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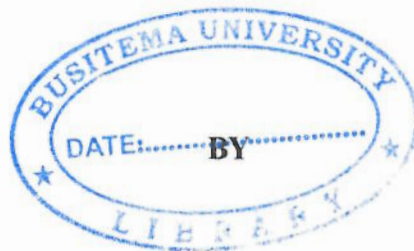
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**INFLUENCE OF CREDIT ON PROFITABILITY OF ONION PRODUCTION IN
BULAMBULI DISTRICT 'A CASE STUDY OF BUGINYANYA SUB COUNTY'**

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REG.NO. BU/UP/2017/311

**A DISSERTATION SUBMITTED TO THE FACULTY OF AGRIBUSINESS IN
PARTIAL FULLFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE
DEGREE OF AGRIBUSINESS MANAGEMENT OF BUSITEMA UNIVERSITY**

FEBRUARY, 2021

DECLARATION

I Walimbwa Kenneth hereby declare and certify that this Dissertation is my sincere efforts, I have made all my efforts in collecting, compiling and studying it, and all this has been realized with the help and guidance my supervisor.

Sign  Date 19th - 02 - 2021

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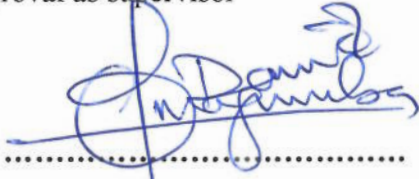
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APPROVAL

This Dissertation has been under my supervision and is now ready for submission to the faculty of Agribusiness for award of a degree of Agribusiness Management of Busitema University with my approval as supervisor

SIGN: 

DATE: 19/2/2021

Dr. MAGUMBA DAVID

SUPERVISOR

DEDICATION

With great thanks, I would like to dedicate this booklet to my dearly parents, brothers and sisters and all my academic friends. Not forgetting my academic supervisor and data analyzer, including my land lord who availed accommodation and meals to me & other students.

TABLE OF CONTENTS

Contents

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
TABLE OF CONTENTS	iv
ABSTRACT	vi
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the Study	1
1.2 Statement of the Problem	3
1.3 Objectives of the Study	3
1.3.1 Specific Objectives	3
1.4 Research Questions	4
1.5 Scope of the Study.....	4
1.6 Significance of the Study	4
LITERATURE REVIEW	6
2.0 Introduction.....	6
2.4.2 Credit Access and Profitability of Onion Farmers	6
2.4.3 Working Capital and Profitability of Onion Farmers	7
2.4.4 Cash Flows and Profitability of Onion Farmers.....	8
2.4.5 Profitability	9
2.5 Summary of Reviewed Literature.....	10
CHAPTER THREE	11
RESEARCH METHODOLOGY	11
3.1 Introduction	11
3.2 Research Design	11
3.3 Population	11
3.4 Sample Size and Sampling Technique	11
3.5 Data Collecting Instruments	12
3.6 Pilot Study	12

3.6.1 Reliability Test of the Research Instrument	13
3.6.2 Validity Test of the Research	13
3.7 Data Collection Procedure	13
3.8 Data Processing and Analysis	13
CHAPTER FOUR	14
RESULTS AND DISCUSSIONS	14
4.0 Introduction	14
Correlation Analysis	21
CHPATER FIVE	33
CONCLUSIONS AND RECOMMENDATIONS	33
5.1 Conclusions	33
5.2 Recommendations	34
5.3 Areas for further research	34
REFERENCES	36
Questionnaire for farmers	a

2/2/5

ABSTRACT

The study was on influence of credit on profitability of onion production in bulambuli district. The study objectives were; i) To find out role of credit access in enhancing profitability of onion farmers in Bulambuli district, ii) To establish the role of working capital on the profitability on onion farmers in Bulambuli district and iii) To find out how cash flow promotes the profitability of onion farmers in Bulambuli district. The study a cross-sectional survey research design was adopted and also applied both qualitative and quantitative methods/approaches. Qualitative methods such as descriptive, abstracts were used to describe the observed phenomenon. Qualitative data was processed in a descriptive and narrative manner. Quantitative approach included tallying of data, generation of frequency tables, calculation of percentages for analysis and presentation, analysis and discussion of the study findings. The sample size was 60 of the respondents. Purposive sampling was used to extension workers and simple random sampling was applied to onion farmers. Data analysis involved frequencies, percentages and inferential statistics such as correlations, and coefficient of determinations. Findings revealed a significant and positive relationship (0.831*) between credit access and profitability, weak relationship between cash flow and profitability (0.110*) and negative relationship between working capital and profitability. The study concludes that credit access has a bearing on the profitability if onion farmers that the working capital. The study therefore recommends that emphasis should be placed upon credit access for purposes of enhancing profitability among onion farmers in Bulambuli district.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Onion (*Allium cepa*) is a vegetable which belongs to the family Liliaceace (Alabi and Adebayo, 2008). It is one of the most consumed vegetable crops in Asia and Africa, especially in the west and east (Stan, 2016). The bulb grows underground and is used for energy storage, leading to the possibility of confusion with a tuber which it is not. The leaves are bluish green and hollow, the bulbs are large, fleshy and firm. It is marketed mainly as a fresh fruit vegetable and features prominently in most households in the preparation of food and is effective against common cold, heart diseases, diabetes, osteoporosis, and cough and sore-throat. They are high in flavonoids which is concentrated on the outer layer of the flesh (Nemeth et al., 2007). Onion is the second most important vegetable after tomato (Hussani et al., 2000). It is extensively cultivated throughout the country under a wide range of climatic conditions and it can be biennial, triennial or a perennial crop.

About 60 million tons of dry onions are produced annually, with the crop being grown across 7.4 million acres in over 134 different countries (Yara International, 2017). According to Yara International (2017), about 240,000 tons of green onions and 1,350,000 tons of dry onions were produced in Nigeria alone in 2012, excluding the rest of Africa or the world at large. This large figure places Nigeria on the list of the top 10 largest producers of onions in the world (Stan, 2016). With a 5.5% (4.3 million tons) global share of green onions and 1.6% (83 million tons) of the global share of dry onions in 2012 alone, the potential in onion farming in Nigeria or anywhere else in Africa continues to grow brighter with every passing year (Stan, 2016). This represents a doubling in world production over the last ten years. Biggest producers are China, India and United States accounting for about half of the world's dry onion production. Other countries with annual production figures above 1.1 million tons are Brazil, Iran, Japan, Pakistan, Turkey and Russia. The current average world yield stands at 7.6 tons/acre, but highest average yields of 17 - 26 tons/acre are found in Korea, Japan, Europe and the USA (Yara International, 2017).

7/10

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