

**Original Research Article**

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**AGRICULTURAL PRODUCTION ACTIVITIES, PROFIT EFFICIENCY NEXUS  
LIVELIHOOD DIVERSIFICATION AMONG PUBLIC SERVANT HOUSEHOLDS  
IN KWARA STATE NIGERIA****Abstract**

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8 Agricultural production activities are gradually becoming important livelihood diversification  
9 among urban and peri-urban households whose main occupation is public service. The study  
10 focuses on livelihood diversification through agricultural production activities among public  
11 servants in Kwara State, Nigeria. Both primary and secondary data (production records) were  
12 collected. Three hundred and thirty public servants comprising 150 fish farmers, 60 broiler  
13 farmers and 120 arable crop farmers were randomly selected through field survey with the aid  
14 of structured questionnaire. Data collected were analyzed using Herfindahl-Hirshman index  
15 (HHI), net margin and stochastic frontier profit function regression analysis. Fish, broiler and  
16 arable crop production were profitable with mean profit of ₦132,260 per 1000 fingerlings,  
17 ₦912 per bird and ₦89,564 per ha and mean profit efficiency of 72.6%, 74% and 68%  
18 respectively. The HHI of diversity revealed a significant level of income diversification to  
19 agricultural production activities. These contributed about 40%, 36.5% and 29% to total  
20 household income of public servants who engaged in fish farming, broiler production and  
21 arable cropping respectively. Public servant farmers should form a formidable group to enjoy  
22 economic of scale to purchase agricultural inputs and should be given adequate training  
23 through their cooperative by inviting resource personnel.

24 **Keywords:** Urban households, agricultural activities, public servants, livelihood  
25 diversification

**INTRODUCTION**

27 **Agriculture is sub-divided into crop, livestock and fishery sub-sector.** It is dominated in

28 Nigeria by small scale farmers who produce about 80% of the total food requirement but  
29 offers a strong option for spurring growth, overcoming poverty, and enhancing food security

30 [1]). However, recent studies [2, 3, 4 examining agricultural drive in Nigeria found out that

31 the urban and peri-urban households are gradually diversifying to agricultural production

32 activities notably homestead livestock, homegrown crop and fish farming. This connote that

33 urban households has embrace many aspect of agriculture.

34 Although, Nigeria fishery production system was dominated by artisanal fishery sub-sector, it  
35 is already operating at its output frontier which culminates in fish supply-demand deficit.  
36 There is very little or no scope to increase the supply of fish especially from artisanal fishery  
37 to meet the growing demand for fish protein required for its ever increasing population. The  
38 expansion in brackish, coastal and inland water fishery, which was a major source of local  
39 fish production growth till year 2000s has reach climax and started to decline thereafter [5].  
40 Fish farming is expanding rapidly throughout the world and has a high potential for the  
41 provision of valuable protein in less developed countries, especially Nigeria. It has been  
42 projected that aquaculture production can increase fish production by 50 million metric tons  
43 by 2050 [6].

44 Closely related to fish farming, poultry also serves as important source of animal protein and  
45 has certain advantages as a means of bridging the protein demand-supply gap amongst  
46 Nigerians. Apart from poultry and fish products, other sources of animal protein in Nigeria  
47 are ruminants, piggery, snails and rabbits. However, ruminants are poor candidates for rapid  
48 short-term increases in number. This is due to their low fecundity, long gestation and long  
49 generation interval [7]. It is known that piggery multiply rapidly within a relatively short-time  
50 with gestation period of 114 days. Unlike pork that has no national spread due to religious  
51 beliefs, there are virtually no taboos that hinder the consumption of both poultry meat or eggs  
52 [7] and fish products. Hence, both fish farming and poultry production has long been  
53 recognized as one of the quickest ways of rapid increase in protein supply in the short-run.  
54 Therefore, the need to meet animal protein requirements from domestic sources demands  
55 intensification of production of fishes and poultry derived from prolific animals like poultry  
56 birds and aquatic fish.

