



*International Journal of Development and Sustainability*

Online ISSN: 2186-8662 – [www.isdsnet.com/ijds](http://www.isdsnet.com/ijds)

Volume 1 Number 3 (2012): Pages 880-888

ISDS Article ID: IJDS12081602



Special Issue: *Development and Sustainability in Africa – Part 1*

# The role of middlemen in fish marketing in Igbokoda fish market, Ondo-state, south western Nigeria

F.O. Agbebi \*, T.A. Fagbote

*Department of Forestry, Wildlife and Fisheries Management, Ekiti State University, Ado Ekiti, Nigeria*

## Abstract

The study on the role of middlemen in fish marketing was carried out in Igbokoda fish market in Ondo State, Nigeria with the use of structured questionnaire and personal interview to know the various activities in the fishing community and to be able to examine the socio-economic activities and characteristics of the fish marketers, the challenges in the market, the marketing procedures, the role middlemen plays and structures encountered in the fish business using descriptive analysis, such as the use of table, frequency, counts, mean and percentage. From this study, it was discovered that majority (42%) of the respondents were within the age group of 31-40 years, thus indicating that most of them are within the economically active population. Majority of the marketers were involved in co-operative societies while only 10% were not involved in any co-operative society, which on the other hand indicate high level of rural poverty in the fishing community. 35% of the respondents have only one middleman, 22% have 2 middlemen and 38% of the respondents have 3 middlemen which indicate that their profit margin reduced as the number of middlemen increased. Fish sales in bulk and unit were observed in the area. Fish marketing, challenges and benefits that can be derived from it was also considered as well as facilities as a way of strengthening fish marketing structure by improving the bargaining power of traders and increasing the profit margin.

**Keywords:** Middlemen, Fish market, Fish marketing, South-western Nigeria

*Copyright © 2012 by the Author(s) – Published by ISDS LLC, Japan*

*International Society for Development and Sustainability (ISDS)*

**Cite this paper as:** F.O. Agbebi and T.A. Fagbote (2012), "The role of middlemen in fish marketing in Igbokoda fish market, Ondo-state, south western Nigeria", *International Journal of Development and Sustainability*, Vol. 1 No. 3, pp. 880-888.

## 1. Introduction

In the developing countries, animal protein sources such as beef, Chicken and Turkey presently are beyond the reach of an average income earner (Samson, 1997). Hence, many people now settle for fish as a cheap source of animal protein from human consumption. The demand for such protein is rising exponentially with the rapidly acceleration increase in human population. Fish is sold in the market as fresh, canned, frozen, smoked or even in dried forms. The demand for fish globally and particularly in Nigeria has been on the increase with supply not meeting up with demand (FAO, 2004). It was reported that fish constitutes about 40% of protein intake of the average Nigerian and also provide employment opportunities such as production, processing, preservation, transportation and marketing (Olatunde, 1998).

Availability of fish to the consumer at the right time and right place requires an effective marketing system; likewise, the relevance of fish marketing is to ensure the flow of fish and fish product from the fish farmers or the artisanal fisherman to the consumers in the form, time and place that will be convenient. This involves some other players along the fish distribution channel especially middlemen. (Lawal and Idega, 2004). According to the (Kottler, 2002) marketing a societal process through which individual and groups obtain what they need and want through creating offering and freely exchanging of products and services of value with others, and according to (Adekanye, 1988), marketing is a method used to bring the interpersonal forces of demand and supply together irrespective of the location of the market. Application of various pricing criteria on sales of fish depend on efficiency with which the marketing system transmits information among the fish mongers or marketers and consequently, prices of fish changes as it passes through middlemen such that by the time it reaches consumers, it becomes expensive (Dolapo, 2011). Middlemen are marketing intermediaries that do not add title to the products, but receives fee for expediting the exchange. Bryceson et al. (1993) reported that the middlemen performing the role of marketing are being accused of earning higher profit in the marketing system. Middlemen have various functions in the marketing of products, produce or service. These include, maintaining contact with buyers, negotiate prices, delivery, transfer of title, providing credit or collections, servicing of products and other services, provide inventory and storage and arrange transportation. They are also classified differently by scholars into buying brokers. (Gilbert, 1969), finds evidence of brokers in nearly all studied fish market like in many forms across Nigeria, farmers are not allowed to sell their produce directly to consumers but must deliver the product to middlemen who is mandated to sell the produce to traders and consumers. The role of fish marketing in developing countries changes with its economic development and as a country develops; the structure of its urban fish marketing evolves.

