

Effect of Credit Use on Technical Efficiency of Cassava Farmers in Ondo State, Nigeria

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Abstract : Agricultural production should be the major financial contributor to the Nigerian economy; however, the petroleum sector had taken the importance attached to this sector. The situation tends to be more worsening unless necessary attention is given to adequate credit supply among food crop farmers. This research analyses the effect of credit use on the technical efficiency of cassava farmers in Ondo State, Nigeria. Primary data were collected from two hundred randomly selected cassava farmers through a multistage sampling procedure in the study area. Data were analysed using descriptive statistics and stochastic frontier analysis (SFA). Findings revealed that 95.0% of the farmers were male while 56.0% had no formal education and were married. The SFA showed that cassava farmer's efficiency increased with farm size, herbicide and planting material at 5%, 10% and 1% respectively but decreased with fertilizer application at 1% level while farmers' age, education, household size, experience and access to credit increased technical inefficiency at 10%. The study concluded that cassava farmers are technically inefficient in the use of farm resources and recommended that adequate and workable agricultural policy measures that will ensure availability and efficient fertilizer distribution should be put in place to increase efficiency. Furthermore, the government should encourage youth participation in cassava production and ensure improvement in farmer's access to credit to increase farmer's technical efficiency.

Keywords : agriculture, access to credit, cassava farmers, technical efficiency

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