TITLE PAGE

GRAINS MARKETING IN KASTINA STATE:
A CASE STUDY OF SELECTED MARKETERS

BY

KABIR HASSAN
(G92/BAP/7124)
No. MBA/ADMIN/6123/1992-93

**A THESIS SUBMITTED TO THE POSTGRADUATE SCHOOL,
AHMADUA BELLO UNIVERSITY, ZARIA, NIGERIA**

**IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
AWARD OF
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)**

**DEPARTMENT OF BUSINESS ADMINISTRATION
FACULTY OF ADMINISTRATION
AHMADU BELLO UNIVERSITY, ZARIA**

JULY, 2000

APPROVAL PAGE

This thesis has been certified and approved by the undersigned:

.....
SUPERVISOR

.....
HEAD OF DEPARTMENT

.....
EXTERNAL EXAMINER

.....
DEAN POST GRADUATE SCHOOL

DECLARATION

I, Kabir Hassan hereby declare that this thesis is the result of my independent work and it has not been submitted.

I also declare that works of other authors are fully acknowledged where appropriate.

Kabir Hassan
Name

Signature

27/9/99
Date

DEDICATION

I dedicate this research project to my wife Badiya and my son Khalid for their patience and endurance during the years I underwent this course.

ACKNOWLEDGEMENT

My sincere gratitude goes to my supervisor Mr. A.B. Akpan who patiently took his time to help in shaping my ideas about the study. I really appreciate his encouragement, guidance and advice.

I am also grateful to Umar Bello for all the encouragement and moral support. The same goes to Mohammed Abubakar Ndayagi.

ABSTRACT

The research on " Grains Marketing in Katsina State" was designed and conducted purposely to investigate the problems of grains marketing faced by marketers in some local government areas of the state so also of farmers and farm produce consumers; prospects of grains marketing in the mentioned areas were also dealt with to some extent.

In literature review, different views were sought and got from authorities in marketing and grains productions some of these views got were similar while others were completely opposite. The data collected were got through the use of questionnaire, interview and observation.

In data analysis, simple percentage was used so as to make it easily for interested readers to go through and understand instead of boring and discouraging them with complicated data analysis which need knowledge of statistics for proper understanding.

Based on the finding, suggestions on improving grains marketing were made, these are more on the government, it local, state and federal because of the need for more subsidy in farming and farming related activities so as to keep the majority of Nigerians [farmers] employed because grains marketing is dependent on grains production and processing.

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GRAINS MARKETING IN KATSINA STATE: A STUDY OF SELECTED GRAINS MARKETERS

1.1 Introduction

1.2 Statement of the Problem

1.3 Objectives of the Study

1.4 Justification of the Study

1.5 Scope of the Study

1.6 Hypotheses

1.7 Research Methodology

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CHAPTER ONE

1.1 INTRODUCTION:

Grains marketing is a very important aspect of agricultural production itself, distribution and consumption of foodstuff by the people in the country. Agriculture has been the highest employer of labour in the country from time immemorial to date. As of now, over 60% of Nigerians of productive age are engaged in one form of agriculture or the other which is carried on throughout the year. If this large population of farmers were to abandon farming, it means they will add more to the army of unemployed that mostly leave in urban areas looking for white-collar jobs.

Grains contribute greatly in feeding the country's population which is now over 100 million people. They are therefore part of the staple food that provides nutritional needs of the people in the country and even some neighbouring countries like Republics of Benin, Togo, Niger, Chad and Cameroons. With good nutrition comes good health and less diseases which invariably reduce mortality rate and increase life expentancy of the people in the country.

Agricultural activities which include grains production and marketing help in making people self-reliant in the production of the food they need for their survival. This makes farmers and traders to be on their own rather than depend on food imported from other countries, sold at higher or cheaper prices or even as aid. It also helps in saving the scarce foreign exchange that would have been spent to import food be used in other ways (depending on government policy on food importation at any given point in time).

Grains marketing as an aspect of overall marketing keeps people busy and employed. In rural areas of the country, the rural dwellers produce some specific grains that are more of cash crops to them rather than food because they are sure of ready-made market for the commodities because of the demand for them. An example here is beans. Others become middlemen between producers and retailers or to the final consumers. These activities hold them tied to their villages and culture rather than migrate to urban centres adding more insult to the injury by increasing the country's rural-urban drift which the government has been making efforts to discourage.

Individuals and/or groups of people involved in marketing like other people or organisations are not without problems. Marketing problems and the different strategies embarked by marketing firms in the country are issues which need serious study and analysis. The corporate shift from the concept of selling to that of marketing has not spared grains marketers and firms in terms of new problem dimensions and therefore new strategies. It is the researcher's belief that the marketing activities of agricultural sectors. In this project, the researcher has taken marketing with special reference to agricultural products and marketers namely grains.

1.2 STATEMENT OF THE PROBLEM

A problem is what the researcher wants to find out in his research with the aim of correcting it. It is a clear statement situation or phenominum that the researcher wants to accomplish in his research. Olomolaiye (1989 p.13) adds that;

> The statement of a research problem implies at least three kinds: knowledge, dissatisfaction and the existence of a possible solution.

In this research project, the researcher wants to find out how grains marketing is conducted in the state, the multifarious problems faced in conducting it by the grains marketers with the hope of suggesting ways to solve/minimize the problems. It also aims at finding out the future prospects of grains marketing in the state. The problems are:

i) Agricultural problems that have direct bearing with grains marketing like natural disasters, high cost of chemicals, poor storage systems and so on.

ii) Transportation problem as a result of high transport fare, shortage of fuel, bad roads, shortage of vehicles and in accessibility of some rural areas.

iii) Poor storage systems and facilities as they affect grains marketing.

iv) Lack of or difficulty in getting loan facilities

v) Inconsistent government policies on agriculture, importation, pricing and so on.

vi) Poor pricing policy.

vii) Market uncertainties due to poor speculation

viii) Intense competition in grains marketing

ix) Communication gap between farmers, traders and consumers.

1.3 OBJECTIVES OF THE STUDY

With increasing emphasis and importance being put on self-reliant in food production by the local, state and federal governments, parastatals, ministries extra-ministerial departments, companies and individuals; the objectives of this study are:

i) To identify the problems that affect agriculture in Katsina State and how they affect grains marketing.

ii) To determine how transportation problems affect grains marketing.

iii) To ascertain the degree of loss/damage that is incurred by grains marketers as a result of poor shortage system.

iv) To determine how far inconsistent government policies affect grains marketing.

v) To find how shortage of funds affects grains business.

vi) To identify the problem(s) caused by poor pricing policy influence and how it affects grains marketing.

vii) To find if uncertainties lead to poor speculation or grains marketing

viii) To find out the level of competition amongst grains marketers.

ix) To determine how communication gap affects grains farming, trading and consumption.

x) To identify the prospect(s) of grains marketing in Katsina State, (if any).

1.4 JUSTIFICATION OF THE STUDY

Research into Grains marketing in Katsina State is justified by the different groups of people it will be beneficial to, some of which are the farmers, traders, companies, consumers and institutions of learning.

The farmers who are the producers of grains and other farm produce that sustain the lives of millions of people in the country and even some neighbouring countries. This research will be beneficial to them because they will be made aware of the grains that are in higher demand at a particular place and time. The problems faced by these farmers like natural disasters, high cost of production, transportation and storage problems and poor pricing which affect grains producers, traders and consumers.

To the grains traders, this study will help in finding out some of the major problems they face in their business that is relating properly between farmers and final consumers of grains and grains products. Suggestions on ways to solve or minimize these problems will help in improving their job so that they stick to it rather than get discouraged and go for other jobs or be rendered unemployed which will add to the army of unemployed in the country.

The agro-allied companies that depend on grains for their raw materials like flour mills, bakeries, oil mills, animal feeds companies, breweries, hotels, restaurants and other food makers and sellers and so on will benefit from the research because the suggestions on how to improve the production and marketing of the raw materials that their industries need will go a long way in sustaining them as well as seeing to the continuous and steady supply of their much-needed

raw materials will have a chain reaction that improves such companies' production for the benefit of the final consumers, employees, traders and the country at large.

The consumers of any product/service also have a stake in the company that produces the product/service. This will be more justified if it helps in improving the quality of grains produced and ensures that it is sold at relatively reasonable price so that the consumers get value for their money. This will also help in improving their standard of living because some of these grains are of high nutritional value to the people so their continuous consumption will help in improving the consumers' standard of living.

The study will be justified if it benefits governments at all levels namely; local, state, and federal. Policies are made by these levels of government as well as international governments like the United Nations, Organisation of African Unity (O.A.U), Economic Community of West African States and so on. Some of these policies affect farmers, marketers of grains products and the ultimate consumers. The study will therefore make suggestions on the best policies to be made and ways of implementing them. Prospects of grains marketing in Katsina State in particular and the nation at large will help the governments on what to do especially now that subsidies are increasingly being removed.

Finally, this study will be of importance to institutions of learning in the country because it will add more to the already existing one on grains marketing with particular reference to Katsina State which is one of the major grains-producing States in the country because of its being in the Sahel Savannah. The

study will also open up areas that may need further studies by other students and any interested person(s) or even organisations.

1.5 SCOPE OF THE STUDY

The research will cover 10 out of the 34 local government areas of the state giving a total of 29.4%.

The criteria used for selecting sample local government areas are: higher cultivation of grain products, availability of large-scale grains marketers and markets. In each of the selected sample local governments two grains farmers will be interviewed and eight grains marketers will be interviewed while twenty will be served with the questionnaire. The questionnaire will be translated into Hausa for those who do not understand English.

1.6 HYPOTHESES

A hypothesis is a tentative theory or proposition provisionally adopted to explain certain facts and guides the investigation of others. Hypotheses are usually drawn from ideas developed or glimpsed in previous studies derived from theory. They are tentative answers to questions. Olomolaiye (1986 : 19) describes a hypothesis as a suggested answer to the problem of the research under investigation but there is no any evidence supporting the answer until a full investigation is conducted. A hypothesis therefore may be an opinion statement. It directs investigation because your answer and the answer you find at the end of the research may not be the same because the farmer is what you initially thought

may be the answer while the latter is what you actually find. Olomolaiye (1986) added that hypotheses are related to research problem and that the researcher should be able to justify each of his hypotheses through his review of studies, from views held by his friends or from his own original thinking. It is compulsory to justify each and every hypothesis by showing that it is consistent with theory and known facts. The hypothesis can be stated in a question form, in a null form that is it must be in the form which suggests there is no relationship/difference in the effect of one or more variables on the dependent variable(s) that is taking a middle-of- the road position, not committing yourself to any specific effect of independent variable.

For this research, the following hypotheses were generated and will be tested with the hope of finding appropriate problems, prospects and solutions. The hypotheses are:

i) Low production and poor storage system affect grains marketing.

ii) Communication gap coupled with inadequate publicity bring about low sales of grains.

iii) Poor channels of distribution plus transportation problems cause scarcity of grains in some parts of the state.

iv) Inconsistent government policies do not affect grains marketing.

v) Price instability may not affect grains business.

vi) Problems of grains production and marketing make grains business look bleak.

vii) Intense competition among grains marketers discourage grains business.

1.7 RESEARCH METHODOLOGY

This research is based on grains marketing, it is exploratory research which includes the search for primary and secondary data requiring responses from farmers, traders, users and consumers of grains. Official reports of some government and private organisations were also used.

