

Evaluation of Perceived Derivable Benefits in Keeping Farm Records and Accounting During Emergencies among Poultry Farmers in Lagos State, Nigeria

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Abstract

In recent times, the entire world had witnessed serious challenges that affect development in one way or the other that brought about emergency situations which eventually lead to new normal. These emergency situations have however brought some derivable benefits in the activities of farmers. The focus of this study is therefore to evaluate the perceived derivable benefits in keeping farm records and accounting among poultry farmers in Lagos State, Nigeria. The study was carried out in two (2) Agricultural Development Program Zones of Lagos State which are far Eastern and Western. A total of one hundred and seventy-two (172) respondents were used for the study through a multi stage sampling procedure. Information were retrieved with the use structured questionnaires. Retrieved data were described with descriptive statistics such as frequency, percentage and mean. There were 70.3% males 29.7% female respondents. About 34.3% of the respondents were between the ages of 31- 35years. A total of 59.3% were married and also, 37.2% had SSCE certificate. Some of the derivable benefit identified included the fact that farm records and accounting make decision-making easier during emergencies with a weighted mean score of 1.42. Other derivable benefits are that farm records helps to measure efficiency and progress during emergencies, and that farm record helps to identify strengths and weaknesses in the farm business during emergencies, among others. The study established there is no significant difference ($t=1.60, p=1.96$) between the mean rating of the perceived derivable benefit among poultry farmers in different agricultural development zones across the state. The study conclusively recommends that record keeping should not be neglected in poultry production during emergencies.

Background to the Study

In the face of the recent global economic crunch and the rapid pace of the farming industry, it is impossible for poultry farmers to manage a farm enterprise the way their parents did 30 years ago (Ishola, Kadiri and Aminu, 2020). According to Arzeno, 2014, Henderson and Gomes (2011), the use of farm records is one possible approach to improve poultry farming. Similarly, to be systematic in thinking, the farmer need formal written plan based on farm records (Reddy, Ram, Sastry and Devi 2008). A good farm plan should be based on actual recorded facts. Farm records provide adequate information for planning process, but it is unfortunate to note that relevant farm records are not given importance by farmers in developing countries (Reddy et. al, 2008). Due to illiteracy, traditional farmer does not keep records of past operations in written form, though there is enough evidence to suggest that he does use the experience he has acquired from previous year operations in his day to day activities (Olukosi and Erhabor, 2005).

Farm record keeping involves collecting an account of a farmer's daily operations in the farm. There is no universally accepted definition of farm records and account. However, Torres (2011) gave two definitions for farm record keeping. Record keeping is keeping of detailed records by a farmer of his farm's daily operations, income and expenses. He added that record keeping refers to data collection activity of a research organization which involves the keeping of records of a group of farmers with some guidance and support from the researcher. Farm record pertains to information recorded on the day to day operation of a particular farm for a specified period of time. The records of a farm may show assets and their purchase prices, date of purchase, inputs, outputs, and daily activities. Transaction and proper accounting system is needed to be able to have a complete estimate of profit and loss statement at the end of the year (Reddy et. al, 2008).

Good record keeping is essential to successful farm management. Farmers keep record to know the worth of the farm at any point in time. It helps farmers to know how much a business earn over a period of time and facilitates planning and budgeting for running current operations (Muhammad, Khalid and Kouser, 2014). Accurate financial and production records will help farmers analyze performance of farm operation and make necessary adjustment to operate more efficiently, thus increasing profitability. Farm records help to define and evaluate operational success as measured by income generated for family living and other needs. Financial success is measured by profitability; if the farm business is not profitable it is not sustainable. Other uses of farm records include pricing products for sale at a farmers' market, estimating the value of a farmer's share in naira, evaluating land leases, deciding whether to hire services or buy equipment, avoiding embarrassment from bounced checks, to know home consumption, control family expenditure and evaluating farm insurance (James and Peter, 2015).

