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ANALYSING LOGISTICS DRIVERS OF THE PERFORMANCE OF SMALL AGRICULTURAL TRADERS IN DODOMA CITY

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ABSTRACT

Small Agricultural trade contributes significant portion to the agribusiness as it makes a total of 28% of GDP and employs about 80% of the labor force .Thus, it is among the potential areas of investment which has a positive impact on the individual and national wide economic advancement. The study aimed at analysing logistics drivers of small agricultural traders in Dodoma City. Specific objectives were to determine the contribution of innovations on the Micro agricultural trader's performance, to identify the contribution of logistics networks on the small agricultural traders' performance and to unveil challenges facing agricultural small traders' performance. Descriptive research design was adopted where the primary and secondary data were collected by using questionnaires and interview guide. Samples of the study were obtained purposively as only participants who are actively involved in agribusiness were included. The areas of study were Majengo and Sabasaba Market in Dodoma City. Data were coded, classified and analyzed descriptively by using SPSS. The findings revealed that there is positive correlation between innovation and agribusiness performances. The use of modern communication technology, storage facilities, mechanised handling facilities, Quality transportation facilities and electronic record keeping increases the pace of business performances. Moreover, the good distribution network reduces costs, enhances fast delivery of products and maximises sales. Tight business regulations and low level of technology found to be the main stumbling blocks affecting the performance of agribusiness. The study recommends that initiatives should be placed on innovation capabilities; creating enabling business environment and revising tight business regulations such as taxes, bureaucracies and environment regulations and enhancing capacity building on technological adoption in order to eliminate the observed challenges in agribusiness operations.

Keywords: *Logistic Drivers, Small Traders, Agriculture and Performance.*

1.0 INTRODUCTION

Industrialization depends on the varieties of factors, resources and intelligences to deliver expected performances economically, socially and politically. One of the potential areas which deliver performances on industrialization sector is the presence of agricultural products which are considered to be the primary component of production operations. The performance of agribusiness is among the key variables which must be measured alongside industrialization performances. Logistics is considered as important driving factor for the prosperity of agribusiness proceedings (Calandra et al, 2016). It involves processes such as planning, controlling and monitoring the effective flow of goods and related information from the point of production to the point of consumption for the purpose of satisfying the respective customers' demands (Farrington &Lyson, 2006).With regard to industrial performance specifically the agribusiness sector, transportation, storage, distribution and effective design of the logistics networks should be carried out professionally for sake of adding value on the entire agribusiness operations both in the short run and long run respectively(Saches & Pereira,2018)

Agricultural operation in Tanzania contributes about 28% of the country GPD (WorldBank, 2017), where 10% of the country GDP is contributed by small trade. And it is considered as among major source of revenue through exportation of agricultural products(Calandra et al., 2016). Despite of its role in economic advancement, still the small agricultural traders are hampered by underinvestment. Cost of operating the agribusiness, and accessibility of the product from the production centers is among the stumbling blocks largely affecting performance of agribusiness (World Bank, 2017). Access to road and financial availability are significant factors for effective agribusiness (Sebatta et al., 2014). Agricultural products collected from the rural areas should be delivered to the market on time. This demands effective transportation infrastructural, effective communication and clear network between farmers and sellers of agricultural products.

Distribution of agriculture products, location of main warehouses, sub stores and market areas highly improves the business performances. Conversely, if the logistical facilities are not properly positioned, the cost of transportation and storage would increase and hence affecting negatively the performance of the business. The market responsiveness on the agricultural

products requires proper location between the distribution centers, production center and sales points respectively. With this consideration the logistics variances and subsequent, cost would be minimized largely. Logistics competency should be applied effectively on the execution of agribusiness for small, medium and large scale operators in order to improve the performance expectations generally. Operators need to be innovative on network design, transportation, inventory, warehousing, materials handling and packaging, which will increase the business performances both for the producers and suppliers of agricultural products.

Thus business owner's speciliased in agribusiness should be able to design logistics operations which are responsive in nature in order to speed up performance in terms of profitability, cost reduction and competitive improvement (Tibbits and Zentner, 2013)

Logistics challenges in agribusiness arise due to changes in technology which negatively slow down business performances in terms of responsiveness, competition, quality, security and on time delivery (Moonen and Popova, 2014). Communication with key vendors requires effective consideration and application of updated technology such as EDI[1], RFID[2], ERP[3], and JIT[4] for the sake of improving organization performances. Thus it is significant to analyse logistics drivers of the performance of agricultural small traders in Dodoma City.

