

1 **Economic Efficiency and its Determinants: A Case Study of Cowpea Production in the**
2 **Western Agricultural Zone of Nasarawa State, Nigeria**

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4
5 **Abstract**

6 Most farmers in Nigeria, cowpea farmers inclusive, practice subsistence farming with low
7 productivity and consequent inefficiencies. Cowpea related researches have however, focused
8 more on the technical efficiency and the enterprise profitability with little or no research on
9 economic efficiencies, particularly in the study area. It is consequent upon this gap that this
10 study estimated the economic efficiency level and assessed the influencing factors among
11 cowpea farmers in the western agricultural zone of Nasarawa state, Nigeria. A sample size of
12 160 cowpea farmers was selected using multi-stage sampling technique. The data used was
13 collected for the 2017 farming season using structured questionnaire and was analysed using
14 the data envelopment analysis (DEA) and tobit regression model. The study revealed that
15 cowpea farmers in the study area operated on a small scale, at an average of 1.0 ha/farmer.
16 Findings also indicated that, the mean technical (TE), allocative (AE) and economic
17 efficiencies (EE) were: 0.31, 0.18 and 0.06 respectively. The implication of these results is
18 that an average farmer in the study area has the scope for increasing TE by 69% in the short
19 run under the existing technology. An average farmer in the study area also has the scope of
20 increasing their allocative and economic efficiencies by 82% and 94% respectively in the
21 short run under the existing technology. The economic efficiency was only influenced
22 significantly by the farm size. Education, farming experience, and extension visits were not
23 significant determinants of the economic efficiency. The study recommends for policies of
24 government at all levels and those of all the stakeholders to discourage land fragmentation
25 and promote efforts that encourage farmers to form strong cooperatives so that they can pool
26 their resources together to increase their scale of operations and by so doing improve their
27 cowpea production efficiency.

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29 **Key words:** Cowpea, production, economic efficiency, determinants, farmers

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31 **Introduction**

32 Cowpea (simply known as ‘beans’ in Nigeria) is one of the most economically important
33 indigenous African legume and most versatile African crop which feeds the people, their
34 livestock, the soil and other crops[1]. Botanically, it is called *Vigna unguiculata* L. Walp and
35 is mostly grown in the semi-arid tropics which cover Asia, East and West Africa, Central and
36 South America. Cowpea has its root in Africa most especially South, West and East Africa
37 but the name cowpea probably emerged when it got to the United States of America and was
38 used as an important feed for the Cows[2]. Most cowpeas are grown on the African continent,
39 particularly in Nigeria and Niger which account for over 55% of world cowpea
40 production[3]. It can be intercropped with large taller plants such as maize, millet, or
41 sorghum particularly in high rainfall areas because of its exceptional shade tolerance as
42 reported by the Savana Agricultural Research Institute (SARI), Kenya[4]. There is a high
43 level of morphological diversity found within the cowpea species with large variations in the
44 size, shape and the structure of the plant. Cowpeas can be erect, trailing or climbing. The
45 seeds also vary in size, shape, colour and the number of seeds per pod.

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47 Niger is the main exporter of cowpea and Nigeria is the main importer and the leading
48 cowpea producer[3]. Outside Africa, the major production areas are Asia, Central America
49 and South America. United States of America is the most substantial producer and exporter
50 of cowpea in the developed world[5]. In terms of the land area for cowpea production, Niger

51 has the largest area (5.2 million hectares) which is over 36% of the world total land area for
52 cowpea production but due to their lower yield per hectare (383Kg), they are the second
53 world producers after Nigeria that has 3.6 million hectares, about 25% of the world total land
54 area and 852Kg/ha productivity[3].

