

Profit Margin of Cattle Marketing In Maiduguri: An Economic Essential.

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ABSTRACT

In this study we have examined profit margins in cattle marketing in Maiduguri, Borno state Nigeria. We have used the industrial market structure approach rather than actual profit margins accruing to participants in the cattle marketing channels. This method was preferred as a result of difficulties in obtaining actual price data at various levels in the marketing channels.

The production and marketing procedures of each of the groups of the cattle producers were studied in relation to the structure and conduct of the cattle market in Maiduguri. From the analysis of the reports of the available data, it was found out that the structure of the cattle market in Maiduguri approximates the purely competitive market with no participant in the system earning super-normal profit. This conclusion was largely based on the discovery that the average number of cattle handled by each participant in the marketing channels was too small in relation to the total market quantity to make any cattle dealer more than a price-taker.

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1. INTRODUCTION

Cattle are the most predominant and highly valued livestock in Nigeria and therefore cattle production and its efficient marketing is necessary for any sustainable agricultural development of most nations. Cattle provides main meat requirement of greater population of any nation. Antonia and Silvia (2011) predicted that demand for livestock products will be doubled in the next 20 years due to world population increase, urbanization and economic growth. This provides a great opportunity for cattle production and marketing to match up the projected demand for livestock. Livestock accounts for one third of Nigeria's agricultural GDP, providing income, kept as status symbol, employment, milk, hide, food and meat requirement, farm energy, manure and transport. They are also a major source of government revenue Nuru, S. (1983).

Nigeria is endowed with estimated 19.5 Million cattle, 72.5 Million goats, 41.3 million sheep, 7.1 million pigs, 278,840 camels and 145 million chickens, 11.6 million ducks, 2.1 million turkeys and 974,499 donkeys (National Agricultural sample survey, 2011) making the nation the topmost livestock producer in West Africa. Livestock production contributes between 5-8% of GDP and 20-25% of the Agricultural GDP.

Despite this huge and robust population of Nigerian livestock enterprise, majority of the livestock are kept by subsistence farmers. The gap between actual and expected protein intake among Nigerians continues to widen. The livestock subsector contributes only 5.1% to our National Gross Domestic Product, making Nigeria a net importer of protein food from animal origin. (National Agricultural sample survey, 2011)

For instance, our milk production is so poor with about 1/litre/cow/day compared to Brazil and Saudi Arabia of 30-40 litres/cow/day. Furthermore, Saudi Arabia produces 4.7million litres of milk daily while Nigeria imports about \$1.3billion worth of milk annually to make up the deficit. Available statistics indicate that about 27% of the children in Nigeria are malnourished. This means that production of eggs, poultry meat, beef, mutton, chevon (goat-meat) and quality milk in adequate quantity is one of the solutions to this protein requirement of Nigerians. However, increased livestock production and not its efficient and effective marketing system are mainly the focus of government attention for the several intervention programs to rejuvenate agricultural production. The demand for livestock in Nigeria currently is in such a manner that Nigeria imports more than about 25% of the beef consumed in the country. This implies that the demand and supply of livestock (cattle) production in Nigeria is far from meeting the average meat requirement per person. (National Agricultural sample survey, 2011)

Accordingly, a comprehensive study of production and efficient marketing systems of cattle is therefore necessary to achieve a viable livestock industry in Nigeria. However, the objective of this study is to determine the profit margin of cattle marketing in Maiduguri, Borno state, Nigeria as an economic essential from the stand point of structure and conduct of the cattle market.

1.1 AGRICULTURAL MARKETING:-Marketing of an agricultural product is defined as the performance of all business activity involved in the flow of food products and services from the point of initial agricultural production until they are in the hands of consumers.

Any organizational entry that engages in marketing activities to serve a customer group with a product or service is a marketer. There are some basic tasks the marketer must perform in order to manage his operation effectively. However, these tasks are different in agricultural marketing. Some of the basic tasks of marketing management include setting goals, market analysis, planning the marketing efforts, organization, execution, co-ordination, and control and marketing policies.

KEYWORDS

CATTLE:- cattle in this context includes cows and bulls kept by farmers and breeders for the purposes of their milk, meat, manures, transport, hides, power, status symbol, etc.

MARKETING:-This is a process of promoting, selling and distributing of a product or service.

