

Marketing analysis of smoke-dried fish in Etsako East Local Government Area of Edo State, Nigeria

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ABSTRACT

This study was carried out to analyze the marketing of smoke-dried fish in Etsako East Local Government Areas of Edo State. A purposive and random sampling method was used to select eighty smoked-dried fish marketers in the study area. Primary data was collected through a well structured questionnaire. The data were analyzed using descriptive statistics and gross margin analysis. The results showed that most (100%) of the smoke-dried fish marketers were female with little or no education. Majority (72%) of the marketers finance their business through personal savings. Profitability analysis indicated that smoke-fish marketing was a profitable venture with a net profit ₦19,800 per marketer in the study area. The major constraints faced by the marketers were lack of capital, which was ranked first, followed by high cost of storage facilities and price fluctuation etc. it was recommended that smoke-dried fish marketers should be encouraged to form cooperative society while government should encourage community/rural banking.

Keywords: Marketing analysis, smoke-dried fish.

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INTRODUCTION

Fish is one of the most important sources of food and income to many people in developing countries. The demand of fish globally and particularly in Nigeria has been on the increase with supplies not meeting up the demand (FAO, 2012). With an annual fish demand in Nigeria of about 2.66 million tonnes, and a paltry domestic production of about 780,000 tonnes, the demand supply gap stands at staggering 1.8 million tonnes (Oyinbo and Rekwot, 2013). Despite the popularity of farming in Nigeria, the fish farming industry can be described as being at the infant stage when compared to the large market potential for its production and market (Nwiro, 2012).

Fish is also one of the important animal protein foods available in Nigeria. At present, fish constitutes 40% of animal protein intake (Atanda, 2009). The demand for such protein is rising exponentially with the rapidly accelerating increases in human population. Fish is available in the market in different forms like fresh,

frozen, canned, smoked or dried form (Mshelia et al., 2007).

Due to the nutritional importance of fish, venturing into its enterprise holistically holds promising potentials to investors. However, the relative attention was given to physical fish production technology while a little interest was shown on the marketing aspect to complete the production cycle. It is obvious that increased production without corresponding increase in marketing may leads to wastage of resources.

Objective of the study

The main objective of the study was to analyze the marketing of smoke-dried fish in the Etsako East local government area of Edo state. The specific objectives were: to examine the socio-economic characteristics of the respondents in the study area, to estimate the

profitability of smoke-dried fish marketing and to find out the basic problems of smoke-dried fish marketing.

METHODOLOGY

Study area

The study was conducted in Etsako east local government area of Edo State, Nigeria. Edo state has eighteen local areas and is situated between the latitudes 05°44' N and 07°34' N and longitudes 06° 04' E and 06°43' E of the equator. The major economic activity of the people of Etsako east local government area is farming with specialization in crops, animal husbandry and fishing. Most parts of the local government area are rural communities along the banks of the river Niger. There are quite a number of rivers, streams and tributaries where fishing activities are being carried out as means of livelihood. There also exist a number of markets where fish is a major commodity of merchandise.

Sampling procedure/data collection

The major markets with high population of smoke-dried fish marketers were purposively selected. Eighty smoked fish marketers were randomly selected using sampling frame from the two markets in a ratio proportional to market size, that is, sixty in Agenebode market and twenty in Weppa market. The data was obtained from primary sources. The primary data was collected with the aid of structured questionnaires administered to smoke dried-fish marketers.

Analytical techniques

Data were analyzed using descriptive statistics, the return on investment, profit and marketing margin. Descriptive statistics such as frequencies count, percentages were used to examine the socio-economic characteristics and problems associated with smoke-dried fish marketing. The profitability of smoke-dried fish marketing was determined using gross margin. The profit analysis equation is given as: $GM = (TR - TVC)$
Where, GM = Gross margin; TR = Total Revenue; TVC = Total Variable cost

RESULTS AND DISCUSSION

Table 1 shows distribution of the respondents according to socio-economic characteristics. The analysis of the gender showed that all of the marketers were female (100%). This implies gender bias in favor of the female folk. This finding is in consonance with that of (Lawal and Idega, 2004) who stated that female's role was more in the marketing of smoked fish than the males. Majority of the respondents (60%) were between the age brackets of 31 to 50 years, which showed that most of the marketers are in their economic active years. The marital status of the respondents' showed that majority of the marketers (75%) was married. The table also showed that 72.5% of the respondents had no formal education while 21.75 and 6.25% had primary and secondary school education

