Problems and Prospects of Manufacturing Industries in Nigeria: A Study of Federal Super Phosphate Fertilizer Ltd. Kaduna.

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CERTIFICATION

This is to certify that this project titled "Problems and Prospects of Manufacturing Industries in Nigeria: A Study of Federal Super Phosphate Fertilizer Ltd. Kaduna." by **Aliyu,** Zainab Garba (Mrs) meets the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and it is therefore approved for its contributions to knowledge, and literary presentation.

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DEDICATION

This study is dedicated to –

My Creator – Allah (SWT) who gave me life and education

My Parents – Alhaji Ali Isyaku and Haj. Maryam who taught me honesty, courteous manners, honour more than reward, God consciousness and never to give up hope in life. I love you both dearly.

My Family – Alhaji Aliyu Garba (if ever there is a gentle man, it is you).
And to Fiddausi, Ummi and Asiya, I say a big thank you and may Allah bless you all for your patience and endurance.

And my Friends – Halima Jumare (the lady with a big heart) and Amina Sani for their kind support and encouragement. May Allah reward you both with Jannatul fiddaus.

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My appreciation and gratitude goes to my creator Almighty Allah, who gave me protection and guidance to carryout this work and made things possible for me.

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ABSTRACT

Fertilizer is an important element of nation's determination to reinvigorate agricultural development for viable and sustainable economic development of the nation. The importance of fertilizer is seen in the role it plays in revamping the already deteriorated land fertility in the country, which is seriously undermine food production in Nigeria. Its contribution therefore to the general economic development of the nation cannot be over emphasised.

The purpose of this study is to assess the problems and prospects of Manufacturing Industries in Nigeria: a case of the only Superphosphate Fertilizer Plant in Nigeria. The population used in this research were staff, distributor and end users of FSFC's products – fertilizer. It should be borne in mind that any scarcity of the product will have unquantifiable negative consequences in the agricultural sector and the nation's economy as a whole. It was in the light of this that the study examined some of the major constraints of the fertilizer plant in the country as well as stressing the importance and prospects of improving its productivity for the common good of the country. Unfortunately, the study proved that the aggregate national demands of the product far outstripped company's production and even operates below its initial operational capacity. These shortcomings were certainly due to problems

associated with a myriad of problems, with funding leading the pack. The study then recommended options to be taken in order to meet the current national demand. It also looked at the marketing concept in use by the company to boost their sales. Finally, measures need to address the problems of the company were highlighted in the work.

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CHAPTER ONE (General Introduction)

2.0 Introduction

Manufacturing is producing goods that are necessary for modern life from raw materials. The word manufacture comes from the Latin manus (hand) and facere (to make). Originally manufacturing was accomplished by hand, but most of today's modern manufacturing operations are highly mechanized and automated. There are three main processes involved in virtually all manufacturing: assembly, extraction, and alteration. Assembly is the combination of parts to make a product. For example, an airplane is assembled when the manufacturer puts together the engines, wings, and fuselage. Extraction is the process of removing one or more components from raw materials, such as obtaining gasoline from crude oil. Alteration is modifying or moulding raw materials into a final product—for example, sawing trees into lumber. Science and engineering are required to develop new products and to create new manufacturing methods, but there are other factors involved in the manufacturing process. Legal matters, such as obtaining operating permits and meeting industrial safety standards, must be adhered to. Economic considerations, such as competition, worldwide markets, and tariffs, control to some degree what prices are set for manufactured goods and what inventories

are needed. Manufacturing has existed as long as civilizations have required goods. In the middle ages, silk factories operated in Syria, and textile mills were established in Italy, Belgium, France, and England. Factories were built to produce gunpowder, clothing, cast iron, and paper. The manufacturing of these goods was primarily done by hand labour, simple tools, and, rarely, by machines powered by water.

Today, manufacturing means the making of articles by machinery as well as by hand. Manufacturing plants have great importance to the welfare of their communities. When a factory hires 100 workers, for example, it also creates about 175 jobs outside the factory. These include jobs for people in restaurants, stores, and other businesses that provide the factory employees with goods and services. Until the early 1900's, the greatest manufacturing centres were in Western Europe. The United States became the leading manufacturing nation during World War I (1914-1918). Since then, the United States has ranked as the greatest producer of manufactured goods. Manufacturing is an important industry in the United States and Canada. It earns about one-fifth of the gross domestic product (GDP) of each nation. GDP is the value of all the goods and services produced in a country within a given period. Manufacturing employs about one-fifth of the two nations' workers. Manufactured items may be

divided into heavy or light, and durable or nondurable goods. A durable product lasts for a long time. A nondurable product is used up quickly. A locomotive is a heavy durable product. A loaf of bread is a light nondurable item, as recorded in the history of manufacturing by Microsoft Encarta, (2005).

All manufactured products are either consumer goods or producer goods. Retail stores, such as groceries or drugstores, sell consumer goods to millions of buyers. These products include radios, rugs, food, and thousands of other items. Producer goods are products used to make other products. They include springs, bearings, printing presses, and many other items. Manufacturing industries are usually located in regions that have abundant natural resources, good transportation, mild climates, and large populations. North America, Europe, and Asia rank as leaders in all these categories. Together they produce over 90 percent of the world's manufactured goods.

The Industrial Revolution began in England in the middle of the 18th century when the first modern factories appeared, primarily for the production of textiles. Machines, to varying degrees, began to replace the workforce in these modern factories. The cotton gin, created by the American inventor Eli Whitney in 1793, mechanically removed cotton fibres from the seed and increased production. In 1801 Joseph Jacquard, a French inventor, created a

loom that used cards with punched holes to automate the placement of threads in the weaving process. The development of the steam engine as a reliable power source by Thomas Newcomen, James Watt, and Richard Trevithick in England, and in America by Oliver Evans, enabled factories to be built away from water sources that had previously been needed to power machines. From the 1790s to the 1830s, more than 100,000 power looms and 9 million spindles were put into service in England and Scotland.

By 1943 manufacturing capacity had increased dramatically: 10,000. After the war, part of this vast military manufacturing capacity was converted to create consumer items such as automobiles, furniture, and televisions. The development of the Cold War between Communist and non-Communist powers was accompanied by a build-up of manufactured weapons such as fighter airplanes and bombers, submarines, missiles, and nuclear weapons. The shift to a military manufacturing base accelerated the development of space science and advanced electronics, particularly integrated circuitry. Computers, in turn, have helped increase the productivity of modern manufacturing plants because they enable automated design, production, and record keeping

The Nigerian business environment of the manufacturing industries has witnessed tremendous growth in size, scope and complexity of operation of

operation for the past decades. Local individualistic herbalist has been replaced with giant multimillion-naira Pharmaceutical Companies like Zaria Pharmaceutical company, Dangi Pharmacy, Doyin Pharmacy companies with daily production capacities of thousand product to various locations in the country. An integral consequence of this revolutionary change is that as the complexity and specialization in an organization increase it becomes more and more difficult to allocate its available resources to its various activities in a way, which is most efficient for the organization as a whole. Manufacturing activities relies heavily on the use of capital, machinery, equipment, large space of land, electricity, water and adequate transportation facilities of which the requirement favoured the location of the industries in centres not only of large population concentration and accessibility to big markets, but also with the supply of necessary production and services inputs. The consequence of the development is that manufacturing industries have found themselves increasingly located in areas like Lagos, Kaduna, Kano, Jos, etc. Mainly, there are three types of industries in Nigeria:

1. Import Substitution Industries: Those that import the raw material and processed it in the country e.g. Textile

2. Primary Production Processing Industries: those that sourced their raw material in the country and processed it e.g. groundnut, cocoa.
3. Export oriented industries: those that sourced their raw material in the country, and export it e.g. Gas, Plywood, Timber.

Manufacturing industries do face many obstacles in Nigeria; these are high cost of foreign exchange, high rate of importation of finished product, the value judgement of Nigerians i.e. appearing anything made in Nigeria, deregulation policy and other reform policies.

2.1 Statement of Problem

The economic survival of many developing countries is now at stake as the transfer of technology is not feasible. Developing nation's share in trade and investment has diminished further over the past decade and has continuously "marginalized" them in the global economy. These trends continued despite the fact that most Governments have realized their key role in removing legal barriers that might impede manufacturing. Nigeria for instance has galvanized local and international support for various investments into the manufacturing industry in order to accelerate. Yet the impact of industry is not visible, so also is the impact of the nations as a result of the products produced through our

indigenous technology in the global economy. There are shortages of goods in the country. All sections of the economy are affected by inability of manufacturers to meet the very high demand of consumers. The staggering demand is also accompanied by weaknesses in our social and commercial infrastructures. The problem faced is that of managing prosperity caused by demand that cannot be matched by increased production.

