RESEARCH ARTICLE

Evaluation of the Marketing Channels in Tea Production in Taraba State, Nigeria

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Abstract

The study examined the marketing channels for fresh tea leaves in Taraba State, Nigeria. About 228 farmers were randomly selected from the study area. Primary data were collected from the sampled respondents with the use of structured questionnaires. The data collected were analyzed using descriptive Statistics and Budgetary Analysis. The results from the analysis showed that the farmers are in their middle age with a mean age 42 ± 12 years. The majority of tea farmers in Taraba state are small-scale farmers, as 97% have ≤5 ha. Eight out of ten farmers in the state earn less than 15,000 naira monthly. The mean monthly income of tea farmers in the state was N8349.9 ± 13487. The monthly income from tea production is meager and may not be enough to take care of farmers and their families. Three dominant channels (local market, Tea Company and small-scale processors) exist for sales of fresh tea leaves in Taraba. The majority (43.4%) of farmers patronized Tea Companies, while farmers 39.5% sold to small-scale processors. The majority (69.7%) of farmers are aware of wider markets, but a large number (65.8%) were unable to have access to selling in these markets.

Keywords: Channels, Marketing, Production, Taraba, Tea.

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Introduction

Tea, known scientifically as Camellia Sinensis (L.) Kuntze is an evergreen shrub that can be pruned to encourage the growth of young shoots. This method is used to maintain a steady supply of pluckable tea leaves, which are then processed to create tea beverages. Tea is highly popular and widely consumed across various religions and cultures, making it the most affordable beverage globally (Ipinmoroti *et al.,* 2018; Sowunmi *et al*., 2009). As a result, it holds a significant position in the world beverage market. The introduction of tea to Africa dates back to 1903, when Indian tea seeds were planted on a two-acre farm in Kenya. Later on, other African countries, including Malawi, Tanzania, Zimbabwe, South Africa, and Nigeria, also adopted tea cultivation. Nigeria's tea journey began in 1952 when it was introduced by De Bouley from West Cameroon (Oluyole *et al*., 2022; Adedeji, 2006; Kaasboll-Smith, 1965). By 1971, tea had become a crucial agricultural crop in Nigeria, and systematic research on its production started in 1982, led by the Cocoa Research Institute of Nigeria. Commercial tea production commenced in 1982 on the Mambilla Plateau in Taraba State (Oluyole*et al*. 2022; Chen *et al*. 2012; Ipinmoroti *et al*., 2002). The Nigerian Beverages Production Company (NBPC) processes and packages the tea leaves produced in the area. Presently, only 1,200 hectares of land are dedicated to tea cultivation out of the more than 50,000 hectares deemed suitable for tea farming on the Mambilla Plateau. Despite the progress, local tea processors and packagers face a shortfall, producing only 10% of the total tea leaf demand. As a consequence, Nigeria relies heavily on tea imports, resulting in a substantial foreign exchange outflow (Olaniyi *et al*., 2016; Ipinmoroti and Daniel, 2004). For instance, in 2008, more than $11 million (N1.7 billion) was spent on tea importation alone (Oluyole, 2014). Tea consumption offers numerous health benefits, including its antioxidant properties, which enhance the body's resistance to bacterial infection, reduce the incidence of diabetes, inhibit the growth of cancer cells, and boost immunity against viral infections (Kieko et al., 2001). Additionally, tea serves as an anti-inflammatory, antifibrotic, and cardio-protective agent. It contains caffeine, a mild stimulant that increases mental alertness, heart rate, and breathing, thereby helping to reduce the occurrence of hypotension (Ipinmoroti *et al.* 2018; Sowunmi*et al*. 2009).

In 1986, the Babangida regime abolished the seven commodity boards responsible for the marketing of agricultural produce (Uduji and Nwodo, 2012). This move resulted in the liberalization of trade in agricultural products, leading to setbacks in the marketing and distribution channel structure. With the dissolution of the commodity boards, some essential components of the distribution chain, such as licensed buying agents and quality control mechanisms, were eliminated, which negatively impacted the smooth distribution of agricultural produce. The liberalization of trade also opened the market to inexperienced traders, leading to malpractices such as adulteration of products to evade government inspection and grading services. In the marketing of perishable agricultural produce like fruits, vegetables, and tomatoes, the presence of illegal retailer associations has created longer distribution channels, discouraging farmers from selling directly to consumers. Big produce speculators have also emerged, buying from farm gates and selling to retailers, further contributing to an inefficient distribution channel structure for agricultural produce. Thus, the a need for this study.

