

Assessment Of Timber Industry As A Means Of Livelihood For The Timber Workers And Source Of Revenue Generation For The Government In Ondo State, Nigeria

Akinbani , A.S

Department of Agricultural Science, Adeyemi University of Education, Ondo, Nigeria

Abstract: Research was carried out to assess timber industry as a means of livelihood and as source of revenue generation to Ondo state government. Among the people interviewed were the timber contractors, the saw millers, the marketers and the machine operators. The age of the respondents were categorized as 15 – 30years (28%), 31 -50years (54.3%), and 5-0 and above (24%). 37.1% of the respondents were single, 54.3% married while 8.5% were divorcee. 75% were full time timber workers while 25% were part time timber workers. timber business started business with their personal capital (92.88%), 12% borrowed from their relatives with no interest charged, 17.88% as a gift, 10.7% obtained loan from banks, 78.57% from cooperative societies while 74.29% obtained loan from non - governmental financial institution. The field survey showed that the monthly income of the respondent 70% (10, 000 – 50,000) , 23% (50,000 – 100,000) while 7% (above 100,000 Nigeria currency). Revenue was generated by the government in form of permit and hammering. Saw-millers generate income to the government coffer by paying annual tax while the retailers only pay head tax. All the respondents (100%) agreed that the Bulk of the income generated from the timber industry is from the timber contractors and saw millers who form smaller percentage of the people involved in timber business. Seasonality of the timber business, low capital, high transportation cost and tax evasion lead to low generation of income by the workers. Timber processing job would have been lucrative if money is readily made available to the workers and pliable roads provided.

I. Introduction

The vegetation of Ondo state, part of the southwestern Nigeria, is dominated with thick forest many economic tress which include Excels milicia, mahogany, *Andasoniadigitata*. *Afzelia Africana propis Africana*, *chrysopyllumalbidum*, *Gmeliaarborea*, and host of others. There are more than 238 timber industries in Ondo state. Timber lumbering contributes to the economic development of the state. Apart from lumbering, trees provide non timber products such as food, indices fibres and cash income for rural households (Okafor et al., 1994). In the development countries 80% of the people use forest products for food and personal care (Anon, 2002). For instance, in Ghana, Kartis Butter is used as cosmetic products distributed by the international body. Other non-timber such as saw timber, wood chips, wood base panels and pulps are of economic importance (FAO, 1990).

Saw mill industries in most part of Nigeria are rated as small scale enterprise in terms of scope and structure. Timber industry serves as job opportunity for many Nigerians especially in southwestern Nigeria where there are many timber industries. Those who engage in timber business are categorised into the timber contractors who buy and do the felling logs, the saw-millers who own the machine for sawing logs and the marketers. There is no known research that shows the impact of saw mill industry in the livelihood of the sawmill workers and its contribution to government revenue in Ondo state Nigeria. The objective of this study was to assess the timber industry as a means of livelihood and source of internally generated revenue to Ondo state southwestern Nigeria.

II. Materials and method

A total of one hundred and forty timber workers was randomly selected and interviewed in five timber industries located in seven local governments of Ondo state. Twenty respondents were randomly selected from seven timber industries located with Ondo west, Ondo East, Akure south, Akure North and Idanre local government areas of Ondo State. Two sawmills was selected from Ondo west and Idanre local government because of the larger number of saw mill industry in the two local government and one saw mill was selected from the rest three local government areas. One hundred and forty respondents were used in all.

The questionnaire was self-administered to non-literate timber workers while the literate respondents were allowed to fill the questionnaire themselves. Both primary and secondary data were employed to collect information from the respondents. Tables and percentages were used in data analysis

III. Result and Discussion

The data from the field shows that the number of male who are timber contractors that buy, cut and saw the wood in sawmill are more than the female in the study area. The saw millers are more of the male than the female while female dominate the retailers who have shop to sell the sawn woods.

The age of those who engaged in timber industry in the sample area were categorized as 15 – 30years (28%), 31 -50years (54.3%), and 5-0 and above (24%) showing that those wh engaged in timber business are active that can generate income and contribute to the economy of the community.

The result from the field showed that 37,1% of the respondents were single, 54.3%v were married while 8.5% were divorcee showing that there were more matured and responsible people that could manage their businesses very well. The data obtained from the sample area also showed that 75% were full time timber workers while only 25% were part time timber workers who have other means of generating income. Rates and taxes are collected from the timber contractors by the government in form of permit and hammering per log of timber ; saw-millers generate income to the government coffer by paying annual tax while the retailers only pay head tax. The women dominating the retail side of the business might lead to very low income generation to the pulse of the government since women do not pay taxes. All the women interviewed (100%) agreed that the pay annual rent to the individual land owner but not to the pulse of the government.

The table 1 below shows that many of those who engage in timber business started business with their personal capital (92.88%). Only 12% borrowed from their relatives with no interest charged, 17.88% borrowed from friends and relatives with no intention of paying back , 10.7% collected loan from banks with interest and 78.57% obtained loan from cooperative societies with interest while 74.29% obtained loan from non - governmental financial institution.. Most of the wood marketers obtained loan from the cooperative societies and non - governmental financial institutions with high interest rate. The data obtained from the field indicated that 70% of the marketers agreed that their monthly income range between 10, 000 – 50,000 , 23% between 50,000 – 100,000 while 7% monthly income was estimated as above 100,000 Nigeria currency. This statistics shows that most of the wood marketers livelihood are subsistence which is likely to affect their economy hence, low revenue generation into the government pulse.

