Marketing of Staple Foods in Nigeria, A Study of Yankura Market in Sabon Gari, Fagge Local Government Area of Kano State

AMINA MOHAMMED DOKO & ABDULLAHI IBRAHIM

Department of Marketing, The Federal Polytechnic Bida
Department of Marketing, The Federal Polytechnic Bida, Niger State
Email: aminadok@yahoo.com

ABSRACT

This study was carried out to analyze the marketing of rice and beans in Sabon Gari Yankura market in Fagge Local Government Area of Kano State. One hundred and ten (110) respondents were purposefully selected consisting of seventy (70) rice marketers and fifty (40) beans marketers. Most of the marketers had 11-15 years experience. Analytical tools used were descriptive statistics to analyze socio-economic variables and problem associated with foodstuff marketing. Gross margin and budgetary analyses were used to define marketing margin profitability respectively. Pricing efficiency was used to determine marketing efficiency. Results revealed that foodstuff marketing in Sarbon Gari Yankura market was profitable and also the marketing system was efficient. Major problems faced were transportation and inadequate capital. The study recommends that government should provide vehicles, construction of roads and credit facilities to enhance foodstuffs marketing.

Keyword: Marketing of Staple Foods, Yankura Market in Sabo Gari

Introduction

The primary role of agriculture is to provide food for human consumption, animal and industrial users. The importance of food to the maintenance of lives and to the growth and development of a nation cannot be over emphasized. Staple foods are the most important source of food which are readily available for consumption and are reliable source of protein and energy. Rice, Beans, Cowpea, Maize, Yam are some of the most important staple food crops in Nigeria. Agriculture is one of the most important sectors of the Nigeria economy, this is because it contribute more than 30% of annual GDP, employs about 70% of the non-oil expert and par halves most important provided over 80% of the food need of the country, (Adegboye, 2004). Today the real problem most marketers encounter, especially in the developing nations is not entirely product scarcity, but their unwillingness to change behavior in line with current global trend. Nigeria as a developing country has expanding population in both rural and urban area. The significant imbalance between food production and the expanding population has resulted in ever increasing demand for agricultural product and has place a serious stress in the marketing system. Food marketing is very important but rather neglected aspect of agricultural development (Olayemi, 1982). More emphases are

usually placed by government on policies to increase food production with little or no consideration on how to distribute the food produced efficiently. The principal causes of high food prices would be on Agents, wholesalers and retailers who act as link between the producers and the consumers by selling at a high market price. However, this study is set out to analyze the marketing of rice and beans in Sabon Gari Yankura market in Kano State. The broad objective of the study is to analyze the degree of marketing efficiency for rice and beans in Sabon Gari Yankura market in Kano State. The specific objectives are

    i. To analyze the marketing efficiency for rice and beans in the study area.
    ii. To determine the profitability and marketing margins of rice marketers in the study area.
    iii. To describe the socio-economic characteristics of staple foodstuff marketers in the study area.
    iv. To describe marketing channels for both rice and beans marketing in the study area.

The Concept of Staple Foods
African Staple Foods

Africans won't need an introduction to our food staples, although it might not be known to everybody that, for example the cassava is nourishing 500 million people on a worldwide basis and has its origin in the Brazilian Amazon. Also the output of local rice was estimated to three million tons while the demand amounted to five million tons (Falusi, 1990) Today the principal food crops in the western part of the continent are cereals; millet, sorghum, rice and maize. Root crops such as maniac, cocoyam, sweet potato and yams are also important locally. Perennial cash crops include both groundnuts and soya beans. Yams, plantains, green bananas and cassava are the essential staples in Africa. These staples are grown and used all over the continent, either on their own or combined with others. Mostly, on the other hand, is often used merely as one of a number of flavorings, rather than as a main ingredient I cooking. Vegetables, beans and lentils are definitely the most popular food staples throughout the continent, although animal products are used whenever available.

Rice

Kotler, 2000 defines marketing as a human activity directed at satisfying needs and want through exchange process. Also marketing covers a wide range of activities which include processing of goods, packaging, storing, transportation and the actual buying and selling of a provide framework of participation by the marketers at designated places and at definite time periods.