PROFIT MARGIN:-This refers to the percentage of revenue remaining after all costs of depreciation , interest, taxes and other expenses have been deducted. The formula:- Total sales – total expenses/total sales = profit margin.

PRICE:-this is a value that will purchase a finite quantity, weight or other measure of a good or service. it is one of the business variable over which individuals or organizations can exercise some degree of control.

MARKET STRUCTURE:-Market structure refers to the nature and degree of competition in the market for goods and services.

COMPETITION:-In economics: Competition is the rivalry among sellers trying to achieve such goals as increasing profits, market share, and sale volume by varying the element of the marketing mix, i.e.(price, product, distribution and promotion.)

PERFECT COMPETITION:-Is a market structure in which the following five criteria are met:

1. All firms sell an identical product. 2. All firms are price takers. They cannot control the market price of their product. 3. All firms have a relatively small market share. 4. Buyers have complete information about the product being sold and the prices charged by each firm and 5. The industry is characterized by freedom of entry and exit. Perfect competition is sometimes referred to as pure competition.

MARKET CONDUCT:-Market conduct refers to the price and other market policies pursued by sellers, in terms, both of their aims and of the way in which they coordinate their decisions and make them mutually compatible.

REVIEW OF RELEVANT LITERATURE

1.2SCOPE OF MODERN MARKETING MANAGEMENT AND PRODUCT CHARACTERISTICS

Marketing especially in the advanced economies has become an act demanding from producers a great deal of skills, imagination, perception and a considerable care in carrying out the management function of analysis, planning and control.

By and large companies today stand or fall by the degree of their efficiency in marketing management. Modern marketing therefore, recognizes the sovereignty of the consumers on the one hand and the all important need for the producer to lay emphasis on customer service in their business pursuit of profit maximization.

The recognition of the right of consumer in deciding what their needs are, make it imperative for the producer to know as much as possible about consumers behavior. Consequently, many fields of study including psychology, sociology, mathematics and statistics has been brought to bear upon the qualitative analysis of buyer's behavior to discover the various stages and participants in the buying process and consumer attitude and motives. This is therefore non-negotiable. Furthermore, marketing decisions on various marketing problems requires highly specialized analysis of information by the use of market research principles and technique.

The successful use of the foregoing marketing principles or the extent to which they can be used depends largely on two factors relating to the product being offered, namely opportunity for product differentiation and the structure of the industry producing the product. A crucial assumption in the economic theory of perfectly competitive market is product homogeneity. In such a market the cross-elasticity of rival firms offering similar products will tend to infinity and the scope for the application of marketing principles, especially promotional activities such as advertisement will be severely restricted. Competition will then largely be in price. But where the products of rival firms are not perfect substitutes, opportunity exist for them to engage in product differentiation activities to their own advantage and to the benefit of the consumers. It would be necessary to support such promotional activities with trademarks and brand names which would enable consumers to know the various alternatives opened to them and reward producers who cater for their special needs or attain high quality standards through repeated purchases. The extent to which marketing principles can be applied will also depend upon the degree of seller concentration in a market. The degree of seller concentration in itself is a function of the degree of product homogeneity.

The virtual absence of non-price determination in a market means the removal of a major aspect of barriers to entry from the market. Where barriers to entry are weak, super-normal profit will be competed away by potential entrance leading to lower seller concentration. Where seller concentration is low, incentive to engage in product differentiation activities is low either because the share of each firm of the total market is too small to make it financially strong to do so or because the gains of the firm in the overall expansion of market demand generated by such promotional activities will be too small to make the venture financially worthwhile.

Given the scope of modern marketing management and product factors aiding the use of marketing principles, there exist differences in marketing of agricultural product and manufactured goods. The difference is in the nature of agricultural product

compared with industrial product as well as differences in the structure of agricultural industry and that of the manufacturing industry.

Opportunity for product differentiation and the seller concentration are considerably greater in the manufacturing industry than in the agricultural industry. Going forward, the degree of seller concentration determines to a large extent, the control which firm could have over market price. Firms within the manufacturing industry can influence market price where as firms within the agricultural industry have virtually no control over market price.

1.3 SIGNIFICANCE OF LIVESTOCK (CATTLE) TO BORNO.

Livestock is considered as a veritable source for nutritionally superior food and the output has to be substantially increased in order to ensure adequate supplies of protein to Nigeria's growing population.

