



ESSENTIALS OF
AGRICULTURAL
MARKETING
AND TRADE
IN NIGERIA

O. A. Adegbuyi & G. O. Odularu

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First Edition , 2013

ISBN: 978 - 978 - 51953 - 1 - 6

Published by:

Pumark Nigeria Limited

[Educational Publishers]

173 Ipaja Road,

Iyana-Orile Bus-Stop, Agege,

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Preface

This book is an attempt to provide students of Marketing and the Social Sciences in general with an accessible introductory text on the basic concepts and issues in Marketing and Economics in relation to a major segment of the Nigerian economy –the agricultural sector. It aims to make the student have a firm grasp of the economic and marketing forces influencing the decisions of producers and consumers of food and fiber products.

The book is divided into 17 Chapters and 7 parts. Each part contains a number of closely related topics and concise enough to retain the student's attention. It starts with the nature and scope of marketing in general and agricultural marketing cum agricultural trade in particular. Part II provides a background to the book. It introduces the students to the Nigerian agricultural sector and the various agricultural trade policy reforms in the country. While Part III explains the microeconomic concerns in a market economy, Part IV discusses the assessment of business behaviour by looking at how agricultural business performance is analysed and the various issues involved in marketing costs and margins.

Part V addresses the role of institutions in the agribusiness industry. It outlines the general nature of cooperative societies and government involvement in farm economic issues, consumer, resources, and international trade issues. Part VI focuses on selected macroeconomics topics such as the role of money and banking in the agribusiness. Furthermore, it discusses the importance of monetary policy to the performance of the economy and fiscal policy. It also establishes the relationship between events in the general

economy and their impacts on agriculture and other sectors of the Nigerian food and fiber industry.

Part VII explores issues in agricultural trade and economic growth. It focuses on international agricultural trade issues such as the rationale for placing barriers on free trade, and the formation of preferential trading arrangements and their potential impact.

A special feature of this book is that each chapter starts with study objectives and the key terms used in it summarised in the glossary. The chapters also include a number of exercises that the students can use to test their understanding of key issues covered in them. This is intended to provide easy reference for the student and assist in retaining what has been learnt in each chapter. There is also a list of references for further readings.

In all, the text is written in such a way as to provide a thorough understanding of the principles of agricultural marketing and trade and to build a solid foundation for coping with advanced courses in marketing, trade and economics.

O.A. ADEGBUYI & G. O. ODULARU
February, 2013

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PART I

**INTRODUCTION TO MARKETING AND
AGRICULTURAL SYSTEM**

CHAPTER ONE

The Marketing Concept and Marketing System

Learning Objectives

After studying this chapter, students should be able to explain:

1. Introduction and Definitions of Marketing
2. Interdisciplinary Nature of Marketing
3. Importance of Marketing

1.1 Introduction And Definitions Of Marketing

Marketing is a way or philosophy of life, an academic discipline, and an organisational function. As a way of life, Marketing is as old as man in the society. But as a full-fledged academic discipline and major function of organisations, it is of recent antecedence when compared with the other members of the ubiquitous managerial sciences – Accounting, Finance, Administration, Insurance and Banking, among others.

Marketing is universal. Its principles, concepts and techniques are applicable everywhere and in all organizations. It is also dynamic. As a philosophy, Marketing is ever-growing and is being continuously refined in order to meet the satisfactory needs of Man who is dynamic.

The situations described above have engendered several definitions of Marketing given by various scholars at different periods in time. A few of these definitions need to be