



RSM2SNF

Research Supporting African MSMEs
To Provide Safe and Nutritious Food

Policy Brief: Boosting market functionality in Borno State - strategic investments for fish, tomato and green leafy vegetable wholesale markets



Executive Summary:

Wholesale markets have played a key role in improving access to and availability of healthy food. In Borno State, Nigeria, wholesale food markets are vital for food security and economic stability. However, they have critical gaps in infrastructure, support, and governance including little to no market representation at the state and national levels, lack of functional pipe-borne water, electricity from the grid, as well as insecurity. This policy brief is based on the RSM2SNF market-level study conducted between July 2023 and February 2024 across 21 wholesale markets in Borno State, providing insights into the size, infrastructure, and governance (by urban status) of markets selling fish, tomato, and green leafy vegetables (GLV) in wholesale quantities. It offers strategic recommendations for improving market functionality through targeted investments.

Key findings:

Interest representation

- Only fish markets in urban areas have 100% representation in the state association of traders; none of the markets are represented at the national level.
- Without representation at both state and national levels, markets are excluded from policy processes, including funding opportunities and other forms of support

Support (Government, NGOs, Market Organizations)

- Only 20% of the fish and tomato markets received any form of external support, primarily in peri-urban areas; none of the green leafy vegetable (GLV) markets received support.
- NGO support is concentrated in peri-urban markets, neglecting urban and rural markets.
- No government support was recorded in any of the 21 wholesale markets studied.
- All market product associations organize internal support for traders (e.g., in the event of death or illness).
- Government intervention mechanisms are crucial for addressing market failures. These mechanisms typically include establishing regulations, enforcing property rights, and providing public goods such as clean air and water, all of which contribute to ensuring fair competition, consumer protection, and the efficient allocation of resources (Anabelle, 2023).

Paved road / Water/ Electricity

- Investment in paved roads leading to the fish/tomato/GLV markets (100% in urban markets) is laudable.
- No access to government provided functional pipe-borne water, and electricity from the grid in all the markets. The lack of reliable and adequate cold chain facilities in Sub-Saharan Africa is one of the main causes of losses of perishable products, which are estimated to be about 25–30 percent for animal products and 40–50 percent for roots, tubers, fruits and vegetables (FAO, 2011).



Source: google pictures



Source: google pictures

Access to stalls

- GLV wholesalers in the rural areas had more access to stalls with about 8% increase in access in the last 10 years. In the markets where tomato is sold, rural area wholesalers' access to stalls decreased by 30% over the last 5 years. Also wholesalers in the rural fish markets

recorded a drastic drop of 28% in access to stalls in the last 5 years compared to other markets in the state, these reduced access to stalls maybe partly due to insecurity/insurgency. According to Adimula and Atowoju (2023), the study found that the Boko Haram insurgency has crippled several markets in Borno state, including the largest market in the city, where business activities were brought to a halt and trade routes blocked. They further reported that about half of the 10,000 shops and stalls in the markets had been abandoned by traders.

Security

- Security provided by government is commonly in place in urban markets (tomato wholesale markets) as against rural/peri-urban markets. Theft with violence is more in the peri-urban fish markets (9 incidents in a year) while theft in the rural fish markets is without violence, but more frequent (24 incidents in a year).
- Insecurity makes investing unattractive and discourages potential business investors. It can also increase the cost of doing business through direct loss of goods and properties or the cost of taking precautions against risks and uncertainties. (Okonkwo *et al*, 2015)



Source: RSM2SNF market survey



Source: RSM2SNF market survey

Policy Recommendations:

• Strengthened Institutional Representation

Market authorities should intensify efforts to bridge the gap between market stakeholders and government through proper representation backed up by constitutional arrangements at all levels i.e., development of clear market regulations/plans.

• Investment in Basic Services and Infrastructure

An intensified effort by stakeholders (local government, NGO's) to provide access to pipe borne water and electricity from the grid through co creation processes.

- **Enhanced Market security**

Beefing up security through public-private partnerships by assigning trained federal government security officers to collaborate with local security outfits e.g. vigilante.

Conclusion

For wholesale markets in Borno State to function well, concerted effort by stakeholders is required. By implementing the recommendations through these strategic investments, Borno State wholesale markets can have enhanced functionality, business resilience, and safety, thereby encouraging investments by current wholesalers and new potential investors.

Prepared by: Oyediji Tolulope Bukola (University of Ibadan, Oyo state)

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This policy brief is intended to guide strategic actions and foster discussions on enhancing food safety and improve infrastructure in Borno State. For further information or to discuss these recommendations in more detail, please do not hesitate to contact the RSM2SNF project via Mrs. Amadi Grace (the Project Management Assistant) using 09162066036 or grcraji@gmail.com.

References

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