



SOCIO-ECONOMIC PERSPECTIVE OF WOMEN ENTREPRENEURSHIP IN THE PALM OIL VALUE CHAIN IN IFE ZONE, OSUN STATE, NIGERIA

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Abstract

The study assessed the socio-economic status (SES) of women participating in entrepreneurial activities in the palm oil value chain in Ife Zone, Osun State, Nigeria. Specifically, it described the personal characteristics of respondents and identified the socio-economic benefits derived from participating in the palm oil value chain. A multi-stage sampling procedure was adopted to select a total of 120 respondents. Structured interview schedule was employed to elicit data from respondents and frequency counts, means, standard deviation and percentages were used to summarize and present the data collected while Chi Square Analysis was used to establish association between personal characteristics and the socio-economic status of respondents. Results of analysis showed that the mean age of respondents was 47.2 years, 41.7 percent had secondary education and 81.7 percent were married. Ability to meet household demand (95.0%), improved feeding (95.0%) and better income (75.0%) were benefits derived from palm oil value chain participation. The mean score of SES for respondents was 66.0 ± 4.4 and respondents' religion ($\chi^2 = 6.971$) and educational qualification ($\chi^2 = 20.268$) were significantly associated with their SES at $P \leq 0.05$. The study concluded that respondents had an average SES, which translates to the profitability of entrepreneurship in palm oil value chain. Design of gender-sensitive credit schemes with low interest rates and flexible collateral requirements was recommended to enable women expand their palm oil enterprises

Keywords: Socio-economic status, palm oil value chain, entrepreneurial activities, women.

Introduction

Palm oil, the most widely used vegetable oil in the world, accounts for more than 35 percent of all vegetable oil production, (FAOSTAT 2021). Palm oil is a very versatile product of the oil palm tree as it is used as ingredient in food products (margarine, biscuits, bread, cakes, chocolate, ice cream); raw material in non-food products (detergents and cosmetics); used as a machine lubricant and in bio-fuel production (Qaim et al., 2020). Palm oil is a fundamental part of Nigeria's agriculture and economy and it is intricately connected to the country's socio-economic framework (FAO, 2023; Osondu et al., 2024).

The Nigerian palm oil sector is characterised by a series of value adding activities that are linked in a chain which are required to bring palm oil products through sequenced set of activities from the processors to the consumers. These activities are carried out by actors, who are entrepreneurs, and are made up of the farmers, processors, machine fabricators, marketers of palm oil and the products and consumers among others (Ogungbemi, 2019). The palm oil value chain in Nigeria provides a series of entrepreneurial operations, starting with harvesting ripe bunches in wild groves or small hold plantations, proceeding to the palm oil and kernel products, to marketing and distribution (Okorie et al., 2024).

The palm oil value chain remains a vital source of livelihood and income generation for rural and urban households in Nigeria, particularly for women who dominate several activities such as processing, marketing, and distribution (Nwandu et al. (2021). Women are actively involved in key segments of the palm oil value chain, especially in processing and marketing operations where they contribute significantly to household income and food security (Uduji et al., 2022). Women play crucial roles in cultivation and processing of agricultural crops and contribute about 80 percent of Nigeria's staple food production (Ibitunde et al., 2023). Women's involvement in any economic activity is of great importance in all aspects of agriculture-related activities and their work significantly enhances agricultural productivity and food security (Olatunbosun and Okunlola, 2025). Obot et al. (2022) noted that in many countries of the world, women work round the year to produce food crops while the task of the men is replanting which occupies a small part of the agricultural year; also about 78 percent of the women are active in agriculture as compared to their male counterparts and they spent 40-65 percent of all hours spent in the agricultural activities thus providing more than two thirds of the workforce in agriculture.

Despite the substantial contribution of women to agriculture, especially in the oil palm industry, they are at a disadvantage due to the fact that they do not have access to the same opportunities or resources as men (Babasanya et al., 2021). The socio-economic contributions of women are often under-recognized and inadequately documented, particularly at localized levels such as the Ife Zone of Osun State, Nigeria. In many parts of Nigeria, women involved in palm oil entrepreneurship often operate on a small scale with limited access to productive resources such as land, credit facilities, modern processing equipment, extension services, market information, and entrepreneurial training (Donkor et al., 2020). Cultural norms and gender inequalities further restrict women's ownership of assets and participation in decision-making processes affecting agricultural enterprises. These constraints reduce their ability to expand their businesses, improve product quality, and compete effectively in the market.

Several studies have examined women's involvement in the oil palm value chain in different parts of Nigeria (Uduji et al., 2022; Nwandu et al. (2021) and Jimoh et al., 2024); however, there is still a dearth of location-specific empirical data focusing on the socio-economic conditions of female entrepreneurs along the value chain in the Ife Zone of Osun State. This gap in knowledge creates a challenge for policymakers, development agencies, and stakeholders in designing targeted interventions that can effectively enhance the productivity, income, and overall well-being of female actors in the palm oil value chain.

