A study of 28 banana growers on the Lower South Coast (LSC) of KwaZulu-Natal showed that banana industry deregulation led to increased price variability and farm financial stress. This made farmers more aware of the need to improve their marketing skills, consider product diversification and improve fruit quality. Respondents rated their willingness to take marketing risk as low relative to other farmers. Discriminant analysis identified growers who were more likely to be affected by the abolition of the Banana Board as those who (1) previously marketed most of their quality fruit through the Board, (2) were less willing to take production risks, (3) were not sole owners of their farm business, (4) perceived price risk on the LSC as high, (5) had relatively high debt-to-asset ratios. After the Board was abolished, most farmers still chose not to market the fruit themselves (due to the high financial costs of their time and low return in product marketing skills relative to other farmers), but rather used marketing agents. Farmers with increased price risk, farmers improved their market bargaining power with the agents by voluntarily forming a private co-operative, which also provided them with more market information and better prices.

1. Introduction

Banana production on the Lower South Coast (LSC) is characterized by a large number of relatively small farmers growing an average of 30 hectares of bananas. These small producers are in a relatively weak bargaining position with marketing agents, and they lack resources to keep abreast of changes in factors such as product prices and consumer tastes. It may thus be desirable for an organization to exist which renders essential marketing services to small banana growers (Strydom, 1985). The Banana Board was established for this purpose in 1958 to control production areas, develop new markets during times of oversupply, stabilize prices and standardize and improve the marketing of the product (Banana Control Board, 1958/59).

Over time the Banana Board's functions changed to the extent that more emphasis was placed on the effective marketing of the fruit and to a lesser extent on "stable banana prices and stability within the industry" (Banana Board, 1991/92). The major banana producing area is the Eastern Transvaal, which produces approximately 85% of South Africa's total banana crop. Producers on the LSC accounted for only 15% of the total South African crop (Banana Board, 1991/92). With the advent of political change in the country, growing public dissatisfaction with controlled marketing, and problems in the market, a survey of 28 banana growers who felt the Board was undermining their marketing efforts, the Banana Industry was deregulated in 1993. The Banana Board was replaced by a public company, Subtropico, through which farmers could voluntarily market their bananas. Growers had to decide to either continue to sell their fruit through Subtropico or another marketing agency, or market the product themselves. This has increased price, marketing and financial uncertainty in banana production.

This study investigates farmer responses to market deregulation and abolition of the Banana Board, a sample of banana growers on the Lower South Coast (LSC) of KwaZulu-Natal. Discriminant analysis is used to identify characteristics of farmers whose farm operations were more markedly affected by abolition of the Board. The data source is first outlined, followed by the farmer characteristics and marketing risk, effects of disbursing the Board and subsequent farmer responses are discussed. The discriminant analysis is then performed, followed by a conclusion which discusses management implications of the study.

2. Data source

A personal survey of banana growers on the LSC from Ifafa to Port Edward was conducted using a detailed questionnaire adapted from Omtmann et al (1992). A simple random sample of farmers was not drawn because the local banana growers' association Chairman indicated that most of the growers were small farms and so would not be able to provide the detailed information. It was decided to take a cross-section sample of 30 (out of 150) farmers in the study area who were most able to provide information. Table 1 outlines the characteristics of the respondents.

Table 1: Respondents' characteristics for different levels of willingness to take marketing risk

<table>
<thead>
<tr>
<th>Willingness to take marketing risk</th>
<th>Gross income (Rand)</th>
<th>Education (years)</th>
<th>Age (years)</th>
<th>Debt/Asset Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willingness to take marketing risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not willing</td>
<td>0 105000 12 0 0,5</td>
<td>13 0 49,00 28</td>
<td>13 0 47 47 0,21</td>
<td></td>
</tr>
<tr>
<td>Willing less</td>
<td>0 497000 12 0 0,5</td>
<td>13 0 49,00 28</td>
<td>13 0 47 47 0,21</td>
<td></td>
</tr>
<tr>
<td>Willing</td>
<td>0 105000 12 0 0,5</td>
<td>13 0 49,00 28</td>
<td>13 0 47 47 0,21</td>
<td></td>
</tr>
<tr>
<td>More willing</td>
<td>0 105000 12 0 0,5</td>
<td>13 0 49,00 28</td>
<td>13 0 47 47 0,21</td>
<td></td>
</tr>
<tr>
<td>Much more willing</td>
<td>0 105000 12 0 0,5</td>
<td>13 0 49,00 28</td>
<td>13 0 47 47 0,21</td>
<td></td>
</tr>
</tbody>
</table>