Amina Mohammed Doko & Abdullahi Ibrahim

Packaging

Nor and Koce (2003) define Packaging as all the activities that are related to designing and producing a wrapper or container for a product. The wrapper or container is called a package. The package may include up to three layers of material, (Suleiman, 1997) these are: The Primary Package is the immediate wrapper or container protecting the product itself. The Secondary Package protects the primary package and is thrown away when the product is about to be used. The Tertiary or Shipping Package contains the primary and secondary package and is used for storage, identification or transposition. Rice production is assuming greater importance among the famers in Nigeria where about 70 percent are actively engaged in rice faming, with rice marketing as the major source of income (NISER 2002). Rice is most important food product (Bruntrup 2006); it thus, becomes a common food in Nigeria because, "traditionally foods are consumed mostly in the locality in which they are produced" (Fellows 2002).

In spite of the high demand for rice in Nigeria, symptoms of poorly functioning marketers in most of the Nigeria market are evident in the segmentation of markets, low investments in marketing and market infrastructure, shortage of foods supply and the limited progression towards more visible markets arrangements. The roles and functions of the rice marketer, therefore, are highly significant in the rice distribution with promising prospects for consumption requirements. As perceived by Ihene (1996), rice marketing covers the performance of all business activities in the flow f paddy and milled rice, from the point of mutual production until they are in the hand of the ultimate consumers. This must be at the right time, in the right place and as convenient as possible. At a profit margin that will keep the marketers in operation.

Beans

The bean plants have their origin in Central and South America and were commonly used by the Aztects. Many variation stem from this ancestral plant; Limas, black beans, pinto beans, white beans, green beans, kidney beans and black-eye beans, to mention the most common. In Africa black-eye beans (which are indigenous to the continent, where they are a staple food), mung beans and red kidney beans are commonly used. Beans are used in several types of dishes, salads and as snacks. Mostly grown small scale in compound gardens. Cowpea provides the cheapest protein supplement to Nigerians. The increasing inflation rate in Nigeria has decreased the marginal propensity to consume animal protein, people now resolve to cowpea as a main source of protein in their diet and this has a probably contributed to risen production of cowpea relative to other staples.

Maize

Maize is the third most important staple food crop in Nigeria. Maize is a very important food crop for human beings and for livestock. It provides energy, vitamins and negligible amount of protein. It is low in fiber, very palatable and yellow maize contain appreciate amount of carotene. A large portion of maize crops are grown for purpose other than human consumption.

Cassava

The cassava is an important source of dietary carbohydrate in the tropical and sub-tropical areas of the world, with its roots providing food for over 500 million people. It comes with hard and starchy white flesh. The crop is amenable to agronomics as well as genetic improvement, has a high yield potential under good condition and performs better than other crops under suboptimal conditions. In early 1960s, Africa accounted for 42% of world cassava production. It is efficient in carbohydrate production, adapted to a wide range of environment and tolerant to drought and acidic soils. Its ability to grow on poor soils and under difficult climatic condition as well as the advantage of flexible root harvesting whenever there is need to make thee "crop of last resort" for farmer's families and their domestic animal in the tropics. Its starchy roots are major source of dietary for more than 500 million people (FAO, 1995). Cassava products include: Cassava Flour, Cassava Starch, Cassava Chips, Cassava Pallets, Garri. Lafun, Fufu and Ethanol.

Marketing of Staple Food

Staple foodstuff in Nigeria includes rice, cowpea, maize and cassava. Staple foodstuff marketing warrants special attention for several reasons. First, food grains play an especially important role in Nigeria as staples in many homes; and secondly, the structure and conduct of the food grain market can affect the economy of the people in the communities and the nation's economy in significant ways. The quantity of staples produced in Nigeria is inadequate and cannot meet the needs to be persistent supply shortages in the face of risen demand (Olukosi & Isitor, 1990). Marketing of staple food is not usually on the basis of producer-consumer (Lawal and Idega, 2004) therefore the price of staple food changes as it passes through different channels of distributions, by the time it gets to consumers or industrial users it becomes expensive.

Findings
Socio-Economic Characteristics of Food Marketers

Socio-economic characteristics of foodstuff marketers in Saban Gari Yankura market were studied with the following variables such as Age, Sex, household size, Religion, Marital status etc.

