

Socio-economic characteristics of poor farming households in Ondo State, Nigeria

Folakemi Kayode-Alese and Olumide Joseph Oseni

ABSTRACT

This paper examined the socio-economic characteristics of rural farming households in Ondo State, Nigeria. Two hundred and forty farmers were randomly selected from three (3) local government areas in Ondo State, Nigeria. The study made use of primary data, collected through the aid of interview and structured questionnaire. The analytical tools used were descriptive statistics and Gini – Coefficient. The socio-economic characteristics of the respondents revealed that 27.9% of the farmers were within the age group of 25-29 years, 69.65% were male, 69.2% were married, and 30.8% had secondary School education. About 79.6% of respondents engaged in farming, 25.4% were members of Credit and Thrift Cooperative, 37.1% had 3-6 children, 47.5% uses family and hired labour, 5.0% of respondents had 6 hectares of farm size. 17.9% had above N 60,000 annually from farm activities and 32.9% had average distance of 1km to primary health care. The result of the Gini Coefficient by sources of income shows that total contribution is 1 out of which farming accounted for 0.62070 while non-farming activities contributed as follows; petty trading 0.004773, Government work 0.00471, artisan 0.00016, small scale business 0.00096 and inter-group 0.36874. This clearly shows that farming contributes more to inequitable distribution of income. This could be explained by the fact that majority of the respondents are farmers and they derive their income mostly from subsistence farming. The rural populace should be empowered in order to contribute to the wealth of the economy through involvement in viable businesses in order to improve their savings culture.

Key words: Social, economic, farming, households, Nigeria

INTRODUCTION

Poverty is a state of not having or not been able to get the necessities of life. According to Maxwell (1989), in real life, it can be assumed that all who are poor are vulnerable because they are susceptible to large fluctuations.

The perceived linkage between income inequality and poverty motivated Datt and Ravallion (1992) to propose a method that decomposed poverty change into income redistribution, income growth, and residual components, otherwise known as the black box. However, Shorrocks (1999) applied the Shapley (1953) theory to poverty decomposition. This was able to take care of the problematic residual component in the Datt and Ravallion (1992) method.

The relevance of poverty to economic development efforts can be judged by the spread of researchers that have kept close focus at it in the last few decades.

It has been argued that poverty can be caused by inequality. (UNU/WIDER, 2000; Babatunde, 2008). When economic growth increases, poverty rate decreases but as income inequality increases, incidence of poverty also increases. The recent minimum wage policy of the Federal Government of Nigeria has not been able to solve the problem of poverty level in our country. Unfortunately, most discussions on income have failed to recognize that to achieve poverty reduction, income growth has to be equitably distributed (Babatunde, 2008). Evidence from previous studies point to the increasing level of

income inequality in developing countries over the last two decades (Addison and Cornia, 2001; Kanbur and Lustig, 1999).

One major factor that should have helped in this area which is Agriculture has not really been of much assistance. Whereas Agriculture-led growth played an important role in reducing poverty and transforming economies of many Asian and Latin American countries, the same has not yet occurred in Africa (Babatunde and Quaim, 2009).

Given the general belief that poverty is more widespread and prevalent in rural than urban areas (IFAD, 2001), and that inequality is higher in rural than urban Nigeria (Oyekale *et al.* 2006), it becomes appropriate to conduct an in-depth analysis of rural poverty level, with the aim of identifying the income sources that contribute more to overall poverty level and suggesting ways of reducing it.

Poverty is a state of not having or not been able to get the necessities of life. Physiological needs is the most essential need of man especially food crops supply. In Nigeria, poverty, hunger and malnutrition are the three main obstacles to national development and growth. According to Maxwell (1989), in real life, it can be assumed that all who are poor are also vulnerable because they are susceptible to large fluctuations in real income over relatively short periods, coupled with the absence of off selling mechanisms to stabilize purchasing power of nutritional intake. The average annual income of a rural peasant farmer is four thousand naira (N4, 000.00) as at 1994 (NARP, 1995). Going by the 1990 World Bank definition, the poor are those with an income below \$370 (N37, 000) and the extremely poor are those with an income less than \$275 (N27, 500.00).