In conducting personal interviews draft questionnaires were developed so as to get the required information. In this structured and disguised questions were used so that responses and choices to questions were not predetermined though purpose of the study was disclosed to the respondents.

The methods of communication used in handling structured-disguised questionnaire were personal interview, written questionnaire and observation so as to get respondents' beliefs, feelings and attitudes. One type of questionnaire was developed and used for grains farmers, grains marketers and grains users as well as consumers.

1.8 LIMITATIONS OF THE STUDY

These are the problems faced in the study by the researcher from the beginning of the research to its end. The major problems faced in this study are:

Time shortage. The time given for this study was few months which the research found was too short for a study of this kind, he had to resort to using only 10 of the 34 local government areas of the state in the sampling.

Shortage of funds. The researcher faced the problem of chronic shortage of funds in carrying out this research work so the number of people observed, interviewed or served with the questionnaire had to be limited to the researcher's financial ability.

Lack of co-operation from respondents. Some of the respondents deliberately gave wrong information to the researcher because they did not want to reveal what they called the "secret of their businesses". Even the questionnaires were deliberately filled wrongly by some of the respondents while some did it ignorantly. Some of them refused to return the questionnaire distributed to them despite three follow ups and some of the women respondents did not give most of the answers during the interview this may not be unconnected with the people's culture of shyness.

Low literacy level of the respondents. A good number of the respondents were only literate in Islamic education so the researcher had to only translate the questionnaire into Hausa but write it in Arabic script. Interview was used for those who were illiterates.

1.9 DEFINITIONS OF RELEVANT TERMS

These are meanings of some words as they are used in research. The meanings may vary from the literal and/or layman's meanings. They are:

i) **AGRICULTURE**: The occupation of most people in Katsina State, it involves land cultivation, animal rearing and poultry. It is conducted during both dry and rainy seasons and performed by man and women, boys and girls as well as old and young people. Because of the religious and cultural beliefs of the people in Katsina State; real land cultivation is mostly done by men while women, the very young and old people participate in form of plating, harvesting and processing the products.

ii) **AGRICULTURAL PRODUCT**: These are got as a result of agricultural activities which include tree crops, root crops, cereals, grains, animals, birds and so on.

iii) **CASH CROPS**: These are agricultural products that are produced with the sole aim of getting money. They include pepper, Kolanuts, palm kernel, cocoa, sugar cane, cotton, groundnuts and surpluses of food crops deliberately produced with the aim of selling them to get money instead of consuming them like beans and so on.

iv) **CONSUMER**: This is the person who makes use of the end product of grains. They include consumers of food made of grains or grains' end-products like "tuwo", "fura", "waina", "Kosai", bread, "alkubus", "moimoi" and so on.

v) **FARMERS**: They are those whole major occupation is farming and use either local or modern implements or combination of the two to

cultivate the land. Those who engage in it so as to supplement their earnings like public servants may also be included.

vi) **FOOD CROPS**: These are the agricultural products that make up the main foodstuffs. They can be fruits, vegetables, cereals, root crops and so on. The process they undergo after cultivation and before consumption could be short or long.

vii) **GRAINS**: They are the farm products that are produced mostly during both rainy and dry seasons. They are corn, millet, maize, rice, wheat.

viii) **MARKETING**: It means the activities through which people are provided with and made aware of a particular product, idea, and so on with emphasis on its qualities and attributes in comparison to others with the aim of generating demand for it and accepting it as the case may be. It therefore includes all the activities that take place from the producer to the final consumer like planning, production packaging, transportation, storage, distribution, advertising pricing, retailing, selling, buying and final consumption of grains and grain-related products.

ix) **TRADERS**: These are people who engage in the marketing of farm produce. They engage in advising some of the farmers on what and when to produce; buy the products; transport, store, distribute, package, advertise and sell the products to their customers who may be distributors, retailers, or consumers.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

2.1 MARKETING DEFINITION

Marketing is one of the oldest professions in the world, it is as old as man himself. This is because no man is an island on to himself so he has to exchange one thing for another either through trade by barter or money. So marketing as we know it today passed through many stages and is still undergoing some remarkable changes in terms of development. Marketing as we know it today developed around the early part of 20th century.

Within its fairly short period of development marketing has been seen in different ways by different people who gave many definitions to it. Firstly, marketing being an aspect of business is dynamic; secondly, it is subject to changes and developments; lastly, it cuts across all other areas of business as a result different professionals perceive it in different ways.

It is imperative to look at some few definitions of marketing. American Marketing Association (AMA) sees marketing as "the performance of business activities that direct the flow of goods and services from producer to consumer or user". This definition was insufficient to marketers, therefore Haskett adds more to it by describing marketing as "a process in a society by which the demand structure for products, services, or ideas is anticipated or controlled (either enlarged or contracted) through their conception, promotion, exchange and physical distribution". (P.500) so to him, marketing is an activity that begins before production, while AMA sees it as the distribution of goods and services only.

Phillip Kotler (1980) gives one of the most contemporary definitions of marketing as "analysing, organizing, planning and controlling of a firms customer-impinging resources, policies and activities with a view to satisfying the needs and wants of chosen customer groups at a profit". This definition of marketing shows that the marketer's duty starts before, production as well as works through to achieving both wishes of the customer and those of the business too! Constantin's (p.5 1970) definition of marketing as " the exchange process between seller and buyer. It involves a number of interrelated business activities designed to promote, distribute and price a product or service in order to meet the wants and needs of both consumer and producers".

2.1.1 MARKETING MANAGEMENT

Marketer attempts to actualize potential exchange to enable him satisfy human needs and wants. This cut demands a lot of work and skill from the marketer. Individuals, organisations and nations participate in exchange process but here we are concerned with individual involvement in the exchange process (es). From our understanding of marketing in the above discussion, marketing management involves the analysis of individuals or groups of individuals' programmes, its planning, implementation and control to facilitate desired exchanges with target market in order to achieve the set objectives. This demands the individual to design his offers from the perspective of the market's needs and desires, and utilizing effective communications, distribution and pricing systems, to inform, service and motivate the target market. The business organisations's willingness and determination of how it will provide its offers to the target market is what is referred to as marketing mix concept.

2.2 MARKETING MIX

Marketing mix is used as a strategic concept in marketing to help achieve the company's objectives. Marketing mix contains a number of variables controllable by the company, used to influence the buyers' responses. The variables otherwise known as the "four Ps" namely product, place (distribution), promotion and price that can influence buyers' decisions will be considered.

2.2.1 PRODUCT STRATEGY

A product is anything that can be offered to market for attention, acquisition, use or consumption that might satisfy a need. It includes physical objects, services, persons, places, organizations and ideas. Planning efforts start with the choice of product to offer the market, prices and marketing channels and promotion are all based on product planning (Kotler p.368).

Product strategy involves decision on, among others, packaging, branding, product-life circle and the development of new products. It also considers the satisfaction of all consumers' needs in relation to the goods and services.

(a) Packaging: Is an important part of the total product. It is the general group of activities in product planning that involves designing and producing the container or wrapper for a product. Packaging is closely related to labelling and branding. A part from helping to identify a product, it provides physical protection of the product and also promote it. Management may also package its

product in such a way as to increase profit possibilities. It also makes handling or product more convenient.

(b) **Branding**: Companies brand to make it easier for consumers to identify product or service. It helps differentiate a product from its competitors. Branding is important to both the manufacturer and the consumer. To the manufacturer, once consumers have been made aware of a particular product, its appearance becomes further advertisement; while to the consumer it allows repeat purchases of the same product since the product is identified with the name of the manufacturer. It also reduces price comparison because it is hard to compare prices on two items with different brands.

(c) **Product Life Circle:** If sales are to be maintained, companies have to look ahead and plan new products. This should be done by understanding consumer's basic needs and requirements; and this tends to mean different things depending upon what market stage or which part of the life circle a product is in. Products go through four stages namely: introduction, growth, maturity and decline.

i) Introductory stage. At this stage, stimulation for demand of the product is not known to the public, promotional campaigns give information about it. This campaign may be directed towards middle men in the channel to induce them to carry the product.

ii) Growth stage. Sales increases rapidly here as new customer make initial purchases and old ones repurchase the product. Substantial profits are made and competitors attracted into the market.

iii) Maturity stage. Industry sales continue to grow during earlier part of this stage, but eventually reach a plateau because potential customers have been exhausted. Profits decline as competition intensifies. There is heavy promotion to emphasize differences among competing products. Available products exceed industry demand. Competitors cut prices in an attempt to attract new buyers.

iv) Decline stage. Here innovations and/or shifts in consumer preferences bring about a decline in industry sales. Profits decline and in some cases become negative as sales fall and firms cut prices. Manufacturers begin to leave the industry in search of more profitable products.

The product life circle concept allows the marketing decision maker to improve planning. It gives insights about development at various stages of product life circle, for example, promotion emphasis should shift from product information in the early stages to brand in later stages.

d) New Product Development. A strategy for new product development follows a market pull model. That is the market is monitored, so that people's behaviour and needs are understood; the aim is to ensure a carefully focussed product. New products are products new to the company or its customers. Innovation may involve packaging or may be an initiation of competitive products. Product innovations are necessary because of the dynamic nature of the business environment. Product development follows a five-step procedure:

Step I. Screening. Extensive market research to identify unsatisfied need, gap or segment in the market. Sophisticated market research tools like multidimensional scaling and trade-off analysis is often used to determine an ideal product attribute. Idea generation is facilitated.

Step II. Business Analysis. Feasibility of production, sales and budget forecasts.

Step III. Development. Research and development to meet market specifications (technological improvement may be secondary).

Step IV. Testing. Refinement of product design (may include customer panels) and verify the business analysis (assess say through testing marketing).

Step V. Commercialization. Target launch at appropriate segment promotes concept in terms which meets recognized needs; name and packaging, distribution aimed to reflect concept.

2.2.2 PRICING STRATEGY

Pricing is the exchange value of a good or service, and the value of an item is what it can be exchanged for in the market place (Kutz, 320. 1981). Most marketers have the initiatives for proposing prices and they can differentiate their products in the eyes of the buyer. There are several factors influencing pricing decisions. They are grouped into internal factors and environmental factors.

Internal factors include:

a) *Company objectives.* Pricing objective should derive from company objectives. Pricing policies should be consistent with pricing policies and objectives.

b) *Product Marketing Factors.* The stage in product life circle determines the amount discretion management has in making pricing decisions. In the initial stage, prices may be set high to skim the market or to achieve significant market penetration quickly. During the growth and early maturity stages, price reduction by competitors become a factor for securing market expansion. If a marketer succeeds in differentiating his product, an opportunity may exist to get customers to where product differentiation is more important than price. Competition on non-price basis depends not only on the amount of product differentiation but on relative importance of the potential buyer. Customer buying habits also influence pricing. Products purchased frequently by customers are sold profitably, by middlemen at low mark up because of the rapid turnover.

c) *Marketing Channels and Distribution Policy.* The particular marketing channels used should be considered in making pricing decisions. Specifically, gross margins expected by middlemen should be considered.

d) *Promotional Strategy.* If massive advertising campaigns are used by the manufacturer, he will probably allow middlemen more than their normal gross margins. If on other hand, the middlemen carry part of the burden, they will expect greater than their normal margins.

e) *Cost considerations.* Prices and costs are related. Sales revenue should cover cost. Usually, the marketer should first estimate the prices he can obtain for his demand, competitive position, promotion, etc. Then he works backward to make products suitable for such prices.