55 In some traditional cropping methods in Nigeria, the yield could be as low as 100 kg/ha[6].
56 The low productivity of cowpea in Nigeria is mostly attributed to high level of illiteracy, high
57 cost of inputs, physical and biotic constraints, lack of high yielding seeds coupled with the
58 use of primitive and crude tools, such as hoes, cutlasses, axes etc. However, Savana soils are
59 also said to be inherently low in nutrients particularly nitrogen and phosphorus. Phosphorus
60 (P) is among the most needed elements for crop production in many tropical soils.
61 Phosphorus is critical to cowpea yield because it is reported to stimulate growth, initiate
62 nodule formation as well as influence the efficiency of the rhizobium-legume symbiosis[7].

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64 Cowpea's high protein content, its adaptability to different types of soil and inter-cropping
65 systems, its resistance to drought, and its ability to improve soil fertility and prevent erosion,
66 make it an important economic crop in Nigeria. The sale of the dry stalks and leaves (haulms)
67 and also the husks (the dry outer covering of the seeds) as animal feed during the dry season
68 provides a vital income for the farmers. Cowpea plays several key roles in the nutrition and
69 economic life of many people in Nigeria and the world over. According to Usman and
70 Fatima; cowpea has a protein content of about 23% making it a good source of plant protein.
71 It was further reported that it has an implication in its ability to cover a gap created by
72 inadequacy of animal protein in the diet of common people in poor countries including
73 Nigeria[8]. Cowpea is gradually attaining its economic importance all over Nigeria even
74 though the bulk of the production is done in the semi-arid zone of the northern part of the
75 country[9]. The increasing socio-economic importance of cowpea may be due to its food
76 value to both humans and livestock and ability to improve the fertility and cover for the soil
77 against erosion. Its high protein content comparable only to that of the animals makes it a
78 good supplementary source of protein[10]. Apart from having much protein content than the
79 cereals, cowpea is also a good source of dietary fibre and starch, minerals and vitamins.

80
81 Most Nigerian farmers, including cowpea farmers practice subsistence farming with low
82 productivity and consequent inefficiencies. This is mostly attributed to both technical and
83 allocative inefficiencies resulting from the farmers' lack of access to appropriate inputs and
84 relevant information that could guide them to higher and efficient productions. Production of
85 the crop under unfavourable conditions like; little use of inputs, marginal farmlands and
86 intercropping with competitive crops in some cases which mostly leads to inefficient
87 production and consequently low economic efficiency are also common knowledge in
88 Nigeria and most developing countries. For an economic efficiency of cowpea production to
89 be achieved, efficiency at both allocative and technical must be achieved since economic
90 efficiency is the totality of both technical and allocative efficiencies [11]. That is to say that;
91 economic efficiency is the result of the product of both technical and allocative efficiencies.
92 Cowpea- related research in Nigeria has focused more on the technical efficiency and the
93 enterprise profitability with little or no research on economic efficiencies particularly in the
94 study area. It is consequent upon this gap that this study empirically investigated the
95 economic efficiency and its determinants of the cowpea production in the Western
96 Agricultural Zone of Nasarawa State Nigeria as the general objective while the specific
97 objectives are to determine the technical, allocative and economic efficiency of the cowpea
98 production and the attributes of the farmers that influence the economic efficiency of cowpea
99 production in the study area. The inclusion of the investigation of the technical and allocative
100 efficiencies is imperative since economic efficiency is the totality of both the technical and

101 allocative efficiencies. This is necessary for effective analysis, informed decisions and
102 recommendations to all the stakeholders on efficient cowpea production or otherwise not only
103 in the study area but beyond.

104

105 **Concepts of Efficiency**

106 Based on Koopmans' and Debreu's work on the measure of efficiency [12-13], Farrell
107 proposed that the efficiency of a firm consisted of three components; technical, allocative and
108 economic efficiencies[11]. Technical efficiency is defined as the ability to produce a given
109 level of output with a minimum quantity of inputs under certain technology. Allocative
110 efficiency on the other hand refers to the ability to choose optimum input levels for a given
111 factor prices to produce maximum output. While economic efficiency is the product of both
112 technical and the allocative efficiencies. Thus, economic efficiency refers to the choice of the
113 best combination of inputs for a particular level of output which is determined by both input
114 and output prices[14]. The concept of economic efficiency in the production of cowpea is
115 therefore associated to the criterion of value. Thus, any change that is inclined to the increase
116 of productivity, performance of the inputs, quality and quantity of the output and higher
117 profitability and return on investment on the one hand, and of the reduction of the total
118 production costs on the other hand is considered to be economically efficient cowpea
119 production and economically inefficient when it is in the contrary.

