Technical Efficiency of Smallholder Sorghum Producers: The Case of Hidabu Abote District, Oromia National Regional State, Ethiopia

GADISA GIRMA, NIGUSU ABERA
Department of Agricultural Economics, Salale University, ETHIOPIA

Abstract: In Ethiopia increasing productivity and efficiency in crop production could be taken as an important step towards attaining food security. This study was aimed to measure technical efficiency of smallholder sorghum producers in Hidabu Abote district, Ethiopia. A two stages sampling technique was used to select 153 sample farmers to collect primary data during 2020/21 production year. Cobb-Douglas stochastic frontier and a two-limit Tobit model was used for the analysis. The result of stochastic frontier model revealed a statistically significant positive elasticity of labour and oxen power. The estimated mean value of technical efficiency was 65.2%. A two-limit Tobit model found that education, soil fertility and extension contact contributed significantly and positively to technical efficiency, while striga weed had a significant and negative effect. So, due attention should be given to improve soil fertility, expand education and supply striga resistance varieties.

Key words: Ethiopia, Sorghum, Stochastic Frontier, Technical Efficiency, Two-limit Tobit


1. Introduction

Agriculture is the main economic activity in Ethiopia, which provides employment opportunities to 83% of the labour force. The sector contributing 35.8% to the country’s GDP and around 79% of the national export earnings was obtained from this sector (CIA, 2018). This indicates that the performance of the entire economy of the country largely depends on the performance of agricultural growth. Cereals are the major food crops in Ethiopia, both in terms of the area they are planted and the volume of production obtained. They are produced in larger volume compared with other crops because they are the principal staple crops. Sorghum is one of the major traditional food crops of Ethiopia that ranks third in area coverage and in terms of national production following teff and maize. It is grown on about 1.9 million hectare (ha) with a total production of 51.69 million quintal (qt) in the country (CSA, 2018).

The mean national productivity of sorghum was 27.26 qt/ha (CSA, 2018), which is very low as compared with a yield potential of the crop and far from the vision of the success of sorghum research, which is to attain 60 qt/ha (EIAR, 2014). This indicates that, even if Ethiopia has a potential of sorghum production, its productivity is very low. In countries like Ethiopia having capital constraints; it is desirable to benefit from increased productivity through improving efficiency (Kinde, 2005). Hence, working to improve production efficiency through efficient use of production inputs is the best option on hand.

In Hidabu Abote District Agriculture and Natural Resource Office (HADANRO) annual crop assessment year of 2018/19 showed, from the total cereal crops cultivated (26046 ha),
sorghum accounted for 28.16% and its productivity was 19.2 qt/ha. This showed that the productivity of sorghum was very low which is below the average productivity of the country (27.26 qt/ha), (CSA, 2018). Moreover, many empirical studies did not consider yield gaps occur because of technical inefficiency among sorghum producers and the money value (birr) of the lost yield which is very useful for policy and decision makers. To the best of our knowledge, there is no empirical study that shows whether the existing scarce resources and technologies are utilized efficiently or not in the production of sorghum in the district. Thus, this study was carried out to examine the levels and factors affecting of technical efficiencies of sorghum producers, as well as, yield gap analysis due to efficiency variation in the study area.

2. Methodology
Description of the Study Area
Hidabu Abote district is located in North Shoa Zone, Oromia Regional State, Ethiopia. There are 19 kebeles and 1 urban kebele in the district. The district capital town, Ejere, is located 42 km far from the town of North Shoa (Fitche) and 147 km from Addis Ababa. It is bordered by Dera district in North, Degem district in South and East, and Wera Jarso district in West. Altitude in Hidabu Abote ranges from 1160m to 3000m meters above sea level (masl). Most parts of the district lay between 1387 and 1543; and 1849 and 2067m a.s.l. Astronomically, Hidabu Abote district extends from 9°47‘15″-10° 0‘45″ north latitudes and 38°26‘ 15″-38°38‘45″ east longitudes. The minimum temperature is 13°c and maximum temperature is 20°c. Soil types are; sandy soil 14%, clay soil 51% and silt soil 35%. The total population of the district was 104,442 from which 51,030 (48.8%) were males and 53,412(51.2%) were females and the number of agricultural households were 15,086 from which 13,396 (88.8%) were male headed and 1690 (11.2%) were female headed. The total area of the district is 50870.39 ha. From the total area, 32,917(64.7%) ha is used for agricultural land (HADNRO, 2020).