2.2 Research Questions

- Why is the manufacturing industry dwindling in output every day in Nigeria?
- Since its takeup, what impact has the manufacturing industry made in Nigeria and in its relation to the rest of the world?
- What are the militating factors that limit the industry's realization of potentials?
- What are the accruing prospects that both manufacturers and the nation will get in the industry if the problems are less?
- Does the industry enjoy a healthy national attention?
- How does the industry fared in Nigerian industrial climate?
- Has it achieved its national objective?

- Has the standard of production in various manufacturing segment of the nation been realized and maintained?
- Are there prospects of improving the industry?
- How can the quality of the industry be improved?
- Does the manufacturing industry receive qualitative management in Nigeria?
- Has the government adequately catered for the stakeholders, in terms of removing obstacle for more prosperous production?
- Are they properly motivated for effective performance?
- Does the manufacturing industry cater for the problem of job satisfaction?
- What is the role of the government?
- What is the role of the private sector?

2.3 Limitations and Scope of the Study

The study covers the manufacturing industry in Nigeria, highlighting the militating problems impeding the growth of the industry. The study would as well try to find out the numerous prospects the industry would have to the investors the consumers and the nation at large, however, the research would only be limited to Federal Superphosphate Fertilizer Company Limited, Kaduna

2.4 Research Assumption

1. Made in Nigerian goods are inferior.
2. The manufacturing companies would never prosper in the Nigerian setting.
3. government is not doing enough for the industry
4. Poverty and ignorance are the major factors affecting the manufacturing industry in Nigeria
5. Lack of proper application of marketing concept is a major factor in limiting the prospects of the manufacturing industry
6. Lack of managerial skills by the investor is limiting the impact of manufacturing industry in Nigeria
7. The manager of the industry do not know what is wrong with the industry
8. They do not know what to do to address the situation.
9. Government policies towards manufacturing are too harsh and the better ones are either not implemented, or they are poorly implemented
10. Policies are defective or wrongly conceived or based on the wrong premises

11. Actions taken to implement them are unlikely to bring the expected results.
12. Poor implementation of the policies led to negative outputs of the manufacturing industry
13. The government manufacturing plants failed to make an impact because the staff do not feel a sense of ownership and hence they are not committed.
14. The Nigerian industrial climate does not provide the basic tools needed for it to prosper
15. The programme does not adequately catered for the stakeholders in the industry

2.5 Objectives of the study

The study set to assess the manufacturing industries in Nigeria, the failures and lack of impact from Nigeria's industrial take up to date. The research work would also specifically assess the problems of the Federal Superphosphate Fertilizer Company Limited, Kaduna and the accruing prospects that would have accrued if the problems impeding the industry's growth are removed or minimized.

2.6 Significance of the Study

The study will shed more light to the problems militating against Nigeria's quest for industrialization in general. Specifically the study will address one of Nigeria's most important sector, agriculture. The growth of agriculture will largely depend on adequate supply of qualitative fertilizers to the farmers. The research is poise to highlight the various problems of the fertilizer companies in Nigeria. The prospects of the company too will be studied and the findings will be of tremendous benefit to farmers, investor, the managerial staff of the fertilizer company and the nation's economy, particularly as it affects the present economic reform programme going on the country.

2.7 **Definition of Terms**

1. **Alteration:** is modifying or moulding raw materials into a final product.
2. **Assembly:** is the combination of parts to make a product.
3. **Cold War:** was the intensive competition between Communist and non-Communist powers which led to a build-up of manufactured weapons

such as fighter airplanes and bombers, submarines, missiles, and nuclear weapons.

4. **Distributor:** an individual or an organization who a major sales representative, usually selling only to wholesalers
5. **Engineering:** are required to develop new products and to create new manufacturing methods
6. **Export oriented industries:** those that sourced their raw material in the country, and export it e.g. Gas, Plywood, Timber.
7. **Extraction:** is the process of removing one or more components from raw materials, such as obtaining gasoline from crude oil.
8. **Factory:** a building or complex of buildings where goods are manufactured on a large scale, for example, an automobile assembly plant
9. **Fertilizer:** is natural or synthetic chemical a substance that is added to enrich soil so as to promote plant growth.
10. **FSFC:** Federal Superphosphate Fertilizer Company Limited
11. **Goods:** articles for sale or use, often those produced for later consumption, as opposed to services

12. **GDP:** Gross Domestic Product – the total value of all goods and services produced within a country in a year, minus net income from investments in other countries
13. **Import Substitution Industries:** industries that import the raw material and processed it in the country e.g. Textile
14. **Customer:** somebody who buys goods or services
15. **Industrial Revolution:** period when the first modern factories appeared, primarily for the production of textiles, which began in England in the middle of the 18th century.
16. **Industrialization:** the adoption of industrial methods of production and manufacturing by a country or group, with all the associated changes in lifestyle, transport, and other aspects of society
17. **Management**: The organizing and controlling of the affairs of a business or a particular sector of a business
18. **Manufacturer:** a factory, individual, or organization that produces finished goods from raw materials, especially on a large industrial scale
19. **Manufacturing:** is producing goods that are necessary for modern life from raw materials. The word manufacture comes from the Latin manus (hand) and facere (to make)

20. **NEEDS**: National Economic Empowerment Development Strategy
21. **Prices:** the particular amount, usually of money, that is offered or asked for when something is bought or sold
22. **Primary Production Processing Industries:** those that sourced their raw material in the country and processed it e.g. groundnut, cocoa.
23. **Producer goods:** are products used to make other products
24. **Wholesalers:** sellers of merchandise to retailers, usually within a specified geographic area

CHAPTER TWO

Related Literature

2.0 Introduction

The "Manufacturing", like most terms in social sciences, has no universal accepted standard definition. Defining manufacturing has an added difficulty, because some people often use the term interchangeably with industrialization. In fact, manufacturing is the most important aspect of industrialization, but because of their close relationship, the interchangeable usage of the two terms will be adopted in this study.

Manufacturing has received prominent attention among developing nations recently, including Nigeria. Manufacturing has been described as "Prim – mover of the economy", and "Potent factor in the development process". Indeed, manufacturing has come to be seen as a key to rapid development in developing countries. In the word of Hughes (1972), manufacturing is "the system of production that has arisen from the steady development, study and use of scientific knowledge. It is based on the division of labour and on specialization and uses mechanical, chemical, and power driven, as well as organizational and intellectual, aids in production."

The origins of manufacturing as recounted by the "Microsoft Encarta Reference Library DVD (2005) can be traced in the distant past, Manufacturing is the outcome of a long and complex historical development, and it obviously has not yet run its full course as a long – range historical phenomenon. The industrialization process started over two hundred (200) years ago in Great Britain. The phrase "industrial revolution" has long been used to identify the period roughly 1750 – 1825, during which the accelerated application of mechanical principles, including steam power, to manufacturing in Great Britain produced an identifiable change in economic structure and growth. Worker were grouped together in factories using concentrations of capital equipment greater in cost and more efficient in operation than the capital equipment known in Britain earlier. These factories utilized few mechanical innovations primarily in textiles and iron manufacturing which, with the application of the steam engine, made factory – sized scale the most economic size for the production unit. The proximity of others engaged in such manufacturing activities became a further cost – reducing factor of great importance, resulting in "external economies" that encouraged the grouping together of manufacturing enterprises and, hence, the growth of new urban

aggregations. The result was that Britain rapidly became the first urbanized industrial state, Microsoft Encarta Reference Library DVD (2005).

Manufacturing plants have great importance to the welfare of their communities. When a factory hires 100 workers, for example, it also creates about 175 jobs outside the factory. These include jobs for people in restaurants, stores, and other businesses that provide the factory employees with goods and services. Manufacturing is an important industry in the United States and Canada. It earns about one-fifth of the gross domestic product (GDP) of each nation. GDP is the value of all the goods and services produced in a country within a given period. Manufacturing employs about one-fifth of the two nations' workers. Manufactured items may be divided into heavy or light, and durable or nondurable goods. A durable product lasts for a long time. A nondurable product is used up quickly. A locomotive is a heavy durable product. A loaf of bread is a light nondurable item.

Manufacturing has a small role in Africa's economy. In the past, colonial rulers emphasized agricultural and mineral production to obtain raw materials for industries in their home countries. Today, therefore, even new nations with abundant raw materials have few major industries. Many African countries cannot afford to build costly factories and have a shortage of skilled workers,

managers, and technicians. In addition, competition from American and European industries has discouraged major industrial growth in Africa.

