

COMPARATIVE PROFITABILITY AND TECHNICAL EFFICIENCY OF SMALLSCALE RICE FARMERS WITH AND WITHOUT ACCESS TO IMPROVED PRODUCTION TECHNOLOGY IN NORTH CENTRAL NIGERIA

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ABSTRACT

Sustainable agriculture can be promoted through access to technologies, resources, land, water, education, knowledge and agricultural advice. This study evaluated comparative profitability and technical efficiency of smallscale rice farmers with and without access to improved production technology in North Central Nigeria. Multistage sampling technique was adopted for this study. Data were collected through the use of a well-structured questionnaire from 1500 sampled smallscale rice farmers with access to technology and also 1500 sampled smallscale rice farmers without access to technology making a total of 3000 rice farmers in the study area. The following statistical and econometrics tools were used to achieve the stated objectives; descriptive statistics, budgetary technique, stochastic production frontier and F-Chow test statistics. The results show that the average age of the sampled rice farmers with technology was 36 years, while those without access to technology was 46 years. About 53.2% of the farmers with technology had formal education and also about 65.4% of the farmers without technology also had formal education. The results further show that rice production was profitable for both farmers with access to technology and without. The average technical efficiency obtained by smallscale farmers with access to technology was 81.1%, while those without access to technology obtained 52.7. The significant factors influencing rice production for smallscale farmers with access to technology were: land size ($P<0.01$), labour ($P<0.01$), fertilizer ($P<0.01$) and agrochemical ($P<0.01$), while the significant factors influencing rice production for smallscale farmers without access to technology were: land size ($P<0.01$), labour ($P<0.01$) and agrochemical ($P<0.10$). The significant factors influencing technical inefficiency of the farmers with access to technology were education ($P<0.01$), Age ($P<0.01$), land size ($P<0.01$), experience ($P<0.01$), household size ($P<0.05$) and extension contact ($P<0.05$). The significant factors influencing technical inefficiency for farmers without access to technology were: education ($P<0.10$), land size ($P<0.10$), experience ($P<0.10$), household size ($P<0.01$) and cooperatives ($P<0.01$). The major challenges faced by smallscale rice farmers with access to technology were: poor credit facilities, shortage of farm input, inadequate rainfall season, and high cost of labour. The smallscale rice farmers without access to technology also faced with the following constraints: soil fertility, attitude of

farmers towards adoption of innovation, poor credit facility, high cost of labour and instability in planting calendar and ineffectiveness of agricultural chemicals used due to delay in rainfall. The F-Chow test shows that there is significant impact on technical efficiency, productivity and profitability of rice farmers with access to improved technology. The results of the F-Chow-test further revealed that the residual sum of square for pooled sample was 5818.887, while the residual sum of square for farmers with access to technology was 923.600 and that of farmers without technology was 4858.988 with calculated of F* Value of 26.44 which was significant when compared to Table F-Value of 2.495. Therefore, the study recommends the following policy implications: Inputs such as improved seed varieties, fertilizers and chemical inputs should be provided to farmers that have access to technology by government of Nigeria or NGOs at affordable price or subsidized rate and timely, extension services should also be provided to smallscale rice farmers, improved rice production technologies should be provided to farmers, farmers should be encouraged to join cooperative organizations for them to have access to credit facilities in order to have the ability to adopt rice production technologies which will in turn increase their production capacity that might lead into increase in income and improve their livelihood in the study area.

Keywords: Profitability, Technical Efficiency, Rice Farmers, Small-Scale, With and Without Access to Technology

INTRODUCTION

Sustainable agriculture using agricultural technology by smallholder farmers has been a key driver behind the global increase in agricultural productivity. Sustainable agricultural technologies from sowing to harvesting increases yields and enhances efficiency and can help to avoid losses during harvesting and subsequent processing. Sustainable agricultural technology helps to overcome labour shortage and safeguards production through timely soil cultivation, sowing, efficient weed and pest control, faster harvesting, and better storage and processing. Rice (*Oryza sativa*) is an important food crop in Nigeria; it is one of the major staples and a strategic commodity to Nigeria's economy. Nigeria's demand for rice is about 7.9 million Metric tonnes per year out of which an average of about 2 million metric tonnes are imported; the country spends between \$500 million and \$1 Billion on rice importation per annum since 2002 (RMM, 2017). Furthermore, the yield per hectare of locally produced rice stands at about 2 metric tonnes compared to global average of 6.0 metric tonnes; due to poor seed quality, low soil fertility, low use of fertilizer, iron toxicity, poor adoption of improved technology, in addition to problems of pests and diseases (Adesina, 2012). Rice consumers in Nigeria generally perceive local rice as poor in quality. Therefore, achieving the rice self-sufficiency goal of the government requires changes in the level of production, processing and marketing of rice that meets the quality demand of local consumers. Rice production is a vital component of Nigeria's agricultural sector, particularly in the North Central region, where small-scale farmers constitute a significant portion of the farming population (FAO, 2020). However, small-scale rice farming in the region faces challenges, including low productivity, resource constraints, and limited access to modern agricultural technologies (Adeyemo & Arokoyo, 2018). To address these challenges, the adoption of technology has been identified as a potential solution to improve the profitability and efficiency of small-scale rice farming. This study aims to investigate the comparative profitability and technical efficiency of small-scale rice farmers in North Central Nigeria, focusing specifically on the utilization of technology. By comparing farmers who have adopted improved production technology with those who have not, this research seeks to provide insights into the potential benefits and challenges associated with technological interventions in the rice farming sector. The use of technology in agriculture has the potential to enhance productivity by improving resource allocation, reducing production costs, and increasing yield levels. Technological interventions, such as improved seed varieties, use of agrochemicals mechanization, and precision farming techniques, can contribute to higher yields and improved farm profitability. Additionally, technology adoption may lead to increased technical efficiency by enabling farmers to optimize the use of inputs and achieve higher output levels per unit of resources employed. However, the adoption of technology by small-scale rice farmers may face several barriers, including limited access to capital, lack of awareness and knowledge about available technologies, and inadequate infrastructure. These challenges can hinder the adoption process and limit the potential benefits that technology can offer to small-scale rice farmers. The profitability and technical efficiency of small-scale rice farmers in North Central Nigeria can vary significantly depending on their adoption or non-adoption of technology. However, there is a gap in empirical research examining the comparative performance of these two groups. This study seeks to address this gap by exploring the following research questions:

- (i) What are the socio-economic characteristics of the small-scale farmers with and without access to improved production technology?
- (ii) What is the comparative costs, returns and profitability of small-scale rice farmers with and without access to improved production technology?