120 **Efficiency Estimation Methods**

121 Parametric or stochastic frontier production approach and the non-parametric or data
122 envelopment analysis approach are the two basic approaches to efficiency estimations [15].
123 The stochastic frontier approach assumes a functional relationship between outputs and
124 inputs and uses statistical techniques to estimate parameters for the function. It incorporates
125 an error term composed of two additive components: a symmetric component that accounts
126 for statistical noise associated with data measurement errors and a non-negative component
127 that measures inefficiency in production [15].The disadvantage of stochastic frontier
128 approach is that it imposes specific assumptions on both the functional form of the frontier
129 and the distribution of the error term. In contrast, the non- parametric or data envelopment
130 analysis (DEA) that is used in this study uses linear programming methods to construct a
131 piecewise frontier of the data. Because it is non-parametric, data envelopment analysis does
132 not require any assumptions to be made about functional form or distribution type. It is thus
133 less sensitive to mis-specification relative to stochastic frontier approach. However, the
134 deterministic nature of data envelopment analysis means that all deviations from the frontier
135 are attributed to inefficiency.

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137 **Materials and Methods**

138 The study was conducted in the Western Agricultural Zone of Nasarawa State, Nigeria,
139 where cowpea production is prevalent. Nasarawa state is made up of 13 local government
140 areas (LGAs) divided into three agricultural zones by the Nasarawa Agricultural
141 Development Programme (NADP). The Western zone consists of four LGAs namely; Karu,
142 Nasarawa, Keffi and Toto, with its zonal headquarters in Keffi. The agricultural zone lies
143 within the guinea savannah climatic zone of the state with annual rainfall ranging between
144 1000mm and 1500mm.The zone has tropical climate marked by distinct dry and wet seasons
145 with annual mean temperature ranging from 23⁰C–37⁰C. The natural vegetation in the area is
146 of the savannah type, featuring dense tropical woodland with shrubs and grasses.

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148 The population of interest was all the cowpea farmers of the Western Agricultural Zone of
149 Nasarawa State while the sampling unit was the cowpea farming household. From the

150 reconnaissance conducted in the study area, a total of 600 cowpea farmers were identified in
151 the zone [16]. This number serves as the sampling frame for the study. Using a multi-stage
152 sampling technique, 160 sample size was generated for the study. In the first stage of
153 sampling, 2 local government areas (Karu and Keffi) were purposively selected out of the 4
154 local government areas in the zone due to the prevalence of cowpea production in the two
155 areas. The selection of 10 cowpea farmers from each of the 16 villages selected was however
156 done through simple random sampling. The study employed primary data in its analysis and
157 the Data collection was through the administration of a structured questionnaire in the study
158 area for the 2017 cowpea cropping season. Information collected includes; family and hired
159 labour input (man-days), capital input- rent on land (₦), output (Kg), input prices (₦), seeds
160 (Kg), agro-chemicals (L).

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162 The statistical tool used for the analysis of the primary data generated was the data
163 envelopment analysis (DEA) production frontier model at constant rate to scale (CRS) and
164 using the DEA Computer program software by Coalli (DEAP version 2.1) to estimate the
165 technical, allocative and economic efficiencies of the cowpea farmers in the study area and
166 the use of tobit regression model. Here, constant rate to scale (CRS) means that, the output
167 changes in proportion to changes in all inputs. Data envelopment analysis (DEA) is one of the
168 several techniques that can be used to calculate the best practiced production frontier [17].
169 The DEA approach provides an analytical tool for determining effective and ineffective
170 performances of the decision making units (DMUs), in this case the cowpea farmers of the
171 study area. While tobit regression model, which is also known as censored regression model
172 is designed to estimate linear relationships between variables when there is a left and/or a
173 right censoring in the dependent variables. The economic efficiencies generated through the
174 DEA analysis are the dependent variables that were regressed against the socio-economic
175 attributes of the cowpea farmers and some institutional-support factors like extension
176 contacts. A two limit (left and right censored) tobit model was applied in this study because
177 efficiency scores are bounded between zero and one (0 and 1).

