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RESEARCH NOTE:

MARKETING PREFERENCES AND BEHAVIOUR OF A GROUP OF SMALL-SCALE IRRIGATION VEGETABLE FARMERS IN EASTERN CAPE¹

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Irrigation vegetable farmers in Seymour District, Eastern Cape, have had problems concerning market access. Initial action by the researcher showed that problems can be solved. A survey showed younger farmers to be better educated, more businesslike and more eager to solve problems than older farmers. The unavailability of transport, poor infrastructure, lack of market information and to a lesser extent, dishonesty of some traders are major problems for these farmers. The community involved should be regarded as progressive, and can be expected to prosper once their problems have been solved.

BEMARKINGSVOORKEURE EN -GEDRAG VAN 'N GROEP KLEINSKAALSE BESPROEIINGSGROENTEBOERE IN OOS-KAAP

Besproeiingsgroenteboere in Seymour Distrik, Oos-Kaap het probleme gehad ten opsigte van marktoegang. Aanvangsoptrede deur die navorser het getoon dat probleme opgelos kan word. 'n Opname het getoon dat jonger boere beter opgevoed, meer besigheidsgeoriënteerd en meer gretig is om probleme op te los as ouer boere. Die onbeskikbaarheid van vervoer, swak infrastruktuur, gebrek aan markinligting en tot 'n kleiner mate, oneerlikheid van sommige handelaars is belangrike probleme vir hierdie boere. Die betrokke gemeenskap behoort as progressief geag te word, en kan verwag word om te gedy wanneer hul probleme opgelos is.

1. INTRODUCTION

"Marketing occupies a critical role in respect of the development of (less developed) growth areas. Indeed, marketing is the most important multiplier of such development. It is in itself in every one of these areas the least developed, the most backward part of the economic system. Its development, above all others, makes possible economic integration and the fullest utilisation of whatever assets and productive capacity an economy already

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possesses. It mobilises latent economic energy. It contributes to the greatest needs: that for the rapid development of entrepreneurs and managers, and at the same time it may be the easiest area of managerial work to get going. The reason is that it is the most systematised and, therefore, the most learnable and the most teachable of all areas of business management and entrepreneurship" (Drucker, 1958).

The ability of small scale farmers to gain access to markets and serve these effectively and efficiently is obviously at the core of rural development issues. Markets provide the opportunity to make profits, and marketing is essential for developmental incentives. In its absence, economic development can hardly be hoped for; in the absence of marketing, dreams of improved living standards will remain mere dreams.

This paper reports on the results of a survey and also some action research concerning the access to markets of a sample of small scale irrigation farmers in the Eastern Cape and on their perceptions regarding marketing.

2. RESEARCH AREA AND PROCEDURE

The study was conducted in the Seymour district in Eastern Cape, among the 81 farmers who belong to the Hertzog Agricultural Co-operative. The land had been used for irrigation farming by a family of white commercial farmers, but the business deteriorated under a system of centralised management during the later years of the "independent" Republic of Ciskei. Eventually, it was decided in 1993 to allow members of the community to farm on the land. Each member has one hectare of irrigated land on which vegetables are grown. After the community obtained the land, they started producing vegetables, and early successes were impressive, with profits of up to R3 000 per hectare per growing season (Nel, 1995). However, severe problems were encountered in 1996: Unusually wet weather caused a collapse in production, mechanical problems with tractors prevented the planting of a winter crop and farmers failed to be able to service markets with whatever crops was available.

The transport infrastructure presents problems, with gravel roads linking the settlement to a provincial highway. Limited availability of road transport is an important constraint. Produce is marketed in two smallish markets: Fort Beaufort (35 km) and Queenstown (85 km) and in the urban market of East London (145 km). The communication infrastructure is poor : telephones are non-existent, and there is one post office. Extension services have varied between poor and non-existent.