The total amount of cattle available in Nigeria as at 20th May, 2017 (Premium Times Nig.) has been estimated to be 19.5 million.

This level of supply is obviously inadequate in fulfilling the protein requirements of about 170 Million people in Nigeria. Therefore, it becomes imperative for output of livestock products to be increased to meet the existing demand gap.

The main livestock types in Nigeria are cattle, sheep, goats, pigs, donkeys, horse and poultry. Traditionally most of these are kept by rural households without any commercial motives. However, this trend is gradually been revised by most people in Nigeria to take advantage of the various government intervention programs to make their business activities profitable for a sustainable agricultural development.

The importance of livestock lies in the several products that can be obtained from the animals. Livestock's products obtained in Nigeria include; meats, milk, butter, eggs, hides and skin, manures, farm energy and transportation. Milk is a source of protein just like diary product and fish. The amount of protein in diet determines the quality of the diet. The estimated protein requirement of an adult Nigerians varies between 65 - 72g per person perday. Okorie, (1978). However, it is observed that the actual per capital consumption of meat by an average Nigerian is nowhere near these figures. This is partly due to the shortfall in meat production which the present government is all out to increase the output through its major agricultural intervention schemes.

The economic importance of cattle cannot be over emphasized, for example it serves as a source of income for cattle producers and many other people who participate in cattle marketing activities. The government also collects considerable revenue from the cattle market through collection of agent's fees and Taxes, charges paid by butchers for their animals being slaughtered in the Maiduguri Abattoir, etc.

However, the prolonged insurgency in the North East since 2010 has significantly reduced cattle production and marketing activities in Borno State. The market also serves as the main source of meat not only for Maiduguri town but for many towns in southern Nigeria.

Furthermore, Cattle are also used for transport in rural areas and to plough the soil during the raining season. It is also considered by many as a status symbol particularly among the people of northern Nigeria. This therefore shows that livestock production is very important in Nigeria but the Nigerian livestock resources are not fully developed.

2.PROBLEM STATEMENT

In spite of the numerous uses of cattle to socio-economic well-being of the people of Borno and the country at large, there is a lack of concern to improve on the present trend of cattle production and marketing. There is also a lack of effective and efficient price determining mechanism in marketing of cattle in Maiduguri, this is evidenced by the absence of standard weighing systems, grading or effective marketing policy that will ensure both producer and consumers satisfaction in the selling and

buying of the cattle. There is also a lack of market information about cattle dealers. It is with this background that our attention was drawn to study the profit margin of cattle marketing in Maiduguri as an economic essential.

2.1 OBJECTIVES AND SCOPE OF THE STUDY

The study intends to examine the profit margin of cattle marketing in Maiduguri as an economic essential.

However, the specific objectives are

To determine the structure of the cattle market in Maiduguri and how it influences the margin of the profit along the chain of the cattle marketing

To see if there is any element of monopoly or any form of collusive behavior that will alter the profit share in the market.

To suggest modern methods of marketing of cattle in Maiduguri that will ensure a better market system.

2.2 METHODOLOGY

Profit margin in livestock marketing will be deduced from the structure and conduct of livestock production and the market. This methodology was adopted as a result of difficulties in obtaining actual price data at various levels in the marketing channels. Lack of standardization, packaging and selling of live cattle on scale and retail meat by weight to an extent all contribute to the difficulties of getting actual price data. In addition to the structure of the livestock industry, the conduct of the market such as collusive agreement, hoarding, fear of cattle rustling, insurgency attacks etc. may also constitute a significant factor in increasing the profit margin of some participants in the channels of marketing.

To accomplish the foregoing, data have been collected from the following sources.

Cattle producers through interviews, the number of producers interviewed are as follows. Small scale cattle producers 20, Permanent nomads 25, Semi nomads 15 and modern ranch like producers 10

Middle men between the producers and the consumers; these include the regular once of which 30 were interviewed

The Maiduguri Abattoir officials, 2 were interviewed

THE STRUCTURE AND CHARACTERISTICS OF AGRICULTURAL PRODUCTS AND ITS MARKETING

In peasant farming, incomes are also low and subject to variability. This is as a result of low technology for a large scale mechanized production and efficient market systems for the agricultural products hence leaving most of the farmers with low income for savings and investment. More so, the vagaries of weather around the peasant farm holding are also a force to reckon with. Consequently, there is under supply elsewhere in those areas.

