THE ROLE OF MARKETING IN AGRICULTURE: A CASE STUDY OF ANNUR NIGERIA LIMITED, ZARIA

BY

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DECLARATION

I hereby declare that this project, a partial requirement for the award of Master of Business Administration (M.B.A.) of Ahmadu Bello University, Zaria is a project of my findings. All sources of information collected for the write-up are clearly acknowledged by means of references.

MRS RUTH HARONA WAZIS

11/9/1989
DATE

CERTIFICATION

This project report entitled "The Role of Marketing in Agriculture: A case study of Annur Nigeria Limited, Zaria" meets the regulations governing the award of the Degree of Master in Business Administration (M.B.A.) of Ahmadu Bello University, Zaria, and is hereby approved for its, contribution to knowledge of literary presentation.

NAME AND SIGNATURE OF SUPERVISOR	DATE
NAME AND SIGNATURE OF EXTERNAL EXAMINER	6-11-89 DATE
NAME AND SIGNATURE OF HEAD OF DEPARTMENT	9/2/90 DATE
NAME AND SIGNATURE OF DEAN, POSTGRADUATE SCHOOL	5-6-90 DATE

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DEDICATION

This project is dedicated

To my family

ACKNOWLEDGEMENTS

I am grateful to my supervisor Mr. A.B. Akpan, the Head of Department, Dr. (Mrs) Bimpe Olufeagba and the co-ordinator Mrs. J. Nwasike, for their concern and encouragement throughout the period I was working on this project.

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Thank you for loving me so dearly, and above all, this is adding another feather to my cap of success.

Ruth Haruna Wazis (Mrs)

September 1989.

ABSTRACT

This is a study of the role marketing plays in Agriculture. Attempt is made to ascertain the role marketing plays in agricultural programme- Particularly, in the areas o-f production, pricing, promotion *and* distribution.

The major problem of farming in Nigeria is the aquisition of land *duts* to *land* tenure system whereby the land is fragmented. Also problem of political, and administrative, social, economic, geographic *and* acquision of agricultural inputs.

Based on the literature, the study of the role of marketing in agriculture, *in* particularly Annur Nigeria Limited, was undertaken as to have *an* insight on how they fomulate their policies as regards product, pricing, promotion and distribution.

Major findings o-f the research *are* that the company does whatever the Managing Director decides to do. They produce what he wants, he fix the price that is appropriate to him depending on the market price, no promotional activities was carried out and they did not distribute the products. Whoever comes to buy should arrange for transportation of the products.

The recommendations contributed in this study cover the areas of product, pricing, promotion and distribution.

The study concluded that the marketing aspect of the agricultural programme should be improved, to enable it play its important role in making the programme a resounding success.

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CHAPTER ONE

1.1 INTRODUCTION

The development of a country's agricultural sector is very important. Important in the sense that it is the nation's initial source of economic development. Owing to the nature of Nigeria's economic structure, agriculture plays an even more crucial role in establishing the frame-work for her development. The nature in the sense that Nigeria is depending too much on oil as a source of revenue in which the future of this oil is becoming increasingly unreliable.

The agricultural sector must provide in a large measure food for the populace and raw material for the industries. It is also one of the source of foreign exchange needed for the country's international economic and financial relationship.

However, for the agricultural sector to provide food and raw materials for industries. It must maintain a steadily rising surplus production in excess of subsistence need. Until recently the performance of the agricultural sector in Nigeria had been high. For instance, in 1973 the agricultural sector provided the highest contribution to the Grose Domestic Product (about 69%).

In 1969, over 145 million pound sterling in export revenue accrued from this source, amounting to 78 per cent of the value of the total export that year. The main export

crops were palm produce, cocoa, groundnuts, cotton, rubber, soyabeans and hides and skins.

Gradually agriculture's contribution to the export revenue declined. This was due to the fact that the country was relying too much on oil boom. The government did not bother to encourage agriculture as a source of income.

In 1970, about 8.4 per cent of the total crops produced in the country were consumed locally, and only 16.6 per cent were exported. This had impact on the economic growth of the country, in that the revenue obtained from export of agricultural products was very low and the population was growing, which needs development.

From the above discussion, it is clear that agriculture is very vital to the country's socio-economic devlopment. There is therefore the need for proper management and improvement of the sector, especially considering that the future of oil as a revenue earner is becoming increasingly unreliable as said earlier.

The success of any agricultural programme, however, should not be evaluated solely in terms of the quantity of goods produced but also in terms of how efficiently the output of the agricultural sector is made available to the market for household consumption, industrial use and for export. In other words, marketing plays an important role in the success of an agricultural programme, and should therefore form an important part of such a programme. It is to underscore the importance of marketing that this project

is being carried out.

1.2 STATEMENT OF THE RESEARCH PROBLEM

Efforts by Nigeria to move from structural underdevelopment have created "New Problems" in several aspects of the economy. The agricultural sector has its fair share of such "New Problems". With increasing urban drift, the gap between the farmers and their markets continued to widen, giving rise to adverse economic situations such as scarcity, high prices, regional fluctuations and waste.

Recently, the government attempted a solution through it's rural development programme. Under this programme, several kilometres of rural roads are being contracted to facilitate the evacuation of farm produce to the urban markets. However, inspite of this laudable efforts by the government, the problems of scarcity, high prices, regional surpluses and waste are still very much with us.

1.3 OBJECTIVES OF THE STUDY

To investigate the role marketing plays in:

1. creating awareness of the products to customers.
2. providing the goods needed by the consumers.
3. to assess the impact of marketing and profit to the producers.
4. to assess the importance of preservation to the producers

1.4 RESEARCH METHODOLOGY

The research methodology used will be a survey method, oral interviews will be conducted, and questionnaires will be drawn for the officials of the Annur Nigeria Limited, Zaria.

Questionnaires will also be drawn for the buyers of the products in Zaria, and oral interviews will also be carried out among the consumers.

1.5 THE SCOPE OF THE STUDY

The study is limited to Annur Nigeria Limited, Zaria, Kaduna State. Consumers randomly selected in Zaria market will be used.

The variablles that will be dealt with are:

a) High prices of commodity

b) Scarcity of commodity

c) Hoarding of commodity

d) Smuggling of commodity

e) Channels of distribution

f) Storage facility

g) Pricing of the product

h) Transportation

i) Marketing financing

j) Standardisation and grading

k) Risk bearing

l) Market information and

m) Market development

1.6 LIMITATIONS

1. This study is limited to only one farm, due to time constraints and unavailability of sufficient fund. Extensive details into other farmers are avoided.

2. The research encountered problems of getting written documents from the sole proprietor, since most records are not properly kept.

1.7 DEFINITION OF TERMS

Product

Is a set of tangible and intangible attributes, including colour, price, manufacturers prestige, retailers prestige, and manufacturer's and retailer's services, which the buyer may accept as offering satisfaction of wants or needs.

Needs

Is value expressed in terms of Dollars and cents, or whatever the monetary medium may be in the country where the exchange occurs (Stanton, page 245).

Marketing information system

Is an interacting , continuing, futre oriented structure or people, equipment, and procedures designed to generate and process on information flow in order to aid management

decision making in a company's marketing programme (Stanton, page 40).

Market

A market may be defined as a place where buyers and sellers meet and function, goods or services are offered for sale, and transfers of ownership of title occur.

Marketing channels

One of the paths that goods - and the title to them - follow from producers to consumers.

CHAPTER TWO

THE REVIEW OF RELATED LITERATURE

2.1 MARKETING AND IT'S ROLE IN AN ECONOMY

Marketing is "the performance of those activities which seek to accomplish an organisation's objectives by anticipating customer or client needs and directing a flow of need satisfying goods and services from producer to customer or client"(1).

The definition applies to both profit and non-profit organisations. Their customer or client, consists of individuals or household consumers, business firms, non-profit organisations, government agencies and foreign countries. Therefore, by defining marketing in this way it is meant that marketing should begin with the customer, rather than the process. In otherwords, marketing rather than production should determine what products are to be produced. Once the markets signal what they wants, then the people will know what to produce.

It will pay for farmers to produce the right agricultural product, to be consumed locally or to be used for further processing by the industries. Thus they will know the potential volume of demand, which would encourage them to produce more since they know that what is made out of the raw product produced, either directly or indirectly, will be bought by the customers.

