THE ROLE OF CREDIT IN MAIZE MARKETING IN JENGRE, BASSA LOCAL GOVERNMENT AREA, PLATEAU STATE.

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1.0 INTRODUCTION

1.1 General Context of the study.

Jengre is a peri-urban and the second largest settlement in Bassa Local Government Area of Plateau State. Bassa Local Government Area (LGA) is one of the seventeen (17) LGAs of Plateau state and shares boundaries with Saminaka to the north, Zango-Kataf to the west in Kaduna state, and Jos North to the South in Plateau state and Toro to the east in Bauchi state.

Jengre area is a major maize producing region and Jengre market is a major regional grain bulking market specializing in collection and sale of grains particularly maize. It is a weekly (Sunday) market attracting more than 5000 buyers and sellers from within and outside the country. The market is located about 30kms away from Jos along Jos- Zaria road.

Maize is grown under a wide range of ecological conditions. Maize is one of the major and dominant produce of small-holder cultivation on the Plateau for both rural and urban markets. A major green folder crop, it is grown increasingly in most parts of northern Nigeria including Plateau State (in Mangu, bokkos, and Jengre regions) by both small holders and in significant quantities by large scale individual producers. Both white and yellow grains varieties are grown particularly in Jengre region. Breeding has resulted in high yielding hybrids, composites and synthetics. It is a rain-fed crop, it requiring from 500-900min of well-distributed rainfall, well structured permeable soils with high content of organic matter (Ilaco, 1985). Consequently, large quantities of nitrogen fertilizers are applied in order to obtain maximum yields.

Maize consumption was formerly considered a poor man’s food, but recent consumption pattern indicates maize as a major staple food in almost every household in Northern Nigeria and Zambia (Porter 2003) especially by low and middle income groups.

Since the ban on importation of cereals by the Federal Government of Nigeria in 1986, there has been an increasing demand for maize by households and in agro-allied industries in Nigeria. As a cash crop, it has been used as a substitute for imported grains, flour, kuskus, baby foods, confectioneries, animal and livestock pelletised feeds by the Grand Cereals Industry, ECWA Rural Development Company, Jos Foods and Pioneer Milling Company all in Jos and other food processing industries in the country. A lot of maize is also smuggled to neighboring countries like
Niger, Chad and Cameroon. These have encouraged rapid increases in the price of maize throughout the country.

Such high demand, increase in price and the presence of competing interest have encouraged large scale commercial cultivation in the area; providing farmers greater opportunities to profit from the high demand and prices. Green fresh maize is also cooked or roasted and hawked by women and children in Nigerian cities. This provides employment and a means of livelihood (source of income) for the urban poor households.

Understanding the marketing access of maize supply for both rural and urban poor is of paramount importance in this study. The study therefore focused on major issues related to gender and ethnicity, credit environment, security and safety, access to information and institutions that regulate the market operation. The study also built on the existing knowledge of the marketing system for maize in Mangu (Plateau State) and vegetable market in Jos (Porter, 1994) and assessed the marketing chain as well as the dynamics of the market operations in order to identify the actors that are excluded as maize has gained prominence in all the urban areas in Nigeria.

An understanding of these issues will provide policy makers a view of the market environment which will enable them to make policies that will improve and facilitate market access for both rural and urban poor and safeguard their food supply.

1.2 General Characteristics of the Actors in Jengre Maize Marketing Chain

The key actors at different points of maize marketing chain in Jengre market are shown below.

<table>
<thead>
<tr>
<th>S/No</th>
<th>Actors</th>
<th>Local term</th>
<th>Role</th>
<th>Gender</th>
<th>Ethnic Group</th>
<th>Relative wealth/status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Farmers</td>
<td>Manuma</td>
<td>Produce the maize</td>
<td>Men/Women</td>
<td>Lere/Lemoro/Amo</td>
<td>Relative rich</td>
</tr>
<tr>
<td>2</td>
<td>Commission Agents</td>
<td>Dillali a) Broker b) Speculator</td>
<td>assemble maize in bags, control sales, provide assistance to buyers</td>
<td>Men</td>
<td>Amo, Gusu, Kurama, Hausa, Lere</td>
<td>Relatively rich</td>
</tr>
<tr>
<td>3</td>
<td>a)Uwar Mudu b)Yan wazai</td>
<td>Assembles and sales maize in smaller quantities (mudus) Buy maize directly from Producers and sells to buyers either in retail or wholesale form</td>
<td>Women</td>
<td>Amo</td>
<td>Amo &amp; Hausa</td>
<td>Relatively poor</td>
</tr>
<tr>
<td>4</td>
<td>Retailer</td>
<td></td>
<td>Buy and sell in small quantities, sometimes in deferred payments arrangements with dillalis, they provide credits.</td>
<td>Women &amp; Men</td>
<td>Amo and Lemero</td>
<td>Relatively poor</td>
</tr>
<tr>
<td>5</td>
<td>Bulk purchasers (Whole salers)</td>
<td>Dealers</td>
<td>Purchase large quantities from dillalis and sale to retailers, companies and consumers, provide credit.</td>
<td>Men</td>
<td>Hausa, Ibos, Niger, Cameroon</td>
<td>Rich</td>
</tr>
<tr>
<td>6</td>
<td>Loaders/Offloaders/Head Porters</td>
<td>Yandoko</td>
<td>Assist in parking, loading/off load</td>
<td>Men</td>
<td>Hausa</td>
<td>Poor</td>
</tr>
<tr>
<td>7</td>
<td>Drivers/Transporters</td>
<td></td>
<td>Transport maize to and from the market to various locations.</td>
<td>Men</td>
<td>Hausa/Fulani</td>
<td>Relatively poor</td>
</tr>
<tr>
<td>No.</td>
<td>Category</td>
<td>Description</td>
<td>Gender</td>
<td>Ethnicity</td>
<td>Income Level</td>
<td></td>
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<td>-----</td>
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<td>-----------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>8</td>
<td>Market administration</td>
<td>Collection revenue, allocate space, provide information.</td>
<td>Men/Women</td>
<td>Amo, Lemoro</td>
<td>Relatively poor</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>National Union of Traders &amp; Marketing Association</td>
<td>They settle disputes, provide welfare services to members, liaise with the govt. standard measures.</td>
<td>Men</td>
<td>Hausa, Amo</td>
<td>Relatively poor</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Security</td>
<td>Provide security especially at night</td>
<td>Men</td>
<td>Amo</td>
<td>Very Poor</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Families</td>
<td>Consumers</td>
<td>Men/Women</td>
<td>All tribes</td>
<td>Rich &amp; Poor</td>
<td></td>
</tr>
</tbody>
</table>

