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# Factors affecting small business of sunflower products: a case of Dodoma municipality

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**FACTORS AFFECTING SMALL BUSINESS OF SUNFLOWER  
PRODUCTS: A CASE OF DODOMA MUNICIPALITY**

By

Jackson Marco

A Dissertation Submitted in Partial Fulfillments of the Requirements for Award of  
the Degree of Master of Business Administration at the University of Dodoma

The University of Dodoma

October, 2016

## CERTIFICATION

The undersigned certifies that he has read and hereby recommends for the acceptance by the University of Dodoma dissertation entitled, **“Factors affecting small business of sunflower products”**: The Case of Dodoma Municipal in Tanzania” in partial fulfillments of the requirements for the award of a Master’s degree in Business Administration at the University of Dodoma.

.....

Dr. N. Viswanadham

Supervisor

Date .....

**DECLARATION**

**AND**

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I, Marco, Jackson, declare that this thesis is my own original work and that it has not been presented and will not be presented to any other University or Institution, for a similar or any other degree award.

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## **DEDICATION**

Dedicated to the late Marco and Mary as well Catherine

## **ABSTRACT**

The study, was based on assessing the factors affecting small business of sunflower products in Dodoma Municipality. It focused on assessing key factors such as entrepreneurship skills, Government intervention and contribution of marketing management, in the development of small business of sunflower products in Tanzania.

The study has employed a case study design. Respondents were entrepreneurs, government officials and Dodoma Municipal dwellers. The sample consisted of one hundred respondents. Respondents were randomly selected for questionnaires and for interviews were purposively selected. Data gathering were done through multiple methods: interviews, questionnaires and literature reviews. Data were summarized analysed and presented into relevant emerging themes in relation to the research questions.

Findings have revealed that, the level of yield of sunflower seeds in Dodoma Municipality was increasing years after year. At the same time, the acreage was also increasing but not as steps as the level of yields. The main factors which affected the development of small business of sunflower products were poor policy (Small and Medium Enterprise Development Policy), poor infrastructure, and lack of entrepreneur's skills, technology, marketing orientation and the lack of capital in solving the challenges facing the sector, by utilizing the opportunity available developing or adopting new technology for growing of these sectors. These would help in creating a common understanding, and building adequate infrastructure as well as providing subsidies where necessary.

**Key words:** Small business, Entrepreneurship, Government intervention

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## LIST OF ABBREVIATIONS

ACP	- Assistant Commission of Police
ARI	-Agricultural Research Institute
ASA	-Agriculture Seed Agency
AMCOs	-Agricultural Marketing Co-operative societies
BET	-Board of External Trade
BCG	-Boston Consulting Group
BNRS	- Business Registration, Name Search and Registration
BRELA	- Business Registration and licensing Agency
BRN	- Big Results Now
CAMARTEC	-Centre for Agricultural Mechanization and Rural Technology
EAC	- East Africa Community
EPZA	- Export Processing zone Authority
FAO	- Food and Agriculture Organization
GAP	-Adaption of Good Agriculture Practice
GMP	- Good Manufacturing Practice
HACCP	- Hazard Analysis and Critical Control Points
IPI	- Institute of Production Innovation
LGAs	- Local Government Authority
MALF	- Ministry of Agriculture, livestock and Fisheries
MITI	- Ministry of international Trade and industry
MFI	-Microfinance Institution
MoF	- The Ministry of Finance
MT	- Metric Tons
NEDF	-Natural Entrepreneurship Development Fund



NGOs	- Non Government Organizations
PMO	-Prime Minister Office
PMO-RALG	- Prime Minister Office- Regional Administration and Local Government
RALG	- Regional Administration and Local Government
REPOA	- Research on Poverty Alleviation
RLDC	- Rural Livelihood Development Company
SACP	- Senior Assistant Commission of Police
SACCOS	- Saving and Credit Cooperative Societies
SADC	- Southern African Development Community
SAGCOT	- Southern Agriculture Growth Corridor of Tanzania
SIDP	- The Sustainable Industrial Development Policy
SIDO	- Small Industries Development Organizations
SMEs	- Small and Medium Enterprise
SMEDP	-Small and Medium Enterprise Development Policy
SPSS	-The Statistical Package for Social Science software
SUA	- Sokoine University of Agriculture
TADB	- Tanzania Agricultural Development Bank limited
TAFOPA	- Tanzania Food Processors Association
TanTrade	-Tanzania Trade Development Authority
TASIO	- Tanzania Small Industries Organizations
TASUPA	- Tanzania Sunflower Processors Association
TBS	- Tanzania Bureau of Standards
TCIS	- Tanzania Customer Integrated System
TEOSA	- Tanzania Edible Oil Seeds Actor Limited

TEMDO	-Tanzania Engineering and Manufacturing Design Organization
TCCIA	- Tanzania Chamber of Commerce, Industry and Agriculture
TFDA	- Tanzania Food and Drugs Authority
TIC	- Tanzania investment Centre
TIRDO	- Tanzania Industrial Research Development Organization
TLS	- Tanzania Law Society
TOSCI	- Tanzania official Seed Certification institute
TPSF	-Tanzania Private Sectors Foundation
TRA	- Tanzania Revenue Authority
TWB	- Tanzania Women Bank
URT	- United Republic of Tanzania
VAT	- Value Added Tax
VIBINDO	- Vikundi vya Biashara Ndogo
WDF	- Women Development Fund
YDF	- The Youth Development Fund

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter, presents the background of the problem, statement of it, objectives of the research, research questions, significance of the study, scope of the study and limitations of it.

#### **1.1 Back ground**

Sunflower, was introduced in Tanzania during colonial time and it was found to grow well in almost all parts of the country. The crop however, is very interesting as it does well in the dry weather conditions of the central corridor, where other crops like maize and wheat, did not, it is also interesting from a welfare perspective as most of the sun flower, is grown by small famers.

One of the major opportunities is that, sunflower requires a low investment by farmers, as well as increasing demand for sunflower oil & cake. Sunflower is the one of the important subsectors in the central corridor of Tanzania (URT, 2012). For example, Table 1; 1 below illustrates the amount of sunflower grown in Tanzania compared other oilseed:-

**Table 1. 1: Sunflower & other oilseeds production trends in Tanzania (MT)**

**(metric tons)**

Product	2009	2010	2011	2012	2013	%
Sunflower	162,019	348,877	786,902	1,125,000	2,625,000	51%
Groundnuts	256,401	320,582	651,397	810,000	1,425,000	28%
Sesame	72,932	65,557	357,162	456,000	1,050,000	20%
Palm Oil		17,000	17,000	24,880	40,500	0.79%
Soya	3,900	4,300	2,500	3,490	5,830	0.11%

**Source:** MRA Management Associates Ltd Report (URT, 2014)

In Dodoma, 50% of farmers are engaged in oilseeds production (URT, 2012). But recently there is a sharp increase in crops production which is achieved through the promotion done by partnership of the government, international donors and the private sectors. Joint efforts between donors and the government are still needed to expand the production to all small famers, through a contract and development planning strategies.

Although sunflower products has been produced by using traditional, local and poor technologies for millennia, which make the extraction process of products from sunflower to be poor and with low quality affecting its market. However, local environments have to be assessed for economic development of the country. It depends on the value that can be added to crops by processing and effective management. It is necessary to look closely on the situation to see whether there was the room of improvement (Fellows and Axtell, 2014).

Micro-businesses sector is one of the driving forces of economic growth in developing countries. It accelerates growth of economy (Scarborough & Zimmerer,

2008). The Government of Tanzania, has come up with different policies and created various institutions as means of developing a conducive environment to promote business in the country, such as Small and Medium Enterprise Development Policy (SMEDP), the Sustainable Industrial Development Policy (SIDP) and the National Microfinance Policy which places specific emphasis on promotion of Small and Medium Industries development.

In line with the above, a number of institutions have been created such as Small Industries Development Organizations (SIDO), Tanzania Food Processors Association (TAFOPA), Tanzania Small Industries Organizations (TASIO); *Vikundi vya Biashara Ndogo* (VIBINDO), Tanzania Industrial Research Development Organization (TIRDO).

Others are Centre for Agricultural Mechanization and Rural Technology (CAMARTEC), Tanzania Engineering and Manufacturing Design Organization (TEMDO), Tanzania Bureau of Standards (TBS), Board of External Trade (BET) and the Institute of Production Innovation (IPI) to collaborate with other stakeholders established in Tanzania, to empower the private sector by developing conducive environment for doing business.

In Tushabomwe (2006), small businesses face different challenges limiting their survival and development. They are at risk of failure caused by both internal and external factors such as lack of entrepreneurial skills, low accessibility and usage of quality seeds, low prices of sunflower products, low quality of sunflower product produced, management problems, faulty products, high taxation, inadequate capital, poor policy, low technology, high rents and lack of proper marketing strategy like branding and packaging.

All of the above have been resulting into low productivity to farmers and poor quality of both sunflower produced by farmers and sunflower oil produced by processors. According to Temtime and Pansiri (2004), sustainability of business in highly depends on internal managerial problems which are identified as the major causes of small businesses failure. The ability of managers to perform has a very important bearing on performance of small businesses. McIntyre and Dallago (2003) argue that small business is the backbone of national development. For a country to reach its full potential in terms of economic and social development, it cannot afford to ignore the importance of its indigenous involvement in the development of their economy.

## **1.2 Statement of the problem**

Small business, has been recognized as a significant way in economic growth and industrial development in a country (Zilihona et al, 2013). Moreover, as a matter of fact, it covers more economic activities than manufacturing alone.

In recent years, the country has witnessed the mushrooming of Non Government Organizations (NGOs) and Government Organizations, which are doing a commendable job in promoting small businesses of sunflower products. Mainly most of them were involved in credit delivery, training, providing general consultancy, supporting market linkages, addressing gender and environmental issues. While some have brought about very positive results, others have not.

Mfaume and Leonard (2003) assert that there is a good number of reasons why the newly formed one fails to operate on profits and eventually close down or continue operating without a good return on investments, constrained from growth and expansion.

Despite of the afore mentioned efforts the Tanzania government has failed to establish itself as a major hub due to the poor business environment, such as lack of reliable supplies of electricity, bureaucratic, transparency, corruption, poor access of insurances, professional certification requirements, high taxes and poor enforcement of contracts in protections for minority. This in large extent hinders economic development (World Bank, 2016).

The available data and experience indicates that, sunflower is a very interesting crop as it does well in the dry weather conditions of the central corridor, and it requires low investment that common people can afford. These gave the great opportunity for farmers, processors and businessmen to utilize it. There is also adequate market of sunflower products in the country and at large, (FAO, 2004).

Sunflower business is one of the important sectors in the central corridor of Tanzania as significantly contribute in the development of economy, by increase employment opportunities and provide resources for large-scale industries. They make effective contributions at work because of strongly developed feelings of behavioral commitment on ownership, (RLDC, 2010).

With the above concern, Tanzania's sunflower business environment in alignment with its Policies is not entirely attractive for the growth opportunities intended. As a growing economy, the key areas of business need to be drastically improved in order to mastermind a competitive environment.

The wealth of resources which are as unique as they are sizeable in portions, having access to import and export outlets, and numerous energy producing resources, Tanzania is uniquely positioned to be a business hub to consider if the infrastructure

supporting thereto is largely improved. It is without question that, efforts are needed be geared positively towards strengthening the entirely sunflower business.

There is a need of addressing the existing knowledge gaps, especially on factors affecting small business of sunflower products. Therefore, this study is carried out in order to contribute towards these knowledge gaps, in order to provide basis for formulating policies to improve the business environment which will suit the existing problem.

### **1.3 Research Objectives**

#### **1.3.1 General objective**

General objective is to assess factors affecting small business of sunflower products in Dodoma municipality, Tanzania.

#### **1.3.2 Specific objectives**

- i. To assess how the key factors affecting development of small business of sunflower products in Dodoma Municipal.
- ii. To assess the contributions of marketing management in the development of small business of sunflower products in Dodoma Municipality.
- iii. To assess the contribution of the government intervention in the development of small business of sunflower products in Dodoma Municipality.

### **1.4 Research Questions**

- i. How do key factors affects development of small business of sunflower products in Dodoma Municipal?
- ii. How does marketing management contribute in the development of small business of sunflower products in Dodoma Municipality?



- iii. How the government interventions contribute in the development of small business of sunflower products in Dodoma Municipality?

## **1.5 Significance of study**

### **1.5.1. To the Public**

The study has contributed on the awareness on factors affecting development of business and suggest the way to overcome them, also it has added the literature review to the already established literature and articles, about the findings, hence, acting as a source of literature review to the future academician at that field.

### **1.5.2. To the government**

Further, the study has helped the Government in formulation of the policies and building in infrastructure necessary to improve business environment for development of the infant economy.

