

Marketing of Agricultural Products, a Panacea for Economic Growth and Sustainable Development in Nigeria

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ABSTRACT

There is an urgent need for the revitalization of the Nigerian Agricultural sector especially now the economic situation of the economy is nothing to write home about. The Agricultural sector of Nigeria was neglected for years owing to the discovery of crude oil in the 70s. Crude oil exportation gradually replaced Agricultural products exportation until Nigeria became a mono-product exporting nation. The current fall in oil prices have led to the recent clamor for the diversification of the economy through agricultural export performance. Several policies have been implemented by the government both in state and federal levels in order to boost the agricultural sector but no significant change has been achieved. This indicates that the sector is faced with challenges which must be identified and nipped in the bud for the sector to flourish. Marketing of Agricultural products has been identified by various researchers globally and in Nigeria as the major problems of the Agricultural sector. Various scholars have discovered that if the right marketing practices is not put in place in the Agricultural sector of an economy, the sector would not flourish. Therefore the thrust of this conceptual study was to identify the problems associated with the marketing of Agricultural products with a view to proffering recommendations of the best marketing practices to adopt in order to boost the Agricultural sector of the economy for economic growth and sustainable development.

KEYWORDS: *exportation, economic growth, sustainable development*

INTRODUCTION:

Agriculture happens to be the basic source of employment for Nigeria (over 60%) and account for more than 30% of the total gross domestic product (GDP) and labour force (Asogwa&Okwoche, 2012) and about 20% of Africa's GDP (Economic Commission for Africa, 2007). According to Nchuchuwe&Adejuwon (2012), Agriculture is the engine of Africa's economy. Agriculture provides food security by mainly increasing the quantity of food and also by providing the means to procure food.

Marketing of agricultural produce plays a crucial role in attaining the overall objective of food security, farmers' financial empowerment and sustainable agriculture (Altshul, 1998).

Ukpong & Malgwi (1991) discovered that in 1970s especially after the middle-east oil embargo in 1973, the oil sector has continually to dominate the economy. This has obviously induced a frantic decline in the contribution of the agricultural sector to the nation's Gross Domestic Product (GDP), the contribution of the agricultural sector to the economy's Gross Domestic Product (GDP) reduced to 8.3% (1971 – 1975), to 3% (1981 – 1985), and an insignificant increase of 4.6% (1986-1989) till date. The Agricultural sector of the economy as a business have been so dynamic, the farmers, the middlemen, and the government of the nation have been adopting one marketing strategy or the other to ensure that agriculture plays its rightful role in the economy. Moreover, the problems still linger, the need to promote agricultural production via the adoption of

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appropriate marketing principles and practices is inevitable to every economy especially in developing nations like Nigeria whose performance in the sector has dramatically decreased over the decades. The proceeds of this could lead to increase in earnings from exportation, import reduction and contribute to the Gross Domestic Product (GDP), employment creation and domestic food provision to the populace. Agricultural marketing cannot however be planned and executed devoid of the changes occurring in the business world. The growth of the agricultural sector is essential and indispensable in order to meet the challenges (Bawa, Peter & Ndakwesu, 2017). Considerable advances have undoubtedly been made during the last decades in our understanding of the relationship between Agricultural Marketing on one hand and economic growth and sustainable development on the other.

The campaigns for revamping the agricultural sector of the nation and the various policies and support systems that have been put in place to revive and boost the sector have not actually yielded the expected results. Arguably, the inability to market agricultural produce constitutes vital challenge to agricultural sector.

According to the Marketing Committee of the United Nations Conference on Food and Agriculture (Quebec 1995) "Marketing is the crux of the whole food and agriculture problem. It would be useless to increase the output of food and equally futile to setup optimum standards of nutrition unless means could be found to move food from producer to

the consumer at a price which is remunerative to the producer and is within the consumers' ability to pay. To put it aptly, once the appropriate marketing strategies and practices are adopted the challenges faced by stakeholders in the Agricultural sector of the American economy (developed economy) will be nipped in the bud, which is also the case of developing economies like Nigeria.

