

Marketing Efficiency of Date in Khartoum State, Sudan

Abda Abdalla Emam¹ & Wafa Abd-Alrhaim Abu-Algasim²

¹ Department of Agri-Business and Consumer Science, Faculty of Agriculture and Food Science, King Faisal University, Kingdom of Saudi Arabia

² Ministry of Agriculture, Animal Resources and Irrigation, Sudan

Correspondence: Abda Abdalla Emam, Department of Agri-Business and Consumer Science, Faculty of Agriculture and Food Science, King Faisal University, Kingdom of Saudi Arabia. E-mail: aaeali@kfu.edu.sa; abdaemam@hotmail.com

Received: June 1, 2016

Accepted: November 14, 2017

Online Published: April 15, 2018

doi:10.5539/jas.v10n5p384

URL: <https://doi.org/10.5539/jas.v10n5p384>

Abstract

The study aimed to measure the marketing efficiency of date at wholesalers in Khartoum State in the year 2013. The study depended mainly on primary data which was collected through questionnaire. About 35 of wholesaler were selected through simple random sampling. Also, secondary data was collected from sources related to topic of the study. The data was analyzed using descriptive statistics tool. Also, quantitative analysis techniques were used to calculate net marketing margins and marketing efficiency for wholesalers. The study revealed that 82.9% of wholesalers bought the product from local traders. On the other hand, about 68.6% of wholesalers sold their product to retailers. About 25.30, 33.20, 13.30 and 7.40 SG/Sack represented Gross Marketing Margins for Gondaila, Tomoda, Brakawie and Gawa, respectively. About 25.25, 6.15, -13.75 and -20.65 SG/Sack represented Net Marketing Margins for Gondaila, Tomoda, Brakawie and Gawa, respectively. The Shepherd's Formula indicated that Gondaila, Tomoda, Brakawie and Gawa got marketing efficiency equal to 17.41, 13.09, 06.06 and 02.45, respectively. The main obstacles that facing wholesalers in marketing of date were follows: transportation cost, taxes, losses and finance. Increasing Net Marketing Margins at wholesaler's Brakawie and Gawa in Khartoum market through reducing marketing costs (minimize economics and normal risks (balance between supply and demand beside control store pest) transportation and taxes cost items). In this efficiency activity, investment and credit services should be encouraged and provided, respectively.

Keywords: date, marketing efficiency, marketing margins, Sudan, wholesalers

1. Introduction

The date (*Phoenix dactylifera* L.) is considered as a symbol of life in the desert, because its tolerance of high temperatures, drought and salinity is more than many other fruit crop plant species. It is one of the oldest trees from which man has derived benefit, and it has been cultivated since ancient times. The only indigenous wild desert plant definitely domesticated in its native harsh environments appears to be the date (Zohary & Hopf, 2000). The date is a major agricultural crop in the Near East and North Africa, and it has historically been connected with sustaining human life in many of the hot and barren parts of the old world and has become an integral part of the culture and tradition of the people of these regions (Sawaya, 2000). The date retains its value for cultivators as it gives a wide range of products and services, including many necessities of life. The date, the primary product of the palm, is rich in protein, vitamins, and mineral salts. That is why it represents an essential element of diet for the cultivator himself and his animals. All secondary products of the palm result from annual pruning and have essential uses for the cultivator. With an annual production of about 330,000 tons and a date (*Phoenix dactylifera* L.) population of about 8 million, Sudan ranks number 8 in the list of top date producing countries of the world. However, Sudan has tremendous potential to rank much higher in this scale due to extensive stretches of land between latitude 12°N and the Tropic of Cancer, availability of irrigation water and a suitable climate for date production. Dates are traditionally marketed all over the world as a high value confectionery, fresh fruit they remain an important subsistence crop in most of the desert areas (Erskine, 2003). Marketing efficiency can benefit all the key actors in a market chain. An efficient marketing system is essential for earning fair profit for the producers and traders (Janifa et al., 2014). Fewer researches were conducted in date marketing. Hence the present research aimed at shedding light on the marketing efficiency of date in Khartoum state (capital of Sudan).

2. Methodology

According to Emam (2011), marketing margin can be estimated as:

Marketing margin = Selling price – Cost price

Netmarketing margin = Marketing margin – Marketing cost

Net marketing margin for wholesaler = Wholesale marketing margin – Wholesale marketing cost

For the marketing efficiency analysis, it is measured as (Emam, 2010):

Marketing efficiency = (Gross marketing margin/Marketing cost) × 100

Also, Shepherd's Formula is used for measuring marketing efficiency as follows (Ugwumba, 2010):

Marketing efficiency = (V/I) – 1

Where, V = Value of goods sold (consumer price); I = Total marketing cost at specific level of trader.

