TECHNOLOGY ADOPTION, POST-HARVEST LOSSES AND AGRICULTURAL PRODUCTIVITY IN NIGERIA

OSABOHIEN, ROMANUS ANTHONY 15PAF01072

TECHNOLOGY ADOPTION, POST-HARVEST LOSSES AND AGRICULTURAL PRODUCTIVITY IN NIGERIA

OSABOHIEN, ROMANUS ANTHONY

15PAF01072

B.Sc. Economics, Ambrose Alli University, Ekpoma M.Sc. Economics, Covenant University, Ota

A THESIS SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY (Ph.D) DEGREE IN ECONOMICS, DEPARTMENT OF ECONOMICS AND DEVELOPMENT STUDIES, COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES, COVENANT UNIVERSITY, OTA, NIGERIA

ACCEPTANCE

This is to certify that this thesis is accepted in partial fulfilment of the requirement for the award of the degree of Doctor of Philosophy (Ph.D) in Economics, Department of Economics and Development Studies, College of Management and Social Sciences, Covenant University, Ota.

Mr. John A. Philip	
(Secretary, School of Postgraduate Studies)	Signature and Date
Prof. Akan B. Williams	
(Dean, School of Postgraduate Studies)	Signature and Date

DECLARATION

I, OSABOHIEN, ROMANUS ANTHONY, (15PAF01072), hereby declare that this research was carried out by me under the supervision of Prof. Isaiah O. Olurinola and Dr. Oluwatoyin A. Matthew of the Department of Economics and Development Studies, College of Management and Social Sciences, Covenant University, Ota. I attest that this thesis has not been presented either wholly or partially for the award of any degree elsewhere. All sources of data and scholarly information used in this study are dully acknowledged.

OSABOHIEN, ROMANUS ANTHONY	
	Signature and Date

CERTIFICATION

We certify that the thesis titled "TECHNOLOGY ADOPTION, POST-HARVEST LOSSES AND AGRICULTURAL PRODUCTIVITY IN NIGERIA" is an original study conducted by OSABOHIEN ROMANUS ANTHONY (15PAF01072) of the Department of Economics and Development Studies, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria, under the supervision of Prof. Isaiah O. Olurinola and Dr Oluwatoyin Matthew. We have examined and found the study acceptable as part of the requirements for the award of Doctor of Philosophy (Ph.D) in Economics.

Prof. Isaiah O. Olurinola		
(Supervisor)	Signature and Date	
Dr. Oluwatoyin A. Matthew (Co-Supervisor)	Signature and Date	
Prof. Evans S. Osabuohien (Head of Department)	Signature and Date	
Prof. John O. Adeoti (External Examiner)	Signature and Date	
Prof. Akan B. Williams (Dean, School of Postgraduate Studies)	 Signature and Date	

DEDICATION

This thesis is dedicated to God almighty for His love and grace. Furthermore, this study is dedicated to my wife and daughter for support, prayers and love. Lastly, to my mother (of blessed memory) for good upbringing. May you continue to rest in the bosom of our Lord Jesus Christ. Amen.

ACKNOWLEDGEMENTS

I give God Almighty all the glory, the Giver of knowledge and life. I appreciate Him for His strength, grace, love, peace, joy He bestowed upon me and my family. I will forever praise Him for His loving kindness.

I wish to express my sincere gratitude and thanks to the Chancellor and Chairman, Board of Regents, Covenant University, Dr David O. Oyedepo, for the academic and spiritual platform created. Also, I sincerely appreciate the Vice-Chancellor, Prof. Abiodun H. Adebayo, the Registrar, Dr. Oluwasegun P. Omiodiora, and the entire management team of Covenant University. In addition, I acknowledge the leadership of the Dean, School of Postgraduate Studies, Prof. Akan B. Williams, the Sub-Dean, School of Postgraduate Studies, Dr. Emmanuel O. Amoo and the Dean, College of Management and Social Sciences, Prof. Uwalomwa Uwuigbe.

