

# ANALYSIS OF COST AND RETURNS AMONG WOMEN FOOD CROP MARKETERS IN ABIA STATE, NIGERIA

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## ABSTRACT

The study was on the analysis of costs and returns in women participation in food crop marketing in Abia State. The objectives of the study were to describe the socio-economic characteristics of the respondents, describe the types of crops marketed by the women, determine the costs and returns of the enterprise and make recommendations based on the findings. Multi-stage sampling procedure was employed in this study. First, two Local Government Areas each were selected from each of the three agricultural zones of Abia State. Twenty women were then selected from these Local Government Areas, making a total of one hundred and twenty women. Primary sources of data were used in the analysis. Descriptive statistics and net profit analysis were employed in the analysis. The result showed that mean age of the respondents was 43 years; the average household size was 6 persons and monthly income of ₦29360.00. Cassava, maize, water yam, sweet potatoes and cocoyam, respectively were the major crops marketed by the women in the study area. Cassava posted as the most profitable crop, while cocoyam was the least profitable among these crops marketed. The analysis showed that the enterprise generally was a profitable one going by the positive net profit recorded. The study recommends that enabling environment be provided so as to enable the business thrive more.

**Key words: Food crops, participation, marketing, net profit, women**

## INTRODUCTION

Women play vital roles in agricultural production in many countries including Nigeria. Their role spans from tilling of land, cultivation, harvesting, processing and marketing of produce. In fact, it is increasingly known in recent times that a major share of income of rural households are obtained through women activities, and sometimes even share of women income in the household economy is more than the share of men (Emadi, 2001).

Rural women are active participants in retail trade and marketing, particularly where trade is traditional and not highly commercialized (Barret, 2007). In many parts of Asia, women market foods such as vegetables; in West Africa, they distribute most major commodities; and in the Caribbean, women account for nearly all local marketing. Through their marketing efforts, women provide valuable links among farmers, intermediaries and consumers. Petty trade often thought of in the past as non-productive, in fact serves to stimulate the production and consumption linkages in the local economy (Barret, 2007).

Participation has been defined by Kinghas (2006) as the ability of the people to choose voluntarily to be integral parts of a development process. There has been ample research evidence to buttress the argument of women's high level of participation and contribution to agribusiness and marketing of food crops in Nigeria. However, the degree of women participation varies from country to country. Their specific task, however vary from place to place, depending on cultures. According to World Bank (2008), women participation on self employment (including marketing of agricultural produce) differs across different regions of the world.

Participation in marketing has been noted as both a cause and a consequence of economic development (Boughton *et al*, 2007). Marketing offers households the opportunity to specialize according to comparative advantage and thereby enjoy welfare gains from trade. Recognition of the potential of marketing as engines of economic development and structural transformation gave rise to a marketed paradigm of agricultural

development during the 1908s (Reardon and Timmer, 2006), that was accompanied by wide spread promotion of market liberalization policy agendas in sub-Saharan African, and other low income regions. As household's disposable income increase, so does demand for variety of goods and services, thereby inducing the demand- side market participation, which further increases the demand for cash and thus supply side market participation.

Gender in equality has been known to affect the overall performance and output of women involved in agricultural marketing among other agribusiness activities (World Bank, 2001; Saito, 1994). These include high level of poverty, vulnerability to external and uncontrollable hazards, and restricted access to productive resources, amongst others. As women participation in different economic activities and intra-family decision making process are important indicators of their empowerment there arises the need to know their costs and returns on their investments in the different food crops marketed. The specific objectives are to; describe the socio-economic characteristics of respondents; describe the types of food crops marketed by the women; determine the cost and returns of the enterprise; and make recommendations based on the findings.

## **METHODOLOGY**

### **Study Area**

The study area is Abia State. Abia State is in the south eastern geo-political zone of Nigeria and has its capital at Umuahia. The State was carved out of Imo State in August 27, 1991. It has 17 Local Government Areas and three agricultural zones of Aba, Umuahia and Ohafia. Aba and Umuahia are referred to as the urban areas and the rest are rural areas. The State shares common boundaries with Ebonyi State to the North and to the South and South West with Rivers State to the East and South East with Cross River and Akwa Ibom State and to the North West is Anambra State. (INEC, 2008).

The population of Abia State is 2,833,999 (NPC, 2007). The State covers an area of about 5,243.7 square kilometer which is approximately 5.8 Percent of the total land area of Nigeria. (INEC, 2008).Agriculture is the major occupation of the people and subsistence agriculture is prevalent and about 70 percent of the population engage in it. The main crops are yam, cassava, rice and cocoyam and maize, while the cash crops includes; oil palm, rubber, cocoa, banana, and various types of fruits.