### **1.5.3. To the researcher**

The study has helped the researcher to acquire practical skills that will help in carrying out more researches in other area, in some future time and became more aware on small business growth and sustainability. Upon this successful completion of the study, the researcher qualifies for the award of Master's Degree in Business Administration at the University of Dodoma.

## **1.6 Scope of the Study**

The study, was about assessing growth of small business on sunflower products in Dodoma Municipality, Tanzania. It focused on the contribution of entrepreneurship skills, marketing management and government intervention, in the development of small business. The study was conducted in Dodoma municipality.

## **1.7 Limitation of the study**

### **1.7.1. Language barrier**

Some of the businessmen of sunflower products used their own indigenous language (mother tongue, kigogo), this posed a barrier. In data collection particularly in filling questionnaires while the researcher, was interested with Kiswahili and English as the means of communication.

### **1.7.2. Time factor**

Time located was relatively short for the completion of the research study. This was due to, the researcher, was required to use part of the time to work for the employer's activities as well as collecting the required data for report writing.

To address this limitation, the study focused only to a few selected respondents within Dodoma Municipality by sampling techniques. Sampling as the process of selecting the number of individuals or objects from a population, such that the selected group contains elements representative of the characteristics found in the entire group (Orodho and Kombo, 2002).

### **1.7.3. Financial constraints**

The fixed budget located for the completion of this research study, was not satisfactory simply that, the cost of collecting data and other information required to fulfill this report, were too higher but also cost of stationeries, food and transports were so high. This challenge was solved by using the sample size which was reliable, efficient, flexible and good representative of the population; neither too big nor too small. An optimum sample, was the one which fulfils the requirements of efficiency, representativeness, reliability and flexibility (Kothari, 2004).

#### **1.7.4. Non-response problem**

Some of the respondents, were either willingly or unwillingly reluctant to give out their understanding of the on-going of the organization and unable, to fill the questionnaires as appropriate and return them on time.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter, provides the definitions of terms used in the study, review different literatures that focus on the development of small business of sunflower products, theories and models of entrepreneurship and business. It narrates also empirical evidence, research gap, conceptual framework and conclusion.

#### **2.1 Definitions of key Terms**

##### **2.1.1 Small business.**

Small business, According to Storey (1994) and Nkonoki (2010), there is no one acceptable to the universal definition of small business. As economic industries might have different levels of capitalization, sales and employment. Some sectors a firm may be regarded as small while in other not. McMahon et al (1993) referred, that small business have common features that set them apart from large enterprises, small business are best identified by their inherent characteristics.

Small businesses are collectively defined under the nomenclature, which is used to mean micro, small and medium enterprises. In the Tanzanian context, micro enterprises are those engaging up to four people in most cases family members or with an investment not exceeding 5.0 million Tanzania shillings, the majority of which fall under the informal sector. Small enterprises, are mostly formalized undertakings engaging 5 to 49 employees or with a capital investment of Tsh.5.0 million to Tsh.200 million. Medium enterprises employ about 50 to 99 employees and use capital investment from about 200 to 800 million Tanzania shillings (URT, 2002).

### **2.1.2 Entrepreneurship**

Entrepreneurship, is one of the most widely used terms in business, management, economics and other related fields. The term entrepreneurship is found from the French verb *entreprendre* in the twelfth century which means to undertake. Later in early 1700's, a French economist, Richard Cantillon, described an entrepreneur as one who bears risks. In 1848, the famous economist John Stuart Mill described entrepreneurship as the founding of a private enterprise.

This encompassed the decision makers, and the individuals who desire wealth by managing limited resources to create new business ventures. Entrepreneurship, under Schumpeter school of thought (Swedberg, 2000), is defined as innovator in organizational process, and one who think up new combination of behavior and motivation.

While according to Gartner (Thornton, 1999), entrepreneurship is about creation of new organization or new startup, creating values and entrepreneur mean owner-manager. In Krizner's view (Swedburg, 2000), entrepreneurship is searching opportunities and exploiting them towards profit maximization.

Shane and Venkataraman's (2000) look at entrepreneurship to be an activity to discover, evaluate, and exploit of opportunities offering something new to the market. With the various definitions of entrepreneurship, this study opts to the understanding of entrepreneurship to enhance the development small business through combination of various factors influencing it.

## **2.2 Theoretical Literature Review**

A theory, is a collection of concepts which together provide an understanding of how a phenomenon is built up; and how it can be classified and used (Lundequist 1999: as quoted by Kayuza 2006) reviews. The intent is to provide a theoretical framework for analysing the small business under investigation.

### **2.2.1 Theory of Resource Based of competitive advantages**

The resource based view, business's resources can be considered determinant of competitive advantage and performance within the firm (Barney et al. 2001; Barney & Mackey 2005). In Shane (2003) explains entrepreneurship as the function of core human attributes and examines the environment in which, the entrepreneurs are found.

The study will use the Resource Based View to examine business factors of small scale (Richardson and Howarth, 2002). It will consider various approaches to explain what motivates is required for individuals to start and improve the performance of the businesses.

Some believes innate personality traits are the primary motivators, while others believe external factors are more important. Personality traits, such as the need to achieve, a tolerance for ambiguity, a desire to innovate, a propensity for risk-taking and a preference for locus of control, have all been shown to influence entrepreneurial activity (Collins, 2004; Johnson, 1990; Stewart, 1996).

The push-pull factors often determine whether an individual will take the initiative to launch a new business venture. Individuals can be pushed into starting a business by external negative conditions such as unemployment and retrenchment, a low

paying job with little upward mobility and a desire to escape supervision (Curran and Blackburn, 2001; Moore and Buttner, 1997). At the same time pull factors, such as the desire to be one's own boss, increase wealth, change lifestyle or use one's experience and knowledge, can attract an individual to entrepreneurship (Birley and Westhead, 1994; Burkeet, 2002).

These may lead an entrepreneur to believe in a different to create successful business with nothing more than resources already within control, and stakeholders who self select into the process. The resource based approach illuminate insight into resources profitability and nature of competitive strategy. The internal source should provide foundation business strategy. On basis of analysis of the relationships among resource, capabilities, competitive advantages and profitability advances a framework for resources approach strategy formulation. The resource based view is a dynamic concept which enables the firm to act, enact and operate as per its internal and external resources in order to gain competitive advantage.

### **2.2.2. Schumpeter's theory of Entrepreneur**

Schumpeter's theory of Entrepreneur, is evolving contributing knowledge in theory of economic development. According to Schumpeter (Swedburg, 2000) innovation is the combination of materials and forces, which are attained by different method. Schumpeter emphasizes innovation rather than invention. This theory works through the transformation of production function. A production function is the technological relationship between inputs and outputs.

This happens through five combinations, such as the introduction of new quality good for users, new method of handling and production system, opening of new

market-where company do not entered before, conquest of a new source of supply of raw material, and carrying out of the new organization of any industry.

These all steps indicated a kind of innovation by combining sources, materials and function and producing a new product or service. Other major contribution of Schumpeter theory also discusses motivation of the entrepreneur. He argued on important desire and will of entrepreneur on establishment of organizations to work independently on enjoying power. Also, the significant having a will to become successful in business, and satisfaction on reaching a goal (Swedburg, 2000).

### **2.2.3 Theory of Entrepreneurial Discovery-Austrian perspective.**

In Swedburg, (2000), Austrian Theory of Entrepreneurship explains importance of the understanding a competitive market is an entrepreneurial process. This is directly indicating that earning profit is anticipating market to satisfy customer needs. In terms of mental constructs, ordinary discovery is a backward interpretation in a sense that the entrepreneur endeavours to exploit profit opportunities by doing some things better.

This type of discovery largely promotes change within an existing situation. Extraordinary discovery is a forward interpretation that involves a new dimension of interpreting events. This theory shows successful entrepreneur will be the one who can earn more profit. Entrepreneurial discovery emerged in Austrian economics by evolving two elements.

One, market which, acts as entrepreneurially driven process and other is knowledge which can be increased by market interaction (Kirzner, 1997). Austrian entrepreneurial discovery theory has three main concepts which are entrepreneurial,



discovery and rivalries competition role. From discussion, we can perceive that Austrian approach emphasizes entrepreneurship with economic activity and market process.

Austrian theory of Entrepreneurship, anticipating market and customer need is somewhat need an innovative idea and it also lead to risk. So to complete this, creative mind, technique is needed. Krizner emphasized that markets tend continually towards equilibrium, as consequence of continually stimulated entrepreneurial discoveries.

The linked of entrepreneurship to the entrepreneurial process of developing small business in infant economy. It is the process is initiating analysis of situations in which it allows resources to be transformed in a new and valuable way in order to utilize available opportunity (Venkataraman, 1997).

#### **2.2.4 The Theory of Moral Sentiments**

In The Theory of Moral Sentiments, Smith argues that much economic activity is the product of a forecasting error people's illusion that acquiring wealth, possessions and status will make them permanently happy. In the Wealth of Nations, published in 1776, Adam Smith famously argued that economic behavior was motivated by self-interest.

Entrepreneurs who are driven by such motives will probably be less inclined to set unrealistically high pecuniary goals (Gilad and Levine, 1986). Extrinsic motives include pull and push factors. An opportunity of perceived profit is an important pull factor of entrepreneurship, while unemployment is a well-known push factor. People who do not have an intrinsic motivation to start a business may be pushed into self-

employment because of unemployment and the fear to become unemployed and dissatisfaction with the current job.

These necessity entrepreneurs may be subject to over optimism because they generally have less entrepreneurial talent and are mainly motivated by escaping an undesirable situation. Indeed, necessity entrepreneurship tends to have a lower contribution to job creation. Entrepreneurs who are pushed into self-employment are less Knowledgeable and therefore more overoptimistic than entrepreneurs who are not forced to become self-employed (Reynolds, 1991).

The key of any start-up is to relate the business idea to the need in the market. Often people go into business because they can supply something. Only if there is a clear customer need, backed by effective demand, at an appropriate scale, can there be a viable business. It is crucial to understand the nature of the need being met.

Resources include physical items, such as premises, plant, labour and material supply, as well as finance which are often perceived as the main need. Developing countries place the lack of capital, especially in the start-up period, as the problem most often mentioned by women micro-entrepreneurs (Darroch, 2005). Limited access to working capital prevents bulk buying of inputs and limits the entrepreneurs ability to achieve economies of scale (Gray, 1997). Lack of investment capital limits input acquisition, which in turn restricts enterprise expansion, limiting their transition into viable small and medium-sized businesses (Fafchamps, 2003).

### **2.2.5 Keynes's economic theory of government intervention**

According to Keynesian economies, state intervention is necessary to moderate the booms and busts in economic activity. The central principle of government of

government intervention is to stabilize the economy. It is most important driving force in an economy.

Free market has no self balancing mechanism. The economist justifies government intervention through public policies that aims to achieve full employment and price stability. The government has to create conducive environment for business growth and sustainability. Having ones success ingredients is not in oneself sufficient.

The business must have a coherent plan which links all the elements together focusing future progress and monitoring resource. This monitoring is part of the necessary business assistance which has to be set up to operate the business on a day to day basis.

This includes the legal form of the organization and its compliance with statutory requirements including tax. Removal of trade barriers, reduction in import tariffs and the removal of quotas and other import restrictions such as licensing are expected to improve the competitiveness of small business.

It is anticipated that, import liberalization will increase access to imported raw materials and intermediate goods embodying new technology, which will benefit smaller enterprises. A more open policy towards direct foreign investment will encourage greater use of subcontracting arrangements involving smaller firms and provide learning opportunities for locally employed workers to become local entrepreneurs (World Investment Report, 1994). The Government as the sole regulator and licensor plays a crucial role in MSE development through different ministries, departments and state corporations. Key organs of government such as cabinet office, Parliament and Local Authorities concerned with policy making have

to grasp the role of government in small business advancement, and be aware of the impact new policies and laws, imposed on the operations of small businesses.

The government also, established the institutional framework for business rules of the game and ensures that promising enterprises receive appropriate incentives to facilitate efficient performance. Such interventions have potential for mainstreaming the informal economy alongside larger formal enterprises.

Small-scale entrepreneurs have limited access to credit and where the credit is available, high collateral requirements, well documented cash flow analysis and general distrust of small scale entrepreneurs by banks tend to inhibit access. At the same time, credit available does not meet the demand in the market.

Despite this, the government has encouraged grassroots' funding systems and expansions of more formal sources of credit through group based micro financing and the adoption of less stringent group based collateral. One such funding system is the introduction of Tanzania Women Bank (TWB).

The Bank was established in order to create affordable access to finance for women facing difficulties accessing existing microfinance institutions (MFIs) and banks. Financial constraint remains a major challenge facing SMEs (Wanjohi and Mugure, 2008).

## **2.3 Literature review**

### **2.3.1 Importance of small business**

Small business is the backbone of national development (McIntyre and Dallago 2003). In Ukpabio, (2004) and the World Bank, (2004) small business contribute significantly in the development of the economy, by increase employment

opportunities and provide resources for large-scale industries. They make effective contributions at work because of strongly developed feelings of behavioral commitment.

