



Impact of Conditional Cash Transfer on Agricultural Investment and Productivity among Smallholder Farmers in Ondo State, Nigeria

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ABSTRACT :

This study investigates the impact of Conditional Cash Transfer (CCT) programs on agricultural investment and productivity among smallholder farmers in Ondo State, Nigeria. It focuses on three key objectives: (1) to ascertain the socioeconomic characteristics of beneficiaries, (2) to assess their participation and utilization of CCT funds, and (3) to describe the farming activities of CCT beneficiaries. Primary data were collected from 180 respondents through structured questionnaires. Descriptive statistics and regression techniques were used for analysis. Results revealed that most respondents were within the active age group (26–35 years), predominantly male, and had tertiary education. A majority received CCT funds monthly and used them mainly for agricultural inputs and household consumption. Although CCTs enhanced access to improved seeds and fertilizers, limited land ownership and high labor costs constrained productivity growth. The study concludes that while CCTs promote short-term agricultural investment, long-term productivity improvement requires complementary interventions such as credit access, land reforms, and timely disbursement mechanisms.

Keywords: Conditional Cash Transfer, Agricultural Investment, Productivity, Smallholder Farmers, Ondo State, Nigeria.

1. Introduction

Conditional Cash Transfer (CCT) programs are designed to provide direct financial support to low-income households in exchange for specific behavioral commitments, such as school attendance or participation in health or agricultural programs (Fiszbein & Schady, 2009). Globally, these programs have proven effective in reducing poverty and stimulating human capital formation (Todd, Winters, & Hertz, 2020). In sub-Saharan Africa, CCTs are increasingly being linked with agricultural objectives, aiming to enhance food security and productivity among smallholder farmers (Adams, Amare, & Gilligan, 2021). In Nigeria, the National Social Safety Net Project (NASSCO, 2022) introduced CCTs to promote livelihood diversification and strengthen rural welfare. Ondo State, an agrarian region, depends heavily on cassava and rice production, yet suffers from low input access, high labor costs, and inadequate mechanization (Oluwatayo, Ogunniyi, & Akinola, 2018). Evidence from earlier studies (Ogundari, Ojo, & Ajibefun, 2018) indicates that CCTs may enhance farm-level investments but their effectiveness in improving agricultural productivity remains under-researched, particularly in southwestern Nigeria. This study, therefore, aims to analyze the impact of CCTs on agricultural investment and productivity among smallholder farmers in Ondo State. Specifically, it seeks to (1) describe beneficiaries' socioeconomic characteristics, (2) evaluate the participation and utilization of CCT funds, and (3) examine the farming activities and productivity outcomes of beneficiaries.

2. Methodology

The study was carried out in Akure, Ondo State, southwestern Nigeria. The population consisted of registered CCT beneficiary farmers, primarily engaged in cassava and rice cultivation. A descriptive survey design was used, with data collected from 180 respondents through structured questionnaires and interviews. A stratified random sampling technique ensured fair representation across agricultural zones. Data were analyzed using descriptive statistics—frequencies, percentages, and means—to address Objectives 1–3. Tables and charts were used to present findings clearly.

3. Results and Discussion

3.1 Socioeconomic Characteristics of Respondents

Most respondents (60%) were aged between 26–35 years, followed by 25.4% between 36–45 years. The mean age (34 years) suggests a youthful farming population with strong potential for productivity improvement. About 57.8% were male and 42.2% female, showing male dominance in farming activities. Educational attainment was relatively high, as 61.1% had tertiary education, while 38.9% had senior secondary education. Most respondents (83.3%) were married, providing household labor support for farming. The mean years of experience was 3.8 years, indicating that many

farmers were relatively new to agriculture. Household sizes averaged 5.8 persons, while 80% of farmers operated on rented land, reflecting tenure insecurity.

Table 1: Education Level Distribution of Respondents

Education Level	Frequency	Percent
Senior secondary	70	38.9
Tertiary education	110	61.1

Table 2: Marital Status Distribution of Respondents

Marital Status	Frequency	Percent
Single	30	16.7
Married	150	83.3

Table 3: Years of Farming Experience Distribution of Respondents

Years of Experience	Frequency	Percent	Mean
1–3	88	48.8	3.8
4–6	84	46.7	
Above 6	8	4.4	

Table 4: Land Ownership Distribution of Respondents

Land Tenure	Frequency	Percent
Owned	20	11.1
Rented	144	80.0
Family land	16	8.9

Table 5: Crop Specialization of Respondents

Crop	Frequency	Percent
Cassava	134	74.4
Others	46	25.6

Table 6: Access to Credit Finance of Respondents

Credit Access	Frequency	Percent
Yes	136	75.6
No	44	24.4

3.2 Participation and Utilization of Conditional Cash Transfer Funds

Most respondents (93.3%) confirmed receiving CCT payments, and 73.3% reported monthly disbursements. About 46.7% received ₦25,000–₦50,000 per cycle. However, 66.7% allocated less than 25% of CCT funds to farming, implying that transfers primarily addressed immediate household consumption needs. Nonetheless, 77.8% of respondents adopted improved farm practices such as fertilizer use. Delayed disbursements disrupted financial planning and investment schedules.