From the above discussion, it could be seen that the essential need of human existence which is food has not been fully met all over the world since majority of people are still living below the average annual income. Also, in Nigeria, as a result of farming activities in Nigeria which is subsistence in nature, farmers has only been able to meet their immediate need with the little sold out to public hence, there is high poverty level of food consumption. It is a common knowledge that food production has not been able to keep pace with our population growth and those substantial food imports have to be made to supplement local production. There is a wise saying among the Yoruba's that "if the question of food is removed from poverty, the

poverty problem is virtually solved".

The poverty level of an average Nigerian has made them opt for things that can fill their stomach and not things that can satisfy them or things that they are desirous to eat i.e. an average Nigerian eat to fill and not to satisfy hence, malnutrition has risen.

It is observed that core poor were in agriculture and all basically reside in the rural areas. Household heads engaged in agriculture and allied activities had the highest poverty level for all years except 1996 (FOS, 1999). It is therefore not far-fetched to say that poverty in Nigeria is related to agriculture and the rural areas. Hence, reducing poverty is the most persistent challenge in Nigeria today.

Many international development organizations use an absolute concept of poverty which has been defined in terms of the minimal requirements necessary to afford, minimal standards of food, clothing, healthcare and shelter. Hauser and Pilgram (1999) further reported that in Benin Republic lack of money is the overriding symbol of poverty, and the degree of satisfaction of other basic needs such as food, health, clothing and shelter. Unemployment, Childlessness and lack of means of transport are also considered as signs of poverty.

The Nigerian poverty situation exhibits geographical (locational) and occupational differentials in its incidence, depth and severity (Aigbokhan, 2000, FOS 2000). The poverty situation in Nigeria, as measured in quantitative terms with data from FOS reveals the poverty incidence. Hence, the number of persons in poverty in the rural areas is larger than in the urban areas.

Meltor and Mensah (1986) in their preface to International Agricultural Research and Human nutrition, concluded that the alleviation of poverty and related ills such as insufficient food intake and malnutrition is one of the most important tasks facing mankind. According to World Bank (1999), poverty is hunger, lack of shelter, being sick and not being able to go to school, powerlessness, not having a job etc. Sanya (1991) and Schubert (1994) also see poverty as either absolute or relative or both. Absolute poverty is that which could be applied at all times in all societies such as the level of income necessary for bare subsistence, while relative poverty relates to the living standards of the poor to the standards that prevail elsewhere in the society in which they live.

Obadan (1997) also identified the following as the main causes of poverty in sub Saharan

Africa; inadequate access to employment opportunities, inadequate physical assets such as land and capital and minimal access by the poor to credit; inadequate access to markets where the poor can sell goods and services.

Poverty is defined as the absence of means to maintain and enjoy basic needs of life (Afonja and Ogwumike, 1995). The magnitude and dimensions of poverty in a country depends on two related factors. First is the average level of income and second is the degree of inequality in distribution of that income. The greater the average income level, the greater the incidence of poverty. Also the more unequal the distribution of a given level of income per capita, the greater the incidence of poverty.

In Africa, poverty remains a scourge that undermines development in contemporary African societies in that, it is deep-rooted and pervasive. Perhaps, nowhere else in the African continent is the scourge more prevalent than in Sub-Saharan African Countries like Nigeria where about one-sixth of the people are chronically poor (World Bank, 1996; Chartered Financial Analysts CFA, 2005). To reverse this trend, many developing countries from the early 1980s initiated and implemented the International Monetary Fund (IMF) and World Bank Structural Adjustment Programme (SAP). These programmes have been reported to have stimulated growth in most of these developing countries. However, in some other countries, there has been little or no change in terms of growth and poverty reduction.

As at August 8, 2012 Nigeria Per Capita income was estimated at \$1,600. Nigeria's cumulative revenues from oil (after deducting the payments to the foreign oil companies) have amounted to about US\$350 billion at 1995 prices (Salai-Martin and Subramanian, 2003). Worse still, the problems of poverty in Nigeria are multi-faceted, among which are widespread outbreak of Acquire Immune Deficiency (AIDS), lack of access to good health facilities, high infant mortality rate, lack of essential infrastructure, unemployment and underemployment, corruption, etc.