178 179 **Data Envelopment Analysis (DEA) Model Specifications**

180 Data envelopment analysis (DEA) is one of the several techniques that can be used to
181 calculate the best practiced production frontier [17]. The Farrell input-oriented measure of
182 efficiencies will be used in this study as a measure of efficiency since farms tend to have a
183 greater control over their inputs than over their outputs. Farrell proposed that the efficiency of
184 a firm consists of three components [11]; (1) technical efficiency, which reflects the ability of
185 a firm to obtain maximum output from a given set of inputs; and (2) allocative efficiency,
186 which reflects the ability of a firm to use the inputs in optimal proportions, given their
187 respective prices and the production technology. These two measures are then combined to
188 provide a measure of economic efficiency (also referred to as cost efficiency). The Farrell
189 measure equals 1 for farms on the efficiency frontier, and then decreases with inefficiency as
190 low as 0. The DEA model constructed will be based on the assumption that each cowpea
191 farm produces a quantity of (y_i) using multiple inputs (x_i) and that each farm (i) is allowed
192 to set its own set of weights for both inputs and output. The data for all farms are denoted by
193 the $K \times N$ input matrix (X) and $M \times N$ output matrix (Y): Using the DEA model
194 specification, the TE score can be calculated for the i^{th} farm as the solution to linear
195 programming (LP) problem below:

$$\begin{aligned} 196 \quad TE_n &= \text{Min}_{\theta, \lambda} \theta_n & (1) \\ 197 \quad \text{Subject to;} & Y\lambda - y_i \geq 0 \\ 198 \quad & \theta X_i - X\lambda \geq 0 \\ 199 \quad & \lambda \geq 0 \end{aligned}$$

200 Where, TE is the technical efficiency, θ is the technical efficiency score having a value of $0 \leq$
 201 $\theta \leq 1$. If the value is = 1, the farm is on the frontier. The vector λ is an $N \times 1$ vector of
 202 weights that define the linear combination of the peers of the i^{th} farm. The input based
 203 minimum cost for the i^{th} farm can be obtained by solving the following linear programme
 204 problem;

$$205 \quad MC_i = \text{Min}_{\lambda, X^*_i} W_i^T X^*_i \quad (2)$$

206 Subject to; $Y\lambda - y_i \geq 0$
 207 $X^*_i - X\lambda \geq 0$
 208 $\lambda \geq 0$

209 Where; MC_i is the minimum total cost for the i^{th} farm, W_i is a vector of an input prices for the
 210 i^{th} cowpea farm; subscript T is the transpose function; X^*_i is the cost minimising vector of
 211 input quantities for the i^{th} cowpea farm calculated by the linear programming, given the input
 212 prices W_i and output level y_i ; and λ is an $N \times 1$ constant vector. Equations 1 and 2 represent
 213 the cost minimisation under the constant return to scale (CRS) technology. Here, constant to
 214 scale means that, the output changes in proportion to changes in all inputs. The cost
 215 efficiency (CE_i)_(CRS) of the i^{th} farmer can then be calculated thus;

216 $CE_{i(\text{CRS})} = W_i^T X^*_i / W_i^T X_i$ which is also = the EE in terms of price of the input or = to the
 217 revenue efficiency in terms of the revenue of the output
 218 That is; $CE_{i(\text{CRS})}$ = the ratio of the minimum cost to the observed cost given input prices and
 219 Constant Rate of Scale (CRS) technology [18]. Despite having the cost efficiency or revenue
 220 efficiency being equal to the economic efficiency of a firm, the overall efficiency of a firm is
 221 still the product of the TE and the AE [19]. That is; $EE = TE \times AE$

