

## **Evaluation of the Pattern of the Commercial Relationship between the Ginger Farmers and the Middlemen in Southern Kaduna, Nigeria**

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### **Abstract**

**T**his study explored the commercial relationship between ginger farmers and middlemen in Nigeria, focusing on the extent and nature of their interactions. Data were collected through a descriptive survey using questionnaires from a sample of 397 respondents. The findings revealed that middlemen enforce quality standards and provide guidance on post-harvest handling to ensure ginger meets market expectations. They manage negotiations and resolve disputes related to pricing, quality, and contracts. In addition, middlemen offer credit or advances for seeds and fertilizers to help farmers manage cash flow before harvest and facilitate access to larger markets and distribution networks. The study recommends government support for initiatives that formalize and regulate the roles of middlemen in the ginger trade, as well as NGO support for financial services to enhance the capabilities of ginger farmers, such as providing access to credit or advances for inputs like seeds and fertilizers.

**Keywords:** Commercial Relationship, Ginger Farmers, Middlemen

### **Introduction**

Ginger farming is a cornerstone of the agricultural economy in Southern Kaduna, Nigeria, contributing significantly to the region's socio-economic landscape. Recognized for producing premium-quality ginger, the area supplies both local and international markets with the highly sought-after crop. According to Smith (2023), ginger cultivation serves as a critical livelihood source for many residents, underpinning their economic well-being. However, the interactions between ginger farmers and middlemen, who facilitate the crop's movement from farm to market, play a crucial role in determining the profitability and long-term viability of ginger farming in the region (Brown, 2022). The marketing relationship between farmers and middlemen in Southern Kaduna profoundly affects the agricultural value chain. Middlemen act as pivotal intermediaries, linking farmers to broader markets, yet their involvement also introduces complex dynamics that influence economic outcomes for producers (Johnson, 2021). These commercial engagements directly impact the financial stability of ginger farming households and shape the sustainability of ginger production in the region.

The role of middlemen in agricultural trade is a widely debated topic, with proponents emphasizing their importance in connecting farmers to markets and critics pointing out the potential for exploitation (Mills, 2019). In Southern Kaduna, middlemen often dominate the ginger trade by purchasing produce directly from farmers and reselling it to larger buyers or processors. This structure creates a complex web of interactions characterized by negotiations, power imbalances, and varying degrees of trust (Adams, 2020). Understanding these relationships is crucial for addressing the challenges faced by ginger farmers and ensuring equitable benefits along the value chain.

Despite the economic importance of ginger in Southern Kaduna, farmers face several challenges in their interactions with middlemen. Limited access to market information, inadequate storage facilities, and financial constraints often compel farmers to sell their produce at low prices to middlemen, who wield considerable bargaining power (Clark, 2018). This dynamic not only affects the income levels of farmers but also influences their production decisions and investment in agricultural practices. Consequently, the patterns of commercial relationships between farmers and middlemen are pivotal in shaping the development trajectory of ginger farming in the region (Evans, 2017).

Middlemen play a dual role in the ginger trade, serving both as facilitators and potential barriers to market access. On the one hand, they provide an essential service by purchasing produce from remote rural areas and facilitating its transportation to urban centers or export markets. On the other hand, their profit-driven approach often leads to a skewed distribution of benefits, leaving farmers with a disproportionate share of the value generated (Parker, 2016). This duality underscores the need for a nuanced understanding of their role in the agricultural supply chain (Walker, 2015).

Several factors influence the nature of commercial relationships between ginger farmers and middlemen in Southern Kaduna. These include the socio-economic characteristics of farmers, the structure of local markets, the level of competition among middlemen, and the availability of alternative marketing channels (Mason, 2014). Examining these factors can provide insights into how the current dynamics can be restructured to create a more equitable and sustainable ginger trade (Taylor, 2013).

The government, alongside various stakeholders, has implemented several initiatives to address the challenges faced by ginger farmers in Southern Kaduna. Cooperative societies have been established to facilitate collective action among farmers, enhancing their bargaining power and access to larger markets (Robinson, 2012). Agricultural extension services aim to provide farmers with technical knowledge and modern farming practices, thereby improving productivity and crop quality (Wilson, 2011). Furthermore, microfinance schemes have been introduced to offer farmers the financial resources needed to invest in critical inputs and infrastructure, reducing their reliance on middlemen for immediate liquidity (Davies, 2010). These efforts collectively seek to empower farmers, improve their economic outcomes, and foster a more equitable agricultural value chain (Moore, 2009).

