

# ACCESS TO CREDIT AND VALUE ADDITIONS TO SOME NON-TIMBER FOREST PRODUCTS IN EGBEDA LOCAL GOVERNMENT AREA, NIGERIA

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## ABSTRACT

*The capacity to promote sustainable use of Non-Timber Forest Products (NTFPs) and facilitate increased financial benefits to local users as incentives for forest conservation is low due to neglect by governments particularly in Nigeria. Such capacity is however imperative to stemming rural poverty and can be enhanced by incorporating NTFP collection and commercialization research into forest management development programs. But sustainable production and conservation of forest products is influenced by a number of factors, largely socioeconomic and institutional in nature. Men and women also play different roles in the collection and utilization of NTFPs. This paper reports collection and sales of NTFPs against some socioeconomic background of identified collectors in Egbeda Local Government Area (LGA), Oyo state, Nigeria. Purposive simple random sampling was used to select respondents from the study population using the medium of the Egbeda Farmers Association of Nigeria (EFAN). Egbeda LGA has 10 cell groups of EFAN and twelve (12) farmers were selected from each of the cell group. A total of 120 sets of structured questionnaire were used to document demographic information, involvement in NTFPs business and access to credit facilities among respondents. Oral interview were also conducted to know if they engage in the NTFPs business as a primary occupation or secondary occupation, the type of NTFPs specialized in, their sources, number of gathering trips per week, and the amount made from the sales of the NTFPs. The data collected was analyzed using descriptive and inferential statistics. More than half (53.3%) of the respondents involved in the NTFPs business in the study area was of the male gender and 62.5% had secondary education. Majority of the respondent (88.2%) engaged in NTFPs gathering as a secondary occupation. Their access to credit facilities was low. The amount made from sales without credit facilities is reasonable. Inadequate funding, lack of credit facilities, inadequate information about how to market their products and its neglect by government were identified as a major constraints to sustainable collection and use of NTFPs. NTFPs would contribute more to livelihood in the study area, provided access to credit can be facilitated.*

**Keywords:** NTFPs, Value addition, Credit access, Egbeda Local Government Area

## INTRODUCTION

Unlike timber-based products, NTFPs came from a large variety of plant parts and are formed into a diverse set of products. As submitted by Chamberlain (1998) NTFPs contribute significantly to local and regional economics; and with the current trend in the trade and use of NTFPs, it is bound to grow substantially over the next decades. Like timber, NTFPs may further be processed into consumer oriented products. Value is added to NTFPs through processing of the products through the use of machines, chemicals and other means. The indigenous people and peasant communities may not have what it takes to sustainably add value to NTFPs. This is because value addition may involve huge capital which may not be easily accessible to the rural dwellers. But as submitted by Donovan *et. al.* (2006) they have started to form Small and Medium Forest Enterprises (SMFEs) to add value to their timber and non-timber forest products (NTFPs).

Through such enterprises credit facilities are available to aid product development, provide incentives for sound forest management, support increased value addition, and promote the formation of human, social, physical and financial capital for sustainable production of timber and NTFPs.

In their own study, Peters *et.al.* (1989) estimated the long term economic returns from the forests managed for Non timber Forest products (NTFP) in tropical forests as greater than the net returns from timber or conversion of forest to agricultural use. This proposition attracted many forest conservationists in favour of NTFP management. Many developing countries like Nigeria have initiated moves to allocate financial and human resources in the promotion of NTFP activities but there have been mixed response regarding impact of NTFP harvesting in forest environment and livelihoods.

Ruiz Pérez, and Byron (1999) were of the opinion that conservation of the world's tropical forests depends on finding new products, developing markets and improving marketing systems for NTFPs. FAO (2011) and RECOFTC (2011 and 2012) assume that communities will conserve and protect forest resources if they receive tangible benefits from sustainable forest utilization. Lynch (1995) recognized the importance of NTFPs for

income generation and food security and Shiva (1995a) reposed NTFPs as the "potential pillars of sustainable forestry".

The importance of NTFPs notwithstanding, when compared with timber they have historically been neglected by governments particularly in Nigeria. The capacity to promote sustainable use of NTFP and facilitate increased financial benefits to local users as incentives for forest conservation is consequently low. This was reposed by Adepoju and Salau (2007) that gaps exist in understanding the range of products used from forests, their taxonomic classification, socioeconomic values, technical packages and the policy contexts for their sustainable use. They were also of the opinion that policy development is still largely disconnected from field experiences (Adepoju and Salau, *op. cit.*).

Promoting sustainable use of NTFPs through value addition require financial input. This can be achieved through several means, one of which credit facilities plays a vital role. The acquisition of credit facilities however, comes with setbacks ([www.finance.my](http://www.finance.my) freearticlecentral.com). Invariably, inadequate information on credit facilities and its contribution to forest product development would create a setback for forestry development. The essence of this paper is therefore to identify credit facilities sources, product improvement types and their influence in value addition to NTFPs in Egbeda LGA.

