

# Economic Analysis of Fruits and Vegetables Marketers in Bauchi Metropolis

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**Abstract:** This study was undertaken to analyze the economics of fruits and vegetables marketers in Bauchi metropolis specifically Muda Lawal Market. One hundred (100) fruits and vegetables marketers were randomly selected from the fruits and vegetables section of the market, using a simple random sampling technique. Descriptive statistics was used to analyze the data generated and further subjected to SWOT (Strength, Weakness, Opportunities and Threat) analysis. The data shows that significant number of the marketers are male, married, with household size of 6-10, falls within the age group of 30- 49 years with post primary education. In addition we found that the majority of the marketers have over six years working experience, household constitute the largest buyers of the products and as usual with all businesses have more retailers than wholesalers. Seasonal fluctuation has the biggest influence on price followed by variety. The strength of the business is an existence of an already market and minimal capital requirement to set up the business. The weakness is the near complete absence of preservation and seasonal nature of the products. Opportunities exist due to the growing demand and diverse uses of the product as a result of the growing population. The biggest threat to the marketers is the high cost of transporting products and lack of storage facilities. The study concluded that unless adequate attention is given to the problems identified, the marketers will continue to face the challenges in the business thereby passing the unnecessary cost incurred to the final consumers. We conclude by recommending that marketers should look at the possibility of using alternative means of transportation especially the train because it's cheaper and bigger, Government should collaborate with Research centres to explore the possibility of developing an affordable and efficient preservation technology and Develop an all year round farming system.

## I. INTRODUCTION.

Farming and trading in agricultural products command an important segment in most developing countries. All things considered, increase in agricultural productivity rely heavily on its marketability so as to improve its vital roles in a national economy. Efficient market does not only connect vendors and buyers in respond situations to supply and demand but significantly has a dynamic role to play in stimulating consumption of outputs which are essential elements of economic development. Abbott (2007) defined Agricultural marketing as the performance of all the activities involved in the flow of agricultural products and services from the initial points of agricultural production until they reach the hands of the ultimate consumers. He characterized agricultural marketing as showcasing of multiple of exercises associated

with the progression of agricultural output from the point of plantation until they finally reach consumer. It is interested in everything that happens to crops right from the point it leaves the farm gate; making decision, implementation of the decisions taken and bearing the responsibility of such action. Agricultural marketing also promotes all processes that take place from when the farmer plans to meet specified demands needs and market possibilities to when the producers finally gets it to the consumers. It additionally recognizes the shared independence between farmers and marketing middlemen which is the whole essence of marketing in management decision making.

### *Objective of the Study*

The main objective of the research is primarily to provide an inside to the economic activities surrounding fruits and vegetables marketers in Bauchi Metropolis. While the specific objectives will include examining the socioeconomic characteristic, the financial base, years of experience, targeted consumers and the nature of the business. With the aid of SWOT analysis assess their market, product and identify the major constraints bedeviling their trade, and conclude by proposing a policy recommendation.

### *Scope and Limitation of the Study*

The research scope will cover the Muda Lawal Market which is the primary and major existing market in the metropolis. The study is limited to that particular market although other markets exist.

### *Significance of the Study*

1. Employment Generation, Small businessmen especially in Nigeria are looked upon as sources of employment (-Carr 2014). Small traders/marketers provide a sizeable number of jobs and have rather different effects on the people who work in them. Research carried out in industrialize countries had suggested that people who work in small firms are happier in their work than those who work in large firms, in spite of generally lower wages and poorer standard of safety, comfort and welfare facilities. Adam Smith, father of modern-day economics emphasized on the advantages to society of having a multitude of small business units. Ogundare (2000) observed that "close the shops of micro and small enterprises in any town in Nigeria and the economy

of the entire country will crash like a pack of hurriedly arranged cards”.

2. Fruits and vegetables form part of our daily nutritional content; recent medical researchers have continued to show their significance to the normal growth and healthy living of the citizenry. It becomes paramount to encourage this vital and important economic activity.
3. Respond rapidly to market needs. Small business units are in a position to take note of customers' needs and respond quickly. In so doing they further act as competitive spur to larger organizations (Scott, 2016).