4. Marketing risk

4.1 Sources of and responses to marketing risk

Respondents rated greater banana price variability as one of the most important sources of marketing risk associated with the Banana Board abolition (Kuhn, 1994). Important marketing responses to increased price variability included the establishment of a private co-operative, to coordinate packing days and transportation of fruit, and the acquisition of more timely marketing information. Barry et al (1995) suggest that pooling arrangements available through marketing cooperatives enable farmers to transfer storage, price, and marketing functions to larger organizations. The private co-operative formed by the Banana Board growers did not assume all of the above functions but, in addition to coordinating the packing days and fruit transport, provided up-to-date information about market trends and prices to farmers. Selling on the free market, as a response to increased marketing risk, was rated very low by respondents and farmers may not have had the experience or necessary time to do so (Kuhn, 1994).

4.2 Willingness to take marketing risk

Respondents were asked to rate their willingness to take risks relative to other farmers on a Likert-type scale ranging from one (low) to five (high). They rated their willingness to take production risks relative to other farmers the highest with a mean rating of 4.64. Willingness to take risks in product marketing was rated the lowest with a mean rating of 3.00. Table 1 summarizes key respondent characteristics for different levels of respondents' willingness to take risks in product marketing. Younger farmers with relatively more formal education, higher gross incomes and lower debt-asset ratios seem much more willing to take marketing risk than other farmers. They may be more willing to bear greater price variability since their low debt position increases risk bearing capacity (Barry et al, 1995).

5. Effects of Banana Board abolition

Respondents were asked to indicate on a Likert-type scale ranging from one (low) to five (high) what effects disbanding the Board had on their farming operations. Increased price variability (also an important source of risk) and business financial areas had the highest mean ratings of 4.92 and 3.60 respectively. The new situation reflects a free market in which one can expect greater price fluctuations that will directly affect the farmers' ability to meet debt repayment and other cash needs. The abolition of the Banana Board also increased time spent on, and difficulty...
IMPAK VAN, EN ROERE SE REAKISIE OP DEREGULERING VAN DIE PIESANGBEDRYF: ONDERVINDING VAN DEREGULERING VAN DIE LOWER SOUTH COAST BANANA FARMERS

M I Kuhn

Masters student, Department of Agricultural Economics, University of Natal, Pietermaritzburg

A. Introduction

Banana production on the Lower South Coast (LSC) is characterized by a large number of relatively small farming units, marketing an average of 30 hectares of bananas. This study focuses on farmers in a relatively weak bargaining position with marketing agents, and their lack resources to keep abreast of changes in factors such as product prices and consumer tastes. It may thus be desirable for an organization to exist which renders essential marketing services to banana growers (Strydom, 1985). The Banana Board was established for this purpose in 1958 to control the distribution and marketing of bananas outside of the production areas, develop new markets during times of overproduction, stabilize prices and standardize and improve the quality of the marketed product (Banana Control Board, 1958/59).

Over time the Banana Board's functions changed to the extent that more emphasis was placed on the effective marketing of the fruit to apparently achieve "stable banana prices and stability within the industry" (Banana Board, 1991/92). The major banana producing area is the Eastern Transvaal, which produces approximately 63% of South Africa's total banana crop. Producers on the LSC accounted for only 15% of the total South African crop (Banana Board, 1991/92).