Heartfelt appreciation goes to my main supervisor, Prof. Isaiah O. Olurinola, for his inputs, mentorship, and the supervisory role he played throughout this programme. In the same way, I am grateful to my co-supervisor, Dr Oluwatoyin A. Matthew, for her motherly care, advice, words of encouragement, and contributions throughout the programme. To the Head of Department (HOD), Economics and Development Studies, Prof. Evans S. Osabuohien, thank you for the leadership role played throughout the programme.

To all my fathers and colleagues in the Department, Prof. Philip O. Alege, Dr. Ebenezer Bowale, Dr. Obindah Gershon, Dr. Ese Urhie, Dr. Henry Okodua, Dr. Adeyemi Ogundipe, Dr. Oluwasogo Adediran, Dr. Busayo Aderounmu, Dr. Oluwarotimi Owolabi, Dr. Ngozi Adeleye, whose *CrunchEconometrix* platform assisted me in my modelling and analysis, and all other Faculty in the Department of Economics and Development Studies, Covenant University, Ota. In addition, my appreciation goes to my Postgraduate Representative, Prof. Conrad A. Omonhinmin, my College Examiners, Prof. Anthonia A. Adeniji and Dr. Lanre O. Amodu. I acknowledge all my friends and classmates, Mrs. Eseoghene Olaifa, Mrs. Esther M. Folarin, Mr. Isaac O. Jacob and Miss. Victoria I. Okafor.

To my lovely wife, Mrs. Elizabeth Osabohien and daughter, Eva Onyinyechi Osabohien, I say thank you for your support and prayers throughout the programme. I am grateful to God for having you. To my mother, blessed memory, thank you for the love and unity you

O. Osabohien and his family, I say thank you. My other big brother, Prof. Evans S. Osabuohien, God bless you and your family, your wife, Mrs Patience Evans-Osabuohien and the Children, Eustin, Diadem and Dovel Evans-Osabuohien. To my only sister Mrs. Philomena Okocha, God bless you and your family.

I also recognise the Centre for Economic Policy and Development Research (CEPDeR), Covenant University, Ota, Nigeria, for the platform which made my research easier than usual. I acknowledge the Alexander von Humboldt Foundation (AvH)'s Equipment Subsidy Grant [REF: 3.4-8151/19047] awarded to CEPDeR, which was instrumental to my Ph.D programme and other research engagements. I appreciate all CEPDeR Fellows who contributed to my study in one way or the other. Also, I acknowledge the Linkage Research Grant awarded by AvH [REF 3.4-1147508-NGA-IP] for the research project entitled "Access to Land and Agricultural Value Chain: Female and Youth Engagement Discourse in Nigeria" and all the team members Prof. Magdalene Silberberger (Witten/Herdecke University, Witten, Germany), Prof. Evans Osabuohien (Covenant University, Ota, Nigeria), Dr. Oluwasogo Adediran (Covenant University, Ota, Nigeria) and Mr. Waidi Adebayo (Witten/Herdecke University, Witten, Germany).

To all those who contributed to my work, Dr. Uche E. Ekhator-Mobayode (World Bank Group, Washington DC, USA), Mr. Alhassan A. Karakara (University of Cape Coast, Ghana & CEPDeR, Covenant University, Nigeria), for reading through the work and for the constructive comments. To Dr. David Imhonopi, Department of Sociology, Covenant University, your editorial work is highly appreciated. Dr. Uchenna Efobi, Mrs Oluwatosin Edafe and Mrs. Itua Osayande are also appreciated for their assistance during the analysis. Also, to my friend, Dr. Daniel E. Ufua and the family, thank you for the encouragement.

I would not forget to acknowledge the International Fund for Agricultural Development (IFAD) and the International Institute of Tropical Agriculture (IITA) for supporting the project "Enhancing Capacity to Apply Research Evidence (CARE) in Policy for Youth Engagement in Agribusiness and Rural Economic Activities in Africa" [REF:2000001374].