### **2.3.2 Poor management of small business**

According to Menda (2005), Tanzania resembles many countries in Sub-Saharan that suffer from economic problems. Scarborough & Zimmerer (2008) cited that poor management cause failure in most of small businesses in Tanzania. Although it is not easy to recognize what constitutes poor management, the majority of small businesses problems are characterized as managerial.

Griffin & Ebert, (2006) emphasis entrepreneurs to put their faith in common sense, overestimate their managerial skills, and believes that hard work alone can't ensure success. Scarborough & Zimmerer (2008) argue that, if a small business manager does not know how to make decisions and does not understand the basic management principals, he is likely to face managerial challenges and in the long run, cause them fail to progress in business. The experience, provides practical understanding as well as knowledge about the nature of the business, which spells out the difference between failure and success.

### **2.3.3 Production process of Sunflower products for small business**

ARI, (2008) explained that, business of Sunflower products is gaining popularity in our country and current data show that, local production of both factory and home extracted oils contributes to 40% of the national cooking oil requirements with the remaining 60% being imported and others. Joseph (2009) adds that, improving the sunflower sector would help greatly in development of small business in Dodoma.

The approach at RLDC now overhauling sunflower production from the bottom to the top, such as from production and distribution of quality seeds to producers at affordable prices, provision of extension services, collection and storage services, processing and marketing of oil and other sunflower products.

#### **2.3.4 Access to finance service and limited use of insurance for small business**

According to Dwivedi (2005) the role of financial institution is to facilitate the flow of funds from individual surplus spending units to deficit spending units. In business, money is the blood, which enable production of good much as machinery or inventories, thus in order to attain growth of any business, especially small sized ones, the business should acquire additional capital through the capital market in order to maximize their returns.

Tushabomwe (2006) ascertain that, lack of capital is an impediment in the early stages of small businesses. Small businesses failed because they were started with limited amounts of capital, and yet lacked collaterals for loans access. Longenecker et al. (1997) also economies of scale hinder small businesses to attaining a sustainable development, as per limited capacity of production.

Susman (2007) and Lambing & Kuhl (2007) Small businesses are particularly vulnerable in periods of high interest rates because they heavily charged on seasonal borrowing by financial institutions. Susman (2007) also said small businesses are more risk in the economy; they are more likely to fail during rescissions. Furthermore, small business owners have a little knowledge about insurance, and the insurance companies feel that it is risky to offer insurance to small business unless they are organized.

The limited usage of a contract between processors, producers' associations and business, as well as a warehouse receipt system, further increases the credit risk posed by small business in particular. Additionally, the development banks are often underfinanced themselves and lack specialist appraisers, and so, are unable to provide timely pre-harvest finance due to lengthy evaluation procedures.

Griffin & Ebert (2006) and Scarborough and Zimmerer (2008) argue that the largest investment in small business makes is in inventory, yet inventory control is one of the most neglected managerial responsibilities. Insufficient inventory levels results in shortages and stock outs causing customers to become disillusioned and leave. Many small businesses fail due to poor inventory control, have excessive amounts of cash tied up in an accumulated useless inventory or shortage. Griffin & Ebert (2006) support that, sometimes entrepreneurs encourage that eventually the business outshine their ability to manage; failure to plan a firm's future will have a devastating effect on the firm existence.

Scarborough & Zimmerer (2008) and Lambing & Kuhl (2007) support on the right business location convenient to customers. Tootelin & Gaedeke (2002) argue for small businesses owners often under price their goods and services to attract customer resulting to losses that ultimately cause their failure.

ARI (2008) Mpagalile et al. (2008) explain the importance of sunflower products business into economy. However, the issue of seeds is still a problem because of lack of readily available high yielding varieties. Most farmers use their own seeds from previous seasons mainly because of high price, this force farmer to use their own seeds. RLDC (2008) On the other hand, quality seeds were not available in sufficient quantities so that, interested farmers had to source seeds from different suppliers.

Another problem is even when quality seeds were obtained they were often planted in smaller quantities as per requirements so that, yield per acre was still low although the germination rate was high.

### **2.3.5 Government intervention**

World Bank's (2016), have assessed that Tanzania has failed to establish itself as a major business hub due to the slumping business enhancement infrastructure over the years.

Although there are some notable improvements done by government such as Launching of the Tanzania Customs Integrated System (TCIS), for speeding up of import and export documentations and accreditation, Business Registration and Licensing Agency (BRELA) launching an online portal/platform for business registration, name search and registration (BNRS), Launch of the online IP registry and journal by the Trademark and other IP rights registry, Through Big Results Now (BRN) initiative devised a taskforce for easing constraints on contract enforcement.

URT (2001, 2003, 2006), Government policy have involves Tanzania Private Sector Foundation (TPSF) and the Bar association Tanganyika Law Society (TLS). Appointment of more Judges in registries to speed up cases determination promotion of use of alternative dispute settlements in terms of Arbitration centers, negotiation and mediation bodies. Dar es Salaam Stock Exchange Online trading system launched 2015, via mobile phones and other devices. Tax Payment, Returns and Tracking online has been made easy by the Tanzania Revenue Authority (TRA) as well as other functions. The Government crackdown, on Commercial Banks to reduce interest on bank loans to encourage more entrepreneurial capital access.



Launch of construction of Bagamoyo Port tipped to be the biggest in Sub Saharan Africa as well as scheduled upgrades to Tanga and Mtwara ports.

All in all, with the recent discoveries of oil and gas, uranium and other invaluable resources in all corners of the country, Tanzania is an inescapable destination for investors, large and small scale alike.

A more conducive business environment will bolster these investment ventures as well as supporting and dependent sectors such as labour, transportation, energy and related social services. It is without question that, the efforts outlined above are positively geared towards strengthening entirely the business environment.

Susman (2007), has supported long ago that, with the above trend, Tanzania's business environment in alignment with its investment policies is not entirely attractive, for the influx of investment opportunities intended.

As a growing economy, key areas of the business and investment infrastructure needs to be drastically improved, in order to mastermind a competitive business environment across the Sub Saharan Africa.

With the wealth of resources which are as unique as they are sizeable in portions, having access to import and export outlets, and numerous energy producing resources, Tanzania is uniquely positioned to be a business hub to reckon if the infrastructure supporting thereto is largely improved.

### **2.3.6 Market development**

According to Kotler, (2008), Lundy et al. (2001), FAO (2004) and Harahap (2003) marketing refers to all activities essentially associated from producer, processing,

and distribution to the final consumers, emphasize was made upon the product security for the human consumption. It also includes analysis of consumer's needs, motivation, and consumption behavior of preference. The adoption and application by sunflower oil producers of food safety and strict quality measures are essential elements to the long-term development of the sector. Nowadays, buyers and consumers seek higher standards of food safety, traceability and quality, and this situation no longer applies exclusively to international markets.

RLDC (2008), there is weak evidence of any clear market segmentation, promotion, advertising or branding of the sunflower sector in the United Republic of Tanzania. Most of the smaller sunflower seed crushing companies for example, sell their oil unrefined, in indistinguishable transparent containers along the roadside at their crushing site gate, without any unique or distinguishable branding, not labeled or the date of processing has not been indicated.

A number of operators additionally are not registered and as such need to be encouraged to formalize, which would increase stakeholder access to finance and boost their ability to better access the markets, both local and export.

But Hawassi et al., (2006) argue that there is also hardly any market segmentation, promotion or advertising effort, one cannot help noticing that most oil mills need to develop a marketing concept for increasing their sales. The market for sunflower oils and related products is now increasing. The low level of promotion of sunflower products to the Tanzanian population, has led to limited public knowledge of the value of good sunflower oil. Evidence suggests that, consumers are now used to the less refined, possibly impure oils available. In addition, consumers are also less

aware of the benefits of sunflower oil, which include the health benefits particularly when compared with palm oil, sunflower's main competitor.

Zilihona (2013) also noted that, in order to realize and benefit from market sensitivity in small business of sunflower products, it is important to address full the concept of market orientation in order to win part of the market share bit by bit, until the biggest share in the market local and international. It's not a miracle but just the matter of time and commitment, government and stockholders as a whole effort.

## **2.4 Empirical studies**

### **2.4.1 Entrepreneurship skills towards development of small business**

There are various studies, which show there is a positive correlation between the development of small business and entrepreneurship skills. Bruderl and Preisendorfer (1998) concluded that, entrepreneurship enhances the success of a newly founded business.

This is due to entrepreneurial ability to innovation, creativity, risk taking, leadership, and profit maximization. In line with Bruderl and Preisendorfer (1998), Davidson and Honing (2003) as well as Kim et al (2003) and Wagner (2005) also in their studies they found that there was a positive effect of entrepreneurship skills on development of small business.

Although there can be support from formal sectors such banks, micro finance institutions, executives of large enterprises etc in promote venture creation, if the small business owner has entrepreneurship skills, there must be a significant impact compared to those who have not. These imply that entrepreneurship skills processed by small business owners contribute to a great extent the development of business.

#### **2.4.2 Supply of raw materials for production of products.**

RLDC (2010) despite the good growing conditions in the country for producing sunflower crops, yields remain low compared with European and Central Asian producers. A key reason for this situation, is the limited availability of high-quality yielding certified seeds, as well as a low awareness of these benefits of using high-quality seeds.

URT, (2015) due to underdeveloped agribusiness services in the country, there is a limited availability of necessary inputs, such as fertilizers and pesticides. The agro-input; distribution is problematic, often insufficient or delayed. Agro-inputs are needed at a specific time of year, within a specific time frame, in order to have the necessary impact. However, agro-input imports are handled slowly at the ports and sometimes, miss their windows of opportunity as a result. This not only deprives the farmer of the required fertilizers and pesticides, it also discourages the importer and distributor, who is left holding the stock perhaps for a further six months.

In Tushabomwe (2006), argue that, knowledge of the amount of fertilizers needed per farm is quite limited, such that it is important to undertake soil surveys to ensure correct use of fertilizer without damaging long-term soil fertility. However, there is inadequate soil testing which would allow for efficient levels of use.

Zilihona, (2013), supported that, a few associations in the country, have the necessary detailed business plans that would facilitate access to finance, while some of the Cooperative Unions have a reputation for high costs and weak management, and the primary cooperatives may require further training to officers.

### **2.4.3 Access to finance and insurance services across the value chain**

Zilihona, (2013), access to finance and credit extension services, are an important support to sunflower production, to assist with investment and the cash flow operations of the process. However, the access to finance proves particularly difficult in the sunflower sector due to the weak position of the smallholder farmers involved. Small business have limited collateral, and for many, the limited implementation of and adherence to the Village Land Act hinders the ability of small business of sunflower product to raise collateral, as it would be difficult to seize one's land titles if a default were to arise.

FAO (2004), Furthermore, supported that, small businesses have a little knowledge about insurance, and the insurance companies feel that it is risky to offer insurance to small business unless they are organized. The limited use of contract between processors and producers' associations, as well as a warehouse receipt system, further increases the credit risk posed by business owner in particular.

In the World Bank Report (2004), the development banks additionally are often underfinanced themselves and lack specialist appraisers, and so are unable to provide timely pre-harvest finance due to lengthy evaluation procedures. This also hinders the development of small business.

### **2.4.4 Complex and discriminatory application of taxes**

World Bank Report (2016) and Susman ( 2007) assessed that, the complex nature of the tax system, which includes excess, value added tax (VAT) and import duty, is a major example of the complex policies in place and the lack of harmonization that would support the growth of the sector. The competitiveness of sunflower oil in this

sector in the domestic market, is affected by imported palm oil, due to removed import duty on palm oil imports.

URT (2015) supported that, the government has geared towards other sectors; there is a clear lack of prioritization of the sunflower sector. The strategy will seek to review all policy constraints and issues affecting the sunflower industry, including undertaking an impact analysis on edible oil imports and the tariff regime, compared to local edible oil production, with the possibility of raising the tariffs on palm imports.

#### **2.4.5 Capacity of key support institutions in the sector**

Hawassi et al.( 2006),the key support institutions, for the development and promotion of the sunflower sector in the country such as MALF, MITI, TBS, TOSCI, TFDA, TIRDO, SIDO and investment support institutions covering policy support, trade services, business services and civil society networks.

However, despite of the number involved there is concern that some of these institutions that played such a critical role in supporting the industry, have some difficulties in successfully fulfilling their mandates because of their weak capacity. The Strategy will address these capacity issues, namely by supporting training on issues of food safety and quality, standardization, and quality management systems.

The promotion of sunflower oil as a health, medium priced alternative can offer the opportunity to replace imported edible oils. Sunflower production could be increased if the production, processing and marketing related factors are managed appropriately (Hawassi et al. 2006). These enhance development and sustainability of small business in the industry.