1.2 Statement of the Problem

Performance in agribusiness in developing countries, including Tanzania is still unsatisfactory. Although agribusiness contribution to GDP is approximately 26.5% and average of nearly 24 percent of the country export earning per annum and income contribution being 75%, its share of export crops in total foreign exchange earnings has declined from 34% to slightly below 20% (Tanzania invest,2019). The decline is attributed by several factors including late delivery of products to the respective market, lack of proper storage facilities distribution centers and the use of networks with old model systems commonly known as arm's length relationship. Furthermore, the competitiveness of the suppliers in agribusiness in terms of quality, time and cost is hampered by inadequacies in innovative capacity in relation to technological advancement. Logistics challenges for so long has been a major threat to the performance of agricultural small trade. Hence a serious solution for the prosperity of the agribusiness in today's competitive world should be identified and implemented. Primary producers of the agricultural products are situated in remoteness areas where most of the logistics infrastructures are of low standards which limit the pace of responsiveness in business proceedings. Number of studies centers their findings on the general agribusiness sector, but very few studies have covered on the logistics performance drivers. Therefore, this study aims at analysing the logistics drivers for the performance agricultural small trader's in Dodoma City.

1.3 Objectives of the study

1.3.1 General objective

The general objective of this study is to analyse the logistical drivers of the performance of agricultural Small traders in Dodoma City.

1.3.2 Specific objectives

The study sought to:

i. Determine the contribution of innovation on the performance of agricultural small traders in Dodoma City.
ii. Examine the contribution of logistical networks on the performance of agricultural small traders in Dodoma City.
iii. Identify the common challenges facing agricultural small traders in Dodoma City.

1.4 Research questions

i. What are the contributions of innovation on the performance of small agricultural traders in Dodoma City?
ii. To what extent logistics network improves the performance of small agricultural traders in Dodoma City?
iii. What are the common challenges facing small agricultural traders in Dodoma City?

2.0 REVIEW OF LITERATURE

2.1 Logistics network

The term "logistics" deals with the processes of planning and controlling the flow of products and related information from the point of origin to the point of consumption for the purpose of maximizing customer service level and profit level respectively. Logistics has been used in planning and control of the operations such as transport, handling, and storage of

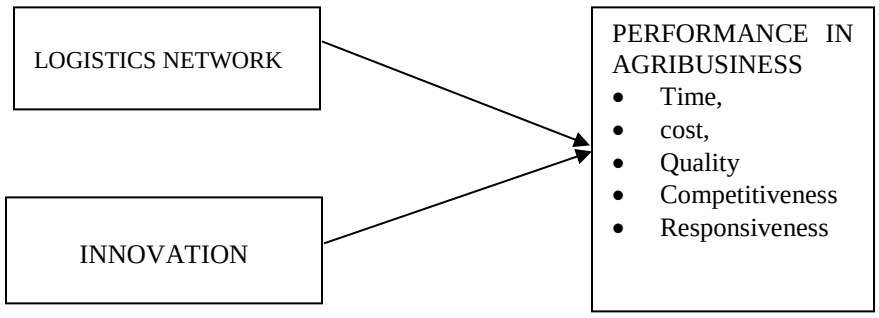
[1] EDI Means Electronic Data Interchange
[2] RFID Means Radio Frequency Identification
[3] ERP Means Enterprise Resource Planning
[4] JIT Means Just in Time

goods or materials to enhance the needed value in the entire system (Ounnar and Pujo, 2011). For successful logistics operations, materials flow, information flow and financial flow, logistics should be integrated effectively to deliver higher responsiveness rate (MCB University Press., 1999). Logistics facilities and its participants demand effective network arrangement to enhance high degree for sustainable performance (Cigolini, 2006). The arrangement of the network could be internally, stable or dynamic depending on environment in which the organisation operates. However, setting a fruitful logistics network, factors such as facility role, facility location, capacity allocation and, market and supply allocation must be assessed and implemented effectively (Farrington &Lyson, 2006). An organised logistics network, contributes largely to adding the competitive advantage of the business as it facilitates early delivery of goods, cost reduction on operations which finally enabling customers to access goods at affordable price (Harrison and Hoek, n.d.)