Fig. 1 MAIZE MARKETING CHAIN IN JENGRE

**KEY**

- Maize Chain
- Security Chain
- Transport Chain
2.0 STUDY FOCUS

2.1 Components of maize marketing chain and regulatory environment.

The credit environment plays a crucial role in facilitating the marketing operations. The study focused on the role of credit as it affects...
producers/traders in Jengu maize market. The study examined the formal and informal sources of credit such as:

(a) formal and informal lending arrangements
(b) trust issues
(c) access rules imposed by market associations
(d) issues of weights and measures
(e) constraints imposed by credit providers
(f) Transportation unions, fuel shortages,
(g) Local government bye-laws
(h) Traditional authority’s rules,
(i) Ways information is dissemination,
(j) Security and safety of the maize market
(k) Who is included or excluded in the maize marketing system.

2.2 The Importance of credit in maize marketing

The credit function is to advance money and some forms of assistance to carry out various aspects of production and or marketing. The availability and ease in obtaining credit increases productivity and supply which consequently affect the price of maize for the more the supply the lower the price and the greater is the access by the rural and urban poor and that will in turn stimulate increase in the demand for the commodity. Access to credit the study observed also facilitates the marketing operation, boosts and empowers traders, particularly the small scale ones who Ariyo et al (2001) observed have less access to diverse sources of capital, notably institutional or formal loans from the government, banks and private companies, to expand their businesses.

In most transactions, inadequacy of credit has been discovered to be a major constraint to market operators particularly the women (Dipeolu et al 2001). Studies on the role of credit in market operations have revealed that the women are usually at a disadvantage and have difficulties in obtaining formal credit due to their low social status and lack of collateral (Porter et al, 2004). As a result the study focused on:

Types of credit provisions that are available to key trader types in maize marketing,
- Proportions of credit that comes from formal as opposed to informal sources,
- Interest rates payable,
- Extent to which micro finance schemes assist in credit provision among the various trader groups,
- Ways to increase credit provision to facilitate maize marketing

3.0 METHODOLOGY

3.1 Methods of Data Collection

The nature of the study required that data collection be flexible and innovative in order to properly diagnose problems and identify opportunities. To achieve this, the Participatory Rapid Assessment (PRA) technique was adopted to gain an in depth understanding of the situation.

Secondary information were gathered and examined from Baseline data, project reports and other related relevant publications on marketing of farm produce.
The survey was carried out on four different market days (usually on Sundays). The first visit was a reconnaissance visit to get familiar with the market authorities and different actors of the chain. The visit enabled the researcher to intimate them of the research intention and to obtain permission from the Sarki Kasuwa (market administrator) to conduct the research. The rest of the visits were for data gathering on various market operations.

Personal observation as a method of actors analysis was adopted during the visits and the sample size for the administration of the checklist was selected to cover all the key actors in the chain. The PRA procedure involved the use of semi structured questionnaire and direct interview of various actors. Sometimes information was gathered from key informants such as leaders of associations to provide the overall picture of the activities of their members or the association itself. Consequently, a purposive sampling technique covering different actors was conducted. A total of 24 different actors in the chain were interviewed. Data were gathered on the age, gender, ethnicity, the roles of various actors with particular emphasis on sources of credit and availability, regulatory institutions of market operations and problems militating against maize marketing.

To achieve consistency and validity of information gathered, triangulation was used to cross check and confirm responses from 2-3 respondents, some times at separate visits.

Due to established relationship with the market authorities, the Sarkin Kasuwa (market administrator) and the chairman of the dillalai (commission agents) in the market, access to other actors and data gathering was less cumbersome. Particularly as a woman, it was easy to sit among the women retailers and conduct the interview, even though the nature of the activities going on in the market did not allow group interviews. As a result, some interviews were delayed till the closure of market activities especially with the wholesalers.

Various responses were identified and categorized drawing out commonalities through the use of analysis tables for each question (issue). Care was taken to present and document local concepts and ideas from respondents.

Data collected were analyzed using descriptive statistics such as percentages and presented in diagrams and tables for clearer understanding of issues in the chain. Both absolute figures and percentages were used to describe the findings of the study.

4.0 PRESENTATION AND ANALYSIS OF FINDINGS

4.1 General information on the market.

Jengre market plays the role of a regional maize market as the product finds its way from other markets and distant settlements to it. The market operates on a weekly (Sunday) basis although it usually starts on Saturday evening when some producers bring in the grains. This enables the producers to move in the grains freely to avoid traffic congestion and confusion usually experienced on the market days.