Since the mid-1900's, large cities and towns in most of Africa have developed small industries that produce such consumer goods as beer, cigarettes, furniture, shoes, soap, and soft drinks. Some African factories also make such products as automobile parts and textiles. South Africa is the most highly industrialized country in Africa. It produces nearly two-fifths of the continent's manufactured goods. South Africa's factories turn out a wide range of products, including automobiles, chemicals, clothing, processed foods, and iron and steel. The next most important industrial countries of Africa are Egypt, Algeria, Morocco, and Nigeria, Microsoft Encarta Reference Library DVD (2005).

Manufacturing industries are usually located in regions that have abundant natural resources, good transportation, mild climates, and large populations. North America, Europe, and Asia rank as leaders in all these categories. Together they produce over 90 percent of the world's manufactured goods. All manufactured products are either consumer goods or producer goods. Retail stores, such as groceries or drugstores, sell consumer goods to millions of buyers. These products include radios, rugs, food, and thousands of

other items. Producer goods are products used to make other products. They include springs, bearings, printing presses, and many other items.

Leading industries in Nigeria produces cement, chemicals, clothing, fertilizers, food products, leather goods, lumber, metal products, and textiles. The country also has motor vehicle assembly plants, petroleum refineries, steel mills, and factories that process rubber. In 2001, manufacturing accounted for 4 percent of the GDP, down from 13 percent in 1982. Preindependence Nigeria, its large population notwithstanding, had very little industrial development—a few tanneries and oil-crushing mills that processed raw materials for export. During the 1950s and 1960s a few factories, including the first textile mills and food-processing plants, opened to serve Nigerians. During the 1970s and early 1980s industrial production increased rapidly, principally in Lagos, Kaduna, Kano, and Port Harcourt. Factories also appeared in smaller, peripheral cities such as Calabar, Bauchi, Katsina, Akure, and Jebba, due largely to government policies encouraging decentralization (although these policies sometimes ran counter to solid economic criteria) Institute for African Development, **(**http://www.inadev.org/support.htm**:** 2000).

Nigeria's major manufactures are food and beverages, cigarettes, textiles and clothing, soaps and detergents, footwear, wood products, motor vehicles,

chemical products, and metals. Smaller-scale manufacturing businesses engage in weaving, leather making, pottery making, and woodcarving. The smaller industries are often organized in craft guilds involving particular families, who pass skills from generation to generation. In an attempt to broaden Nigeria's industrial base, the government has invested heavily in joint ventures with private companies since the early 1980s. The largest such project is the integrated steel complex at Ajaokuta, built in 1983 at a cost of $4 billion. The government has also invested heavily in petroleum refining, petrochemicals, fertilizers, and implements for assembling automobiles and farm equipment. Government policies have hampered industrial development by making it difficult to obtain sufficient raw materials and spare parts. Partly as a result, only a fraction of the country's manufacturing capacity is currently utilized. In the mid-1990s the government introduced a series of reforms, including an allowance for greater foreign ownership in Nigerian industries, a loosening of controls on foreign exchange, and the establishment of an export-processing zone at Calabar, The National Planning Commission, (the NEEDS document: 2004**,** NEEDS: Main Text, (.pdf-document, 576 KB, zip-compressed)**,** NEEDS: Annex, (.pdf-document, 386 KB, zip-compressed)).

The pattern of industrialization, according to the World Book Encyclopaedia (2004), in other countries has been broadly the similar in many respects to the experienced by Britain. "textiles first", along with food processing has been almost the rule in industrialization followed by transportation development, heavy industry and more sophisticated enterprises, such as metal working, chemicals and agricultural output or increased foreign trade, or both have been concomitants of manufacturing development. Some pre – conditions for the manufacturing development were outlined in the World Book, 2004, these are available labour force, markets for finished products, access to raw materials (whether at home or through foreign trade), a source of investment funds and access to technology. In the long run, successful manufacturing has been achieved in those nations which not only realized the preconditions but also were able to adapt to changes in technology which required extensive organizational flexibility on all levels. Examples of such necessary flexibility are anti trust laws, internal population migrations and changes in representational balance due to shifts in the franchise.

It is important to note however, to note that manufacturing has grown more rapidly in developing countries than in the developed countries. Some developing countries have built up a manufacturing sector to the point at which,

though they still have relatively low income, they have to be regarded as industrialized countries, for example, China, Brazil, Venezuela, and India; a dozen countries are clearly semi – industrialized; most of the developing countries are well into an industrializing stage; and for the most part only very small countries with a low population are still non – industrialized.

According to Meier (1984), developing countries can be broadly divided into three: the semi – industrialized, the industrializing and the non – industrialized countries. The semi – industrialized countries include: Korea, Brazil, Venezuela, China, Singapore and a number of Middle East countries. In Meier's opinion these countries are semi – industrialized because:

> *These countries have enterprise (manufacturing sectors), they have also clearly overcome the acute early human and physical capital shortages. Their industrial structure is being determined by their resources bases, size, geographical location and policies reflecting comparative advantages arising from these endowments rather than by progressive import substitution.*

From the above, the industrializing countries consist of the largest number of developing countries of Africa, Asia and Latin America. Some countries industrial production is heavily weighted by mineral processing an in many cases high protection exaggerates the extent of industrial involvement. It is pertinent to note that these countries (industrializing) are well beyond the first steps towards industrialization. Most produce a substantial proportion of the consumer goods required by the local market; a significant range of intermediates notably construction material; and they have begun or are beginning to produce capital goods example of such countries are Nigeria and Indonesia. Again, the industrializing countries have overcome the initial problem of lack of human and capital resources for industrialization. A pool of indigenous entrepreneurs, managers and technicians have been established although it is not yet adequate for the rapid rate at which these countries with to expand industrial production. These countries have also built up at least in some areas, some of the physical infrastructure – ports, land transports, water supply and power – necessary for industrial operations, but in most cases, it is less adequate than in the semi – industrialized countries.

The third and final category or classification given by Meier is the non – industrialized countries. The countries that fall in this category are those that are

poor, very small with a low population, examples of such countries are Niger and Chad. Most of the industrial developments that are taking place in the semi – industrialized and industrializing nations are yet to take – off in the no – industrialized countries.

Manufacturing at any stage in a countries development is very vital. Indeed, it plays a very vital role in the developing nations; so much that, some people see industrialization as the only answer to the chronic economic problems of these countries. In this section, effort is made to highlight some of the main advantages of manufacturing. First of all, there is low income elasticity of demand for their primary products; and the worsening terms of trade against them in the international market. Another reason that explains why industrialization is important to the developing countries is the need to conserve their limited foreign exchange by importing less from the industrial counties as well as the need to be self – sufficient to a reasonable extent. Hence, most developing counties begin the industrialization process through import substitution projects. In addition, industrial projects are growth – stimulating, because of their greater linkage. It should be noted that empirical studies by the United Nations and other research bodies have established a strong positive correlation between industrialization and economic growth.

Marketing departments are now developments in some manufacturing firms. Most firms just have a sales department. The fact that some businesses seem to be making huge profits despite the rudeness and insolence of their sales staff and poor quality of products and services, tend to give the (wrong) impression that consumer orientation is not necessary at all. Onah (1981), states that "Millions of products that flood our markets today are either faulty or unsafe for human consumption." The idea behind the ban on importation was to prepare Nigeria for industrial takeover, but this has hardly been achieved. What we have instead, that high prices are charged for inferior quality products. In most cases however, the goods are not even there, Alatise (1979), posited

> *"There are shortages of goods in the country. All sections of the economy are affected by the inability of manufacturers to meet the very high demand of consumers. The staggering demand is also accompanied by weaknesses in our social and commercial infrastructures. The problem faced is that of managing prosperity caused by demand that cannot be matched by increased production."*

However, because manufacturers are managing well with the main product of the moment, they do not have the urge or challenge to be creative or

innovative. Product development is tempered and this reduces strength of brand. Manufactures often face difficulty in introducing new products into the market. Also they are unable to measure fully the success or failure of their existing brand(s) on its own merit. In addition, high prices create consumer resentment for the brand and stultify growth.

One other problem experience by manufacturers is that of designing product, package and profit. Because of the high demand for products, firms face frequent breakdowns and low workers' output, which often result in lower quality and quantity. Therefore, there is possible deterioration in product quality. Manufacturers often face constraints to give consumers what they want in terms of product size and variety, and to maximize output. Limited production capacity, however, inhibits the ability to meet high demand, which in turn inevitably affects the profitability of the firm because of its inability to increase sales. Manufacturers also face the problem of advertising and promotion. Most advertising executives have lost their creativity due to lack of challenge and pressure. They also face the problem of media inflexibility and inadequacy. Most firms keep advertising to the minimum just to keep the brand going. They hardly engage in any promotional activity. Stifling of promotional ideas could lead to possible decline in marketing competence.

