Determinants of the choice of marketing channel for commercial maize farmer: The Case of Talana farm in Mashonaland west province.

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A dissertation submitted in partial fulfilment of the requirements of the Bachelor of Agricultural Science Honours Degree in Agricultural Education and Extension.

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November 2015
DEDICATION

To my parents Christopher and Sibongile, brother Courage and sister Delight for their love, care, patience and courage they offered to me during the study period.
ACKNOWLEDGEMENTS

To GOD be the glory that has enabled me to make this entire long journey to complete this dissertation. Indeed, his grace and favour has always been on my side. My sincere thanks go to my supervisor for his guidance, patience, and understanding throughout the entire learning and research programme, for the many hours of reading the dissertation drafts and for the suggestions in improving them.

Lastly many thanks to my parents who has been always my pillar and inspiration for aiming higher. I particularly acknowledge their full efforts in seeing me grow with a patient, courageous and confident heart, character that has always made me overcome challenges. Mum and dad you have always offered all what you can to make me live a complete life. To my brother and sister, thanks a lot for having confidence in me, through your constant prayers and emotional support, I have always lived a happy life. Love u all.
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Declaration
I declare that this project is my own work and has not been copied or lifted from any source without acknowledgment of the source or published elsewhere either electronically or otherwise.

Name: Succeed Muza

Signature..........................

Date   /   / 2016

I have supervised the project of the above-mentioned student and I am convinced that the research project should be submitted.

Can be submitted

Project supervisor. Mr N Mafuse

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Date   /   / 2016

Official stamp/date received in the department of Agricultural economics, education and extension
ABSTRACT

The study was conducted at Talana farm in Chegutu Mashonaland district. The main objective of the study is to investigate determinates of marketing channel of Talana produce a commercial farmer. Primary and secondary data was obtained through structured questioner and the use of accounts records for the past five years. The Talana farm is facing some marketing challenges’. The main findings show that the Talana farm sales their produce mostly through the indirect channel that is to private sectors such as National food and delta due to the prices they are offered and sometimes the farm sale also to GMB and other farmers directly. The results show that if the farm uses indirect channel the marketing margins will be positive that is 23.1% but if the farm sells directly the marketing margins of the farm will be negative -5.26%and the farm has marketing efficiency of 30.9% in the first season. The results also indicated that the Talana farm is facing some constrains in marketing their produce that is Talana farm, such challenges’ include poor road network, lack of market information and high transport and storage cost. In view of research finding, several suggestions were made; these include promotion of group or contract farming, encouraging cooperatives, ensure the availability of market information to commercial maize farmers and encouraging value addition.
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## Abbreviation and Acronyms

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<tr>
<td>CSA</td>
<td>Community Support Agriculture</td>
</tr>
<tr>
<td>DES</td>
<td>Dietary Energy Supply</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<td>GMB</td>
<td>Grain Marketing Board</td>
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Chapter 1

1.0 Introduction

Maize (Zea mays L) commonly known as corn in the United States and Canada, is the third most important cereal grain worldwide after wheat and rice (Golob, et al., 2004). It is referred to as the cereal of the future for its nutritional value and utilization of its products and by-products (Lee, 1999). The demand for maize has been estimated to increase by 50%, from 558 million metric tons in 1995 to 837 million metric tons in 2020 (Martinez et al., 2011), fuelled by diverse uses, from food processing, animal feed, to ethanol production (FAO, 2006). It is a basic staple food grain for large parts of world including Africa, Latin America, and Asia (Yaouba et al., 2012).

Maize is the most important grain crop in Zimbabwe, being both a major feed grain and a staple food for the majority of the population. FAO (2008) reported that maize and maize products accounted for 43% of the total dietary energy supply (DES) between 2003 and 2005; and the average per capita food consumption of maize and maize products was 120 kg/yr between 2004 and 2008. Apart from being consumed as raw grain, maize can be processed into maize meal, or alternatively used to make a variety of other products and by-products which include flour, oil, maputi, grit used in the making of snacks as well as stock-feed.

In terms of production, maize is the second most produced crop in Zimbabwe after sugar cane, contributing an estimated 11.6% of the gross value of total agricultural production in 2005 (CSO, 2005). At least 1.5 million tonnes of maize is consumed by humans, with an average of 350 000 tonnes being utilised by other commercial users, including the animal feed industry, while the remainder (estimated at an average 10%) gets used for seed and other industrial purposes (FAO, 2004).

It is a well-known fact that the marketing of grain has become quite a challenge in Zimbabwe. This is mainly due to abolishment of the grain marketing boards between the years 2000 to 2010 and the degradation of the market as a whole (Vink, et al 2000).

Commercial farming was once the backbone of the domestic Zimbabwean economy and contributed up to 40% of the exported produce (FAO 2006). Maize was the country's largest domestic crop prior to the resettlement programme. Tobacco was the largest export crop
followed by cotton. Poor government has exacerbated meagre harvests caused by drought and floods, resulting in significant food shortfalls beginning in 2001.

According to the Zimbabwean industry, maize output is likely to drop to 40 per cent in the 2015-16 crop year (July –June) due to 14% per cent deficit in monsoon rains. Maize production has dropped to 23.67million tonnes in 2014-15 from the record of 24.26million tonnes in the previous year.

1.1 Background of Talana farm
Talana farm is in Mashonaland West Province in Chegutu. It is 10km north east from Chegutu town. Talana farm has got 652 hectares and 90 hectares are for commercial maize production and other 562 hectares that are left are for rearing of animals such as pigs and beef production and also farming of other crops such as potatoes, seed maize, peas. Talana farm is in region 2b and is composed of sandy loam soils.

The farm started in 1993 and has managed to grow dry land commercial maize, tobacco, seed maize, green maize, soya beans and horticultural crops like cucumbers and tomatoes with beef and pig production constituting animal enterprises.

The farm is mainly in growing of commercial maize and selling the produce to consumers, other farmers, GMB and National Food or Delta.

1.2 Problem statement
Talana farm is mainly into growing of commercial maize. Farm is producing about 60 to 90 tonnes of commercial maize every season and the farm does not use proper marketing channels.

Marketing channel decisions are among the most critical decisions facing farmers. The chosen channels intimately affect all other marketing decisions. (Berry 2010)

Choice of marketing channel is one of the key ingredients of successful marketing of agricultural and non-agricultural products. The Talana farm lack information on which marketing channel is more profitable to use so the farm changes the channel each and every
season due to the information they heard about that channel. According to Tsongiannissa (2008), marketing channel used when selling the products has a bearing on the profit of commercial farmer may take. The research was therefore aimed at determinants of the choice of marketing channel for commercial maize.

