

## **Making Marketing Orientation Decisions: The Case of Smallholder Farmers in Kenya's Kiambu West District**

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### **ABSTRACT**

Smallholder Agriculture is important to livelihoods of many rural households in developing and emerging economies like Kenya. Agriculture supports the livelihoods of about 80 % of Kenya's population, 70 % of who live in rural areas. The rationale for market orientation which is the focus of this study is that it enhances consumers' purchasing power for food, while enabling re-allocation of household incomes by producers to high-value non-food agribusiness sectors and off-farm enterprises. The idea of market orientation has been used widely in the manufacturing sector, but market orientation in agriculture, particularly in the development literature, is defined less on sophisticated concepts of market intelligence and competitive intelligence gathering and use of that information to make decisions, but more on the degree of allocation of resources (land, labour and capital) to the production of agricultural produce that are meant for exchange or sale. The aim of this study is to examine factors that influence smallholder farmers in Kenya to make decision to be market oriented. This study is based on primary data collected from smallholder farmers in Kiambu West district in Kenya. Descriptive measures and multiple regression models were the methods used to analyse the data. Factors such as age of household

head, vegetable prices, contractual agreements and membership in marketing groups were found to significantly and positively influence decision to be market oriented. Household size and farm size significantly and negatively influenced smallholder farmers' decision to be market oriented. Policy measures such as those that can reduce the intensity of land fragmentation, improve physical infrastructure, facilitate smallholder farmers' access to credit and facilitate contractual agreements between producers and buyers were recommended as a way of improving market orientation among smallholder farmers in Kenya.

**Keywords:** Market orientation, Farm capitalisation, Commercialisation, Smallholder farmers, Developing countries, Kenya