## **METHODOLOGY**

### **The Study Area**

Egbeda Local Government Area (LGA), with headquarters at Ajoda Town, was carved out from the former Lagelu LGA of Oyo State in 1989 when more local government areas were created by the Federal Military Government in Nigeria (Tomori, 2012). The local government area occupies a land mass of 420.75 square km. A good part of the area is of the derived savanna type while the rest is purely forest. It is bounded in the north, south, west and east by Irewole, Lagelu, Ibadan north and Onara LGAs respectively (Tomori, 2012). The LGA house Asejire dam, which has 75,000 m<sup>3</sup> water holding capacity and supplies water to Ibadan (the largest city in sub sahara Africa).

There are 10 (ten) wards in the LGA viz: Erunmu, Egbeda, Ayede, Owobale, Olodo 1/Olodo 11, Monatan, Olode, Alugbo, Olubadan estate and Kasumu. (Tomori, *op. cit.*). The LGA is predominantly inhabited by farmers and pockets of mechanics, panel beaters, vulcanizers and battery chargers.

### **Sources of Data**

The data for this study were collected from primary and secondary sources. The primary data was collected through field survey with the use of structured questionnaire and direct interviews to elicit information from farmers. Secondary information was obtained from Egbeda LGA administrative office and Department of Agriculture and Natural Resources (DANR) as well as state meteorological services station.

### **Sampling Procedure and Size**

The questionnaire was designed to know the role of credit facilities, the type of credit facilities offered to the farmers, its impact on forest products, the impact of the selected non- timber forest products on the economy as a result of available credit facilities. A purposive simple random sampling was used to select respondents from the study population using the medium of the Egbeda Farmers Association of Nigeria (EFAN). Egbeda LGA has 10 cell groups, which cut across all the towns and villages in the area. Twelve (12) farmers were selected from each of the cell group giving a total of 120 respondents. The questionnaire were administered by the researcher personally with the assistance of some personnel's in Agriculture and Natural Resources department of the local government.

### **Method of Data Analysis**

The data collected in the course of study were subjected to descriptive and inferential statistical analysis. Data collected was coded and entered into the computer for analysis. Descriptive statistics, which involve the collation, simplifying and giving property such as frequency counts, percentages and cumulative percentage, were used to analyze the data and their occurrences among the population. Inferential statistics used were chi – square in testing for hypothesis.

## RESULTS AND DISCUSSION

### *Demographic Background of Respondents*

Results showed that a higher percentage of the respondent are male (53.3%), fell within the active labour age group of 31 – 40 years (65.8%) and are married (85.0%). Also, two religion faiths: Christianity (72.0%) and Islam (48.0%) were identified and education level was generally low; 75.0% of the respondents have secondary education in the study area. Also worthy of note is that the primary occupation of 33.9% of those involved in non-timber forest product business is artisan and that of 30.3% was farming. However, majority of the respondent (88.2%) take gathering of non-timber forest products as secondary occupation. These findings were not too different from the findings of Miah () in his studies of 170 families in enclaves of Chunati Wildlife Sanctuary, Bangladesh. However, he did not report on the religion of his respondents. Das (2005) also reported that about 90.0 % of families of Bhutiabasty enclave, West Bengal, India collect NTFPs for sale and that sale of NTFP is primary occupation for 26.0% of families of this enclave.

### **NTFP Business in the Study Area**

The study (Table 2) found that majority of the respondent (92.5%) are engaged in NTFPs business with emphasis on charcoal (14.4%), firewood (34.2%), chewing stick (17.1%), snail (9.0%), and bush meat (25.2%). A higher percentage of the respondent (51.4%) collected NTFPs from free areas and only 3.8% collect theirs from family land. However, only 1.7% engages labourers while 48.5% engage their families in NTFPs collection, which was observed to be daily among 28.7% of the respondents. The submissions of various past studies (Malhotra *et al.*, 1991; Hegde and Daniel, 1992) that the poorest households with agricultural lands, livestock and adult males are predominant collectors of forest products reposed those from this study. Das (2005) also reported more than 50% of families in two enclaves in a protected area of West Bengal, India are dependent on NTFP sale.

Table 3 above revealed that 67.6% of the identified NTFPs collectors are also involved in their processing with cleaning and roasting being the

highest (35.6%) identified process. This may not be unconnected with the higher percentage of those dealing with snail and bushmeat among respondents. Modal income generated from sales of NTFPs was between 20,000 and 29,950 Naira. This was higher compared to within Rs.11001 – 13000 observed by Das (2005) as being generated by about 60% of families' in Bhutiabasty enclave, West Bengal, India, annually from NTFPs. However, majority of the respondent (98.9%) in the study area do not have access to loan. This may affect expansion and hence value addition to NTFPs, which may improve income generation from their sales. Other identified problems include low market value of NTFPs (42.9%), low demand from people (28.6%) and unaccountable usage (28.6%).