According to Jerome (1978) "marketing also should determine what prices are to be charged to the product that is being produced"(2). But in most cases prices are determined by the demand and supply in the market. Marketing also determines what credit and collection policies are to be adopted, and what transportation and storage policy are to be adopted, especially where transportation of bulky goods poses a difficult problem. With bulky goods it is better to locate the plant near the market so that the problems included in transporting the goods to the market would be minimised.

Marketing should also determine what industrial raw materials should be produced, based on the availability of market for the out put. For example the production of say tomatoes in large quantities should consider the availability not only of a consumer market but also of a tomato processing industry so that any excess production can readily be processed into a more durable form.

Marketing should also determine when and how the products is to be advertised and sold and what after sales warranty and service policies are to be adopted. Therefore, simply puts, the marketing programme starts with the product idea and does not and until customers wants are completely satisfied. According to Stanton "marketing is the creation and delivery of a standard of living"(3). Marketing to him involves the following:

(a) finding out what customers wants.

(b) then planning and developing a product or service that will satisfy those wants.

(c) and then determining the best way to price, promote and distribute that product or service.

Stanton went further and stated in his definition more formally, by saying that marketing is a system of business activities designed to: plan, price, promote and distribute something of value, want satisfying, goods and services to the benefit of the market present and potential household customers or industrial users. This broad view of marketing does not mean that it should takeover the traditional functions of production, accounting, finance etc. But instead marketing should provide direction to these activities and seek to co-ordinate them. After all the purpose of a business or non-profit organisation is to satisfy customer or client needs, and not to simply supply goods and services which are convenient for him to produce.

2.1.2 THE MARKETING SYSTEM

The term system has been defined by Webster's New Collegiate Dictionary as a "regularly interacting or in interdependent groups of items forming unified whole". A series of flows connects this group of items which makes them interact. In marketing the interacting and interdependent group of items are made up of:

(a) The organisation performing the marketing job.

(b) The products or services that are being marketed.

(c) The target market.

(d) The intermediaries or middlemen that help in the exchange and,

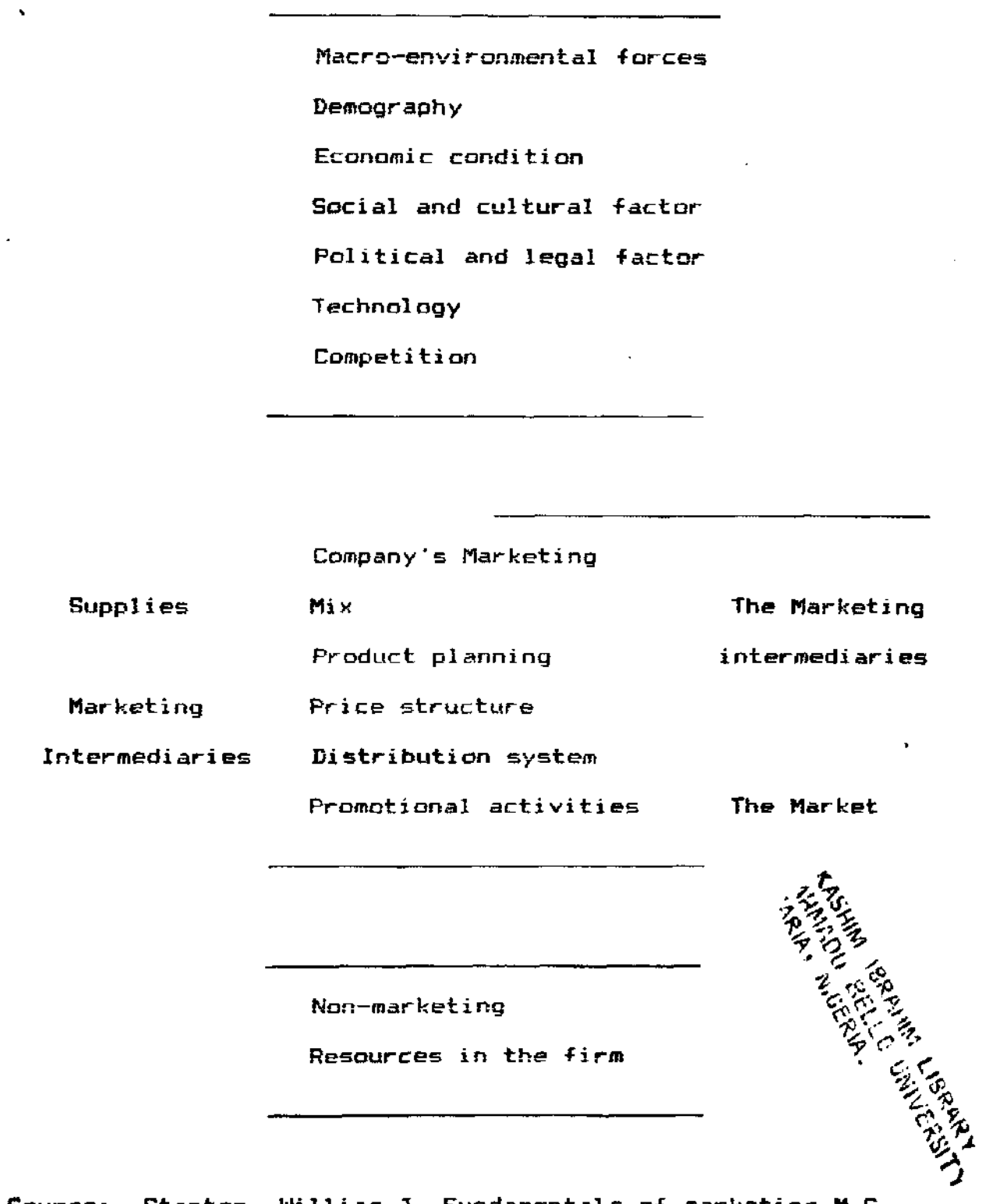
(e) The environmental constraints that affect the performance of the marketing system.

A market system is therefore, an interacting set of institutions, activities and flows designed to facilitate exchange between the marketing organisation and it's market. The marketing system is depicted in Figure 1.1.

2.1.3 THE MARKET

Market, and products are considered as the twin foundation of marketing. There can be no marketing without a product and a market. The term market was defined by Stanton William J. (1978:72) as a place where buyers and sellers meet and function, goods or services are offered for sale, and transfers of ownership of title occur"(4).

According to Stanton (1978:72) a market may also be defined as "an aggregate demand by potential buyers of a product or service"(5). He further went on to define it as people with needs to satisfy, the money to spend, and the willingness to spend it. Thus, in the market demand for a product or service, there are three things to consider:- People with need, Their purchasing power, and their buying behaviour.



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ZARIA, NIGERIA.

Source: Stanton, William J. Fundamentals of marketing M.C. Graw-Hill Ltd. 5th edition 1978 page 33.

Marketing decisions are taken within the frame work forces which make up the marketing environment. The functions may be internal or external.

By viewing the market as an aggregate of forces or conditions within which parties to the exchange transaction make decisions, it is obvious that when these conditions favour one party, the other party occupies a weak bargaining position and becomes the "loser in the exchange transaction.

A knowledge of the potential (aggregate) demand for various goods and services would cause producers to move in and out of different product or service areas depending on the state of demand in each area. Thus, where the demand for yam and rice are increasing while those for rice are declining farmers would be encouraged to produce more of the former and less of the latter. The market for goods and services may be divided into the ultimate consumer market and the industrial user market. Ultimate consumers buy for their own consumption while the industrial users buy for use in their businesses or for further processing. Selling to the ultimate consumer market requires extensive distribution while marketing to the industrial users may be by selective distribution or exclusive distribution.

Thus, in Annur Nigeria Limited, the marketing decision makers should know whether they are aiming at the consumer or industrial market, so that an appropriate marketing strategy could be adopted in each case.

2.1.4 THE ROLE OF MARKETING

The role of marketing in economic development is to facilitate exchange and also to allow greater time for production, consumption and other activities such as leisure. An effective macro-marketing system is necessary for economic development.