Table 7: Cash Transfer Program Participation and Utilization

Variables	Frequency	Percentage
Received cash transfer	168	93.3
Monthly payments	132	73.3
₦25,000–₦50,000 received	84	46.7
Used for agricultural inputs	120	66.7
Employed extra labor	50	27.8

3.3 Farming Activities of CCT Beneficiaries

Farm size distribution shows that 93.3% of farmers cultivated less than one hectare, highlighting the smallholder nature of farming in Ondo State. While CCT improved access to seeds and fertilizers, 91.1% did not expand landholdings. High labor costs (reported by 50%) limited productivity, despite moderate yield increases observed among all respondents.

Table 8: Farming Activities of Beneficiaries

Variables	Response	Percent
Farm size <1 hectare	168	93.3
Used CCT to buy inputs	130	72.2
Faced high labor cost	90	50.0
Moderate yield increase	180	100.0

4. Conclusion

Conditional Cash Transfers have moderately enhanced agricultural investment and productivity among smallholder farmers in Ondo State. Beneficiaries demonstrated improved access to credit, farm inputs, and market information. However, challenges such as delayed disbursement, limited land ownership, and high labor costs hindered significant productivity gains. To maximize impact, the government should ensure timely and predictable disbursement of CCT funds, integrate extension services and subsidized input programs, strengthen land tenure systems, and promote cooperative-based savings and credit schemes.

Figures

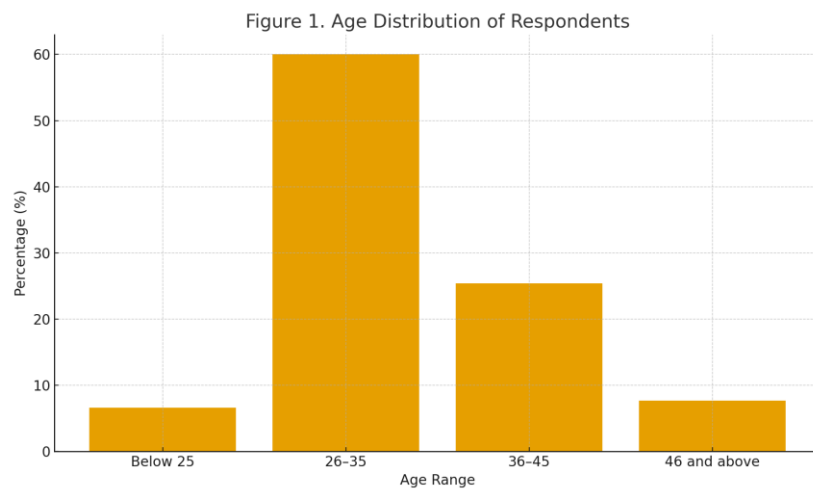


Figure 1. Age distribution of respondents.

Figure 2. Gender Distribution of Respondents

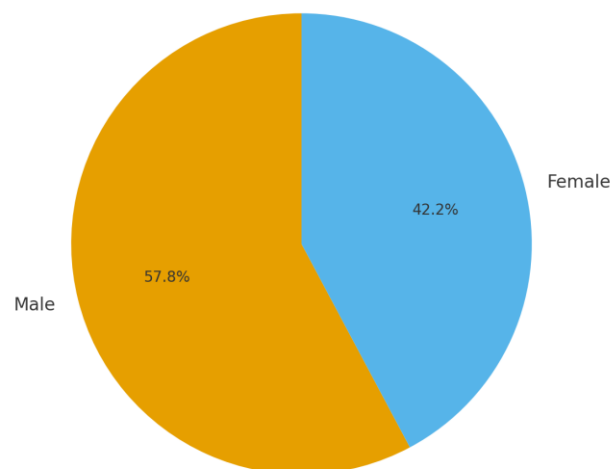


Figure 2. Gender distribution of respondents.