There is the problem of distribution, sales and merchandising. We are witnesses in the country's transportation problems. Because of this, marketers often experience discontent from distributors, wholesalers, and indirect customers. Furthermore, trade malpractices such as price inflation, hoarding, conditional selling, corruption etc. are common occurrences in a sellers' market. There is sales force complacency and loss of selling and merchandising skills. Salesmanship and merchandising ability may suffer due to lack of active selling. All these factors contribute to the retardation of distributions growth and loss of effectiveness.

Stampf (1978), identifies the following as structural constraints that impede the growth of manufacturing industry in Nigeria, goal structure of the firm, availability of technology, the market structure, planning, organisation and style, and environmental stability. What is more, the high level of government control over prices, without an attendant assurance of corresponding product quality, honest sales, and efficient distribution (which are guaranteed by a free market mechanism), makes matters worse. in the words of Professor Uche (1980):

"It is a country where locally manufactured candles burn out in a few seconds; where locally manufactured bulbs

are replaced after every other day; where locally assembled vehicles are but shadows of their present stock; where locally manufactured shoes lose their soles after the first use in the rains; the poor consumer is treated like an orphan even before he is born"

The general lack of knowledge (or concern) managerial skills; poor consumer education (as to their rights to redress), horizontal collusions by producers and resellers in nearly all industries, also contribute to the present manufacturing problems in Nigeria.

The Federal Superphosphate Fertilizer Company Limited, wit Head Office and Plant at No. 4 Nassarawa, Kakuri Industrial Area, Kaduna, in Kaduna State, Nigeria, is wholly owned by the Federal Government of Nigeria. It was the first fertilizer plant to be set up in the country and remains the only superphosphate fertilizer plant in Nigeria. The company was incorporated in 1973, with a share capital of N2 million, made up of 2,000 Ordinary. The construction of the company commenced in 1974 and was completed in 1976 after which production started immediately. The plant was basically set up to produce primarily the single superphosphate fertilizer, the company has

diversified into secondary lines of products, mostly water treatment chemicals, Federal Superphosphate Fertilizer Company Limited, (1998).

People have used fertilizer for thousands of years-even though at one time they did not know why it was beneficial for plants. Long before they gained an understanding of plant nutrition, people noticed that animal droppings, wood ashes, and certain minerals helped plants thrive. During the 1800's and early 1900's, scientists identified the chemical elements that are essential for plant nutrition. Today, farmers throughout the world use billions of dollars worth of fertilizer yearly. Increased production resulting from the use of fertilizers probably accounts for about a fourth of all crop production. Without fertilizers greater amounts of land and labour would be needed to produce the same quantity of food and fibre.

Fertilizer is a substance that is added to soil to help plants grow. Fertilizer, natural or synthetic is a chemical substance or a mixture used to enrich soil so as to promote plant growth. Plants do not require complex chemical compounds analogous to the vitamins and amino acids required for human nutrition, because plants are able to synthesize whatever compounds they need. They do require more than a dozen different chemical elements and these elements must be present in such forms as to allow an adequate

availability for plant use. Within this restriction, nitrogen, for example, can be supplied with equal effectiveness in the form of urea, nitrates, ammonium compounds, or pure ammonia.

Virgin soil usually contains adequate amounts of all the elements required for proper plant nutrition. When a particular crop is grown on the same parcel of land year after year, however, the land may become exhausted of one or more specific nutrients. If such exhaustion occurs, nutrients in the form of fertilizers must be added to the soil. Plants can also be made to grow more lushly with suitable fertilizers. Of the required nutrients, hydrogen, oxygen, and carbon are supplied in inexhaustible form by air and water. Sulfur, calcium, and iron are necessary nutrients that usually are present in soil in ample quantities. Lime (calcium) is often added to soil, but its function is primarily to reduce acidity and not, in the strict sense, to act as a fertilizer. Nitrogen is present in enormous quantities in the atmosphere, but plants are not able to use nitrogen in this form; bacteria provide nitrogen from the air to plants of the legume family through a process called nitrogen fixation. The three elements that most commonly must be supplied in fertilizers are nitrogen, phosphorus, and potassium. Certain other elements, such as boron, copper, and manganese, sometimes need to be included in small quantities.

Many fertilizers used since ancient times contain one or more of the three elements important to the soil. For example, manure and guano contain nitrogen. Bones contain small quantities of nitrogen and larger quantities of phosphorus. Wood ash contains appreciable quantities of potassium (depending considerably on the type of wood). Clover, alfalfa, and other legumes are grown as rotating crops and then ploughed under, enriching the soil with nitrogen. The term complete fertilizer often refers to any mixture containing all three important elements; such fertilizers are described by a set of three numbers. For example, 5-8-7 designates a fertilizer (usually in powder or granular form) containing 5 percent nitrogen, 8 percent phosphorus (calculated as phosphorus pentoxide), and 7 percent potassium (calculated as potassium oxide). Farmers use various kinds of fertilizers to help produce abundant crops. Home gardeners use fertilizers to raise large, healthy flowers and vegetables. Landscapers spread fertilizers on lawns and golf courses to help grow thick, green grass. Fertilizers contain nutrients (nourishing substances) that are essential for plant growth. Some fertilizers are made from such organic materials as manure or sewage. Others are manufactured from certain minerals or are produced as synthetic compounds in factories.

The Importance of Fertilizer

Green plants produce the food they use. They produce it by means of the process of photosynthesis. This process requires large amounts of nine chemical elements-carbon, hydrogen, oxygen, nitrogen, phosphorus, potassium, calcium, magnesium, and sulfur. It also requires smaller amounts of several other elements. These elements, called micronutrients because so little of each is needed, include boron, chlorine, copper, iron, manganese, molybdenum, and zinc. Air and water provide most of the carbon, hydrogen, and oxygen that green plants need for growth. The other elements must come chiefly from the soil. The elements plants receive from soil are normally provided by decaying plant and animal matter and dissolved minerals. But sometimes soil does not have enough of these substances, resulting in a need for fertilizer. The harvest of crops, for example, involves removing plants from the soil before they die and decay. The mineral elements contained in the crops do not return to the soil, and so fertilizer must be added to replace the elements. Nitrogen, phosphorus, and potassium are the elements in which soil is most frequently deficient.

Kinds of fertilizers

There are two chief kinds of fertilizers, inorganic and organic. Manufacturers produce inorganic fertilizers from certain minerals or synthetic

substances. Organic fertilizers come from decayed plant or animal matter. Inorganic fertilizers are the most widely used fertilizers. They supply three main elements: (1) nitrogen, (2) phosphorus, and (3) potassium.

Phosphorus fertilizers also called phosphates, according to Emily Jane Rose, (2004) in his contribution to the World Book Encyclopaedia 2004, "are made from the mineral apatite. Finely ground apatite may be applied to soil as a solid fertilizer called rock phosphate. Apatite also may be treated with sulfuric acid or phosphoric acid to make liquid fertilizers called superphosphates. Nitrogen fertilizers are produced mainly from ammonia gas." Manufacturers compress the gas into liquid forms, such as anhydrous ammonia and aqua ammonia, which may be applied directly to the soil. They also use ammonia in producing solid fertilizers, such as ammonium sulfate, ammonium nitrate, ammonium phosphate, and an organic compound called urea. Each of these fertilizers provides the soil with large amounts of nitrogen. Some, including ammonium sulfate and ammonium phosphate, furnish other elements as well as nitrogen. Potassium fertilizers come largely from deposits of potassium chloride. Manufacturers mine the deposits or extract them with water and produce such fertilizers as potassium chloride, potassium nitrate, and potassium sulfate. Other inorganic fertilizers provide soil with various elements. Those

containing gypsum, for example, supply sulfur. Manufacturers also produce fertilizers that provide specific micronutrients.