Table 1. Socio-economic characteristics of the marketers in Etsako East Local Government Area of Edo State.

| Variables | Frequency (n = 80) | Percentage |
|------------------------|---------------------|------------|
| Gender | | |
| Female | 100 | 100 |
| Male | - | - |
| Age (years) | | |
| Below 30 | 10 | 12.5 |
| 31 – 50 | 48 | 60 |
| Above 51 | 22 | 27.5 |
| Marital status | | |
| Single | 10 | 12.5 |
| Married | 60 | 75 |
| Widowed | 6 | 7.5 |
| Divorced | 4 | 5 |
| Level of education | | |
| None | 58 | 72.5 |
| Primary school | 17 | 21.75 |
| Secondary school | 5 | 6.25 |
| Marketing experience | | |
| 1 – 10 | 14 | 17.5 |
| 11 – 20 | 54 | 67.5 |
| 21 – 30 | 6 | 10 |
| Above 31 | 4 | 5 |
| Source of capital | | |
| Personal savings | 58 | 72.5 |
| Friend and relatives | 12 | 15 |
| Co-operative societies | 6 | 7.5 |
| Others | 4 | 5 |

Source: Field survey, 2013.

respectively. This implies that smoke-dried fish marketers in the study area might not able to process marketing information that would enable them to improve their sales. The marketing experience of the respondents' showed that 67.5% have been marketing smoke-dried fish between 11 and 20 years, while 17.5 and 10.0% of the respondents have been marketing smoke-dried fish for 1 to 10 and 21 to 30 years respectively. This finding is in agreement with that of Ali et al. (2008) who reported that marketing experience is important in determining the profit levels of marketers, the more the experience, the more the marketers understand the marketing system, condition, and price trends etc.

Table 2 shows the cost and returns analysis of smoked fish marketers in the study area. The data revealed that

Table 2. Cost and return associated with smoke-dried fish marketing in Etsako East Local Government Area of Edo State.

| Items | Amount (₦) |
|---------------------------|------------|
| Total Revenue | 79000 |
| Variable cost | |
| Cost of fish @ purchase | 48000 |
| Transportation cost | 1600 |
| Labour | 2000 |
| Firewood | 1800 |
| Kerosene | 900 |
| LGA Tax | 800 |
| Association levy | 1200 |
| Total variable cost (TVC) | 56300 |
| Fixed cost | |
| Process equipment | 1200 |
| Bowls | 600 |
| Brackets | 300 |
| Wire gauze | 500 |
| Knife | 300 |
| Total fixed cost (TFC) | 2900 |
| Gross margin (TR – TVC) | 22700 |
| Net profit (GM - TFC) | 19800 |

Source: Field survey, 2013.

the total variable cost was estimated to be ₦56,300 and total revenue was computed to be ₦79,000, the gross margin was found to be ₦22,700 while the net profit was ₦19,800 implying that the business of smoke-dried fish marketing is quite profitable in the study area.

Table 3 represents the number of problems identified confronting smoked fish marketing in the study area. Among the problems, lack of capital was ranked first followed by high cost of storage facilities and price fluctuation etc.

CONCLUSION

The study has shown that most (100%) of the smoke-dried fish marketers were female with little educated or uneducation. Majority (72%) of the marketers finance their business through personal savings. It can be inferred that smoked fish marketing in the study area is profitable despite the problems encountered. This study recommends the need for fishermen to form cooperative societies to have a pool of savings for lending while government policy should encourage community/rural banking to solve the problem of capital.

Table 3. Constraints militating against smoke fish marketing in Etsako East Local Government Area of Edo State.

| Problems | Frequency | Percentage |
|---------------------------------|-----------|------------|
| Lack of capital | 48 | 60 |
| High cost of storage facilities | 16 | 20 |
| Price fluctuation | 12 | 15 |
| Spoilage | 2 | 2.5 |
| Insect infestation | 2 | 2.5 |
| Total | 80 | 100 |

Source: Field survey, 2013.

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