

Analysis of Beef Marketing in Jalingo Local Government Area, Taraba State, Nigeria.

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Abstract: The study, analysis of beef marketing was conducted in Jalingo Local Government Area of Taraba State, Nigeria. The specific objectives of this study were to: Describe the socio-economic characteristics of beef marketers, determine costs and returns of beef marketing and identify the constraints of beef marketing in the study area. Primary data were collected from 75 beef marketers using structured questionnaire. A purposive sampling technique was used to select 5 wards out of the 10 wards in Jalingo Local Government based on the relevance of beef marketing and beef marketers were randomly selected. The results on the socio-economic characteristics of beef marketers revealed that, (100%) marketers were male, (80%) were young adults of below 46 years of age, (74.7%) were married with large family size. The result also shows that (61.33%) of the respondents depend on their personal saving for finance. Results on cost and returns of beef marketing using gross margin analysis revealed that total average costs per week of beef margin as: ₦285,483.69, while Gross income, Gross margin, net income and return on Naira invested of: ₦320,662.72, ₦43,556.86, ₦35,179.03 and ₦0.12k respectively which shows that beef marketing is a profitable venture in the study area. Inadequate funds, price fluctuation, high cost of transportation, inadequate storage and preservation facilities were among the major constraints confronting beef marketing in the study area. Based on the findings the following recommendations were made that, beef marketers should join or form cooperatives in order to access credit facilities from banks. Also, Government should site abattoir near the beef market to reduce transportation costs as well provide basic amenities in the area.

Keywords: Beef marketing, beef marketers.

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I. Introduction

Beef is the third most widely consumed meat in the world, accounting for about 25% of meat production worldwide, after pork and poultry at 38% and 30% respectively. In absolute numbers, the United States, Brazil, and the people of Republic of China are the world's three largest consumers of beef. On a per capita basis in 2009, Argentina eat the most beef at 64.6kg per person; people in the United States eat 40.2kg, while those in the EU eat 16.9kg. The world's largest exporters of beef are Brazil, India, Australia and the United States in that order (Ebewore & Idoge, 2013).

The importance of the livestock sub-sector to the Nigerian economy derives not only from its substantial contribution to the Gross Domestic Product (GDP), but also from its supply of animal protein of value in human nutrition (Njoku, 1998 as cited in Ebewore and Idoge, 2013).

Beef is an excellent source of complete protein and mineral such as Zinc, Selenium, Phosphorus and iron and B-Vitamins. Red meat is the most significant dietary source of Creatine and like any other meat (pork, fish, veal, lamb), is a source of creatinine. Creatinine is converted to creatinined during cooking. The importance of animal protein in man's diet as a source of essential amino acid cannot be over-emphasized. Animal sources supply valuable amount of protein to man for his well-being. The Food and Agriculture Organization (FAO) recommended that daily protein intake for an individual should be 65g of which 35g should be obtained from animal source. The economic importance of beef increases as societies evolve from subsistence agriculture to cash based economy. They are a source of employment, collateral and insurance against natural calamities. Some farmers keep cattle for prestige and pleasure (Shackleton *et al*, 1999). More importantly, indigenous cattle are valuable reservoirs of genes for adaptive and economic traits, providing diversified genetic pool, which can help in meeting future challenges resulting from changes in production sources and market requirements (FAO, 2007).

Socio-cultural function of cattle include: use as bride price and to settle disputes (as fine) in communal areas (Chimonyo *et al.*, 1999).

They are reserved for special ceremonial gatherings such as marriage feasts, wedding, funerals, naming ceremonies and circumcision (Bayer *et al.*; 2004).

Prices of beef and meat products, availability, cultural factors, religious prohibitions, time trend, and level of education are the major factors determining the demand for various livestock products in Nigeria. It has been observed from a large number of failures, that the entrepreneurs approached their business with more enthusiasm than actual knowledge of the business (Nwosu, 1990).

