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THE EFFECTS OF INSURGENCY ON PRICES OF AGRICULTURAL PRODUCE IN SELECTED MARKETS IN IBADAN METROPOLIS

Oladeji, J. O., Uwandu, C. N., Akintolu, S. A. and Fapojuwo, E. O.

Correspondence contact details: loisdaddy@yahoo.com, +2348023250494

ABSTRACT

The study investigated the effect of insurgency on prices of agricultural produce in selected markets in Ibadan metropolis, Oyo state, Nigeria. Structured interview schedule was used to collect data on respondents' socioeconomic characteristics, perceived effect of insurgence activities on changes in prices, non-insurgency factors associated with changes in prices of agricultural produce and changes in prices of common agricultural produce from ninety six respondents using snow ball and simple random sampling techniques. Data were analyzed using both descriptive and inferential statistics. The findings revealed that majority (58.4%) of the respondents were between the age range of 31–50 years; male (59.4%) and Muslims (70.8%). A large proportion (40.6%) had First School Leaving Certificate as their highest education qualification and had 11–20 years of marketing experience (50.0%). Most (76.0%) patronized markets in northern states and the patronages were mostly done fortnightly (66.7%). Beans topped the list of the most transacted agricultural crop produce with an average of 49.5 bags per trip. Majority of the respondents (99.0%) agreed that increased transportation cost was among the non-insurgency factors associated with non-availability and increased price of agricultural produce. There was a striking observable difference ($t = -10.824$; $p < 0.05$) in the prices of agricultural produce between 2012 and 2014; relationship between non-insurgency factors and change in price of agricultural produce was not significant ($r = 0.029$; $p > 0.05$). Based on the findings, it was concluded that significant increase in the price of the five agricultural produce considered for the study over the period of 2012 and 2014 was occasioned by Boko Haram insurgency. It was therefore recommended that in order to stop this trend, government at all levels and other stakeholders should ensure that all hands are on deck towards ending Boko Haram insurgency in Nigeria.

Keywords: Boko Haram insurgency, Market prices, Agricultural produce.

INTRODUCTION

Nigeria, which was one of the richest 50 countries in the early 1970s, has retrogressed to become one of the 25 poorest countries at the threshold of the twenty first century (World Bank, 2011); which in turns has attracted the attention of scholars, leaders, and international community over the years on developmental interventions. Although different scholars have different perspectives on development, most students and practitioners of development accept that it must mean progress of some kind. Human Development Report (2010) opined that human development is the expansion of people's freedom to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet. People are both the beneficiaries and the drivers of human development, as individuals and in groups.

Although there are different perspectives to development, yet there is a general consensus that development will lead to good change manifested in increased capacity of people to have control over material assets, intellectual resources and ideology; and obtain physical necessities of life (food, clothing and shelter), employment, equality, participation in government, political and economic independence, adequate education, gender equality, sustainable development and peace. However, the reality of the world today is that many countries are very poor and cannot meet their development needs. Wealth is concentrated in the hands of a few people while

the majority wallows in abject poverty. Hence, development at the grassroots level becomes pertinent.

Democratic government which has been defined in various ways by different people contains the ingredients required to bridge the gap between the poor and the rich. Democratic government as defined by Abraham Lincoln is "the government of the people, by the people and for the people". Democratic government means government by persons freely chosen by and responsible to the governed.

Democracy contains some basic principles which spell out its dividends amidst other forms of government. These include citizen participation; equality; political tolerance; accountability; transparency; regular, free and fair elections, economic freedom; control of the abuse of power; bill of rights; accepting the result of elections; human rights; multi-party system and the rule of law. It is clear that Nigeria transited from military rule to civilian rule in 1999, yet Nigeria is still very far from entrenching democracy. It should be recognized that establishing and strengthening democracy is an ongoing process demanding continuous effort and imagination. Indeed, democracy at its core, is a state of mind, a set of attitudinal dispositions woven into the fabric of a society, the concrete expression of which are its social institutions. Lack of true democratic government in its entirety has led to so many vices in Nigeria which ranges from insurgency in the northeast, militancy in the Niger Delta to IPOB agitations in the southeast.



