

ECONOMIC ANALYSIS OF POULTRY MARKETING IN JALINGO LOCAL GOVERNMENT AREA OF TARABA STATE, NIGERIA

*Maryanne Odufa Egbeadumah¹, Akeredolu Titilayo Dorcas¹, Tikon, Fomati Usman¹
Emmanuel Sylvester Omoghie² and Yaquba Ahmad¹

¹Department of Agricultural Economics and Extension, Federal University Wukari, Taraba State, Nigeria, ²Federal College of Forest Resources Management, Fugar, Edo State, Nigeria

Corresponding author: odufay@yhoo.com

ABSTRACT

This research focused on Economic Analysis of Poultry Marketing Jalingo Local Government Area of Taraba State, Nigeria. The specific objectives were to; identify the socio-economic characteristics of poultry marketers in the study area, to identify the main marketing problems that Jalingo poultry farmers face and to determine the profitability of poultry marketing in the study area. A purposive sampling technique was used to arrive at the selection of one hundred and twenty-five (125) respondents. Primary data was used mainly and sourced with the aid of questionnaire. Data collected was analyzed using descriptive statistics, gross margin analysis and net farm income. The result of the socio-economic characteristics of the poultry farmers revealed that, (68.8%) were male. Most of the poultry farmers in the study area had tertiary education with average of about 60.8%. About 52.8% of the poultry famers had a household size of 1-9 persons per household while 89.6% had 0-9 years of farming experience. Investigation into the management practices showed that respondents were involved in semi intensive system (32.6%) management practice. 60.0% of the respondents source for feed from the feed mill. The findings of the cost returns analysis of the enterprise revealed that the poultry farmer spent the Total cost of N3,682,505 during the period of production, the total revenues of N1,936.42 with a gross margin of N110,475 and a net farm income of N0.03 was realized. The rate of returns on investment (returns per naira invested) is N0.03, this implies that for every N1 invested in the production, a profit of N0.03 was made. It was recommended that government should intervene in the production and marketing of poultry in the study area to enable the farmers make profit from the business.

Keywords: Poultry, Marketing, profitability, Constraints

INTRODUCTION

Nigeria's agricultural sector comprises four sub-sectors: crops, livestock, fisheries and forestry (Rekwot *et al.*, 2015, NBS 2022). Crops contribute about 85% to agricultural GDP, livestock production about 10%, fisheries and Forestry about 4% and 1%, respectively in 2006 (Rekwot *et al.*, 2015). The crop and livestock sub-sectors have maintained their shares in recent years, while the fishery has been expanding and the forestry shrinking (Nigeria vision 2020, 2009). In Nigeria, the major source of animal protein is the livestock industry. Over the years, the contributions of the livestock sub sector to Gross Domestic Product (GDP) have decreased from 5.61% in 1960 to about 2.64% in 2010. The contributions of livestock to Agriculture in 1999 and 2010 remain at 2.64%.

Today, poultry production has developed from backyard business to a commercially oriented industry. Its offer of highest turnover rate and quick returns to investment outlay in the livestock enterprises has made it unique (Adeyemo and Onikoyi, 2012). The meat consumption is projected to move from 1.25 million tonnes in 2020 to 1.49 million tonnes in 2029 out of which poultry meat.

For a long time, marketing has not been critically considered by most industry players as important aspect of the poultry business. All attention is focused on the production aspect whilst

marketing is relegated to the background. Customers and consumers however expect poultry to be a constant product, not changing with season, time of day or severity of rains. Marketing of poultry and poultry products is subject to the laws of demand and supply. An oversupply will lead to a fall in price and profitability whereas an undersupply will lead to a high price and high profit to the disadvantage of valued customers. However, in a situation of competition the customer may purchase other products rather than the traditional product, hence, it means consumers can not be loyal forever. There is a standard of quality which the poultry market demands. Customers and consumers will not return to buy more if the product is unwholesome. At the point of purchase, quality is an important aspect as it relates to presentation of the product much more than anything else. In the poultry marketing practice, customers and consumers may be attracted by the colour of the meat. They may even look at the colour of the wrapper before they buy the product. Marketing of eggs for example becomes a problem when transporting them from one town to another in vehicles. Breakages as well as cracks appear on the eggs as a result of driving errors on rough roads, if this happens, consumers and customers will refuse to buy the product. These are marketing problem which should be addressed.

