



MARKET ORIENTATION AWARENESS AND IMPLEMENTATION BY FARMERS' COOPERATIVES UNDER COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT IN CROSS-RIVER STATE, NIGERIA

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ABSTRACT: *This study analyzed Market Orientation Awareness and Implementation by farmers' Cooperatives under Commercial Agriculture Development Project (CADP) in Cross-River State, Nigeria. To determine the awareness of market orientation culture and the extent of implementation of market orientation by the farmers' cooperatives under CADP, Cross-River State were the objectives that guided the study. Data collected from 219 purposively sampled cooperatives using CADP list were analyzed using descriptive statistics of mean, percentage and standard deviation. The results indicated overwhelming awareness of market orientation culture by the farmers' cooperatives under CADP (98%), marginally market-oriented farmers (mean \approx 3.24) who implemented 38% competitor orientation, 37% customer orientation and 25% inter-functional coordination. Provision of capacity building programmes through training, seminars, workshops, conferences, among others on market orientation for farmers' cooperatives was recommended.*

KEYWORDS: Market Orientation, Awareness, Implementation, Farmers' Cooperatives, CADP, Cross-River State.

INTRODUCTION

The culture of food production to sustain households' food needs; subsistence, with virtually nothing to sell at this production level pervades; and has dominated most developing and under developed economies for long (Nnadi, Nwajiuba, Onubuogu and Nnadi, 2018). Therefore, that Nigeria's agriculture for long, has been mostly reliant on subsistence production is obvious. With civilization and technology development however, subsistence orientation is gradually giving way, and there seem to be a paradigm shift from farming as a culture to farming as a business. This window of business opportunity offered by production beyond subsistence is referred to as commercial (Nnadi, *et al.*, 2018). The World Bank launched Commercial Agriculture Development Project, and Nigeria keyed-in by the implementation of the Project in five states of Cross-River, Enugu, Kaduna, Kano and Lagos at its pilot stage in 2009. The emphasis was on agricultural growth and diversification of the



economy into the non-oil sectors through production along value chains. This prompting may have been that; Nigeria realized in line with von Braun (1994); Pingali and Rosegrant (1995); Pingali (1997); Timmer (1997); World Bank (2008) that the commercial transformation of subsistence agriculture, remains an indispensable pathway towards sustainable household food security and welfare as well as economic growth and development for many agriculture dependent developing countries.

Commercialization and market orientation are among the trending concepts in production. To this end, Sharma and Wardhan (2015) reported that Indian agriculture has become more commercial and market-oriented while Nnadi, *et al.* (2018) remarked that many economies are keying-in even though market orientation concept and practice seem relatively new within the global community needless mentioning the agricultural sector and Nigeria in particular. According to Deshpande and Webster (1989, Narver and Slater (1990), market orientation is not only a strategy, but an organizational culture and climate that most effectively encourages the behaviors that are necessary for the creation of superior values for customers. Thus Nnadi, *et al.* (2018) observed that commercialization not based on market orientation, may amount to nothingness. To this end, the gradual shift from subsistence agriculture to commercial agriculture especially in Nigeria therefore, calls for a more efficient marketing approach/strategy to meet up global best practices.

Cross River State; renowned for her crude oil deposit in the Niger Delta area, and one of the states in the South-South geo-political zone of Nigeria, could be one state that requires a developmental shift towards viable and sustainable cultures; at least in her agricultural production and marketing systems. This has become imperative due to the presuming excruciating suffering occasioned by attendant losses, aberrations and damages to economic, social and environmental justice following oil exploration and exploitation, which have culminated into abject poverty, hunger, malnutrition, unemployment, militancy, among other vices ravaging the region. This has become even most expedient following the views of Nnadi, *et al.* (2018) that in Nigeria, dwindling oil economy occasioned by world oil price crashes, troubles in the oil region of Nigeria amidst soaring youth unemployment, high levels of insecurity due to insurgency and militancy, natural and man induced disasters such as flood and erosion, as well as massive drift from agriculture and rural areas to other sectors in cities, threaten not only food security, but the nation's sustainable economic growth.