Peter Drucker (1958:253) an eminent management consultant and writer has suggested that marketing may ever be the key to growth in less developed nations. Drucker said that "marketing occupies a critical roles in respect to the development of such growth areas"(6). Indeed, marketing is the most important "multiplier" of such development it is in itself in every one of these areas, the least developed, the most backward part of the economic system. It's development, above all others, makes possible economic integration the fullest utilization of whatever assets and productive capacity an economy already possesses.

Infact, according to Nurske (1953:4) "without this micro-marketing people will not change from subsistence way of life to produce more for the market, because there are no buyer for the excess goods which they produce"(7). Thus, everybody produces just enough to feed his family, and there would be no need for exchange when there is inefficiency in the marketing system, food prices would be very high in rapidly growing urban areas. The high prices would reduce demand for the food crops and this make the farmers more reluctant to increase their production.

The manufacturer of non-food items is also discouraged and real income will not increase. According to W.W. Rostow (1964:136) the answer to this problem is by recognising the marketing system of the less developed nations. He also suggested from strategies for national development namely:

(1) Increasing agricultural productivity

(2) Revolutionalising the marketing of agricultural products in the cities.

(3) A shift of industry to the production of simple agricultural equipment and consumer goods.

(4) A change in the marketing system for such cheap manufactured goods, especially in the rural areas. This is accomplished through the performance of certain marketing functions.

2.1.5 FUNCTIONS OF MARKETING

The more widely accepted breakdown of these functions may be conveniently classified into functions of exchange, physical distribution functions, and the facilitating marketing functions.

Exchange function

Buying and selling involves the exchange process, which helps to solve the problem of separation in ownership. Buying involves an awareness of a need, searching for the product or service, and evaluating to ascertain whether they would satisfy the need. To the middle-men, buying means a

search for a product that would appeal to their customers.

Physical distribution functions

These involve the provision of transportation and storage facilities, that is, the physical handling and movement of goods. These functions are performed to remove the separation in time, spatial separations. Institutions such as warehouse, transportation agencies, wholesalers and retailers are greatly involve in the performance of these functions.

Facilitating functions

Facilitating marketing functions are made up of the sub-functions of standardisation and grading, marketing financing, risk-bearing, and marketing information. These functions help in the performance of the exchange and distribution functions which constitue the functions directly involved in transfer of title to goods and services.

Marketing rather than production should direct and co-ordinate affairs in the business organisation. The same can be said about the role of marketing in society and in particular, in the success of any agricultural development programme. An agricultural development programme that succeeds in producing abundant supplies of goods that cannot be effectively marketed cannot be considered to have achieved total success. The products should find their way to the market in the most efficient manner, and there lies the

important role that marketing would be expected to play in the success of agriculture.

2.2 MARKETING OF AGRICULTURAL PRODUCTS

Marketing plays an important role in the success of any agricultural development programme. As Colin Clark has shown that "it occurs as a result of the interaction of rising agricultural productivity and an Income inelastic demand for food"(9). The basic aim of any such programme is to produce a wide variety of agricultural products to satisfy the consumption needs of the citizens, industrial plants and, possibly, for export. As was stated in chapter one, the total success of any agricultural development programme depends on a very large extent on how effectively the output can be marketed. In underdeveloped countries, the market for non-agricultural goods is small. This is due to the low level of income. But as agricultural output and productivity increase, agricultural incomes will rise and may become "an important stimulus to new modern industrial sectors essential to the take off"(10). For example, the increase in rural incomes could be used to purchase domestic non-agricultural goods.

The physical characteristics of agricultural products, the usual size of the producing units, and the location of the producing units vis-a-vis those of the consumers make certain functions of marketing particularly important in the marketing of agricultural goods. These functions include

pricing, distribution, transportation, storage, standardisation and grading the provision of marketing information, marketing financing and the management of risks.

In this chapter, an attempt would be made to identify the basic characteristics of agricultural goods, their consumption and production paterns and the nature of their marketing.

2.2.1 CHARACTERISTICS OF AGRICULTURAL PRODUCTS

The nature of most agricultural products are highly perishable and they require storage facilities if they are to be kept over any length of time, such as tomatoes, yams, mangoes, plantains and so on. Because of their perishability these products must be consumed quickly if storage facilities are not available, otherwise they will lose their value. This puts pressure on the producers to dispose of the produce at unacceptably low prices, that is during the harvesting season when the goods are in plentiful supplies.

According to Oluwasanmi "the specific crops that are grown, the sequence in which they are planted and harvested, and the period during which the land is left in natural follow may vary, but the methods of cultivation and of maintaining soil fertility are similar in all three regions in Nigeria"(11). Some agricultural products are also bulky, thereby occupying much space resulting in high cost of storage. They include such goods as yams, grains, bananas, oranges and meat.

Agricultural products vary in quality and other features such as size and ripeness. This variation makes standardisation and gradidng important in order to facilitate buying and selling. Some control over the quality of the products may be possible through the type of breed and parent stock used, which may result in more standardised units of output. Agricultural activities are usually carried out by small scale rural farmers tilling small pieces of land. The function of assembling the outputs of these farmers into larger lots before taking them to the market becomes extremely important.

According to J.W. Meller, "since the agricultural sector is based on peasant system of cultivation and because inexpensive technological improvement in agriculture are available, relaatively small amount of capaital investiments can bring about large increase in agricultural output"(12), such capital investments might take the form of crop rotation as an alternative to shifting cultivatin or the use of farm yard manures.

The places of production of the agricultural products are far away from the major centres of consumption. This makes the physical distribution function and the establishment of appropriate channels of distribution vitally important.

According to Lewis. E. Boone and David L. Kurtz (1976:257) "the cost of using a particular transportation mode is usually relaated to the speed at which it operates.

Fast modes typically cost more than slower ones"(13). The production of most agricultural products are seasonal while consumption is spread throughout the year. Each of the above characteristics of agricultural products affects the nature of marketing such products, making certain functions vitally important as was mentioned above.

2.2.2 PRICING OF AGRICULTURAL PRODUCTS

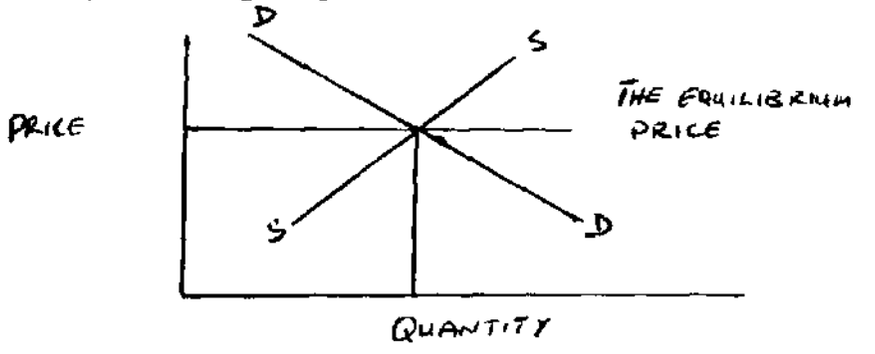
The determination of prices for agricultural products is a function of several factors. These include supply and demand conditions, food marketing sector, and government action. In the cases of supply conditions the relevant factors that effects the pricing of agricultural products include farm production decisions, weather conditions, disease, harvested acreage and food imports.

According to Johnston and Meller "the contribution of agriculture can be classified on both sides of the demand and supply. On the supply side, aagriculture can contribute to the production of food and exports. It can provide labour for the non-agricultural sector and savings for economic development"(14).

The factors individually or collectively, can have a significant effect on the supply of the particular product on the market. For example, poor rainfall, uncontrolled pests, limited harvest acreage, and restriction of inports would all result in reduced supply of agricultural products. With limited supply relative to demand, economic theory postulates

that prices would shoot up. The opposite would be the case when conditins are favourable to increased supply of the product.

According to Lewis E. Boone and David L. Kurtz pp. 299 (1976) "An item is worth only what someone else is willing to pay for it. In a primitive society the exchange value may be determined by trading a good for some other commodities"(15).

