

A PLANNING STUDY OF FARM INVENTORY OF ASSETS AND LIABILITIES: "A CASE OF SOME SELECTED CONTACT SMALL HOLDERS FARMERS IN EDO STATE –NIGERIA" 1992

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ABSTRACT

The study was designed to collect basic data on Assets owned and Liabilities owed by some Selected Contact farmers in two (2) Ecological Zones of Edo State, Nigeria. The objective of this study was to determine those farmers who actually kept accurate farm records of their farming transactions and those who did not keep accurate farm records of farming operations during the 1992 farming season. One hundred and fifty (150) randomly Selected Contact farmers were interviewed by use of structured questionnaire administered to these respondents. Data obtained were analyzed by Simple means and Percentage estimation. Findings show that; most of the Contact farmers still need continuous training and orientation on the techniques of keeping Simple farm records and accounts for their small or large farms. Some of the farmers' population interviewed complained of lack of no time as their main excuse for not keeping accurate farm records. Lack of enough incentives and motivation by government such as financial or Credit to Contact farmers interviewed was also given as another problem facing farmers in Edo State who did not keep accurate records of their farming activities all through the year under study. In addition, low level of illiteracy was found out in this study as a major handicap among the respondents interviewed as part of the reason for not keeping accurate farm records. Furthermore, insufficient visits by Extension Agents and Block Extension Supervisors to teach farmers production recommendations was found out also to be another major reason why Contact farmers did not keep accurate farm records of their farming activities in 1992 season. It was however recommended that Extension Agents should be encouraged by policy makers to regularly visit farmers and train them on the techniques of keeping accurate farm records,' and account for increase productivity in Agriculture.

Keywords: *Farm, Inventory, Assets, Liabilities, Farmers, Edo State.*

INTRODUCTION

Every business man including the Small Holder Farmer aims at profit maximization or loss minimization in their farming business or Enterprise. Several literatures abound to confirm the assertion that a lot of studies have been carried out on Farm inventory of Assets and Liabilities of farmers throughout Nigeria since she attained independence in the year 1960. This paper is centered primarily on Edo State experience with reference to 1992 Farming session. Records are useful for Planning, Monitoring and Evaluation of any Business, be it manufacturing, Processing, Primary Agricultural Production or Marketing. Data obtained from records kept by Government or Private firms or Small Holder Farmers or Fishermen are utilized in ascertaining the financial position of a farm, in adjusting expenditure to reflect Profit or Loss, in claiming compensation and in raising additional funds from Financial houses. They are also important devices or tools of assessing the Efficiency of Management, in Planning feasible changes for better performance in the overall Farm Business/Enterprise. Farm inventory which can be defined as a physical listing of all Resource Inputs employed and Output expected from a Farm Enterprise are called Assets, While items owed in the course of running a farm throughout the year are called Liabilities. Assets owned includes such items as Buildings (Farm Offices, Stores, Or Sheds or Workshop,) Tools, Machinery and implements (Cutlasses, Spade, Hoes, Tractors, Ploughs, Harrow, Planters, Boom Sprayers) as well as Vehicle constitute Capital Assets .. Variable Cost items include all materials such as Seeds, Cuttings, Fertilizers, Insecticides, Fungicides, Herbicides and Storage Chemicals are categorized as Assets owned. Operating cost items include Fuels, Lubricants, Grease Bags, Repairs and Maintenance.

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Labour cost includes Hired or family labour which is measured in terms of mandays per operation weekly, monthly or Bi-monthly etc. Farm supplies include all items of Expenditures incurred in the process of managing a Farm excluding all fixed cost items. Land is categorized as a Capital Asset and in most Social and Economic Studies; land is measured in terms of Rent paid on it.

Land is a Natural Resource commonly regarded as a “free gift” from God, it can be improved by irrigation, fertilization or manuring, reclaimed or consolidated for the purpose of large scale mechanized Agriculture. On the other hand, liabilities owed by farmers include the following

1. Capital borrowed-inform of Credit or loan from banks e.g. (N.A.C.B) or Government Agencies such as MANR credit scheme.
2. Insurance paid on Crops/livestock against unforeseen risks and uncertainties in Agric Business by farmers
3. Taxes paid on finished Agric commodities (Cash Crops) being exported to other non-Nigerian countries are categorized as liabilities.
4. Rent or lease paid for ownership of a farm land over a stipulated farming season is also regarded as liability.