## II. LITERATURE REVIEW

A well-developed marketing system is relied upon to supplement the farm production effort towards from the realization of its desirable goals through the provision of time, place, possession and form utilities. The production and marketing system of Fruits consist of a multiple of relationship and arrangements which are based on structured conducted relationship paradigms at each marketing level, that is from the producers to the consumers. In order to ensure stable supply of fruits throughout the year, the market structure should first be considered. In addition to that, examine how they are procured and disposed. Massaoud and Srinivass (2012) revealed that there is the possibility to increase producer's share in the consumer's price if the number of middlemen is reduced and the government interventions are organized and structured in a pro-active manner through the marketing cooperative unions, so that the farmer can use these unions as a profitable channels to sell their produce. In line with that, the problem of irregular supply can be solved by forward contracts to be signed between producers and marketing body.

Marketing functions are specific exercises acted upon in accomplishing the marketing process. These functions are broadly classified as physical functions, exchange functions, and facilitating functions. The function of collecting, sorting, interpreting and disseminating among different variety of data required for the smooth operation of the marketing process and efficient functioning of marketing is known as market intelligence. Most decisions on pricing, channels, storage, and transportation depends highly on the accuracy of information sourced and stored. Kluwana et al. (2011) reported that supply chain management requires the coming together of processes between supply chain members in all functional areas including sourcing, manufacturing and distribution. These differences have been categorized into different levels: managerial, organizational, technological, individual, financial, social and cultural. While Yayock et al. (2018) characterized the classes associated with the marketing of farm produce into several categories viz a vis; local and urban. The local traders based in the village sells they commodities in the village markets, either directly to consumers or through the village retailers. The urban traders on the other hand

purchases farm produce in rural markets from retailers or directly from farmers and transport the commodities to other markets or to urban centres for resale and his buyers are larger than the local trader. Retailers for most part purchase produce from wholesalers and later sells them to the consumers who buy in small quantities at a time. Generally, the functions performed by retailers of farm produce include: repackaging produce to small units so that relatively low-income consumers can easily afford or buy, buying and displaying produce for sale at places that are convenient to consumers, sorting and processing produce to suit consumers' needs. The wholesalers are group of individuals who rent stalls/warehouses in urban markets, handle large quantities of farm produce and performing marketing functions such as buying, storing and financing the exchange. Marketing through wholesalers' channels has important advantages. Right from the point where wholesalers buy produce from farmers or local traders and sell to the retailers, to other wholesaler's domestic and foreign markets and to manufacturers and agricultural processors. Reaching the point where wholesalers often finance the transportation of produce and invariably bear most of the marketing risks. Mostly farmers who are able to sell their produce directly to wholesalers at the village markets has better chance of receiving higher prices than those who dispose of theirs through local traders to wholesalers. The transporter is another significant partner in the chain of middlemen who perform marketing functions. The transporter carries farm produce from place to place by means of animal power and various types of motor vehicles.

Olukosi and Isitor (2004) found that the marketing costs are often measured in terms of middlemen which simply reflect the share of the consumers' income that is required to cover the costs incurred in the marketing process. Marketing costs are the actual expenses incurred in the process of marketing. The author observed that as more and more costly services are added to the final cost, the farmer's share of expected profit will substantially be reduced. He further listed the marketing costs to include: cost of assembling, distribution cost, cost of transportation, handling charges, marketing charges, cost of packaging, taxes and levies. Differences in price are usually made up of margins taken by the wholesalers and retailers in addition to transport and other charges. Marketing margin is therefore the price for all utilities added and functions performed by the marketing systems. The size of the marketing margin is sometimes influenced by the degree of processing of the commodity in question, its bulkiness and unit values as well as perishability.

### *Area of The Study*

The study was carried out in Muda Lawal Market in Bauchi metropolis. Bauchi State which is situated in Northern Nigeria lies between latitude 10° 20' N and 10° 10' E. with an altitude of 670.2m above sea level. However, Bauchi metropolis lies within the Southern part of Bauchi State and is bounded to the North by Darazo Local Government, the East by Alkali

Local Government and the West by Toro Local Government area all in Bauchi State.

