

ECONOMICS OF SHEEP MARKETING IN KALGO LOCAL GOVERNMENT AREA OF KEBBI STATE.

Abdussalam Adamu Jega^{1*}, Nasiru Samaila¹, Muhammad Bala² and Shehu Usman Hassan¹

¹Department of Agricultural Economics and Extension, Kebbi State University of Science and Technology, Aliero, PMB 1144, Kebbi State, Nigeria

²Department of Agricultural Economics and Extension, Faculty of Agriculture, Taraba State University, Jalingo.

*Corresponding author: smartaa@gmail.com

ABSTRACT

Marketing of small ruminants like sheep plays an important role in increasing incomes of rural and urban dwellers. This study therefore examined the economics of sheep marketing in Kalgo market, in Kalgo Local government area of Kebbi State. A multi-stage sampling technique was used where a sample of one hundred (100) sheep marketers was randomly selected from the identified marketers within the market. A structured questionnaire was employed to collect data, which were later analyzed using descriptive statistics and Gross Marketing Margin. Findings of this study indicated that majority of respondents (44%) fall within the age range of 36-53. The results further reveals that almost all the sheep marketers were male (92%) implying that males dominated the business and are perceived to withstand hardship more than their female counterparts. Majority has no formal education (52%) and with (60%) on a household income ranging from N 200,000 -N500,000. The results further revealed that Gross Marketing margin (GMM) of ₦ 5,987.09 per head and marketing efficiency of 108.4% which is < 100% indicates that sheep marketing is profitable in the study area. The implication of this study is that governments, policy makers and other stakeholders should ensure sheep marketing becomes more profitable economic venture in the area.

Keywords: Sheep, Marketing, Economic analysis, Gross margin, Marketing Efficiency

INTRODUCTION

Livestock production and marketing contribute immensely to Nigerian economy in terms of income generation, enhance food security and poverty reduction. These domesticated animals provide meat to the teeming population, skin for leather industries, and source of income for different actors in production, processing and marketing along their value chains (Adomi and Umar, 2022). Sheep serve a multitude of functions from food to fertilizer and are essential to human life in both rich and poor countries (Mohammed and Mohammed, 2013). Sheep are widely distributed in the semi-arid region of the tropics and have great importance as major source of livelihood among smallholder farmers in rural communities. A large flock of sheep found in Nigeria are often used on a daily basis and during festivals and preferred especially in the northern part of the country. This signifies that rural people enjoy more income through sales of their stock and other by-products derived from sheep e.g. skin, blood meal and organic manure. Kolo *et al.* (2019) reported that high percentages of traditional households keep sheep and or sheep for various purposes such as meat production, income from sales and security against crop failure among other reasons. From the foregoing, it is important to study economics of sheep marketing in Kalgo local government area (LGA), Kebbi State in order to assess how proficient its marketing is and how it affects the livelihood of its marketers. The findings of the study will be useful in policy formulation towards achieving increased sheep marketing in the study and country at large.

MATERIALS AND METHODS

The study was conducted in Kalgo Local Government Area of Kebbi State. Kalgo Local Government Area is located between latitudes 12. 19 4.9N and longitudes 4 12 8.95E. It was created in 1996 out of the Bunza LGA. Its headquarters is the town of Kalgo. it shares a west border with Bunza LGA. It has an area of 1,173 km² and a population of 85,403 at the 2006 census. It's an agrarian community producing different types of crops such as millet, rice, vegetables and livestock primarily sheep, cattle and goats. It has a popular Kalgo livestock Market which holds every Thursday and attracts a large number of marketers from within Kebbi State and other States in the country.

A multi-stage sampling technique was used where a sample of one hundred (100) sheep marketers was randomly selected from the identified marketers within the market. A structured questionnaire was employed to collect data, which were later analyzed using descriptive statistics and Gross Marketing Margin Marketing margin refers to the difference in prices paid for a commodity at different stages of the marketing process as the commodity moves from the primary producer to the ultimate consumer(Olukosi, J.O., Isitor, S.U. and Ode, 2005). This was used to ascertain the profitability sheep markets. Gross Marketing Margin (GMM)

$$GMM = TR - MC \dots \dots \dots (1)$$

Where:

GMM= Gross Marketing Margin per sheep head in Naira

TR = Total Revenue per sheep head in Naira

MC = Marketing Cost per sheep head in Naira

Marketing Efficiency ME= (TR/TMC x 100) is also to be determined which is the maximization of output –input ratio in marketing (Olukosi, Isitor and Ode, 2005).

The decision rule is that when: ME > 100, it implies positive returns to business, ME < 100, it implies negative returns to business.

RESULTS AND DISCUSSION

Socioeconomic Characteristics of the Respondents

Table 1 shows that majority of respondents (44%) were within the age range of 36-53 years. The implication of this finding is that large proportions of the respondents were adults and can adequately be regarded as active, agile, and physically disposed to sheep marketing activities. The results further reveal that almost all the sheep marketers were males (92%) implying that males dominated the business and are perceived to withstand hardship more than their female counterparts. The majority had no formal education (52%) and with 60% on a household income ranging from N 200,000 -N500,000

Table 1: Socio-economic Characteristics of Sheep Marketers in Kalgo Livestock Market

Variable	Frequency	Percentage
Age		
18 – 35	20	20
36 – 53	44	44
54 and Above	36	36
Sex	100	100
Female	8	8.0
Male	92	92.0
Marital Status		
Single	5	5.0
Married	90	90.0
Divorced	5	5.0
Educational Level		
No formal education	52	52
Primary Education	30	30
Secondary Education	10	10
Tertiary Education	8	8
Household Income		
200,000-500,000	60	60.0
500,001-1,000,000	29	29.0
>1,000,000	11	11.0
Total	100	100

Table 2 below shows profitability analysis of sheep marketing in the study area. The results of the Table 2 showed that sheep marketing is profitable in the study area, with a Gross Marketing margin (GMM) of ₦ 5,987.09 per head and this may be associated with more cultural and religious values attached to sheep in the study area as confirmed in the work of Maikasuwa and Jabo (2014) that, as a result of more cultural and religious values attached to sheep, increase its higher demand which in turn bring about higher turnover leading to shorter selling time, and hence, reduced cost of marketing

Table 2. Profitability Analysis of Sheep Marketing in the Study Area

Variable	Average amount per head of sheep(₦)
Marketing Cost (₦)	
Purchase price	70,548.08
Government tax	100
Commission fee	500
Transport cost	450.75
Feeding	326.7
Association levy	100
Total marketing cost (TMC)	71,698.83
TR (Selling price)	77,685.92
Gross Marketing margin (GMM) = (TR - TMC)	5,987.09
Marketing Efficiency (ME) = TR/TMC x 100	108.4%

CONCLUSION

The study examined the economics of sheep marketing in Kalgo market Local government area of Kebbi State. The findings revealed that sheep marketing is profitable in the study area, with a Gross Marketing margin (GMM) of ₦5,987.09 and marketing efficiency of 108.4% which supported the decision rule that when: $ME > 100\%$, it implies positive returns to business per head. Based on these findings, the study concluded that sheep marketing in the area can be said to be profitable and therefore recommended that governments, policy makers and other stakeholders in livestock marketing should encourage and ensure sheep marketing becomes more profitable economic venture.

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