EFFICIENCY OF SMALL RUMINANTS' MARKETING IN IKORODU AREA OF LAGOS STATE

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Abstract
A survey of marketing of small ruminants in Ikorodu Area of Lagos State was conducted. Data were obtained from respondents using questionnaire. Demographic statistics revealed that most respondents (75%) were male, 90% were married while 10% were single. Respondents involved in marketing of small ruminants were traders (live animal sellers), food vendors, butchers, pepper soup and suya sellers. Most marketers determined price by visual judgment (62%). The study further showed that 78% of the respondents sell most during Christmas/New Year. Marketing efficiency of sheep was 9.75% and 17.20% for goat. Thus, indicating a relatively low efficiency of small ruminants marketing in the study area. The study concludes by making recommendations for improved infrastructure and standardisation of weights.

Keywords: Marketing, Sheep and Goat, efficiency, marketing margin, Lagos State

Introduction

Small ruminants form an integral and important component of the pattern of animal production in most rural communities (Davendra, 1985). Sheep and goats are widely distributed in Nigeria in rural, urban, peri-urban areas representing about 63.7% of total grazing domestic animals in Nigeria (Gefu, 2002). Their importance is primarily associated with their small size, which is significant for the advantage of mankind as if favours low investment, small risk of loss and preference over large ruminants for food and reproductive efficiency and economic use of available land (Omoike *et al*, 2006). Small ruminants are reared mainly for four functions namely (i) meat (ii) milk (ii) skin and (iv) wool. Tropical Africa has about one sixth and about a third of the total world flock of sheep and goats respectively. Total meat produced from small ruminant in Africa was 1.3million metric tones (about 16% of the world total from sheep and goats) (FAO, 1982). Within Africa, sheep and goats contributed 10.9% and 8.4% respectively of our total meat. Sheep and goats in Africa produced 8.6% and 18.2% respectively of the world total amount of milk produced from these two species and the production accounted for 13.6% of milk collected from small ruminants in the world. Sheep and goats accounted for 17% of the total ruminants' biomass in Africa. (Wilson, 1982).

Meat from small ruminants is generally more tender than grass-fed beef because the animals can be marketed at a much younger age. Lamb meat is more established in marketing systems than is goat meat, but both are quiet delicious, especially under one year of age (Dzakuma, *et al.*, 1982). Unproductive land covered with shrub trees can be gradually cleared by sheep and goats followed by establishment of productive pastures. This not only increases food production but lessens hazard from fires and erosion (Naidu *et al*, 2000). Marketing of small ruminants throughout the developing countries is generally very haphazard. Post production systems have been poorly studied in the past. It is especially important to link production with post production systems in which there is organized collection, transportation and marketing to include products and by products from them. (Naidu *et al* 1991). Hence, the aim of the study was to describe the socio-economic characteristics of the respondents and examine the marketing efficiency of small ruminants in Ikorodu area of Lagos State.

Materials And Methods

This study was conducted in Ikorodu Area of Lagos State. It is located along the Lagos Lagoon, sharing boundary with Ogun State. As of the 2006 census Ikorodu had an enumerated population of 535,619. The primary data were obtained through questionnaire administration while the secondary data were obtained through information from journals, research reports, literature and other relevant publications. Random sampling was used to select respondents from the list of traders in the study area. Hundred questionnaires were randomly self-administered to obtained information on marketing of small ruminants in the study areas. Descriptive statistics as well as marketing margin analysis were employed for analysis.

Model Specification

(a) Gross Margin: Gross margin is the excess of sales revenue over purchase (Arene, 2003). The purpose of gross margin is to determine the value of incremental sales, and to guide pricing and promotion decision. It has the following specifications:

GM = TR – TVC

Where

GM = Gross Margin
TR = Total Revenue
TVC = Total Variable Cost

(b) Shepherd-Futrel; The model expresses the total cost incurred in the marketing process to the total revenue generated as percentage (Arene, 2003).