2. Data source

A personal survey of banana growers on the LSC from KwaZulu-Natal showed that Banana Industry deregulation led to increased price variability and farm financial stress. This made farmers more aware of the need to improve their marketing skills, consider product diversification and improve fruit quality. Respondents rated their willingness to take marketing risk as low relative to other farmers. Discriminant analysis identified growers who were more likely to be affected by the abolition of the Banana Board as those who (1) previously marketed most of their quality fruit through the Board, (2) were less willing to take production risks, (3) were not sole owners of their farming business, (4) perceived the marketing potential on the LSC as limited, and (5) had relatively high debt-to-assets ratios. After the Board was abolished, most farmers still chose not to market the fruits themselves (due to relatively high labour costs and time required), but rather used marketing agents. Faced with increased price risk, farmers improved their market bargaining power with the agents by voluntarily forming a private co-operative, which also provided them with more marketing information and services to these producers (Strydom, 1985). The Banana Board was replaced by a public company, Subtropico, through which farmers could provide marketing services to growers, in order to disbanding of the Board. The survey farmers rated their product marketing was rated the lowest with a mean rating of 4.0 (high), compared to 3.6 for marketing other products, and 2.8 for marketing the Board abolition (Kuhn, 1994). Important marketing responses to increased price variability assumed a private co-operative, to coordinate packing days and transportation of fruit, and the acquisition of more timely marketing information. Barry et al. (1995) suggest that swimming pools arrangements available through marketing co-operatives enable farmers to transfer storage and price risk to larger organizations. The private co-operatives formed by the banana growers did not assume all of the above functions but, in addition to coordinating the packing and transport processes, provided up-to-date information about market trends and prices to farmers. Selling on the free market, as a response to increased marketing risk, was rated very low by respondents who did not have the experience or necessary time to do so (Kuhn, 1994).

3. Characteristics of the respondents

All of the 28 respondents were male with a mean age of 47 years and an average of 13 years of formal education. Twenty-five respondents were employed full-time on the farm and all of them owned land, while five rented additional land from a contractor. Of farmers, 20 (71%) had smaller farms, with the mean and median farm sizes being 326 hectares and 135 hectares respectively. The main enterprises included bananas, sugar-cane and timber (eucalyptus), irrigated banana provided 62% of gross farm turnover on average, while sugar-cane and timber contributed 15% and 3% respectively. The mean area planted to irrigated bananas was 30 hectares compared to sugar-cane and timber average areas of 220 hectares and 86 hectares respectively. Sampling error among banana farmers under intensive conditions and derived much of their income from this enterprise. Other crops included maize, beans, oranges, gooseberries, and pears and other fruits. They were only available in small quantity. The median gross farm turnover was R600 000 per annum. The sample farmers were relatively solvent, with 84% reporting debt-asset ratios below 30%. The respondents were asked to rate their management skills relative to other farmers in farm production, marketing, and other factors. For example, management skills the highest, with a mean rating of 4.0 (high), followed by stress handling and leadership (4.0), marketing and sales (3.8), and overall farm management on a Likert type scale of one (low) to five (high).

4. Market risk

Respondents rated more significant price variability as one of the most important sources of stress associated with the Banana Board abolition (Kuhn, 1994). Important marketing responses to increased price variability assumed a private co-operative, to coordinate packing days and transportation of fruit, and the acquisition of more timely marketing information. Barry et al. (1995) suggest that swimming pools arrangements available through marketing co-operatives enable farmers to transfer storage and price risk to larger organizations. The private co-operatives formed by the banana growers did not assume all of the above functions but, in addition to coordinating the packing and transport processes, provided up-to-date information about market trends and prices to farmers. Selling on the free market, as a response to increased marketing risk, was rated very low by respondents who did not have the experience or necessary time to do so (Kuhn, 1994).

5. Effects of Banana Board abolition

Respondents were asked to indicate on a Likert type scale ranging from one (low) to five (high) what effects the Board abolition (Kuhn, 1994). Important marketing responses to increased price variability assumed a private co-operative, to coordinate packing days and transportation of fruit, and the acquisition of more timely marketing information. Barry et al. (1995) suggest that swimming pools arrangements available through marketing co-operatives enable farmers to transfer storage and price risk to larger organizations. The private co-operatives formed by the banana growers did not assume all of the above functions but, in addition to coordinating the packing and transport processes, provided up-to-date information about market trends and prices to farmers. Selling on the free market, as a response to increased marketing risk, was rated very low by respondents who did not have the experience or necessary time to do so (Kuhn, 1994).

