

MARKET PARTICIPATION AND HOUSEHOLD INCOMES

TEGEMEO INSTITUTE, EGERTON UNIVERSITY

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Agricultural Productivity and Market Participation for Improved Food Security and
Incomes” Kindu Mall Conference Hall, Emali, 16th August 2011*



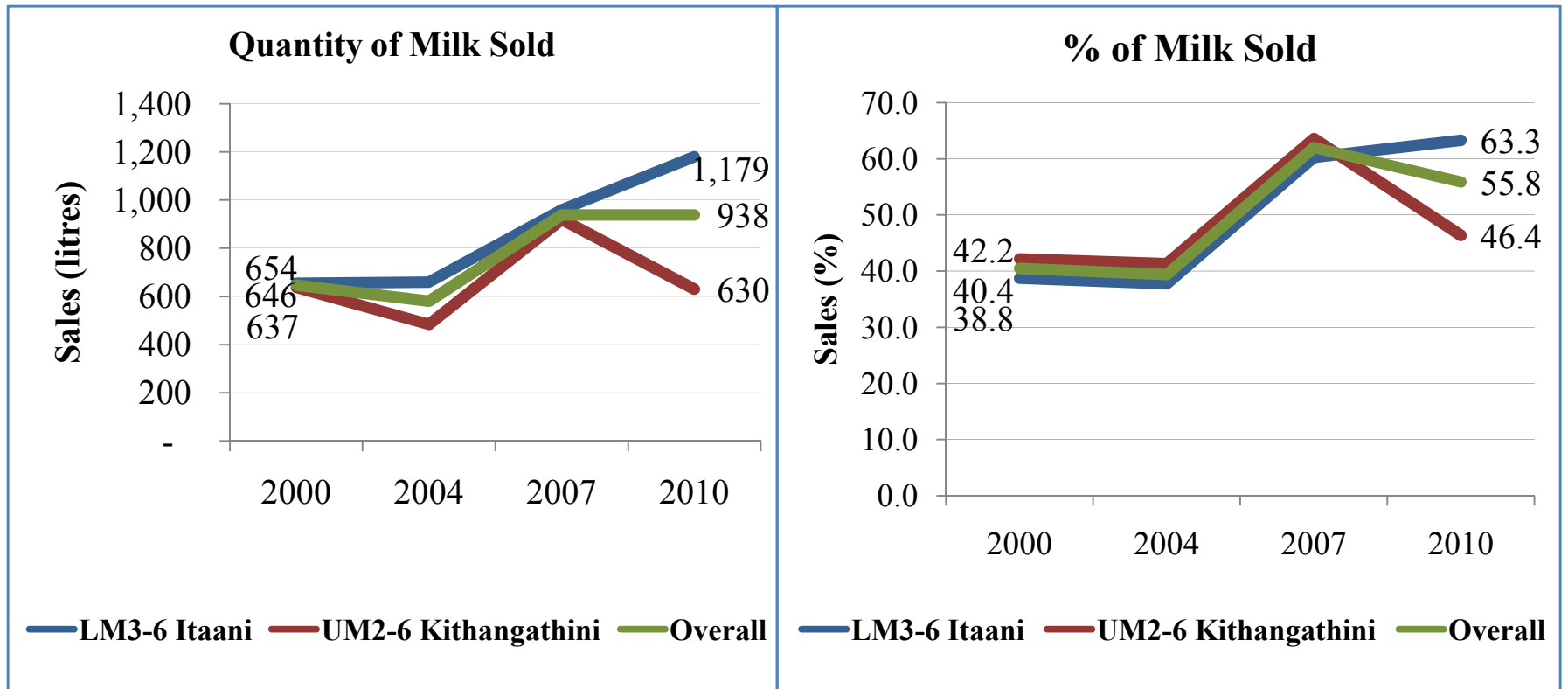
MARKET PARTICIPATION

Outline

- % of households selling selected commodities
- Quantity marketed of selected commodities
- % of production marketed for selected commodities

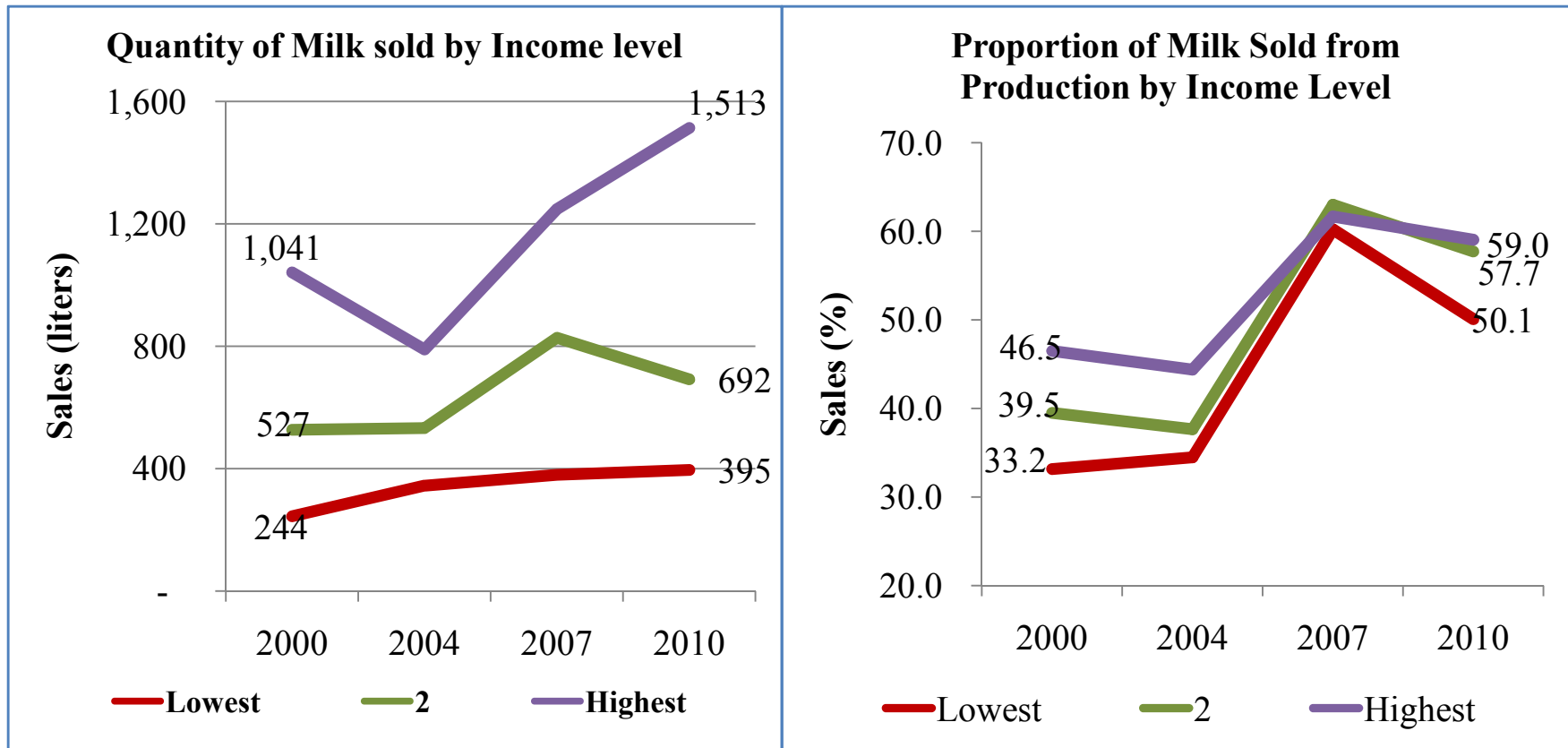
Dairy (milk)

Household Annual Milk Sales – by region



- Overall increase in the quantity of milk sold--increase greater in Itaani
- % of milk sold increased in both regions
- Itaani had higher proportion of production marketed

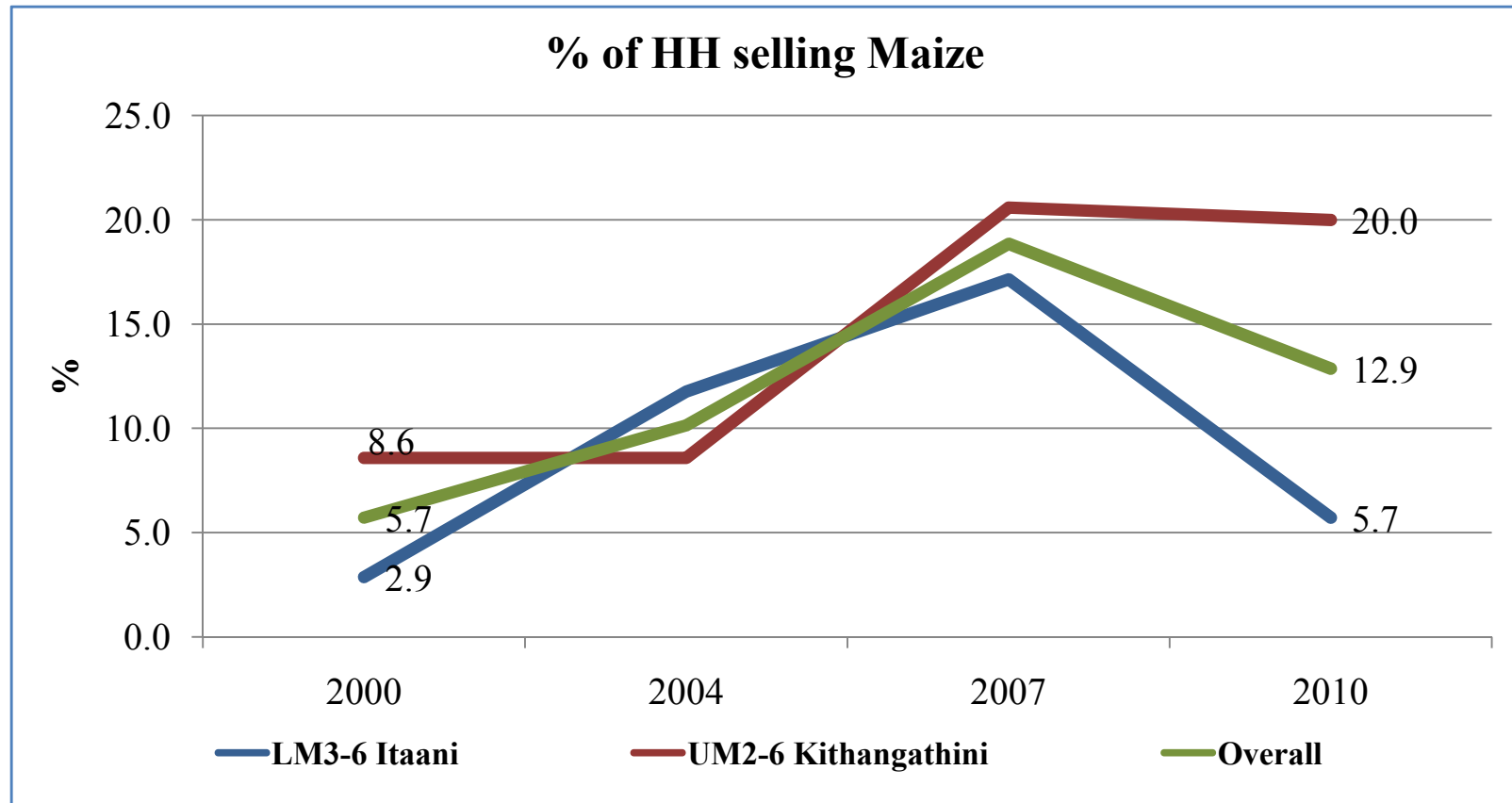
Household Annual Milk Sales – by income group