1.3 Justification
Commercial maize has promoted and improves the life standards of the people at Talana farm. If marketed properly will thereby reduce poverty. It is imperative that marketing channel, marketing margin and marketing efficiency promote both the growth and sustainable production.

The findings of the study will help Talana farmers in decision making while choosing the most beneficial marketing channel in terms of marketing margins and other market oriented services availed. This will be achieved through use of the study information which will act as a guide for farmers in the process of evaluating the existing marketing channels to transact in their maize products.

High profit margin achieved by the farmer are likely to result in increased salaries for the farm workers thereby increasing the livelihoods of farm workers.

Research findings will be the benchmark for addressing the constraints faced by Talana farm participating in different maize marketing channels for them to benefit from current high demand of commercial maize. Marketing channel is a series of ways or activities needed essentially to transfer the ownership of goods, and to move goods, from the point of production to the point of consumption.

A marketing channel includes one or more marketing intermediaries who perform a variety of functions. Each channel member: Provides value, performs a function and expects an economic return. Marketing channel often speak about the sale of products. However, it is not limited to the distribution of physical goods. Providers of services and ideas also benefit from marketing channel. Marketing channels offer better services at costs lower than offerings without the assistance of channel members. The Talana farm can achieve differentiation through their distribution channels. Each of these channels may offer different coverage, skill, and performance. They may also realize economies of scale that channels of distribution
often offer. Marketing channel decisions are among the most critical decisions facing an organization. The chosen channels closely affect all other marketing decisions. The study will also act as a source of information to future researchers in the commercial maize industry.

1.4 Objectives

1.4.1 Main objective

The main objective of the study is to investigate determinates of marketing channels of Talana produce a commercial maize farmer.

1.4.2 Specific objectives

1) To identify marketing channels used by Talana Farm
2) To determine the most profitable marketing channel at Talana farm.
3) To examine factors influencing choices of marketing channel at Talana farm.

1.4.3 Research questions

1) Which market channel was used by Talana farm for the past five years?
2) Which is the most profitable channel for the farm and why?
3) Which factors influence the choice of marketing channel at Talana farm?

1.5 Organisation of the study

The project consists of five chapters. Chapter one contains the introduction of the project and the background of the study which is Talana farm where the project was carried out. Chapter two contains a discussion of the literature specific to the research topic, research objectives and questions. The chapter discusses literature on determinates of marketing channel, the most profitability channel at Talana farm and the factors that affect the choice of marketing channel. This chapter also highlights the various methods used to calculate the profitability of each channel at Talana farm for every season such as marketing margins and marketing efficiency. Chapter three is a detailed discussion of the methodology that was used in this research study and the justification for choice of that methodology. It discusses how the research was carried out and the methods used in collecting, recording and analysing data. Chapter four discusses the findings from the study as guided by the research questions and objectives. This chapter focuses on which channel is more profitable to Talana farm either direct channel or indirect channel and also other finding that support the results. Chapter five
presents the conclusions and recommendations from the study for consideration by the Talana farm and other commercial farmers. The conclusions feature the major summaries established during the research in relation to the objectives and guiding questions of the research. The recommendations are construed from the findings and provide important information to Talana farm.
Chapter 2

Literature Review

2.0 Introduction

A literature review is an account of what has been done or published in a topic by accredited scholars and researchers. This chapter looks at both theoretical and empirical concepts of marketing of commercial maize farmers. In order to fully appreciate and understand the problem under study, the researcher obtained theoretical arguments and empirical evidence from books, journals, and articles. This chapter provides the literature that covers all the objectives of the study.

2.1 Definitions of terms

Kohls and Uhl (2002) defined marketing as “a system composed of alternative production flows (marketing channels), a variety of firms, and numerous business activities (marketing functions). Therefore, food marketing is looked at as performance of all business activities involved in the flow of food products and services from the point of initial agricultural production until they are in the hands of consumers. Layton (2007) further defined marketing as a network of individuals and entities, which is embedded in asocial matrix linked directly or indirectly through sequential or shared in voluntary exchange of values (Coughlin et al., 2001).

These networks jointly create, assemble, transform and make assortments of product services available, expenses and ideas provided in response to customer demand. Markets are arenas for organizing and facilitating business activities and for answering the basic economic questions; what to produce, how much to produce, and how to distribute production (Chun-Mei, 2011). Therefore, marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Ouma et al., 2010). The food production process does not stop at the farm gate; food marketing activities complement the agricultural production since there would be no food traders without farmers.
For agricultural products to reach the consumers in different forms such as raw farm product, processed product, branded product, specialty (niche product), marketing agents such as individual sellers, cooperative, marketing agreement and bargaining association should exist (Chun-Mei, 2011). Agricultural markets offer different forms of products to different customers and this justifies the different delivery alternatives such as commission house or broker, auction house, terminal market, farmers’ markets or roadside and international markets (Kohl and Uhl, 2002). According to Coughlin et al. (2001), different marketing channels that coexist for efficient functioning of the market link producers and consumers together. These marketing channels are structured differently depending on the channel members; form of the product handled, and pattern relationship among other organisations. The earliest formal conceptions of marketing channels focus on the functions performed by a distribution system and the associated utility of these functions and the overall system (Gundlack et al., 2006). Reflecting their presence in industrial and transitional economies, marketing channels gradually came to be viewed as the set of interdependent organizations involved in the process of making a product or service available for use or consumption (Coughlin et al., 2001).

A marketing channel is a set of practices or activities necessary to transfer the ownership of goods, and to move goods, from the point of production to the point of consumption and, as such, which consists of all the institutions and all the marketing activities in the marketing process. A marketing channel can be as short as being direct from the vendor to the consumer or may include several inter-connected (usually independent but mutually dependent) intermediaries such as wholesalers, distributors, agents, retailers. Each intermediary receives the item at one pricing point and moves it to the next higher pricing point until it reaches the final buyer (Kotler et-al., 2004)

In agricultural context, marketing channel is defined depending on specific organizations that are interdependent and interrelated with agricultural products and their relevant services that can be transferred from producers to consumers or sellers (Chun-Mei, 2011). This institutional oriented perspective draws attention to channel actors (for example wholesalers, distributors, retailers) comprising the distribution system and engaged in the delivery of goods and services from the point of conception to the point of consumption (Anderson and Coughlan, 2002).
2.2 Determinates of marketing channel

Various scientific studies have examined the pattern of the effect of socioeconomic variables in the choice of market channels. Some researchers indicate that farmer’s demographics and farm characteristics such as age, gender, marital status, education, farm size, and diversification (Nyaupane et al., 2010; Gong et al., 2004; Ferto, 2002) had significant influences on the choice of market channels. In a more elaborated way, such as, both institutional and technical factors for example market information flow, institutional environment which encompasses formal and/or informal rule, the use of grades and standards, and the legal environment do play a major role in reducing transaction costs (Jari, 2009; Mburu et al., 2007). According to Gong et al (2007) the choice of market channels is influenced by a number of transaction costs (information access and quality inspection), negotiation costs (payment delay and influence on agreement) as well as monitoring costs (grading and farm service). Similar agreement presented by Mburu et al (2007) state that credit availability, information access, policy related interventions such as government extension agent and membership in cooperatives serve as a key determinants of choice of market channel.

