Marketing of Melon and Price Analysis of Transaction Costs in Bida Local Government Area of Niger State, Nigeria

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ABSTRACT

This study assessed the transaction cost of Melon *'egusi'* in Bida Local Government Area (LGA) of Niger State, Nigeria. A Multistage Sampling Technique was used to draw up samples for the study in four (4) districts of the LGA. Data collected with the aid of questionnaire were analyzed using descriptive and inferential statistics, as well as Gross Margin analysis. The results on the socio-economic/demographic statistics revealed that majority of the sample marketers (57%) were males. Also, the results revealed that larger proportion of these actors were between the ages of 36 and 40 years with a mean age of 38 years. Majority (77%) of the marketers were married, with larger proportion (30.0%) having marketing experience of between 6 – 10years. The mean marketing experience was 13 years. Larger proportion (33.0%) of the respondents had between 6 – 10 persons as family size, with a mean household size of approximately 11 persons. Majority (81.0%) had one form of modern education stitches or the other. The effect of marketing cost on final price of melon in the study area showed an R^2 value of 0.685. However, the variables such as cost of loading, cost of offloading, distance from the farm to market, quantity of melon transported to the market and cost of transportation were positively related to the final price of marketing melon. Furthermore, the significant variables that influence the final price were; cost of loading, cost of off-loading, and distance from farm to the market. Cost of loading and distance to the market were significant at 1%. Also, the coefficient for cost of off-loading was significant at 10%. The generated revenue from the sales of melon was ₦35,093.33, whereas the total costs incurred from the melon marketing was ₦32,645.0, with a net income of ₦2,448.30. This identified constraints to melon marketing in the study area include; poor feeder road (68.3%), price instability (66.7%), and low demand/supply (31.7%). It is recommended that government and other stakeholders should help provide good marketing infrastructure for efficient marketing such as good feeder roads that link the rural areas to major cities/major consuming centres. It was also recommended that there should be regular capacity building to empower the marketers to acquire skills for effective negotiations so as to reduce transaction costs (loading, off-loading, security) and farm gate price will reduce the final price.

Keywords: Marketing, Price, Demand, Melon