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Research Article

Evaluation of Poultry Egg Marketing in Kuje Area Council Municipality of F.C.T Abuja, Nigeria

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ABSTRACT

The study was carried out on the Economic analysis of Poultry egg marketing in Kuje Area Council Municipality of Abuja. The Primary Data Used Were Obtained Using Structural Questionnaires administered to 40 egg marketers in the study area. Descriptive Statistics, Marketing Margin Analysis and Gross-Margin were used to analyze the data. The result showed that 95% of the marketers were between 21-50 years, 95.5% were married, and male70% dominated egg marketing. All the marketers 100%had primary education, 87.5% had over five years of experience in egg marketing. Egg marketing in the study area was profitable with about ₦37,500 per month and had a marketing margin of 20% and a return to investment of ₦0.25 on every naira problems of price fluctuation and transportation were identified as the major constraint facing marketers in the study area.

INTRODUCTION

Poultry is one of the world's major and fastest growing sources of meat and egg and representing over 22% of the meat Production in 1989. Because of their high nutrient content and relatively low caloric value, egg and poultry products are natural commodities to meet emerging consumer demands (Stenholm and Waggoner, 1991).

Poultry production is a very important enterprise of the livestock industry in Nigeria. Despite the large population of livestock in the country, the protein intake is below the requirement of 20% for adults (Shaib *et al.,* 1997). The need for animal protein in human diet has been recognized for long. In recent times, consumptions of most Nigerians have declined to an unbearable level.

Malnutrition in human diet has been a major issue being debated on World Wide. Mostly in the developing countries, cases of poor health condition were traced to lack or inadequate animal protein in their diet. Feeding on food of animal origin is probably the fastest economic and nutritional route to improvement in the nutritional status. Foods from animal origin have the capability of providing 35 g per capita of animal protein per day (Ojo, 2003). Poultry is one of the main sectors where over 60% of animal protein is being derived. However, the increased growth rate experienced in this industry does not commensurate with the fast rate of growing population. Egg as an important poultry product is known to be acceptable to all people of all races, and the most widely demanded poultry product. The production of eggs has been the factor of the greatest economic importance in poultry production thus the marketing of this product cannot be over emphasized.

Marketing is concerned with all stages of operatives which include the movement of commodities from the farms to the consumers. It involves the performance of all activities involved in the flow of goods and services from the point of initial production until they are in the hands of the ultimate consumers. Most of the eggs marketed and consumed in Nigeria come from poultry birds. Only little attention is given to other sources such as ducks, turkey, guinea fowl and geese because of their ability to lay few eggs (cepan, 1997).As a result of the fragile nature of eggs, its marketing has been influenced by the difficulties in handling, transportation and distribution to the consuming unit. This has also influenced the cost of eggs in the market to a point that an average Nigeria cannot afford to buy eggs, and as a result failed to meet up with the standard nutrition requirement for protein intake per day or monthly..

This study examined the socioeconomic characteristics of poultry egg marketers, determined the marketing margin and profitability of egg marketing in kuje Area Council Municipality of Abuja.

METHODOLOGY

The study was conducted in Kuje Area Council Municipality of Federal Capital Territory (F.C.T), it is located within longitude 7^0 15_E and Latitude 8^0 S of the equator.

Kuje covers an area of 3,13054km. The major tribes found in the study area are Gbagi and Bassa. 40 egg marketers were randomly selected from the study area. Primary data were analyzed using Descriptive Statistics, market margin analysis and gross margin analysis.

Market Margin Analysis: This refers to the differences in price paid for a commodity at different stages of the marketing system (Olukosi et al, 2005) therefore the marketing margin of the egg marketers is the difference between the price paid by the consumers and that received by the producer

MM = (Sp-Cp)/SP x 100

Where

MM = Marketing Margin for egg marketers

Sp = Selling Price for egg marketers

Cp = Cost Price for egg marketer

Gross Margin Analysis: This is the differences between the gross income (GI) and the total variable cost TVC. The formula is stated below as

GM = GI – TVC

Where GM = Gross Margin

GI = Gross Income

TVC = Total Variable Cost

RESULT AND DISCUSSION

Socio-Economic characteristics of sampled egg marketers: Some of the socio-economic characteristics that influence marketing of egg that were analyzed in the study includes egg, sex, marital status, level of education and marketing experience

Table 1: Socio-Economic Characteristics of Egg Marketers in Kuje Area Council

Variable	Frequency	percentage
Ages in year		
Less than 20	-	-
21-30	5	12.5
31-40	23	57.5
41-50	10	25.0
51 and above	2	5
Total	40	100
Sex		
Male	25	70.0
Female	12	30
Total	40	100
Marital Status		
Married	38	95
Single	2	5
Total	40	100
Level Of Education		
No formal Education	0	0
Primary Education	30	75
Secondary Education	6	15
Tertiary Education	4	10
Total	40	100
TABLE 1 CONTINUED		
Marketing Experience		
1-5 Years	5	12.5
6-10 Years	15	37.5
Above 11 years	20	50
Total	40	100