Our concern in this study is the fertilizer produce from Phosphorus, that is to produce phosphates. Phosphate, pronounced FOS fayt, is any chemical compound that contains the phosphate group. The phosphate group consists of one phosphorus atom and four oxygen atoms. In living organisms, cells use compounds containing phosphates to store and release energy. Phosphates are also part of DNA (deoxyribonucleic acid) and RNA (ribonucleic acid), the substances that determine a cell's form and function. In addition, the phosphate mineral hydroxyapatite is an important part of bones and teeth. There are large amounts of natural phosphates. They occur in phosphate rocks and in the remains of organisms. The main commercial sources of phosphate rock include deposits in parts of Kano, Ilorin, Sokoto, and Jigawa in Nigeria. Processors use most phosphate rock to produce fertilizers. They crush the rock to make dry fertilizers. They make superphosphate, a liquid fertilizer that acts much faster than the pulverized rock, by treating the crushed rock with sulfuric acid.

The world's leading producers of phosphate rock include China, Morocco, and the United States. Morocco has the largest reserves of phosphate rock. Florida accounts for most of the phosphate rock production in the United

States. Fertilizer is produced in four basic forms. Straight goods fertilizer is any chemical compound that contains one or two fertilizer elements. Bulk blend fertilizer is a mixture of straight goods fertilizers. Manufactured fertilizer consists of two or more chemicals that are mixed and then formed into small pellets. Each pellet contains nitrogen, phosphorus, and potassium and perhaps certain micronutrients.

Problems of the fertilizer industry

In Nigeria every year, large amounts of fertilizer must be produced to meet the nation's growing need for food. The fertilizer industry tries to match its production with this need. If it does not do so, severe food shortages might result. A shortage of raw materials could cause a low supply of fertilizer. Some materials, such as natural gas and phosphorus, have uses other than in making fertilizer. Their use by other industries could cause a shortage for fertilizer manufacturers. Dale E. Farnham, (World Book, 2004), a Professor of Agronomy, Iowa State University, posited, “The mining and processing of the raw materials needed to make fertilizer may damage the environment. Many minerals used in making fertilizer come from open-pit mines, which cause large unproductive areas unless properly landscaped. In addition, the excessive use of

fertilizer can contribute to water pollution. For example, erosion may carry fertilized soil into lakes and streams. The nutrient elements in the soil then increase the growth of algae (simple plantlike organisms) in water. When the algae die, they produce large amounts of waste. As the waste decays, it uses up the oxygen supply of the water".

According to Microsoft Encarta, Reference Library (DVD) 2005, "While fertilizers are essential to modern agriculture, their overuse can have harmful effects on plants and crops and on soil quality. In addition, as already stated, the leaching of nutrients into bodies of water can lead to water pollution problems such as eutrophication, by causing excessive growth of vegetation. The use of industrial waste materials in commercial fertilizers has been encouraged as a means of recycling waste products. The safety of this practice has recently been called into question. Its opponents argue that industrial wastes often contain elements that poison the soil and can introduce toxic chemicals into the food chain."

2.1 Legal Framework and Structural Ownership for Establishment

The Federal Superphosphate Fertilizer Company Limited (FSFC), Kaduna, was incorporated as a limited liability company on the 8th day of September, 1973 under the Companies and Allied Matters Decree of 1968. The Company's RC No. is 11,934. FSFC is 100% owned by the Federal Government of Nigeria. It was incorporated with a share capital of ₦2.0 million, made up of 2, 000, 000 Ordinary Shares of ₦1.00 each, fully paid up by the Federal Government of Nigeria. Between 1974 and 1976, additional ₦25, 553 was further invested in the Company by the Federal Government as take-off grant. This amount was used for the construction of office complex, factory buildings and installation of manufacturing facilities. By the end of construction and at the time of commissioning, the total investment of the Federal Government stood at ₦27,419, 553. In 1991, the share capital of the Company was raised from ₦2.0 million to ₦30.0 million and the ₦25, 419, 553 loan earlier granted was converted into equity by Ministry of Finance Incorporated (MOFI), thus bringing the total share capital to ₦27, 419, 553.

In March, 2003, Bureau of Public Enterprises conveyed the approval of the Chairman National Council on Privatization, His Excellency Vice President Atiku to FSFC that the ECOWS Loan of ₦938, 924, 782. 00 granted FSFC by

ECOWAS FUND has been taken over by the Federal Government and Capitalized as additional equity capital in the company. The authorized share capital of the company is therefore to be inceased to 1, 000,000,000 Ordinay shares of ₦1.00 each and that the fully paid ordinary shares is ₦966,344,335. The remaining ₦33,655,655.00 shares of ₦1.00 each have not paid for.

2.2 Functions

The company was established to produce primarily single superphosphate Fertilizer (SSP). It had an installed capacity to produce 100,000 metric tonned of SSP per annum using its captive Sulphuric Acid Plant of 42,125 metric tonne/annum capacity (125mt/day), which was decommissioned in 1988 and scrapped in 1995. In 1980 the company diversified through its Research and Development into the production of Aluminium (Alum), a water treatment chemical. The SSP plant has a small integrated Lime plant of capacity 6mt/day for the production of slake lime for effluent treatment.

2.3 Organisation Structure

Until recently, the company had a 12 member Board of Director under the supervision of the Federal Ministry of Industry, which was dissolved on the

17th June, 2003 the chairman, National Council on Privatization (NCP) and reconstituted a new one chaired by the Director- General, Bureau of Public Enterprises with the following institutional representations:

1. bureau of Public Enterprises - 1member
2. Federal Ministry of Industry - 1member
3. Federal Ministry of Finance Incorporated (MOFI)- 1member
4. Federal Ministry of Agriculture and Rural Development – 1member
5. Managing Director/CEO (FSFC) - member,

Federal Superphosphate Fertilizer Company Limited, (1998).

The company has five departments, with a six member Executive Management. The departments:

i. Managing Director
ii. Administration & Personnel
iii. Commercial Services
iv. Engineering & technical services
v. Finance
vi. Production

The present staff level of the company is 171 permanent and 74 casuals.

Chapter Three

Research Methodology

3.0 Introduction

This research study is aimed at finding out the Problems and Prospects of Manufacturing Industries in Nigeria: a study of Federal Super Phosphate Fertilizer Limited, Kaduna. It is intended to gather information about the company's major problem as well as their prospects in regards to the manufacture of their single product – fertilizer. The essence is to outline the various problems facing FSFC in order to determine how, and to what extent these problems have limited or hindered effective manufacturing of the product. Based on the data provided analysis will be made to confirm or deny whether or to what extent the problems are militating against the FSFC or the best ways of utilizing the prospects in which the company was established in the first place. The purpose of the study, as stated above is to carry out an assessment of the *"Problems and Prospects of Manufacturing Industries in Nigeria: a study of Federal Super Phosphate Fertilizer Limited, Kaduna."*To achieve the purpose of this study, the description of the population sample and sampling technique, research instrument and statistical technique used in this study is focused. The solutions might be of help to manufacturing industries in Nigeria and FSFC in

particular, in deed even some Manufacturing companies with similar production outfits like FSFC, Kaduna. Questionnaires were structured and administered to both the staff of FSFC, Distributors and farmers as sample population of the costumers to achieve this purpose.

3.1 **Population**

The population used in this research were staff, distributor and end users of FSFC's products – fertilizer. In sampling a total number of 100 questionnaires were developed and distributed to various respondent as follows

1. 30 questionnaires to the staff of FSFC
2. 50 questionnaires to general populace as a sample of practicing farmers
3. 20 questionnaires to the Distributing Dealers

Making a total of 100 questionnaires in all, and a simple random sampling was used in sharing out the questionnaires.

3.1.1 **Sample and Sampling Technique**

Random sampling was used to select the respondents from staff. A simple random sampling was used to select the farmers, but for the distributors the list of the major dealers was used and then a random selection made.

3.2 The instrument

In order to achieve, the above-mentioned objectives, the research data for this study were gathered through questionnaires, relevant written sources, personal interview and SFSC publications, in other words the data consists of primary and secondary data. The primary data was collected through a self-administered questionnaire specially designed for this study. There were three sets of questionnaires: for the staff of the SFSC, Kaduna, for major distributors and political office holders like Local Government Chairmen who over the years had acted as major dealers and distributors, and another set designed for the primary users – the farmers. The questionnaires were personally distributed by the researchers and the distributed questionnaires were retrieved a few days later. The instrument (questionnaire) used in the empirical part of the study is reproduced in appendix.

3.3 Analysis of data

For the purpose of this investigation, the data thus collected from the respondents were analysed by the use of descriptive statistics. The responses for each statement/question tabulated into percentages. Responses of the questionnaires were scored, indicating the number of responses to each question and computed into percentages. The percentage of a particular option of a

statement was calculated by determining the sum of responses to that option, divided by the total number of responses for that statement and the result multiplied by hundred.