Many government of the development economies have for long being worried by the resultant prolonged period of low incomes for the farming population and farm labor. This necessitates various government intervention programs such as Anchor Borrowers Program of central Bank of Nigeria among other schemes to stimulate a sustainable agricultural development to improve on farmer-income and better living standards.

The implication of the demand and supply structure of the agricultural industry for agricultural product marketing is the biological restrains put on the limit of man's request for food. This means that promotional and product differentiation activities are virtually not effective in shifting the demand curve to the right so as to cope with excess supply that may arise in the face of falling prices. Apart from the effect of supply and demand in the determination of market prices another factor is the degree of seller concentration.

In a perfectly competitive market, seller concentration is as low as possible and the producers have no control over price or aggregate supply.

THE STRUCTURE OF THE AGRICULTURAL INDUSTRY AND ITS MARKETING INSTITUTIONS

The agricultural industry is characterized by two structural features. It is atomistically structured and entry in to it is easy and rapid. Therefore from the stand point of concentration, the market power held by the individual farmers is minimal. Between the farmers and the consumers of farm products stand the food processors and retailers depending on whether the products in question are consumer or industrial farm products. The degree of concentration in these industries is of critical importance to the farmer so far as this will determine their pricing behavior especially the extent to which they can pursue inter-dependent pricing policies. The retailing industry is characterized by many small firms with virtually low entry barriers. Certainly, the degree of concentration in the retailing is considerably lower than that in the food processing industries where products differentiation constitutes a major barrier to entry. This situation shifts the balance of power in favor of the grocery and manufacturers over the food retailers.

PROFIT MARGIN OF CATTLE MARKETING IN MAIDUGURI

In agricultural food production and marketing, seller concentration and products differentiation will have low or minimal effects on products margin as compared with that of industrial products. This is applicable to livestock production and marketing in Maiduguri. It has been shown above that, product homogeneity and with no barrier to entry into the cattle marketing as the basic characteristic of cattle marketing in Maiduguri that leaves all the participants in the marketing channels as price takers with non-having any super normal profit.

Therefore, in our examination of the marketing margin in Maiduguri cattle market we shall concentrate our efforts on the channels of marketing. We shall proceed by analyzing the channels for each category of cattle producer.

There are three major categories of cattle producers namely: The very small scale producer, the nomads and the modern ranch like producers.

The analyses of marketing channels will be carried as far as the retailer where applicable, while retail trade in cattle will be treated separately. We will start with production activities for each producer category to shed some light on its production cost. Because of lack of data on actual production costs our analysis will be based largely upon the structure and conduct of individual participant in the marketing process.

CATTLE PRODUCTION AND MARKETING BY THE VERY SMALL SCALE PRODUCERS

Most of the cattle owners under this category own very few heads of cattle (see table below) ranging from 5 -15 heads of cattle per family. The production pattern by this group is essentially through grazing especially during the wet season.

Also animals are kept at home for a considerable time period during the year and are fed with husks of cereal grain, grasses and sometimes with concentrate feeds. They keep the cattle alongside with crop cultivation with less emphasis on the farming. This group of producers rarely seeks for any veterinary service attention. The children of such producers are those who drive the animals around their villages for grazing and later in the day they drive them back and tie them to their posts.

The economic and social aspects derived from each animal include milking for their own personal consumption and for sale. They also sell the live cattle in order to get some money to purchase other essentials of life and to buy few other animals to reinforce their stock.

There is no record of either the average cost of raising an animal or detail feeds component of the animals.

MARKETING OF CATTLE BY THE SMALL SCALE PRODUCER

Most of the small scale cattle producers contacted expressed the view that they were not raising cattle with marketing of the animals in view. However, when a need arises for selling some of their cattle, they usually sell to buyers group who are mostly (middle men or consumers) going round the villages in search of cattle to buy. Alternatively they take their cattle to the nearest village market to sell. In each case selling is by bargaining between the cattle producers and the buyers.

