

Impacts of Power and Market Relations on the Poultry Sector of Akwa Ibom State, Nigeria

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Abstract

This study was conducted to explore the impacts of power and market relations with respect to small farmers' responses on how risk and rewards are shared in the poultry supply chain of Akwa Ibom State, Nigeria. It argues that poor market and power relations with input suppliers and chicken buyers have subjected poultry farmers to 'price takers' and 'money recyclers'; a reason for the weak poultry sector in need of capacity to tackle economic, social and environmental imperatives. The study positions Nigeria with its abundant untapped resources and expanding population as the largest market for poultry and its products in the region. It also argues that the state policy intervention with proper tools and collaborative efforts can balance power and market relations across the supply chain and crucially for the marginalized

small farmers in order to strengthen the sector and align it with global sensibility. This paper provides a policy framework that could help the government of Akwa Ibom State and Nigeria to use the poultry sector in lifting majority of farmers out of poverty and provide employment for the jobless millions.

Keywords: money recyclers, collateral casualties, poultry supply chain, poultry policy, Nigerian agriculture.

1. Introduction

Nigeria is a nation state with approximately 180 million people and great potential for poultry production for domestic and export markets within the West African regions and beyond. Ten percent of Nigerians are poultry farmers and more than 70% of poultry in Nigeria is chicken (Okonkwo and Akubo, 2001; Ekunwe and Akahomen, 2015). Nigerian statistics and the assumption that poultry production provides a quick financial turnover (Ajala et al. 2007); imply that the poultry sector is expected to deliver a vital source of income to a considerable number of Nigerians. It is estimated that Nigeria has 176 million poultry birds (FAO, 2008). A study in Edo State gave an average of 300 birds per farmer (Ekunwe and Akahomen, 2015). Various studies are unanimous in their conclusion that the poultry sector serves not just the biological, but also economic and social development of the Nigerian society (Ekunwe and Akahomen, 2015; Udousung et al., 2015; Oladeebo and Amber-Lamidi, 2007); Adebayo and Adeola, 2005; Tanko, 2002). Perhaps driven by the prospect of the sector to tackle the economic, social and biological issues, much poultry sector research work in Nigeria has focused on performance and optimisation (Bello et al., 2012; Bashar and Abubakar, 2012; Opoola et al., 2012); genetic potentials (Nwachukwu and Nwabuko, 2012; Nwachukwu et al., 2012); disease intervention (Udousung et al., 2015), alternative feed ingredients to reduce production cost (Barksh, 2009; Lalabe et al., 2012). Perhaps not much has been done on poultry sector governance, supply chain approach and the socioeconomic attribution or utility of a poultry farmer. In other words focus has been placed on the system and productivity of the animal with less regard to the supply chain relations, welfare and the environment in which the animal owner and farmer operates. The poultry sector cannot sustain strongly if the market and power relations are not balanced for the key actors to equitably negotiate their interests. Already, two independent studies in Edo state (Ekunwe and Akahomen, 2015); and Akwa Ibom State (Udousung et al., 2015); reported that majority of poultry farmers were at an average age of 45years. These findings present a negative indicator on the vibrancy and resilience of the poultry sector. A strong Nigerian poultry sector with good supply chain relations would provide a good template for employment of at least millions of Nigerian graduates in Agriculture.

The poultry sector provides the model with which the entire food animal supply chain should be directed. Yakovleva and Flynn (2004) advanced three reasons for this assumption: firstly, the integrated nature of the sector; secondly, the global scale of its market and acceptability; and thirdly its lead in driving the evolving taste

and technologies and resulting convenience. Within the relative short turnover in achieving market requirements, the poultry sector provides an incredible framework with which a developing economy like Nigeria could deploy to kick off poverty intervention efforts for food animal sector. The sector offers a scope for progressive expansion for the best in class producers, who can simultaneously feed themselves and their communities. As it is with other nations, the poultry sector of Nigeria is not one sector; it is very complex and is inherently a supply chain, nevertheless a weak one.