Poverty rate is characterized by lack of purchasing power, exposure to risks (natural, environmental, gender-related life events etc.) insufficient access to social and economic services and limited opportunities for income generation.

The incidence of poverty in Nigeria appears moderated prior to democratic transition

in 1999. As a proportion of the population, 27.2% of Nigerians were living below poverty line in 1980. The poverty incidence did not cross the 50% mark until 1996 when it surged to 65% as a result of the near collapse of the Nigerian economic system. This was a time when economic growth in Nigeria reached its lowest at 2.5% in 1995 and 4.3% in 1996. The high incidence of poverty in the 5-years period of 1995-1999 could be as a result of political instability that characterized that period.

Democratic rule in 1999 is a period of high economic growth built on improved flow of capital into the economy as a result of renewed confidence in democratic rule which encourage liberalization of the economy for increased private sector participation and financial market efficiency. Real GDP growth surged from an average of 2.54% in the period of 1995-1999 to 11.9% for the period of 2000-2004. (112million Nigerians are also relatively poor, and 99.5million people lives on less than one dollar per day).

The NBS measures four types of poverty incidence: The food poverty measure, which defines proportion of population living on less than 3000 calories of food per day; the absolute poverty measure, which defines those living below or those that can afford a defined minimal standard of food, clothing, healthcare and shelter; the relative poverty measure, which defines those living below the living standards of majority in a given society. Household with expenditure greater than two thirds of the total household per capital expenditure are non-poor whereas those below it are poor while those with less than one third of total household Per Capital expenditure are core-poor and those with greater than one third of total expenditure but less than two third of the total expenditure are moderate poor. From the Dollar per day measure, which defines those living below US\$1 per day based on the World Bank's Purchasing Power Parity (PPP) index. In 2010, it was estimated that 66million Nigerians or 40.63% of the population did not have access to 3000 calories of food per day.

About 99million or 60.5% of Nigerians are absolutely poor living below humanly acceptable level of food intake, had no decent clothing and no access to standard healthcare and shelter.

Poverty in Nigeria is associated with high unemployment, poor governance, corruption, lack of accountability, gross violation of human right etc. Poverty has a gender dimension as women are over-represented among the poor due

to the subordinate status of women, traditional and social cultural practice discrimination and lack of access to productive assets and financial services. The problem has however been traced to high population growth rate and rural-urban migration that has made the quality of life in urban slums worse while urban services and infrastructure are more stretched hence, it becomes appropriate to conduct an in-depth analysis of poverty with the aim of identifying the income sources that contribute more to overall poverty and suggesting ways of reducing poverty generally.

High level of poverty exist around the world mostly in developing countries. This is due to increase in unemployment rate which however has brought increase in crime rate and insecurity. Different policies must be put in place to either reduce poverty or eliminate poverty completely. It is necessary to go beyond the general information that poverty is more pervasive in agriculture and allied activities and establish the poverty profiles for workers in various sub-sectors of agriculture. This will enable policy makers to appropriately determine the type and mixture of policy interventions suitable for reducing or eliminating poverty.

Poverty and Income inequality can be detrimental to economic growth and development of a country. Addison and Cornia (2001), Adams (1999), Adams (1995) and Aboyade (1983) have proven in their various studies that income inequality is closely related to poverty. Thus, a careful study of poverty incidence through the study of sources of income and accessibility to social services and productive assets in the selected areas and determining the socio-economic characteristics of the rural farmers in the study area. Hence, this study is focused on evaluation of poverty levels among small holder farmers in Ondo State, Nigeria.

Several studies in Nigeria have decomposed poverty by economic sector, income source and family characteristics. Most of these studies were conducted at the Local Government level and the studies are useful because they help to identify the structure of poverty within a given society. This paper evaluated the socio-economic characteristics of poor farming households in Ondo state, Nigeria. The knowledge of poverty among farmers in the state will help policy makers to formulate policies that will ensure reduction in the level of poverty in the state.