#### **2.4.6 Market development issues**

Lundy et al (2001) and Zilhona (2013), market development, price relationships between edible oil have an impact on purchasing decisions. Sunflower oil, has the highest price of the large oil crops, surpassed in the main stream product groups only by groundnuts and sesame oil. Price sensitive markets, will shift consumption based on price and depending on the perspective of consumers. It is essential that, while seeking markets for sunflower products, it is better to create a competitive advantage which is not based on price alone.

FAO (2004), the impact of substitution at the consumption level is often taken on account. The strategy of the branded single product also highlights the need for marketing orientation. Unrealistic expectation, failure to recognize a market will often cause a disruption of the business development. In particular the constrain resulting in lack of market information or market awareness, needs to be addressed in order to ensure competitiveness of local oil against the imported palm oil in the domestic market. Sunflower oil produced targeting domestic market, would be best placed to access international markets if it were produced at levels of quality and process management, which match the international standards. The promotion of sunflower oil as a health, medium priced alternative can offer the opportunity to replace imported edible oils.

URT (2015), sunflower oil should be marketed as pure and refined oil, allowing the appearance, colour and low odour aspects to be appreciated by consumers. The practice of describing blended oil as pure sunflower, must be resisted through branding and product integrity. Consumers must be made aware of the benefits of the

good product, clear as opposed to the current preference for cloud oil, for successful market development.

## **2.5. Research gap**

From the above empirical studies, a little is known about factor affecting performance of small business in sunflower products. Moreover it is not known how they affected the development of small business to the sustainability level and there solutions. Therefore, the study intends to bridge the knowledge gap by carrying out a study, on the development and sustainability of sunflower products business. The researcher further, address the minimization of risk associated with the business and the issue of adherence to the international quality assurance standard, in an ethical manner and health consciously for sustainability of sunflower small business.

## **2.6. Conceptual Framework**

Starting a business is difficult process, but to sustain in business is more difficult, the necessary drive and commitment are a prerequisite. Different monetary rewards contribute to the entrepreneur's attraction to a particular business enterprise, which goes a long way to determine the motivation level within the entrepreneur. In turn, this gives a reflection on the enterprise performance. An entrepreneur's enabling environment, is partly dependent on a favorable overall policy framework, which allows the development, and promotion of enterprise and entrepreneurship respectively.

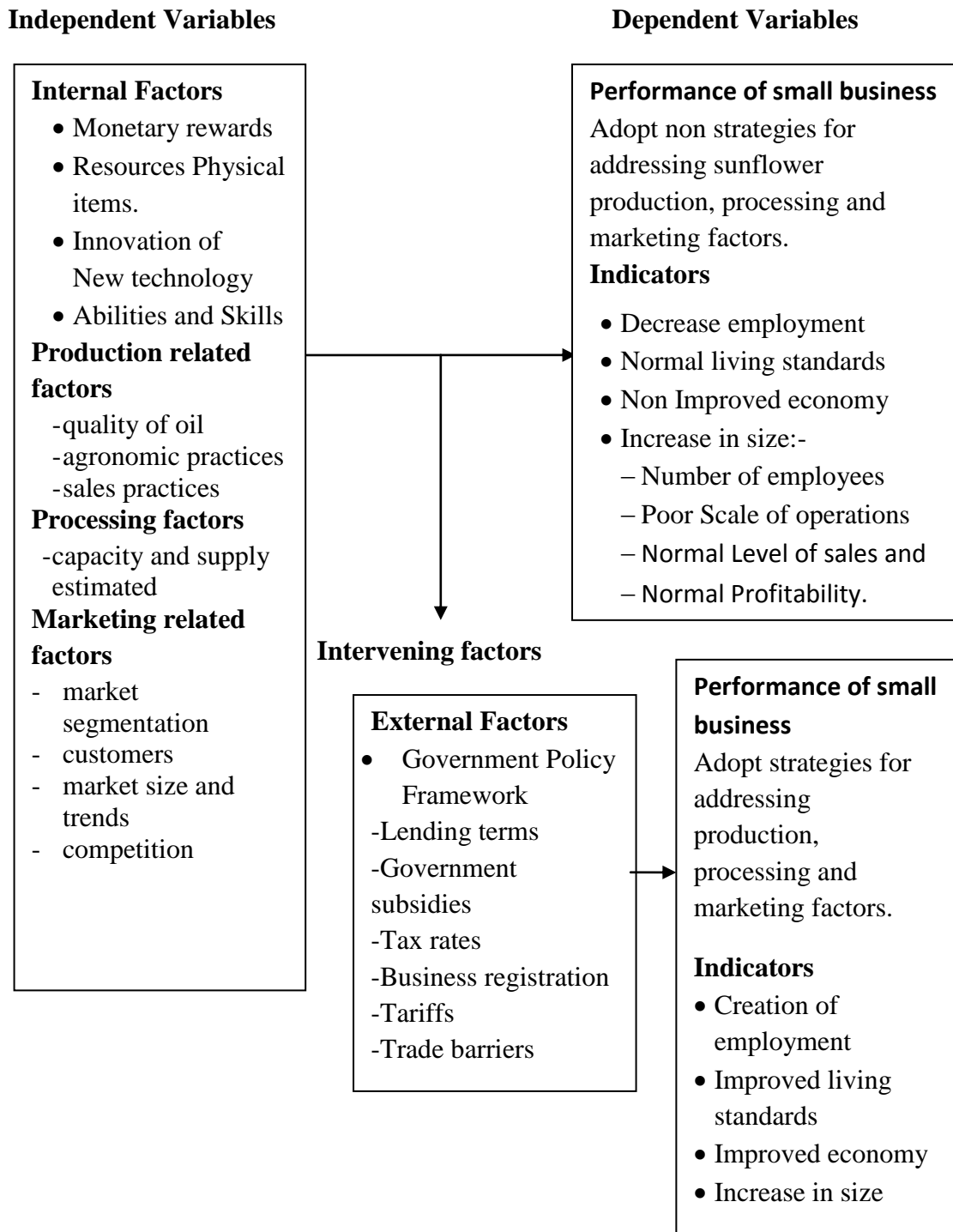
The success of a policy framework in turn, is dependent on the usage of a stable, well-designed policy instruments and mechanisms, and policy areas that combine to



create an overall policy environment for SMEs (Ngu'ono et al, 2014). This conceptual framework is summarized in the figure below:

## CONCEPTUAL FRAMEWORK

**Figure 1: Conceptual frame work**



*Author (2016), based on literature reviewed*

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter, explains the study area profile, research design, sample and sampling procedures, sampling techniques, study population, sample size, validity, reliability, scope of study, data collection techniques, data analysis and ethical considerations.

#### **3.1 Study Area**

Dodoma Municipal, is located in Dodoma Region in the central zone of Tanzania. Other Districts in Dodoma Region are District of Kongwa, Kondoa, Mpwapwa, Bahi, Chamwino and Chemba. The total land of Dodoma Municipal is 4211 km<sup>2</sup>, where 346 km<sup>2</sup> is arable land, the population as per 2012 census stands at 410,956 whereby 199,487 are males and 211,499 females. The average annual population rate growth is 2.1% (URT, 2012). The economy, is based on productive sectors such as small and medium scale industries, business activities and agriculture. At the urban center, such as Kilimani, Kizota, Nkuhungu, Majengo, Area C, Area D, and Makole, the main activities are commerce, urban farming and civil service employment while in the rural areas for instance Miyuji, Mtumba, Kikombo, Zuzu, Hombolo and Ng'ong'ona, crop farming and livestock keeping are the prime means of survival.

#### **3.2 Research Design**

Research design, is a framework or plan for the study used as a guide in collecting and analyzing data. It constitutes the blue print for the collection, measurement and analysis of data (Kothari, 2004). The study, has used analytical case study strategies. The discussion was conducted with famers, producers, business and other community users of sunflower products in different areas of Dodoma Municipality,

trying to clarify and understand the problem. Questionnaires will be used to collect large amount of information from the sizable population.

### **3.3 Target Population**

Burns and Grove (2001), define population as a group of people who share a common traits or attributes of interest to the researcher. The specification of the population to which, the enquiry is addressed affects decisions that researchers must make both about sampling and resources.

In this study, the targeted populations were individuals whom benefited from small business of sunflower products. The area, was specifically chosen due to the convenience to the researcher's geographical location and they were likely to show relationship between the deficits and performance of sunflowers' products.

### **3.4 Sampling and Sample size**

A sample, is defined as subset of units selected from a larger set of the same units. The subset provides data for use in estimating the characteristics of the larger set. The sample data used, is to predict how a population acts or react under the same conditions in some future situation or event (Kothari, 2004).

However, Orondho and Kombo (2002), define sampling as the ways in which cases are selected from a sampling frame. He identifies two ways of creating a sampling frame. The first one is to list all the cases in the population. The second one is establishing a rule that defines membership in the population. Ideally, a sampling frame consists of all the members of the target population.

This study has involved a small section of population that was selected for investigation and analysis, the characteristics of which can enable the researcher to

make certain inferences about the population, from which the sample drawn. Indeed, no sample size can be regarded the best. It is the nature of the study and reflection on actual profile of population the sample size is drawn, that can determine the acceptability. A total of 100 respondents were selected for the study. Clustered sampling technique was adopted, where every 10<sup>th</sup> household from each selected village as a study subject.

**Table 3. 1: Composition of Sample**

<b>S.NO</b>	<b>CATEGORY</b>	<b>NUMBER OF RESPONDENTS</b>
1	Small scale famers	20
2	Small business owners of sunflower products.	25
3	Processors sunflower products.	25
4	Users of sunflower products.	25
5	Administrative officers.	5
<b>Total</b>		100

**Source:** Researcher's idea (2016)

### **3.5 Purposive sampling**

In this sample method, the researcher purposely targets a group of people believed to be reliable for the study. The power of purposive sampling, lies in selecting information rich cases for indepth analysis related to the central issues being studied (Kombo and Tromp, 2006). The study, employed a purposive sampling to collect data from Dodoma urban owners of sunflower small business and administrative officers.

### **3.6 Data Types and Sources**

Both primary and secondary data were collected to meet study objectives. According to Fontana & Frey (2005) Primary data, refers to data the researcher collects as the first hand information. In other words; it means when an authorized scholar collects data for the first time or with the help of an institution or an expert. Primary data was obtained directly from the respondents in the study area. Secondary data, refers to the compilation of readily existing, previously collected information used to contribute to a knowledge base or to inform a decision.

In other words, secondary data are those data which have already been collected by someone else and which have already been passed through the statistical reports. Secondary data will be obtained from both published and unpublished documents such as reports on Agriculture and business development plans, census reports, newspaper cuttings, books, pamphlets, other electronic sources.

Largely, these documents will be obtained from libraries and internet and ultimately, will usher in light on the contribution of the contribution to the income benefit of the small scale farmers and business.

### **3.7 Data collection methods / techniques**

Different methods, were used in order to increase the reliability of the collected data. The usage of different methods known as triangulation minimizes the possibility of making erroneous conclusion and increases the credibility of the findings. The study involved the use of different tools to secure their accuracy and to validate data to be collected. Using more than one collection instruments, enabled to combine strengths and rectify some of the weaknesses of using only one data collection tool. Both

Quantitative and qualitative data will be collected during the study (Fontana & Frey, 2005). Methods/techniques to be used include interviews, direct field observation, questionnaires and a documentary review was used in data collection.

### **3.8 Survey**

Questionnaires under survey were to be one of the tools which to be used in this study. A questionnaire, is defined by Fontana & Frey (2005) as a device for securing answers to questions by using a form which the respondents fill in. Lindberg (1980) observed that, questionnaires are sets of stimuli to which literate people are exposed, in order to observe their verbal behavior under these stimuli.

In this study, questionnaires are referred, to as schedule of questions distributed to persons in the study sample, to fill in and return them to the person conducting the study. The researcher, has opted this method of collecting data so as to save time and minimize cost as well as possible per limited time and other resources.

### **3.9 Key Informant Interviews**

Kothari (2004), defines interview method as the process of presenting oral-verbal stimuli and reply in terms of oral-verbal responses. This method, can be used through personal interviews and, if possible, through telephone interviews.

Bell (2005), is of the view that, the major advantage of interview is its flexibility; follow up of ideas, checking responses and exploring motives and feelings, which questionnaires cannot as do well.

In this standpoint and for the purpose of this study, interviews were conducted to the business administrative officer, planning officer, government officers and other beneficiaries, in determining the contribution to sunflower products to their income.

### **3.10 Documentary review**

Orondho and Kombo (2002), provided an account of documentary analysis as different from other techniques, in that it is indirect. Instead of directly observing, interviewing, or asking someone to fill in a questionnaire for the purposes of the inquiry, the researcher deals with something already produced for other purpose. It is un-obstructive measure also which is non-reactive, in which documents cannot be affected by the fact that they have been used. With a document, it is possible to analyze its contents or other material which have been collected directly for the purpose of the study; hence it is not an un-obstructive technique.

For the purpose of this study, documentary review method was used to collect secondary data from the business administrative officers, administrative officers and planning officer.

