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**THE ROLE OF AGRICULTURAL MARKETING IN ENHANCING  
HOUSE-HOLD FARMERS' INCOME IN LESS DEVELOPED  
COUNTRIES (A DESCRIPTIVE PERSPECTIVE)**

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**Abstract**

*The main objective of the study is to determine the role of agricultural marketing in enhancing house-hold farmers' income in less developed countries. Other objectives are to determine the major constraints influencing the marketing of agricultural produce in Nigeria. To proffer solutions /remedial actions to address the problems associated with agricultural marketing in less developed countries and improvement in house hold farmer's income in Nigeria and other less developed countries. Concerning the methodology, it is written from a descriptive perspective. The importance of agricultural marketing to an economy are shown to include the following: Foreign exchange earnings from agricultural exports, optimization of resource use and output management, increase in farm income, widening of markets, growth of agro-based Industries, adoption and spread of new technology, employment creation, creation of utility and many others. Findings show that some of the problems militating against the effective marketing of agricultural produce in less developed countries include lack of transportation facilities/ problem of produce collection, poor quality of produce, long chain of middlemen, lack of credit facilities, inconsiderate revenue collection, inadequate storage capacity and warehousing facilities, lack of uniform standards and grading, and lack of information about production and marketing. Amongst the recommendations to improve agricultural marketing and financially improve the lot of house hold farmers include the following: the various governments (both federal and state) and members of the organized private sector should provide solutions by making available good means of transport for evacuating the produce from*

*farms to consumers, encouraging the farmers to engage in internet sales (e-commerce in agriculture) and organic and contract farming which can bring in more and regular income; providing market/ marketing information, providing marketing linkages to the farmers, and creating farmers' markets/ food hubs for the farmers to market their produce and make more money for their upkeep and those of their family members.*

**Keywords:** *Agricultural marketing, Marketable surplus, foreign exchange earnings, value addition, internet sales, contract farming, and Marketing.*

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## **Introduction**

There is power in agricultural marketing, because it is the base of most of the economic activities of a country. It brings marketable surplus to the market for sale, since farmers keep a portion of their produce for self-consumption and cattle and the remaining portions are left for sale as marketable surplus. Higher levels of marketable surplus lead to greater economic development (Nadkarni, 1979). Agricultural marketing helps reduce poverty, raises incomes and improves food security for 80% of the world's poor, who live in rural areas and work mainly in farming (World Bank, 2020).

Agricultural marketing plays an important role not only in stimulating production and consumption, but also in accelerating the pace of economic development. Its dynamic functions are of primary importance in promoting economic development. For this reason, it has been described as the most important multiplier of agricultural development Kohls & Uhl (2002). Agriculture supplies raw materials to various industries and therefore, marketing of such commercial crops like cotton, sugarcane, oilseeds and so on; assumes greater importance. Agricultural marketing contributes to economic development through produce marketing and foreign exchange development.

Agriculture is the world's largest industry, and it employs more than one billion people and generates over \$1.3 trillion dollars' worth of food annually (WWL, 2020). Pasture and cropland occupy around 50 percent of the Earth's habitable land and provide habitat and food for a multitude of species. Demand for **agricultural** commodities is rising rapidly as the world's population grows. Today, the world's population uses approximately **50 percent** of total habitable land for agriculture (Ritchie, 2017)

Africa holds more than 60% of the world's uncultivated arable land, but the continent's share in global agricultural production remains low. Vast areas of land are uncultivated and productivity is lower than in most of the rest of the world. Nevertheless, farming is key for the majority of African economies and accounts for at least 15% of the region's GDP. In addition, around two-thirds of the African population is employed within the sector, the vast majority working on small-scale farms that currently produce around 90% of all output (Souhir, 2019).

In less **developed countries**, where most African countries fall into, agriculture continues to be the main source of employment, livelihood and income for between 50% - 90% of the population. Of this percentage, small **farmers** make up the majority, up to 70-95% of the **farming** population (Kwa, 2001).

According to a Small Family Farms Country Factsheet/FAO (2018)) report, Nigeria's small family farmers own 0.5 hectares of land on average, predominantly managing mixed crop-livestock systems, including fish farming. However, not only for Nigeria's pastoralists, livestock keeping also plays an integral role for their livelihood. Seven tropical Livestock Units (TLU) are kept by a farming household both for consumption and income, with cattle being the single most important species followed by poultry (FAO, 2018). Apart from **agriculture**, they are engaged in a number of other activities as well, and these include, handicrafts, artworks, silk weaving, pottery making, small scale and cottage industries. A household is considered to be an agricultural household when at least one member of the household is operating a holding (farming household) or when the household head, reference person or main income earner is economically active in agriculture. (OECD, 2020).

The average smallholder household consists of more than 6 household members, with an average educational attainment of the household head of 5 years. Among Nigerian small family farms men usually have the decision-making power and only a little share of farms of around 13 percent are female headed (World Bank, 2018).

**Marketing** is 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 (AMA,2013) .

### **Objectives of the Study**

1. *The main objective of the study is to determine the role of agricultural marketing in enhancing house-hold farmers' income in less developed countries;*

2. To determine the major constraints affecting the marketing of agricultural produce in Nigeria; and
3. To proffer solutions /remedial actions to address the problems associated with agricultural marketing in less developed countries and improvement in house hold farmers' income.

