



Tropentag, September 20-22, 2017, Bonn

“Future Agriculture:
Socio-ecological transitions and bio-cultural shifts”

Value Chain Analysis of Vegetable Crops: The Case of ‘Yayu’ Biosphere Reserve Area of Ethiopia

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Abstract

The study was conducted in Yayu and Hurumu districts of Illubabor zone, Ethiopia with the specific objectives of analysing vegetable value chain, examining the performance of actors in the chain, and identifying factors affecting vegetables market participation decision of smallholder farmers. Both quantitative and qualitative data were collected using different survey instruments. The quantitative data were generated from randomly sampled 330 producers, 25 traders and 16 consumers using structured questionnaire. Qualitative data were also collected from four farmer groups, 13 traders, 3 input suppliers, 11 consumers (including restaurants) and 7 experts and 2 development agents. The study revealed that the major actors in the study area are input suppliers, producers, collectors, wholesalers, retailers, consumers. Six marketing channels for vegetable crops were identified. The study identified different constraints related to vegetable production. The major constraints are: lack of nutrition-sensitive farming systems; pest and disease problems; high cost of seed; lack of high quality seeds; non-availability of chemical inputs; seasonal constrained production systems; competition with cash crops; lack of research and extension support; low productivity; low prices after harvesting; and non-availability of improved technology. The major constraints related to vegetable marketing are: the low volume of supply; seasonal non-availability of vegetables; fluctuations in price; problems with storage, processing and packaging (lack of post-harvest handling); lack of adequate market place; distance from market place; and shortage of capital. Lack of awareness of nutritional issues; low purchasing power; the high price of vegetables; and low supply of vegetables were identified as the major constraints related to vegetable consumption. The results of econometric analysis showed that market participation decision in vegetables market was significantly affected by age of the household head, sex, education, family size, irrigation access, non-farm income, access to input and extension, distance to the market and lagged price. Therefore, policy aiming at increasing farmers’ access to modern inputs, developing and improving infrastructure, gender consideration and improving extension system are recommended to accelerate the chain’s development.

Keywords: Econometric analysis, market participation, value chain, vegetables