

SOCIO-ECONOMIC FACTORS AFFECTING THE MARKETING OF GARRI IN PORT HARCOURT CITY OF RIVERS STATE

***LEMCHI, J., **IFEANYI-OBI, C.C AND **OLATUNJI, S.O.**

***Department of Agricultural Economics, Federal University of Technology, Owerri.**

****Department of Agricultural Economics and Extension, University of Port Harcourt.**

Corresponding author e-mail: jlemchi@yahoo.com

Phone: +2348035515014.

ABSTRACT

This study assessed the socio-economic factors affecting the marketing of garri in Port Harcourt city of Rivers State. Specifically it examined the organization of garri marketing in Port Harcourt; the marketing cost and margin and recommended ways of improving the marketing system of garri in the study area. Four major markets (Mile one market, Mile three market, Oil mill market and Creek market) in Port Harcourt city were purposively selected for this study out of which 20 respondents were randomly selected from each of the market giving a total of 80 respondents. Interview schedule was used to elicit information from the respondents. Data collected include socio economic characteristic of the traders, purchases and sales transaction, marketing cost and returns and finally problems encountered by the traders. Analysis of the data obtained showed that majority (83%) of the respondents were female, 78% had basic education which help them in keeping proper record and in performing marketing function effectively. Also 87.5% had been in the business for between one to ten years while 75% were retail traders. Furthermore 50% of the garri traders buy their product from outside Port Harcourt while the major means of transportation used by the traders was taxi (40%). Some of market information was mainly from colleagues (61%). The total average marketing cost per ton is N2372.9. The respondents earn fairly high net returns in relation to the marketing function they perform but cannot be said to be excessive. The major problems encountered in the marketing of garri in the study area include transportation problem and lack of capital. It was therefore recommended that micro credit facilities through formal financial institution should be made accessible to the traders so as to help them acquire sufficient capital for the transaction. Also marketers can pool their resources together to find a lasting solution to the problem of transportation by either buying a bus or hiring one to convey them to and fro at cheaper rates and more convenient situation.

Key words: marketing of garri

INTRODUCTION

Cassava is a very important crop in Africa and has recently become “the most important root crop in Nigeria”. It is a common root crop produced and marketed in Nigeria. It is one of the major foods for the people in Africa especially in Nigeria. African countries produce over 81 million tons per year and Nigeria accounts for 40 million tons (Philip, Sannis and Akoroda, 2004). Nigeria cassava production is by far the largest in the world (Philip, Sannis and Akoroda, 2004) and over 70% of this product is consumed locally. Adebayo et.al. (2009) noted that its high resilience and adaptability to a wide range of ecological conditions has sustained its production through many generations in sub-saharan Africa since it was introduced into this region in 16th century. It is consumed in different traditional dishes varying from country to country and across communities in a country (Adebayo, 2006). In Nigeria, the popular traditional processed cassava products are garri, fufu, starch, cassava flour, tapioca, animal feed and industrial starch amongst which garri stands out to be the most popularly produced in the country for household consumption. Garri occupies a very

significance place in the diet of West African people particularly the urban dwellers. Its ease of preparation for household consumption has combined to make it extremely popular among the urban masses (Oyewole and Philip, 2006). More than half of the garri produced in rural areas of Nigeria are destined for sale; the producers usually take the garri to urban markets for sale to the final consumer.

With Nigeria being the largest producer of cassava in Africa and garri the most processed form of cassava one expects that garri should be relatively available at a moderate price for the masses, interestingly garri still remains a scarce commodity in many urban cities of the country. The price of garri continues to increase at an alarming rate. Could the problem be that the middlemen are hoarding it or that the claimed large production is not yet sufficient for the consumption of the populace? There is therefore the need to examine the marketing system of garri in the country as this will help to identify the bottlenecks associated with the marketing system. It is against this background that this study assessed the marketing system of garri in Port Harcourt city of Rivers State. The main objective of this study was to access the socio-economic factors affecting the marketing system of garri in Port Harcourt city of Rivers State; specifically it examined the marketing cost and margin and the organization of garri marketing in Port Harcourt. It also recommended ways of improving the marketing system of garri in Port Harcourt.

METHODOLOGY

This study was conducted in Port Harcourt city of Rivers State, Nigeria. The area is bounded by Phalga, Obio/Akpor and Oyigbo Local Government Areas. The four major markets in Port Harcourt metropolis namely; Mile one market, Mile three market, Creek market and Oil Mill market were purposively selected for this study. This is based on the observation that these major four markets control the highest sales volume of garri in Port Harcourt metropolis.

Twenty respondents were randomly selected from the major garri sellers in each of the market giving a total of eighty garri traders (respondents). Interview schedule was used to elicit relevant information that bothered on the purchases transaction, sales transaction, age, level of education, duration of the business e.t.c from the respondents. This was personally administered by the researchers to the traders in each market. The data collected were analyzed using descriptive statistical tools such as mean, frequency distribution, percentages and presented with use of tables. Gross margin analysis was used to analyze the marketing cost and return.