Marketing of Staple Foods in Nigeria, A Study of Yankura Market in
Sabon Gari, Fagge Local Government Area of Kano State

Amina Mohammed Doko & Abdullahi Ibrahim

Table 1: Foodstuff Marketers by their Age

Foodstuff	Age	Frequency	Percentage	Cumulative %
Rice	20-30	32	45.7	45.7
	31-40	23	32.9	78.6
	41-50	11	15.7	94.3
	51-60	4	5.7	100
	Total	70	100	
Beans	20-30	15	38	38
	31-40	13	32	70
	41-50	6	15	85
	51-60	6	15	100
	Total	40	100	

Source: Field Survey, (2015)

From the table above it was revealed that majority of the foodstuff marketers in Sabon Gari Yankura market are in the age range of 20-30 out of which frequency of rice and beans markers are 32 and 15 respectively. This implies that foodstuff marketing requires young people.

Table 2: Foodstuff Marketers by their Sex

Foodstuff	Sex	Frequency	Percent	Cumulative%
Rice	Female	12	17.1	17.1
	Male	58	82.9	100
	Total	70	100	
Beans	Male	30	75	75
	Female	10	25	100
	Total	40	100	

Source: Field Survey, (2015)

From the research carried out it was revealed that majority of rice and beans marketers in Sabon Gari Yankura market were male with a frequency of 58 and 30, percentage of 82.9% and 75% respectively.

Table 3: Foodstuff Marketers by their Marital Status

Foodstuff	Marital Status	Frequency	Percent	Cumulative %
Rice	Single	7	10	10
	married	52	74.3	84.3
	divorced	5	7.1	91.4
	widow	6	8.6	100
	total	70	100	
Beans	Single	3	8	8
	Married	30	75	83
	Divorced	5	12	95
	Widow	2	5	100
	Total	40	100	

Source: Field Survey, (2015)

From the result shown above it was evident that most of foodstuff marketers in Sabon Gari Yankura market are married with frequency of rice marketers 52 and beans marketers 30 respectively, this may be due to the responsibility involved in keeping a family.

Table 4: Foodstuff Marketers by their Religion

Foodstuff	Religion	Frequency	Percentage	Cumulative%
Rice	Islam	48	68.6	68.6
	Christianity	22	31.4	100
	Total	70	100	
Beans	Islam	30	75	75
	Christianity	10	25	100
	Total	40	100	

Source: Field Survey, (2015)

From the above table 4 it shows that majority of rice and beams marketers are Muslims with frequency of 48 and 30 respectively. This is due to the fact that majority of rice and beans marketers are from northern Nigeria.

Table 5: Foodstuff Marketers by the Level of Education

Foodstuff	Level of Education	Frequency	Percentage	Cumulative%
Rice	Primary	36	51.4	51.4
	Secondary	23	32.9	84.3
	Tertiary	4	5.7	90
	Non formal education	7	10	100
	Total	70	100	
Beans	Primary	20	50	50
	Secondary	10	25	75
	Tertiary	2	5	80
	Non formal education	8	20	100
	Total	40	100	

Source: Field Survey, (2015)

The result in table 5 above shows that the majority of foodstuffs marketers in Sabon Gari Yankura market had primary school education with frequency of 51.4% and 50% respectively; this implies that there is lesser number of illiterates in foodstuffs marketing at Sabon Gari Yankura market in Kano State.

Marketing of Staple Foods in Nigeria, A Study of Yankura Market in
Sabon Gari, Fagge Local Government Area of Kano State

Amina Mohammed Doko & Abdullahi Ibrahim

Table 6: Foodstuff Marketers by their House Hold Size

Foodstuff	Household Size	Frequency	Percentage	Cumulative%
Rice	0-4	17	24.3	24.3
	5-9	53	75.7	100
	Total	70	100	
Beans	0-4	17	43	43
	5-9	20	50	93
	10-15	3	7	100
	Total	40	100	

Source: Fields Survey, (2015).

From the above table 6, it was shows that majority of foodstuffs marketers in Sabon Gari Yankura market had a family size of 5-9, be it rice marketers or beans marketers.

