

**ECONOMICS OF LIVESTOCK MARKETING
IN GAMAWA LOCALGOVERNMENT AREA,
BAUCHI STATE, NIGERIA**



BY

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INTRODUCTION



- Animal agriculture is an indispensable pre-requisite towards the sustainability of human development because of food provision, employment generation, etc (Oluwafemi, et al 2001).
- In Nigeria, a high percentage of population earns their living from agriculture and agricultural orientated activities; and therefore contributes to the development of the nation.
- Crop production, forestry, fishery, and livestock account for 18-20% of Nigeria's Gross Domestic Product (GDP), the livestock sub-sector alone accounted for 4.5-5% (FAO, 2001).
- FAO, (2003) reported that cattle contributes over 50% of the national meat supply while the remaining 40 - 50% is contributed by other classes of livestock and other domesticated animals.
- Lombin, (2011) stated that, Nigeria has a livestock population of about 16.3 million cattle, 40.8 million goats and 27 million sheep, 151 million poultry, 3.7 millions pigs 900,000, donkeys and 90,000 camels.

Introduction....Continues



- Despite the large population of livestock in Nigeria, the protein intake is still below the minimum requirement (FAO, 2001). Intake of animal protein at present is 4.82g/caput/day (Tewe, 2008), as against a minimum requirement of 75g/caput/day recommended by the FAO.
- Kohls and Uhl (2009), defined marketing as the performance of all business activities involved in the flow of the product from the point of initial production until it reaches the hands of the consumers.
- The biggest problem with goats marketing in Nigeria is parasite control. The parasite poses a major constraint to goat owners across the nation, although they are more of a problem in the southern part of the country (Bennet, 2002).
- Mostly the animals are sold to traders, middlemen or butchers at farm gate (due to inadequate transportation and time constraints) or nearby village weekly markets where no rule and regulations are effective (Balkrishna and Kalia, 2008).

Objectives of the Study



The broad objective of the study was to compare the economics of goats and cattle marketing in the study area. The specific objectives of the study were to:

- i.** describe the socio-economic characteristics of goats and cattle marketers in the study area,
- ii.** determine the profitability of goats and cattle marketing in the study area,
- iii.** determine the factors that influence the goats and cattle marketing in the study area, and
- iv.** identify the major constraints in the cattle and goats marketing in the study area.

METHODOLOGY



The Study Area:

- The study was conducted in Gamawa Local Government Area of Bauchi State, Nigeria which is about 300km away from the state capital, Bauchi.
- Its geographical coordinates are latitude 12.13°N to 12.53°N and longitude 10.53°E to 10.72°E.
- The area has an average rainfall of 800mm which can take 4 – 5 months from May to September annually. It has less vegetation with average temperature of 28°C (Encyclopedia, 2011).
- Further, the area had a total land mass of about 2,925km² with 286,388 population according to National Population Census, (2006).
- The soil of the area is predominantly sandy-loam which is good for crops such as millet, sorghum, cowpea, sesame, ground nut etc. and the major animals produced include cattle, sheep and goats (BSADP,2010).

Sampling procedure



- Five (5) markets were purposively selected based on their accessibility, size as well as large population of buyers and sellers of goats and cattle.
- The selected markets were; Gamawa, Gadiya, Gololo, Raga and Wabu livestock markets.
- Random sampling technique was used to select sixty (60) goat and sixty (60) cattle marketers , thus giving a sample of one hundred and twenty (120) marketers.

Data collection



- Primary data were collected using structured questionnaires supplemented by verbal interviews of the goats and cattle marketers.
- In gathering the data, two different sets of questionnaires were used; a set of sixty (60) each per category of the livestock marketers.

Data analysis



Data were analyzed using:

- Descriptive Statistics such as means, percentages and standard deviations.
- Budgeting technique in form of Gross Margin Analysis, expressed as:

$$GM = TR - TVC$$

- Multiple regression analysis, expressed as:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + b_7x_7 + e$$

RESULTS AND DISCUSSION

Table 1: Distribution of respondents according to age

Age (yrs)	Goat Marketers		Cattle Marketers	
	Freq	%	Freq	%
< 30	9	15	1	2
30-39	19	32	12	20
40-49	17	28	21	35
50-59	12	20	20	33
> 59	3	5	6	10
Total	60	100	60	100