External influences including competition, economic climate, legislation and governmental pressures.

2.2.3 DISTRIBUTION STRATEGY

Marketing executives have long focussed their attention on physical distribution on the logistics of getting goods to the buyers. Distribution is concerned with the various activities necessary to transfer goods from the producer to the consumer or user. This includes physical activities like movement and storage of goods as well as promotional, legal and financial activities involved in the transfer of ownership. Distribution consists of both channel and physical distribution.

a) *Channel of Distribution.* This is also known as marketing channels and has been defined as " a path traced in the direct or indirect transfer of title to a product as it moves from producer to ultimate consumer or users". (Cundiff (p.271:1971) Independent business firms who assist in the task are called channel members, distributing goods and services from the producer to the final buyer is an essential part of marketing. The manufacturer must consider the interest of buyers and middlemen before making decision on marketing channel.

Middlemen are considered by manufacturers as extension of their own sales marketing organisations because if there were no middlemen, their own sales organisations would have to perform all the functions or middlemen. Consumers and industrial users consider middlemen as sources of goods and points of contact with producers.

Merchants and Agents: All middlemen fall into two broad classifications, namely merchants and agents. A merchant middleman takes title to and resell merchandise, while an agent middleman negotiates or sales, or both but does not take title to the goods. The merchant

always buys and resells while agent may specialize in negotiating either buying or selling transactions.

Retailers and Wholesalers. Middlemen may also be grouped into two major categories - retailers and wholesalers. A retailer is a merchant or occasionally an agent whose main business is selling directly to ultimate consumer. A retailer sells in significant amounts to customers. Wholesalers buy and resell merchandise to retailers and other merchants, industrial institutions and commercial users, but do not sell significant amounts to ultimate consumers.

There are many factors that affect channel choice. These are:

i) **Product**. Product characteristics determine to some extent the way it is distributed. Perishable products must be sold through shorter channels, so also highly technical products, highly standardised products often should be marketed through long and complex channels.

ii) **Market**. Most important is consumer buying habit. Size and location of the marketing are also important when there is very large number of customers a manufacturer is likely to need at least one buyer of middleman.

iii) **Manufacturer**. Financial strength, need or desire to control the product sale to end buyer also affects channel length. The reputation of the company or its products are considered by middlemen before falling on a product. Middlemen are willing to take well-known products but hesitate to take unknown products by unknown manufacturers.

iv) **Middlemen**. Marketing channels are sometimes dictated by the middlemen available. A manufacturer may be restricted in the

choice of channels by the availability of particular middlemen relative to his own sales and profit goals.

b) *Physical Distribution.* This involves a number of related activities most of which are inventory control, storage, transportation, materials handling, order, size control and order processing. In managing physical distribution, marketing management seeks to maximise utility or economic value of its products by getting and having them where they are wanted at the right time and reasonable cost. Transportation and storage divisions are very much influenced by competitors' operations.

Manufacturers must try to obtain optimal performance of the total distribution system by finding effective ways of co-ordinating inventory policies and practices with those of other channel members.

2.2.4 PROMOTIONAL STRATEGIES

Promotion consists of messages sent by the manufacturer to inform prospective buyers (including intermediaries) about his product and persuade them to buy it, to develop positive attitudes toward his product and company, and to induce other changes in people's thinking and behaviour that benefit him. Successful promotion is therefore an essential ingredient in marketing strategy. There are several ways of promotion. Those include among others personal selling, advertising, packaging, branding, trading stamps couponing, direct mails, point of purchase display, premium, and sampling. Both in terms of impact upon the market demand and expenditures involved, the most important promotional methods are personal selling and advertising.

a) *Personal Selling.* This is an oral presentation of ideas, goods and services on a personal basis. If therefore entails face-to-face interaction with customers. Personal selling methods are employed when selling expensive and highly complex and technical items. It is also used when the market is concentrated and particularly when it is an industrial market. It is the most expensive method because salesmen have to be trained and motivated to be good and effective. Personal selling is potentially the most effective promotional method because there is maximum opportunity for feedback.

b) *Advertising.* This consists of all activities involved in presenting to a group, a non-personal, oral or visual openly sponsored message, regarding a product, service or an idea which is paid for. Here, messages are transmitted to large numbers of potential receivers. There is a wide choice of message media - newspapers, magazines, radio, television and journals. One weakness of the method is difficulty involved in obtaining accurate feedback to evaluate message effectiveness. Advertising is a good promotional tool for low cost mass-consumed items. Advertising is very expensive but very effective.

2.3.1 CO-ORDINATING THE MARKETING MIX

Each of the four elements of marketing mix discussed above requires a specific strategy. It is note worthy that each depends on and effects the others. For example, a change in channel choice is likely to affect some other elements in the mix like pricing or

promotion or both. A firm must be able to adjust the mix elements at different stages of a product life circle, and proper co-ordination of the activities involved effected.

2.4 MARKETING PLANNING

Christopher Martin in Akpan (1984) described marketing planning as "... *the systematic application of marketing resources to achieve marketing objectives. It is the means by which an organisation seeks to monitor and control the hundreds of external and internal influences on its ability to achieve profitable sales. Marketing planning also provides an understanding throughout the organisation of a particular competitive stance that an organisation intends to take to achieve the objectives. This helps managers of different functions to work together rather than to pursue their own functional objectives in isolation*".

Akpan (1994) adds that marketing planning must contain a review of the planning;

i) *The market environment.* This is made up of the company's internal set up from top management to the lowest employees. It includes the departments, sections, units as well as the ranks of the people who manage them including the official relationship between/amongst the different departments. It also involves the company's suppliers of the needed resources like funds, raw materials, labour, equipment, electricity, water and other services that are needed to produce the particular goods and services. Marketing intermediaries are also included like middlemen, physical distribution, firms, marketing service agencies, financial intermediaries, and so on. Marketing environment also includes the organisation's customers which are the target markets like consumer markets, industrial markets,

reseller markets, government markets, internal markets. Competitors who provide the same or similar goods and services are also part of the marketing environment.

ii) *Assumption.* This is what an organisation thinks of itself and of its competitors, its products, its environment, its position in the market and so on. This assumption may be right or wrong depending on the result of research and the final facts found.

iii) *Overall objectives and strategies*. Objectives are broader aspects of goals. Objectives pursued by any company are supposed to be set in hierarchical order from the most important to the least important. As much as possible objectives should be stated in quantitative terms and the objectives set should be realistic. More detailed programmes related to responsibilities, training and costs should also be set.

The importance of marketing planning are:

a) To solve the current needs of the organisation . These needs have to consider the interests of the organisation's management, resource suppliers, government needs, consumer needs and all others that have a stake in it.

b) Marketing planning should direct the organisation towards the future, this includes short term plan of one month to one year (including quarterly plans).

2.4.1 MARKETING PLANNING PROCESS

This should include:

a) Summary of all the major internal and external factors which affect the company's marketing performance in the previous year including the company's internal strength and weakness vis-a-vis the competitors.

b) Assumptions on the key determinants of marketing success and failure.

c) Overall marketing objectives and strategies.

d) Programmes on timing, responsibilities and costs.

Marketing Planning includes the following:

i) *Situation analysis.* Here, current market situation begins with market sales trend in units and Naira for the past many years, comparison of previous performance with past forecasts for the product sales and profit are made; marketing situation and competitive environment are often considered together in marketing plan; evaluation of problems and opportunities of market factors and product factors and planning assumptions as well as constraints are provided for.

ii) *Marketing objectives.* These should be stated in specific and measurable terms as sales value or share of the market.

iii) *Strategy and action programmes.* These are the plans of action on marketing orders for getting where the organisation wants to go. Action programme describes the actual steps by which the strategy will be put into practice and objectives accomplished during the planning period.

Responsibility planning rests on functional executives, planning group staff, all those who have a part in marketing and product (brand) managers. The major approaches

to planning are top-down, bottom-up and goals down, while the main types of planning are long-range (2 - 10 years), annual planning (short range) product planning and venture planning.

2.4.2 PROBLEMS IN MARKET PLANNING

i) Improper allocation of marketing resources. This involves allocation of insufficient resources like money, men (staff) and other materials to the marketing department. It also includes wrong allocation of marketing resources to the different sections, units, staff, media, promotion activities and so on.

ii) Improper definition of company's missions and goals. Once a company wrongly defines its mission and goals it will have difficulties in achieving its aims after redefinition of the missions and goals.

iii) Wrong analysis of competitors, customers, market characteristics and environmental trends. Wrong information about competitors will lead to knowledge on the company's market share as well as who are the leaders, challengers, followers and even nichers. If a company analyses, its market characteristics it may end up having unwanted products/services.

2.5 CUSTOMER SEGMENTATION

Segmentation means dividing a group of people based on their age, sex, race, religion, education, economic level, and so on. Segmentation can be explained on the basis that markets are heterogenous not homogenous, no two customers are the same in all

respects and that customers and potential customers share certain distinctive characteristics. In customer segmentation, the following characteristics are considered:

a) Geographic characteristics. This is the oldest form of segmentation as well as the simplest. In this, variants of the product are marketed in different regions. It is assumed here that people in different parts of the country want different products.

b) demographic and socio-economic characteristics. These include variables like age, sex, family size, income, occupation, family life circle, religion, nationality, social class and so on of the customers.

c) Psycho-graphic characteristics. These include personality factors of the customer like aggression, anxiety, masculinity, feminity, community involvement, leisure activities and so on. This is the lifestyle segmentation according to how customers live as reflected by their activities, opinions and so on.

2.5.1 ADVANTAGES OF SEGMENTING CUSTOMER

i) Customer segmentation leads to a more precise definition of a customer in terms of what the customer needs are. Emphasis is on the proper understanding of the customers based on what they buy and why they buy it.

ii) Proper direction of customer programmes. Once management of the organisation recognises customer needs, it will be in a better position to direct programmes that will satisfy these needs.

iii) Meeting future market demands. With continuous customer segmentation management can develop the capabilities that are necessary to meet changing customer demands.

iv) Efficient allocation of marketing resources. Resources like product and advertisements can be more easily co-ordinated . Media plans if developed can minimize waste through excess exposure, this will result in a sharper brand image and consumer loyalty.

v) More precise setting of customer objectives. Targets in terms of sales and production are defined more operationally, and performance can later be evaluated against these needs.

Wrong application of customer segmentation may lead to pursuing the wrong segment, over-segmentation, over concentration and so on.

2.6 COMPETITION ANALYSIS

Competition according to Akpan (1994) can be divided into two groups namely those who serve approximately the same customer groups, they seek to perform the same customer functions, use similar technologies and exhibit similar degree vertical integration. The second group is made up of people who define their activities different from the way you do.

Akpan using Derek's and Hammond's definition of competitors as those who sell to your customers and expand participation to involve new customer functions you may be serving; they satisfy the customer functions you do but may expand their participation into your customer market from activities in other customer markets; may operate in an

"upstream" or "down stream" business or may enter as a result of unrelated diversification and so on. The marketer should watch out for entering from each of the mentioned points.