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SMALL SCALE PRODUCERS

TABLE I

NO OF PRODUCERS	NO. OF ANIMALS	NO. SOLD	NO. PEOPLE IN THE FAMILY	CROPS GROWN	ACREAGE USED	MARKETING CHANNELS
	10	2	4	Millet Maize G/nut	8	Market and Individuals
	15	3	5	Sorghum Maize C/peas	15	do -
	8	1	6	Millet Sorghum Maize G/nut	12	do -
	12	2	5	Millet Maize C/peas G/nut	12	do -
	13	3	6	Millet G/nut Maize	11	do -
Total	5	58	11	26	59	do -
Average	12	2	5		12	do -

Source: Interview with small scale producers

The above table indicates that on the average each family possesses about 12 cattle at the time of the interview. If we use the structural approach as we have already indicated, we may easily conclude that each small scale cattle producer is very small in relation to total cattle production in Maiduguri. This implies that this category would not be in any position to influence aggregate supply or market price they will then be a price taker.

CATTLE PRODUCTION AND MARKETING BY THE NOMADS

Cattle keeping are one of the most important occupations of the people in rural and farming communities of Borno state. Most of the cattle are owned by the nomadic Fulani, Shuwa Arab and certain Kanuri speaking groups of the state. They lead their cattle from one place to another in search of good pastures and water. Cattle production in Borno state is mainly concentrated in upland areas during the wet season. In most parts of the state, land resources are still adequate to accommodate both cultivators and the pastoralist, the well-drained central sandy area carry the heaviest concentration of cattle.

According to (S.A) Agboola (1979) cattle concentration varies from 259 to 389 heads per square kilometers in Maiduguri.

The main difficult areas for cattle rearing here are those made up of heavy clay soils which are avoided during the wet season. Limited water resources during the dry season also pose difficulties for cattle rearing. During the wet season the cattle herders' camp for a short while.

CATTLE MARKETING BY THE NOMADS

Most of the cattle produced by the above methods are first sent to the Maiduguri cattle market through some agents or by the owners along with other breeds of cattle from the neighboring countries such as Niger, Cameroon and Chad. Most of these cattle are either sold in the Maiduguri cattle market or transported for resale in the southern Nigerian markets.

Major foreign cattle breeds observed in Maiduguri cattle market are:- N'Dama, West African short horned cattle and Kuri.

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MARKETING OF CATTLE BY NOMADS

TABLE II

NO. OF NOMADS	NO. OF CATTLE OWNED	NO. IN THE FAMILY	NO. SOLD	CHANNELS	CROPS GROWN	ACREAGE USED
	30	6	30	M/guri. Cattle Market	None	None
	50	7	45	M/guri. Cattle Market	None	None
	60	8	25	M/guri. Cattle Market	Millet G/nut Maize	5-10
	48	4	30	M/guri. Cattle Market	Maize	5-10
	20	3	17	M/guri. Cattle Market	Millet	8-10
	40	5	20	M/guri. Cattle Market	Millet	8-10
	70	7	50	At their Home	None	None
	33	5	26	At their Home	None	None
	90	10	65	At their Home	None	None
Total	441	55	308			
Average						

Source: interview with nomads in Maiduguri Cattle market.

The table above also illustrates the fact that the total number of the head of cattle owned or sold on the average by the nomads is also small as to influence the market activities as discussed under the small scale producers. Hence, in each case the cattle producers are price takers and thus the competitive nature of the Maiduguri cattle market holds.

Due to the different breeds of cattle from the neighboring countries and the local ones in Borno, the different sizes and breeds of cattle often found in the Maiduguri cattle market are:

DIFFERENT BREED SIZES OF CATTLE AND THEIR ORIGINS COMMONLY FOUND IN MAIDUGURI CATTLE MARKET

TABLE III

SIZE	BREED	ORIGIN
Large	Kuri	Chad & Cameroon
Medium	Rahaji, Bunaji	Borno & Niger
Small	Mbala, Abbore	Borno

Source: observation and interview with cattle producers in Maiduguri Cattle market

The above breeds of cattle will only be allowed entry into Maiduguri, subject to the veterinary agents ensuring that the cattle are in good health. There after the owners are issued with movement permit at the borders on the payment of certain fee per head of cattle. And this is before the insurgency in the North east since 2010.

The real act of selling the cattle by the nomads is mostly through middlemen. The nomads are less informed about the market situation they are illiterate and most of them keep the cattle not for economic reasons as they do not bother to keep records of production. The only means of communication with the other groups on the market is through interpreters the (middlemen).

