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ASSESSMENT OF COMMERCIALIZATION LEVEL AND TRENDS IN MARKETING INITIATIVES FOR SUSTAINABLE SMALLHOLDER FARMING DEVELOPMENT IN THE EASTERN CAPE PROVINCE OF SOUTH AFRICA

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ABSTRACT

Transforming farm produce to cash is the primary objective of anyone going into farming as an occupation but the reality on ground is that most of these farmers are not linking up with their desire results due to inadequate market or no market in some instances. This paper investigates the reasons farmers are not getting their farm produce sold into profiting, Socioeconomic characteristic of the farmers in the area and to know their level of commercialization level at which they operate in the selected area. Well-structured questionnaires were used to elicits data from 120 respondents that were purposively selected because of the location of the smallholder farmers in Tyefu in the Eastern Cape of South Africa. A commercialization index was used in measuring the commercialization level, Descriptive statistics were used in describing the socioeconomic characteristics and in profiling the challenges of marketing in the study area. Results revealed that the area has more male with 68.3% while female farmers were 31.7%,. Further, 65.8% of the farmers were married with the mean age of 61-65years having the highest percentage of 38.3%. The farmers are doing well in maize production at 5% and 10% level of significance. Profiling the challenges faced by farmers in the study area indicated that bad road network and storage facilities are parts of the major problems they are in area. The commercialization level was measured as 0.45 indicating that smallholder farming is a lucrative venture in the study area. There is future for small farms as they are the integral part of productions in Nigeria. Government and policy, makers must assist the smallholder farmer with various aids in grants, this will attract many people to farming and there will be more food supply and more profits will be made by the individual farmers.

Keywords: Marketing , Descriptive, Network, Food shortage

INTRODUCTION

Demand attracts production (Barrett et al 2012), the marketing of agricultural produce starts on the farm after the farmer had harvested his produce There are various processes involved before the products get to the final consumers, this involve post-harvest movement from the farm to the place of consumption which must be regular throughout the year, the storage process is equally important in other to keep abreast the fluctuation in the supplying pattern to meet with the flow of demands. Often times the agricultural produces need to undergo some cleaning processes in order to meet marketing requirements, these are sorting, cleaning and processing in other to be in a presentable condition in terms of quality and quantity.

The word market comes from the latin word "marcatus" which means merchandise or trade or a place where business is conducted. Market has been widely and variedly used to mean a place or a

building where commodities are bought and sold, super market; potential buyers and sellers of a product. Marketing is a process whereby people bring their products in exchange for money. It is not exclusive of agricultural products. Thus, marketing in relation to Agricultural concept is defined as an art that see farmers converting their harvested items into money.

The ultimate goal of every farmer is getting value for his produce whistle his products get to the final consumers. Agriculture serves as a source of employments for the teeming population and also accounts for the one third of South African GDP. The government of South Africa, has been doing everything possible to improving the quality of life of smallholder farmer and their entrepreneurial spirit through various assistances in agriculture, this include but not limited to revitalization of irrigation schemes, Land reform policies, Credit facilities, Farming input subsidies, aids in grants and many other but the outcome of all these assistances is a concern to all the stake holders because the production is low and the farmers are refusing to scale up their production (Kibirige, 2013)

METHODOLOGY

Tyefu village in the Eastern Cape of South Africa was purposively chosen for this study because of the location of the rivers and the large number of farmers. Respondents were randomly selected the questionnaires. River Keiskamma and the Great Fish River which are boundaries in the North and South of the villages respectively are the major rivers in Tyefu village (Nondumiso, 2009). There are many other small rivers that serve as inlets into the Indian Ocean. The land structure is characterized by high and gentle slops with steep river valleys (KoduaAgyekum, 2009). Areas near Keiskamma River form the lowest altitude of about 300m above sea level and areas around Peddie town form the highest altitude of approximately 460m above sea level, respectively (Kodua-Agyekum, 2009). Some of the households are located on gentle slopes. A very big irrigation scheme was located near river valleys for easy access to irrigation water, this is where most of their farm lands are situated. Great Fish River water that was presented in this villages is not suitable for farming hence farmer‘s productivity is always affected negatively (Sishuta, 2005). The river valleys are relatively wide and flat enabling the use of farm machinery.