4.2 Background information on the Respondents.
The traders come from both within and outside the country and also around the locality. Both men and women are involved in maize trading. The participation of men in the marketing operation was higher than the women. About 79% of the respondents were men while only 21% were women. This could be attributed to the fact that men are more economically endowed than their female counterparts. Maize marketing is capital intensive and involves traveling considerable distances which may not be easy for women. This is confirmed by the fact that all the bulk purchasers were men.

Maturity in age and physical strength are virtues that were discovered to be vital in maize marketing. The age distribution of the actors interviewed showed that they were mostly between the age group of 21 – 50 years old. About 20 of them fall within this group which is regarded as the economically active population. This can be attributed to the high unemployment level in the country which has pushed the unemployed youths into grains trade especially maize which is supplied to processors on contract basis, four (4) were between ages 51-60 years.

Ethnicity of the traders differed from that of the producers. This was confirmed by Onokerhoraye, (1977.) The actors interviewed were of diverse ethnicity. More than seven (7) tribes were represented, with the Amo tribe (the indigenes) more strongly represented and the dominant producers of maize. Ten (10) of the respondents were from Amo tribe, six (6) were other indigenous tribes, four (4) were Hausas and four (4) were other southern tribes (Igbos,Yorubas). The significant involvement of the indigenes in trading can be attributed partly to the general awareness of the indigenes of the sharp practices that were observed from the hausa traders. According to them (indigene dillalai), “the Hausas used to cheat our people when they bring their grains for sale by reducing the number of measures and not telling our people how many measures were contained in a bag or the real price of the commodity sold” Also were the financial benefits that attracted them as well as the security and strong resistance (religious)of the indigenous people to outside influence especially after the September 2001 crises in Jos. This indirectly affected the trust and interaction between the Christian and the Moslem traders. Thus roles that were exclusively played by the Moslem traders are gradually being invaded and succeeded by the indigene Christians. This can be seen from the significant role presently played by the indigenes as dillalai in marketing of goods in Jengre market. This is a great departure from the usual dominance by the Hausa group who specialize in wholesaling and commission agents (dillalai) in most parts of Nigeria as noted by Adubi (1996).

Interestingly, this role did not only exclude outsiders (i.e non indigenes), but also the women. The study discovered that while men dominated the dillalai sector, transport, loaders/off loaders and even the wholesaling sector, the women only dominated the retailing sector. Their exclusion could be attributed to their low financial status which makes competition difficult (Rakodi 1991) as will as their physical structure (Ahmed et al 1998), as the transporters/loaders require great stamina to carry out their duties.

Thirteen of the actors interviewed [producers(3),retailers(3),loaders(1),transporters(3),security(2),wholesaler(1)] did not possess any formal education while eight(8), [dillalai(4),market administrator(2), association leaders(2)] obtained primary education, and four (3) [
wholesalers(2), dillalai(1)] possessed post secondary education. This suggests that no special educational skills are required before becoming a trader even though it is important for the purpose of accessing information from the print media. However the type of training provided to potential dillali and loaders (yandoko) are usually acquired through apprenticeship – observation and practices from the “master”. Here, an apprentice is required to observe and practice all that he sees the master do. In addition, he most posses and exhibit sincerity, honesty, trustworthiness in all his dealings with customers and owners of commodities for the number of years specified for the apprenticeship (usually between 2-3years for loaders and between 3-12years for the dillalis) The master then graduates him only when he is satisfied with his conduct.

The traders accounted for the largest population of thirteen (13) in number and they included: the wholesalers(3), commission agents (dillalai)(6), yan-wazai(1) and the retailers(3). Producers (farmers 3) and the transporters included bus(1) and trailer drivers(2). The authority consisted of the Local Government official (1) and the Chairman of and National Union of Market Traders Association (NUMTA) official (1). The security members were the maigadi (2) while the laborers were the loaders/off loaders (dandoko)(1).

Means of Transportation Used by Traders

One of the activities of immense importance in maize marketing is the transportation component which Dipeolu et al (2001) explain is primarily concerned with making the goods available at the proper place.

It was observed that transportation is required by all the actors except the dillalai who are stationary and do not necessarily need to transport their commodities. Various means used of transport used in maize marketing in Jengre depended on three factors: quantity, distance and the actors. The means mostly used by producers to transport maize to the market were buses, landrover, pick-ups and tractors; while trailers and lorries transported the purchased maize to various parts of the country and beyond. Motorcycle taxis (achaba), bicycles, barrows were commonly used by retailers and consumers to transport maize within the locality.

It was also noted that the cost of transportation varies depending on the quantity (weight) and distance moved. The cost of transporting maize from the villages to the market ranged from N30.00 to N50.00 per bag of (50kg and 25kg) maize, while the same weight is transported to Jos at N100.00, Kano and Gombe N160.00 and to the south between N200.00 – N250.00 per bag. Other factors that influenced transportation costs, were the poor condition of the rural and urban roads particularly during the rainy season, various charges by associations, extortion by the policemen on the roads, fuel cost, loading and off loading charges etc. The extortions by the policemen, Road safety officials, Vehicle Inspection officials and Local Government officials are most resented the traders and motorists. These further increases the final price of maize paid at different destinations by the urban/rural poor who is the final consumer. The final price of maize paid also depended on the number of checkpoints, distance and the amount of money given as tips in any single trip, which may
range from N2000-N4000. This further increases access problem to food by the urban poor.