Over the years, insurgency has created widespread insecurity across Nigeria, increased tensions between various ethnic communities, interrupted development activities, frightened off investors and generated concerns for Nigeria's northern 51 neighbours. Insurgency has been responsible for nearly daily attack in Bornu and Yobe states and was behind the January 20th attack in Kanu state that killed nearly 200 people and three major attacks in Abuja, including the bombing of United Nation Head Quarters (Eme, 2012).

The insurgency in Nigeria is still most felt in the northern states and across Nigeria. The development constitutes a fresh challenge for the citizens who are already contending with the scarcity of foodstuffs and the consequent inflation that has hit the city's food market.

The increasing spread of nefarious activities of the insurgency in Nigeria and the destruction of lives and property is a serious issue that could not be dismissed in Nigeria since July 2009 and specifically with the attack of the United Nations building at Abuja in 2011. The sect, having no clear structure or known chain of command was responsible conservatively for the death of over 1200 people (Jimmoh, 2011). Northern Nigeria is the major source of food supply to other parts of the country especially the southern part. Hence, effects of insurgency on prices of agricultural produce are subjects of issue in Nigeria especially, Ibadan metropolis, where majority of their foodstuff come from the north. Therefore, it is imperative to evaluate the effect of insurgency on changes in prices of agricultural produce in selected markets in Ibadan metropolis.

The general objective of the study is to examine the effect of insurgency on prices of agricultural produce in selected markets in Ibadan metropolis.

The specific objectives are to:

- i. examine the personal characteristics of the respondents;
- ii. assess respondents' perception of the effects of the insurgence activities on changes in prices and availability of agricultural produce in the study area;
- iii. identify non-insurgency factors associated with changes in price of agricultural produce in the study area;
- iv. determine changes in the prices of agricultural produce in the selected markets.

The hypothesis is stated in the null form as follows:

H₀1: There is no significant difference in the prices of agricultural produce between 2012 and 2014

METHODOLOGY

The study was carried out in Ibadan metropolis, Oyo state. Oyo state is made up of thirty three Local Government Areas (LGAs). It is bounded in the north by Kwara state, in the south by Ogun state, in the west by Republic of Benin, and to the east by Osun state. Oyo state is located between latitude 5⁰5N and 9⁰0N and longitudes 2⁰5E and 5⁰55E. Ibadan consists of eleven LGAs with five core urban LGAs (Ibadan north, Ibadan southwest, Ibadan northeast, Ibadan northwest and Ibadan southeast). Each of these LGAs has specific food items market. For Ibadan north, there is Bodija market, for Ibadan southwest, there is Oritamerin market, and for Ibadan northeast, there is Oje market. The people residing in Ibadan are Hausas', Igbos' and Yorubas' in majority. Agricultural activities in Ibadan include fish farming, crop farming and livestock production. The climate favours all year round production of arable crops such as maize, yam, cassava, rice, cocoyam and tree crops like kola nut, cocoa, orange, etc.

The target population comprises male and female adults who are traders of food items such as beans, onions, dry maize and goat in Bodija and Oritamerin markets.

A two-stage sampling technique was used to select respondents for the study. The first step involved snow ball sampling which was used to generate a list of marketers who patronized the northeastern markets. In the second stage, simple random sampling was used to select forty six respondents from Oritamerin market and fifty respondents from Bodija market. This gives a total of ninety six respondents which was used for the study.

Data were collected from primary source. Primary data were obtained using interview schedule with both open and close ended questions to elicit information from the respondents.

The independent variables of the study were: respondents' socioeconomic characteristics, respondents' perception of the effects of insurgency on availability of agricultural produce, non-insurgency factors associated with changes in price of agricultural food produce, and extent to which insurgency has affected patronage in the selected markets. The dependent variable was changes in the prices of agricultural produce in the selected markets.

Respondents' sex, religion, marital status, educational status, membership of marketing association and ethnicity were measured at nominal level; while age of the respondents was measured at interval level.

