STRUCTURE AND PERFORMANCE OF GOAT MARKET IN OYO STATE, NIGERIA

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ABSTRACT

This study was conducted to analyze the marketing system of goat in Oyo State, Nigeria. Multistage sampling technique was employed to select 125 goat traders and a well structured interview schedule was employed to obtain necessary data based on the specific objectives of the study. Descriptive statistics such as table, frequency distribution, percentage, mean and standard deviation were used to analyze the socio-economic characteristics of goat traders, goat trading practices and experiences as well as the challenges to goat trading activities in the study area. Budgetary analysis was carried out to investigate profitability of the enterprise. Traders’ concentration ratio was computed to examine the structure of goat market in the study area. Regression analysis was employed to identify variables influencing revenue generated by respondents. Data analysis revealed that mean age of the respondents was 42.9 years, 80.8% were married and on the average, the respondents had 18.31 years of goat trading experience. Goat market was found to be perfectly competitive in structure. Gross margin of ₦4,264.88 per goat sold and benefit cost ratio of 1.17 revealed that goat trading enterprise is profitable in the study area. Result of regression analysis showed that three of the estimated variables (purchase cost, feeding cost and respondents’ years of experience) have significant effects on revenue generated by respondents in the study area. Challenges faced by the goat traders are in order of finance, fluctuation in price, seasonality of market, mortality, thief or pilfering, expensive veterinary service and drugs. This study recommends that the traders should form a registered trade association through which a solution could be sought to the challenge of unstable market prices in the study area.

KEYWORDS: Structure, Concentration Ratio, Budgetary Analysis, Goat, Market

INTRODUCTION

Goats belong to the group of animals known as *capra*. They are ruminant animals like cattle and sheep; are commonly found in towns and villages all over West Africa. Goats are more evenly distributed in West Africa than other ruminant animals (Komolafe et al, 2007). There are over three hundred distinct breeds of goat. The goat is closely related to sheep as both are in the goat-antelope sub-family *caprinae*. Goats are one of the oldest domesticated species. Goats have been used for their milk, meat, hair and skin over much of the world. In the twentieth century they also gained in popularity as pets. Domestication of goats has been recognized archeologically by the presence and abundance of the animal into regions that were well beyond their normal habitats, by perceived changes in their body size and shape (called morphology), by differences in demographic profiles in wild and domestic groups, and by stable isotope recognition of their dependence on year-round fodder (Alizadeh, 2003). Goats are kept traditionally by a large part of the population in the rural areas. These goats fulfill important roles within the households of subsistence farming system in these rural areas. They are used to maintain social bonds with the commodity (dowry), they are also used for ceremonial (Dombo et al, 2000) or religious purposes (Casey and Meyer, 2001), and they provide an income as well as meat and milk
for the household. At present, the improvement of goat production receives attention from the National Department of Agriculture, provincial department of agriculture, universities and non-Governmental Organizations (NGOs). Goat keeping is regarded as a feasible means to improve the income and nutrition of rural communities and to incorporate these communities into commercial market (Tesfaye, 2009).

It has been reflected time and again that livestock in Nigeria is an important and integral component of agriculture, which is the backbone of the economy. Not only does the sub-sector provide the much needed animal protein for the ever-growing human population, but it also offers employment opportunities for millions of rural and urban dwellers involved in some form of livestock production and marketing (Asnakew, 2005). Considering goat critically, they have a great role in the economy of farming community of Nigeria. Goats represent a more liquid form of capital than cattle and are readily tradable (Sendros, 2003). Despite the large size of the country’s goat enterprise, the productivity per unit of animal and the contribution of this sector to the national economy is relatively low (Devandra, 2007). This may be due to different factors such as poor nutrition, prevalence of diseases, lack of appropriate breed and breeding strategies and poor understanding of the production system as a whole. Nigeria’s economic recovery programs have necessitated a radical shift from total dependence on government for job to self-employment. One such attractive area for self employment is goat rearing, which is the raising of goat for personal use of profit with the aim of better use of the land and forages, sources of food, income and employment to humans. Goat meat is socially well accepted in many parts of Nigeria. It is commonly known as chevron and is also one of aspect of livestock production in Nigeria (Dombo et al, 1999). Goat rearing and trading is prevalent in almost every part of Nigeria. This is so because they are cheaper to rear than other ruminants (cattle and sheep) since they require less space and shelter, and smaller quantities of food and equipments. The small size of the carcass (10 to 15 kg) makes it easy to handle, and the meat of a carcass can be consumed in a day by a few families in village, without the necessity for cold storage or other forms of preservation. This fits in very well with conditions in the rural communities. Furthermore, goats are of value in removing browse and shrubs which infest farm lands in grassland areas (Mamabolo and Webb, 2005).