The general objective of this paper is to

examine the socio-economic characteristics of small holder farmers in selected Local Governments of Ondo State;

The specific objectives of this study are to:

- a) Identify various sources of income among small holder farmers in the study area;
- b) Examine the distribution of income among small holder farmers in the study area;

RESEARCH METHODOLOGY

This study area is Ondo State. Ondo State was created in 1996 out of the old Ondo State (which consisted of the now Ondo and Ekiti States) as one of the 36 states of the Federation of Nigeria. Ondo State is made up of 18 (eighteen) local Government Areas, it is located in the South Western zone of Nigeria with its headquarters in Akure.

The State lies between longitude 4°30' and 6°East of the Greenwich Meridian M, 5°45' and 8°15' North of the equator. This means that the state lies entirely in the tropics. Ondo State is bounded in the North by Ekiti/Kogi States; in the East by Edo State; in the West by Oyo and Ogun States, and in the South by the Atlantic Ocean. It has a total land area of 14,788,723 square Kilometres (km) and a population of 3,441,024 comprising 1,761,263 males and 1,679,761 females (NPC, 2006). The tropical climate of the State is broadly of two seasons: rainy season (April-October) and dry season (November-March). Temperature throughout the year ranges between 21^oc to 29^oc and humidity is relatively high. The annual rainfall varies from 2,000mm in the southern areas to 1,150mm in the northern areas.

The State enjoys luxuriant vegetation with high forest zone (rain forest) in the south and sub-savannah forest in the northern fringe. Ondo State economy is basically agrarian with large scale production of cocoa, palm produce and rubber. Other crops like plantain maize, yam and cassava are produced in large quantities. Sixty-five percent of the state labour force is in the agricultural sub-sector.

The state is also blessed with very rich forest resources. The state is equally blessed with extensive deposits of crude oil, bitumen, glass sand, kaolin, granites and limestone. (Ondo State Ministry of Information, 2012).

Multi-stage sampling technique was used. In the first stage, three Local Government Areas noted for high incidence of poverty were pur-

positively selected: Akure North, Ifedore and Idanre Local Government Areas. In the second stage, two (2) communities from each of the selected Local Government Areas were randomly selected. At the third and final stage, forty (40) respondents were randomly selected from each of the communities making a total of two hundred and forty (240) respondents.

Both primary and secondary data were used for this study. Primary data were collected through direct personal interview and structured questionnaire, pre-tested and administered randomly on the respondents. Simple random sampling was used for the selection of the respondents. It began by purposively selecting three (3) Local Government Areas, (Ifedore, Akure North and Idanre).

Information were collected on socio-economic characteristics of the respondents such as age, household size, farming experience, farm size, education, marital status and sex etc. In addition, information were collected on farm operations especially, inputs, output, as well as the costs and returns to their production. Secondary data were collected through journals, publication, textbooks and the internet.

Descriptive Statistics such as mean, median, mode, standard deviation, percentage, frequency distribution and pie chart were used to examine the socio-economic characteristics of the respondents.

RESULTS AND DISCUSSIONS

Socio-economic characteristics of the respondents in the study area

Age

Table 2 shows that about 3.8 % of the respondents were less than 25 years of age, 13.8 % were between age range of 25 – 29 years, 27.9 % from 30-39 years, 16.7 % from 40-49 years, 23.8% from 50-59 years while 14.2% were between 60 years of age and above. The mean age of the respondents was 43.64 years. This shows that majority of the respondents were between the middle age hence, there is possibility of improvement in production i.e. the more active farmers are, the more their productivity.

Sex

Table 3 shows that about 69.6% of the respondents were male while only 30.4% of the respondents were female, an indication that farming was male dominated. The dominance

of the male over their female counterparts may be attributed to the fact that farming is energy consuming and requires much strength. Therefore, they are likely to generate more income for the family that can help in reducing poverty.