Farm record keeping is also essential for third-party audit and income tax management. Government agencies need farm record for developmental schemes and setting up production controls. Farm record is used for obtaining credit. It allows farmer to

determine credit needs and support loan requests. Properly kept records provide bankers financial information they need for making credit decisions, and it demonstrates the farmer's management ability. Availability of accurate farm record also aids government policies, research process and teaching (James and Peter, 2015). By keeping a complete farm record on yearly basis, it is possible to have comparism between years and thereby determine the rate of growth of the farm business (Reddy *et. al*, 2008).

According to Devonish, Pemberton and Ragbir (2013), most farmers keep their farm records manually. Some even rely on their experience. Olukosi and Erahabor (2005) stated that the majority of farmers (81%) kept their records in hand written, that is in books, ledgers bills and other loose leaves. Devonish, *et. al*, (2013) further stated that 4% of them store their records on the computer using some type of accounting software and 15% of the farmers keep both hand written and computerized records. Without farm records, a farmer will not make it very far in today's business environment. This is because a farmer who maintains an adequate set of records can usually handle problems better than the one who does not (Poggio, 2016).

Despite the importance of farm records to the growth of a farm business, farmers often consider it as a difficult task (Poggio, 2013) and therefore the decisions they make are guided by vague estimates and guesses based on their past experience of farming. This state of affairs warrants a situation where policy formulation, planning agricultural programmes, monitoring and evaluation becomes difficult because data collection from the records of farmers is practically impossible. It is imperatively difficult for policy-makers to convey adequate information to producers without farms records.

Records of farm activities and accounting become exceedingly important during emergencies because it will be needed to plan, implement and execute and make adjustment in the various farm operations that call for necessary actions as a result of the impending emergency situation. Ishola (2022), pointed out that records of farm activities will be used to cushion the effect of negative unforeseen circumstances during the period of pandemic and emergencies. It is on this foundation that this research work seeks to find out the perceived derivable benefits by farmers during emergencies.

The specific purpose is to;

- i. Determine the perceived derivable benefits in keeping farm record and account by poultry farmers.
- ii. Identity constraints in keeping farm records and account by poultry farmers

Research Questions

In this study, the following research questions emanate:

- i. What are the perceived derivable benefits by respondents in keeping farm records and account?
- ii. What are the constraints to farm records keeping and account by poultry farmers?

Research Hypothesis

The hypothesis below was tested in this study at 0.05% level of significance

H₀₁: There is no significant difference between the mean rating of the perceived derivable benefits by the poultry farmers from different agricultural development program zones.

Methodology

The study adopted a descriptive survey research design. The population of the study was all poultry farmers in agricultural development zones in Lagos State. The study used multi-stage sampling techniques to arrive at 172 farmers. The state was stratified by Agricultural Development Program Zones. Seventy-five percent of ADP zones were carved to arrive at two ADP zones (far Eastern and Western). A total of 172 poultry farmers were therefore selected at random for the study.

Structured questionnaire developed by the researchers from literature reviewed was used for data collection. The instrument was partitioned into two sections. Section A was designed to contained 15 items statement relating to benefit in keeping of farm records and account developed on three-point Likert-type scale ranging from: Not a benefit, Minor benefit, Major benefit to measure the perceived derived benefit in keeping farm records and account. The section B contained 13 items statement relating to constraints to farm records keeping by poultry farmers adopted from the literature of Simpa and Emmanuel (2015) developed on four-point scale ranging from strongly disagree, slightly disagree, agree and strongly agree to measure constraints to farm records keeping by poultry farmers. The reliability of the instrument was established using Cronbach Alpha reliability coefficient to measure the internal consistency for section B which yielded reliability coefficient of 0.78. Copies of the instrument were administered and retrieved by the researchers. Frequency, Mean, Standard deviation were used in presenting the result while independent t-test was used to test the null hypotheses at 0.05 level of significance.

Results and Discussion

This aspect of the study deals with the analysis of the data gathered from the study, and the discussion of findings.

Perceived Derivable Benefits in Keeping of Farm Records and Account

Table 1: Distribution of the respondents by derivable benefits in keeping of farm records and accounting during emergencies.

