



GROSS MARGIN ANALYSIS OF MARKETING PADDY RICE (*Oryza sativa*) IN SELECTED MARKETS IN BAUCHI STATE, NIGERIA

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ABSTRACT

The study examined the gross margin and factors influencing marketing margin, as well as constraints to paddy rice (*Oryza sativa*) marketing in selected markets in Bauchi State, Nigeria. Six (6) markets were purposively selected and a total of 124 marketers were randomly chosen. Primary data were collected by the use of structured questionnaire. Descriptive and inferential statistics were used to analyze the data. Based on the findings of the study, paddy rice marketing was a profitable enterprise in Bauchi State, Nigeria with gross margin of ₦1,126.20 and marketing efficiency was 13.5%. Factors that influenced marketing margin of paddy rice include marital status at P 0.01, household size at P 0.1, years of experience and educational level at P 0.05, respectively. The result indicates that the model has an F-ratio (11.562) which shows that the whole model was significant at P 0.01 level of probability. The coefficient of determination (R^2) indicated that 45.5% variation in the dependent variable was explained by the explanatory variables included in the model, while the remaining was as a result of variables not included in the model as well as errors in estimation. The results further revealed that 48.4% of the market participants were retailers. The major constraints identified include inadequate capital, poor road network and storage facility, seasonality of supply and lack of standard unit of measurement. It was recommended that Government provides credit facilities; improved transportation network and marketers encouraged to form cooperatives so that they can pool their resources together to increase their scale of operation.

Keywords: Gross returns, Markets, Marketing margin, Market participant, Paddy rice.