Marital Status

Table 4 revealed that about 69.2% of the respondents were married and 12.5% respondents were single: 4.6% of the respondents were separated 10.0% were widowed while 3.8% were divorced. The implication of this is that majority of respondents are “responsible” and can take marketing decisions with their spouses. The married are more productive and it also determines the degree of “responsibility” of an individual to his family and society at large. The availability of goods will reduce level of poverty.

Educational Background

Educations liberate from ignorance and also have positive influence on farmers’ productivity for there is a positive correlation between education and adoption of technology.

Table 5 shows that about 18.3% of the respondents had no formal education, 27.1% completed primary school education while 30.8% had secondary school education, 2.5% had Arabic/koranic education, 0.8% had nomadic education, 5.0% had vocational training 3.3% had post-secondary education while 12.1% had university education. The high percentage of respondents with tertiary education may be due to high unemployment rate in the formal sectors of the economy making the educated populace to seek employment in other sectors (non-formal).

Occupation

Table 6 shows that 79.6% of the farmers interviewed engaged in farming, 9.6% engaged in petty trading, 3.8% are into medium Scale business, 5.0% are Government workers, and 2.1% are artisans. The implication of this is that majority of the farmers are into subsistence farming with low productivity and in turn high incidence of poverty.

Sources of finance

Table 7 shows that 12.9% are financed by Credit and Thrift Cooperative society, 7.5% from produce marketing cooperative, 12.5% from consumer cooperative, 2.1% from Fadama III cooperative group, 7.5% finance from multipurpose cooperative. The implication of this is that some farmers take advantage of membership of societies in the areas of seeking and obtaining credit

and information while others took advantage of other sources of income for self-financing in order to reduce their poverty level.

Household size

Family size determines dependency ratio as well as family labour available for use. Table 8 shows that about 12.5% of respondents had 2 children, 37.1% had 3-6 children, 27.6% had 7-10 children 17.8% had 11-15 children while 1.3% had 18 children. The implication of this is that majority of the respondents had small and manageable family size. The small family size will made the farmers involve activities of outside labourers which will however increase amount spent on farming activities and may also increase poverty level of farmers as a result of low income from farming.

Farm size

Table 9 shows that about 4.2% of the respondents had less than 1 hectare of land, 39.6% had about 1-2.9ha of land about 38.3 had 3-4.9 hectares 12.9% had about 4–5.9hectares of land while 5.0% had 6hectares and above. This shows that majority of the farmers were small farm land owner. The implication of this is that production from farming activities will be low, hence increase in poverty level of farmers.

Sources of land (Ownership of farm land)

Table 10 shows that majority of the respondents (42.9%) acquired their farm land through lease, 28.3% through inheritance, 23.8% through purchase, 4.2% through communal (jointly owned) while 0.8% acquired theirs through other means. Some farm owners might spell out conditions on the usage of the land. The implication of this is that production may be lower compared to farmers who owns the farm land or acquired it from family inheritance and the lower the production the higher the poverty level of farmers.

Labour Utilization (Sources of labour)

Table 11 shows that 19.2% uses family labour, 31.3% uses hired labour, 47.5% uses family and hired labour, 19.2% uses family labour. The implication of this is that the cost of production will be high since farmer's involved hired labour in production hence, low savings. The low savings of farmers will affect the standard of living of farmers and this might also increase poverty level.

Annual Income from Farm Activities

Table 12 shows the income of the farmers in the study area. The result revealed that 10% had less than N10, 000 annually, 9.2% had N10, 000- N20, 000, 12.1% had N20, 001- N 30,000, 18.8% had N30, 001- N 40,000, 16.3% had N40,001 - N 50,000, 15.8% had N 50,001- N 60,000 while 17.9% had above N 60,000. The implication of this is that most of the farmers' income are not enough to meet the needs of the farmers. This also call for government intervention in order to get more income from farming activities through training and retraining of farmers which will help in reducing poverty level.

Distance to Primary Healthcare

Table 13 shows that 32.9% of the respondents had an average distance of 1km(one kilometer) to primary health care, 28.3% had an average distance of 2km(two kilometers) to primary healthcare, 9.6% had an average distance of 3km(three kilometers) to primary healthcare.