The clarity with which the Nigerian poultry sector is taken as a supply chain appears blurred from the policy and operational point of view. Like other agriculture sectors, the poultry supply chain has distinct stages of production, processing, marketing and consumption. It gains from input and information supplies at each of these stages of upstream and downstream activities but more crucially at the primary production stage. In Nigeria it is not as integrated as it should be hence it is at the production or rearing stage that inputs such as feed, day old chicks, vaccines and drugs are provisioned. The 'supply chain is not only a system of stages lined up in a particular sequence of economic activities, through which resources, materials and information flow, but is also seen as a network of organizations whose relationships enable the functioning of the supply chain' (Yakovleva and Flynn, 2004). The above shows that relationship within the networking organisations is vital to the proper functioning of the supply chain. Usually the key actors including regulators, suppliers of equipment and materials as well as waste disposal agencies and infrastructure are also embodied in the definition of supply chain (Yakovleva and Flynn, 2004). While it is normal to expect the best for the sector, poor power and market relations coupled with poor policy environment with which farmers operate has shaped the reality of the poultry sector in Akwa Ibom State. This reality comes with the prospects that things could be turned around to produce a vibrant competitive poultry sector capable of providing employment for millions of youths in the country; alleviating poverty; advancing domestic welfare and reducing concerns of food security in the country.

The poultry sector in Akwa Ibom State can be split broadly into commercial production and traditional or rural poultry production. Commercial production ranges from small-scale businesses to large integrated poultry farms. Rural poultry is reared for subsistence purposes and most rural households in the State keep some form of poultry, usually chicken. Chicken is the dominant form of poultry, and accounts for over 90% of the sector, though it also includes very insignificant level of turkeys, ducks, geese, and guinea fowls rearing. Chicken can be further split into two categories – traditional breeds which are used in backyard poultry production, and exotic (or high yield) breeds used in commercial production. Backyard poultry production is done with the objective of providing meat and eggs for household consumption, as well as an occasional source of income. Meanwhile, commercial production is conducted with the explicit purpose of the commercial-scale sale of meat and eggs.

The production of commercial chicken in Akwa Ibom State predates the creation of the State in 1987. It is closely linked with the beginning of poultry production in Nigeria which began in the late 1950s, when egg farms were established in the west of the country. At the time, broiler meat was not popular, and the market preferred the tougher chicken meat from local varieties and old layers. Gradually, Nigeria began importing poultry inputs, which led to rapid growth of the industry. By 1983, over 40 million commercial birds, supported by 874 feed mills were reported in Nigeria, part of which was contributed by the area known today as Akwa Ibom State. However, the commercial sector collapsed in 1986, when Nigeria subscribed to the World Bank's Structural Adjustment Programme. Under this programme, the Naira was devalued massively, making poultry inputs (which were largely imported) unaffordable, reducing competitiveness. The imports of several key poultry inputs, including day old chicks (docs), feed components, vaccines, and equipment were also banned. These actions reduced the commercial poultry population drastically. Successive governments at the national level since then have maintained some form of restriction on the import of poultry and related products. The ban on the import of commercial poultry has actually provided support for the domestic production of commercial poultry, which has recovered since 1988. Meanwhile, backyard poultry, common across rural households has grown steadily, providing a stable supply of chicken meat and eggs to a large proportion of the population. Overall, the demand for poultry products in the State and neighbouring States has continued to grow over the years, fuelled by a high population growth rate, increasing per capita income, and increasing urbanization.

Recent studies (Ebong and Enyenihi, 2014; Egwonwu and Umoh, 2015) indicate that the State is virtually self sufficient in the production of live-birds and eggs. It currently supplies live-birds and eggs to neighbouring

states- Cross River, Rivers and Abia. However, the State relies on hatcheries in Ibadan, Abeokuta and Kwara State for day old chicks. Feeds and drugs are also obtained from manufacturers outside the State such as Vital Feed, Top Feed, Guinea Feed and AmoByng. Poultry processing is at very low level in the state. Both the processing technology and the expertise are lacking. Thus, processed poultry meat is supplied from farms in other states while some are imported by firms located outside Akwa Ibom State.

A number of reports have it that poultry business in the state is changing from subsistence to commercial economic venture. However, many operators/entrepreneurs in the broiler sub sector have been voicing out their frustrations in carrying out their business.

To the best of our knowledge, there is hardly any literature so far that examines the existing power and market relations in the poultry sector in Nigeria. The power and markets relations existing in the sector impinges on the state and non state actors in the poultry industry. Therefore, it is the aim of this paper to contribute to closing this research gap by using Akwa Ibom state narrative. Firstly, we review the concepts underlying the study. Secondly, we briefly explain the study methodology. Thirdly, we present the results and discussions.