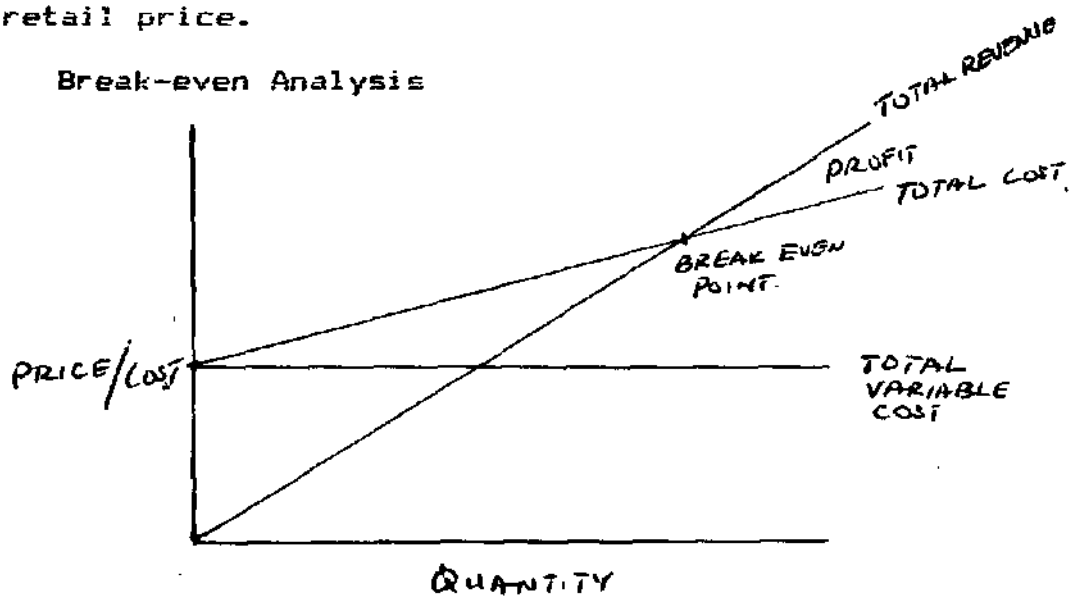


The factors that affects demand include income of the population, level of prices, tastes preferences of the people, total population of the country, and level of exports. The demand for most food items tends to be inelastic and to a large extent not affected by a person's income and the prices of the items. For example O.A. Lawal puts that the quantity demanded does not change as the price changes. However, it is posible that when the price of a particular food item becomes too high the consumers may switch to less expensive substitutes, such as maize or semovita for rice. The reduced demand may induce a downward trend in prices, depending on the supply situation, that is the supply far outweigh the demand. On the other hand the larger the country's population and the higher the level of

exports, the higher the demand for these items. The increased demand may push up prices particularly if the supply is far lower than the demand.

The food marketing sector influences farm prices through it's value, price, cost behaviour and strategies. Government may influence farm prices through price supports, supply controls, trade policies or influencing domestic demand for food or through price control. There has been a debate as to whether farm prices are determined at the farm level, in the marketing system, or by consumers at the retail level. A critical analysis of the situation appears to indicate that farm prices are set, first, in relation to cost of production to which marketing costs and a margin are added to arrive at the retail price.

Break-even Analysis



Sources: Lewis E. Boone and David L. Kurtz (1976) Contemporary Business second edition by the Dryden Press pp.301

Breakeven

The minimum sales volume needed at a certain price level to cover all costs.

Total Cost

Is composed of total variable cost and the total fixed cost.

Variable costs

Are those that change with the level of production such as labour and raw material costs.

Fixed cost

Are those that remain constant regardless of the production level achieved such as the firms insurance cost

Total Revenue

Is determined by multiplying prices and the number of units sold.

But where there is a change in the retail price there must also be a change in the farm prices. This is due to the fact that farmers cannot refuse to sell the products especially if these are perishable products. And also they will be forced to sell them due to lack of storage facilities. As far back as 1969, Kotler and Leny reported that "Business marketing are increasingly focusisng on cultivating long-run

rewarding relationships with customers rather than achieving sales in the short-run"(16).

To others it appears that the buyers of farm products, that is food processors, wholesalers or retailers, set the price first and that they determine farm prices. This was the case when prices taking farmers sell to less perfectly competitive buyers of farm products. Prices are more easily fixed at points of product concentration in the market. Actually, prices are determined jointly by the consumer demand, farm supply and the food marketing system. This is because when the demand is high and the supply is low then the price will go up, and vice versa. During the harvesting period in particular, the prices of agricultural product tends to be low in the market because of the increased supply of the products relative to demand.

2.2.3 INSTITUTIONS AND CHANNELS OF DISTRIBUTION

When goods are produced they must get to the consumers at the places where they want them to buy before they would be bought. The goods get to these places through institutions and channels of distribution. A channel of distribution is the series of middlemen through whom goods pass from producers to consumers, or industrial users. The marketing intermediaries make up the institutions involved in the distribution system. It is through them that title to the products is transfered from the producers to the consumers or users.

D.B. Winters said that the manufacturer who waits in the woods for the world to beat a path to his door is a great optimist. According to Lewis E. Boone and David L. Kurtz, the primary channels of distribution of consumer goods and services are as follows:

1. Manufacturer → Consumer

2. Manufacturer → Retailer → Consumer

3. Manufacturer → Wholesaler → Retailer → Consumer

4. Manufacturer → Wholesaler → Wholesaler → Retailer → Consumer

Industrial goods are as follows:

5. Manufacturer → Industrial User

6. Manufacturer → Wholesaler → Industrial User

Source: Lewis E. Boone and David L.Kurtz (1976). Contemporary Business second edition by the Dryden Press pp. 247.

Middlemen of marketing are those who specialise in the purchase and sale of goods as they move from producers to consumers. There are no limit as to the way they organise their business and operate. They can operate as individual proprietors, in partnership, co-operatives or corporations. The middlemen in marketing may be either merchant or agent middlemen.

Merchant middlemen are those who take title to the products they handle; they buy and sell on their own account and for their own gain. They may be either wholesalers or retailers. The wholesaler sells to retailers, other wholesalers and industrial users or processors of farm products. The retailer acts as the "personal representative" of the producer to the consumers. They buy products from wholesalers for resale directly to ultimate consumers.

Wholesalers make up a heterogeneous group of varying seizes. There are local buyers who purchase goods in the producing areas directly from the farmers and transport the products to other places for sale to their customers. In this group are agencies such as grain elevators, poultry, egg buyers and local livestock buyers.

The agent middlemen represents another type of middlemen in food marketing. Agents act for their clients, without taking title to the goods that they handle. They receive income in the form of fees and commission. Agents consist of brokers and commission men. The commission men has broad powers from those who consign goods to them. They take care

of the physical handling of the product. The broker, on the other hand, does not have control over product. In agriculture the livestock commission frims and grain brokers on the grain exchange are good examples.

According to Johnton and Meller ".... the expansion of incomes and foreign exchanged earnings by introducing or enlarging the production or promising export crops can and should play a strategic role in promoting economic growth"(17).

Another group of middlemen is the speculative middlemen. They takes title to products with the hoped of getting profit from their sale. They specialises in taking speculative risks and do minimum handling and merchandising. They attempt to earn profit from short time fluctuations in prices. Processors and manufacturers form part of the channels of distribution. Food processors take active part in institutional marketing. Some processors like the meat packers, flour millers and fruit and vegetable canners act as agent in the producing area. They attempt to reach the ultimate consumer through advertising.

Marketing co-operatives are also ways through which farmers sell the products of their farms. These co-operatives may collect the members products for sale. As Sweeney (1972) notes, "neither education, nor government, nor marketing (nor law) are done to individuals or organisations, but are processes which are participated collectively by members of society"(18).

They grade, package and perform other marketing functions. The objectives of these co-operatives is to secure the greatest possible amount for the products of their farm owners. According to the tasks performed co-operatives may be classified into four broad categories - marketing, purchasing, service and processing associations, even though many farmers belong to one or more of these co-operative associations.

2.2.4 TRANSPORTATION

Transportation is concerned with the means by which goods are physically moved from places of production to places where they are needed for consumption. According to Lewis E. Boone et al., (1976) "society allows business to operate only so long as they make a contribution to society. By producing and marketing desired goods and services, business satisfy this commitment. They create what economists call utility - the want - satisfying power of a product or service"(19).

