

## **Vertical Integration and Technical Efficiency in Poultry (Egg) Industry in Ogun and Oyo States, Nigeria**

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### **Abstract**

This study aims at analyzing economics of vertical integration in poultry industry in Ogun and Oyo States. The study examines the production systems and analyses costs and returns to non-integrated and vertically integrated poultry farms. Primary data were generated using structured questionnaires in a field survey of 100 non-integrated poultry farms, 70 partially integrated poultry farms and 40 fully poultry integrated farms. The analytical techniques employed include descriptive statistics and stochastic production frontier function. Predicted technical efficiencies range between 65% and 97%. The results show that about 49% of the sampled poultry farms have technical efficiencies greater than 90% operating close to the technology frontier. The higher the level of vertical integration the greater the technical efficiency.