DETERMINANTS OF MAIZE PRICE AMONG SMALLHOLDER FARMERS IN AKURA SUBCOUNTY ALEBTONG DISTRICT

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DECLARATION

I declare that this study is exclusively my original work, has not been previously submitted or published, and is presented solely for the purpose of this degree.

Signature: _A̶m̶u̶l̶_____

Date: _4/11/2024_____

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APPROVAL

This report is respectfully submitted to the Head of Department, Agribusiness and Extension, following approval from my academic supervisor.

Signature: _____

Date: _____

Mr. IISA AUGUSTINE

DEDICATION

I lovingly dedicate this work to my parents, Akello Evelyn and Molo Charles, my uncle Patrick Omara, my friend Engwenu Job, and my entire family, who have been my pillars of strength. I also extend heartfelt gratitude to my supervisor, Mr. Iisa Augustine, and all my lecturers for their guidance.

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ANOVA   Analysis of variance

BAB   Bachelor of Agribusiness

BUAC   Busitema University Arapai Campus

FAO   Food and Agriculture Organisation

IMF   International Monetary fund

MAAIF   Ministry of Agriculture and Animal Fisheries

SSA   Sub Saharan Africa

SPSS   Statistical packages for Social Sciences

GDP   Gross Domestic Product

ABSTRACT

Following its rapid global spread, maize has emerged as the leading staple cereal crop worldwide. However, comprehensive data on price determinants in Uganda remains scarce. This study aimed to investigate the key factors influencing maize prices among smallholder farmers in Akura Sub County, Alebtong District. The specific objectives were based on describing the socio-economic characteristics. Analysing factors influencing maize price and identifying constraints associated with maize marketing. The study was conducted using randomly and convenience sampling technique to select 137 respondents selected from the study area. To accomplish the study's objectives, descriptive statistical methods were employed. The analytical tools used to achieve the stated objectives were Descriptive statistics and Multiple Linear regression model using IBM SPSS version 20. The descriptive study revealed that the majority were males, the majority had no access to credit facilities, the majority had no extension training, the majority had primary education and the majority were youth. The result of the regression analysis for the factors influencing of maize price showed that; household income, market distance and storage practices were statistically significant, implying that they have effect on the price. While marketing experience was not significant. However, on the constraints associated with the maize marketing; price fluctuation was ranked first and was the major constraint, followed by poor infrastructure like road and high cost of transport. It is therefore recommended that the government put more effort to support agriculture to increase productivity of maize.

CHAPTER ONE

1.0 Introduction

1.1 Background

Its rapid global expansion, maize has become the leading staple cereal crop, surpassing 1 billion metric tons in annual production (Garcia Lare & Serna-Saldivar, 2019). Globally, maize is the second most produced crop, with 1.21 billion metric tons harvested. In sub-Saharan Africa, maize production is increasing, with more land allocated for small-scale farming to meet rising food demands (Santpoort, 2020). However, growing demand and production gaps have exacerbated market volatility, Following driving up global maize prices (Shiferaw et al., 2011). Initially cultivated for subsistence, maize has evolved into a major commercial crop, supplying essential raw materials to various agro-based industries worldwide (Iken & Amusa, 2004). Notably, corn has become the leading grain, with global production reaching 1.2 billion tons (M. Shehbandeh, 2023). The pricing of agricultural raw materials is influenced by factors such as production's biological and technical aspects, supply elasticity, intermarket connections, and global price relationships (Hamulczuk & Stańko, 2014).

In East Africa, particularly Kenya, maize is the primary staple food, occupying 40% of cultivated land, contributing 24% to GDP, and 12.65% to agricultural GDP (FAO, 2016). Smallholder farmers account for over 7.5% of maize production, although only 20% of their yield is marketed (Chemonics, 2010). Kenya's per capita maize consumption averages 103kg/person/year (2012-2014), surpassing Tanzania's 73kg, Ethiopia's 52kg, and Uganda's 31kg (FAO, 2016). In Uganda is a significant maize producer, with primary production zones located in the western, eastern, northern, and southeastern regions (NR/IITA, 2002). Consequently, maize has become a vital source of household income and foreign exchange earnings through exports. Notably, white maize is primarily cultivated for commercial purposes and exported within the region (FEWS NET, 2023). Uganda, maize provides over 40% of calories consumed nationally and is the most vital cereal crop.

Fluctuations in maize prices can have severe economic, social, and political repercussions (Ayinde et al., 2019). Recently, government subsidies on domestic fuel and public transportation helped stabilize maize prices (Namata & Iliza, 2022). Key factors influencing current maize prices include previous price levels, maize production volumes, and past import values.

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