- (iii) What is the comparative technical efficiency of small-scale rice farmers who have adopted technology versus those who have not?
- (iv) What are the factors influencing technical efficiency of small-scale farmers with and without access to improved production technology?
- (v) What are the challenges faced by small-scale rice farmers with and without utilizing technology effectively in the study area?

METHODOLOGY

Area of Study

The study was conducted in North Central Nigeria which comprises of six states namely, Kwara, Kogi, Niger, Nasarawa, Plateau and Benue States (Figure 1). Niger State, and Nasarawa State were selected for the study. Niger State lies between Latitudes 3° 20' and 7°40' North of the equator and Longitudes 8° 11' and 11°02' East of the Greenwich Meridian (Niger State Ministry of Information and communication,2008). The State shares boundaries in the North with Zamfara, Kebbi States and Federal Capital Territory, Abuja. It also shares common boundary with Republic of Benin at Babana in Borgu Local Government Area in Niger state. It is located in the Guinea Savannah agro ecological zone in Nigeria, with annual rainfall of 1100 mm in the north and 1600mm in the south (Niger State Ministry of information and communication, 2008).Nasarawa State is bounded in the North by Kaduna State, in the West by the Abuja Federal Capital Territory, in the South by Kogi and Benue States and in the East by Taraba and Plateau States. The State lies between Latitudes7° 45' and 9° 25' North of the equator and between Longitudes7° and 9° 37' East of the Greenwich meridian. The average annual temperature is 28.4 °C and about 839 mm of precipitation falls annually. Most of crops produced by farmers in these states are rice, cowpea cassava, groundnut sesame seed, sorghum etc and also reared livestock like goats, pigs, cows and sheep.

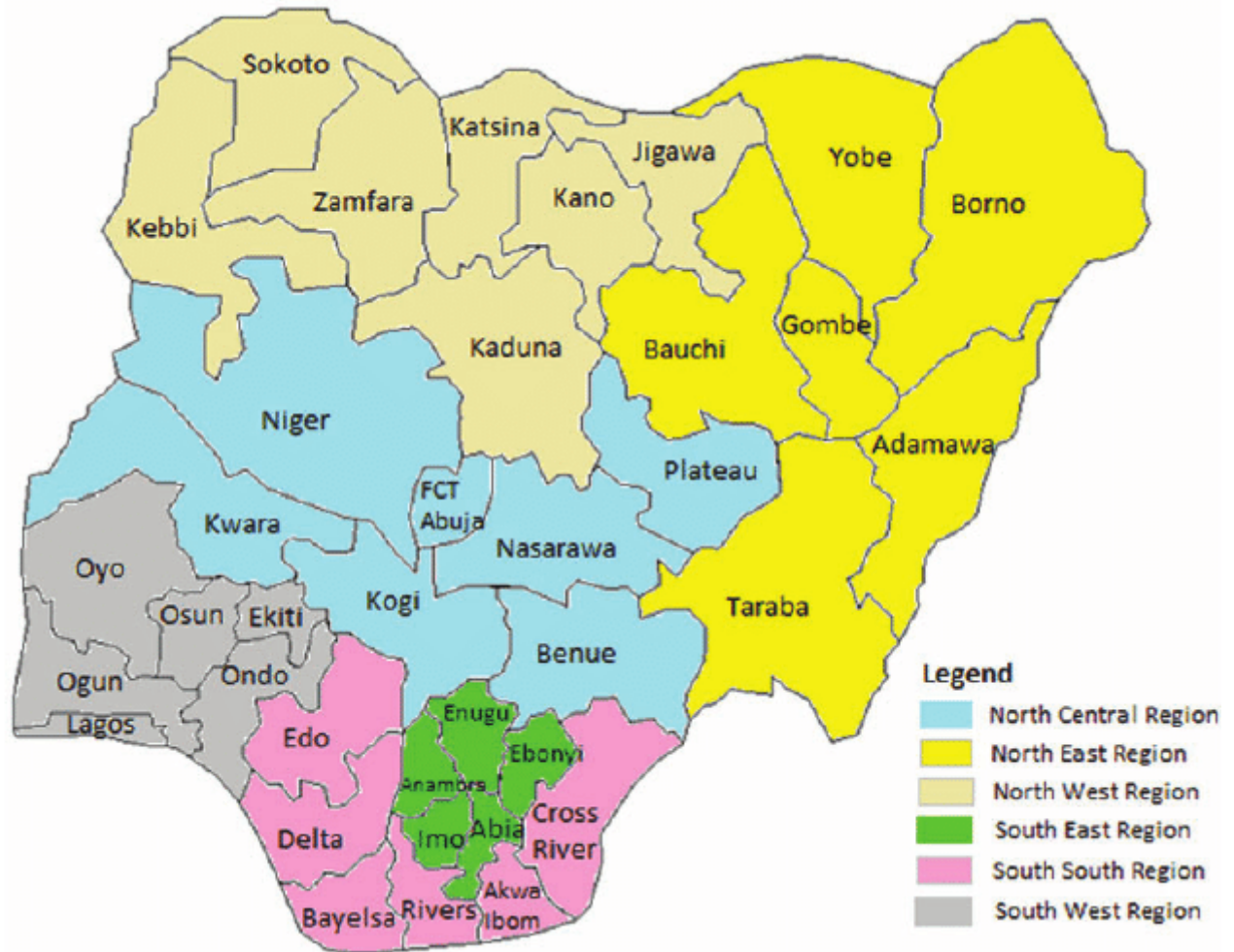


Figure 1: Map of Nigeria showing the North Central Region

Method of Data Collection

Data used for this study were obtained from primary sources. The relevant primary data was obtained from rice farmers in two selected states in the study area. The main instrument for data collection was pre-tested structured interview schedule administered on respondents by trained enumerators under the supervision of the researchers.

