

COMMERCIALIZATION OF URBAN FARMING: THE CASE OF VEGETABLE FARMERS IN SOUTHWEST NIGERIA

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Introduction

- Agriculture is a strategic sector in the development of most low-income nations.
- It employs about 40% of the active labour force globally
 - low income countries employ over 60%, while in high income economies the proportion is estimated at 4%
- Nigeria has 70% of her population employed by Agriculture both in rural and urban areas.
- Rapid population growth and urbanization in developing countries like Nigeria implying;
 - high demand for food
 - urgent supply response

- Urban farming is the growing of plants and raising of animals for food and other uses within cities and peri-urban areas
- It is an effective way of enhancing urban food security
- majority of African smallholder farmers still produce largely for subsistence needs, small marketable surpluses and face thin markets
- Hence, the need for Commercialization which is the movement from a subsistence to a market-based system of production

- It can be conceptualized from both input and output sides.
- However, the degree of participation in the output market is the conventional way to measure commercialization
- Marketing of vegetables requires great care in all the stages of production before it gets to the final consumers
- This study examines the determinants of commercialization among urban vegetable farmers.

Methodology

- ❖ **Source of Data:** Primary data were collected for the purpose of this study using structured questionnaire
- ❖ Multi-stage sampling technique was used in selecting respondents
 - random selection of Oyo and Lagos states from southwest Nigeria
 - random selection of two urban LGAs from each selected states.
 - random selection of a total of two hundred and thirty (230) vegetable farmers from both States.
- ❖ **Analytical Techniques:** Descriptive and Tobit model

Tobit Model

$$Y^* = \beta_i X_i + \mu_i$$

$$Y^* = MPI = \frac{\sum_{k=1}^k \overline{P}_k S_{ik}}{\sum_{k=1}^k \overline{P}_k Q_{ik}}$$

The Explanatory Variables

Socioeconomic Characteristics

Sex ; Age ; Age squared; years of education;
Marital status; Household size; Farm Size,
Cost of planting materials ; fertilizer cost,
Labour cost ; chemical cost, price in the
nearest market

Social capital Variables

Membership of Association; Meeting
Attendance Index; Decision making Index;
Heterogeneity index of Association



KEY FINDINGS

Socio-economic Characteristics and social Capital Dimensions of Respondents

Characteristicz	Mean
Age	41.90
Household size	5.86
Farm Size	0.05
Market Participation Index	0.73
Output Market Type	
Farm gate	95.22%
Urban market	4.78%
Social Capital	
Heterogeneity index	50.96
Meeting attendance index	80.29
Decision making index	50.44

Determinants of the extent of Commercialization by Urban Vegetable Farming households

Variables	Marginal effect	Standard Error	T-Value
Age	0.50988	0.2575	1.98**
Sex	0.30621	0.2285	1.34
Age squared	-0.52631	0.2645	-1.99**
Marital status	2.6944	8.7713	0.49
Household size	-0.5552	1.4611	-0.38
Years of education	0.3881	0.1687	2.30**
Farm size	0.4725	0.2526	1.87*
Cost of planting material	-0.1376	0.8113	-0.17
Cost of labour	0.0007	0.0014	0.52
Cost of fertilizer	-0.7605	0.2056	-3.70***
Cost of chemical	-0.3262	0.0664	-4.91***
Price in the nearest market	0.1234	0.1086	1.14
Distance to nearest market	-0.0739	0.0233	-3.18***
Social Capital			
Membership of association	0.1641	0.0314	5.23***
Heterogeneity index	-0.0954	0.3193	-2.99***
Meeting index	0.1506	0.1046	1.44
Decision index	0.5442	0.1417	3.84***
Constant	-0.9992	0.5877	-1.70*
Sigma	0.2304	0.0121	
Prob>chi2	0.0000		
Pseudo R2	0.44		
Log likelihood	-126.49		

Policy Implications and Recommendations

- Land size plays a significant role in commercialization
 - there should be an efficient use of water logged areas (*Fadama* lands) by urban vegetable farmers.
- Cost of fertilizer and agro-chemicals negatively influenced participation
 - Fertilizer and chemical should be readily available and at a subsidised rate to farmers.

- Membership of association and decision indices also enhanced commercialization
 - Hence, need to enhance farmers' business skills, for instance by training and encouraging them to sell vegetable in organized groups



Thank you for listening