Table 2: Marketing experience and household size of respondents

Years of marketing Experience	Goat Marketers		Cattle Marketers	
	Frequency	Percentage	Frequency	Percentage
Below 10	18	30	17	28.3
10 to 19	37	61.7	31	51.7
20 and above	5	8.3	12	
Household size				
Below 10	15	25	20	33.3
10 to 19	32	53.3	31	51.7
20 and above	13	21.7	9	15
Mean	9		13	
Total	60	100	60	100

Source: Field survey, 2011

Table 3: Cost and return analysis of goats and cattle marketing

	Goat Marketers		Cattle Marketers	
	Ave cost/goat (₦)	Percentage	Ave cost/cattle (₦)	Percentage
Costs components				
(i) Variable Cost				
Cost of purchase	20,216.67	95.38	125,683.33	96.26
Feeding cost	99.67	0.47	474.50	0.36
Transportation cost	301.83	1.42	1,370.00	1.05
Medication cost	87.67	0.41	274.17	0.21
Middlemen	400.83	1.89	2,243.33	1.72
Labour cost	30.25	0.14	228.00	0.17
Total variable costs	21,135.92	99.71	130,273.33	99.77
(ii) Fixed cost				
Market revenue charges	40	0.19	200	0.15
Temporary house	20	0.10	100	0.08
Total fixed costs	60	0.29	300	0.23
Total cost	21,195.92	100	130,573.30	100
(iii) Revenue/animal	24,233.33		164,500.00	
Marketing margin	4,016.66		38,816.67	
Return/Naira invested	0.14		0.26	

Source: Field survey, 2011

Table 4: Factors Influencing goat and cattle revenue

Variables	Coefficient Goat	Coefficient Cattle	T-value Goat	T-value Cattle
Constant	12,233.602	52,758.649	3.121 ***	2.907***
Cost of purchased (X_1)	0.384	1.006	2.933***	10.331***
Feeding (X_2)	-14.626	-38.975	-0.626 ^{NS}	-2.196**
Medication cost (X_3)	-16.219	-29.031	2.124**	-1.799***
Transportation cost (X_4)	1.171	1.581	0.430 ^{NS}	-0.339 ^{NS}
Cost of labour (X_5)	18.155	-55.350	2.299***	-1.975*
Middlemen commission (X_6)	4.700	6.830	0.782 ^{NS}	-1.214 ^{NS}
Market charges (X_7)	96.20	-31.732	1.416 ^{NS}	-1.173 ^{NS}
Temporary house (X_8)	12.026	126.026	1.202 ^{NS}	1.667 ^{NS}
R ²	60.9%	78.4%		
Adjusted R ²	54.7%	75.1%		
F-value	9.911***	23.204***		

Source: Field survey, 2011* Significant at 10% levels ** Significant at 5% levels *** Significant at 1% levels ^{NS} = Not significant

Table 5: Distribution of respondents according to their major constraints

Constraints	Goat Marketers		Cattle Marketers	
	Frequency	Percentage	Frequency	Percentage
Inadequate credit facilities	22	36.7	19	31.7
Lack of market information	14	23.3	15	25
High cost of transportation	10	16.7	13	21.7
Inadequate housing facilities	7	11.7	2	3.3
Low profitability of animal	3	5	5	8.3
Others (specify)	4	6.7	6	10
Total	60	100	60	100

Source: Field survey, 2011

CONCLUSION

- **Goat and cattle marketers earned a net profit of ₦ 3,037.41 and ₦ 33,926.70 respectively per animal and the rate of returns on investment was found to be 14% and 26% for both goat and cattle marketers respectively.**
- **Both goat and cattle marketing were profitable in the study area, but the cattle marketing was more profitable than goat marketing.**
- **Higher profit would be obtained if proper marketing facilities are fully provided and associated constraints of goat and cattle marketing in the study area are removed.**

Recommendations

- **Provision of good means of transporting the animal like the possibility of using trains and construction good feeder roads so as to reduce rate of taxes/levy in transit and high marketing charges.**
- **Adequate housing facilities should be provided to control insecurity and cost of housing through construction of temporary houses by the government.**
- **Encourage the formation of a viable associations among the marketers in the area that would help in sanctioning of middlemen (*“Yan-Nakama, Yan-Waju, “Yan-Jo’aye, “Yan-Baranda*) through heavy levy to discourage their activities.**
- **Government should intensify more extension work. Good source of media would provide markets information of goat and cattle marketing in the study area.**

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