Sampling Technique and Sample Size

The target populations for this study were rice farmers in North Central Nigeria. Multi stage simple random sampling technique was used for the study. Two States randomly selected were Niger and Nasarawa State. A cross sectional data was used for the study comprising of 1500 rice farmers that were exposed to improved rice production. Furthermore, another set of 1500 that were not expose to the technologies were selected as well. Therefore, a total of 3000 rice farmer were used for the study

Method of Data Analysis

Descriptive Statistics

Descriptive statistics such as frequency distribution, mean, and standard variation were used to capture the socio-economics characteristics of the respondents.

Budgetary Technique

Farm Budgetary Analysis were used to capture costs, returns and profitability ratios of rice farmers. The Budgetary Analysis involved the estimation of net farm income and return on Naira (ROI) invested which was used to determine the profitability of rice production of respondents with and without access to improved production. Following Olukosi and Erhabor (1988), the net farm income was estimated on per hectare basis as follows: -

$$GM = TR - TVC \dots \dots (1)$$

$$GM = \sum_{i=1}^n P_i Q_i - \sum_{j=1}^n P_j X_j \dots \dots (2)$$

$$NFI = GM - TFC \dots \dots (3)$$

Where,

NFI= Net Farm Income; GM = Gross Margin (₦/ha); TR= Total Revenue $P_y \cdot Y$ (₦); P_i = Price Rice in (₦), Q_i = Total quantity of rice (Kg/ha); P_j = Price of Input (₦/Kg); X_j = Quantity of Input Used (Kg/ha), P_y = Price per unit output (₦); Y = Total quantity of output (Kg)/unit/Ha

TFC = Total Fixed cost per hectare (₦) (Average annual depreciation cost for all input was used)

Financial Analysis: According to Alabi *et al.* (2020), gross margin ratio is defined as follows:

$$\text{Gross Margin Ratio} = \frac{\text{Gross Margin}}{\text{Total Revenue}} \dots \dots (4)$$

According to Olukosi and Erhabor (1989), operating ratio (OR) is defined as follows:

$$\text{Operating Ratio} = \frac{TVC}{GI} \dots \dots (5)$$

Following Lawal (2008) return on Naira invested (ROI) was obtained as follows:

$$RORI = \frac{NI}{TC} \dots \dots (6)$$

Where,

RORI= Rate of Return per Naira Invested (Units);

NI= Net income (Naira);

TC= Total Cost (Naira).

Decision rule: ROI value should be greater than one for an enterprise to be profitable.

Stochastic Production Frontier Model

Stochastic frontier model was used to estimate technical efficiency values and identify factors determining inefficiency. Productivity of resource use estimate would be calculated from the coefficients of the stochastic frontier model. The explicit model form is presented as:

$$Y_i = f(X_i, \beta) \epsilon_i, i = 1, \dots, N \dots \dots \dots (7).$$

$$\ln Y_i = \beta_0 + \sum_{i=1}^6 \beta_i \ln X_i + \dots \beta_n \ln X_n + V - U_i \dots \dots \dots (8)$$

$$\ln Y_i = \beta_0 + \beta_1 \ln X_1 + \beta_2 \ln X_2 + \beta_3 \ln X_3 + \beta_4 \ln X_4 + \beta_5 \ln X_5 + V_i - U_i. (9)$$

Where,

$\ln Y_i$ = Rice Output (Bags)

X_1 = Land Size (ha)

X_2 = Labour (Man days)

X_3 = Rice Seed (Kg)

X_4 = Quantity of Fertilizer (Kg)

X_5 = Agro Chemical Input (Litres)

β_0 = Constant Term

$\beta_1 - \beta_6$ = Parameters to be Estimated

The Technical Inefficiency Component of the Stochastic Frontier Model is stated thus:

$$U_i = \alpha_0 + \alpha_1 Z_1 + \alpha_2 Z_2 + \alpha_3 Z_3 + \alpha_4 Z_4 + \alpha_5 Z_5 + \alpha_6 Z_6 + \alpha_7 Z_7 \dots \dots (10)$$

Where,

U_i = **Technical Inefficiency Component**

Z_1 = Education (Years Schooling)

Z_2 = Age of Farmers (Years)

Z_3 = Farm Size (Hectares)

Z_4 = Farming Experience (Years)

Z_5 = Household Size (Number)

Z_6 = Extension Contact (Number)

Z_7 = Sex (1, Male; 0, Otherwise)

α_0 = Constant Term

$\alpha_1 - \alpha_7$ = Regression Coefficients

F-Chow Test Statistics

According to Doughery (2007) and Chow (1960) F-Chow test statistics is often used in determining the equality of error variances in two linear regression equations this is the main restriction assumed in Chow test.