Field Survey,2011

Table 1 show that 95% of the sampled marketers were between the ages of 21-50 years indicating that they are in their middle and economically active age which could positively affect egg marketing in the study area. This is in line with the finding of Raman et al (2002) who showed that marketers of eggs may influence their decision to increase resources allocation which make it more likely for them to venture into new technologies. 70% of the marketers were male and 30 were female implying that egg marketing is dominated by male in the study area. 95% of the egg marketers were married also all the marketers can read and write. This means that they would easily comprehend the market situation and make necessary changes and adjustment when need arises in term of allocation of resources and performing other marketing functions.

Results on table 1 further revealed that the respondent have marketing experience of above 5 years which suggest the ability to manage risk and make quick decision resulting in better marketing performance.

Table 2: Marketing Margin for Egg Marketers in Kuje Area Council

Respondent	Average Selling Price Per Create Of Egg (N)	Average Cost Price Per Create Of Egg (N)	Marketing margin %
Egg marketers wholesalers	750.00	600.00	20

Field Survey, 2012

Table 2 present the market margin per create of egg in Kuje Area Council municipality of Abuja. The market margin of the egg marketers in the area was 20%. This suggests that egg marketing is profitable.

Table 3: Gross Margin Analysis of Egg Marketing/Month/Create Of Eggs.

Marketing Cost/Revenue Size	Egg Marketers Wholesalers (N)
Sale/income from average size create of egg	750.00
Cost of a create of eggs	585
Cost of transportation per create	5.00
Cost of labour (Loading and off loading per create	8.00
Marketing charge per crate	2.00
Total variable cost	600.00
Gross Income (Profit) per create	150.00
Average quantity sold per month per create	250
Gross Income (Profit) per month	37,500
Return per naira invested	0.25

Field Survey, 2011

Table 3 present the cost and return on egg marketing. The total variable cost per average create of egg was ₦ 600; 00 thus, the gross income was (₦ 150.00) per crate and ₦ 37, 500 per month for a wholesaler. The result showed that egg marketing is a profitable return on every naira invested in marketing of eggs.It also revealed that the wholesaler earns 25k on each 100k invested. However, the profit level can be improved if the marketers sells more creates of egg. This can be achieved by adding value to the eggs through sorting, cleaning and advertisement. The turnover in the sales of egg would gear up the profit level of the marketers without increase in the selling price of eggs.

Table 4: Marketing Problems Faced By Egg Marketers

Problems	Frequency	Percentage
Price fluctuation	31	77.5
Transportation	32	80
Poor sales	20	50
Lack of capital	15	37.5
Record keeping	20	50

Field Survey,2011

Problems Encountered By Eggs Marketers

Table 4 showed that the egg marketers encountered problems ranging from transportation 80% due to bad roads and poor condition of vehicle, price fluctuation

77.5%, poor sales 50%, lack of adequate capital 37.5% to increase supply and poor record keeping 50%. These problems are however inter woven as poor transportation leads to broken and damaged eggs resulting to poor sales and price fluctuation which further leads to reduction in price value of egg.

CONCLUSION

Based on the findings of the study it can be concluded that egg marketers in the study area are educated, in their active age group and experienced, thus their survival in the business. Marketing of egg is profitable but the level of profitability can be increased if properly handled, also by value addition through grading and standardization thus reducing waste, confusion and uncertainty with respect to quality value. The major challenges faced by the marketers are that of transportation, price fluctuation, poor sales, lack of record keeping and inadequate capital among others.

RECOMMENDATION

Based on the foregoing, it is therefore recommended that credit facilities be provide by government and non-governmental organization to the people engaged in egg marketing. Egg marketers should be encouraged to keep proper records on cost of marketing and returns on a day to day basis reflecting marketing activities on egg business thus improving marketing efficiency.

The study further recommends that, egg marketers should form a viable marketing association and cooperative society to help stabilize prices and increase the chances for obtaining loans from private sectors (financial institutes) and benefiting from various government farm credit schemes to boost egg business.

Consumers should be informed on the nutritive value of egg especially for young children through advertising thus increasing the purchasing power of consumers and by extension increasing the profit margin of the marketers.

Finally, the study recommends that efforts should be made and geared towards provision of infrastructural facilities such as good roads, standard vehicle for transporting eggs to reduce breakage, provision of packaging containers such as cartons, Standard egg cases, standard egg wooden case and fiber cases to enhance proper handling of eggs thus improving the market margin, profitability and marketing efficiency of eggs marketers in the study area.

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