PRINT: ISSN 0970-9274 ONLINE: ISSN 2456-6608
JOURNAL OF HUMAN ECOLOGY
International Interdisciplinary Journal of Man-Environment Relationship

© Kamla-Raj 2011
J Hum Ecol, 35(3): 173-179 (2011)
PRINT: ISSN 0970-9274 ONLINE: ISSN 2456-6608
DOI: 10.31901/24566608.2011/35.03.05

Efficiency and Income among the Rural Farmers in Nigeria

Simon T. Penda* **and Benjamin C. Asogwa**

Department of Agricultural Economics, University of Agriculture, P. M. B. 2373,
Makurdi, Benue State, Nigeria
****E-mail: stpenda@yahoo.com***

KEYWORDS Relationship. Efficiency. Income. Rural Farmers

ABSTRACT This study analysed the relationship between efficiency and income among the rural farmers in Nigeria. Farm level data from Benue State of Nigeria was used for the study. The stochastic frontier was used to obtain the efficiency estimates among the respondents, whereas the quintiles analysis and deciles analysis were used for the analysis of size distribution of household income among the respondents. Correlation analysis was used for the analysis of the relationship between efficiency and income among the respondents. The study showed that technical inefficiency is worse than allocative inefficiency, implying that the low level of overall economic efficiency is the result of higher technical inefficiency. The study also showed that the top most group (the richest households) in the area receives not less than 50 percent of the total income of the area because the group probably owns and controls larger proportion of the productive and financial resources in the area. Furthermore, improvement in both farm income and non-farm income resulted relatively more from decrease in the cost of technical efficiency, which in turn increased the overall economic efficiency relatively more and hence increase in per capita income. Decrease in the cost of technical efficiency among the respondents brings about relatively more improvement in the welfare of the entire household members of the respondents and hence poverty reduction.