



MARKETING SYSTEM AND SOCIO ECONOMIC CHARACTERISTICS OF FRESH AND DRIED TOMATO MARKETERS IN KANO METROPOLIS, NIGERIA

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ABSTRACT

This study assessed the socioeconomic characteristics of fresh and dried tomato marketers, marketing channel and structure in Kano metropolitan area. Structured questionnaires administered to twenty (20) from the six markets, ie ten (10) for fresh and ten (10) dried tomato marketers were randomly selected making a total of sixty of each fresh and dried tomato marketers in Yankaba, Tarauni, Sabon Gari, Rimi, Kurmi and Sharada markets. The data obtained were analyzed using Descriptive Statistics and Gini Coefficient Measures. The findings indicate that majority of male youth (96.67%), with low level of formal education (21.67%) dominates fresh and dried tomato marketing in Kano metropolis. Also a different number of markets participants with homogenous products, wide range of markets information dissemination, with high relative size of sellers (95%, retailers) and free mode of entry in fresh and dried tomato marketing were existed in the study area. The fresh and dried tomato markets were competitive, oligopolistic in nature in the study area.

INTRODUCTION

The markets for the locally consumed foodstuff in northern Nigeria and in the rest of Nigeria are highly localized in nature. There are specific sites where buyers and sellers meet and the exchange of goods takes place. It is not just the impersonal forces of supply and demand that come into contact with each other, instead buyers and sellers enter into personal, face to face, relationships with each other, (Adekanye, 1988).

The sequence of intermediaries or middlemen and market through which goods pass from producers to consumers is known as marketing channel (Adegeye and Dittoh, 1985). It is very important because it reveals the importance of various markets or exchange point in marketing system.

Aminu and Musa, (2007) in their commodity chain analysis of tomato in Kano River Irrigation Project (KRIP) area of Kano State described the main channel of tomato starting from the producers through commission agents, assemblers or regional wholesalers, urban wholesalers, retailers and finally ending with the consumers. The producers sell to the assemblers in rural assembly markets through the commission agents who receive a commission per basket of tomato sold. The assemblers or regional wholesalers move the product to the urban markets where they sell to urban traders through the commission agents in the urban markets and finally the products reach the ultimate consumer. At any level along the chain of distribution commission agents exist who play the role of intermediaries between the marketers for a fee.

Market structure can be defined as those characteristics of the organizations of a market, which seem to influence strategically the nature of competition and pricing within the market. Among the factors considered important in determining market structure are the number and relative size of buyers and sellers, the degree of product differentiation, the ease of entry and exit of buyers and sellers into and out of the market, status of knowledge about costs, prices and market conditions among the participants in the market.

Market structure relates essentially to the degree of competition in a market. It tends to consider whether the number of firms producing a product is large or whether the firms are of equal sizes or dominated by a small group. It is also concerned with whether entry for new firms is easy or difficult and whether the purchase of the product is in competitive state or not. Structure also relates to the degree of market knowledge which is available to these firms. (Olukosi, Isitor and Moses (2007).

Therefore, the broad objective of this study was to assess the marketing system of fresh and dried tomato in Kano Metropolitan area. The specific objectives include to :

- i. The socio-economic characteristics of tomato marketers in the Kano Metropolitan Area.
- ii. Describe the market structure in the study area.

STUDY AREA

Kano Metropolis is the main city of Kano State. It comprises six Local Government Areas, namely Dala, Fagge, Gwale, Kano municipal, Nassarawa and Tarauni local government areas. Kano metropolitan bordered with Ungoggo local government area in the north and west direction, with Kumbotso local government area in the south and west direction, while Gezawa local government area bordered in the east (Baba, Bello and Aminu (2008).

It lies between latitudes $11^{\circ} 45'N$ and $12^{\circ} 05' N$ and longitudes $8^{\circ} 30'E$ and $9^{\circ} 05'$. Hausa is the major ethnic group in the area. Trading is the main occupation of the people living in the metropolis of Kano and in the other areas

outside the metropolis farming is the main occupation of the people with trading taking a second position. Within the metropolitan area, a large number of people are engaged in foodstuffs marketing such as fresh and dried tomato marketing. (Baba,Bello and Aminu, (2008).

SAMPLING TECHNIQUE

A total number of 300 fresh and dried tomato marketers were selected as the sample frame for the study. Twenty (20) respondents from the six markets ten (10) for fresh and ten (10) for dried tomato marketers were randomly selected, making a total of sixty for each of the fresh and dried tomato marketers. Six major markets (Yankaba, Tarauni, Sabon gari, Rimi, Kurmi, and Sharada markets) were purposively selected based on the concentration of fresh and dried tomato marketing in the area,

DATA COLLECTION

Data were obtained through primary source. Using structured questionnaire administered by the researcher with the aid of six (6) trained enumerators. Data on socio economic characteristics of fresh and dried tomato marketers, the market participants, the marketing channel and structured were collected in the study area for the analysis.