### **3.11 Data Analysis**

Data analysis, is the ordering of data into constituent parts in order to obtain answers to the research questions. In this study, descriptive and statistical data analysis was applied basing on data and information which was collected from primary and secondary sources.

The Statistical Package for Social Science (SPSS) software, was used in analyzing the collected data. SPSS is chosen because it can take data from almost any type of



file and use them to generate tabulated reports, charts, perform descriptive statistics and conduct complex statistical analysis. Qualitatively data were analyzed in form of explanation (Fontana and Frey, 2005).

### **3.12 Reliability**

Kothari (2004), pointed out that reliability entails the consistency of the results in different time and by different researchers, In this study, information reliability was censured by gathering similar data from different respondents (information triangulation), which help to reduce the chances of having biased information. In addition to that, pre-testing of the data collection tools will also be done to check the consistence of the tool, with the intended purposes. Pre-testing of the data collection tools will also help the researcher, to familiarize with the study environment, so that relevant information will be collected during the actual data collection exercise.

### **3.13 Validity**

Fontana and Frey (2005) argued that, an indicator is a valid measure of a concept if it accurately measures the concept it is intended to measure. In other words, if the indicator contains very little error, then the indicator is a valid measure of the concept.

The validity of this study, was established by collecting and comparing two different measures at the same point in time. Validity simply means the accuracy of the measurement (Kothari 2004).

Therefore; the researcher assured validity by gathering information from people with knowledge, understanding and experience of the situation to be investigated. More

importantly, to enhance the validity, the information was collected from people who had an experience and benefited from the small business services.

## **CHAPTER FOUR**

### **ANALYSIS, FINDING AND DISCUSSION**

#### **4.1 Introduction**

This chapter, presents and discusses findings in relation to the study questions. The chapter, is organized into two parts. The first part presents findings on social economic characteristics of the respondents of the study. The second part, presents results and analysis with respect to the research objectives and attempts to answer the associated research questions set out in the introductory chapter. Socio-economic characteristics of the respondents are presented first.

#### **4.2. Socio-economic Characteristics of the Respondents**

The characteristics of respondents examined, were sex, age of respondents, education level and occupation of respondents. These features are essential because they may suggest the nature of responses or possible reasons, for the responses provided by the respondents.

##### **4.2.1 Respondents Distribution by Gender**

The purpose of obtaining data on the basis of sex, was to gain insights on small business ownership between men and women since in many societies men dominated ownership of business. Table 4.1 below;

**Table 4. 1: Sex of respondent**

	Sex	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	53	53.0	53.0	53.0
	Female	47	47.0	47.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings in table 4.1 above show that 53% were males while 47% females. Therefore, the distribution of respondents by sex was almost not balanced with males exceeding by 6%. Table 4.2 below;

#### **4.2.2 Distribution of Respondents by Age**

**Table 4. 2: Age of respondent**

	Years	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	33	33.0	33.0	33.0
	31-50	50	50.0	50.0	83.0
	51-60	16	16.0	16.0	99.0
	+61	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

The distribution of respondents by age group, and were categorized into four age groups 18-30 years, 31-50 years, 51-60years, 61 years and above. It shows that, majority of respondents were those aged between 31 and 50 years which constituted 50 % followed by those aged between 18 to 30 years constituted 33%. Also 16% of respondents were aged between 51 and 60 years old while only one 1% of

respondent was 61 years old and above. They also suggested that most of the influencers of small business of sunflower products, belonged to the mid age group who were able to work and generate income by utilizing the opportunity available.

#### 4.2.3 Distribution of Respondents by Level of Education

The education level of respondents was categorized into three category; primary education, secondary and Tertiary education, and others had not attain formal education. Table 4.3 below;

**Table 4. 3: Level of education of respondent**

	Level of Education	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary education	18	18.0	18.0	18.0
	Secondary education	38	38.0	38.0	56.0
	Tertiary education	38	38.0	38.0	94.0
	Not attain formal education	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings show that 38% had attained tertiary; 38% secondary education, 18% primary education and 6% of respondent had not attained formal education. Therefore, majority had sufficient education and were capable to understand the essence of this research of small business of sunflower products in the economic growth.

#### 4.2.4 Occupation of Respondents

**Table 4. 4: Occupation of the respondent**

	Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Public servant	34	34.0	34.0	34.0
	Business	41	41.0	41.0	75.0
	Agriculture	25	25.0	25.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings also had shown that, 34 % of the respondents were employed in the public service, 41% business sector and 25% were farmers. Therefore, most were employed in the public and self employed in the sunflower business sector. This implied that, they were all likely to have an interest in the study of small business of sunflower products by providing employment and products for consumption.

#### 4.3 Results and Analysis

This section, presents data collected and discusses the findings obtained in the field in attempts to address the three objectives of the study, presented in the introductory chapter. The analysis begins with the first research objective and proceeds up to the last.

The research objective, was to assess how key factors affected the entrepreneurship on the development of small business, contributions of marketing management and the government intervention in the development of small business of sunflower products in the Dodoma Municipality. The key performance factors issues affected the sunflower sector, were the supply issues, such as the availability and accessibility of a high quality certified sunflower seeds. The availability of agricultural inputs,

including fertilizers and pesticides management capacities of farmers' associations to the sustainably increase of the sunflower production. The accesses to finance and the limited usage of insurance across the value chain, storage capacity, the application of premiums and discounts for the quality. Business environment issues discussed also were the coordination of the sector, trust and transparency between producers and processors, complex and the discriminatory of application of taxes, capacity of key support institutions in the sector, and lastly the market development issues compliance and the adherence to the internationally recognized food safety and the quality standards promotion and branding of sunflower products which were targeted to the market development interventions. Table 4.5 below;

#### 4.3.1 Supply of high quality sunflower seeds

**Table 4. 5: There was an adequate supply of high quality sunflower seeds.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	67	67.0	67.0	67.0
	Neutral	17	17.0	17.0	84.0
	Agreed	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings above indicate that, 67 % disagreed that there was an adequate supply of high quality sunflower seeds, 17% a neutral, only 16% agreed. It signified that there was no an adequate supply of high quality sunflower seeds. The government, has to stimulate more supply of sunflower seeds to influence the growth of the small business on sunflower products. Despite of the good growing conditions in the United Republic of Tanzania for producing sunflower crops, yields remained low. The key reason for this situation is the limited availability of high quality seeds, high

yielding certified seeds, as well as a low awareness on the part of some farmers, benefits and the value of paying for such high-quality seeds.

Most farmers consequently, whom are smallholders did not use quality seeds; instead they relied on their own recycled seeds or uncertified seeds. The result is a low-quality seeds for propagation and consequently, low yields and insufficient volumes produced.

In the United Republic of Tanzania, some seeds were available through traders' warehouses, cooperatives, at the District Agricultural and Livestock Development Office, and nongovernmental organizations, but were insufficient quantities. Partly this was due to the limited their capacity in releasing either new, or improved seed varieties or ensuring the purification of the existing seed stocks. In fact, ARI's were under resourced to develop new seed varieties.

On the other hand, private sector companies did not regard sunflower seeds as a good business, since the record, was the open pollinated variety which led farmers to recycle without purchasing new certified seeds. In addition, laboratories that tested and certified the new varieties were not working as effectively as they should be due to equipment deficits and the lack of skilled technicians, which resulted in a long testing and certification period, thereby further reducing the release of new certified seeds. All of these led farmers to use uncertified seeds or low yielding varieties, with 'fake' seeds which is a common problem in the country. Therefore, capacity constraints remain, as well as limited knowledge coordination and planning between the sectors operators, which includes a weak collaboration between the public and private actors both at the national and regional levels.



Therefore, the strategies to address these issues is firstly by establishing better linkages between the key institutions, including MALF, ASA and TOSCI, and increase their capacity to facilitate the production and dissemination of the high quality seeds. In particular, the capacity of MALF and the ARIs, should, be boosted by increasing their budget to ensure their ability to address infrastructure gaps, including laboratory equipments and storage facilities, increasing the skills of their employees, identifying better seed varieties, and purifying existing ones.

It is also important to create an incentive for the private sector to register new seed varieties. TEOSA should also collaborate with MALF to provide annual volume requirements through a better data collection. It will also promote the usage of high quality seeds to farmers and farmers' associations and cooperatives, as a means to increase yields and strengthen the demand for distribution services.

Increased training and access to finance will also be important, as will strengthen partnerships with regional and international seed-producing institutes. Improved coordination and transparency across the sector as a whole will be encouraged. A new business model for managing seed demand and production, will also be applied and seed companies will be encouraged to begin importing higher-yielding seed varieties.

The idea of shortening the trial period for imported seed which has been certified in another EAC /Southern African Development Community (SADC) country will also be explored. Lastly, a stronger role is envisioned for TEOSA and TASUPA to a better manage seeds demands and organize the distribution, and in this respect, a full capacity review of TEOSA is recommended. Table 4.6 below;

### 4.3.2 Supply of Agriculture input

**Table 4. 6: There was an adequate supply of Agriculture input.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	74	74.0	74.0	74.0
	Neutral	7	7.0	7.0	81.0
	Agreed	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.6 above shows that, only 7% of the respondent perceived to be neutral, 19% agreed that there was an adequate supply of agriculture input, and 74% of respondent perceived negatively that, there was inadequate supply of the agriculture inputs. Therefore, there is a need for the government to stimulate the supply agricultural inputs. The distribution of Agro-inputs is a problematic due to the underdeveloped agribusiness services in the United Republic of Tanzania, often insufficient or delayed. Agro-inputs are needed at a specific time of year, within a specific time frame, in order to have the necessary impact.

However, agro-inputs imports are handled slowly at the ports and sometimes missed their windows of opportunity as a result. This not only deprived farmers of the required fertilizers and pesticides, but also discouraged importers and distributors, who are left holding the stock perhaps for a further six months.

Finally, the knowledge of the amount of fertilizers needed per farm is quite limited, such that it is important to undertake soil surveys to ensure the correct usage of fertilizers without damaging the long term soil fertility. However, there is inadequate soil testing which would allow for efficient level of usage. The Strategy, would

support the strategic linkages between sunflower producers including AMCOs and the agro dealers' network, to increase the presence of agro dealers at the village and district level. The support and guidance would also be provided to AMCOs and farmers' associations, to assess better fertilizer requirements, with an annual soil testing to be introduced. The support will be given through TIC for the successful implementation of the country's first major foreign fertilizer manufacturing plant. TIC will also work actively to promote additional investments in the fertilizer production. The strategy will build the capacity of extension services. Table 4.7 below;

#### 4.3.3 Management of farmers' associations

**Table 4. 7: There was strong management capacity of farmers' associations with good capacity.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	67	67.0	67.0	67.0
	Neutral	22	22.0	22.0	89.0
	Agreed	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

On the assessment of the strangeness of the management capacity of farmers' association, findings indicate that 67 % disagreed that there was strong management of farmers association with good capacity of management, 22% neutral, and only 11% agreed. This suggests that, there was poor management of farmers' association with a poor capacities resulting into poor performance in the production of sunflower crops. A few farmers' associations in the country, have the necessary detailed business plans that would facilitate access to finance, while some of the Cooperative

Unions have a reputation for high costs and weak management, and the primary cooperatives may require further training to officers.

The AMCOs, which worked to represent the interests of the farmers, were reported by stakeholders to suffer from the weak functioning powers and imperfect adherence to good governance practices; often operating with both the lack of sufficient training and sector specific knowledge.

This affected the credibility of the associations, which could hinder the ability of the farmers who relied on them to ensure the supply of agro inputs and ensure the smooth purchase, processing, marketing and distribution of agricultural products.

The lack of the necessary support prevented farmers from achieving a conducive and successful business environment, for the development of this sector, and in turn the production of quality sunflower seeds.

In considering the fact that, famers' associations in the United Republic of Tanzania have been entrusted much on improving agricultural environment, the researcher proposed to adopt the strategy of providing the required training to AMCOs and famers' associations, to ensure the improved planning for production, a better defined market orientation and the increased access to finance.

The lack of leadership capacity among AMCOs, will also be addressed through training, as well the need for good governance practices. Annual forum also will be held to discuss the sunflower sector production development issues in general, but will include a session which will focus on the importance of the associations to register and be recognized by finance providers. Learning visits to modern and well-performing production and processing operations, will also be organized for the

associations at the national and international levels, to ensure their improved capacity to support the farmers that they represented. Table 4.8 below;

#### 4.3.4 Finance and insurance service

**Table 4. 8: There was an adequate access to finance and insurance service.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	69	69.0	69.0	69.0
	Neutral	11	11.0	11.0	80.0
	Agreed	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings above show that 69% disagreed that there was an adequate access to finance and insurance on the small business throughout the value of chain. This accelerated by the risk associated with lending and lack of collateral for security of the loans. 11% neutral and only 20% agreed. This suggests that, the access to finance and insurance service was poor, so there was a need to be improved to support the development of small business of sunflower products. The Access to finance and credit extension services, are important key factors to support the development of small business on sunflower products. However, in the United Republic of Tanzania, an access to finance proved to be difficult in the sunflower sector particularly due to the weak position of the smallholder farmers involved. Farmers and farmers' associations have limited collateral, and for many, the limited implementation of and adherence to the Village Land Act which hinders the ability of farmers to raise collateral, as it would be difficult to seize one's land title, if a default were to arise. Furthermore, farmers have a little knowledge about crop insurance, and the insurance

companies felt that, it was risky to offer an insurance to the smallholder farmers unless they were organized. The limited usage of contract farming between processors and producers' associations, as well as the warehouse receipt system, further increased the credit risk posed by smallholder farmers in particular. The development banks additionally, are often underfinanced themselves and lacked specialist appraisers, and so were unable to provide a timely pre-harvest finance due to the lengthy evaluation procedures.