If the output of calculation is more than one means that the product are efficient in marketing.

3. Results and Discussion

3.1 Socioeconomics Characteristics

Age: The majority of wholesalers were aged group ranged between 31 and 50 years (Table 1).

Table 1. Distribution of wholesalers according to age groups

Years	Frequency	Percentage
20-30	05	14.3
31-40	11	31.4
41-50	14	40.0
> 50	05	14.3
Total	35	100.0

Source: Data collected and calculated, 2013.

Education: The results illustrated that about 5.7%, 2.9%, 20.0%, 45.7% and 25.7% were represented illiterate, organic, primary, secondary and university education level for wholesalers, respectively (Table 2). Upton (1987) reported that education has an important influence in managerial ability and decision making. This means that the date marketing is practically done by experienced traders.

Table 2. Distribution of wholesalers according to education levels

Characters	Frequency	Percentage
Illiterate	2	05.7
Organic education	1	02.9
Primary	7	20.0
Secondary	16	45.7
University	9	25.7
Total	35	100.0

Source: Data collected and calculated, 2013.

Marital status: The majority of wholesalers were married (80.0%) (Table3).

Table 3. Distribution of wholesalers according to marital status

Source	Frequency	Percentage
Married	28	80.0
Single	05	14.3
Divorced	02	05.7
Total	35	100.0

Source: Data collected and calculated, 2013.

Family Size: The majority of wholesalers (71.3%) have family size ranged from 1 to 5 persons (Table 4).

Table 4. Family size

Range	Frequency	Percentage
1-3	12	34.2
3-5	13	37.1
5-7	09	25.7
More than 7	01	02.9
Total	35	100.0

Source: Data collected and calculated, 2013.

Experience: The results recorded that about 74.3% of wholesales have experience more than six years (Table 5).

Table 5. Distribution of wholesalers according to their experience

Years	Frequency	Percentage
1-3	06	17.1
3-6	03	08.6
More than 6	26	74.3
Total	35	100.0

Source: Data collected and calculated, 2013.

Source of finance: About 68.6% and 31.4 of wholesalers were self-finance and others sources of finance, respectively (Table 6).

Table 6. Distribution of wholesalers according to sources of finance

Source	Frequency	Percentage
Self-finance	24	68.6
Loans	0	00.0
Others	11	31.4
Total	35	100.0

Source: Data collected and calculated, 2013.

3.2 Sources of Date

82.9% and 17.1% of wholesalers sold date from local traders and producers, respectively (Table 7).

Table 7. Distribution of wholesalers according to sources of date

Sources	Frequency	Percentage
Producer	06	17.1
Local trader	29	82.9
Total	35	100.0

Source: Data collected and calculated, 2013.

3.3 Distribution of Date

The results illustrated that about 68.6%, 14.3% and 17.1% of wholesalers bought date to retailers, consumers and both (consumers and retailers), respectively (Table 8).

Table 8. Distribution of date

Source	Frequency	Percentage
Retailer	24	68.6
Consumer	05	14.3
Retailer + Consumer	06	17.1
Total	35	100.0

Source: Field survey, 2013.

3.4 Analysis of Marketing Cost at Wholesalers of Date

Marketing costs were the same for different types of date. The marketing cost of date at wholesaler was 27.05 SG/Sack; Rent cost (including losses) (48.69%), transportation (23.29%), taxes (12.24%), handling (3.14%), and others (22.57%) represented the main marketing cost items (Table 9). The results indicated that rent (and losses), transportation and taxes costs represented higher percentages in the marketing costs of date wholesalers. The higher losses were reflected mainly to store pests. This result was assured with previous study (Khairi et al., 2010). The study reported that the store pests cause a lot of damage.

Table 9. Marketing costs at wholesalers of date

Items	Cost (G/sack)	Percentage
Marketing cost:	27.050	100.00
- Transportation	06.300	23.29
- Handling	00.850	03.14
- Rent Cost (including losses)	13.170*	48.69
- Taxes	03.310*	12.24
- Others	003.420*	12.64

Note. * = cost item (in month in SG)/quantities sold (in month SG/Sack).

Source: Data collected and calculated, 2013.

3.5 Gross Marketing Margins

The gross marketing margins were ranked as the descending order for different types of date (Table 10). About 25.30, 33.20, 13.30 and 7.40 SG/Sack represented gross marketing margins for Gondaila, Tomoda, Brakawie and Gawa, respectively.

3.6 Net Marketing Margins

About 25.25, 6.15, -13.75 and -20.65 SG/Sack represented net marketing margins for Gondaila, Tomoda, Brakawie and Gawa, respectively (Table 10). Gondaila, Tomoda got higher and positively net marketing margins while Brakawie and Gawa got lower and negatively net marketing margins. The results of Brakawie and Gawa wholesalers was reflected to the high in marketing costs beside low in gross marketing margins which came as a results of low in selling and buying prices.

