

EFFECT OF THE BAN ON IMPORTATION OF FROZEN TURKEY ON CONSUMPTION IN CALABAR METROPOLIS, CROSS RIVER STATE, NIGERIA

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ABSTRACT

This paper examined the effect of the ban on importation of frozen turkey on consumers in Calabar metropolis, Cross River State. Specifically, the study analyzed field data collected from randomly sampled consumers of turkey. Collected data were analyzed using percentages, frequencies and the students' t-test. The modal age group of the sample was 41 – 50 years of age representing 25.8% followed by 21 – 30 years age group that was 24.2% of the sample. The t-test results showed that affordable quantity before and after the ban as well as expenditure on turkey products by consumers before and after the ban were significantly different at the 1% level. The affordable quantity reduced from a mean of 2.629Kg/family per week to 1.887kg/family per week, while the expenditure on turkey increased from an average of N645.16 per family per week to N710.97 per family per week before and after the ban respectively. Policies aimed at sustainable poultry production such as direct trade liberalization of inputs and increased credit facilities for purchase of inputs could help increase local production and cushion the adverse impact of the ban on imported poultry products.

INTRODUCTION

Nigeria import prohibitions have been the subject of many discussions since Nigeria first invoked General Agreement on Trade and Tariffs (GATT) Article XVIII: B, or restriction of balance of payment (BOP) reasons in 1982. The Committee on Balance of Payments Restrictions considered in 1996 that, these prohibitions could not be justified under the BOP rules of GATT 1994. Nigeria at that time proposed elimination of all such measures by early 1997 (UNCTAD/WTO, 2004). However, in March 1998, Nigeria notified the WTO Committee on safeguards that the import prohibitions on certain agricultural products were in place for safeguard reasons (Nigeria, 2004).

Policy reversals have been the major attributes of the federal government since the mid eighties when importation of commercial day old chicks and hatching eggs into the country, except parent stock for research and multiplication purposes was prohibited from January 1986 (Enyenihi *et al* 2003). In 1995, the ban on day old chicks and parent stock was lifted except that imports attracted 5% (percent) custom duty. In 1998, the ban on importation of live, chilled or frozen poultry products and eggs was lifted but importation was subject to payment of 150% (percent) custom duty. Similarly, in 1999, the custom duty on imported poultry products was reduced from 150% (percent) to 55% (percent). This reduction was expected to result in or bring about a significant decrease in smuggling and fair increase in local production (UNCTAD/WTO, 2004).

In August, 2002, the federal government banned the importation of poultry meat citing human health and the protection of the Nigeria poultry industry as reasons for the ban (CBN, 2000). This was followed by the ban on importation of live or dead birds into the country in February 2004 as a preventive measure against the outbreak of the Asian bird flu. The ban according to the federal government is primarily meant to boost domestic production of poultry, so that the poultry production sub sector can play its role of supplying poultry products to the fast food industries in particular and to the general public, which is one of the fulfillments of the role of agriculture as a major supplier of raw materials (Meier, 1973; Norton and Alwang, 1993). Thus, there have been cycles of banning and lifting of ban in the country.

As Nigeria's import prohibition list continues to grow, the government maintains that the action is to protect Nigerian producers from competition, citing World Trade Organization (WTO) rules, which allow them to take such action for a period of up to five years. Relevant WTO provisions also require countries taking such action first to have an investigation and give an opportunity for interested parties to express their views. Despite this, domestic production of poultry has been able to meet with the increasing demand.

This paper examines the effects of the ban on importation of frozen turkey products on consumption of meat in Calabar metropolis, Cross River State. Specifically, the paper examines the socio-economic characteristics of the consumers in the study area; determine the effect of the ban on imported frozen turkey on consumption in terms of quantity of turkey meat and amount spent on it as well as ascertain the adjustment mechanism used by consumers to reduce the effect of the ban.

METHODOLOGY

This paper used primary data collected from households in Calabar metropolis. A total of 124 households were selected using the random sampling technique. The respondents were interviewed using a set of questionnaires. Questions bordered on variations in quantity of meat consumed by the respondents before and after the ban. Also the impact of such consumption on the household disposable income was investigated.

The student t-test was used to find out if there is a significant difference in the mean wholesale and retail prices of imported frozen turkey before and after the ban. Simple statistical averages and standard deviations were used in explaining the variability in terms of quantity and monetary value before and after the ban.

RESULTS AND DISCUSSION

The socioeconomic characteristics of respondents presented in Table 1 shows that the modal age sampled was 41 – 50 years (25.8%), followed by 21 – 30 years (24.2%). This is a reflection of the population distribution in the area. The

distribution of respondents by gender showed that 56.5% were males and 43.5% were females. The educational status of respondents showed that most of the respondents (35.5%) had either HND or University degrees. Only 16.1% had no formal education and primary education. This is due to the urban nature of the study area. Most people living in urban areas have a reasonable form of education. This also influences the employment status of the people. The distribution of respondents by occupation showed that 29.0% of them were civil servants, 24.2% were traders and 27.4% were students living around the metropolis.

It was found out that 46.8% of the respondents were married, while 32.3% were single. Disposable income and family size determine the level of expenditure. The modal class for number of children of respondents was 4-6 representing 30.6% while 32.3% had no children at all since many respondents were not married.