## Review of Related Literature

### *Overview of Agricultural Marketing/Agriculture*

**Agricultural marketing** is the study of all the activities, agencies, and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farms to the consumers (Sajia, 2020). Agricultural Marketing can be defined as the performance of all business activities that involve the flow of agricultural produce from the point of initial agricultural production to the hands of ultimate consumers. According to Thomsen (2018) the study of agricultural marketing comprises all the operations, and the agencies conducting them, those involved in the movement of farm produce, foods, raw materials and their derivatives, such as textiles, from the farms to the final consumers, and the effects of such operations on farmers, middlemen and consumers. Vadivelu & Kiran (2013) see agricultural **marketing as covering** the services involved in moving an agricultural product from the farm to the consumer. These services involve the planning, organizing, directing and handling of agricultural produce in such a way as to satisfy farmers, intermediaries and consumers. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing and packaging, transport, storage, agro- and food processing, provision of market information, distribution, advertising and sale. Agricultural marketing involves in its simplest form the buying and selling of agricultural produce, encompassing the entire range of supply chain operations for agricultural products, whether conducted through *ad hoc* sales or through a more integrated chain, such as one involving contract farming. This is a specific part of marketing that is related to agricultural products only.

Nigeria's agricultural products fall into two main groups: food crops produced for home consumption, and cash crops sold for profits and also exported abroad. Major crops include beans, rice, sesame, cashew nuts, cassava, cocoa beans, groundnuts, gum Arabic, kolanut, maize (corn), melon, millet, palm kernels, palm oil, plantains, rice, rubber, sorghum, soybeans, bananas and yams. In the

past, Nigeria was famous for the export of groundnut and palm kernel oil. But over the years, the rate of exportation of this produce has reduced. Adesoji (2019) reports that Nigeria's major agricultural exports in 2019 included Sesame **seeds** (whether broken or not broken), **Cashew nuts**, fermented **Cocoa Beans**, Superior quality raw **cocoa beans**, Others include frozen shrimps and prawns, **Ginger** and Natural **Cocoa butter, ginger** and agro-foods

### **The Link between Agriculture and Agricultural Marketing**

There is a high level of linkage, interconnection, and interrelationship between agriculture and marketing. Every agricultural produce needs to be marketed immediately (perishable products) or preserved (cash or bulky products) for future use after the harvesting of such products. One of the essentials of marketing of agricultural products is to allow the primary producers to achieve their aims/objectives and also be self-fulfilled in the field of occupation or career or profession they are engaged in. Agriculture goes with marketing or simply put agriculture cannot be complete without the marketing of its produce. In fact, marketing is one of the core functions of agriculture. One of the core ways of advertising agricultural products is through the marketing of its produce unlike in the manufacturing sectors where their goods or products require advertisement through all its mediums to create general awareness to the public. Agricultural marketing plays an important role not only in stimulating production and consumption, but also in accelerating the pace of economic development.

### **The Context of Agriculture and the Role of Small Family Farms in Nigeria**

World Bank. (2018) FAO, (2018) & the LSMS survey (2013) reveal that in Nigeria, regardless of the importance of oil exports, agriculture remains the cornerstone of the Nigerian economy, employing 36.5 percent of the entire labour force, thus being a meaningful source of livelihood for the majority of the population. Despite an economic contraction in recent years, the value added of the agricultural sector remains relatively high with 21 percent of GDP. Among Nigeria's farmers around 88 percent are considered small family farms. They depend on a diverse range of crops, livestock and fish. Despite their importance for the domestic economy and due to the sector's productivity limitations, more than 72 percent of Nigeria's smallholders live below the poverty line of USD 1.9 a day. Nigerian family farms sell only 26 percent of

their agricultural production on the average, indicating the high share of domestic consumption. **Furthermore, only 7 percent of Nigeria's smallholders have** access to credit. Improved agricultural financing could increase a **smallholders'** capacity to invest in farm inputs and mitigate risk for losses.

## **Key Characteristics of Small Family Farms**

### **Economic situation and diversification**

On average, 55 percent of a Nigerian farmer's annual gross income of USD 9 815 is earned from agricultural activities, among which crop production accounts for 49 percent and livestock keeping add around 6 percent to the average annual income. The cropping system is characterized by diversification of production, mainly relying on 5 major crops (maize, cassava, yams, beans and millet), hence, food as well as income sources are highly diversified and not depended on only one crop. Although farming is the primary occupation, a relatively high share of income of 43 percent stems from non-agricultural wages, indicating that Nigeria's smallholders diversify their income-generating activities beyond agriculture, particularly by running an own business in retail or manufacturing. In this way, Nigerian smallholders can reduce their degree of exposure to both natural (mainly droughts and fires) and man-made disasters (e.g. displacement or armed conflicts).

Informal channels such as local markets, where products are sold directly to the public, remain the main marketing channel for Nigerian smallholders. However, trade is virtually non-existent as the highest amount of crops produced is consumed by the household itself (87 percent). This underlines the potential that increased agricultural output could have on trade, hence, also on income and poverty reduction of Nigerian family farms.

### **Productivity and technology**

Nigeria's small family farms face many challenges that constrain their agricultural productivity. On average, distinctively low share of 2 percent of their cropland is irrigated, resulting in a high reliance on rain fed agriculture and also affecting the adequate availability of feeds and grazing lands for livestock.

