

Impact of Output Market Participation on Cassava-Based Farming Households' Welfare in Nigeria

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Abstract : The potential benefits of agricultural production to improve the welfare condition of smallholder farmers in developing countries is no more a news because it has been widely documented. Yet majority of these farming households suffer from shortfall in production output to meet both the consumption needs and market demand which adversely affects output market participation and by extension welfare condition. Therefore, this study investigated the impacts of output market participation on households' welfare of cassava-based farmers in Oyo State, Nigeria. Multistage sampling technique was used to select 324 sample size used for this study. The findings from the data obtained and analyzed through composite score and crosstab analysis revealed that there is varying degree of output market participation among the farmers which also translate to the observed welfare profile differentials in the study area. The probit model analysis with respect to the selection equation identified gender of household head, household size, access to remittance, off-farm income and ownership of farmland as significant drivers of output market participation in the study area. Furthermore, the treatment effect model of the welfare equation and propensity score matching (PSM) technique were used as robust checks; and the findings attest to the fact that, complimentarily with other significant variables highlighted in this study, output market participation indeed has a significant impact on farming households' welfare. As policy implication inferences, the study recommends female active inclusiveness and empowerment in farming activities, birth control strategies, secondary income smoothing activities and discouragement of land fragmentation habits, to boost productivity and output market participation, which by extension can significantly improve farming households' welfare.

Keywords : Cassava market participation, households' welfare, propensity score matching, treatment effect model

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