222 (3)

223 The allocative efficiency (AE) is calculated residually from equation 3 as follows:

$$224 \quad AE_{\text{CRS}} = EE/TE$$

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226 **Tobit Regression Model Specifications**

227 The economic efficiency estimates that are obtained through the DEA method described
 228 above were regressed on some farm and household specific attributes using the Tobit model.
 229 This approach has been used widely in efficiency literature [15]. The farm and household
 230 specific factors to be regressed here include; age, school years, farming experience of the
 231 farmer, farm size and the number of extension contact a farmer had during the period.

232 The tobit model is specified as follows:

$$233 \quad U_i^* = \beta_0 + \sum_{j=1}^k \beta_j Z_{ij} + U_i$$

234 U_i^* = latent variable representing the economic efficiency score for the i^{th} farm;

235 β_0 and β_j = parameters to be estimated;

$$236 \quad U_i = 1, \text{ if } U_i^* \geq 1$$

$$237 \quad U_i = U_i^*, \text{ if } 0 < U_i^* < 1$$

$$238 \quad U_i = 0, \text{ if } U_i^* \leq 0$$

239 Z_{ij} = hypothesized determinants of efficiency scores or latent variable, namely: age
 240 (years/No), household size (No), level of education (years/No) and cowpea farming
 241 experience (years/No) etc. The latent variable (U_i^*) is generated from the observed variable
 242 U_i through DEA estimation, which ranges from zero to one (0-1).

$$243 \quad Z_1 = \text{age (years/No)}$$

$$244 \quad Z_2 = \text{extension contacts (No)}$$

$$245 \quad Z_3 = \text{school years (yrs/No)}$$

$$246 \quad Z_4 = \text{farming experience (yrs/No)}$$

$$247 \quad Z_5 = \text{farm size (ha)}$$

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Results and Discussion

Efficiency of Cowpea Production

As shown in Table 1, the mean technical, allocative and economic efficiencies were at; 0.31, 0.18 and 0.06 in the study area, respectively. This shows that the cowpea farmers in the study area are more technically efficient than they are allocative and generally lower in terms of the economic efficiency. Meanwhile With the standard deviation (SD) of the TE, AE and EE at 0.23, 0.21 and 0.09 respectively, it shows that the variability of the results around the mean is more in TE than in AE and lower in EE. However, the coefficient of variation (CV) is higher in the EE followed by that of the AE and lowest with the TE. The smaller the CV, the more consistent the data is and the better for predictability due to lower dispersion of the results.

Table 1.0: Descriptive statistics of the Efficiencies

Statistics	Technical Efficiency (TE)	Allocative Efficiency (AE)	Economic Efficiency (EE)
Maximum	1.0	0.84	0.42
Minimum	0.03	0	0
Mean	0.31	0.18	0.06
Standard Deviation	0.23	0.21	0.09
Coefficient of Variation	74.2	117	150

Source: Field survey, 2018

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Estimated Technical Efficiency of the Respondents

The frequency distribution of the technical efficiency levels of the respondents in the study area as presented in Figure 1 indicates that respondents whose technical efficiency ranged from; 0 – 0.13 constituted about 19% of the respondents, 0.14 – 0.27 (35%), 0.28 – 0.41(26%), 0.42 – 0.55(10%), 0.56 – 0.69(1.3%), 0.70 – 0.83(2%) and 0.84 – 1(6%) with the minimum and maximum efficiencies at 0.03 and 1 respectively. Meanwhile, the mean technical efficiency is at 0.31. This implies that majority (about 70%) of the respondents in the study area produced below the technical efficiency frontier(1) and that an average farmer in the study area has the scope for increasing TE by 0.69 in the short run under the existing technology. The results also showed that on the average, over 61% of the farmers in the study area were not able to obtain up to 50% technical efficiency level from a given mix of production inputs. These results are consistent with those of Sabiko and others[20], who reported mean technical efficiency of about 0.4 but inconsistent with those of Sofoluwe and others[21-24], who reported mean technical efficiency; 0.66, 0.87, 0.89, 0.76 respectively as against the 0.31 mean TE in the current study.