Moreover, only 16 percent of all small family farms have access to motorized equipment and only 6 percent of the households benefit from agricultural extension services in form of knowledge and information transfer. High

expenses for agricultural inputs, estimated at almost 20 percent of the value of production, hinder productivity even further. Nevertheless, compared to other West African countries, Nigerian farmers have an intensified application of fertilizers. 44.5 percent of the households use fertilizers with 347 kg per hectare on average. The average small family farm in Nigeria sources labour from family members with an almost balanced proportion of labour dedicated to off-farm and on-farm activities.

SMALL FAMILY FARMS IN NIGERIA		SMALL FARMS	OTHER FARMS
Farm aspects	Average farm size (ha)	0.53	3.14
	% of smallholders on total farmers	88.4	11.6
	% female headed households	12.7	1.3
Income and poverty	Household income (const. 2009 Int.\$)	9 815	7 095
	% of income from crop production	49	56
	% of income from on-farm income	55	60
	% of income from agricultural wage labour	1	1
	% of income from non-agricultural wages and self-employment	43	37
	Smallholder poverty rate	73	80
Labour	Family labour-days supplied on farm over a day period (person days)	0.41	0.49
	Family labour-days supplied off-farm over a day period (person days)	0.68	0.78
Production	Value of crop production (const. 2009 Int. \$)	1 354	2 886
	Amount of food produced (const. 2009 Int. \$)	1 181	2 165
	Value of food production per ha (const. 2009 Int. \$)	3 157	817
Capital and inputs	Livestock (TLU)	7.3	7.7
	% of households using motorized equipment	16.2	8.3
	% of households using fertilizer	44.5	52
	Fertilizer per hectare (kg)	347	47
	Seed per hectare (kg)	1 040	117
	Irrigation (% of land)	2	2
Markets	% of households selling crops through informal channels*	100	100
	% of households selling crops in the local markets* * 63 percent of households reported this information	94	88
	% of households buying ag. inputs in the local markets* * 38 percent of households reported this information	94	93
	% of households recipient of extension services	6	5
	% of agricultural production sold	26	31

Fig.1: Small family farms in Nigeria



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Source: <http://www.fao.org/3/i9930en/I9930EN.pdf>

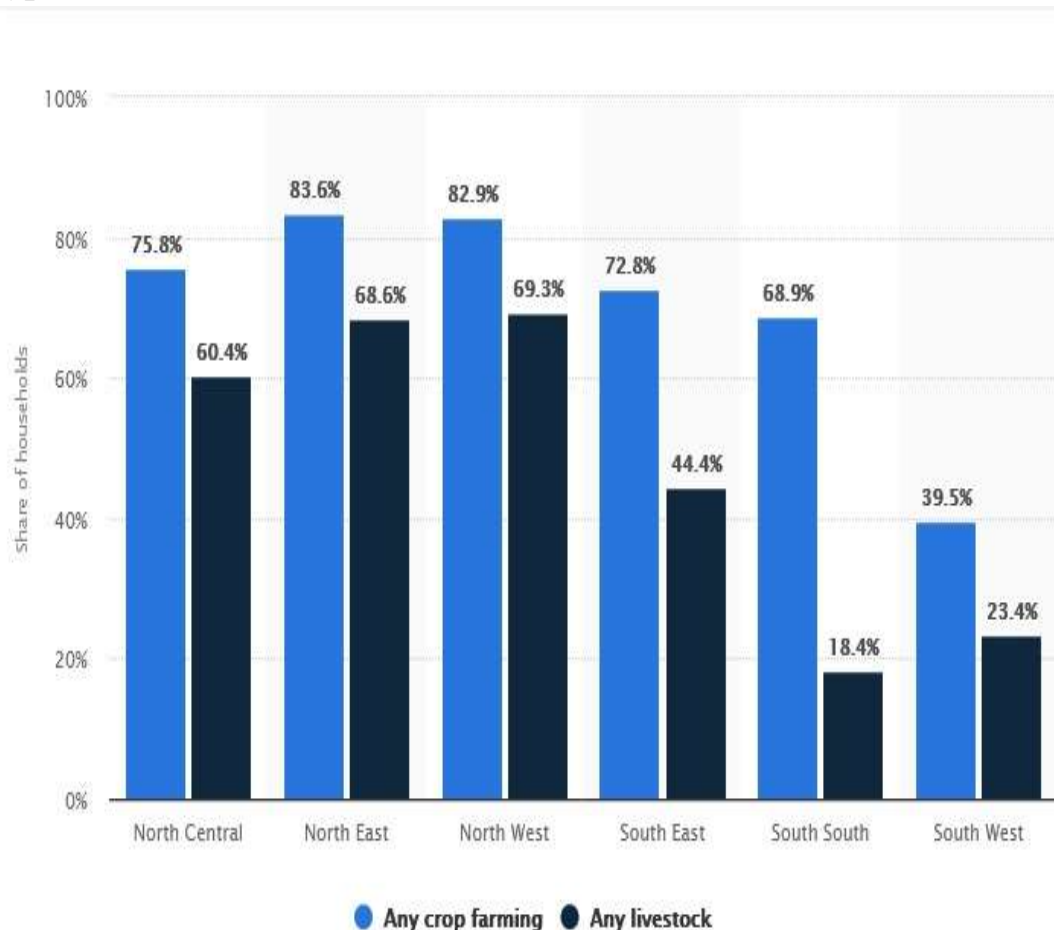
### Agricultural activities of households in Nigeria 2019, by zone and type

According to the results of a survey conducted in 2019, agricultural activities in Nigeria were more widespread in the North than in the South. Especially, 83.6 percent of households living in the North East of the country declared to practice crop farming. Similarly, 68.6 percent of households in the same region owned or rose livestock. On the other hand, the South West of Nigeria recorded the lowest percentage of households participating in agricultural activities. In total,



crop farming was practiced by about 70 percent of Nigerian households (Varrella, 2020).