The people of Abia are traders and Aba is regarded as one of the commercial centres in Nigeria. The State is blessed with mineral resources such as lead, zinc, limestone, fine sand and petroleum. As regards tourism there are many tourist centres but the most outstanding are the national war museum in Umuahia, the Azumini blue river at Ukwae, and the long juju of Arochuku.

### **Selection of Respondents**

Two -stage sampling procedure was adopted in the study. First two Local Government Areas each were selected from each of the three agricultural zones of Abia State. Secondly, twenty women were selected randomly from these Local Government Areas, making a total of one hundred and twenty (120) women.

### **Method of Data Collection**

Data for the study were primary data, which were collected through a set of questionnaire administered to the respondents. All the respondents returned their questionnaire and therefore were used in the analysis.

### **Method of Data Analysis**

Objective (i) and (ii) were analyzed using of descriptive statistics such as tables, frequencies and percentages, while objective (iii) was achieved using net profit analysis.

### **Specification of Model**

The net profit is specified thus:

$$\Pi = TR - TFC + TVC$$

Where:  $\Pi$  = Net Profit

TR = Total Revenue

TFC = Total Fixed Cost

TVC = Total Variable Cost

## RESULTS AND DISCUSSION

### Socio-Economic Profile of the Respondents

From the socio-economic profile of the respondents as shown in the Table 1 below, it could be observed that the mean or average age of the respondents was 43 years and six months, whereas, the minimum and maximum ages of the respondents were 30 and 61 years respectively. The maximum qualifications of the respondents were either NCE or OND certificates. The minimum number of years spent in school was 6 years which is the first school leaving certificate. However, the average number of years spent in school was 10 years. The average household size was 6 people, having the minimum and maximum of 3 and 12 persons per household respectively.

On the average, the respondents had acquired 6 years experience in the marketing of food crops, while the minimum number of years was one year and the maximum number of years was 14 years. The mean income of the respondents was ₦ 29360, with the respondents having a minimum and maximum income of ₦ 4000.00 and ₦ 300,000.00 respectively.

**Table 1: Distribution of the socio-economic profile of the respondents**

Variables	Minimum	Maximum	Mean
Age	30.00	61.00	43.66
Education	6	14	10
Household size	3	12	6
Years of experience	1	14	6
Income	4000.00	300,000.00	29360.00

Source: computed from field survey, 2011.

### Types of Food Crops Marketed By the Women in the Study Area

Among the crops marketed, cassava ranked first among others, 74.17 percent of the respondents attested that they participate in the sale of cassava. Maize accounted for 65 percent to rank the second most marketed produce among the crops. Water yam ranked third among the crops. In this case, 51.67 percent of the respondents participated in the sale of water yam. Fifty percent of the respondents indicated that they sale sweet potatoes while 41.67 percent of the respondents' sale cocoyam. However, they were multiple responses.

**Table 2: Types of food crops marketed according to ranking**

Food crops	Frequency	Percentage
Cassava	89	74.17
Maize	78	65
Water yam	62	51.67
Sweet potatoes	60	50
Coco yam	50	41.67

Source: computations from field survey, 2011.

Note: responses are multiple in nature.

### Profit Analysis of Food Crop Marketing in Abia State, Nigeria

From the analysis as shown in Table 3 below, it could be inferred that the enterprise is a profitable one; having a monthly mean profit of ₦ 132,562.00. Among the crops, cassava posted the highest profit having a mean profit of ₦44, 000.00. This was followed by maize with a monthly mean profit of ₦33, 850.00. Sweet potato marketing recorded the third most profitable food crop marketed among the women in the study area, having a profit mane of ₦24, 800.00. Cocoyam was the fourth most profitable with a mean value of ₦15, 170.00, while water yam recorded a mean profit of ₦14, 742.00.

**Table 3: Mean values of the net profit analysis of food crops marketed in Abia State**

Food crop	Fixed cost	Variable cost	Total	Income	Profit= Income-(VC+FC)
Cassava	32,000.00	28,000.00	60,000.00	104,000.00	44,000.00
Maize	18,000.00	16,000.00	34,000.00	67,850.00	33,850.00
Water yam	31,450.00	27,880.00	34,238.00	48,980.00	14,742.00
Sweetpotatoes	16,750.00	15,000.00	31,750.00	56,550.00	24,800.00
Coco yam	21,680.00	12,000.00	33,680.00	48,850.00	15.170.00
<b>Total</b>	<b>119,880.00</b>	<b>98,880.00</b>	<b>193,668.00</b>	<b>326,230.00</b>	<b>132,562.00</b>

**Note: All figures are in Naira (₦)**

**Source: computations from field survey, 2011**

### CONCLUSION

Women participation in agricultural production and the marketing of agricultural produce in particular is an age long activity. This study has further consolidated the fact that the enterprise is profitable one. The study therefore recommends that women be encouraged by providing the required enabling environments for their businesses to thrive.

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