

CONSTRAINTS AND OPPORTUNITIES FOR ACCESS TO LUCRATIVE MARKETS
BY SMALLHOLDER FARMER: ANALYSIS OF THE BEAN VALUE CHAIN IN
KAMULI DISTRICT

BY

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ABSTRACT

The study investigated the bean marketing constraints and opportunities of the various actors in the market in Kamuli district of Uganda. Various reforms have been introduced to increase marketing efficiency of agricultural products such as beans. Private traders control the marketing functions of crop produce. However, small holders still achieve the lowest share of the final market bean prices. Bean per capita consumption is estimated at 29 kilograms capita per annum, hence an important crop to promote food security and income. The Ugandan government through its research institutions collaborating with Volunteer Efforts for Development Concerns (VEDCO), an indigenous non-governmental organisation, have helped the smallholder farmers to boost bean production. Focus is now geared towards improving their access to lucrative markets. Therefore, overall, the study was to document market related constraints and opportunities for small holder bean farmers in Kamuli, and analyse the relationships among farmers and other actors in the chain and identify specific skills and capacities that can be enhanced to improve bean value chain operation and performance. Specifically; it was to (1) Establish the market requirements of farmers, traders, input dealers and consumers in the bean value chain, (2) Identify factors that determine farm gate and market prices offered to farmers for beans (3) Assess the organizational characteristics and operational mechanisms of existing farmer groups and associations with other value chain actors and to analyse interactions among bean value chain actors in Kamuli district that influence smallholder farmer profitability. The study involved both quantitative and qualitative elements. A survey was conducted to establish the value chain operation and asset map of actors. Focus group discussions and informant interviews were conducted to complement the survey. One hundred twenty seven (127), farmers from Butansi and Bugulumbya sub-counties participated in the study, 34 traders, 5 input dealers and 40 consumers. CRSP farmers and non-CRSP farmers were sampled; farmers were selected using simple random procedures. Strata of rural traders, urban traders and exporters, were formed and randomly selected. Structured and semi-structured questionnaires were used and interview guides to collect the data. Data were analysed using SPSS and Excel, and through interpretive and reflective reading. It was established that most farmers individually sell their beans with little role in determining or setting prices. Most sell through middlemen due to small quantities available for sale. The middlemen then sell to other traders, wholesalers and retailers, who finally sell to institutional and individual consumers. All actors interact with their respective clients; agro input traders disseminate agro-inputs knowledge to farmers through dialogue, demonstrations, training and visitations. Farmers have formed groups to better access inputs and improve their bargaining power. Variety is the most important factor influencing consumer purchase decisions though price and quality are also critical. Farmers' seed (NABE 15), K132, white beans, yellow beans and NABE4 are some of the common varieties grown. Beans are mainly consumed as dry beans and as a mixture with other foodstuffs. The records kept are of less importance in determining the farm gate and market prices since almost all suppliers in the chain mainly consult through; phone calls, friends and agents, before setting the final price.

Keywords: Value chain, Actors, Group formation, interactions and CRSP