2. Current Power and Market Relations

The Akwa Ibom poultry sector is characterised by market power and vested interest at the upstream and downstream side of the supply chain. Without limiting this corporate power or regulating it the poultry sector of the state will always work for the wealthy actors within the supply chain. A handful of multinational companies producing day old chicks, feed, drugs and vaccines are dominating the market at the input supply side. While the fast food operators, supermarkets and roadside roasters have vested interest and exercise undue power on the farmers. The greatest common characteristics of these power actors at the supply and buying sides is in acting as "price makers" or "price setters", subjecting the farmers to a position of "price takers". On one side there is the harmony with which these multinationals fix price fluctuations for a day old chick to range from USD0.60 to more than USD1.26 with no logical economic forces explainable for these fluctuations. They also often create panic for scarcity and desperation on the side of the farmers for feed and also for the DOC. On the other side the price for chicken which are market ready remain ever fixed at USD4.53 each for the farmer by the corporate buyers in the state. By so doing the input suppliers and chicken buyers individually and collectively control the total quantity and/or the prevailing price in the market. Some corporate buyers have motivated farmers to build up the capacity towards bulk supplies to their outlets only to abandon them at full capacity to new cheaper suppliers. Often farmers are owed longer than agreed period for payment leading to their cash flow problems and downsizing. Nigeria has no anti-trust and does not seem to have the appetite for legislation intended to limit the ability of a handful of operators within the sector accumulating undue market power. Instead what we sense is the Government sensitivity in congratulating these corporations as panacea to Nigeria's problem in agriculture, rather than building the capacity and creating enabling environment for the small holders who form the majority of participants within the sector. This 'us' and 'them' categorisation of the poultry sector has led to very poor relations among the key participants of the sector and has a huge bearing on the spread of equity.

Power relations across the supply chain of food appear to be a global imperative that has been strongly articulated (Oosterveer and Sonnenfeld, 2012; Lang, 2010; Marsden, 2010). Food policy experts had identified that the food supply chain is predominantly retailers led characterised by contested power relations with overwhelming corporate control (Lang, 2010; Marsden, 2010). The reality is that for over two decades a relatively small number of businesses have come to dominate the global supply chain and their presence is very visible from suppliers' stage through to manufacture, wholesale and retail thereby raising concerns of many over the corporate dominance and the exercise of their power through volume and acquisition (Foresight, 2011). This dominance has sparked a widespread cultural revolt from consumers and movements that are seeking alternative modes of food provisioning (Sage, 2003). For instance, a small number of large UK retailers have market power over the 7000 suppliers to the sector (Parfitt et al., 2010). In order to vividly explain the scale of the dominance, Oosterveer and Sonnenfeld (2012) reported that at the global level the top ten companies command 28% share of the food market; 50% of the seed market and 82% of the pesticides market. The rising power of multinational food and agribusiness corporations is also depicted by the global integration of agri-food system (Oosterveer and Sonnenfeld, 2012). Besides their capture of economic shares of the market, these corporations also control the

suppliers by defining and setting conditions for quality, packaging and standards of delivery (Oosterveer and Sonnenfeld, 2012). Buyer power has been known to have dreadful consequences for small-scale farmers and agricultural workers. Concentration has produced buyer power and information which is disproportionate and creates problems in achieving fair, open and transparent markets (Carstensen, 2008). Marsden (2010) relates the current decline in productive capacity of the UK farm businesses to lopsided distribution of equity where the retailer and food caterers negotiating power is dominant to the disadvantage of the farmers. Within this context farmers are seen to play the role of price 'takers' instead of price 'givers'. Disproportionate use of power and information between the buyer and seller can lead to the distortion of the market which is characterised by lack of fairness, access, efficiency and transparency of the market (Carstensen, 2008). There are two ways to understand the mechanism of power relations: First, 'grave disproportionality' is where there are relatively few buyers in comparison to a huge number of suppliers providing the opportunity for the buyer to exercise substantial power over the price and the conditions in which the products are supplied; second, when the buyer is also the seller a condition exists where the 'buyer power is the mirror image of seller power'. Both contexts allow the buyer to constrict food provisioning channels through which food reaches the consumers (Carstensen, 2008). According to De Schutter (2011) this market arrangement controls a significant part of the supply chain and places the powerful buyers as the gatekeepers through which sellers are directed in order to enter the global market. It allocates tremendous power to the buyer to set price and distort the market for the commodity that they buy and process and in the end the producers are paid less and the low price is not necessarily passed onto the consumers (Carstensen, 2008; De Schutter, 2011). Buyer power abuse and concentration goes beyond pricing to include shifting of cost and risks to suppliers. The traditional argument which seeks to validate power abuse has always been that the cost savings due to buying power is passed onto consumers (De Schutter, 2011).