Marketing channels for agricultural products vary from product to product, country to country, and time to time. For example, the marketing channels for fruits are different from those for food grains. Packagers play a crucial role in the marketing of fruits. The level of the development of a society or country determines the final form in which consumers demand the product. For example, consumers in developed countries demand more processed foods in a packed form. Wheat has to be supplied in the form of bread. Most enables have to be cooked and packed properly before they reach the consumers. Processors play a dominant role in such societies.

In developing countries like India, However, most food grains are purchased by consumers in the raw form and processing is done at the consumer's level. Again, the lots originating at small farms follow different route or channels from the one originating in large farms. For example, small farms usually sell their produce to village traders or other farmer it may or may not enter the main market. But large farms usually sell their produce in the main market, where it goes into the hands of wholesalers. The produce sold immediately after the harvest usually follows longer channel than the one sold in later months.
To reach a target market, the marketer uses three kinds of marketing channels. Communication channels deliver and receive messages from target buyers and include newspapers, magazines, radio, television, mail, telephone, billboards, posters, fliers, CDs, audiotapes, and the Internet. Beyond these, just as we convey messages by our facial expressions and clothing, firms communicate through the look of their retail stores, the appearance of their Web sites, and many other media. (Kotler et al., 2004).

The marketer uses distribution channels to display, sell, or deliver the physical product or service(s) to the buyer or user. They include distributors, wholesalers, retailers, and agents. The marketer also uses service channels to carry out transactions with potential buyers. Service channels include warehouses, transportation companies, banks, and insurance companies that facilitate transactions. Marketers clearly face a design challenge in choosing the best mix of communication, distribution, and service channels for their offerings. Marketing channel is divided into two broad groups, direct and wholesale. Wholesale marketing is selling product to a buyer who is not the ultimate user and direct market is selling the product to the end user.

The size and scale of a farming operation, number of years of operator experience, the demographics of the surrounding region, and the preferences of the farmer will determine which channels are best suited to the farming operation. A beginning farmer may choose to start out using direct channels, such as a farmers’ market; however, depending on a farm’s business model, growing fewer crops on a large scale for high volume buyers may be preferred. Understanding each channel, its benefits, requirements and limitations is an important starting point for channel selection. It is also important to know the volume of production required and average prices paid in order to assess the potential returns of a channel. In marketing channel selection, farmers are faced with a dilemma: they can move large volumes of product through wholesalers at relatively lower prices or seek higher prices in direct market channels and run the risk of unsold product.

### 2.3 Factors influencing choices of marketing channel

Commercial farmers’ market participation is an indicator of income enhancement through sell of agricultural surplus (Vijay et al., 2009). This improves standards of living through acquiring other necessities while utilising income received from agriculture (Rahman and
Westley, 2001). For effective market participation, improvement of market infrastructure by providing more and better markets and making it easier for farmers to access is deemed necessary (Shipi and Umali-Deininger, 2008).

According to Ndinomupya (2010), educational level of the farmer was found to be significant and positively influencing market choice and participation. This is attributed to the roles such as enhancement of managerial competencies and successful implementation of improved marketing practices that education plays (Marenya and Barret, 2006). The more the education level achieved, the higher the chances of choosing a more paying marketing channel due to knowledge exposure (Gong et al 2009). Vijay et al. (2009) observed a significant and positive relationship between education and choice of modern maize channels.

Further, commodity price is an important factor in market choice by both buyers and suppliers. Ndinomupya (2008) defined price as a reward offered by the market to supplier of the goods and services. Artukoglu and Olgun (2008) and Tsougiannis et al. (2008) concluded that the choice of a marketing channel by commercial farmers heavily depended on the price offered by that channel. Marketing channels that offered price premiums received many tonnes as compared to those, which were offering low prices. Additional unit value would increase commercial farmers’ propensity to participate in the marketing channel (Wen’e and Tang, 2009). Vijay et al. (2009) noted that farmers tend to shift to channels which are transparent and offer stable price (co-operatives and organised private companies) compared to traditional channel actors where price depended on the production season.

Schmitz et al. (2003) revealed that marketing transaction costs including transportation fees, loading and offloading fees, labour cost, market licenses, storage costs and communications also influence farmers’ choice of the marketing channel. Alene et al. (2008) found a significant negative relationship between marketing transaction costs and choice of marketing channel. Similarly, Artukoglu and Olgun (2008) concluded that the higher the transport cost incurred by commercial farmers, the less the interest of participation in the channel. High transport costs are associated with long distance that significantly reduces the percentage of maize supplied to the marketing channel (Otieno et al., 2009) because they reduce farmers’ gross margins. However, institutional innovations such as group marketing can mitigate the costs of accessing markets (Alene et al., 2008).
In addition, source of market information affects farmers’ market choice. The source of information as regards to marketing functions such as transportation, prices, benefits like advance payments, payment period dictate the choice directions of the producers (Falkowski et al., 2008). The intensity of advertisements and the extent of farmers’ exposure to market information positively influence market participation (Kohls and Uhl, 2002). Channels with market information flow encourage customer participation (Fuller et al., 2004). Awudu and Eliud (2010) and Montshwe (2006) also found a positive relationship between farmers’ marketing channel choice and source of market information. This is because market information increases the output sales and therefore more willingness to participate in such channels that avails information (Otieno et al., 2009).

Ndinomupya (2010) deduced that farm size determines the quantity of the produce and therefore choice of the marketing channel. Large farm size increases farmers’ propensity to participate in modern markets and avails more land for farming (Hangara et al. (2011). This because, large farm size is considered to be an indicator of wealthier commercial farmers that produce many tonnes of maize implying lower risks in modern market participation (Wollniet et al., 2008).

Direct                       indirect (Southern central NY Agriculture programme 2010)
Figure 1A typical characteristic of types of channel

According to Leroux M (2010), choosing the marketing channels includes consideration of many factors, including sales volume, risk, lifestyle preference and stress aversion, labour requirements, and channel-specific costs. The importance assigned to each of these factors is unique to the individual farm. Additionally, the nature of highly perishable crops, along with the risks and potential sales volumes of particular channels, requires combining different channels to maximize gross sales in order to sell everything when it is ready.