**Fig.2. Agricultural activities of households in Nigeria 2019, by zone and type**



Source: <https://www.statista.com/statistics/1119613/...>

### **The Importance Agricultural Marketing in the Enhancement of Household farmers' incomes in less developed countries**

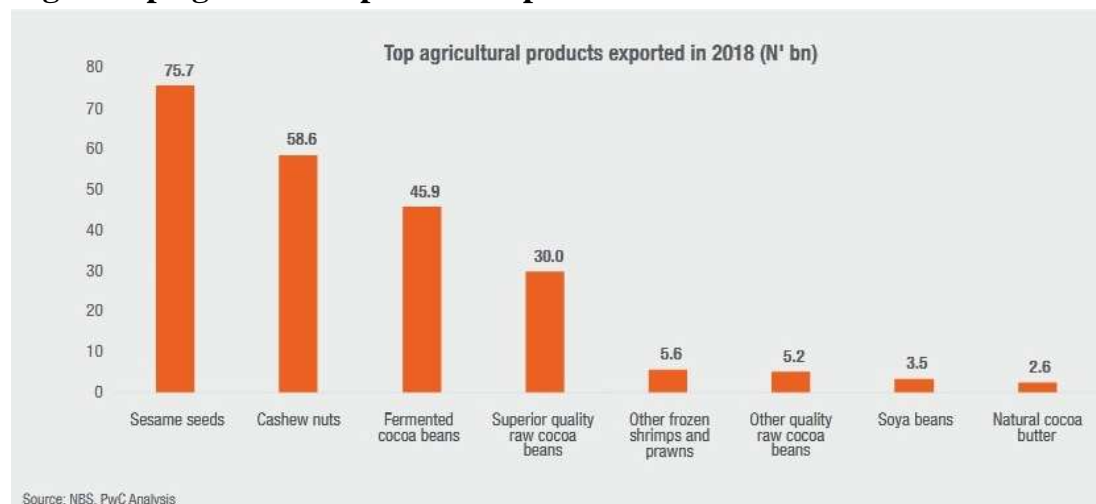
Hadera (2016) shows the following importance of agricultural marketing;

*i. Foreign Exchange earnings from Agricultural Exports (International Marketing).*

Small farmer holdings agricultural produce can be harnessed and exported through international marketing and the proceeds used to better their economic conditions. The Nigerian agricultural sector is replete with diverse

opportunities. Being able to effectively harness these opportunities will drive agricultural development and expand agricultural export. For instance, analysis by the Nigerian Export Promotion Council (NEPC) shows that the total amount of estimated untapped potential by 2021 for Nigerian exports of cocoa beans to the ten best markets (Germany, Malaysia, Singapore, Turkey Netherlands, Italy, Japan, France, Mexico and Indonesia) is around \$425 million.

**Fig.3: Top agricultural produce exported in 2018**



Nigeria’s agricultural export rose to N152.3 billion in the first six months of 2019 (January – June). This is reflected in the foreign trade reports released by the **National Bureau of Statistics (NBS)** covering the first and second quarter of 2019. This foreign exchange earnings can be channeled towards improving the socio economic condition of the rural/house hold farmers.

### **ii. Optimization of Resource use and Output Management**

An efficient agricultural marketing system leads to the optimization of resource use and output management. An efficient marketing system can also contribute to an increase in the marketable surplus by scaling down the losses arising out of inefficient processing, storage and transportation. A well-designed system of marketing can effectively distribute the available stock of modern inputs, and thereby sustain a faster rate of growth in the agricultural sector (Srivastava, 2015)

### **iii. Increase in Farm Income\**

An efficient agricultural marketing system ensures higher levels of income for the farmers by restricting the number of middlemen or by reducing the cost of

marketing services and the malpractices in the marketing of farm products. An efficient system guarantees the farmers better prices for farm products and induces them to invest their surpluses in the purchase of modern inputs so that productivity and production may increase. This again results in an increase in the marketed surplus and income of the farmers. If the producer does not have an easily accessible market/outlet where he can sell his surplus produce, he has little incentive to produce more (Olawepo, 2012).

**iv. Widening of Markets:**

An efficient and well-knot marketing system widens the market for the produces by taking them to remote corners both within and outside the country, i.e., to areas far away from the production points. The widening of the market helps in increasing the demand on a continuous basis, and thereby guarantees a higher income to the producer.

**v. Growth of Agro-based Industries:**

An improved and efficient system of agricultural marketing helps in the growth of agro-based industries and stimulates the overall development process of the economy. Many industries like cotton, sugar, edible oils, food processing and jute depend on agricultural marketing for the supply of raw materials.

**vi. Price Signals**

An efficient marketing system helps the farmers in planning their production in accordance with the needs of the economy. This work is carried out through transmitting price signals.