2.6.1 HOW TO ANALYSE COMPETITION

Every competitor should be analysed differently and distinctively using the following criteria or questions i.e. what strategy is the competitor using? Is he skimming? Penetration? Gulping? etc how is he performing in the industry? This could be very good, fair, poor or very poor; what are the competitor's strength and weakness? What actions can be expected from the competitor in the future?

2.6.2 COMPANY'S COMPETITIVE SIZE AND POSITION IN THE MARKET

This is one of the marketing strategies a firm has to take account of among other things. In every industry there is bound to be a leader, market challenger, market follower and market nichers as the table below shows:

Market Leader	Market Challenger	Market Follower	Market Nichers
40%	30%	20%	10%

The market leader gets up to 40% of the market share, such a company has many advantages like having economics of scale, lowest production cost, readiest brand recognition, channel dominance as well as very strong bargaining position with customers and suppliers. Other firms in the industry depend on the market leader on product and

market decisions. Market leader aims at maintaining its leadership through protecting and expanding its market share. In order to achieve its aim, protect and expand its market share, market leader can use innovation strategy, fortification strategy, confrontation strategy, harassment strategy and market size expansion.

Market challenger controls about 30% of the market share. It has the aim of gaining more market share. Such a firm can adopt direct attack strategy in which it faces the market leader face-to-face in its competitive war. Price discount, cheaper products and intensive advertising can be used by market challenger. It can also use backdoor strategy where it follows challenger (at the back door) or gupping where the challenger attacks the smaller competitors instead of market leaders.

Market follower is the firm that has about 20% of the market share and is contented with its share. Such firm hardly engages on any form of competitive war but maintains its position. Market followers are mostly common in homogenous products where product image and differentiation are uncommon; quality of service in such industry is comparable and there is high price sensitivity. Market follower can adopt many strategies but needs to find target market to which it can serve as well as readily expand to new markets as soon as they are open.

Market richer is a small firm in an industry that operates in some part of the market and tries to avoid clashes with bigger competitors. Such a firm has to be specialist in a particular product and serve market niches that are over looked or ignored by competitors. Strategies for market nichers are tailored along market, customers, product or marketing mix lines.

sold to the customers at the right time, place and price. All the above suppliers should have satisfactory relationship with the company.

Product differentiation. This is the company's ability to differentiate its product/service from that of its competitors who provide the same or similar goods/services for the convenience and choice of the customers. This could be in packaging, size, colour differentiation to meet the demands of the customers choices.

Price differentiation. It means the difference found in a product or service provided by the company so as to the purchasing power of the different customers like lower class, middle class and higher class customers will be able to buy the product or service based on their purchasing power and interest.

2.8 ENVIRONMENTAL TRENDS

Kotler (1984: 77) divided environment into two namely micro environment and macro environment. The former consists of actors in the company's immediate environment which affects its ability to serve its markets, intermediaries, competitors and public.

To the company, the micro environment will include the departments, sections and units that make up the administrative set up like the top management, functional departments and so on that work hand-in-hand for the overall success of the company.

Marketing intermediaries are the firms that assist the company in promoting, selling and distributing its goods or services to its buyers which include middlemen, physical distributors, firms marketing service agencies and financial intermediaries.

Customers are those who buy the company's product or service for consumption or for other people, or even further processing. They include consumer markets, industrial markets, reseller markets, government markets, international markets and so on.

Competitive environment includes companies that provide the same or similar products or services, this includes the potential and actual competitors.

Public are groups that have actual potential impact on the organisation's ability to achieve its aim. This is made up of financial public that provide the finance as and when needed like advertisements,.promotions and so on; government public provide the rules and regulations that the company should follow as well as protect the company as the laws provide; citizen action public are those who support or oppose the actions of the company in their country or even in others while international public are the attitudes and views of people from different parts of the world for or against the company that will affect it positively or negatively.

External environments (micro environment). These are non-controllable by the company but it can monitor and respond to them which include demographic, economic, physical, technological, political/legal and socio-cultural environments.

Demographic environment. This includes the number of people, their sex, age, marital status, death rate, density. Mobility trends, racial, ethnic and religious structure. The marketer needs accurate data on the customers' demography so that he will be able to see to the provision of goods and services to the customers as per their demography. Where there are many people there may be possibility of more demand for the company's goods/services depending on their purchasing power and culture.

Economic environment means the economic wealth of the customers like their per capita income; inflationary trends in their country as well as the customers' preferences for some products against others.

Physical environment. This involves the availability or shortage of some raw materials, increased cost of energy, increased level of pollution as a result of industrialization and research, strong government intervention in natural resource management.

Technological environment. It means the accelerating pace of technological change, unlimited innovational opportunities, high research and targets, concentration on minor improvement and relating them to major discoveries and increased regulation of technological changes.

Socio-cultural environment. It means the observation of individuals to where they grow up, the saying that nobody thinks beyond his experience comes into play here because cultural values have high persistence. Every culture has sub-cultures, secondary cultural values that undergo shifts through time.

2.9 RELEVANCE OF MARKETING TO NIGERIAN ECONOMY

It is realized from our discussion of marketing definitions earlier that it means different things to different people. However, proper reasoning and thought will help us understand that marketing is indispensable in any active and productive socio-economic system Nigeria inclusive. Nigeria especially needs a well-developed and properly integrated marketing system to enable her withstand the onslaught of rapid and advanced

techno-economic changes in the world today. It is only through achieving this that the country can start talking of any meaningful development.

The relevance of marketing to our economy is clearly appreciated from Kotler's definition of marketing which highlights three basic things namely that:

i) marketing is a human activity,

ii) there are specific objectives intended to be achieved, and

iii) there are things of value for exchange.

The above show that marketing activities are being performed every second of our life. Historical development of marketing also points out that without marketing, our economic system as we know it today will collapse.

Some critics point out that marketing is undesirable especially now that high inflation prevails. Marketing is relevant even now because marketing activities will direct available goods to consumers and make them aware of alternative. Marketing also encourages the production of needed products while wastes are eliminated. Healthy competition is encouraged because firms which can satisfy the needs and wants of customers have hopes of long-term success.

Both costs and prices are high that firms will have to keenly compete to persuade consumers to part with their hard-earned naira for the goods offered to sale. This is best done by producing superior goods and utilising properly planned and co-ordinated marketing strategies. With present high cost of living, many products are still in short supply.

Marketing provides employment opportunities for various groups of people (unskilled, semi-skilled and highly skilled labour). About a quarter of the entire

population of Nigerians are engaged in marketing activities. These include all employees in retailing, wholesaling, transportation, warehousing, communications and the people employed in marketing department of manufacturers, agricultural marketing and other industries classified as non-marketing.

Marketing creates demand and provides good/services for the various categories of people in the society. Effective promotional activities help to create demand for products while transportation, storage, grading, selling, and all efforts of wholesalers and retailers provide goods and services respectively.

Marketing generate revenue to cover the cost of its operations and promotion. Without revenue generation to make profits, the marketing activities become halted. With the concept of revenue generation, marketing has been defined by some scholars as the art of getting the right product to the right people at the right price through the right channels by the right promotion. (Kotler, pp 3-21).

2.4.2 IMPORTANCE OF MARKETING RESEARCH IN BUSINESS

The importance of marketing research in business organisation can be seen in the following fields of our organisations:

In the field of management, the marketing management executives use marketing decisions, planning, organising, staffing, directing and controlling that affect business organisations. In decision making, the marketing executive has to define the problem to be solve, finds alternatives, select the plan to be followed and finally makes the decision effective by taking action to put decision into effect. These processes are done through effective marketing research. Planning which is general to as forecasting future

circumstances and requirements, deciding objectives, making long and short term plans, determining policies to be followed and the standard to be set. Organising, co-ordinating and controlling which are also managerial functions require careful planning and research before they can be effectively put into action.

In the field of production, the production manager in his production design and development needs marketing research to find out the needs and desires of the customers in a bid to satisfy their needs. Through marketing research, the production manager will be able to know the types of product to produce, how to produce, which and what quality and price to produce them for the customers and potential customers.

In the field of marketing, marketing research provides marketing information such as the research and development desires of the customers, the prices the customers can afford to buy, what they can buy, when and how they can buy. To the marketing manager, marketing research helps to identify marketing problems such as the competitors in the markets, scarcity of goods, hoarding and rationing of goods in the markets. Marketing research helps to identify the distribution channels suitable for some certain goods and those that are not suitable. The quality and prices of goods to be set for the consumers in the competitive markets are determined by the marketing research.

In the field of finance, the financial controller or manager before embarking on any project, has to find out whether the project is viable or not. The viability of the project is known through effective marketing research. The financial controller takes vital decisions about the financial commitments of the organisation through impartial studies which are done through market research (Tull, pp 1-45, 1978).

3.1 Katsina State

3.1.1 Historical Origin of the State

3.1.2 Climate and Ecology of the State

3.1.3 Ecology and People of the State

3.2 Grains - Definition

3.2.1 Guinea Corn

3.2.2 Maize

3.2.3 Millet

3.2.4 Rice

3.2.5 Wheat

3.3 Role of Government in Grains Production

3.4 Grains Marketing in Nigeria

3.5 Contributions of Grains to Nigerian Economy

3.6 Problems of Grains Marketing in Nigeria.

CHAPTER THREE

3.00 KATSINA STATE

3.1.1 **Historical Origin**: It is one of the fourteen provinces of the old Sokoto Caliphate that became Northern Protectorate and became Northern Nigeria which was amalgamated with Southern Protectorate to form Nigeria in 1914. Katsina was an old trans-Saharan trade centre and route which according to Usman (1914) developed economically, culturally and politically through sustained economic diversification accompanied by the immigration and incorporation of Tuareg, Kanuri, Bade, Fulbe, Nupe, Gwari, Mandinka, Wangara, Voltic and Arab, farmers, Pastoralists, craftsmen, traders, artisans, warriors, slaves and scholars.

The State is made up of two provinces namely Katsina and Daura which were part of the old North Central State created in 1967 and renamed Kaduna State in 1975. In 1987 these two provinces that were part of Kaduna State were curved and renamed Katsina State with seven Local Government Areas then. These local government areas have been re-divided into thirty-four now. The state has a population of 3.8 million people by 1991 census which is 4.3 percent of the country's population of 88.5 million people. It has an area of 24,192 square kilometres out of the country's 923,763 square kilometres of land area.

3.1.2 **Climate and Ecology**: There are considerable variations in the rainfall pattern of the State. The amount of rainfall ranges between 500mm to 1200mm per annum. This is fairly distributed over a period of three to four months in a year. Each year

has two seasons namely rainy season which begins around May and ends in September, and the dry season that lasts longer - it starts in October and ends in April. There are undulating surphases in the State. During rainy season most of the agricultural productions take place while irrigation takes place during dry season.

3.1.3 **Ecology and People of the State**: Farming is the main occupation of the people. In response to the variability and distributions of rainfall in the state, the people have evolved a unique farming system characterised by mixed cropping which is the agricultural practice that takes care of risks and uncertainties in farming.

Crop production is still manually done on small scattered pieces of land, using crude implements such as hoes, cutlasses, knives and axes. Increasing modernization of the farming practise seems to have led to the adoption of biological (hybrid seeds) and chemical (fertilizer) technique. Ox and/or camel driven-plough and tractor, are also used by a small percentage of the medium-scale and large-scale farmers. The main crops grown in the state are millet, guinea corn, maize, rice, wheat and beans. The following cash crops are also grown: cotton, groundnuts, sugarcane, pepper and tomatoes.