S/N Statement	Major Benefit		Minor Benefit		Not a Benefit		WMS	Rank
	No	%	No	%	No	%		
1. Farm records and accounting helps to measure efficiency and progress	67	39.0	82	47.7	23	13.3	1.26	7 th
2. Farm record and accounting, makes it easier to prepare accounts at year end	81	47.1	48	27.9	43	25	1.22	10 th
3. Farm record and accounting help to avoid over/under tax payments	76	44.2	52	30.2	44	25.6	1.19	11 th
4. Farm record and accounting helps to identify strengths and weaknesses in the farm business	65	37.8	86	50.0	21	12.2	1.26	7 th
5. Farm record and accounting help manage changes and improvements in the poultry farm	79	45.9	56	32.6	37	21.5	1.24	9 th
6. Farm record and accounting makes productivity projections possible for farmers	87	50.6	65	37.8	20	11.6	1.39	2 nd
7. Utilization of farm records and accounting will help to maximize the expenses claimed and minimize tax burden	66	38.4	67	39.0	39	22.7	1.16	13 th
8. Farmers will find it easy to pay employees and creditors and see what is owed	54	31.4	42	24.4	76	44.2	0.87	15 th
9. Farm record and accounting exposes poultry holders to simplify the process of getting loan or financial assistance the business	70	40.7	63	36.6	39	22.7	1.18	12 th
10. Farm record and accounting makes it easier to distribute profits to shareholders (dividends)	102	59.3	35	20.3	35	20.3	1.39	2 nd
11. Adequate records and accounting helps to view profits and losses at a glance in poultry business	92	53.5	51	29.7	29	16.9	1.37	4 th
12. Farm record and accounting makes decision making easier	89	51.7	66	38.4	17	9.9	1.42	1 st
13. The credit worthiness of the business can easily be ascertain with good farm records and accounting	65	37.8	62	36.0	45	26.2	1.12	14 th
14. Farm records and account enables banks and other financial institutions to evaluate loan request	86	50.0	56	32.6	30	17.4	1.33	5 th
15. Farmers will find it easier to identify the debtors and see what they are owing with good farm record and account.	79	45.9	65	37.8	28	16.3	1.30	6 th

Source: Field Survey, 2021

The table above shows the respondents perceived benefits derivable in keeping farm records and account. The table showed that item 12 (farm records and account makes decision making easier) which indicates 89 (51.7%) of the respondents perceived it as

major benefit, 66 (38.4%) of the respondents chose it to be a minor benefit while 17 (9.9%) perceived it as no benefit. This was ranked 1st with weighted mean score (WMS) of 1.42. This was supported with the opinion of Samuel, (2008) who asserted that financial account is a veritable tool for high productivity and excellence decision making. The table also revealed that 87(50.6%) as major benefit, 65 (37.8%) as minor benefit and 20 (11.6%) as no benefit, indicating that farm records and account makes productivity projections possible for poultry farmers was ranked 2nd having the same weighted mean score of 1.39 with item 10 which states that farm records and accounting makes it easy to distribute profits to shareholders (dividends). This indicates the importance of account to shareholders as stated by Udoh, (2012) that investors need financial records to be convinced before investing in a business in order to maximize their dividend at the long run.

It was shown in the table that adequate records help to view profits and losses at a glance in poultry business ranked 4th with 92(53.5%) respondents indicating it as major benefit, 51(29.7%) as minor, while 29(16.9%) as no benefit. This is an indication that farm records and account will enable farmers to have access to their business performance either profit or loss. The table also asserted that 86(50.0%) of the respondents indicates farm records and account enables banks and other financial institutions to evaluate loan request as major benefit, 56(32.6%) as minor problems, while the remaining 30(17.4%) indicates it as no benefit and which was ranked 5th with weighed mean score of 1.33. In support of this, Kazeem, (2015) indicate the economic importance of accounting and listed financial records as a veritable instrument for financial institutions to evaluate and grant loans to customers.

