

Full Length Research Paper

Assessment of structure and conduct of yam wholesale market in Efon Alaaye Local Government Area of Ekiti State, Nigeria

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This study assessed the structure and conduct of yam wholesale market in Efon Alaaye Local Government Area of Ekiti State of Nigeria. The primary data was collected with structured questionnaire and administered to yam wholesalers in the study area between 1995 and 2008. The study employed the use of descriptive statistics of frequency, and percentages. The study revealed that the capital required to enter the yam marketing industry in 2008 ranged between ₦25,000 and ₦100,000. There was no evidence of dominant firms, price collision or predatory pricing among the wholesalers and most traders sold their product according to the prevailing price in the market irrespective of the costs incurred. 100% each of the respondents expressed inadequate capital, high cost of labour, and high cost of transport while 85.7% expressed lack of storage facilities, and 71.1% competition from other firms as the problems encountered in the industry. Both formal and informal financial arrangement should be encouraged by the government and nongovernmental organization while the wholesalers too should endeavour to form themselves into cooperatives, they should reduce the quantity of yam kept in storage per unit of time, while research into techniques and economics of establishment and use of yam storage should be conducted. Government should improve rural road conditions all in an attempt to enhance marketing of yam and other agricultural products.

Key words: Wholesalers, market structure, conduct.

INTRODUCTION

Yam (*Dioscorea* species) is a premium crop in Nigeria food system and Nigeria is the world's largest producer with an aggregate annual output in excess of 50% of total world production of the 47.5 million tonnes of yam produced worldwide in 2000. Nigeria alone accounted for 26 million tonnes followed by Ghana and Coted'Ivoire with 3 million and 2.9 million tonnes respectively (IITA, 2006).

According to Net industries (2009), there are two centres of yam cultivation worldwide. The first is the high rainfall region of Western Africa from ivory Coast to Cameroon. The secondary areas of yam cultivation are West Indies Pacific Island and South Western United States. As reported by IITA (2007), yams are produced on 5 million hectares in tropical and subtropical regions of the world.

This study was embarked upon for the purpose of assessing the structure and conduct of yam wholesale market in Efon-Alaaye Local Government Area of Ekiti State with a view to have in depth knowledge of elements of market structure and conduct as it affect the market of study. The outcome of the study will go a long way to assist in providing recommendations that would improve marketing of yam wholesale in Efon Local Government in particular and serve as a benchmark for further research into yam marketing in general.

More and Walsh (1966) made efforts to formulate elicited criteria of adequacy or optimality of markets. They viewed a market as being adequate if its actual performance is not extremely detrimental with respect to several firm. A market is considered adequate if its market structure conducts and performance are as favorable in all respect

Table 1. The elements of structure and conducts.

S/N	Structure	Conduct
1	A brief history of the industry interest,	Non unfair, exclusionary, predatory or coercive tactics
2	Barrier to entry,	Non misleading sales promotion,
3	Product differentiation	Non tacit or exposed price collusion
4	The industry's growth rate of demand,	Non shielding of inefficient firms
5	Size and number of buyers and sellers,	Non pricing practices which discourage uniform high quality and uniform seasoned output
6	Elasticity of demand	
7	Ratio of fixed costs to variable costs in the short run.	

Source: Olufokunbi (1984).

as unavoidable circumstances permits. They recommended criteria of adequacy of structure conduct and performance of the market.

Structure has been defined as the significant economic variables that characterize an organization while conduct can be defined as the behavior of the industry of interest with reference to its activities (Olufokunbi, 1984). The elements of structure include those shown in Table 1.

The elements of structure and conduct (Table 1) of yam wholesale market have been used by Akinboro (1981) to evaluate the wholesale marketing of tomato in Ibadan, by Folayan (1987) to analyse marketing of yam in Itawure, Ekiti West Local Government Area of Ondo State, by Akinola (2003) to appraise gender factor in the marketing of Cocoa in Ondo State and by Folayan (2005) to analyse the economics, of Cocoa marketing in Ondo State and Ekiti States of Nigeria.