When the research started the general mood of the local farmers was one of despondency. The senior author of this paper accordingly did some action research, using his cell phone to contact possible buyers of the available vegetables. He eventually arranged for a trader in East London to inspect produce and meet the co-operative's chairman. After inspection, he bought the produce for resale in East London, encountering some problems, which were discussed with the farmers and researcher some while later.

The following can be learnt from this experience and from the trader's opinions:

- it is not impossible to make marketing arrangements, but it takes initiative to do so and once the arrangements have been made, it takes effort to maintain them; however, the absence of telecommunication links in the area is a constraint;
- cooperation is necessary for a community of small farmers in this regard;
- it is necessary that someone within, or connected to the community takes initiative and provides leadership in this regard.
- it is important to have a regular flow of products;
- adequate sorting (grading) is important;
- it is dangerous for the community to depend on outside people to make their arrangements; and
- the farmers should consider the purchase of their own transport e.g. bakkie, provided they are organised well enough to co-operate and share with each other. They will however have to investigate the costs and returns and decide on the management of such a venture.

The arrangements set the scene for appropriate and frank investigation.

A survey of farmers' marketing preferences and problems was subsequently conducted by means of personal interviews, using a structured questionnaire and a randomly selected sample of 30 farmers. This paper provides the findings of the study. The format is both descriptive and analytical.

3. SOCIOLOGICAL AND PRODUCTION ASPECTS

Of the 30 farmers surveyed, 19 (63,3%) were household heads and 24 (80%) were male. The ages varied from 26 to 74 years. The sample was divided into three equally sized groups: 26-39 years old, 40-65 years, and 66 - 74 years. The age groups differed from each other in terms of educational levels and number of dependants (Table 1). As will be shown later, marketing perceptions also differed substantially between the three groups.

Table 1: Relationship between farmer's age, educational level, household size and dependants

Age of respondent (years)	Mean educational level (years)	Mean number of dependants
26-39	8,6	2,4
40-65	5,7	5,8
> 65	3,7	4,9

While approximately 56 per cent of respondents had more than 6 years of schooling, there were six (20%) with no schooling at all (all of them older than 65 years) and another three (10%) with 3 years of schooling or less. This means that 30% of the sample is functionally illiterate, with none of these in the 26-39 years age group. The younger group has had more education, and also has fewer dependants per capita than the other groups.

Twenty per cent of the respondents receive no revenue from sources other than their irrigated production, while such income of another 46,7 per cent is below R20 000 per annum. Two respondents (6,7%) have an outside income exceeding R100 000 per annum.

As is common in other parts of Africa, most farmers practice intercropping of their crops, all of which are vegetables in this case. A practice often associated with increased physical yields and increased net revenue (Spio, 1996). The most commonly grown vegetables (grown by 70% or more of respondents) are cabbages and potatoes, while 20% to 30% also grow green mealies, onions and pumpkins. Carrots, beetroot and spinach are also produced.

4. RESPONDENTS' EXPERIENCE AND ATTITUDES TOWARD INFORMATION, PRICES AND MARKET VENUES

Of the respondents, 64,3% believe that it should be extension officers' main task to impart information regarding production; the remaining 35,7% would

prefer them to concentrate mainly on market information. The latter group was concentrated mainly among younger farmers. The large majority (96,4%) indicated that they receive no market information.

Only a small percentage (6,7%) of the farmers act independently regarding decisions on whether to sell their produce at prices offered. The majority (93,3%) act as a group to determine prices; they do have the assistance of an extension officer who indicates the extent to which these prices correspond to those on the East London Fresh Produce Market.

The farmers were also questioned on whether they make about their efforts to obtain the best possible prices. Results appear in Table 2.

Table 2: Efforts to get the best possible prices of their produce

Categories	Percentage of respondents
Always make efforts	53,3
Never make efforts	36,7
Seldom make efforts	6,7
Often make efforts	3,3

The majority of the farmers, (53,3%) responded that they always try to determine where they could get best prices; these respondents are all younger than 65 years; the many respondents (36,7%) of the sample that never made such efforts are almost all over 65 years old. The 6,7% of the farmers who seldom make efforts to determine where they could get best prices and the 3,3% who often make efforts consist exclusively of the middle aged farmers. It appears that in this respect the younger farmers are more business orientated than the others. This must be seen as a favourable omen for the future welfare of the community.