Raising and marketing goats can be valuable part of a sustainable farm. Integrating livestock into a farm system can increase its economic and environmental health and diversity, thereby making important contributions to the farm’s sustainability. Every year, an increasing number of Nigerians earn their living as goats’ producers, transporters, traders and middlemen. Goat rearing and trading, according to Ayele et al, (2003) and Juvenal (2009), is constrained by management related issues (for example inadequate husbandry), poor nutrition, prevalence of diseases, inadequate and ready supply of the most appropriate type of breeding stock and how they can be improved, lack or poor supply of inputs (including drugs, feeds, water and others which are specific to each area), unavailability of appropriate market and poor market organization, poor infrastructures and lack of efficient information networks, poor public policy on the environment especially on the administration of animal health policies and controlling diseases, decreasing size of farm lands to allow for alternative options that can be exploited economically, insecurity and livestock rustling among pastoral communities, frequent drought and lack of preparedness for such calamities. Other common constraints include lower performances due to high abortion rate and mortality rate of young, uncontrolled breeding leading to low conception rates, low birth weight, limited information on local breeds and genetic characteristics of existing goat population. There are a number of production factors that have been identified as constraints to increased production and growth in the marketing industry. These include seasonality of breeding leading to an inconsistent year round supply of goat, weaning percentage, predation and parasites.
Marketing is an important aspect of any livestock system. Marketing include all the activities required to support the movement of goats and goat products from the site of production to the end user (Endeshaw, 2007). It provides the mechanism whereby producers exchange their livestock and livestock products for cash (FAO, 2002). Livestock marketing studies are essential to provide vital information on the operations and efficiency on livestock marketing system for effective research, planning and policy formulation in the livestock sector. Farmers need to be aware of the preferred characteristics of animals as well as price patterns so that they can plan breeding and fattening programmes and breed selection consistently with the best seasonal prices and consumer’s preferences (Ehui et al, 2000). According to Kotler (2008), market structure refers to those organisational characteristics of a market that exercise strategic control on the nature of competition and behaviour within the markets. Market structure is important because the structure determine the quality of the industry’s performance. Marketing performance is the composite end result or the assessment of how well process of marketing is carried out and how successful its aims are accomplished. In other words, it is the economic result that flows from operation of an industry as an aggregate of firms. Marketing performance is concerned with technological progressiveness, growth orientation of agricultural firms’ efficiency of resources use, product improvement and maximum market service at the least possible cost. A marketing channel describes the movement of a product or commodity from the site of production to the place of final consumption. It may include transportation, handling and storage, ownership transfers, processing, wholesale distribution, retailing and so on.

In attempting to design improvement measures, marketing systems and performance evaluation is indispensable. Therefore, there is the need to seek answers to questions relating to the socio-economic characteristics of goat traders, the marketing practices and experience of goat traders, the costs and returns to goat enterprise in the study area, as well as structural and performance disposition. To this end, the specific objectives are to describe the socio-economic characteristics of goat traders in the study area, investigate marketing practices and experience of respondents, examine the profitability of goat enterprise, compute the concentration ratio of goat market, as well as identify challenges militating against efficient goat trading in the study area. Based on the research questions and objectives, hypothesis of the study is: There is no significant relationship between goat transaction cost and revenue generated by respondents.