On who organizes transportation for various actors, the wholesalers disclosed that the transport association allocates the vehicles to them through the number of registered vehicles which queue up in turns to load based on first-come first-to-load basis. However, they could source for vehicles for themselves if they choose through personal networks, there are no hard rules. The producers however source for transport through personal networks with transporters around the villages based on long-term relationships, others could be through public transporters. Every transporter pays a gate fee (N150.00) to the union at the entrance of the market. This allows the drivers access/license to load goods for that day.

4.3 THE OPERATIONS OF THE KEY ACTORS

Traders have been known to provide a crucial service and they are often investing their capital in a high risk environment where returns ought to be commensurate with the risks involved. This according to Porter et al (2004) is very true of farmers also. They opine that a balance needs to be struck between the conflicting interests of the producer and the trader which may allow both to profit if food marketing is to develop and be improved.

The activities of the key actors varied according to the roles that they played in the market operations as indicated on table 1. Details of these activities are reviewed below:

The Farmer

This is the producer and the major actor in the maize marketing chain. According to the regulations of the market, which are set-up by the market authority in conjunction with various associations in the market, the farmer is not allowed to sell directly in the market, he must deliver the produce to a dillali who is mandated to sell the produce to traders and consumers. New producers or suppliers to the market are quickly identified and attached to a “dillali” by the Chairman of the dillalai. This relationships continue as long as the producer brings his produce to the market. Every producer has a dillali whom he has established relationship and trust over the years and can send goods to him anytime of the year. He could however choose to change the dillali again through the chairman of the association if he encounters problems with the former or if he is not satisfied. Cases of farmers trying to sell directly to consumers were not common except the yanwazai who usually do so. Even though punishments were not meted out to offenders before the study period, the authorities explained that plans are on the way to completely stop the activities of the yanwazai in the market. The general understanding of the market rules by various actors make compliance easy.

This activity by the dillali association is reported by Okali et al (2001) who are of the opinion that the market unions in the city do not allow the rural farmer to sell his produce directly to consumers ... even if the rural farmer transports his farm produce to the urban centre, he is forced to give it to the dillali (who are “legal” commission agents) or else members of the association will frustrate the rural farmer’s effort to sell his produce. However, even though the activities of the dillallai are
conceived as excessive and strong and seem to exclude the farmer from having direct access to consumers, the associations have in many instances provided mediation and acted as “shelter” for the farmers who come from their villages some of them without the prior knowledge of market practices and drop their goods for them to sell only to come back later to collect their money. This protects the farmer from cheap bargaining and being cheated by buyers and also allows the farmer to transact other businesses in the market while the dillali does the selling of the commodities for him. Moreso, in Jengre market, the associations do not buy the commodities, only the dillali association members are allowed to collect the commodities from the farmers and sell. Therefore, the fear of farmers losing substantial income is minimized especially considering the fact that the dillalai as well as the farmers are indigenes. (there seem to be some sympathy among the dillalai). The role of the dillalai here can be seen as positive promoting marketing operations.

Inadequacy of credit was also emphasized as a key constraint to the productivity of maize. Further probing revealed that all the farmers interviewed obtained their finances from personal savings and other informal sources. No formal credit institution was accessible to them in the villages. Those who obtained some kind of financial assistance benefited from their personal relationships with the dillalai who organize and collect fertilizers for them and they pay with their produce after the harvest.

Traders-Retailers, Wholesalers & Commission Agents.

The Retailer or Small Trader

Retailing is one of the key activities in the maize marketing chain. The retailer plays a crucial role in providing access to buyers of smaller quantities. He is the last link to the consumer.

In Jengre, retailing is dominated by women. They purchase maize from the dillalai in bags or from the Uwarmudu (dillaliya) in measures (mudus) The retailer does not have direct access to the producer in the market area. However, the retailer could purchase the maize from the producer either from the farm or from the house since not all the produce passes through the market.

The study reveals that the retailer depends on the dillali to provide credit assistance to them by giving them 1-2 bags of maize to sell and pay directly after the sales, usually with extra cost/interest (riba) of N50 per bag per day and it could fluctuate depending on the market situation and if payment is delayed. The purchase price per bag is between N2,850 to N3,350 depending on the season and availability. They retail in mudus (measures) at the price between N42 to N45 per measure and make a profit margin between N2-N3 per bag. The retailers consider the charges of the dillalai high as complained by Rhoda Tanko – a 23 year old woman who has been retailing for the past four years. She exclaimed that even though the charges are high “we don’t have a choice since we cannot afford to pay cash for the bags, we have to depend on them and pay their charges until the day we are able to afford it”.

The study reveals that the retailers also provide credit to their consumers, usually base on trust, since most of them are familiar with each other. Major constraints to the retailing business is access to credit, which limits and sometimes cripples their activities Grieco et al (1996)
noted that lack of access to capital among women traders in Ghana has consequences for the size of load generally transported and the frequency of trips made. Porter et al (2004) observed that the difficulties for women in obtaining formal credit are particularly pertinent in the trading sector in West Africa. These difficulties are linked to their low social status and lack of collateral. Thus, in Jengre, the only solution has been to rely on the dillalai to collect produce on credit or through informal savings (weekly adashe) and credit associations where they exist to obtain business finance. The adashe is usually collected weekly on market days by the organizer (uwaradashe). The amount contributed depends on individuals financial capability and collections are done either on requests or by following a list of contributors made from balloting which indicate the period of collection by each member. However contributors are entitled to collect soft loan from saving done. Loans are usually given based on trust but attracts little interest depending on the amount collected and time of repayment. Defaulting members are usually reported to relatives or friends who act as their guarantors and if they still refuse to pay, they are left with God.