The three age groups also differed substantially from each other in their decisions as to the place where they market their produce. This is shown in Table 3.

A large number of farmers, (66,7%) indicated that they are passive don't really take a decision on their own as to where to market their produce; they sell to traders who come and buy from the field and to local people. This phenomenon increased in importance with age; 50,1% of the younger farmers fall within this category as compared to 71,2% of the middle aged, and 80,7% of the older farmers. This may indicate lack of access to more distant markets or realism concerning the absence of means of transport. It may even present a

Table 3: Respondents' decision making regarding marketing venue

Category	Percentage of all farmers	Young farmers (26-39)	Middle aged (40-65)	Older farmers (66-74)
Don't take a decision - are passive	66,7%	50,1%	71,2%	80,7%
Consider the prices at and distance to the market	20,0%	24,9%	19,2%	15,3%
Consider the quality of the produce	10,0%	19,4%	6,4%	3,1%
Look for demand at other areas	3,3%	5,6%	3,2%	0,9%

form of risk avoidance. However, 20% of the farmers consider prices at the market and also distance to the market. Quality of the produce is considered to be important by 10% of the farmers; they take samples to show in supermarkets e.g. in Fort Beaufort and Alice. A small number (3,3%) also look at the demand in other areas. The younger the farmer, the more likely it appears that he will compare markets and consider prices and quality. The younger farmers give the impression of being more willing to make efforts and incur costs in order to obtain better prices for their produce.

The majority of farmers (90%) indicated that they normally sell their high quality produce and retain the lower quality products for own consumption.

Another aspect investigated was the behaviour of farmers in terms of personal action in the marketing of their produce. Results appear in Table 4.

Table 4: Percentages of respondents who deliver to traders or wait for traders to collect produce at the field

Category	Percentage of all farmers	Young farmers (26-39)	Middle aged (40-65)	Older farmers (66-74)
Traders collect from the field	66,7%	58,1%	66,9%	77,9%
Sometimes deliver to traders	23,3%	26,2%	24,1%	18,6%
Deliver to traders	10,0%	15,7%	9,0%	3,5%

It appears that younger farmers more often deliver products to traders than is the case with older farmers, although the majority of all three age groups have their produce collected at the field by traders. Those who deliver to traders have to hire transport for this purpose. These people constitute at least 10% of the sample, the majority of whom being in the young age cohort. All farmers also sell to people in the local community.

When the farmers were asked what would contribute most to efficiency, 70% mentioned availability of efficient transport. Another 16,7% expressed a need for electricity and efficient pumping of water, while 3,3% each mentioned price flexibility and the establishment of local markets; 6,7% had no opinion.

Farmers were questioned as to whether they were satisfied with prices obtained for their produce. Results appear in Table 5.

Table 5: Satisfaction of respondents with produce prices

Category	Percentage of all farmers	Percentage young farmers	Percentage Middle aged farmers	Percentage older farmers
Satisfied with prices	73,3	21,6	71,4	88,2
Not satisfied with prices	26,7	78,4	28,6	11,8

It appears that the great majority (78,4%) of younger farmers were dissatisfied with the prices, in contrast to the middle aged and older farmers, of whom the great majority were satisfied. One can therefore expect the younger farmers to do more efforts in future to secure good prices. The major reason for dissatisfaction (50%) was that prices are controlled at the market, while 25,2% complained that traders reduce prices. Another 12,4% complained that size and quality were not adequately taken into account when their prices were determined, while 12,4% said that local people could not afford to pay. The realism of the complaints could not be evaluated.

5. MARKETING PROBLEMS

When questioned about what they regarded as their most important marketing problem, 46,4% of the respondents cited unavailability of transport, while 5% regarded poor road and communication infrastructure as their most important marketing problem. The absence of regular market information or lack of knowledge of markets was mentioned by 17,8%. Other problems mentioned were the rotting of produce, and the absence of buyers. Farmers were also questioned on whether they had experienced problems with the method of payment and honesty of traders.