The downstream actors in the value chain, including processors, also struggled to access finance and very few make use of the Tanzanian insurance services, which are underdeveloped. They tend to be mostly small businesses with limited business registration, the weak governance structures and poor record-keeping, making them too high a risk for most banks to give them credit. In addition, the SME sector lacks the ability to write the necessary strong business plans that would unlock the finance needed. This also prevents their ability to build an equity for joint ventures with foreign investors that would allow the sector to develop. Table 4.9 below;

#### 4.3.5 System of storage of sunflower crops and products

**Table 4. 9: There was an adequate system and capacity of storage of sunflower crops and products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	64	64.0	64.0	64.0
	Neutral	19	19.0	19.0	83.0
	Agreed	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings indicate that 19% were neutral, 17% agreed positively that there was an adequate storage system capacity of sunflower crops and products, and 64% disagreed. In many cases, smallholder sunflower farmers and the associated AMCOs and farmers' associations did not have the necessary storage facilities (which were either absent or in need of renovation) for the harvested sunflower crop. The result was that, farmers sold their crop as soon as possible after harvest, in order to ensure that it was not spoiled before it can be processed. If the harvested sunflower seeds are not kept dry, this posed a challenge to the quality. The postharvest losses are problematic across the sector, with percentages ranging from 3 % to 10 % of stock losses.

Basing on the lack of storage facilities or the warehouse receipt system which affected the bargaining ability of the farmer, who had no holding power and was forced to sell as soon as possible. This made small farmers vulnerable to be manipulated by buyers and increased the impact of harvest pressure and resulted to

low prices. It also reduced the quality of the raw material which the processors had to deal with, as well as reduced the farmers' income. Table 4.10 below;

#### 4.3.6 The key support institutions in this sector

**Table 4. 10: There was good capacity of key support institutions in this sector.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	60	60.0	60.0	60.0
	Neutral	27	27.0	27.0	87.0
	Agreed	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings show that 13% agreed there was a good capacity of key support institutions in this sector, 27% of respondent were in a neutral position, and 60% disagreed. The key support institutions for the development and promotion of the sunflower sector in the United Republic of Tanzania, include MALF, MITI, TBS and TOSCI, among various other trade and investment support institutions covering the policy support, trade services, business services and civil society networks. However, despite the number involved there is concern that, some of these institutions that played such a critical role in supporting the industry, had some difficulties in successfully fulfilling their mandates because of their weak capacity. For example, TBS is marked by the lack of skilled technicians in labs and missing lab equipments, which hindered their ability to act as the main standards body in the country.

In addition, the extension services are also under-resourced, with a single local farm adviser, having to the potentially work with thousands of farms. As the sunflower sector is not necessarily seen as a priority for MALF, the farm adviser may never get



to a crop such as sunflower seed. In recent years, many of the good local farm advisers have been recruited away into the private business sector. Poor data collection on production, imports and demand affected the ability of the Tanzanian Government to set an adequate and supportive import and tariff policies, which would allow the sector to grow and prosper.

The researcher, is in the opinion on adopting a strategy that will address these capacity issues, namely by supporting the training of at least two members of TBS staff, so that they could provide a further training of trainers on issues of food safety and quality, standardization, and the quality of the management systems. The capacity of ARIs, will be strengthened through building linkages with other regional and international research stations.

The capacity of TOSCI, will also be built through the expansion of their lab facilities. Further trainings and capacity-building exercises will be carried out among the key institutions, including TFDA on the training of oil processors, TIRDO and SIDO on improved research and technology upgrading, and ASA by developing an annual identification of demand and the distribution plan.

The capacity of PMO–RALG, will be built through trainings to strengthen the role of extension services and harmonize the extension packages for the sunflower industry. The strategy, will improve data collection accuracy and data harmonization for the effective planning and policy implementation, including through the development of an electronic monitoring system. Lastly, TIC's investment promotion capacity will be strengthened, to increase their resources for agribusiness promotion. Table 4.11 below;

#### 4.3.7 Compliance with international standard of food on sunflower products

**Table 4. 11: There was high compliance with international standard of food on sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	64	64.0	64.0	64.0
	Neutral	10	10.0	10.0	74.0
	Agreed	26	26.0	26.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

The study has revealed that, 26% agreed that, there was high compliance with the international standards of food on sunflower products, 10% neutral, and 64% disagreed. Findings suggested that, sunflower products had a poor quality and did not comply with the international food standards which limited its international market. Compliance and the adherence to the internationally recognized food safety and quality standards, is inevitable for small business on sunflower products development. The implementation of this sector-specific food safety policy, has been only partially achieved, because of lack of awareness. Tanzanian crushers and packers, are unable to apply high level of food safety, quality and traceability, including GMP and HACCP quality management systems.

Adulteration is an issue in the sector. Products labeled as sunflower oil often contain a high percentage of palm or other low-cost oils. In addition, Tanzanian law requires that, the sunflower oil intended for human consumption must be double refined

(refined edible oil). Nevertheless, the law is not being properly applied across all edible oils, thereby creating market distortions.

The responsible organization for enacting, formulating and implementing the national standards applicable to sunflower products, TBS, faces significant capacity constraints, hampering its ability to fully perform its role. The establishment of spot tests of consumer products could ensure the implementation of the food safety and the quality standards.

In addition, the promotion and the establishment of the accredited testing laboratories would ensure a better compliance. The adoption and application by sunflower oil producers of food safety and strict quality measures, are essential elements to the long-term development of the sector. Nowadays, buyers and consumers seek higher standards of food safety, traceability and quality, and this situation no longer applies exclusively to Western markets.

The researcher propose that, the strategy that will ensure compliance and adherence to the internationally recognized food safety and quality standards by harmonizing TFDA, TBS and other guidelines governing the edible oils sector, ensuring an alignment with, and increasing awareness of the international standards. Stringent measures will be introduced to end the practice of adulteration of oil for both the benefit of the regional and national markets.

In addition, TFDA and TIRDO enforcement capacity will be enhanced. Needs-based training will also be necessary on the quality assurance, including HACCP and international standards. The human resource capacity for producing and certifying safe and high-quality vegetable oils, will be strengthened by supporting the relevant

programmes at Sokoine University of Agriculture (SUA). The strategy will seek to build a collaboration between the public and private laboratories, such as TASUPA and TIRDO, to explore opportunities for testing smaller lots from traders, as well as build the capacity of existing laboratories to act as multi-user testing facilities. In addition, the use of mobile testing will be promoted, and regular monitoring of compliance will be encouraged to assure measures' implementation. Better public awareness on the quality marks will also be encouraged. Table 4.12 below;

#### 4.3.8. Knowledge and skills for refining sunflower oil

**Table 4. 12: There was sufficient knowledge and skills in processing and refining sunflower oil.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	58	58.0	58.0	58.0
	Neutral	12	12.0	12.0	70.0
	Agreed	30	30.0	30.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Finding indicates that 30% agreed that, there was a sufficient knowledge and skills in processing and refining sunflower oil, 12% neutral, and 58% disagreed. It is suggest that, there was a poor knowledge and skills in processing and refining sunflower oil, therefore, sunflower products business will not attain the anticipated achievements in the development of the economy. GAP addresses the environmental, economic and social sustainability of all on-farm processes, obtaining safer and higher-quality food.

However, the United Republic of Tanzania's sunflower sector still faces the lack of awareness about GAP, despite the Agriculture Sector Development Strategy's efforts to build a modernized, commercialized, competitive and effective agriculture and cooperative system through different initiatives, including GAP training.

Sunflower production, is predominantly carried out by small farmers with one to three acres under sunflower, although there are also a few medium and large-scale farmers. Many small farmers do not apply proper agronomic practices in the land preparation, planting, weeding, and the usage of fertilizers and pesticides. Even where land was not a limiting factor to farmers, crop rotation and intercropping was not properly practiced to allow the replenishment of soil nutrients.

Different organizations and associations provide GAP training. Nevertheless, they were not harmonized, and did not necessarily cover the same aspects. In addition, the quality of the final product is affected by the lack of effective postharvest techniques, such as effective drying, seeds employed, and the use of the correct kind of packaging. Generally, the government extension service still did not provide enough support in introducing better agronomic practices.

The researcher, recommends a strategy that seeks to address the lack of knowledge by collecting and harmonizing all training materials currently, used for GAP training into one sunflower sector-specific training manual.

In addition, trainings covering the climate adaptation techniques, particularly as regards to the good postharvest practices, will be provided by associations and AMCOs. Partnerships, will be promoted with agribusiness service providers to deliver GAP trainings to both sunflower farmers and small processors in the target

regions. Furthermore, farmers will be supported to obtain global GAP certification. The creation of a fund to assist with the modernization of climate-ready technology and infrastructure will also be explored. Table 4.13 below;

#### 4.3.9 Technology for extraction and refining sunflower oil

**Table 4. 13: There was an adequate technology in the process of extraction and refining sunflower oil.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	69	69.0	69.0	69.0
	Neutral	14	14.0	14.0	83.0
	Agreed	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings show that 17% agreed that there was an adequate technology in the process of extraction and refining sunflower oil, 14% neutral, and 69% disagreed. The technology used in the process of extraction and refining sunflower oil was poor to produce the quality of sunflower products. The government in collaborating with the private sectors, has to create a fund to assist with the modernization of climate-ready technology and infrastructure, will also be explored in acquiring complete advantages of sunflower product sat to the international market. Table 4.14 below;

#### 4.3.10 Management in small business of sunflower products

**Table 4. 14: There was good management in small business of sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	58	58.0	58.0	58.0
	Neutral	16	16.0	16.0	74.0
	Agreed	26	26.0	26.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.14 above shows that, 26% agreed that, there was good management in small business of sunflower products, 16% a neutral, and 58% of respondents disagreed. Therefore, small business was managed poorly. There was a poor coordination also in the sector and the lack of vertical or strategic linkages. This is further, hindered by the inability of organizations such as TEOSA and TASUPA, which had a weak capacity and lacked the necessary expertise or resources, to offer an effective coordination or act as apex bodies leading the sector development and growth.

It is essential that, organizations like TEOSA and TASUPA have the potential to fulfill the need of coordinating the whole value chain, but currently to struggle to the effectively drive the sector coordination. The sector also suffers from the lack of knowledge on which key stakeholders are in the sector. All of these contribute to the sector fragmentation and poor performance, and further, limits the structured sectoral growth.

Therefore, to solve the problem, the researcher recommends on adopting a strategy that works to strengthen the coordination of the sunflower industry by conducting a capacity review, of TEOSA / TASUPA to define how it can coordinate the sector efficiently as an apex body. TEOSA and TASUPA being the country wide umbrella organizations will be required to work in a close collaboration with other regional organizations.

An inventory of all key stakeholders in the sector, will be taken and the national database will be reviewed to improve its accessibility. Voluntary membership registration, to TEOSA / TASUPA from all levels of the sunflower value chain, will be mobilized to strengthen the overall coordination within the sector. Additionally, the lead agency will be appointed for the coordination of issues related to edible oilseeds nationwide. Table 4.15 below;

#### **4.3.11. The market of sunflower products**

**Table 4. 15: The market of sunflower products was free and fair**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	23	23.0	23.0	23.0
	Neutral	18	18.0	18.0	41.0
	Agreed	59	59.0	59.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings, table 4.15 above show 18% of them were neutral, only 23% disagreed that the market of sunflower products was free and fair, and 59% agreed. Therefore, majority perceived that, the market of sunflower products was free and fair, and the



government has to stabilize the market by creating a conducive environment of the business market. Table 4.16 below;

**4.3.12. The price of sunflower products**

**Table 4. 16: The price of sunflower products was reasonable and fair to customers.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	35	35.0	35.0	35.0
	Neutral	15	15.0	15.0	50.0
	Agreed	50	50.0	50.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

The study shows 35% disagreed that the price of sunflower products was reasonable and fair to customers, 15% neutral, and 50% agreed. The price of sunflower products was reasonable and fair to customers therefore, it was an opportunity to utilize for the economic growth through the small business on sunflower products, although the price can be adjusted by the market segmentation. Table 4.17 below;

#### 4.3.13. Promotion of sunflower products in the markets

**Table 4. 17: There was an adequate promotion of sunflower products in the markets.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	53	53.0	53.0	53.0
	Neutral	16	16.0	16.0	69.0
	Agreed	31	31.0	31.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.17 above indicates that, 31% agreed that there was an adequate promotion of sunflower products in the markets; only 16% neutral and 53% disagreed. Therefore, the increase of promotion is needed for improving the markets of sunflower products.