The gross margin model used was expressed as follows;

Gross margin = Gross Revenue – total variable cost

Net Gross margin = Gross Revenue – (Total variable cost + Fixed cost).

RESULTS AND DISCUSSION

Socio Economic Characteristics of the Respondents

The age of the respondents ranged from 20 – 60 with the age bracket of 31 – 40 having the largest percentage (42.5%). This indicates that most of the respondents were young and as such can accept innovation for improvement of their marketing system. Cassava according to traditional belief is cultivated mostly by women so also is its products. The distribution of respondents by gender in Table 1 showed that 82.5% of the respondents were females while 17.5% were males. This implies that females dominate the marketing of garri. The distribution of respondents by marital status showed that out of the 80 respondents, 52.5% of the respondents were married while 47.5% were still single. The Table also showed that 17.5% of the respondents had no formal education, 27.5% had primary education, and 52.5%

had secondary education while 2.5% had higher education. This implies that majority of the respondents had basic education and as such should be able to organize their marketing system as well as keep proper records of the transactions made.

Table 1: Socio-Economic characteristics of respondents

ITEM	FREQUENCY	% FREQUENCY
Sex		
Male	14	17.5
Female	66	82.5
Age		
20 – 30	20	25%
31 – 40	34	42.5%
41 – 50	16	20%
51 – 60	10	12.5%
Marital status		
Single	38	47.5%
Married	42	52.5%
Educational level		
No formal education	14	17%
Primary	22	27.5%
Post primary	42	52.5%
Tertiary	2	2.5%

Source: Field Survey, 2010

Information on the marketing cost of Garri

The percentage distribution of respondents by duration in the marketing of garri in Table 2 showed that 52.5% of the traders have been in the business between 1 to 5 years, while 12.5% of the respondents have been in the business for more than 10 years. This shows that many of the traders do not stay in the business for long. The Table also showed that 75% of the respondents were retailers while 25% were wholesalers, this implies that majority of the traders in the market were retailers. This could be as a result of the large capital needed to be a wholesale marketer. The distribution of garri traders according to location of purchase showed that the major source of supply was outside Rivers State. The Table shows that 50% of the respondents bought from outside Rivers State, 25% bought their garri from within Port Harcourt while 25% bought from outside Port Harcourt but within Rivers State. This has an implication on the transportation cost which affect market margin. The choice of purchase location according to the respondents is determined mostly by the particular quality and type demanded for by the consumers.

TABLE 2: INFORMATION ON THE MARKETING OF GARRI

Item	Frequency	Percentage
Duration in the marketing of garri		
1 – 5 years	42	52.5
6 – 10 years	28	35
Above 10years	10	12.5
Types of garri trader		
Wholesale	20	25%
Retailer	60	75%
Purchase location		

Within Port Harcourt	20	25%
Outside Port Harcourt but within Rivers State	20	25%
Outside Rivers State	40	50%
Means of transportation		
Private vehicle	-	-
Taxi	32	40%
Pick- up van/Bus	28	35%
Wheel barrow	4	5%
Lorry	16	20%
Source of market information		
Colleagues	22	61%
Media	-	-
Customers/Consumers	14	39%

Source: Field Survey, 2010

Table 3: Average marketing cost of respondent per tone of garri

MARKETING COST	AMOUNT (N/ton)
Transportation cost	6,680.6
handling cost	340.9
Market Tax	882.1
Feeding cost	1,547
Rent	2,473.7
Total Average marketing cost	2,372.9

Source: Field Survey, 2010

The percentage distribution of respondents by mode of transportation to place of purchase showed that none of the respondents made use of their private vehicle to transport themselves to the purchase location. Majority (40%) of the respondents use taxi as their means of transportation, 35% of the traders use pick up van/bus, 20% use lorry while 5% use wheel barrow. The mode of transportation used depends on the distance and quantity of garri purchase. The market price and place of purchase are important in the marketing of any product. The source of market information has a lot of role to play. The percentage distribution according to source of market information in Table 2 showed that the major source of market information in the marketing of garri is informal. Out of 80 respondents, only 36 respondents have access to market information. Among the 36 respondents, 61% of the respondents got their information from other traders while 39% got information from their customers or consumers. None of the respondents indicated getting marketing information from the print and electronic media (television, radio and newspaper), this agrees with the findings of Ifeanyi-Obi, (2008) which revealed that Agricultural news covered in Nigerian Newspapers is insignificant thereby making people who do Agricultural related business show less interest in buying newspapers since their area of interest is not covered.