The broad objective of the study is to evaluate the marketing channels of freshTea leaves in Nigeria. The specific objectives are to identify the various tea marketing channels, ascertain the awareness

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of available marketing channels and access to wider markets, and Estimate the cost and returns in marketing across the different marketing channels.

Materials and Methods

The study was carried out in Taraba State, where tea cultivation takes place in Nigeria. Primary data were obtained through the use of structured questionnaires administered to About 228 tea farmers randomly selected from 6 communities in the study areas. A structured questionnaire was used to obtain information, which included types of available marketing channels, mode of sales, awareness of different marketing channels, access to these channels, marketing cost, and prices for inputs and outputs. Data obtained from the study were analyzed using Descriptive Statistics and Budgetary analysis.

Result and Discussion

Socio-economic characteristics of tea farmers in Nigeria.

Table 1 revealed the socio-economic characteristics of tea farmers in Nigeria. About 17% of the tea farmers were less than 30 years old, 78% were between 31 to 60 years and 5% were greater than 60 years. The mean age of tea farmers in Taraba state was 42 ± 12 years. These farmers are in their middle age and they have the energy and strength to carry out their farming activities. At this age, they are able to approach marketers to sell their produce. About 78% of the farmers are male. This is confirmed by Oladokun *et al*. (2021) that the majority of tea farmers in Taraba state are male. About 26% of the farmers do not have formal education, while 74% have at least a level of education. Education has a great role to play in the marketing of their produce. This will widen their scope as to the marketers to sell to and agreements that need to exist between them such that the farmers are not cheated. The mean farm size of tea farmers in Taraba state was 1.2 ± 0.5. The majority of tea farmers in Taraba state are small-scale farmers, as 97% have ≤5 ha. This could limit them in marketing their tea leaves. They may not be able to produce enough to meet the demand of tea by Tea companies in Nigeria. Ipinmoroti *et al*. 2018 affirmed that tea companies in Nigeria are short of tea supply from local farmers. About 79% of the farmers were married, with a mean household size of 7 ± 4. Large household sizes could limit the amount of tea leaves they are able to sell as they consume most of what they

Table 1: Socio-economic characteristics of tea farmers in Nigeria

Variable	*Freq (N = 228)*	*%*
Age		
0–30	39	17.1
31–60	177	77.6
>60	12	5.3
Mean	42 ± 12	
Gender		
Male	177	77.6
Female	51	22.4
Educational Status		
No formal education	60	26.3
Primary	42	18.4
Secondary	75	32.9
Tertiary	51	22.4
Farm size (ha)		
0–5	222	97.4
6–10	6	2.6
Mean	1.2 ± 0.5	
Marital status		
Single	21	8.2
Married	180	79.0
Widowed	21	9.2
Divorced	6	2.6
Household size		
1–5	78	34.2
6–10	129	56.6
11-max	21	9.2
Mean	7 ± 4	
Farming experience (years)		
≤ 10	69	30.3
11–20	141	61.8
21–29	18	7.9
Mean	13.6 ± 5.0	
Monthly tea income		
< 15000	201	88.1
15000–30000	18	7.9
30001–50000	9	4.0
Mean	8349.9 ± 13487	
Secondary occupation		
No	84	36.8
Yes	144	64.2
Occupation types		
Trading	81	56.3
Crafts and artisan	9	6.3
Civil Servant	48	33.3
Private	6	4.1
Tea Variety		
Camelia asamata	27	11.8
Camelia sinensis	201	88.2
Membership of Farmer's Group		
No	90	39.5
Yes	138	60.5
Market Awareness		
No	87	38.2
Yes	141	61.8