METHODOLOGY

This study was carried out in Ogbomoso area of Oyo state, Nigeria. Ogbomoso is a town in the south western part of Nigeria. Ogbomoso is bounded by Ilorin at the north, Oyo at the south, Ejigbo at the west and Igbeti at the east. There are five local government areas situated in Ogbomoso, they are: Ogbomoso north, Ogbomoso south, Ogo-Oluwa, Oriire and Surulere local government areas. Ogbomoso is an ancient town which is the second populated town in Oyo state after Ibadan. The economic situation of the town is progressing on daily basis. Ogbomoso is geographically located at co-ordinate 8° 18' north on the latitude line and longitude 4° 16' east. According to Wikipedia (2011), the altitude of Ogbomoso ranges from as low as 800mm to 6000mm above sea level. The minimum annual temperature ranges between 26°C and 36°C. The daily maximum temperature become very high during the month of May to July, during which the temperature can reach as high as 39°C. The mean annual temperature is about 27°C. Mean annual rainfall ranges from about 800mm at the onset of heavy rains to 1500mm at its peak. It receives bimodal rainfall. The natural vegetation is predominantly vegetation of derived savanna. The soil type in the study area is granular rather than cohesive and conductive to the cultivation of crops. According to Wikipedia (2011), the estimated population of Ogbomoso as at March 2005 is around 1,200,000. The majority of the people are members of Yoruba ethnic group. Production of cattle
(as milk and meat), goat and sheep (income and meat) and poultry are commonly practiced. The agricultural production system in the study area is mixed cropping. Crop production is the main agricultural activity for the livelihood of the smaller holder in the study area. Yam, cassava, maize and tobacco are some of the notable agricultural production products of the region. Ogbomoso was chosen for this study because livestock enterprise is an integral part of the land use system.

Population of this study comprises the goat traders in the study area. The list of registered goat traders was collected from goat traders’ association secretariat of each of the five local government areas. Random sampling technique was employed to select 20% of goat traders from the list supplied by each local government area, making a total number of 125 respondents for this study. Primary data were collected with the use of a structured interview schedule. The data collected for this study were analyzed using:

- **Descriptive Statistics**
  This involves the use of mean, standard deviation, tabular presentation, frequencies and percentages.

- **Budgetary Analysis**
  This was used to determine the profitability of goat trading enterprise. It involves computation of cost and returns to the enterprise.
  
  Cost is an outlay incurred in producing a particular product at a particular time period. The components include

  - **Fixed Costs (FC):** Are costs which do not change with output.
  - **Variable Costs (VC):** These are costs that vary with the level of output used.
  - **Total Costs (TC):** It is the summation of fixed cost (FC) and variable costs (VC).

  Mathematically; \[ \text{Total cost} = \text{Fixed cost} + \text{Variable costs} \]

  \[ TC = FC + VC \]

  - **Total Revenue (TR):** Is the total output multiplied by the price per unit of produce.

  Total Revenue (TR) = Price (P) * Output (Q) i.e. TR = PQ

  - **Gross margin** = Total revenue – Total variable cost

  - **Profit** = Gross margin – Total fixed cost (i.e. Total revenue – Total cost)

  - **Benefit – Cost ratio (BCR)** = \( \sum \text{Revenue} \div \sum \text{Cost} \). When BCR is greater than 1, the enterprise is profitable. If less than 1, the enterprise is not profitable.

- **Concentration Ratio**

  This was employed to investigate the structure of goat market. Concentration is one variable of market structure which affects the behavior of the firm(s) participating in that market. Concentration ratio is a function used to take account of both the number and size distribution of firms in the market. This measures the extent to which the larger sellers control the bulk of the industry’s sales.
Concentration Ratio (CR) Computation

\[ CR = \frac{n_1 + n_2 + n_3 + \ldots + n_i}{N} \]

Where \( n = \) Sales of each firm

\( N = \) Total sales of the firms in the industry

Regression Analysis

This was employed to test for hypothesis of the study. The linear functional equation was specified as:

\[ Y = \beta_0 + \beta X_1 - \beta X_2 + \beta X_3 - \beta X_4 - \beta X_5 + \beta X_6 + \beta X_7 + \beta X_8 + \beta X_9 + \mu \]

Where \( Y = \) Total Revenue (#)

\( X_1 = \) Purchase cost (#)

\( X_2 = \) Transportation cost (#)

\( X_3 = \) Labour cost (#)

\( X_4 = \) Feeding cost (#)

\( X_5 = \) Veterinary cost (#)

\( X_6 = \) Depreciated fixed cost (#)

\( X_7 = \) Goat trading experience (Years)

\( X_8 = \) Years spent in school (Years)

\( X_9 = \) Age (Years)

