

Efficiency Analysis Among Maize and Cassava Farmers in Southwest, Nigeria: Application of Log Input Mean Correction Strategy.

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Abstract

This study applied log input mean correction strategy and imposed linear homogeneity restriction in the estimation of efficiency among maize and cassava farmers in Southwest, Nigeria. Multistage sampling procedure was used to select 310 respondents for the study. Data collected through well-structured questionnaire were analysed using Descriptive Statistics, Stochastic Frontier Translog Cost and Production Function. The results show direct relationships between the total cost of production with respect to maize output and input prices in the two enterprises. The input price elasticity estimates in the two enterprises support the assumption that the cost function is homogenous of degree one and that the cost minimizing factor prices is non-decreasing in P . Also, regularity condition of monotonicity is fulfilled as inputs increase output in the two enterprises. Therefore, maize and cassava farmers should be encouraged to expand their scale of operation which also allows them to benefit from economies of scale.

Keywords: Efficiency, homogeneity, stochastic, crop, log-input.

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