A wholesaler is defined as one who sells not less than 50% of his/her yam to yam retailers. A retailer on the other hand was classified as one who sold not less than 50% of his/her total yam to those he/she strongly believes will not re-sell the commodity in the form it was purchased even if some reselling will eventually take place.

The focus of the detail and rigorous analysis was at the wholesaling stage, as this stage serves as the focal point for supply and demand. Major sources of information for marketing decision have been know to spring from this level (Shepherd et al., 1976) and prices serving as guidelines for yam marketing appear to be generated from this level.

MATERIALS AND METHODS

The study was carried out in Efon-Alaaye Local Government Area of Ekiti State, Nigeria. The Local Government was bounded in the South and East by Oriade Local Government of Osun State and in the North and West by Ekiti West Local Government of Ekiti State. It is a major distribution center for Agricultural products, in general and yam in particular.

Sampling size, technique and data

Primary data were collected with structured questionnaire while secondary data was collected from published and unpublished materials. The questionnaires of 35 of these wholesalers were processed for adequate information. The 35 cases would satisfy the assumption of central limit theorem for hypothesis testing should the need arises. Also, wholesalers so interviewed have consistently been marketing significant quantity of yam for over 10 years. Data collected on market structure included age in business, capital requirement, sources of capital, ownership structure, volume of operation and barrier to entry while that of conduct included information on opening duration, functional acts employment, buying practices, discount, pricing, mark-up, marketing outlets, selling practices, credit, advertising, spoilage, other issues and problems encountered in the industry.

Weight determination of yams handled per annum

The total weight of yam tubers handled in the market per annum was estimated by use of the formular expressed in Equation 1:

$$2.27NRnXY \quad 1$$

Where, 2.27 kg = Average weight of tuber; N = number of weeks of operation by yam marketers, Rn = 35 = number of marketers/respondents, X = Number of yam tubers marketed per week and Y= number of days of operation by yam marketers.

RESULTS AND DISCUSSION

The findings on market structure and conduct of firm in Efon-Alaaye Local Government based yam wholesale industry are discussed as follows.

Age in business

As contained in Table 2, the oldest industry reported that she has been in business for 51-60 years. The mode of age of firms in the industry was 31-40 years while the median was 21-30 years and the arithmetic mean of age

Table 2. Age in Business Efon Alaaye Local Government based on yam wholesale industry 2008.

Years	Frequency	Percentage
1-10	10	28.6
11-20	6	17.1
21-30	5	14.3
31-40	11	31.4
41-50	2	5.7
51-60	1	2.9

Table 3. Capital required to enter the yam wholesaling industry in, Efon Alaaye Local Government Area, 2008.

Capital required (₦)	Number of firms	% of firm
25,000	7	20.0
30,000	4	11.4
40,000	2	5.7
50,000	9	25.7
60,000	6	17.1
80,000	4	11.4
100,000	3	8.6

Mode = ₦50,000; Median = ₦50,000; Mean = ₦515,70; Minimum = ₦100,000.

Table 4. Barriers to entry for Efon Local Government wholesale yam industry, 2008.

Factor	Number of firms that indicated the factors	%
Control over suppliers	0	0
Profit potential	20	57
Capital required	35	100

in business was 21-30 years. The number indicated that the business had been on the increase over the years. Although data on the actual firm that exited from the industry over the years were not available.

Ownership structure

All the 35 firms surveyed consisted of sole proprietorships. All the firms were separate business units and there was no evidence of organizational combination. The owners of the yam wholesaling firms assumed the responsibility of management. They did not hire individuals as managers of the firms.

Capital required to enter the industry

The detail of the capital required to enter the industry is

summarized in Table 3. The mode of the capital required was fifty thousand naira (₦50,000), the mean was about five thousand one hundred and sixty Naira only (₦5,160) and the median was fifty thousand Naira only (₦50,000). The above capital amounts required to enter the business are small relative to capital requirement on marketing of some other agricultural products.

