



SDI Review Form 1.6

PART 1:

Journal Name:	Asian Journal of Agricultural Extension, Economics & Sociology
Manuscript Number:	MS: 2012_AJAEES_2954
Title of the Manuscript:	Investigating the Trend and Sources of Economic Efficiency in the Sugar Industry in Nigeria

General guideline for Peer Review process is available in this link:

(<http://www.sciencedomain.org/page.php?id=sdi-general-editorial-policy#Peer-Review-Guideline>)

- This form has total 9 parts. Kindly note that you should use all the parts of this review form.



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PART 2: Review Comments

	Reviewer's comment	Author's comment <i>(if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i>
<u>Compulsory</u> REVISION comments	1. My main problem with this work is the fact that the author(s) estimated the inefficiency scores separately and then regressed them on the sources of inefficiency, using OLS. From the literature, this is contradictory. Battese and Coelli's (1993, 1995) one-step/simultaneous estimation procedure using Frontier 4.1 solves this problem. 2. The reference cited in support of equation 1 is not very much appropriate since it is on technical and not economic efficiency. 3. Also why did the author(s) choose to use TVC instead of TC which is the norm in the literature? 4. Author(s) should provide theoretical literature review. Only empirical literature was provided. 5. Descriptive statistics (mean, standard deviation, minimum and maximum values) of the variables should be given.	Frontier 4.1 does not make provision for other functional forms. It imposes maximum likelihood method on the second function on the assumption that the residual is not normally distributed. It is justified to estimate other functional forms using OLS provided the residual generated is normally distributed. I have added more related references now. It was difficult to capture the total cost of production of the sugar industry. TVC was available in the sugar industry annual publications. Since fixed cost does not vary, TVC will be a good replacement of TC. It is inserted now I feel since they are time series, their descriptive statistics will not be too relevant.



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<u>Minor</u> REVISION comments	1. There are quite a number of grammatical errors that need to be corrected. 2. For instance author(s) should be consistent with the use of past or present tenses (e.g. the very first sentence of the abstract reads 'This study estimated and analyzes' check the following lines also: 26-50; 88-94;156-158; 261-263;286-288. 3. Some of the references were poorly written 4. There is inconsistency in the economic efficiency score reported in the abstract and in the summary 5. Line 70 to 74 may be a footnote	Some have been corrected. Thanks Checked, thanks. Checked Corrected now. I feel it should be part of the text.
<u>Optional/General</u> comments	1. Style of writing needs improvement 2. Key words may be changed to Economic Efficiency, Macroeconomic policy, Nigeria, Sugar Industry	Noted Changed, and thanks for your comments.