The middlemen who assist the nomads in the selling of their cattle are more informed about the market situation than the producer sellers (Nomads) because they earn their income or means of livelihood in this way. The primary role of these people is to assist the cattle owners to sell their cattle at a more reasonable price than the nomads would realize on their own. These people are few in number and hence the chances of one person dominating the market are very low.

LOCAL DEALERS

These groups provide the immediate avenue for the cattle producers to sell their cattle. The transaction takes place either in the village or in the market place. The middlemen in turn deliver them to the licensed agents. However, some cattle owners prefer selling in the market rather than through the local dealers. They do so either because they are nearer to the market place or aware of the wide Margin between the local dealers' price for their cattle and the one in the market.

LICENSED AGENTS

These are authorized agents who pay certain fees to the government to be an agent for the purpose of buying cattle here in Maiduguri for resale in the Southern states of Nigeria. This is their means of livelihood and it is part of the source of meat supply to the southern state. There is no restriction as to who will become an authorized or licensed agent; it all depends on one's financial capability.

PRICING OF CATTLE IN THE MAIDUGURI CATTLE MARKET

Due to the variation in the quality of each breed of cattle, intending buyers essentially have to inspect the cattle before deciding to buy. For these reasons cattle sellers have to conspicuously display their animals in order to attract buyers. Final selling price is not fixed but determined by bargaining. It is therefore, Important for one to be good at bargaining in order to buy or sell cattle. This further attest to why middlemen are necessary in the merchandising process.

The number of cattle supplied to this market depends on the producer's willingness to sell their cattle which is in turn influenced by ecological conditions. As earlier mentioned, most cattle producers (nomads) do not keep record of production

costs and hence they keep cattle more for social reasons than economic reasons. This shows their willingness to sell their cattle is less influenced by economic reasons such as prevailing market prices.

The most important of ecological conditions are the availability of grazing material, the incidence of diseases or major catastrophes as drought which could bring about considerable reduction in the number of cattle owned by an individual.

Seasonal variations determine the number of cattle being offered for sells in Maiduguri cattle market. More cattle are sold during the dry months of each year generally because of the scarcity of grazing pastures or supplementary feeds. Less number of cattle is sold during the raining season because at such times there is abundance of green pastures and fewer incidences of diseases or the animals are better fed and hence very healthy.

The above discussion does not however, rule out the fact that some producers may decide to sell their cattle in response to changes in prices. These are producers who have access to market information either because they live near the city or have knowledge of the seasonal price changes. One will also note that these type of producers are still very few in number as to significantly alter the price of animals in the market.

THE MODERN RANCH-LIKE CATTLE PRODUCERS

The production and marketing processes of the modern ranch like producers was mainly collected through interview with a private individual in Maiduguri. Currently there is no any company is involved in this type of cattle production in Maiduguri since the folding up of Borno Livestock Company in the late 80s. The Borno state livestock company used to produce substantial meat to meet the demands of consumers both in the state and beyond. They normally feed cattle up to certain weight and later sell at determined price at per Kg weight of the live cattle to prospective buyers such as hoteliers and other individuals.

PRIVATE CATTLE RANCH PRODUCTION MANAGEMENT

According to an interview with the owner of the private cattle ranch in Maiduguri, the foundation stock was initially bought from either Maiduguri cattle market or from the nearby villages with fairly less prices. There are about 102 heads of cattle in the ranch as at the time of our interview and this was made up of 50 cows, 30 bulls and 22 calves.

The animals are raised on feeds such as cotton seed cakes, hay, silage, fish meals cereal husk with molasses and cobaltite salt.

The young calves are fed with emphasis on rapid weight gain to give them a vigorous start. The adults are fed with an average of 40-50kg of feeds per day. Sources of financing the enterprise include personal savings and bank loans.

MARKETING BY THE RANCH ABOVE

The major selling outlet for this ranch includes; sells of the animals at Maiduguri cattle market and to some few individuals who visit them in their ranch. In addition to the sale of the live animals, the milk obtained from them is also sold to people who need them. Normally the animals are majorly sold through bargaining between the producers and the buyers.

THE MAIDUGURI ABATTOIR

The primary function of the abattoir is to provide facility for slaughtering livestock for the supply of meat to the people of Maiduguri and its environs.

The animals that are bought by the butchers are sent to the abattoir for slaughtering after payment of a fee and more than 100 animals are slaughtered daily. The employees of this abattoir are in two categories.