Tyefu villages are located in the semi-arid plateau of the Eastern Cape and the climate is mainly influenced by the warm Agulhas Current and the advections of dry Karoo air that brow towards the interior. There is a report that the warm Aghulas Current is responsible for the low rainfall experienced in this area inland Kodua-Agyekum, 2009, the elevation and the coastline tend to create variations in climate that ranges from cool humid sub-tropical at the coast to hot and subarid inland. Tyefu villages experience two major wind dirctions namely, the South-westerly winds in winter and North-westerly in the summer, respectively.

Analytical tools: Descriptive statistics such as frequency table, Percentages were used to describe the socioeconomic structures of the farmers in the area.

The commercialisation level of smallholder farmers can be predicted using different methods. Fafchamps (1992) cited by Jaleta et al. (2009) using variations between food and cash crops and look at household decision on resource allocation to these crops as a clue for estimating smallholder commercialization level . this study made use of the relationship between market output to the total value of agricultural production. The outcome of commercialization levels is used in establishing the entrepreneurial spirit for different enterprises by these farmers.

Household Commercialisation Index =

$$\frac{\text{Gross value of Crop sales, Hhi season}}{\text{Gross value of all Crop production Hhi season}} \times 100$$

RESULTS AND DISCUSSION

Socio-Economic Features of Smallholder Maize Farmers: Age, gender, marital status, household number, educational level, occupation and number of years spent in smallholder maize farming were some of the demographic characteristics of the respondents that were considered.

Table 1, shows there are more male compare with female with the 68.3% out of the totality of the sample being men, 31.7% is for female of part of the total number interviewed.

This agrees with the study of Kodua-Agyekum (2009) that more dry agricultural lands were allocated to males as a result of their bias of their African rules and norms.

Table 2 shows that 61 years is the average age of the household head among smallholder farmers in the research area, this implies that farmers in Tyefu villages might be operating under less productive status due to their age which is considered to be weak compared to youthful age of between 21 to 35 years which seems to be more productive (Ogundele and Okoruwa (2006). It is obvious that most of the youth in the area may not be interested in farming work thus, leaving the area in search of a white-collar job and more paying engagements (Obi and Pote, 2012) in this instance a gap is hereby created.

From Table 3 indicated that majority (65.8%) of the respondents are married, 11.6% divorced, 4.3% are single while the rest (18.3%) of the respondents are widowed.

The marital status of farmers is an important element in farming enterprise. Therefore, its importance is prominent as farming households takes its advantage of large families in providing family labour.

Table 4 indicated that family with 4 members has the highest frequency distribution (59.1%). Households with 5-6 persons have 30% of the total respondents, while 1.7% of the population has family size greater than 10 persons. In essence, the use of family labour helped reduce the cost that would have been spent on hired labour.

Result shows that the educational status of the maize farmers interviewed is 52.5% of the total respondent has no form of formal education. However, the majority (47.5%) of the household heads have one form of formal education, and this indicates a meaningful farmers' output in the study area.

The result revealed that majority (47.5%) of maize farmers spent between 9 and 11 years in the farming, thereby implying that most of the farmers are experienced.

The number of years spent in farming has a positive relationship to farmers' experience, and in turn have a reflection on the effectiveness of an agro-enterprise in terms of reasonable output.

Table 7 shows that about 80.8s% of smallholder maize farmers considered farming as their primary occupation in Tyefu village. This gave a negative signal as it indicated a high level of unemployment in the area.

The occupation in which households spend 75% of their time and above is called the primary occupation and from which they earn a greater proportion of their income (Echebiri, 2001). Data was collected on the primary occupation of maize farmers to know what their occupation is and the results of the distribution is presented below.

The indication from the table is that smallholder farmers in Tyefu villages concentrate more on maize production. The result shows, that smallholder farmers have significantly higher maize yield, total revenues and gross margins from maize enterprise at a 5%, and 10%. Also, smallholder maize farmers produce more marketable surplus of maize with a commercialization index score of 0.45 However, more money is spent in the purchase of farming inputs, this might be responsible for low sales (R254.655). Smallholder maize farmers incur less input costs probably because they purchase inputs collectively, thereby reducing on the unit costs. Further, smallholder farmers have higher tendency of gaining from price discounts and transport offer by input suppliers in Tyefu Villages. In South Africa, the potential grain yields that can be obtained in maize farming range from 7 to 12 tons/ha (Fanadzo et al., 2009). This shows that maize farming in this area are far below the expected yields. This suggests that most of these smallholder maize farmers are sub-optimally utilizing some of their inputs. The low yields may be attributed to low fertilizer, pesticides and herbicides applications, among others. Further, the low use of these agro-chemicals may be due to lack of investment capital to purchase these inputs.