CHAPTER FOUR
PRESENTATION AND ANALYSIS OF RESULTS

4.0 Introduction

This chapter presents and analyzes the results of the empirical part of the study. The questionnaire seeks to assess "Problems and Prospects of Manufacturing Industries in Nigeria: A Study of Federal Super Phosphate Fertilizer Ltd. Kaduna."

4.1 The Distribution and Return of the Questionnaires.

One hundred (100) questionnaires were distributed. The distribution was made

The questionnaires were personally distributed by the researchers and the distributed questionnaires were retrieved a few days later. The personal distribution yielded a hundred percent retrieval of the distributed questionnaires, that is the number of questionnaires returned was hundred.

4.2 SAMPLE CHARACTERISTICS

Section A of the questionnaire asks the respondents to provide demographic and other pertinent information about themselves. Of the teachers questioned, 75 percent were male, 25 percent females. Of the 100 respondents, 17 percent have less than six years of working experience; 35 percent have between six and ten years of experience; and 34 percent have eleven and fifteen years of experience, 11% have sixteen to twenty year experience and 3% have more than 21years of experience. The respondents are therefore, predominantly male.

SECTION B

4.3: Meeting the Commercial Demand of Fertilizer Customers by the Federal Super Phosphate Fertilizer Ltd. Kaduna

This research sought to find out whether the Federal Super Phosphate Fertilizer Ltd. Kaduna been able to meet the commercial demand of its customers. It should be borne in mind this was the main object of setting the company in the first place. Table 4.1 shows the data and the analysis as a result of 100 questionnaires served.

TABLE 1:

1. Has the Federal Super Phosphate Fertilizer Ltd. Kaduna been able to meet the commercial demand of its customers?

Alternatives	**Number of Respondents**	**Percent**
No	38	38
Yes	51	51
Not sure	11	11
TOTAL	**100**	**100**

Source: Field Survey, 2005

The above table shows data on meeting the farmer's fertilizer commercial demand by the Federal Super Phosphate Fertilizer Ltd. Kaduna. A significant number of the respondents (51%) concurred that company is adequately meeting the commercial supply of fertilizer to the teaming population of the farmers. However, 38.5% disagree to this assertion while 11% of the respondents were not sure. From table I above, it is clear that despite all odds, the Federal Super Phosphate Fertilizer Ltd is reasonable meeting its national mandate.

4.4 Providing Adequate Sales Promotion for the Fertilizer Products

Sales promotion is an important marketing mix of any organization, by and large it can single headedly determine the economic output of the organization. The research study tried to find out whether the FSFC do provide adequate and qualitative sales promotion for their fertilizer products. Table 4.2 reveals the data and analysis based on responses from the respondents.

TABLES 2:

2. Does the organization give adequate sales promotion for its products?

Alternatives	**Number of Respondents**	**Percent**
No	67	67
Yes	33	33
TOTAL	**100**	**100**

Source: Field Survey, 2005

Table 2, reveals that the FSFC does not give adequate and qualitative sales promotion for its fertilizer products, a significant number of the respondents (67%) state that is not adequate. Thirty three (33%), however, disagree with this and affirmed that the company's sales promotion for its fertilizer products is adequate. It is imperative to note that if the company does not invest in time, energy and money towards promoting its products, no matter the societal need, the sales out might remain stagnant or even decline.

4.5 Assessing the FSFC Sales Figures

The FSFC is a profit oriented company; as such its sales figures are very important in the continuous existence of the company. The researcher therefore, sought to find out the sales figures of the FSFC as a government own company. The aim was to find out whether the company is operating at loss or making profit. Data and analysis in Table 4.3 portrays the actual situation on the ground.

TABLES 3:

3. How can you asses FSFC sales figures?

Alternatives	**Number of Respondents**	**Percent**
Increasing	21	21
Decreasing	35	35
Don't know	44	44
TOTAL	**100**	**100**

Source: Field Survey, 2005

Table 3, addresses the issue of FSFC's sales figures. A negligible 21% out of the total respondents asserted that the sales figures of the company is actually increasing, compare to 35k% of the respondents who submitted to contrary that the sales figures are in the decrease. It should be noticed on the data presented on table 3 that a large number of the respondents 44%, possibly farmers and commercial dealers were not in the know where there is an increase or not in the sales out put of the company.

4.6: The Rate of Inflation as a Barrier to Production Expansion in FSFC

Inflation is an economic barrier to development. Inflation therefore, might affect the FSFC's out put in particularly and pose as a problem to other aspect of the company's existence. This research sought to find out whether inflation has positive or negative consequences to the company. Table 4.4 shows the data and the analysis as a result of 100 questionnaires served.

TABLES 4:

4. Do you agree that the rate of inflation is a barrier to production expansion in the company?

Alternatives	**Number of Respondents**	**Percent**
Strongly agreed	7	9
Agreed	47	61
Undecided	7	9
Disagreed	16	21
Strongly disagreed	-	-
TOTAL	**77**	**100**

Source: Field Survey, 2005

Table 4 presents data showing 77% of the respondents responding to the question of inflation as a barrier to the company's production. A significant 70% out of a 100% of the respondents affirm the negative consequences of inflation to the company's production expansion, leaving a negligible 21% disagreeing and 9% undecided.

4. 7: The Decline in the Company's Production as it Affects Farming

Unfortunately, the peasant – the dominant farming population, are still enslaved by ignorance, the methods by which they cultivate the land remained unchanged – they still use antediluvian methods of cultivation, which progressively deteriorates the fertility of the land. The FSFC is supposed to act as backbone to the farmers by providing them with effective fertilizers. The research tried to find out if the decline in the FSFC does adversely affect the farmers and farming in general. Table 4.5 is on the data and analysis based on the 100 questionnaires served

TABLES 5:

5. Do you agree that the decline in the company's production has reduced the number of people going to the farm?

Alternatives	**Number of Respondents**	**Percent**
Strongly agreed	26	26
Agreed	38	38
Undecided	21	21
Disagreed	15	15
Strongly disagreed	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

The data on how the decline in the FSFC's production might affect farmers and farming is shown on **Table 5.** Over fifty percent (50%) of the respondents agreed that the decline in the company's production would have an adverse effect to the farming population. Fertilizer is an important farming agent, particularly, where farmers still use the same type of hoe and cutlass as

his first ancestor used, and to make a bad situation worse, the land, because of soil erosion and bad methods of cultivation is losing its natural fertility. The most unfortunate aspect of these is that all this is happening at a time such as this when the farmer is suppose to enjoy the advancement in technology to produce enough to feed not only himself but also an increasing number of people who are engaged in non-farming occupations.

4.8 The Cost of Production Now and Two Decades Ago

High costs of production not at one leap but continuous, especially for a product that is expected to be subsidized might force a company to operate at loss. The researcher therefore, sought to find out the perception of the respondents on this. Table 4.6 presents the data and analysis of the field work through questionnaires served to 100 respondents.

TABLES 6:

6. Do you agree that the cost of production now is higher than it was two decades ago?

Alternatives	**Number of Respondents**	**Percent**
Strongly agreed	7	9
Agreed	47	61
Undecided	7	9
Disagreed	16	21
Strongly disagreed	-	-
TOTAL	**77**	**100**

Source: Field Survey, 2005

Table 6 presents data showing 77% of the respondents responding to the question of the cost of production now and two decades ago. Sixty one percent (61%) as shown on table 6, believe that the cost of production is higher than it use to be at least two decades ago, in collaboration, nine percent (9%) 'Strongly agreed' bringing the total to a very high significant 70% (see table 6 above). 9% of the respondents however, were undecided, with 21% disagreeing.

4.9 The Company's Output Influencing the Economy of the Nation

The major prospect of the out put of any segment is to influence the whole. In other words the economic prospects of a company is not only to have an increasing dividends but to equally to somewhat influence the overall economy of the nation. This being true the researchers tried to find out the above assertion for the FSFC. Table 4.7 presents the data and analysis of the field work through questionnaires served to 100 respondents.

TABLES 7:

7. Do you agree that the high level of the company's output can influence the economy of the nation?

Alternatives	**Number of Respondents**	**Percent**
Strongly agreed	-	-
Agreed	100	100
Undecided	-	-
Disagreed	-	-
Strongly disagreed	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

Table 7, has 100% agreement that the high level of the company's output can influence the economy of the nation. This agrees with the data on the decline in the FSFC's production affecting farmers and farming as shown on **Table 5.** Over fifty percent (50%) of the respondents agreed that the decline in the company's production would have an adverse effect to the farming population. In the long run, no doubt this would in turn affect the general economy of the nation.

