

Micro Enterprise of Women Food Vending in Afikpo North Local Government Area of Ebonyi State, Nigeria

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Abstract- Women Food vending is unique in two ways: it highlights the act of income generation, and it puts into consideration women’s contributions in term of the total streets food sector. More often than not, the contributions of rural or some urban women have been invisible, as it was categorized into such rural activities as farming, food processing and handicraft. This paper examines women food vending as a way of generating income, including identifying food vending as a market for foods produced and processed by the sub-urban community. Fifty women food vendors were randomly selected from five sub-urban towns in Afikpo North Local Government of Ebonyi State, Nigeria. Data were analyzed using a combination of descriptive statistics and multiple regression analysis. Results showed that on the average, a woman vendor made a monthly net income of twenty-five thousand, eight hundred and seventy-five naira (25,875). The multiple regression analysis shows that about eighty-eight of the total variation in the food vendors’ profit was explained by the independent variables investigated. The author recommended that women food vendors could increase their profits by packaging the food in decent disposable plastics as well as opening more selling outlets.

Indexed Terms- Micro-Enterprise, Food-Vending, Sub-Urban, Income, Local Government.

I. INTRODUCTION

The acute unemployment situation in the country has motivated many people into looking for a small but viable enterprise to engage in, so as to make ends meet. The government itself now tries to encourage a free market system, especially the micro-enterprises. Food vending one of the micro-enterprises that have received the attention of people especially the women because of its viable nature.

Food vending is a component of the micro enterprise sub-sector. A micro enterprise is a type of small business having five (5) or fewer employees and a seed capital of not more than 35,000. Food vending includes the marketing of food such as beans, rice, yam, plantain, drinks, snacks etc. According to Onuoha and Ohaka (2006) the food could be prepared at home in a small scale or at the street stall. The consumers of these foods are mainly factory or industrial workers, hospital, lower class workers in schools, motor parks and artisans of all categories.

FAO (1995) described food vending as street foods, “ready to eat foods and beverages prepared and/or by vendors and hawkers especially in streets and other similar public places.

According to Akinyele (1994), Street food vending in Nigeria which has been an age long tradition has grown in importance with civilization and urbanization, by providing low-cost foods for the urban masses. A substantial proportion of the meals “eaten out” represent a shift in place from the family table to the restaurants and food vendors. FAO (2001) asserted that the demand for street food particularly during lunch time has increased in most urban areas of developing countries. The food might be cooked at home or at the stalls and could be hawked on pushcarts or on the head. Most women employ helping hands to aid in the preparation of the food or engage their children. Some women food vendors make various arrangements for the sale of their food, depending on resource availability, their prepared selling site, type of food sold and availability of facilities. For instance, there are fixed stalls, push carts, road side stands, hawkers with head loads. The women food vendors deliver daily to artisans, mechanics, schools, hospitals, institutions, offices and residential homes etc. Unfortunately, the activities of these women have not

attracted serious attention of the government either at the state or local government levels

However, the extent to which women food vendors increase in Afikpo north local government area of Ebonyi State indicates the high demand and potential opportunities for growth of this gro-business sub sector of the economy. Overall assessment indicates that food vending contributes to national development given its livelihood and income generating status for many urban and rural dwellers.

- Statement of Problem

The rising cost of living has led to poor standard of living in Nigeria today. An indicator of the level of poverty can be seen in the inadequate diet, consumed by large urban and rural dwellers. In order to survive the hardship many people now move into the informal business sector to supplement or generate income. One of the informal business that has attracted attention of the women folk, is food vending business

In Afikpo, urban area of Ebonyi State, women food vendors carry out their activities in different forms, some sell in Kiosks, rented stalls while others distribute their foods on push carts or carrying on their head. They deliver daily to artisans, welders, mechanics and sometimes to small enterprises whom they have established links with and their market size fluctuates depending on the level of competition from other new entrants.

Although food vending provides a source of income generation and employment, this sector has often received little or no attention from the policy makers. In support of above statement. Olayemi. (1992) noted that despite the vital and vibrant part played by street foods in feeding city and rural dwellers, street food vending has often been ignored or treated with hostility by those in authority. The extent to which the activities of food vendors especially women increase daily in these Urban Areas of Ebonyi State is an indication of the viable nature of the business in terms of economics/finance. The aim of this study is to examine the economics of women food vending as a micro-enterprise and determine the profitability in relation to inputs.

- Objectives of the Study

The general objective of the study is to assess the Micro Enterprise of women food vending in Afikpo North Local Government Area of Ebonyi State.

Specifically, the study seeks to;

- i. Examine the socio-economic characteristics of women food vendors in Afikpo north Local Government Area of Ebonyi State.
- ii. To determine the cost and returns in food vending business.
- iii. To isolate factors influencing the profitability of food vending in the study area.
- iv. To make policy recommendations based on the results of the study

- Research Questions.