Barrier to entry

Table 4 revealed that 100% of the respondents indicated that capital required to enter the industry could discourage a potential entrant. However, the fact that the numbers of firms that enter the market over the year's increases suggest that this requirement had not exerted too much barriers to entry.

About 57% respondent reported that potential entrant into the yam wholesale business could be scared away

Table 5. Distribution of firms by Opening Duration per day: Efon Local Government Area based yam wholesale Industry, 2008.

Opening hours per day (h)	Number of firms	% of firms
9	2	5.71
10	9	25.71
11	8	22.86
12	7	20.00
13	9	25.71

Mode = 10 and 13 h; median = 11 h; mean = 11.34 h; minimum = 9 h; maximum = 13 h.

due to profit potential which they described as very low. None of the respondents indicated control over suppliers and sales as a barrier to entry.

Sources of capital

All the wholesalers reported that they did not have financial assistance whatsoever; this they alleged limited the size of their marketing activities and volume of trade.

Opening duration

The minimum opening duration per day for all the firms was 9 h while the maximum opening duration was 13 h per day. The modes were 10 and 13 h per day, the median was 11 h and the mean was 11.34 h per day (Table 5).

Opening days per week

The arithmetic mean of the opening days per week for the industry was six, while the mode was six days and the median six days. The maximum was seven days while the minimum was five days.

Week on vacation

The minimum number of week on vacation per year was two weeks, while the maximum was 7 weeks. The mean number of weeks on vacation was 3.57 weeks while the median was 3 weeks per year and the mode number of weeks on vacation per year was 2 weeks.

All the wholesalers stated that they go on special vacation each year. It was found from this study that the reasons given for being absent from the market are often identical. Such reasons are itemized as: (a) bereavement or death of a family member or of a friend; (b) marriage of a son or daughter; (c) religious and other ceremonial

festivals such as Egungun and Ogun festivals; (d) naming and house warming ceremonies; (e) ill-health; (f) attending a family meeting, visiting friends and relatives.

Function acts

The principal functions performed by the yam wholesalers were:

Buying

- (a) Wholesalers bought yam from local grower in and around Efon Alaaye Local Government Area.
- (b) They purchased yams from other wholesalers within the market.

Selling

The wholesalers of yam sold through many outlets such as:

- (a) Other wholesalers in Efon Alaaye Local Government Area
- (b) Retailers from Aramoko, Erio, Ikoro, Igede, Ijero, Ilesa, Ijebu-Ijesa, Efon-Alaaye, Ido-Ajinare, Imesi and Ado-Ekiti.
- (c) Direct consumers and other users of yams

Physical function

The wholesalers performed the following physical functions;

- (a) Handled yams
- (b) Transported yam to the market
- (c) Sort out yams of different sizes
- (d) Assembled the yam purchased from different sources.
- (e) Stored unsold yams before sale.

Table 6. Duration of storage of yam in Efon Local Government yam wholesale market, 2008.

Number of days	Number of respondent firms	% of respondent firms
1-7	14	40
1-15	11	31.43
1-21	10	28.57

Table 7. Tasks performed by the Efon Local Government based yam wholesalers, 2008.

Tasks performed	Number of firm	% of firms
Grading	0	0
Pricing	35	100
Wholesale buying from middlemen	15	42.9
Wholesale buying from producers	35	100
Sorting	35	100

Storage

The yam wholesalers had no special storage facilities and so were not able to keep their yams for too long a time. The storage period as contained in Table 6 ranged between 1 and 21 days.

Risk bearing

The wholesalers bore the changes in yam prices, both in transit and market.

Merchandising

This entailed haggling with potential buyers. No particular attempt is made to promote sale or advertise. The attention of purchases is caught by calling the potential customers, saying "customer, come and buy yam of good quality". In some cases, it is just the exposure of the displayed yam that draws the attention of the potential customers.