Table 1: Respondents' characteristics for different levels of willingness to take risks in product marketing, LSC banana farmers (n = 24)

<table>
<thead>
<tr>
<th>Willingness to take marketing risk</th>
<th>n</th>
<th>Gross income (Rand)</th>
<th>Education (years)</th>
<th>Age (years)</th>
<th>Debt ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very willing</td>
<td>7</td>
<td>497000</td>
<td>13</td>
<td>38</td>
<td>0.08</td>
</tr>
<tr>
<td>Willing</td>
<td>5</td>
<td>1050000</td>
<td>12</td>
<td>47</td>
<td>0.21</td>
</tr>
<tr>
<td>Much willing</td>
<td>2</td>
<td>1220000</td>
<td>14.2</td>
<td>47</td>
<td>0.21</td>
</tr>
<tr>
<td>Much more willing</td>
<td>2</td>
<td>347000</td>
<td>13.5</td>
<td>45</td>
<td>0.16</td>
</tr>
<tr>
<td>Much more willing</td>
<td>4</td>
<td>1680000</td>
<td>16.0</td>
<td>38</td>
<td>0.17</td>
</tr>
</tbody>
</table>

* n = number of respondents.
Table 2: Marketing of bananas before and after abolition of the Banana Board, LSC banana farmers, 1994

<table>
<thead>
<tr>
<th>Marketing channel</th>
<th>Before disbursing</th>
<th>After disbursing</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>Mean % of crop marketed</td>
<td>Mean % of crop marketed</td>
</tr>
<tr>
<td>Sell on farm</td>
<td>11</td>
<td>34,2</td>
</tr>
<tr>
<td>Sell to local stores</td>
<td>6</td>
<td>8,4</td>
</tr>
<tr>
<td>Durban Market</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Pietermaritzburg Market</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Banana Board</td>
<td>27</td>
<td>87,0</td>
</tr>
</tbody>
</table>

**a** Number of respondents.

**b** Percentages exceed 100 because some respondents marketed their fruit in more than one category.

in, marketing bananas. Many respondents were not fully aware of the logistics involved in banana marketing and the services provided by the Board. In addition, most farmers considered securing a steady income to reduce some of the income risk due to fluctuating prices. Farmers also identified a need to improve the quality of their fruit. Now that sales are no longer guaranteed, poor quality fruit is less likely to be sold. Thus to maintain sales and market share, respondents must produce high quality fruit to attract customers and potentially receive a better product price.

6. Marketing responses to Banana Board abolition

Farmers could freely market their bananas once the Board was abolished, but most still chose to use a formal marketing agent (such as 

the) to do the marketing on their behalf (see Table 2).

Most fruit (87,9%) was previously marketed through the Banana Board, with 17 respondents selling some of their farm, and mostly on the farm and in local towns. The Board therefore had significant control over the marketing and distribution of the fruit produced by respondents. A year after the Banana Board was disbanded, four more respondents were personally marketing their produce, either on the farm or through Durban and Pietermaritzburg markets, but most of the fruit (84,0%) was still marketed through marketing agents.

The main reasons given by respondents for using these agents were: inefficient time to personally market the fruit, insufficient resources for own marketing, better prices were obtained when marketing through a marketing agent, and the marketing agents were better able to distribute the fruit. According to Barry et al. (1995), the marketing firm's knowledge of market conditions, large size, and specialized marketing equipment's ability to cope with the marketing work and increases the probability of securing better prices which may add to expected profits of farmers.

7. Discriminant analysis

Discriminant analysis was used to identify factors which distinguished between farmers who felt they were or were not markedly affected by the abolition of the Banana Board. The dependent variable was the farmer's individual response, equalling 1 (if the respondent felt that abolition greatly affected his farm operation) or 0 (if the respondent felt that abolition did not affect his farm operation). Independent variables considered as determinants of AFFECT included: area planted to bananas, percentage of turnover generated by bananas, percentage of quality grade bananas previously marketed through the Board, percentage of crop marketed as large and extra large grades, level of farm diversification (1 = low, 5 = high), total farm size, willingness to take risks in farm production (1 = not willing, 5 = very willing), willingness to take risks in product marketing (1 = not willing, 5 = very willing), off farm business activities, farm ownership structure (1 = sole ownership, 2 = partnership, 3 = company, 4 = trust, 5 = close corporation), banana marketing potential on the LSC (1 = bad, 3 = good) and debt-asset ratio (degree of financial stress).

