

MARKETING ANALYSIS OF GROUNDNUT HAULMS USED AS LIVESTOCK FEED IN KANO STATE, NIGERIA.

Alhassan A¹, Safiyanu S.A¹, Abdullahi Z.Y¹, Suleiman, I¹, Aisha Y.G¹, Aliyu A.S¹ and Habibu U.M².

¹Department of Agricultural Economics and Extension, Kano State University of Science and Technology Wudil, Nigeria. Mobile: +234-806-312-9310.

²Department of Agricultural Extension and Management, Binyaminu Usman Polytechnic, Hadejia, Jigawa State, Nigeria, E-mail: habibumuazu@gmail.com Mobile: +234-7033499209.

a.ahmadsumaila@gmail.com

ABSTRACT

The study focused on the marketing of Groundnut haulms used as livestock feed in Kano State. Multi-stage sampling technique was used for data collection in the study area. Questionnaires were administered to one hundred and seventy-eight marketers. The analytical tools employed include descriptive statistics, cost and return analysis such as return per naira invested, gross margin and marketing margin analysis. The result of the descriptive statistics showed that majority of the marketers in the study area were adult of age group of 43-52 years, 51% have household size of 1-6 members while about 43.75% of the marketers had 14-22 years of marketing experience. The result of educational background shows that 44.4% had Qur'anic education. The market structure analysis revealed that there is ease of entry into groundnut haulms business. The result further revealed that groundnut haulms marketers expended an average of ₦2083.33 and realized an average gross margin of ₦280 while return per naira invested was found to be ₦0.60 accrued from every ₦1.00 invested for feed marketing. However, many constraints identified include lacks of standard unit of measurement, in-accessibility to credit, low volume of capital, inadequate market information and a host of other constraints.

KEYWORD: Groundnut haulms,

INTRODUCTION

Groundnut haulms are natural substances which are most commonly organic matter with little components of inorganic matter (Umar, 2002), it is both organic and inorganic substances taken in by animals to provide nutrients such as energy, proteins, minerals and vitamins, metabolized in the body to maintain and produce body tissues, fluids and by-products such as meat, milk and eggs. The feed industry is one of the most competitive businesses in the agricultural sector and is by far the largest purchaser of U.S. corn (FAO, 2001). Groundnut haulms are superior fodder resources that are highly valued in northern Nigeria and serve as a major source of protein for animal fattening which brings higher income to the farmer relative to income from selling the grain (Bidliya, 2007). Marketing provides the mechanism whereby producers exchange their commodity for cash. The cash is used for acquiring goods and services which they do not produce themselves, in order to satisfy a variety of needs ranging from food items, clothing, shelter, medication and schooling to the purchase of breeding stock and other production inputs and supplies (Solomon and Nagussie, 2002). Agricultural marketing from micro view point is the performance of all business activities which direct the forward flow of goods and services to consumers in order to accomplish producer's objectives (Olukosi *et al.*, 2007).

MATERIAL AND METHODS

The study was carried out in Kano State, Nigeria. The state has quite a large number of markets. These include rural and urban markets where agricultural commodities are assembled including livestock and their feeds i.e groundnut haulms. Most of the groundnut haulms market operates weekly or twice a week with the exception of city markets which operates daily.

Sample Size

A multi-stage sampling technique was used for data collection in the study area. For this study all the three (3) zones were considered. The first stage involved purposive selection of two local government areas from each zone based on relative abundance and high intensity of feed marketers. On that basis, Rano and Kura Local Government Areas were chosen from zone I, Danbatta and Shanono Local Government Areas were chosen from zone II and Wudil and Tarauni local government areas were chosen from zone III. The second stage, involved purposive selection of one market from each of the selected local government based on the size, location and high involvement in groundnut marketing. On that basis, Rano and Kura markets were selected from zone I, Danbatta and Shanono markets were selected from zone II and Wudil and Unguwa uku Yan'awaki markets were selected from zone III. The third stage, involved random selection of marketers from the six selected markets. A pre-survey was conducted and a total of 595 marketers were identified from all the markets out of which 30% was considered from each of the selected markets. This brings to a total of 178 respondents randomly selected using flip papers in the study. In each market, the marketers were first identified and a list was prepared, a ballot box method was applied in selecting the marketers.