However, there was a low level of product diversification for reasons which include low processing and marketing skills, and also the lack of sufficient market intelligence or trade information. While TCCIA and TBS provided some of the required information, TanTrade, which is tasked with implementing the National Trade Policy, the National Export Development Strategy, the Trade Integration Strategy and the Agricultural Marketing Policy, among others, only had the Information Centres located in Dar es Salaam, making them inaccessible for the average value chain members.

This strategy will enhance market intelligence within the country, regionally, and in various international markets such as India, China and Europe, to develop a market profile for sunflower oil and cake, and to facilitate buyer sellers meetings. It will also promote and support TEOSA members to use e-commerce for the trade of sunflower

products by providing the targeted support and trainings. Additionally, the strategy will promote the development of the organic sunflower production to respond to this growing market demand.

A database will be established, mapping out the organic sector and linking it with the international organic market, and mentoring will be provided for farmers' associations and oil crushers, wanted to produce organic sunflower grains and seeds. Finally, field plots for organic farming will be mapped through geographic information systems, in order not only to provide information for insurance providers, but also to encourage organic production. Table 4.18 below;

#### 4.3.14. The quality of the sunflower products

**Table 4. 18: The customer satisfies with the quality of the sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	49	49.0	49.0	49.0
	Neutral	18	18.0	18.0	67.0
	Agreed	33	33.0	33.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.18 above shows 49% disagreed that customers were satisfied with the quality of the sunflower products, 18% neutral, and 33% agreed. Findings suggest that, the quality of sunflower products are poor, therefore, efforts have to be made to improve the quality of the sunflower products to win the market. Table 4.19 below;

#### 4.3.15. The awareness of sunflower products of small business in the market

**Table 4. 19: There was an adequate awareness of sunflower products of small business in the market.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	52	52.0	52.0	52.0
	Neutral	16	16.0	16.0	68.0
	Agreed	32	32.0	32.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.19 above shows that, 52% disagreed there was an adequate awareness of the sunflower products of small business in the market, 16% neutral and 32% agreed. Findings indicate that, majority were not aware of the sunflower product. There is a need to promote sunflower products, which will influence small business. Table 4.20 below;

#### 4.3.16. The labeling and branding on sunflower products in the markets

**Table 4. 20: There was an adequate labeling and branding on sunflower products in the markets.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	40	40.0	40.0	40.0
	Neutral	21	21.0	21.0	61.0
	Agreed	39	39.0	39.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

The table 4.20 above show that, 40% disagreed, 21% neutral, and 39% agreed that there was adequate labeling and branding which caused difficult in identifying products in the marketing, for selecting the quality sunflower products, as the disclosures were not enough.

Findings have discovered that, there was a weak evidence of any clear market segmentation, promotion, advertising or branding of the sunflower sector, in the United Republic of Tanzania. Most of the smaller sunflower seed crushing companies, for example sold their oil unrefined, in indistinguishable transparent containers, along the roadside at their crushing site gates, without any unique or distinguishable branding.

A number of operators additionally were not registered and as such they needed to be encouraged to formalize, which would increase the stakeholder access to finance and boost their ability to a better access to the markets, both local and export.

The low level of promotion of sunflower products to the Tanzanian population, has led to limit the public knowledge of the value of a good sunflower oil. Evidence suggests that, consumers were now used to the less refined, possibly the impure oils available. In addition, consumers are also less aware of the benefits of sunflower oil, which include the health benefits particularly, when compared with palm oil, sunflower's main competitor.

The strategy, will seek to promote the usage of the locally produced sunflower products by co financing the participation of key actors, in the value chain in the annual national and zonal agricultural shows, as well as the international trade fair in Dar es Salaam.

A media programme, will also be initiated to stimulate the demand for and usage of sunflower as a healthy edible oil product. In order to promote and more consistently brand the sector, the strategy will also work with MITI, the Ministry for Finance (MoF), EPZA and MALF, among others, to position sunflower as an import substitution crop and product. A support, system will also be developed to encourage processors to participate in local, regional and international fairs, through supporting their presentation and marketing skills, and availing opportunities to members.

An operation with TEOSA will also be undertaken, as part of an oilseed intervention to organize and participate in monthly or quarterly, call-in interviews with the electronic media. Lastly, with the partnership with TanTrade and other actors, marketing and branding material that reflected the unique story of Tanzanian sunflower products, will be developed and implemented. Table 4.21 below;

#### **4.3.17. The complaints from customers on quality of the sunflower products**

**Table 4. 21: There were no complaints from customers on quality of the sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	54	54.0	54.0	54.0
	Neutral	19	19.0	19.0	73.0
	Agreed	27	27.0	27.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.21 above shows that, 54% disagreed that there were no complaints from customers on quality of the sunflower products, 19% neutral, and 27% agreed.

Findings suggested that, there was a problem on the quality of the sunflower products which at the end of the day hampered its market development. Table 4.22 below;

**4.3.18. The market was well informed about the availability of the sunflower products.**

**Table 4. 22: The market was well informed about the availability of the sunflower products**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	55	55.0	55.0	55.0
	Neutral	28	28.0	28.0	83.0
	Agreed	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Findings above show that 17% agreed that the market was well informed about the availability of the sunflower products, 28% neutral, and 55% disagreed. Market development, price relationship between the edible oil have an impact on purchasing decisions. Sunflower oil, has the highest price of the large oil crops, surpassed in the main stream product groups only by groundnuts and sesame oil.

Price sensitive markets will shift the consumption based on price and depending on the perspective of consumers. It is essential that, while seeking markets for sunflower products, it's better to create competitive advantages which are not based on price alone.

The impact of the substitution at the consumption level is often taken on account. The strategy of branded single product also, highlights the need for marketing orientation. Unrealistic expectation, failure to recognize the market will often cause a disruption of the business development. In particular, the constrain resulting in the lack of market information or market awareness, needs to be addressed in order to ensure the competitiveness of the local oil against the imported palm oil in the domestic market. Sunflower oil produced to target domestic market, would be best placed to access international markets if it were produced, at the level of quality and process management which would match with the international standards.

The promotion of sunflower oil as a health, and the medium priced alternative can offer the opportunity to replace imported edible oils. Sunflower oil should be marketed as pure and refined oil, allowing the appearance, colour and low odour aspects to be appreciated by consumers.

The practice of describing blended oil as pure sunflower, must be resisted through branding and product integrity. Consumers must be made aware of the benefits of a good product, clear as opposed to the current preference for cloud oil, for a successful market development. Table 4.23 below;



#### 4.3.19. The government influenced price of sunflower products in the markets

**Table 4. 23: The price of sunflower products was placed by the government in the markets**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	75	75.0	75.0	75.0
	Neutral	16	16.0	16.0	91.0
	Agreed	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016).

Table 4.23 above shows that, 75% of respondents disagreed that the government did influence on the price of sunflower products in the markets, 16% neutral, only 9% agreed. Therefore, the price is determined by the market forces but the government must control to regulate it and protect consumers of the products. Table 4.24 below;

#### 4.3.20. The government always providing subsidies to the production of sunflower products

**Table 4. 24: The government always providing subsidies to the production of sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	81	81.0	81.0	81.0
	Neutral	13	13.0	13.0	94.0
	Agreed	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

From the table 4.24 above it shows that 81% disagreed that, the government did provide subsidies to the production of sunflower products, 6% agreed while 13% were neutral. Therefore, inadequate support from the government hampered the sustainability of small business, especially on the area of infrastructure, technology and new skills necessary for the development. Table 4.25 below;

**4.3.21. The financial support was accessed easily from bank and financial institutions**

**Table 4. 25: The financial support was accessed easily from bank and financial institutions.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	63	63.0	63.0	63.0
	Neutral	18	18.0	18.0	81.0
	Agreed	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

Findings revealed that 63% disagreed that the financial support was accessed easily from bank and financial institutions, 18% neutral and 19% agreed. Findings suggest that, the financial support from bank and financial institutions should be improved so as, it can be accessed by small business owners to for development.

The access to the finance and credit extension services, are an important support for sunflower production, to assist investment and the cash flow operations of the process. However, the access to finance proves particularly the difficult in the sunflower sector due to the weak position of the smallholder farmers involved.

Small business have a limited collateral, and for many, the limited implementation of and adherence to the Village Land Act hindered the ability of small business of the sunflower product to raise collateral, as it would be difficult to seize one's land titles if a default were to arise.

Furthermore, they have a little knowledge about insurance, and insurance companies felt that it was risky to offer insurance to small business, unless they were organized. The limited use of contract between the processors and producers' associations, as well as the warehouse receipt system, further increased the credit risk posed by business owners in particular.

The development banks additionally are often underfinanced themselves and lacked specialist appraisers, and so were unable to provide the timely pre-harvest finance due to the lengthy evaluation procedures. This also hindered the development of small business. Table 4.26 below;

#### **4.3.22. Tax rate to the sunflower products of small business**

**Table 4. 26: There was a reasonable tax rate to the sunflower products of small business.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	43	43.0	43.0	43.0
	Neutral	28	28.0	28.0	71.0
	Agreed	29	29.0	29.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

From the table 4.26 shows that 43% disagreed that, there was a reasonable tax rate to the sunflower products of small business, 28% neutral, and 29% agreed. Findings suggest that, the complex nature of the tax system, which includes excess, value added tax (VAT) and import duty, is a major example of the complex policies in place and the lack of harmonization that would support the growth of the sector. The competitiveness of sunflower oil in this sector in the domestic market, is affected by imported palm oil, due to removed import duty on palm oil imports. In addition to that, the government has geared towards other sectors; there is a clear lack of prioritization of the sunflower sector.

The strategy, will seek to review all policy constraints and issues affecting the sunflower industry, including undertaking an impact analysis on the edible oil imports and the tariff regime, compared to the local edible oil production, with the possibility of raising the tariffs on palm imports. It will also ensure the 0 % tariff on imported crude palm oil, is only applied to crude oil and not to refined oil, and lobby the Government to enact a law that instructs the application of a 0 % tariff on all imported crude oil. The Strategy will also ensure that the 18 % VAT on the sunflower oil sector is not creating a disincentive for small operators to grow.

The complex nature of the tax system, which includes cess, value added tax ( VAT ) and import duty, is a major example of the complex policies in place and the lack of harmonization, that would support the growth of the sector. Cess is an agricultural tax which everyone in the sector has to pay. Therefore, while it does not impact on the competitiveness of the sector in the domestic market, it does make imported palm oil more competitive because the Tanzanian Government has removed import duty on palm imports. Additionally, as the government policy is very much geared

towards other sectors, there is a clear lack of prioritization of the sunflower sector. Excess spending, for example, does not go towards the sunflower industry. Table 4.27 below;

**4.3.23. There was effective and efficient system business registration of small business sunflower products.**

**Table 4. 27: There was effective and efficient system business registration of small business sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	54	54.0	54.0	54.0
	Neutral	27	27.0	27.0	81.0
	Agreed	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

Table 4.27 above shows that 54% disagreed that, there was effective and efficient system of business registration of small business sunflower products, 27% neutral, and 19% agreed. Findings suggest that, the registration will signify the ownership of branding and trade mark used on the sunflower products. Table 4.28 below;

#### 4.3.24. Training was provided by institutions in building capacity, ability of small business owners

**Table 4. 28: Adequate training was provided by institutions in building capacity, ability of small business owners.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	46	46.0	46.0	46.0
	Neutral	22	22.0	22.0	68.0
	Agreed	32	32.0	32.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

From the results above which show that, 46% disagreed that there was adequate training provided by institutions in building capacity, ability of small business owners, 22% neutral, and 32% agreed. The key support institutions, for the development and promotion of the sunflower sector in the country such as MALF, MITI, TBS, TOSCI, TFDA, TIRDO, SIDO and investment support institutions, covering the policy support, trade services, business services and civil society networks.