**Commission Agents (Dillallai)**

Commission agents identified in the study area were grouped into 3 according to the roles that they perform. They included:

1. **Speculators**: These are dillalai that buy maize from farmers or yan wazai when the supply is high and or when there are no buyers in the market (usually considered a “bad market”) and prices are low (usually in the evenings). They resell during scarcity or when there are many buyers in the market and prices have appreciated. Sometimes they supply to companies or schools.

2. **Brokers**: These are the dillalai that only collect maize from producers and yanwazai and sell to different traders, bulk purchasers, company agents and individuals on commission basis. It is worth noting however, that all the dillalai engage in both activities.

3. **Uwarmudu**: She is the female dillali who has been trading for many years through her experience and contacts with the farmers and other traders she is trusted with goods to sell and remit money to the owners. She collects maize from producers in smaller quantities (not in bags) and retail in mudus (measures) to consumers and retailers who also buy in smaller quantities. Her role does not necessarily require that she has large capital base, since she does not purchase maize in cash.. while the dillalai are paid N20 per bag of maize as commission the Uwarmudu is usually paid from the remains of the grains after measurement and in cash like the dillalai. This makes them to measure with special skills in order to get left over after measurement as their remuneration. The dillalai have a strong control over the marketing activities and sales, for instance, the control and determination of prices of produce in the market. They also provide credit in cash and in kind to most of their patronizers while they themselves receive credit from the farmers and sometimes from the bulk purchasers.
**Yan Wazai**

The Yan wazai are a special set of traders who are neither dillalai nor retailers, but operate both as wholesalers and retailers. They purchase maize from the farms or houses of producers and sell to retailers or consumers in the market or give to the dillali to sell to the wholesalers. It was also discovered that they provide credit in form of cash, fertilizer and seedlings to the producers since they have direct access to them. However, it was complained by some respondents that their bagging were not standard as the bags were usually not full according to the kilograms (kg) specified on the bags. This amounted to cheating and insincerity which usually brought about loses to the buyers. Efforts were however being made by the market authority and the dillallai association to curtail their activities in the market.

**Wholesalers (Dealers/bulk purchasers)**

These are the bulk purchasers of maize. They purchase mainly from the dillalai in bags and distribute to various market outlets within and outside Nigeria, they supply on contract to companies, schools or organizations. They determine the selling price by controlling and regulating the quantity of supplies in the urban markets. Even though they explained that this helps to check flooding of the commodity in the market, they have been accused of rather hoarding and hiking prices in the urban markets to enable them make maximum profits.

**Night Watchmen (Maigadi)**

These are the informal security providers in the market. Four were engaged for the Jengre market. They watch over and protect produce that are left in the market over night. They also make arrests of thieves on market days and they are taken to Sarkin kasuwa who resolves the issue. Where the matter is beyond him, it is then reported to the Nigerian police outside the market. The maigadi explained that although theft cases are reported almost every market day, they are not able to arrest all the thieves because of their limited no which makes it impossible for them to cover the large market area. Three reported theft cases had been made since the beginning of 2005 and handed over to the police. They further explained that thieves are usually thoroughly beaten when caught before they are handed over to either Sakin kasuwa or the Police to serve as a deterrent. It was discovered that their services are privately arranged for by traders/producers whose produce are left in the market. The maigadi only work on market days.

**Yandoko (Loaders/Off-Loaders, etc)**

They load and offload maize as well as packing/stalking maize in different vehicles for onward transportation. Each loader is usually attached to a driver (master) during each market day to carry out his function. Their income depends on the number of bags carried per market day. Their charges include:

- Loading: N15.00
- Offloading: N15.00
- Packing/stalking: N10.00
Carrying the bags within the market attracted N10 – N20 depending on the distance and quantity. The charges were usually paid by the maize owners while the drivers paid for the packing/stalking.

They belong to an association known as National Union of Laborers (yandoko) through which they gain access to employment. They however complained that they do not have a branch in Jengre but only operate as is done in a neighboring market. It was observed that the traders/drivers and the yandoko have a strong linkage which makes the transportation of their goods easy.
The Evolution and Sustenance of Institutions.

There is a wide range of complex and informal institutions that shape Africa’s food marketing systems. Porter et al (2004), reports that different types of associations and self imposed rules add to the national legal systems which affect how trade is done. These associations at their inception aim at improving members welfare and create access to the marketing process by promoting and enhancing urban food supply and also securing income and livelihoods. But studies have shown that these associations come forth with bottle necks that make access to food difficult and there by tend to exclude some actors in the transactions.

The major associations identified in Jengre market is the National Union of Traders and Marketing Association (NUTMA) whose branch was formed more than 20 years ago and operates in the market. This is the umbrella association of all other traders’ associations nation wide. The association is saddled with the following responsibilities:

- Monitoring and control of market activities
- Controls other associations within the market
- Settles disputes and quarrels between and among members
- Liaises with the Local Government on market issues
- Communicates government decisions to the traders
- Provide welfare services to their members and lending to members
- Help to control market prices and measures used
- Control quantities of food supplied to the market
- Sharing market information with members.

The market is however administered by the Sarkin Kasuwa (Market Administrator) who is appointed by the Local Government to serve as a link between the Local Government Council and the market associations as well as to administer the market operations. He is the eye of the government in the market, and reports back to the local government on happenings in the market. The different associations report to him, and he settles disputes between various associations.

The Association has been sustained partially through the commitment of members. It was discovered that apart from the NUTMA, there is no organized (traders) or actors (commodity) association in the market. This is a great departure from the other markets such as the food and vegetable markets in and around Jos and else where in Nigeria as reported by Ariyo et al (2001) where there are organized market associations which help to control and regular market activities as well as provide a conducive marketing environment for the urban and rural poor.