\( \beta_1 \ldots \beta_9 = \) Coefficients of independent variables 1…..9

\( \beta_0 = \) Constant

\( \mu = \) error term

RESULTS AND DISCUSSIONS

Socioeconomic Characteristics Distribution of Respondents

The socio-economic characteristics of the respondents considered include age, sex, marital status, educational status, number of years spent in school, religion, primary occupation, years of experience and household size. Table 1 below shows the age distribution of the people engaged in goat trading in the study area. It was revealed that 12.8% of the respondents claimed to be 30 years old or less, 31.2% fall between 31-40 years, 34.4% fall between 41-50 years, 12.8% fall between 51-60 years while 8.8% of the respondents claimed to be above 60 years old. The mean age was 42.9 years with standard deviation of 11.076. This implies that most of the goat traders are still in their economic active age. It can be seen from the table that both male and female goat traders were found in the study area. Majority (80.8%) of the respondents were married, 6.4% were single, 1.6% divorced, 4.8% were separated while 6.4% claimed to be widow. This indicates that the larger percentages of goat traders are married. As a result, family labour is likely to be available for
Goat marketing activities. Result of analysis revealed that 48.8% of goat traders received secondary education, 26.4% had tertiary education, 12.8% attended primary school while 12.0% received no formal education. This revealed that a large percentage of the respondents are literate and this could enhance their management skill. Table 1 shows that 54.4% of the respondents practice Islamic religion while 45.6% are Christians. Majority of respondents are Muslims. More Muslims are into goat business. Result also shows that 53.6% of the respondents claimed goat business is their primary occupation, 28.8% claimed farming as their main occupation while 17.6% claimed other occupations like teaching, schooling, hairdressing, motor mechanic as primary.

Table 1: Socioeconomic Characteristic Distribution of Respondents, n = 125

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 30</td>
<td>16</td>
<td>16.8</td>
</tr>
<tr>
<td>31-40</td>
<td>39</td>
<td>31.2</td>
</tr>
<tr>
<td>41-50</td>
<td>43</td>
<td>34.4</td>
</tr>
<tr>
<td>51-60</td>
<td>16</td>
<td>12.8</td>
</tr>
<tr>
<td>&gt;60</td>
<td>11</td>
<td>8.8</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>66</td>
<td>52.8</td>
</tr>
<tr>
<td>Female</td>
<td>59</td>
<td>47.2</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>8</td>
<td>6.4</td>
</tr>
<tr>
<td>Married</td>
<td>101</td>
<td>80.8</td>
</tr>
<tr>
<td>Divorced</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Separated</td>
<td>6</td>
<td>4.8</td>
</tr>
<tr>
<td>Widowed</td>
<td>8</td>
<td>6.4</td>
</tr>
<tr>
<td>Educational Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No formal education</td>
<td>15</td>
<td>12.0</td>
</tr>
<tr>
<td>Primary school</td>
<td>16</td>
<td>12.8</td>
</tr>
<tr>
<td>Secondary school</td>
<td>61</td>
<td>48.8</td>
</tr>
<tr>
<td>Tertiary</td>
<td>33</td>
<td>26.4</td>
</tr>
<tr>
<td>Religion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christianity</td>
<td>57</td>
<td>45.6</td>
</tr>
<tr>
<td>Islam</td>
<td>68</td>
<td>54.4</td>
</tr>
<tr>
<td>Primary Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goat trading</td>
<td>67</td>
<td>53.6</td>
</tr>
<tr>
<td>Farming</td>
<td>36</td>
<td>28.8</td>
</tr>
<tr>
<td>Others</td>
<td>22</td>
<td>17.6</td>
</tr>
</tbody>
</table>


Table 2 revealed that 36% of the goat traders have been in the business since less or equal to 10 years, 36% claimed 11-20 years, 8% claimed 31-40 years, 4% claimed 41-50 years while 0.8% claimed greater than 50 years. The mean year of the marketing experience is 18.31 years. Table 2 also shows land ownership distribution of respondents. From the result, 97.6% claimed to own the piece of land on which goats are kept while 2.4% of them operate on land owned by group of individuals. This implies majority of the respondents are land owners which help in easy entrepreneurship. As revealed in the table, 30% of respondents stock their goat sheds with goats purchased from neighbourhood and nearest local farmers to be re-sold immediately or later, 47.2% claimed to depend on other wholesalers for their stock of goats while 22.8% claim to purchase goats from the northern part of the country. Respondents in the latter category are obviously the large scale goat traders. Analysis revealed the species of goat traded by respondents in the study