Beef purchasing patterns vary substantially among the people. Factors like characteristics of the consumer, characteristics of products, buying practices and trade practices motivate people in making purchasing decision. Consumer preferences and consumption pattern are the main determinants of the demand for the various quantities and qualities of meat products. Such preferences and consumption pattern change with time, geographical location and the age of the consumer. This however depends on the return to management analysis in the marketing of beef. Not much has been known about the pricing efficiency in the marketing of beef in the study area. Moreover, not much research work has been done on the determining the cost of marketing of beef and the consequent benefit to the marketers in the study area.

Despite her better endowed ecological zone with abundance of green pasture nearly all the year round as a gift to the nation, Taraba State is reported to hold a high population of cattle compared with some States in Nigeria. It is therefore important to investigate the profitability of beef marketing in the study area. This is because marketing stimulates production and consumption of agricultural product. The major aim of marketing is profit making. Profitability of any product depends on its acceptability. The study specifically:

- i. Describe the socio-economic characteristics of marketers in the study area.
- ii. Determine the cost and returns of beef marketing in the study area.
- iii. Identify constraints of beef marketing in the study area.

II. Methodology

The study was carried out in Jalingo L.G. At the capital city of Taraba State. The area is located between latitude $9^{\circ}00'N$ and $9^{\circ}30'N$ and longitude $11^{\circ}00'E$. The local government shares common boundaries with Lau local government to the North, to the East with Yororo L.G. A, and to the South-west with Ardo-kola L.G. A. Jalingo L.G. A has a population of 144,180 people (NPC 2006).

Beef marketers constitute the population, the study employed the use of purposive sampling for the selection of the study in stage I, five (5) wards were purposively selected based on their relevance in beef marketing, they are Kona, Mayo-Gwoi, Barade, Kachallasembe, Turaki B, in stage II, 15 beef marketers were randomly selected from each of the 5 wards to give the total of 75 respondents for the study.

Data for the study was collected from primary and secondary sources. Primary data was collected with the aid of well structured questionnaires and interviews schedule. These secondary sources were text books, internet, journal and reports.

The data collected were analyzed using descriptive statistics and gross margin analysis, descriptive statistics which includes: frequency, percentage and mean were used to analyze objective one and three of the study. Gross margin analysis was used to analyze objective two of the study. The gross margin analysis model is specified below:

$$GM = GI - TVC \quad \text{---} \quad \text{---} \quad \text{---} \quad \text{(i)}$$

$$NI = GM - TFC \quad \text{---} \quad \text{---} \quad \text{---} \quad \text{(ii)}$$

Where:

$$GM = \text{Gross Margin} \quad GI =$$

Gross Income

NI = Net Income

TFC = Total Fixed Cost

III. Results And Discussion

Socio-Economic Characteristics of the Respondents

The socio-economic characteristic of Beef marketers in the study area as shown in the Table I indicate that the majority of the marketers (80%) fall within the age of less than 46 years, this implies that, most of the Beef marketers are still in their economically active age group which can sustain beef marketing in the study area. The result in Table I further revealed that (100%) of the respondent were males. This implies that beef marketing is predominated by male. This might be due to some socio-cultural factors restricting women from engaging in such ventures.

Table I also indicated that majority of the respondents (74.67%) were married and (68%) had family size of between 0-5 persons per household, while 21.33% had family size of between 6-10 persons. This

result implies that, beef marketers have family responsibilities that will make them take their business serious in order to cater for their families. The result in table 1 also revealed that 57.33% of the respondents had formal education ranging from primary to tertiary level while 42.67% had non-formal education. This is an indication of some level of literacy among beef marketers which could positively enhance their adoption of marketing innovations as well as communication in the markets.

The analysis in Table 1 further shows that majority of the respondents (61.33%) depend on their personal saving for funds. This implies that beef marketers in the study area are not accessible to credit facilities from banks. This will negatively affect their business expansion. In the same vein, majority of the respondents (84%) had more than 5 years of marketing experience. This will positively enhance their management of the business. Gross income, gross margin, net income and return on Naira invested of ₦320,662, ₦43,556.86, ₦35,179.03 and ₦0.12k respectively. This result indicates that in every one naira invested, beef marketers will realize a profit of ₦0.12k which is a profitable venture.

