Determinants of Commercialization of Tef: The Case of Smallholder Farmers in Dendi District of Oromia, Central Ethiopia

ABSTRACT

In Ethiopia, tef is an important cereal crop, particularly in Dendi district it is source of food and cash income for majority of the smallholder farmers. However, the supply of tef in the study area still can’t satisfy the existing market demand and farmers are not benefited from the market price. This study was aimed at analyzing the commercialization level and factors affecting the commercialization of tef producers in Dendi district. The study largely uses primary data that were collected from 210 randomly selected farmers in the district through structured and semi-structured questionnaire. Both descriptive statistics and econometric models were used to analyze the collected data. Household commercialization index was used to indicate output side commercialization level of tef producers, whereas Tobit model were used to identify the determinants of commercialization. Results of the descriptive statistics indicated that 12.38% of sample households are subsistent, 3.33% are less-commercial, 43.81% are semi-commercialized and 40.48% are commercialized farmers. The average commercialization level of tef producers in the district was 46% but varies across sample households with the highest 75% and the lowest was zero. The result of Tobit regression model revealed that educational level, livestock owned, land under tef, agricultural extension, sex of household head, household size and off/non-farm income significantly affected commercialization level of tef producers. Therefore, strategies aiming at promoting tef producers’ commercialization should focus on strengthening the technical, resource base and institutional capacity of smallholder farmers. Empowering of female household head through training and supply of improved technology, encouragement of farmers to learn adult and formal education and providing intermediate practical based training on market-oriented production, provision of rural employment opportunities, improving the number of livestock ownership, enhancing proper utilization of land resource through sustainable and timely supply of inputs and enhancing farmers’ awareness on agronomic practices, availing new agricultural technology and transfer of improved technology and information to smallholder farmers are indispensable.

Key words: Smallholders, Commercialization, Tobit, Tef, Dendi.