Marketing of Agricultural products has its own uniqueness. The marketing of industrial and consumer products on the other hand are quit easier, since their end result can be coordinated with requirements and perceived wants, to suit the tastes in size, colour, and so on. The major difference is that of the shelf life which the Industrial and consumer products enjoy, relative long lifespan, the agricultural products are characterized by varying degrees of perish ability. However, in the case of manufactured products, all the agricultural products is not taken to the market for sale. The produce marketed depends on the marketable surplus, urgent requirement for cash, price realizable, and storage capacity; perish ability, transport facilities, size of the firm etc. The market surplus is the total production, which depends on the location of production, inputs, price, and demand, access to market and so on, the market surplus on the other hand is the volume of produce that the farmers sell in the market after meeting their home requirements, payment to local artisans etc.

The unique nature of agricultural products leads to the need for intermediaries who render services of assembling, sorting, grading, packaging, transportation, promotion and selling. Since most farmers are not skilled and do not have the time to involve themselves in the various activities involved in the selling of their produce, the need for agencies such as Agricultural Firms becomes paramount.

Therefore, the focus of this study is to explore the influence of Marketing of Agricultural products on the growth of the economy and sustainable development.

Literature Review

Agricultural marketing is coined out of two words; Agriculture and Marketing. Agriculture have been defined by various scholars, such as Rimando (2004) who stated that Agriculture is the systematic raising of useful plants and livestock under the management of man. Rubenstein (2003) defined Agriculture as the deliberate effort to modify a portion of Earth's surface through the cultivation of crops and raising of livestock for sustenance or economic gain. Bareja (2014) also defined Agriculture as the art and science of growing plants and other crops and the raising of animals for food, other human needs or economic gain. Agriculture is the cultivation of plants and husbandry of animals, that is, the management of living things and ecosystems to produce goods and services for the people Nchuchuwa & Adejuwon (2012). Agriculture includes farming; ranching; aquaculture; apiculture; horticulture; viticulture; animal husbandry, including, but not limited to, the care and raising of livestock, equine, and fur-bearing animals; poultry husbandry and the production of poultry and poultry products; dairy production; the production of field crops, tobacco, fruits, vegetables, nursery stock, ornamental shrubs, ornamental trees, flowers, sod, or mushrooms; timber; pasturage; any combination of the foregoing; the processing, drying, storage, and marketing of agricultural products when those activities are conducted in conjunction with, but are secondary to, such husbandry or production.

On the other hand, Agbonifoh, et al (2007) defined Marketing as consisting of individual and organizational activities designed to facilitate and expedite exchanges so as to achieve the goals of the producer/seller by sensing and satisfying consumers' needs. American Marketing Association (AMA) Board of directors (2013) defined Marketing as the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. Marketing is the process of finding, satisfying and retaining customers while the business meets its goals. Wells, Burnett & Moriarty (2002). Fry & Polonsky (2004) sees Marketing as an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefits the organization and its stakeholders. Stanton (2001) also sees Marketing as a total system of business activities designed to plan, price, promote and distribute want satisfying products to target markets to achieve organizations objectives. Kotler (2011) defined Marketing as the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit.

Some researchers have made attempts to define these two words as one. The term agricultural marketing according to Nebo & Ejionueme (2017) is simply the application of marketing concept in dealing with agricultural products. Agricultural marketing is the anticipation, identification and satisfaction of the needs of consumers in agricultural markets. It begins before production by determining what products consumers would need and continues after production by ensuring that what is produced are packaged, processed, stored, transported, standardized, graded, priced, promoted and made available to the consumers through various marketing channel members such as farmers, agents, wholesalers and retailers (Ejionueme & Nebo, 2014). They further stated that it involves agricultural pre-production, production and post-production activities aimed at satisfying human needs and that it brings producer and consumers together for the exchange of agricultural products for money or some other valuables. In the view of Vadivelu & Kiran, (2013), agricultural marketing includes the activities such as planning-production, growing and harvesting, grading, packing, storage, processing, promoting and selling-involved in transferring agricultural products from the farm to the consumer. Specifically, agricultural marketing helps to determine what agricultural products to produce, how to produce it and for whom to produce it and how to transfer what has been produced to the final consumers.