Perception of the effects of the insurgence activities on changes in price and availability of agricultural produce – Respondents were asked to respond to statements on perception of the effects

of the insurgency on changes in prices and availability of agricultural produce. This was measured on a 5 point Likert scale of Strongly agree scored 5, Agree scored 4, Undecided scored 3, Disagree score 4 and Strongly disagree 1 for positively worded statements and reverse for negatively worded statements. Indices of perception of the effects were obtained and categorized into low, moderate and high effects on pricing of agricultural produce. Respondents scores that fall between mean \pm 1SD were categorized as moderate, while scores outside this category were categorized as low (for less) and high (for greater).

Non-insurgency factors associated with changes in price of agricultural produce – Respondents were asked to indicate other factors responsible for increased price of agricultural produce over the last three years. These factors were measured as Strong factor, Weak factor, and Not a factor. Scores of 2, 1, 0 were assigned respectively. Weighted mean was calculated and used to rank each of these items in order of importance.

The dependent variable for the study was changes in price. This was measured at interval level as respondents provided the price of the five agricultural produce (beans, groundnut, goat, dry maize and onion) as at 2012 and the present prices. Change in price was then obtained by subtracting the current price from the price of 2012. The score thus obtained formed the scored for the dependent variable of this work. This was then be categorized into two, as high and low level of change, using the mean score as the benchmark.

RESULT AND DISCUSSION

Socioeconomic characteristics of respondents – The findings in Table 1 show that a large number of the respondents were in their active years, as 29.2% were each aged 31 – 40 and 41 – 50 years old. This implies that more agile people were involved in food marketing in the selected markets. Prominence of more respondents aged between 31 to 50 years could also be due to the nature of the business as it requires travelling

for a long period of time to purchase food items from the northeastern markets. Kebede (2001) and Nwaru (2004) asserted that age of agro-enterprise stakeholders is important in determining productivity.

Table 1 also shows that higher proportion (59.4%) of the respondents were males. This may also be traceable to the stressful nature of marketing activities as well as the fact that it requires travelling over a long period of time, which are often associated with absenteeism from homes. Women hardly leave home for long period of time, since they are more saddled with domestic responsibilities than men.

Furthermore, most (70.8%) of the respondents were Muslim. The Islamic religious identity for which the northern Nigeria has been known for may be responsible for this, as the northern part of Nigeria over the years has been known to be the strong hold of Islam in Nigeria.

In addition, more (40.6%) of the respondents had primary school education, only 31.3% had secondary education while 12.5% had no formal education. Following this result, it could be said that majority of the respondents were literate. This literate feature of majority of the respondents implied that they could assess information on security against insurgency in the northeastern part of Nigeria. This could help to improve the business venture of the respondents in the northeastern part of Nigeria.

The Table also shows that majority (74.0%) of the respondents were married. It could be suggested based on the finding on marital status that a good number of the respondents enjoyed spousal supports in the prosecution of their business venture.

Table 1 further show that 50.0% of the respondents had 11 – 20 years of marketing experience. It could be inferred from this finding that respondents could assess the price situation of food items over the years and identify what has changed recently and how these are traceable to the insurgency situation in the northeastern part of Nigeria.

Table 1: Distribution of respondents based on socioeconomic characteristics n = 96

Variables	Frequency	Percentage
Age		
≤30	12	12.5
31-40	28	29.2
41-50	28	29.2
51-60	21	21.9



Variables	Frequency	Percentage
61-70	7	7.3
Sex		
Male	57	59.4
Female	39	40.6
Religion		
Christianity	27	28.1
Islam	68	70.8
Marital status		
Single	14	14.6
Married	71	74.0
Divorced	7	7.3
Widowed	4	4.2
Educational status		
No formal education	12	12.5
Primary	39	40.6
Secondary	30	31.3
OND/NCE	8	8.3
HND/B.Sc/B.A	6	6.3
Post graduate	1	1.0
Years of marketing experience		
≤10	21	21.9
11-20	48	50.0
21-30	20	20.8
31-40	3	3.1
>40	4	4.2