3. The Study Approach

The study employed qualitative data collection techniques and participants observation to obtain information. Key informant interviews (KII) were conducted with key players in the poultry supply chain in the state. These include inputs (doc, drugs/vaccines, feeds, etc) suppliers, poultry farmers (broilers and layers), processors and retail shop operators. Discussions centred on the existing power relations among the operators along the poultry supply chain in the state. Key informants interview is particularly useful in obtaining expert opinions from individuals who are presumed to have special knowledge about the target population's problems and needs, as well as about current gaps in service delivery to that population (Rubin and Babbie, 2005). Leaders of Poultry Association of Nigeria, Akwa Ibom Chapter, producers of broiler birds and, producers of layers who have been in the business for up to 10 years and adjudged by their peers to be knowledgeable in matters relating to the poultry sector in the state were interviewed. In addition, traders in poultry and poultry products as well sales outlets particularly supermarkets and fast food shops were also interviewed. The prime advantage of the key informant interview approach is the possibility of quick selection of sample and conducting interview. In addition to the use of KII, participant observation also formed the basis of the research. The authors are poultry farmers. The first author operates an integrated broiler birds production outfit which undertakes hatching own docs, mixing of own feed and rearing the birds to point of sales. The second author runs a small poultry egg production as a family business to augment income from paid employment. Their experiences in the sector complement information by key informants in this study.

The data analysis is anchored on the grounded theory. Grounded theory begins with observations and looks for patterns, themes or common categories. The grounded theory is open and thus allows greater latitude for discovery of the unexpected, some regularity or disparity. The method emphasizes inductive process but seldom include deductive processes where constant comparisons are made.

4. Results and Discussion

The Akwa Ibom State poultry supply chain faces huge imbalances in power relations amongst the chain operators. The outcome of this power imbalance is felt in the impoverishing of the poultry farmers while consumers are complaining that the Akwa Ibom poultry products are too expensive compared to other states. One of such overriding challenges is the relations existing among key actors of the poultry supply chain and in how they use and administer their power in constructing market relations (business to business as well as business to consumer relations).

4.1 Farmers

The supply chain is as strong as the weakest link; in this case the farmers at the rearing stage form the weakest link. The evolution of economic value of chicken in Akwa Ibom State post farm gate deliberately excludes the farmers' participation from this economic process and in the share and distribution of proceeds. Farm gate price of life chicken in Uyo is in the average of USD4.53. Fast food operators buy a minimum of 1.3kg dressed chicken slaughtered, dressed and delivered by farmers to supermarkets and fast food centres. These farmers are not paid until 21 days or sometimes up to 1 month. Although the price of dressed chicken remains same as the life chicken at USD4.53, the only advantage of delivering to the fast food operator is the bulk required by these buyers. On the input supply side farmers are being provisioned substandard inputs such as doc, drugs and vaccines with prices imposed on them. The appalling relationship existing between farmers and their input suppliers and buyers of chicken is explained in greater detail under market.

The changing position of Akwa Ibom food provisioning brought about by emergent of fast food centres; supermarkets and pressure from input suppliers impose changes in the power relations and position of the farmer. Faced with forces of changing food market where these operators fix and dictate prices for chicken, not all small farmers survive the changing dynamics of the local food markets and withstand the economic turbulence, some have faced sudden bankruptcy and forced to exit farming profession or to find alternative employment outside farming. Poultry farmers in the state lack the presence of a body or agency with which they could report issues and sharp practices associated with supplies of mixed strains and substandard day old chicks supplied to them by multinationals, their agents and other small breeder farms based in and around Ibadan.

Although, Ekunwe and Akahomen (2015) reported a highly positive returns to every naira invested for Edo state poultry farmers (*for every one naira invested in broiler production in the study area a profit of USD0.01 was realized*), our scooping study for Akwa Ibom State fails to agree with this conclusion. We observe that a large number of poultry farmers in Akwa Ibom State are bankrupt and are exiting farming and seeking alternative or subsidiary source of income. However, our scooping agrees with Ekunwe and Akahomen (2015) on poor entry of graduates and under 40 age groups into the poultry supply chain in Akwa Ibom. This presents a deepening concern on sustainability of the poultry sector dominated by less vibrant industrial age groups. Akwa Ibom poultry farmer also faces a range of other constraints to profitable and sustainable poultry production. Lalabe et al., (2012) vividly reported that access to and high cost of feed is a major limitation in broiler farming as up to 80% of cost of broiler production is taken up by feed. Akwa Ibom state poultry farmer has no functional feed ingredients reserve or commercial livestock feed mill, no functional breeder farms or hatcheries in the state to rely on; inundated with substandard vaccines and drugs; and has little or no representation. Akwa Ibom poultry farmer faces market failures and uncertainties as there is no strong market and operational infrastructure for poultry supply chain and also faces weak governance and unclear/confused policy orientation from the three layers of government on animal agriculture. Akwa Ibom poultry farmer is under studied and poorly positioned in the power and market relations within the poultry supply chain.

