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Opportunities for Smallholder Spinach Farmers in Nigeria: A Profit Efficiency Analysis

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ABSTRACT This study applied the stochastic frontier profit function to evaluate the profit efficiency of smallholder spinach farmers in Benue State, Nigeria in order to examine the opportunities available to farmers in the state. The average profit efficiency was 89 percent suggesting that an estimated 11 percent of the profit was lost owing to a mixture of both technical and allocative inefficiency in spinach production among the sampled farmers. In other words, profit efficiency among the sampled spinach farmers can be increased by 11 percent through improved use of existing production resources, given the current state of technology. Results further showed that the profit efficiency of the spinach farmers were positively influenced by educational level, farming experience, access to credit and access to extension services. Consequently, investments in farmers' education through effective extension delivery program and provision of credit will help farmers to increase their profit efficiency.