**vii. Adoption and Spread of New Technology**

The marketing system helps the farmers in the adoption of new scientific and technical knowledge. New technology requires higher investment and farmers would invest only if they are assured of market clearance at remunerative prices.

**viii. Employment Creation**

The agricultural marketing system provides employment to millions of persons engaged in various activities, such as packaging, transportation, storage and processing. Persons like commission agents, jobbers, brokers, traders, retailers, weigh men, packagers and regulating staff are directly employed in the marketing system. Apart from this several others find employment in supplying goods and services required by the marketing system (Eskola, 2005)

Article II. ix. Addition to National Income

**Article III. Marketing activities add value to the product thereby increasing the nation's gross national product and net national product. Profitability is increased by adding value to farm products. The value of farm products can be increased in endless ways: by cleaning and cooling, packaging, processing, distributing, cooking, combining, churning, culturing, grinding, hulling, extracting, drying, smoking, handcrafting, spinning, weaving, labeling, or packaging. Today, more than ever, adding value means “selling the sizzle, not the steak.” The “sizzle” comes from information, education, entertainment, image, and other intangible attributes (Born & Bachmann, 2006). The strong forward and backward linkages within the rural sector and with other sectors of the economy provide added stimulus for growth and income generation**

**x. Better Living**

The agricultural marketing system is essential for the success of development programmes which are designed to uplift the population as a whole. Any plan of economic development that aims at diminishing the poverty of the agricultural population, reducing consumer food prices, earning more foreign exchange or eliminating economic waste has, therefore, to pay special attention to the development of an efficient marketing for food and agricultural products.

**xi. Creation of Utility**

Marketing is productive, and is as necessary as the farm production. It is, in fact, a part of production itself, for production is complete only when the product reaches a place in the form and at the time required by the consumers. Marketing adds cost to the product, but, at the same time, it adds utilities to the product. The following four types of utilities of the product are created by marketing:

**a. Form Utility:** The processing function adds form utility to the product by changing the raw material into a finished form. With this change, the product becomes more useful than it is in the form in which it is produced by the farmer. For example, through processing, oilseeds are converted into oil, sugarcane into sugar, cotton into cloth and wheat into flour and bread. The processed forms are more useful than the original raw materials

**.b. Place Utility:** The transportation function adds place utility to products by shifting them to a place of need from the place of plenty. Products command

higher prices at the place of need than at the place of production because of the increased utility of the product.

**c. Time Utility:** The storage function adds time utility to the products by making them available at the time when they are needed.

**d. Possession Utility:** The marketing function of buying and selling helps in the transfer of ownership from one person to another. Products are transferred through marketing to persons having a higher utility from persons having a low utility (Anderson & Hall, 2011).

### **Objectives of an Efficient Agricultural-Marketing System**

As per the report of the National Commission of Agriculture (1976) and Jyothi (2014) the objectives of an efficient agricultural marketing system, are as follows.

- To enable the primary producers to get the best possible returns,
- To provide facilities for lifting all produce, the farmers are willing, to sell at an incentive price,
- To reduce the price difference between the primary producer and ultimate consumer, and
- To make available all products of farm origin to consumers at reasonable price without impairing the quality of the produce.

### **Various Markets for the Marketing of Agricultural Produce**

Markets and other outlets are the various places for the marketing of agricultural produce. There are primary or local markets, secondary markets, terminal markets, cooperative markets and international markets. A market is an aggregate of people who, as individuals or organizations, have needs for products in a product class and who have the ability, willingness and authority to purchase such products. In marketing, markets are classified as consumer markets, industrial markets, institutional markets (institutions and government), reseller markets and international markets. For the purpose of this paper, primary or local markets, secondary markets, terminal markets, cooperative markets and international markets will be used ( Kiruthiga, Karthi, & Asha, 2015 ) affirm the following as markets for the marketing of agricultural products.

**i. Primary or Local Markets:** Primary markets, are held once or twice a week in the neighbourhood of a group of villages. Most of the agriculturists sell their farm products in these markets. More than 50% of the total marketed surplus is sold in these markets. These markets are organized by village who charge some rent from stall/ shopkeepers for the space occupied. Haggling and bargaining is a common feature of these markets.

**iii. Secondary Markets:** These are also known as ‘wholesale’ or ‘assembling’ markets. These markets are permanent in nature; business in the markets is transacted regularly throughout the year. The produce is handled in large quantities and specialized operators become necessary for the performance of different services. The markets provide facilities of storage, handling and banking services and are well-served by roads and railways. A number of middlemen operate in these markets

**iii. Terminal markets:** These are the markets in which the produce is either finally disposed of, direct to consumer or processors or assembled for shipment to foreign countries. These markets are the parts where warehouses and storages are available over a wide area, may be a state.

**iii. Trade fairs:** Revellat (2019) reveals that agribusiness trade fairs, provide thousands of farmers with access to information, services and training to help them improve their yields and farming activities. This enables the farmers to also meet buyers, investors, key decision makers and agricultural officials from the various regions. It also helps farmers to launch their products and establish contacts with local distributors and resellers, help the farmers to hear fresh ideas that can help improve their businesses during the seminars, conferences and networking sessions. Agricultural trade fairs can also help local farmers network with local and regional agribusiness leaders and experts, benefit helps farmers to launch their products and establish contacts with local distributors and resellers, help the farmers to hear fresh ideas that can help improve their businesses during the seminars, conferences and networking sessions. Agricultural trade fairs can also help local farmers network with local and regional agribusiness leaders and experts, benefit from the organizers extensive pre-event promotional campaigns to ensure their brands reach out to a wider audience.