- Quantity of milk sold increased for all the groups- remained highest for the highest income group (about 4 times higher)
- % of milk marketed increased across the three groups, the gap between the lowest and highest narrowed (9% difference) compared to gap in quantity sold

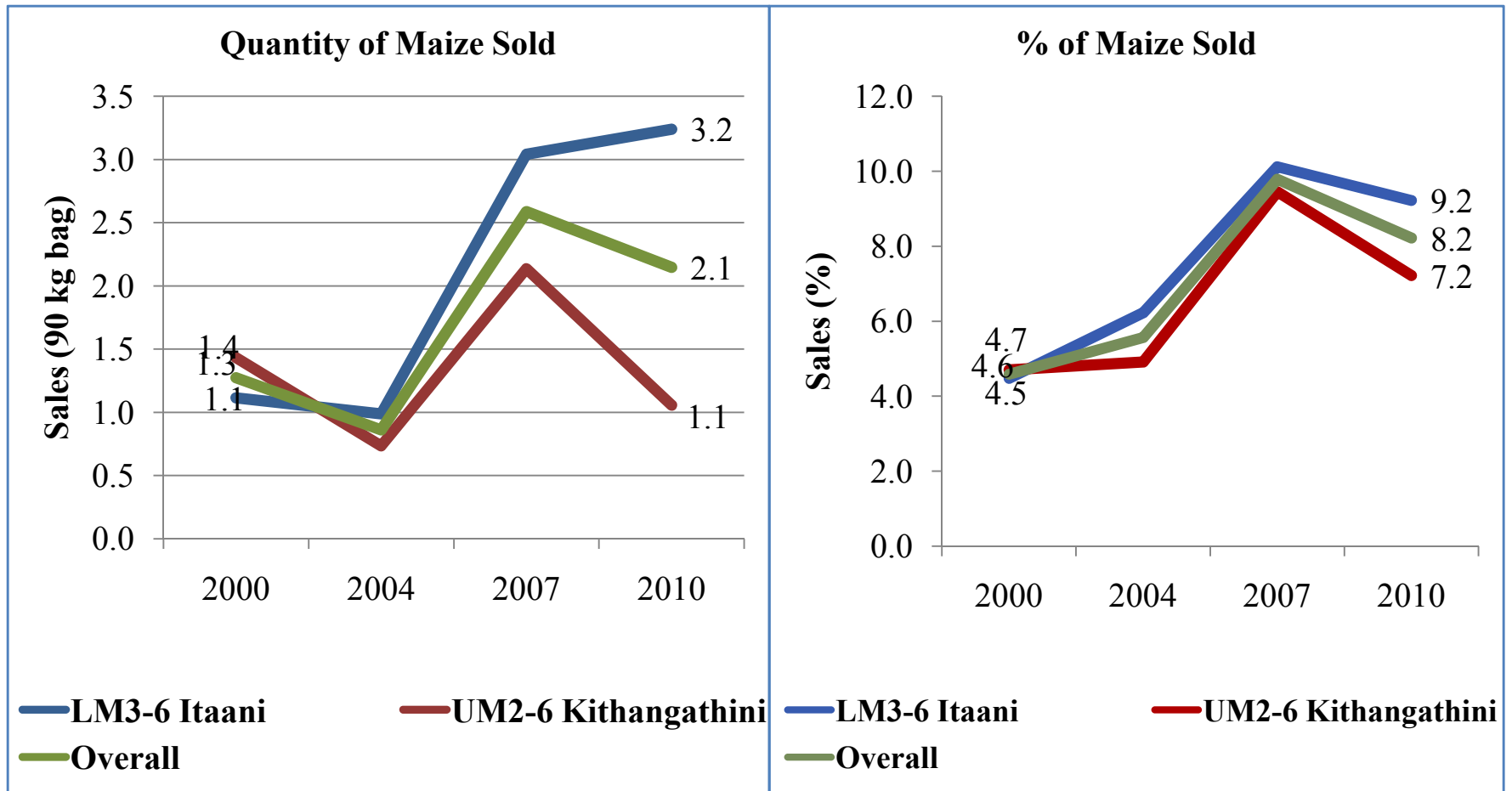
Maize

Household Annual Maize Sales



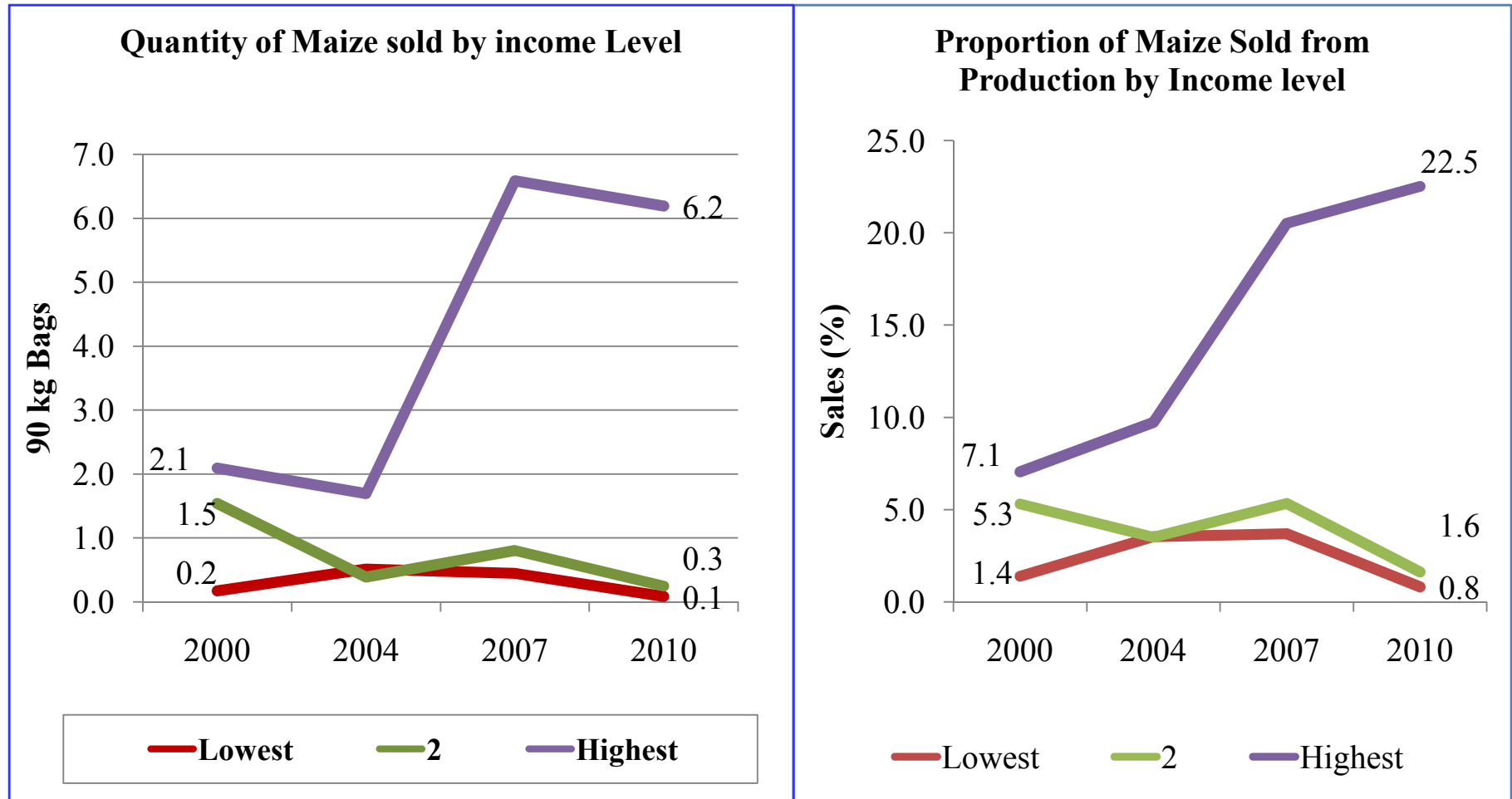
- Increase in the proportion of households selling maize (doubled)
- Proportion of households selling maize in Kithangathini was higher than Itaani
- Low participation in the maize market- about 50% nationally

Household Annual Maize Sales – by region



- Overall there was a slight increase in the quantity of maize produced: Itaani having the greatest increase (2 bags)
- Proportion of marketed maize increased (almost doubled) –Low compared to 20% nationally

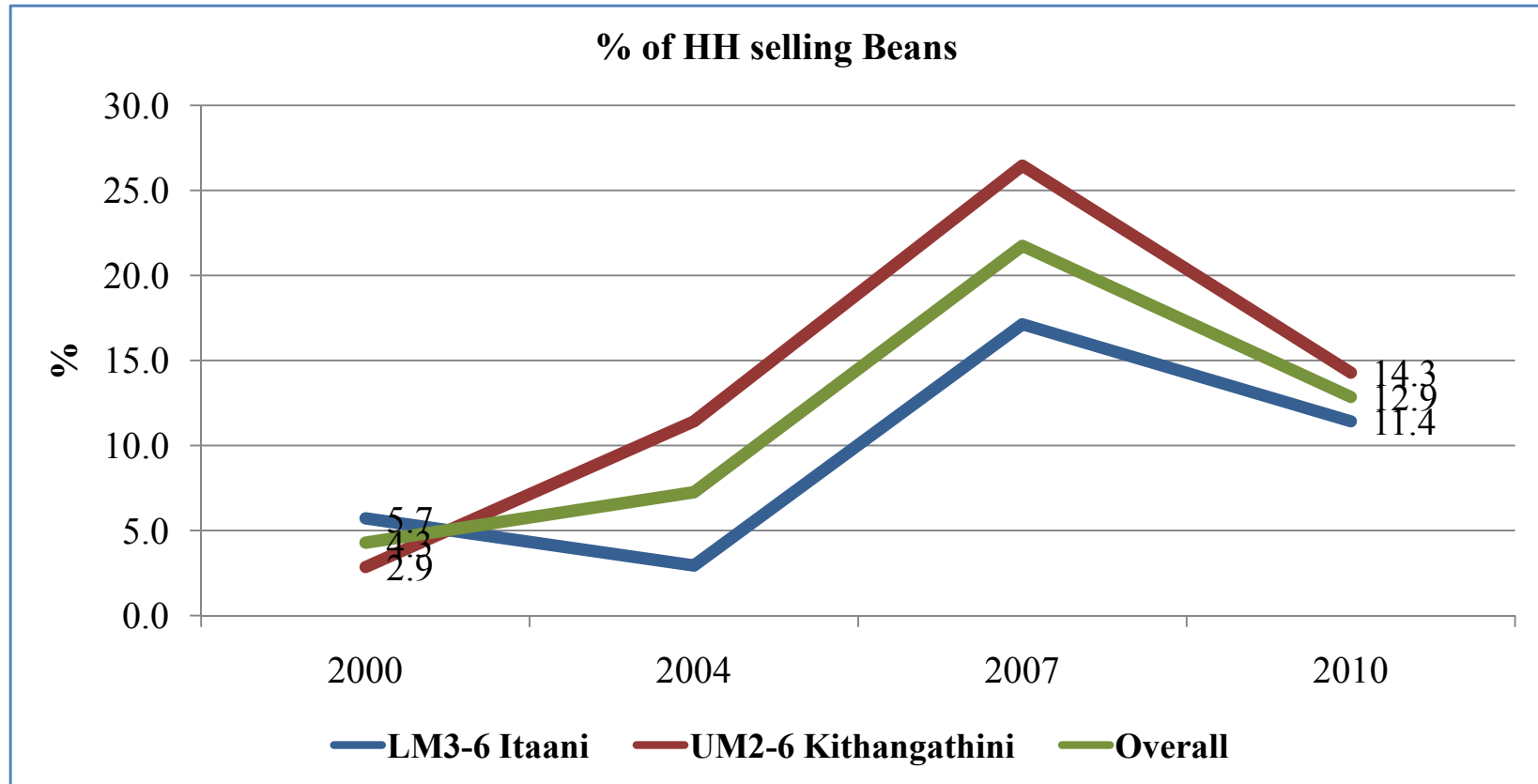
Household Annual Maize Sales – by income group