57 Furthermore, urban households including public servants also engage in vegetable production  
58 in form of *Vernonia amygdalina* (bitter leaf), *Talinum triangulare* (water leaf), *Spinacia*

59 *oleracia* (spinach), *Amaranthus spinosus* (green amaranth), *Citrullus lanatus* (watermelon),  
60 *Abelmoschus esculentus* (okra), *Lycopersicum esculentum* (tomatoes), *Lactuca sativa*  
61 (lettuce), *Telfairia occidentalis* (pumpkin), *Citrullus lanatus* (watermelon) and *Capsicum*  
62 *annuum* (pepper). Though, vegetable growing are diverse, complex and management intensive,  
63 it raised the income of the farmers and reduce challenges of dry season unemployment.  
64 Along with fruits and nuts, vegetables and melons have long been recognized as vital  
65 components in the nutritional health and well-being of any nation [8]. Spurred largely by  
66 irrigation potential of the State, demand by both rural and urban households, health and diet  
67 concerns of Nigerian citizens and lack of storage facilities, increases in vegetable  
68 consumption are daily expected [3].

### 69 **Problem Statement**

70 Global economy recession indicates the need for urban households' especially public servants  
71 to diversify their income sources by combining primary earning and non-wage activities to  
72 sustain their livelihoods. Incomes from non-wage source are increasingly becoming a  
73 supplementary to urban households' income for public servants who reside in urban centres  
74 in many parts of Nigeria. Weekly wages and monthly income is the most essential component  
75 of public servant households' income. However, of recent this income exhibits a high  
76 irregularity and outcomes are thus uncertain, because of drastic reduction in allocation from  
77 Federal Government and global economic recession. Thus, many government establishments  
78 at the three tiers are indebted to their employees running to months. Consequently, many of  
79 these civil servants partly allocate their leisure time, off days and vacations to activities  
80 which provide a supplementary income so as to cope with adverse shocks. Livelihood  
81 diversification activities have become an important income-generating strategy for both urban  
82 and rural small farm households throughout the developing world including Nigeria.  
83 Diversification refers to the expansion of the range of activities outside their primary or main

84 occupation [9] and is seen as a dynamic adaptation process created through pressures and  
85 opportunities [10]. Diversification may occur as a deliberate household strategy or as an  
86 involuntary response to crisis; and can be used both as a safety net for the poor or as a means  
87 of accumulation for the rich [11]. Evidence from literature [12, 13, 9] revealed that there has  
88 been an increasing livelihood diversification to agriculture among urban and peri-urban  
89 people including public servants. Most income diversification strategy are driven by socio-  
90 economic objectives largely, nutrition improvement of rural and urban communities,  
91 generation of additional family income, creation of employment and diversification of  
92 income generating activities.

93 According to [10], participation in multiple activities by urban and farm (rural) families is not  
94 new or only confined to the rural sectors of developing countries. Most rural and urban  
95 families have truly multiple income sources which may indeed include off-farm wage work  
96 in agriculture and wage from non-farm activities, rural non-farm self-employment, trading  
97 and remittances from urban areas and from abroad [14]. Lately, many urban and rural  
98 households including public servants play a significant role in the service sector mostly  
99 casual labour in industries, craft, artisan work and, public and private institutions located near  
100 their villages during the off-days, vacations, off-farm season to get work for sustaining their  
101 livelihood such as cushion food shortage experienced by the households or settle domestic  
102 obligation and buy back some inputs needed for farming operations [9]. It is obvious that  
103 involvement of public servants in agricultural production has multiplier effects on both micro  
104 and macroeconomic in Nigeria. For instance, such engagement could increase household  
105 income and consumption of such produce which improves access to better nutrition, increase  
106 self-sufficiency and promote overall agricultural development and productivity.