Figure 1: Map of the study area
Source: Sketch from GIS (2020)
Types, Sources and Methods of Data Collection

The research was accomplished using primary and secondary data sources, which were qualitative and quantitative nature. The primary data necessary to achieve the designed objectives were obtained from sample households through structured questionnaire for sampled household and checklist for focus group discussion and key informants interview. Secondary data was collected from relevant sources such as, articles, proceedings, journals, CSA, and district annual reports which were vital to the study.

Sampling Techniques and Sample Size Determination

For this study, two stage sampling techniques were used to get a representative sample. In the first stage, three kebeles, out of nine sorghum producing kebeles were selected randomly. In the second stage, 153 sample farmers were selected using simple random sampling technique based on probability proportional to the size of sorghum producers in three selected kebeles. Sample size was determined by using formula provided by Yamane (1967), since the producers have homogenous characteristics. Accordingly, the sample size for the study is determined based on the following formula:

\[
n = \frac{N}{1 + N(e)^2} = \frac{6896}{1 + 6896(0.08)^2} = 153
\]

Where, \(n\) = sample size, \(N\) = Total sorghum producers in the study area (6896), \(e\) = Level of precision considered (8%), \(1\) is for designates probability of events occurring.

Method of Data Analysis

Descriptive Statistics

Descriptive statistics such as mean, minimum, maximum, percentages, frequencies and standard deviation were applied to describe demographic, socio-economic, farm characteristics, institutional characteristics and distribution of efficiency levels of producers in the study area. Input uses, and outputs of production among sampled households were also presented using descriptive statistics.

Econometric Analysis

A stochastic frontier approach was used to estimate the level of technical efficiency of sorghum producers and a two-limit Tobit model was applied to identify factors that affect the efficiency levels of the farmers.

Specification of an econometric model

Coelli et al. (1998) recommended that stochastic frontier production function (SFPF) is more appropriate than DEA and deterministic models in agricultural applications, especially in developing countries, where the data are generally influenced by measurement errors and the effect of weather, disease and pests play a significant role. There is high variability of agricultural production due to weather fluctuations in Ethiopia. The stochastic frontier approach has been preferably applied in many agricultural economics studies (Coelli, 1995). Therefore, this study used stochastic production frontier to estimate the technical efficiency (TE) levels of smallholder sorghum producing farmers in the study area.

Following Aiger et al. (1977) and Meeusen and Van den Broeck (1977), the general functional form of stochastic frontier model for this study was specified as follows:
$Y_z = f(X_z; \beta_z) + \varepsilon_z$

Where $z = 1, 2, 3... n$; $Y_z$ represent the observed output level of the $z^{th}$ sample farmer; $f(X_z; \beta_z)$ is the convenient frontier production function (e.g. Cobb-Douglas or Trans log); $X_z$ denotes the actual input vector by the $z^{th}$ farmer; $\beta_z$ stand for the vector of unknown parameters to be estimated; $\varepsilon_z$ is a composed disturbance term made up of two error elements ($V_z$ and $U_z$) and $n$ represents the number of farmers involved in the survey.

Thus, Cobb-Douglas frontier function was specified as follows:

$Y_z = AX_1^{\beta_1}X_2^{\beta_2}...X_n^{\beta_n}$

The linear form of Cobb-Douglas production functions for this study is defined as:

$\ln(Y_z) = \beta_0 + \sum_{j=1}^{4} \beta_j \ln(X_{jz}) + \varepsilon_z$

$\ln(Y_z) = \beta_0 + \beta_1 \ln(SEED) + \beta_2 \ln(LAB)$
$\quad + \beta_3 \ln(OXEN) + \beta_4 \ln(LAND)$
$\quad + \varepsilon_z$

$\varepsilon_z = V_z - U_z$(3)

Where, $\ln$ denotes the natural logarithm (i.e., base e); $j$ represents the number of inputs used; $z$ represents the $z^{th}$ farmer in the sample; $Y_z$ represent the observed sorghum output of the $z^{th}$ sample farmer; $X_{jz}$ denotes $z^{th}$ farm input variables will be used in sorghum production of the $z^{th}$ farmer; $\beta_0$ represent intercept; $\beta_1 - \beta_4$ stands for the vector of unknown parameters to be estimated and represent elasticity of production; $\varepsilon_z$ is a composed disturbance term made up of two error elements ($V_z$ and $U_z$); the symmetric component ($V_z$) is assumed to be independently and identically distributed as random errors with zero mean and variance $N(0, \sigma^2v)$, which captures inefficiency as a result of factors beyond control of farmers and $U_z$ proposed to capture inefficiency effects in the production of sorghum.