**Co-operative Markets:** These markets function on the basis of principles of cooperation. A cooperative marketing society carries the agricultural produce



direct to the consumers thus eliminating a large army of middlemen and intermediaries.

### **International Markets (export markets - already explained)**

### **Functions (Activities) and Functionaries involved in Agricultural Marketing**

Agricultural marketing involves in its simplest form the buying and selling of agricultural produce. In the olden days, when the village economy was more or less self-sufficient, the marketing of agricultural produce presented no difficulty, as the farmer sold his produce direct to the consumer on a cash or barter basis. Agricultural marketing consists of all the functions and services used in moving the commodities from the producer to the final consumer. It includes not only the physical movement to the place where the product is wanted but also putting it into the form and amount is desired and having it ready at the time it is wanted.

#### **Article IV. 5. Agricultural Marketing Functions and Functionaries**

Article V. **In modern marketing, the agricultural produce has to undergo a series of transfers or exchanges from one hand to another before it finally reaches the consumer. This is achieved through the following important marketing functions as shown below (Adegbija & Ibanga, 2021).**

**1. Assembling:** Collection of produce for sale in rural or larger markets is called Assembling. Assembling is of two types:

- i. Bringing together of smaller amounts of produce for greater convenience and economy in buying, transporting and or processing.
- ii. Assembling occurs in the distribution of finished products. Wholesalers/jobbers/agents buy from many producers to have on hand the commodities wanted by retailers to supply to the consumers.

**2. Grading and Standardization:** Grading is the sorting out of the commodities into different groups on the basis of size, variety, taste, quality, colour etc. Such separations may or may not conform to established standards. Whereas standardization fixes the grades and does not allow them to vary from season to season and from year to year. Grading and standardization are used interchangeably. Standards provide a basis for market reporting and advertising.

**3. Processing:** Processing is the conversion of farm produce into more consumable form, for example, conversion of yam into yam flour, wheat into

flour, preparation of nunu from cow milk, hulling of paddy into rice, and so on. Processing imparts form utility

**4. Transportation:** Physical movement of produce from the place of production to the final consumer is called transportation. Transportation creates place utility. Transportation takes place through different means like road, rail, air, and water.

**5. Storage/warehousing:** Storage is the holding of produce from time of production until needed by the consumers. Storing creates time utility. Storage helps to spread out market supply. Some products are stored for short periods of time, whereas fresh fruits, and vegetables require cold storage.

**6. Packaging:** Packaging is the packing or covering of the product in such sizes and pattern as to be most marketable. The objectives of packaging are to facilitate the handling of products, to reduce the storage and marketing cost, to prevent loss by deterioration and to make products more attractive

**7. Distribution:** It relates to dispersing, retailing and marketing of produce. Distribution bridges the gap between the farmers, jobbers and a large number of consumers

### **Agricultural Marketing Functionaries**

**Article VI. The transfer of produce or goods takes place through a chain of middlemen or functionaries (agencies). The chain of marketing intermediaries includes the producers (farmers) and the middlemen. The merchant middlemen (wholesalers and retailers); agent middlemen (commission agents and brokers); Speculative Middlemen, itinerant merchants, facilitating Middlemen (laborers, weigh men, graders, transport agencies, communication agencies, advertising agencies, and auctioneers), pre-harvest contractors, cooperatives and others (Agribusiness Management and Trade,2013).**

### **Major Constraints of Agricultural Marketing**

Nigerian family farms sell only 26percent of their agricultural production on the average, indicating the high share of domestic consumption. Lai & Sharma (2017) and Adegbuga (2020) throw more light on the constraints associated with agricultural marketing.

#### **i. Lack of Transportation Facilities/ Problem of Produce collection**

This is one of the major obstacles facing efficient marketing of agricultural produce as the rural areas where most of the farmers reside lack motorable

roads. This reduces the amount of farm products distributed and also reduces efficiency. The role of transportation in a supply chain and distribution cannot be overemphasized.

Poor transportation leads to delays in getting farm products to the market, scarcity, as well as increase in the prices of farm products as the cost of transportation is very high. Because of this, middlemen may inflate the prices so as to get maximum return on their investment.

#### **ii. Poor Quality of Product**

This arises from unavailability of improved seeds and fertilizers which therefore reduces the quality of production and hence leads to low market prices and preference for imported products.

#### **iii. Long Chain of Middlemen**

The journey of agricultural products to the hands of the final consumer is usually involved with a long chain of middlemen which includes wholesalers, brokers, agents, retailers and much more. The agricultural goods pass through all these people before they reach the final consumer. Sadly, as it passes through each individual, the price increases and only the consumer bears the brunt.

#### **iv. Lack of Credit Facilities**

In Nigeria, it is very difficult for local uneducated farmers to access credit facilities made available by the government, and only 7 percent of Nigeria's smallholders have access to credit (World Bank, 2018). On occasions where such funds are accessible, it is not adequate to meet the farmers' requirements. So the poor farmers resort to borrowing money from private money lenders at several harsh and unfavorable conditions. This affects the prices of agricultural goods as the farmers try to make profits while also trying to repay loans from the proceeds.