107 Considering the growing importance of the supplementary occupations among wage earners  
108 in Nigeria, the study therefore, intends to estimate the profitability and determine profit

109 efficiency of agricultural production activities among public servant households and to what  
110 extent has this livelihood strategies improved the well-being of their households in Kwara  
111 State, Nigeria.

## 112 **MATERIAL AND METHODS**

### 113 **The study Area and Data collection**

114 The study was conducted in 2015 among public servants in Kwara State, Nigeria. The State is  
115 located between latitude 7° 45' and 9° 30' N and longitude 2° 30' E and 6° 25' E with a land  
116 mass covering about 32,500 square km. With an estimated population of about 2.4 million  
117 people [15], the State's population was projected in 2016 to be about 3.17 million  
118 representing 3.2% annual growth rate and an average density of ninety eight persons per sq.  
119 km. Primary data were collected from public servants (workers) through interview and  
120 structure questionnaire which was subjected to a pre-survey and secondary data through  
121 production records. **Three sets of questionnaire were administered to civil servants based on**

**122 the farming enterprise:** Fish farming, broiler production and arable/vegetable crop farming.

### 123 **Sampling Procedure, Sampling size and analytical techniques**

124 Multi-stage sampling procedure was used to select the three categories of agricultural  
125 production activities engaged in by public servants. The lists of public servants who engage  
126 in the three farming enterprises were sought from the 16 Local Government Area (LGAs) and  
127 random sampling resulted in 180, 60 and 120 fish farmers, broiler production and vegetable  
128 farmers respectively.

129 Herfindal index, farm budgeting and stochastic frontier models were employed to analyze the  
130 data. The Herfindahl-Hirshman index measures the number of income sources or the level of  
131 income diversification. A value of one indicates complete dependence on a single income  
132 source while a value of  $1/k$  represents perfectly equal earnings across income sources, where  
133 there are  $k$  different income source categories analyzed [16]. Other studies use the inverse of

134 the Herfindahl index [17] because it measures not only the number of income sources but  
 135 also the evenness of income shares, with the parameter determining the weight of the number  
 136 of sources versus evenness in the distribution of shares.

137 The stochastic frontier profit function was defined as:

$$\pi_i = f(X_i; \delta) + \varepsilon_i \tag{1}$$

138 Where  $\pi$  normalized profit of the  $i$ th farms is,  $X_i$  is a vector of inputs used by farm  $i$ , and  $\varepsilon_i$  is  
 139 a “composed” error term. The error term  $\varepsilon_i$  is equal to  $v_i - u_i$ . The term  $v_i$  is a two-sided  
 140 ( $-\infty < v_i < \infty$ ) normally distributed random error ( $v \sim N[0, \sigma_v^2]$ ) that represents the  
 141 stochastic effects outside the farmers’ control. The term  $u_i$  is a one-sided ( $u_i \geq 0$ ) efficiency  
 142 component that represents the technical inefficiency of farm. The distribution of the term  $u_i$   
 143 can be half-normal, exponential, or gamma and half-normal distribution ( $u \sim N[0, \sigma_u^2]$ ) is used  
 144 in this study. The two components  $v_i$  and  $u_i$  are also assumed to be independent of each  
 145 other according to [18].

146 Empirical model specification for the determinants of profit efficiency was as follows;

$$\ln \pi_i = \beta_0 + \beta_1 \ln X_{1i} + \beta_2 \ln X_{2i} + \beta_3 \ln X_{3i} + \beta_4 \ln X_{4i} + \beta_5 \ln X_{5i} + V_i - U_i \tag{2}$$

147 Where:  $\pi_i$  = Profit of the  $i$ th farmers (₦);  $X_{1i}$ –  $X_{5i}$  were defined in the results, and subscript  $i$   
 148 refer to the observation of  $i$ th farmers;  $\ln$  = Logarithm to base  $e$ . The inefficiency effects,  $V_i$   
 149 is a random error term assumed to be independently and identically distributed as  $N(0, \sigma_v^2)$ .  
 150  $U_i$  represents profit inefficiency and is identically and distributed as a truncated normal with  
 151 truncations at zero of the normal distribution [19]. The  $U_i$  is defined as:

$$u_i = \omega_0 + \omega_1 Z_1 + \omega_2 Z_2 + \omega_3 Z_3 + \omega_4 Z_4 + \omega_5 Z_5 \tag{3}$$