DATA ANALYSIS

The data collected in this study were analyzed using descriptive Statistics and Gini-Coefficient. Descriptive statistics such as frequency distribution and percentages were used to describe the socio-economic characteristics of both fresh and dried tomato marketers, and constraints militating against tomato marketing in the study area; While Gini Coefficient as a measure of statistical dispersion developed by the Italian statistician Corrado Gini was also used as a measure of concentration. The Gini Coefficient is usually defined mathematically based on the Lorenz curve. It can be thought as the ratio of the area that lies between the line of equality and the Lorenz curve, over the total area under the line of equality.

A Gini coefficient of zero implies perfect equality in the distribution, while a Gini coefficient of unity implies perfect inequality. The closer the value is to unity,

the greater is the degree of inequality and therefore the higher is the level of concentration and vice versa (Adekanye, 1988). Dillon and Hardarker (1993), explained that a Gini coefficient greater than 0.60 is low indicating inequality distribution of income or sales.

$$\text{Gini coefficient} = 1 - \frac{\sum X \cdot Y}{\dots\dots\dots(1)}$$

Where:

X = Percentage of marketers

Y = Percentage of sales

RESULTS AND DISCUSSION

SOCIO- ECONOMIC CHARACTERISTICS OF TOMATO MARKETERS

Tomato marketing like any other business is much more influenced by the socio-economic characteristics especially on cost and return of the tomato marketing. Thus, its analysis is very useful in socio-economic planning of tomato marketing activities and economic development. Socio – economic variables such as age, gender, marital status, household size, educational status and years of experience in tomato marketing, and capital for both fresh and dried tomato marketers presented and discussed in table 1.

Age Structure of Tomato Marketers

Age structure of tomato marketers i.e both fresh and dried marketers, are presented in table 1. The results shows that majority 88.33% of fresh tomato marketers fell within the age bracket of 25-54 years of age, while 79.99% of the dried tomato marketers also fell within the same age categories, with only 5% and 3.33% of the marketers within the age categories of 65-74 years for fresh and dried tomato marketers respectively in the study area.

This implies that majority of fresh and dried tomato marketers are young that are energetic; ambitious and which may also suggest that youth at age class of 25- 54 years, in the area engaged in economic activities for self employment and sustenance. This agrees with the finding of (Atman Haruna and Sani, (2006) who reported that youths dominate the marketing of tomato in Yamaltu/Deba Local Government Area of Gombe State.

Gender Representation of Tomato Marketers

The gender representation differs greatly. Majority (96.67%) of the fresh tomato marketers

were males and (3.33%) were females, while (100%) of dried tomato marketers were males.

This implies that almost all the tomato marketers were male. This shows that tomato marketing is a male dominated business in Kano metropolis. Socio – cultural feature of the study area make the women to engaged in home oriented business. In western Nigeria, women outnumber men and dominate the retail trade, men feature prominently at wholesale level (Adekanye, 1988).

Marital Status of Respondents

The result revealed that majority (78.33%) of fresh tomato marketers and (81.67%) of dried tomato marketers were married and only (3.33%) of fresh tomato marketers and (18.33%) of dried tomato marketers were single in the Kano Metropolitan Area.

Mostly, married individuals with initial capital of ₦10, 000 were engaged in a small scale business like fresh and dried tomato marketing to take care of their family responsibilities. Unlike, single that did petty jobs like loading that does not need any initial capital to cater for them.

Educational Status of Tomato Marketers

Tomato marketers in the area had one form of education or the other. Majority of the respondents (55%) of fresh tomato marketers had only Qur’an education, while (15%, 21.67% and 8.3%) of the fresh tomato marketers have either primary, secondary or tertiary education respectively. In addition (45%) of dried tomato marketers had Qur’an education and (15%, 20%, 15% and 5%) had either primary, secondary, tertiary or adults education respectively.

The indication of this finding is that the formal education level is generally low as only 45% of the dried marketers had formal education. This implies that the degree or level of acceptance and subsequent adoption of new practices in agriculture would be affected, as education is a variable that predisposes marketer to adopt new ideas.

Marketing Experience

The fresh and dried tomato marketers had different years of experience in tomato marketing..Sixty percent of the respondents were in the range of 1-10 years of experience in fresh tomato marketing while (56.67%) of the respondents had 1-10 years in dried tomato marketing.