Once again, I sincerely appreciate everyone, and those I might have unintentionally not mentioned specifically, for the respective roles played in making this dream a reality. May God bless and reward you all bountifully.

TABLE OF CONTENTS

COVER PAGE	i
TITTLE PAGE	ii
ACCEPTANCE	iii
DECLARATION	iv
CERTIFICATION	V
DEDICATION	vi
ACKNOWLEDGEMENTS	vii
TABLE OF CONTENTS	X
LIST OF TABLES	xiv
LIST OF FIGURES	xvi
LIST OF ABBREVIATIONS	xvii
ABSTRACT	XX
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the Study	1
1.2 Statement of the Research Problem	5
1.3 Research Questions	8
1.4 Objectives of the Study	8
1.5. Research Hypotheses	9
1.6 Significance of the Study	9
1.7 Scope of the Study	11
1.8 Outline of the Study	12
1.9 Operational Definition of Key Terms	13
CHAPTER TWO	14
LITERATURE REVIEW	14
2.0 Preamble	14
2.1 Conceptual Review	14
2.1.1 Innovation	14
2.1.2 Agricultural Productivity	15
2.1.3 Agricultural Value Chain	16
2.1.4 Post-harvest Losses	17
2.2. Theoretical Review	18
2.2.1 Theory of Population Growth	18

2.2.2 Theory of Agricultural Development	19
2.2.3 Asymmetric Theory of Information	20
2.2.4 Diffusion Theory of Innovation	20
2.2.5 Random Utility Theory	21
2.2.6 Resource Exploitation Theory	22
2.2.7 Conservation Theory	22
2.2.8 Location Theory	23
2.2.9 Dual-Sector Theory	23
2.2.10. Cobb-Douglas Production Function	24
2.2.11 Total Factor Productivity	25
2.3 Empirical and Methodological Reviews	28
2.3.1 Technology Adoption and Agricultural Productivity in Africa and the Globe	28
2.3.2 Technology Adoption and Agricultural Productivity in Nigeria	35
2.3.3 Information and Communication Technology and Agricultural Value Chain	37
2.3.4 Post-harvest Losses and Agricultural Produce	40
2.4. Summary of Identified Gaps in the Literature and Value Addition	43
2.5 Stylised Facts	53
2.5.1 Agricultural Sector Performance in Developing Regions	53
2.5.2 Agricultural Sector Performance in Sub-Saharan Africa	55
2.5.3 Agricultural Sector Performance in Nigeria	58
2.5.4 Description of Agricultural Labour and Wages in Nigeria	60
2.5.5 ICT Adoption and Agricultural Value Chain Nexus	61
2.5.6 Access to Mechanisation and Farm Inputs	66
2.6 Summary of Stylised Facts	68
CHAPTER THREE	69
METHODOLOGY	69
3.0 Preamble	69
3.1 Conceptual Framework	69
3.2 Theoretical Framework	72
3.2.1 Technology and Agricultural Productivity: The Cobb-Douglas Production function	72
3.2.2 Random Utility Theory, ICT deployment and Agricultural Value Chain	73
3.2.3 Expected Utility Theory and Post-harvest Losses	75
3.3 Specification of Econometric Models	75
3.3.1 Determinants of Technology Adoption Model	76

