Results of the data analysis showed that the majority of the respondents were male (86.4 %,), having mean age of 49.7 and married (90%). The average household size was seven persons. Most of the respondents (60%) relied on fresh fruit bunch gotten from rented oil palm plantation. Palm oil production was shown to be profitable in the study area, with a net revenue of ₦100, 860. The return to scale (RTS) of 0.188 indicated a positive decreasing return to scale and that palm oil production in the study area was in stage II of the production function. The results of the Stochastic Frontier Production Function analysis indicated that the major factors that influenced the output of palm oil production in the study area were quantity of FFB, labour and water. From the result of the inefficiency model, the major factors which influenced the technical efficiency of the respondents were; gender, level of education and years of experience. The mean technical, allocative and economic efficiency were 0.855, 0.883 and 0.753.

The general conclusion of the finding in this research is that palm oil producers are yet to achieve their best.
Full text of this document can be accessed by visiting the Post Graduate Research Unit of Albert Ilemobade Library, FUTA or contact the Reference Librarian via ref_librarian@futa.edu.ng