



EFFECTS OF SAVINGS AND INVESTMENT ON FOOD SECURITY STATUS OF FARM HOUSEHOLDS IN SELECTED LOCAL GOVERNMENT AREAS OF NIGER STATE, NIGERIA

Sallawu, Halima and Hassan, Nafisat Mohammed

Department of Agricultural Economics and Farm Management, Federal University of Technology Minna, P.O. Box 65, Nigeria

Corresponding Author's E-mail: halima.sallawu@futminna.edu.ng **Tel.:** +2348034532845

ABSTRACT

The study examined effects of savings and investment on food security status of farm households in Agaie and Katcha local government areas of Niger State, Nigeria. A total of 120 respondents were used for the study and data collected through interview and questionnaire process. Descriptive statistics, food security index, Ordinary Least Squares (OLS) regression and Exploratory Factor Analysis (EFA) were used to analyze the data. The results revealed the mean age, household size, and farming experience were 38 years, 7 members and 19 years, respectively. Results of the savings and investment pattern revealed that the farmers saved the money in form of cash in the Bank, rotational savings, daily contribution savings and cooperative societies with mean savings of ₦279,500. The farmers also invested in buying of produce, livestock, contract farming, trading and agricultural processing with mean amount of ₦231,250. Result of the food security status revealed that 53% of the farm households were food secured while 47% were food insecure. The OLS regression analysis revealed that savings, investment, educational level, farming experience, farm size, membership of association and credit increased food security of farm households. In the contrary, age and household size decreased food security of the farm households in the study area. Result of the EFA revealed that constraints to savings and investment were personal status, administrative and production challenges. It was therefore recommended that farmers be encourage to form savings societies so as to pool their resources together to enable them boost their production and investment capacity and invariably increase their savings. Government and non-governmental organizations (NGOs) should help improve farm household's access to free education as it increases food security. Farmers should be encouraged to insure their businesses so as to cover their losses due to risks.

Keywords: Exploratory factor analysis, Farm households, Food security, Investment, Savings.