To bridge this gap, this study identified the personal characteristics of women involved in entrepreneurial activities in palm oil value chain in Ife Zone of Osun State, Nigeria; assessed the socio-economic benefits derived from participating in palm oil value chain and determined the socio-economic status of these women. Furthermore, relationship between the socio-economic status of the women and their personal characteristics were tested.



Materials and Methods

The study was carried out in Ife Zone, Osun State, in the South West geopolitical zone of Nigeria. Osun is divided into three federal senatorial districts, which are Osun Central, Osun West and Osun East Senatorial Districts. Ife Zone of Osun State comprises of Ife North, Ife South, Ife East and Ife Central Local Government Areas. It is located in Osun East Senatorial District of the state. Women involved in entrepreneurial activities in palm oil value chain in Ife Zone of Osun State were the targeted population for the study. These included women involved in harvesting activities (bunch collection, transportation); processing activities (threshing, fruit picking, digestion, clarification, oil drying, compressed palm kernel chaff making and palm kernel cracking); and marketing activities (sales of palm oil in bulk and retail, sales of by products such as palm nuts, palm kernel chaff and palm kernel shells). These women obtained monetary reward for their involvement in these activities.

To achieve a proper sampling, a multi-stage sampling procedure was adopted for selecting the respondents. At the first stage, purposive sampling was used to select three popular communities in the LGAs. The reason for such sampling was to properly assess the socio-economic status of these women in regards to the level of development in these towns. The following communities were selected: Modakeke, Oke-Ogbo and Yekemi from Ife-East LGA; Modomo, Ireemo and Lagere from Ife-Central LGA; Olode, Ifetedo and Omi-Funfun from Ife-South LGA and Ipetumodu, Yakoooyo and Edunabon from Ife-North LGA. At the second stage, stratified sampling was used to pick ten women from each town (two from the harvesters' category, four processors and four marketers) to give a total of thirty respondents per LGA. Ten women were picked from each town for convenience and budgetary consideration. This cumulatively gave a total of 120 respondents selected across the zone.

Interview schedule was used to collect quantitative data from the respondents while direct observation served as the source of qualitative data. Descriptive statistical techniques such as frequency counts, percentages, mean score and standard deviation were used to summarise and present the data collected. To operationalize the dependent variable, socio-economic status (SES) was obtained by aggregating scores of family, educational, religious, social and economic status of the actors. The family status investigated include feeding (frequencies, adequacy in quality and quantity of food and access to food), clothing (affordability of new clothes materials and adequacy of clothing), health (type of health facilities used, promptness of medical attention, use of health insurance and annual medical check-ups) and housing (type of building, ownership of building and the facilities in the building) status of the respondents. Educational status of the actors was assessed based on the type of school attended by their wards, ease of fees payment, leadership and financial commitments in ward's schools and possession of text books. Religious status was assessed based on membership of religious group, financial obligation to group, and celebration of religious festivals. Social status was assessed by investigating positions in the community, social relations, financial responsibility, possession of social dependents, and membership of social groups. Economic status was determined from income from oil palm and non-oil palm activities and the properties they possessed. A score of 1 was allocated to positive responses and the overall scores were aggregated to give the SES of the respondents.

To determine the relationship between the personal characteristics of respondents and their socio-economic status, Chi-Square Analysis was used. All the statistical computations were done using SPSS (Statistical Package for Social Sciences) version 20.

Results and Discussion

Personal Characteristics

Results in Table1 show that among the women, 30.0 percent fell into 41-50 years brackets while women between 31 and 40 years and 51 and 60 years were 23.3 percent and 24.2 percent respectively. Only 6.7 percent were below 30 years and 15.8 percent were above 60 years. The mean age of the women was 47.23 years. Palm oil value chain involves several activities that require different levels of physical strength. Threshing, fruit picking, nut picking, manual nut cracking are sedentary activities that involves the elderly and the young ones. The physically strenuous aspects of processing involved the middle aged, able bodied women whose ages fell between 33 and 59 years. This implies that palm oil value chain is a venture that can provide employment opportunity for all age groups. This result agrees with the reports of Adikaibe et al. (2024) who reported that the mean age of the processors and the



marketers of oil palm in Imo State had been revealed as 45.63years and 47.95years respectively and this implied that the value chain actors were still in their productive age and can withstand pressure associated with value addition and marketing of oil palm products in the state.