Table 7: Foodstuff Marketers by their Marketing Experience

foodstuffs	Marketing Experience	Frequency	Percentage	Cumulative%
Rice	1-10	11	15.7	15.7
	11-15	31	44.3	60
	16-20	20	28.6	78.6
	21-25	8	11.4	100
	Total	70	100	
Beans	1-10	10	25	25
	11-15	17	43	68
	16-20	8	20	88
	21-25	5	12	100
	Total	40	100	

Source: Field Survey, (2015)

From the above table 7, it shows that majority of marketers has 11-15 years experience with rice frequency of 31 and beans frequency of 17 respectively.

Table 8: Distribution Channel of Food Stuff

Foodstuffs	Distribution Channel	Frequency	Percentage	Cumulative %
Rice	Commission agent Farm and commission agent Agent Total	46 9 15 70	65.7 12.9 21.4 100	65.7 78.6 100
Beans	Commission agent Farm and commission agent Agent Total	25 9 6 40	63 22 15 100	63 85 100

Source: Field Survey, (2015)

From table 8 above, it shows that majority of rice marketers has commission agent frequency of 46 and beans marketer has commission agent frequency of 25 respectively.

Table 9: Foodstuff Buyers

Foodstuff	Foodstuff Buyers	Frequency	Percent	Cumulative %
Rice	Retailers Consumers Retailer and consumer Total	43 6 21 70	61 9 30 100	61 70 100
Beans	Retailers Consumers Retailer and consumer Total	24 6 10 40	60 15 25 100	60 75 100

Source: Field Survey, (2015).

From table 9 above, it shows that majority of foodstuff buyers in Sabon Gari Yankura Market are retailers of which frequency of rice retailers and beans retailers are 43 and 24 respectively.

Profitability and Marketing Margin

Profitability explains the profit level of an enterprise. The average total variable mean cost of rice and beans marketing was ₦8,999,046 and ₦11,586,365 respectively. The markets income per rice marketing and beans marketing was ₦97,396,785 and ₦19, 240 respectively. This shows the net profit of marketers in the study area.

Amina Mohammed Doko & Abdullahi Ibrahim

Table 10: Profitability and Marketing margin of Rice and Beans Marketers

Foodstuff		N	Minimum	Maximum	Means	Std. Deviation
Rice	Gross margin	70	19200.00	937200.00	100393.79	125688.72
	Variable cost	70	3603000.0	3511500.00	9988o46.07	5895995.18
	Fixed cost	70	5000	5000	5000.00	.000
	Profitability index	70	7093	.9945	.920003	.0490961
	Real market margin 3	70	183.33	23833.33	7147.5238	4672.63168
	Pricing efficiency	70	1.02	1.04	1.0217	.00436
	Net income	70	12200.00	935200.00	98396.7857	128688.71919
	Price index	70	70.93	99.47	92.0003	4.90961
	Total revenue generated	70	3630000	35640000	10094442.86	5988484.136
	Total cost incurred	70	3606000	35150000	9996046.07	5898995.180
Beans	Gross margin	40	45600.00	4203000.00	209210.0000	651370.75771
	Variable cost	40	1474400.0	36892800.00	11586365.0000	10207906.42305
	Fixed cost	40	5000	5000	5000.00	.000
	Profitability index	40	.8904	.9988	.940843	0.281725
	Real market margin 3	40	3333.33	66666.67	23435.8333	1879.73985
	Pricing efficiency	40	1.06	1.07	1.0689	.01396
	Net income	40	40600.00	4198000.00	204210.0000	651370.75771
	Price index	40	89.04	99.88	94.0843	2.81725
	Total revenue generated	40	1520000	37000000	11795575.00	10238286.172
	Total cost incurred	40	1569176.7	82365568.6	23823891.9	22518686.86

From the table above it reveals that the mean revenue recorded for Rice and Beans marketing in Yankura market was ₦9,094,442 and ₦10575597 as against the mean total cost of N8999046 and ₦11586365 respectively with a mean margin of ₦87,428,523 and ₦22, 453.721 respectively. It was discovered that the margin of Beans marketers was higher than that of Rice margin this was as a result of high risk and capital intensive involved in marketing Beans. The Mean Pricing efficiency of Rice and Beans was 1.01 and 1.05 respectively which indicate that marketing of Rice and Beans in Yankura market is very efficient.

