

Economics of Small-scale Furniture Production in Lafia Metropolis, Nasarawa State Nigeria

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ABSTRACT The study was designed to assess the economics of small- scale furniture production in Lafia metropolis of Nasarawa State. Primary data for the study were collected from furniture producers in the study area. A total of thirty (30) furniture producers were interviewed using structured questionnaire. Descriptive statistics and budgeting were used in the analysis of the data. The result of the study revealed that all the furniture makers sampled were males while their educational qualification ranged between primary school (23.3%) and secondary school (76.7%). Source of initial funding came from savings (86.7%) and family (13.6%). A total of 28 (93.4%) of the small -scale furniture enterprise sampled were established between 1999 and 2000 while the remaining 2 were established in the 1980s. The study showed that hard wood were mostly used in furniture production which the producers mostly got from timber sheds and saw mills. On the size of work force, 5 (16.7%) respondents had 1-4 staff, 20 (66.7%) had 5-10 staff, 3 (10.0%) had 11-16 staff while 2 (6.7%) had 17-21 staff. The budgetary analysis gives total variable cost (TVC) as ₦1,546.86, total cost (TC) as ₦ 74,450,- and net income (NI) as ₦ 2,450. The gross revenue (GR) was ₦ 76,900.00, gross profit (GP) ₦ 3,99.86, and net profit (NP) was ₦ 75,357.14. The rate of return (ROR) was 103% while the rate of return on investment (RORI) was 3.29% which is positive thus depicting the profitability of furniture production in the study area.