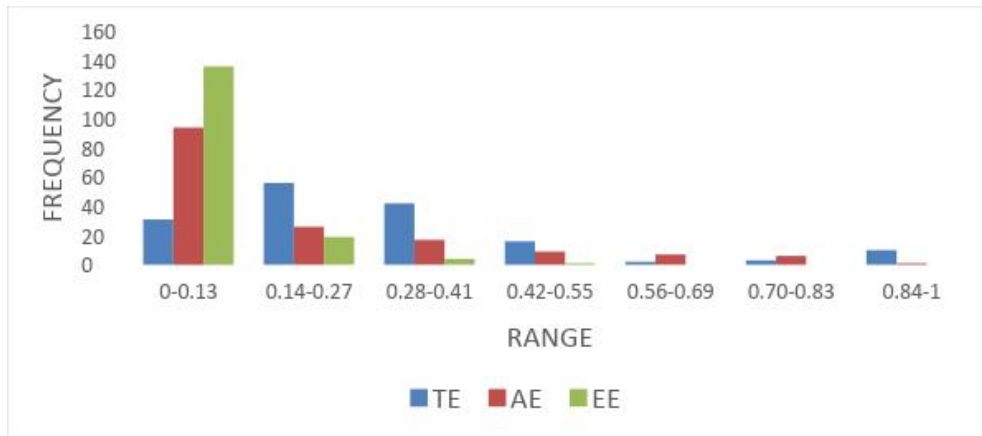


Figure 1.0: Frequency distribution of the TE, AE and the EE

Estimated Allocative Efficiency of the Respondents

The frequency distribution of the allocative efficiency of the respondents in the study area is shown in Figure 1. It shows that those within the range of 0 – 0.13 were in the majority (58.7%) while, the remaining ranges and percentages were as follows: 0.14 – 0.27(16.3%), 0.28 – 0.41(10.6%), 0.42 – 0.55(5.6%), 0.56 – 0.69(4.4%), 0.70 – 0.83(3.8%) and 0.84 – 1(0.63%). From the allocative efficiency ranges, no cowpea farmer reached the frontier (1) in the study area and over 85% of them could not even reach the 50% allocative efficiency level of 0.5. The mean AE was at 0.18. This indicates that an average farmer in the study area has the scope for increasing allocative efficiency by up to 82% in the short run under the existing management, prices of inputs and output to be able to reach the frontier(1). However, the result tend to agree with those reported by Kenneth and others [15], who had mean allocative efficiency in eastern Uganda to be around 0.2, but at variance with those of Jimjel and others [25], who reported the mean allocative efficiency to be at 0.66. These results generally imply that majority of the cowpea farmers were not able to apply the right combinations of available inputs given the current input prices in such a manner that could minimize their overall production costs and improve their allocative efficiencies (0.18). The implications of the low allocative efficiency result of the cowpea operations in the study area means that, the farmers were not able to equate the ratio of marginal product of inputs with the ratio of their prices [26]. That is to say that, the prices of output were low while those of inputs were high and the allocations and distribution of both inputs and output were improper to the extent of making the whole process costly and therefore unprofitable. The low allocative efficiency had a direct effect on the economic efficiency of the farm since economic efficiency is the product of TE and AE.