Less than half (43.3%) of the respondents were of the Christian faith while 56.7 percent were Muslims. Islamic and Christian faiths were the dominant religions of the respondents, and are the two main religions practiced by Nigerians as widely noted in diverse studies as well as the output of the National Population Census (2006) alongside other international bodies' statistical results on the Nigerian composition. Hence, Islamic and Christian organizations could be harnessed for training on palm oil production and processing technologies in their places of worship. Majority of the processors (81.7%) were married. The fact that many oil palm processors were married gave an indication of emotional stability that is needed for the successful carrying out of the business. A few of them (6.7%) were divorced and some (11.7%) were widowed. This is in agreement with Oladejo et al. (2020) who suggested that marital status is not a barrier to palm oil marketing.

Respondents with no formal education comprised of 6.7 percent while those who attended only primary school included 28.3 percent. The secondary school certificate holders comprised 41.7 percent of the respondent and 20.0 percent were graduates of technical schools. Only 3.3 percent were graduates of higher institutions. Cumulatively, there is still low level of education among palm oil value chain actors in the study area. This agrees with Jimoh et al. (2024) who asserted that making informed decisions and adopting modern technologies on processing practices might be hindered as the majority of the processors possessed primary education only. More than half (73.3%) of the respondents were indigenes of their community and the remaining 26.7 percent were not. This result does not augur well for palm oil processing activities as new entrants in the communities are needed in order to bring about influx of new ideas needed for growth in the sector.

Table 1: Distribution of respondents by their selected personal characteristics

Personal Characteristics	Frequency	Percentage
Age		
<30	8	6.7
31-40	28	23.3
41-50	36	30.0
51-60	29	24.2
>60	19	15.8
Mean		47.23 years
Religious affiliation		
Christianity	52	43.3
Islam	68	56.7
Marital status		
Married	98	81.7
Widowed	14	11.7
Separated	8	6.6
Educational status		
No formal education	8	6.7
Primary	39	28.3
Secondary	50	41.7
Technical	24	20.0
Graduate	4	3.3
Community Residence		
Indigene	88	73.3
Non indigene	32	26.7

Source: Field survey, 2025

Socio-economic benefits derived from participating in palm oil value chain entrepreneurial activities

Table 2 provides the result of the socio-economic benefits the respondents derived from their involvement in entrepreneurial activities in palm oil value chain. Ninety five percent of the respondents stated that their participation in palm oil value chain entrepreneurial activities has improved their feeding. They claimed that the proceeds from their activity afford them the opportunity to eat balanced diet. More than half (61.3%) of the respondents responded positively to the fact their palm oil business has improved their social status by providing funds to meet their social obligation. These social obligations include payment of social club dues, ability of to buy group uniforms popularly called 'aso ebi', and also party attendance. Seventy five percent of the respondents agreed to the fact that palm oil business has increased their income. The women entrepreneurs asserted that their proceeds from oil palm business especially during the peak season were good.

About half (52.4%) of the respondents claimed that their palm oil business has provided them with enough funds to build houses either individually or together with their spouses. Women entrepreneurs, especially the ones with their wards still in school, positively responded to the fact that palm oil activities has afforded them the opportunity to put their wards in better schools. This claimed was made by 58.6 percent of the respondents. Also 75.7 percent stated that they can afford to meet religious obligations because of their involvement in palm oil business. These religious



obligations include: celebration of religious festivals, ability to make contributions in their places of worship, ability to give alms, amongst others.

About 39.4 percent claimed they have access to better health care since they can now afford it. However, majority of the women said they don't need to waste money on hospitals as they are healthy and are ok with their present health care status. Less than half (40.6%) of the respondents agreed that their oil palm business has increased their saving propensity. Many of the women do not save for the future as they claim that 'the future will provide for itself'. This shows lack of saving culture among the women. Many (76.7%) of the women re-invested their money as they claimed it is the only means of keeping the business alive. The only money they save is for re-investment which they do through thrift collection called 'ajo'.

Ninety five percent of the respondents can meet household demand through their palm oil business proceeds. A fifth (20.0%) was able to acquire chieftaincy titles and leadership positions in their social groups and communities. This feat, they claimed will not be achievable if they were not involved in the palm oil business. Sixty two percent were able to hire labour and pay them from their proceeds from the palm oil business. All (100%) the respondent have access to oil palm products of their choice. These products include palm oil, fuel fibre, palm nuts, palm nut kernels amongst others.

The points discussed above indicate the great benefits that can be derived from palm oil business. Women across all levels should be educated on the benefits inherent in oil palm entrepreneurship and be encouraged to get involved in them. These findings were in agreement with Sibhatu (2023), who reported that socio-economic benefits derived from involvement in palm oil production had significantly helped both producing and non-producing countries' economies by creating employment opportunities, stimulated rural economies, led to rural poverty reduction, and improved food security and diets for rural households. Furthermore, Ngwangkfu et al. (2021) asserted that full employment, income enhancement, education enhancement, household enhancement, health enhancement, better nutrition, consumption of by products and waste, income diversification activities were among the socio-economic benefits derived from smallholders' oil palm value chain.