Fish marketing assumes greater importance in the Nigerian economy because the excess production from the fishermen must be disposed off in order to earn some income. Over the years, fish shortages coupled with high prices in Nigeria have indicated that domestic output has not been able to provide most Nigerians fish at affordable prices (Idachaba, 1998), it is therefore logical; to find out the factors (particularly transportation, role of middlemen and marketing information that are responsible for the price hike, the link between the producers and consumers in the market, therefore plays a central role in the developing process. The intermediaries which might be women or men but mainly women assist the fisher folks with fishing inputs

wherever possible and other monetary needs to run the business and in return sells their catchers to the consumer (buyer) at an agree price, any attempt by outside intermediaries is often met with very stiff resistance. Wholesalers have three sub-groups: The wholesaler agent, the wholesale transporter and wholesaler retailer, together they perform important functions like commodity packing, financing, transportation, sorting, grading and storage they rarely sell to consumers except where consumer are industrial users.

The retailers also have three sub-groups: They are the sedentary or stall retailers, the itinerant retailer (hawker) and the farmer retailer. In this case, the income for the producer and the retailer is very low while the middlemen has the highest income and consequently, price of the fish change as it passes through these channels such that by the time it reaches the consumer, it becomes too expensive. Hence, this study necessitates how the producers and the retailers will be free and not too dependent on the middlemen.

### 1.1. Objectives

The main objective is to determine the role of middlemen in fish marketing in Igbokoda fish market in Ondo State, Nigeria and the specific objectives are:

- i. Examining the role of middlemen in the fishery sector of the fishing community.
- ii. Providing an analysis of the obstacles and the contribution of middlemen to the socio-economic development and diversification of this fishing community.
- iii. Identifying ways and means for the promotion of equal opportunities for the producers and retailer in the fisheries sector.

## 2. Methodology

### 2.1. Study area

Igbokoda fish market is located in Igbokoda, in Ilaje Local Government area of Ondo State, South-Western, Nigeria. This fish market is the largest fish market in the South-Western part of Nigeria in which fishing has been the dominant occupant of its inhabitants. The area has the Atlantic Ocean as its neighbor hence a lot of artisanal fishing is done in the area. The area also has a history of the active participation by women in fish production and also well located in relation to village downstream because it has a good road link to Akure, the capital city of Ondo State and to the other areas of Nigeria. Fishing, processing and marketing has been the dominant occupation in the area.