Farmers have taken consumers and marketing of poultry products for granted simply because it is one of the market leaders in the Nigeria, The problem is, without taking marketing and marketing research seriously, it is doubtful if Nigeria can continue to maintain its market share and be a market leader in the poultry business. The questions to ask are: What are the socioeconomic characteristics of poultry farmers/marketers in Jalingo?, What are the major marketing constraints that face poultry farmers/marketers in its effort to be a market leader in Jalingo? and what is the profitability of poultry market in the study area? This study seeks to achieve the following objectives to identify the socioeconomic characteristics of poultry farmers in the study area, to identify the main marketing problems that Jalingo poultry Farmers face and to determine the profitability of poultry marketing in the study area.

Methodology: The Study Area

The study was carried out in Jalingo local government area of Taraba state, Nigeria. Jalingo lies in the savanna-covered foothills of the Shebshi Mountain about 25 miles southeast of the Benue River. It is a market town, has a government dairy farm and is connected by road with Yola and Wukari. It has population inhabitants of 660,213 and a population density of 3456.6/km² (8,952.6/sq mi). Geographically it is located between latitude 8.9, and longitude 11.3667, 8° 54'0" North, 11° 22' 0" East

Sampling Technique: Multistage random sampling technique was used to select respondents for the study. In the first stage, five wards were selected from 10 wards in the local government for the study. These wards are .Kachalla Sembe, Turaki A, Turaki B, Majidadi and Sarkin Dawaki, In the second stage, five villages were randomly selected from the five wards making a total of 25 villages for the study. In the third stage or last stage 5 poultry markets will be randomly sampled, giving a total of 125 poultry farmers selected from the sampled village for the study.

Data Collection: The study was conducted using primary data. Primary data was collected through a well structured questionnaire which was administered to the respondents. The questions were structured based on the objectives of the study.

Data Analysis Technique: Descriptive and inferential statistics were used to analyze the data collected, Specifically, descriptive statistics like frequency and simple percentage were used to analyze objective (i} and (ii) while gross margin analysis was used to analyze objective (iii)

Table 1 Classification of study area

| No | Wards | No of respondents |
|----|----------------|-------------------|
| 1 | Kachalla Sembe | 25 |
| 2 | Turaki A | 25 |

| | | |
|-------|---------------|-----|
| 3 | Turaki B | 25 |
| 4 | Majidadi | 25 |
| 5 | Sarkin Dawaki | 25 |
| Total | | 125 |

Analytical Technique: Gross margin analysis is given as

$GM = TR - TVC$

Where as

GM =gross margin

TR =total revenue

TVC = total variable cost

RESULTS AND DISCUSSION

Socio-economic characteristics of respondents

This section examines the socio-economic characteristics of the poultry marketers in the study area. Age describes the period of time a person or thing has been alive or has existed. Table 2 below shows that (68.8%) of the respondents were age between 11-30years, (25.6%) of the respondents were age between 31-50years this implies that most of the respondents are in their youthful.

Gender is defined as a sense of being male or female or having the recognizable traits of one's sex. below shows that 74.4% of the respondent were male which means that there are more male respondents than female in poultry production in the study area. This is a status that exhibits legal relationship between people either as a husband or wife. As shown in Table 2 below (55.2%) of the respondents were single while (42.4%) were married and (2.4%) were widowed. Majority of poultry farmers in the study area are literate 90.4 % have one form of education ranging from primary to tertiary institution. The socioeconomic characteristic is shown in the Table below. The number of years a farmer has spent in farming activities is important to the success of the farm. The higher the number of years the more accurate and faster decision are likely to be arrived at.

