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ANALYSIS OF MARKETING MARGIN AMONG POULTRY EGG MARKETERS IN NKANU EAST L.G.A., ENUGU STATE, NIGERIA

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ABSTRACT

The study examined Analysis of marketing margin among poultry egg marketers in Nkanu East LGA of Enugu State, Nigeria. Objectives of the study were to describe the socio-economic characteristic of poultry egg marketers in the study area, determine the marketing margin per crate of poultry eggs in the study area and ascertain constraints faced by poultry egg marketers in the study area. A total of 120 poultry egg marketers were interviewed through the use of structured questionnaire. Descriptive statistics (percentages, mean) and Marketing margin were used to analyze the data collected. The findings revealed that majority of the farmers (60%) were female, mean age of the farmers was (28) and Average household sizes were 4 persons per household. The majority (92.50%) were married, 60.83% attend secondary level of education as their highest educational qualification, 87.50% engaged in full time marketing as their occupation. The majority (67.50%) do not belong to cooperative societies. The findings on the marketing margin shows that the selling price per crate of poultry eggs was ₦ 900 and producers price ₦750, this gave a market margin of ₦150 per crate of poultry egg thereby proving that poultry egg marketing was profitable with positive market margin. The result shows that high purchase of poultry eggs from farmers/producers was the main constraint of poultry egg marketers in the study area with percentage of 29.17%. It is recommended that poultry egg traders should join cooperative societies to enable them access soft loans/credit and other benefits attached.

Keyboard: Analysis, Market margin, Socio-economic, Poultry egg, Marketing,

INTRODUCTION

Poultry is essential, lucrative and one of the world's major and fastest growing sources of meat. Poultry has become one of the most effective sources of protein for human consumption. It is also a major source of eggs and meat which have high nutritional value, particularly as a source for the supply of animal protein (Olagunju and Babatunde, 2011). Egg is extremely perishable product that needs more efficient production and marketing activities. Its production, handling, transportation, distribution and marketing employ a large number of people; therefore, the product has great poverty alleviation tendencies. Okpeke *et al.* (2017).

The performance of the poultry industry in Nigeria has fallen below expectation due to high cost of feed arising from fluctuations in feed supplies, outrageous prices of ingredients, and insecurity that prevent farmers going to the farm to ensure adequate industrial materials are ready for feed formulation. Marketing is the presentation of all activities involved in the flow of goods and services from initial production to the final consumer. Marketing functions are accomplished by middlemen that include buying, selling, processing, storage, transportation and provision of market information etc.In Nigeria, egg, fresh poultry meat and frozen poultry meat are sold directly to consumers at the farm, open market, commercial distributors, super markets, restaurants and hotels (Katherine *et al.*,2010). Objectives of the study were to describe the socio-economic characteristic of poultry egg marketers in the study area, determine the marketing margin of poultry egg per crate in the study area and ascertain constraints faced by poultry egg marketers in the study area.

MATERIALS AND METHODS

The study was conducted in Nkanu East Local Government Area of Enugu State. Nkanu East is located in a tropical rain forest zone with a derived savannah. The Local Government Area has a tropical savanna climate and its climate is humid and this humidity is at its highest between March and November (Egbo, 2014). Its

headquarters is in the town of Amagunze. It has a population of 148,774 (NPC 2006), and a landmass of 795 km^2. The estimated projected population of the state at 2.58% growth rate per annum in 2020 was 2,137,000. The L.G.A. is located between Latitude $6^0 20^I$ North and Longitude $7^0 39^I$ East. A multi-stage sampling techniques was used to select respondents for the study. The first stage involved a purposive selection of three communities in the Nkanu East L.G.A, namely Amechi Idodo, Ihuokpara and Nkerefi based on their largely number of poultry egg marketers. A list of poultry egg marketers in the study area was made available by the union representatives accounting about 160 marketers in total. Secondly, 40 marketers were randomly selected from each of the communities, from which making a total of 120 respondents. Both Primary and secondary data were used to carry out this research work. The primary data was sourced with the aid of structured questionnaire. Data collected was analyzed using descriptive statistics and Marketing margin.

Model specification**:**

Objective (ii) marketing margin = $\frac{\text{selling price – purchasing price}}{\text{Selling price}} \times 100$

RESULTS AND DISCUSSION

Socio-Economic Characteristics of the Respondents

The results show that majority (60%) of the respondents were females, 40% were males. From the data collected, it was observed that majority of marketers in study area were females, this could be attributed to the dexterity required in performing marketing operations. Implication is that women usually dominate markets as traders. The result revealed that the mean age of the farmers was (28). The implication of this finding is that the poultry eggs marketers were within their productive age, therefore can participate actively in various agricultural value chain. Average household sizes were 4 persons per household which do not portrays common characteristics of rural households particularly in Northern States of Nigeria where polygamy is mostly practiced. Results shows that majority (92.50%) of the respondents were married while only 7.50% were single. This means that high population of the traders engaged in marketing poultry eggs in the study area were married. This can be of advantage to his household members who are likely to assist in marketing in terms of labour (Abdulshakur *et al*, 2019).