The volume that can be sold through a given channel has an impact on profitability. The more perishable a crop, the more important it is to have a channel that can absorb the volume harvested as quickly as possible. As such, a channel’s risk and potential volume are closely associated. Farmers are challenged to balance the lean and the plenty when selling through different channels. As one farmer described, the constant challenge is finding an outlet for the varying and sometimes unexpected harvest volumes, “Even if a whole field ripens at once, I am not going to pick it unless it is sold (Molly, S 2010)”. While that may mean letting a crop spoil in the field, spoilage is less expensive than paying people to harvest produce that may not sell. Optimizing sales of perishable crops requires the flexibility of combining different channels capable of absorbing unpredictable volumes. In general, wholesale distributors and retailers can be counted on to buy large quantities at once. Also, through direct marketing, Community Supported Agriculture (CSA) can consume a large volume. With a CSA, it is always possible to give members more in a share if a particular crop is plentiful, but this does not translate into more income, just less wasted produce and perhaps more satisfied customers.

In addition to regular production risks such as weather and pests, each marketing channel offers a set of risks to the producer (Monika R. 2010). Marketing risk comes in many forms, including market demand for a crop, price, competitors, failure to offer a diverse selection, and low volume sales. Additional risks include the possibility of low customer turnout due to weather, such as at farmers’ markets, farm stands, or u-pick businesses resulting in unsold perishable products. Risks for any channel that allows customers on the farm are injuries, crop damage, litter, and other problems. The two main reasons given for avoiding a particular marketing channel were lifestyle preferences and stress aversion. Wholesale channels tend to create stress because they require higher levels of preparation (for example, grading, packing,
and delivery), product specifications, and volume commitments. Distributors were also perceived to be very demanding, where producers must accept dictated prices, deadlines, and delivery logistics.

According to Todd S 2010, direct marketing channels were perceived as ones that imposed relative low levels of stress on producers. This was particularly mentioned with the CSA channel where customers share the risks and may have lower expectations in terms of washing, sorting and packaging. As expected, questions about direct marketing channels, except for CSA, provoked concerns over customer turnout. Factors such as weather, location, and the availability of parking are all risks when direct marketing. The most frequently cited concern regarding all marketing channels was high labour and marketing costs. Among the direct channels, “high marketing costs” was most frequently mentioned for farmers’ markets because they tend to be labour intensive and carry additional marketing costs, such as market fees, advertising, and travel. Sales to distributors were cited as having the highest marketing costs. Respondents mentioned a high level of labour needed to solve the “logistical headaches” of delivery, the high level of quality control work, and the added “time and energy for good service” when selling wholesale.

In general, wholesale channels require more labour devoted to harvesting, washing sorting, and packing due to the high volume of product marketed while direct channels tend to require higher levels of sales time and customer interaction. While many farmers enjoy customer interaction and feedback, some prefer not to deal with customers. Farmers’ market, farm stand, and u-pick generally require a high degree of customer interaction and are channels that reward a tidy appearance and welcoming display. Of course, farm stand and u-pick sales can be conducted using honour system payment, but some minimal level of customer interaction is in evitable. CSAs require customer interaction during weekly pick-up times, however, CSAs also may have newsletters or email updates for their members. Community Supported Agriculture sales, though done off-season, require customer interaction as well. Wholesale customers require less customer interaction, except when discussing orders or making deliveries. Once a relationship is established with a wholesale buyer, sales calls take less time. Wholesale accounts allow more anonymity; however, promotion in the form of cases of free product is common.
Some of the factors that influence the choice of market channel are provide the best target market coverage, the most profitable and the best satisfying the markers buying requirements’.

2.4 Insights from literature review

According to Gong et al (2004) a number of transaction costs (information access and quality inspection), negotiation costs (payment delay and influence on agreement) influences the choice of market channels as well as monitoring costs (grading and farm service).

At Talana farm mainly transport, marketing information, and number of hectares, price and management influence the choice of marketing channel.

Mburu et al 2007 calculated profitability using gross margins but for Talana farm the profit was calculated using marketing margins and marketing efficiency because of the cost which were used to calculated which were associated with channel used that is packaging cost, labour cost and transport cost.
Chapter 3
Research methodology

3.0 Introduction
This chapter describes the method and procedures that were used in the collection of the data and how the data was analysed. It will discuss the, study area, research design data analysis and conceptual framework. The methods of data collection and presentation are described.

3.1 Location map

Figure 2 Location map

3.2 Description of study area
Talana farm is in Mashonaland west province in Chegutu. It is 10km north east from Chegutu town. Talana farm has got 652 hectares and 90 hectare are for commercial maize production and other hectares that are left are for rearing of animals such as pigs and beef production and also farming of other crops such as potatoes, seed maize, peas. Talana farm is in region 2b and the soils that are mainly found at Talana farm are sandy loam soils.
Generally, most of the farm area is flat with land slopes that are ± 2% and erosion is slight. The land slope gets slightly steeper towards the boundary where the river Mupfure is situated. 75% of the land is arable.

The farm lies in natural region IIb receiving an average of 16-18 rain pentads per season. The rainfall range is between 750-1000mm per annum. The area is subjected to some dry spells during the rainy season to such an extent that crop yields can be reduced, but however this does not change the overall utilization from intensive systems of farming. High temperatures are experienced in the summer season with highest temperatures in September to January. The lowest are experienced in June and July. Cases of frost occurrence have been prevalent during the months of May and July.

3.3 Data collection method
For the researcher to have accuracy results the data was collected mainly using primary data and secondary data, primary data is the collection of information for the first time. The methods which were used are questionnaire.

3.3.1 Questionnaires
This researcher administered questionnaires to respondents during data collection. According to Ololube and Kpolovie (2012), questionnaire is a term used for any instrument that has questions or items to which individuals respond. Respondents to a questionnaire fill in their answers to questions without the view and assistance of the researcher. The advantage of the questionnaire in this study is that it enabled participants to freely fill in the information without fear, which resulted in maximum confidentiality.

3.3.2 Secondary data
For collection of secondary data, the researcher collected data using the financial records of the farm for the past five years from 2010 to 2015 and also the research was assisted by the farm manager when collecting data.
3.4 Data entry, storage and analysis
The data collected will be edited so as to guarantee accuracy, consistency, completeness. The data was captured in Microsoft Excel. Processing consisting of office editing and data entry as well as analysis of excel.
The data was analysed using marketing margins, marketing efficiency and use of graphs.
Marketing margins = selling price – supply price / selling price * 100
Where: selling price is the retail price
Supply price is the producer price
Adapted from Ajala and Adesehinwa (2008)
Marketing efficiency (ME) = value added by marketing / cost of marketing service * 100
Where value added is measured by the prices that consumers are willing to pay in the market of commercial maize (Ajala and Adesehinwa 2008)

3.5 Conceptual analyses
Market analysis framework
Market analysis has become an organizational priority in recent years and this was due to the rapidly increasing use of market-oriented transfer modalities and new global challenges such as climate change, the global financial and economic crises and commodity market volatility have precipitated the need for commercial farmers to better understand market systems. Market analysis is entirely dependent on the context and objectives of each situation and information requirements for programme and decision-making vary greatly.

