INVESTIGATIONS ON BUILDING A FOOD MARKETING POLICY
EVIDENCE BASE IN NIGERIA

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BRIEFING REPORT
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Details of contact addresses, individual and commodity studies and the full project reports are available at: www.dur.ac.uk/nigerian.marketing. The chapters provide the views of the author(s) only and not necessarily those of the other contributors to the programme or the funder.
EXECUTIVE SUMMARY

Understanding access to markets and the institutions of the food sector is a major challenge for pro-poor growth. Pro-poor growth in the food sector will not only raise incomes (for poor producers, poor traders and the poor who operate in related sectors, notably transport), but will also reduce the cost of food for poor consumers. It will thus reduce the vulnerability of the poor in general. This report presents results of a short programme on access to different types of market (principally food and transport) and the linkages between markets (food, transport, credit etc.) conducted by 15 researchers across Nigeria’s major regions, using an innovative networked research approach. The study incorporates syntheses of previous studies with new field research. It aims to make a significant contribution to building a food marketing policy evidence base across Nigeria.

There is a shortage of specific knowledge and understanding of formal and informal market institutions and their impact on urban food systems in Nigeria today: most empirical information on Nigerian rural trade was conducted prior to the 1990s. The case studies of commodity types provide specific empirical information for different regions of Nigeria for the same period on specified marketing issues. Conclusions from the project should contribute to policy agendas (within state and federal ministries, government agencies, donors and NGOs) for pro-poor growth in connection to rural livelihoods and food security.

The studies of different commodity chains and market institutions demonstrate the important role they can play in reducing poverty, while also identifying those bottlenecks where the institutions may be acting to reduce access to markets for the poor. Where market institutions are working to support pro-poor growth, they can lead to greater private sector investment in agriculture and the food trade; increase competition amongst traders that can raise producer prices and reduce consumer costs; improve the livelihoods of poor producers, processors and traders; build up cross cultural social capital and reduce conflict potential.

The evidence from this study has shown that the precise package of constraints shaping commodity chains differs from commodity to commodity, from market place to market place and from season to season, but that facilitating factors often exhibit similar characteristics (flexibility, informality and trust being keynote features). Because interlinkages are commonly complex, injudicious intervention at one point in the chain can cause adverse repercussions for the poor elsewhere.
Policy recommendations
The following recommendations are relevant for all donors. Where targeted at specific stakeholders, these are indicated. Specific recommendations for individual government sectors are provided in the conclusion to the report.

1. Promoting associations that support access of the poor to markets
   - Local (and state) government should recognise the roles of the trader associations and involve them in strategies to encourage more trade, improved access to markets for the poor and competition
   - Evidence suggests that well-intended resources put into producer associations may not be the most effective way of giving bargaining power to producers.
   - NGOs should be encouraged by donors and government to develop consumer associations which will give poor consumers more power.

2. Identifying the appropriate role of the public sector in providing better market places for the poor
   - Local governments need to ensure there is greater trader competition through providing more market space
   - State and local governments should stop selling subsidised market stalls since this does not tend to help the poor. These resources could be better targeted.
   - Poor services in markets and lack of security have resulted in more private provision through vigilantism and in some cases contracting out market management to private companies. Local governments should explore the benefits, difficulties and processes of this: donor and central government will need to commission studies.

3. Expanding access to market information on prices and standards
   - Donors and NGOs should encourage linkages between poor producers, traders and consumers who need information by funding (i) access to telephones for the poor, (ii) networking exchanges and (iii) trusted suppliers of information for the poor that is not public sector or donor led.
   - NGOs and schools should offer market-based education on measures and quality standards.
   - NGOs should support the regulation of standards through collaborating with associations of traders, producers and consumers, as well as the media (using avenues such as radio phone-ins)

4. Recognising the positive and negative impacts of intermediaries on pro-poor growth
   - State and local government should make decisions concerning the impact of market and transport intermediaries on poverty alleviation based on the locally specific evidence base. This should identify both the benefits of intermediaries and those specific occasions where intermediaries exert excessive control over market places.
   - When reorganizing urban markets, local government needs to take particular care not to disturb the employment niches occupied by the poorest (such as petty retailers and porters)
• **NGOs could provide local governments with information on potential cartel type behaviour by intermediaries affecting poor producers and consumers by carrying out price studies of particular markets and commodity chains with analysis of daily prices**