2.2 Logistic challenges on agribusiness performance

The agricultural business has been affected mostly by number of factors such as capital, high transaction cost, lack of on farm infrastructures and accessibility to reliable market (Kazungu et al, 2014; Bienabe, 2004). It has been observed from these literatures that demand information about product price, quality requirements, peak selling season, and potential customers, is less accessible for the most of the agribusiness stakeholder hence limiting performance improvements of the same. However inadequate capital is a major impediment on agribusiness performances; most of the actors in agribusiness failed to establish good infrastructures such as selling points, storage centers, communication networks, hence the cost of running the business becomes high which largely impact the final price of the products (Makhura,2001). Poor transportation infrastructure results into poor quality of the transacted product due to late delivery (Barham &Chitemi, 2009). On the other hand, regulatory requirements on the aspect of inability to meet international standards; incapable to comply with market requirements, conformity assessment and traceability affect the agribusiness performance in the long run (Freiderich, Hyder&Theuvsen, 2012). Lack of accessing and employing innovative technology in agribusiness operations pose difficulties on accessibility of market locally, internationally and globally at large; as large number of businesses find difficult to expand their operations in wide geographic coverage (Boehlje,Roukan-Kane &Brolling,2011)

2.4 Conceptual Framework



3.0 METHODOLOGY

This paper adopted cross sectional research design which enabled a researcher to collect data just once in a month and explore the real phenomena on the logistical drivers influencing the performance of agricultural small traders. The study area covered Majengo and Sabasaba market found in Dodoma City. Total respondents involved in the study were 70 from Majengo market and 48 from Sabasaba market. Population involved in this study include; small scale retailers of agricultural products such as green vegetables, fruits, grains, potatoes, bananas and cassava. The selection was attributed by the fact that these are major business units with low profit contribution to the small agricultural traders. The respondents were obtained purposively since they are directly involved in agribusiness and more familiar with several constraints hindering the business performances. Samples of 118 respondents were obtained by using Slovene formula by taking 5% as sampling error. Purposive sampling and snow ball sampling were used respectively. Moreover questionnaires, interview schedule and focus group discussion were adopted to collect primary data, whereas secondary data were obtained from agricultural publications such as papers and researches. The researchers conducted pre testing and pilot study to the targeted respondents and colleagues in order to ensure that research tool provides consistency and valid answers. The collected data were classified, coded and entered in SPSS program accordingly. The analysis for objective one and two was done by using descriptive analysis through cross tabulations and percentage wise, but the analysis for objective was done through descriptive analysis by showing percentages presented in figures.

4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1 Descriptive Findings

It was important to explore the sample characteristics since this has a great influence on the subsequent findings obtained from the respondents. The first part explored under this was the social demographic characteristics of the respondents. Regarding the gender of the respondents 71 (60.2%) were males while 47 (39.8%) were males. This shows that the study sample generally tried to capture all gender categories. The age group that was mostly captured by the research was between 20 and 45 years of age. This was expected by the study since this age comprises the energetic men and women who could engage in agribusiness. The group with the least number of respondents was the one with above 60 years of age. Based on the same reason, most of the study respondents 101 (85.6%) were married while only a small percentage (17 (12.7%)) were in the other marital status categories. The average number of people in the respondents' family was 3. This number matches with the national census statistics.

The second descriptive characteristic explored was the business characteristics. It was found that the average number of years for operating business was 6. Most of the businesses explored based on the number of employees were micro and small enterprises (98 (83.0%)) while only a few (20 (16.9%)) were medium and large enterprises. Regarding the source of the original capital for the business, a comparatively larger percentage 71 (60.2%) of the respondents acquired their capital from loans while a smaller percentage 47 (39.8%) acquired their capital from other sources. Most of the businesses explored were sole proprietorships (74 (62.7%)) while a few were partnerships (23 (19.5%)) or franchises (21 (17.8%)). As far as the main activity conducted by the business, the study tried to capture all the categories. These included retailers (47 (39.8%)), whole sellers (21 (17.8%)), distributors (32 (27.1%)) and producers (18(15.3%)). This shows that the study sample was balanced in this aspect. The main agricultural products that the studied businesses were involved with were potatoes, vegetables and fruits.