Estimated Economic Efficiency of the Respondents

Figure 1 also shows the frequency distribution and the ranges of the economic efficiency results obtained. The efficiency ranges and their equivalent percentages were as follows: 0 – 0.13 (85%), 0.14 – 0.27(11.9%), 0.28 – 0.41(2.5%), 0.42 – 0.55(0.63%), 0.56 – 0.69(0%), 0.7 – 0.83(0%) and 0.84 – 1(0%). None of the respondents reached the frontier production level of 1 and the best performing famers produced at 0.42 while the least was zero (0). The mean, highest and the least economic efficiency levels were at, 0.06, 0.42 and 0.0 respectively. These scores are quite low as it shows that cowpea farmers in the study area were producing inefficiently and therefore making insignificant profit from their operations. These results are at variance with that of Kenneth and others [15], who had higher economic efficiency of 0.60 in their studies. Meanwhile, at 0.06 mean economic efficiency, it means that majority of the

322 respondents in the study area are yet to achieve their best in terms of reaching the frontier (1)
323 and it also means that the average efficiency score for cowpea production in the study area
324 was just 6%, meaning that they produced at 94% inefficiently. This indicates that the overall
325 profitability of cowpea production in the study area is negatively affected since profitability
326 is highly associated with economic efficiency of any agricultural production or any
327 production for that matter. The low economic efficiency scores have been confirmed by the
328 presence of both low technical and allocative efficiency results for their operations as shown
329 in Figure 1. With the low EE therefore, it means that both the allocative and the technical
330 efficiencies were both not high enough to support higher economic efficiency since economic
331 efficiency is the product of the TE and AE. It is also evident from this study that economic
332 efficiency (EE) of the cowpea farmers could be improved substantially and that low
333 allocative efficiency constitutes a more serious problem than technical efficiency judging
334 from the average technical and allocative efficiencies obtained in the study area; 0.31 and
335 0.18 respectively. Generally however, both the technical efficiency (0.31) and allocative
336 efficiency (0.18) are serious problems to the cowpea production in the study area, vis-à-vis
337 economic efficiency. It is worthy of note to mention that some cowpea farmers in the study
338 area had zero (0) economic efficiency which means, though they harvested some products,
339 they recorded a loss after all the analysis of inputs and output were carried out during the
340 season under review(2017 cowpea cropping season). The mean economic efficiency was
341 0.06. For the average cowpea farmer here to reach the frontier (1), he or she must strive to
342 improve on the economic efficiency performance by up to 0.94(94%). These results really
343 show that cowpea production in the study area is very poor and virtually done at a loss. There
344 is therefore urgent need for the attention, involvement and collaboration of all the
345 stakeholders of the cowpea production in the study area in particular and Nigeria in general to
346 arrest the situation before cowpea production is abandoned, since efficiency and by
347 implications, profitability is the driving force behind every production.

348 **Determinants of the Economic Efficiency**

349 The results in Table 2 show the estimates of the two-limit tobit regression of selected socio-
350 economic and institutional-support factors against farmer-specific economic efficiency
351 scores. The explanatory variables chosen for the regression were; age, years spent in school,
352 farming experience, farm size and extension visit. Among the selected variables, the farm
353 size positively and significantly influenced the economic efficiency at 5% significance level.
354 That is to say that increasing the farm size translates into increase in the economic efficiency
355 of the farmers. This result is similar to what were observed in previous studies by different
356 researchers [10,15,22-23,25,27-28]. They observed that farm size was significant and
357 positively affected the efficiency. However, it is at variance with the observations of
358 Sofoluwe and others [21,24]; where plot size was not one of the positive influencing factors
359 of the economic efficiency. The result of the efficiency model shows that the coefficient
360 estimates for school years, farming experience and extension visit were not statistically
361 significant. This implies that these characteristics did not contribute to economic efficiency in
362 the cowpea production in the study area. The age however shows negative impact but not
363 significant, which goes to show that increase in age of the cowpea farmers in the study area
364 affects their economic efficiency negatively. This agrees with what Otitoju and Arene [29]
365 have found out in their study, that; the age of farming household heads have an inverse
366 relationship with productivity of farmers in Nigeria. They argued that this was
367 understandable since it was expected that as a farming household head becomes older, the
368 farmer's productivity would decline.