IV. Constraints To Beef Marketing

The results in table 3 revealed the major constraints to beef marketing as: inadequate funds (93.33%), inadequate storage preservation facilities (30.67%), poor condition of abattoir and poor pricing of beef products (21.33%).

V. Conclusion And Recommendations

The major findings of this study show that beef marketing in the study area is profitable. The major constraint to beef marketing in the study area are: inadequate funds, price fluctuations and inadequate basic amenities. It is also discovered that, the business of beef marketing in the study area is predominated by men.

Based on the findings, the following recommendations are made:

- i. Beef marketers are encouraged to join or form cooperative society in order to access credit facilities from formal financial institutions, government and NGO's to expand their business.
- ii. Government should site more abattoirs close to major beef market to reduce transportation costs and consumer price. It will also provide quicker and more efficient service at reasonable cost.
- iii. Efforts should be made by Government and NGO to provide basic amenities such as storage facilities and stable electricity in order to increase the beef life of beef and reduce beef spoilage.

Table 1: Socio-Economic Characteristics of Beef Marketers (n=75)

| Variable | Frequency | Percentage % |
|--------------------------|-----------|--------------|
| Age | | |
| 15-30 | 28 | 37.33 |
| 31-45 | 32 | 42.67 |
| 46 and above | 15 | 20.00 |
| Total | 75 | 100 |
| Gender | | |
| Male | 75 | 100.00 |
| Female | - | - |
| Total | 75 | 100 |
| Marital Status | | |
| Single | 19 | 25.33 |
| Married | 56 | 74.67 |
| Widow/Widower | - | - |
| Total | 75 | 100 |
| Family Size | | |
| 0-5 | 51 | 68.00 |
| 6-10 | 16 | 21.33 |
| 11 and above | 08 | 10.67 |
| Total | 75 | 100 |
| Educational Level | | |
| Non-formal Education | 32 | 42.67 |
| Primary Education | 17 | 22.67 |
| Secondary Education | 15 | 20.00 |
| Tertiary Education | 11 | 14.67 |
| Total | 75 | 100 |
| Source of Finance | | |
| Personal Savings | 46 | 61.33 |
| Friends & relatives | 14 | 18.67 |

| | | |
|--------------------------------------|----|-------|
| Banks | 15 | 20.00 |
| Total | 75 | 100 |
| Years of marketing experience | | |
| 1-5 | 12 | 16.00 |
| 6-10 | 21 | 28.00 |
| 11 and above | 42 | 56.00 |
| Total | 75 | 100 |

Source: Field Survey, 2016.

Table 2: Average Cost and Returns per Week of Beef Marketers

| Variable Costs | Amount (₦) |
|--------------------------------------|--------------|
| Acquisition Cost | 267,045.33 |
| Transportation | 2,553.75 |
| Storage Preservation | 2,942.80 |
| Other Expenses | 4,564.00 |
| Total Variable Costs (TVC) | 277,105.86 |
| Fixed Costs | |
| Utilities (Water/electricity) | 4,458.53 |
| Rent on Shop | 3,262.67 |
| Depreciation on fixed assets | 656.63 |
| Total Fixed Cost (TFC) | 8,377.83 |
| Total Costs (A + B) | 285,483.69 |
| Returns | |
| Quantity of Beef (Kgs) | 309.52kgs/kw |
| Price/kg | 1,036 |
| Gross Income | 320,662.72 |
| Gross Margin | 43,556.86 |
| Net Income | 35,179.03 |
| Returns on Naira Invested | 0.12k |

Source: Field Survey, 2016.

Table 3: Constraints to Beef Marketers

| Constraints | Frequency | Percentage % |
|--------------------------------------|-----------|--------------|
| Inadequate Funds | 70 | 93.33 |
| Inadequate Storage Facilities | 23 | 30.67 |
| High Transportation Cost | 15 | 20.00 |
| Price Fluctuation Cost | 66 | 88.00 |
| Inadequate basic amenities | 49 | 65.33 |
| Poor Condition of Abattoir | 12 | 16.00 |
| Poor pricing of Beef Product | 16 | 21.33 |

Source: Field Survey, 2016.

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