4.2 Main Research Findings

4.2.1 The relationship between innovation and performance of small agricultural traders

The first objective of this study was to explore the relationship between innovation and the performance of small agricultural traders in Dodoma. To capture this relationship a cross tabulation analysis of the variables involved was done. The results are presented in Table 4.1.

From the table the relationship between business performance and innovation is shown by the percentage of correlation between the indicators of the two variables in the intersecting respective cells.

Communication techniques showed a good influence on the business performance. The usage of modern communication technologies increased business performance by facilitating timely delivery of goods (40%), making cost effective running of the business (52%), provision of quality goods (42%), increasing competitiveness (48%) and responsiveness (46%). These percentages were comparatively higher than the percentages of those who used the local communication technologies. Referring to the same variable, it was also confirmed that the usage of the local communication technologies reduces business performance. This was shown by higher percentages of correlation between the usage of local communication facilities and poor business performance. Based on this, it was found that the usage of poor communication facilities leads to less timely delivery of goods (43%), less cost effective business operations (28%), poor quality of goods (26%), less competitiveness (25%) and less responsiveness (20%). On this aspect these percentages were comparatively higher than the percentages of the ones who used poor communication technologies and still had good business performance. These results imply that the current business environment needs a good communication networking so as to make the business perform better.

Table 4.1: Cross Tabulation of the Business Performance and Innovation

		Performance Indicator									
		Time		Cost		Quality		Competitiveness		Responsiveness	
		Timely	Less timely	Cost effective	Less cost effective	Good Quality	Poor quality	Competitive	Less competitive	Responsive	Less responsive
Innovation Factor	**Communication techniques**										
	• Modern	40%	05%	52%	07%	42%	09%	48%	10%	46%	13%
	• Local (Common)	12%	43%	13%	28%	13%	26%	17%	25%	21%	20%
	Storage facilities										
	• Modern	32%	25%	20%	25%	33%	23%	42%	09%	51%	09%
	• Local (Common)	20%	23%	22%	33%	19%	25%	13%	26%	14%	30%
	Quality transport facilities										
	• Good quality	43%	08%	30%	20%	36%	19%	38%	23%	33%	23%
	• Poor quality	13%	36%	22%	28%	16%	29%	19%	20%	19%	25%
	Storage of business records										
	• Electronic	42%	07%	32%	19%	37%	09%	22%	30%	52%	17%
	• Manual	10%	41%	23%	16%	08%	26%	13%	35%	13%	18%
	Products handling methods										
	• Mechanized	39%	15%	34%	17%	47%	13%	41%	12%	31%	17%
	• Local	17%	29%	23%	26%	14%	26%	22%	25%	32%	20%

Source: Authors' Computation from the Survey Data

Storage facilities as other parameters under business innovations have showed correlation with business performance. In this, the usage of good storage facilities had a higher correlation with better business performance. It was found that the users of modern storage facilities had high correlation with, timely delivery of goods (32%), provision of quality goods (33%), business competitiveness (42%) and responsiveness (51%). The percentages of correlation with these parameters were higher as compared to the percentages of those who used poor storage facilities referring to the same parameters. Still looking at the same variable, the usage of poor storage facilities was more correlated to poor business performance. The use of poor storage facilities led to less cost effective business operations (33%), less quality goods (25%), less competitiveness (26%), and less responsiveness (30%). These percentages of correlation were comparatively higher than the percentages of those who used modern storage facilities and still had a poor business performance. These results can be attributed to the fact that the dealers in agribusiness highly depend on good storage facilities since most of their products are perishable. Storage facilities facilitate good performance in their businesses through timely delivery of goods, cost effective operations, quality goods, competitiveness and responsiveness.

Quality transport facilities as can be seen from the Table appeared to be positively affecting business performance. The usage of modern transport facilities led to timely delivery of the business goods (43%), cost effective operation of the business (30%), rendering quality goods (36%), increased competitiveness (38%) and increased responsiveness (33%). These correlation percentages were comparatively larger than the percentages of the respondents who used good quality transport facilities and yet experience poor business performance. It is also interesting to note that the usage of poor transport facilities has been found to be correlated with poor business performance. It was found that as the business used poor transport facilities it led to less timely delivery of goods (36%), less cost effective operation of the business (28%), poor quality goods (29%), less competitiveness (20%), and less responsiveness (25%). These correlation percentages were comparatively higher than the correlation percentage of the ones who used poor quality transport facilities and still had a good business performance. These results can be attributed to the fact that most of the agricultural products are perishable and therefore, good innovation in transport system increases business performance.

