

Marketing of Farm Produce in Kano River Irrigation Project (KRIP)

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ABSTRACT

Strategic planned marketing of farm produce is a systematic process of disposing farm produce to farmer a good remuneration for products. The study was carried out among farmers in Kano River Irrigation Project (KRIP). Three hundred farmers were selected from 3 hydrological locations for the study. A structured questionnaire was administered to illicit information on types of crops marketed, market outlets, storage, gradual sale of produce and constraints to marketing. Descriptive statistics were used to analyze the data. The result showed that farmers benefited more earning by planned strategic marketing of their product via the satellite markets, gradual sale, storage and seasonal sale. Cooperative marketing of farm produce would aid the farmers to have better earnings.

Keywords: Marketing, Strategic, seasonal price, cooperative

INTRODUCTION

Marketing is a range of strategies and techniques to raise awareness of farm produce and get more people to purchase the produce or service. Under the old marketing system, the government set the price paid by the marketing board for farm produce. In most countries, prices fixed by the marketing board had two important characteristics; they were the same throughout the country and throughout the year (Stephen, 2004). However, under the new concept of the liberalized marketing system, the prices which traders are prepared to pay throughout the country are determined by the market environment. This reflects the different costs that the traders have to meet in getting the produce from the farmer to the market (Tackie and Abulimne, 2002). Under this new system, the price will almost certainly increase over the season. Prices are usually lowest immediately after harvest and then go up as supplies become scarcer (Grace, 1996). These prices even vary within the same area, with some traders offering more than others at any particular time (Anon, 2008). There are a number of factors, which influence the prices such as supply and demand location, time of the year, available information and quality of the produce (Servnow, 2004). Good marketing activities would enhance farmer's opportunity of gaining more profit from their produce. Thus the aim of this paper is to highlight some of the

strategies applied by farmers in Kano River Irrigation Project (KRIP) to generate more profit for their farm produce. Unlike in those days when farmers gain a little or even loss to any profit out of their produce.

METHODOLOGY

The research was conducted at the Kano River Irrigation Project (KRIP), one of the projects under the Hadejia-Jama'are River Basin Development Authority. The project lies between 11°45'N to 12°05'N and longitude 8°30'05'E. The project covers Bajeji, Tudu Bundure, Kura, and Kano local government areas of Kano state. The average annual rainfall is 925mm and temperature range 24.6°C – 31°C (Anon, 2005). Farming activities take place throughout the year (dry and rainy seasons). Varieties of crops are grown in rainy seasons such as millet, sorghum, wheat, rice groundnut, cassava and veg (Anon, 2004). The project was stratified into three hydrological locations: the Head, middle and tail ends. One hundred farmers were systematically selected from each of the locations, making a total sample size of three hundred farmers for the study. Structured questionnaire was administered to illicit information on types of crops marketed, strategies of marketing, storage facilities, and pattern of marketing outlets and constraints faced

farmers. Simple descriptive statistics was employed to analyze the data.

RESULTS AND DISCUSSION

Types crops marketed in KRIP

The four major crops cultivated in the project is maize, tomato, wheat and rice. Table 1 presents distribution of farmers according to the cultivated crops.

It was observed that the pattern of cultivation was similar in the two seasons. Tomato production was in both seasons. This is due to the fact that tomato is an indeterminate crop. It generates more cash for immediate use of the farmers. However, when produced in large quantity at a time of low demand, glut sets in, leading to low prices. In such circumstances, farmers are at risk of accepting low profit marketing or even loss. Though farmers attempt to preserve it by drying for future marketing, their capacity is limited in terms of space and drying facility. Rice is another crop cultivated by most farmers. It generates considerable income and its demand is high as a result of the changing dietary habits of most Nigerians which are shifting toward rice (Awotide and Adejobi, 2004). Maize is also popular because of this market value as human food and livestock feed. Wheat is the least cultivated because it has lost its market to imported one.

Pattern of marketing

In KRIP there are a number of satellite markets where farm produce are marketed throughout the dry season within the perimeter of the project. Table 2 shows pattern of produce marketing where farmers plan sales of produce in stage instead of hitherto bulk sales to traders who store and hoard for favourable market period at the beginning of the next harvesting period when produce are scarce.

Table 2 shows that majority of farmers released their produce gradually to the markets. This is to avoid glut and allow farmers benefit from seasonal price changes. Farmers are aware now that their produce had more value when sold piecemeal as demanded by market forces. Some farmers were engaged in lump sale of produce either at the beginning of harvest or later when there is need to cater for some pressing family issues such as marriages, building new house, purchase of land or other assets. These groups of farmers seek bulk to generate the needed capital rather than piecemeal or installment sale of produce.

Market outlets

These are channels through which respondents sell the farm produce to the consumers. Most farmers prefer to sell in satellite markets within the project areas rather than transport the produce to big cities and towns where demand might be higher.

