

## **Smallholders' Willingness to Pay for Mechanization (Tractor Services) in Delta and Benue States, Nigeria**

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**ABSTRACT** The majority of the smallholder farmers mainly crude implements. However, the extent to which they are willing to pay for mechanization services to change such practices unknown. This paper investigates the smallholders' willingness to pay (WTP) for tractor services, factors that affect the smallholders' WTP for tractor services, and factors that affect the amount of money the smallholder is willing to pay for tractor services. Multi-stage sampling technique was used to collect data from 280 respondents in the study area. The contingent valuation methodology was used to measure the smallholders' WTP. Descriptive statistics and the double hurdle model were used to analyse the results. The majority of the smallholder farmers were willing to pay for tractor-use. Age, farm size and location affect the smallholder' WTP for tractor services. Expenditure and location affect the amount of money willing to pay for tractor services by the smallholder. There is a prospective growth for hire tractor services business due to smallholders' WTP. It was suggested that entrepreneurs invest in tractor-hired services business since the farmers were willing to pay for their services. More researches should be done on how to sustain the smallholders' demand and WTP for tractor services.