

EVALUATION OF MARKET STRUCTURE AND EFFICIENCY OF GUM ARABIC MARKETERS IN NORTH-EASTERN NIGERIA

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ABSTRACT

Gum arabic is one of the economic tree crop commonly found in Sahelian and Savannah of tropical zones. There are over 1100 different species of the plant. Three of these are of economic value due to the role they play in manufacturing industries worldwide. Nigeria earned total revenue of \$121 million US dollars from the export of gum arabic (Aliyu, 1998, Umar, 2006). This made many gum arabic growing states in Nigeria to embark on elaborate production of gum arabic, being the 'gold of the desert' as sometimes called. The study evaluated market structure and efficiency of gum Arabic marketers in north – eastern Nigeria. Data were collected through the use of structured questionnaire administered on randomly selected 150 respondents in Adamawa, Taraba and Yobe states. Descriptive statistics like means, percentage and frequency were employed to analyse the socio-economic variables of the respondents; while Gini-Coefficient and Okeke and Awotide models were used to evaluate the market structure and marketing efficiency of the gum arabic marketers respectively. The results revealed that majority (57.33%) of the respondents had gum Arabic marketing experience of 21 years and above; 65% had no formal education. The average marketing efficiency recorded was 59.14%, implying an average inefficiency of 40.86% which is high. The market structure analysis showed that the buyer – seller of gum arabic concentration in the study area was 0.812, which is close to unity (1) implying that revenue was almost equally distributed. Technically however, there was great variation in the revenue generated as out of the 150 gum arabic marketers considered in the study, only 27 (18%) accounted for ₦387,279,930.00 which indicates 98.6 % of the total revenue generated, while the remaining 123 respondents (82%) contributed only ₦ 5,498,214.82, which was just 1.4% proportion of the total revenue. This implies that the gum arabic marketing in the area was principally played by only 18% of the total respondents; there was no fair equality in revenue distribution among the respondents.

Keywords: Market structure, Gum Arabic, Market efficiency, North – eastern Nigeria.