OJMAS
Offa Journal of Multidisciplinary and Advanced Studies
P-ISSN: 3121-7508
E-ISSN: 3156-5182

ANALYSIS OF INVESTMENT DECISIONS IN SWEET POTATO VALUE ADDITION AMONG FARMING HOUSEHOLDS IN BENUE STATE, NIGERIA

Author: John I Otokpa

Published: -

Issue: Issue 1

Volume: Volume No 1

Abstract

The study investigated investment decisions in sweet potato value addition among farming households in Benue State, Nigeria. Specific objectives were to describe the socioeconomic characteristics of sweet potato farming households; identify value-added products; analyse factors influencing the investment decision to add value and analyse factors influencing the level of value addition. Systematic multi-stage sampling yielded a sample of two hundred respondents. Data were collected via structured questionnaires and analysed using descriptive statistics, logit regression, and multiple linear regression in SPSS. Significant factors influencing the decision to invest in value addition were sex, farming experience, extension contact, and cooperative membership. Only farm output ($t = 3.34$, $p < 0.01$) and amount of credit received ($t = 2.46$, $p < 0.05$) significantly influenced the level of value addition. The null hypothesis of no significant factors influencing investment decision was rejected (LR $\chi^2 = 52.98$, $p < 0.01$; Pseudo $R^2 = 0.5121$). Similarly, the null hypothesis of no significant factors influencing the level of value addition was rejected ($F = 5.66$, $p < 0.01$; $R^2 = 0.6983$). It is recommended that governments and financial institutions develop tailored flexible loan products that are aligned with agricultural production cycles. In addition, farmer cooperatives should be strengthened to enhance collective bargaining power and facilitate easier access to group credit. Furthermore, subsidies or low-interest loans should be provided for the acquisition of small-scale processing equipment such as peelers, dryers, and slicers.

Keywords

sweet potato, value addition, investment decision, logit model, credit access, benue state