To transport the products safely we need to analyse the situation carefully to determine the appropriate route to follow and the means of transportation to use. Decisions on these would affect the costs of transportation and the safety of the goods in transit. The issue of transportation also involves the preparation of the goods for transport as well as their loading and unloading. In the case of agriculture transportation plays a very important role in that

transportation costs affects the location of good processing plants and food distribution warehouses. Transportation costs also contribute to the size of the food marketing margin and influence farm and consumer food prices.

In agriculture some commodities are perishable and have short time tolerance. It will therefore, be advisable for food processing plants to be located near the farm products to reduce damage through transportation other agricultural products are also bulky and in that case it will be wise to make use of the material nearby so to minimise transportation cost.

The biological and bulky nature of farm products make special demands on the transportation system. For example food and feed grains require high capacity equipment, like animals need special equipment, and perishable products require rapid transportation. Due to these conditions farmers have always been concerned with the adequacy and costs of the farm product transportation system.

2.2.5 STORAGE

The storage function of marketing creates time utility in that the goods are held until the time they are needed for consumption by ultimate consumers or industrial users. For Example, raw materials may be held in large quantities further processing. While finished goods may be withheld until they are needed by whloesalers, retailers and consumers. The need for storages facilities is even more

vital because of the perishable nature of agricultural products.

According to Lyman. A Keith and Carlo E. Gubellini (1975) "a good transportation system can reduce the need for storage facilities, though it cannot wholly eliminate the need"(20). They went further by saying that for the business person, good transportation facilities may mean a reduction of inventory needs from several months 'supply to weeks' or even days; resulting in a real savings in the amount of funds invested in stored goods, plus a savings in the storage cost.

one means of preserving the quality of the product over time is the provision of cold storage facilities as well as facilities that could prevent dampness, attack by insects and other vagaries of the weather. The processing of the product, such as by canning, is another means of preserving the product over time.

The provision of adequate and appropriate facilities would ensure orderly marketing whereby farmers are not forced to the perishability of a product to sell their produce during the harvest season when supply is abundant relative to demand. This would enable the farmers to get satisfactory rewards for their efforts and serve as a motivation to remain in farming and produce more.

2.2.6 MARKETING INFORMATION AND MARKET DEVELOPMENT

The provision of marketing information is a vital facilitating marketing function. According to Stanton W.J (1978) pp. 39 "Marketing information system is an interacting, continuing, future oriented structure of people, equipment, and procedures designed to generate and process an information flow in order to aid managerial decision making in a company's marketing programme"(21). With accurate and timely marketing information, the marketers would be able to make better decisions about production, making long-term investment, deciding when, where, and how of his marketing strategies.

2.2.7 MARKETING FINANCING

Marketing financing refer to the money which is used to carry on the various aspects of marketing activities. As Lyman A. Keith and Carlo E. Gubellini (1975) pp. 375 puts it that "The problems of business finance are a matter of interest to everyone, even to people who are not directly involved in business"(22).

In the case of agriculture, farmers need money to pay for costs of storage, repairs and maintenance, equipment, depreciation, and insurance. They also have to finances the probability that the price may expectedly decline. Under this situation the products might have to be sold at less than it's value at the time it was placed in storage. The farmer therefore, need capital resources which will be used

in financing their marketing activities.

2.2.8 RISK BEARING

Just as there are risks in other forms of business, farmers also face risks in their operations. Risk arise from natural hazards such as poor rainfall, storms, excessive temperature conditions, destruction from insects and pests and so on. There can also be destruction by fire. Such unfavourable conditions could affect the farmers yield and cause a reduction in his earnings. Changes in selling price of the products in the market can also bring risks to farmers when there is change in the taste of the consumers, it may result to reduction in the desire for the particular product which will be a risk to the farmers producing this products.

But according to Keith and Carlo (1975:223) "In a state-dominated economic system the concept of risk is not present, because consumer demand is not the determinning factor in production and distribution"(23). The government makes the decisions about what and how much will be produced and the priced at which it will be sold, and the consumer must accept what is offered, since there is no alternative source of goods. In view of the undesirable consequencies of these hazards it is important that measure are taken to minimise their chances of occurence through better management practices. Sometimes, it may be possible to insure the goods against these hazards.

2.2.9 STANDARDISATION AND GRADING

Standardisation involves the establishment of basic measures and units to which products must conform. Grading is the act of separating or inspecting goods according to established specifications or basic limits to determine their grade. When we talk of these terms in the marketing system, standardisation is usually applied to the manufactured goods, while grading refers to basic descriptive characteristics such as size, colour etc. If the products nature over which the producers have very limitedd control. For example a farmer who produces eggs cannot have uniform size of eggs. Also the farmer cannot determine the ripeness of his crops for it depends on so many things which are beyond the farmer's control.

According to John A. Shubin (1954) "The role of standardisation in industry grew with the rise of modern business, and it's importance was enhanced by the spread of scientific management"(24).

Standardisation and grading are important in the marketing systems for the following reasons.

(i) standardisation and grading facilitate the buying function by making it possible for buyers to purchase by description.

(ii) standardisation and grading facilitate the selling function by making it possible for sellers to merchandise products closer to just what consumers and other users wants. This will minimise

misunderstanding.

(iii) cost of financing is also reduced when the quality is known.

(iv) standardisation and grading reduce risks because the quality is known.

(v) A mixed lot of ungraded fruits is less attractive to prospective customers and commands a lower total price than the same lot after it has been graded and priced by grade.

(vi) Grading also helps in streamlining the physical distribution of any farm products.

(vii) standardisation facilitate specialisation and the reaping of economies of scale in production.

(viii) standardisation and grading also aid various middlemen in performing their tasks and helps bringing together the sellers and buyers. They also act as unofficial policemen to prevent malpractices which they consider unfair. Even though this organisation have far reaching influence on the nature of marketing.

In conclusion, it is clear that marketing plays an extremely important role in the success of any agricultural development programme particularly, in the areas of pricing, and channels of distribution, storage and transportation, market development, marketing financing, risk-bearing and provision of marketing information, standardisation and grading. In the chapter four an attempt would be made to discuss the extent to which marketing has been given it's

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CHAPTER THREE

3.1 HISTORICAL BACKGROUND OF ANNUR NIGERIA LIMITED ZARIA

Annur Nigeria Limited, is an established Agricultural organisation in Zaria with farm land measuring over 8000 acres. The Chairman/Executive Director, who is also the sole proprietor of the company has been in the farming business for 19 years incessantly. The farming operations are 100 per cent mechanized with the aid of combined harvest, numerous tractors and implements, broadcasters, planters rolling cultivators, boom sprayers, bulldozers, graders and dumpers etc, and a team of experienced staff, all of which are ready and available.

Annur Nigeria Limited, is an established agric-oriented organisation with Headquarters in Zaria, carrying out it's large scale farming operations on a part of it, 5000 hectares of farm lands in Zaria. The company also has the potential of easily acquiring more farm lands if and when necessary.

The company has so far been taking interest in arable farming, poultry, dairy, orchards and fisheries, but more emphasis is laid on arable farming. Arrangements are also on the drawing board to start a dry season irrigation scheme in an attempt to utilize the same land more than once a year. The sole proprietor of Annur Nigeria Limited is by name Alhaji Mohammed Saleh. He was a Headmaster of a primary school in Zaria in 1968. Due to the nature of his teaching job in the primary school, and the fact that school closed

early, he developed interest in farming around his house and later got a land to do the farming far away from his house. In 1968, he joined Philip Morris here in Zaria, but he was posted to Maiduguri in 1969. In 1970, he was posted to Jos as a Supervisor. By 1972 he was brought back to Zaria, and later obtained a Diploma in Marketing.

In 1972, he became the Assistant Manager of Philip Morris. By October 1972, he was made the Manager of Philip Morris, Zaria. He was sent to Lagos in 1974, and from there he was sent to London where he underwent training in Marketing; in Switzerland he obtained a National Higher Diploma in Marketing, and obtained a Degree in Marketing.

According to him, he became very rich in 1984 (though he did not disclose how much he had as raw cash in his account), he therfore decided to go into large scale farming. He wanted to resign his appointment with Philip Morris on three occasions but they refused. Finally in December 1985, he resigned his appointment with Philip Morris. According to Alhaji Mohammed Saleh, he was exposed to the world due to the fact that he was a slaeman with the Philip Morris. He said that in Nigeria, there is no village with about a hundred people in it that he has not been to, so he did not have problem of connection or marketing.