Source: Field Survey, 2014

Respondents' perception of the effects of the insurgence activities on changes in prices and

availability of agricultural produce in the study area



From Table 2, it is seen that more respondents perceived the effect of insurgence activities on changes in prices and availability of agricultural produce to be moderate. The mean score is 53.13±9.46. Hence, only 8.3% respondents had less than the mean score, making up the population that perceived the effect of insurgence activities on changes in price and availability of agricultural produce to be low; while 17.7% of the

respondents had above the mean score, making up the population that perceived the effect of insurgence activities on changes in price and availability of agricultural produce to be high. It could be implied from this finding that majority of the respondents opined that insurgence in the northeastern Nigeria has moderately affected availability and pricing of agricultural produce in the study area.

Table 2: Respondents' perception of the effects of the insurgence activities on changes in prices and availability of agricultural produce n = 96

Effect	Frequency	Percentage	Minimum	Maximum	Mean	SD
Low	8	8.3	40.0	78.0	53.13	9.46
Moderate	71	74.0				
High	17	17.7				

Source: Field Survey, 2014

Non-insurgency factors associated with changes in price of agricultural produce

Table 3 reveals that 95% of the respondents agreed that increased transportation cost contributed to the changes in prices of agricultural produce; 76% agreed that reduced number of produce traders contributed to the changes in prices of agricultural produce; while

50% agreed that festivals also contributed to the changes in prices of agricultural produce. These are some of the non-insurgency factors associated with changes in price of agricultural produce in the study area. Over the years, not only insurgence related factors had led to increased prices of food, non-insurgency related factors had also contributed to the changes in price of agricultural produce.

Table 3: Non-insurgency factors associated with changes in price of agricultural produce

Non-insurgency factors	Frequency	Percentage
Increased transportation cost	95	99.0
Reduced number of produce traders	76	79.2
Climate change	33	34.4
Increasing shop rent	39	40.6
Festivals	50	50.0

Source: Field Survey, 2014

Change in prices of common agricultural produce

Table 4 indicates the mean change in price between the period of 2012 and 2014 for the five agricultural commodities being considered in the study. The study revealed that for all the commodities, beans witnessed the largest percentage increase over the years with 89.10% increase. This was followed by goat with 44.69%

increase; onion with 42.59% increase; and dry maize with 18.32% increase. However, the price of groundnut dropped by 1.16%, and this was the only agricultural commodity that experienced decrease in price. The reason for this decrease in price was not covered in this study. The implication of this finding is that prices of agricultural produce from northern Nigeria have continued to increase as a result of insurgent activities in the area.

Table 4: Change in prices of common agricultural produce



Agricultural produce	Price in 2012/unit	Present price/unit	Percentage change
Beans	14532.5	133395	89.10% (increase)
Groundnut	6500	6425	-1.16% (decrease)
Goat	7300	13200	44.69% (increase)
Dry maize	4652.17	5695.65	18.32% (increase)
Onion	6333.33	11033	42.59% (increase)

Source: Field Survey, 2014

Difference in the prices of agricultural produce between 2012 and 2014

Hypothesis three states that there is no significant difference in the prices of agricultural produce between 2012 and 2014. The finding in Table 5 revealed that the null hypothesis is rejected. It is indicated therefore that there is a

striking observable difference in the prices of agricultural produce between 2012 and 2014. It could be true that insurgency may not be the only factor responsible for this difference, yet respondents firmly expressed their disposition that insurgent might be the factor responsible for this difference.

Table 5: Difference in the prices of agricultural produce between 2012 and 2014

Period	Mean	Frequency	Std. Dev.	T	df	p-value	Decision
2012	2.95	96	0.99	-10.824	95	0.000	Significant
2014	3.74						

Source: Field Survey, 2014

CONCLUSION AND RECOMMENDATIONS

Based on the findings, it was concluded that significant increase in the price of the five agricultural produce considered for the study over the period of 2012 and 2014 was occasioned by Boko Haram insurgency. It was therefore recommended that in order to stop this trend, government at all levels and other stakeholders should ensure that all hands are on deck towards ending Boko Haram insurgency in Nigeria.

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