

THE ROLE OF MIDDLEMEN IN THE MARKETING OF SMOKED FISH IN DORON BAGA FISH MARKET, BORNO STATE

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ABSTRACT

This paper examines the role of middlemen in the marketing of smoked fish in Doron Baga fish market of Kukawa Local Government Area of Borno State. Data were obtained from 200 respondents using stratified random sampling technique, with the aid of structured questionnaire. Data were analyzed using descriptive statistical tools. Secondary sources of information were also gathered from research papers, reports and journals. The study revealed that, there are two types of middlemen in the Doron Baga fish market: selling brokers (Dillali) accounting for 75% and buying brokers (Yan acha) 25%. The role played by the selling brokers includes selling for the fishermen with commission, lending money to fishermen and providing security for the unsold fish. Buying brokers assist those that want to buy fish while the buyer gives them little amount of money as commission. Brokers get more clients when the fish during periods of maximum catch. The problems the middlemen face are failure of the fishermen to pay back the money borrowed from the selling brokers while buyers hardly trust the buying brokers.

INTRODUCTION

Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with orders Kottler (2002). Middlemen are marketing intermediary that do not have title to the products, but receive a fee for expediting the exchange. Middlemen have various functions in the marketing of product, produce or services, these include: maintain contact with buyers, negotiate price, delivery, transfer of title, providing credit/collections, servicing of products and other services, provide inventory/storage and arrange transportation. Different scholars have classified middlemen differently. Here, they are classified into buying brokers, selling brokers and merchandising brokers.

Thomas (1908) reported historical evidence of brokers throughout the North – East and to a lesser extent in Central and Western Africa. Historically, brokers (middlemen) appear to have played a major role in the food trade of western Sudan, this is linked to the present day Hausa traders. Cohen (1969) and Gilbert (1969) find evidence of brokers in nearly all studied food market in Northern Nigeria, where brokers, known as “Dillali” are generally the dominant ethnic group. This same word, derived from Arabic language, is used to describe brokers in Ethiopia (Delala) and India (Dalal), possibly revealing that the practice of brokerage might have originated in commercial Muslim’s practice (Eleni, 1999).

The Nigerian middlemen carry different names: Yan Kamashio are used for buyers and Dillali for sellers. In many markets across Nigeria, farmers are not allowed to sell their produce directly to consumers but must deliver the produce to Dillali who is mandated to sell the produce to traders and consumers. New producers or suppliers to the market who don’t have a Dillali are quickly identified and attached to Dillali by the chairman of the Dillalis. This relationship continues as long as the producer brings produce to the market. A producer can choose to change the Dillali through the chairman of the association if he encounters problems. Middlemen in the market not only help in the sale of the produce for their clients but also help in assisting farmers through financial assistance. Benjamin and Laraba (2005) in their reports stated that “credit arrangement permeate the maize chain. Many small farmers depend on financial assistance or assistance in kind based on their personal relationship with the Dillali, for example, the Dillali organize and collect fertilizer for them and they pay with their produce after harvest. Retailers also depend on Dillali for credit assistance, in this case the Dillali for example, give 1-2 bags of maize to sell and pay directly after sales with interest of N50/bag, per day”. This paper examined the role played by these brokers, in the marketing of smoked fish in Doron Baga Fish Market.

METHODOLOGY

The middlemen of Doron Baga fish market were divided into buying brokers and selling brokers. Stratified random sampling technique was used in selecting sample in the market. A total number of 200 respondents were interviewed using structured questionnaire, 50 from buying brokers and 150 from selling brokers. Descriptive statistics was used in analyzing the data. However secondary sources of background information were also gathered from research papers, reports and journals.

RESULT AND DISCUSSION

Types of middlemen and gender limitations

There are two types of middlemen in the Doron baga fish market. They include: selling brokers (Dillali) and buying brokers (Yan acha). Hausa and kanuri are the dominant middlemen in the Market, women don't participate as brokers but they are clients to both the brokers (buying and selling brokers).