- Both quantity and proportion of marketed maize increased for the highest income group
- Huge gap between highest income group and other groups
- Almost remained constant for the lowest income group

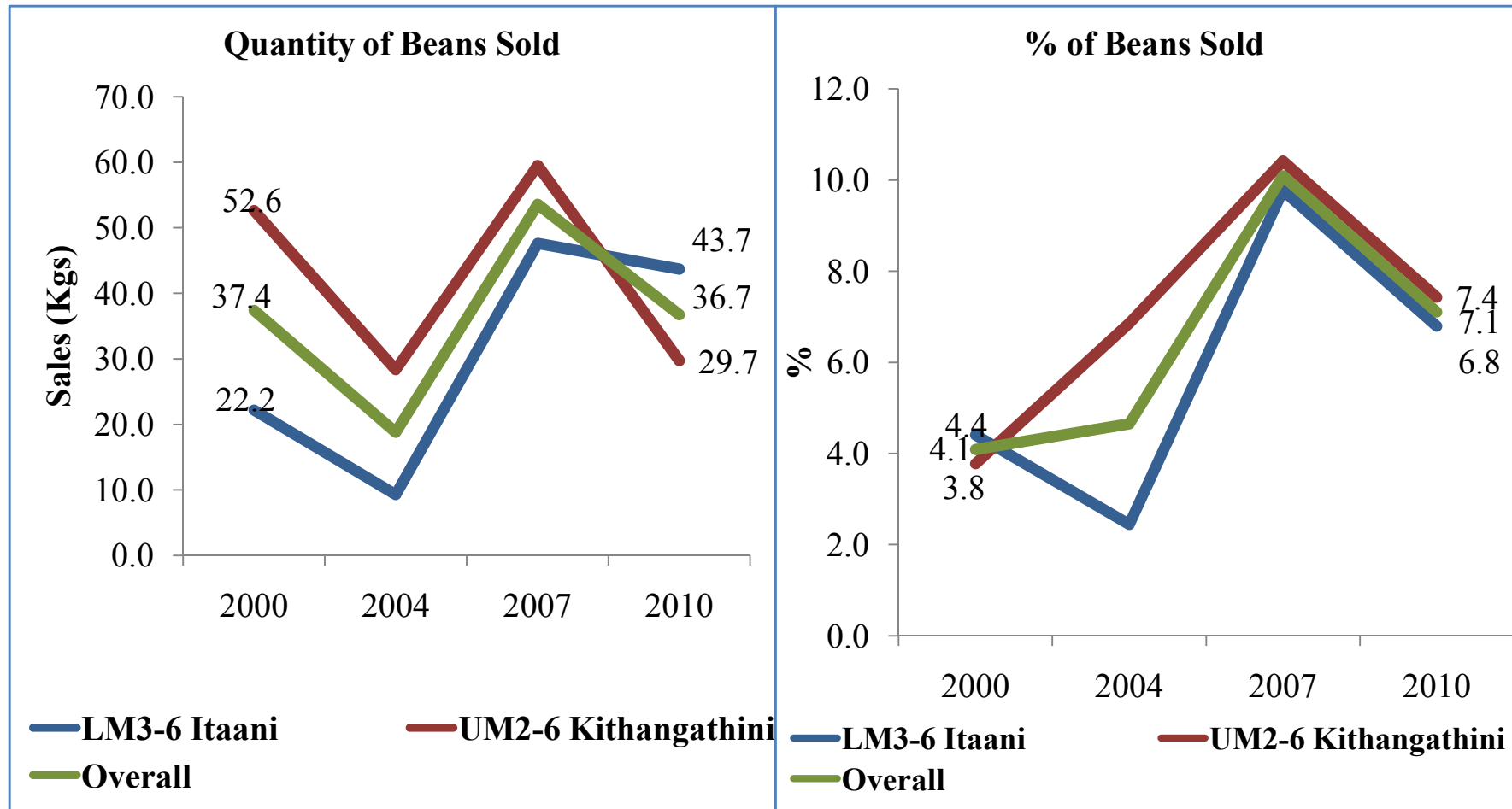
Beans

Household Annual Beans Sales



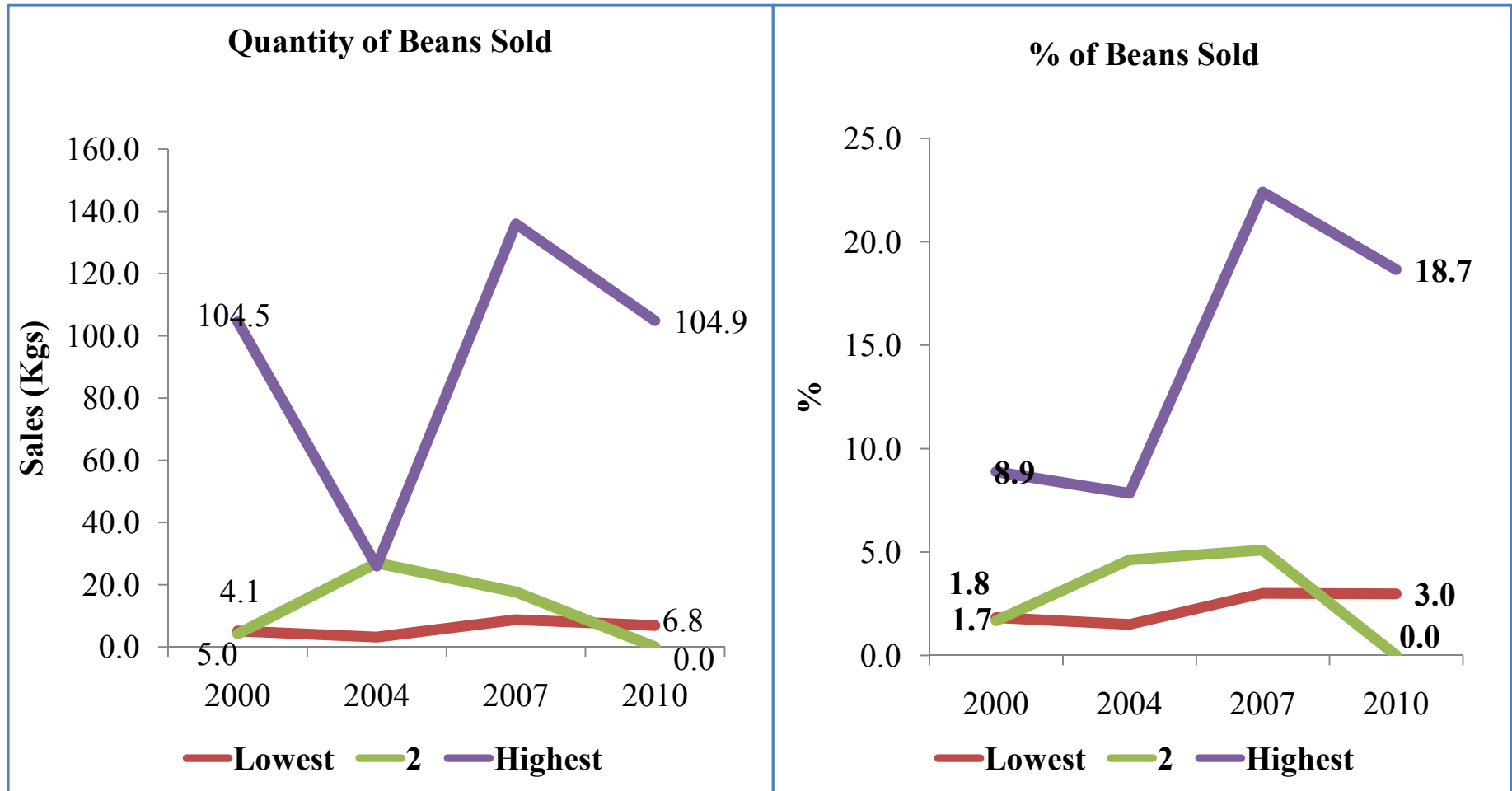
- Overall the proportion of households selling beans increased (tripled)
- Kithangathini had higher proportions of households selling beans compared to Itaani

Household Annual Sales of Beans – by region



- Overall the quantity of beans sold was almost the same; there was an increase in the quantity in Itaani while in Kithangathini there was a decline
- Proportion of marketed beans increased; Kithangathini had the highest increase