We can define the farm-specific TE in terms of observed output ($Y_z$) to the corresponding frontier output ($Y^*_z$) using the existing technology.

$TE_z = \frac{Y_z}{Y^*_z} = \frac{f(X_z; \beta)\exp(V_z - U_z)}{f(X_z; \beta)\exp(V_z)}$

$= \exp(-U_z)$ (4)

Determinants of Technical Efficiency

In this study, two-limit Tobit regression model was used to know factors affecting TE of farmers, which was specified as:

$y^*_z = \beta_0 + \sum_{k=1}^{12} \beta_k X_{kz}$
$+ U_z$ (5)

Where: $y^*_z$, latent variable representing the TE scores of farm $z$; $\beta_0$, intercept; $\beta_k$, unknown parameter; $X_{kz}$ are demographic, institutional, socio-economic and farm-related variables which are expected to affect TE; $k$ is a number of explanatory (independent) variables that affect technical efficiency, and $U_z$ is an error term that is independently and normally distributed with mean zero and variance $\sigma^2$. Denoting $y_z$ as the observed variables:

$y_z = \begin{cases} 
1 & \text{if } y^*_z \geq 1 \\
y^*_z & \text{if } 0 < y^*_z < \\
0 & \text{if } y^*_z \leq 0
\end{cases}$(6)

Likelihood ratio statistic

According to Bravo and Pinheiro (1997) gamma ($\gamma$) can be reformulated as:

$\frac{\lambda^2}{1 + \lambda^2}$ (7)
In this study, the likelihood ratio was conducted to select the appropriate functional form that best fits the data. The value of the generalized likelihood ratio (LR) statistic to test the hypotheses that all interaction terms, including the square specification is equal to zero \( (H_0 = 0 = \beta_{jz} = 0) \) calculated as follows.

Following Greene (2003), the hypothesis tests conducted using the LR statistics.

\[
LR(\lambda) = -2 \ln \left[ \frac{L(H_0)}{L(H_1)} \right] = -2 \left[ \ln L(H_0) - \ln L(H_1) \right] = -2 \ln \left[ \frac{L(H_0)}{L(H_1)} \right]
\]

Where: LR= Generalized log-likelihood ratio
L (H_0) = Denotes the likelihood function value under the null \((H_0)\)
L (H_1) = Denotes the likelihood function value under alternative hypothesis \((H_1)\)

This value compared with the upper 5% point for the \(\chi^2\) distribution and the decision made based up on the model result. If the calculated \(\chi^2\) value is less than the tabulated upper 5% point of the critical value, we accept the specified null hypothesis at 5% level of significance.

Yield gap measurement

Yield gap is the difference between yield potential and actual farmers’ yields over a given spatial or temporal scale (Ittersum et al., 2013). In this study, yield gap analysis was applied to determine how much sorghum yield is lost because of efficiency variation among farmers in the study area. From the stochastic model defined in TE of \(z^{th}\) farmer was estimated as follows:

\[
TE_z = \frac{Y_z}{Y_z^*} = \frac{f(Xz;\beta)\exp(Vz-Uz)}{f(Xz;\beta)\exp(Vz)} = \frac{\exp(-U_z)}{1} \quad (9)
\]

Then solving for \(Y_z^*\), the potential yield (qt/ha) of each sample household was represented as:

\[
Y_z^* = \frac{Y_z}{TE_z} = \frac{f(Xz;\beta)\exp(Vz)}{\exp(-U_z)}
\]

Hence, yield gap (qt/ha) =potential yield (qt/ha)-actual yield (qt/ha).

Thus, 

\[
\text{Yield gap} = Y_z^* - Y_z
\]

3. Results and Discussion

Descriptive Statistical Results

Inputs used for sorghum production

The production function for this study was estimated using four input variables. On average, sample households produced 15.72 qt of sorghum, which is the dependent variable in the production function. The land allocated for sorghum production, by sample households during the survey, ranged from 0.1 ha to 4.75 ha with an average of 1.14 ha. On average, the amount of seed, human labor and oxen power the households used was 22.33kg, 43.97 and 9.17 respectively (Table 1)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unit</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Qt</td>
<td>15.72</td>
<td>8.23</td>
<td>3</td>
<td>41</td>
</tr>
<tr>
<td>Seed</td>
<td>Kg</td>
<td>22.33</td>
<td>14.45</td>
<td>2</td>
<td>98</td>
</tr>
<tr>
<td>Labor</td>
<td>MD</td>
<td>43.98</td>
<td>28.51</td>
<td>7.8</td>
<td>166.10</td>
</tr>
<tr>
<td>Oxen power</td>
<td>Pair of oxen day</td>
<td>9.17</td>
<td>5.47</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>Land</td>
<td>Ha</td>
<td>1.14</td>
<td>0.72</td>
<td>0.1</td>
<td>4.75</td>
</tr>
</tbody>
</table>