Marketing channels are important because they are the means of making goods and services available to ultimate users. The main functions of marketing channel are channels facilitate the exchange process by reducing the number of marketplace contacts necessary to make a
sale and distributors adjust for discrepancies in the market’s assortment of goods and services via sorting, channeling products to meet the buyer’s and producer’s needs.

The term middlemen as used in this study refers to those middlemen that are found in the markets and buys farmers produce in bulk in order to resale to either vendors, hawkers or the ultimate consumers. This is the type of middlemen that small scale farmers always do the bulk of their business with and always complain about. They have nevertheless continued to sustain their relationship with these middlemen, however loosely.

Commercial farmers engage market middlemen for a number of reasons; first some farmers will be having too much produced such that if they sell it all themselves they miss the opportunity of earning higher morning prices for the bulk of their produce. Prices are always higher at the beginning of the marketing day and they go down as the day progresses. Therefore, farmers are inclined to divide their produce into batches in order to increase the mean price that they get at the end of the marketing day and also finish selling early.

Secondly, Commercial famers engage middlemen as ‘buyers of last resort’. Sometimes the market can be very slow such that farmers can fail to sell half their produce at the time they expect to have finished selling all the produce. This situation increases farmers’ risk of making huge losses due to weaker bargaining power since farmers have limited time in the market to sell their produce which they cannot afford to carry back home because of the expense and perish ability. Furthermore, commercial farmers have no proper storage facilities at the markets to reduce the rate of deterioration of their produce due to long-time exposure to sunlight. Given that most smallholders hold no cash reserves and operates in arrears the need for cash income to cover immediate expenses such as transportation is high. As a result, farmers are forced to broker deals with middlemen so as to cover for the abovementioned risks.

The Talana Farm uses both channels channel during the 2012\13 season when selling their commercial maize that is from the producer that is the farm to the consumer and also from the to the middleman then GMB. The producer sells the goods or maize directly to the consumer with no involvement with a middle man such as an intermediary, a wholesaler, a retailer, an agent, or a reseller. The consumer goes directly to the producer to buy the product without going through any other channel. This type of marketing is most beneficial to farmers
who can set the prices of their products without having to go through the agricultural board. They also use the indirect channel that is GMB due to already availability of the market. During the 2013/14 season Talana Farm used the indirect channel that is from the farm marketing agent → National food. The channel was perfect for the farm because it brings a lot of profit to the farm after deducting transport cost and also payment for the marketing agent.

During the 2014/15 season Talana farm used direct channel to sell their commercial maize it was from producer → GMB. sold their maize to GMB because it was a policy that was enforced by the government to sell maize to the GMB because they were shortage of maize in Zimbabwe but they was a delay in getting the money from the grain marketing board and also they was need of lot of paper work before they take the grain for example they wanted to check the moisture content of grain and if it is above 13 % they were not going to take it.

3.6 Analytical tool
I) identifying marketing channels by Talana Farm (descriptive statistics)
Descriptive statistics is the term given to the analysis of data such as level of education and employment rate that helps describe, show or summarize data in a meaningful way such that, for example, patterns might emerge from the data. Descriptive statistics do not, however, allow us to make conclusions beyond the data we have analysed or reach conclusions regarding any hypotheses we might have made. They are simply a way to describe our data. Descriptive statistics are very important because if we simply presented our raw data it would be hard to visualize what the data was showing, especially if there was a lot of it. Descriptive statistics therefore enables us to present the data in a more meaningful way, which allows simpler interpretation of the data. The researcher used bar graphs as part of descriptive statistics to analyse data.

ii) Determine the most profitable margins (marketing margins)
For the farm to know which market channel yield the most profit either direct channel or indirect channel there was the use of marketing margins. Marketing margin analysis was used to evaluate the economics of commercial marketing in terms of profitability and viability.
A marketing margin is the difference between the value of a product at one stage in the marketing process and the value of an equivalent product at another product.
Marketing margins was used to determine the marketing cost structure as well as the marketing margins spread between all the participants in the market. According to Doward and Kyold (2005), the marketing margin refers to the difference between the prevailing prices at the two ends of the marketing ladder at the time when transaction takes place. The market margins show the fraction of the consumer expenditure on a commodity that is received by the producer and each of the marketing agents. Thus, the marketing margins represent the price paid for a collection of marketing services and its size reflects the marketing system. Makhura and Mokoena (2003) alluded that, the marketing margin is used to give a closer approximation of the marketing performance. The marketing margin can be expressed in either percentage or in normal terms.

**Marketing margin** = \( \frac{\text{selling price} - \text{supply price}}{\text{selling price}} \times 100 \)

Where: selling price is the retail price
Supply price is the producer price

Adapted from Ajala and Adesehinwa (2008)

Marketing efficiency is defined as the maximization of the ratio of output to input in the marketing as viewed by Matungul et al. (2002). Marketing inputs include the resources used in providing marketing services while marketing output includes the four utilities that are time, place, form and possession which consumers derive from the marketing of the produce. Thus, marketing inputs are the cost of providing marketing services where the market output are the benefits or satisfaction created or value added to the commodity at it passes through the marketing system.

**Marketing efficiency (ME)** = \( \frac{\text{value added by marketing}}{\text{cost of marketing service}} \times 100 \)

Where value added is measured by the prices that consumers are willing to pay in the market of commercial maize (Ajala and Adesehinwa 2008)

Marketing cost is measured by costs of resources used in providing marketing services in US$. Hence, it is the current expenses incurred in the performance of the marketing functions as a commodity moves from the producer (farm) to the ultimate consumer. Marketing costs consist of fixed and variable cost.

iii) Factors influencing choice of marketing channel (descriptive statistics)

Descriptive statistics was used to give answers for some of the research questions. Descriptive statistics do not, however, allow us to make conclusions beyond the data we have
analysed or reach conclusions regarding any hypotheses we might have made. They are simply a way to describe our data. Descriptive statistics are very important because if we simply presented our raw data it would be hard to visualize what the data was showing, especially if there was a lot of it. Descriptive statistics therefore enables us to present the data in a more meaningful way, which allows simpler interpretation of the data. The researcher used bar graphs as part of descriptive statistics to analyse data.

3.7 Limitation of the study
The time frame which was given to carry out this research study was short. To work this out, the researcher had to work extra hard, and sometimes during odd hours to ensure that this research study was going to be a success.

