Profitability of Groundnut Production in Michika Local Government Area of Adamawa State, Nigeria

V. B. Taru¹, I. Z. Kyagya² and S. I. Mshelia³

¹. Adamawa State College of Agriculture, P.M.B. 2088 Ganye, Nigeria
². Department of Agricultural Services, Ministry of Agriculture, Yola, Adamawa State, Nigeria
³. Department of Agricultural Economics and Extension, Federal University of Technology, Yola Adamawa State, Nigeria

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ABSTRACT The study examined the profitability of groundnut production in Michika Local Government Area of Adamawa State. Gross Margin analysis was strictly used. From the costs and return analysis, it is found that the total cost of production by farm size per hectare in the area is ₦133,812.68; the gross margin per hectare is ₦221,348.68 while the average net return per hectare is ₦40,097.63. The findings also show that farmers in the area earned an average net revenue ranging between ₦17,217.00 and ₦445,011.35 depending on farm size which indicated that groundnut production is a profitable venture in the study area. Farmers should maintain output per hectare at a high level with the family labor at their disposal through good management and efficient use of modern inputs. Farmers with no family members should join communal labor arrangements where they will benefit from it for their farm operations.