It is pertinent to note that even though these associations are not legally registered, they still operate and discharge their functions in the market. These associations included; dillali association, YanWazai, retailers association, and the transport association. These associations play crucial role in settling disputes and providing welfare services including the provision of credit assistance to members.

The none challant attitude towards the formation of formidable association may be attributed to the lack of threat from outsiders (non indigenes and Hausas) to market administration.

These associations may have evolved spontaneously with the development of the market. The details are not known in this study.
However, this study shows that they are sustained by the contributions and charges that they levy on their members. Each association has an executive that carter’s for and administers its affairs. Consequently, memberships is increased through registration of new members and apprenticeship.

4.4 ACCESS TO CREDIT

Access to credit and high cost of credit for farmers and small-scale traders either from formal or informal sources have been a problem over the years.

Two types of credit facilities were identified in the study (cash and kind). The sample of 24 different actors indicated that 13 of the actors benefited from both while 11 did not. From those that did, 11 received maize on credits, 6 transported their maize on credit and 4 received cash while 3 were farmers received fertilizer on credit. More assistance as observed by the study were in kind and from informal sources due to the nature of the trade and the inability of the actors (mostly retailers) to pay for the maize they collected. The provision of assistance, the study noted establishes and strengthens relationships among actors due to the interdependence on each other. This in turn sustains and encourages market operation and network. Table 2 shows the relationship between actors that provide credit and beneficiaries.

<table>
<thead>
<tr>
<th>Receiver</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dillali</td>
<td>Producer, wholesaler</td>
</tr>
<tr>
<td>Producer</td>
<td>Dillali, Transporter, Yan Wazai</td>
</tr>
<tr>
<td>Wholesalers</td>
<td>Dillali, Transporters</td>
</tr>
<tr>
<td>Retailer</td>
<td>Dillali, Transporter, Yan Wazai</td>
</tr>
<tr>
<td>Yan Wazai</td>
<td>Producer, Transporter</td>
</tr>
</tbody>
</table>


From the table, the dillali plays a dominant role in the provision of credit to almost all the actors in the chain. This suggest some form of confidence and trust placed on him by the producers and other traders. Other sources of credit as revealed by the actors included personal savings, relatives, friends, personal relationships and associations.

On whether the actors have ever received credit from the banks or any formal lending institutions, twenty three (23) actors confessed that they have never, while only one (1) (wholesaler) consented to have received. He further explained that it boosted his business and enabled him to purchase large quantities which he supplied to ECWA Rural Development, Grand Cereals and some schools in Jos.

The study sought to know why actors are not keen at receiving credit from formal institutions (table 3).
Table 3: Reasons for not collecting loans from the banks.

<table>
<thead>
<tr>
<th>Reasons</th>
<th>No. of actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not aware/ignorance</td>
<td>18</td>
</tr>
<tr>
<td>Lack of collateral/security</td>
<td>15</td>
</tr>
<tr>
<td>High interest rate</td>
<td>14</td>
</tr>
<tr>
<td>Bank processes</td>
<td>10</td>
</tr>
<tr>
<td>Fear of default</td>
<td>5</td>
</tr>
<tr>
<td>Corruption by officials</td>
<td>3</td>
</tr>
</tbody>
</table>

Reasons given indicated that actors had more than one reason for not collecting loan from the formal lending institutions. Some traders were really not aware of any credit facility available for small scale traders from the banks. This was confirmed by an official of National Agricultural Credit and Rural Development Bank (NACRDB). According to him, until recently, (about 5 years ago) credit was only available for large scale purchasers/traders and even the present government’s policy on providing credit to rural producers/traders is not known to the small scale traders due to lack of information. How then can they benefit? While fifteen (15) actors complained of lack of security/collateral which are usually required as guarantee before loans are disbursed. However, enquiries from the bank officials (Union Bank and NACRDB) revealed that potential beneficiaries only need to operate an account with the banks for 3-6 months to qualify for the loan. This according to them is to encourage the traders to cultivate the culture of savings with the bank and also to be certain that the traders would be able to repay the loan if given. The second condition was for the traders to save as much as 20 to 30% as security/collateral the amount of money required as loan before they are eligible for the loan. While physical collateral are no longer of much significance, the potential beneficiary only need to prove that he is credit worthy. This is because several cases of default in repayment have been recorded by the banks. Other reasons adduced were high interest rates charged by the banks and bureaucratic processes which (10) actors complained are cumbersome and time consuming. Some of the traders complained that they applied for loan for more than a year now (since 2004) and they have not received any information on that. This probably explains why the traders rely on the informal credit providers which are easily and readily available. This is also suitable and convenient for the traders to access even though they have to pay little interest on it. Fear of default and the general corruption of bank officials have made eight (8) actors to be uninterested in dealing with the banks.

Most small traders especially the uneducated the study observed have phobia for formal credit. This can be observed from the response of Madam Alisabatu Ishaku

“What do I have and who knows me that I will go to the bank to look for money”
Trust was discovered to be the key condition attached to credit provision and repayment. This trust is established through long time transactions as traders (table 2). About ten (10) actors consented to this, 6 said the usually provide assistance only to the time the grains are sold (which may be till evening of the marketday/particularly the dillali, who have to remit the money for the sales to the owners of the maize, two (2) pay after a week (that is, another market day). All these boils down to the issue of trust which studies have revealed play significant role in making access to food by the urban and rural poor possible.