The table also asserted that 79(45.9%) of the respondents indicate that farmers will find it easier to identify the debtors and see what they are owing with good farm records and accounting as major benefit, 65(37.8%) as minor benefit, while the remaining 28(16.3%) as no benefit and it was also ranked 6th with weighed mean score of 1.30. This shows that financial accounting is makes identification of those who is owing the poultry farmers easier. It was also revealed in the table that 67(39.0%) of the respondents indicates that farm records helps to measure efficiency and progress as major benefit, 82(47.7%) as minor benefit and the remaining 23(13.3%) indicates it as no benefit and was ranked 7th along with item 4 which states that farm records and account identify strengths and weaknesses in the firm business with same weighted mean score of 1.26. This implies that the respondents are aware of viability of farm records to the strength of their business and without this records, farmers will have much challenging in identifying their progress, efficiency, weaknesses and strengths.

The table also revealed that 79(45.9%) of the respondents that as major benefit, the statement that states that farm records and account help manage changes and improvements in the poultry farm, 56(32.6%) perceived it as minor benefit, while the remaining 37(21.5%) perceived it as no benefit and it was ranked 9th with a weighted mean score of 1.24. This was in line with the study of Kolade, (2007) who found out that majority

of firms running on a medium scale are running perfectly due to adaptation to changes in the economy situation as a result of accountability. More so, it was revealed in the table that 81 (47.1%) Of the respondents perceived the statement “farm records and account makes it easier to prepare accounts at year end” as major benefit, 48(27.9%) perceived it as minor benefit, while the remaining 43(25.0%) perceived it as no benefit and it was ranked 10th with weighted mean score of 1.22. This indicates that farms that doesn't keep her daily records will find it difficult to give summary of its accounting operation at the end of the year.

The table also revealed that 76(44.2%) of the respondents perceived farm records and account help to avoid over/under tax payment as major benefit, 52 (30.2%) as minor benefit, while the remaining 44(25.6%) perceived it as no benefit and it was ranked 11th with a weighted mean score of 1.19. Also, the table also asserted that item 9 (farm records and account exposes poultry holders to simplify the process of getting loan or financial assistance with the same WMS which was ranked 12th with 70 (40.7%) perceiving it as a major benefit, 63 (36.6%) perceived it as minor while 39 (22.7%) respondents perceived it as no benefit. This was in agreement with Shalom, (2011), who opined that it is necessary for Government to have access to individual business accounts in order to bill firms according to their financial capacity and strength. The table revealed that 66(38.4%) of the respondents perceived utilization of farm records will help to maximize the expenses claimed and minimize tax burden as major benefit, 67(39.0%) as minor benefits, while the remaining 39(22.7%) perceived it as no benefits and was ranked 13th with a weighted mean score of 1.16.

The credit worthiness of the business can easily be ascertained with good farm records and accounting is yet another derivable benefit, where 65(37.8%) perceived it as major benefit, 62 (36.0%) perceived it to be a minor benefit while the remaining 45(27.6%) as no benefit. This was ranked 14th with the WMS of 1.12. This implies that majority of the poultry farmers believe that with accurate and good farm records, creditors could be monitored for better accountability. Finally, the table showed that 54 (31.4%) of the respondents perceived farmers will find it easy to pay employees and creditors and see what is owed as major benefit, 42 (24.4%) of the respondents perceived it as minor while 76 (44.2%) of the respondents perceived it as no benefit. This means that majority of the poultry farmers do not find accounting records to be helpful in terms of payment of employees and creditor balances.

Constraints in Keeping Farm Records and Account by Poultry Farmers

Table 2: Distribution of Respondents' Constraints in keeping Farm Records and Accounting during Emergencies

S/N	Perceived Factors	Mean	S.D	Remarks
1.	Illiteracy	3.45	1.01	Agree
2.	Non consideration of farming as business for profit making	3.32	.98	Agree
3.	Habit of mental record keeping	2.65	1.12	Agree
4.	Lack of skills	3.03	.92	Agree
5.	Traditional methods of farming	2.98	1.03	Agree
6.	Smallness of farm size	3.02	.97	Agree
7.	Cumbersome nature of farm record keeping	2.99	1.05	Agree
8.	Scattered farm plots/fields	2.87	1.09	Agree
9.	Farm record books are expensive	1.95	1.03	Disagree
10.	Tiredness and tedious nature	2.54	.96	Agree
11.	Cost of keeping records	1.04	.82	Disagree
12.	Lack of interest	2.99	1.02	Agree
13.	Tax evasion	1.97	.87	Disagree