Business records keeping: This was another measure of business innovation which was tested against the business performance. It was found that the use of electronic business record keeping had a higher percentage of correlation with good business performance. In this, the usage of electronic records keeping increased timely delivery of goods (42%), reduced the costs of business operations (32%), increased the delivery of quality goods (37%), competitiveness (22%) and responsiveness (52%). On the other hand, the usage of the manual records keeping was found to be more correlated with poor business

performance. Manual records keeping led to less timely delivery of goods (41%), poor quality goods (26%), less competitiveness (35%) and less responsiveness (18%). These percentages of correlation are comparatively higher than the percentages of correlation between the respondents who used manual records keeping and their business performance. These results can likely be linked to the fact that an electronic business record keeping is more accurate, easily accessible and more flexible. These attributes quicken business operations at a cheaper cost.

Products handling methods: The products handling techniques were also found to be influencing business performance. It was seen that, the usage of mechanized handling of the business products had a higher percentage of correlation with better business performance. The mechanized handling led to more timely delivery of goods (39%), less costly business operations (34%), more quality products (47%), more competitiveness (41%) and more responsiveness (31%). These were higher percentages of correlation as compared to the percentages of those who used manual handling and still had a good performance. With reference to the same variable indicators it was found that the usage of manual business products handling was more correlated to less business performance. The usage of manual handling for example was more correlated with less timely delivery of goods (29%), more cost business operations (26%), Less quality goods (26%), less competitive business (25%) and less responsiveness (20%). All these percentages are higher than the percentages of correlation between the ones who used manual handling of the business products and still had a good business performance.

A further analysis was done by analyzing the usage of innovative techniques in agribusiness and the opinions of the respondents regarding the influence of innovation to the business performance. A number of positive statements were presented to the respondents in a form of a four points likert scale. The scores were averaged and were presented as seen in table 4.2.

Table 4.2: Business usage of Innovation and Opinions about its Relationship with Performance

S/N	**Statement**	**Average opinions score**	**Implication**		**Rank**
			Agree	**Disagree**	
1	Modern communication has enabled the business to grow	3.4	√		1
2	Good means of transport have reduced cost and time	3.1	√		4
3	Third party logistics service providers have benefited the business	1.8		√	6
4	Total Quality Management has increased competitiveness	3.6	√		2
5	Good inventory control mechanisms has increased performance	2.8	√		5
6	Environmental friendly techniques have benefited the business	3.3	√		3

Source: Authors' Computation from the Survey Data

From table 4.2 we can see that averages of the responses (scores) were calculated and these were interpreted as agreeing with the statement if a score exceeded 2 and disagreeing if a score was less than 2. As the findings show, the respondents agreed with the statement that modern communication has enabled their businesses to grow. The respondents also agreed with the statements that Good means of transport have reduced cost and time, Total Quality Management has increased competitiveness, Good inventory control mechanisms has increased performance and Environmental friendly techniques benefited their businesses. This implies that innovations in these aspects were crucial for business performance. The respondents disagreed with only one posed statement as it can be seen from the table. The scores of the responses were also ranked. The ranking showed that the impact of the Total Quality Management (TQM) to business growth ranked the first while the presence of the third party logistic providers ranked the last. This may imply that the TQM highly valued by the respondents because the dealers in the business supply chain should be well connected and should be focused to quality improvement so that so as to increase business performance.

4.2.2 The relationship between business logistical network and business performance

The second objective of the study was to examine the relationship between business logistical networks and business performance. To achieve this objective, the variables representing business logistical networks were cross-tabulated with the variables measuring business performance. The results were as shown in table 4.3.