3.3.2 Model for the impact of Technology Adoption on Agricultural Productivity	79
3.3.3 Impact of Technology Adoption on Postharvest Losses Model	83
3.3.4 Deployment of ICT Along the Agricultural Value Chain Model	84
3.4 Estimation Techniques	86
3.4.1 Logit Regression Analysis for the Determinant of Technology Adoption	86
3.4.2 Propensity Score Matching Technique	87
3.4.3 Multinomial Logit for ICT Deployment Along the Value Chain Model	90
3.5 Data Source and Measurement of Variables	92
CHAPTER FOUR	98
RESULTS AND DISCUSSION	98
4.0 Preamble	98
4.1 Socieconomic Characteristics of Households in Nigeria	98
4.1.1 Age, Marital Status, and Location of Household Heads	98
4.1.2 Total Factor, Post-harvest Losses and Agricultural Holdings	100
4.2. Test of Mean Difference in Productivity by Technology Indicators	101
4.3 Determinants of Technology Among Farming Household Heads – Logit Model	117
4.4 Extent of Technology Adoption among Farming Household Heads in Nigeria	112
4.4.1 Extent of ICT Adoption -Mobile Phone and Internent Usage	112
4.4.2 Extent of Herbicides, Pesticides and Certified Crop Adoption	115
4.4.3 Extent of Fertiliser Usage	100
4.4.4 Extent of Tractorisation and Extension Services	117
4.5 Impact of Technology Adoption on Productivity: Propensity Score Matching	119
4.5.1 Impact of ICT Adoption on Agricultural Productivity: The PSM Results	120
4.5.2 Impact of Tractorisation on Agricultural productivity	122
4.5.3 Impact of Herbicides, Pesticides and Certified Crop on Agricultural Productivity	123
4.5.4 Impact of Fertiliser Usage and Extension Service on Agricultural Productivity	126
4.6 Impact of Technology Bundling on Productivity	128
4.6.1 Principal Components Analysis	128
4.6.2 Ordinary Least Squares Analysis	129
4.7 Impact of Technology Adoption on Post-harvest Losses: PSM Analysis	132
4.7.1 Impact of ICT on Post-harvest Losses	132
4.7.2 Impact of Access to Tractor on Post-harvest Losses	134
4.7.3 Impact of Soil-Inputs (Synthetic) Technology on Post-harvest Losses	134
4.8 ICT Deployment and Agricultural Value Chain Nexus	138

4.9 Test of Balancing, Distribution of Propensity Score and Kernel Density Plot	139
4.9.1 Test Balancing and Common Support	139
4.9.2 Kernel Density Plot for Technology Adoption and Agricultural Productivity	141
4.9.3 Kernel Density Plot for Post-harvest Losses	144
4.10 Research Objectives and Hypotheses Validation	145
4.11: Discussion of Results	148
4.11.1 Adoption of Identified Elements of Technology and The Determinants	148
4.11.2 Identified Elements of Technology and The Extent of Adoption	150
4.11.3. Adoption of Identified Indicators of Technology and Impact on Productivity	151
4.11.4 Identified Elements of Technology and Impact on Post-harvest Losses	157
4.11.5 Points of Agricultural Value Chain and Significance of Its Deployment	158
4.12 Implication of the Research Findings	159
CHAPTER FIVE	161
SUMMARY, CONCLUSION AND RECOMMENDATIONS	161
5.1 Summary	161
5.2 Conclusion	164
5.3 Contributions to Knowledge	165
5.4 Recommendations	166
5.5 Suggestions for Further Studies	167
REFERENCES	168
APPENDIX	168

LIST OF TABLES

Table 2.1: Summary of Theories Reviewed	26
Table 2.2: Summary of Literature Reviewed	46
Table 2.2A: Summary of Literature on Technology Adoption and Agricultural Productivity	46
Table 2.2B: Summary of Literature on Agricultural Value Chain	50
Table 2.2C: Summary of Literature on Post-harvest Losses	52
Table 3.1 Description of Variables	96
Table 4.1: Summary Statistics of Technology indicators	99
Table 4.2: Determinants of ICT Adoption among Household Heads	101
Table 4.3: Determinants of Tractorisation, Extension Service and Certified Crop	109
Table 4.4: Determinants of Synthetic Technology Adoption	111
Tale 4.5: Summary Statistics of Socioeconomic Characteristics of the Household Heads	109
Table 4.6: Summary of Outcome and Agricultural Production Related Variables	101
Table 4.7: Test of Mean Difference in Household Productivity	103
Table 4.8: Impact of Mobile Phone Usage on Agricultural Productivity	121
Table 4.9: Impact of Internet Usage on Agricultural Productivity	122
Table 4.10: Impact of Tractor Usage on Productivity	123
Table 4.11: Impact of Herbicides on Agricultural Productivity	124
Table 4.12: Impact of Pesticides on Agricultural Productivity	125
Table 4.13: Impact of Certified Crop on Agricultural productivity	125
Table 4.14: Impact of Organic Fertiliser on Agricultural Productivity	126
Table 4.15: Impact of Inorganic Fertiliser on Agricultural Productivity	127
Table 4:16: Impact of Extension Service on Agricultural Productivity	128
Table 4:17 Principal Component Analysis Estimates	129
Table 4.18: Impact of Bundled Technology Component on Agricultural Productivity	131
Table 4.19: Impact of Mobile Phone Access on Post-harvest	133
Table 4.20: Impact of Internet Access on Post-harvest Losses	133
Table 4:21: Impact of Tractor Usage on Post-harvest Losses	134
Table 4:22: Impact of Extension Service on Post-harvest Losses	135
Table 4:23: Impact of Crop Certification on Post-harvest Losses	135
Table 4:24: Impact of Pesticides on Post-harvest Losses	136
Table 4:25: Impact of Herbicides on Post-harvest Losses	136
Table 4:26: Impact of Organic Fertiliser on Post-harvest Losses	137