3.2 ANNUR NIGERIA LIMITED NOW OPERATES WITH THE FOLLOWING MACHINERIES/EQUIPMENTS

1.	Tractors of different makes	8
2.	Harrows	4
3.	Ploughs	3
4.	Planters (4-row and 2-row)	3
5.	Lorries	2
6.	Luxury bus	1
7.	Tractor trailers	4
8.	Lorry trailers	2
9.	Fertilizer broadcaster	1
10.	Boom sprayers	2
11.	Hand sprayers	3
12	Dumper	1
13.	Bulldozer	1
14.	Lowloader	1
15.	Graders	2
16.	Large warehouses (11,700 sq ft)	2
17.	Rollers	1
18	Pale loader	1
19.	Big electric generators	3
20.	Many large offices and facilities	1
21.	Assorted tools	
22.	Gas and eletric welding machines	2

Annur Nigeria Limited has ample storage facility, office and other facilities at it's head office, and on farms. It also has an Engineering Base for the repairs, servicing and maintainance of it's plants and machineris. The company has a permanent staff strength of 26 comprising an Engineer, Petrol and Diesel, Technicians, Administrative accounting and marketing staff farm supervisors and operators. Up to 200 temporary labourers are also occasionally engaged during the peak of harvesting season.

Annur Nigeria Limited wanted American partnership in 1988. Although Annur Nigeria Limited, had all that it needed in terms of money, machineries, equipments and all the necessary infrastructures, it realised it lacked the technical know-how. It also realised that simple farming machines that can easily substituted the enormous manual labour are not only unknown to them but also not easily obtained in the country.

The company also realised that simple farming machines that can substitute the enormous and expensive manual labour that they employ every season, can be obtained through the partners from America. This will not only save production costs but will also increase the yield and profit enormously.

Annur Nigeria Limited thought that the American partners would benefit from the enormous legitimate profit he would share with the company. He would also enjoy not only enormous interesting adventures but would also absorb the happy feelings of the fact that he helped humanity by boosting food

production. It would be known internationally by now that all the Nigerian States and Federal Government regard farming as a single important aspect that badly requires both external and internal assistance to be able to feed the ever growing population that now stands at over 100 million.

Annur Nigeria Limited believes that an interested American is in a position to provide machinery to replace enormous manual labour and the technical know-how, to an appreciable extent.

Annur thought that if they could come together within an American partner, they would be able to capitalise on the situation now, and they would not only set the pace but would also be the pioneers of farming. The company required an American partner that is experienced in agricultural organisation, or an experienced farmer or a highly interested individual that is capable of providing experienced persons to handle some aspects of the operations. The partners should be prepared to invest some money preferably in the form of simple machineries to gain his committment and demonstrate his interest in the joint venture.

The crops that will be grown will require the full utilisation of the farm land throughout the year through irrigation scheme and this will enable them to raise as many different crops as soyabeans, cowpea, wheat, rice, ginger, sunflower, maize etc.

They may jointly grow export crop like ginger or any crop for the Eastern markets, like India or Japan. The

3.3 CROP PRODUCTION PROGRAMME CASH CROPS AND FOOD CROPS

The export crops that are envisaged in Annur Nigeria Limited are cotton, hides and skins etc unlike the food crops are yams, cassava, rice, wheat, maize, milk and livestock etc. To make production of these crops successful in Annur Nigeria Limited, the sole proprietor visited the Institute for Agricultural Researches (IAR), Samaru, and National Animal Production Research Institute (NAPRI), Shika for advice, and necessary help.

The purpose of this research is to show beyond reasonable doubt the *maximum improvement* which could be achieved *under effective management. Achievement made in crop* production and soil management is largely due to extensive research work. For example, the varieties of simple crops being planted, such as cassava, maize, cocoa, palm oil, guinea corn, millet, groundnuts, cotton, rice and wheat, some of the tomatoes varieties and the citrus trees planted in the country were developed at the research institutions.

3.4 ANIMAL HUSBANDRY

Animal husbandry features prominently in Annur Nigeria Limited; NAPRI, Shika is playing a crucial role in the success of animal husbandry. Infact, the company got three Veterinarians for this purpose. The efforts of the Institute are geared towards the eradication of livestock disease, development of improved breeds of cattle, sheep and goats, better livestock management, and improved methods of

livestock production. Under nomadic conditions are found to be unsuitable for accelerated growth in livestock production. And that was what happened to Annur when he bought 300 herds of cattle for N20,000. The cattle were bought from Niger. When they were brought to Zaria, they got grasses and were looking well fed. But when the weather changed, they all looked sick and eventually he had to slaughter them. This was the effect of weather conditions. Thus, there is a need for national livestock policy aimed at settling the nomadic cattle rearers and teaching them ways of conserving feeds for their cattle during the long dry season. A start could be made for this direction by reserving specific areas for cattle.

3.5 PROBLEMS AFFECTING THE PROGRAMME

There are many problems militating against the success of Annur Nigeria Limited. They ranged from geographic to economic, social, and politcal problems.

Geographical problems

Of particular importance here are vegetation and climate, which vary from one part of the country to another, while some parts have short periods of rainfall, particularly in the north, others have long periods of rainfall, especially in the southern parts of the country. The short periods of rainfall adversely affect the production of some major food and cash crops. In Zaria, the weather condition is

good. There is also enough rain for the crops. The farmers will only face problem if they don't plant early. So late planting will be a problem in terms of rainfall.

Economic problems

The main economic problems are shortages of a manpower facilities for mass education of the farmers. The shortage of manpower has led to inadequate extension services to the local farmers in the use of fertilizers, pesticides, herbicides, insecticides and improved seeds. These, however, constitute, bottlenecks to agriculture in the country, because of poor roads, for example, fertilizers and other imputs do not reach the farmers early enough for use during the planting season. For instance, the Daily Times newspaper of Novemeber 5, 1979, reported that fertilizers meant for Borno State reached farmers in September of that year when they should have been available to farmers at the beginning of the year. This year also is the same thing not only reaching the farmers very late but the price is N70.00 per bag instead of the government price of N15.00 per bag.

Political and administration problem

There appears to be too much breaucratic red-tape in the granting of loans to farmers. These unnecessary breaucratic complexities may be a deliberate attempt by loan oficers to obtain bribes from applicants before releasing the funds. The farmers waste too much time travelling from their

villages to the banks and other credit agencies in the urban areas when they should in fact be engaged in serious farming. At times, political considerations also come into play, for a farmer may be denied loan facilities because he does not belong to the ruling party.

For Annur Nigeria Limited, he did not have problem of loan, because he is very rich he never applied for loan. Also he is not having any political party problem because he does not belong to any party, so he is free from this.

Annur Nigeria Limited has problem of acquisition of inputs. This includes fertilizer. The Federal Government is to supply this to the farmers on subsidised prices. The Federal Government supply only about five different types of fertilizers to farmers. So the farmers do not have a choice but rather to use it like that. Whether they are suitable for the soil or not. You will be forced to use what is available.

The company also lacks the essential herbicides and insecticides. Farmers also have problem of not being able to locate where they will get primagram which will help control the weeds. And this primagram is very scarce. The Government has failed to provide the herbicides to farmers as they were promised. There is also the problem of large scale farming, people have problem of maintaining machinery. There is the problem of getting spare parts and the right people to repair the equipment. The engineers are available but they are not stable. They will only remain if they are not good.

Social problems

Farmers have been finding it difficult and uneconomical to use tractor. This has been due to the fragmantation of the land by land tenure system in the country. But as Annur Nigeria Limited, he ahas acquired and bought land from the owners, covering 8000 acres of land. However, he is faced with the problem of insecurity. People steal the product from the farm before the harvest. The company is also facing on problem of one man business. He does not keep proper records of what is being spend or how much is being realised from the farm.

There is also a problem of decision making. He decides on what he likes whether it will be good or bad. Nobody will question him, since he does not have a partner, no one is having a share in the company and he has not received any loan. He can wake up any day and decide on what he wants. So there is a problem of lack of advicer, because two heads are better than one.