This ugly scenario that spells doom for the local, zonal and national agrarian economy of Nigeria, could be tackled via market orientation of the farmers especially those under the Commercial Agriculture Development Project. A study on the market orientation awareness and implementation by the farmers' cooperatives therefore remains imperative. Unfortunately, no empirical evidence suggests a study of the nature particularly of the farmers' cooperatives under CADP in Cross-River State, Nigeria. It was on the basis of this that this work on Market Orientation Awareness and Implementation by Farmers' Cooperatives under Commercial Agriculture Development Project in Cross-River State, Nigeria was carried out; with specific objectives of;

- 1) Determining the awareness of market orientation culture by the farmers' cooperatives under CADP, and
- 2) Determining the extent of implementation of market orientation by the farmers' cooperatives under CADP, Cross-River State



LITERATURE REVIEW

Market orientation concept

The Market Orientation concept has been defined variously by different authors. Market-oriented firms as defined by Slater and Narver (2000) are those that have superior understanding of customers' current and future needs and also have the ability to offer solutions to those needs that are superior to rivals' offerings. Thus, businesses that value close customer relationships and rely on market information to guide strategic decision making are commonly described as market oriented. To this end therefore, market-oriented businesses generate intelligence about customers' current and future needs, and about competitors' capabilities and strategies; share that intelligence throughout the organization; and take coordinated action to create superior customer value (Kohli and Jaworski, 1990; Narver and Slater, 1990; Slater, Mohr and Sengupta, 2013).

According to Gebremedhin and Jaleta (2010), market orientation in agriculture is basically a production decision issue as influenced both by production conditions and market signals; that is agricultural production decision destined for market based on market signals. Thus, they defined market orientation in agriculture as the degree of allocation of resources (land, labour and capital) to the production of agricultural produce that are meant for exchange or sale, while Byerlee (2011) viewed it as farming to suit and satisfy the needs of markets.

In pursuit of the global trend in agriculture therefore, a more realistic way to achieve success by farmers under CADP perhaps is to become market-oriented; in which the consumers' needs are first known before production commences. This is to say that production should be in line with consumers' needs; bringing to bear the global perception that market orientation seeks to place the need of the customer over and above any other of the organizations' policy (Kohli and Jaworski, 1990; Narver and Slater, 1990; Slater and Narver, 2000; Slater *et al.*, 2010).

Again, a market-oriented organization is presumed to have superior market – sensing and customer-linking capabilities, and these capabilities are presumed to assure them of higher profits in comparison with organizations that are less market-oriented (Agarwal *et al.*, 2003). Thus, a rise in the level of market orientation of any firm, will improve its performance in the market place (Narver and Slater, 1990).

METHODOLOGY

This study was carried out in Cross River State, Nigeria. The state lies between latitude $5^{\circ} 32'$ and $4^{\circ} 27' N$ of the equator and longitude $7^{\circ} 50'$ and $9^{\circ} 28' E$ of Greenwich Meridian, and occupies an area of 20,156 square kilometers (7,782 sq mi) (C-GIDD, 2008). The state shares boundaries with Benue State to the north, Enugu and Ebonyi in the north west, Abia States to the west, to the east by Republic of Cameroon and to the south by Akwa-Ibom and the Atlantic Ocean (C-GIDD, 2008). According to the 2006 population census, the state has a population of 2,888,966 (National Population Commission (NPC), 2006). However, C-GIDD (2008), submitted that the state grew to 3,337,517 with a population density of 170/km² (430/sq mi). The population growth trend of the state therefore shows an 8% growth rate (224,276 persons approximately/annum). Thus, a 2018 population figure for the state is



estimated to be 5,580,278. The state is characterized by the tropical humid climate with an average temperature range of between 15⁰C – 30⁰C; and a high annual rainfall range of 1300mm-3000mm (Cross River State Government (CRSG), 2016). According to Central Bank of Nigeria (CBN) (2012), agriculture features prominently in the economy of the state; accounting for approximately 42% of the state GDP.