3.8 Summary
Table 1 summary of methodology

<table>
<thead>
<tr>
<th>Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>To identify marketing channel used by Talana farm.</td>
<td>Descriptive statistics</td>
</tr>
<tr>
<td>To determine the most profitable marketing channel at Talana farm.</td>
<td>Marketing margins and marketing efficiency</td>
</tr>
<tr>
<td>To examine the factors influence the choice of marketing channel at Talana farm.</td>
<td>Descriptive statistics</td>
</tr>
</tbody>
</table>
Chapter 4
Results and discussion

4.0 Introduction
This chapter presents the results of the study data and discussion guided by the research questions and objectives. This chapter focuses on the marketing channels which are used at Talana farm.

4.1 Commercial maize channels at Talana farm
At Talana farm they used both direct channel and indirect channel depending with the source of information and marketing cost. During the season 2015/14 the farm used the direct channel from the farm to the GMB due to law which was set by the government. The farm used an indirect channel through the use of marketing agent to the national foods due to the deduction for transport cost; national Foods Company provided its own transport from the farm to the final destination. Sometimes due to lack of information the farm used both channels the direct and indirect channel, in season 2012/13 the farm used both channels.

4.2 Employees at the farm
They are 400 employees at the farm, 250 male employees and 150 female employees. They are many male employees as compared to female employees because there is need for man power when the commercial maize is being transported from the field to the farm and also when they are value added that is packaging, transporting and storage and female employees cannot do that for a long time that’s why the farm employed many male workers.
4.3 Price per tonne for commercial maize at Talana farm

**Figure 4 Price per tonne for commercial**

Price per tonne varies from season to season and also depends with the channel which was used by the farm. The price per tonne was very low in 2014/15 season due to the channel they used. The farm sells their grains to the GMB because it was a policy which was gazetted by the government for all farmers to sell their maize to the GMB due to shortage of maize in the country.

There was an increase in price per tonne in 2013/14 season due to the marketing channel the farm used. The farm used an indirect channel that is they sell their commercial maize to the national foods through the marketing agent that why the selling price was high as compared to all the five seasons.

The prices per tonne were the same in 2012 and 2011 season even though the channels used by the farm were different. The farm uses both direct and indirect channel in 2012/13 and direct channel in 2012/14. the price of tonne per price did not change because the indirect channel which was used in to season were the same the farm sold the maize to delta even though in 2012 they sold some of the maize directly to consumers.2011/12 season the farm sold maize to the GMB and the price per tonne was very low that is $320 as compare to the one they sold to GMB 2015/14 season which was $380.
4.3.2 Expenses incurred

![Expense incurred at Talana farm](image)

**Figure 5 Expense incurred at Talana farm**

The expenses incurred in all season as are packaging cost, storage cost labour cost and transport cost. The labour cost was fixed in the season the other cost varies depending the with months the grain had been stored and increase of grain storage is also an increase in storage cost.

Packaging is variable tools, an increase in tonnes is an increase in packaging cost in season 2014/15 and 2013/15 the packaging cost was very high because a farm sold 90 tonnes and also it depends with the price of packaging for example the packaging cost was high in 2010 as compared to 2015 due to price of packaging which was $1 per 10 50 kg bag in 2015 and $2 per 10 50kg bags.

Transport increase with distance but in 2011/12 there was transport cost was not incurred because delta provides the transport to the farm but the expense incurred are high as compared to the expenses in 2013/12 due to high storage cost which was $255 per month and the farm stored the grain for about 3 months before it was sold.

There is high expense incurred in the season 2012/13 due to drought in that season and also the cost for transport when not stable they were increasing rapidly and the expense incurred during the season 2013/14 were low due to distance and also fuel cost were low about 90 cent per litre and also due to storage cost the maize was stored for less than a month.
4.3.3 Supply price and tonne price

![Graph showing supply price and tonne price over seasons 2010/11 to 2014/15.]

**Figure 6 Supply price and tonne price**

Supply describes how producers react in the marketplace. "Market supply" or "aggregate supply" represents the amount of a product all producers are willing to sell over a range of prices at any given time period. At an individual level, a producer may be willing to sell a particular quantity as long as the market price is equal to or greater than the cost of producing that quantity. Market or aggregate supply is the total of the quantities all individual farmers want to bring to market at various price levels. An increase in price, in most instances, will result in farmers wanting to increase the quantities they bring to the market, so the relationship between price and supply is positive.

In season 2014/15 the supply price per tonne was high as compare to the price per tonne due to the marketing channel the farm used. The farm sells maize to the GMB, the farm sells the maize to the GMB because it was a policy which was gazetted by the government for every farmer to sell their produce to the GMB.

The price per tonne was high in season 2013/14 due to the channel they used. The farm sells their commercial maize to the private sector that is the nationals Food and also was high because of the number of the tonne the farm sold which is 90 tonnes.
Season 2012/13 the price per tonne was high as compared to the supply price of the farm because the farm was unorganised that time they did not know which channel which suits best for that season so they use both channel direct channel and indirect channel.

In season 2011/12 the farm sells their maize to delta that is they use indirect channel and the price per tonne was high as compared to supply price. The farm sells the maize to delta because they provide their own transport.

Lastly in 2010 the farm sells their maize to GMB and the supply price was high to price per tonne maybe due to the channel they used and also because of the tonnes they sold which were very few.

The supply price can be influenced by the price of the product being supplied, the number of firms producing the product, technological advances, the price of inputs, the price of other or alternative products that could be produced, and unpredictable events such as the weather.

### 4.4 Marketing margins

Marketing margins are indicators of trends in costs, profits and services provided by farmers and food marketing firms. This is the difference between what the consumer pays for food and what the farmer receives. It is also calculated as the percentage share received by each marketing intermediary. There is a strong cumulative effect on the marketing margin resulting from the increasing number of intermediaries involved in marketing process. Using the marketing margins, the farm will know which year they had a lot of profit and also the channel which was being used.

**Season 2014/15**

The Talana farm used the direct channel. The selling price per tonne was $380 and supply was $400 per tonne

Marketing margins = Selling Price – supply price/selling price*100

Selling price = $380

Supply price =$400

Farms share 400/380 *100=105%

Total margin 380-400/380*100= -5.26%

**Season 2013/14**
The national foods purchase the commercial maize at the price of $390 per tonne. The selling price for the farm was $300 per tonne
Selling price = $390
Supply price = $300
Farm share 300/390*100 = 79.9%
Marketing agent share 390/300*100 = 130%
Total margin 390-300/390*100 = 23.1%

Season 2012/13
The farm sells the commercial maize at $360 per tonne and the supply price was $440.
Selling price = $360
Supply price = $440
Farms margin 440/360*100 = 122%
Total margin 360-440/360*100 = -22.2%

Season 2011/12
Talana farm sell their maize to delta at $360 per tonne and the supply price per tonne for the farm was $250
Selling price = $360
Supply price = $250
Farms margin 250/360*100 = 69%
Middleman margin 360/250*100 = 144%
Total margin 360-250/360*100 = 30.6%

Season 2010/11
The maize was sold at $320 per tonne and the supply price was $360
Selling price = $320
Supply price = $360
Farms share 360/320*100 = 112%
Total margins 320-360/320 = -12.5%

From the calculated total margins for each marketing channel used by Talana farm to market their produce, it reveals that used by Talana is from the farm to middle man to delta and has a better marketing margin than the other channels.
The results show that indirect channels have better marketing margins as compare to direct channel or using both channel that is from the farm to middle man to delta is 30.6% and from the farm to marketing agent to National foods is 23.1%. in the season 2012/13 when the farm uses both channel there was negative marketing margin of -22.2%. Such findings are in full agreement with those reported by Chohan (2002).