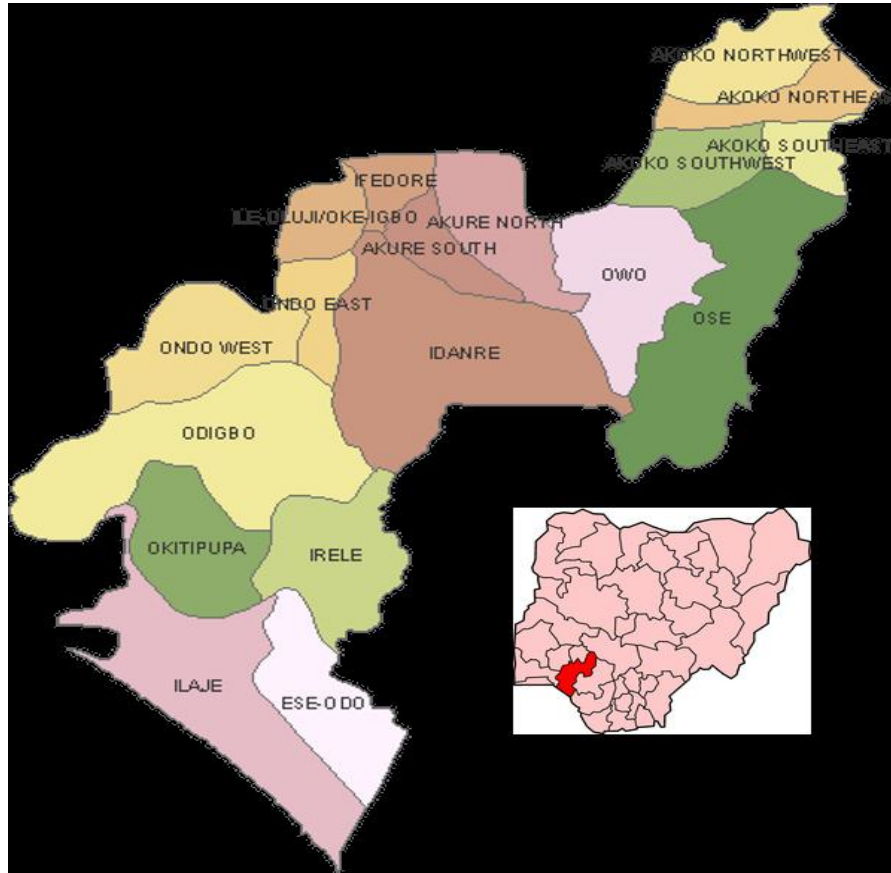


Figure 1. Map of Ondo State

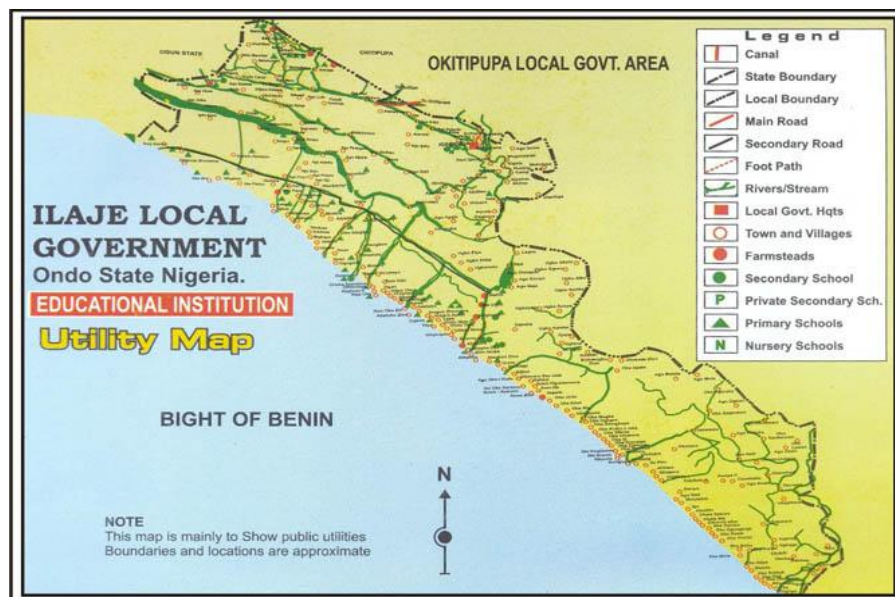


Figure 2. Map of Ilaje Local Government area showing its border with the Atlantic Ocean

### 2.2. Sampling technique

A total number of 100 respondents were used for the study. This study entails the use of questionnaires and personal interview with men and women involved in fishery activities. The personal interview focused on problems and challenges faced by fish marketers from the middlemen as well as major challenges of the fish market. Random sampling was used in the selection of the respondents. Data obtained through questionnaire was subjected to descriptive statistical tools. The characteristic included the ages, marital status, educational level, sex, household size etc. The study revealed that majority (83%) of the respondents were female, while only (17%) of them were male, these female also cater for their family. Hence, the participation of women in the productive activities is not only important for promoting equality between the sexes or for empowering women in the family but also in term of supply of labor and increased total productivity in the economy.