Source: Field Survey, 2021

produce. About 62% of tea farmers in Taraba state have between 11 to 20 years of experience in tea farming, with a mean of 13.6 ± 5.0. Tea farmers in Taraba state are knowledgeable about tea farming; therefore, if the right resources and enabling environment are provided for them, they could increase their production and thus be able to meet the demand of tea companies and even more. Eight out of ten farmers in Taraba state earn less than 15000 naira monthly. The mean monthly income of tea farmers in Taraba state was 8349.9 ± 13487. The monthly income from tea production is meager and may not be enough to take care of farmers and their families. These farmers would look for other jobs that they can do to increase their monthly income. This is confirmed as 64% of them have a secondary occupation. Tea farmers in Taraba state are involved with other businesses such as trading, civil service, crafts and artisan. This accounts for low production and small farm size used for tea production. Farmers might spend more time on the jobs as they might be bringing in more money than farming. Thus, tea production suffers. About 88% of the farmers plant *camellia sinensis* species of tea, 61% belong to the farmers' group and 62% are aware of the tea market.

Various Marketing Channels in Nigeria

Table 2 shows the various tea marketing channels in Taraba state. About 62% of the local market marketing channels exist in the study area. About 28% of Tea Estate Company marketing channels exist. About 11% of small-scale processors' marketing channels exist in Taraba state, respectively. About 43% of agent/company/factory/tea estate/NBPC marketing channels exist in the study area. Also, 17.1% of a local market/consumer marketing channels exist, while 39.5% of local/mini factory/small factory owner/ small processor marketing channels also exist. The most popular marketing channel in the study area was local/agric produce Nguroji/consumers. This might be because tea farmers are small scale with low yields compared to large-scale farmers and would sell to the local community (agric producers and consumers) around them.

Awareness of Marketing Channels

Table 3 reveals the awareness of the available marketing channels. Almost 70% of the farmers are aware of marketing channels that exist around them. They have an awareness of where they can sell their tea leaves.

Access to Wider Market

Table 4 revealed the access of tea farmers to a wider market. In the study, 65.8% of tea farmers do not have access to a wider market. This could reduce their motivation to farm and produce more tea leaves leading to less income and reduced household welfare.

Table 2: Tea marketing channels

Variable	*Frequency (N = 228)*	*%*
Type of Market		
Local market	141	61.8
Tea Estate Company	63	27.6
Small Scale Processors	24	10.5
Where farmers sell produce to (N = 228)		
Tea Estate Company	99	43.4
Local market/consumer	39	17.1
Small Scale Processor	90	39.5

Source: Field Survey, 2000

Table 3: Awareness of available marketing channels

Awareness	*Frequency*	*%*
No	69	30.3
Yes	159	69.7

Source: Field Survey, 2000

Table 4: Access to wider market

Access to wider market	*Frequency*	*%*
No	150	65.8
Yes	78	34.2

Source: Field Survey, 2000

Table 5: Cost and returns in tea production and marketing in Nigeria

Variable	*Amount (₦)*
Cost farm establishment	2,758,913
Cost farm equipment	79936
Cost material for planting	97273
Cost planting of material	86,807
Cost fertilizer	92,456
Cost chemical application	40775
Cost weeding	38,887
Cost harvesting	122870
Cost on farm processing	139,327
Cost of tea leaves drying	27,147
Cost of packaging	45,649
Cost transport to market	28,219
Other costs	35,173
Total cost	3593432

Source: Field Survey, 2021
Tea monthly Income: ₦1903797*12= 22845564
Estimate the profit.
Profit = ₦22845564-₦3593432 = ₦19252132

The Cost and Return in Production and Marketing

Table 5 revealed the cost and returns in tea marketing in Taraba state, Nigeria. The total cost expended on tea production in a cropping season is ₦3,593,432. The average total cost was ₦15,761. The total cost includes the sum of the cost of farm establishment, cost of farm equipment, cost of material for planting, cost of planting of material, cost of fertilizer, cost of chemical application, cost of weeding, cost of harvesting, cost on-farm processing, cost of tea leaves drying, cost of packaging, cost transport to market and other costs. The monthly income for tea was ₦1903797 and the profit was ₦19252132

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