They are better marketing margins when the farm used the indirect channel because of the selling price which is high when the farm sells the commercial maize to private sectors like national food for instant in the season 2013/14 the selling price was $390 while the supply price was $300 so that why the marketing margins are better. Such findings are quite different from Rao and Chaudary, (2000) that is in the use of middleman that is indirect channel, the marketing margins will be negative because the middleman will take lot money for the farmers. There are negative marketing margins when the farm uses direct channel and also when it used both channel due to lot of transport cost and also lack of information to the farmer.

According to R. Moghaddasi, given that marketing margin is obtained from subtracting the retail price and in farm price, therefore the retail price has a positive relationship with the marketing margin. In the way that increasing retail price causes to increase in total margin. On the other hand, transportation cost has a direct and significant relationship with marketing margin in the way that one-unit increase in transportation cost causes 1.07 units increase in marketing margin. Results also show that marketing margin has a diverse and significant relationship with other marketing costs in the way that increasing one unit in marketing costs causes 2.79 units decreasing in marketing margin.

### 4.5 Summary of marketing margin

#### Table 2 marketing margins

<table>
<thead>
<tr>
<th>Season</th>
<th>Marketing margin</th>
<th>Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>-5.26%</td>
<td>Direct</td>
</tr>
<tr>
<td>2013/14</td>
<td>23.1%</td>
<td>Indirect</td>
</tr>
<tr>
<td>2012/13</td>
<td>-22.2%</td>
<td>Both</td>
</tr>
<tr>
<td>2011/12</td>
<td>30.6%</td>
<td>Indirect</td>
</tr>
</tbody>
</table>
4.6 Marketing efficiency

Marketing efficiency is essentially degree of market performance. In this sense the concept is broad and dynamic. It encompasses many theoretical manifestations and practical aspects. Marketing efficiency (ME) = \( \frac{\text{value added by marketing}}{\text{cost of marketing service}} \times 100 \)

Where value added is measured by the prices that consumers are willing to pay in the market of commercial maize (Ajala and Adesehinwa 2008)

Marketing cost is measured by costs of resources used in providing marketing services in US$. Hence, it is the current expenses incurred in the performance of the marketing functions as a commodity moves from the producer (farm) to the ultimate consumer. Marketing costs consist of fixed and variable cost. Value additions for the farm are packaging and transport cost.

Season 2014/15
ME=value added by the marketing/cost of marketing services*100
Packaging= $1 per 10 50kg bags
90 tonnes =$180
Transport cost =$199.5
379.5/1225*100=30.9%

Season 2013/14
ME=value added by the marketing/cost of marketing services*100
Packaging= $1 per 10 50kg bags
90 tonnes=$180
Transport cost =$837.9
1017.9/1021*100=99.9%

Season 2012/13
ME=value added by the marketing/cost of marketing services*100
Packaging= $1 per 10 50kg bags
60 tonnes =$120
Transport = $119.7
239.7/1440*100 = 16.6%

Season 2011/12
ME = value added by the marketing/cost of marketing services * 100
Packaging = $2 per 10 50kg bags
60 tonnes = $240
There was no transport cost for the farm because the delta company used their own transport
240/1223*100 = 19.6%

Season 2010/11
ME = value added by the marketing/cost of marketing services * 100
Packaging = $2 per 10 50kg bags
45 tonnes = $180
Transport cost = $225
450/1090*100 = 41.3%

Increased efficiency is in the best interests of farmers, traders, processors, wholesalers, retailers, consumers and society as a whole. The efficiency of a marketing system is measured in terms of the level and/or costs to the system of the inputs, to achieve a given level and/or quality of output. Such inputs are generally in the form of land, finance, time, manpower and materials. Typical outputs include the movement of a given amount of product to markets at specific distances, the supply of a particular level of service to target market segments and the supply of products at a target price. Hence resources are the costs and utilities are the benefits that comprise the marketing efficiency ratio. Efficient marketing optimises the ratio between inputs and outputs.

4.7 Summary of marketing efficiency

Table 3 marketing efficiency

<table>
<thead>
<tr>
<th>Season</th>
<th>Marketing efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>30.9%</td>
</tr>
<tr>
<td>2013/14</td>
<td>99.9%</td>
</tr>
</tbody>
</table>

32
<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>16.6%</td>
</tr>
<tr>
<td>2011/12</td>
<td>19.6%</td>
</tr>
<tr>
<td>2010/11</td>
<td>41.3%</td>
</tr>
</tbody>
</table>

### 4.8 Reasons influencing the choice of marketing channel at Talana farm

Fig 6 below summarise the factors influencing marketing channel, the main factor that influences the choice of marketing channel is transport followed by number price and hectares then market information, buyers, management and perishability.

**Figure 7 Factors influencing choice of marketing channel of Talana farm**

The dominant factor influencing the choice of marketing channel at Talana farm is transport because at Talana farm they do not have truck to transport commercial maize they higher trucks and it is costly because the expenses of trucks increased with distance and time the truck is used by the farm. The trucks usually hired by Talana farm carry 40 tonnes while the farm had produced 400 tonnes so it will be an expense to the farm in term distance travelled, fuel cost. Consistently Shiferawet *et al.* (2006) observed that commercial farmers tend to prefer farm gate sales because they receive immediate payments and do not incur marketing costs such as transportation costs and tax payment. Transportation costs associated with moving the produce to the market therefore discourage farmers to participate in markets far from their premises. This is as expected because the larger the distance, the higher the transportation costs.
cost and the higher the cost of marketing which farmers always like to bring down to enhance their profit (Ogunleye et.al., 2007).

The second dominate or middle factor is price. Price influences the choice of marketing channel of Talana farm. Talana farm mostly choices indirect channel which are private sectors or traders instead of direct channel because indirect channel such as national foods offers price which is higher compared to direct channels. This is contrary to the findings and may be justified by the reason above that private traders who barter, sell at a better barter price than that of other farmers. According to Arega, marketed supply increases with commodity price, once participation decisions are made (Arega et.al. 2007).

