

**Socio-Economic Characteristics and Profitability of the
Contact and Non-Contact Farmers in
Oyo Agricultural Zone in a Deregulated Economy**

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ABSTRACT This paper assessed the differences in the socio-economic characteristics and profitability of contact and non-contact farmers in the Oyo zone of the Oyo State Agricultural development project (OYSADEP). Descriptive statistics which include frequency counts, tables and figures were used to analyse cross-sectional data for 80 randomly selected farmers. Gross margin analysis was employed to determine the overall financial returns accruing to both categories of farmers. Results show that (54%) of the contact farmers had more formal education while about 56% of the non-contact farmers did not have. About 60% of contact farmers had no subsidiary occupation. This is about twice the proportion for their non-contact counterparts. The gross margin analysis indicate that the contact farmers but made a profit which is about six times as high as that of the non-contact farmers. The study supports some of the earlier findings that a positive correlation exists between the development of infrastructure and rapid flow of agricultural inputs in the OYSADEP. Ultimately, the study supports earlier suggestion that retaining and further supporting the ADP system will remove the current credibility gap between Government and farmers engendered through frequent changes in government policy, programmes and projects. This suggestion holds a major stake in the drive for food security and poverty alleviation.