

Economic Synergy between Rural Off-farm Income and Households' Poverty in Ekiti State, Nigeria

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KEYWORDS Off-farm Income. Poverty Index. Welfare. Purchasing Power Parity. Nigeria

ABSTRACT Off-farm enterprise is important for rural development and poverty alleviation. This study was undertaken to determine the economic synergy between off-farm income and farming households' poverty level. A total of 120 respondents were selected from six wards through a multistage sampling technique. Data was collected with the aid of a pre-tested structured questionnaire while descriptive methods, Foster-Greer-Thorbecke (FGT) poverty index and Ordinary Least Square regression (OLS) were used for data analysis. The set model produced a good fit for the data and the computed F-value was statistically significant ($p < 0.01$). The specific objectives were to examine the various on and off-farm income profiles and evaluate the effect of off-farm income on poverty level of the rural household farmers. The study shows that off-farm income reduces households' poverty rate by 32.2 percent. A mean household income of ₦ 601,064.39k was derived from both on and off-farms per annum, the World Banks' reference line, that is, USD 1.25 (₦ 200) and USD 2.0, PPP (purchasing power parity) per capital consumption per day were used as the benchmark for poverty line. Poverty incidence, depth and severity gave 52.3 percent, 26.4 percent and 25.1 percent respectively, in the study area. Major identified problems faced by the rural household farmers include lack of capital and poor welfare schemes. Formulation of appropriate holistic policies that will focus on these threats is inevitable in order to alleviate poverty and improve the welfare of farmers.