The metropolis is a typically located in Northern Guinea Savannah ecological zone of Nigeria. According to Bauchi State Agricultural Development Programme – BSADP (1996), the climate of Bauchi State is characterized by a well-defined wet and dry season. The wet season lasts for about five months (May-September) and the dry season (October - April). The annual rainfall ranges from 1,000mm - 1,300mm. BASDP (1996) further revealed that the temperature is usually in the hottest month with maximum temperature of 40.56° C while the coldest months are usually December and January with minimum temperatures of 6.11° and 22°C, respectively. The implication of temperature in the

marketing of perishable crops like fruits and vegetables cannot be overemphasized for policy making. As described by BSADP (1994), the study area composed of open savannah woodland with trees up to six meters or higher. The vegetation under cultivation however has been reduced to acacia shrubs with grasses of about 3.5m. The population of the State is predominantly rural and agricultural, about 80% of them are still depending on farming although at subsistence level due to lack of funds for financing agricultural activities. According to National Population Census (2006), the metropolis has a total population of 493, 810 people constituting 11% of the entire people of the States. The major occupation of the metropolitan residents are civil servants. Few combines working and farming.

### III. DATA ANALYSIS

A total of 100 fresh fruits and vegetables marketers were randomly selected from Muda Lawal markets. Differences in population and overall economic activities were considered. The data were collected using a semi-structured questionnaire.

Table 1: Demographic Characteristics of our Traders

Gender	Male	84	84%
	Female	16	16%
	Total	100	
Marital status	Single	5	5%
	Married	95	95%
	Total	100	
Household	0-5	42	42%
	6-10	37	37%
	11-15	16	16%
	16 and above	5	5%
	Total	100	
Age distribution	20-29	6	6%
	30-39	23	23%
	40-49	41	41%
	50-59	21	21%

	60 and above	9	9%
	Total	100	

Source: filed survey, 2020.

Table 2: Demographic Characteristics of the Traders and Business

Educational qualification	Frequency	Percentage
None	17	17%
Adult	21	21%
Primary cert.	33	33%
Above	29	29%
Total	100	100%
Capital	Frequency	Percentage
N00,000-100,000	39	39%
N100,001-N200,000	25	25%
N200,001-N200,000	19	19%
N300,001-N400,000	11	11%
N400,001 - Above	6	6%
Total	100	100%
Marketing Experience	Frequency	Percentage
1-5	28	28%
6-10	40	40%
11-15	19	19%
16-above	13	13%
Total	100	100%
Selling target	Frequency	Percentage
Households	76	76%
Hotels	10	10%
Caterers	8	8%
Others	6	6%
Total	100	100%
Form of Business	Frequency	Percentage
Retailer	73	73%
Wholesaler	27	27%

From Field Survey 2020

### IV. RESULTS AND DISCUSSION

The socio-economic characteristics of the respondents on table 1 revealed that the active population group of 20-39 years and 40-49 years constitute the majority with 23% and 41% respectively equaling 64%. The findings signified that relatively young and active people are engaged in marketing of fruits and vegetables. Only 6% of the respondents are less than 29 years old, while 30% constitute the age group of above 50 years. This shows that a relatively significant number of old people are also engaged in the marketing of fruits and vegetables in the survey area. It was further revealed that majority (84%) of the respondents were men

while only 12% were women. The very low percentage of women participation in fruits and vegetables marketers has to do with religion and culture of the people in the study area, which emphasized women participation more on domestic economic activities rather than outdoor ventures.

From table 2 we found that only 17% of the respondents had not acquired any level of education, while the 83% had education at various levels from Adult literacy class with 21%, primary education 33% and post primary education had 29%. The results signify that the sample size is that of fairly educated marketers, which is of significant importance in their marketing decision making process. This finding is in consonance with Aighemi and Lyonga (2009) that revealed that literate traders that have been found to adopt new marketing ideas move faster than illiterate's ones and would find it relatively easy in their dealings with people more especially in the exchange process. In terms of marketing experience, those in the range of 6-10 years-experience constitute 40% while 28% had 1-5 years of experience, indicating that the marketers are well experienced and the emergence of new entrants in the market. In addition, it shows high level of continuity with 16 above years of experience with a remarkable 13%. Household consumers take the lion share in terms of patronage with 76%, followed by hotels 10%, caterers 8% and others 6%. This implies that the high percentage of household consumers is likely connected with the affordability of the fruits and vegetables being sold in bits and the nutritional value associated with the commodities. A nutrient transformed into active healthy living individuals consumed as diet, provide taste and variety in prepared food. Retailers make up 73% of our respondents and wholesalers 27% only were discovered as market intermediaries.

