

COST AND RETURNS TO CHARCOAL PRODUCTION IN ISEYIN LOCAL GOVERNMENT AREA OF OYO STATE, NIGERIA

F.I. OLAGUNJU

Department of Agric Economics and Extension, Ladoke Akintola
University of Technology, Ogbomosho, Nigeria.

ABSTRACT

Due to the problems associated with alternative fuels (gas and kerosene) in the recent years, the rate of substitution of charcoal for the alternative fuels by different and more categories of people had increased. This study therefore analyses cost and returns to charcoal production in Iseyin Local Government Area of Oyo State. The study also determines the personal characteristics of charcoal producers, identifies the problems and constraints of production, determines the profitability of charcoal production among other things. Purposive sampling method was used to select five wards out of eleven existing political wards in the local government area. Simple random sampling was then employed to select eighty respondents for interview. Data used in this study were gathered from traditional charcoal producers with the aid of interview schedule, the analytical techniques used were descriptive analysis, and budgetary techniques. The findings revealed that the method of production in the study area is purely traditional and labour intensive, thus, 95% of producers were found to be men. The cost of labour and logging were the highest components of cost and constituted 31.49% and 27.03% of total cost respectively. Charcoal production was found to be considerably profitable, with high rate of return of 0.78 (78%) to investment within a short period of production, it is also less capital intensive. However, increase in charcoal production increases pressure on the natural forest, as this study discovers that no wood plantation was established in the study area. Thus this study concludes that even though, charcoal production will continue to have a positive impact on the Nigeria economy. However, unless establishment of plantations of most desired species of wood (afforestation) is taken into consideration, continuous production of charcoal would lead to environmental hazard and also the potential of charcoal production as an instrument of economic development may not be fully realized.

Keywords: Charcoal production, Cost, Profitability, Kilns, Log of wood.