### **Ginger Farming Pattern and Relationship between Ginger Farmers and Middle Men**

Ginger farming in Southern Kaduna, Nigeria, is a vital agricultural activity that supports the livelihoods of many rural households. The region's favorable climatic conditions and fertile soils contribute to the production of high-quality ginger, making it a key supplier to local and international markets. Ginger is cultivated mainly by smallholder farmers who rely on traditional farming methods. These methods, while cost-effective, often limit productivity due to inadequate access to modern agricultural inputs, such as improved seedlings, fertilizers, and irrigation systems (Smith, 2023). This farming pattern has implications for the quality and quantity of ginger produced and shapes the dynamics of its commercialization. The relationship between ginger farmers and middlemen in Southern Kaduna is central to the crop's marketing and distribution. Middlemen act as intermediaries, purchasing ginger directly from farmers and transporting it to local markets, processors, or exporters. This arrangement is crucial in bridging the gap between farmers and the broader market.

However, the relationship is often characterized by a power imbalance, with middlemen wielding significant influence over pricing and terms of trade (Johnson & Ojo, 2022). Farmers, constrained by limited access to alternative marketing channels, are typically at the mercy of these intermediaries. One of the primary challenges in this relationship is the lack of market information available to ginger farmers. Without knowledge of prevailing market prices, farmers are unable to negotiate fair terms with middlemen. This asymmetry often results in the exploitation of farmers, who are forced to accept prices that do not reflect the true market value of their produce. Also, the absence of cooperative organizations among farmers exacerbates this issue, as collective bargaining could otherwise enhance their negotiating power.

The timing of ginger sales poses a significant challenge for farmers, often resulting in economic disadvantages. Due to the lack of adequate storage facilities, many farmers are compelled to sell their produce immediately after harvest to prevent spoilage. This urgency places them at the mercy of middlemen, who exploit the oversupply during the peak harvest season by offering prices far below market value. The resulting seasonal price volatility severely impacts farmers' income, undermining their financial stability and reducing their ability to reinvest in farming activities (Ogundipe, 2021). Without the means to store their produce until market conditions improve, farmers face a recurring cycle of low profitability that restricts their economic growth. Compounding this issue is the informal nature of transactions between ginger farmers and middlemen. Most agreements are made verbally, without legal frameworks to ensure compliance, leaving farmers vulnerable to dishonest practices such as delayed payments or alterations to agreed terms. This lack of contractual protection introduces financial insecurity and erodes trust between the parties.

Similarly the absence of formal agreements limits the potential for long-term partnerships that could foster more equitable and sustainable trading relationships. Addressing these challenges requires interventions to improve storage infrastructure, enhance farmers' access to legal support, and encourage transparent market practices. Efforts to mitigate the challenges faced by ginger farmers in their interactions with middlemen have included a range of government and non-governmental initiatives. Key strategies involve the establishment of cooperatives, which enable farmers to pool resources and collectively bargain for better terms in the market (Akpan, 2020).

Also, interventions to provide access to market information empower farmers to make informed decisions, reducing their reliance on middlemen. Credit schemes have also been introduced to alleviate financial constraints, allowing farmers to invest in infrastructure, such as storage facilities, or improve production methods. However, these efforts are often undermined by broader systemic issues, including inadequate infrastructure, poor implementation of programs, and inefficiencies within the agricultural value chain, which limit their overall impact (Amadi, 2019).

Despite these challenges, middlemen remain indispensable within the ginger trade, performing critical functions that are beyond the reach of most smallholder farmers. They facilitate transportation, ensuring that ginger reaches distant markets, and provide essential market linkages that connect farmers to buyers. Middlemen also bear some of the risks associated with market volatility and logistical challenges, such as fluctuating prices and transportation delays. However, their operations are primarily profit-driven, often leading to an unequal distribution of economic benefits along the value chain. This dynamic leaves farmers with only a small share of the value generated from their produce, perpetuating income

disparities and limiting the potential for sustainable growth in the ginger farming sector (Onyema, 2022).