Also, 5.8% had an average distance of 4km (four kilometers) to primary healthcare, 20.8% had an average distance of 5km (five kilometer) to primary healthcare, 0.8% had an average distance of 6km (six kilometers) to primary healthcare and 1.7% had an average distance of 7km (seven kilometers) to primary healthcare. More than half of the respondents (61.2%) trekked between 1-2 kilometres to the nearest health centres. Hence, availability of health center to the farmers is great importance as an indication of good and sound health for improved standard of living and reduction of poverty among farmers.

Sources of income among small holder farmers in the study area

The study revealed that, these are two major sources of income for the respondents namely:

- Income from farming activities.
- Income from non-farming activities

Income from Farming Activities

It was observed that cash crops like Cocoa, Coffee, Oil palm, Rubber, Kola nut and Cashew etc. and food crops like cassava, yam, coco yam, maize, cow pea/bean etc., were grown by the farmers and contributed 62.5% of their total income within a year.

Income from non-farming activities

Non farming activities contributed the

remaining 37.5% income of these farmers. The activities involved in this group include, petty trading, medium scale businesses, civil service and artisan.

Distribution of income among small holder farmers in the selected area

Table 14, shows that 10% of the respondents had annual income of less than N 120,000 from farming activities, 9.2% had annual income of N 120,012- N 240,000 from farming activities, 12.1% had annual income of N240,012- N 360,000 from farming activities, 18.8% had annual income of N 360,012- N480,000 from farming activities, 16.3% had annual income of N 480,012- N 600,000 from farming activities, 15.8% had annual income of N 600,012- N 720,000 from farming activities while 17.9% had above N 720,000 annually from farming activities. An indication that farmers can depend on their activities to meet their daily need to reducing poverty level.

Analysis of income inequality among small holder farmers

In order to analyze income inequality among farmers, Gini coefficient was used. Gini coefficient (Gini Index or Gini Ratio) is a measure of equality of distribution of income within a population. The Gini coefficient ranges between 0 and 1. When the value is zero it means perfect equitable distribution and 1 indicates that there is perfect inequitable distribution of income. The total income of the respondents is taken to be the sum of farm income and non-farm income.

The value of Gini coefficient obtained is 0.32401. This value suggests that there is some measure of inequality in the distribution of total income of the respondents. However, since the value is less than 0.5 (the midway between 0 and 1), the inequality is not all that pronounced. This may be explained by the fact that farmers in the study area are generally poor.

Decomposition of respondents by sources of income

Table 15 shows the variables that contributed to income inequality among the farmers. The Gini coefficient was decomposed based on the sources of income, education, age, marital status and sex. Also, intra-group and inter-group comparison was carried out. The results of the decomposition are presented in Table 15. The last column of Table 15 shows

the relative contribution of each source of income to poverty. The total contribution is 1 out of which farming accounted for 0.62070, petty trading (0.00473), small scale business (0.00096), government work (0.00471), and artisan (0.00016) and inter-group (0.36874). This clearly shows that farming contributes more to inequitable distribution of income and also to poverty level. This could be explained by the fact that majority of the respondents are farmers and they derive their income mostly from subsistence farming.

CONCLUSION AND RECOMMENDATION

The study established a high level of poverty among small holder farmers in Ondo State. Majority of the respondents do not have proper access to institutionalized credit as a result of prohibiting factors such as collaterals and the terms and conditions attached to institutionalized credit. Some of the farmers had no access to health care facilities, water, electricity and good roads. All these have contributed immensely to poverty among small holder farmers.

The paper recommended among others that:

- a) The rural populace should be empowered in order to contribute to the wealth of the economy through involvement in viable business in order to improve their savings culture.
- b) Credit facilities on easier terms and conditions should be granted in order to reduce the poverty level of the farmers. This is because majority of the farmers got finances for farming activities through self-financing.
- c) Diversification of economic activities should be encouraged. This is because farmers that diversified activities had more savings, and more tendencies of reducing poverty.
- d) The bureaucracy and collateral requirements of obtaining credit from banks should be relaxed so as to increase farmers' access to loan from commercial banks.