Result shows that 19.17% of the respondents attained primary and tertiary education, while majority (60.83%) attained secondary level of education. only 0.83% had no form of formal education. This shows that majority of the respondents were educated. Education provides marketers with knowledge and skills to improve marketing activities thereby ensuring efficiency in market performances and improving the standard of living of marketers. Results show that majority (87.50%) of the respondents were engaged in full time marketing while 10.83% were engaged more in farming activities while 0.83% were engaged more in the civil service and others each. Results shows that average mean of marketing experience was found to be 4 years; this implies that the marketers had little experience, but due to simplicity nature of the business permits anyone to participate provided there is capital. 32.67% have experience of 6-10 years, 15.33% have experience of 11-15 years and 11.83% have experience of 16-20 years. Results in table 1 shows that majority (67.50%) of the respondents do not belong to cooperatives while 32.50% belongs. By not being members, they are unable to access information in marketing activities and opportunities that could help grow their business.

Determination of market margin per crate of poultry egg in the study area.

The results in table 2 below shows the market margin per crate of poultry egg in the study area. The results show that the selling price per crate of poultry eggs was ₦ 900 and supplying price ₦750 this gives a market margin of ₦ 150 per crate of poultry eggs. This shows that poultry eggs marketing is profitable with positive market margin of 16.67%.

Distribution of Respondents According to constraints

From table 3, the study revealed that majority (29.17%) of the respondents complained of High purchase of poultry eggs from poultry farmers as the major constraints they encountered in their business. The study is not

in line with the findings of Mohammed *et al.*, (2013) that 80% of the egg marketers encountered problems of transportation. The study revealed that 20.83% of the respondents faced poor transportation, about 19.17% of the respondents reported of lack of capital incentives, this might be the reason for poultry eggs price fluctuations, also 12.50% reported lack of essential infrastructure, 8.33% reported inadequate supply of poultry eggs as a constraint they faced in marketing poultry eggs and 10.00% reported market taxes encountered every day in the market.

Table 1: Distribution of respondents on socio-economic characteristics of the marketers

Variables	%	Mean
Gender		
Male	40.00	
Female	60.00	
Age (in years)		
16 – 25	25.00	
26 – 35	53.33	28
36 – 45	21.67	
Household size		
1 - 5	49.17	4
6 -10	34.17	
11-15	15.83	
16 - 20	0.83	
Marital Status		
Single	7.50	
Married	92.50	
Educational Level		
Primary school	19.17	
Secondary school	60.83	
Tertiary institution	19.17	
No Education	0.83	
Occupational Status		
Farming	10.83	
Trading	87.50	
Civil Service	1.47	
Other	0.20	
Marketing Experience		
1-5	40.17	4
6-10	32.67	
11-15	15.33	
16-20	11.83	
Membership Cooperative		
Yes	32.50	
No	67.50	

Source: Field Survey, 2020.

Table 2: Marketing Margin of poultry eggs per crate in the Study Area.

Variable	Values	Percentage
Selling price	900.00	
SP	750.00	
Consumer price	112.5	12.5
Market margin	150.00	16.67

Source: Field Survey, 2020.

Table 3: Distribution of respondents according to constraints

Constraints	Frequency	Percentage
Poor transportation	25	20.83
Lack of capital incentive	23	19.17
High purchase of poultry eggs from poultry farmers	35	29.17
Lack of essential infrastructure	15	12.50
Inadequate supply of poultry eggs	10	8.33
Market Tax	12	10
Total	120	100

Source: Field Survey, 2020

CONCLUSION AND RECOMMENDATIONS

The study concluded that majority (87.50%) of the respondents were full time traders and 60.00% of the respondents were female and dominates the marketing of poultry egg in the study area. Poultry egg marketing as a business is profitable with positive market margin as the results from the study reveals that selling price per crate of poultry egg was ₦ 900 and producers price ₦750 this gives a market margin of ₦150 per crate of poultry eggs. 29.17% of the respondents complained of high purchase of poultry eggs from poultry farmers/producers as the major constraints.

The study therefore recommended that poultry eggs marketer should join a cooperative society to enable them access soft loans/credit and other benefits attached. The study recommends public enlightened on the efficacy of poultry eggs as food which is also source of protein. This enlightenment will go a long way to encourage the buyers thereby sellers maximizing more profits.

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