The method of payment refers to the way in which farmers are paid by traders e.g. cheques which may not be honoured. It also refers to the way in which their money is deposited in the Ciskei Agricultural Bank (CAB) where they received their loans. The treasurer appears to wait for all the farmers to finish

selling their produce before he deposits the money in the bank. This puts those farmers that have managed to finish selling their produce earlier at a disadvantage as interest on liabilities continues to accumulate whilst the money is delayed. More than half (53,3%) of the farmers have experienced serious problems in this respect. Honesty of traders has been a problem for 30% of the farmers. However, 90% of the respondents indicated that normally, they are paid immediately on delivery, except when they sell produce to individuals in the local community who get pensions on a quarterly basis. These people normally pay only after they have received the pensions.

The farmers receive payment either in cash or by cheque. Practically all the farmers prefer to be paid immediately in cash only, as they have experienced problems with the use of cheques by some dishonest traders.

Farmers were also questioned concerning their perceptions of how marketing problems can be solved. Results appear in Table 6.

Table 6: Perception of solution to problems by the respondents

Category	Percentage of all farmers	Young farmers (26-39)	Middle aged (40-65)	Older farmers (66-74)
Don't know solution to their problems	36,7%	18,4%	44,1%	50,0%
Hire transport during harvesting	20,0%	32,9%	16,9%	8,8%
Work on cash basis to avoid being cheated	13,3%	21,9%	10,2%	6,8%
Wait for the traders to come	16,7%	11,0%	16,9%	22,6%
Obtain services of a market specialist	6,7%	11,0%	3,4%	5,0%
No opinion	6,7%	4,9%	8,5%	6,8%

While the majority of older and middle-aged farmers either did not know the solution to their problems or gave no opinion, 76,7% of the younger farmers (less than 40 years) suggested solutions.

Younger farmers saw the hiring of transport and secondly, the use of cash to avoid being cheated as the main solutions. The middle-aged group regarded hiring of transport and waiting for traders to arrive as the two main solutions, while the older farmers (over 65 years) prefer the latter. The younger farmers certainly appear more willing to take initiative. They overwhelmingly believe

markets can be improved in contrast to the older farmers who may possibly be said to be fatalistic in this sense (Table 7).

Table 7: Farmers' responses regarding market improvements

Category	Percentage of all farmers	Young farmers (26-39)	Middle aged (40-65)	Older farmers (66-74)
No idea as to whether the markets can be improved	70%	10%	50%	90%
Farmers who believed that markets can be improved	30%	90%	50%	10%

6. TRAINING NEEDS

Farmers were asked what training needs they perceived. They were unanimously in favour of training courses in vegetable gardening, produce marketing, record keeping, farming skills, nutrition, administration and business. They also unanimously favoured numeracy and literacy training for all those with limited schooling. A considerable percentage (76,7%) also showed an interest in a course in poultry farming. The possibility of a course in bee-keeping did not engender enthusiasm.

In general, the attitude toward such courses appears to convey the impression of progressiveness.

7. CONCLUSION

In some respects, this area is representative of South Africa's erstwhile homelands. It has physical and institutional poor infrastructure and limited market access. How typical the attitudes of the farmers in the Seymour District are of those of small farmers elsewhere in South Africa, cannot be said with any degree of certainty. However, this report does show that there are progressive elements in rural communities with a will to solve their marketing problems. These are mainly to be found among younger better educated farmers. This note also points at the need of infrastructural development as a prerequisite of rural development as a prerequisite of rural areas. This infrastructural development will have to include roads, communication and education. Agricultural extension should be improved and include market information and business training. In this sense, an integrated approach, involving all major facets of rural life is likely to be more successful than piecemeal isolated efforts. It shows that given leadership,

initiative and perseverance, problems can be solved. This note can be seen as a testimonial of hope for the future.

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