The state has rich cultural heritage such as “The Cross-River State Christmas Festival” observed annually. Other annual festivals of importance are; the Cross-River State Carnival Float, the Yakurr Leboku Yam festival, the Calabar Boat Regatta as well as the Anong Bahumono Festival. The state is also endowed with good tourist sites such as; Obudu Cattle Ranch, the spiraling ox-bow Calabar River, Calabar Marina, Calabar Residency Museum and the Calabar Slave Park, the Ikom Monoliths (a series of volcanic-stone monoliths of unknown age), the Mary Slessor Tomb, Calabar Drill Monkey Sanctuary, Cross River National Park, Afi Mountain walkway canopy, Kwa falls, Agbokim waterfalls and Tinapa Business Resort. These renowned cultural activities and tourists’ sites are important to the people of the area; but more importantly farmers’ under CADP because they attract local and international tourists. These could offer business windows and opportunities to link-up markets and perhaps make inroads in both direct and indirect exports through tourists’ demand for their products.

To ensure collection of apt and relevant data, adequate coverage, comprehensiveness and representation of the crops and farmers’ cooperatives involved in the value chains, a purposive sampling method was used to select 219 farmers’ cooperatives that received full funding implementation from CADP across the three value-addition chain lines of rice, cocoa and oil-palm - the priority focus of the CADP in Cross River State. These were identified from the secondary information source of CADP office. A structured questionnaire augmented with interview schedule was administered on representatives of each cooperative. Descriptive statistical tools of percentage, mean and standard deviation were used in the analysis of data obtained. The data on awareness and extent of market orientation of the farmers’ cooperatives under CADP in Cross River State, South-South, Nigeria was realized using percentage and mean. For awareness, a dummy variable of Aware = 1 and Not Aware = 0, was used first to segregate between those that were aware of market orientation and those not aware. The Market Orientation construct (MKTOR) scale of 19 questions in line with Narver and Slater (1990) was then used to measure their market orientation; consisting of customer orientation, competitor orientation and inter-functional co-ordination; and mean scores were computed for extent of market orientation by adding the weights of the 5-point Likert rating scale of Strongly Agree (SA) = 5; Agree (A) = 4; Undecided (U) = 3; Disagree (D) = 2 and Strongly Disagree (SD) = 1 and dividing by, the number of scales (N) = 5 to determine the discriminating index. Thus;

$$\frac{SA + A + U + D + SD}{N} = \frac{5 + 4 + 3 + 2 + 1}{5} = 3.0$$

A grand mean was obtained by summing mean scores and dividing by the number of items on the scale and the result compared with the index, 3.00 thus;

$$GM = \frac{SMS}{N}$$

Where; GM = Grand Mean,

SMS = Sum of Mean Scores

N = Number of items on the scale.

The results on the awareness and extent of market orientation implementation by farmers' cooperatives, under CADP were presented with chart and table.