152 Where:  $U_i$ = technical inefficiency of the  $i$ th farmers;  $Z_1$ -  $Z_5$  were defined in the results

153 A Foster-Greer-Thorbecke (FGT) index was used to determine the influence of income with  
 154 or without agricultural earning on welfare of public servants given as:

$$158 \quad p_{ai} = \frac{1}{n} \sum_{i=1}^q \left( \frac{z-y_i}{z} \right)^\alpha \quad (4)$$

159 Where:  $P_{ai}$  is the threshold index for the  $i^{\text{th}}$  sub-groups,  $n$  is the total number of households,  
 160  $Y_i$  is the per adult equivalent income of  $i$ -th households,  $z$  is the poverty line,  $q$  is the number  
 161 of the sampled household population below the poverty line and  $\alpha$  is the aversion to poverty  
 162 it ranges from 0 to 2 [20].

## 163 **RESULTS AND DISCUSSION**

### 164 **Returns in fish farming of public servants**

165 The results of net margin and profitability analysis are presented in Table 1. The study  
 166 confirmed that public servants engaging in agricultural production activities were not only  
 167 satisfying the household's food need or subsistence, but also interested in selling their outputs  
 168 to raise income. Thus, the farmers like any other entrepreneur had a profit motive. Therefore,  
 169 efforts were made to determine the costs associated with farm enterprises and also revenue  
 170 that accrues to their efforts. Both the variable and fixed costs of production were considered,  
 171 because the bulk of farmers acquired homestead building, pond, pumping machine and a few  
 172 of them dug boreholes.

173 The result revealed the average net returns of ₦132,260 per 1000 fingerlings invested with  
 174 profit margin of about 26.5%. This implies fish that farming venture among public servants in  
 175 Kwara State is profitable. The level of profit could be bridged up and perhaps, doubled  
 176 (₦260,520) if the production season is repeated twice in a year as study found out that most  
 177 of the fish reach table size or are sold in about 6 months of production. It suffices to note that  
 178 variable cost (97%) carried the larger portion of total cost; cost of feed accounted for 71.7%  
 179 and 70% of total variable cost and total cost respectively.

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185 **Table 1:** Costs and return estimate of homestead fish farming of public servants

<b>Variables</b>	<b>Input-output items</b>	<b>Value (₦)</b>	<b>% of TVC</b>	<b>% of TC</b>
A. Variable costs	1,000 Fingerlings/juvenile	30,000.3	8.39	8.15
(VC)	Feeds	256,320.9	71.73	69.66
	Chemicals: lime & fertilizers	5,650.5	1.58	1.54
	Drugs and anti-stress	4,570.0	1.28	1.25
	Cost of water pump (L)	27,640.4	7.73	7.51
	Hired labour	18,000.0	5.04	4.89
	Family labour	12,000.0	3.36	3.26
	Transportation cost	3,170.0	0.89	0.86
<b>Total VC</b>		<b>357,352.1</b>	<b>100.0</b>	<b>97.11</b>
B. Fixed costs	Pond	1,250.0	11.76	0.34
(depreciated)	Homestead building	1,758.0	16.54	0.48
	Pumping machine	3,509.7	33.03	0.95
	Pond excavation	2,250.0	21.17	0.61
	Miscellaneous expenses	1,860.0	17.50	0.50
<b>TFC</b>		<b>10,627.7</b>	<b>100.0</b>	<b>2.89</b>
<b>C. Total TC</b>		<b>367,979.8</b>		<b>100.0</b>
<b>D. Revenue</b>				
Unit price	1kg	520.0		
Average loss	Cannibalism & diseases: 38	19,760.0		
Average gain	Mostly Clarias: 962	500,240.0		
<b>Total revenue</b>		<b>500,240.2</b>		
Net margin		132,260.2		
Profit margin		26.44%		
Production period	6 months			

