Explaining farmers’ income via market orientation and participation: evidence from KwaZulu-Natal (South Africa)

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Introduction

- Agriculture remains an important sector for essential for ensuring livelihoods, employment, food security, the reduction of poverty, and environmental sustainability.

- Commercializing smallholder agriculture promotes growth and eliminating poverty in a sustainable manner in Africa.

- This study aimed to provide the distinction between market orientation and market participation and individually studies each factor's determinants and its linkage on farmers income.

Results and Discussion

- Fertilizer, manure application and household size were seems to be the only factors that influence market participation.

- Fertilizer, manure application, number of farm labor, educational level, household size, farm experience, irrigation experience, access to credit and group membership were factors influencing market orientation.

- Market participation is statistically significant in explaining farmers’ income compared to market orientation.

Materials and Methods

- Four irrigation schemes in KwaZulu-Natal (Makhathini, Ndumo B, Tugela Ferry, and Bululwane).

- Survey questionnaires and key informant interview

- Descriptive statistics, Market Orientation Index (MOI), Crop-output market participation Index (COMP), econometric models were used in analysis.

Conclusions and Outlook

- This research showed market participation is more important in explaining farmers’ income as compared to market orientation.

- This distinction might be highly influenced by socio-economic, institutional and production factors.

- The distribution of strategies and policies to be adopted by the government and other stakeholders should include:
  - Availability of modern agricultural inputs,
  - subsidies for agricultural inputs
  - Inputs credit to farmers via electronic vouchers
  - Partnerships with the private sector

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Table 1: Number of farmers interviewed within irrigation schemes

<table>
<thead>
<tr>
<th>Irrigation scheme</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makhathini</td>
<td>155</td>
<td>46.69</td>
</tr>
<tr>
<td>Ndumo B</td>
<td>70</td>
<td>21.08</td>
</tr>
<tr>
<td>Bululwane</td>
<td>52</td>
<td>15.66</td>
</tr>
<tr>
<td>Tugera Ferry</td>
<td>55</td>
<td>16.57</td>
</tr>
<tr>
<td>Total</td>
<td>332</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 1: Conceptual framework of the study

Figure 2: Distribution of Market participation and orientation (n=332)

Cabbage output market participation and orientation indices