There are many profiled problems faced by the farmers, majority of it was collated, 55.8% of these farmers confirmed that there is no market for their products, Hence the difficulty in transforming their harvest into money. Lack of good road is another high rated problem facing these farmers in the study area with 27.5%, these farmers said that the problem the faced before their produces will be out of the locations to a place called market is better imagined. Also, on the list of various challenges is storage facility with 16%. Farmer complained bitterly on the storage facilities due to the enormous post-harvest loss experienced on the farm. As a matter of fact the three highlighted problems were considered a great challenge of all the listed problems

CONCLUSION AND RECOMMENDATIONS

Market is the ultimate end of all the farm produce but where this is lacking, the efforts of all the farmers involved in that farming year is in futility. To ensure a sustainable agricultural development work, then the above profiled challenges must be adequately addressed. (a) The Issue of good road to all these locations must be addressed;(b) the establishment of a group to be in charge of sales and marketing of the farmers harvest must be taken serious by all the stakeholders. (c)The establishment of marketing board can also assist. Lastly (d)the storage facility must be improved on counting on the local knowledge of storage and modern methods will help in post harvest loss on the farm, (e) the engagement of agricultural extension agents must be included as a guide. If all the above five challenges could be adequately earnest then this will serve as a marketing initiative which will bring a sustainable smallholder agricultural development to the rural poor area of south Africa.

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Table 1: Gender distribution of the farmers household

Sex	Frequency	Percentage
Male	82	68.3
Female	38	31.7
Total	120	100.0

Source: Field Survey Data, 2014.

Table 2: Age distribution of the farmers

Age	Frequency	Percentage
35-40	18	15.0
41-45	9	7.50
46-50	14	11.7
51-55	22	18.3
56-60	9	7.50
61-65	46	38.3
66-70	2	1.70
Total	120	100.0

Source: Field Survey Data, 2014

Table 3: Marital status of the farmers

Marital Status	Frequency	Percent
Married	79	65.8
Single	5	4.3
Divorced	14	11.6
Widow	19	15.8
Widower	3	2.5
Total	120	100.0

Source: Field Survey Data, 2014

Table 4: Household size Distribution of Farmers

Household Size	Frequency	Percentage
1-4	71	59.1
5-6	36	30.0
7-9	11	9.2
10-Above	2	1.7
Total	120	100

Source: Field Survey Data, 2014

Table 5: Distribution of the Educational Level of Farmers

Educational Level	Frequency	Percent
No education	63	52.5
Primary education	32	26.7
Secondary education	23	19.2

Tertiary education	2	1.6
Total	120	100.0

Source: Field Survey Data, 2014

Table 6: Distribution of the farmers according to Years of Farming

Number of years	Frequency	Percentage
1-2	17	14.2
3-5	11	9.2
6-8	19	15.8
9-11	57	47.5
11-Above	16	13.3
Total	120	100

Source: Field Survey Data, 2014

Table 7:Distribution based on primary occupation

Occupation	Frequency	Percent
Farming	97	80.8
Trading	1	0.8
Casual Worker	15	12.5
Civil Servant	5	4.3
Student	2	1.6
Total	120	100.0

Source: Field Survey Data, 2014

Table 8 Commercialization index of maize enterprise

	Description	Smallholder farmer	T value
		n 120	
Maize yield	Kg/ha	2199.59 (2967.64)	2.061**
Total revenue from maize	Rand/ha	3469.89 (6560.57)	1.765*
Total cost of maize production	Rand/ha	1448.68 (2280.22)	-0.995
Gross marginfrom Maize	Rand/ha	2021.21 (6035.331)	2.444**
Commercialisation index for maize	Ratio	0.45 (0.37)	1.324

Source: Results from SPSS (Version 11) generated from field survey, 2014. Where *, and **, represents significance levels at 10%, and 5% level, respectively. (SD) = standard deviation. , ha = hectares, Commercialization Index ratio = Quantity marketed of a given crop divided by total quantity harvested of the same crop

Profiling the challenges of marketing

Lack of structured market	67	55.8
No good roads	33	27.5
No storage facility in the area	20	16.7
Total	120	

Source field survey 2014