Source: Own computation (2019)
Table 2: Generalized likelihood ratio tests of hypothesis for the parameters of the SFPF

<table>
<thead>
<tr>
<th>Null hypothesis</th>
<th>df</th>
<th>LR</th>
<th>$\chi^2$ value at 5%</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_0 = \beta_{zj} = 0$</td>
<td>10</td>
<td>15.46</td>
<td>18.31</td>
<td>Accept $H_0$</td>
</tr>
<tr>
<td>$H_0 = \gamma = 0$</td>
<td>1</td>
<td>10.04</td>
<td>3.84</td>
<td>Reject $H_0$</td>
</tr>
<tr>
<td>$H_0: \delta_0 = \delta_1=\delta_2=...\delta_{12} = 0$</td>
<td>12</td>
<td>149.38</td>
<td>21.03</td>
<td>Reject $H_0$</td>
</tr>
</tbody>
</table>

Econometric Result

Test of Hypothesis

The attractive feature of SPF model is that, it is possible to test various hypotheses using maximum likelihood ratio test, which were not possible in non-parametric models. Therefore, before discussing about parameter estimates of production frontier function and the inefficiency effects, it is advisable to run the several hypotheses tests in order to choose an appropriate model for further analysis and interpretation (Greene, 2003). Accordingly three hypotheses were tested, to select the correct functional form for the given data set, the existence of inefficiency and variables that explain the difference in efficiency respectively using the likelihood ratio test specified in equation 8. The result of the first hypothesis tested indicates that Cobb-Douglas production function best fit the data. The second and third hypothesis tested also implies that there was inefficiency among smallholder sorghum producers in the study area (Table 2).

Parameter estimates of the SFPF model

The maximum likelihood estimates of the parameters of the SFPF for sorghum farm in Hidabu Abote district was presented in Table 3. The results of the model showed that the input elasticity for each input in the SFPF. Among four input variables analyzed in the stochastic frontier model, the parameter for labor and oxen power were found to be significant at 1%, as hypothesized implying that increasing the amount labor and oxen power by one percent would result in 0.444% and 0.345% increase in sorghum output. The result is similar with the finding of Kusse et al. (2018).

Efficiency Scores and their Distribution

The model output presented in Table 4 indicates that the mean values of TE of the sample households were about 65.2%. This result is similar with Ali et al. (2012) studied efficiency of faba bean in Northern State Sudan and found the mean TE of 65%. The mean TE of sample farmers was about 0.652 with a minimum level of 0.24 and the maximum level of 0.903. This means that if the average farmer in the sample was to achieve the technical efficient level of its most efficient counterpart, then the average farmer could realize 27.8% derived from (1-0.652/0.903)*100 increase sorghum output by improving TE with existing inputs and technology, using the resource at their disposal in an efficient manner without introducing other improved or external inputs and practice.

Yield gap due to technical efficiency variation in the study area

Using the values of the actual output obtained the predicted TE indices; the potential output was estimated for each household in sorghum production on the hectare bases. Hence, the mean level of both the actual and the potential sorghum yield in the cropping season was thus 17.19 qt/ha and 25.77 qt/ha respectively. Using the t-test method, the mean difference of the actual and the potential yield was found to be statistically significant at 1% level of significance. Therefore, the average yield gap that lost due technical inefficiency, which was the mean difference between actual (17.19 qt/ha) and the potential output (25.77 qt/ha) was, 8.58 qt/ha. This indicates that there is a room to increase the production level on average by 8.58 qt/ha with the existing level of input use. On average, the money value of
sorghum output that lost due to technical inefficiency (yield gap) was 10725 birr/ha.

**Determinants of technical efficiency**

The result of a two-limit Tobit regression model showed that among 12 variables used in the analysis, education, soil fertility, striga weed, and frequency of extension contact were found to be statistically significant in affecting the level of TE of the farmers (Table 5). The marginal effects of change in explanatory variables were presented in Table 6 below.