Respondents channel their produce more to the local markets (satellite market) where produce are assembled for traders. Farmers meet with traders to haggle for prices, although both had some little information about prices in other places and the extent of demand of different locations where traders move the commodity. Farmers and traders do communicate with GSM mobile phone to source information on supply, demand and prices. The main advantage of the satellite market to the farmers was reduction in transport costs to urban markets. Therefore, traders visit the satellite markets to buy produce. The satellite market now served as employment source to many people (loaders, transporter, petty traders, hawkers and tax collection by local authorities). Perhaps this may deny farmers better prices. Only few farmers prefer to transport their produce direct to the city markets.

Storage and preservation of farm produce

Storage requirements have changed significantly from the days when the farmers only had to worry about storing their own food requirements and some seed for the following planting seasons. With the ushering of market and trade liberalization, farmers have been faced with a wider variety of marketing situations. If there is a buyer, they can sell their produce immediately and not to worry about storage but if there is no buyer, they have to store until such a time when they can arrange sale. Moreover, farmers may deliberately want to hold on to their product for some months in the hope that price will rise thus, farmers in KRIP had acquired various storage techniques/facilities. Table 4 shows the different facilities used by the farmers to store crops

Use of polythene bags constitute the most popular type of storage facility, followed by stores/rooms. Others methods practiced by farmers were use of plastic container and rhumbu. Farmers lamented that storing of the farm produce gives them high gross margins despite the cost of storage in terms of space, insecticides, loss of grains weight due to moisture content loss and spoilage because of heat and pests. This assertion is in agreement with the work of Afolami (2001) who found that though storage of farm products is associated with losses, yet it is paying to farmers.

Constraints to marketing faced by KRIP farmers

Respondents encountered a number of problems in marketing their farm products as a result of market imperfection, government policy and other social problems. Table 5 shows the constraints encountered by the respondents in KRIP.

The respondents varied in their marketing problems encountered, on the type of crops cultivated, nature of crops, quality and quantity. Price fluctuation was rated highest which may be connected with the impact of liberalization of the market. Then perishability particularly for vegetable which are difficult to store or preserved for longer period before sale, giving the low level of technology of the farmers. Unorganized marketing system was also identified as constraints. Although in their projects, farmers are organized into specialized marketing cooperatives and associations that assured them good prices for their produce any time of the year; this is not yet the case at KRIP. In some parts of Africa and Asia, water users' associations participate in marketing farmers produce domestically and internationally (Coarazon, 1993; Limbu, 1993; Kimani and Mbatia, 1993). Other problems mentioned by the farmers were high transportation cost and unfavourable policies of the government which left farmers at the mercy of market forces. Some of these problems were also reported in other projects in northwestern Nigeria. (Yakubu *et al.*, 2005).

CONCLUSION

The various techniques of marketing strategy adopted by farmers in the study area satellite markets, storage, and delay of produce sale had increased farmers chances of gaining more profit. This is as a result of experiences over the years gained by the farmers. Farmers encountered various constraints that militated against smooth marketing of their produce. Introduction of cooperative marketing association would greatly aid farmers to get more remunerative prices and more market outlets nationally and internationally.

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Table 1: Distribution of crops cultivated in KRIP for two seasons by location.

Type of crop	Farm location Along Water way					
	Head		Middle		Tail	
	2004	2005	2004	2005	2004	2005
Wheat	11 (8.5%)	14 (8.80%)	14 (9.5%)	16 (10.06%)	17 (13.2%)	31 (20.66%)
Maize	35 (27.13%)	28 (16.35%)	38 (26.02%)	36 (22.64%)	24 (19.2%)	34 (22.61%)
Rice	39 (30.23%)	70 (44.02%)	30 (20.45%)	40 (25.15%)	36 (28.8%)	36 (36%)
Tomato	44 (34.10%)	49 (30.81%)	64 (43.83%)	67 (42.83%)	48 (38.4%)	48 (32%)

Source: Field survey, 2004 and 2005

Table 2: Pattern of produce marketing pattern.

Pattern	Frequency by location		
	Head	Middle	Tail
Gradual sale	84	48	81
Jump sale	13	49	19
Others	3	3	0
Total	100	100	100

Source: Field survey, 2005

Table 3: Market outlets of farm produce in KRIP

Market outlet	Frequency by location		
	Head	Middle	Tail
Farm gate			
Distant	10	2	25
Offices	1	4	10
Local markets (satellite market)	89	94	65
Total	100	100	100

Source: Field survey, 2005

Table 4: Storage facilities employed by the respondents

Facilities	Frequency by location		
	Head	Middle	Tail
Bags	69	78	53
Silo	-	-	-
Plastic container	16	8	0
Rhumbu (local silo)	15	19	71
Stores/rooms	75	88	0

Source: Field survey, 2005

Table 5: Marketing constraints encountered by farmers in KRIP

Constraints	Frequency by location		
	Head	Middle	Tail
Lack of information	44	13	54
Unorganized marketing	68	20	42
Perish-ability	71	85	72
Packaging	51	58	61
Transportation	41	28	48
Price fluctuation	100	91	10
Government protection	13	24	36
Others	31	36	11

Source: Field survey, 2005