Those who perform the actual slaughtering process and the veterinary agents whose primary work is to ensure that only healthy animals are been slaughtered. They stamp the animal certifying fitness before returning them to their owners.

The Maiduguri abattoir with its branches around in some villages is the only means through which animals slaughtered are sold to the general public by the butchers. To this effect, the veterinary division of the abattoir has its agents whose job is to go round the meat shops in the market places and few other shops around the abattoir by checking for the fitness stamps.

Those butchers found guilty of an infringement of the rule are subsequently prosecuted in the court of law.

The abattoir also serves as an immediate source of revenue to the government.

RETAIL MEAT MARKETING IN MAIDUGURI

Meat retailing is usually carried out by the licensed butchers who buy the cattle from either the Maiduguri cattle market or nearby village and in town. They deliver same for slaughtering in the abattoir and then sell the meat to the general public.

Meat retailing in Maiduguri takes many forms. Some butchers are engaged in the sales of only the internal parts such as the heart, liver and intestine. Some sell only the legs, tails and the head. Others also sell the main part of the cow (Beef).

According to our interview with the meat retailers, they do not sell the meat by weight except for very few ones and hence sales are mainly through bargaining. These butchers have at least 5 -10 people who work under them. Some go round the town to render meat and their remuneration being the difference between the revenue which their master expects from the meat and the actual revenue they get from selling the meat.

The excess meat that is unsold for a particular day are either stored in a refrigerator or roasted. They also store it by salting for drying purposes before reselling them the subsequent days.

The meat retailing in Maiduguri in essence does not include meat processors and hence always the butches tend to cover all the expenses on the cattle up to retail outlets to get a reasonable profit margin from their sales.

THE ROLE OF GOVERNMENT IN MARKETING OF CATTLE IN MAIDUGURI

The role of government and its agents are primarily to create condition in which the market can operate at maximum efficiency. In effect therefore, its role is to monitor the system, identify "imperfection" and seek the ways to correct them. Imperfection here refers to either an inadequacy in the price finding mechanism or in a failure of competition.

There is absence of community boards to monitor the selling activities, more so there isn't any weighting or grading systems for the cattle in the market to facilitate the marketing process. Thorough sanitary and very effective veterinary services also need improvement in the Maiduguri cattle market.

To improve on the present marketing processes in Maiduguri cattle market, the government should provide well-arranged space veterinary equipment to be installed in strategic places in the cattle market. There must be a clear cut government policy guiding the market activities in the Maiduguri cattle market to make it more efficient and effective, the government should restructure the cattle market to make it more fit for the introduction of modern marketing and veterinary services to facilitate the marketing system. To this end, the use of modern grading and weighing standards will not only make it easy for cattle buyers to buy cattle but also for sellers to know at what weight or age to sell their animals. This will enable in future sufficient data about cattle marketing to be kept by the government.

ANALYSING MARKET PERFORMANCE

The major participants in any marketing activity are the buyers and sellers. The competitive nature of the market, its structure, conduct and performance are all affected or determined by the size of the buyers and sellers. From the reports of our survey and interview, it has been shown that there are many participants on both sides of the market activities. In this regard, there are

many participants on the Maiduguri cattle market and also because the prices charged in this market are not externally influenced or reregulated by the government. One may be inclined to believe that the Maiduguri cattle market approaches a competitive market. The analysis of this market will thus center on the model of the purely competitive market.

We have emphasized that agricultural products market tend to display some aspects of perfect competition such as the case of cattle market in Maiduguri. In this respect, we can see that there are many farmers and producers scattered all over the state, each operating independently. Thus a single farmer or producer cannot influence the market and therefore non can make any super-normalprofit. There are also many consumers and we have seen that lack of information both to the cattle producers and the consumers about prices exist. Prices are not uniform at any given time since there in no standard weighting or grading system of cattle marketing in the Maiduguri cattle market.

Market performance is therefore not efficient since the process of marketing is not well carried out as there aren't any modern marketing systems. This means thatmarketingaims are not successfully accomplished by the stakeholders. Consequently, there is always rising demand for cattle but yet production has not been high enough to equate these demands.

SUMMARY

Due to lack of actual price data and governments clear cut policies in the marketing of cattle in Maiduguri cattle market, the study of profit margins of cattle marketing in Maiduguri is based on the structure of the livestock production and market.