Years of experience are important socio-economic characteristics in any business. This indicates that the marketers have been into tomato business in the study area for a reasonable period of time.

Household Size of Tomato Marketers

Household size is another important socio-economic characteristic in tomato marketing. A member in a household can be assigned to run the business when the household head is not available, thus saving the cost of employing a caretaker.

The respondents had different household sizes ranging from 1-30 members in the family. Seventy five percent of the fresh tomato marketers had a household size ranging from 1-10 and only (1.67%) had a household size ranging from 21 – 30 and (81.66%) of the dried tomato marketers also had household size ranging from 1 – 10 and only (1.67%) had a household size ranging from 21 – 30.

THE MARKETING SYSTEM OF TOMATO

The marketing system of agricultural crops in Nigeria has witnessed tremendous changes over the years. Up to 1986, the system was regulated, with demands and supply determined by the various commodity Boards. Following the Structural Adjustment Programme of the Federal government in 1986, government gradually withdrew from the market and today, the market is completely controlled by the private sector (Adekanye, 1988).

The commodity chains are operated at numerous levels beginning from the producer at farm gate and passing through the commission agents to the rural wholesalers, to the urban wholesalers, to the retailer and to the final consumer.

The Marketing Structure

Market structure relates essentially to the degree of competition in a markets and whether the purchase of the product is in competitive state or not (Olukosi, Isitor and Moses, 2007).

Number and Size of Marketers

All (100%) of the fresh and dried tomato traders interviewed were retailers. This implies that there is high relative size of retailers and the consumers buy from many competing sellers (retailers) than from other market participants.

Market Entry

The result in table 2 shows that (66.67%) of the fresh tomato marketers, and (83.33%) of dried tomato marketers had free mode of entry into the tomato marketing in the study area. In addition only (33.33%) of fresh tomato marketers and some (16.67%) of dried tomato marketers had restricted entry into the tomato marketing in the study area. This indicates that it is a condition for tomato marketer who wishes to join an association must pay the enrolment fee and agree to abide by its rules and regulations.

This implies that entry conditions into marketing association of both fresh and dried tomato marketers in each market is free and voluntarily, restriction is for one reason or the other.

Sources of Market Information

Information has been identified as one of the resources required for the improvement of agricultural marketing. It is a resource that must be acquired and used in order to make an informed decision. Those who possess appropriate and timely information will make a more rational decision than those without it.

The results shows that (60%) of the fresh tomato marketers and only (5%) of dried tomato marketers obtained their market information from the commission agents. In addition, (40%) of fresh tomato marketers and (95%) of dried tomato marketers obtained their market information from retailers.

Membership to Marketing Association

Majority (60%) of fresh tomato marketers were members of fresh tomato marketers association and a total of (40%) were not members of fresh tomato marketers association, while a total of (48.33%) were members of dried tomato marketers association, and majority (51.67%) were not member of dried tomato marketers association.

This implies that the fresh and dried tomato marketers association, perform their physical operations of the marketing for the members with sole objective of rendering marketing services to them at the least cost, possible and getting the highest possible price for their products

Estimation of Gini Coefficient

A Gini coefficient of zero implies perfect equality in the distribution, while a gini coefficient of unity implies perfect inequality.

Based on the results obtained in table 3 and 4.

A Gini coefficient of zero implies perfect equality in the distribution, thus a Gini coefficient of 0.5547 obtained for marketing of fresh tomato implied that there was an equality in the distribution of sales earnings among fresh tomato marketers also there was a high level of concentration of dried tomato marketers which is a reflection of monopolistic nature of dried tomato market structure in the Kano metropolis. This is supported with high Gini coefficient of 0.6003 obtained for marketing of dried tomato marketers in the study area.

Availability of Storage Systems

Table 5, reveals that only (3.33%) of the fresh tomato marketers had permanent shops with lock-up and majority (78.33%) of dried tomato marketers had permanent shops with lock-up and majority (96.67%) of fresh tomato marketers left their fresh tomato in open space. Tomato marketing activities are usually carried out in the open place with traders displaying their goods on the ground. This did not agree with Adekanye, 1988 who reported that urban markets had better facilities like permanent shops with lock-up, storage facilities and counters.

Market Organization and Schedule

Markets held daily, the essence of the daily markets is that they are continuous in operation

(from day to day) as opposed to the periodic ones which are held on certain fixed dates. This implies that the daily operation of markets is necessary to satisfy the needs of the large population of urban settlements.

The urban markets in the study area meet only during the day. It operates from as early as 6.00am and tapers off between 6.00pm and this appears as the tradition of Nigerian markets and it is probably for security reason.