Table 1: Evolution of price for broiler chicken in Akwa Ibom State*

Item	Price in (USD)
Price of Day old chicks (DOC)	1.16
Cost of feeding one broiler to market weight	2.77
Average Farm gate price for life chicken	4.53
Average Price for dressed chicken (1.3kg – 1.5kg) market weight delivered by farmers to fast food centres	4.78
Retail price of one chicken at fast food centres after being cut into four units at USD 2.77 each	11.06

* Prices were taken in February 2016 and could vary considerably throughout the year for DOC between USD 0.60 to USD 1.26. What seems not to vary much for several years is the farm gate price for life and dressed chicken even with dramatic increases in the price of inputs.

4.2 Consumers

It is a current global aspiration that full realisation of consumer power should be pursued to move the food supply chain towards sustainability. Oosterveer and Sonenfeld (2012 p.102) expressed potentials of consumers power as a template for co-driving supply chain changes through their use of 'subpolitics' involving voting with their feet and money as well as deployment of boycott and buycott tools. Potentials of consumers in driving the supplier chain changes in the Nigerian nation state is yet to be explored to any reasonable degree. There is still a large room in investing in civil activism and third sector development of the Nigerian nation state to tap into the global aspiration for sustainable consumption. Through sustainable consumption proper economic and environmental interventions could be achieved. Within this concept is the key assertion that consumers have the power to influence changes, especially those changes that form criteria for strengthening the poultry supply chain of Akwa Ibom State and using it to tackle economic, social and environmental challenges. Global patterns of supply chain relations strongly show that consumer trust relations are more with civil society than with the market and the state (Oosterveer and Sonenfeld, 2012 p.102). This underscores the need to firstly invest in the development of strong democracy and civil society as the basis to underpin consumer power capable of steering the poultry supply chain in Akwa Ibom. The current situation of chicken consumers in Akwa Ibom is far from the above ideals. Just as with the farmers, corporate chicken buyers from fast food and retail sector also impose retail price of chicken on consumers who serve as 'price takers' with no provision for them to bargain prices. These fast food operators and roadside chicken roasters have considerably shaped the taste, preferences and convenience of accessing broad choice of chicken meat in Uyo. Friedberg (2007) alludes to the 'goodness' of food retailers in providing the assurance on standards, safety and quality to attract consumers. This 'goodness' extends to include extra convenience and play areas provided to entertain kids at food centres in Uyo as part of buying and eating experience. Some of these food centres also use price and flavour differentials to distinguish themselves and grab shares of the chicken market. These 'courting' of consumers have heightened corporate power of retailers and caterers who seem to have successfully constructed consumers' interest in the chicken market of Akwa Ibom while at the same time dissipating consumers' power. As seen from table 1 it is the consumer who pays the highest price for chicken in Akwa Ibom State while the farmer is impoverished. The broader implication is that the market for chicken serves as a conduit where the majority of poor people (unable to afford the high prices) are eliminated from participation. In other words, the chicken supply chain has created a conventional market that leaves behind a large population of its residence who cannot access the market for chicken. To that effect the Western consumption interventions proposed to create consumers awareness and empower them in areas where they can consume less animal based food, more plant based food; and significantly reduce food related waste (SDC, 2011; Lang, 2010 and Marsden, 2010) in countries of Europe fail to apply with any force in my local region of Akwa Ibom State. With acute high quality protein deficit of my community this paper proposes alternative intervention measures that can strengthen the market of chicken whereby the sector is used as a lever in tackling much of the social, environmental and economic issues of Akwa Ibom State. But what is the role of the state government and how is the state interacting with the market in their relations?

4.3 The State

The ultimate power to shape and correct imbalances of the supply chain of chicken in Akwa Ibom would once have been the sole responsibility of the Government. The poultry supply chain belongs to the food and agriculture sector that is the most regulated of the global economy with mandatory policies from Nation states. However, the global patterns show that national governments are no longer capable of governing the supply chain alone as a result of the emergence of plurality of governmentalities with multiple levels and actors now on stage and expected to work together, negotiate and tackle supply chain issues (Oosterveer and Sonenfeld, 2012 p.70-75). Oosterveer and Sonnenfeld (2012) confirmed that the changing politics of food which shows the diminishing role of national government also means that food business operators are setting the rules on provisioning of food. The irony for this is that the weakening state power is occurring at the time there is an increased need for intervention within the food sector. The way forward for the state to tackle food issues is by building indirect and softer forms of approach towards collaborative engagement with principally the market and food focused NGOs (FFNGOs). This process of deploying stakeholders by the state instead of regulations is what Oosterveer and Sonnenfeld (2012) describe as shifting balance of power from top-down to a more collaborative approach. This collaborative approach is viewed by many as interactive governance process where each of the actors (the state, market and FFNGOs) synchronises their action to provide interventions and is recommended to be an effective approach towards sustainability (Lang, 2010; Marsden, 2010; Oosterveer and