Table 2: Distribution of the respondents by Age

| Age | Frequency | Percentage |
|---------------------------|------------------|-----------------------|
| 11-30 | 86 | 68.8 |
| 31-50 | 32 | 25.6 |
| 51-70 | 7 | 5.6 |
| Total | 125 | 100 |
| Sex | Frequency | Percentage (%) |
| Male | 93 | 74.4 |
| Female | 32 | 25.6 |
| Total | 125 | 100 |
| Marital Status | Frequency | Percentage |
| Single | 63 | 55.2 |
| Married | 51 | 42.4 |
| Divorced | 3 | 2.4 |
| Total | 125 | 100 |
| Educational Status | Frequency | Percentage (%) |
| Primary | 6 | 4.8 |
| Secondary | 31 | 24.8 |
| Tertiary | 76 | 60.8 |
| Non Formal | 12 | 9.6 |
| Total | 70 | 100 |
| Household Size | Frequency | Percentage (%) |
| 1-9 | 66 | 52.8 |
| 10-19 | 54 | 43.2 |
| 20-29 | 5 | 4.0 |

| Total | 125 | 100 |
|-------------------------|------------------|-----------------------|
| Years of farming | Frequency | Percentage (%) |
| 0-9 | 112 | 89.6 |
| 10-19 | 12 | 9.6 |
| 20-29 | 1 | 8 |
| Total | 125 | 100 |

Source: Field Survey, 2022

Management Practices and Acquisition of Resources of the Respondents.

The management practices of resources by the respondents are presented in Table 3. It shows that majority of the respondents (44.0) adopt deep litter system because it is cheaper than the other system of management.

42.4% of the farmers acquired the land by inheritance, followed by 24.8% who acquired the land by purchase, This will promote large scale production that require large area of land in the study area. On feed Sources, majority (60%) bought feed from the feed miller, and (40%) are compounded feed by self.

On Sources of capital, most of the respondents (68.0%) used personnel saving, (8.0%) co - operative society and (11.2) money lender. The government and stakeholders should help poultry farmers/marketers to get funding through cooperative or bank of agriculture. On Sources of labour majority (68.8%) used only family labour, (16.8%) used only hired labour while (14.4%) used both family and hired labour. The use of family labour reduced cost of production and marketing.

Table 3: Distribution of the Management Practices and Acquisition of Resources of the Respondents.

| Source of Feed | Frequency | Percentage (%) |
|--------------------------|------------|----------------|
| Compounded by self | 50 | 40.0 |
| Commercial feed | 75 | 60.0 |
| Total | 125 | 100 |
| Source of capital | | |
| Personnel saving | 85 | 68.0 |
| Co-operative society | 10 | 8 |
| Money lender | 14 | 11.2 |
| Commerical bank | 2 | 1.6 |
| Friends and family | 6 | 4.8 |
| Bank of Agriculture | 8 | 6.4 |
| Total | 125 | 100 |
| Sources of labour | | |
| Family | 86 | 68.8 |
| Hired | 21 | 16.8 |
| Total | 125 | 100 |

| Management System | | |
|-------------------------------------|------------|------------|
| Deep Litter System | 37 | 29.6 |
| Semi Intensive System | 49 | 39.2 |
| Battery Cage System | 17 | 13.6 |
| Free Range System | 22 | 17.6 |
| Total | 125 | 100 |
| Reason for adopts the system | | |
| Cheaper | 55 | 44.0 |
| Requires Less Labour | 58 | 46.4 |
| Others (Specity) | 12 | 9.6 |
| Total | 125 | 100 |

Source: Field Survey, 2022

Constraints Encountered by Poultry Marketing in the Study Area.

According to Udom, 1986 since independence in 1960, Nigeria's agricultural sector has experienced slow output growth that has not kept pace with population increase. This has resulted in declining agricultural exports and domestic food supplies and a growing reliance to highlight some problems the poultry farmers facing in the study area. As revealed in Table 4, it revealed that inadequate fund and capital is the most occurred problem followed by lack of adequate feed and nutrition and problem of disease and lack of medication due to high cost. Bad weather condition and inadequate extension services are also problems poultry farmers experience on the business and lack of market regulation and government support.

Table 4: Distribution of the Problems Encounter by poultry Farmers in the Study Area

| Problem | Percentage (%) | Rank |
|---|-----------------------|-----------------|
| Inadequate Fund and Capital | 39.6 | 1 st |
| Lack of adequate feed and Nutrition | 23.4 | 2 nd |
| Disease and Lack of medication due to high cost | 23.4 | 2 nd |
| Bad weather condition/inadequate extension Services | 7.8 | 4 th |
| High Cost of Electricity for Heat | 4.6 | 5 th |
| Lack of Market Regulation and Government Support | 0.8 | 6 th |
| Total | 100 | |

Source: Field Survey, 2022

Average costs and returns of economic analysis of poultry marketing.