4.5 STANDARDISATION OF WEIGHTS AND MEASURES

Standardization aims at ensuring uniformity of standards, with provisions for regulation of units of weight and measurements, packing and provision for inspections to check on weights and measures (Anyanwu and Jukes, 1991, Dipeolu et al 2001).

In the Jengre maize market, the common measures used are bags (approximately 50kg, 100kg) and the Local Government standard measure (mudu). For the wholesale purchases and sales, the bag is the unit of measurement while for retailing, the unit of purchase and sales is the mudu. There is therefore variation in price as a result of differences in the size of bags or mudu used.

Sharp practices observed the use of different measures for buying and selling. For instance, while a bag (100kg) of maize cost N3,350 from the dillalai (commission agents) a similar bag costs between N3,450 – N3,500 (less transport and commission charges) from the retailers in the same market. It was also noted that the measure (mudu) used by the retailers to buy maize differed from the selling measure (mudu), as was also observed by Clark (1994). Such measures are manipulated and mutilated, apart from this, the style of measurement is so fast and with skills such that the consumer goes home with less of what he pays for while the trader gains more measures and higher margins from the transaction. Due to the ineffective regulation, these practices are not checked and therefore not penalized by the authorities. This sometimes however generate much debate and argument between buyers and sellers as they haggle over the price of the commodity and the mudu to be used.

4.6 SOURCES OF INFORMATION

It has been established by this study that produces and traders require a range of different types of marketing information to enhance their marketing operations both within and outside their environment. Access to information according to Porter et al (2004) differ depending on the size of production, distance from market and their own network.

Various sources of information by traders were identified in Jengre market (Table 4.)
Table 4: Sources of Information

<table>
<thead>
<tr>
<th>Sources</th>
<th>Frequency of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face to face</td>
<td>24</td>
</tr>
<tr>
<td>Association</td>
<td>15</td>
</tr>
<tr>
<td>GSM</td>
<td>3</td>
</tr>
<tr>
<td>Radio - TV -</td>
<td>-</td>
</tr>
<tr>
<td>Government sources</td>
<td>-</td>
</tr>
</tbody>
</table>


The results indicate that there is high integration among traders as a result personal networks are the major sources of information. The study discovered that all (24) of the actors have personal networks through direct contacts which they depend and trust to provide information on prices, demand and supply from other markets as well as other information relevant to their businesses. Fifteen (15) traders indicated that they also rely on information provided by their associations. This is confirmed by Smith and Luttres (1994) in Nigeria, Lyon (2003) in Ghana. Three (3) traders (wholesalers) indicated that they own and use GSM as a major source of information in their business even though they do not use it in Jengre market due to lack of service in the area. The study discovered that the cost of owning and maintaining GSM is beyond the reach of poor traders whose profit margins are minimal. This explains why they rather depend on face to face (personal network) as well as their associations for information dissemination.

The use of radio/television and government bulletins were not common sources by the traders interviewed. They complained that the media/government are not interested in marketing activities and therefore are not in the position to know daily or weekly trends in the various markets. Consequently, they cannot be relied upon to provide information on price, demand, availability of commodity, quality, credit opportunities and general market behavior.

4.7 MEMBERSHIP OF ASSOCIATIONS

Membership in market associations plays crucial role in marketing operations. Adubi (1996) reports that in some places, traders are put under pressure to belong to a market association. This however differ in Jengre maize market where about 70% of the actors interviewed disclosed that they do not belong to commodity associations except the National Union of Traders and Marketing Association NUTMA) which is the general association of the traders. 30% of the traders however belonged to two associations as found in Kano (Ariyo, et al 2001). Further investigations revealed that only the dillalis/transporters belong to commodity association, even though that of the transporters reside in another town, but still operate in Jengre. This suggests that the control of some associations in this market such as retailers, producers and Yan wazai and wholesalers are not as strong and domineering as is the case of Farin Gada Tomato market where traders are not allowed to buy or sell unless
they become registered members of a commodity association (Adubi 1996).

This leverage some retailers explain grants more access to them and enable them to participate freely in buying and selling even though they may not benefit from privileges enjoyed by associations members else where..

The traders explained that to belong to any association, it is mandatory to register financially. For the dillalai, they pay N300.00 for initiation and registration while the laborers (that is, loaders, off-loaders) pay N500.00. This may be a key constraint to other traders participating in such associations.

On who fixes the price of maize, respondents varied in their views. While 50% explained that price was determined by the market forces of demand and supply, 25% argued that it was the dillalai that determine prices, 12% were of the opinion that it was it between the farmers and the dillali. However, for the transporters, the transport charges were determined by their association.

Further investigation into the pricing issue confirmed that the dillalis are responsible for pricing by observing the demand and supply of the produce, transport costs and charges which they said starts from Saturday evening when the goods being to come into the market and when the buyers arrive. So the more the quantity brought in, the lower the price and the more the buyers in the market, the higher the price. This is why Adubi argues that the association’s virtually control the operations (real and price) in the markets.

This affects the consumption pattern of the rural and urban poor. As less quantities are purchased when prices are high.
5.0 CONSTRAINTS TO MAIZE MARKETING IN JENGRE

The discussions thus far in this study indicate that there are several constraints to effective and efficient marketing of maize in Jengre. These are discussed in greater detail in this chapter. Efforts were made during the study to engage the respondents in identifying and ranking the constraints as they perceived as major limiting factors to their marketing of maize. Different traders perceived the problems according to their roles in the market. Major constraints affecting various actors were identified.