Sonnenfeld, 2012). This new governance approach allows government departments to use policy development process for a comprehensive system approach and joined up thinking to tackle economic, environmental and social issues of supply chain using multistakeholder participation with key actors (SDC, 2011). Even with this effort policy development even at its best can be messy and chaotic. It is well known that policy development – a process to achieve specific goals and targets - is a linear process that is not always rational but evolves in association with people, history, politics and negotiation by different participating groupings (DFID, 2004; Lang, 2010; Lang *et al.*, 2009; SDC, 2011). A lot of what has gone wrong with food and agriculture is heavily blamed on flawed process and inappropriate or lack of policy direction. Part of the concerns for policy development has been lack of participation and inadequate representation of disparate views of key actors. It is understandable though that due to lack of resources and transparency of the process farmers and civil society views may not have been adequately captured in the policy development process for food and agriculture. Ideally, the presence of the kind of NGOs called food focused NGOs (FFNGOs) who are knowledgeable in the food supply chain technical issues and appropriately representing them should be encouraged for inclusiveness (Essien, 2016). Akwa Ibom state government has a responsibility of building capacity and integrating FFNGOs views in policy development for the sector. This level of representation would ensure that the interests of disparate actors are leveraged and brought to the negotiating table (DFID, 2004).

Much of Akwa Ibom State government development interventions lack adequate debates, negotiation and broadest possible representation. For instance, Akwa Ibom Agriculture Yearbook of 2013 which published a range of agriculture intervention efforts of the then State Government, expressed the policy intention to fix some of the issues of the state poultry sector by establishing a 720,000/month DOC capacity hatchery at Mbiaya Uruan (Akwa Ibom State Ministry of Agriculture and Natural Resources 2013). Despite the seemingly noble intention of the government to intervene, which seemed laudable, not a single DOC has been produced to date for a variety of reasons. Setting policy orientation for the state poultry sector is a complex process that is larger than the state government mere pronouncement of intentions. Concrete policy action requires proper engagement, understanding of the issues and broadest possible consultation with major supply chain actors.

4.4 Market

Akwa Ibom poultry sector is fast food and retail led. Major buyers and retailers of chicken besides fast food operators include roadside roasters and supermarkets. These are the ‘gate keepers’ of the poultry sector in the state. Roadside roasters (worst buyers of chicken) are a band of chicken buyers who slaughter and roast their chicken for sale on roadside. They have a tradition of visiting farms, ‘massaging’ and selecting each and individual life chicken that weighs the heaviest and can fetch them much returns from roasted body parts. They move from one farm to the other, as they like, once they gain information from their network that a particular farm has market ready chicken. Now fast food centres have taken up a substantial chunk of chicken market from the roadside roasters.

Fifteen years ago there was no fast food centre in Uyo and hardly any serious supermarket. The last 10 years has seen a rapid emergence, proliferation and substantial expansion of fast food centres and modern supermarkets (Table 2) which have considerably changed the mode of food provisioning in Uyo, the capital city of Akwa Ibom State. Some of these fast food and supermarket brands have already established multiple outlets within the city since their first entry. These operators are the largest buyers and traders in whole or body parts of chicken. These fast food centres, supermarket operators and also mushrooming roadside roasters of chicken have put immense pressure on farmers to become ‘price takers’ of chicken supply chain.

Also dominating the market are manufacturers of inputs such as day old chicks, feed, drugs and vaccines who are all based outside the state. Pressures on farmers come from the input suppliers and the fast food and retail sectors as they subject the farmers to ‘price taker’ position. There is no public sector surveillance infrastructure for the poultry sector; and the market rules are set by the powerful input suppliers at one end and the chicken buyers at the other end. Very bad practices dominate the market for poultry sector in the state and no mechanism exists to regulate and eliminate bad industry practices that unduly enrich those involved in these practices. Some of these practices range from proliferation of the market with substandard vet drugs, vaccines and day old chicks. Bags of feed labelled 25kg have often been delivered lower than declared weight to farmers who may not always

have weighing scales to check individual bags. Poor functioning of the market has created challenging operating environment for the poultry farmers whom some have been forced out of business due to undue economic pressure.