Annur Nigeria Limited, is not having any problem with the community because, he helps them when they have problem, he listen to them. And at each harvesting period, he loads two lorry with bags of harvest and distributes to each of the people, as Zakka. As a result they like him. He also tries to help his friends in farming since his farm is the largest in Zaria so that they do not envy him. He tries to leave in harmony with the people to avoid problem.

The success of Annur Nigeria Limited is vital to

Nigeria's socio-economic development. It is clear that efforts are being made to stimulate agricultural production, despite the problem facing the programme. However, the complete succes of the agricultural development programme does not lie solely on the stimulation of production, but also on the marketing of the output. In the next chapter, therefore, an attempt would be made to examine the actual role accorded the marketing function in Annur Nigeria Limited.

CHAPTER FOUR

ANALYSIS OF DATA

Two sets of questionnaires were administered, one set for workers of Annur Nigeria Limited and one set for buyers of the company's products.

The research findings here are based on the analysis of the two sets of questionnaires which were administered to different categories of respondents.

The questionnaires covered the overall marketing of products. That is the product, price, distribution channels, promotional activities, storage facilities and transportation.

The questionnaire completed by the workers is used to evaluate the role they have accorded marketing in their organisation.

The questionnaire completed by the buyers is used to evaluate the role marketing plays in bringing them into contact with Annur and its products.

4.1 WORKERS QUESTIONNAIRE ANALYSIS

Thirty questionnaires were given out to workers of Annur Nigeria Limited Zaria. These workers are permanently employed with the farm. Out of the thirty, twenty-one (70%) responded; These twenty-one questionnaires are analysed below. Based on what was got, the findings could be

discussed under the following headings.

(a) People (workforce)

(b) Product

(c) Price

(d) Promotion

(e) Distribution

4.1.1 PEOPLE

Annur Nigeria Limited, is an established agricultural organisation in Zaria with farm land measuring over 8000 acres.

The company has a permanent staff strength of 26 comprising of an Engineer, Petrol and Diesel, Technicians, Administrative accounting and marketing staff, farm supervisors and operators. Up to 200 temporary labourers are also occassionally engaged during the peak of harvesting season.

The company has so far been taking interest in arable farming, poultry, Dairy, Orchards and Fisheries, but more emphasis is laid on arable farming.

Nineteen out of the twenty-one were male (90%) while two out of twenty-one were female (10%). This shows that there are more of the male than the female employed to work.

From the research finding, it was discovered that the workers are between the age of twenty and fourty, there was nobody above the age of fourty. So the workers are composed of middle aged group of people.

There is a high rate of labour turnover in Annur. Only

seven out of twenty-one (33.33) said they have worked for more than five years.

It was also found out that those occupying the managerial position earn more money than supervisors who in turn earn more than the farm lands.

4.1.2 PRODUCT

Annur Nigeria Limited produces millet, Guinea corn, Maize, beans and cotton. These are all arable products.

These products are anot packaged, rather they are put into ordinary jute bags. They did not bother to differentiate their product by packaging.

They also did not have brand names for their products. Annur Nigeria Limited Zaria, also engages in ORDER production. For instance, Annur supplies maize on order to Nasco group of companies. The maize is used for the production of cornflakes.

The decision on what should be produced comes from the Managing Director. This explains what was said in the earlier chapter that it is a one man business, where the owner decides on what to be done, and his decision is final. There is a lot of interaction between the workers and the Managing Director on what should be produced.

The products produced are being sold to final consumers. That is retailers, wholesalers and consumers. The consumers obtain the products at the various warehouses. They also sell to Industrial users.

The respondents were also on the opinion that they do intend to add new lines of productions. All the respondents said that the products are good. There is room also for product packaging since they do not design packaging or colour to differentiate their products.

4.1.3 PRICING

Respondents all (100%) feel that the prices of the Annur Nigeria Limited, Zaria are slightly below that of competing products.

Also prices change according to the season. So the law of demand and supply comes true here that the higher the demand the lower the price and higher the price the greater the quantity being supplied to the market.

The Managing Director decides the pricing depending on the prevailing market condition. They also offer discount to their customers. Discount of 2% to 5% are normally given.

4.1.4 PROMOTION

All the respondents (100%) said that they do not carry out promotional activities. Customers normally come to the warehouse to buy the products without advertising.

There is room for Annur to start introducing promotional activities into the business to create awareness for the products. Because some customers are not aware of when the products are available in the warehouse.

4.1.5 DISTRIBUTION

Annur Nigeria Limited, Zaria has distributors. But individual customers can also come and buy directly from their warehouse. When the distributors buy in bulk, then tbey sell to retailers who will finally sell to the ultimate users. So the channel of distribution can either be direct or indirect.

Purchases are cash and carry basis, and all the customers are satisfied with this arrangement. However, a few would not mind credit being extended to them. Customers normally arrange for the transportation of the products they purchase.

Respondents also indicate that customers do not have problems of availability of the products.

4.2 BUYERS QUESTIONNAIRE ANALYSIS

One hundred questionaires were given out to buyers of Annur products, Nigeria Limited Zaria.

The researcher made sure that these buyers deals with the products of Annur. Seventy-five questionaires were returned completed. These seventy-five (75%) questionaires are analysed below.

The analysis shall be done under the following headings.

(a) Product

(b) Price

(c) Promotion

(d) Distribution

4.2.1 PRODUCT

A question of how the customer came to know about the product was asked, 53.33% of the respondent answered that they came to know about the products through a friend or relation. And 6.67% said they know through other sources while none of the respondent said that they know through promotional activities. This explains that they did not consider promotional activities important.

As regards the products, whether it is produced seasonally or all year round, all the respondent (100%) agreed that the products are produced seasonally. For the question of if they are availabale all year round, none of the respondent answered this question, since they all agreed that the products are produced seasonally in question six.

All the respondent (100%) said yes, that the quality of the products is good and that this quality influences their demand for the products.

4.2.2 PRICING

According to the buyers of the products, they all said that the prices are not competitive. All the respondents answered that prices fluctuate depending on the season.

The question as to who determines the final prices, the respondents said that they determine for themselves at what price to sell depending on what is in the market. It was also found out that because of the prices which are slightly below competiting products, this made the products move

faster than others.

The buyers also said that, they too allow discount of say 10k or 20k to customers especially where it involves changes, often times they forgo the change to create loyalty.

The respondents also said that they give him a feed back of what they feel about the product, when buying it. The purchase of the products is done on cash and carry basis. None of the respondents said that he/she has purchased on credit or through other means.

4.2.3 PROMOTION

None of the respondents said that they know the products through promotional activities. This indicates that they did not do anything to promote the sales of their products . It is also important to advertise the products so as to compete with similar products even though he does not have any fair of loss of market now, it may occur in the future.

4.2.4 DISTRIBUTION

Among the respondents were wholesalers, retailers an consumers. But the percentage of those who buy the products for consumption was 60% while that of those who purchase to resale for profit making is 40%. There was evidence that the number of distributors and retailers is large in relation to product supplied. But as to the question whether it affects the supply of the products, all the respondents said no.

The wholesalers also agreed that they had storage

facilities for the products, since the products are arable, which are packed into bags. It does not require special facilities like in the case of perishable products. So simple dry store is enough to store the products.

They all agreed that they own their stores or warehouses. It was also found out that retailers, wholesalers do not transport the products for the consumers. But rather whoever comes to buy will have to make the necessary arrangements for transportation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 SUMMARY AND CONCLUSIONS

The continous decline of output per hectare for the past two decades, despite the federal government policy towards agriculture, confirms the fact that agriculture has fallen below its level of expectation. Therefore, the importance of developing agriculture cannot be over emphasized.

The researcher has examined the role marketing plays in agriculture. The researcher focused some attention on the nature of marketing and in particular, the marketing functions that are of direct relevance to agricultural development. Also examined are the characteristics of the agricultural products, with particular attention, marketing of the agricultural products, pricing of the agricultural products, institutions and channels of distribution, transportation, storage, marketing information, market development, marketing financing, risk bearing and standardisation and grading.

Chapter three was devoted to a discussion of the historical background information of Annur Nigeria Limited Zaria, in terms of its necessity. Some attention was also given, to the problems that constitute bottle necks to the development of agricultural sector. These problems range from those emanating from natural conditions such as the

weather, to geographical location, and artificial problems resulting from nonchalant attitudes of state and Federal Government authorities to implement what they have committed themselves to do. Much of this applies to the suppliers of agricultural inputs like the fertiliser.

