Market-Oriented Agricultural Advisory Services and Smallholder Farmer Commercialization in Uganda

Justine Nalubega

Abstract

In many developing countries, commercialisation of smallholder agriculture is promoted as a key strategy for poverty reduction. Despite sustained policy efforts to promote the commercialisation of smallholder agriculture, many smallholder farmers remain weakly integrated into output markets. This study examines the relationship between Market-Oriented Agricultural Advisory Services (MOAAS) and smallholder farmer commercialisation in Uganda, drawing on evidence from Iganga and Mpigi districts. A mixed-methods approach was adopted to analyse how the quality of advisory services and farmers' behavioural responses jointly influence commercialisation outcomes. Primary data were collected from 315 smallholder farmers. However, the detailed behavioural and commercialisation analysis focused on 194 maize-producing households. The study utilised descriptive statistics and a binary logistic regression model to evaluate farmers' satisfaction with advisory services (Objective 1), used Market Orientation Indices to assess farmers' market-oriented behaviours (Objective 2), and employed a Tobit regression model to determine the factors influencing commercialisation (Objective 3). Marketing outlets were further analysed to capture varying levels of market integration. The results indicate that although farmers place high importance on advisory services, satisfaction varies across service dimensions and is strongly influenced by institutional access, infrastructure, and service delivery conditions. Market-oriented behaviour was moderate but uneven, with stronger engagement in production practices than in market intelligence and post-harvest handling. The composite Smallholder Farmer Market Orientation Index (SHFMOI) was 0.46, indicating a moderate level of market orientation. Analysis of marketing outlets further shows that most farmers rely on farm-gate and trader-based arrangements, with limited participation in more structured markets. The econometric results reveal that education, land ownership, access to extension services, irrigation, and market-oriented behaviours, particularly the adoption of Good Agricultural Practices and the use of market intelligence, significantly increase the level of commercialisation. The study concludes that smallholder commercialisation is shaped by the interaction between advisory service quality, farmers' behavioural responses, and the institutional and market environments within which they operate. The findings highlight the need for more market-oriented, behaviour-focused, and institutionally integrated agricultural advisory systems to support inclusive and sustainable smallholder commercialisation in Uganda.