The pooled Regression model is specified as;

$$Y_{ij} = \alpha + \beta X_{1ij} + \varphi X_{2ij} + \epsilon_{ij} \dots \dots \dots (11)$$

If we split the data into two groups, then we have,

$$Y_{ij} = \alpha_{1ij} + \beta_1 X_{1ij} + \varphi_{1ij} X_{2ij} + \epsilon_{ij} \dots \dots \dots (12)$$

$$Y_{ij} = \alpha_{2ij} + \beta_2 X_{2ij} + \varphi_{2ij} X_{2ij} + \epsilon_{ij} \dots \dots \dots (13)$$

Where,

Y_{ij} = Output of Rice from farmers with and without access to technology

Chow test is an application of the F-distribution test, if F-Chow is greater than the F-table, then there is a significant difference between the output of rice farmers with and without technology or otherwise. The model is specified as follows:

$$F * \text{-Chow Test} = \frac{RSS - (RSS_1 + RSS_2)/K}{RSS_1 + RSS_2 / [N_1 + N_2 - 2K]} \dots \dots \dots (14)$$

Where,

RSS = Sum of Square Residual from Pooled Data,

RSS_1 = Sum of Squares from the rice producers with access to technology

RSS_2 = Sum of Squares from rice producers without access to technology,

K = Total Number of Parameter ,

N_1, N_2 = Number of Observation in Each Group ,

STUDY HYPOTHESIS

$H_0: \beta_{1ij} = \beta_{2ij}$: There is no significant differences of productivity between rice farmers with and without access to improved technology. The main hypothesis in the Chow test is that the coefficient (Rice output) s are equal for both sub-samples.

RESULTS AND DISCUSSION

Socio-Economic Characteristics of the Smallscale Rice Farmers with and without Access to Improved Production Technology

The results of the socio-economic characteristics of the sampled scale rice farmers with and without technology is presented in Table 1. The average age of the sample rice farmers with technology was 36 years while those without technology was 46 years, this implies that the rice farmers from both categories were still energetic and in their active age of productivity but rice farmers that adopt technology were much younger than those without technology, there is a difference of 9 years between farmers with technology and those without technology, the younger the rice farmers the higher the chances for them using technology and innovation in rice production that would lead to increase in efficiency and profit maximization. This is in consonance with Okello *et al.* (2019) who reported an average age of 38 years for rice farmers and contrary to the findings of Aboaba (2020) who reported the mean age of rice farmers to be 54 years. The study also shows that majority (84.2%) of the sampled rice farmers with access to technology were male while majority (83.3%) of the sampled rice farmers without technology were male rice farmers, this indicates that majority of the rice farmers using technology and without technology were male rice farmers. This result in in line with Oladele *et al.* (2020) who reported that the male dominancy in agriculture is expected especially due to great energy required in carrying out farming activities. About 83.1% of the sampled rice

farmers using technology were married and 83.3% of those without technology were also married implying that most of the sampled rice farmers from both categories have labour supply for rice production in the study area. Furthermore, the results show that majority of the sample farmers were literate, only 10.5% and sampled farmers with access to technology and 3.4% of farmers without access to technology has no formal education. The average household size of the sample rice farmers with and without technology was 7 and 9 persons respectively. On average farmers without access to technology had larger household size than those with access to technology with a difference of 2 persons per household. While the average length years of rice cultivation by farmers with and without technology was 10 and 13years respectively. There is a difference of 3 years in the average years of farming experience between farmers with access to technology and those without access to technology. Length of years in rice cultivation makes farmers to accumulate experience and knowledge about rice cultivation which could make farmers to maximize profit. About 44.2% of the sampled farmers with technology were members of the cooperative association while majority (61.5%) of the sampled rice farmers without technology were also members of the cooperative association. Cooperative association makes farmers to organize themselves in such way that they can contribute their resources and pull it together which could enable them to purchase inputs in bulk at lower price rate. The study also shows that majority 74.7% and 76.9% of the sampled rice farmers with and without technology had no access to formal credit facilities respectively. More so, most (63.2%)of the rice farmers with technology and 67.9% of the farmers without technology source their capital or finance through personal savings. Majority of the sample rice farmers with access (73.7%) and without access (70.5%) to technology has land size of less than 2 ha with average land size of 1.5 ha and 1.4 ha for farmers with access to technology and without technology respectively. This is in line with the findings of Abdul *et al.* (2017) who reported farmers with similar farm size for farmers. Sustainable agriculture focuses on local people and their needs, knowledge, skills, socio-cultural values and institutional structures.

Table 1: Socio-Economic Characteristics of the Sampled Small-scale Rice Farmers in the Study area

Variables	Rice Farmers with Technology n =1500		Rice Farmers without Technology n=1500	
	Frequency	Percentage	Frequency	Percentage
Age (Years)				
21 – 30	300	20.0	250	17.7
31 – 40	789	52.6	442	29.5
41 – 50	363	24.2	596	39.7
> 50	47	3.2	212	14.1
Mean	36		46	
Sex				
Male	1263	84.2	1250	83.3
Female	237	15.8	250	16.7
Marital Status				
Single	205	13.7	231	15.4
Married	1247	83.1	1250	83.3
Widow	47	3.2	19	1.3
Education Level				
Quaranic	174	11.6	96	6.4
Primary	253	16.9	269	17.9
Secondary	615	41.1	500	33.3
Tertiary	189	12.6	480	32.1
Adult Education	110	7.4	96	6.4
No Formal Education	158	10.5	58	3.8
Household Size (Number)				
1-5	474	31.6	538	35.9
6-10	805	53.7	480	32.1
11-15	221	14.7	480	32.1
Mean	7		9	
Length of Rice Cultivation				
1-5	174	11.6	404	26.9
6-10	710	47.4	500	33.3
11-15	410	27.4	154	10.3
>15	205	13.7	442	29.5
Mean	10		13	
Member Cooperative				
Members	663	44.2	923	61.5
Not Member	837	55.8	577	38.5
Access to Credit				
With access	379	25.3	346	23.1
No access	1121	74.7	1154	76.9
Source Finance				
Personal	947	63.2	1019	67.9
Bank	32	2.1	38	2.5
Friend Relative	221	14.7	19	1.3
Cooperative	300	20.0	423	28.2
Farm Size (Ha)				
0.1-2	1105	73.7	1058	70.5
2.1-4	221	14.7	250	16.7
4.1-6	174	11.6	192	12.8
Mean	1.5		1.4	

