BUSITEMA UNIVERSITY
Pursuing Excellence

FACULTY OF AGRICULTURE AND ANIMAL SCIENCES

ASSESSING THE FUNCTIONALITY OF THE CITRUS MARKETING CHANNEL

A CASE STUDY OF OCULOI SUB COUNTY IN DAKABELA COUNTY SOROTI DISTRICT, UGANDA

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DECLARATION

I, Egangu Walter, affirm that the work included in this report is my own original work and has not been submitted for any academic recognition at Busitema or any other higher education institution.

Signature.. ......Date...7ᵗʰ/11/2024.........................

APPROVAL

This is to confirm that the research report titled "Assessing the Functionality of the Citrus Marketing Channel in Oculoi Sub County, Dakabela County, Soroti District" was conducted under my supervision and is now prepared for submission.

Signature..

Date.........7ᵗʰ/11/2024...

MR. OGULLI FRANCIS

DEDICATION

I dedicate this work first to God Almighty and to everyone who has consistently provided financial support and encouragement throughout my academic journey. I also dedicate this report to my siblings and all my family members.

ACKNOWLEDGMENT

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List of abbreviations

BAB: Bachelor of Agribusiness

 Mr.:   Mister

NGOs: Non- Governmental Organizations

SPSS: Statistical Package for Social Scientists

Mgt: Management

DTC: Direct to consumers

TVC: Total variable costs

GPM: Gross profit margin

Wsc: Weighted score

ABSTRACT

The study was conducted in Oculoi sub county Dakabela County in Soroti district, to assess the functionality of the citrus marketing channel among smallholder farmers. The main objective of the study was to assess functionality of the citrus marketing channel in Oculoi sub county Dakabela county Soroti district and the specific objectives were to determine the socioeconomic factors that influence marketing channel choice, farmers' perceptions of marketing channel as well as to determine the gross profit margins. Data were collected through questionnaires to 100 smallholder citrus farmers. The study used a multiple linear regression to determine the socioeconomic factors that influence marketing channel choice, descriptive statistics for perceptions and gross profit margin analysis. The study found that marital status, primary source of income, marketing costs and market distance were significant while in contrast other factors like age, gender, education, household size and farming experience were not significant. The findings on citrus farmers' perceptions of marketing channels revealed significant differences in their experiences. Farmers generally perceived wholesalers as the best followed by middlemen, retailers, exporters, institutional buyers, direct to consumers and processing companies scored lowest respectively. A substantial majority of farmers fall into the high gross profit category, indicating a strong potential for profitability among this group. However, the presence of farmers in the moderate category and a small number in the low and negligible categories highlights a marked disparity in financial outcomes. The study recommended enhanced extension education programs especially on marketing and encouraged farmers to strengthen cooperative marketing structures to improve on their bargaining power as well as sharing production costs.

<div align="center">**CHAPTER ONE**</div>

1.0 INTRODUCTION

Citrus sinensis L. is a group of sub-tropical fruits which belong to the family Rutaceae and sub family Aurantioideae. Sweet oranges (citrus sinensis L.) This fruit is among the most popular worldwide due to its strong acceptance by consumers, thanks to its nutritional, nutraceutical, and sensory qualities. Oranges are a key dietary component worldwide, providing essential nutrients and phytochemicals that have biological and health benefits, including minerals, vitamins, fiber, flavonoids, limonoids, carotenoids, and antioxidants (Kongai et al., 2020). Citrus can be enjoyed both as whole fruit and in juice form. Despite extensive research, the origins of citrus fruits and their ancestral varieties remain largely unclear. However, it is believed that they originated in Southeast Asia and spread during the Middle Ages, eventually becoming present in many countries around the world. Oranges account for 70% of the worldwide citrus production and has an annual global production was estimated at 73 million tons for oranges in 2016 with the main producers are Brazil, China, India and the united states (Centonze et al., 2019). Brazil is the leading producer of oranges in the world with 16.91 million metric tons annually followed by China producing 7.55 million metric tons annually and Africa produces 55.5 million metric tons as a continent annually. Citrus is a popular fruit in Sub-Saharan Africa, although per capita consumption remains low by global standards. South Africa is the largest citrus producer on the continent, while Nigeria produces approximately 930,000 tonnes of citrus fruits from around 3 million hectares of land. In East Africa, Tanzania has become the largest producer after Kenya encountered issues with greening disease, which particularly affects higher-elevation growers. Tanzania's citrus production significantly exceeds that of its neighbors, Kenya and Uganda. Citrus is an important diversification crop grown in all parts of Uganda except karamoja due to is unfavorable climatic conditions. In Uganda, orange production is primarily concentrated in the Eastern and Northern regions, where it is mainly cultivated by smallholder farmers facing numerous production and marketing challenges (Kongai et al., 2020). Commercial citrus production in Uganda began in the early 1960s with the introduction of several improved citrus varieties planted in government schemes at Kiige, Ongino, Odina, and Labori in Eastern Uganda (Kongai et al., 2018). For a decade, the schemes operated successfully, providing fresh fruits to domestic and regional markets until they declined due to poor management resulting from insurgency. Commercial production began to recover in the 1990s, primarily under the smallholder system. Over the past twenty

varying degrees of gross margins which is attributed to the differences in the effectiveness in cost management, pricing and resource allocation by the farmers with those managing theirs effectively getting high gross profit margins as opposed to the who are ineffective. Also with an average gross profit margin of 55% which falls under the high gross profit margin indicates that citrus production is a highly profitable enterprise in Oculoi Sub County.

5.2 RECOMMENDATIONS

The study recommends conducting further research on marketing channels for citrus farmers, particularly focusing on smallholder citrus farmers.

However, based on the findings, the study recommends; strengthening cooperative market structures so as to enable farmers to have strong bargaining power as well as pooling of production resources thus lowering their production costs. Also emphasis be put to enhance extension education programs especially on marketing of citrus. This can create a more equitable agricultural environment, empowering citrus farmers and safeguarding them against exploitation.

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APPENDIX