



Assessment of Kolanut marketing in Ogun and Osun State, Nigeria



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ABSTRACT

This study examined the marketing and distribution of kolanut in Ogun and Osun state. Multistage sampling techniques were used to select three (3) Local Government Areas (LGA's): Ife South, Iwo, Osogbo and Sagamu, Ijebu South and Ijebu North, selection of one hundred and fifty (150) respondents from each state in the proportion of fifty (50) respondents from each LGA. Information was elicited through the use of structured questionnaire and focus group discussion. Returned questionnaire was sorted and analyzed. The study revealed that kola trade is done between southern, northern state and nearby countries. Fresh nuts are purchased from farmers and processed into dry nuts for sales. Most of the traders are in their active working age. The marketers are carrying out their business effectively though with basic education. Their access to credit is limited as most of the marketers use family funds in their business. It is recommended that government boost kola business to derive the maximum gain. Also, government should help the marketers in areas of access to credit.

KEY WORDS: *Kola supply chain; Marketing; Ogun; Osun; Nigeria*

1. Introduction

Globalization, urbanization, and agro-industrialization have placed increasing demands on the organization of agro-food chains and networks. Food and agribusiness supply chains, which were once characterized by the autonomy and independence of actors, are now rapidly evolving into globally interconnected systems with a wide variety of complex relationships that influence the way food is produced, processed, and delivered to markets (Ruerd Ruben, 2006; Reardon and Barrett, 2000). These transformations also affect the revenue generated from agricultural produce. The market exerts dual pressure on agro-food chains, necessitating

continuous innovation and effective coordination among stakeholders. Agricultural products are increasingly offered in highly competitive markets where price and quality considerations are more important than ever, and consumers can choose from a growing range of products supplied by competing chains. Effective delivery systems have become an accepted approach for proper monitoring, source identification, and compliance with food safety standards worldwide. The scale of logistics and networking significantly influences buyers' confidence in the safe handling and quality of goods. Kola nut, one of the major cash crops in Nigeria, has contributed

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substantially to the country's Gross Domestic Product (GDP). To maximize its economic potential and improve market efficiency, there is a need for a well-developed and coordinated supply chain. Therefore, this study was undertaken to map the kola nut supply chain in the study area, assess the traceability of kola nut trade, and determine the sources of finance available to actors involved in the kola nut trade in Nigeria.

2. Material and Methods

The study was carried out in two Kola producing states namely (Osun, Ogun) of Nigeria. Multistage sampling techniques were used to select three (3) local governments from the state namely: Ife South, Iwo, Osogbo; and Sagamu, Ijebu South and Ijebu North. Second stage involved selection of one hundred and fifty (150) respondents from each state in the proportion of fifty (50) respondents from each LGA to have a total of three hundred respondents. Information was elicited through the use of structured questionnaire and focus group discussion. Returned questionnaire was sorted and analysed with descriptive statistic.

3. Results and Discussion

Table 1 show the socio-economic characteristics of the respondent in Osun and Ogun states respectively. It shows that majority of the respondent are in their active years 48.67% and 61.33% respectively. This may be due to the fact that kola business require bodily energy and are labour intensive thus require young and energetic people to be involved. The table also shows that majority of the respondents are females 76.67% and 90% respectively. This may be because kola business is known to be highly lucrative; it's most likely that it may attract more women. The result