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374 **Table 2.0: Tobit Regression Estimates of Factors Influencing Economic Efficiency.**

Variable	Coefficient	Standard Error	T-Value
Constant	0.0038	0.0318	0.121
Age	- 0.002	0.0007	-0.121
School Years	0.001	0.0014	0.71
Farming Experience	0.0014	0.001	0.14
Farm Size	0.032	0.0095	3.33
Extension Visit	0.0025	0.0023	1.09

375 **Source: Field survey, 2018**

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377 **Conclusion**

378 The main objective of this study was to estimate the economic efficiency level and to assess
379 its determinants among cowpea farmers in the western agricultural zone of Nasarawa State,
380 Nigeria. It was established that the mean economic efficiency was 0.06(6%) and therefore
381 94% production inefficiency. Although there was a large discrepancy between the most
382 efficient and the least efficient farms, farmers having higher farm sizes showed a significantly
383 higher efficiencies than those with smaller plots. These results generally imply that majority
384 of the farmers were not able to apply the right combinations of available inputs or that the
385 right inputs were not available in such a manner that could minimize their overall production
386 costs and improve farm efficiency. The tobit regression model estimation revealed that
387 economic efficiency was positively influenced by farm size alone (at 5% level); and
388 negatively influenced by the age of the farmers at 10% level of significance. The average
389 farm size was 1.0 ha indicating that farmers here operate at small scale. Since economic
390 efficiency is the product of both technical and the allocative efficiencies, the two efficiencies
391 were also determined and the following results were obtained; mean technical and allocative
392 efficiencies were: 0.31 and 0.18 respectively. Judging from the economic efficiency scores
393 obtained, cowpea production in the study area was highly produced inefficiently and this calls
394 for urgent concern and attention from all the stakeholders, especially the policy side.

395 **Recommendations**

396 Since the economic efficiency is the product of both the technical and allocative efficiencies,
397 efforts geared towards improving the economic efficiency of the cowpea farmers should be
398 holistic and inclusive of both the technical and allocative efficiencies.

399 The government of Nigeria and the agricultural sector-oriented NGOs need to introduce
400 policies and sensitize farmers against land fragmentation since this would help enhance
401 economic efficiency.

402 There is also need for the government and non-governmental organizations in the agricultural
403 sector to train farmers on entrepreneurship so that they can divest their farm profits into other
404 income generating activities through which they will acquire the needed farming capital and
405 better their efficiency significantly. This initiative will also reduce over-dependence on farm
406 produce and provide alternative employment to the young people in the area.

407 Commitment and synergy between all the stakeholders in the area of promotion of efforts that
408 encourage farmers to form strong cooperatives so that they can pool their resources together
409 to increase their scale of operations, share information and to increase their communication
410 levels so as to improve their cowpea production efficiency is also recommended.

411 Bearing in mind the role of cowpea in the socio-economic life of an average Nigerian cowpea
412 farmer, consumers and the middle men, there is an urgent need for intervention through
413 synergy of all the stakeholders; especially the policy makers, NGOs, researchers, the farmers
414 themselves etc of the cowpea production in the study area in particular and Nigeria in general
415 to arrest the problems of inefficiencies before cowpea production is abandoned, since
416 efficiency and by implications, profitability is the driving force behind every production. In
417 so doing, cowpea farmers in the study area will become more economically efficient in
418 production and therefore make more profit from their operations.
419 Finally, there is need for further studies and collaboration between all the stakeholders,
420 especially the government extension departments, agricultural sector related NGOs,
421 researchers and the farmers themselves to look into the reasons behind why the levels of
422 education of the farmers, extension contacts and the farming experience did not affect the
423 economic efficiency which is generally against the a priori expectations, so as to ascertain the
424 true position of their roles both in the study area and Nigeria in general. The outcome will
425 help in adjustments or re-design of appropriate models that could help in cowpea production
426 efficiency not only in the study area but Nigeria in general.

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