REFERENCES

- ADAMS, R. H. (JR.) and HE, J. J. (1995):** Sources of Income Inequality and Poverty in Rural Pakistan. Research Report 102, *International Food Policy Research in Washington D. C.*
- ADDISON .T. and CORNIA G.A (2001):** Inequality, Growth and poverty in the era of liberation and Globalizations from United Nation University
- ADDISON T. and CORNIA G.A (2001):** Income Distribution Policies for Faster Poverty Reduction. WIDER discussion Paper No. 2001/93, *World Institute for Development Economic Research, World Bank, Washington DC*
- AFONJA B and OGWUMIKE F.O (1995):** ‘Poverty: Meaning and Causes in proceedings of National Workshop on Integration of Poverty Alleviation Strategies into plans and programs in Nigeria.
- BABATUNDE R.O, OMOTOSHO O.A and SHOLOTAN O.S (2007):** Socio-economic characteristics and food security status of farming households in Kwara State, North-Central, Nigeria, *Pakistan Journal of Nutrition*.2007; 6 (1): 49-58
- BABATUNDE R.O. and QAIM (2009):** Pattern of Income Diversification in Rural Nigeria Determinants and Impacts. *Published by the Faculty of Agriculture, Humboldt University of Berlin Germany.*
- BABATUNDE R.O. and QAIM, (2009):** *Quarterly Journal of International Agriculture*, 48 (4): 305- 320 Published by the Faculty of Agriculture, Humboldt University of Berlin Germany.
- OYEKALE A .S, OKUNMADEWA F.Y, MAFIMISEBI T.E, ONYEKA U.P (2006):** Trend performance in credit financing of rural business activities in Nigeria: A case study of Community banks in Ibadan, Oyo State, Nigeria. *International journal of Agriculture and Rural Development* 7:50-60.
- SALAI-I-MARTIN and SUBRAMANIAN. S. (2003):** Addressing the Natural resource curse: An illustration from Nigeria, Nigeria.
- SANYAL, B (1991).**Organizing the Self-employed: The poverty of the urban informal sector. *International labour reviews* .Vol 30.No1:39-56.

SHAPLEY (1953): Matching and Game Theory in Sweden.

SHORROCKS, A.F. (1999). "Inequality Decomposition by Population Subgroup "Econometrical, 52: 1369-85. New York.

UNU-WIDER, (2000): Income Inequality in Rural Nigeria.

WORLD BANK (1999): *African Development Indicators 1998/99*, World Bank Washington, D. C.
World Bank (2003): 2002 Development Indicators Washington D.C.: World Bank pages 74-75

Table 1: Poverty incidence by location – Rural/Urban (in %)

Year	Urban			Rural		
	Non Poor	Moderately poor	Core Poor	Non Poor	Moderately Poor	Core Poor
1980	82.8	14.2	3.0	71.7	21.8	6.5
1985	62.2	30.3	7.5	48.6	36.6	14.8
1992	62.5	26.8	10.7	54.0	30.2	15.8
1996	41.8	33.0	25.2	30.2	38.2	31.6

Source: FOS Poverty profile for Nigeria 1980 – 1996.

Table 2: Distribution of respondents by age

Age in years	Frequency	Percentage
<25	9	3.8
25-29	33	13.8
30-39	67	27.9
40-49	40	16.7
50-59	57	23.8
60 and above	34	14.2
Total	240	100

Source: Field Survey, 2012

Table 3: Distribution of respondents by sex

Sex	Frequency	Percentage
Male	167	69.6
Female	73	30.4
Total	240	100

Source: Field Survey, 2012

Table 4: Distribution of respondents by marital status

Marital Status	Frequency	Percentage
Single	30	12.5
Married	166	69.2
Separated	11	4.6
Widowed	24	10.0
Divorced	9	3.8
Total	240	100

Source: Field Survey, 2012

Table 5: Distribution of respondents by educational background

Education	Frequency	Percentage
No formal Education	44	18.3
Primary School education	65	27.1
Secondary School education	74	30.8
Arabic/koranic education	6	2.5
Nomadic education	2	8
Vocational training	12	5.0
Post-secondary education	8	3.3
University education	29	12.1
Total	240	100.0