- i. What are the socio-economic characteristics of women food vendors in Afikpo north local Government Area?
- ii. What are the cost and returns in food vending business?
- iii. What are the factors influencing the profitability of food vending in the study area?

- Justification of the Study

This study will assist the food vendors have in depth knowledge of the various production inputs involved, their costs and returns including the lucrative nature of the business The study will help as certain the possibilities of increasing output and productivity as well as income thereby improving the standard of living of the vendors. The study will be relevant to policy makers for effective planning as there is need for policies and actions to ensure that street foods contribute to nutritional well-being and quality of life of the people. Findings on the profitability of food vending business will serve as a guide and also provide motivation and hope to potential entrants into the business. The findings of the study will serve as a reference guide to future researchers since not much work has been done on food vending as a micro enterprise in Afikpo north local Government Area of Ebonyi State.

II. MATERIALS AND METHODS

The study was carried out in Afikpo North Local Government area of Ebonyi State. Afikpo is the

commercial city of Ebonyi -State. The study utilized primary data; five major communities were selected namely:

- Amasiri
- Oziza
- Enohia
- Akpoha
- Amangbala.

The choice of these areas was based on the premise that women food vendors operate in them from Mondays through Saturdays including public holidays.

Eight women food vendors were randomly selected from Oziza, Enohia, Akpoha and Amasiri; semi urban areas while 18 were selected from Amangbala, (where the largest market and motor park is situated) being the largest commercial site, thus bringing the total number to 50 (fifty). Data for the analysis were collected through a combination of personal interviews and structured questionnaire. The data were analysed using a combination of descriptive statistics involving simple percentages, frequency tables, gross-margin analysis, and multiple regression analysis.

III. MODEL SPECIFICATION

The profit level and profitability ratios were calculated using gross margin and returns to management (Kay, 1981).

- (i) GM = TR - TVC
 - (ii) NI = GM - TFC
- Where
- Gm = Gross Margin
 - TR = Total Revenue
 - TVC = Total Variable Cost
 - NI = Net Income
 - TFC = Total Fixed Cost

IFC involves wages paid to helper and maids per month and depreciation on equipment used per annum.

- (iii) Profitability Index (PI) or return on sale = $\frac{NI}{NR}$
- (iv) The ration of return on investment (% PRI) = $\frac{NI}{NR} \times 100$

Where, NR = Net Revenue
RRI = Rate of returns on Investment.

(v) Rate of return on variable cost (% PRVC) = $\frac{TR - TFC}{TR - 100}$

(vi) Operating Ratio = $\frac{TVC}{TR}$

Multiple Regression Analysis

Four functional forms were tried, they were linear, semi log, and exponential and Cobb Douglas. The one that gave the best fit was chosen as the lead equation based on statistical significance of the coefficients, the size of coefficient of determination (R²), the signs of the regression coefficient as the conform to a-prior expectations. In this study, the semi log was chosen as the best fit.

The regression analysis which uses a statistical model to test to economics of women vendors under the typical method is specified as:

$Y = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7 + e)$

Where Y = Profit (₦)

X₁ = Level of Education (yrs)

X₂ = Trading experience (yrs)

X₃ = Age of women vendors (yrs)

X₄ = Marital Status (married =1, Single =0)

X₅ = Capital Investment (₦)

X₆ = House hold size

X₇ = Selling Price per plate of food (₦)

e = Disturbance term.

Table 1: Social-economic characteristics of sampled women food vendors n = 50

Variables	Frequency	Percentage
Marital Status		
Married	38	76
Divorced/Widowed	12	24
Age Range (years)		
21 – 30	5	10
31 – 40	20	40
41 – 50	15	30
51 – 60	8	16
61 – 70	2	4
Level of Education of respondents:		
No formal education	5	10

Primary Education	28	56
Secondary School/TC II	15	30
Tertiary Institution (Lower)	2	4
Years of Experience in food vending business		
1 – 3	10	20
4 – 6	30	60
7 – 9	7	14
10 – 12	3	6
Household size		
1 – 3	12	24
4 – 6	30	60
7 – 9	5	10
10 – 12	3	6

IV. RESULT AND DISCUSSION

Table 1: shows that 76% of the respondents were married while 24% were unmarried or single. This indicates that married (38) women dominate food vending business than the single. Mean age of respondent = 40 years. About 40% of the respondents were within the age bracket of 31-40 years, this was followed closely by 30% group of 41-50 years. However, 10% and 16% of the respondents are within the age brackets of 21-30 years and 51-60 years respectively. The mean age of the respondents was 41 years. About 90% of the food vendors had primary education and above. Educational levels of the food vendors were generally low. 56% of the respondents had primary education only while 30% had secondary school/TC II and 4% of the respondents had lower tertiary education. In addition, 60% of the women food vendors had been in the business for 4-6 years. This surge into the business may be connected with high rate of unemployment and the recent ban on employment which forced many unemployed people into informal businesses. This might be the reason 80% of the women vendors had been in the business for six (6) years and less. Only 20% had been in the business for seven (7) years and above. The mean years of trading experience was five years and some months. The majority (60%) of the respondents had house hold size of 4-6 persons while 6% had 10-12

persons in their house hold. The average is five (5) persons per house hold.