Table 5: Constraints to Maize Marketing in Jengre

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No storage facility</td>
<td>8</td>
</tr>
<tr>
<td>No stores/selling space</td>
<td>9</td>
</tr>
<tr>
<td>Absence of security</td>
<td>11</td>
</tr>
<tr>
<td>Unorganized associations</td>
<td>7</td>
</tr>
<tr>
<td>Absence of facilities</td>
<td>6</td>
</tr>
<tr>
<td>Poor sanitation</td>
<td>1</td>
</tr>
<tr>
<td>Inadequate Finance</td>
<td>10</td>
</tr>
<tr>
<td>Default from debtor</td>
<td>2</td>
</tr>
<tr>
<td>Increase in prices</td>
<td>3</td>
</tr>
<tr>
<td>Charges in the market</td>
<td>5</td>
</tr>
<tr>
<td>Too much power by dillali</td>
<td>4</td>
</tr>
</tbody>
</table>


Absence of Security Services

Absence of security in Jengre market was the key problem and major concern to all the actors in the market. This results into having constant breach of security in terms of fighting, disputes, theft cases (recorded every market day). Therefore the safety of goods are not guaranteed in the market. As a result, the study discovered that the market does not function beyond 6pm due to fear of uncertainty, attack by robbers and the safety of traders.

The study noted that only 4 night watchmen (Maigadi) are engaged in providing security, and that even that is not officially arranged, individuals have the responsibility to make arrangements for the safety of their goods at their own risk. The maigadi are only engaged when goods are brought into the market and once they are evacuated, their services are over. This is inappropriate for a large regional market such as this, thus unlike Farin Gada Tomato market in Jos and elsewhere, where there exist a network of efficient and effective security system with equipped soldiers, Police, Yan banga, maigadi who secure and create an enabling environment for both traders and consumers to carry out their businesses. Lack of formal security network, make the maintenance of law and order, settlement of disputes and disagreement as well as creating a conducive environment for marketing, a responsibility of all the associations in the market.
Inadequate Finance

Another key constraint was inadequacy in finance to boost the trading business. This was mostly emphasized by the retailers (women) and some farmers who seemed to have been most affected as explained in 4.4.

Lack of Stores/Selling Space

Access to stores and selling space was indicated as another key constraint in the market. It was observed that no infrastructure in form of stores were available. The traders complained that they are usually exposed to the harsh weather. According to the Sarkin Kasuwa, whether rain or sun shine, my people are outside. All the traders complained that rain spoil their grains, bags and interaction while the dillallai complained that the sun affects the bags and make them tear easily. These affect the quality of maize when stored for a long period. Another constraint was the undefined space allocation by the local government. This means that access to space is on 1st come 1st serve especially by the retailers whose wares are small. This encouraged disputes and quarrels among traders since permanent spaces were not allocated to individuals. Storage facilities were also not available in the whole market. Traders (wholesalers, dillallai, retailers) therefore store their maize in private stores outside the market. They therefore pay extra cost to secure and store their goods. These affect market operations and cause increases in the cost of food which subsequently reduces access to food by the urban poor.

Unorganised Associations

Due to the absence of workable policies and administration, all the associations in the market were unformalised/unorganised and therefore were not registered with the market authority as has been observed earlier. This affects the behavior of market operators. As a result it encourages:

(a) loss of revenue by the government
(b) security breaches
(c) improper management and use of space
(d) poor commitment to the general development of the market
(e) poor security network
(f) laissez-fair attitude towards marketing issues.

Absence of Facilities

The absence of stores in the market possibly make it difficult to provide electricity in the market. However, the problem of water is a long standing one in the settlement and affect the entire populace. There is therefore no portable water in the market, traders indicated that this is a serious problem in the market which directly or indirectly affect them.

Other constraints included, market charges and commissions which usually affect the retailers profit since the profits are quite minimal compared to other actors.

From the foregoing discussions, it is important that policies be made that will enhance the marketing operation and make food more accessible to the urban and rural poor.
5.2 CONCLUSION AND RECOMMENDATION

The study has observed that maize is a major staple and cash crop in most parts of the state and Northern Nigeria. Maize marketing is an important aspect of maize production and the marketing chain has several actors with access to credit playing a vital role in transactions.

However, the marketing system is be-devilled with constraints of inadequate access to credit assistance, absence of security, lack of stores and storage facilities amongst others. In spite of the constraints observed, potentials exist if the following can be improved upon to provide greater access to food for the rural and urban poor.

1. A regional market such as this should be properly planned and provided with services such as clinic, bank, police post, fire service, utilities like water, electricity and means of communication, infrastructure such as market stalls, storage facilities and walled fence. This will provide an enabling environment for market activities.

2. The Local Government should encourage private developers to participate in the physical development of the market space. This will ease the burden of building structures being shouldered by the government and encourage fast development of the market.

3. The market authority together with the LG should establish an efficient security network in the market, this will provide a conducive marketing environment which will provide greater access to food by the rural and urban poor.

4. In order to determine the quantity of maize being shipped out of Jengre market, it is recommended that the LG and Market authority keep records of all movement of maize into and out of the market. This will help policy makers to make polices food security and safety and to channel appropriate farm inputs to the producers in the area.

5. The importance of trader associations in lobbying necessitates that all associations in Jengre market registered with the market authority for proper control, monitoring and administration of the market.

6. Poor implementation and non-usage of right weights and measure standards increases transaction costs. It is recommended that there should be a high level of policing by both Local Government, traders association and consumer association, to check and punish non-compliance.

7. It has been established that personal relations are necessary for sharing information. Traders personal network are encouraged for easy information dissemination.
APPENDIX 1

REFERENCES


the urban poor a comparative study of Nigeria and Zambia : Scoping phase.


