MARKETING OF POULTRY EGG IN ONDO-WEST LOCAL GOVERNMENT AREA OF ONDO STATE, NIGERIA

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ABSTRACT

The study investigated the marketing of poultry egg in Ondo-West local government area of Ondo State, Nigeria. The multi-stage sampling technique was employed in the selection of one hundred and twenty-five (125) poultry egg marketers for the study. Primary data collected with the aid of structured questionnaire were analysed using descriptive statistics and gross margin analysis. Result showed the mean age of respondents as 44.2±9.7 years, 63.2% were female and 36.8% were male and 72.0% were married. The mean household size was 7±3 members and 58.4% had secondary education. Price fluctuation constitutes a major challenge in poultry egg marketing. The gross margin was ₦48611.37. Marketing of poultry egg has improved the average household means of livelihoods and generate income. Hence, poultry egg marketing should be encouraged in terms of access to credit, information and provision of storage facilities.

Keywords: gross margin, marketing, poultry egg, profitability.

INTRODUCTION

The marketing of poultry eggs has been given much attention in both urban and rural areas of Ondo State and Nigeria in general. This is not unconnected with the importance of egg in the diet of an average Nigerian and consumption in every home. Poultry eggs rank second to cow milk in terms of nutritive value and are the most economically produced animal protein (Nahid and Mohammad, 2015). Animal protein is an essential part of human nutrition because of its biological significance. Iwena (2007) reported that proteins are required for the growth of young ones, formation of gametes in reproduction, formation of digestive juices, repair of worn-out tissues or cells, production of anti-bodies as well as enzymes and hormones in the body. Poultry egg marketing forms a good source of income, employment and vital source of food (protein) in the households. Marketing of poultry eggs like other agricultural products serves as means of livelihoods in both the rural areas and the urban centers. Tijani *et al*. (2006) posited that animal proteins are more biologically complete than vegetable proteins with regards to their amino-acids composition.The sales of poultry eggs contributed about 10.36% in the livestock sub-sector to the Gross Domestic Product (GDP) in the Nigeria economy (Central Bank of Nigeria, 2010). Eggs are major sources of animal protein in human diet. According to Okafor *et al*. (2007) poultry goes a long way in providing animal protein for the populace because it yields quickest returns and provides for meat and eggs in a very short time.Poultry eggs are among the most versatile food in the kitchen of an average home, and it can be served in several ways on their own, eggs add texture and moisture to baked foods and complement both sweetened savoury dishes. In the diet, poultry eggs can also boast of rich nutritional profile, provide a wide range of vitamins, minerals, and other nutrients, however, it is low calorie content.

According to Dietary for Americans 2015-2020, Poultry eggs are good sources of inexpensive high quality protein. However, despite the relative importance of eggs as sources of food, protein, income and means of livelihoods to the people, the marketing and distribution of poultry eggs is beset by serious problems both in the rural and urban areas of the country and the study area in particular. These problems include; price fluctuations, high cost of transportation, inadequate supply, and high cost of feeding, poor availability of labour, inconsistent government policies on marketing agricultural products, among others. According to Olanloye (1998) and Nahid and Mohammed (2015) farm product marketing activities is hampered by; price fluctuations, product glut, and inadequacy and poor transportation. Malnutrition and hunger have remained among the most critical problems facing the world poor. Moreover, the dearth in the quantity and quality of dietary protein supply in Nigeria is a challenge that is beyond dependence on plant protein source alone. Most countries in sub-Saharan

Africa including Nigeria are faced with the problem of insufficient poultry egg production and protein deficiency. Despite the high demand for eggs in the markets, there has been serious problem of inadequacy in meeting the needs of the consumers. Hence, the need to investigate the economic analysis of poultry egg marketing, identify the challenges facing poultry egg marketing and determine the profitability of poultry egg marketing in Ondo-West local government area of Ondo State, Nigeria.

MATERIALS AND METHODS

This study was conducted in Ondo-West Local Government Area of Ondo State Nigeria. The study area consists of 283, 672 people (NPC, 2006). The major occupation is primarily farming however trading activity is also practiced. The multi-stage sampling technique was employed in the selection of respondents. Stage one entailed a purposive selection of Ondo-West local government area due to accessibility and availability of egg marketers. Stage two consisted of the random selection of five major towns while stage three comprised the random selection of ten markets in the study area. In the final stage, One hundred and twenty (125) poultry egg marketers were selected for the study. Data collected with the aid of structured questionnaire were analysed using descriptive statistics and gross margin analysis.