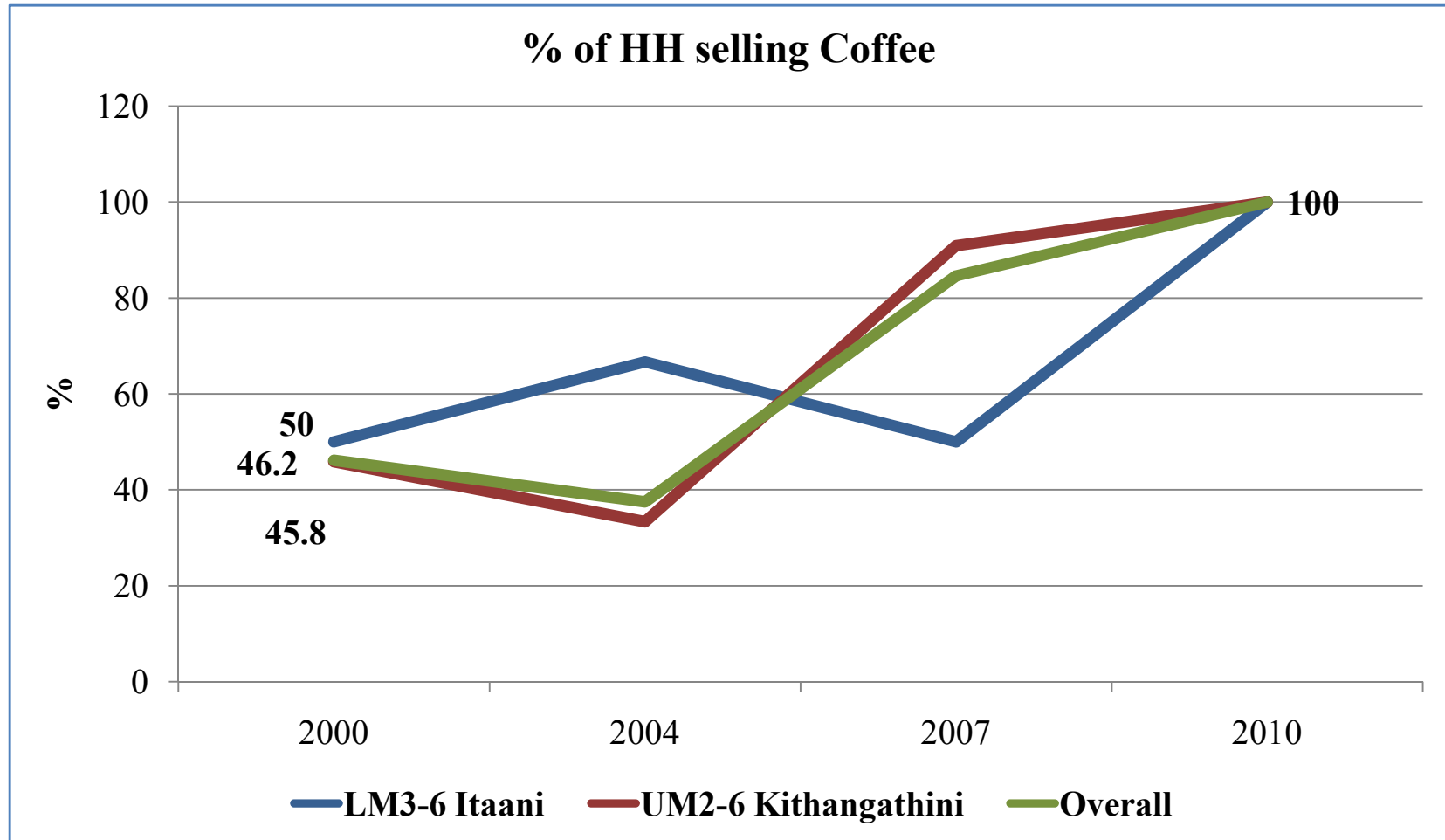
Household Annual Sales of Beans – by income group



- Quantity and % of beans sold was highest for the highest income group
- Bottom two groups: quantity sold remained almost constant;
- Slight increase in the proportion sold for 2nd group and slight decrease for lowest

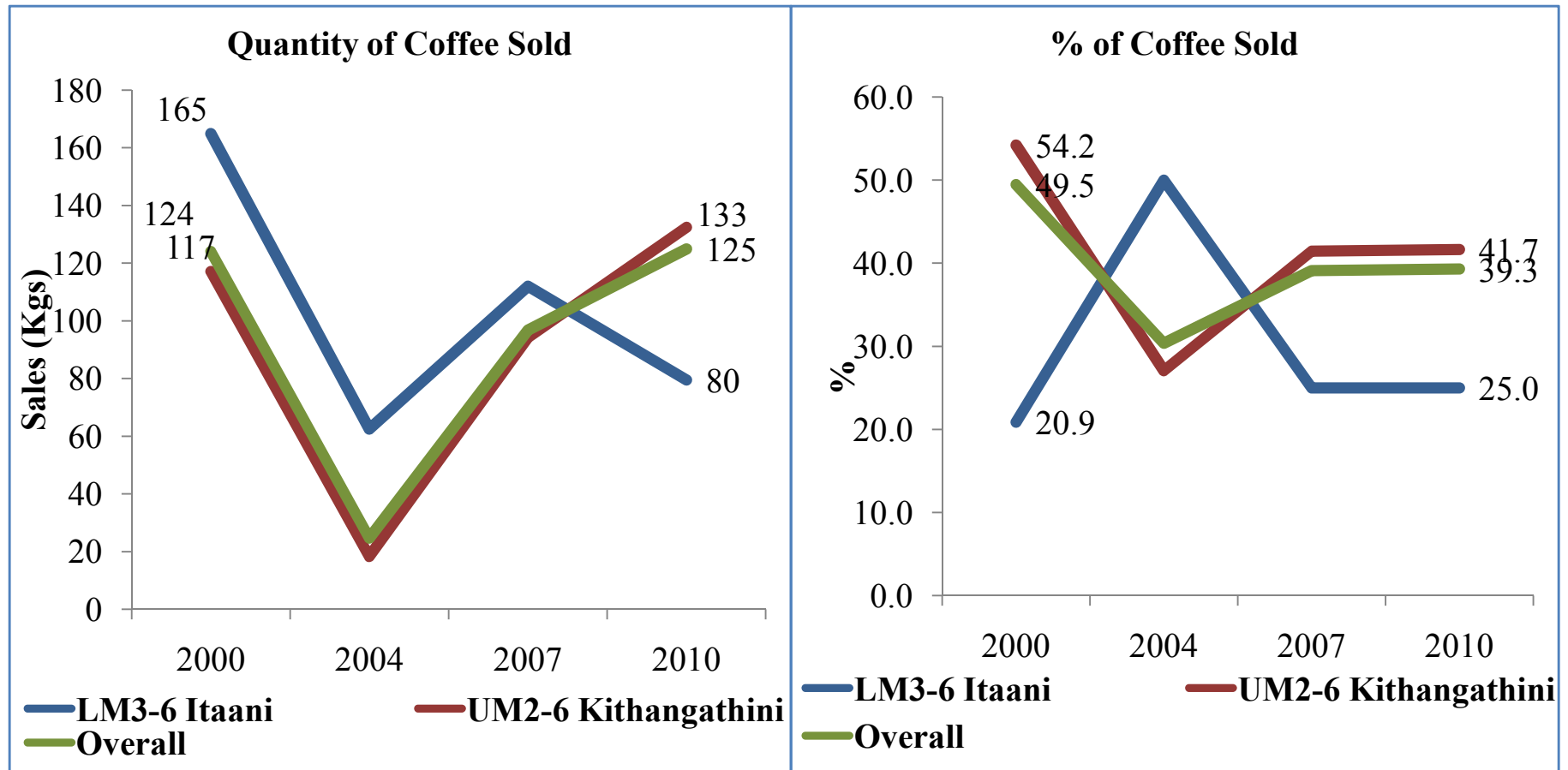
Coffee

Household Annual Sales of Coffee



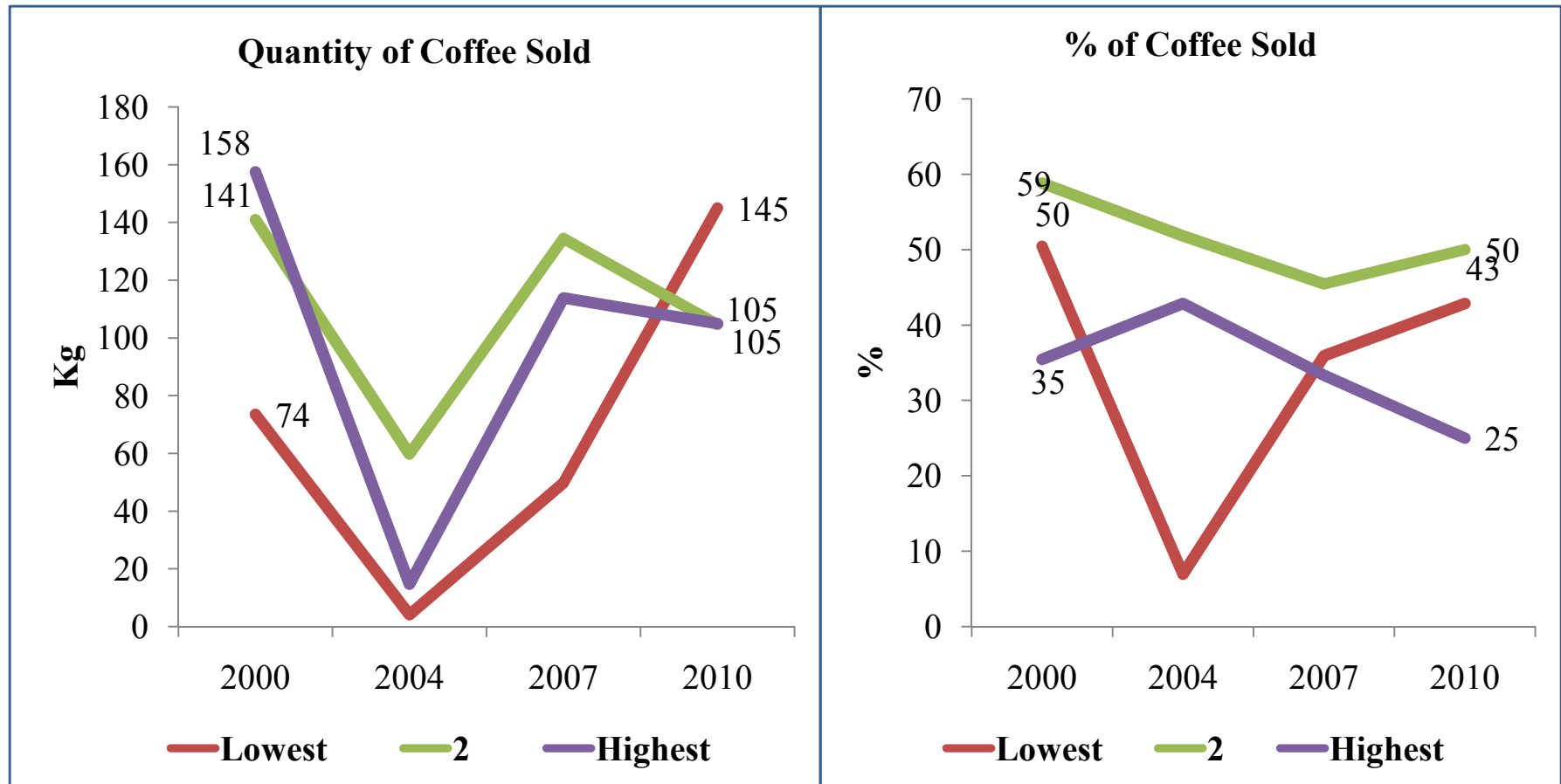
- Overall an increase in the households selling their coffee----doubled