Another important problem that needs careful consideration and solution is that of inadequate infrastructural facilities, especially feeder roads and well equipped storage facilities for say the agricultural inputs like the fertiliser. It was discovered that this was not a problem for Annur Nigeria Limited because he has many large warehouses.

The Analysis of chapter four has shown that marketing has not been accorded its proper role in the marketing of agricultural products. The researcher emphasised the marketing aspect of the Annur Nigeria Limited products, in terms of the different types of products produced.

They study has revealed that Annur was much more concerned with Arable or grains production than the production of perishable products. The study has also shown that Annur has enough capital to run his business so he did not have a problem of looking for loan.

The researcher has also discovered that Annur has a problem of insecurity of the products on the farms. Where there is no security, people will help you harvest the farm. It was also discovered that the workers did not see any need for designing packages, in different colour, sizes, etc. to promote their sales.

Although, it was all agreed that the products are good. There is room to add new lines of products to the existing ones. Prices of Annur products are not stable, and it is the Managing Director who decides how much it should be sold. And with the disadvantage of one man business, his decision is final, forgetting about the saying that two heads are better than one. Also it was discovered that Annur does not engage in any promotional activities. The customers normally come to the warehouses to purchase the goods.

5.2 RECOMMENDATIONS

The recommendations forward in this chapter are the results of the analysis of the questionnaires which were filled by different categories of respondents. The aim of these recommendations is to provide useful suggestions for a more effective marketing of Annur Nigeria Limited products, and in agriculture in general.

The recommendations cover the areas of product, price, promotion, channels of distribution, storage facilities, transportation and standardisation and grading.

5.2.1 PRODUCTS

Even though all the respondents answered that the quality of the products was good, it still needs improvement in the packaging, designing and colours.

There is also need for new lines of products to be introduced apart from the arables. Vegetables should also be introduced with fresh perishable products with adequate storage facilities.

Marketing projections should be made on what type of products to be produced. The findings of which will provide adequate information sufficiently well-based to guide production, and stay viable and competitive.

The Nigerian consumers are people with taste, so they look for quality, design and right colour. Consequently, more research should be carried out on this.

5.2.2 PRICE

I will recommend that there should be stable prices for the products, rather than whatever the Managing Director decides to charge. There should be proper accounts of all the over head cost to be able to come out with the price that will be above the breakeven. Proper accounts of the sales should also be kept to be able to estimate for expansion.

5.2.3 PROMOTION

Marketing is more than producing a good product, and pricing it, and making it in the markets for people to buy. Promotion is the area that is not given attention in Annur Nigeria Limited.

Annur should therefore, lay more emphasis on promotion. Methods like advertising, publicity, public relations can be used. Sales men can be used and their activities should be monitored.

5.2.4 CHANNELS OF DISTRIBUTION

The channels of distribution in Annur Nigeria Limited is not laid down. The wholesalers, the consumers and retailers can go to their warehouse and purchase.

There is no laid out channels of how they should distribute the products. I will recommend that proper channels of distribution be chosen to avoid people being crowded at the warehouse for purchase. This will allow the wholesalers and the retailers to gain since they will not sell at the same price.

5.2.5 STORAGE AND TRANSPORTATION

I will recommend that they should have room for storing perishable products when the new lines of production is added. Through the analysis of the questionaires, it was discovered that they do not transport products to their customers. I suggest that hence forth they should make provision to transport products for those who purchase in bulk, this is part of customer services to create loyalty.

5.2.6 STANDARDISATION AND GRADING

It was discovered that Annur did not differentiate his products and since all the respondents are of the view that the products are good. I will recommendd that he should differentiate his products to create long time loyalty. When this happens the cutomers should be able to grade the products with others.

In conclusion, I will also recommend that instead of financial aid, the government could embark on clearing land for large scale farming and should be given to the farmers permanently after five years.

Also villages should be regrouped in one place so as to provide amenities like water, electricity and good roads to them.

The government should review the pricing policy, with view of changing the markets of agricultural products from the buyers market to the sellers market. This could be done by equating the minimum prices to the average minimum cost of the product for whole area producing it, and letting the public be aware of it. So that farmers will be in the position to bargain for the highest he can get.

There is need to educate our farmers on the advantages of packaging their products in sizes, that women and children can handle.

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APPENDIX A

SAMPLE QUESTIONNAIRE FOR WORKERS OF ANNUR NIGERIA LIMITED

1. Sex

   < > Male

   < > Female

2. Age group

   < > 15 - 20 Years

   < > 20 - 25 "

   < > 25 - 30 "

   < > 30 - 35 "

   < > 35 - 40 "

   < > 40 and above

3. Designation

   < > Manager

   < > Supervisor

   < > Farm hands

4. Duration on the Job.....

   .....

5. Salary per Annum

   < > Below N2,000.00

   < > 2,000.00 to N5,000.00

   < > 5,000 and above

6. What products do you produce?

   (Please name them)

   .....

7. How do you classify these product e.g. arable,

   Fisheries, Dairy etc.....

   .....

8. How do you package your products?

   .....

   .....

9. Do you consider design, size, shape important in your packaging?

   .....

   .....

10. If yes, why?.....

    .....

    .....

11. Do you label your packaging?.....

12. If yes, is it to differentiate your product?.....

.....

.....

13. Do you have a brand name for your products?.....

.....

14. How related or unrelated are the products you produce?

.....

.....

15. Do you intend to add new lines of products?.....

.....

.....

16. Do you engage in order production?.....

.....

.....

17. Who decides what is to be produced?.....

.....

.....

18. Do customers suggest the type of products to be produced?

.....

19. To whom do you sell your products?

    < > Industrial user

    < > Final consumers

    < > Others

20. Where do customers obtain your products?

    < > Warehouses

    < > Open markets

    < > Farms

21. How do you price your products?.....

22. What factors influence the pricing?.....

    < > Competition

    < > Demand/supply

    < > Government

23. Do you offer discount? Yes or No?.....

    If yes which type.....

24. Is your pricing above or below that of competitors?

    If yes which type.....

25. How do you promote your products?

    < > Advertising

    < > Personal selling

    < > Sales promotion

    < > Publicity and public relations

26. If by advertising, through which medium? Please name them.....

27. How do you distribute your product?.....

28. What are the channels of your distribution?.....

    < > Wholesale

    < > Retail

29. Does the company own its own storage and warehousing facility?.....

30. Do you have distribution policies?.....

    If yes what are they.....

    .....

APPENDIX B

QUESTIONNAIRE TO BE COMPLETED BY BUYERS OF ANNUR NIGERIA LIMITED PRODUCTS

1. What is your position in the channel of distribution?

   < > Wholesale

   < > Retail

   < > Consumer

2. How did you come to known about Annur products?

   < > Through the promotional activities

   < > Through a friend or relation

   < > Other source

3. How competitive are the prices of Annur's products in relation to competition

   < > Very competitive

   < > Competitive

   < > Not competitive

4. How would you describe commodity prices generally?

   < > Stable

   < > Fairly stable

   < > Fluctuating

5. Who determines the final prices at which you sell your products?

   < > You

   < > Annur

   < > Market forces

6. Are the products produced seasonally?

   < > Yes

   < > No

7. If not are they available all year round?.....
   .....

8. Is there any evidence that the number of distributors and retailers is large in relation to products supplied?

   < > Yes

   < > No

9. If the number is large, does it influence the consistency of the products supplies to you?.....
   .....
   .....

10. If the number is not large would the seller (Annur) comple you to carry excess inventory?.....
    .....

11. How fast do the products of Annur Nigeria Limited move in relation to competing products?

    < > Very fast

    < > Fast

    < > Not fast at all

12. Do you carry competitive products in terms of prices, quality, the product nature?.....
    .....

13. If the products of Annur farms are moving relatively faster than the competing products, can you as the seller advance any reason for these?

    < > Quality

    < > Price

    < > Service

    < > Any other reason

14. If otherwise can you advance any reason for these?
    .....

15. As a final consumer, are there any distinctive qualities you can identify in the product of Annur farm?.....
    .....

16. Do these qualities (if any) influence your demand for the products?.....