The positive coefficient for farm ownership structure (X4) identified the need for other than sole owners (partnerships, close corporations and companies) as being more affected by the Board's abolition. The farmers with these business forms tended to have larger farms and marketed most of their bananas through the Board as the local market did not have the capacity to absorb large quantities of fruit (Kuhn, 1994). Sole owners tended to have smaller farms with smaller fruit output which could be marketed locally. Thus, abolition of the Board did not markedly affect their sale and distribution of bananas. The positive debt-asset ratio (X5) coefficient means that farmers with greater financial stress were more likely to be affected by abolition of the Board. Increased price variability would make it more difficult for these farmers to service their relatively higher debt levels.

8. Conclusion

Greater price variability, leading to increased farm financial stress, were the main sources of risk and perceived effects of banana market deregulation. The Banana Board previously controlled product distribution which led to relatively stable producer prices. After the Board was abolished, co- operation at the national level weakened and local markets received erratic supplies of bananas, which meant greater price variability. Respondents responded to increased price variability by trying to improve marketing knowledge, improve fruit quality and diversify farm operations. However, they were not likely to assume the marketing function themselves, as they were mainly small banana producers who were not marketing skills below average relative to other farmers. Recent drought has probably assisted a greater need for them to focus more on day-to-day farm management activities than on marketing in the short run.

This short-term response is reflected by the percentage of bananas marketed through formal marketing agents not declining significantly a year after deregulation. Most respondents considered themselves risk averse, which in addition to low marketing skills, would probably explain why they used marketing agents. The opportunity cost of time to these farmers is also relatively high, and time spent marketing the fruit could rather be spent on day-to-day business management. Respondents who were more affected by the abolition of the Board (1) previously marketed most of their quality grade fruit through the Board, (2) were less willing to take production risks, (3) perceived limited local marketing potential for their bananas, (4) tended not to be sole owners (per cent product volume previously marketed by the Board) and (5) had relatively high debt-asset ratios (less able to manage price variability).

In order to co-ordinate packing days and transport of the fruit to marketing agents, the sample farmers formed a voluntary private co-operative which also provides them with important information on price trends and consumer behaviour. This organisation gives the small growers bargaining power to effectively negotiate with marketing agents. It has essentially taken over the functions of the former Banana Board, which was a good example of how individual farmers can cope with increased marketing uncertainty arising from industry deregulation.

References


in, marketing bananas. Many respondents were not fully aware of the logistics involved in banana marketing and the services provided by the Board. In addition, most farmers considered the expiry of the monopoly to reduce some of the income risk due to fluctuating prices. Farmers also identified a need to improve the quality of their fruit. Now that sales are no longer guaranteed, poor quality fruit is less likely to be sold. Thus to maintain sales and market share, respondents must produce high-quality fruit to attract customers and potentially receive a better product price.

6. Marketing responses to Banana Board abolition

Farmers could freely market their bananas once the Board was abolished, but most still chose to use a formal marketing agency (such as V&M) to do the marketing on their behalf (see Table 2).

Most fruit (87.9%) was previously marketed through the Banana Board, with 17 respondents selling some of their fruit on the farm, or on the farm and in local towns. The Board therefore had significant control over the marketing and distribution of the fruit produced by respondents. A year after the Banana Board was disbanded, four more respondents were personally marketing their produce, either on the farm or on Durban and Pietermaritzburg markets, but most of the fruit (84.0%) was still marketed through marketing agencies.

The main reasons given by respondents for not using these agents were: insufficient time to personally market the fruit, insufficient resources for own marketing, better prices were obtained when marketing through agencies, and the marketing agents were better able to distribute the fruit. According to Barry et al. (1995), the marketing firm's knowledge of market condition, large size, and specialized marketing enabled its ability to cope with the marketing risk and increase the probability of securing better prices which may add to expected profits of farmers.

7. Discriminant analysis

Discriminant analysis was used to identify factors which distinguished between farmers who felt they were or were not markedly affected by abolition of the Banana Board. The dependent variable was the dichotomous variable, equaling 1 (if the respondent felt that abolition greatly affected his farm operation) or 0 (if the respondent felt that abolition did not affect his farm operation). Independent variables considered as determinants of AFFECT included: area planted to bananas, percentage of turnover generated by bananas, percentage of grade bananas previously marketed through the Board, percentage of crop marketed as large and extra large grades, level of farm diversification (1 = low, 5 = high), total farm size, willingness to take risks in farm production (1 = not willing, 5 = very willing), willingness to take risks in product marketing (1 = not willing, 5 = very willing), off farm business activities, farm ownership structure (1 = sole ownership, 2 = partnership, 3 = company, 4 = trust, 5 = close corporation), banana marketing potential on the LSC (1 = bad, 3 = good) and debt-asset ratio (degree of financial stress). Fifteen of the 28 respondents reported that disbANDING the Banana Board did affect their banana operation, while 13 felt that it had no marked effect. The 16 variables were included in the discriminant function on an exploratory basis (missing data limited the sample size to 23).