Conclusion

Based on the findings of this study, it is concluded that majority of male with low level of formal education dominates fresh and dried tomato marketing in Kano metropolis. Also a different number of market participants with homogenous products, wide range of markets information dissemination, with high relative size of sellers (retailers), and free mode of entry in fresh and dried tomato marketing existed in the study area. The fresh and dried tomato markets were competitive, monopolistic in nature in the study area.

Recommendations

The Agricultural Development Projects (ADPs), and tomato marketers associations should encourage women to operate businesses that are home oriented such as tomato and other foodstuff marketing. Government and private sector should facilitate adult literacy and Back to School Programs to the tomato sellers to improve their education. It is suggested that the existing free market among fresh and dried tomato marketers should be enhanced.

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Table 1: Socio – Economic Characteristics of Tomato Marketers.

	Fresh Tomato Marketers		Dried Tomato Marketers	
	Frequency	Percentage	Frequency	Percentage
Age Structure				
25 -34	11	18.33	13	21.66
35- 44	28	46.67	21	35.00
45 -54	14	23.33	14	23.33
55- 64	4	6.67	10	16.67
65 – 74	3	5.00	2	3.33
Gender Sex				
Male	58	96.67	60	100
Female	2	3.33	-	-
Marital Status				
Married	47	78.33	49	81.67
Single	13	21.67	11	18.33
Level of Education				
Qur'an	33	55	27	45.00
Primary	9	15	8	15.00
Secondary	13	21.67	12	20.00
Tertiary	5	8.33	9	15.00
Adult Education	0	0	3	5.00
Years of Experience				
1 – 10	36	60	34	56.67
11 – 20	14	23.33	23	38.33
21 – 30	10	16.67	3	5.00
Household Size				
1 – 10	45	75	49	81.66
11 – 20	14	23.33	10	16.67
21 – 30	1	1.67	1	1.67
Total	60	100	60	100

Table 2: Distribution of Fresh and Dried Tomato Marketers According to Mode of entry, Source of Market Information and Membership to Marketing Association.

	Fresh Tomato Marketers		Dried Tomato Marketers	
	Frequency	Percentage	Frequency	Percentage
Mode of Entry				
Free entry	40	66.67	50	83.33
Restricted entry	20	33.33	10	16.67
Source of Market Information				
Commission agents	36	60	3	5.00
Retailer	24	40	57	95.00
Membership to Marketing Association				
Membership				
Member	36	60	29	48.33
Nonmember	24	40	31	51.67
Total	60	100	60	100

Table 3: Computation of Gini Coefficient for Fresh Tomato Marketers.

Years	No. of	% of	Cumulative	Total	% of	Cumulative	XY
Income (Sales) (₦)	Marketers	Marketers	% of Marketers (X)	Value of year Sales (₦)	Total Sales	% of Sales (Y)	
1341-4340	6	0.06	0.06	28560	0.162	0.162	0.0097
4341-7340	34	0.34	0.04	26880	0.152	0.314	0.1068
7341-10340	10	0.10	0.63	21840	0.124	0.571	0.0571
10341-13340	3	0.03	0.66	20160	0.114	0.685	0.0206
13341-16340	7	0.07	0.97	10080	0.057	0.983	0.0657
Total	60	0.60		107520			0.4453

Mean of Sales 107520

Gini coefficient = $1 - \sum XY = 1 - 0.4453 = 0.5547$

Table 4: Computation of Gini coefficient for Dried Tomato Marketers

Years	No. of	% of	Cumulative	Total	% of	Cumulative	XY
Income (Sales) (₦)	Marketers	Marketers	% of Marketers (X)	Value of year Sales (₦)	Total Sales	% of Sales (Y)	
16341-19340	15	0.15	0.81	18480	0.105	0.790	0.1185
19341-22340	13	0.13	0.53	23520	0.113	0.447	0.0581
22341-25340	10	0.10	0.63	21840	0.124	0.571	0.0571
25341-28340	10	0.10	0.63	21840	0.124	0.571	0.0571
28341-31340	9	0.09	0.90	16128	0.091	0.881	0.0793
31341-34340	2	0.02	0.99	7056	0.040	0.978	0.0196
34341-37340	1	0.01	1.00	4032	0.023	1.00	0.01
Total	60	0.60		112896			0.3997

Mean of sales = 112896

Gini coefficient = $1 - \sum XY = 1 - 0.3997 = 0.6003$

Table 5: Distribution of Fresh and Dried Tomato Marketers According to Use of Storage System

Storage system	Fresh Tomato Marketers		Dried Tomato Marketers	
	Frequency	Percentage	Frequency	Percentage
Permanent shops with lock-up	2	3.33	47	78.33
Open storage	58	96.67	13	21.67
Total	60	100	60	100