### Table 3: MLE for the parameters of the SFPF

<table>
<thead>
<tr>
<th>Variables</th>
<th>Parameter</th>
<th>Coef.</th>
<th>Std. Err.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>$\beta_0$</td>
<td>0.796</td>
<td>0.537</td>
</tr>
<tr>
<td>Lnseed</td>
<td>$\beta_1$</td>
<td>-0.003</td>
<td>0.145</td>
</tr>
<tr>
<td>LnLAB</td>
<td>$\beta_2$</td>
<td>0.444***</td>
<td>0.064</td>
</tr>
<tr>
<td>LnOXEN</td>
<td>$\beta_3$</td>
<td>0.345***</td>
<td>0.084</td>
</tr>
<tr>
<td>Lnland</td>
<td>$\beta_4$</td>
<td>0.002</td>
<td>0.146</td>
</tr>
</tbody>
</table>

#### Variance parameter:

$$\sigma^2 = \sigma_u^2 + \sigma_v^2$$

$$\lambda = \frac{\sigma_u}{\sigma_v}$$

<table>
<thead>
<tr>
<th>Gamma ($\gamma$)</th>
<th>Coef.</th>
<th>Std. Err.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.856</td>
<td></td>
</tr>
<tr>
<td>Log likelihood function</td>
<td>-87.31</td>
<td></td>
</tr>
</tbody>
</table>

Note: *** refers to 1% significance level, respectively

### Table 4: Estimated TE scores

<table>
<thead>
<tr>
<th>Types of efficiency</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>TE</td>
<td>0.652</td>
<td>0.167</td>
<td>0.240</td>
<td>0.903</td>
</tr>
</tbody>
</table>

### Table 5: A two-limit Tobit regression results of determinants of TE

<table>
<thead>
<tr>
<th>Variables</th>
<th>Parameters</th>
<th>Coef.</th>
<th>Std. Err.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Const</td>
<td>$\delta_0$</td>
<td>0.5013***</td>
<td>0.0479</td>
</tr>
<tr>
<td>SEX</td>
<td>$\delta_1$</td>
<td>0.0109</td>
<td>0.0210</td>
</tr>
<tr>
<td>EXPRNCE</td>
<td>$\delta_2$</td>
<td>-0.0008</td>
<td>0.0009</td>
</tr>
<tr>
<td>EDUC</td>
<td>$\delta_3$</td>
<td>0.0092**</td>
<td>0.0046</td>
</tr>
<tr>
<td>TRCNDTN</td>
<td>$\delta_4$</td>
<td>-0.0292</td>
<td>0.0250</td>
</tr>
<tr>
<td>FAMSZE</td>
<td>$\delta_5$</td>
<td>0.0007</td>
<td>0.0042</td>
</tr>
<tr>
<td>SOILFERT</td>
<td>$\delta_6$</td>
<td>0.0620**</td>
<td>0.0247</td>
</tr>
<tr>
<td>STRIGA</td>
<td>$\delta_7$</td>
<td>-0.0864***</td>
<td>0.0233</td>
</tr>
<tr>
<td>DISTNCE</td>
<td>$\delta_8$</td>
<td>0.0001</td>
<td>0.0002</td>
</tr>
<tr>
<td>FEXTN</td>
<td>$\delta_9$</td>
<td>0.0504***</td>
<td>0.0064</td>
</tr>
<tr>
<td>NONFI</td>
<td>$\delta_{10}$</td>
<td>-0.0112</td>
<td>0.0162</td>
</tr>
<tr>
<td>TCLAND</td>
<td>$\delta_{11}$</td>
<td>0.0101</td>
<td>0.0080</td>
</tr>
<tr>
<td>LIVSTOK</td>
<td>$\delta_{12}$</td>
<td>0.0036</td>
<td>0.0031</td>
</tr>
</tbody>
</table>

Note: *** and *sign represents significance at 1%, 5% and 10% levels, respectively.
Accordingly, the result of two-limit Tobit model (Table 5) for each significant variable and its marginal effects of change in explanatory variables (Table 6) on TE were discussed as follows.

**Education level of household (EDUC):** The finding of the study shows that education affected TE of sorghum producers significantly and positively at 5% significance level. The positive sign implies that farmers that are more educated tend to be more efficient in agricultural production than the less educated in the study area. This is due to the fact that better educated household head can understand agricultural instructions easily, have higher tendency to adopt improved agricultural technologies, have better access to information, and are able to apply technical skills imparted to them than less educated ones. Additionally, the calculated marginal effect revealed that, a one year increase in educational level of the household head increases the probability of a farmer being technically efficient by 0.08% and the mean values of technical by about 0.9% with an overall increase in the probability and levels of technical efficiencies by 0.92%. In line with this study, research done by Solomon (2012), Chepng’etich (2013), Sisay et al. (2015) and Nigusu (2018) explains that the more educated the farmer, the more technically efficient s/he becomes.