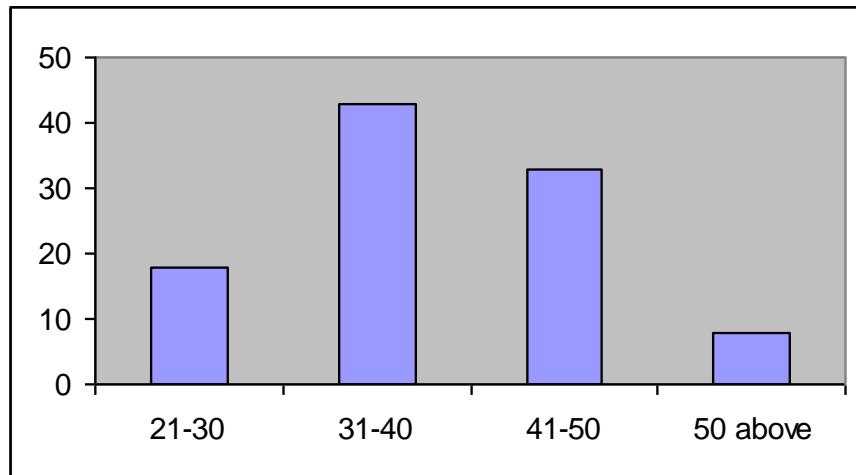


Figure 3. Age of Respondents

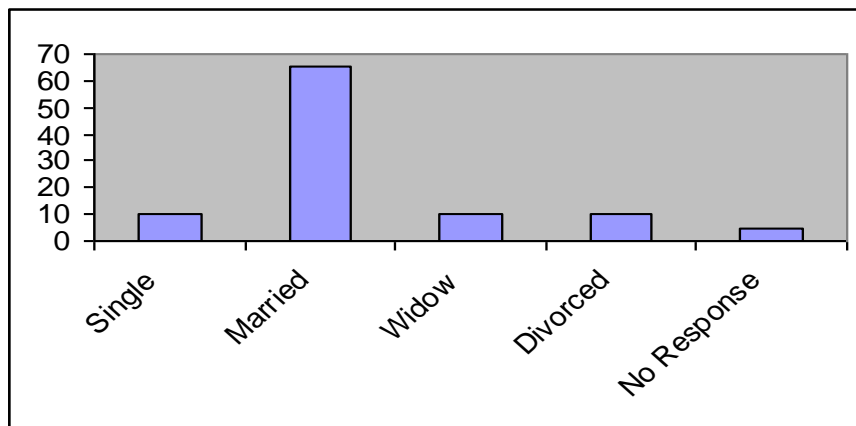


Figure 4. Marital status of Respondents

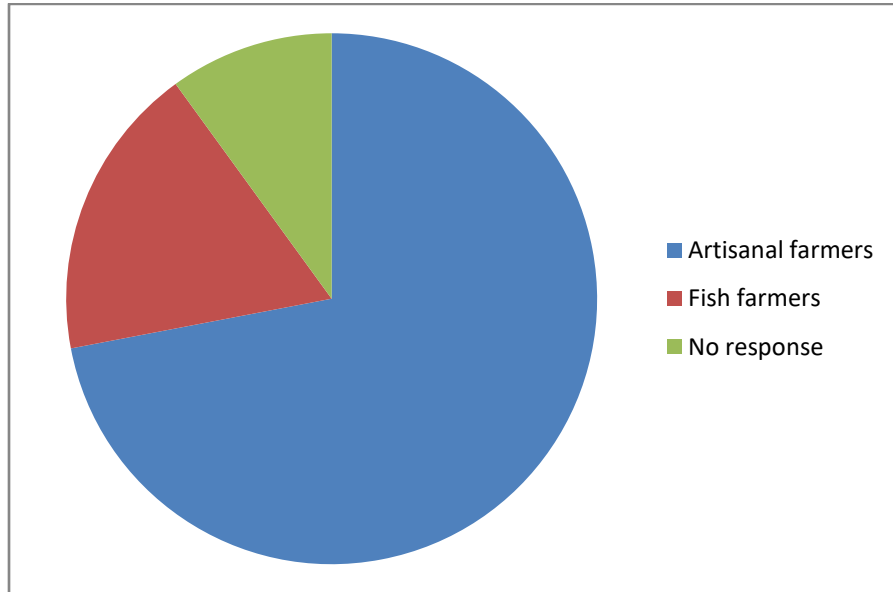


Figure 5. House-hold size

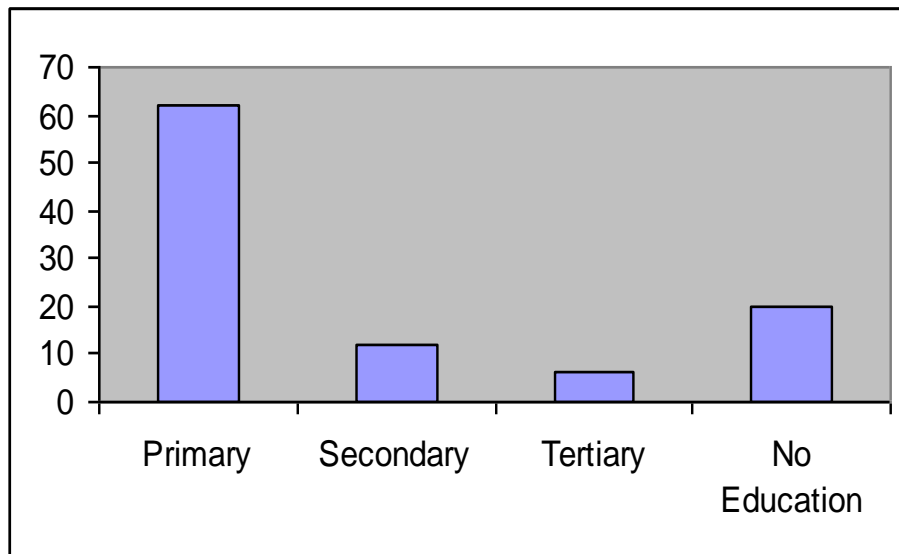


Figure 6. Educational level

### 2.3. Marketing procedures

The marketing procedure of the respondent were determined using their involvement in co-operative, their source of capital, number of selling days and the number of apprentice they possessed, the capital needed to start the business ranges from ₦ 25,000 to ₦ 200,000 depending on the scope. (1 US \$ = ₦160).

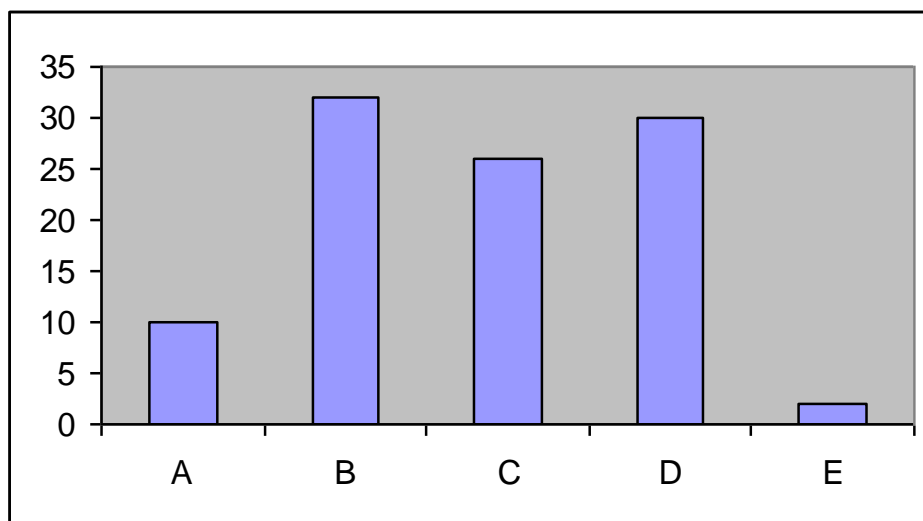


Figure 7. Co-operative society's membership

Keys: A (Not in Co-operative Society), B (Alajeseku Co-operative Society) C (Egbejoda Co-operative Society), D (Abonilasiri Co-operative Society), E (Cooperative thrift and consumer Society).

Table 1. Distribution of respondents according to constraints or obstacles faced in fish marketing.

Constraints	Rank
Non availability of Institutional loan	1
Credit facilities	2
Non availability of Government assisted programs	3
Co-operative societies	4
More market outlets	5

The respondents' revealed lack of capital as the major constraints and this is probably due to the cash strapped nature in developing countries. Capital is necessary for the purchase of equipment which is normally associated with improved technology as recognized by (Petrick, 2004), (De Castro and Teixeira, 2006). More co-operative societies should be established to cater for their interest and also more market outlets for the sale of their processed fish. From the survey, it was observed that a marketer could make a profit ranging from N1000-N3000 per day. This is however dependent on the catch and the season, more sales were made from the months of May and December. Majority of the marketers were women (83%) and have been found to be actively involved in fish marketing in Nigeria more than men.

A similar study conducted in Benue State by ( Lawal and Idega, 2004) reported 90% women participation in fish marketing. From the study, it shows that (65%) of the respondents were married, only 10% of them were singles, 10% of them were divorced, 10% of them were widow, while 5% of them refused to reveals their identity and this implies that married people are permanent settler, they economic activities revolve around that area, unlike the singles who can move around for their economic activities. It was also revealed that 54% of the respondents had 6 to 10 household members, while 40% of them have 5 household members or under. Only 6% of them had more than 10 household members which imply that most of the respondents are polygamist and this on the other hand affects or causes decrease in income due to feeding and family welfare. The age of majority of the fish seller ranged from 21-50 years indicating they were within the active work life of human and can withstand rigors associated with the trade. Youths below 20years were not involved in the actual fish marketing chain have been found to be influenced by a number of factors which include economic, cultural and geographical settings, each stage of the chain involves different organisation and relationship consisting of various age groups, sexes, and educational levels. Majority of the marketers have acceptable levels of formal education and these actually makes communication easier. Middlemen also perform several roles and function and their utility is best judged from commodities, besides making the product available to the customers, they also take the responsibility for the payment from the buyers to the seller. These middlemen also provide the necessary working capitals in the form of advance payment through credit.