However, despite of the number involved there is a concern that, some of these institutions that played such a critical role in supporting the industry, have some difficulties in successfully fulfilling their mandates because of their weak capacity. The strategy will address these capacity issues, namely by supporting training on issues of food safety and quality, standardization, and quality management systems. The promotion of sunflower oil as a health, medium priced alternative can offer the opportunity to replace imported edible oils. Sunflower production, could be

increased if the production, processing and marketing related factors are managed appropriately (Hawassi et al. 2011). These will enhance the development and sustainability of small business in the industry. Table 4.29 below;

#### **4.3.25. Supply of electricity to the small industries of processing sunflower products**

**Table 4. 29: There was an adequate supply of electricity to the small industries of processing sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	46	46.0	46.0	46.0
	Neutral	17	17.0	17.0	63.0
	Agreed	37	37.0	37.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

Table 4.29 above shows that, 46% disagreed that there was an adequate supply of electricity to small industries of processing sunflower products, 17% neutral and 37% agreed. Therefore, the low voltage of electricity and ineffective connections hindered the extraction and refining process of sunflower products. This should be improved to the extent that, small business of the sunflower products owners could afford. Table 4.30 below;

#### 4.3.26. System of controlling the quality of sunflower products

**Table 4. 30: There was a good system of controlling the quality of sunflower products.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	54	54.0	54.0	54.0
	Neutral	25	25.0	25.0	79.0
	Agreed	21	21.0	21.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

Table 4.30 above shows that 54% disagreed that, there was a good system of controlling the quality of sunflower products, 25% neutral, and 21% agreed. These findings suggest that, the government has to establish a strong system for controlling the quality of sunflower products. Table 4.31 below;



#### 4.3.27 Modern technology of controlling the quality of sunflower products for consumption of human being

**Table 4. 31: There was modern technology of controlling the quality of sunflower products for consumption of human being.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagreed	63	63.0	63.0	63.0
	Neutral	27	27.0	27.0	90.0
	Agreed	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

**Source:** Field data (2016)

Table 4.31above shows clearly that 63% disagreed that there was an adequate modern technology of controlling the quality of sunflower products for consumption of human being, 27% neutral, and 10% agreed. Findings suggest that there was a need to improve the technology necessary to improve the quality of sunflower products.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter, presents the summary for the study, conclusions based on the findings presented and discussed in chapter four, recommendations and area for a further research. The summary of the study is presented first.

#### **5.2 Summary of the study**

The study specifically focused on assessing small business of sun flower products in Dodoma Municipal. The study examined generally three research questions used to accomplish the above specific objective which were (i) How do the key factors affecting development of small business of sunflower products in Dodoma Municipal? (ii) How does marketing management contributed in the development of small business of sunflower products in Dodoma Municipality? (iii) How the government interventions contributed in the development of small business of sunflower products in Dodoma Municipality? A case study research design was applied, employing both primary and secondary data collection methods in order to achieve the above mentioned objectives.

Data collected were analyzed by using various statistical techniques and presented in tables, frequency distribution and percentages. The qualitative data were also edited, coded and presented by using direct quotation. From the analysis of data collected, the following are the findings of the study.

### **5.3 Conclusions**

The research objectives, were to assess how the key factors affecting the entrepreneurship on the development of small business, contribution of marketing management and government intervention in the development of small business of sunflower products in Dodoma Municipality.

The first objective, focuses mainly on the key performance factors issues affecting the sunflower sector, such as the availability and accessibility of a high-quality certified sunflower seeds, availability of agricultural inputs, including fertilizers and pesticides, management capacities of farmers' associations to sustainably increase sunflower production.

Accessing finance and limited usage of insurance across the value chain, storage capacity, application of premiums and discounts for quality. Business environment issues facilitates the coordination of this sector also were discussed, trust and transparency between producers and processors, complex and discriminatory application of taxes, capacity of key support institutions, lastly the market development issues complying with the adherence to the international recognized food safety and quality standards.

The second objective of the study, was to assess the contribution of marketing management on the development of small business of sunflower products. The significant market arrangements to trace the value chain of products from the production to the consumption of sunflower products. Market arrangement is very critical and if done properly, it could increase the value of the product. As revealed during this study, majority of farmers sold sunflower in its raw form and thus, less

earning. So it is very important to add value of sunflower products by processing as well as refining. In addition to that, processors were also facing a lot of challenges like high operational costs, price fluctuation, unreliable market and the affordability of processing facilities. All these barriers posed a threat to the profitability of the crop to farmers. It is therefore important that, the processing of sunflower to be a pre-requisite and be done in an efficient manner, to increase the value of the crop and thus, increase its contributions towards poverty reduction.

Third objective lastly was to assess the contribution of the government intervention in the development of small business of sunflower products. Although the market of the sunflower should be determined by the market forces, but the government has to intervene the market by providing subsidies, formulation of policies, laws and regulations, which will facilitate smooth operations of the developing small business.

The government has to create a conducive environment by building suitable infrastructure necessary, to improve the business development of the infant economy. In promoting small business the government plays a critical role in developing market system, expanding long term financing and investment, addressing the land policy other infrastructures will expand sunflower production band and improve the quality strengthening industry linkages and mobilizing resources.

This will expand sunflower promotion band and improve quality, strengthening industry linkages and mobilizing resources. This will enhance the development of small business on sunflower products.

It suffices to say here that, despite the noted contribution of sunflower to the economy; a lot remains to be done if such crop has to have a significant impact on

improving small business in Dodoma Municipal, by addressing issues related to the production; processing and marketing related factors are issues of urgency.

## **5.4 Recommendations**

### **I. Adequate policy, regulation and laws**

The government, should formulate and improve a key policy to support the coordination implementation and monitoring activities, on the small business of sunflower products to the private sectors, institutions or international organizations to ensure an alignment to the goals and targets.

The strategy should be formulated by developing a chart of premiums or discounts based on the quality of seeds, for oil, fibre, free fatty acids and purity. This can be used as an indicative price premium or discount system in bringing transparency to the transactions. All transactions in the country will be encouraged to make usage of this premium or discounts system by the regular dissemination of the chart through the media and other sector associations, among others. Collaboration between the public and private laboratories should be encouraged, in order to explore opportunities for testing smaller lots, while the capacity of the existing laboratories should be strengthened.

These strategies, that seek to improve the quality, number and capacity of storage facilities. This will involve firstly taking an inventory of all warehouses, and then considering the usage of incentives to encourage LGAs, as well as the private sector, to effectively use, rehabilitate or construct where needed village-level storage facilities, possibly through public private partnerships. A new regulation may also be

lobbied, for which would require sunflower farmers to use the storage facilities, thus, improving the quality and value of the crop.

## **II. Training of small entrepreneurs and other stake holders**

The government; should stimulate the developments of sunflower business by conducting training to government officials, small business entrepreneurs and stakeholders, in building their capacity to take a stock of the progress in implementing strategies, in solving the challenges facing the sector by utilizing the opportunity available by developing or adopting new technology for growing of these sectors. These will help in creating common understanding.

## **III. Infrastructure supporting life**

Once again the government should create a conducive environment by building infrastructure adequate to support the development small business in the sunflower sector. Such infrastructures are railway transport, loads transport and adequate electric supply as they important in the development of this sector.

## **IV. Subsidies and financial supports**

The government is indebted to provide subsidies to support the importation of technology, which will support the development of small business of sunflower products, and create means which will give small business entrepreneurs to access financial support, from banks and financial institutions. Such as AMCOs, SACCOS and TADB, other banks in organizing and discussing the access of finance and opportunities for financing the development of the sunflower subsector. To improve the situation, the government has to adapt the strategy which will seek to apply the commodity exchange or warehouse receipt system, to recognize sunflower as a

priority crop to be traded on the exchange. This would help to provide collateral to obtain a working capital to build up stocks and inputs. In addition a Weather Index Crop Insurance plan to be promoted and built up, by facilitating micro insurance companies to work with farmers' associations and cooperatives. An insurance scheme based on the yield thresholds will also be piloted, before being expanded to the nationwide scheme.

#### **V. General public awareness**

In case of sunflower products promotion, it is recommended that, the general public awareness should be made with efforts by the private sectors and the government. This will give benefits of enjoying our resources.

#### **VI. Institution, Agency and organizations supporting business**

The government institution, agencies and organization entrusted to monitor and control the business of sunflower products in term of quality, licensing and registration. Coordinating any mater related to sunflower business also should be renovated to improve the service to support the positive development in this business.

#### **VII. Access of international market**

Lastly the Government should take a chance to promote the international market of sunflower products, by using their prerogatives and diplomatic endeavor.

## **5.5 Areas of Future Research**

This study suggests three areas for future research:

- Seed capital problem, in development of sunflower business.
- Training problem on entrepreneurship in the development of small business
- Assessing sustainability of small business
- Studying and analyzing sunflower value chain
- Entrepreneurship and development of small business



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## APPENDICES

### Appendix 1: Questionnaire

I am Jackson Marco, a student at the University of Dodoma pursuing Master's of Business Administration program (MBA). I am doing a research, on entrepreneurship and the development of small business of sunflower products in Dodoma Municipal, as a compulsory part of my program. The aim of the research is to assess the development and sustainability of small business in Dodoma municipal, Tanzania. Therefore, I would be very grateful if you would spare some few minutes to fill in this questionnaire. The information that you give will be treated confidential, your identity will not be exposed and it will be used for academic purpose only

#### Instructions

Please put  $\surd$  and where round appropriate

#### Demographic characteristics of respondents

##### 1. Sex

1. Male	2.Female

##### 2. Age (In Years)

1. 18-30	2. 31-50	3. 51-60	4. 61 and above

### 3. Level of Education

1. Primary Education	
2. Secondary Education	
3. Tertiary Education level	
4. Not attained formal education	

### 4. Occupation

1. Public Servant	
2. Business	
3. Agriculture	

**B.** Rate your perception on assessment of key factors affecting entrepreneurship and development of small business of sunflower in Dodoma municipal.

1	2	3
Disagree	Neutral	Agree

5. There is adequate supply of high-quality sunflower seeds.	1	2	3
6. There is adequate supply of agricultural inputs	1	2	3
7. There is strong management on farmers' association in sunflower production.	1	2	3
8. There is adequate access to finance and insurance services.	1	2	3
9. There is adequate storage system of sunflower products.	1	2	3
10. There is good Capacity of key support institutions in the sector.	1	2	3
11. There is high compliance with international recognized food safety and quality standards.	1	2	3
12. There is sufficient knowledge and skill in process of producing and refining sunflower oil.	1	2	3
13. There is enough technology in extraction and refining of	1	2	3



sunflower oil.			
14. There is enough skill in small business management.	1	2	3

C. Rate your perception on the of assess of production and marketing arrangements of business sunflower products in Dodoma municipality

15. The sunflowers' product market free and fair.	1	2	3
16. The sunflower products' price is reasonable and fair to customers.	1	2	3
17. There is adequate promotion of sunflower products in the market.	1	2	3
18. The customer satisfies with the quality of the sunflower product.	1	2	3
19. There is enough market orientation on sunflower products.	1	2	3
20. There is adequate labeling and branding on sunflower products in the market.	1	2	3
21. There are no complaints from customers on quality of sunflower products.	1	2	3
22. The market is well informed on the availability of the sunflower products.	1	2	3

D. Rate your perception on the assessment on how the market and government control the business through pricing mechanism and government intervention

23. The price of the sunflower products is placed by the government.	1	2	3
24. The government always provides subsidies to the production of sunflower.	1	2	3
25. The financial support is accessed easily from bank and financial institution.	1	2	3
26. There is reasonable tax rate to the sunflower products of small business.	1	2	3

27. There is effective and efficient system business registration of small business sunflower products	1	2	3
28. Adequate training is provided by institutions in building capacity and ability of small business owners.	1	2	3
29. There is adequate supply of electricity to the small industries of processing sunflower products.	1	2	3
30. There is a good system of controlling the quality of sunflower products.	1	2	3
31. There is modern technology of controlling the quality of sunflower products for consumption of human being.	1	2	3

*Thank you for your cooperation*

## Appendix 2: Research Timetable

The research will be conducted within four months time from August to October 2016 according to UDOM almanac. The specific activities to be done and their respective duration are clearly indicated in the chart below.

ACTIVITY TO BE UNDERTAKEN	AUGUST 2016				SEPTEMBER 2016				OCTOBER 2016			
	1	2	3	4	5	6	7	8	9	10	11	12
A	■	■										
B			■	■	■	■						
C							■	■				
D									■			
E										■		
F											■	
G											■	

### KEY:

- A- Introducing myself to the Farmers, Marketer and other Authorities
- B- Data Collection from interviews, questionnaires and documentary review
- C- Data analysis
- D- Compiling and writing research paper
- E- Correction of the first draft of research paper
- F- Analyzing the final draft
- G- Submission of the research paper to the Accounting department

### Appendix 3: Sources of Research Funds and Budget

#### Sources of research fund

To facilitate the research process, funds are required. Therefore funds or expenses for the research are expected to be secured from the researcher's own sources.

#### Research budget

Particulars	Number of items	Amount per item (Tshs)	Total amount (Tshs)
Pens	1box	10,000	10,000
Note book	1	7,500	7,500
Enumerators costs	3	50,000	150,000
Researcher assistant allowance	2	50,000	100,000
Meal allowances	1	80,000	80,000
Photocopy and Printing costs	-	-	300,000
Binding costs	-	-	50,000
Contingencies	-	-	120,000
<b>GRAND TOTAL</b>			<b>817,500</b>