Enhancing ginger farming practices and the dynamics between farmers and middlemen necessitates a comprehensive, multi-faceted strategy. One critical aspect is investment in rural infrastructure, including improved road networks and storage facilities. These enhancements would allow farmers to transport their produce more efficiently and reduce post-harvest losses caused by spoilage. Proper storage options would enable farmers to avoid distress sales during peak harvest seasons when prices are typically lower, allowing them to sell when market conditions are more favorable. Such infrastructure improvements not only strengthen farmers' economic stability but also create the foundation for a more sustainable agricultural value chain (Ojo, 2021). Another crucial element is the empowerment of farmer cooperatives. By organizing into cooperatives, farmers can pool their resources and negotiate collectively, increasing their bargaining power to secure fairer prices for their produce. This collective approach minimizes the dependency on middlemen, who often exploit individual farmers' vulnerabilities.

The government plays a pivotal role in regulating the agricultural value chain to ensure fair and sustainable practices, particularly in the ginger farming sector. Through the implementation of policies that promote equity in market transactions, the government can address systemic issues that hinder farmers' profitability and participation in competitive markets. Subsidies targeted at smallholder farmers can alleviate financial constraints, enabling them to invest in improved agricultural inputs and infrastructure. Similarly, training programs designed to enhance farmers' technical skills and market awareness can empower them to negotiate better terms and reduce their vulnerability to exploitation within the value chain (Odu, 2018).

Private-sector participation in the processing and marketing of ginger is another critical area that complements government intervention. By fostering a business-friendly environment, the government can encourage private enterprises to invest in value addition and alternative market channels. This diversification creates opportunities for farmers to access higher-value markets, reducing their dependence on middlemen who often dominate the informal trading networks. The collaboration between public and private sectors not only strengthens the agricultural value chain but also promotes innovation and competitiveness, ensuring that the benefits of the ginger trade are equitably distributed among all stakeholders (Adebayo, 2023).

## **Methodology**

The study adopted a descriptive survey research design and focused on ginger farmers and middle men in Southern Kaduna, Kaduna State. A sample of 400 respondents was selected through simple random sampling. Data collection was conducted using a structured questionnaire, and responses were received from 397 respondents, yielding a 99.3% return rate. The respondents were drawn randomly from Southern Kaduna Senatorial Districts, with the researcher and three research assistants administering the validated questionnaire. Data analysis was performed using Version 20 of the Statistical Package for Social Sciences (SPSS). Mean scores were computed based on a four-point Likert scale, with 2.50 set as the decision threshold. Items with a mean score of 2.50 or higher were interpreted as agreement, while those scoring below 2.50 indicated disagreement. Hypothesis was tested using one sample statistics at a 0.05 significance level.

## Results and Discussions

The results are presented according to research question and hypothesis.

**Research Question 1:** What is the pattern of the relationship or activities between the ginger farmers and the middle men?

**Table 1: Opinions of the Respondents on pattern of the relationship or activities between the ginger farmers and the middle men**

S/N	Items	SA	A	D	SD	Mean
1	Middlemen help farmers' access larger markets and distribution networks, enabling them to sell their ginger beyond local areas.	244	29	90	34	3.22
2	They negotiate prices on behalf of farmers, affecting the final selling price of ginger according to market conditions and demand.	190	110	66	31	3.16
3	Middlemen manage the collection and transportation of ginger from farms to markets or processing centers, easing farmers' logistical challenges.	203	76	96	22	3.16
4	They may provide credit or advances for inputs like seeds and fertilizers, assisting farmers with cash flow management before harvest.	213	99	69	16	3.28
5	Middlemen enforce quality standards and offer advice on harvesting and post-harvest handling to ensure ginger meets market expectations.	221	130	38	8	3.42
6	They take on some market risks, such as price fluctuations and unsold stock, which can impact the stability of farmers' income.	173	78	51	95	2.83
7	Middlemen provide valuable market information, including price trends and demand forecasts, helping farmers make better decisions.	186	73	53	85	2.91
8	They may handle the processing and packaging of ginger to increase its market value and align with consumer preferences.	196	80	49	72	3.01
9	The relationship with middlemen can be both beneficial and challenging, as farmers sometimes face issues with fair pricing and terms.	210	77	81	29	3.18
10	Disputes over pricing, quality, and contracts may occur, with middlemen involved in negotiating and resolving these conflicts	221	119	40	17	3.37
<b>Cumulative</b>						<b>3.15</b>

The results shown in the table present mean responses of 3.22, 3.16, 3.316, 3.28, 3.42, 2.83, 2.91, 3.01, 3.18, and 3.37, with an overall cumulative mean of 3.15. Since this cumulative mean exceeds the benchmark value of 2.50, it indicates that the pattern of activities between ginger farmers and middlemen significantly impacts the relationship between ginger farmers and middlemen in Southern Kaduna State, Nigeria.