Summary and Conclusion

This study analyzed the marketing of Rice and Beans in Sabon Gari Yankura market of Fagge Local Government in Kano State. To achieve the objectives of the study, 70 respondents were purposefully drawn from rice marketers and 40 respondents from beans marketers making a total of 110 respondents. Data were collected using personally administered questionnaire. The result obtained from this study using descriptive statistics, gross margin analysis, budgetary analysis and efficiency analysis shows the following:

Socio-Economic Characteristics of Respondent: the study showed that frequency of 82.9% and 75% of Rice and Beans marketers are Male It was found that majority of the marketers have primary school education while 5.7% and 5% respectively have tertiary education. Majority of the age range of the marketers fall within 20-30 years of age.

Marketing Channel of Foodstuff: revealed that most of the rice marketers buy their foodstuff from the company and beans marketers buy their foodstuff from the farms in the northern and western Nigeria.

Profitability and Margin of Foodstuff Marketers: The average total variable means cost of rice and bean marketing was ₦8999046 and ₦11586365 respectively. The markets income per rice marketing and beans marketing was ₦97396785 and ₦19,240 respectively. This shows the net profit of marketers in Yankura market.

Marketing Efficiency: It was revealed that pricing efficiency of Rice and Beans marketing were 1.01and 1.05 respectively which indicate that marketing of rice and beans are efficient. This study has examined the marketing of Rice and Beans and from the result, it can be concluded that the rise in the prices of rice and beans it not attributed to the activities of middlemen as generally believed but rather to some other factors majorly high transportation cost and irregular cost price of foodstuff from the source.

Recommendations

The followings are recommendations made by the Researcher based on the findings of this study;

i. Transport facilities should be made available for the marketers. Government should establish truck service station for the marketers to be utilized at subsidized cost.

ii. Government should provide good roads to ease transfer of foodstuff from rural areas to urban market.

iii. The government should encourage and support market information service.

iv. There should be more research on how to improve the efficiency of the marketers.

v. Government should establish a price regulatory body for foodstuff marketing to avoid unnecessary increase in price. Most especially during off season.

References

Adegboye, R.O. (2004). Land, Agriculture and Food Security in Nigeria. 3rd Faculty Lecture. Faculty of Agriculture, University of Ilori.

Marketing of Staple Foods in Nigeria, A Study of Yankura Market in
Sabon Gari, Fagge Local Government Area of Kano State

Amina Mohammed Doko & Abdullahi Ibrahim

Bruntrup M. (2006) the Rice Market in Senegal. Agriculture and Rural Development 13(1);22

Falusi A.O. (1990). Promoting Small-Holder Agricultural Development in Nigeria the ADP Experience. Lecture Delivered at the Faculty of Agriculture and Forestry University of Ibadan, Nigeria on 29th april

Ihere, D.A. (1996). The Marketing of Staple Food Crops in Enugu State, Nigeria. A Case Study of Rice Maize and Beans Msc Thesis University of Nigeria, Nsukka.

Kotler P. (2000) Marketing Management 12 Edition. Pretence Hall International Company

Lawal W.L. and Idega E.O. (2004) Analysis of Food Marketing in Benue State. A Conference Paper Presented at 2004 Annual Conference of NAAE Held at ABU Zaria.

Nor M.L. and Koce H.D. (2013) Fundamentals of Marketing First Edition JUBES-EVANCE Books & Publications Bida Niger State

NISER (2002) Assessment of the Economic, Social and Environmental Impacts of Rice Production in Nigeria within the Trade Libration Framework. A Research paper 93p

Olayemi J.K. (1982). Improved Marketing as a Strategy for Generating Increased Food Production: A Nigeria Experience. *West Africa Journal of Agricultural Economics* 1 (1); 21-26

Olukosi J.O. & Isitor S.U. (1990) Introduction to Agricultural Marketing and Price: Principles and Application Living Series.

Suleiman S.A. (1997) Marketing a Simplified Approach AKAN COMMUNICATIONS a Unit of Akan Concerns Enterprises Bida, Niger State.