**Frequency of extension contact (FEXTN):** The result showed that the variable had positive sign and significant effect on TE at 1% level as expected. The reason is that farmers who had more frequency of extension; could lead them to improvements in resource allocation, facilitates practical use of modern techniques and use inputs in appropriate way. In addition, the computed marginal effect revealed that, a one times increase in frequency of extension of household head increases the probability of a farmer being
technically efficient by 0.42% and the mean values of technical efficiencies by about 4.94% with an overall increase in the probability and levels of technical efficiencies by 5.03%. This is in line with previous studies by Haileselassie (2005), Wudineh and Endrias (2016) and Getachew et al. (2018).

**Perception of farmers on fertility status of soil (SOILFERT):** The result indicated that soil fertility status was positive and significant effect on TE at 5% level of significance as expected. This implies that, fertility of land is an important factor in influencing the level of TE in the production of sorghum or positively contributes to TE of sorghum in the study area. This may be associated with those fertile lands have high nutrients which leads to increase in the production and efficiency of farmers. This implies that households who allocated land which was relatively fertile were better in TE. Therefore, decline in soil fertility could be taken as cause for significant productivity difference. Moreover, a change in the dummy variable, fertility status of the soil from (0 to 1), would increase the probability of the farmer being technically efficient by about 0.6% and the expected values of TE by about 6.05% with an overall increase in the probability and levels of TE by 6.18% respectively. This result is similar with the empirical findings of Awol (2014) and Getachew et al. (2018)

**Striga weed (STRIGA):** It was found to have a significant and negative effect on TE at 1% significance level. The result indicates that the sample farmer whose sorghum exposed to striga infestation was less efficient than others. This is due the fact that striga weed caused the output loss of sorghum in terms of quantity and quality by competing minerals and water with sorghum plant. Even if there is no quantitative information on yield loss assessment specific to the area, striga weed in general is becoming a big threat in Ethiopia more than any other parasitic weeds (Fassil, 2002). The finding of Birhane (2016) shows that striga attributed 25% annual sorghum losses in Ethiopia. There is also additional evidence by Gebisa (2007) that there was an estimated yield reduction of 65-70 % in major sorghum growing areas where in heavy striga infestation losses often reach 100 %. Additionally, the computed marginal effect result also shows that, a change in the dummy variable, striga weed infestation from (0 to 1), would decrease the probability of the farmer being technically efficient by about 0.56% and the expected values of TE by about 8.5% with an overall decrease in the probability and levels of TE by 8.63%.

4. **Conclusion and Recommendation**

**Conclusion**
The estimated stochastic production frontier model indicated that labour and oxen power were significant determinants of production level. The coefficients related with the inputs measure the elasticity of output with respect to inputs. The results showed that the input variables specified in the model had positive effect on the output of sorghum production except quantity of seed used. The stochastic frontier model results revealed that there was inefficiency in smallholder sorghum production in the district. The study found that the average TE was 65.2%. This implies that farmers can increase sorghum production by 34.8% without increasing inputs if they were technically efficient. The results of the two- limit Tobit regression model revealed that, education level of household head, soil fertility and frequency of extension contact were significantly and positively affected TE, while striga weed had significant and negative effect on TE as expected. The positive and significant variables implies that they play great role in enhancing efficiency and productivity of sorghum while the negative and significant variables indicates that it decreases the efficiency and production of sorghum producers in the study area. An important conclusion coming from the analysis is that, sorghum producers in the study area are not operating at full TE level which implied that...
there is an opportunity for sorghum producers to increase output at existing levels of inputs without compromising yield with present technologies.

**Recommendation**

The result of the study provides information and got some policy recommendations to policymakers as follows:

- Giving education for farmers on practical training on different agronomic practices by *woreda* agriculture and natural resource office.
- Appropriate capacity building program for farmers and development agents should be provided by *woreda*, zonal and regional agriculture and natural resource offices.
- Improvement of soil fertility status through practicing different soil conservation techniques should have to done *woreda* agriculture and natural resource offices.
- Research center with integration of government should supply striga resistance sorghum variety at a time and also developmental program should give attention on this issue.

**References**


