

Economic efficiency in fish farming: hope for agro-allied industries in Niagara

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Abstract

The challenge to increase the efficiency in food production level in Nigeria appears to be more urgent now than it has ever been in the history of the country. This is in view of the rapidly increasing population, the imminent decline in international economic and food aid and the need to conserve foreign exchange earnings through the production of raw materials to feed the growing industrial sector calls for urgent attention. The study was carried out in Ogun State. The descriptive statistics was used to determine the socio-economic characteristics of the respondents. The stochastic frontiers production analysis was applied to estimate the technical, allocative efficiency and economic efficiency among the fish farmers in the state. The results of economic efficiency revealed that fish farming is economically efficient with a range of between 55% and 84% efficiency level suggesting a favourable hope for the agro-allied industry such as poultry and cottage industries etc in the state. The result of hypothesis of inefficiency sources models showed that years of experience of fish farmers is significant at 1% probability level indicating the factor contributing to the fish farming experience in the state. Thus, the efficiency is due to the fact that farmers are experienced and fairly educated. On the basis of findings, policy is suggested to be directed towards the encouragement of entrepreneurs in fish farming in the state by providing enabling environment like credit facilities, public enlightenment programme and provision of social amenities like feeder roads, pipe-born water etc and given the fact that an increase in the level of formal education variable leads to less inefficiency, government policy should be focused on adopting the best technology (e.g. fast growing species and equipment) so as to improve the level of efficiency and investment which shall eventually lead to growth in output of fish farming and a lead to the establishment of agro-allied industries in the state.

Keyword

Agro-allied industry - efficiency - stochastic production frontier - Niagara