Source: Field Survey, 2012

Table 6: Distribution of respondents by occupation

Occupation	Frequency	Percentage
Farming	131	79.6
Petty trading	23	9.6
Medium Scale business	9	3.8
Civil service	12	5.0
Artisan	5	2.1
Total	240	100.0

Source: Field Survey, 2012

Table 7: Distribution of respondents by finance

Sources of Finance	Frequency	Percentage
Credit and Thrift Cooperative Society	31	12.9
Produce marketing Cooperative Society	18	7.5
Consumer Cooperative Society	30	12.5
Fadama 111 Cooperative group	5	2.1
Multipurpose Cooperative Society	18	7.5
Others (SEAP,LAPO,ESUSU,Self)	138	57.5
Total	240	100

Source: Field Survey, 2012

Table 8: Distribution of respondents by household size

Household size	Frequency	Percent
<3	30	12.5
3-6	89	37.1
7-10	66	27.6
11-14	43	17.8
15-18	3	1.3
No response	9	3.7
Total	240	100.0

Source: Field Survey, 2012

Table 9: Distribution of respondents by farm size

Farm size	Frequency	Percentage
Less than 1ha	10	4.2
1-2.9ha	95	39.6
3-4.9ha	92	38.3
4-5.9ha	31	12.9
6ha and above	12	5.0
Total	240	100

Source: Field Survey, 2012 (Mean farm size 3.28)

Table 10: Distribution of respondents by their main sources of farm land

Sources of farm land	Frequency	Percentage
Inheritance	66	28.3
Purchase	57	23.8
Lease	103	42.9
Communal (jointly owned)	10	4.2
Others	2.0	0.8
Total	240	100

Source: Field Survey, 2012

Table 11: Distribution of respondents by the types of labour utilized

Labour used	Frequency	Percentage
Family labour	46	19.2
Hired labour	75	31.3
Family & Hired labour	114	47.5
Others(friends, societal group)	5	2.1
Total	240	100

Source: Field Survey, 2012

Table 12: Distribution of respondents by annual income from farming activities

Annual income from farming activities.	Frequency	Percentage
Less than N10,000	24	10.0
N 10,000- N 20,000	22	9.2
N 20,001 - N 30,000	29	12.1
N 30,001- N 40,000	45	18.8
N 40,001- N 50,000	39	16.3
N 50,001- N 60,000	38	15.8
Above N 60,000	43	17.9

Source: Field Survey, 2012

Table 13: Average distance to primary health care (km)

Average distances to primary health care (km)	Frequency	Percentage
1	79	32.9
2	68	28.3
3	23	9.6
4	14	5.8
5	50	20.8
6	2	0.8
7	4	1.7
Total	240	100

Source: Field Survey, 2012

Table 14: Income distribution among small holder farmers

Income Range	Frequency	Percentage
Less than N 120,000	24	10.0
N120,012- N 240,000	22	9.2
N 240,012 – N 360,000	29	12.1
N 360,012 – N 480,000	45	18.8
N 480,012 – N 600,000	39	16.3
N 600,012- N 720,000	38	15.8
Above N 720,000	43	17.9
Total	240	100

Source: Field Survey, 2012

Table 15: Decomposition of Gini Coefficient by sources of income

Group (Source of Income)	Estimated Gini	(Proportion)	(Mean of group)/Mean	Absolute Contribution	Relative Contribution
Farming	0.31797	0.63335	0.99890	0.20117	0.62070
Petty trading	0.22247	0.00918	0.75090	0.00153	0.00473
Small Scale Business	0.19380	0.00141	1.14051	0.00031	0.00096
Civil Service	0.45549	0.00250	1.34076	0.00153	0.00471
Artisan	0.10513	0.00043	1.11717	0.00005	0.00016
Inter-Group	0.11951	---	---	0.11951	0.36874

Source: Field Survey, 2012

Figure 1: Relative contribution of sources of income to inequality