This finding revealed that, The Total Variable Cost (TVC) incurred by poultry marketers is N3,682,505, a total fixed cost of N 1,936.42 and a total cost of (TC) N3,684,441.42, with a Total Revenue (TR) of N 3,792,980 which resulted in the Gross Margin (GM) of N110,475. The rate of returns on investment (returns per naira invested) is 0.03, this implies that for every N1 invested in poultry marketing in the study areas; a profit of 0.03 kobo was made hence, we conclude that poultry marketing is not economically viable. This could be due to the high cost of inputs in the country.

Table 5: Average cost and returns of economic analysis of poultry marketing

| Items | Average price (N) | Total (N) |
|------------------------|--------------------------|------------------|
| (A)Revenue | | |
| Prices of Birds | 24,301.78 | 3,037,722.00 |
| Cost of Egg sold | 1,678.16 | 20,770.00 |
| Price of Local chicken | 2,178.40 | 272,300.00 |

| | | |
|---------------------------|------------------|------------------|
| Price of Noiler | 615.20 | 76,900.00 |
| Price of Layer | 903.90 | 112,988.00 |
| Price of Broiler | 2,178.4 | 272,300.00 |
| Total Revenue (TR) | 31,855.85 | 3,792,980 |
| (B) Variable Cost | | |
| Cost of feed | 23,623.60 | 2,952,950.00 |
| Transport | 2,162.80 | 270,350.00 |
| Cost of medication | 3,773.60 | 471,700.00 |
| Cost of light | 328.84 | 41,105.00 |
| TVC | 26,888.84 | 3,682,505 |
| (C) Fixed Cost | | |
| Cost of cage | 2469.76 | 1936.42 |
| TFC | 2469.76 | 1936.42 |
| Revenue | | |

Source: Field Survey, 2022

Total cost (TC) = (TVC+TFC) = 3,682,505 + 1936.42 = 3,684,441.42

Gross Margin (GM) = (TR –TVC) = 3,792,980 - 3,682,505 = 110,475

Net Farm Income (NFI) = (TR – TC) = 3,792,980 - 3,684,441.42 = 108,538.58

Returns per N1 invested (NFI/TC) = 108,538.58/ 3,684,441.42= 0.03

CONCLUSION

The findings revealed that poultry farmers in the area belong to a wide range of socio-economic characteristics. In poultry farming most of the farmers were found to be male, we had more singles farmers involved in poultry farming followed by married respondents. Most of the respondent studied up to tertiary level. The major constraints of poultry marketing in the area were lack of fund and capital, disease, lack of medication due to high cost and lack of adequate feed and nutrition. Generally the analysis revealed that poultry farming in the area is a profitable venture.

RECOMMENDATIONS

Based on the findings of the analysis, government should intervene in the production and marketing of poultry in the study area to enable the farmers make profit from the business. Farmers should be encouraged to join cooperative societies in order to be able to raise capital for their business. Government should help regulate prizes of inputs in the study area

REFERENCES

- Adeyemo, A. A. and Adeyemo, F. T. (2007). Problem militating against c o m m e r c i a l e g g production in the southern Guinea Savannah of Nigeria Proceedings of the Annual Conference of Animal Science of Nigeria t hS eptember 14-17, 2009 LAUTECH, Ogbomosho, Nigeria Pp, 304
- Adeyemo, A. A. and Onikoyi, M. P. 2012. Prospects and Challenges of Large-Scale Commercial poultry production in Nigeria: Agricultural Journal (7); 388-393. 20012.
- NBS 2021. <https://www.ripplesnigeria.com/agriculture-contributed-n41tr-to-nigeria-gdp-in-nbs/>
- Udom, D. S. (1986). "Nigerian Government Policy; Schemes for Smallholders oil palm planning and Rehabilitation between 1798-1981" Journal of Nigerian Institute for oil palm Research, 7(134-175)

Rekwot, G. Z. Ahmed, S. and Dawang, N. C. 2015. Technical efficiency of poultry egg production in Kaduna State, Nigeria. Proceedings of the th20 Annual conference of the Animal Science Association of the Nigeria, 6-10 September 2015, University of Ibadan, Oyo State. Pp 324-329.