Source: Field Survey Data (2022)

Costs, Returns and Profitability of Small-Scale Rice Farmers with and Without Access to Improved Production Technology

Table 2 presents the results of costs, returns and profitability of rice producers with and without access to improved rice production technology in the study area. The results show that the total variable cost incurred by the small-scale rice producers with technology was ₦175,354.76 and those without technology incurred a total variable cost of ₦123,857.34 with cost incurred on labour having the highest proportion of 43% for farmers with access to technology and 49% for those without technology while the total variable cost incurred by the small-scale rice farmers without access to technology carries 79.3% proportion of total cost of production. The total fixed cost incurred by the small-scale rice farmers with and without technology ₦39474.28 and ₦22,427.42 respectively. The estimated total revenue realized by the rice farmers with access to technology was ₦830,244.75 while the revenue obtained by small-scale rice farmers without technology was ₦350,287.55. The gross margin estimated for small-scale rice farmers with technology was ₦615,415.71 while those without technology obtained ₦194,002.79 and the net profit of about ₦575,941.43 and ₦171,575.37 for both small-scale rice farmers with access to technology and without technology respectively. The gross margin ratio obtained was 0.75 and 0.55 for small-scale farmers with and without technology respectively while the operating ratio obtained by small-scale producers with technology was 0.26 and small-scale producers without technology was 0.35. The rate of return on investment realized by farmers with technology was estimated to be 2.75 while the small-scale rice farmers without technology was 1.10. This study shows that rice production with technology and without technology is profitable but rice production with access to technology was more profitable than those without access to technology the rate of return on investment of 2.75 for small-scale rice producers with technology and 1.10 for those without access to technology implies that every 1 naira invested 2.75 kobo and 1.10 kobo was obtained as profit respectively which covers interest cost of capital, fees and commission. This is in line with Alabi *et al.* (2023) who reported that rice production is a profitable enterprise that worth investing in and undertaking. Sustainable agriculture provides long term employment, an adequate income and dignified and equal working and living conditions for everybody involved in agricultural value chains. Sustainable agriculture ensures that the basic nutritional requirements of current and future generations are met in both quantity and quality terms.

Table 2 Average Costs, Returns and Profitability Per Hectare of Rice Producers with and without Access to Improved Production Technology in the Study Area

Variables	Rice Farmers with Technology			Rice Farmers without Technology		
	Average Value (₦)/ha	Financial Ratios	Percentage (%)	Average Value (₦)	Financial Ratios	Percentage (%)
Variable Cost						
Seed	30,080.82		0.140	22,459.02		0.0144
Fertilizer	48,000.00		0.22	6500.00		0.0142
Manure	*****		*****	4,857.14		0.031
Herbicide	19,236.30		0.089	6,830.34		0.044
Pesticides	3,926.80		0.018	*****		****
Cost of Labour						
Land preparation	24,722.41			13,103.33		
Planting cost	15,223.73			9,581.72		
First weeding	*****			3500.00		
Second weeding	11,279.63			18,124.39		
Fertilizer Application	18,72.34			8,831.71		
Harvesting	25,503.39			11,762.07		
Threshing/winnowing	14,272.41			12,012.05		
Total	92,873.91		0.432	76,915.27		0.492
Transportation	8,308.93			6,295.57		
Total Variable Cost	175,354.76		0.816	123,857.34		0.793
Fixed Cost						
Depreciation on Farm Implement	9,474.28			17,427.41		
Interest on capital	30.000			15,000		
Total Fixed Cost	39,474.28		0.184	22,427.42		0.144
Total Cost	214,829.04			156,284.76		
Total Revenue	830,244.75			350,287.55		
Gross Margin	615,415.71			194,002.79		
Net Profit	575,941.43			171,575.37		
Gross Margin Ratio		0.74			0.55	
Operating Ratio		0.26			0.35	
RORI		2.75			1.10	

Source: Field Survey Data (2022)

Distribution of Technically Efficiency Scores among Rice Farmers with and without Access to Improved Production Technology

Table 3 presents the results of summary distribution of the technical efficiency score of the sampled rice producers with and without access to technology in the study area. The results show that technical efficiency varies among the sampled rice farmers with and without access to technology. The study also revealed that about 42.1% of the rice producers with technology attained technical efficiency score between 0.81-1.0 while only 6.4% of the rice farmers without technology were able to attain 0.81-1.0 level of technical efficiency score. The minimum technical efficiency level attained by rice farmers with access to technology and without those without access to technology were 0.001 and 0.011 respectively while the

maximum technical efficiency level obtained by both category was 0.999 and 0.9821 respectively with average technical efficiency of about 81.1% for farmers with access to technology and 52.7% for farmers without access to technology. This indicated that rice farmers with access to technology were technically more efficient than those without access to technology. This study is in line with the findings of Okello *et al.* (2019) who reported technical efficiency of 78% and asserted that rice farmers level of technical efficiency is less than 100%. Several other studies found similar result Ahmed and Melesse (2018), Aboba (2020) and Biara *et al.* (2023). Sustainable agriculture emphasized on methods and process that improve soil productivity, while minimizing harmful effects on the climate, soil, water, air, biodiversity, and human health.