Task performed

The distribution of wholesalers by tasks performed are summarized in Table 7.

Employment

About 11.4% (4 firms) of the firms employed hired full-time labour and each worker was paid ₦4, 500 per month. 18 firms that is 51% of the wholesalers employed full-time family labour; the remaining 37.2% employed no

labour. There were no special fringe benefits given to labour.

Buying practices

The wholesalers in this market purchased their yam from farmers, and other wholesalers within the market. Table 8 shows the summary of the institutions from which the wholesalers obtained their supply and the proportion of the wholesalers that got supply from specified institutions.

Almost all the wholesalers bought their yam from the farmers while none of them bought from cooperative societies. The preference for yam obtained directly from farmers was claimed to be due to the fact that it enable the wholesalers to make cheaper and bulkier purchases. The wholesalers did not have problems in getting good quality product from the local growers and other wholesalers. Purchases by contract were not common among the wholesalers.

Discount obtained

The wholesalers in Efon-Alaaye Local Government yam wholesale market did obtain discounts for immediate cash purchase, bulk buying and pre- payment. The wholesalers however reported that cases of pre-payment are uncommon. Table 9 summaries the detail while Table 10 shows the distribution and the statistics of the amount of the discount in naira granted per 100 tubers of yam by the producers to the wholesalers.

Price quoting conduct and outcome of pricing

Findings obtained from wholesaler concerning price

Table 8. Institution from which wholesalers obtain their supply and the proportion of wholesalers that mentioned the institution: Efon Alaaye Local Government based yam wholesale industry in 2008.

% Of yam purchased from	Number of firm	% of firm
Farmers		
50 – 100	33	94.3
30 – 49	2	5.7
Other wholesales		
1 – 20	13	37.1
21 – 40	1	2.9
Cooperatives		

Table 9. Obtaining discounts on immediate cash purchases, bulk purchase and prepayment: Efon local government yam wholesale industry in 2008.

Condition for which discount is obtained	Yes	%	No	%
Immediate Cash purchases	30	85.7	5	14.3
Bulk purchases	27	77.1	8	22.9
Prepayment	15	42.9	20	57.1

Table 10. Discount in naira per 100 tubers of yam granted by yam producers to the wholesalers: Efon Local Government based yam wholesale industry in 2008.

Discount (₦) granted per 100 tubers (227 kg) of yam	Discount as % of purchase price	Number of firms that granted the discount	% Of firms that granted the discount
159	1.79	7	20
298	2.98	10	28.6
300	3.57	5	14.3
350	4.17	5	14.3
400	4.76	3	8.6
500	5.95	5	14.3

Mean = ₦300 (3.57%); Median = ₦300 (3.57%); Mode = ₦250 (2.98%); Minimum = ₦150 (1.79%); Maximum = ₦500(5.95%).

Table 11. Different means of price quoting and factors that determined quoted and final prices of yam of Efon Local government based yam wholesale in 2008.

Means of quoting prices	Number of firms	% Of firms
Follow the lead of dominant seller	0	0
Attempt to meet competitors price	35	100
Place mark-up on cost	35	100
Emergency demand for yam	31	88.6
Usual large deliveries or failure	31	88.6

quoting conduct and outcome of pricing are summarized in Table 11.

In quoting prices for their products, the wholesalers

used a variety of ways. After quoting a price for the customers, the final price, which the customer pays, was often determined through haggling. Here, the seller starts

Table 12. Reported mark-up charged on purchase price of 100 tubers (227kg) of yam by Efon local Government yam wholesale industry in 2008.