MATERIALS AND METHODS

Personal interview method was employed in the conduct of this Study. Structured questionnaire were designed as the major materials administered to Selected Respondents (Contact Small Holder Farmers) through the assistance of field Enumerators and Evaluation Personnel in the Edo A.D.P. One hundred and fifty (150) Respondents were randomly Selected across the State that is ten (10) out of the fourteen (14) Local Government areas in Edo States as at the time of this Study. The mode of distribution of questionnaire of Contact farmers was in the proportion of seventy-five (75) each to the two (2) senatorial zones in Edo State (Edo North and Edo South) as at time of this study.

A BRIEF BACKGROUND AND SCOPE OF STUDY AREA

Edo State is commonly known as the heart -beat of the Country and is one of the thirty six (36) states in Nigeria; including the FCT, Abuja. There were fourteen (14) Local Government Areas as at the time of this survey but this study covers ten (10) Local Government Areas randomly Selected which includes Oredo, Orhionmwon, Uhunmode, Ovia N.E (South Zone) and Esan West, Esan Central, Owan East, Esan South East, Etsako West, and Akoko-Edo in (North Zone) Geographically, Edo State is one of the Southern States of Nigeria and it lies within latitude 6° N and 6°S and longitude 8°W and 9°E. The Natural Vegetation is predominantly Rain forest with some Guinea Savannah around places like Esan South East formerly Agbazilo L.G.A (Duze 1965). Edo State is bounded in the north by Lokoja in Kogi State. West by Ondo State, South by Delta State and in the East by Enugu State. The mean Annual rainfall (highest) varies from 7.62mm in 1991 to 6.02mm in 1992. The mean Annual temperature varies from 33.4°C in 1991 to 31.6°C in 1992. The mean Relative Humidity (highest) varies from 94% in 1991 to 96% in 1992. According to 1991 Census statistical data, it revealed that the Population of Edo State was 2.1 million. The main occupation of the people of Edo State is farming, fishing, Petty trading and Teaching. Major Crops grown in Edo State Include Maize, Yam, Cassava, Rice, Citrus, Oil Palm, Rubber, Plantain and Banana, Cowpea and Soya bean, Pawpaw, Kola nut, Coconut, Cocoa. etc.

Limitation of the Study

1. Delay in the release of funds and inadequate funds greatly constituted a limiting factor to the smooth conduct and completion of this study.
2. Shortage of enough planning officers at EDOADP headquarters to code and analyze results from this study
3. Lack of Transport to monitor this survey in the field
4. Lack of Stationeries to prepare final Report document from this study exercise.

All these constraints mentioned above go to justify the reason why the authors choose only a Small Sample Size to represent the Contact Farmers' Population in the entire Edo State in the light of this study.

Journal of Environmental Research and Policies, Volume 2, Number 1, 2007**Result**

Table I, II, III and IV shows a summary table of result obtained from 1992 field Survey on farm inventory of Assets and Liabilities Conducted for Selected Contact Farmers in Edo State.

Table 1: Data on Result Obtained from Planning Study

AREAS COVERED	ZONE-EDO NORTH SAMPLE SIZE USED = 75	ZONE-EDO SOUTH SAMPLE SIZE USED = 75
1.Hired Labour	1992	1992
Total Man days	4002	4600
AV. Man days	53.2	61.3
Amount	₦ 320,160	₦ 368,000
Average cost Per Men days	₦ 80,00	₦ 80.00
2. family Labour	Educational level of members	2.33
Men	1569	4519
Women	969	2224
Children	1,935	2,812
Hours of Work	383Hrs	495Hrs
Ave. hours of work	5.1Hrs	6.6Hrs
3.Equipments/Tools	No. Value (₦) K	No Value (₦) K
1. Cutlass	366 27.450	382 28.650
2. Hoe	318 22,260 (70/unit)	294 20.580 (70/unit)
3. Spade
4. Garden Fork
5. Axe

..... Indicate data not Available at the time of this study;

Source: Field survey 1992 Edo state ADP

Table 11: Data on Result Obtained from Paining study

S/N	ZONE-EDO NORTH	ZONE – EDO SOUTH
Year of study	1992	1192
4. Live Stock	No. Value ₦ : K	No. Value ₦:K
(a) Goat	975 341 ,250	670 268,400
(b) sheep		
(c)poultry	150 150,000	60 6,000.00
5. sales Record	₦1,905,050	₦2,883,400
Average income	₦24, 400, 66	₦38, 445, 33
6. expenditure (N)		
(1) Hired Labour	320,160	368,000
(2)Farm Tools	108, 577, 00	68, 705, 35
(3)Farm supplies	27,807,94	118,838.00
Total	₦456,544.98	₦556,543,35
Average Expenditure	₦6,087.27	₦7,420.58

Source: field survey 1992 Edo State A.D.P.