Table 3 Distribution of Technically Efficiency Scores Among Rice Farmers with and without Technology

Technical Efficiency Score	Farmers with Technology		Farmers without Technology	
	Frequency	Percentage	Frequency	Percentage
0-0-0.20	16	1.1	58	3.8
0.21-0.4	300	2.0	134	8.9
0.41-0.6	395	26.3	1096	73
0.61-0.8	158	10.5	115	7.7
0.81-1.00	632	42.1	96	6.4
Minimum	0.001		0.011	
Maximum	0.999		0.9821	
Mean TE	0.8129		0.5270	

Source: Field Survey Data (2022)

Estimates of the Factors Influencing Total Output and the Technical Efficiency of Rice

Production among Smallscale Rice Farmers with and without Access to Improved

Production Technology

Table 4 shows the results of the maximum Likelihood estimates of the factors influencing technical efficiency of the smallscale producers with and without technology, the first stage of the stochastic frontier production function show that the statistically significant factors influencing total output of rice production for smallscale rice producers with technology were: land size, labour, seed, fertilizer, and agrochemical while the factors influencing total output of rice producers without technology were: land size, labour, and fertilizer. This is consistent with Amaechina and Eboh, (2017) who reported that land size, labour and fertilizer had positive influence on rice production in Anambra State, Nigeria. Land size influence total output of rice production positively for rice producer with and without access to technology and was statistically significant at ($P < 0.01$). The coefficient of land size for rice producers with technology (0.2076) and 0.3177) for rice producers without access to technology implied that a unit change in the land size will result in the increase in the total output of rice producers with access to technology and without technology by 20.8% and 31.8% respectively. This result is consistent with Abdulai *et al.* (2018) and Amaechina & Eboh, (2017) who reported that farm size has a positive influence on total output of rice production. Labour influence total output of rice production positively for both smallscale rice farmers with access to technology and those without access to technology and it was statistically significant at ($P < 0.01$) probability level. The magnitude of the coefficient of labour for smallscale rice farmers with technology (0.9695) and (0.1764) for smallscale rice farmers without access to technology, this implies that percentage change in labour supply for rice production will result in the increase in total output of rice production by 96.9% and 17.6% for smallscale rice farmers with access to technology and without technology respectively. Rice seed influence total output of rice positively for smallscale rice farmers with access to

technology and was significant at ($P < 0.01$) but wasn't significant for farmers without access to technology, the coefficient of rice seed for rice farmers with access to technology was (0.3033) implying that percentage change in the quantity of rice seed planted by smallscale rice farmers will result in the increase in the total output of rice production by 30.3% for rice farmers that has accessed to technology. Access to improved seed variety could be the reason why seed influence total output of rice production among the farmers that had access to technology. Fertilizer has a positive influence on the total output of rice production among smallscale rice farmers that had access to technology while for farmers without access to technology fertilizer influence total output of rice negatively and it was significant at ($P < 0.01$) and ($P < 0.10$) respectively. The coefficient of fertilizer for farmers with access to technology was (0.2102), while for farmers without access to technology was (-0.1002), this signifies that percentage change in the quantity of fertilizer applied to rice farm by rice farmers will technology will result in the increase in the total output of rice production by 21.1% and those without access to technology will experience a decrease in total out of rice by 10.1%. This finding conforms to the results of Amaechina & Eboh (2017) and Mabe *et al.* (2018) who posited that fertilizer had positive effect on total output of rice production but contrary to the result of Abdulai *et al.* (2018) who reported negative influence of fertilizer on rice production output and in confirmation to the results of the farmers without access to technology. Agrochemical was statistically significant and influence the total output of rice production positively for farmers with access to technology only, the magnitude of the coefficient of agrochemical (0.3053) implying that percentage change in the use of agrochemical by smallscale rice farmers with access to technology will result in the increase in the total output of rice production by 30.5%. The technical inefficiency component of the stochastic frontier which is the second stage of the production function show that the statistically significant factors influencing technical inefficiency of the smallscale rice farmers with access to technology and without technology were: Age of the farmers as seen in Table 4 influence technical inefficiency of the smallscale rice farmers with access to technology negatively and positively for rice farmers without technology and it was significant at ($P < 0.01$) and ($P < 0.10$) respectively. The estimated coefficient of the age of the smallscale farmers with access to technology (-57.1175) and those without access to technology (0.0718) implying that a unit change in the age of the farmers with access to technology will result in the decrease in technical inefficiency of the smallholder rice farmers by 57.1% while for those without access to technology will result in the increase in technical inefficiency by 0.7%. The result connotes that younger farmers are technically efficient than old farmers because younger farmers are risk takers and adopt new innovation. This conforms to the finding of Ishiaku *et al.* (2017). Education of the sampled smallscale rice farmers had negative influence on technical inefficiency of the smallscale rice farmers that had access to technology while smallscale farmers without access to technology education had positive influence on technical inefficiency and was significant at ($P < 0.01$) for both smallscale farmers with access to technology and without. The coefficient of education level of the rice farmers with access to technology was (-0.2024) and for those without access to technology was (0.0213) this result revealed that a unit change in the level of education of smallscale rice farmers will result in the decrease in technical inefficiency for farmers with access to technology by 20.2% and increase in technical inefficiency (decrease in technical efficiency) for rice famers without access to technology by 2.1%. The implication of the positive sign for farmers without technology is that they are not well educated as a result they don't consider technology as a means that will improve their productivity they prefer to stick to their traditional method of rice production thereby resulting in technical inefficiency. This is in line Dominic *et al.* (2019) who reported negative association of education with technical inefficiency. This means that an increase in the year of education of farmers increases the level of technical efficiency in