Shepherd -Futrel model = TC/TR X 100

Where TC = Total cost (Naira). TR = Total Revenue (Naira).The lower the coefficient, the higher the level of market efficiency and vice versa.

Results

Socio-economic features of small ruminant marketers in the study area

Table 1 below revealed that 60% of the respondents were between 25-40 years of age. This contradicts findings by Ariyo *et al* (2001) who reported that 81% of livestock marketers were within 40 – 60 years of age. The table also revealed that 75% of the respondents were male. This implies that men are more involved in marketing of small ruminants than women in the study area. This finding corroborates what Ahmed et al (2002) reported as essentially a male affair as female were rarely involved in this ventures. This may be attributed to the stressful nature of the business. Higher percentage of the respondents (90%) were also married, indicating that majority of the respondents were socially responsible. It was also revealed that 57% of the respondents completed secondary school education, 28% completed primary school education while 15% were with no formal education. Findings by Lamidi *et al* (2010) indicated that a level of formal education increases technology innovations and useful advice would be easily accepted and marketing activities improved. The table also revealed that 40% of the respondents had 3 children, 32% had 2, 9% had 4, 9% had 1as well as no children 10%. As shown in table 1, most of the respondents (36%) have been in business for over 4 years. It could be inferred that the respondents have an understanding of the business of small ruminants marketing due to relatively long years of practice in the business.

Table 1: Socio-economic features of small ruminants marketers in study

Variables	Responses	% respondents
Age distribution in years	Below 25	0.0
	25 – 40	60.0
	41-60	40.0
Gender	Male	75.0
	Female	25.0
Marital Status	Single	10.0
	Married	90.0
Educational Status	No formal education	15.0
	Primary Education	28.0
	Secondary Education	57.0
Number of children	1	9.0
	2	32.0
	3	40.0
	4	9.0
	No children	10.0
Transport	Trailer	50.0
	Pick up van	46.0
	Wheel barrow	4.0

Source: Field Survey, 2013

Marketing Margin Analysis of Small Ruminants in study area

The gross margin is equal to N2,599.78 for sheep and N2,579.89 for goat. This implies that sheep and goat marketing in the study area is relatively profitable, since it is believed that if a business can recover its variable cost, then it is capable of continuing in the short run. This result corroborates with the work of Egbewande et al (2010) who found that greater gross margin leads to profit maximization which is central objective of producers. The result of the Shepherd-Futrel model for small ruminants' sellers shows that 90.25 percent of the revenue was taken up by cost for sheep and 82.8 percent for goat. This implies a relatively low marketing efficiency of 9,75 percent (100 – 90.25) and 17.20 (100-82.8) for sheep and goat respectively.

Table 2 Results of marketing margin analysis of small ruminants in the study area

S/NO	ITEMS	SHEEP AVERAGE TOTAL VALUE ₦	GOAT AVERAGE TOTAL VALUE ₦
A	Revenue	26,667	15,000
B	Variable cost		
	Purchase cost	21,667	11,000
	Transportation	1,500	1,027.67
	Poll tax	40.44	33.77
	Drivers/handlers fees	23.67	19.56
	Feeding	291.67	194.67
	Veterinary service	333.33	0.00
	Commission	211.11	144.44
	Total variable cost	24,067.22	12,420.11
C	Gross margin (A-B)	2,599.78	2,579.89
D	Marketing Efficiency (B/A*100)	9,75%	17.20%

Source: Field Survey, 2013

Conclusion And Recommendations

This study investigated small ruminants marketing in Ikorodu Area of Lagos State. Small ruminants marketing in the study area is relatively profitable. The major problems faced by the small ruminants' marketers are funding, transportation, price fluctuation and poor infrastructural facilities in the market. As a result of the findings in this study, the following are recommended: (i) Veterinary services should be made affordable and accessible to small ruminant marketers so as to ensure safe and healthy animal products for consumers and (ii) to enhance profitable and fairness in small ruminants pricing, the use of weighing scale to standardize measurement should be encouraged as suggested for food grains marketers.

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