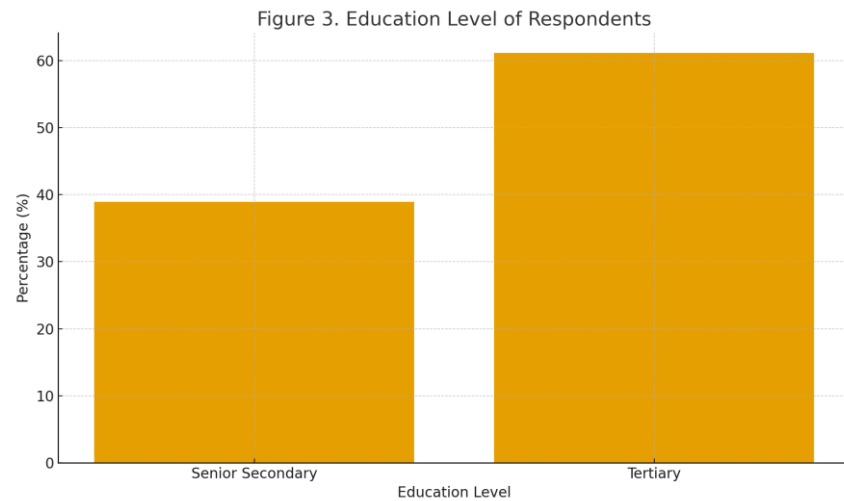


Figure 3. Education level of respondents.

Figure 4. Land Tenure Type among Respondents

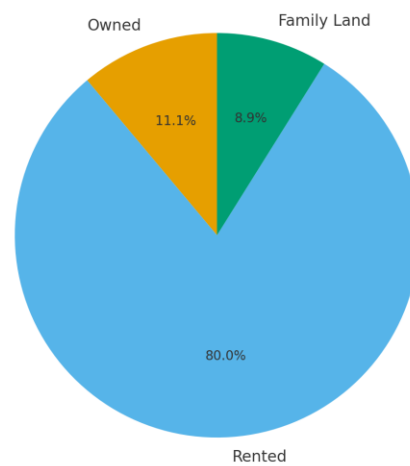


Figure 4. Land tenure type among respondents.

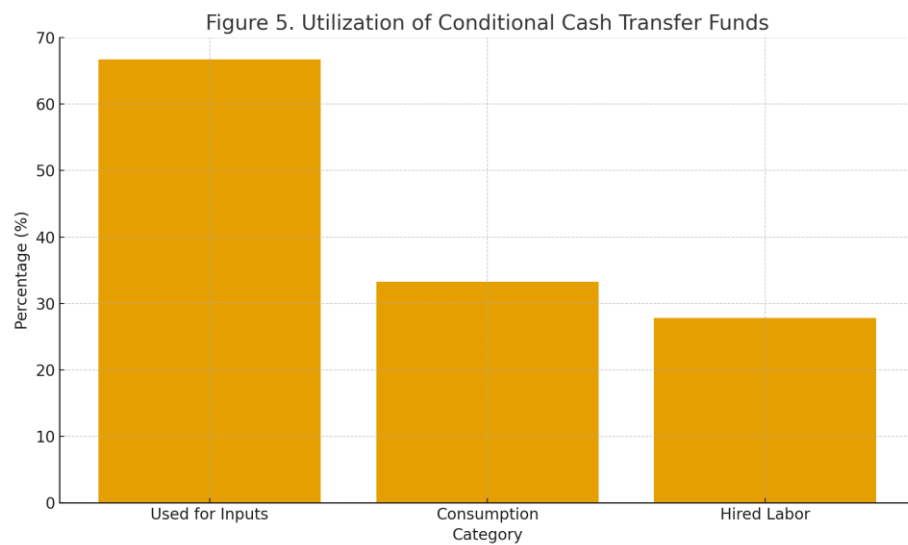


Figure 5. Utilization of Conditional Cash Transfer funds.

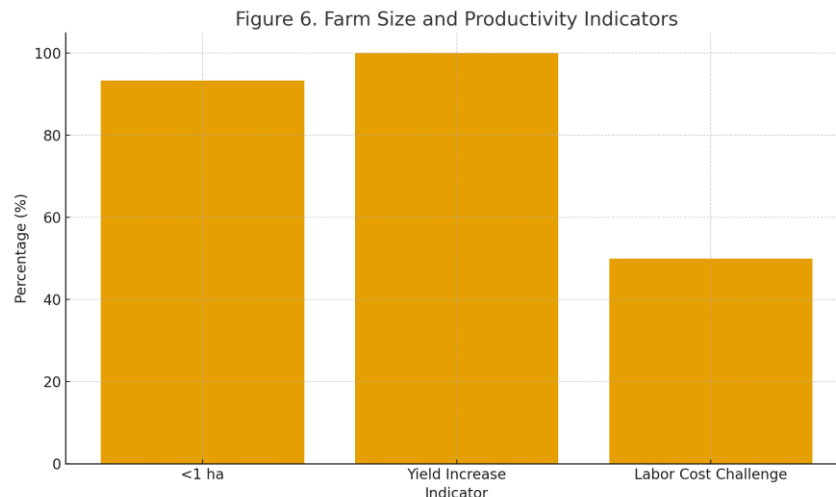


Figure 6. Farm size and productivity indicators among beneficiaries.

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