1 Markup on sale (%)	2 mid point	3 Number of firms	4 % Of Respondent firms	5 Col.2xCol.4	6 Expected value of mark-up
10.01-12	11.01	1	2.89	0.318	
12.01-14	13.01	1	2.89	0.376	
14.01-16	15.01	2	5.71	0.857	
16.01-18	17.01	2	5.71	0.971	
18.01-20	19.01	5	14.29	2.716	
20.01-22	21.01	5	14.29	3.002	
22.01-24	23.01	5	14.29	3.288	
24.01-26	25.01	6	17.14	4.287	
26.01-28	27.01	6	17.14	4.623	
28.01-30	29.01	2	5.71	1.656	
					22.094

Mean mark-up = 22.094; Mode mark-up = 18.21%; Median mark-up = 22.81% Minimum mark-up = 10.50%; Maximum mark-up = 30%.

Table 13. Yam Marketing Outlets: Efon Alaaye Local Government Based Yam Wholesale Industry in 2008.

% Sold to different outlet	Number of firm	% of firm
% sold to Retailers		
60 – 100	28	80.0
35 – 59	7	20.0
% Sold to other wholesalers		
20 – 40	10	28.6
5 – 25	8	22.9
% sold to the direct consumers		
5-15	16	45.7

with a price which she knows is excessively high, but which he knows may produce some sales. The sellers might subjectively evaluate the customers before quoting a price on a given quantity and quality of yam. An experienced buyer however knows that this is merely an offering price. He therefore begins to lower it in gradual steps noting on each occasion the reaction of the seller as he reduces the price. This continues until a price is reached which is acceptable to both.

It was observed that the final price the buyer pays is always influenced by some non-price factors as whether the customer is a male or female, how well dressed he or she is, whether he or she has a car, his or her skill at bargaining, and his or her familiarity with the market. Thus, the yam wholesaling industry was found to be imperfectly competitive in conduct.

In the industry, there was no evidence of price collusion or predatory pricing among the wholesalers. The forces of supply and demand also affected how the wholesalers quoted prices for their product.

All the wholesalers also indicated that meeting competitor's prices, placing of mark-up on cost of product and consideration for the need for profit were some of the

factors that determined the final prices for their product. Table 12 summarizes the percentage mark-up placed on the cost of yam by the wholesalers.

Marketing outlets

The marketing outlets for the product of the wholesalers were retailers, other wholesalers and direct consumers. Tables 13 and 14 summarize the marketing outlets for the wholesalers in order of priority respectively.

Almost all the wholesalers chose retailers as the most preferred outlet. The choice of the retailers as the most preferred outlet may be due to the fact that while it enabled them (wholesalers) quicker and bulkier sales than when the sale is made through the direct consumers, it may also afford them (wholesalers) higher level of profit margin than when sale is made through other wholesalers.

Selling practices

As shown in Table 15, majority of the wholesalers granted discount privileges to buyers for immediate cash

Table 14. Outlets preferred by wholesalers in order of priority.

Outlet	1		2		3		4	
	Number	%	Number	%	Number	%	Number	%
Retailers	33	94	2	5.7	-	-	-	-
Other wholesalers	2	5.7	18	51.4	5	14.3	-	-
Direct consumers	-	-	15	42.9	13	37.1	-	-

Table 15. Purchase - Payment strategies by yam wholesale industries, Efon Local Government.

Condition	Number of firm	% of firm
Immediate cash purchases	35	100
Bulk buying	35	100
Advance payment	25	71.4

Table 16. Discount in Naira per 100 tubers (227 kg) of yam granted by wholesalers to buyers: Efon Alaaye Local Government based wholesale industry in 2008.

Discount in N/100 tubers (227 kg)	Discount as of selling price (N)	% of firms that granted the discount	% of firm
00	0.64	4	11.43
150	0.96	4	11.43
200	1.28	10	28.57
250	1.60	5	14.28
300	1.92	5	14.28
350	1.23	3	11.43
400	2.55	4	11.43

Mean = ₦240 (1.53%); Median = ₦200 (1.28%); Mode = ₦200 (1.28%); Minimum = ₦100 (0.64%); Maximum = ₦400 (2.55%).

Table 17. Granting of credit to customers: Efon Local Government yam wholesale industry in 2008.