186 **Source:** field survey, 2014/2015

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188 **Profitability Analysis of broiler production of public servants**

189 The results of net farm income and profitability analysis of broiler are presented in Table 2.

190 Majority of the respondents (95%) were interested in selling their outputs to raise additional

191 income. The result revealed that the gross margin and net farm income per bird was ₦886

192 and ₦750 as well as profit margin and return on investment (ROI) of 45% and 1.8

193 respectively. The net margin analysis has shown that poultry production among public

194 servants is profitable. However, it is pertinent to show that both price of chick stock and cost

195 of feed account for about 70% and 60% of total variable cost and total cost respectively.

196 Furthermore, the variable costs gulped about 85% of total cost of broiler production. The

197 results are comparable to studies by [21, 22] that reported that broiler production are

198 profitable in Pakistan and Ondo State respectively.

199 **Table 2:** Average Cost and Returns of broiler production of 100 broilers

<b>Variables</b>	<b>Values (₦)</b>	<b>% TVC or FC</b>	<b>% TC</b>
<b>A. Variable costs</b>			
Price of chicks stock	21,000.0	27.6	23.4
Cost of feed	31,820.0	41.9	35.5
Cost of labour	11,000.0	14.5	12.3
Cost of vaccination	7,074.9	9.3	7.9
Cost of electricity	1,500.0	2.0	1.7
Other costs	3550.8	4.7	4.0
<b>Total Variable Cost</b>	<b>75,945.7</b>	<b>100.0</b>	<b>84.8</b>
<b>A. Fixed costs</b>			
Depreciation cost of poultry shed	7,250.5	53.3	8.1
Depreciation cost of other equipment	6,350.8	46.7	7.1
<b>Total Fixed Cost</b>	<b>13,601.3</b>	<b>100.0</b>	<b>15.2</b>
<b>B. Total Cost (A + B)</b>	<b>89,547.0</b>		<b>100.0</b>
<b>Net Returns</b>			
Quantity sold (broilers)	94		
Average loss	6		
Unit price	1750.5		
<b>C. Total Revenue</b>	<b>164547.0</b>		
Gross Margin	88601.3		
<b>D. Net Farm Income (C-B)</b>	<b>75,000.4</b>		
Profit margin (D/C*100)	45.6		

200 **Source:** Field Survey, 2014; production and financial records

201 **Profitability Analysis of vegetable production of public servants**

202 The results of gross and net margin analysis are presented in Table 3. The arable crop farmers  
 203 are primarily interested in selling their outputs to raise income and probably satisfied the  
 204 household's food need or subsistence. Thus, the farmers like any other entrepreneur may  
 205 have a profit motive. The result revealed the average net returns of integrated crop farming  
 206 was ₦75,000 per ha with profit margin of about 46%. This also implies that crop farming  
 207 venture among public servants in Kwara State is profitable. The level of profit could be  
 208 bridged up and perhaps, more than doubled if farmers combine rainfed and dry season  
 209 irrigation. It suffices to note that variable cost carried the larger portion of total cost (86%);  
 210 labour accounted for about 44% and 37% of total variable cost and total cost respectively.

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214 **Table 3:** Average costs and revenue per hectare of integrated arable crop production