### 3. Conclusion and recommendation

Igbokoda fish market is a popular market in Nigeria and highly patronized by the inhabitants because of the fish and fishery products. The market operated every nine days, although on a small scale on normal days. Smoked fish and fishery products were sold in the market but overall, the market was known for the sale of both smoked fish and crayfish which is used as condiment in preparation of many Nigerian dishes. Owing to this study, the various prospects and challenges encountered in fish marketing are needed to be investigated which involves the availability of fish to the consumers at all times.

Marketing channels are generally short due to the perishable nature of the product and intermediaries operating at the primary market tend to cheat producers by agreeing for fish price among themselves, there is no apparent transparency in price negotiation. Institutional credit for the business is low or none existing, mainly because it is dominated by the private sector, although few influential marketers do get credit from institutional sources. Market intermediaries (middlemen) usually provide marketing credit to the marketers and such marketers are obliged to sell their produce to the supplier of credit, who often pay slight less than the market price. Problems faced by the marketers include lack of credit facilities, inadequate market opportunities, institutional support, transportation, communication and lack of capital. The study also identified and confirmed slow movement of market information among the market pairs. The greatest challenge faced by the fish marketers is the rate at which middlemen earn higher profit in the marketing



chain. It was observed that the benefits from fish marketing are enormous except for the challenges faced by it which might mar most of the benefit from it.

It is therefore recommended that Government should provide credit facilities and soft loans to the marketers. The establishment of more co-operative societies and importance should be emphasized to the marketers since it is much faster and convenient for assistance to reach them when they are in groups or associations. Provision of information about production and marketing in the area should be intensified through the Fisheries extension officers.

## References

- Adekanye, T.O. (1988), *Readings in Agricultural marketing* Longman Publishers, Nigeria, Pp 11-12
- Bryceson, D.F. (1993), Liberalization of Tanzania food trade: *Public and Private faces of urban marketing policy (1938-1988)*. United Nations research institute for social development. Geneva, Switzerland.
- De Castro, E.R. and Teixeira, B.C. (2006), Agricultural Credit Interest Equalization policy, a growth subsidy. *Paper presented at the International Association of Agricultural Technologists Conference*, Gold Coast, Australia. August 12<sup>th</sup>-18<sup>th</sup>.
- Dolpad, O.T. (2011), "Marketing structure of fresh fish at Olomore fresh water fish market in Abeokuta Ogun state", available at: <http://www.unaab.edu.ng/ugprojects/2011baquacomolanwatd.pdf> (accessed 30 January, 2013).
- Gilbert, E. (1969), Socio-Economic constraints of aquaculture in Asia, *World Aquaculture*, (2191): 34-43.
- Idachaba, F.S. (1998), *Instability of National Agricultural Research System in Sub-Sahara Africa*. Lesson from Nigeria ISAAN Research Report, No. 13.
- Kottler, P. (2002), *Marketing Management* New Delhi Prentice hall of India p9.
- Lawal, W.L. and Idega E.O. (2004), Analysis of Fish Marketing in Benue State. *A paper Presented at 2001 annual Conference of Association of Agricultural Economists (NAAE)* Held at Ahmadu Bello University Zaria November 3-7.
- Olatunde, A.A. (1998), Approach to the study of fisheries biology in Nigeria inland waters. *Proceedings of international conference of two decades of research in Lake Kainji*. Pp 338-541.
- Petrick, M. (2004), Farm Investment, credit rationing and governmentally promoted credit accessing Poland: a cross sectional analysis. *Institute of Agricultural Development in Central and in Eastern Europe GAMO, Theodor Lieser-Strasse 2, 06120, Hallel, Germany*.
- Samson, Y.A. (1986), Economic Analysis of Indigenous Fish processing and Marketing in Lake Chad Region of Borno State Nigeria. *Paper Presented at a workshop Appropriate technology for enhanced resources development*. Held at the Lake Chad research Institute Maiduguri, October, 19-21.
- Teixera, (2006), *Role of wholesale markets in Agricultural development in Asia and the Pacific*. *Agricultural marketing*, 40 (1), 13-29.