4.10 Solving the Problems Identified From the Staff during You Observation

Problems of whatever sort are to be solved. One wonders if the technical staff of the company are receiving adequate inspection and supervision from qualified superiors and other resource experts in order to ensure effective and efficient production. This is because without adequate inspection and guidance, productivity might dwindle. Table 4.8 presents the data and analysis.

TABLES 8:
8. How do you attempt to solve the problems your have identified from the staff during you observation?

Alternatives	**Number of Respondents**	**Percent**
Arrange seminars, workshops etc.	13	17
Make recommendation to the appropriate authority	25	32
Assist the trainers or demonstrate a lesson to them immediately	39	51
Do nothing	-	-
TOTAL	**77**	**100**

Source: Field Survey, 2005

The data shown on table 8 above is on solving the problems identified from the staff during inspection process, 51% of the respondents in proffering solution opted for assisting the trainers to effectively impart better ways of enhancing production or better still to demonstrate how the thing is done with more efficiency. 39% suggested making recommendation to the appropriate authority while 17% went for seminars and workshops as an option for solving the problems of the technical staff.

4.11 How Manpower Shortage Hinders the Progress of the Company

Man power represents energies, skills, talents and knowledge of people which are applied to the production that is man in relationship to the world of work. Man power is the active agent of production. In other words any consideration on sustainable development that leaves out the human resources is as good as leavening out all the other significant elements of production, as such the researcher sought to find out how manpower shortage hinders the progress of the company. Table 4.9 presents the data and analysis.

TABLES 9:

How serious are the following problems to you, as it hinders the progress of the company?

9. Manpower shortage

Alternatives	**Number of Respondents**	**Percent**
Agree strongly	23	30
strongly	40	52
Uncertain	14	18
Disagree		
Disagree strongly	-	-
TOTAL	**77**	**100**

Source: Field Survey, 2005

Eighty two percent (82%) of the respondents saw manpower shortage as a great hindrance to the progress of the company while only eighteen percent, (18%) were in the contrary opinion (table 9). An important factor to be considered on this is that only men and women can develop the ideas that serve as the foundations for scientific and technological progress; only men and women even in an age of the giant computers can manage organisations; only

men and women can operate and repair the new automatic machines which produce the goods we desire; only men and women can provide services to the young and old. Only men and women, not financial grants determine the strength of an organization in particular and the nation at large.

4.12 How raw materials and equipments Hinders the Progress of the Company

Raw materials occupy another significant place in amongst the elements of production. Despite the importance of the human resources, without raw materials, any company becomes impotent to whatever set goal. Raw materials in the long run make or mar the quality and quantity of production in particular and the survival of the company in general. The study tried to find out how the respondents rate educational supervision in school management. Table 4.10 presents the data and analysis.

TABLES 10:

10. Lack of raw materials and equipments

Alternatives	**Number of Respondents**	**Percent**
Agree strongly	-	-
Agree	100	100
Uncertain	-	-
Disagree	-	-
Disagree strongly	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

On the whole, table 10, depicting data on raw materials and equipment is self explanatory. The respondents unanimously agreed that lack of raw materials and equipments is a great problem to the company's production, (100%, Table 10).

4.13. How Specification of Product's Demand Hinders the Progress of the Company

Specification of product's demand in FSFC represents a sensitive technical aspect of fertilizer to various arable agricultural soil fertility as well as the effect of fertilizer on different agricultural products, as such the researcher sought to find out how this help both the company and the farmers. Table 4.11 presents the data and analysis.

TABLES 11:

11. Lack of specification of product's demand

Alternatives	**Number of Respondents**	**Percent**
Agree strongly	-	-
Agree	54	54
Uncertain	33	33
Disagree	13	13
Disagree strongly	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

Fifty four percent (54%) of the respondents agreed that product specification demand for FSFC is very important, however, a reasonable percent of the respondents (33%) were uncertain and 13% totally disagreed. This might not be too far from the fact that the aspect is too technical for lesser professional and experts to rightfully comprehend the significance of this see table 11 above.

4.14. How Retraining of Staff Hinders the Progress of the Company

Man power, their skills and their knowledge need constant updating, and the best way to achieve this is through constant training and retraining of the staff, as such the researcher sought to find out how failure to update the professional competence of the company's man power hinders the progress of the company. Table 4.12 presents the data and analysis.

TABLES 12:

12. Lack of retraining of staff

Alternatives	**Number of Respondents**	**Percent**
Agree strongly	33	33
strongly	67	67
Uncertain	-	-
Disagree	-	-
Disagree strongly	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

Table 12 presents data on staff training. The table similar to a few occasion in the study, had 100% agreement on the place of training and retraining. Knowledge is dynamic and therefore needs constant appraisal and renewal.

4.15 How Non-Payment of Salary and Other Allowances Hinders the Progress of the Company

No matter the number of staff and the profession and managerial competence, if their labour is not adequately remunerated their out put can be suspect. The study tried to find out how non-payment of salary and other allowances hinders the progress of the company. Table 4.13 presents the data and analysis.

TABLES 13:

15. Non-payment of salary and other allowances

Alternatives	**Number of Respondents**	**Percent**
Agree strongly	-	-
strongly	100	100
Uncertain	-	-
Disagree	-	-
Disagree strongly	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

Similar to table 12 on staff training, which had 100% responses, table 13 equally had the entire respondents unanimously agreeing that remuneration is a make or mar to the company's overall development, table 13.

4.16 Farmers' Attitude towards the FSFC Ltd. Kaduna

The researcher sought to find out attitude of the FSFC's customer – the farmer towards the company, whether it is positive or not. Table 4.14 presents the data and analysis.

TABLES 14:

14. Is the farmers' attitude towards the FSFC Ltd. Kaduna positive?

Alternatives	**Number of Respondents**	**Percent**
No	-	-
Yes	100	100
I don't know	-	-
TOTAL	**100**	**100**

Source: Field Survey, 2005

Table 14 shows that the attitude of the farmers towards the FSFC is 100% positive. This is a healthy development because it means that the company has unpromising loyalty in goodwill and patronage. If this is properly utilized, the company has a ready market waiting for its goods and services.

4.17. Government Positive Committed towards Funding of Fertilizer Production

Every aspect production in the company entails funding. Funding is the backbone of the survival and progress of the company. The researchers tried to find out the above assertion for the FSFC. Table 4.15 presents the data and analysis.

TABLES 15:

15. Is the government positive and committed in funding of fertilizer production?

Alternatives	**Number of Respondents**	**Percent**
No	15	15
Yes	74	74
I don't know	11	11
TOTAL	**100**	**100**

Source: Field Survey, 2005

Table 15 presents data on government's commitment towards funding of fertilizer production in Nigeria. Seventy four percent (74%) of the respondents believe that in terms of funding, government is commitment, only 15% of the respondents are of a contrary view, 11% stated that they do not know. It should be added here that the high 77% supporting governments' commitment does not mean that funding is adequate.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

a. SUMMARY

Fertilizer is an important element of nation's determination to reinvigorate agricultural development for viable and sustainable economic development of the nation. The importance of fertilizer is seen in the role it plays in revamping the already deteriorated land fertility in the country, which is seriously undermine food production in Nigeria. Its contribution therefore to the general economic development of the nation cannot be over emphasised.

The purpose of this study is to assess the problems and prospects of Manufacturing Industries in Nigeria: a case of the only Superphosphate Fertilizer Plant in Nigeria. The population used in this research were staff, distributor and end users of FSFC's products – fertilizer. It should be borne in mind that any scarcity of the product will have unquantifiable negative consequences in the agricultural sector and the nation's economy as a whole. It was in the light of this that the study examined some of the major constraints of the fertilizer plant in the country as well as stressing the importance and prospects of improving its productivity for the common good of the country. Unfortunately, the study proved that the aggregate national demands of the product far outstripped company's production and even operates below its

initial operational capacity. These shortcomings were certainly due to problems associated with a myriad of problems, with funding leading the pack. The study then recommended options to be taken in order to meet the current national demand. It also looked at the marketing concept in use by the company to boost their sales. Finally, measures need to address the problems of the company were highlighted in the work.

b. CONCLUSIONS

The following conclusion can be drawn from the study:

The FSFC, the only superphosphate plant in the country, have been operating below its capacity. It is worth of note that even at designed capacity, that is, 100 000 metric tons per annum production, total production of the company had been a far cry from estimated National demand. For instance, whereas the estimated annual requirements of the Single Superphosphate (SSP) fertilizer is currently put at 200, 000 metric tons, the company at its designed capacity could produce only 100, 000 metric tons per annum, that is, roughly 50% of total requirement. The gap between supply and demand has therefore ever been wide right from inception and all evidences show that the gap will

continue to grow wider with the years as agricultural production becomes intensive and mechanized in an over utilized land.