The main ethnic groups in Katsina State are Hausa and Fulani. The farmers are settled cultivators while the former are mainly cattle rearers. Both groups are predominantly Muslims. Because of the practice of purdah system of marriage among the Muslim Hausas, farming is almost an exclusive preserve of the men. Within their confirmed environment, the Hausa women process food. The Fulani men, on the other hand tend their cattle while their women market the

animal by-products (milk and butter) in exchange for cash to purchase grains for the family food.

3.2 **GRAINS - DEFINITION**: Grain is the seed of the cereal crops, either in bulk after harvesting or an individual. Grains or cereals are fruits of the cultivated grasses of the monoty/ledonoks family. The principal cereal crops are wheat, barley, oats, rice, maize, guinea corn and millet. Kent (1983) adds that grains or cereals:

> ..... have been important crops for thousands of years. Indeed, the successful production, storage and use of cereals has contributed in no small measure to the development of modern civilization.

The most important members making the cereal group in tropical Africa are guinea corn maize, millet and rice according to Kordylas (1990), who added that the above cereal grains have similar grain characteristics. He however, excluded wheat which is increasingly gaining importance in tropical Africa, -Nigeria inclusive. The grins commonly produced and used in Nigeria are guinea corn, maize, rice, millet and wheat.

3.2.1 **Guinea Corn**: This is also called sorghum. It is extensively grown in tropical Africa. It is a coarse grass and varies in light from less a metre to about 3 metres. There are many varieties of guinea corn that are being cultivated, for example, Egyptian corn, white dufra, shallu, milto maize, kaliang and others. Its colour varies from white, yellow and orange to red and browns. Its size and shape may be larger, small rounded or flattered, the husks too differs in size, odour texture and shape.

The white guinea corn is referred to red one because it gives a more acceptable flour. It is used in making "tuwo", "fura", "kamu" and so on by the Hausas in Katsina State while the non-Muslims among them use it to make "**burukutu**" which is one of the most locally brewed beer in Northern Nigeria -- Guinea corn's by-products are used in animals poultry feeds while the stalk is used in building houses and fences. Guinea corn has high starch content which ranges between 68-73%, its protein content is 8-12%, according to Mohammad (1984).

3.2.2 **Maize**: Maize (corn in the U.S.A) originated from America where it is widely grown and it has been introduced to Africa, Asia, Austria and the warmer part of Europe. Its cultivation is limited by climate and at flourishes under the most varied conditions. There are many varieties which are adopted to different regions. It has give main varieties namely: dent, flint, sweet flour and popcorn. The varieties may be yellow or white, in most parts of Africa the white variety is referred and is therefore mostly grown. Kordylas (1990) adds that "varieties of maize also occur in other colours; red, blue, black and other mixture of colours. These are however, rarely produced.

In Katsina State, maize is produced mainly in the Southern part of the State where the whether, soil and rainfall are suitable for it. In the country as a whole, maize is used in making many things depending on the group of people's culture. Among Hausas it is used to make "tuwo", "Kamu", "waina" and so on, as it is gradually replacing or substituting guinea corn. Its protein content is 8-

10%, while the leave, stalk and by-products are used as feds to animals and poultry feeds.

3.2.3 **Millet:** It is a cereal grain that is highly tolerant of a wide variety of conditions, especially drought, it is therefore of great importance to the areas in Africa where drought predominates. In Nigeria, it is produced in the Savannah regions of the country like the middle and northern parts of Katsina State where the rainfall is low.

Millet grains are tiny, round and look more like seeds than grains which can further be divided into smooth and bristle fibre "bearded" or "awned seeded" varieties, the later having spikes of hairy appearance with yellow, brown, reddish or black bristly fibres. The awned varieties are less susceptible to attack by seed-eating birds at harvest time because their bristly spikes make them bird-resistant. Among Hausas and Fulanis, millet is used in making "fura" as one of the most common and popular food, others are "kamu" and so on. According to Muhammad (1984), millet has 11-14% protein content. Its by products are used for making animal and poultry feeds.

3.2.4 **Rice:** It is grown in the tropics where rain and sunshine are abundant and in temperate regions. Though, it is a typical cereal of the swamp, rice can be grown either on dry land or under water. Rice was introduced to Africa from Asia and it has been widely adopted as a desirable food grain. The two main types of rice grown are under water (paddy rice) and the other (up-land rice) under drier conditions. The different varieties are distinguished mainly by the shape and size

of the grain. The presence or absence of bristle fibre, the colour of the kernel and the time taken to ripen.

In Nigeria generally and Katsina State in particular, rice is grown during both rainy and dry seasons, the dry season rice is produced through irrigation. The paddy rice undergoes some processing before it is cooked and taken as 'white' rice or made into 'tuwo', 'waina' and so on in Hausa land. It is the least proteinous cereal with only about 6-9% protein. The husk and rice-brain are used as animal and poultry feeds.

3.2.5 Wheat: The word wheat is applied to both the plant and to its edible seeds. It is one of the first grains to be used by man and is believed to have first been used in Asia. It has about 14 varieties that are used in different parts of the World and in different climatic conditions. In Asia and Africa, it is mostly cultivated through irrigation while in some parts of America and Europe, it is cultivated during rainy season (Aykroyed and Doughty: 1-5, 1970). The varieties are wild cinkon, cinhorn, wild emmer, emginer, macaroni wheat, Persian wheat, Rivet wheat, polish wheat, short wheat, bread wheat, club wheat, spelt and macha wheat. It can also be classified into strong and soft wheat or strong and weak wheat that is different in sizes, shapes and colours.

In Nigeria, wheat is used to make flour, bread, bear, malt, etc by breweries and food and beverage companies. It is locally used in making "alkaki", "alkubus", "cincin", "dan-wake", and so on by the Hausas. Its by-product is used in making animal and poultry feeds, it has about 10-13% protein content.

3.3 ROLE OF GOVERNMENT IN GRAINS PRODUCTION

The role of government im agricultural production including grains can be seen from the policies made and programmes implemented in agriculture from the colonial days to today. At pre-independence era, Nigerian agricultural economy received little formal attention from government in terms of policies and programmes of action. Matters like self-sufficiency in food, agricultural investment and agricultural employment were left to the initiative of the people, 80% of whose adult population was engaged in agriculture. Government attention was focussed on export crops like cocoa, oil palm, rubber, cotton and groundnuts.

In 1945, the British colonial administrators formulated a ten-year development plan consisting the three regions of the North, East and West. The focus of the plan was mainly the promotion and development of export crops such as cocoa, rubber, oil palm, cotton and groundnuts. Emphasising was placed on extension and research activities. The plan was basically produced by the three regional governments in existence in the country. Therefore the goals were essentially varying, unco-ordinated and internally inconsistent at national level.

The first national development plan (1962-68). The period marked the formulation of the first national development plan which made it possible to set a minimum average growth target for the economy and agricultural sector in particular. Projects became more logically related to each other while identification of priority areas for development in the agricultural sector became easier.

The second national development plan (1970-74). This viewed the economy as an organic whole and through integrated strategic programme of actions by the reduction of inconsistencies and duplication of function. The major agricultural programmes launched during this period were the National Accelerated Food Production Programmes (NAFPP) and its offshoot, the National Seeds Service (NSS), Food and Crop Technology Transfer (FCTT) and the Nigerian Agricultural and Co-operative Bank.

The third and fourth national development plans (1975-80, 1981-85). During these periods the federal and state governments tried to ensure that agricultural programmes were carefully harmonised to reflect the problems common in the various states and their socio-political activities. All the projects and programmes in these periods were geared towards a measure of self-sufficiency in agricultural production in terms of food for the growing population and raw materials for the growing industrial sector. Extension services were strengthened, credit and inputs were subsidized, minimum guaranteed price were extended to commodity, commodity and marketing boards were established. The federal government also took over the procurement and distribution of fertilizer. Land use decree was promulgated. Among the important projects that were operationalized during the period include Agricultural Development Projects (ADPs), Operation Feed the Nation (OFN), Green Revolution Programme (GR) and the River Basin Development Authorities (RBDAs),

The Structural Adjustment Programme (SAP) was introduced in the mid 1986 by the Federal Government to divest from agricultural production by paving

way for a greater participation of the private sector of the economy. Thus the role of government changed to mainly supportive, regulatory and stimulatory so as to create a conducive and profitable environment that will enhance the prosperity of the private enterpreneur. Directorate of Food, Roads and Rural Infrastructure (DFRRI), Better Life for Rural Women, National Grains Storage Programme and the Nigerian Agricultural Insurance Corporation (NAIC) were established while Commodity Boards were abolished. The banning of imports of wheat , maize, rice, vegetable oil, poultry and animal feeds was aimed at boosting agricultural production especially of export crops Shaib et al (1997, pp 31-32) add that: While several agro-industrial processors attempted to solve the problem of raw material shortages through the strategy of backward integration, the high cost of equipment and materials have severely limited their success. This explains why local sourcing of raw materials by manufacturers declined from 72.4% in 1990 to 57.89% in June, 1993.

3.4 GRAINS MARKETING IN NIGERIA

In Nigeria, grains such as millet, guinea corn, maize, rice and wheat are more produced in the northern parts. Maize was traditionally produced in the more humid southern states in the past. In recent years however, its production has become very important in the northern states especially in the southern guinea savanna vegetation zone where maize sole crop farming is dominating the farming system of the farmers..wheat production was at the initial stage being limited to Bornu, Yobe, Kano, Jigawa, Sokoto and Katsina states where the cool climate and availability of irrigation water favour its production. In the past few years other states have been attempting to grow wheat as a result of the ban on its importation and to attract federal government's subsidy.

The traditional marketing system for grains is similar in both northern and southern parts of the country which is characterised by many buyers and sellers. The seller usually offers very small quantities for sale at a time. In every grain producing area, there are rural markets which are held periodically either once or twice a week. These rural markets could either be isolated or non-isolated.

Grains are brought by the farmers to the rural markets where the local assemblers participate actively in assembling the grains according to Abbot (1979 pp 230-32). He adds that the farmers carry the grains to the markets in sacks on head porterage, animals bicycles and motor vehicles. Prices are determined through bargaining but can be affected by price at which the grains were sold at the last market day of the near-by village(s).

The unit of measurement is not standard in the country, it varies from one part of the country to another. In the southern parts of the country, grains are sold in basins, tins or bags, whereas in the northern parts, they are sold in "mudu", "tiya" or

bags. However in most parts of the country volume of the grains is considered in sales rather than weight. Bags that are used all over the country are also of different sizes.

Lele (1971) describes the marketing structure of food grains in India as having three stages namely, primary wholesale market, terminal markets and share of village markets. This has relevance to what is obtainable in Nigerian grains markets because we have small assemblers who take to the rural markets, and whole sellers and their commissioned agents who buy from the small assemblers. Some farmers also bring their grains directly to these markets. From the villages, the grains are assembled in bigger lots and bagged; and transported in motor vehicles to urban regional markets and urban non-regional markets which hold daily.