RESULT/FINDINGS

Awareness of Market Orientation by Cooperatives under CADP

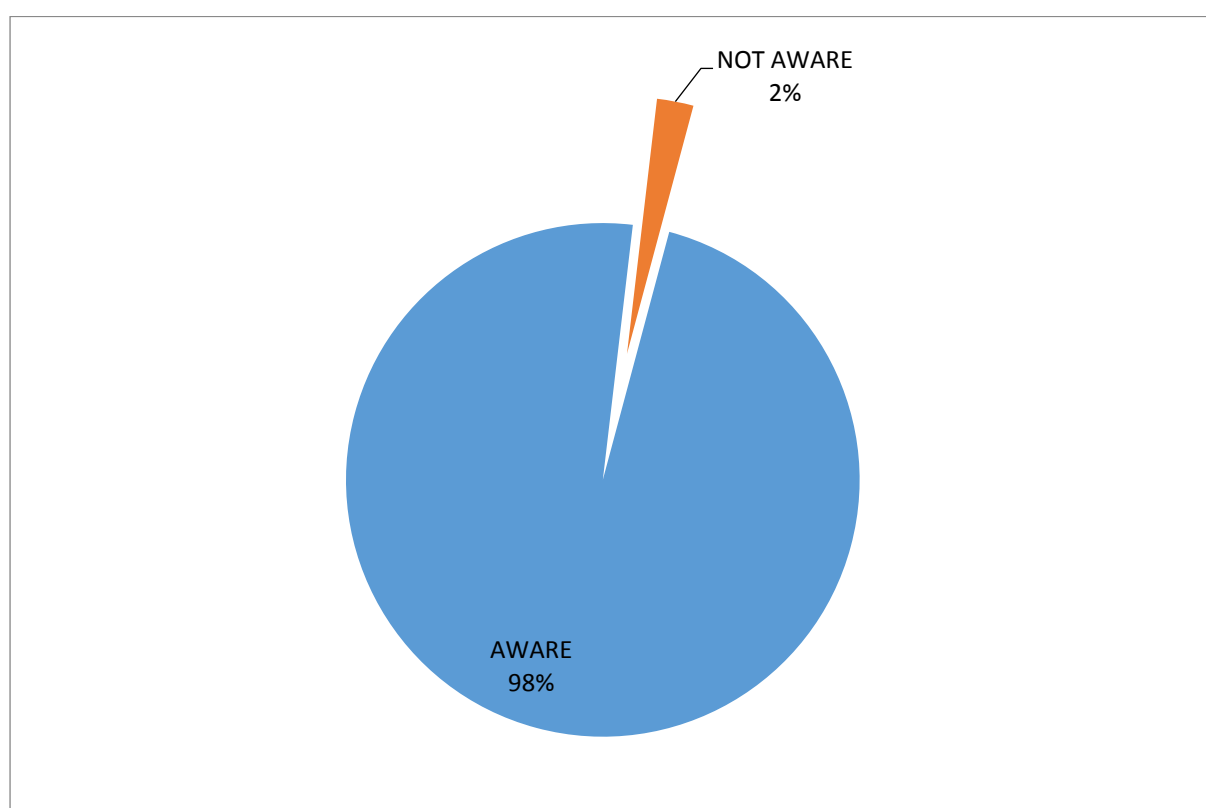


Figure 1: Distribution of farmers' cooperatives under CADP by awareness of market orientation

Source; Field survey data, 2018.

From Figure 1 above, majority (214 cooperatives); representing 98% of the farmers' cooperatives under Cross-River State CADP, were aware of market orientation; as against very few (5 cooperatives) representing 2% of the farmers' cooperatives under Cross-River State CADP, who were not aware of market orientation.



Extent of Market Orientation Implementation by Cooperatives under CADP

Table 1: Distribution of farmers' cooperatives under CADP by extent of market orientation

Market Orientation Component	Item Code	Score	Mean	%	Total %
Competitor Orientation (MOCO)	MOCO1	667	3.1168	5.1	37.6%
	MOCO2	719	3.3598	5.5	
	MOCO3	724	3.3832	5.5	
	MOCO4	731	3.4159	5.5	
	MOCO5	714	3.3365	5.4	
	MOCO6	693	3.2383	5.3	
	MOCO7	694	3.2430	5.3	
Customer Orientation (MOCU)	MOCU1	667	3.1168	5.1	37.0%
	MOCU2	697	3.1168	5.1	
	MOCU3	706	3.2991	5.4	
	MOCU4	710	3.3178	5.4	
	MOCU5	703	3.2851	5.3	
	MOCU6	712	3.3271	5.4	
	MOCU7	696	3.2523	5.3	
Inter-functional Coordination (MOIC)	MOIC1	648	3.0280	4.9	25.4%
	MOIC2	673	3.1449	5.1	
	MOIC3	644	3.0094	4.9	
	MOIC4	678	3.1682	5.1	
	MOIC5	715	3.3411	5.4	
Discriminatory Mean (DM) = 3.0				Grand	
Mean (GM) = 3.2369				Standard	
Deviation (SD) = 0.1177					

Source; Field survey data, 2018.