Source: Field survey, 2021

Results in table 2 indicate that the poultry farmers had mean rating scores of between 2.54 and 3.45 for 10 out of the 13 items on the scale, which are higher than 2.50 the (mid-point of the scale). This implies that these items are constraints to farm records and accounting to the poultry farmers. These are; Illiteracy (mean=3.45); Non consideration of farming as business for profit making (mean=3.32); Habit of mental record keeping (mean=2.65) Lack of skills (mean=3.03); Traditional methods of farming (mean=2.98); Smallness of farm size (mean=3.02); Cumbersome nature of farm record keeping (mean=2.99); Scattered farm plots/ fields (mean=2.87); Tiredness and tedious nature (mean=2.54); Lack of interest (mean=2.99). It was Further observed that the remaining three items had mean rating scores of between 1.04 and 1.97 which are lower than 2.50 (the mid-point of the scale). The implication of this is that those three items are not constraints to farm records and accounting to the poultry farmers. These are; farm record books are expensive (mean=1.95); cost of keeping records (mean=1.04); tax evasion (mean=1.97).

It is needless to say that the inability to read and write is the most constraint severe to keeping of farm records. There is no way an illiterate could keep a farm record because of ability to read and write is pre-requisite to farm records and bookkeeping. The impression that farming is not business for profit making is also a constraint to keeping farm records and accounting by poultry farmers. From table 1, almost half of the respondents see poultry farming as part time job signifying that they engaged in other jobs which could make their schedule hectic thereby not making farm records and accounting easily for them, particularly during emergencies. Habit of mental record keeping is also a constraint to farm records and accounting to the poultry farmers. They believe in keeping it offhand since almost half of the respondents engaged in other jobs. Lack of skills is also a

constraint to farm records accounting. Farm records and accounting has a rudiment and require skills. In traditional methods of farming, farmers do not really care about farm records and accounting, they believe in mental record keeping. Smallness of farm size and scattered farm plots/fields are also constraints during emergencies, the size plays an important role in keeping farms records and account. Cumbersome nature of farm record keeping and tiredness as well as tedious nature are also constraints to farm records and accounting particularly during emergency. Lack of interest in farms records and accounting is also another constraint.

Test of Hypothesis

The only hypothesis in this study states that:

1. There is no significant difference between the mean rating of the perceived derivable benefits by the poultry farmers from different agricultural development program zones”.
2. So, is there a significant difference between the mean rating of the perceived derivable benefits by the poultry farmers from different agricultural development programme zones?

Table 3: Mean difference of the perceived derivable benefits by the poultry farmers from different agricultural development program zones.

Groups	N	Mean	S.D	Df	t	p	Decision
Far Eastern zone	92	41.53	5.53	270	1.60	1.96	Not Significant
Western zone	80	40.33	4.31				

T-test results ($t = 1.60$, $df = 170$, $p > 0.05$) on Table 3 indicates that there is no significant difference in the perceived derivable benefits by the poultry farmers from far Eastern and Western agricultural development program zones. It means that derivable benefits by the poultry farmers is same and cannot be related in term of distance or proximity.

Conclusion

Record keeping and accounting is undoubtedly a good foundation for development. In farm business, lot of benefits are derivable in keeping farm records and accounting. This study therefore established that effective decision making, ease of being able to distribute profit appropriately, as well as making productivity projection possible during emergencies are the most important derivable benefit of farm records and accounting during emergencies. It was also established in this study that there was no significant different in mean rating of poultry farmers in the different ADP zones of the state during emergencies.

Recommendations

On the strength of the findings, the following recommendations are made:

- i. There is dire need for financial empowerment for poultry farmers particularly during emergencies
- ii. The research institute needs to be encouraged to carry out more research in

- poultry and distribution of these researchers should be made available to farmers so that improved production inputs will be get too the farmers.
- iii. Poultry farmers should be assisted by extension agents, ministries of agriculture, etc in the age of education and knowledge improvement so as to make them financially stable.
 - iv. There is need for poultry farmers to form cooperatives so as to make them have strong financial stability particularly during emergencies.

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