Roles of selling brokers (Dillali)

The selling brokers (Dillali) who form the majorities in the market play various roles: standing in for people that come to sell their fish (clients). The owners (clients) don't participate in the bargaining but sit under the shade where brokers report to them on the transaction. When they satisfied with the prices they give the broker go ahead to sell the fish. The brokers stand in as witnesses in case of any eventualities. Selling brokers lend money to fishermen who have financial difficulties in buying fishing gear, with the agreement that after the catch, the fisherman would bring the fish to the lender to sell and deduct his money from the sales. Brokers not only lend cash but also assist the fishermen with foodstuff and cooking utensils, they also provide accommodation to the fishermen when they are back from the landing sites. Selling brokers also take care of the unsold fish.

Role of buying brokers

The buying brokers (Yanacha) assist people that want to buy fish especially those coming from the southern part of the country and those that are new in the business. They stand in on behalf of the buyers though the buyers will also be around (unlike the selling brokers where the clients would be sitting under the shade). At the end of negotiations buying broker would be able to convince the buyer on whether to buy or not.

Commission of the broker

All the services are rendered by the brokers to get certain percentage as commission either during buying or selling. The buying brokers don't have a specific amount that a buyer must give after the transaction. The buyer gives commission on how he/she feels on the bargaining. On the other hand the selling brokers have a specific amount as commission as shown in Table 1. In a transaction of N1000, N100 is given as commission, while transaction of N2000-3000, attracts N200 as commission, in a transaction of N9000 and above, 10% is collected as commission.

Table 1: Commission of the Selling Brokers

Worth of fish in Naira	Commission in Naira	%
1000	100	10
2000	200	10
3000	200	
6.67		
4000	400	
10		
5000		400
8		
6000	400	
6.67		
7000		400
5.71		
8000		400
5		
9000 and above		-

Sources: Field survey 2009

Brokers sales during peak and scarce periods

As shown in Table 2, during peak periods of availability of fish 31.33% of the selling brokers sell 61 and above cartons of fish, while 26.67% sell 31-40 cartons and 8% sell 1-10 cartons per week. This shows that the brokers are engaged during peak period in the fish market. But during scarcity, 46.67% of the brokers sell 1-10 cartons while 37.33% sell 11-20 cartons, 6% sell 21-30 cartons, 4% sell 31-40 cartons, 4.6% sell 41-50 cartons and only 1.33% sell 61 and above cartons of fish. This shows that during the scarcity of fish some of this brokers end up not selling a carton per week.

Table 2: Brokers sales per week during peak period

Sales in cartons	Frequency	%
1-10	12	8
11-20	8	5.33
21-30	12	8
31-40	40	26.67
41-50	31	20.67
61 and above	47	31.33
Total	150	100

Sources: Field survey 2009

Brokers buying during peak and scarce periods

As shown in Table 3 the buying brokers buy on behalf of fish buyers during peak period of fish, 68% buy 1-10 cartons, 24% buy 20-30 cartons, 6% buy 21-30 cartons and 2% buy 31-40 cartons of fish per week. This study shows that, it is not every buyer that comes to the market who has a buying broker to bargain on his/her behalf. There are buyers that are used to the market and know how to bargain. While during scarce period 84% buy 1-10 cartons for buyers, 14% buy 11-20 cartons and 2% buy 21-30 cartons of fish. These shows that the buying brokers have fewer customers during scarce period.

The problems middlemen face with their clients. The major problems the selling brokers are facing are failure of the fishermen to pay back the money borrowed. According to the selling brokers, the fishermen will change their middlemen when they come to sell their fish or send their friends to come to the market with the fish. This usually discourages the middlemen in lending money to fishermen. The buying brokers face lack of trust on the side of the buyers, the buyers think that they are cheating them. It takes a long time before trust is established.

Table 3: Brokers buying during peak period

Buying in cartons	Frequency	%
1-10	34	68
11-20	12	24
21-30	3	6
31-40	1	2
41 and above	-	-
Total	50	100

Sources: Field survey 2009

CONCLUSION AND RECOMMENDATIONS

It was noted that Doron Baga fish market is made up of two types of marketing middlemen: selling brokers and buying brokers. The selling brokers not only assist in selling with commission but lend money and also take charge of the unsold fish, while the buying brokers are given the amount he/she buyers wish to part with. Middlemanship has become part and parcel of marketing in the Doron Baga

fish market. The relationship between fishermen, middlemen and customers can only be improved when: The fishermen keep to their promise to pay back the money borrowed from the middlemen. Customers put their trust in the buying brokers, so that they can be able to bargain for them whole heartedly.

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