

Fuman agric  
agricultural products  
fruit juice  
manufacturer



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## Fuman Agric Agricultural Products Fruit Juice Manufacturer Fuman

Agricultural Products is a medium-scale fruit Juice manufacturer who started in 1995 by taking over the old Lana Canning Factory established in 1954.

The major raw materials of the company are fresh fruits such as orange, guava, pineapple, mango, and passion fruit. Main production lines are natural fruit Juices i. e. , orange, pineapple, guava, in 1l and 250ml tetrapak packages; others are canned fruits. Installed capacity is 5t/h but the company presently produces at 10 percent of its installed capacity.

Fruits are procured locally by the company's purchasing manager and from independent traders with informal links to the company. Fruits are purchased from Oyo, Osun, Ekiti, Ondo and Edo States in western Nigeria; Cross River in eastern Nigeria, and Nasarawa, Kaduna and Benue States in the Middle Belt. No formal contracts are made with suppliers. The company determines the price and usually offers the average between the seasonal and off-seasonal price. The company prefers to buy in the glut season when prices are low since fresh fruit market demand is saturated.

In May 2002 pineapples were purchased at about IJS\$ 800/ tonne. The processor may provide transport and in some cases provides some pre-inance to traders. Direct links to the farming community are limited to former cooperative groups that had worked with the former Lana Canning Factory in the western States mentioned above. In so doing, they provide soft loans, planting materials; equipment and other agricultural inputs while the farmer cooperative groups supply their produce to the company.

The company reserves the right to discard poor quality products and the average annual prices are paid to farmers for their produce. At times when open market prices are better than company prices, farmers sell their produce in the open market. The company also goes farther field to purchase supplies directly from producers and agents at prevailing market prices from eastern and central Nigeria. The main constraint faced by the company is the availability of raw material. The farming sector is not geared for a continuous and stable supply to the factory.

Competition from alternative markets especially from northern Nigeria (where these fruits are not usually grown) reduces the company's source of raw material supply. The company is presently making efforts to obtain concentrated Juice supplies from Ghana and South America. Other constraints mentioned are high interest rates charged by commercial banks (32-35 percent pa) and notorious problems with electricity supplies. Several factors require strengthening. Appropriate staffing and a degree of decentralization in management structure are essential.

Communication between the company and cooperative farmer groups and consultation especially with those inherited from the former Lana Canning Company is vital to maintain a reliable supply of raw materials, particularly oranges. It is important that farmers work in partnership with the company and have better understanding of their production system. This cannot be achieved without the appointment of a well-trained liaison and extension officer who speaks the local the area. References Glover D. 1987. Increasing the benefits to smallholders from contract farming, problems for farmers' organizations and policy makers.

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