Table 4.3: Relationship between Business Performance and Business Logistical Networks

		Performance Indicator									
		Time		Cost		Quality		Competitiveness		Responsiveness	
		Timely	Less timely	Cost effective	Less cost effective	Good Quality	Poor quality	Competitive	Less competitive	Responsive	Less responsive
Logistical network factor	Distribution network used										
	• Indirect	37%	13%	46%	14%	39%	30%	38%	16%	39%	13%
	• Direct	22%	28%	17%	23%	21%	10%	12%	34%	25%	23%

Source: Authors' Computation from the Survey Data

As it can be observed from the Table 4.3 of reference that distribution network used which stood as a proxy for the logistical network was cross tabulated with the business performance indicators. The results showed that the indirect distribution network had a higher percentage of correlation with business performance. The usage of the indirect distribution network led to timely delivery of goods (37%), more cost effective business operations (46%), and delivery of quality goods (39%), more competitiveness (38%), and more responsiveness (39%). These observed percentages of correlation were comparatively higher than the percentages of the respondents who used the indirect distribution network but still had a good business performance. It is also interesting to note that the usage of the direct distribution networks had higher correlation percentages with the poor business performance. The usage of the direct distribution network was more correlated with less timely delivery of goods (28%), less cost effective business operations (23%), less competitiveness (34%) and less responsiveness (23%). It is obvious from the Table 4.3 that these percentages of correlation were comparatively higher than the percentages of the respondents who practiced direct distribution but still had a good performance. These results show indirect distribution network enhances more business performance. This can be influenced by the nature of the network that it is less expensive and thus preferred by small and medium traders as it helps in expanding the geographical coverage, improves core competences, increases responsiveness and possibly faster growth of the business at reasonable cost.

Additionally, further analysis was done to confirm the relationship between the business performance and business logistical networks. This was done through analyzing a series of positive likert scale statements about the current status of business logistical networks and their possible influence to the business performance. The results were as presented in Table 4.4.

Table 4.4: Business Logistical Networks and Opinions about their Influence on Business Performance

S/N	Statement	Average opinions score	Implication		Rank
			Agree	Disagree	
1	Good distribution networks help to reduce business costs	3.2	√		3
	Good distribution networks result into fast delivery of goods	3.4	√		1
3	The distribution network used helps the business to improve sales	3.4	√		1
4	The supply points are highly connected to the road networks	3.1	√		4
5	Distribution centers are highly connected to the market	2.5	√		6
6	Suppliers have a good connection with the retailers	2.8	√		5
7	The road network throughout my operation area is good	1.8		√	7

Source: Authors' Computation from the Survey Data

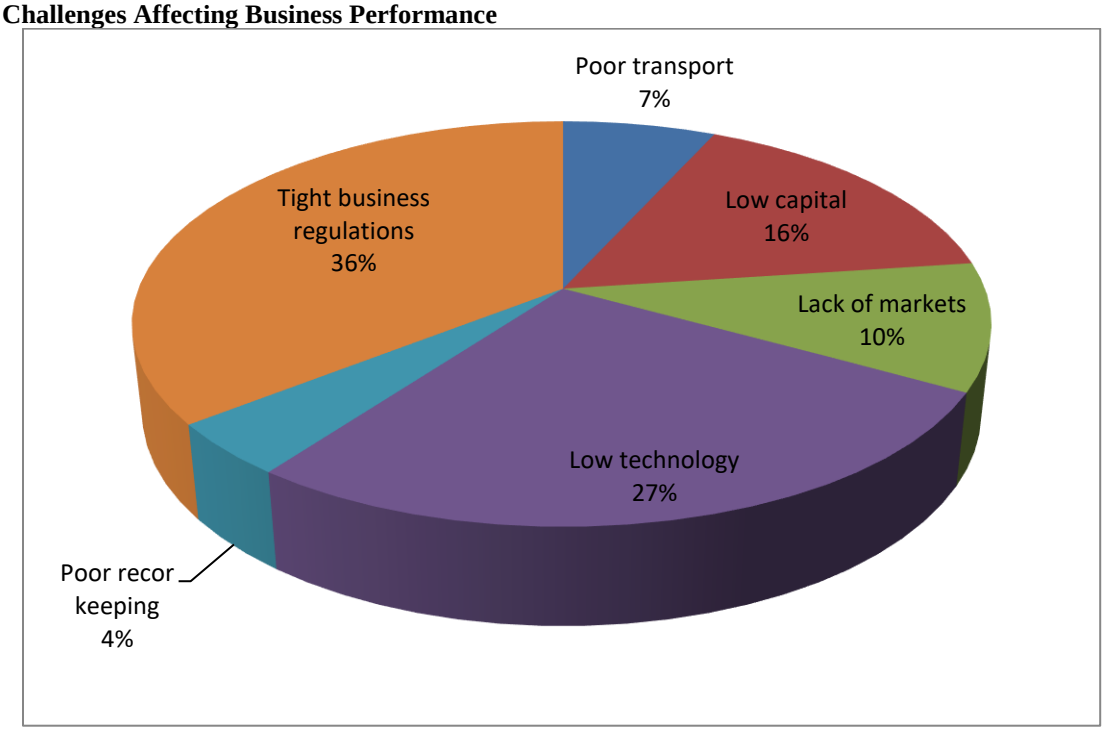
Based on the decision rule that any average score greater than 2 means agreement with the posed statement and any score less that 2 means disagreement with the statement, the average opinions scores as seen in table 4.4 indicate that with the exception of only one statement, the respondents agreed with all the positive statements posed to them. This is a clear indication that good business logistical networks have a great influence on better business performance. The ranking of the posed statements were as seen in the table.

