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Cattle Marketing in Jos Metropolis of Plateau State, Nigeria

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Abstract
Efficient marketing system is a necessary prerequisite for the consolidation of the growth and development of cattle production industry. Hence this study was carried out to determine the profitability or otherwise of the cattle trading, the marketing efficiency and the problems confronting the traders in Jos metropolis of Plateau State Nigeria. Primary data was generated through focus group discussion technique. Questionnaire schedules were used to elicit further information from the cattle traders. The sample frame comprised all the traders in the markets from where 120 respondents were systematically selected. Marketing margin, profit margin and marketing efficiency models were used to analyze the data. Result show, that on average each respondent makes profit margin (monthly income) of ₦90450. The marketing margin is 15.5%. Analysis of the marketing efficiency also shows that it is inefficient (89%) as costs constitute a very high percentage of sales. Some of the trader's problems include lack of basic market infrastructure, inadequate livestock inspection by the veterinary authorities, inadequate transport facilities and multiple taxation by legal and illegal entities. The study recommends the amelioration of these problems as it will go a long way in consolidating the growth already achieved in cattle production and marketing in the study area.
Keywords: Cattle Marketing, Marketing Efficiency, Profit margin, Jos metropolis
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INTRODUCTION:

The development of an efficient cattle marketing system in an emerging economy like Nigeria is very imperative for the socioeconomic growth, development and sustenance of the industry. Cattle are very important domestic animals that have helped raise the Nigerian economy as well as that of the other countries in the sub region. Besides their economic value, they also play strategic roles in social, customary and religious activities of peoples of various countries (Anyanwu et al., 1999). Moreover, the industry is a great employer of labour with key actors as local breeders, retailers, wholesalers, transport owners, drivers, transport commission agents, loaders, flock herders, butchers among many others. Umar *et al*., (2008) had submitted that cattle trade provides the largest market in Nigeria.

In Nigeria, cattle are predominantly produced in the northern part where the bulk of the population are pastorally reared and extensively consumed in the southern part of the country and other cities of the country (Rim, 1992; Mamman, 2005; Muazu, 2005). Cattle constitute the greatest part of the gross agricultural output of northern and western Europe, accounting for between 60% of total agricultural production. In Denmark, animal production account for 80%, France 70% and Netherlands 78%. In Nigeria, the value of the gross agricultural output of cattle and other livestock account for only 20% while crop production accounted for 80% (Loosli et al, 1999). According to Onuba (2016), Lagos alone consumes 6000 heads of cattle per day. These cattle are moved from the northern part of the country to the west on a daily bases.

There is a substantial influx of cattle from neighboring countries into Nigeria and these countries include Chad, Sudan, Republic of Mali and Cameroon. The animals are usually moved to the border market and are loaded into trucks to the interior (Rim, 1992). The cattle markets are characterized by low and erratic off take since the animals are in most cases kept as a store of wealth and security more than anything else. The markets are also organized along complicated family businesses thus making pricing uncompetitive and inhibiting the development of the industry. He posited that prices are inefficient characterized with wide seasonal fluctuations and market margins of 75 – 90% of producer prices and sometimes 30-70% of consumer prices,

The involvement of many players in cattle trade means that the market has to satisfy all these stakeholders by way of being both price and market efficient. In other words, the pareto-optimality condition must exist in the market if all have to be happy. The issue is that both the producers and the final consumers are feeling being ripped off by the middle men in the cattle trade in the study area. Therein lies the need to determine the profitability or otherwise of cattle trading, the marketing efficiency as well as identifying the problems confronting the traders in the course of their business. The outcome of this analysis will go a long way in determining how well the cattle business will grow and be sustained considering its place in socioeconomic contributions and national integration (Adamu et al., 2005).

Methodology

Study area: Jos metropolis is made up of Jos North and Jos South local government areas with Jos and Bukuru towns as local government headquarters respectively. The metropolis is located on latitude 9.55°N and longitude 8.54°E on a land mass of about 8,600 square kilometers and population of 878,943 (NPC 2016 estimate). The major livestock markets are Yan-shanu and Kara for Jos and Bukuru markets respectively. These markets operate under the local government and livestock department of the state ministry of Agriculture. The study area was purposively chosen because of seemingly large number of players and the fact that the market serves the residents of the two cities.

The markets have a land area of about 450m x 450m^2 and 300m x 300m^2 approximately for Kara and Yan-Shanu market respectively. Yan-Shanu market handles sheep, goats and occasionally camels whilst Kara market is solely for cattle.