Table 1 Socioeconomic characteristics of respondents

Age	Frequency	Percentage
15-20	12	9.7
21-30	30	24.2
31-40	26	21.0
41-50	32	25.8
51-60	16	12.9
61 and above	8	6.5
Total	124	100
Gender		
Male	70	56.5
Female	54	43.5
Total	124	100
Educational level		
No formal education	20	16.1
Primary education	20	16.1
Secondary education	12	9.7
NCE/OND	28	22.6
Degree /HND	44	35.5
Total	124	100
Occupation		
Civil servant	36	29.0
Traders	30	24.2
Farmers	22	17.7
Student	34	27.4
Others	2	1.6
Total	124	100
Marital status		
Single	40	32.3
Married	58	46.8
Divorced	18	14.5
Widowed	8	6.5
Total	124	100
No. of Children		
1-3	34	27.4
4-6	38	30.6
7-10	12	9.7
None	40	32.3
Total	124	100

Effect of ban on Turkey import

The mean price of frozen turkey (per kilo) increased by N130.00 after the ban from N250.00 to N380.00 (Table 2) representing a percentage change of 65.8% in price. The implication here is that a shortfall in supply of the product leads to an increase in demand resulting in an increase in price. This reduced the affordable quantity of turkey from an average of 2.629kg/family/week to 1.887kg/family/week after the ban.

Similarly, the expenditure of the respondents on turkey increased from an average of N645.16 to an average of N710.97 per week.

Table 2: Distribution of mean price, affordable quantity and expenditure on turkey before and after ban

Price	Mean
Price per kilo before ban	250.00
Price per kilo after ban	380.00
Affordable quantity	
Affordable quantity before ban	2.6290
Affordable quantity after ban	1.8871
Expenditure on turkey	
Expenditure on turkey before ban	645.16
Expenditure on turkey after ban	710.97

Source: Field Survey Data 2004

RESULTS OF T-TEST ANALYSIS

The collected data was subjected to t-test analysis to test for significance between the means before and after the ban. The t-test analysis for this study showed that there was a significant difference in the affordable quantity before and after the ban at 1% significant level (Table 3).

Table 3: Student t-test result for comparison of affordable quantity in kg/family/week before and after ban

Source of variation	Mean (kg)	Standard deviation	t-value	DF	Significance level
Affordable quantity before ban/family/week	2.6290	1.1906	8.082	123	.000
Affordable quantity after ban/family/week	1.8871	7.705			

Source: Field Survey Data, 2004

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The calculated t-value was 8.082 and was significant at 1% significant level. This test implies that the increase in price as a result of the ban significantly reduced the quantity affordable by the respondents.

There was also a significant difference in spending made on poultry product by consumers before and after the ban at 1% significant level (Table 4)

The t-value of -2.754 was significant at the 1% level, implying that there is a significant difference between the expenditure on poultry products before and after the ban. The findings equally showed that the mean spending on poultry products after the ban was higher than the mean spending on poultry products before the ban. This is due mainly to the effect of increase in prices of the product.

Table 4: Student t-test result for comparison of expenditure on turkey /family/week before and after the ban.

Source of variation	Mean (N)	Standard deviation	t-value	DF	Significance level
Spending on turkey before the ban/family/week	645.163	298.7281	-2.854	123	006
Spending on turkey after the ban/family/week	710.9677	287.7084			

Source: Field Survey Data, 2004

The respondents were next asked how they adjusted to the ban and increase in prices. The list of adjustment methods and the frequencies mentioned are presented in Table 5.

Table 5: Distribution of respondents by adjustment to change in price

S/No	Ways of adjustment	Frequency	Percentage
1	Use of substitute	48	38.7
2	Doing without frozen turkey	28	22.6
3	Reducing quantity purchased	26	21.0
4	Raising day old chicks	22	17.7
	Total	124	100

Source: Field Survey Data, 2004

Most of the respondents (38.7%) adjusted by the use of substitutes products such as fish, beef, and pork. They resorted to these substitutes due to the fact that they were fairly more affordable than the frozen turkey products. Among the respondents, 22.6% adjusted by not buying turkey products at all. Some of the respondents (21.0%) reduced the quantity purchased of turkey weekly to whatever they can afford. The last group (17.7%) resorted to raising day -old chicks to supply their family needs in order to reduce the effect of the ban.

The opinion of the respondents was sought as to the effectiveness of the ban and the results are presented in Table 6.

The results show that a smaller percentage of the respondents (48.4) agreed that the ban was effective. This was probably due to the fact that despite the ban, the products were still available though with higher prices.

Table 6: Distribution of respondents by their opinion on the effectiveness of the policy on meat consumption

S/No	Policy effectiveness	Frequency	Percentage
1.	Yes	60	48.4
2	No	64	51.6
	Total	124	100

Source: Field Survey Data, 2004

CONCLUSIONS AND RECOMMENDATIONS

The analysis of field data has shown that respondents were aware of the ban on importation of turkey products. The results also show that there was a significant difference between the prices before and after the ban. The student t-test result showed that there was a significant difference in affordable quantity before and after the ban at 1% significance level. Similarly, there was a significant difference at 1% on the expenditure on poultry products by consumers before and after the ban.

From the data analysis, we can conclude that the ban has not been very effective due to the fact that these imported frozen poultry products still flood the Nigerian markets, and they are still relatively cheaper than the locally produced ones, even though their prices have recently increased.

It is therefore suggested that to achieve sustainability in local poultry production, government should evolve incentive packages such as liberalization of inputs as inputs are the main determinants of output in poultry business (Ewa and Agu, 1986; Penson et al, 1996; and Oluoyemi and Roberts, 2000). There is also need for increased credit facilities for the farmers to increase their production level to meet total demand when import on turkey is effective. These will be aimed at making the local industry competitive in terms of the quality and prices of their output. This competition is expected to naturally reduce the importation of poultry products, especially turkey.

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