
**FACULTY OF AGRICULTURE AND ANIMAL SCIENCES
DEPARTMENT OF AGRIBUSINESS AND EXTENSION**

**DETERMINANTS OF CHOICE OF MARKETING CHANNEL AMONG TOMATO
SMALL HOLDER FARMERS IN BUNGOKHO SUBCOUNTY,
MBALE DISTRICT.**

BY

AKERA PISIS OUMA

BU/UP/2021/0202

Email: akerapisouma@gmail.com

TEL: 0789356812


SUPERVISOR: MR. APPELI SAIDI

**A SPECIAL PROJECT REPORT SUBMITTED TO THE DEPARTMENT OF
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DECLARATION

This is my original work and has not been submitted for the award of a degree in any other University.

Signature  Date 19th 11/01/2024

AKERA PASIS OUMA.

APPROVAL

This Special Project Work has been presented to the Department of Agribusiness and Extension with approval of the University supervisor.

Signature Appeli Saidi p.p Date 19/10/2024

MR. APPELI SAIDI

DEDICATION

I dedicate this work to my family for their unconditional love, inspiration, encouragement and unending support throughout my academic journey.

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LIST OF ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
BAB	Bachelor of Agribusiness
FAO	Food and Agriculture Organization
Kg	Kilograms
Km	Kilometers
MNL	Multinomial Logit
Mr	Mister
SPSS	Statistical Package for Social scientist
SSA	Sub-Saharan Africa

ABSTRACT

Marketing channel choices play an important role to the incomes and livelihood attributes among the small holder farmers in developing countries such as Uganda. However, recent evidence indicates that the sales of agricultural products such as tomatoes have declined over the last three years which could for be attributed to the choice of marketing channel. Therefore, this study sought to examine the factors associated with the choice of marketing channels among tomato smallholder farmers in Bungokho sub-county Mbale district.

This was cross-sectional research design study that utilized primary data. A structured questionnaire was used to collect qualitative and quantitative data from 149 tomato small holder farmers. A Multinomial logistic regression model was used.

Of the 149 farmers, 52.35% sold their tomatoes to wholesalers, 26.85% to retailers and 20.81% sold to individual consumers. The results further indicated that the divorced compared to the single farmers were less likely to sell their tomatoes to wholesalers rather than to retailers. Those with larger farm sizes had higher likelihood of selling to wholesalers rather than to retailers. Farmers belonging to association have higher likelihood of selling their tomatoes to wholesalers, and individual consumers rather than to retailers. Lastly, farmers who transport their tomatoes to market by foot are more likely to sell to individual consumers rather than retailers compared to their counter parts that use bicycle, whereas those that use motorcycle are less likely to sell to individual consumers rather than retailers compared to those that use bicycle. The main opportunities enjoyed by the tomato smallholder farmers in Bungokho Mbale district were higher profit margins, increased sales volume, time saving and paying immediately. The main barriers faced by the tomato small holder farmers in Bungokho sub county Mbale district were high transport costs, price fluctuations, difficulty in assessing marketing information, lack of storage facilities and lack of bargaining power.

This study highlights that the determinant of choice of marketing channel among tomato smallholder farmers in Bungokho sub county, Mbale district is mainly driven by both socio-demographic and infrastructure/ farm related factors, therefore interventions directed towards improving and optimizing tomato marketing channels by the Ugandan government and other key stakeholders should consider these differentials. It is crucial to address main barriers faced by the tomato small holder farmers in Bungokho sub county Mbale district. Future studies on this subject should examine the profitability of these marketing channels.

CHAPTER ONE: INTRODUCTION

1.1 Background to the study

Tomato (*Solanum lycopersicum* L.) is one of the most widely cultivated and extensively consumed horticultural crops globally with the estimated annual production of 182 million tons from 4.8 million hectare(Causse et al., 2010). The crop is believed to have originated from the wild in Peru, Ecuador, and other parts of tropical Americas(Medina *et al.*, 2017).According to Frusciante *et al.*, 2007,the nutritional and economic importance of the crop has led to its global production and it's also a reliable source of food security and employment.

The sub-Saharan Africa (SSA) produces 21 million tons from 1.3 million hectares (Gabriel, 2021).In East Africa, 1.9 million tons of tomato are produced annually with Tanzania and Kenya leading as producers followed by Uganda (Gabriel, 2021) .The crop is significant in human diets in account of its naturally enriched vitamins and minerals nutrient sources(Fredrick, 2020) and it is mainly grown by small holder farmers who sell fresh fruits in regional and domestic markets in their localities to generate income(Gabriel, 2021).

.In Uganda, 40,124 tons of tomatoes are produced from 6,671 hectares (Tiwari et al., 2020). Tomato is consumed by 3 million households in their most meals due to its fruit nutritional value. It can be processed and combined in many different dishes and eaten in different ways, such as tinned paste, fresh vegetable, tomato juice, sauce or soup(Ajibare et al., 2022) . Tomato is also known for its nutritive value ;it is rich in vitamin C and contains lycopene, a very vital antioxidant which prevents cancer(Dorais et al., 2008).The tomato demand increase in regional markets like South Sudan and Rwanda is also responsible for increasing demand in regional level. This has caused a shortage of tomato in the domestic market. However, in the recent past, the short supply in tomato with in the domestic market has provided an opportunity for small holder farmers to engage in tomato farming, which has led to 14.8% increase in production(Sinesio et al., 2021) . This increase is made possible by the numerous research advances made along the entire value chain.

Marketing channel refers to an institutional arrangement through which goods and services are exchanged(Mutura et al., 2016). Early research on marketing channels is derived predominantly from work in economics which views channels of distribution as flows of goods and services (Watson et al., 2015). There is an increasing participation of smallholder farmers in the production of agricultural products including tomato production as well as in markets which is dynamically linked to the economic and poverty reduction in the rural areas(Haile et

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