

Governance Mechanisms Among Traders in Vegetable Chains in Lushoto District
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Abstract

This paper focuses on the nature of contractual arrangements among vegetable traders of Lushoto district using new institutional economics. The study employed a cross-section research design. Purposive sampling followed by Institutional sampling Economics. followed by systematic sampling technique was used to select vegetable trading centres and traders respectively. The sample consisted of 78 traders participating in vegetables supply chains. Descriptive statistics were used during data analysis. The study identified two buying arrangement. These were spot market which involved buying at the farm gate or using village open markets and another arrangement was by using brokers situated at the villages. It was found that, a large number of traders dealing with distant dynamic markets contract village transport broker and. farm gate buying was more preferred to village open market. Using the prevailing governance system, both product and process upgrading were possible however very low upgrading initiatives were evidenced. It is also important to highlight that, in term of policy, this imply that it is very important for public private partnership to improve village road networks so as to increase market access. Moreover, more action researches are needed in order to improve vegetable quality and information relating to vegetable upgrading so that traders join profitable vegetable chain and hence be able to alleviate poverty.

Key words: contractual arrangements, vegetables, wholesale traders, brokers, vegetable supply chain