**H<sub>01</sub>:** There is no significant difference between the pattern of the commercial relationship or activities between the ginger farmers and the middle men.

**Table 2: One Sample t-test statistic on the pattern of the commercial relationship or activities between the ginger farmers and the middle men**

Variable	N	Mean	Std.	Mean diff	Df	t-cal	t-crit	P
hypo2	397	3.2166	1.06763	3.11	396	60.03	1.96	0.000

**P = 0.000 < 0.05, t computed = 60.03 > 1.96 at df 396**

The one-sample t-test results demonstrate a significant difference in the pattern of commercial relationships or activities between ginger farmers and middlemen, indicated by a p-value of 0.000, which is below the 0.05 significance level. The corresponding t-value of 60.03 surpasses the critical t-value of 1.96 at 396 degrees of freedom. As a result, the null hypothesis, suggesting no significant difference in these relationships, is rejected.

### Results

1. Middlemen enforce quality standards and provide guidance on post-harvest handling to ensure ginger meets market expectations. They are also involved in negotiating and resolving disputes related to pricing, quality, and contracts within the trade.
2. Middlemen often offer credit or advances for inputs such as seeds and fertilizers, assisting farmers with cash flow management before harvest. They also help farmers access larger markets and distribution networks, allowing them to sell their ginger beyond local area.

### Discussions of Findings

The primary objective of this study was to assess the relationship and activities between ginger farmers and middlemen in Southern Kaduna, Nigeria. From the analysis of the data obtained, the study underscores the role of middlemen in enforcing quality standards and providing essential guidance on post-harvest handling, which ensures that ginger meets market expectations. Their involvement is critical in negotiating and resolving disputes related to pricing, quality, and contracts within the trade, as they act as intermediaries who balance the interests of both farmers and buyers. This finding aligns with Bello's (2022) perspective, which emphasizes the significant role of middlemen in agricultural markets, where they facilitate smoother transactions and mitigate risks associated with market fluctuations and logistical challenges. By bridging the gap between producers and consumers, middlemen help stabilize the market and ensure that farmers receive fair returns for their produce, thereby contributing to the overall efficiency and sustainability of the ginger value chain.

The study also reveals that middlemen frequently provide credit or advances for inputs such as seeds and fertilizers, which are crucial for farmers to manage their cash flow before the harvest. This financial assistance allows farmers to invest in essential resources without the immediate pressure to sell at unfavorable prices. In addition, middlemen facilitate access to larger markets and distribution networks, enabling farmers to expand their reach beyond their local areas. This finding aligns with James's (2016) view, which highlights the importance of middlemen in providing financial support and logistical connections that enable farmers to access broader markets, thereby enhancing their economic opportunities and reducing their

dependency on local buyers. By doing so, middlemen contribute to the overall stability and growth of the agricultural sector.

## Conclusion

From the study's findings, it can conclude that the pattern of the relationship or activities between the ginger farmers and the middle men has significant impact. Middlemen play a pivotal role in the ginger trade by enforcing quality standards and providing crucial guidance on post-harvest handling, ensuring that ginger meets market expectations. Their involvement in negotiating and resolving disputes related to pricing, quality, and contracts within the trade helps maintain a level of stability and fairness in the market. However, the dependency of farmers on middlemen highlights the need for enhanced government and NGO support to formalize and regulate their roles, thereby improving the overall efficiency and sustainability of the ginger value chain.

In addition, middlemen play a crucial role in the ginger trade by offering credit or advances for inputs like seeds and fertilizers, which significantly aid farmers in managing their cash flow before harvest. Their involvement also facilitates access to larger markets and distribution networks, enabling farmers to expand their reach beyond local areas. However, the dependency on middlemen underscores the need for complementary support from government and non-governmental organizations to enhance financial inclusion and create alternative market opportunities, thereby reducing farmers' reliance on middlemen and fostering a more equitable and sustainable agricultural value chain.

## Recommendations

Based on the study's findings and conclusions, it is recommended that:

- i. The government should support initiatives that formalize and regulate the roles of middlemen in the ginger trade. This could involve implementing policies that encourage middlemen to maintain quality standards and provide guidance on post-harvest handling.
- ii. Non-Governmental Organizations (NGO) should support initiatives that facilitate financial services for ginger farmers, such as providing access to credit or advances for inputs like seeds and fertilizers. These interventions would help improve cash flow management for farmers, particularly before harvest.

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