Table 2. Major fast food operators established within last 10 years in Uyo, capital city of Akwa Ibom State

Major fast food operators	Year of establishment
Kilimanjaro	2014
Mummy J	2015
Apples	2015
Country Style	2016
Crunchies	2008
Food Affairs	2006
Sammies	2012
Tantaliser	2015
City Chef	2014
Pepperoni	2011
Cherries	2015

Granted food assumes most of its economic value post farm gate at the processing and retail stages (Forseight, 2011). This is the scenario with the chicken supply chain in Akwa Ibom State. This evolution of economic value of food post farm gate deliberately excludes the farmers' participation from this economic process and from the share and distribution of proceeds. It also perhaps unintentionally excludes millions of poor who are unable to access chicken at the prevailing retail prices. Farmers need to know how they come to receive substandard and mixed strains and breeds of day old chicks in branded cartons delivered to them by agents of these multinationals. Government intervention in the market can be disruptive but in this case it can contribute to stabilising and strengthening aspects of the market for all actors including the ultimate consumers of chicken.

On the input supplies side, a considerable proportion of the input suppliers based in the state are traders who act as agents for producers of inputs who are all located outside the state. For instance almost all of the day old chicks supplied into the state come from a mix of multinationals and mushrooming small holder breeder farms all based in Ibadan and surrounding regions approximately. These agents speculate and impose DOC prices on farmers who are lacking bargaining power and also information to ascertain the real price of DOC. Poultry farmer of Akwa Ibom State faces huge capital flight through feed and day old chicks (DOC) exchange. Viewed from above constraints Akwa Ibom poultry farmer is a typical 'money recycler' and a 'collateral casualty' within the supply chain relations.

4.5 The Future of Poultry Sector with Improved Power and Market Relations

The previous sections revealed the current situations in the poultry sector of Akwa Ibom State, which is also typical of the Nigerian poultry market. The Nigerian (and indeed Akwa Ibom State) poultry sector offers various possibilities for potential investors (Heise et al., 2015) in spite of the current challenges. It particularly welcomes multinationals that play according to fundamental market rules even when they are operating outside their home countries. Many of the factors which represent sector weakness at this point in time could be turned into opportunities. However, what will the future of the poultry industry look like given the improved power and market relations? This is the focus of this section of the paper.

The key point for this section is to open discussions with fundamental assumptions that in order to progress towards a strong poultry supply chain in Akwa Ibom, key practices and policies that shape current patterns of production and consumption are not just required but should also be well coordinated. The archaic nature of the market for chicken needs proper organization in order to strengthen the competitiveness of the sector in the state. The following section provides a framework for strengthening the sector and relations amongst actors in the state. A prosperous market for the poultry sector comes with many advantages: reduced losses; unrestricted flow of goods from farm to fork; employment opportunities; increased production and incorporation of poultry farmers into the national economy as they become moved from subsistence into a cash economy (BMZ and GTZ, 1979). Lifting the majority of small poultry farmers into a cash economy is possible through programmes aimed at

reshaping and coordinating of every link of the supply chain where consumers stand to gain ultimately.

In very concrete policy action the current Akwa Ibom State government has a responsibility to revamp the abandoned 720,000/month DOC capacity hatchery at Mbiaya Uruan and put it to commission. The hatchery needs to be firstly supported by a functional breeder farm (that will produce the fertilized eggs needed for the hatchery) also established within acceptable proximity to the hatchery. Importation of fertilized eggs from foreign countries to run the local state hatchery might imply a very bad and unsustainable policy direction for the Akwa Ibom State hatchery. Taking this bold step would have three major implications: closer monitoring of the quality of DOC emanating from the local hatchery and reduced price as well as mortality due to excessive long distance journey. Mortality of chicks due to long distance transport (dead on arrival) constitutes not just economic but also huge environmental waste.

Additional policy measure that the state government may take is the proper utilization of abandoned land previously taken from the community for government programmes like AKADEP and river basin development for arable production of macro ingredients such as maize and soyabean (they constitute the most expensive feed ingredients due to competition existing between humans and animals for them) within the state. The public sector can intervene to strengthen the competitiveness of the market by: utilising the arable lands long stretched across the senatorial districts either by continuing the abandoned policy for them or by allocating them as allotments for farmers to grow their grains and formulate feed for their animals. These lands are at most underutilised or lying fallow from use due to lack of continuity of agriculture policies across different administrations of government. Utilising these lands to cultivate these macro ingredients for local feed formulation would serve the state and none state actors effectively. Successfully farming maize and soyabean would reduce the thoughtless purchase of these ingredients via hundreds of tons of finished livestock feed arriving the state in trailers; and causing chaotic traffic issues each day in the state capital. The state could then begin to organise reservoirs for these ingredients for all year round access for local use. Already there are enough silos from previous government abandoned programmes that could be revamped and put back to use. The policy measures (table 3) have been recommended to strengthen the market as well as reduce social and economic pressure from small farmers.