Credit repayment duration	Number of firm	% of firm
Below 7 days	15	46.7
8 – 15 days	11	34.4
16 – 30 days	6	18.7

purchase, bulk purchase and advance payment. Most of them however reported that the issue of advance payment by the customers was uncommon. Table 16 shows the distribution and statistics of the discount amount in Naira granted to the customers for purchase of 100 tubers of yam (227 kg).

Extension of credit to customers

Credit extension to the customers, especially during the

glut period was a common practice among the wholesalers of yam in Efon Alaaye Local Government Area.

About 91% of the wholesalers sold on credit to customers, while the remaining 9% do not sell on credit. Table 17 summarizes the duration of the credit sales in the Efon Alaaye Local Government Area in 2008.

There were no formal procedures that are usually followed in granting credit. Credit extension depends on wholesalers personal judgment which ranges from degree of relationship with the potential debtor,

Table 18. Distribution of credit extension in Efon Local Government based yam wholesale firms in 2008.

Distribution	% Of sales on credit	Amount sold on credit at a time (₦)	Bad debt (₦)	% Of credit on bad debt
Mean	5.6	24,550	3,800	15.9
Mode	4	20,000	3,000, 4,000	20
Median	5	20,000	3,500	16.4
Minimum	2	12,000	2,000	4
Maximum	12	50,000	7,000	24

Table 19. Wholesalers' anticipation over credit sales: Efon Local Government Area based yam wholesale industry in 2008.

Reaction	Number of firm	% Of firm
Quilting Credit Extension	3	9.4
Reducing credit extension	4	12.5
Increasing credit extension	0	0
No change in the present policy	25	78.1

recommendation by a third party that is well known to the wholesaler: to a good credit record by the customers.

About 97% of the firms that extend credit had between 2 to 10% of their sales on credit (see detail distribution of percentage sales on credit and amount of credit granted per time in Table 18)

The above distribution of bad debt loss is small relative to bad loss incurred in some other agricultural products. For example, Utomakili (1981) reported mean percentage of bad debt of 32% on rice wholesaling in Bendel state in 1981.

Because of the minimal effect of bad debt losses on the wholesalers of yam in Efon Alaaye Local Government based yam wholesale industry in 2008, about 78.1% of them anticipated no change in the present credit extension policy. None of the wholesalers however planned to increase credit extension; about 12.5 and 9.4% to reduce credit extension and quit credit extension respectively (Table 19).

Advertising practices

There are some forms of advertising and sales promotion of which none of the wholesale expended part of their capital in Efon Local Government Area yam wholesale industry in 2008. It takes the form of the wholesalers calling the attention of the potential customers to the product. It also takes the form of displaying the product in a way that the potential customers can easily see it.

Trade association

The name of the trade association in Efon Local

Government Area is "Egbe Onisu Efon" that is Efon yam sellers association. The membership of this trade association was not compulsory. About 66% of the wholesalers were members of the association. The association had no impact on market structure, and conduct.

Visiting and donating on naming and house warming ceremonies, marriages and funerals are some of the social functions of the association. The influence of the trade association may have been conditioned by the awareness and aspiration of the members, their customs and tradition, education and enlightenment, and financial constraint. The extent to which these factors actually influence the roles of trade associations in primary trade in Nigeria could be suggested for future research.

Issues on which the wholesalers expressed thoughts

The issues on which the wholesalers expressed thought include the exit and entry of firms. Table 20 shows the summary. The general prospects seem to be that of the entering of new firms and expansion of supply quantity of yam in the market. The wholesalers also reported that they did not foresee any merging or vertical integration in the industry.

Problems encountered in the industry

The problems encountered in the industry as reported by the wholesalers were high cost of transport, lack of storage facilities, inadequate capital, high cost of labour and competition from other firms. None of them indicated insufficient demand for product as one of the problems

Table 20. Industrial prospects of yam marketing: Efon Alaaye Local Government based wholesaling industry in 2008.