Table 2: Distribution of respondents by the socio-economic benefits derived from participating in palm oil value chain entrepreneurial activities

Socio-economic benefits	Frequency	Percentage (%)
Improved feeding	114	95.0
Ability to meet social obligation	74	61.7
Better income	90	75.0
Provision of housing	63	52.5
Ability to put children in better schools	70	58.3
Ability to fulfil religious obligations	91	75.8
Ability to obtain better health care	47	39.2
Savings for the future	48	40.0
Re-investments	92	76.7
Ability to meet household demand	114	95.0
Acquisition of chieftaincy title and or social position	25	20.8
Ability to pay wages	70	58.3
Access to palm oil and by products	120	100.0

Source: Field survey, 2025

Socio-economic Status (SES)

Results in Figure 1 showed that the mean score of the total SES of the women participating in entrepreneurial activities within the palm oil value chain is 66.0 with standard deviation of 4.4. The minimum score was 55.0 and the maximum score was 75.0. About 51.7 percent of the respondents fell in the average SES class, 33.3 percent were in the high SES class, while 15.0 percent of them were grouped in the low SES class. SES was obtained by aggregating scores of families, educational, religious, social and economic status of the actors.

Inference drawn from the above results indicates that most of the palm oil value chain actors belonged to high and average SES in the study area. This could be as a result of income from palm oil entrepreneurial activities which when utilized translates to a high SES. It is however important to note that the indicators of wealth used for this study were within the context of what entails in the average sub-urban setting. It therefore convenient to report that

palm oil value chain actors in the study area were among those privileged to have a good socio-economic life. The women had the opportunity to improve their standard of living and possess many of the basic requirements needed for a good life in the sub-urban context.

The findings of the study is in agreement with Adesiji *et al.* (2013) in Ogungbemi (2019) who affirmed that processing and marketing of agro-products especially palm oil contributes significantly to actors' income and thereby their standard of living. Likewise, Ohimain *et al.* (2014) in Ogungbemi (2019) reported a high cost benefit ratio for palm oil processing and marketing business and revealed that the enterprise is profitable which translates to an SES that is above average.

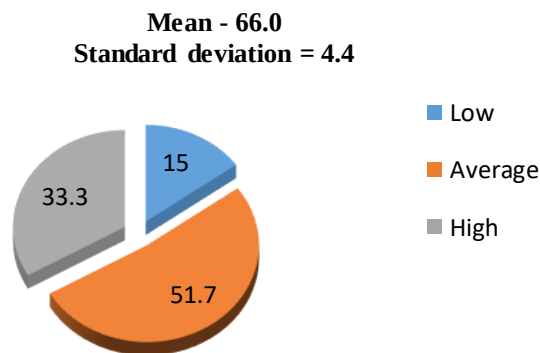


Figure 1: Distribution of respondents by their level of socio-economic status

Source: Field survey, 2025

Results of Hypothesis Test

Table 3 showed the results of Chi-square establishing the association of the respondents' personal characteristics with their SES. At $P \leq 0.05$, processors' religion ($\chi^2 = 6.971$) was found to be significantly associated with SES and educational qualification ($\chi^2 = 20.268$) was significantly associated at $P \leq 0.01$

Table 3: Results of Chi square analyses showing the association of respondents' personal characteristics with their socio-economic status

Variables	χ^2	Degree of freedom	Contingency coefficient
Religion	6.971*	2	0.234
Marital status	4.984	4	0.200
Age	3.595	4	0.166
Community membership	0.416	2	0.812
Educational qualification	20.268**	8	0.38

**Significant at 0.01 p-level, *Significant at 0.05 p-level

Conclusion and recommendation

The socio-economic assessment of women participating in entrepreneurial activities within the palm oil value chain in Ife Zone, Osun State, reveals that women benefitted from participating in these activities and these women have an above the average socio-economic status which significantly contributes to household income generation, food security and rural social development.

Due to the profitability of the palm oil value chain entrepreneurial activities, as evidenced in the above the average SES of the respondents, it is recommended that financial institutions and government agencies should design gender-sensitive credit schemes with low interest rates and flexible collateral requirements to enable women to expand their enterprises. Also, regular training programmes to enhance the technical, managerial, and entrepreneurial skills in modern palm oil processing should be organized by stakeholders in order to remove the technical bottlenecks and drudgery involved in palm oil processing in the study area. Furthermore, active participation of these women in cooperatives is encouraged in order to improve bargaining power, access to credit, and market opportunities; and engage in value-adding activities such as packaging, branding, and by-product utilization.

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