The National Commission on Agriculture has defined agricultural marketing as a "process that starts with a decision to produce saleable farm products that also includes pre and post harvest operations, assembling, grading, storage, transportation and distribution". On this, agricultural market can be classified as primary, secondary and terminal or export market. There are various channels in these markets such as government channel, cooperative channel and private channel (Krishnamacharyulu & Ramakrishna, 2011).

Badar (2011) stated that agricultural marketing system generally comprises of five main stakeholders or market actors i.e. producers, traders, trade supporters, trade planners/decision makers and consumers. Each of these stakeholders has its own specific marketing goals as

described below. The producers or farmers are main stakeholders in an agricultural marketing system. They produce wide variety of food items for self-consumption as well as for supply in the market. Agricultural producers are interested in maximisation of their net farm income and aversion of risks involved in production and marketing of their produce. Moreover, they want developed and guaranteed markets, improved market position, increased and stabilised prices for outputs besides stable supply and prices of inputs. Traders are the people who mostly operate in the markets and relate producers with consumers. Commission men, brokers, wholesalers and retailers all belong to this group. Traders desire to have high volume and profit, time and cost efficient purchasing, no trade restrictions and minimum market risk. Trade supporters do not directly participate in trading activities of the market. They support and facilitate performance of trading activities and are interested in enhancing efficiency in exchange of goods. Smooth functioning of market systems and general support to market exchange function such as infrastructure and communication are the main goals of trade supporter. Trade planners and decision makers are responsible for making decisions relating to agricultural marketing. Planners and decision makers have social and political goals generally related to securing ample food supplies and expanding domestic agriculture markets. Other major objectives of this group include price stabilisation and promotion of export sector. The last group in the marketing chain comprises of consumers but their influence is considered a derived function which is executed through traders and trade institutions. Major objectives of consumers include acquisitions of good quality products, low prices of products and better services.

Problems of Agricultural Marketing in Nigeria

The continuous decline of agriculture in Nigeria has led to severe scarcity of food in the country. This predicament has led to the drastic rise in the prices of food items and other agricultural products.

Various problems that were not well handled by the Nigerian government led to the decline in agricultural performance of the economy, examples are overpopulation, lack of irrigation facilities, difficulty in obtaining land for farming, lack of funding for agriculture, inadequate security, poor transport facilities, lack of storage and processing facilities, concentration on crude oil exportation and many other reasons are responsible for the poor practice of agriculture in Nigeria.

Consequently, the discovery of crude oil in Nigeria further led to the decline in agricultural performance. A decline which leads to scarcity of food items and also the disorganization of the agricultural marketing system of the economy. An organized marketing system will not only ensure good returns to the farmer but also stabilize the market prices, protect the interest of both the producers and final users (Adegbija, 2020)

Unfortunately in Nigeria, it's a pity that agricultural marketing is not well practiced and this has made farmers and producers face lots of challenges. Adegbija (2020) stated some of the challenges facing agricultural marketing in Nigeria as follows:

1. Lack of Transport Facilities

This is one of the major problems facing the smooth marketing of agricultural products as the rural areas where

most of the farmers stay lack good roads. This decreases the quantity of farm products distributed and decreases efficiency. The function of transportation in the supply chain and distribution of Agricultural products cannot be overemphasized.

It also leads to late delivery of farm products in the market, scarcity as well as increase in the prices of farm products as the cost of transport is very high and as a result, the farmers inflates the prices so as to make ends meet.

2. Poor Quality of Product

This is caused by lack of improved seeds and fertilizers which therefore reduces the quality of production and thus leads to low market prices and preference for imported products.

3. Long Chain of Middlemen

Before Agricultural products gets to the final consumers they usually go through a long chain of middlemen which include: wholesalers, agents, retailers and others.

The agricultural products go through all these people before they get to the final consumers. Unfortunately, as it passes through each middleman, the price increases and only the consumers bears the brunt.

4. Lack of Credit Facilities

In Nigeria, it is very difficult for local farmers to access credit facilities made available by the government and on occasions where such funds are accessible, it is not enough to meet the farmers' needs.