Sources of Data and sampling technique

Primary data was generated through focus group discussion technique. Questionnaire schedules were used to elicit further information from the cattle traders. Information on their socioeconomic attributes costs and sales figures over a six month period as well as problems encountered in the business was also gathered. The sample frame comprised all the traders in the two markets. Seventy (70) and fifty (50) traders each were systematically sampled from and Kara markets and Yan-Shanu markets, respectively to make a total of 120 respondents.

Analytical technique

Simple descriptive statistics such as frequency counts, modal and percentages were used to analyze the socioeconomic attributes of the respondents and the problems confronting them. The model for analyzing **Profit margin** was; Profit = TR – TC. Where TR = Total revenue; TC = Total cost.

Marketing efficiency (ME) was analyzed using a model adapted from the shepherd and Futrel model for analyzing ME as cited in Arene (1998)

$$ME = \frac{\text{Total cost of Cattle}}{\text{Total sales of cattle}} \times \frac{100}{1}$$

If marketing efficiency = 1 (highly efficient); ME > 1 (over efficient) signifies abnormal profit. ME < 1 (under or not efficient).

Results and Discussion

Socioeconomic attributes of the respondents:

Result of the socioeconomic characteristics of the respondents is shown in Table 1. The modal class for age of the traders is 41-50 (53%) followed by 31- 40 (17%). Trading in cattle requires strength and so explains why most of the respondents fall within the active age brackets. The modal class for level of education attained is primary education (42%) followed by no formal education (35%). This indicates probably that not much education is needed to deal with cattle.

The modal class for years of trading experience is 9-14 years (55%) followed by 5-8 years (20%). Thus a good number of the respondents have relatively long years of experience in cattle trading. About 68% of the traders have family sizes of 9 and above. This phenomenon has its attendant consequences as the actors have heavy burdens to bear which may greatly undermine their investment expansion capacity.

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Table 1: Socioeconomic Characteristics of Respondents.

AGE	frequency	percentage
18-30	12	10
31-40	20	17
41-50	64	53
51-60	14	12
60+	10	8
Total	120	100
EDUCATION		
No. formal Edu.	42	35
Primary	50	42
Secondary	22	8
Tertiary	6	5
Total	120	100
YEARS OF TRADING EXP.		
1-4	14	12
5-8	24	20
9-12	66	55
15+	16	13
Total	120	100
Family size		
1-4	8	7
5-8	30	25
9-12	64	53
13+	18	15
Total	120	100

Source: field survey, 2016

Profitability analysis of cattle trading in the study area:

Results show in Table 2, that the **profit margin** in the study area is ₦90450 per month. This is not too different from the estimated income that was captured using the expenditure approach model. A sustainable income can be earned from the trade all things being equal. **Cattle marketing efficiency** in the study area has a coefficient of 89%. This shows that costs constitute a very high percentage of total sales. A market that is efficient should have a lower percentage.

Table 2: Marketing schedule of an average marketer /month

Items	Value in Naira (₦)
Farm gate price cattle (9 heads)	684,000
Loading expenses	1800
Offloading expenses	2700
Transportation	7200
Market gate fee	4500
Holding and guarding Expenses	1350
Selling agent	9000
Govt. taxes within market	9000
Total marketing cost	719,550
Selling price	810,000
Marketing margin (%)	15.5
Profit margin	90,450
Marketing efficiency (%)	89

Source: field survey, 2016.

Problems encountered by the traders in the study area.

Table 3 shows some of the problems militating against the smooth operation of the traders in the study area. Lack of appropriate means of knowing the actual size of an animal was reported by 95% of the respondents. They stated that availability of a weighing balance will go a long way in solving this problem. Others indicated lack of market infrastructure i.e. inadequate loading and offloading stand in the market (87%). The respondents (70%) complained of inadequate inspection of animals brought into the market by some producers and other middlemen. The result is that some butchers will prefer buying unwholesome cheap stocks to maximize their revenue at the expense of the unsuspecting consumers.

Table 3: Problems facing the respondents in the study area. (Multiple responses were recorded.)

Problems	Frequency	Percentage
1)Inadequate transportation	40	69
2)Inadequate loading and off-loading stand.	52	87
3)No weighing balance	57	95
4) multiple taxation	31	52
5) inadequate livestock Inspection	42	70

Source: field survey,2016.

Conclusion and Recommendations:

Efficient cattle marketing system is a necessary condition for the socioeconomic growth development and sustenance of the cattle industry in Nigeria. The cattle market in the study area is relatively profitable for the traders. Incidentally, inadequate market infrastructure is a major problems that is challenging the sustenability of the market in the years to come.

We recommend:

- Introduction of weighing balance in the markets to facilitate price setting for the animals.
- Livestock inspection officers should live up to their expectation as their inaction may expose consumers to zoonotic diseases.
- The local government authorities and other government agencies on roads should harmonize their collections to avoid multiple taxation which increase the overhead costs of the animals

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