Table 2: Average monthly costs of women food vendors in Afikpo Urban

Source of Capital Investment	Frequency	Percentage
Husband	15	30
Personal Savings	30	60
Relatives	4	8
Friends	1	2
Loan	0	0
Mode of Transportation		
Head Portrage	14	28
Cart	29	58
Wheelbarrow	7	14

Labour Sources of Respondents	15	30
Vendors only	26	52
Children	5	10
Relatives	2	4
Family Labour	2	4
Househelp		

Table 2 shows that 60% of the food vendors got initial capital from personal savings in their local association and rotating contributions popularly known as “Isusu”, 30% got their initial capital from their husbands while 2% got initial capital from friends. None of the vendors borrowed because the business required little capital which was mainly provided by the women from their personal savings. 58% showed that transportation of food cooked by the vendors to their various distribution point was done by carrying it in a cart, 14% used wheelbarrow while 28% used portage. In addition, labour employed by the women food vendors uses mainly household which was not paid for, 70% used their children, house helps and relatives. This could be as a result of the small nature and capital constraints. 30% were vendors who they paid meager salaries per month.

Table 3: Average monthly returns of women food vendors in Afikpo Urban (n = 50)

Item	Average Value Month (N)	Percentage (%)
Sales from food items	106,850.00	98.89
Sales from Charcoal	1,200.00	1.11
Total Revenue (TR)	108,050.00	100
<u>Variable Costs</u>		
Cost of food items	63,530.00	78.77
Cost of Labour	1,500.00	1.86
Fire Wood	12,175.00	15.10
Food Condiment	1,500.00	1.86
Transport Cost	1,150.00	1.43
Miscellaneous Cost	800.00	0.99
Total variable cost (TVC)	80,655.00	100.00

<u>Fixed Cost</u>		
Salary of helper	700.00	46.05
Local Government Levy	500.00	32.90
Depreciation on equipments	320.00	21.05
Total Fixed Cost (TFC)	1,520.00	100
Total Cost	82,175.00	
Gross Margin	27,359.00	33.34
Net Income	25,875.00	31.49
% Net Income	23.9%	

The results shows that the total revenue per women food vendor on a monthly basis was found to be N108,050 which accrued from the sale of food items and charcoal used, while the total cost incurred per women food vendor per month was N82,175.00 which accrued from cost of food items, cost of labour, firewood, food condiments, transport cost,

miscellaneous cost, salary of helper, local government levies, and depreciation of equipments.

Table 4: Profitability Analysis of Food Vendors.

Profitability Index (P.I) or return on sales	0.24
Rate of return on investment (% RRI)	31.49%
Rate of return on variable cost (% RRVC)	132.08%
Operating Ratio	0.746

The profitability index was 0.24 indicating that out of every naira earned, about 24 kobo was returned to the women food vendors as net income. In addition, women food vendors earned 31 kobo profit on every spent-on food preparation and marketing. The rate of return to variable cost was estimated as 132.08%. Similarly operating ratio computed was 0.746 which is less than one (unit) and indicates a good, efficient and profitable business Idowu, Otunaiya, Oloyadi and Shonibaire, (2005).

Table 5 shows the multiple regression analysis on the relationship between profit and food vendor’s socio-economic characteristics.

The semi log functional form provided the best fit with six (6) variables being significant. The co-efficient of multiple determinations is the highest (i.e.) R² is 0.8779. This means that 88% of the dependent variables is the model. The multiple regression coefficient for trading experience (x2), Age (x3) invested capital (x4) household size (x5), labour (x7) and selling price (x8) were all significant as shown in table 5.

Education (x1) and marital status (x6) were not significant at any level and the signs were negative. Age (x3) was positive and significantly retarded with profit at 0.05 level capital invested (x4), was positive and significant at 0.01 level. Housesize (x5) was negative and significant at 0.05 levels. Labour (x7) was negative and significant at 0.1 level. Selling price (x8) was also positive and significant at 0.05 levels.

CONCLUSION

This study examined the economics of known food vending as a micro enterprise in Afikpo North Local Government Area of Ebonyi State. A random selection of five towns were used for the study namely: Amasiri, Oziza, Akpoha, Enohia and Amangbala.

The results showed that 76% of the women were married, 56% of them had primary education. The women food vendors in Afikpo north had profitable returns from the business as judged by the size of the monthly net margin of N25,875. The author recommended that women food vendors could increase their profit by packaging the food in decent disposable plastics, as well as opening more selling outlets.

Lastly, Stake Holders should pay more attention to this sector by granting some form of credit facility to aid in expanding the business.

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