Table 3 Factors Influencing the Price of Fruits and Vegetables

S/N	Factors	Frequency	Percentage
1	Seasonal variations	50	50%
2	variety	35	35%
3	Nutritional value	15	15%
	Married	100	95%

Source: Filed Survey, 2020.

The results of factors influencing prices of fruits and vegetables are presented in Table 3. The table shows that the respondents admitted that 50% accounted for seasonal variation, which can be ascribed to the availability of the product which in turn determine the price that will be fixed, followed by variety constituting 35% this can be explained by the various types of fruits and vegetable available in the market especially the ones sourced from far distance while 15% accounted for the nutritional value of the fruit or vegetable.

Table 4 Distribution of Respondents according to SWOT analysis (Strength, Weakness, Opportunity, Threat)

S/N	Variable	Frequency	Percentage
1	<b>Strengths</b>		
	Tax free	23	3.5
	Minimal Capital Requirement	67	10
	Existing market	71	10.7
2	<b>Weakness</b>		
	Poor preservation	89	13.4
	Absence of processing industries	45	6.8
	Seasonal nature of products	47	7.1
3	<b>Opportunities</b>		
	Growing market	39	5.9
	Diverse used of the products	44	6.6
	Financial assistance from the Govt.	11	1.7
4	<b>Threat</b>		
	High cost of transportation	77	11.6
	Absence of storage facilities	83	12.5
	Price fluctuation	67	10.1

Source: Filed Survey, 2020.

Table 4 reveals the result of the SWOT analysis undertaken of the fruits and vegetable marketers in Bauchi metropolis. The results under strengths shows that existing market and minimal capital requirement takes 10.7% and 10% constitute the major strength in the market, weakness makes up poor preservation takes 13:4% and is the biggest obstacle to the growth of the market, in terms of opportunity we have diverse uses of the product and growing market with 6.6% and 5.9% which serve as stimulus to the expansion of the business and lastly the market is threatened by high cost of transportation and absence of storage facilities constituting 12.5% and 11.6%.

Table 5 Identification of Constraints faced by Fruits and Vegetables Marketers.

S/N	Constraints	Frequency	Percentage
1	High cost of transportation	30	30%
2	Poor preservation facilities	12	12%
3	Seasonal fluctuation in terms of quantity and price	25	25%
4	All of the above	33	33%
	Total	100	100%

Source: Filed Survey, 2020.

Table 5 shows constraints identified by the respondents faced by marketers of fruits and vegetables in Muda Lawal Market in Bauchi. Combination of problems such as high cost of transportation, poor preservation facility, seasonal fluctuation

in price and quantity are identified as the major constraints bedeviling the marketers with 33%, closely followed by high cost of transportation with 30%, then seasonal fluctuation in quantity and price with 25%.

## V. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

### Summary

The analysis conducted in the previous section has revealed the following:

- That significant number of the marketers are male, married, with a household of 6-10 family size, falls within an age group of 30-49 years and with post primary education.
- That majority of the marketers have marketing experience of over 6 years with a small number having more than 16 years' experience, household buyers constitute the largest buyers of the products and as usual with most businesses have more retailers than wholesalers.
- Seasonal fluctuation has the biggest influence on price followed by variety. The strength of the business is in the existence of an already market and minimal capital requirement to set up the business. The weakness is the near complete absence of preservation facilities and seasonal nature of the products. Opportunities exist due to the growing demand and diverse uses of the product as a result of the growing population. The biggest threat to the marketers is the high cost of transporting the products and lack of storage facilities.

### Conclusion

In the light of the above findings, the study will conclude that unless adequate attention is given to the problems identified and addressed the marketers will continue to face the challenges in the business thereby passing the unnecessary cost incurred to the final consumers.

### Recommendation

It is recommended that:

- The marketers should look at the possibility of using alternative means of transportation especially the train because it's cheaper and bigger.
- Government in collaboration with Research centres can take a decisive step in exploring the possibility of developing an affordable and efficient preservation technology for preserving fruits and vegetables.
- Develop an all year-round farming system that will augment supply in periods of scarcity.

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