

Profitability of Cassava-based Production Systems

Abiodun Olusola Omotayo^{1*} and Adefemi Joana Oladejo²

^{1,2}*Department of Agricultural Economics and Extension, North-West University
Mafikeng Campus, Mmabatho 2735 South Africa*

²*Department of Agricultural Economics, Ladoke Akintola University of Technology,
Ogbomosho, Oyo-State, Nigeria*

KEYWORDS Gross Margin. Net Return. Small-scale. Variability. Nigeria

ABSTRACT The study was undertaken to analyze the profitability of cassava-based production in Oyo State. The population for the study consisted of all small-scale cassava farmers in the State. A well-structured questionnaire was used to collect information from 120 randomly selected small-scale cassava farmers. Out of these, 110 pieces of the administered questionnaires were retrieved and analyzed. The finding showed that 72.7 percent of the farmers are male in their active average age of 38.95 years with 14.5 percent of the respondents having no formal education. The objectives of the study were to determine the cost, return and evaluate the profitability of cassava production in the study area. The business was found to be profitable with total revenue of ₦ 174,231.81k, average profit of ₦54,069.57k and gross margin of ₦62,449.11k per hectare. The analysis result revealed that net return of the farmers is affected positively by the use of fertilizer, price per cassava truck and the total revenue. On the other hand, cost of ridge making, cost of land clearing, cost of weeding, type of labor used, cost of feeding, cost of cassava stem cutting, and cost of transportation to point of sale were negative and significant to the net return. Also, the adjusted R² is 0.995 showing that 99.5 percent of the variability in the dependent variables is explained by the estimated independent variables. A stable and workable food policy was recommended to curb the technical and institutional constraints in cassava production.