In addition to this initial production capacity problem, other militating problems also weighed down the company's production. These include funding, raw materials, lack of trained staff and lack of retraining of the staff on ground, obsolete equipments and government policies. The marketing strategies of company also pose some hindrance. There was no enough publicity for the activities and products of the company. There is also what is referred to as Nigerian factor, that is, the marketing distributing network being inefficient in terms of long line of middlemen in the guise of dealers, public relations men, government officials and others who merely purchase fertilizer to hoard and later sell to the farmers at exorbitant prizes.

However, it should be acknowledged that despite all these problems, fertilizer has made considerable contribution to the agricultural sector in particular and the nation at large, through its direct application for better farm yield, revenue generation to both the farmers and the government, indeed it also save valuable foreign exchange for the government and the sectors employable hands cannot easily be quantifiable. The company had also developed some important indigenous technological skill for the country.

c. RECOMMENDATIONS

The importance of fertilizer has already been stressed, in realizing the crucial role of fertilizer therefore, it is the researcher's hope that the government will adopt a more favourable policy stand towards FSFC in general and to specifically upgrade the plants initial production capacity. From this study, the researcher therefore recommend following:

1. The Federal Super Phosphate Fertilizer Ltd. Kaduna should strive to meet the commercial demand of its customers. It should be borne in mind this was the main object of setting the company in the first place, as such all efforts should be made to meet up this national mandate.
2. FSFC should be aware that sales promotion is an important marketing mix, which by and large can single handed determine the economic output of the organization. In response to the study, table 2, which revealed that (67%) of the respondents state that the FSFC does not give adequate and qualitative sales promotion for its fertilizer products.
3. It is imperative for the company to invest in time, energy and money towards promoting its products, so that its sales should be

in the increase. The FSFC is a profit oriented company; as such its sales figures are very important in the continuous existence of the company.

4. The company should undertake regular surveys to find out the types and the quality and quantity of their products needed by their teaming customers.

5. FSFC should try to balance the petroleum dominated economy by enhancing its fertilizer products, which might boost agricultural production nation wide. Towards this end, government should continue to subsidize fertilizer so that agriculture can continue to provide higher GDP to the nation.

6. It should be borne in mind that the major prospect of the out put of FSFC is to influence the national economy. In other words the economic prospects of the company is not only to have an increasing dividends but to equally to somewhat influence the overall economy of the nation. This being true the decline in the company's production would have an adverse effect to the farming population. No doubt this would in turn affect the general economy of the nation.

7. Problems of whatever sort are might to be solved. One wonders if the technical staff of the company are receiving adequate inspection and supervision from qualified superiors and other resource experts in order to ensure effective and efficient production. This is because without adequate inspection and guidance, productivity might dwindle.
8. FSFC should proffer options to assisting the trainers to effectively impart better ways of enhancing production or better still to demonstrate how things are done with more efficiency.
9. Man power represents energies, skills, talents and knowledge of people which are applied to the production that is man in relationship to the world of work. The company should strive to have well equipped hands in order to better their productivity.
10. Raw materials occupy another significant place amongst the elements of production. The importance of raw materials to FSFC is the same with the importance of agriculture in the country. Therefore, government should ensure that raw materials are constantly available in the company. Raw materials in the long run

make or mar the quality and quantity of production in particular and the survival of the company in general.

11. FSFC should constantly update their man power's skills and knowledge and the best way to achieve this is through constant training and retraining of the staff.
12. Government and the company's management should ensure that regular salaries and other remuneration are paid to the staff.

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QUESTIONNAIRE

INSTRUCTIONS: please answer each question by ticking [ ]

1. Age of Respondent.
    a. Below 20 years [ ]
    b. 21-40 years [ ]
    c. 41- 61 years [ ]
    d. 60 and above. [ ]
2. Sex
    a. Male [ ]
    b. Female [ ]

3. Marital status
    a. Single [ ]
    b. Married [ ]
    c. Divorce [ ]
4. Educational attainment
    a. Non formal education [ ]
    b. Primary education [ ]
    c. Secondary education [ ]
    d. Tertiary Education [ ]

5. Years of working experience

   a. Below six [ ]
   b. 6 – 10 [ ]
   c. 11 – 15 [ ]
   d. 16 – 20 [ ]
   e. 21 and above [ ]

SECTION B

6. Has the Federal Super Phosphate Fertilizer Ltd. Kaduna been able to meet the commercial demand of its customers?

   a. Yes ( )
   b. No ( )
   c. Not sure ( )

7. Are the prices of the products too high compared to other similar products?

   a. Yes ( )
   b. No ( )

8. Does the organization give adequate sales promotion for its products?

   a. Yes ( )
   b. No ( )

9. How can you asses FSFC sales figures?

   a. Increasing ( )
   b. Decreasing ( )
   c. Don't know ( )

10. If decreasing, what then can you suggest as the factor(s) responsible for its dwindling trends?

a. Managerial inefficiency ( )
b. High price on programme ( )
c. High price on advertisement ( )
d. Inadequate personnel ( )

11. Does FSFC conduct any customer's survey to identify customers response, if so how often?

a. Quarterly ( )
b. Biennially ( )
c. Annually ( )
d. Monthly ( )
e. No specific time frame ( )

12. What are the major responses received from the customers?

a. Highly satisfied ( )
b. Satisfied ( )
c. Less satisfied ( )
d. Many complaints ( )
e. Dissatisfied ( )

13. Do you agree that the rate of inflation is a barrier to production expansion in the company?

a. Strongly agreed [ ]
b. Agreed [ ]
c. Undecided [ ]
d. Disagreed [ ]
e. Strongly disagreed [ ]

14. Do you agree that the decline in the company's production has reduced the number of people going to the farm?

a. Strongly agreed [ ]
b. Agreed [ ]
c. Undecided [ ]
d. Disagreed [ ]
e. Strongly disagreed [ ]

15. Do you agree that the cost of production now is higher than it was two decades ago?

a. Strongly agreed [ ]
b. Agreed [ ]
c. Undecided [ ]
d. Disagreed [ ]
e. Strongly disagreed [ ]

16. Do you agree that the availability of raw materials and funds will reduce the burden of managerial and production problems of the company in efficiency?

a. Strongly agreed [ ]
b. Agreed [ ]
c. Undecided [ ]
d. Disagreed [ ]
e. Strongly disagreed [ ]

17. Do you agree that the high level of the company's output can influence the economy of the nation?

a. Strongly agreed [ ]
b. Agreed [ ]
c. Undecided [ ]
d. Disagreed [ ]
e. Strongly disagreed [ ]

18. Do you agree that the company would have performed better if its funding improves?

a. Strongly agreed [ ]
b. Agreed [ ]
c. Undecided [ ]
d. Disagreed [ ]
e. Strongly disagreed [ ]
a. Strongly disagreed [ ]

19. Do you have the capability of providing enough fertilizers for the teeming populace of Nigerian farmers?

a. Very capable
b. Capable
c. Average
d. Not that capable

20. Do you normally supervise technical staff to identify their area of weakness during production?

a. Regularly
b. Sometimes
c. Rare
d. Not at all

21. How do you attempt to solve the problems your have identified from the staff during you observation?

a. Arrange seminars, workshops etc.
b. Make recommendation to the appropriate authority
c. Assist the teachers or demonstrate a lesson to them immediately
d. Do nothing

22. Does the government regularly pay your salary and other allowances?

a. Regularly
b. Fairly regularly
c. Occasionally
d. Not regularly

3. Please mark ( ) where appropriate. How serious are the following problems to you, as it hinders the progress of the company?

	Very serious	serious	Not serious	Not existing
a. Manpower shortage				
b. Lack of raw materials and equipments				
c. Lack of specification of product's demand				
d. Lack of cooperation from govt. over funding				
e. Lack of co-operation from staff				
f. Indiscipline of staff				
g. Lack of retraining of staff				
h. Non-payment of salary and other allowances				
i. Poor condition of service				

24. Are there enough and adequately qualified staff to handle the national demand of fertilizer production?

a. Yes ( )
b. No ( )
c. I don't know ( )

25.Are the materials/facilities for efficient production of fertilizer enough and adequate?

a. Yes ( )
b. No ( )
c. I don't know ( )

26. Is the farmers' attitude towards the FSFC Ltd. Kaduna positive?

a. Yes ( )
b. No ( )
c. I don't know ( )

27. Is the government positive and committed in funding of fertilizer production?

a. Yes ( )
b. No ( )
c. I don't know ( )