Household Annual Sales of Coffee – by region



- Overall a slight increase in quantity of coffee sold (8 Kgs); major decline in 2004;
- Overall proportion of marketed coffee declined

Household Annual Sales of Coffee – by income group



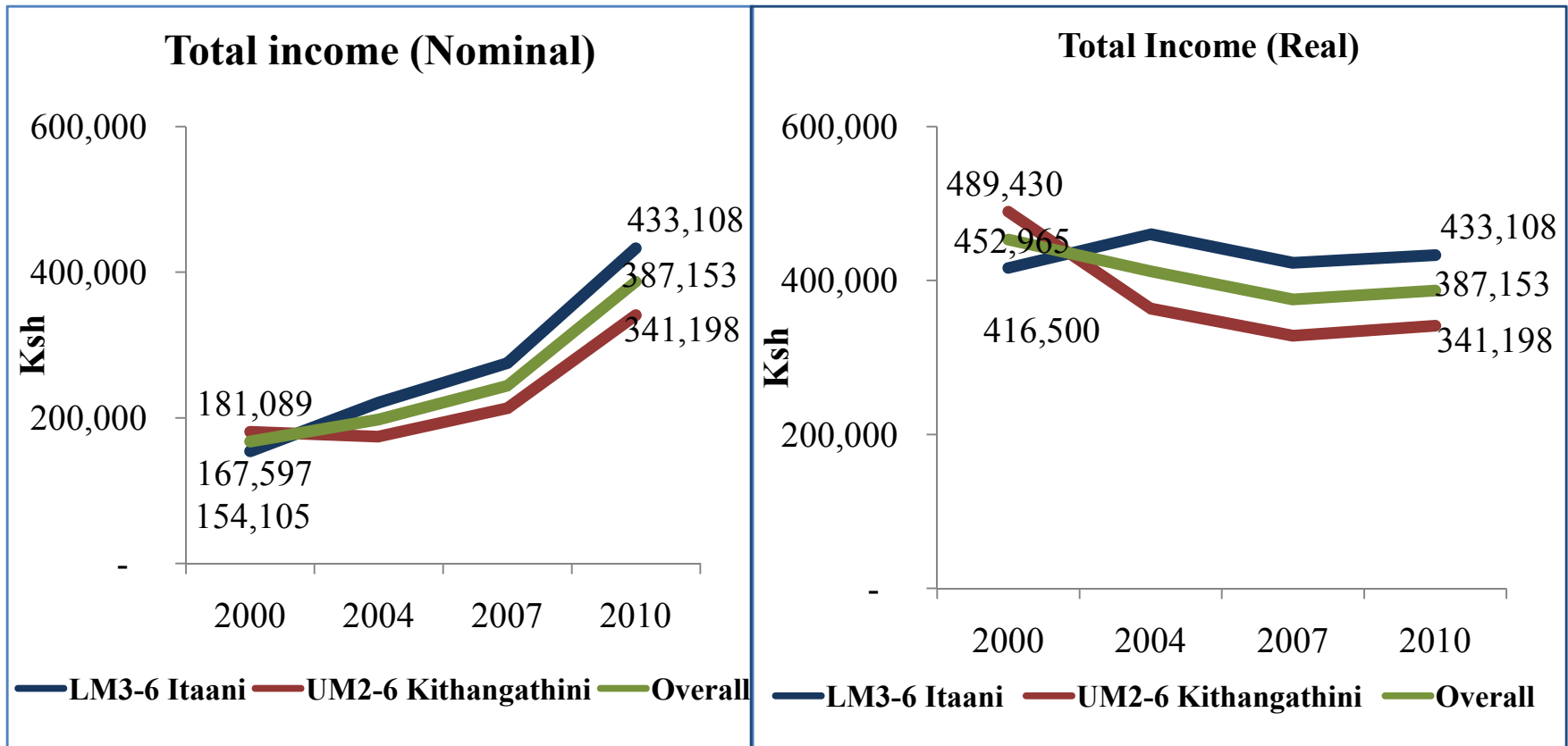
- Quantity of coffee sold declined for the highest income group and increased for the lowest group (about 8 times) –the quantity sold and proportion are low
- Proportion of marketed coffee declined for all groups

HOUSEHOLD INCOMES

Outline

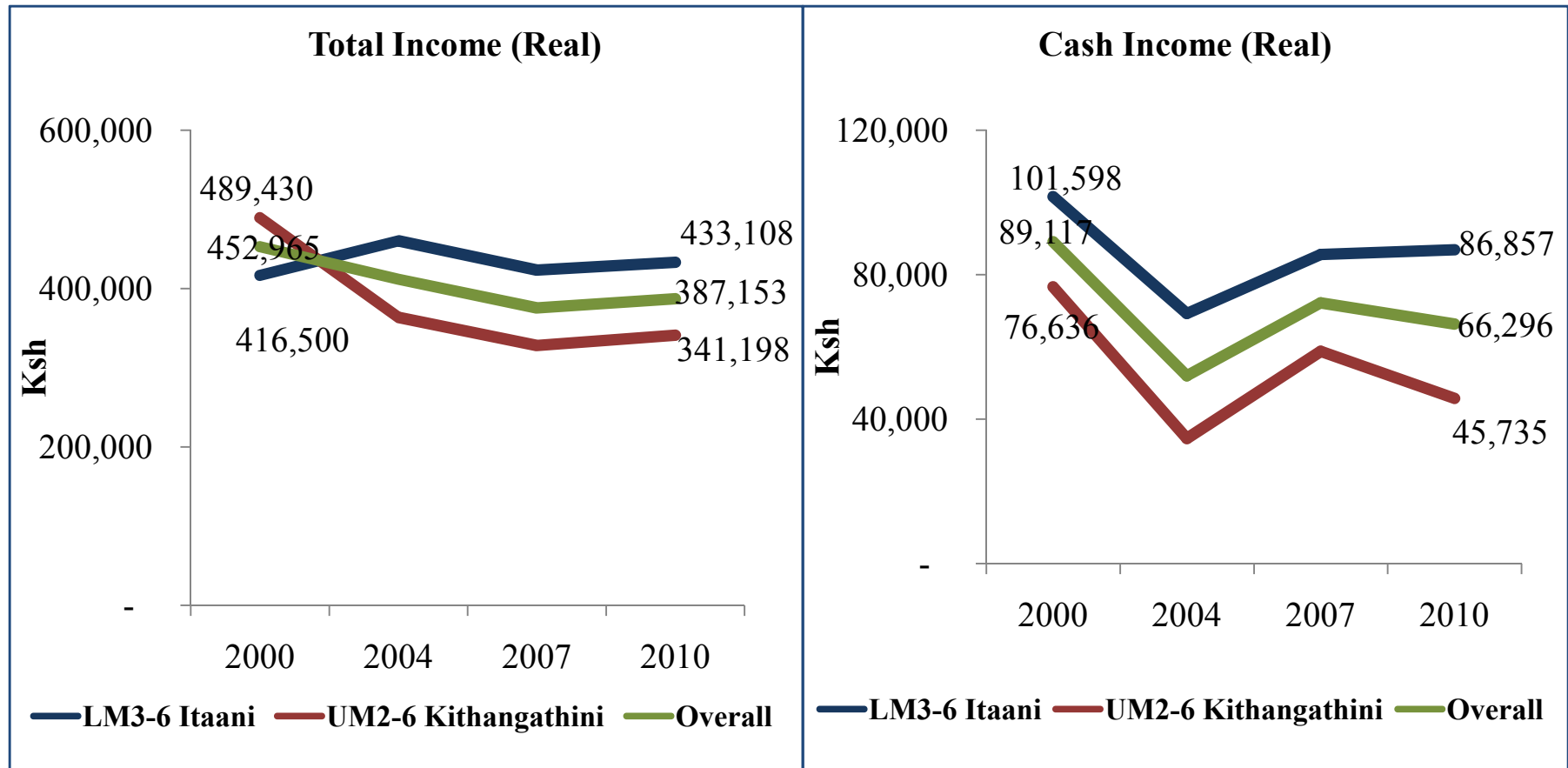
- Total income (including non-cash)
- Cash income
- Income composition (shares of income sources in total income)

Household Annual Income – by region



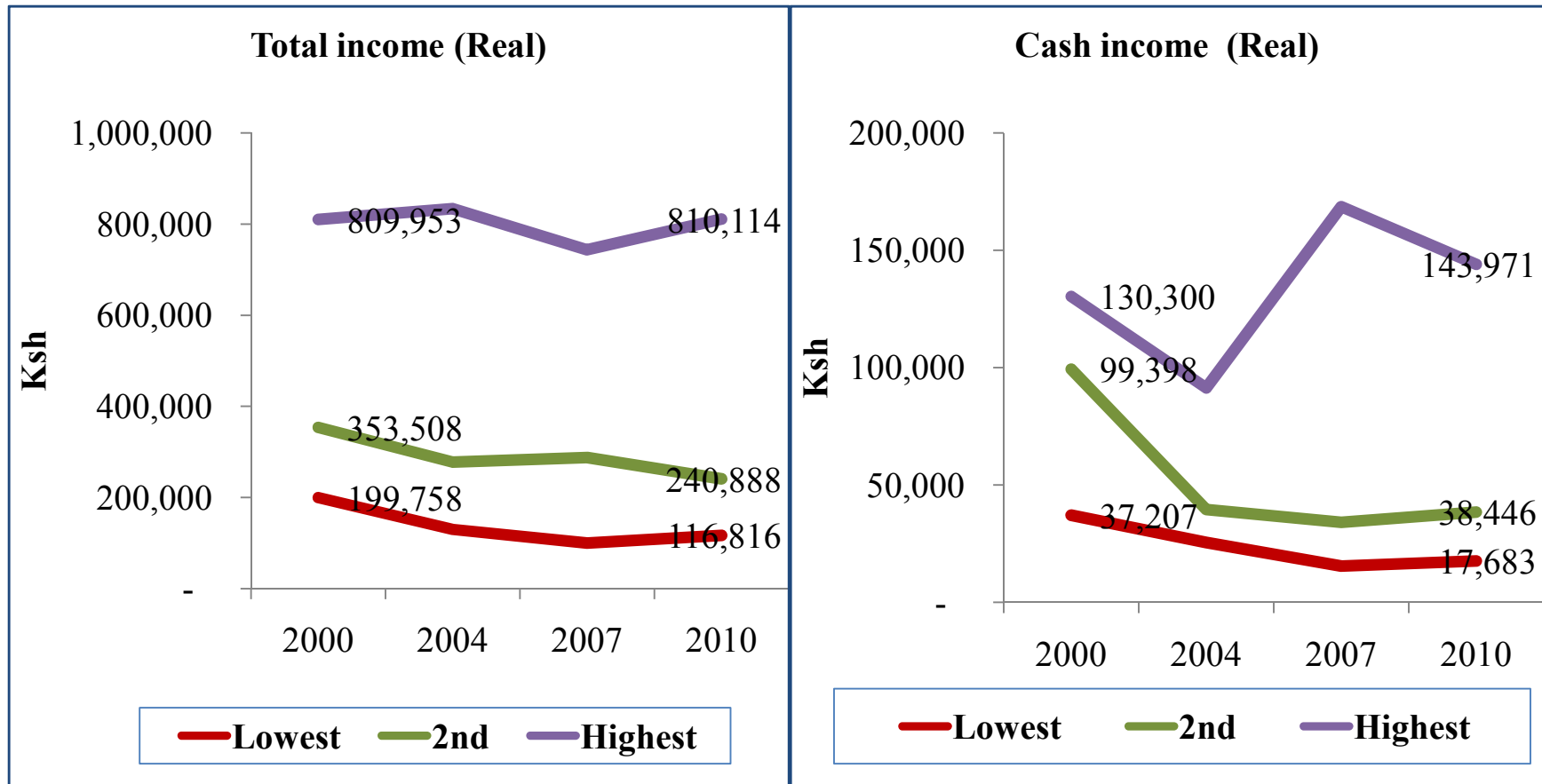
- Nominal income increased; higher in Itaani
- Real income declined in both regions