The extent of market orientation implementation by the farmers' cooperatives under CADP Cross-River State is presented in Table 1. From the Table, 19 items were coded MOCO1 - MOCO7 for the competitor orientation aspect of the market orientation, MOCU1 – MOCU7 for the customer orientation aspect of the market orientation and MOIC1 – MOIC5 for the inter-functional coordination aspect of the market orientation. Using a 5 – point Likert scale of Strongly Agree (5), Agree (4), Undecided (3), Disagree (2) and Strongly Disagree (1), all the items in the scale weighed above the discriminatory mean (DM) of 3.00. Again, a Grand Mean (GM) of 3.2369 and Standard Deviation (SD) of 0.1177 were obtained.

DISCUSSION

The awareness of market orientation culture by an overwhelming majority of farmers' cooperatives (98%) under CADP is plausible, and is expected to yield dividends to the commercial farmers; whose efforts are bound to translate into positive business performance



and growth. The standard deviation score of approximately 0.12 implies that the farmers were homogeneous in their responses while a grand mean of approximately 3.24 indicated slight market orientation. Again, all the factors (MOCO1-7, MOCU1-7 and MOIC1-5) individually contributed almost equally at approximately 5% each to the Market Orientation culture of the farmers' cooperatives. However, while the competitor orientation component, made the highest contribution of 37.6%, it was closely followed by the customer orientation component with 37% contribution and lastly by inter-functional coordination component with 25.4% contribution. To this end, farmers' cooperatives under the Cross-River State CADP could be said to be more focused on their competitors and customers, and less focused on their inter-functional coordination. Traditionally, the structure in which the executive members run the cooperative prevail. Moreover, cooperatives unlike organized farm firms hardly operate in line with the principles of division of labour with clear cut special activities. Rather, overlapping functions thrive in the system. This could explain the less concern shown to the inter-functional coordination implementation.

The implication of this result is that farmers' cooperatives under the Cross-River State CADP are market oriented even though their orientation is slight or marginal. The finding of Gebremedhin and Jaleta (2010) that market orientation of smallholders is moderate corroborates this finding. This result though good because it points towards a positive direction of achieving business performance, calls for more effort to improve from the current weak orientation to a strong one. There is need for training and education for effective and efficient market orientation culture.

Implications to Research and Practice

The prevalent knowledge gap on the market orientation of farmers' cooperatives under the Commercial Agriculture Development Project in Cross-River State occasioned by dearth of empirical data has been filled by this study, thus providing benchmark for intervention and advocacy. The farmers' cooperatives under CADP marginally implemented market orientation (Mean \approx 3.24). They implement more of competitor orientation (MOCO \approx 38%) and customer orientation (MOCU \approx 37%) but practice less inter-functional coordination (MOIC \approx 25%). This calls for improvement in training and development efforts.

CONCLUSION AND RECOMMENDATION

Although the 98% record of market orientation awareness by farmers' cooperatives under CADP was quite impressive, yet it yielded a marginal level of market orientation culture among the farmers' cooperatives. Farmers' cooperatives under CADP, Cross-River state need to be more market oriented particularly in the face of competition among comity of exporting nations to shift the Nigeria's economic borders beyond the shores of the oil economy and empire. There should be provision of capacity building programmes through training, seminars, workshops, conferences among others on market orientation for farmers' cooperatives.



Future Research

Future research could build upon this study through replication across other farmers' cooperatives under CADP in other states and different farmers' cooperatives across Nigeria. This study can serve as basis for hypotheses formulation for future research in this area.

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