#### **v. Inconsiderate Revenue Collection**

The government subjects farmers to inconsiderate revenue collection. This trend is practiced in almost every state in Nigeria. The farmers are expected to pay as much as ₦10000 in every state they pass through with their trailer load of produce collected from rural/house hold farmers (Adegbija, 2020). Now, imagine the huge amount a farmer has to part with in a situation where he has to transport his farm produce from the northern part of the country to the south and he has to pass through several states before reaching his destination. This trend is very unhealthy for the nation's agricultural sector as it poses a great

problem for the efficient marketing of agricultural products. It is also one of the reasons for the continuous rise in prices of food products across the nation.

**vi. Inadequate Storage Capacity and Warehousing Facilities**

Most agricultural goods are easily perishable. Their production is also seasonal but they are demanded throughout the year. This implies that agricultural goods need to be stored properly so that they can be made available to consumers at the right time.

The rural farmers in Nigeria usually lack storage facilities. Absence of the needed storage facilities forces the farmers to sell their products as early as possible, in order to avoid spoilage, even if it means selling at alarmingly low prices.

**vii. Lack of uniform Standardization and Grading**

In various parts of the country, the manner in which agricultural products are measured during the process of buying and selling differs and this affects agricultural marketing in Nigeria. Some states use mudus and others use buckets for measuring.

**viii. Lack of Information about Production and Marketing**

Most rural farmers in Nigeria and in other less developed countries are uneducated and consequently know nothing about the market conditions (Olowu, 2011). Therefore most farmers are unable to determine the real prices of their products and are usually oblivious of new trends in agriculture as they are not exposed to the modern methods of seeking information. Market information is of two types, viz., market intelligence and market news, and both are important.

**Remedial Actions for Agricultural Marketing Problems amongst Household/Rural Farmers in Less developed countries.**

*i. Development of Means of Transport/Provision of storage facilities*

The backbone of agricultural marketing is the means of transport. Transporting produce to the buyer or market is usually the most expensive aspect of marketing, and can be one of the greatest problems that a small-scale farmer faces. Enhanced transportation infrastructure could facilitate smallholders to participate in local or other markets and to overcome the distance of their farm to the nearest road of 14km on average. Grading and tarring of the roads leading to the interiors where these farms are located, which remain capable of transportation during all seasons, would go a great way in helping with the

marketing of the agricultural produce. Similarly, rail and water transport development are necessary for the marketing of agricultural produce, so that the grains and other perishable produce can be quickly sent to the markets. With Support from the national extension service, farmers and buyers can be linked, inviting buyers to travel to collection points or temporary markets where several farmers bring their produce on agreed days. Similarly farmers may be able to solve their transport problems by collecting their produce together, and sharing the costs of transport to and from markets. Setting up small auctions for cocoa marketing, and promoting farmers' products, at agricultural trade events can help with transporting of the produce. Government should subsidize the cost of storage facilities such as storage in cellars or basements, in wooden crates or barrels located in cool areas like a garage or porch, general and specialized warehouses like cold rooms.

*ii. Training*

***Training and capacity building are key. Developing the marketing and entrepreneurial skills of farmers to enable them to adapt to changing markets is important. it is necessary that arrangements are made also for the appropriate training of the employees related to marketing administration.***

*iii. Provision of Agro-Processing Technologies for Perishable Produce and For Value Addition*

Establishment of processing plants near areas of production is key to prevent the produce from going bad and cut transportation costs. The key issues concerning marketing interventions based on the development or introduction of agro-processing technologies are that the technologies must be appropriate (in terms of cost, level of skill required and cultural factors, such as their acceptability to women), and there must be market demand for the end-product. Value addition is a technique that most farmers are slowly adapting to avoid wastage and add shelf life to perishable products. This includes drying some products like tomatoes, mangoes and some are processing products like fresh milk into products like homemade yogurts so as to add shelf life. Introduction of fresh box from Bosch is slowly improving the standards of farmers and adding time up to 8 days after harvesting vegetables. Fresh Box is a revolutionary product designed to keep fruit and vegetables fresher for longer. It was designed by **Bosch** engineers in Germany and is the first refrigerator that does not require electricity to function. These can be acquired by governments for the rural farmers who can pay for them installmentally.

Packaging and labelling is another strategy that can add value. Delicate products will have particular packaging requirements; for example mushrooms need to be packaged in bags or pun nets which allow them to lose moisture, or 'breathe'. Other examples in the pack include Honey Care Africa, a company based in Tanzania, which sells honey to supermarkets, hotels and airlines, and has invested in attractive jars and hand-painted labels featuring local Tanzanian trees and plants. Honey Care is also marketing honey as a 'Fair Trade' product. This indicates that they take an ethical approach to honey production, for example, paying a 'fair' price for all the honey they buy. This can be done in other less developed countries.

#### **iv. Internet Sales (E- Commerce in Agriculture)**

Increased Internet access in rural communities has increased online marketing of farm products. Marketing agricultural produce works with any business model. The house hold farmers can increase their visibility with a website, set appointments for farm visits, have a waiting list for subscriptions, publicize farmer market attendance and take online orders. They can also explore marketing partnerships with other area farmers and develop a centralized cooperative online store. In Nigeria fresh vegetables are already being sold on line due to internet access in some rural areas.