Table 1: Social Economic characteristics of the Respondents

Variable	Osun		Ogun	
	Frequency	%	Frequency	%
<i>Age</i>				
≤ 40	20	13.33	6	4
40- 50	73	48.67	12	8
51 – 60	22	14.66	92	61.33
>60	35	23.33	40	26.67
Total	150	100	150	100
<i>Gender</i>				
Male	35	23.33	15	10
Female	115	76.67	135	90
Total	150	100	150	100
<i>Educational Level</i>				
No formal	40	26.67	20	13.33
Primary	100	66.67	120	80
Secondary	10	6.66	10	6.67
Total	150	100	150	100
<i>Marketing Experience</i>				
≤ 10	10	6.67	12	8
11- 20	20	13.33	24	16
21 – 30	45	30	32	21.33
>30	75	50	82	54.67
Total	150	100	150	100
<i>Marital Status</i>				
Single	10	6.7	2	1.33
Married	128	85.33	136	90.67
Divorced	5	3.3	8	5.33
Widow	7	4.67	4	2.67
Total	150	100	150	100
<i>Religion</i>				
Christianity	54	36	45	30
Islam	86	57.33	102	70
Traditionist	10	6.6	73	2
Total	150	100	150	100

Source: Field Survey, 2020

also shows that majority 80% of the marketers in Ogun with only 66.67% in Osun state had basic education and this informed their efficiency in trade. Likewise, the result shows that majority 50% and 54.67% of the marketers had more than thirty years of Kola trading respectively. This

result is similar to Ashye *et al.*, 2021; Adelusi *et al.*, 2021 and Oluwalana *et al.*, 2016) who that majority of kola marketers in Shagamuogun state are female, in their active age, and had basic education This is a good indicator for improved productivity and efficiency.

Table 2: Marketing and sales

Variable	Osun		Ogun	
	Frequency	%	Frequency	%
<i>Who are your suppliers?</i>				
Farmers	100	66.67	86	57.33
Processors	30	20	50	33.33
Retailers	20	13.33	14	9.33
Total	100	100	150	100
<i>Where do you sell to?</i>				
Kebbi	50	33.33	13	8.67
Sokoto	20	13.33	30	20
Kano	80	53.33	27	18
Zaria	-	-	18	12
Maiduguri	-	-	20	13.33
Zamfara	-	-	-	-
Saudi – Arabia	-	-	14	9.33
Dubai	-	-	16	10.67
Central Africa	-	-	12	8
Total	150	100	150	100
<i>Which type of kola nut do you sell</i>				
Dried	-	-	20	13.33
Wet	-	-	10	6.67
Processed	-	-	50	33.33
Unprocessed	-	-	-	-
All	150	100	70	46.67
Total	150	100	150	100

Source: Field Survey 2020

Table 2 show the supply chain of kola-nut in Osun and Ogun states respectively. The table shows that most 66.67% and 57.33% kola traders buy kola directly from farmers. This help in improving their returns and in getting fresh produce. The table also shows that all 150% of the traders sell in both wet and dry kola-nuts. Majority of the traders in Osun sell their products within cities like Kebbi, Zaria, Sokoto, and Kano, while marketers in Ogun trade as far as Maiduguri, Zamfara and extend their trading to Saudi- Arabia, Dubai, Central Africa Republic.

The result in **Table 3** shows the sources of capital for business activities of kola merchants in the study areas. The result shows that majority 73.33% and 66.67% of the marketers used family credit in their business, implying that respondent cannot fulfil the requirement for obtaining loan to run their business. This is an indication that there is bottle neck in accessing external credit as big protocol is involved as well as the interest is high. Hence, there is need for government assistance to enhance the business activity of these traders.

Table 3: Sources of finance

Sources of Finance	Osun (n = 150)		Ogun (n = 150)	
	Frequency	Percent	Frequency	Percent
Loan	27	18.00	32	21.33
Family	110	73.33	100	66.67
Friends	13	8.67	18	12.00
Total	150	100.00	150	100.00

4. Conclusion

The study concluded that kola marketing and supply in the study areas revolved around southwest to the northern states and nearby countries. Wet nuts are purchased from farmers and processed into dry nuts for sales. Most of the

traders are in their active working age. The marketers are carrying out their business effectively though with basic education. Their access to credit is limited as most of the marketers use family funds in their business. It is recommended that government boost kola business to derive the maximum gain. Also, government should help the marketers in areas of access to credit.

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