Table 3. Thirteen policy measures for developing livestock and products marketing

1. Support for the development of an effective prices policy based on realistic production costs and economic trading margins
2. Development of decentralized storage points for chicken across the state
3. Reduction of post harvest losses
4. Provision of agricultural credit (direct to the producer) and prevent elite capture of government programmes
5. Development of traditional markets in rural areas
6. Support for transport systems
7. Promotion of appropriate technological measures
8. Promotion of the processing sector to satisfy lifestyle requirements and also produce value added products that would introduce variety of poultry products in the market
9. Development of market places generally
10. Introduction of uniform weights and measures systems to ensure none being cheated in the bargaining process
11. Steady or regular supply of quality inputs and elimination of substandard inputs in the supply chain of poultry
12. Standardization of products
13. Introduction of quality symbols to encourage products differentiation and wider market entry

Source: Adapted from BMZ and GTZ, 1979

On this note the state has massive intellectual resources and infrastructure of a burgeoning knowledge institution lying next door eager to be utilized – the faculty of agriculture with eminent soil, crop and animal scientists as well as global economist and extension experts based in the state capital city. These experts contribution could be drawn to spawn innovative solutions for the livestock industry ranging from how we utilize millions of

unemployed residents into production and storage of arable crops to how we can then reduce the over 80% cost of feed in poultry production through alternative ingredients that Akwa Ibom State is endowed such as by-products from palm fruit processing and cocoyam. This particular measure (farming maize and soyabean in Akwa Ibom) would considerably drive down the cost of feed and strengthen the sector competitiveness.

A third and final measure and perhaps the most urgent is that the state government is in a position to give license for creating a processing and storage centre in each of the senatorial districts accessible to farmers and allowing harvested chickens to be delivered at the centre for processing using uniform standards and specification. Farmers who farm according to specification could then collect vouchers (which is cashed immediately at the designated banks) once their chicken has been delivered to the processing centre. This arrangement will create intervention that allows the government to set live and dressed chicken price based on 'realistic production costs and economic trading margins' and free farmers from iron hands of fast food operators and road side roasters. As with all other chicken customers, these buyers can then sustain their supplies from the processing centre (chicken depot) at retail or wholesale price as the case may be. This will allow the farmer to concentrate in their production.

The above three broad policy measures can improve the relations (power and market) within the poultry sector and begin to provide sound basis with which the sector could join in tackling economic, social and environmental issues of our time. It would stabilize the sector by leveling the playing field and creating enabling environment for all actors. It would also provide a natural dead to all the cowboys and quarks currently hanging around, distorting the market and operating within the sector.

5. Conclusion

The current dilemma for the Nigerian livestock sector is not just how to farm enough animals to feed its fast growing human population but also how to spawn a competitive, resilient and profitable livestock sector that is responding to the national and global sensitivity for the sector. At global level countries are moving away from protectionist policies for national food self-sufficiency, to that which national and international concerns are embedded to address multiple resource scarcity, equitable distribution of proceeds, climate change, population growth, health and obesity (Marsden, 2010). This new focus for global animal farming has implication on broad based and sustainable development. In other words, the life, wellbeing and consequences of animals as well as farmers are as important to sustainability and are undeniably linked with profitability of animal farming. Sustainability of the Nigerian animal sector is crucially linked with the profitability of major actors as well as the wellbeing of the animals and the farmer. Achieving these requires strong market and governance arrangement; healthy margins; equitable distribution of proceeds; balance of power; robust public policy orientation; building capacity for the civil society and investments in infrastructure for the sector. Akwa Ibom poultry sector is fast food and retail led and the public sector cannot turn a blind eye and expect the powerless poultry farmers to swim themselves out of poverty and poor relations. The supply chain is as strong as its weakest link. Balancing the relations will strengthen the entire sector and provide a model from Akwa Ibom State that the entire Nigerian nation might replicate to tackle some of the issue of employment especially for vibrant youths. The government has a multiple regulatory, integrative and facilitatory role to play in the animal food sector as 'the days of taking food supply for granted have gone' also in this country (Marsden, 2010).

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