production. The results also conform with the finding of Danso-Abbeam *et al.* (2015) who also found that access to education affects technical inefficiency negatively. Land size influence technical inefficiency negatively for smallscale rice farmers with and without access to technology negatively ($P < 0.01$) and ($P < 0.10$) respectively. The coefficient of land size for both categories of smallscale rice farmers implies that a unit change in land size will result in the increase in technical efficiency of rice production among smallscale rice farmers by 63.3% and 62.5% respectively. Experience influence technical inefficiency of rice production for smallscale rice farmers with access to technology negatively and was significant at ($P < 0.01$) while for farmers without access technology was positive. The coefficient of farming experience for both smallscale rice farmers was (-1824) and (0.0394) respectively meaning that a unit increase in the years of farming experience will result in the decrease in technical inefficiency for smallscale farmers with access to technology by 18.2% while those without technology will lead to decrease in technical efficiency by 3.9%. This is in conformity with the Nwahia *et al.* (2020) who reported that farmers with more experience tends to be technically efficient than those that has less farming experience. Household size influence technical efficiency of smallscale rice farmers with access to technology positively and negatively for farmers without technology and it was significant at ($P < 0.05$) and ($P < 0.01$) respectively. The coefficient of household size for farmers with access to technology (0.0269) and those without technology was -0.0628. This show that a unit change in the number of household size per person for farmers with access to technology will result in the decrease in technical efficiency (increase in inefficiency) of rice production by 2.7. The number of persons in a household could have negative relationship with technical efficiency in the sense that available resources may be diverted for solving family problems rather than farm activities. This is in line with Okello *et al.* (2019) who reported that larger household size could result in the decline in technical efficiency in rice production while for farmers without access to technology will result in the increase in technical efficiency by 6.3%. Extension contact influence technical efficiency for smallscale rice farmers with access to technology negatively and it was significant at ($P < 0.01$) probability level, it was not significant for farmers without access to technology. The coefficient of extension contact for smallholder rice farmers with access to technology was (-0.0307) which signifies that a unit increase in access to extension contact for services will result in the increase in technical efficiency of rice production by 3.1% for farmers with access to technology. This results indicated that rice farmers with access to technology who have access to extension service are more technically efficient than their counterparts that do not have access to technology. This result is consonance with the findings of Dominic *et al.* (2019), Danso-Abbeam *et al.*(2015); Abdulai *et al.*(2018). Cooperative association influence technical efficiency for smallscale rice farmers with access to technology negatively and was significant at ($P < 0.05$) and ($P < 0.10$) probability level. The coefficient of cooperative association for smallscale rice farmers with access to technology was -0.3051 while for farmers without technology was -0.2575 implying that a unit change in the possibility of being a member of cooperative association by smallscale rice farmers will result in the increase in technical efficiency of rice production among smallscale rice farmers by 30.5% and 25.7% respectively. This is in line with Alabi *et al.* (2023) who reported that cooperative membership makes farmers to have access to farm inputs at a low cost because they may purchase the inputs in bulk at a lower price which could make them to be efficient and maximize profit.

Table 4: Maximum Likelihood Estimates of the Stochastic Frontier of Rice Production Function for Producers with and without Technology in the Study Area

Variable	Farmers with Technology			Farmers without Technology		
	Coefficients	Std Error	Z-Score	Coefficients	Std Error	Z-Score
Land Size	0.207577*	0.0359482	5.77	0.3177182*	0.1221348	2.60
Labour	0.9694883*	0.3839501	2.53	0.1764158*	0.1127985	6.78
Rice Seed	0.3033543*	0.0186010	16.31	0.153018	0.2862165	0.53
Fertilizer	0.2109786*	0.0309272	6.28	-0.170330***	0.1001697	-1.70
Agrochemical	0.3052799*	0.0422674	7.22	-0.3556807	0.2018589	0.76
Constant	4.099452	5.895435	0.70	0.3712768	0.6059639	0.61
Inefficiency Model						
Education	-0.202436*	0.0072075	-28.09	0.0212888***	0.0432501	2.93
Age	-57.11753*	19.18636	-2.98	0.0717677***	0.0072658	1.66
Land Size	-0.6330422*	0.2192555	-2.89	-0.624897***	0.3553213	-1.76
Experience	-0.1823747*	0.0381327	-4.78	0.0393537***	0.0206194	1.91
Household Size	0.0268977**	0.012722	2.11	-0.0628044*	0.0193691	-3.24
Extension Contact	-0.030728***	0.0159691	-1.92	-0.0663106	0.0495128	-1.34
Cooperatives	-0.3051075**	0.0139493	-2.19	-0.257457***	0.129831	-1.98
Sex	0.0037830	0.0143900	0,26	-0.028159	0.0178288	-1.58
Diagnostic Statistics						
Log likelihood	-95.8000			834.7854		
Sigma square	71.5117			0.05654		
Gama	0.544071			0.22177		

Source: Field Survey Data (2022)

*Significant at the 1%, ** Significant at the 5%, *** Significant at the 10% Probability Levels

Constraints Faced by Smallscale Rice Producers with Access to Improved Production

Technology

Table 5 presents the constraints faced by sampled smallscale rice farmers with access technology. The results show that majority 95.8% of the sampled smallscale rice farmers with access to technology encountered poor access to credit facilities as the major constraints faced in rice production and it was ranked first 1st based on the number of rice farmer's opinion. Also most of the farmers with access to technology encountered shortage of farm input as a challenge and was ranked second 2nd while 91.6% of the rice farmers were faced with the challenge of inadequate rainfall season and high cost of labour respectively. The results also revealed that about 90.1% of the sampled smallscale rice farmers with access to technology encountered instability in planting calendar as a major constraint militating against rice production in the study area and it was ranked 4th in the order of severity among the smallscale rice farmers. Other constraints encountered by smallscale farmers with access to technology were: 83.2% of the rice farmers encountered ineffectiveness of agricultural chemicals used due to delay in rainfall and Attitude of farmers towards adoption of innovation respectively. Furthermore, about 81% of the sampled smallscale rice farmers with access to technology were faced with the challenges of small size of farm land while 76.8% of rice farmers encountered poor soil fertility and poor access to market centers due to bad roads in the study area. This result is in line with Parveen *et al.* (2016); Cooker *et al.* (2018) and Alabi *et al.* (2023) who reported similar problems of rice production faced by farmers in their respective study areas.