<b>Variables</b>	<b>Values (₦)</b>	<b>% TR</b>	<b>% TVC or FC</b>	<b>% TC</b>
<b>Revenue from(₦):</b>				
leafy vegetables	89,750.09	48.2	-	-
Fruity vegetables	64,650.9	34.7	-	-
Other crops	31,800.0	17.1	-	-
<b>A. Total revenue</b>	<b>186,200.99</b>	<b>100.0</b>	-	-
<b>Variable cost (₦)</b>				
Seedling materials	4,520.8	-	6.4	5.5
Fertilizer	13,704.3	-	19.3	16.5
Organic manure	10,834.7	-	15.2	13.1
Chemicals	3,762.8	-	5.3	4.5
Labour	31,000.7	-	43.6	37.3
energy	7,256.1	-	10.2	8.7
<b>B. Total variable cost</b>	<b>71,079.4</b>	-	<b>100.0</b>	<b>85.6</b>
<b>C. Gross margin(A-B)</b>	<b>115,121.6</b>	-	-	-
<b>Fixed cost items</b>				
Land charges	5,000.0	-	41.7	6.0
Depreciation	6,984.5	-	58.3	8.4
<b>D. Total Fixed Cost</b>	<b>11,984.5</b>	-	<b>100.0</b>	<b>14.4</b>
<b>E. Total costs (B+D)</b>	<b>83,063.9</b>	-	-	-
<b>F.Net margin/ha (A-E)</b>	<b>103,137.1</b>	-	-	-
<b>Profit margin (F/A)</b>	<b>0.55</b>	-	-	-

215 **Source:** Field survey, 2014/2015; *ROI indicate Return on Investment*

216 **Profit efficiency and its determinants among public servant farmers**

217 Table 4 showed the frequency distribution of the profit frontier model of agricultural  
 218 production activities in Kwara State. The result of the profit frontier of fish farming revealed  
 219 that the estimated coefficient of the parameters of cost of feed ( $P<0.01$ ) and cost of  
 220 fingerlings ( $P<0.05$ ) were positive while cost of family labour ( $P<0.01$ ) was negative. This  
 221 showed that a unit increase in prices of the positive coefficient inputs will lead to increase in  
 222 the net margin of fish production and vice versa. The mean profit efficiency shows that  
 223 farmers are able to obtain about 0.79 of potential output from a given one unit mix of  
 224 production inputs. Therefore the fish farmers can expand their output further by a relatively  
 225 high margin of 0.21 by adopting more superior and improve techniques and technology by  
 226 the best practised farmer to attain the profit efficiency of one. Similarly, cost of hired labour  
 227 ( $P<0.05$ ), cost of feed ( $P<0.01$ ) and marginally, cost of vaccine and drug ( $P<0.1$ ) were

228 significant inputs in broiler production. However, cost of family labour ( $P<0.05$ ), cost of  
 229 organic manure ( $P<0.01$ ) and to a lesser degree, cost of chemical fertilizer ( $P<0.1$ ) were  
 230 found to be significant variables in profit efficiency of arable farmers.

231 **Table 4:** MLE Results of Frontier Profit Function of agricultural production activities