Agribusiness firms and other processors have common agents who buy for them in the rural non-isolated markets. From such markets, the grains are carried to the warehouses in the firm. The feed mills, breweries and other agri-firms also have contract grain powers who enter into agreement with the agribusiness before the commencement of the production season. They agree on the price to be paid for the produce before hand. Such farmers are sometimes supplied with inputs in form of fertilizers, insecticide, herbicides and agric machinery like tractors, bulls and bull-drawn plough. This is a form of futures market.

Storage takes place at different levels in the marketing system. The marketers store some of the grains in their compounds for some months or days, the storage could exceed six months. This helps them to take advantage of future rise in prices. At the farmers level, storage of grains is done in their houses, sometimes in one of their rooms, in a stone, in a grainary or "rumbu". The grains are usually sun dried to

reduce the moisture content before they are stored. Hay (1976) grouped storage structures in Northern Nigeria into six groups namely:

i) Dried earth grainaries
ii) Plant material rumbu
iii) In-hut storage
iv) Post storage
v) Pit stores and
vi) Modern silos.

Some storage chemicals like acetylic dust, lindane dust and so on are used to protect grains while in storage.

Whole-sellers store their grains for sometime using the storage facilities available to them. The agribusiness firms and processors use modern warehouses for the storage of grains. In Nigeria, storage facilities are not adequate and the farmers "... are usually compelled to sell most of their produce at harvest time ..." Shaib (p. 36:1997).

The prices of most grains do not remain constant throughout the season. They follow some regular seasonal pattern. Seasonal prices reach their lowest level at harvest time and their peak a few weeks to the new harvest. Periodic drought or bumper harvest show an evidence of imperfections in the marketing system over a period of time. They cause alternate periods of shortage and glut. The government and the farmers can adopt some measures to reduce price variation which will ultimately affect the farmers' income and consumers' purchasing power. These are price control, output control and future or contract sales.

" *Financing of grains transactions by small assemblers, is largely from personal funds and a mixture of personal funds and those from other merchants and retailers*". Abbot (23: 1993) Wholesalers of grain get loan from banks and distribute to their agents that is the small assemblers, adds Olayinde (p. 279: 1982).

3.5 CONTRIBUTION OF GRAINS TO NIGERIAN ECONOMY

Provision of labour and employment

The 1991 census figures show that the Nigerian population stands 88,514,501 with males standing slightly more than 50% of the population. The report also shows that 60-70% of the population, find employment in agriculture that is grains, livestock, fisheries and other cash and food crops. Available report also show that the people in rural areas constitute the majority of the population engaged in the crop production, keep livestock and collect firewood. Woodeor (1993) estimates that 13 million hectares were engaged under cereal crops in 1989. At the rate of 2 hectares per family of four adults about 6.5 million families of 26 million people engage in cereal production. He estimated that 19 million people were engaged in marketing and food processing.

Sustenance of local industries.

The introduction of Structural Adjustment Programme (SAP) in 1986 discouraged the massive importation of raw materials and made the manufacturers to look inwards for their needed raw materials that is local sourcing. This gave farmers a more bargaining power for the sales of their farm produce and the farmers would increase their output because of increasing demand for agricultural raw materials (Shaib et al, 1997:p.31). Though the actual expected increase was not me but it did increase because the industries had to go into direct production of their agricultural raw materials, or growth futures market or even buy from the farmers directly.

Increase in the country's gross domestic product (GDP) by agricultural sector which includes grains production. The 1982 World Bank Development Report puts the value added in Agriculture for 1992 at $4,787 million and $121,582 for 1990. The

1993 World Bank report states that since 1986, agricultural GDP in Nigeria has risen at an average rate of 4% faster than any sector. The table below shows that while average agricultural contribution has been on the increase from 1971 to 1995 as composed to the fluctuating average total in real terms, the percentage share of agricultural sector to the GDP has also been between 22.4% in 1976 to 1980 and highest in 1991 with 38.8%.

CONTRIBUTION OF AGRICULTURAL SECTOR TO GDP (# MILLION)

S/NO.	YEAR	AVERAGE ANNUAL AGRIC SECTOR CONTRIBUTION (=N=)	AVERAGE ANNUAL TOTAL GDP (=N=)	SHARE OF AGRIC IN TOTAL GDP (%)
1	1971 - 75	7,478.9	24,406.6	30.6
2	1976 - 80	6,697.7	29,897.4	22.4
3	1981 - 85	6,705.8	26,819.4	25.0
4	1985 - 90	31,498.0	83,118.0	37.9
5	1991	36,527.63	94,663.22	38.8
6	1992	37,263.01	97,431.39	38.3
7	1993	37,780.75	99,649.22	37.9
8	1994**	38,689.78	101,039.84	37.7
	1995*	39,776.49	103,217.38	38.5

Source: 1971 - 90 CBN Annual report
*Provisional
1990 - 93 Federal Office of Statistics *Revised

Provision of foodstuff. All the grains produced as well as legumes, tubers, fruits, vegetables, in Nigeria are primarily aimed at feeding the local farmers as well as other professionals that make up the country. The by-products of most of the grains are used to produce animal and poultry feeds which will in turn help in the provision of the needed meat for the population.

3.6 PROBLEMS OF GRAINS MARKETING IN NIGERIA

Grains marketing has similar or the same problems with the overall agribusiness management problems are transportation, storage, finance, price instability and poor communication systems.

High transportation cost is one of the major problems faced by grains marketers in Nigeria so also grains producers and finally falls on the consumers Sha'ib et al (1997: p.36-37) add that poor roads and transportation means hinderance to the movement of inputs to rural areas and outward movement of farm produce to the markets which results in high transport costs, which are added to the cost and make the farm inputs and outputs more expensive.

Poor storage facilities for the farmers, traders and even consumers. This forces the farmers to dispose of some of their farm produce at give away prices so that they do not incur loss through damage, the traders too buy the little they can dispose of within a period of time while the final consumers may not buy the products they will use for even one week even if they can afford it, especially vegetables and fruits.

Shortage of funds is applicable to all businesses including agribusiness. Lack of funds affects the traders because they will not be able to purchase the farm products in large quantities even if the buying price is very low; the farmer will not be able to increase his farm size so as to increase output because he will have to use hired labour while the consumer will not be able to buy the foodstuff that will last him for some longer time even if he has good storage facilities. Aku (p.118,1991) explains that though credit institutions have for many years been giving loans in form of short-term basis, but the amounts are too small to improve the peasant borrower's life. Even the wholesalers or retailers who may have access to loans do not get it on time and since buying, transporting, storing, packaging, repackaging, retailing and advertising are

activities that require money; it means all those involved in agribusiness face this serious problem.

"*Deficient communications limit the range of marketing and confine sales to nearby consumers. This prevents the growth of specialised marketing agencies as well as the development of more efficient procedures under the stimulus of competition.*" (Abbott and Makeham: 50. 1979). This truly explains the problem of marketing intelligence as it relates to Nigerian grains marketers which is similar to Lele's (1971) explanation of the same problem in India where the traders depend on personal contact as the most reliable channel of market intelligence because of lower literacy level of the population and inefficiency in other means of communication.

Price instability is one of the major problems of agricultural marketing as explained by Abbott and Makeham (1979). Unsatisfactory pricing mechanisms are manipulated to the advantage of speculators, that prices fluctuate too much with painful consequences to producers and consumers, and that prices do not offer sufficient incentives to raise quality standards. Such complaints often lead government to fix prices and establish rigid controls which result in the disappearance of controlled goods from open sales and the farmers are discouraged from increasing the production of such crops.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 DATA PRESENTATION

The questionnaires were administered in accordance with the methodology planned in chapter one, responses got from the people interviewed, questionnaire respondents and observations made will be used to analyse the data as well as in summarising and concluding the research.

4.2 DATA ANALYSIS

The data were analysed using tabular form and frequency distribution method for easier understanding of some of those who may go through this research and may not understand complicated statistical analysis. For the purpose of data analysis, the information collected was sub-divided into three sections namely:

a) Personal information on the respondents

b) Problems of grains marketing

c) Prospects of grains marketing.

In data analysis only the number of total questionnaires filled correctly and returned (and actual people interviewed which were 147 out of 270 and 73 out of the planned 140 interviewees) were used.

QUESTIONNAIRE ON PERSONAL INFORMATION OF THE RESPONDENTS.

Table 1^{A}: Personal Information on Age Range of the Respondents to the Questionnaire.

	Age Range	No	%
1. 2. 3. 4.			
	26 - 35 years	35	23.8
	36 - 45 years	57	38.8
	46 - 55 years	40	27.2
	56 years and above	15	10.2
	Total	147	100

Source: Questionnaire

The table above shows that 23.8% were in the age of 26 - 35 years, 38.8% for those between 36 - 45 years, 27.2% for those in the range between 46 - 55 years and only 10.2% of the respondents were between 56 years and above.

Table 1^{B}: Personal Information on Age Range of the Interviewees.

	Age Range	No	%
1. 2. 3. 4.			
	26 - 35 years	20	27.4
	36 - 45 years	23	31.5
	46 - 55 years	19	26
	56 years and above	11	15.1
	Total	73	100

Source: Questionnaire

The table above shows that 58.9% of the respondents were in the most productive age range namely - 45 years while those from 46 and above constituted the remaining 41.1% of the respondents.

Table 2[A] & 2[B]: Personal Information on Sex of the Respondents to the questionnaire and Interviewees:

	2A			2B		
Sex	No	%		Sex	No	%
Males	132	89.		Males	63	86.
Females	15	8 10.2		Females	10	3 13.7
Total	147	100		Total	73	100

Source: *Questionnaire*

The two tables above show that grains business like other economic, political and social activities is male-dominated in Hausa land (Katsina State inclusive) because in table 2A 89.8 of the respondents were males while 86.3 of the respondents in table 2B are also males with 10.2% and 13.7% only being females.

Tables 3[A] & 3[B]: Personal Information on Religion of the Respondents to the Questionnaire and Interviewees.

	3A			3B		
Religion	No	%		Religion	No	%
Islam	125	85		Islam	59	80.8
Christianity	17	11.6		Christianity	10	13.7
Traditional Religion	5	3.4		Traditional Religion	4	5.5
Total	147	100		Total	73	100

Source: Questionnaire

The table above shows that the people in Katsina State are predominantly Muslims but there is total percentage of Christians and traditionalists. The total percentages of the non-Muslims in the two tables is higher than their average total

because of their willingness to be interviewed and ability to fill and submit the questionnaires given to them correctly.

Tables 4^{A} & 4^{B}: Educational qualification of the Respondents to the Questionnaire and Interviewees.

Qualification (4A)		No	%
1.	Non-literates	25	17
2.	Literates	74	50.3
3.	Sec. Sch. Leavers	30	20.4
4.	NCE/Dip and above holders	18	12.3
	Total	147	100

Source: Questionnaire

Qualification (4B)		No	%
1.	Non-literates	20	27.3
2.	Literates	37	50.7
3.	Sec. Sch. Leavers	11	15.1
4.	NCE/Dip & above holders	5	6.9
	Total	73	100

Source: Questionnaire

Non-literate, literate, Sec. School leavers and NCE/Dip and above holders mean those who can not read and write in any way, those who can read and write in any way, those who have attended secondary school or its equivalent, educational training and those who have been trained and have certificates from tertiary institution.

The high percentage of literates that is those who can read and write in any way to those who have 'A' level certificates is due to the nature of the business they are engaged in the marketing which requires continuous mingling with literates calculation of measures, costs as well as writing of notes, letters and marks on the commodities.