Marketing cost and problems encountered

The marketing cost is the cost incurred in the process of carrying out marketing function. Table 3 showed that the average transportation cost of garri per ton is N6,680.6/tones, average handling cost is N340.9, the average market tax is N822.1, average feeding cost is N1,574 and average rent is N2,473.7. This gave rise to a total average marketing cost of N2,372.9 per ton. Table 4 and table 5 shows the average purchase price of garri per ton and

average selling price per tone respectively. The average purchase price is N119,363 per ton and average selling price is N125,994.7 per ton.

Table 4: Average weight and purchase price of garri

Unit of Measure	Weight range (kg)	Mean weight (kg)	Price range (N)	Mean Price (N/unit)	Price/ Ton
Cup	0.2 – 0.23	0.2	Not applicable	-	-
Plastic bowl	1.8 – 1.83	1.8	Not applicable	-	-
Paint bucket	2.85 – 2.87	2.86	Not applicable	-	-
Basin	16.1 – 16.2	16.2	Not applicable	-	-
Bag	112.7 – 113.4	113.1	13,000 -14,000	13,500	119,363

Source; Field Survey, 2010

Table 5: Average weight and Selling price of garri

Unit of measure	Weight range (kg)	Mean weight (kg)	Price range (N)	Mean Price (N/unit)	Price/ Ton
Cup	0.2 – 0.23	0.2	25 – 30	27.5	137,500
Plastic bowl	1.8 – 1.83	1.8	250 – 270	260	144,444
Paint bucket	2.85 – 2.87	2.86	400 – 450	425	148,601.4
Basin	16.1 – 16.2	16.2	2,100 – 2,300	2,200	135,802.5
Bag	112.7 – 113.4	113.1	14,000 -14,500	14,250	125,994.7

Source; Field Survey, 2010

The problems encountered by the respondents are presented in Table 7, it showed that majority (42.5%) of the respondents do not have enough capital (fund) to purchase the quantity they want, 17.5% of the respondents have to share storage facilities and no appropriate facilities to keep it from burning (colour change), 15% is face with high market tax while 2.5% have security problem as there are no security men to protect the market against thieves. The gross margin analysis gave a gross margin of N6,631.7 and a total average cost of N2,372.9 while the net margin is N4,258.8

Table 6: Gross Margin Analysis

Item	₦	₦
Average sales price	125,994.7	
Average purchase price	119,363	
Gross Margin		6,631.7
Total Average Marketing cost	2,372.9	
Net Margin		4,258.8

Source; Field survey, 2010.

Table 7: Problems in garri marketing

Problems	Frequency	Percentage
Transportation	34	42.5
Lack of capital	16	20
High market Tax	2	2.5
Lack of storage facilities	14	17.5
Security problem	2	2.5
Lack of information	12	15
Total	80	100

Source; Field Survey, 2010.

CONCLUSION AND RECOMMENDATIONS

This study assessed the marketing cost and margin for garri in Port Harcourt city of Rivers State. The result of the study showed that garri flowed from the producers to the final consumers through the wholesalers and retailers. Net margin or returns from the marketing operation appears a bit appreciable when viewed in relation to the marketing function performed. The study concluded that the traders earn positive gross net margins in the marketing of garri but this margin cannot be said to be excessive rather are reward of the marketing services rendered by the traders. Based on the findings of this study it was recommended that means of transportation, provision of mini credit facilities to the traders, formation of garri sellers association or cooperatives and provision of more market stall should be given serious consideration as any improvement in the mentioned factors will surely improve the effectiveness of marketing garri. In the case of transportation, marketers can pool their resources together to either purchase or hire a bus that will be conveying them to those bush markets at cheaper price and even better condition. This and other recommendations will be facilitated by formation of co-operative societies by these traders.

REFERENCES

- Adebayo, K. (2006) Dynamics of the Technology Adoption Process in Rural-based cassava processing systems in southwest Nigeria. *International foundation for science, Sweden*.
- Adebayo, K., Lamboll, R. I and Westby, A. (2009) Contextualizing environmental social and behavioural issues in the cassava post-harvest systems in Africa. *Anthropologist special volume No. 5:137-146*
- Ifeanyi-Obi, C.C and Agumagu, A.C. (2008): Agricultural News coverage in selected Nigerian Newspapers (2005-2006). *Medwelljournals. The Social Science*. 3(8): pp 578-582, 2008. <http://Medwelljournals.com>
- Oyewole, O. B. and Philip, B. (2006) *Agro-food chains and sustainable livelihood. A case study of cassava marketing in Nigeria*. Research and development centre University of Abeokuta.
- Philip, T. P., Sanni, L. O. and Akoroda, M. (2004). *Cassava; An industrial crop*. IITA, Ibadan.
- Sanni, L.O. (2005) Cassava utilization and regulatory framework in Nigeria. Technical report submitted to United Nations Industrial Development Organization, Abuja, Project code: YA/RAF/03/447/17-51, December 2005.