Table 5: Constraint Faced by Rice Producers with Access to Improved Production Technology

Constraints Faced by Farmers With Technology	Frequency	Percentage	Rank
Poor credit facilities	1437	95.8	1 st
Shortage of farm input	1405	93.7	2 nd
Inadequate rain fall season	1374	91.6	3 rd
High cost of labour	1374	91.6	3 rd
Instability in planting calendar	1358	90.1	4 th
Ineffectiveness of agricultural chemicals used due to delay in rainfall	1247	83.2	5 th
Attitude of farmers towards adoption of innovation	1247	83.2	5 th
Small Farm Size	1167	81.0	6 th
Poor soil fertility	1153	76.8	7 th
Poor access to market centers due to bad roads	1153	76.8	7 th
Problem of land ownership	1026	68.4	8 th
Inadequate extension contact	458	30.5	9 th
Total	1500	100	

Source: Field Survey (2022)

Constraints Faced by Smallscale Rice Producers without Access to Improved Production

Technology

Table 6 presents the constraints faced by smallscale rice farmers without access to technology in the study area, the results show that majority (97.4%) of the sampled rice farmers identified poor soil fertility and attitude of farmers towards adoption of innovation were both ranked 1st while 96.2% of the respondents ranked poor access to credit facilities as 2nd, high cost of labour as the most important constraints to rice production in the order of severity. This result is in line with Alabi *et al.* (2020) and Alabi *et al.* (2023).

Table 6: Constraint Faced by Rice Producers without Access to Improved Production Technology

Constraints Faced by Farmers	Frequency	Percentage	Rank
Poor soil fertility	1462	97.4	1 st
Attitude of farmers towards adoption of innovation	1462	97.4	1 st
Poor credit facilities	1442	96.2	2 nd
High cost of labour	1385	92.3	3 rd
Instability in planting calendar	1365	91.0	4 th
Ineffectiveness of agricultural chemicals used due to delay in rainfall	1327	88.5	5 th
Inadequate rain fall season	1250	83.3	6 th
Shortage of farm input	1134	75.6	7 th
Problem of land ownership	1115	74.4	8 th
Small farm size	1115	74.4	8 th
Poor access to market centers due to bad roads	769	51.0	9 th
Inadequate extension contact	711	47.4	10 th
Total	1500	100	

Source: Field Survey Data (2022)

Chow Test Result to Determine the Difference between Rice Producers with and without Access to Improved Production Technology.

The results of F-Chow-test are presented on Table 7. The residual sum of square for pooled sample was 5818.887, while the residual sum of square for farmers with access to technology was 923.600 and that of famers without technology was

4858.988 with calculate F* Value of 26.44 and the Table F-Value of 2.495. In the Chow test, if there is no significant statistical difference between two sub-samples (i.e., if $\sigma_1^2 = \sigma_2^2$), then the regression test statistic in Equation (11) follows an F(K, T-2K) distribution. However, if the test statistic (F*) is greater than the respective F-statistic at 5% level of significance (as in this study), the null hypothesis should be rejected. Consequently, the relevant conclusion is that the sub-samples are significantly different. This was the statistical evidence which justifies the decision to estimate separate models for the sub-samples. The coefficients of the rice farmers with access to technology were more significant than those without access to technology.

Table 7: F-Chow Test Outcome

RSSP	RSS1	RSS2	F*	F(K, T-K) at 5% significance level	Decision
5818.887	9323.600	4858.988	26.44	2.495	There is Significant Impact on Productivity of Rice Farmers with Access to Improved Technology in the Study Area

Source: Field Survey Data (2022)

CONCLUSION AND POLICY RECOMMENDATIONS

Agricultural sustainability centre on the need to develop agricultural technologies and practice that: (i) do not have adverse effects on the environment, partly because the environment is an important asset for farming,(ii) are accessible to and effective for farmers, and (iii) lead to both improvements in food productivity and have positive side effects on environmental goods and services The general conclusion drawn from this study is that access to improved rice production practices increases yield, profit and technical efficiency of the farmers. Farmers with access to technology have return on naira investment and mean technical efficiency that is significantly higher than that of rice farmers without access to technology The average technical efficiency obtained by smallscale farmers with access to technology was 81.1% while those without access to technology obtained 52.7% indicating that farmers with access to technology were more technically efficient than the smallscale rice farmers without technology. The factors influencing total output of rice production for smallscale farmers with access to technology were: land size, labour, fertilizer and agrochemical while the statistically significant factors influencing total output of rice production for smallscale farmers without access to technology were land size, labour and agrochemical. It was also discovered from the study that the significant factors influencing technical inefficiency of the farmers with access to technology were education, Age, land size, experience, household size and extension contact. The significant factors influencing technical inefficiency for farmers without access to technology were: education, land size, experience, household size and cooperatives. The major challenges faced by smallscale rice farmers with access to technology were poor credit facilities, shortage of farm input, and inadequate rainfall. The smallscale rice farmers without access to technology were faced with the following major constraints poor soil fertility, attitude of farmers towards adoption of innovation, and poor credit facility. Therefore, the study recommends the following policy implications: The need to exposed all small scale rice farmers to improved production practices. Inputs such as mechanization of land predation use of improve seed varieties, precision planting, fertilizers and agro chemical inputs. These inputs should be provided to farmers by government of Nigeria or Non-Governmental Organizations at affordable price or subsidized rate and

timely. Extension services should be provided to smallscale rice farmers on the improved rice production, technologies utilization advices should be provided to farmers with training and farm demonstration on how to use technology appropriately, workshops, seminars including media broadcasting through television, radio and internet/social media and symposium should be properly organized for adequate training of smallscale farmers to understand the technicalities of rice production using technology. Farmers should be encouraged to join cooperative organizations for them to have access to credit facilities in order to boost their production capacity that will make them have the ability to adopt rice production technologies which will in turn increase their output, income and improve their livelihood and welfare in the study area.

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