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**FACTORS AFFECTING THE CHOICE OF MARKETING CHANNEL OF  
GROUNDNUTS AMONG SMALLHOLDER FARMERS IN ARAPAI SUB-COUNTY  
SOROTI DISTRICT**

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AGRIBUSINESS AND EXTENSION IN PARTIAL FULFILLMENT OF THE  
REQUIREMENT FOR THE AWARD OF BACHELOR OF AGRIBUSINESS**

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**DECLARATION**

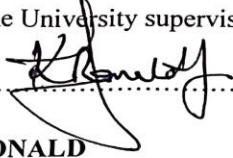
This study is original and has not been submitted for any other degree award to any university before.

Signature.......... Date.....12/11/2024.....

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## APPROVAL

This special project report has been submitted to the Department of Agribusiness and Extension with approval of the University supervisor.

Signature.......... Date.....12/11/2020.....

**DR. KABBIRI RONALD**

## **DEDICATION**

Firstly, I dedicate this work to the Almighty God who gave me the knowledge, wisdom and understanding in my studies. I appreciate the efforts of my parents who supported me financially, socially and spiritually in completing my studies.

I also dedicate this work to my academic supervisor Dr Kabbiri Ronald and Mr. Ochom Geoffrey who guided me during this research.

Lastly, I dedicate this research to my friends, Eotu Paul, Anuso Anastasia, Apolot Mercy, Komagum Denis, Mangeni and other fellow coursemates who stood with me in my Bachelor of Agribusiness academic journeys from 2021 - 2024. May God bless you all for your hardwork.

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## **ABSTRACT**

This research study examined the factors affecting the choice of marketing channels of groundnuts among smallholder farmers in Arapai sub-county Soroti district. The primary objective was to identify key factors affecting the selection of marketing channels and to aid smallholder farmers in optimizing market access, thereby enhancing their reach and connection with suitable buyers. Additionally, the study aimed to support farmers in planning and improving the quality and marketability of their groundnuts to strengthen the local groundnut industry. Specific objectives included assessing the available marketing channels for smallholder farmers and determining the factors influencing their marketing channel choices. A cross-sectional survey design was employed, gathering data from 100 respondents, which was analyzed using Statistical Package for Social Scientists (SPSS) and presented in tables and pie charts. Findings revealed that 42% of respondents sell groundnuts to wholesalers, 29% to retailers, 22% to middlemen, and 7% directly to consumers. The preference for wholesalers will reflect ease of access and better pricing terms, while direct to consumer sales were less common, potentially due to the logistical constraints. These findings suggest that targeted support in navigating marketing channels and improving product quality could significantly enhance farmers' profitability and sustainability in the groundnut market.

## **CHAPTER ONE:**

### **1.1 INTRODUCTION**

This chapter presents the background, problem statement, objectives, research questions, significance, justification and scope of the study.

#### **1.2.0. BACKGROUND**

Groundnut (*Arachis hypogea*), commonly known as peanut, is a legume plant that ranks as the fourth most significant source of edible oil and the third major source of vegetable protein worldwide. It contains between 35% to 56% oil, 25% to 30% proteins and 9.5 to 19% carbohydrates (Njoroge, 2018). The crop is cultivated over approximately 31 million hectares globally, yielding a total production of 53.60 million metric tons and with an estimated productivity level of 1647kg per hectare (Stephen Anecho, 2023). China is the world's largest producer of groundnuts producing approximately 17.99 million metric tons followed by India with about 9.95 million metric tons and Nigeria with around 4.49 million metric tons (Ajayi & Lateef, 2023).

Africa produces approximately 16.80 million metric tons of groundnuts contributing significantly to global output. However the yield in Africa is relatively low averaging about 964kg/ha particularly in sub-Saharan Africa. This is largely due to the fact that the crop is particularly cultivated by smallholder farmers who rely on rainfed agriculture and have limited access to inputs (Thomas, 2020).

Tanzania leads the East African Community in groundnut production, yielding 940,204MT followed by Uganda with 242,243MT, South Sudan with 68,678MT, Kenya with 27,751MT, Rwanda with 20,678MT, and Burundi with 12,372MT (Akpo et al., 2021). In addition, In Uganda, groundnut are the second most significant legume after beans, (Okello et al., 2010).

Marketing channels refers to pathways through which agricultural products travel from producers to consumers or marketing channels are routes through which agricultural products move from producers to the final consumers (Sori, 2022). A very small percentage of farm produce such as groundnuts moves directly from farmers to consumers. Instead, most products

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