The least factor influencing the choice of marketing is hectares. If Talana farm produces many hectares for instance if it produces 90 hectares it will use indirect channel because it can cater for all the expenses involved using indirect channel.

Type of buyers also affect the choice of marketing channel by the farm for example when the farm wants to sell their maize to private sectors such as delta or nation food the farm considered to use the indirect channel because they will be the use of marketing channel and middleman and if the farm is selling the maize to other farmers or local consumers the farm uses direct channel.

Market information also influence the choice of marketing of Talana farmJaleta (2007) showed that inadequate market channels and poor information regarding price were among factors influencing choice of market in agriculture. Marketing information is important in assistinggrowers at crop planning stage before planting and to sell surplus produce. In the absence of such marketinginformation the retail end of the industry does not respond to supply and demand and pricing is set artificially, and it remains static.

Furthermore, management, the competence and experience of management excise influence n the channel decision. If the management of the firm has sufficient knowledge and experience of distribution it may prefer direct selling. Firms whose management lacks marketing knowhow have to depend on marketing agent and middleman. Talana farm uses mostly indirect channel because the manger is newly employd and does not have experience of the marketing of maize directly.
Lastly, Perishability is a factor that affects the choice of marketing channel but it does not affect the maize production mainly affect horticultural products.

Chapter 5
Summary, Conclusion and Recommendation

5.0 Introduction
This chapter focuses on the summary of the in relation to the research statement of the problem, objectives and assumption. The focus is on the determinate of the marketing channel affecting Talana farm. The study tries to evaluate the available marketing channel for Talana farm. The research also made onsite observation so as to validate the questionnaire. The finding answered the objectives and research questions.

5.1 Summary
From the response by the study from the questioner, the study establishes that the farm uses different marketing channels to sale their commercial maize. These channel alternatives include local market, some farmers’, processors and private sectors such as delta and national foods. The literature in marketing channels stresses that the farm prefers a particular market channel either because of its closeness or channel that offers the best price. Accordingly, the farm uses mainly indirect channel due to many advantage of indirect channel especially if it is private sector such as delta, a farm cut cost of transport. However, it has been identified that the Talana farm is facing marketing challenges’ such as lack of information, high storage cost and high transport cost.

5.2 Conclusion
The study has established that, there are two main marketing channels that is direct and indirect channel used by the farm. The main channel used by the farm is indirect channel that is from the farm to middleman then delta due to better marketing margins as compare to other channels. This has been found being the easiest marketing channel due to the use of middleman, although price paid to the farm sometime is low. The study established that some season the farm sale their maize directly to the GMB and consumers but the margins of this channel is very low sometimes negative. The study has established a number of constraints faced by Talana farm. The greatest impairment is lack of information on the market. They also face challenges of high transport and storage cost. Hence if all these problems are
addressed their level of production will increase and this will help in economic development of the country as a whole.

5.3 Recommendation

5.3.1 Recommendation to Talana farm

Ensure availability of market information to Talana farm. It has been highlighted in the study market study that assess to timely information is still a problem to Talana farm. As, such market information should be consistently supplied to farmers through the help of both private and governmental organisations. In an effort to make information available it is important to know of market information is necessary for different markets such as specific pricing and rules for the market. Furthermore, the availability of extension services and credit increases the probability of moving to the consumer and other individual markets decreases dependence on middlemen. There should be radio programmes conducted in different languages and farmer workshops can be considered for dissemination of information.

Promote contract farming. Contract farming is important to both the farmer and the contractors because it ensures a market for the produces and suppliers to the contractors. However, to get contractual deals the farm should be able to produce a relatively larger out. The public and private sector can help facilitating the contractual arrangement but the farmers have to be willing to cooperate. Once they get contractual arrangement, an entrepreneurial culture can be developed where the farmer produce for the market, rather than trying to market what they have produced. It will not be a problem for the Talana farm to have contract farming with private sectors like delta and National Foods because the farm has already a relationship with private sectors to it will be easy for the farm to have a contract.

The Talana farm need to improve their value addition, knowledge related to value addition should be emphases to the farm because value adding can open up opportunities and increase farms profitability. For instant the farm processed the maize to mealie meal so that they can sell it as mealie meal to consumers and bran from maize will be sold to the pig producers.

Formation of cooperatives, the study shows that the Talana farm has problems in high storage cost and transport cost. Given such information it is important for the farm to form
cooperatives with other commercial maize farmers’ so as to spread the cost of storage and transport.

5.3.2 Recommendation to commercial farmers

The government can support commercial farmers through technical innovation. These maybe in the form of investment in public facilities such as improved roads, telecommunication and market places and due to improved roads the maize will reach the final consumer promptly.
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Appendix 1

Determinants of the choice of marketing channel among commercial maize farmers. The case of Talana Farm in MashonalandWest province

My name is Succeed Muza; I am a student from Bindura University of Science Education on attachment at Talana Farm. I am studying towards a Bachelor of Agricultural, Education and extension. My research project is mainly focusing on the determinants of the choice of marketing channel among commercial maize farmers. All information will be treated with confidentiality. The information you will provide will be analysed and written-up in a thesis which you can access at the Bindura University of science education.

A. GENERAL INFORMATION

1. Date of interview……………………………………………………………

B. RESPONDENT'S DETAILS

2. Name of respondent…………………………………………………

3. Occupation……………………………………………………………

4. Sex: Male( ) : Female( )

5. Mobile Number ………………………………………….……

6. Marital status (a) single ( ) (b) married ( ) (c) widow/widower( ) (d) divorced( )

7. Age (a) Below 20 years( ) (b) 21-30 years( ) (c) 31-40 years( ) (d) 41-50 years( ) (e) 51 years and above( )

8. Level of education attained...

9. Name of Farm ……………………………….……….
10. No. of members at the Farm: ...........Male ....................Female:
11. In which year was the Farm started.......... ...............
C. commercial maize information

12. Which market channel was used by Talana Farm for the last five years?

<table>
<thead>
<tr>
<th>Season</th>
<th>channel</th>
<th>Price per tonne US$</th>
<th>Tonnes sold</th>
<th>Supply price US$</th>
<th>Expenses incurred US$</th>
</tr>
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<tbody>
<tr>
<td>2015/14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014/13</td>
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<tr>
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Expenses incurred are transport cost, storage cost and labour cost

13. What do you consider when selecting marketing channel?

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<th>Channel</th>
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14. What are the factors that influence the choice of marketing channel?

15. On the factors that you have mentioned above when ranking which one is the dominant, middle and least.
16. How much does it cost to store maize?

17. Any problem you are facing when marketing your products?

18. What do you think can be done to solve these problems?