Household Real Annual Income – by region



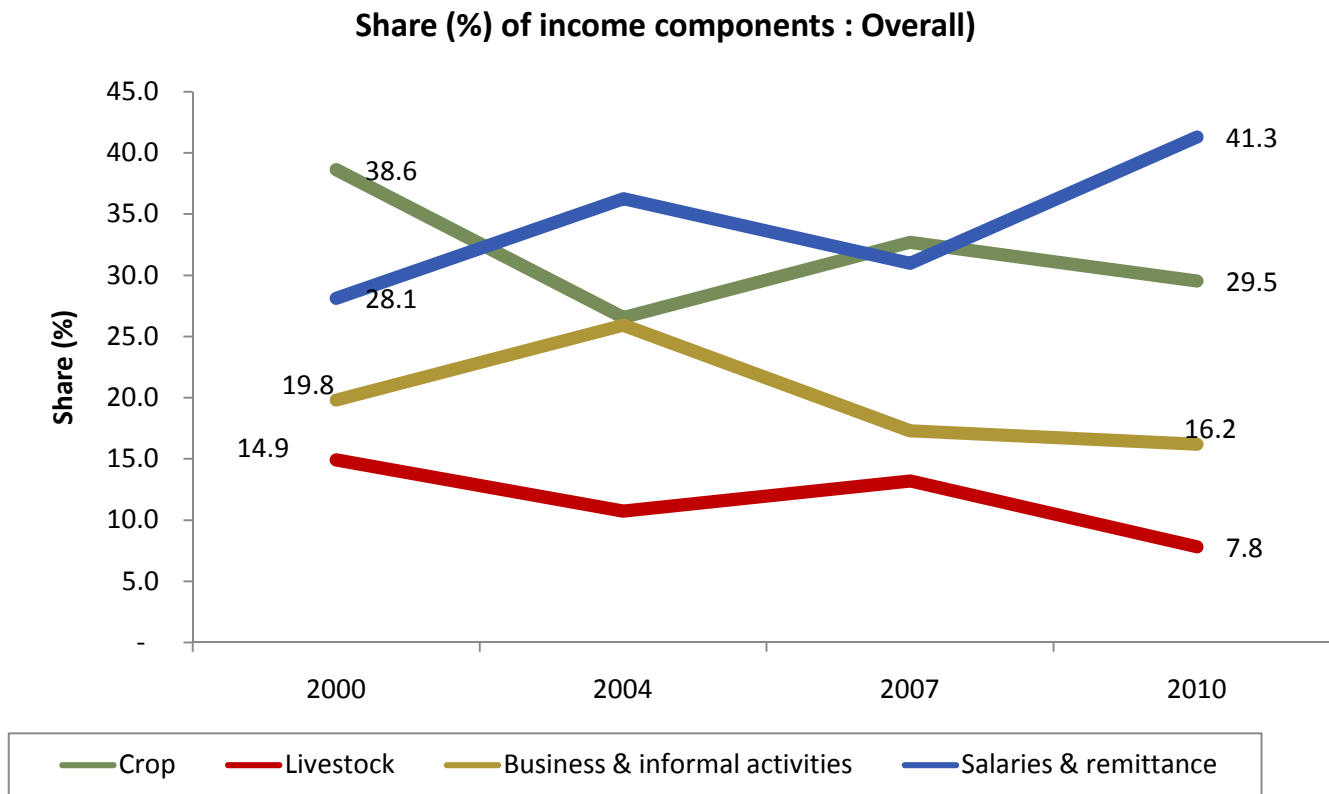
- Real total and cash income declined in both regions
- Cash income was lower than total income

Household Real Annual Income – by income group



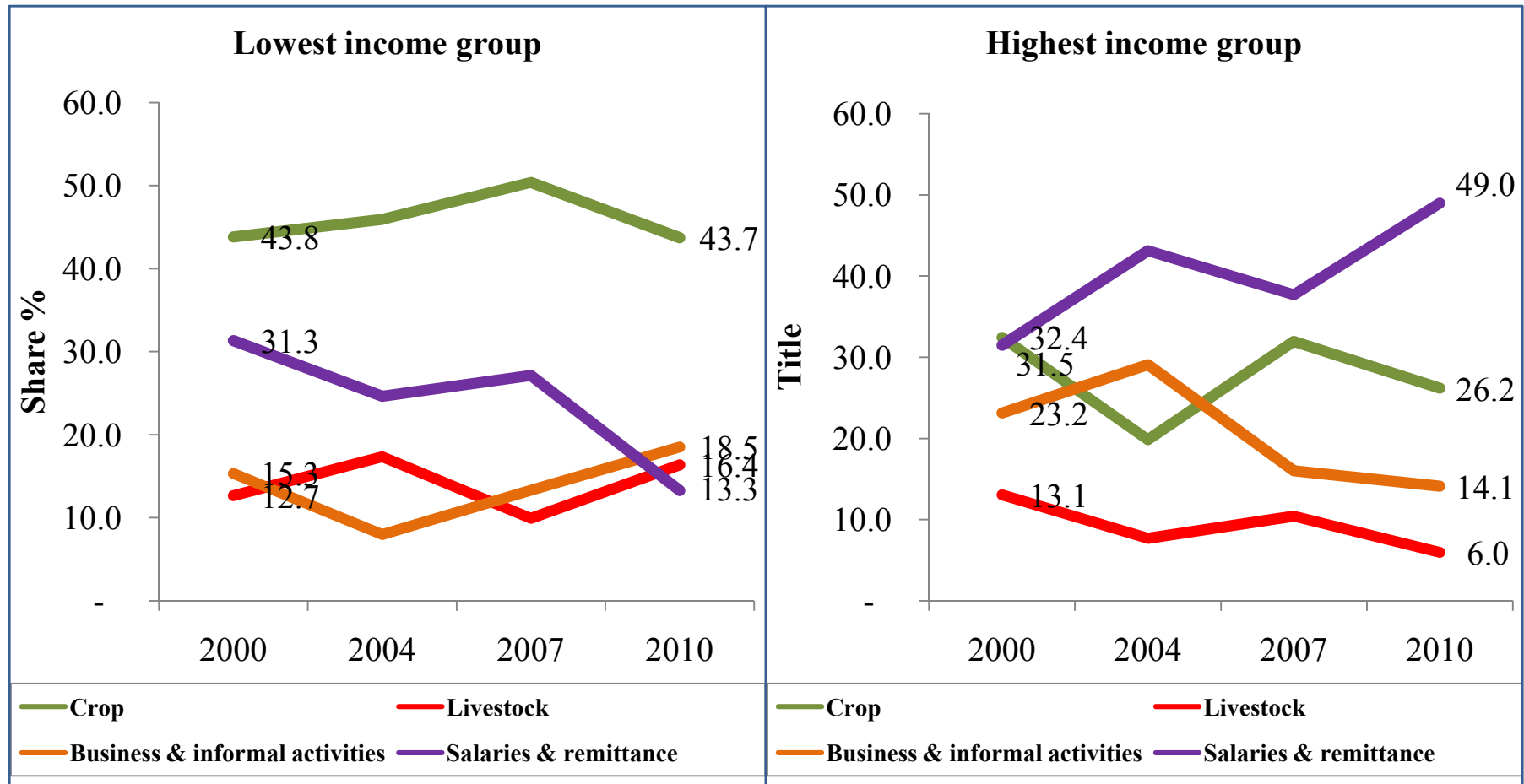
- The real total and cash incomes were highest for the highest income group
- Real total and cash income declined for the bottom two income groups
- Huge gap in income: households in the highest income group had about six times more income compared to those in the lowest income group

Share (%) of Income Components



- Crop income share was dominant in 2000 but declined in 2010
- Share of salaries and remittance was the second in 2000 and increased to become dominant in 2010
- Livestock and business & informal shares declined

Share (%) of Income Components – by income group



- **Lowest:** Share of crop was almost constant but it still dominates (about 44% in 2010). Business activities and livestock come second and third, respectively in 2010; Large decline in salaries & remittances
- **Highest:** Share of salaries and remittances increased and dominates (49% in 2010). Crops and business activities second and third, respectively

