

Contribution of Agricultural Marketing Co-operatives (AMCOs) in Poverty Alleviation

A Case Study of Cashew Nut Farmers in Mtwara Region

By

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Abstract

This study assesses the contribution of Agricultural Marketing Co-operatives (AMCOS) in poverty reduction to cashew nut farmers. The study was conducted in Mtwara region, and in southern Tanzania. The two Divisions of Newala District namely Newala and Kitangari were purposefully selected followed by random selection of seven wards. A cross-sectional survey was conducted to collect primary data from 200 farmers, and seven Agriculture Marketing Cooperative Societies. Secondary data were secured from CBT, TANECU and Newala District Council (NDC). Descriptive and quantitative analytical techniques were employed. The findings indicates that farmers obtained an average of Tsh 276 087; 331 752 and 403 187 as income to their family for 2006/07; 2007/08 and 2008/09 respectively. That was due to their involvement in the AMCOS marketing channels as suggested by the data from three crop seasons 2006/07-2008/09. Results indicate that cashewnuts farmers depend mainly on agricultural production as their sole source of income and wellbeing. Farmer gross margin analysis indicates a gross margin of Tsh 24 947 per 80 kg bag of raw cashew nut. Socio-economic factors which were found to influence cashewnuts farmers 'participation in the AMCOS market channel were: age of the household head, education level of the household head, household size, gender of the household head and distance from the AMCOS godown. Age of the farmer, size of the farm and gender were statistically significant influence ($P < 0.05$). As the farm size increases farmers opt for engaging in AMCOS market as a reliable market channel. Thus, the study recommends that farmers have to be trained on the importance of using the AMCOS marketing channel in order to ensure safe and reliable market for their produce.