Tables 5^{A} & 5^{B}: Occupation of the Respondents to the Questionnaire and the *Interviewees.*

5A

Occupation		No	%
1.	Traders	105	71.4
2.	Farmers	25	17
3.	Others	17	11.6
	Total	147	100

Source: Questionnaire

5B

Occupation		No	%
1.	Traders	37	50.7
2.	Farmers	21	28.8
3.	Others	15	20.5
	Total	147	100

Source: Questionnaire

The tables above show that respondents to both questionnaire and interview were traders who constituted 71.4% and 50.7% respectively; followed by farmers with 17% and 28.8% respectively and least 'others' which included all other occupations but engage in grains marketing. Because of the easy entry and exit in grains marketing people of other occupations also participate at will especially at harvest season and rainy season.

QUESTIONNAIRE ON THE PROBLEMS OF GRAINS MARKETING

Five point Licker scale of 'strongly Agree' (SA), "Agree" (A)s "undecided" (UD)s Disagree (DA) and Strongly Disagree (SD) was used in collecting the questionnaire data. For easier analysis of the data, the five Likert scales were merged into

two in which strongly Agree", Agree" , and Disagree" and Strongly Disagree" were put under "Disagree".

Responses of the interviewees were also put into groups in form of frequency distribution table on different aspects of the problems and prospects of grains marketing.

Table 6[A]: Major Agricultural problems that Affect Grains Marketing-Views of the Questionnaire respondents:

AGRIC. PROBLEMS		AGREE		DISAGREE	
		No	%	No	%
1.	Natural disaster	96	65.3	51	34.7
2.	Removal of subsidiary	84	57.1	63	42.9
3.	Poor yielding seedlings	22	15	125	85
4.	Use of traditional farming methods	30	20.4	117	79.6

Source: Questionnaire

The above table shows that the respondents agreed that natural and removal of subsidy are the major agricultural problems that affect grains marketing with 65.3% and 57.1% agreement respectively while the remaining two items namely poor yielding seedlings and use of traditional farming methods were accepted by only 15% and 20.4% respectively.

Table 6[B]: Major Agricultural Problems that Affect Grains Marketing - Views of the Interviewees:

Agric. Problem		Frequency	%
1.	Natural disaster	52	71.2
2.	Removal of subsidy	12	16.5
3.	Poor yielding seedlings	9	12.3
4.	Use of traditional farming methods	0	0
	Total	73	100

Source: Questionnaire

The above table shows that majority (71.2%) of the respondents were of the view that natural disasters as the major agricultural problem that has adverse effect on grains marketing while the remaining 16.5% and 12.3% saw removal of subsidy and poor yielding seedlings as the major problems respectively.

Table 7[A] and 7B: Shortage of capital - views of the Questionnaire Respondents and interviewees

7A

Shortage of Capital		AGREE		DISAGREE	
		No	%	No	%
1.	Inability to get loan from individuals	59	40.1	8	59.9
2.	Inability to get loan from banks	97	66	50	34
3.	Inability to save enough capital	113	76.9	34	23.1
4.	Lack of interest in Bank loan	56	38.1	91	61.9

Source: Questionnaire

7B

Shortage of Capital		Frequency	%
1.	Inability to get loan from individual	12	16.4
2.	Inability to get loan from banks	10	13.7
3.	Inability to save enough capital	30	40.1
4.	Lack of interest in bank loan	21	28.8
	Total	73	100

Tables 7A and 7B above show that inability to save enough capital to start grains business as the highest problem in shortage of capital with 76.9% and 40.1% in the two respective tables 7A and 7B. Less attention to bank loans may be due to poor banking culture, difficulty in securing bank loan and high interest rate charged by the banks.

Table 8[A]: Storage Problems - Views of the Questionnaire Respondents:

Storage Problem		AGREE		DISAGREE	
		No	%	No	%
1.	High cost of insecticides	106	72.1	41	27.9
2.	High cost of rodenticides				
3.	Shortage of good stores	51	34.7	96	65.3
4.	High cost of rented stores	40	27.2	107	72.8
		116	78.9	31	21.1

Source: Questionnaire

Table 8[B]: Storage problems - views of the Interviewees:

Storage Problem		Frequency	%
1.	High cost of insecticides	28	38.4
2.	High cost of rodenticides	10	13.7
3.	Shortage of good stores	5	6.8
4.	High cost of rented stores	30	41.1
	Total	73	100

Source: Questionnaire

Tables 8A and 8B above show two major problems that affect storage as ranked by the respondents namely high cost of insecticide and high cost of rented stores with 72.1% and 78.9% agreeing in table 8A while in table 8B, the two items were scored 30.8% and 41.1% respectively.

Table 9[A]: Transportation Problem - Views of the Questionnaire Respondents:

Transportation Problem		AGREE		DISAGREE	
		No	%	No	%
1.	Bad roads	92	62.6	55	37.4
2.	Shortage of fuel	113			
3.	Shortage of vehicles	26	76.9	34	23.1
4.	High transport fare	132	17.7	121	82.3
			89.8	15	10.2

Source: Questionnaire

Table 9[B]: Transportation Problem - Views of the Interviewees:

Transportation Problem		Frequency	%
1.	*Bad roads*	33	45.2
2.	Shortage of fuel	20	27.4
3.	Shortage of vehicles	5	6.9
4.	High transport fare	15	20.5
	Total	73	100

Source: Questionnaire

Table 9A above shows that the respondents agreed with shortage of fuel and high transportation fare as the main problems of transportation that affect grains marketing with 76.9% and 89.8% respectively. While table 9B shows that bad roads and shortage of fuel as the main problems with frequency percentages of 45.2 and 27.4 respectively. Shortage of vehicle was agreed with by the least number of respondents which shows it is the least among the major problems of transportation.

Table 10[A]: Communication Problem - Views of the Respondents to the Questionnaire:

	Communication Problem	AGREE		DISAGREE	
		No	%	No	%
1.	Communication gap between farmers and			2	
2.	traders	119	81	8	19
3.	Traders exploit consumer's ignorance in	62	42	85	58
	prices	97	66	50	34
	Language problem encourages exploitation				

Source: Questionnaire

In table 10A above, the respondents agreed that the main stambling bloc in communication that affects grains marketing is the communication gap between grains farmers and traders with 81% agreeing, followed by language problem, and consumers ignorance of the actual price with 66% and 42% respectively.

Table 10B above shows that the interviewees too agreed that communication gap between farmers and traders as the major communication problem with 46.5% while consumers' ignorance and language problem ranked second and third with 42.5% and 11% respectively.

Table 11[A]: Government policies that Affect Grains Marketing - Views of the Questionnaire Respondents:

	Government Policies	AGREE		DISAGREE	
		No	%	No	%
1.	Importation of grains	1	93.2	1	
2.	Removal of subsidy in farm inputs	37	80.1	0	6.8
3.	Delay/Refusal to buy excess grains at harvest time	119 92	62.6	28 55	19 37.4

Source: *Questionnaire*

Table 11[B]: Government Policies that Affgect Grains Marketing - Views of the Interviewees:

	Government Policies		
1.	Importation of grains	4	57.5
2.	Removal of subsidy in farm inputs	2	27.4
3.	Delay/Refusal to buy excess grains at harvest time	20 11	15.1
	Total	7 3	100

Source: Questionnaire

Table 11A above shows that the respondents agreed that importation of grains, removal of subsidy in farm inputs and government delay/refusal to purchase excess grains at harvest period are all government policies that affect grains marketing with 93.2% and 62.6% agreeing respectively to the items.

Table 11B above indicates that the respondents scored importation of grains, removal of subsidy and delay/refusal to buy excess grains by government as the government policies that affect grains marketing each getting 57.5%, 27.4% and 15.1% scores respectively.

Table 12[A]: Instability of the price of Grains - Views of the Respondents to the Questionnaire:

	Instability of the Price of Grains	AGREE		DISAGREE	
		No	%	No	%
1.	Inflation affects the price of grains	117	79.6	30	20.4
2.	Shortage of foodstuffs - due to poor harvest	124	84.4	23	15.6
3.	Bumper harvest brings the price of grains down	81	55.1	66	44.9

Source: Questionnaire

Table 12[B]: Instability of the price of Grains - Views of the Interviewees:

	Instability of the price of Grains	Frequency	%
1.	Inflation affects the price of grains	39	53.4
2.	Shortage of foodstuffs due to poor harvest	23	31.5
3.	Bumper harvest brings the price of grains down	11	15.1
	Total	73	100

Source: Questionnaire

Table 12A above shows that the respondents ranked shortage of foodstuff due to poor harvest as the major cause of price instability with 84.4% while inflation and bumper harvest were ranked second and third with 79.6% and 55.1% respectively.

Table 12B above indicates that 53.4% of the respondents agreed that inflation is the major cause of price instability in grains marketing, while 31.5% scored shortage of foodstuff and the remaining 15.1% accepted that bumper harvest brings down the price of grains.

QUESTIONNAIRE ON PROSPECTS OF GRAINS MARKETING

This aspect of the questionnaire was treated or conducted the same way the items of the questionnaire on problems of grains marketing were treated that is the five-point Likert scale was used.

Table 13[A]: Prospects of Grains Marketing - Views of the Respondents to the Questionnaire:

Prospects of Grains Marketing		Agree		Disagree	
1.	Depends on improved transportation system	141	95.9	6	4.1
2.	Depends on bumper harvest	96	65.3	51	34.7
3.	Depends on good storage system	87	59.2	60	40.8
4.	Depends on easy access to capital	138	93.9	9	6.1

Source: Questionnaire

Table 13B: Prospects of Grains Marketing - Views of the Interviewees:

Prospects of Grains Marketing		Frequency	%
1.	Depends on improved transportation system	40	54.8
2.	Depends on bumper harvest	9	12.3
3.	Depends on good storage system	4	5.5
4.	Depends on easy access to capital	20	27.4
	Total	73	100

Source: Questionnaire

Table 13A above indicates that 95.9% of the respondents agreed that grains marketing depends on the improvement of overall transportation system 65.3% agreed that it depends on bumper harvest, 59.2% agreed that is depends on good storage system and 93.9% agreed that it depends on easy access to capital by the farmers and traders.

Table 13B shows that 54.8% of the respondents accepted that grains marketing depends on improved transportation system, 27.4 agreed that it depends on easy access to capital, 12.3% said it depends on bumper harvest and the least that is 5.5% of the respondents agreed it depends on good storage system.

CHAPTER FIVE

SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 SUMMARY:

This research work is an exploratory study of the Problems and Prospects of Grains Marketing in Katsina State. Grains marketing which can be summed up as the production, processing, distribution, storage, advertisement, packaging, buying, selling, re-processing of the grains and grains by-products and final use by the consumers. Marketing either locally, nationally or even internationally depends on the economic, political (legal), social and cultural environment of the society or societies it is taking place.

Problems of grains marketing were located at from the problems faced in the production of the grains by the farmers, transportation, storage, availability of funds for the marketers, government policies, communication and price stability/instability.

Prospects of grains marketing were looked at from the things that would ensure the continuity and prosperity of the business if done or not done by farmers, traders, government and the final consumers.

Responses of the samples were got from the topic through questionnaire, interview and observation with the former two ways being the main sources of obtaining data while observation was used as supplementary.