<b>Variables</b>	$\beta$	<b>Fish farmer</b>	<b>Broiler farmer</b>	<b>Crop farmer</b>
<b>Cost Function</b>				
Constant	$\beta_0$	Coefficient (t-v) 0.321 (2.2**)	Coefficient (t-v) 0.099 (2.0**)	Coefficient (t-v) 0.607 (1.79*)
Cost of hired labour ( $X_1$ )	$\beta_1$	0.005 (1.2)	0.341 (2.2**)	0.219 (1.1)
Cost of family labour ( $X_2$ )	$\beta_2$	-0.542 (2.7***)	-0.007 (1.1)	0.693(2.0**)
Cost of feed ( $X_3$ )	$\beta_3$	0.861 (9.4***)	0.457(4.1***)	-
Depr. of capital items ( $X_4$ )	$\beta_4$	0.145 (0.88)	-0.002(0.68)	-0.329(0.59)
Cost of vac. And drugs ( $X_5$ )	$\beta_5$	-0.109 (0.78)	0.298(1.95*)	-
Cost of fingerlings <sup>1</sup> or day old chicks <sup>2</sup> or seed <sup>3</sup> ( $X_6$ )	$\beta_6$	0.519 <sup>1</sup> (2.18**)	0.399 <sup>2</sup> (2.90***)	0.027 <sup>3</sup> (0.32)
Cost of pesticide ( $X_7$ )	$\beta_7$	-	-	0.523(1.0)
Cost of chem. fertilizer ( $X_8$ )	$\beta_8$	-	-	0.276(1.74*)
Cost of organic Manure ( $X_9$ )	$\beta_9$	-	-	0.187(2.98***)
Cost of investment ( $X_{10}$ )	$B_{10}$	0.427 (1.87*)	0.065(1.3)	0.004(0.43)
<b>Inefficiency variable</b>				
Constant	$Z_0$	0.410 (2.1**)	0.099 (1.50)	0.003 (2.9***)
Age	$Z_1$	0.04 (1.1)	0.061 (0.79)	0.205 (1.3)
Adjusted household size	$Z_2$	0.312 (1.04)	-0.402 (1.98*)	-0.005 (0.63)
Farming experience	$Z_3$	0.528 (1.0)	-0.207 (1.29)	0.284 (0.87)
Social organization	$Z_4$	-0.651(2.79***)	0.309 (0.73)	-0.056 (1.86*)
Credit	$Z_5$	-0.501(1.3)	-0.822 (4.9***)	-0.452 (2.0**)
Education	$Z_6$	-0.282 (4.7***)	-0.562 (2.8***)	-0.723 (8.1***)
<b>Diagnostic Statistic</b>				
Sigma-square ( $\sigma^2$ )		0.008 (1.90*)	0.206 (1.85*)	0.427 (3.9***)
Gamma ( $\gamma$ )		0.421 (2.4***)	0.311 (3.9***)	0.241 (6.0***)
Log likelihood function $L/f$		56.5	49.5	53.6
LR test		-142.7	132.9	93.0
Mean efficiency		78.5	73.0	64.9
No of observation		150	60	120

232 *Asterisk indicate significance \*\*\*1%, \*\*5%, \*10%*

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 234 The inefficiency sources also in Table 4 showed cooperative membership and level of  
 235 education were the significant factors affecting fish production, credit and education play a  
 236 crucial role in both broiler and arable crop production thus, as these variables increase, the  
 237 profit inefficiency of the farmer decreases. The distribution of profit efficiency estimates  
 238 from the stochastic frontier model in Table 5 shows that both fish and broiler farmers'  
 239 efficiency were concentrated in the range of 0.41-0.80 totaling 77.4% and 68% respectively.

240 However, arable crop efficiency of public servant farmers tilted averagely towards range of  
 241 0.41-0.60.

242 **Table 5:** Distribution of profit efficiency estimates from the stochastic frontier model

Class	Fish farmer		Broiler farmer		Arable crop farmer	
	F	%	F	%	F	%
0.01-0.20	3	2.0	4	6.6	22	18.3
0.21-0.40	12	8.0	7	11.7	15	12.5
0.41-0.60	64	42.7	16	26.7	61	50.8
0.61-0.80	52	34.7	25	41.7	17	14.2
0.81-1.00	19	12.6	8	13.3	5	4.2
Total	150	100.0	60	100.0	120	100.0