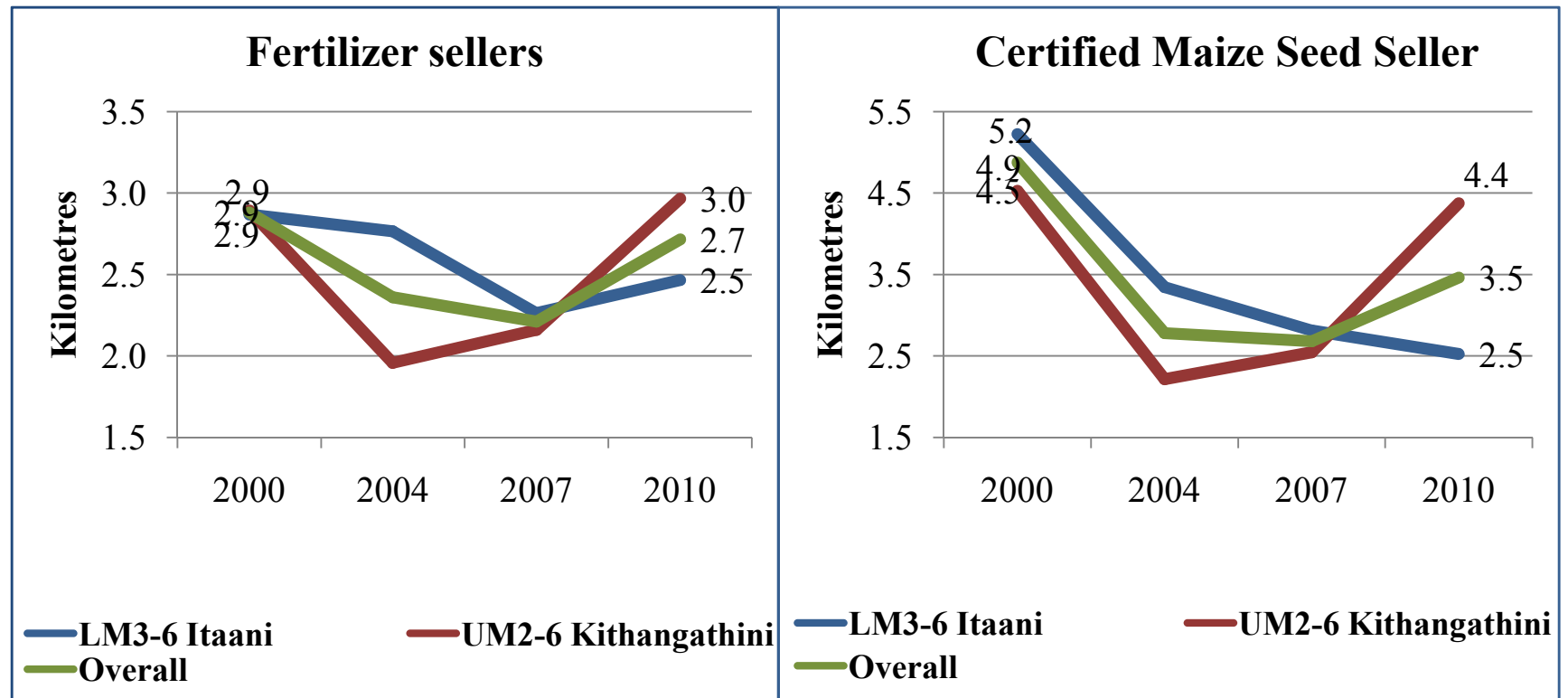
INFRASTRUCTURE & SERVICES

INFRASTRUCTURE & SERVICES

Outline

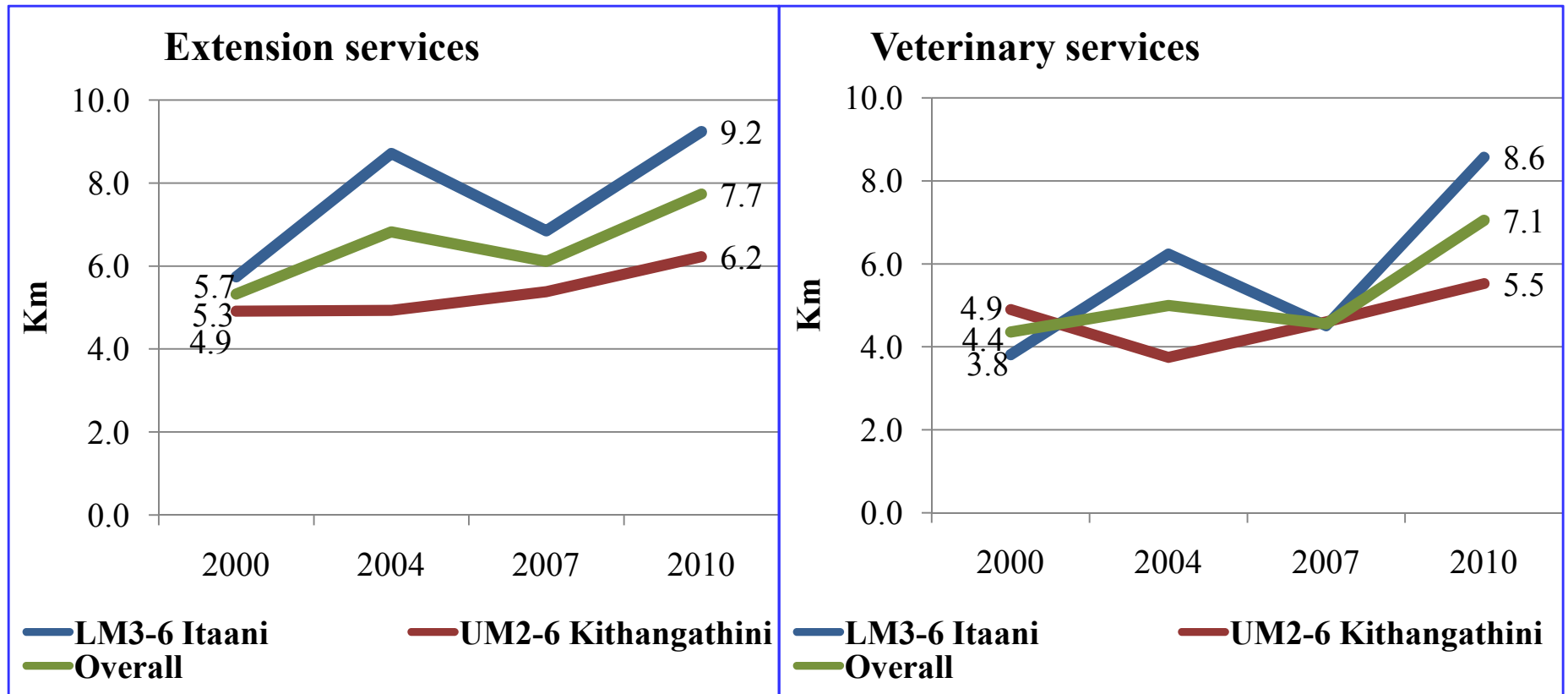
- Distance to fertilizer and maize seed seller
- Distance to veterinary and extension services
- Distance to motorable and tarmac road
- Distance to piped water and electricity
- Proportion of households with piped water
- Proportion of households with electricity

Distance to Nearest Fertilizer and Certified Maize Seed Seller



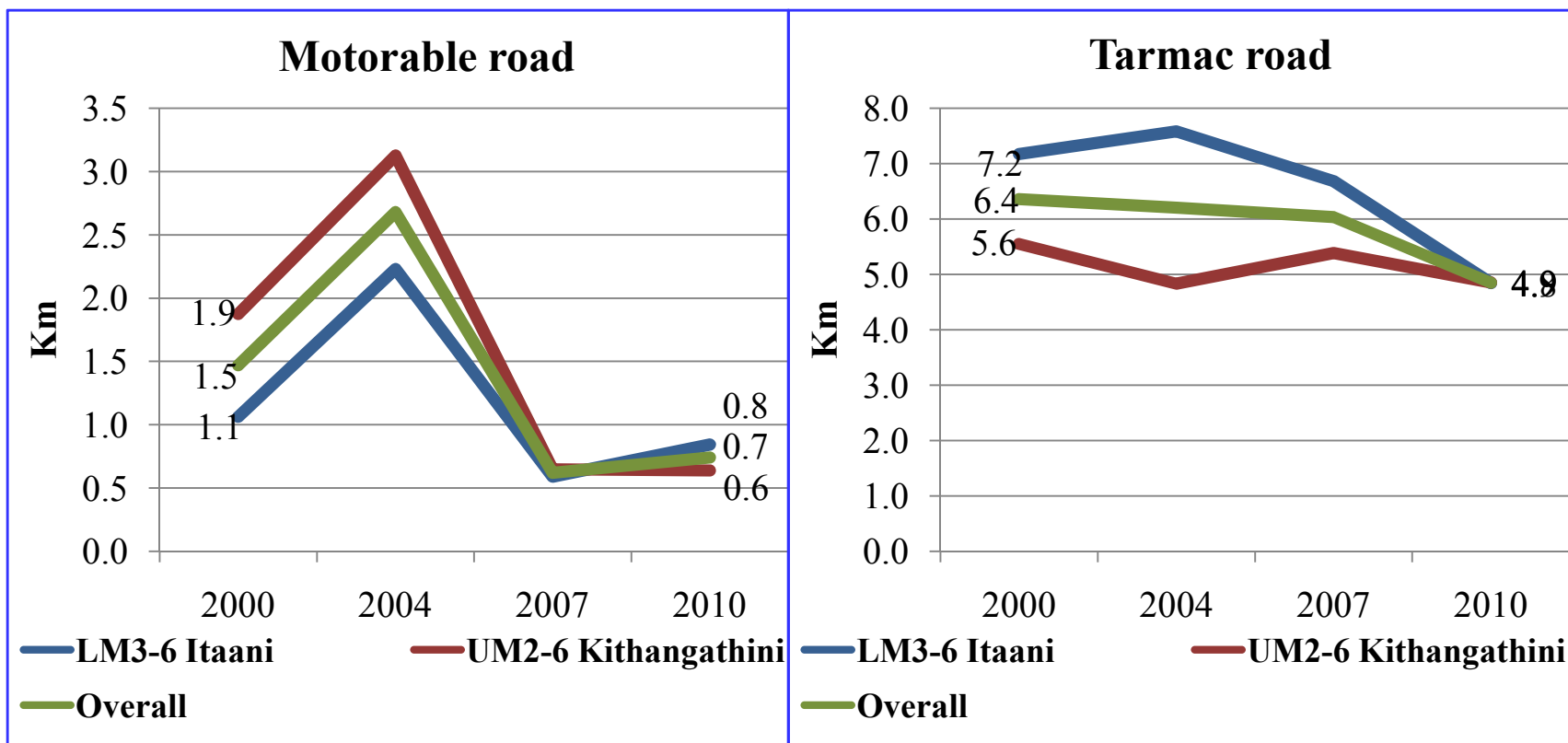
- Fertilizer nearer to farm household compared with certified seed
- No change in distance to fertilizer seller
- Decline distance to seed seller in both regions; distance to the two services are lower in Itaani