Table 4:27: Impact of Inorganic Fertilizer on Post-harvest Losses	137
Table 4.28 ICT Deployment along the Value Chain	138
Table 4.29: Test of Balancing and Covariate	141
Table 4.30: Summary of Research Objectives and Hypotheses Confirmation	146

LIST OF FIGURES

Figure 2.1: Agricultural Value-Added Per Worker in Developing Regions	54
Figure 2.2: Percentage Contribution of Agriculture to GDP in Developing Regions	55
Figure 2.3: Employment in Agriculture (Percentage of Total Employment) in Develop	oing
Regions	55
Figure 2.4: Employment Across Sectors (Percentage) in Sub-Saharan Africa	56
Figure 2.5: Sectoral Contribution (percentage) to GDP in Sub-Saharan Africa	58
Figure 2.6: Percentage Contribution of Agriculture to GDP in Nigeria	59
Figure 2.7: Percentage Contribution of Agriculture to Employment in Nigeria	59
Figure 2.8: Agriculture Productivity in Nigeria (Output per worker)	60
Figure 2.9: Agricultural Labour (Percentage of total labour)	60
Figure 2.10: Households with Internet Access at Home (Per 100 inhabitants)	62
Figure 2.11: Individuals using the internet (per 100 inhabitants)	63
Figure 2.12: Population Covered by a Mobile-cellular network (per 100 inhabitants)	64
Figure 2.13: Tractorisation and Soil or Synthetic Technology	67
Figure 3.1: Technology Transmission Mechanisms	70
Figure 4.1: Percentage Distribution of Household Heads by Mobile Phone and Internet Usage	: 113
Figure 4.2: Sources of Household Heads Access to a Mobile Phone	114
Figure 4.3: Sources of Household head Access to Internet Services	114
Figure 4.4: Herbicide and Pesticide Usage.	115
Figure 4.5: The use of fertiliser by farmers	116
Figure 4.6: Use of Tractor and Access to extension services	117
Figure 4.7: The Region of Common Support	140
Figure 4.8: Kernel Density for ICT Adoption	142
Figure 4.9: Kernel Density for Soil Technology	143
Figure 4.10: Kernel Density for Extension Services, Mechanisation, and Certified Cro	143
Figure 4.11: Kernel Density for ICT variables	144
Figure 4.12: Kernel Density for Extension Service, Organic Fertiliser and Pesticide Usage	144
Figure 4:13: Kernel Density for Herbicide and Certified Crop Usage	144