At the end, the farmers resort to borrowing money from private money lenders unfavorable conditions which thus affects the prices of agricultural products as the farmers also try to earn profits while trying to repay loans from the proceeds.

5. Inconsiderate Revenue Collection

The government subject farmers to harsh revenue collection. This trend is practiced in most states of the country. The farmers are expected to pay huge amounts of money in every state they pass through with their products. This affects the Agricultural sector greatly.

6. Lack Of Storage Facilities

Most agricultural products are perishable. Their production is also seasonal but they are demanded throughout the year. This implies that agricultural products require to be stored properly so that they can be made available to consumers at all times.

The farmers in Nigeria lack storage facilities. Lack of the required storage facilities pushes the farmers to sell their products as early as possible, so as to avoid spoilage, even if it means selling at a very cheap.

7. Unstable Measurement System

In various parts of the country, the way in which agricultural products are measured when being sold differs and this affects agricultural marketing in Nigeria.

8. Lack of Market Information

Most farmers in Nigeria are illiterates and know nothing about the market conditions. Thus most farmers are not able to determine the real prices of their products and are usually not aware of new trends in agriculture as they are not exposed to the modern methods of obtaining information.

Marketing elements that affect the Agricultural Sector Some marketing elements that have been empirically identified to influence the performance of the agricultural sector include:

1. Production
2. Distribution
3. Pricing

Various studies, both in developed and developing countries, have revealed that problems of agricultural marketing could have a significant impact on the performance of agricultural sector. The factors that are regularly reported in the literature as problems of marketing agricultural produce can simply be categorized into three: production, distribution and pricing –related problems (Ejionueme & Nebo, 2014, Uturu, 2002; Ugwuanyi & Ugwuanyi, 1999; Okuneye, 2012; Dayo et al, 2009, Kohl & Uhl, 2002).

Production –related problems: Refers to the problems related to the production of agricultural produce. Which are Land tenure system, soil infertility, fire, flood, harsh weather, pests and lack of agricultural inputs such as capital, fertilizer, improved seedlings and advanced technology.

Distribution-related problems: These are constraints related to transfer of products" titles among channel members or marketing such as transport systems, storage and market facilities that help the movement of agricultural products from farm to the final consumers.

Price-related problems: These are problems related to pricing of agricultural produce such as high production cost, distribution and farmers" inability to control prices due to perish ability, and the seasonal nature of agricultural products.

Recommendations

It is obvious that marketing principles and practices plays a major vital and indispensable role in the life of every business organisation especially in agricultural sector. The study proffers the following recommendation to enhance effective and efficient marketing practice by agricultural sector of Nigeria for economic growth and sustainable development:-

1. Farmers and agents have suggested in previous studies that price stabilization of Agricultural products is one of the major remedies for satisfying consumers of agricultural produce. They feel this can take a form of inter-seasonal stabilization which is advised by paying less than market prices in season of relatively high prices, also, surplus is gained which is used to make up the price in the season of low market prices.
2. It's also recommended that community market outlets are established, which will play a major role in the socio-economic development of the agricultural produce. Some of these organisations have been set up by farmers, excluding their control over the commodities they sell beyond the boundaries of their farms.
3. For consumers needs to be effectively met, a huge effort should be made by the government and private sector to develop the rural areas in order to ease production and distribution of agricultural products.
4. So as to reduce the problems of waste and dubious tendencies, government should improve on the standardization and grading in the various markets.

5. There should be improvement in agricultural trade fair activities where farmers and producers of agricultural produce meet to showcase their products for transactions purposes.
6. The government should provide farmers with fertilizers, improved seedlings, adequate storage facilities and modern equipment, to enhance the production of agricultural products.
7. The government should also provide the basic amenities to both the rural and urban areas. Amenities like, access roads, power and good water supply. This will go a long way in boosting the agricultural sector performance.
8. Government should also organize a training program, which will aid in educating the farmers on the best marketing practices to adopt. The resource persons should be trained and specialized in Agricultural marketing.
9. Government should also ensure that the incentives made available for the local farmers gets to them devoid of bureaucratic bottlenecks.

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