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Table 111: Data on Result obtained from Planning study

	ZONE EDO NORTH	ZONE EDO SOUTH
7. LAND		
(1) Owned	427.3HA	267HA
(2) Rented in	-	-
(3) Rented out	50HA	42HA
(4) Fallow	284HA	202HA
(5) land cultivated in 2007 by interviewed farmers	378.HA	225.HA
INPUTS		
(A) Total Expenditure		
N349, 794, 66	N592, 589, 20	
(B) Average Expenditure/Farmers N4,663, 93	Average Expenditure/Farmer N 7. 901.19	
Net income ₦1, 555, 255, 34	₦2, 290, 810.9	

Source: Field Survey 1992, Edo State ADP

DISCUSSION

This study centered on the following areas related to farm management in two (2) ecological zones of Edo State – Edo South and North Zones)

1. Average size of land cultivated by farmers interviewed
2. Size of labour employed (Hired/family labour in terms of man days)
3. Agricultural Equipment/implement and tools owned by farmers interviewed
4. Number and type of livestock kept
5. Farm buildings or farm shed owned
6. Farm supplies used on farm business
7. Farm input owned by farmers interviewed
8. Average income and expenditure of farmers interviewed
9. Net income
10. Liabilities owed by farmers interviewed

From seventy-five respondents in Edo South Zone comprising (Oredo, Ovia North East, Ovia South West, Orhionmwon, and Uhunwonde LGAS), 55% percent were those who kept accurate farm records of farming transactions, while the remaining (20%) percent were those failed to keep accurate records in the 1992 farming season. See summary of discussion on table IV below

Table IV: Result Analyzed From Study (Summary)

Zone covered	1 EDO NORTH (%)	2 EDO SOUTH
1)% Literate of (Interviewed Farmers)	31	62
2) %- illiterate of Interviewed contact farmers)	44	13
3) % who understand only pidgin English (Interviewed Contact Farmers)	13	41
4) % contact farmers who need former training on techniques of keeping farm records/Account	44	13
5) % contact farmers who claim not to have enough time for keeping farm records	About 43% out of 75% farmers interviewed in 1992	Above 10% out of the 175% of farmers interviewed in 1992
6) % contact farmers who complained of lack to supervisors or Extension Agents to enlighten them on ways of farm record keeping	About 20 % out of 75% interviewed contact farmers	About 8% out of 75% interviewed contact farmer

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7) % contact farmers who did kept accurate farm records in 1992	29	55
8) % contact farmers who kept accurate farm records in 1992	46	29

Source: Field survey 1992 Edo State ADP

Out of seventy-five respondents randomly selected and interviewed in Edo North Zone comprising (Esan West, Esan Central, Esan North East, Esan South East, Owan West, Etsako East, Etsako West and Akoko-Edo LGAS) Contact farmers representing twenty-nine percent (29%) were those who kept accurate farm records in 1992 season whereas the remaining fourth-six (45%) failed to kept accurate farm records for reason personal to them

Level of Education of farmers interviewed

From seventy-five percent (75%) representing contact farmers interviewed in Edo South Zone, about six-two percent (62%) were literate while about thirteen percent (13%) of contact farmers fell into the category of non-literate class. Thirteen percent (13%) of contact farmers from Edo North zone indicated their willingness to be trained formally on techniques of farm records keeping in the future.

CONCLUSION AND RECOMMENDATIONS

The following policy recommendations are the suggestions of the authors to policy makers and private employers of labour especially in the Agricultural sector based on our findings during the course of this planning study.

1. Extension Agents should be provided with enough incentives such as good mobility, enhanced benefits and improved conditions of service and regular promotion prospects as career civil servants to motivate them to regularly visit and train farmers in the rural areas on modern techniques of farming as well as keeping of accurate farm records for improved productivity in Agriculture.
2. Contact farmers identified by Extension Agents as consistent in farm record keeping should be commended and rewarded to further challenge the laggards among them in imitating the good attitude of keeping accurate farm records and account of their farm enterprises.
3. More emphasis should be directed by policy makers to holding short-term seminars and workshops for contact farmers and Extension Agents on the techniques of keeping Agricultural records and account of their farm enterprise.
4. Agricultural officers who have specialized in Agric Economics or Agric Extension should be recruited as Consultants to farmers on techniques of Agricultural record keeping and issues related to farm management or Agric-business studies as areas of future researches.

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