There is very scanty information about cattle marketing in Maiduguri.

Essential statistics such as the number of cattle refused entry to the market because of health condition, number of cattle sold to buyersother than merchants and prevailing price data for cattle etc. are not available. Furthermore, the supply of cattle into the Maiduguri cattle market is more influenced by ecologicalfactors rather than economic factors like the prevailing prices or the demandconditions for the cattle. More so the middlemen who assist the cattle sellers by moderating the price charge for their cattle earn their livelihood are important economic force that will work against any form of collusive behavior or tendency by the merchants.

Cattle is not standardized by weight or any other measure in Maiduguri cattle market, the price paid per head of cattle thus depends on size and physical condition of the animal and how well one bargains in the buying process.

The Maiduguri cattle market is a free and purely competitive one, since there is no intervention or regulation of prices by the government. Therefore, this further subscribes to the fact that the livestock industry up to marketing in Maiduguri structurally approximates the purely competitive market with no participant in the system earning super-normal profit. It has been also shown that the number of cattle sellers and the number of cattle handled by each agenton the average was found to be so small compared to the total participants in the cattle market. This in turn suggests that they have little or no power to influence the market's price or quantity. However, it was observed that the demand for cattle in the market is steady while supply varies very much overtime. Variation in supply is generally due to ecological changes rather than to economic forces such as price changes or demand situation. This is so because most cattle producers rear cattle more for social than economic reasons. Prices also fluctuate in accordance with fluctuation supply but not on the same proportion. Seasonal variation in supply are found to be very wide in comparison with the resulting fluctuation in prices

RECOMMENDATION

From the study we have shown the marketing strategies that are opened up to cattle sellers in Maiduguri. The enormous importance of cattle to the overall socio-economic development of the country as a whole need not be over emphasized. Besides offering employment opportunities and incomes to a large number of people as well as the government, it also serves as one of the important channels through which cattle and hence beef is effectively being distributed in the country. However, due to the sustained Boko Haram insurgency attacks in Maiduguri, cattle shipment from Borno to Southern part of Nigeria since 2014 has

become so restrictive and virtually no records of cattle shipment are maintained (at least for this period of the insurgency in the Northeast). Proposals suggested for improving the market are expected to be useful not only for cattle market but also for other livestock markets in Nigeria. We also recommend that the government should encourage for the fuller utilization of molasses from sugar factories for the formulation of livestock feeds. Agro allied by-products from the flour mills, rice mills and the by-products of the river basin development authorities should be fully tapped. The river basin authorities should also embark on fodder resources development through both rain fed and irrigated pastures establishment.

There is need for utilization of modern cattle marketing facilities like standard weights and grades in the market. This will help in transforming the market procedure from the current traditional marketing systems to a more modern one. Such facilities that can modernize the marketing system include weighing scales, modern feeding arrangements, watering points loading and holding points, better veterinary services points at strategic locations in the cattle market etc. A more efficient and effective pricing system can evolve from the use of scale which will help standardizing the price paid per head of cattle on the weight basis. This measure can also be of great help to licensed merchants who then would be able to order cattle on weight basis without having to physically inspect each head. Selling through bargains will also be reduced. Information about data concerning cattle shipment from Maiduguri to the Southern part of Nigeria should be carried in Agricultural news bulletins and efforts should also be made to create a website in Borno state ministry of Agric and livestock units to enable the public to easily access information about cattle production and marketing in Maiduguri.

The Maiduguri cattle market if properly utilized by both public and private sector is a profit yielding potential. The processing of local feeding stuff that is chopping grass or legume hay in to more friable and edible form will effectively compete with the processed but generally unpalatable grass and legume hay that is currently being sold in the market. Other essential services can also be impacted to the farmers through this market since it provides a meeting place for farmers and other people from different locations.

CONCLUSION

The profit margin of cattle marketing in Maiduguri has been studied. Due to lack of actual price data at various levels in the marketing channels, conclusions as regards profit margins in the cattle marketing in Maiduguri were arrived at from the structure of livestock production and marketing. We conclude that the livestock marketing industry in Maiduguri approximates the perfectly competitive structure with no participant in the system earning super-normal profit. This indicates that the participants are price takers and hence there is no any market power in the hands of any participant to enable him significantly influence the marketing activities or to alter the profit share in the market.

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