Analytical Tools

The tools of analysis used for this study are: Descriptive statistics and Marketing margin analysis.

RESULTS AND DISCUSSION

Table 1a: Quantitative Socio-Economic Characteristics of the Marketers.

Variables	Frequency	Percentage	
Age			
23-32	3	1.7	
33-42	60	34.7	
43-52	77	43.1	
53-62	32	18.2	
63-72	4	2.3	
Total	176	100	
Mean 44.35	Min 23	Max 68	SD 7.793
Household size			
1-6	89	50.6	
7-12	72	40.9	
13-18	12	6.8	
19-24	2	1.13	
25-30	1	0.57	
Total	176	100	
Mean 7.3	Min 1	Max 29	SD 4.112
Marketing experience			
5-13	69	39.20	
14-22	77	43.75	
23-31	19	10.8	
32-40	9	5.11	
41-49	2	1.14	
Total	176	100	
Mean 17.64	Min 5	Max 45	SD 7.62

Source: field survey, 2016.

The results presented in Table 1a shows that the mean age of the marketers was 44.3, the implication of this finding is that, middle aged take part more in groundnut haulms marketing than old aged and younger ones. The result further revealed that majority of groundnut haulms marketers 51% had household size of 1– 6 members and 8.5% had household size of 13-30 members. Marketing experience is the number of years that the marketers spent in livestock feed business. The longer the experience in the business, the better the performance in livestock feed marketing. The result indicated that most of the respondents 43.75% had a marketing experience of 14-22 years while 6.25% of the respondents had marketing experience of 32-49 years.

Table 1b: Qualitative Socio-Economic Characteristics of the Marketers.

Variables	Frequency	Percentage
Gender		
Male	156	88.6
Female	20	11.4
Total	176	100
Level of education		
Primary	32	18.2
Secondary	60	34.1
Quranic	79	44.9
Adult	3	1.7
Tertiary	2	1.1
Total	176	100
Marital status		
Married	166	94.9
Single	3	1.7
Divorced	3	1.7
Widow	3	1.7
Total	176	100
Association Membership		
Member	33	18.8
None member	143	81.2
Total	176	100

Source: field survey, 2016.

The results presented in Table 1b revealed that male was involved in groundnut haulms marketing with male making up about 88.6% while female constitute about 11.4%. The result further, indicated that 44.9% of the marketers had Qur'anic education while 1.1% had tertiary education having the least percentage. This may be due to the nature of the enterprise which is dominated by people from rural areas. The result also shown that majority 94.9% of the marketer were married, 81.2% among them were membership to an association while 18.8% of the marketers were no having membership to an association.

Table 2: Cost and Return of Groundnut haulms per bag(27kg)

Variables	Prices	Percentage
Average selling price (₦ /bag)	2083.33	
A		
Variable cost (₦ /kg)		
Feed cost price	1613.33	89.46
Transportation	50	2.77
Labour	90	4.99
Marketing charges	20	1.11
Storage	30	1.66
Total marketing cost (TMC)B	1803.33	100
Marketing Margin (A-B)	280	
Gross Ratio	0.01	
Operating Ratio	0.87	
Return on capital invested	1.16	

Source: field survey, 2016.

The results in Table 2 shows that the average gross margin for groundnut haulms was ₦211.66 per bag with marketing margin 27.40%. Purchase price alone constituted the highest percentage of the Total marketing costs about 86.92% this could be attributed to the fact that the respondents were

stationed in one location; both the producers and traders of groundnut haulms normally go to the locations where the marketers are in order to purchase or sell the produce, as such the marketers incur negligible or no other costs such as transportation cost. The result further depicted rate of return on investments of 1.16% implying that a profit of ₦0.16 accrued from every ₦1.00 invested for groundnut haulms marketing.

CONCLUSION AND RECOMMENDATIONS

The prospect of groundnut haulms marketing in Kano state were found to be full time occupation providing employment for a large number of individuals. The socio-economic characteristics that enhance higher marketing of groundnut haulms were age, household size, years of experience and level of income.

Based on the findings of the study the following recommendations were made:

- i. Groundnut haulms marketing is a profitable enterprise more youth should be encouraged to venture into the enterprises this will go a long way in reducing unemployment in the study area.
- ii. Groundnut haulms marketers should form strong and viable corporative groups which will make them have access to institutional support.

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