3.7 Marketing Efficiency

A market that is efficient does not only bring sellers and buyers together, it enables entrepreneurs to take advantage of opportunities, to innovate and improve in response to demand and price changes (Fakayode et al., 2010). The results indicated that Gondaila got higher marketing efficiency (193.35%) followed by Tomoda (122.74%) then Brakawie (49.17%) and the last one was Gawa (27.36%). Also, the marketing efficiency was calculated using Shepherd's Formula. The Shepherd's Formula followed the same sequence of the previous test of efficiency; Table 10 indicated that Gondaila, Tomoda, Brakawie and Gawa got marketing efficiency 17.41, 13.09, 06.06 and 02.45. The results indicated that the different types of date are efficient in marketing in the study area.

Table 10. Net marketing margins (SG/Sack) and marketing efficiency of different type of datepalm at wholesalers

	Gondaila	Tamoda	Brakawie	Gawa
Farm gate price	445.70	347.90	177.70	086.00
Consumer price	498.00	381.10	191.00	093.40
Gross marketing margin	052.30	033.20	013.30	007.40
Marketing cost	027.05	027.05	027.05	027.05
Net marketing margin	025.25	006.15	-013.75	-019.65
Marketing efficiency (%)	193.35	122.74	049.17	027.36
Marketing efficiency (Shepherd's Formula)	17.41	13.09	06.06	02.45

Source: Data collected and calculated, 2013.

3.8 Marketing Constraints

Many constraints that facing traders of such commodity were recorded. The results illustrated that about 42.9%, 25.7%, 20.0% and 11.4% of wholesalers face obstacles on others (store pests (losses) and flood in supply), transportation, taxes and finance, respectively (Table 11).

Table 11. Distribution of date wholesalers according to marketing constraints

Constraints	Frequency	Percentage
Transportation	09.0	25.7
Finance	04.0	11.4
Taxes	07.0	20.0
Others*	15.0	42.9

Note. * means store pest (losses) and higher in supply.

Source: Data collected and calculated, 2013.

4. Recommendations

Increasing net marketing margins at wholesalers' Brakawie and Gawa in Khartoum market through reducing marketing costs. Minimize economics and normal risks (balance between supply and demand beside control store pest), transportation cost and taxes must be insured. Provision of credit services should be done. Also, encourage investment in this efficiency activity was recommended.

References

- Emam A. A. (2011). Evaluating of Marketing Efficiency of Tomato in Khartoum State, Sudan. *Journal of Agriculture & Social Sciences*, 7(1), 21-24.
- Emam, A. A. (2010). Marketing Economics of Meat Poultry in Khartoum State, Sudan. *Continental Agricultural Economics*, 4, 26-31.
- Erskine, W., Moustafa, A. T., Osman, A. E., Lashine, Z., Nejatian, A., Badawi, T., & Ragy, S. M. (2003). *Date in the GCC countries of the Arabian Peninsula*. Retrieved from <http://www.icarda.org/aprp/Datepalm/introduction/intro-body.htm>

- Fakayode, S. B., Omotesho, O. A., Babatunde, R. O., & Momoh, A. A. (2010). The Sweet Orange Market in Nigeria, How Viable? *Research Journal of Agricultural and Biological Sciences*, 6(4), 395-400.
- Janifa, U. A., Omar, Md. I., Sabur, S. A., Moniruzzaman, M., & Haque, Md. S. (2014). Analysis of Marketing Function, Marketing Efficiency and Spatial Co-Integration of Rohu (*Labeo rohita*) Fish in Some Selected Areas of Bangladesh. *J Bus Fin Aff*, 3, 123. <https://doi.org/10.4172/2167-0234.1000123>
- Khairi, M. M. A., Elhassan, M. I., Bashab, F. A., Zaid, A., & Alhadrami, G. A. (2010). The Status of Date Cultivation and Date Production in Sudan. *Acta Horticulturae*, 13(10), 1197-206. <https://doi.org/10.17660/ActaHortic.2010.882.2>
- Sawaya, W. N. (2000). *Proposal for the Establishment of a Regional Network for Date-Palm in the Near East and North Africa*. A draft for discussion, FAO/RNE.
- Ugwumba, C. O., & Okoh, R. N. (2010). Price Spread and the Determinants of Catfish Marketing Income in Anambra State, Nigeria. *Journal of Agriculture & Social Sciences*, 6, 73-78.
- Upton, M. (1987). *African farm management*. Cambridge University Press.
- Zohary, D., & Hopf, M. (2000). *Domestication of Plants in the Old World* (3rd ed.). Oxford University Press, Oxford, UK.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).