Goat Marketing Practices and Experiences of Respondents

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area. The table showed that 83.2% of the respondents trade in only one type of goat specie while 16.8% of them trade in two or more goat species. The species commonly traded in the study area include African Dwarf and Red Sokoto. Most of the respondents (87.2%) finance the enterprise with their personal money, 11.2% of them finance it with money from relatives or friends while other obtained loans for financing the enterprise. According to respondents, loans are obtained from cooperative societies and goat traders’ associations to which they belong. Analysis shows quantity of goat sold by the respondents on monthly basis. The table revealed that 35.2% of the respondents sold less than ten, 51.2% sold between 10 -20 goats per month while 13.6% claimed to sell above 20 goats every month. On the average, each respondent sold 13.64 goats per month in the study area.

Table 2: Goat Marketing Practices and Experiences of Respondents, n = 125

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 10</td>
<td>45</td>
<td>36</td>
</tr>
<tr>
<td>11-20</td>
<td>45</td>
<td>36</td>
</tr>
<tr>
<td>21-30</td>
<td>19</td>
<td>15.2</td>
</tr>
<tr>
<td>31-40</td>
<td>10</td>
<td>08</td>
</tr>
<tr>
<td>41-50</td>
<td>05</td>
<td>04</td>
</tr>
<tr>
<td>&gt;50</td>
<td>01</td>
<td>0.8</td>
</tr>
<tr>
<td>Land Ownership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>122</td>
<td>97.6</td>
</tr>
<tr>
<td>Group of individuals 2.4</td>
<td>03</td>
<td>2.4</td>
</tr>
<tr>
<td>Source of Goat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neighbourhood / nearest local farmers</td>
<td>37</td>
<td>30.0</td>
</tr>
<tr>
<td>Large scale goat traders (wholesalers)</td>
<td>59</td>
<td>47.2</td>
</tr>
<tr>
<td>Northern part of Nigeria</td>
<td>29</td>
<td>22.8</td>
</tr>
<tr>
<td>Species of Goat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One</td>
<td>104</td>
<td>83.2</td>
</tr>
<tr>
<td>Two or more</td>
<td>21</td>
<td>16.8</td>
</tr>
<tr>
<td>Major Source of Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal savings</td>
<td>109</td>
<td>87.2</td>
</tr>
<tr>
<td>Loans</td>
<td>02</td>
<td>1.6</td>
</tr>
<tr>
<td>Relatives/Friends</td>
<td>14</td>
<td>11.2</td>
</tr>
<tr>
<td>Quantity of Goat Sold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Month (Actual Number)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 10</td>
<td>44</td>
<td>35.2</td>
</tr>
<tr>
<td>10-20</td>
<td>64</td>
<td>51.2</td>
</tr>
<tr>
<td>&gt;20</td>
<td>17</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Source: Field survey, 2014

Cost and Returns Analysis per Month

The budgetary analysis revealed that on the average, the variable cost recorded by respondents per month was ₦309,621.48 only. The variable cost components are: cost of transportation, cost of labor, cost of feeding, cost of veterinary services / drugs and cost of purchasing goats. The cost of fixed assets was arrived at using straight line method of depreciation. The depreciated fixed cost per month was ₦3,941.11 only. The fixed cost components are rent on land, shed construction, fence construction, cost of feeding / drinking containers and ropes. Analysis showed that averagely on monthly basis, revenue was ₦367,794.48 (Quantity (number) sold x price per goat). Total cost therefore equals ₦313,562.59 per month. The budgetary analysis gave a gross margin of ₦58,173.00 only and the economic profit of ₦54,231.90 per month. This implies a gross margin of ₦4,264.88 per goat sold (gross margin per month ÷ number of goats sold).
sold per month) and economic profit of ₦3,975.95 per goat sold (economic profit per month ÷ number of goats sold per month). The benefit cost ratio (\( \sum \text{Revenue} \div \sum \text{Cost} \)) was 1.17 which is an indication that the enterprise is profitable in the study area.

**Structure of Goat Market**

Concentration is one variable of market structure which affects the behavior of the firm(s) participating in that market. This measures the extent to which the larger sellers control the bulk of the industry’s sales.