The following linear discriminant function (equation 1) was estimated:

\[ Z_i = 0.76X1_i + 0.46X2_i - 0.33X3_i + 0.017X4_i - 0.020X5_i + 0.024X6_i - 0.64X7_i + 0.53X8_i \]

where \( Z_i \) and \( X_i \) denote significance at the 1% and 5% levels (1 = distribution) respectively, and

\[ Z_i = \text{discriminant score of the } i\text{th farmer}, \]

\[ X_1 = \text{percentage of grade bananas previously marketed through the Board}, \]

\[ X_2 = \text{marketing potential on the LSC}, \]

\[ X_3 = \text{willingness to take risks in farm production}, \]

\[ X_4 = \text{farm ownership structure}, \]

\[ X_5 = \text{degree of financial stress}. \]

A low Wilks lambda of 0.51 and a high 86% of correctly classified farmers indicate a good discriminant function. Classification results are upwardly biased since the same variables were used to derive the discriminant function and to classify farmers groups. Based on the standardized coefficients, the percentage of quality grade bananas previously sold through the Board (X2) is the main discriminant. This is plausible as most quality grade bananas were sold through the Board, and its abolition initially led to less effective quality grade distribution. Monitoring of markets by the Board on a national level - which ensured that the respective markets were not oversupplied - was replaced by marketing agents who predominantly distribute the fruit within Kosi/Lox-Natal, causing lower prices for quality fruit due to increased supply.

There is no longer the situation where an undersupply of bananas in the Western Cape could be met by the Board transporting LSC bananas there, or of supplies to one market being restricted by the Board to maintain prices.

Market potential on the LSC (X2) is the second most important factor. Respondents who were more affected by the abolition of the Board had a low weighting on this variable since they see limited scope for diverting fruit to the LSC market. The negative coefficient for willingness to take production risks (X3) suggests that those respondents affected by abolition of the Board were less willing to take production risks. The risk inherent in banana production has increased with increased price variability, and so farmers who are more willing to take production risks are expected to perceive less impact compared to their more risk-averse counterparts.

The positive coefficient for farm ownership structure (X4) identifies respondents other than sole owners (partnerships, close corporations and companies) as being more affected by the abolition. This is in line with those farmers who tended to have larger farms and marketed most of their bananas through the Board as the local market did not have the capacity to absorb large quantities of fruit (Kuhn, 1994). Sole owners tended to have smaller farms with smaller fruit output which could be marketed locally. Thus abolition of the Board did not markedly affect their sale and distribution of bananas. The positive debt-asset ratio (X5) coefficient means that farmers with greater financial stress were more likely to be affected by abolition of the Board. Increased price variability would make it more difficult for these farmers to service their relatively higher debt levels.

8. Conclusion

Greater price variability, leading to increased farm financial stress, were the main sources of risk and perceived effects of banana market deregulation. The Banana Board previously controlled product distribution which led to relatively stable producer prices. After the Board was abolished, co- operation at the national level weakened and local markets received erratic supplies of bananas, which meant greater price variability. Farmers responding to increased price uncertainty by trying to improve marketing knowledge, improve quality fruit and diversify farm operations. However, they were not likely to assume the marketing function themselves, as they were mainly small banana producers who were not marketing skills below average relative to other farmers. Recent drought has probably raised a greater need for them to focus more on day-to-day farm management activities than on marketing in the short run.

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In order to co-ordinate packing days and transport of the fruit to marketing agents, the sample farmers formed a voluntary private co-operative which also provides them with important information on price trends and consumer behaviour. This organisation gives the small growers bargaining power to negotiate better deals with marketing agents. It has essentially taken over the functions of the Board, which was important. A good example of how individual farmers can cope with increased marketing uncertainty arising from industry deregulation.

References


