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Analysis of Market Participation and Rural Poverty among Farmers in Northern Part of Taraba State, Nigeria

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ABSTRACT Market access plays a remarkable role in ensuring better income and welfare for smallholder farmers through diverse channels. By raising income, markets increase purchasing power, which, in turn, creates demand for consumer goods, *ipso facto* enhancing farmer welfare. The study examined market participation and poverty in rural Nigeria with a focus on selected rural communities in northern Taraba State. Multi-stage stratified random and purposive random sampling techniques were used to select respondents. On 120 rural farmers, 120 questionnaires were administered, retrieved and analyzed. About 110 out of the 120 sampled farmers were market participants operating at various levels of market participation as revealed by the total market participation index (TMPI); 10 farmers, 15 farmers, 25 farmers and 60 farmers participated in the market at levels 1, 2, 3 and 4 respectively. About 70.83 percent, 7.5 percent and 21.67 percent of the respondents were very poor, poor and non-poor respectively. Data were fitted to logit and tobit models. The results revealed concordant R^2_s of 0.89, 0.20 and 0.43 and the fits of the data and log likelihoods were statistically significant at 0.01 percent for probability of market participation, factors influencing poverty and level of sales of produce respectively. Seven covariates (X1=market information, X3=distance, X4=output size, X5=extension visit, X6=cooperative membership, X8=family size and X9=education) out of nine covariates, eight covariates (X1=age, X2=farming experience, X3=distance, X4=infrastructure, X6=transport cost, X7=dependency ratio, X10=farm size and X11=market participation) out of eleven covariates and five covariates (X2=output size, X3=distance, X5=cooperative membership, X7=extension visit and X8=family size) out of nine covariates used carried appropriate signs in consonance with *a priori* expectation for probability of market participation, factors affecting poverty and factors influencing level of sale of produce respectively. Socio-economic variables such as distance, cooperative membership, family size, high output commercialization ratio and education and institutional variables such as supportive infrastructure and institutions have been found to be important variables affecting market participation while high transportation costs, poor infrastructure, high dependency ratio, age and poor market participation were found to have positive correlation with poverty in the study area. Governmental intervention is recommended to better the lots of these farmers.