LIST OF ABBREVIATIONS

ATE: Average Treatment Effect

ATET: Average Treatment Effect on the Treated

ATT: Average Treatment on the Treated

ATU: Average Treatment on the Untreated

AU: African Union

CABI: Centre for Agriculture and Bioscience International

CIS: Commonwealth of Independent States

CPIA: Country Policy and Institutional Assessment

EA: Enumeration Areas

ECOWAS: Economic Community of West African States

EAP: East Asia and the Pacific

EU: European Union

FAO: Food and Agriculture Organisation

FGD: Focused Group Discussion

GAIN: Global Alliance for Improved Nutrition

GDP: Gross Domestic Product

GHS: General Household Survey

GMM: Generalised Method of Moments

GPZ: Geopolitical Zones

HH: Household

HHH: Household Head

ICT: Information and Communication Technology

IFAD: International Fund for Agricultural Development

IITA: International Institute of Tropical Agriculture

ILO International Labour Organisation

ISA: Integrated Survey on Agriculture

KII: Key Informant Interview

IMF: International Monetary Fund

IPFRI: International Food Policy Research Institute

ITU: International Telecommunication Union

KBM: Kernel-Based Matching

LAC: Latin America and the Caribbean

LGA: Local Government Area

LSMS Living Standard Measurement Study

MENA: Middle East and North Africa

MPL: Marginal Product of Labour

MNL: Multinomial logit

NBS: National Bureau of Statistics

NGO: Non-Governmental Organisation

NNM: Nearest Neighbour Matching

PCA: Principal Component Analysis

PSM: Propensity Score Matching

SFM: Stochastic Frontier Model

SSA: Sub-Saharan Africa

UN: United Nations

UNO: United Nations Organisation

UNICEF: United Nations Children Emergency Fund

UNESCO: United Nations Educational, Scientific and Cultural Organisation

SDGs: Sustainable Development Goals

TA: Technology Adoption

WDI: World Development Indicators

WFP: World Food Programme

WHO: World Health Organisation

YPAD: Young Professional for Agricultural Development

ABSTRACT

Nigeria's population is increasing and it is estimated to reach 400 million by 2050 with inevitable increase in the demand for food. With this population growth, the likelihood of a looming food crisis remains unavoidable except agricultural productivity is enhanced through technology adoption to match population growth. This study empirically examined the impact of technology adoption on agricultural productivity in Nigeria, utilising Wave 4 (2018/2019) of the Living Standards Measurement Studies (LSMS), Integrated Survey on Agriculture (ISA). The objective of the study is to investigate the impact of the adoption of identified elements of technology (such as ICT, fertiliser, tractorisation, herbicides, pesticides and certified crops) on agricultural productivity; examine the point(s) on the value chain where the deployment of technology is significant and the impact of the adoption of identified indicators of technology on post-harvest losses in Nigeria. The study engaged the descriptive statistics, the logit regression, the Propensity Score Matching (PSM) and the Multinomial Logit Regression (MLR) in analysing the data. The findings showed that technology adoption among farming household heads in Nigeria is relatively low, with only 31.92 percent adoption rate. The age of the household heads, location of the household heads (whether rural or urban), membership of a cooperative society, and educational level of the household heads are the significant determinants of technology adoption among farming households in Nigeria. There exists a positive and significant impact of adoption of the identified components of technology on household agricultural productivity in Nigeria. This implies that household heads who adopt technology have a higher probability of experiencing a higher level of agricultural productivity compared to non-adopters of technology. The findings also showed that information and telecommunication technology (ICT) deployment is significant for all the actors on the agricultural value chain, and that the influence of ICT is statistically significant in reducing post-harvest losses in Nigeria. Based on the findings, the study concluded that to increase agricultural productivity, enhance efficient value chain, and reduce post-harvest losses, technology adoption is essential. The study recommended that there is a need for the government to improve support mechanisms for technology adoption. For example, concerning internet access, there should be support for public internet access points and agribusiness training for farmers to foster adoption of technology to improve productivity. In addition, rate of adoption will increase if more farmers are aware of the importance of various components of technology to drive productivity. Therefore, government at all levels should strengthen their efforts to encourage farmers through the extension agents, among others, on the need to adopt various components of technology so as to increase productivity.

Keywords: Technology adoption, Agricultural Productivity, Agricultural Value Chain, ICT deployment, Post-harvest Losses.