Distance to nearest Extension and Veterinary services



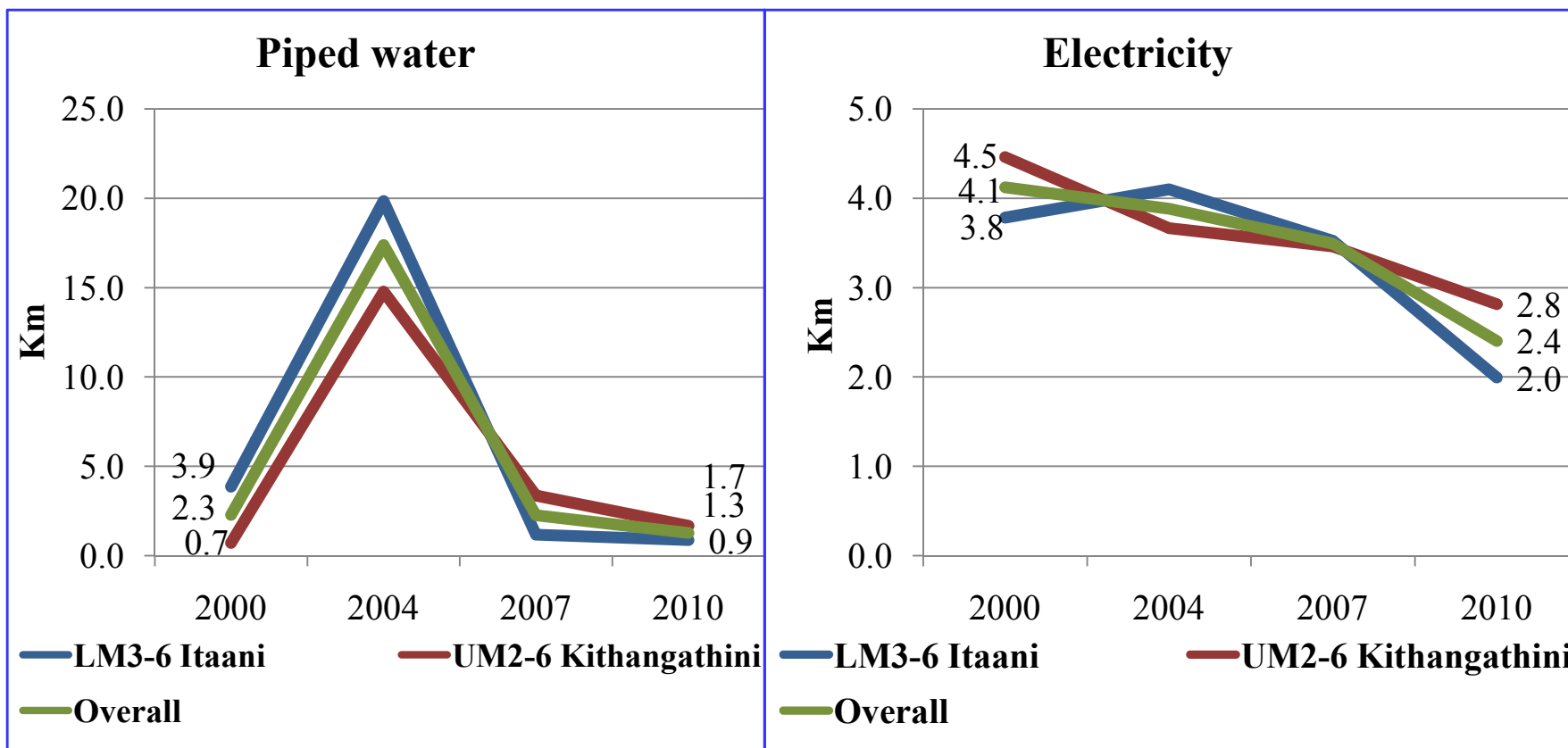
- Increase in distance to extension and veterinary services
- Households in Itaani travelled further to access veterinary and extension services compared to Kithangathini in 2010

Distance To Nearest Motorable and Tarmac Road



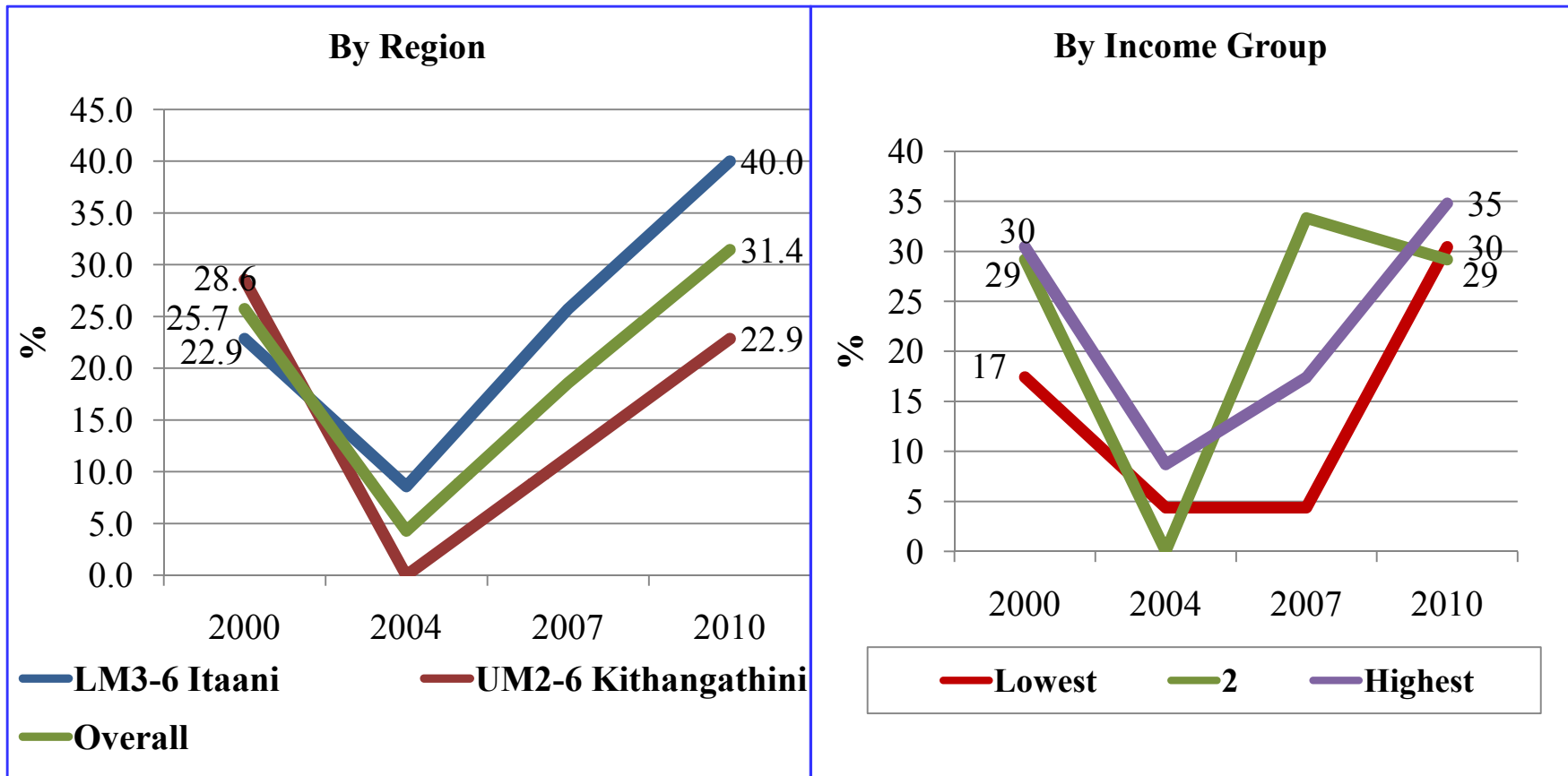
○ Distance to motorable and tarmac roads declined in both regions

Distance To Nearest Piped Water and To Nearest Electricity



○ Distance to piped water and electricity declined in both regions

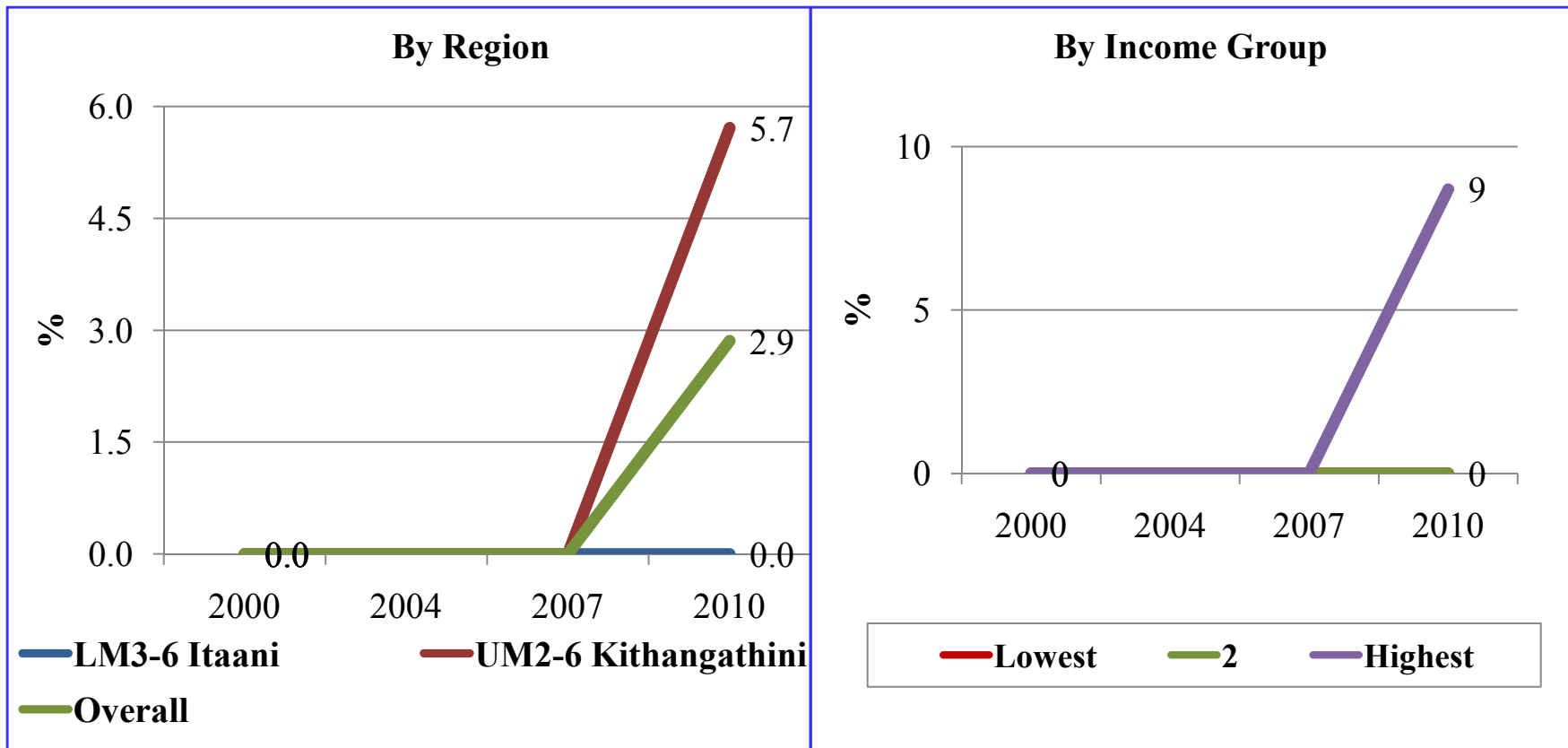
% of Households With Piped Water



- Overall % of HHs with piped water increased by about 6 percentage points; there was an increase in Itaani while in Kithagathini it was a decline

- % of HH with piped water increased for all income groups. The increase was higher in the lowest income group (12%) compared to the highest income group (5%)

% of Households With Electricity



○ Only 9% of households connected to electricity by 2010

○ All in the highest income group

Key Findings

- Increase in quantity and proportion marketed
 - Milk, Maize, Beans and coffee
 - Though increase in marketed maize and households selling maize participation low compared to national
- Decline in the real total and cash incomes
- Crop income share was dominant in 2000 but decline in 2010

Key Findings Contd'

- Salaries and remittance was dominant in 2010
- Amongst the lowest income group crop income share was dominant
- Amongst highest income group business and salary was dominant

Key Findings Contd

- Distance to seed and fertilizer sellers declined
- Increase in distance to extension and veterinary services
- Distance to motorable road, tarmac ,piped water and electricity declined
- Increase in the households with piped water
- Households with electricity were households in the highest income group



Thank you
