

Citrus market access in Kyoga plains agricultural zone in Uganda

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Abstract

Horticulture is among the fastest growing agricultural sub-sectors in Uganda. However, limited attention has been given to the strategic marketing of its produce. Therefore this study is assessing the effect of institutional, infrastructural and socio-economic factors on smallholders' access to citrus market. Preliminary results indicate that quantity of output, output price and point of sale affect access to market.

Key words: Constraints, enterprise, output, smallholder, strategic

Résumé

L'horticulture est parmi les plus dynamiques sous-secteurs agricoles en Ouganda. Cependant, peu d'attention a été accordée au marketing stratégique de ses produits. Par conséquent, cette étude est en train d'évaluer l'effet des facteurs institutionnels, infrastructurels et socio-économiques sur l'accès des petits producteurs aux marchés d'agrumes. Les résultats préliminaires indiquent que la quantité de la production, le prix à la production et le point de vente affectent l'accès au marché.

Mots clés: contraintes, entreprise, produits, petits producteurs, stratégique

Background

During the last decade, the Uganda Government realized the potential of the horticulture sector in enhancing the country's economic growth. Consequently strategic measures were put in place to support its growth mainly through enterprise development. Citrus farming is one of the enterprises supported and promoted. The supported research and promotional activities' focus has been on production consequently significant increase has been realized in output (PMA, 2009). However less attention has been given to address market imperfections which, in addition to affecting input use, affect investment and diversification of activities (Kamara, 2004). Moreover, citrus farming is majorly undertaken by smallholders who encounter several marketing constrains, including, weak supply chain connections between farmers and markets, limited or inefficient

quality and value enhancement through grading and processing (Sonko *et al.*, 2005; PMA, 2009). Like many agricultural enterprises, the key concern of smallholders is not only agricultural productivity and household food consumption, but also increasingly cash income. There is therefore need to expand citrus market opportunities.

Literature Summary

Several factors have been reported to affect smallholders' access to market. These include, among others, government interventions, market liberalization that coincided with sharp public budget declines, high transaction costs and risks (Poulton *et al.*, 2006). Infrastructural and institutional support and transaction costs coupled with lack of market information have also been reported to constrain smallholders' access to market. In South Africa for example, studies have shown that access to a physical market, farmer skills and nature of access to market influence smallholder access to market (Magingxa *et al.*, 2009). Similarly, Agbola *et al.* (2010) observed that the cost of transportation, distance of farmers to market and influence of cooperative societies significantly affected access to output markets in Nigeria. In Tanzania, it was found that use of ICT to access market information significantly affected the volume of sales (Mwakaje, 2010).

Study Description

The study was carried out in Uganda in the Kyoga Plains Agricultural Zone where citrus farming is an important activity. It involved four districts from which four subcounties were selected per district using purposive sampling. The sample was drawn using respondent driven and random sampling criteria to ensure that there was minimal bias and inclusion of farmers with knowledge and experience in citrus farming and marketing. Data were collected from 446 farm households using a pretested structured questionnaire. Orange sales in tones, was used as a market access proxy.

Findings

Results showed that 52.5% of the households had less than 100 orange trees and overall managed 15.41% of the orange trees stock (Table 1). The largest proportion of output (68.1%) came from farmers who had more than 200 trees followed by those who had less than 100 trees. Interestingly, farmers with 100 – 199 trees compared to those with less than 100 trees, had lower outputs probably because a significant number of their trees had not yet started fruiting. Generally, only 53% of the tree stock was fruiting implying that output would likely significantly

Table 1. Orange production and marketing statistics for 2010.

	Households with < 100 trees		Households with 100–199 trees		Households with > 200 trees		Overall		N = 446
	No	%	No	%	No	%	No	%	
Households	234	52.5	121	27.1	91	20.4	446		100
Stock of trees	10,409	15.41	17,528	25.95	39,610	58.64	67,547		100
Fruiting trees	6,251	17.56	6,502	18.27	22,837	64.17	35,590		100
Output (mt)	500.08	17.56	408.16	14.34	1938.96	68.1	2847.2		100
Sales (mt)	130.16	0.29	71.08	0.16	254.57	55	455.8		100
Proportion of trees stock that are fruiting									53
Percentage of output that is sold									16
Average age of trees	6.62		5.35		6.38		6.22		
Average number of trees per household	45		145		435				

increase within a period of 3 years when more trees start fruiting.

With regard to marketing, farmers with more than 200 trees constituted the highest proportion of sales (55%) followed by those with less than 100 trees. Overall, only 16% of total output was sold implying that there was great wastage, given the nature of the crop.

Several constraints were found to hinder sales. These included low farm gate prices, inadequate market and late entry of traders into the market as indicated by 95%, 45%, and 63% percent of the respondents, respectively.

Development Application

From the study findings, only a small proportion of the produced oranges are sold, yet output is expected to even increase by about 50% within the next three years. Moreover the unsold oranges probably end up getting wasted. These pointers indicate the urgent need to develop strategies to improve orange sales, including establishment of processing plants.

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