4.2.3 Challenges facing performance of agricultural small traders

The last objective of this study was to analyse the challenges facing the performance of agricultural small traders in the study area. A number of challenges were presented to the respondents and they were asked to pick the most notorious challenge facing them. The results of the analysis were as presented in Fig. 4.1

Fig. 4.1 show that the most pressing challenge to the dealers in agribusiness in the study area was the unfriendly business regulations. This was pointed by the majority respondents (36%), followed low level of technology 27% and poor records keeping 4%. The remaining challenges were as seen in the figure. These results obtained from the analysis of the challenges imply that since most of the agribusiness dealers captured by the study were micro small and medium, tight business regulations could affect them more because of their low operating levels with low turnovers. Besides, most of them could not afford better technologies specifically on issues such as transport storage, handling, processing and distribution.

Fig. 4.1: Challenges Affecting Business Performance



Source: Authors' Construction from the Survey Data

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The first conclusion that can be drawn from the study is that good innovations in for instance, communication techniques, storage facilities, transport facilities, business records keeping and products handling improve performance of agricultural small traders. The usage of the new innovations in these aspects benefits agribusiness through timely delivery of products, business operations cost reduction, delivery of quality goods, increased competitiveness and responsiveness.

The second conclusion that can be drawn from the study is that the logistical networks influence business performance. Businesses that use the indirect distribution network are more likely to perform better. Dealers in agribusiness also acknowledge this fact good distribution networks, connection of supply points to the road networks, connection of distribution centers to the markets and connection between suppliers and retailers increase the performance of agribusiness.

The third conclusion is as derived from the research findings are that the performance of agribusiness is affected by a number of factors. The most serious challenge is the tight business regulations. The micro, small and medium enterprises are the ones mostly affected by the tight regulations because of their low operating capitals and low turnovers.

5.2 Recommendations

Based on the first conclusion for the study, the study recommends that, to facilitate more agricultural small trader's performance, the Government through Ministry of Industry, Trade and Investment should put more emphasis on innovation in various key aspects such as communication techniques, storage facilities, transport facilities, business records keeping and

products handling. Since agribusiness creates a good backward linkage to these aspects, more investment in innovation will increase performance in the agribusiness specifically to agricultural small traders while producing large benefits to many dealers in the supply chain.

Since it has also been found that the indirect distribution network adds into the business performance, producers and large suppliers can take advantage of this opportunity. Retailers find it more profitable for them to distribute goods indirectly through a good connection with the primary producers and suppliers. This is an opportunity to both the primary suppliers and the retailers. The large primary suppliers / producers should take advantage of the ready market provided by the retailers. At the same time the retailers should take advantage of the wide network of the large primary producers / suppliers. To enhance this, the relevant authorities should create an enabling environment for the two sides to operate smoothly. There should be many distribution centers and these should be well connected to the markets through good road networks and other infrastructures.

Agricultural small traders face a number of challenges which should be solved while giving priority to the most notorious ones. For example, the authorities should revisit tight business regulations since these act as a stumbling block to the dealers in agribusiness. The issue of technology should also be addressed through creating an enabling environment especially to the micro, small and medium dealers. This can take the form of providing technological devices on credit. The dealers in agribusiness can also be enhanced in terms of capacity building to make them aware of modern technologies in their business operations.

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