RESULTS AND DISCUSSION

The result revealed (Table 1) that the mean age of respondents was 44.2±9.7 years, which implies that marketers are still at the economic active age, 63.2% were female and 36.8% were male. This indicates that poultry egg marketing is dominated majorly by females and 72.0% were married while 12.0%, 9.6% and 6.4% were widowed, single and divorced, respectively. The mean household size was 7±3 members per household indicating that poultry eggs marketers have a fairly large household size. Marketers with secondary education accounted for 58.4%. This will help the marketers in accessing information and marketing intelligence on poultry egg marketing business, 20.0% accounted for primary education, while 12.0% and 9.6% had no formal education and tertiary education respectively. On the years of experience as poultry egg marketer, the mean years of experience was 9.4±4.6 years. This indicates that the egg marketers in the study area are more experienced in egg marketing business. On sources of capital, 58.6% indicated the cooperative society as their source of credit while (21.6%) obtained credit from money lenders to start egg marketing business, others, 12.0% and 8.0% patronised friends/relatives and commercial banks for capital to finance the egg marketing business, respectively. On the quantity of poultry egg sold by marketers, 50.4% indicated that the sold between 30 and 50 crates while 24.0% sold between 51 and 70 crates of eggs, moreover, 12%, 9.6% and 4% respectively sold between 71 and 90 crates, less than 30 crates and more than 90 crates of poultry eggs. This implied that there is much demand for poultry eggs in the study area.

Table 1: Socio-Economic Characteristics of Egg Marketers n = 125

Variable	Frequency	Percentage	Mean	SD
Age (yrs)				
≤ 30	2	1.6		
31 – 40	40	32.0		
41 – 50	72	57.6		
51 – 60	8	6.4		
>60	3	2.4	44.2	9.7
Gender				
Female	79	63.2		
Male	46	36.8		
Marital Status				
Single	12	9.6		
Married	90	72.0		
Divorced	8	6.4		
Widowed	15	12.0		
Household Size (number)				
< 5	28	22.4		
5 – 10	74	59.2	7	3
> 10	23	18.4		
Experience (yrs)				
< 5	2	1.6		
5 – 10	65	52.0		
11 – 16	52	41.6		
> 16	6	4.8	9.4	4.6
Sources of Credit				
Cooperative Society	73	58.4		
Money Lenders	27	21.6		
Commercial Bank	10	8.0		
Friends/Relatives	15	12.0		
No Crates of egg sold				
<30	12	9.6		
30-50	30	24.0		
51-70	65	50.4		
71-90	15	12.0		
>90	5	4.0	57.6	9.6

Source: Field Survey, 2019

Table 2 revealed the challenges facing poultry egg marketers in the study area. Inadequate capital outlay accounted for 32.0% while price fluctuation in the price of poultry egg in the market represented 48.8%. This is in agreement with Nahid and Mohammed (2015) who identified price fluctuation and shortage of capital as some of the challenges in egg business. Others are; poor storage facilities represents 8.8%, 6.4% and 4.0% indicated labour problems and small-size of the business as the challenges facing the poultry egg marketers.

Table 2: Challenges facing poultry egg marketers n = 125

Variables	Frequency	Percentage
Challenges		
Inadequate Capital	40	32.0
Price Fluctuations	61	48.8
Poor Storage facilities	11	8.8
Labour Problem	5	4.0
Small market size	8	6.4

Source: Field Survey, 2019

PROFITABILITY ANALYSIS OF POULTRY EGG MARKETING

The profitability analysis in this study was determined using the gross margin analysis, net farm income and the cost benefit ratio thus;

Gross margin analysis (GM): $GM = TR - TVC$ …………………………………………………….…1

Where; GM = Gross Margin, TR= Total Revenue and TR = Q.P.........................2

Q represents the number of crates; P = Price per crate; and TVC= Total Variable Cost.

Net Income (NI): Net Income = TR - TC..3

Where, TR= Total Revenue; TC= Total cost;

Benefit-Cost Ratio (B/C): The Benefit-Cost ratio is used to determine the profitability of poultry egg marketing business. It helps to ascertain the gain over every naira invested in the poultry egg marketing. This is expressed as; TR/TC...4

The result of the profitability analysis indicated that ₦48611.37 was realized as gross margin while ₦18065.56 was the net income (net profit). The return on a naira invested in poultry egg marketing was 1.16. This showed that on every naira invested in the sale of poultry egg marketing ₦0.16 was realized as gain. This indicated that the marketing of poultry egg in the study area is profitable. However, the variable costs accounted for 71.6% in the cost of production while the fixed cost represented 28.4%.

Table 3: Profitability Analysis for Poultry egg marketing

Variables	Amount (₦)		Percentage
Total Revenue		125440.57	
Variable Costs			
Purchase	58375.36		54.4
Transportation	8065.51		7.5
Cost of crates	11850.75		11.0
Total Variable Cost (TVC)		78291.62	
Fixed Cost			
Rent	24000.80		22.4
Security	6545.01		6.1
Total Fixed Cost (TFC)		30545.81	
Total Cost (TFC + TVC)		107375.01	
Returns on Investment			
Gross Margin	48611.37		
Net income	18065.56		
Benefit-Cost Ratio (B/C)	1.16		

Author's Computation, 2019

CONCLUSION AND RECOMMENDATIONS

The study revealed that marketing of poultry egg in the study area is a profitable business and as means of livelihoods to generate income. However, the business is faced with the problems of inadequate capital and price fluctuations. Hence, poultry egg marketing should be encouraged in terms of access to credit, organized marketing and provision of storage facilities.

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