#### **v. Provision of Loan Facilities/ Credit Programs**

Improved agricultural financing could increase smallholders' capacity to invest in farm inputs and mitigate risk for sustainable livelihoods. If the government establishes banks, cooperative societies, or other financial organizations then this problem can be solved. Provision of loans and credit facilities by related bodies and the government particularly to farmers will help them expand their businesses. The farmers in the villages should also be encouraged to spend economically and save money so that at the time of need they get money from their savings. By this, the farmers would not sell their produce in a hurry and will get full profits out of them.

There is considerable expertise in micro-credit – both good and bad. Other rural finance interventions with direct relevance to agricultural marketing include out grower schemes (for input credit and marketing services) and inventory credit. The success of both depends on careful planning and research, and appropriate commercial linkages Gandhi (2020) opines that the **economic** situation will not improve until money is directly given to the rural /household farmers.



### **vii. Providing Market/ Marketing Information**

Accurate and timely marketing information is needed by all stakeholders in the marketing chain (including input suppliers, producers, transporters, credit providers and traders). Broader 'marketing' information, as opposed to simple market price information, is most useful. This can be tackled by public enlightenment. There should also be magazines like the FAO which the farmers can lay their hands on and be much more enlightened on happenings and also the **FAO has launched a digital platform to help family farmer's worldwide.**

### **viii. Availability of Marketing Linkages**

Linkages have been widely acknowledged as a means by which small farmers and processors gain competitive advantage in the market. To be competitive, there is need for linkages through factor markets (labor, capital, land); linkages through product markets and non-market linkages. Facilitating linkages between individuals or groups of farmers and private sector stakeholders is very important, yet often neglected. Building on existing private sector marketing channels is important. Most importantly, it contributes significantly to the potential sustainability of marketing activities. The household farmers can form an agreement with restaurants or grocers to purchase their crops. Such agreements can exist with one or several businesses, as long as the combined household farmers in an area can fulfill the orders.

ix. Organic Farming should be encouraged for greater Income

**Organic farming is a product strategy and consumers have demonstrated a willingness to pay more for organic food, which leads to a larger profit margin than conventionally farmed food. A 2018 survey on consumers' willingness to pay a premium for organic food products was conducted worldwide. Some 70 percent of consumers in China stated that they were willing to pay more for organic foods. Organic farming is already being practiced in Nigeria.**

ix. Contract Farming For Constant Flow Of Income

**Contract farming is agricultural production carried out according to an agreement between a buyer and farmers, which establishes conditions for the production and marketing of a farm product or products. Typically, the farmer agrees to provide agreed quantities of a specific agricultural product. This ensures that the household/rural farmer has a steady demand for his or her produce. The most extreme example of this is found in a report from Tanzania - the Multi-flower company, which makes contracts with farmers to grow flowers and harvest the seed, which is then exported to Holland. Under the terms of the**

**contract, the farmers are not allowed to sell their flower seeds to any other company, but in return they are guaranteed a fixed price from Multi-flower for what they produce. This takes away many of the risks of growing the seeds, but perhaps leads to some farmers regretting that they cannot take advantage of changes in market prices (RRRP,2002).**

x. Farmers' Markets/ Food Hubs should be provided by Local Governments

Selling at a farmer's market is a distribution and sales strategy that is ideal for small or medium-sized agricultural producers. It can also be a stepping stone to larger markets if the local farmers want to grow, but with the popularity of these markets, many farmers sell at a different markets every weekend within a reasonable distance from their farms. It allows the farmers to sell several types of produce, provide recipes and offer taste samples. Another benefit is that market operators or local communities handle much of the promotion, saving the local farmers time and money. Additionally, many tourists and travelers stop at roadside stands for impromptu food purchases.

A food hub is a cooperative effort among farmers in a certain region. Using this model, they can address their pricing, selling and promotion marketing strategies. The hub manager handles the logistics of selling to the consumer or commercial customer, and gives the grower a commitment to purchase a certain amount of product. This marketing strategy allows agricultural businesses to share and minimize risk, while also allowing them to compete as a group with large food wholesalers.

### **Conclusion and Recommendations**

Agriculture remains the cornerstone of most of the less developed countries' economies, with that of Nigeria employing 36.5 percent of the entire labour force, thus being a meaningful source of livelihood for the majority of the population. From the stated World Bank report (2018) of Nigeria's farmers, 88 percent are considered small family farms. The proper marketing of the agricultural produce from these farms to bring in enough income to the rural/household farmers is key. If these are not properly marketed, most of these farmers will abandon agriculture and agricultural activities. What will happen to Nigeria's labour force that is employed in farming and what will happen to a nation that cannot feed itself? This is better imagined than experienced. So, it is obvious that the link between agriculture and marketing is like the link between the head and the neck. Agriculture has not been performing properly

its role of **source of food supplier, contributor to national income, prerequisite for raw materials, and others because of poor marketing of these agricultural produce.**

The researcher recommends that the various governments (both federal and state) and members of the organized private sector provide solutions to some of the problems identified. They can help achieve good agricultural marketing by providing means of transport for evacuating the produce from farms to consumers. Providing marketing oriented training for the farmers. Provide agro-processing technologies for perishable produce and for value addition, encourage the farmers to engage in internet sales (e-commerce in agriculture) and organic and contract farming which can bring in more and regular income. provision of loan facilities/ credit programs, providing market/ marketing information, providing marketing linkages to the farmers, and creating farmers' markets/ food hubs for the farmers to market their produce and make more money for their upkeep and those of their family members.

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