243 Note:

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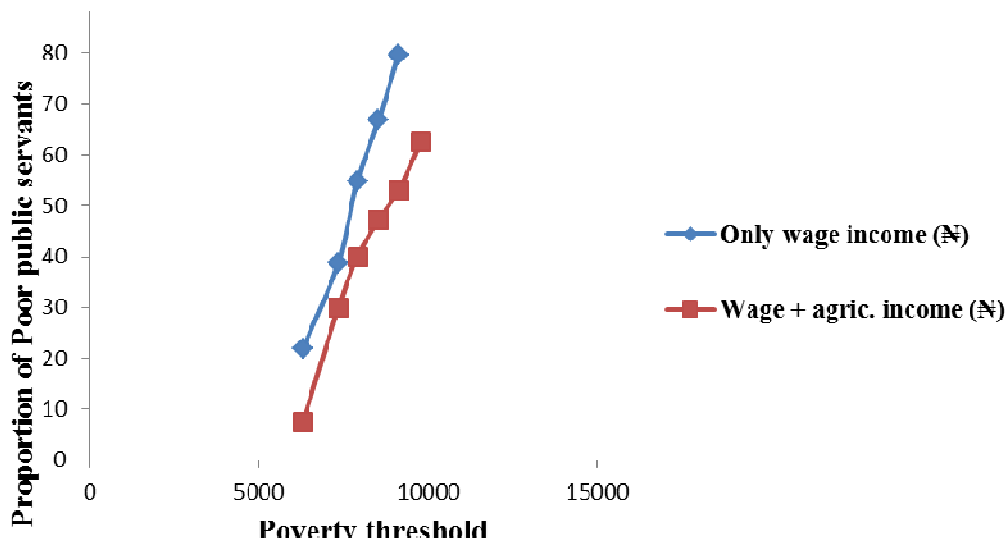
245 **Measuring livelihood diversification with and without agricultural income**

246 The Herfindahl-Hirshman index (HHI) of diversity revealed a significant level of income  
 247 diversification to agricultural production activities. These contributed about 40%, 36.5% and  
 248 29% to total household income of public servants who engaged in fish farming, broiler  
 249 production and arable cropping respectively. Figure 1 presents the Cumulative Distribution  
 250 Function (CDF) for households with and without access to agricultural income activities at  
 251 different levels. The CDF of public servants households without access to agricultural income  
 252 stochastically dominated the CDF of households with access to additional income. This  
 253 shows that households with no access to farm income would have more poverty incidence,  
 254 depth and severity than households with access to additional income over the range of the  
 255 poverty line. The second order stochastic dominance also holds true.

256 **Implications of the Livelihood Diversification Strategy**

257 The result implies that agricultural production activities were profitable among public  
 258 servants in Kwara State attesting to the fact that Nigeria has a huge agricultural endowment  
 259 of human, materials and natural resources. Despite this, the nation faces a lot of challenges  
 260 including that of attaining food security and self-sufficiency in virtually all food commodities  
 261 which they have production comparative advantages. Engaging in agricultural production by  
 262 urban and peri-urban households enables households to have diversified incomes, enhance

263 their food security, increase agricultural production and most importantly reduce shocks of  
 264 unpaid salary and arrears. Thus, it is very important for adequate institutional framework to  
 265 be put in place by all the three tiers of governments to encourage homestead agricultural  
 266 production activities among public servants and urban households in general since such  
 267 engagement could increase household income, consumption of such produce would improves  
 268 access to better nutrition, increase self-sufficiency, create employment and promote overall  
 269 agricultural development and productivity.



270

271 **Fig. 1:** Dominance analysis by level of Income Earned by Household Heads

272 **CONCLUSION AND RECOMMENDATIONS**

273

274 It could be concluded that proceeds from both farming units {net margins (profit)} has  
 275 proved to be a strong relief in term of finance, employment and such household may likely  
 276 not experience cycle of seasonal food shortage, experienced by majority of households in  
 277 Nigeria, and, likely to overcome caloric and nutrition insufficiencies, and earned more and  
 278 stable income to fulfill their domestic obligations. Urban farming households should form a  
 279 formidable social organization to benefit from economy of bulk purchase of fish input supply,  
 280 fish farm advisory services, increased access to micro-credit, and access to modern fish pond  
 281 techniques. Production of quality and affordable inputs such as fish and poultry feeds, feed

282 pellets locally could spurs more people to invest in aquaculture and broiler production and  
 283 reduce cost of production since most farmers depend on imported quality feeds which are  
 284 expensive and not affordable. Finally, in view of the fact that urban households are now  
 285 diversifying to agriculture suggests also that any agricultural policy or project aimed at  
 286 improving the livelihood strategies and standard of living of the urban households should  
 287 promote these agricultural activities in urban centres.

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