Prospect	Number of firms with view	% of firm
New firms entering	24	68.6
Existing firms folding up	3	8.6
Existing firms expanding	17	48.6
Existing firms merging	0	0
No foreseeable changes	5	14.3

Table 21. Problems faced by yam wholesaling firms in Efon Local Government 2008.

Problems encountered	Number of firm	% of firm
Inadequate capital	35	100
Competition from other firms	25	71.1
High cost of labour	35	100
Lack of special storage facilities	30	85.7
Insufficient demand for the product	0	0
High cost of transport	35	100

encountered in the industry. Table 21 shows the summary of the views of the wholesalers on the problems encountered in the industry.

They indicated that the most serious problem that limits volume of operations and therefore income is lack of capital, insufficient credit for establishment, keeping the concern going and expansion.

High transportation cost is another crucial factor that limits marketing volume. These costs are probably related to the type of roads over which yams are transported given other conditions. High labor cost was also mentioned as a limiting factor to the quantity of yam marketed; lack of special storage facilities and high spoilage rates were also mentioned as limiting factors.

All the wholesalers indicated that insufficient demand for their produce was not a problem at all. In fact, they felt that they were able to provide between 50 and 60% of the quantity demanded of their produce. All the wholesalers could not identify which of these problems they themselves could solve. They however pointed out that the government could come to their aid in extending credit facilities.

The operationalisation of this recommendation will be militated against by the fact that none of the wholesalers indicated that she is keeping a bank account and no bank manager would grant any loan to somebody unless the character and credit worthiness of the borrower and the probability of the applicant's business being successful are known. Because many food traders do not use banks' facilities, it is difficult for banks to assess their credit worthiness. In addition to this, most food sellers are small-scale middlemen who are often unable to offer any security or collateral acceptable to the bank. Also, banks

loath to extend loans to food traders because of the perishable nature of food products, the tendency towards frequent fluctuation of food prices, and the cost of collecting small loans from a large member of middlemen.

Conclusion

This study contemplated at assessing the structure and conduct of yam wholesale market in Efon Local Government Area of Ekiti State, Nigeria. The market site was chosen on the basis of its being a major center for distributing foodstuffs particularly in Ekiti State of Nigeria. The research focused mainly on the wholesalers of yam because of the important roles that have been identified by previous studies as played by this institution in the distribution of food crops from the producer to the consumers. During the study, 35 industries (about 83% of the whole) were interviewed in the market site.

The capital that is required to enter the yam marketing industry in Efon Alaaye Local Government of Ekiti State in 2008 cannot be said to be too high. The amount ranged between ₦25,000 and ₦100,000. There also was no indication of any restriction to entering the industry. There was no evidence of dominant firms, price conclusion or predatory pricing among the wholesalers. Most traders sell their product according to the routing price in the market irrespective of the costs incurred.

The functional acts of the yam wholesalers included buying, selling, storing, risk bearing and merchandising. Also, they obtained discount, quoted prices, put mark up charges on purchase price, granted discount to buyers;

extended credit to customers. They expressed their views on issues bothering on their trade and problems encountered in the industry.

RECOMMENDATIONS

In order to solve the problem of financial inadequacy facing the wholesalers, both formal and informal financial institutions should be encouraged by the Government to provide financial assistance to them so that they can expand and improve their existing business volume. This can be operationalised and facilitated if they form cooperative organizations so that the pecuniary and non pecuniary cost of borrowing per wholesaler will all be reduced and in order to alleviate the problem of high transport costs reputed as limiting the size of operations of wholesale firms, the government should make conscious efforts to organize yam wholesaling cooperatives. These cooperatives can buy in bulk from the sources of supply and can even buy their vehicles, which they can use and maintain in transporting purchased yam; an arrangement that can considerably reduce transport cost and therefore marketing costs.

The government and nongovernmental organization should make efforts towards improving rural road conditions in Nigeria, and also construct rural feeder roads that will go a long way at reducing marketing costs, and therefore at enhancement the marketing of not only yams, but also many agricultural products.

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