Grains marketing as the process of seeing to the even distribution of grains from the producers to those who need or want it and if they can afford, it is a

continuous process where the producers depend on the marketers and the marketers on the consumer as well as vice versa. This study therefore as earlier stated was designed to find the problems and prospects of grains marketing with a view to offering useful suggestions that will help reduce the problems for the benefits of the farmers, traders, consumers and the society at large. A task of this nature will really generate a number of questions. These questions were reduced to hypotheses namely:

a) Low production and poor storage system affect grains marketing.

b) Communication gap coupled with inadequate publicity brings about low sales of grains.

c) Poor channels of distribution plus transportation problem bring about scarcity of grains in some parts of the state.

d) Inconsistent government policies do not affect grains marketing.

e) Problems of grains production and marketing make grains business very leak.

f) Price instability may not affect grains business.

To prove the above hypotheses, structured questionnaire of forty structured questionnaire items were administered to three hundreds (300) respondents who were mostly grains traders, some few grains farmers and consumers of grains and grains-by-products in ten (10) of the thirty four (34) local government areas of the state. Seventy three (73) people were interviewed, respondents to the interview included some of those who responded to the questionnaire and others who did

not. Observation was conducted in the ten markets of the sampled local government areas on their market days.

Out of the 270 questionnaires administered, 182 were returned, while 147 were currently filled while 73 of the planned 140 were interviewed so both used in analysing the data got: The respondents were of different age group, sex, religion, educational qualification and occupation. All the data were analysed by using table of frequency distribution and simple percentage.

5.2 FINDINGS OF THE STUDY

The following are the findings resulting from the study of the "Problems and Prospects of Grains Marketing in Katsina State" based on testing the hypotheses.

5.2.1 "Low production and poor storage system Affect Grains Marketing. These are based on the agricultural problems that affect high production (farming) of grains and other farm produce as well as lack of effective, efficient and modern storage facilities. Tables 6A and 6B show that the respondents agreed with 2 of the four items as the agricultural problem that effect grains marketing namely; natural disasters and removal of subsidy in agricultural inputs with 65.3% and 57.1% respectively while poor yielding seedlings as well as the use of traditional farming methods were agreed with by only 15% and 20.4% respectively. 71.2% of the interviewees agreed with natural disaster while use of the traditional farming methods was rejected by all the interviewees. Tables 8A and 8B show that the respondents agreed that high cost of rented stores. The four tables namely 6A, 6B, 8A and 8B show that the hypotheses was accepted.

5.2.2 "Communication Gap coupled with inadequate publicity bring about low sales of Grains". Tables 10A and 10B show that in poor communication between farmers and traders of grains as the major communication problem considering the 81% acceptance and 34% score of the item got from the respondents to the questionnaire and the interviewees. Though the remaining 2 items namely traders exploit consumers' ignorance and language barrier encourages exploitation, were accepted but they got less scores compared with the first two items. This shows that this hypotheses was also accepted.

5.2.3 "Poor channels of distribution plus transportation problems bring about scarcity of grains in some parts of the State". Tables 9A and 9B show that high transport fare and shortage of fuel are the major problem of transportation problem which were agreed by 89.8% and 76.9% of the respondents to the questionnaire while bad roads was scored highest with 45.2% by the interviewees. The same tables also show that this hypotheses was partially accepted.

5.2.4 Tables 11A and 11B prove the rejection of the hypotheses that "Inconsistent Government Policies do not Affect Grains marketing" because the three items namely importation of grains and their by-product", removal of subsidy in farm inputs" and "government delay/refusal in buying excess grains at harvest time were agreed with by 93.2%, 80.1% and 62.6% respectively by the respondents to the same above items 57.5%, 27.4% and 15.1% respectively. Therefore, government's policies on agricultural and marketing of grains effect agro-business generally.

5.2.5 Tables 12A and 12B show that the hypotheses that says, "price instability may not affect grains business" was rejected because all the respondents to the questionnaire items agreed that they affect price. The items are: inflation affects the price of grains" "poor harvest brings down the price of grains' were respectively agreed with by 79.6%, 84.4% and 55.1% of the respondents to the questionnaire while the same items were respectively scored, 53.4%, 31.5% and 15.1% by the interviewees.

5.2.6 "Problems of grains production and marketing make grains business very bleak". This hypotheses was partially rejected as shown by tables 13A and 13B. The items are prospect of grains marketing depends on improved transportation systems, bumper harvest, good storage system and easy access to capital which were agreed with 95.9%, 65.3%, 59.3% and 93.9% of the respondents to the questionnaire respectively while the interviewees, the same items were scored 54.8%, 12.3%, 5.5% and 27.4% respectively. Once can therefore comfortable say that grains marketing in Katsina State has prospects more especially if the problems of transportation, access to capital are reduced to the bearest minimum for the farmers and traders.

5.3 RECOMMENDATIONS

Any study that aims at improving the lots of the society should not stop at surveying the situation, causes, problems, prospects and so on of the issue studied. It needs to go further to make recommendations that will help solve the problems identified. It is in the light of this and other findings already discussed above that

the following recommendations are made for considerations to the three tiers of government namely; local, state and federal, farmers; traders and the general populace that use grains and grains and grains by-product in the economy.

5.3.1 Prevention of major problems that affects grains in particular and the farmers in general. Government policies that encourage farming should be sustained because the moment agriculture is boosted many human activities including marketing will also be boosted.

5.3.2 Government should encourage commercial an development banks to give agricultural loans to farmers at lower interest rates while community financial organisations should be encourage to open community banks so that banking culture will be encouraged this will make the people to be able to save, barrow and lend money locally with less difficulties and more confidence, this calls for more commercial activities at the local levels.

5.3.3 Local storage facilities should be encouraged by communities and governments so that farmers, traders even consumers will be able to preserve the farm produce for longer period of time. This will help in wiping away the access at bumper harvest period and at later periods of each year.

5.3.4 To reduce the transportation problems faced by farmers and traders in the state and the country at large, the rural areas need to be opened up with feeder roads which have to be maintained to minimize their being unmotorable as well as increase their span. This has to be done by the governments (local, state and federal) with full support and cooperation fare needs to be properly tackled by government considering the quantity and quality of oil the country endured with.

Moreover, the prospecting, drilling, refining, distribution and sales of this commodity is determined by the government.

5.3.5 To minimize the problem of communication, the communities, government (local, state and federal) can use the available and reliable communication systems so that all and sundry can be informed of the average prices of grains weekly and in various parts of the state and the country. Use of state and federal radio stations, television station will of immense help considering the fact these two media organisations are the major sources of information for a majority of Nigerians. Newspapers, magazines, periodicals and so on can also be used to inform the elites who have access to such medium.

5.3.6 Price of grains and other farm products can be stabilised by effective communication system, mopping excess products and effective release of the access bought by government and individuals at the time when the supply of the product is low from the farmers. Price control boards can also be re-introduced by government so that neither the farmers nor the traders nor the consumers are grossly exploited by the other groups.

5.3.7 Suggestions for further studies. This research was greatly limited by time, distance and financial constraint. For further research the following suggestions are made: this research was limited to Katsina State. The need to carry out similar research in other grains-producing states in the country need not to be over-emphasized. This will give room for more generalization in the country.

a) The production of some of these grains namely wheat and rice is not of high quantity in Katsina State. Conducting similar research in each

of the grains based on the state that produces higher quantity of it will give more accurate data on their production and marketing.

b) The prospects of grains marketing was given less attention in the research and more attention to the problems. This is because of the simple assumption that if the mentioned problems are solved or reduced to minimum the prospects will be high. A study on the prospects of grains marketing in the state and others can also be undertaken separately.

c) Only 10 of the 34 local governments areas of the state that is about 29% were involve. A study that covers each of the local government areas in the state will give more chances of generalization so it can be conducted by any interested researcher.

5.4 CONCLUSION

It is hoped that the above recommendations among others when used will help a lot to improve grains marketing in Katsina State and the country at large.

QUESTIONNAIRE

Department of Business Administration,

Faculty of Administration,
Ahmadu Bello University,
Congo-Zaria

March, 1998.

Dear Respondent

QUESTIONNAIRE ON GRAINS MARKETING IN KATSINA

This questionnaire is designed to help find the problems and prospects of grains marketing in Katsina State. Your response to this questionnaire would help in getting the needed data for the project for the final fulfilment of an M.B.A. Certificate requirement in the above named University.
All information given will be treated strictly confidential and will be used for this research purpose only.
Thank you.

SECTION 'A' PERSONAL INFORMATION

Please tick ( ) the correct one or fill the space where provided.

Age: a) 26 - 35 years
b) 36 - 45 years
c) 46 - 55 years
d) 56 and above

Sex: a) Male b) Female

Religion: a) Islam b) Christianity c) Traditional Religion

Qualification: a) Non-literate
b) Basic literacy
c) SSCE/GCE/TC II holder (or failure)
d) NCE/Diploma and above

Occupation: a) *Trader* b) *Farmer* c) *Others*

Marital Status: a) Married b) Single

Number of children you have:
a) 0
b) 1-5
c) 6-10
d) 11-15
e) 16 and above

SECTION 'B'

Please read each statement below and tell whether you Strongly Agree (SA), Undecided (UD), Disagree (D) or Strongly Disagree (SD). Make a tick ( ) in any column against any chosen answer.

	SA	A	U D	D	SD
The major problem of agriculture is:					
National disaster					
Removal of subsidy					
Poor yielding seedlings					
Use of traditional farming methods					
Shortage of capital as a problem:					
Inability to get loan from individuals					
Inability to get loan from banks					
Inability to save enough capital					
Lack of interest in bank loan					
Storage problems:					
High cost of insecticides					
High cost of rodenticides					
Shortage of good stores					
High cost of rented stores					
Transportation problems:					
Bad roads					
Shortage of fuel					
Shortage of vehicles					
High transport fare					
Communication problems:					
Communication gap between farmers & traders					
Traders exploit consumer's ignorance in prices					
Language problem encourages exploitation					
Problems of Government Policies:					
Importation of grains					
Removal of subsidy in farm inputs					
Delay/Refusal to buy excess grains at harvest time					
Instability of the price of grains:					
Inflation affects prices of grains					
Shortage of foodstuffs due to poor harvest					
Bumper harvest brings the price of grains down					
Prospects of grains marketing:					
Depends on improved transportation system					
Depends on bumper harvest					
Depends on good storage system					
Depends on easy access to capital					

If you have any problem(s) and or prospects of grains marketing not mentioned above please write below:.....
.....
.....
.....
.....

INTERVIEW SCHEDULE

Problems of Grains Marketing in Katsina State.

1. Personal data on the respondent like full name, age, sex, marital status, tribe, state, occupation, size of farm (if farmer) and average annual income.

2. Among the major problems of agriculture which one affects grains marketing most.

3. In which ways does shortage of capital affect grains marketing?

4. Do you agree that poor storage facilities affect grains marketing? Why?

5. To what extent does transportation problem affect marketing in Nigeria?

6. How good or bad are government policies towards grains marketing?

7. In what ways does communications problem affect grains marketing?

8. How stable/unstable are the prices of grains? What causes the instability if any?

9. On what does the prospect of grains marketing depend in this (Katsina) State?

10. How does sufficient supply of grains affect the market? Would you prefer its availability to shortage?

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