**Concentration Ratio (CR) Computation**

\[
CR = \frac{n_1 + n_2 + n_3 + \ldots + n_i}{N}
\]

Where \( n \) = Sales of each firm

\( N \) = Total sales of the firms in the industry

From the analysis result, the value for the concentration ratio is 0.22267 which is very low. The implication of this value is that no firm is dominating the market and goat market tends towards perfect competition. This type of market structure is characterized with (1) The product sold is homogenous, (2) There is no barrier to entry and exit of firms, and (3) There are many buyers and sellers in the study area.

**Regression Analysis**

This analysis was carried out to establish the relationship between total revenue and cost of goat enterprise. The regression model results for goat enterprise are represented in Table 3.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>t-Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>90413.577</td>
<td>3.064</td>
</tr>
<tr>
<td>Purchase cost (₦)</td>
<td>1.158</td>
<td>151.346***</td>
</tr>
<tr>
<td>Transport cost (₦)</td>
<td>-0.355</td>
<td>-0.160</td>
</tr>
<tr>
<td>Labour cost (₦)</td>
<td>0.176</td>
<td>0.035</td>
</tr>
<tr>
<td>Feeding cost (₦)</td>
<td>-6.840</td>
<td>-1.842*</td>
</tr>
<tr>
<td>Veterinary cost (₦)</td>
<td>-4.961</td>
<td>-0.332</td>
</tr>
<tr>
<td>Dep. Fixed cost (₦)</td>
<td>-6.612</td>
<td>-0.787</td>
</tr>
<tr>
<td>Goat trading experience (years)</td>
<td>1192.415</td>
<td>1.810*</td>
</tr>
<tr>
<td>Year spent in school</td>
<td>1018.886</td>
<td>0.885</td>
</tr>
<tr>
<td>Age</td>
<td>460.089</td>
<td>0.701</td>
</tr>
</tbody>
</table>

\[ R = 0.998 \]
\[ R^2 = 0.996 \]
\[ \text{Adjusted } R^2 = 0.995 \]
\[ F = 2920.703*** \]

**Source:** Data Analysis, 2014

• Significant at 1% level
• Significant at 10% level

Three (3) of the estimated variables were found to have statistically significant relationship with revenue generated by respondents. Purchase cost is significant at 1% level and has a direct relationship with revenue generated...
which indicated that increase in purchase cost leads to significant increase in the revenue generated by goat traders in the study area. This could be explained that when respondents invest more to purchase good looking and healthy goats, it brings more revenue at the long run. Feeding cost is significant at 10% level. The negative relationship implies that increase in feeding cost of the goats leads to significant decrease in the revenue generated by the respondents. Years of experience is statistically significant at 10% level and has a positive relationship with revenue. This implies that increase in years of goat trading experience results in increased revenue generated.

An adjusted R square value of 0.995 from the regression result revealed that 99.5 percent of explained variation in revenue generated is due to the joint effect of all the independent variables specified in the model while the remaining 0.5 percent unexplained variation in revenue may be due to other variables of interest not specified in the model but are present in the error term. The null hypothesis is therefore rejected and this means there is significant relationship between transactioin cost of goat and revenue generated by the respondents.

Challenges to Goat Market

There are numerous challenges faced by goat traders in the study area. According to data obtained and analyzed these include: finance (99.2%), fluctuation in price (45.6%), seasonality of market (0.8%), thief or pilfering (3.2%), expensive veterinary services and drugs (8.8%). The result revealed that finance is the major factor militating against goat trading activities in the study area.

CONCLUSIONS AND RECOMMENDATIONS

This study concluded that goat trading enterprise is profitable in the study area. Result of regression analysis showed that three of the estimated variables (purchase cost, feeding cost and respondents’ years of experience) have significant effect on revenue generated by respondents in the study area. Goat market in the study area tends toward perfect competition. The challenges faced by the goat traders are in order of finance, fluctuation in price, seasonality of market, mortality, thief or pilfering, expensive veterinary service and drugs.

This study recommends that goat traders should form a registered trade association through which solution could be sought to the challenge of unstable market price. Such trade association could also provide subsidized veterinary services and drug to its members as well as formally seek the government’s attention on the issue of credit facilities provision for its members.

REFERENCES