The source of finance for the job showed that larger percent of the respondents made profit from the loan obtained from the cooperative societies than either the banks or other lending institutions. This might be as a result of high interest rate charged by these financial institutions. The low profit recorded by the respondents might adversely affect the payment of tax. From the result in table 2 one could be able to deduce that majority of the respondents were unable to repay the loan back as at when due. This might be inexperience of the respondents in the business, diversion of the loan to other sources.

Table 1 Source of capital of the Respondents

Source of capital	Yes	No	Total no interviewed
Personal saving	130	10	140
Family and friend without paying back	25	135	140
From family but paid back with no interest	17	123	140
Bank	15	125	140
Cooperative societies	110	30	140
Non -governmental financial institutions	90	50	140

Table 2: Profitability of Timber Industry

Question	yes	no	total
Did you make profit from your personal saving used for the business?	70	70	140
Did you make profit from the money collected from family for the business?	90	50	140
Did you make profit from the money borrowed without interest	45	95	140
Did you make profit from the money borrowed from family with interest?	43	102	140
Did make profit from the loan obtained from the cooperative society?	125	15	140
Non - governmental financial institutions	40	100	140

The table 3 and 4 below show that, the costs and prices of wood vary according to the usefulness or importance. Generally, hard wood command higher price than soft wood. All the respondents interviewed were of the opinion that hard wood are not as common as soft wood that are less important in terms of roofing and wood work. The scarcity of hard wood might result in low income generation since the cost of obtaining permit from the government and hammering are not the same. Wood like *Excels milicia*, mansonia, mahogany, *Andasoniadigitata*, white and black afaraara characterized with hardness, lustre, high durability and very resistance to termite attack while the soft wood like obeche, araba, kukuna and ahun are not as strong as the latter.

On the causes of shortage of hard wood 79% agreed that most of the hard wood have been harvested from the field without planting new ones, 20% agreed that the land favoured the growth of soft wood than hard wood while the remaining 1% believed that hard wood take very long period to reach harvesting stage.The

assertion of the 1% respondents in the scarcity of hardwood is in line with Dyke, 1996 that one of the challenges confronting timber industry include very long year for a timber to attain merchandise size, illegal harvesting regimes in the free and government reserve areas, improper pricing and lack of tree regeneration. Extinction of hard wood from the forest would adversely affect revenue generation of the government in future if the situation is not controlled. The reasons for the high cost of and low profitability of timber industry were also assessed. 130 out of the 140 respondents interviewed stated that the seasonality of the business is one of the major challenges of timber industry. The cost is higher during the wet season. Wood are difficult to transport to the saw mill during the wet season thereby leaving most of the timber works especially the timber contractors idle during the wet season. This assertion was also supported by Olaseni et.al,(2004) who stated that the seasonality of timber business attributes to high cost of wood processing.

The timber contractors were interviewed either they paid all the taxes and levies. 57% agreed that they paid while 43% did not pay. This would cause low income generation for the government in saw mill industry. Saw mill workers were also interviewed either they pay additional money to the government coffer apart from the money collected by the government as permit to cut wood, hammering cost and yearly tax paid by the saw millers. Women who took larger percentage of retailing in the business did not pay any tax, 29% of the male who operate the various machines agreed that they pay head tax while 71% of the respondents were tax evaders.

Table 3 activities and money involved in sawing wood in the study area

Activities	Average Cost (Nigeria currency)
Cost of buying hard wood by the timber contractors =	10,000
Cost of buying soft wood by the timber contractors = 5,000	5,000
Cost of permit paid to the government	3,000
Cost transportation cost per trip/load of hard wood from reserved area	
Transportation cost per trip/load of soft wood from reserved areas	70,000
Cost of sawing hard wood /plank	40,000
Cost of sawing soft wood/plank	
Miscellaneous eg destroying wood owners crops	130
Clearing of road to the site of felling the tree	120
	Negotiable
	negotiable

Table 4: comparing retail prices of hard wood and soft wood common in ondo state area

Name of wood	Price/plank					
	1'x12'x12'	3'x4'	2'x2'	2'x4'	2'x3'	2''x6'
Excels milicia	1,000	1,000	200	400	300	400
Mansonia	2,500	2,500	700	700	700	700
Mahogany	1,400	1,200	200	400	400	400
Black afara	1,300	1,300	200	200	300	400
White afara	1,300	1,300	200	200	300	400
Soft wood						
Cebapentadra	750	750	200	200	200	200
Kukuna						
Ahun	850	750	200	200	200	200
Obeche	850	750	200	200	200	200
Apako	750	750	200	200	200	200
oriro	750	750	200	200	200	200

IV. Conclusion

Research was carried out to assess the contribution of timber industry in the livelihood and to the revenue generation of Ondo state. Among the people interviewed were the timber contractors, the saw millers, the sellers of the wood produce and the machine operators. Bulk of the income generated from the timber industry is from the timber contractors and saw millers who form smaller percentage of the people involved in timber business. Seasonality of the timber business, low capital, high transportation cost and tax evasion make lead to low generation of income. Timber processing job would lucrative if money is readily made available to the workers with pliable roads.

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