### **Influence of Respondents Background on NTFP Business**

The study revealed that the type of NTFPs specialized in by respondents is influenced by their gender ( $\chi^2 = 22.448$ ;  $df = 4$ ;  $p = 0.0001$ ), religious ( $\chi^2 = 17.995$ ;  $df = 4$ ;  $p = .001$ ) and educational ( $\chi^2 = 40.00$ ;  $df = 12$ ;  $p = 0.0001$ ) backgrounds as well as their primary occupation ( $\chi^2 = 60.264$ ;  $df = 16$ ;  $p = 0.0001$ ). However, age ( $\chi^2 = 17.042$ ;  $df = 12$ ;  $p = 0.0148$ ), marital status ( $\chi^2 = 13.289$ ;  $df = 8$ ;  $p = 0.102$ ) and secondary occupation ( $\chi^2 = 13.928$ ;  $df = 12$ ;  $p = 0.305$ ) have no impact on NTFPs business in the study area.

### **Conclusion and recommendation**

Engagement in NTFPs business in the study area was found to be gender skewed with those involved not having access to loan despite its lucrative nature. It is therefore recommended that more attention be paid to this enterprise as one of the avenue to addressing the high rate of employment in the country.

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**Table 1: Demographic Background of Respondents**

	Frequency	Percentage	Mode
<b>Gender</b>			
Male	64	53.3	Male
Female	56	46.7	
<b>Age</b>			
20 – 30 years	23	19.2	31 – 40 years
31 – 40 years	79	65.8	
41 – 50 years	16	13.3	
51 – 60 years	2	1.7	
<b>Marital Status</b>			
Single	11	9.2	Married
Married	102	85.0	
Widow	7	5.8	
<b>Religion</b>			
Christianity	72	60.0	Christianity
Islam	48	40.0	
<b>Educational Level</b>			
Primary	21	17.5	Secondary
Secondary	75	62.5	
Tertiary	12	10.0	
No education	12	10.0	
<b>Primary Occupation</b>			
Farming	33	30.3	Artisan
NTFPs gathering	21	19.3	
Artisan	37	33.9	
Civil Servant	17	15.6	
Student	1	0.9	
<b>Secondary Occupation</b>			
Farming	7	6.9	NTFPs Gathering
NTFPs gathering	90	88.2	
Artisan	3	2.9	
Student	2	2.0	

Source: Field survey, 2010.

**Table 2: Background Information about NTFPs Business in the Study Area**

	Frequency	Percentage	Mode
<b>Are you engaged in NTFPs business?</b>			
Yes	111	92.5	Yes
No	9	7.5	
<b>Type of NTFPs Business</b>			
Charcoal	16	14.4	Firewood
Firewood	38	34.2	
Chewing stick	19	17.1	
Snail	10	9.0	
Bush meat	28	25.2	
<b>Source of NTFPs</b>			
Free Areas	54	51.4	Free Areas
Communal land	17	16.2	
Forest Reserve	10	9.5	
Family	4	3.8	
All of the above	5	4.8	
<b>Collector of the NTFPs</b>			
Purchase	15	14.3	Family
Self	47	45.6	
Family	50	48.5	
Labourers	2	1.9	
Apprentice	4	3.9	
<b>Number of gathering trips per week</b>			
Everyday	27	28.7	Everyday
Once in a week	19	20.2	
2 times in a week	23	24.5	
3 times in a week	14	14.9	
4 times in a week	9	9.6	
5 times in a week	1	1.1	
6 times in a week	1	1.1	

Source: Field survey, 2010.

**Table 3: Information on Processing and Marketing of NTFPs**

	Frequency	Percentage	Mode
<b>Do you process your product yourself?</b>			
Yes	73	67.6	Yes
No	35	32.4	
<b>Types of process product undergoes</b>			
Caging and Feeding	6	8.2	Cleaning and Roasting
Cutting and Tying	25	34.2	
Cleaning and roasting	26	35.6	
Picking and feeding	4	5.5	
Gathering and burning	3	4.1	
Selection and Tying	9	12.3	
<b>Amount made from NTFPs sales (₦)</b>			
0 – 9,950	24	21.8	20,000 – 29,950
10,000 – 19,950	19	17.3	
20,000 – 29,950	33	30.0	
30,000 – 39,950	29	26.4	
40,000 – 49,950	4	3.6	
50,000 – 59,950	1	0.9	
<b>Access to loan?</b>			
Yes	1	1.1	Yes
No	87	98.9	
<b>Perceived Problems of NTFPs marketing</b>			
Low prices of product	3	42.9	Low Prices of Product
Low demand	2	28.6	
Unaccountable usage	2	28.6	

Source: Field survey, 2010