

## BENEFITS

For sustaining diverse livelihoods, it is necessary to understand existing business activities and relationships within small-scale food value chains. The actor-oriented approach revealed the socially embedded relationships between multiple value chain actors that contribute to the functioning of the chain.

We found that:

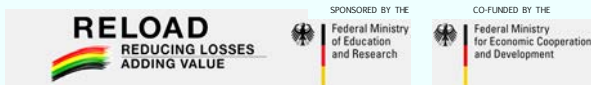
- \* **Intermediaries**, including brokers and traders fulfilled an important role to bridge between production and consumption areas of the pineapple value chain. They exercise essential marketing knowledge, important to be tapped for value chain development.
- \* **Trustworthiness** maintained relationships between individual actors, and stabilized the flow of pineapples along the chain. Higher levels of trust led to improved cooperation between actors in the delivery of pineapples and increased access to credit that was vital for sustaining the pace of transactions.
- \* Despite the positive effects of trust, relying on trust also created opportunities for adverse situations, increasing the **vulnerability of actors**. Trustful relationships were threatened by opportunities for short-term gain, referred to as 'cheating'. This reflected the uncertain business environment in which small-scale pineapple value chain actors are operating.

The important role of trust in mediating and constraining business relations implies that practical intervention should include **building the capacity** of chain actors to navigate opportunistic behavior.

**Supporting trust-building processes** within the value chain can serve as a focus for development that puts smallholder farmers and other small-scale agri-food value chain actors at the center.

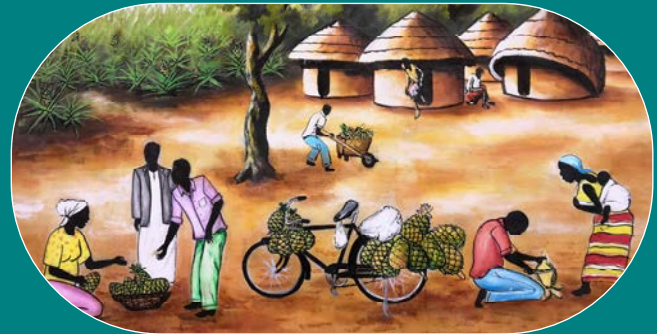


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## ACTOR-ORIENTED AGRICULTURAL RESEARCH

### Investigating business relationships



Painting by Carolyn Nakakeeto

### to improve small-scale food value chains



For further information, please get in touch with us!

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A case study of the pineapple value chain in Uganda



Pineapple harvest

**The challenge**

Inclusive food value chain development is particularly challenging when numerous smallholders engage in production and trade of non-standardized food products within spatially dispersed trading networks.

**Understanding the pineapple value chain in Uganda**

The pineapple value chain in Uganda is established by value chain actors, including farmers, traders, brokers, processors and retailers. They maintain the chain through their business activities and relationships.

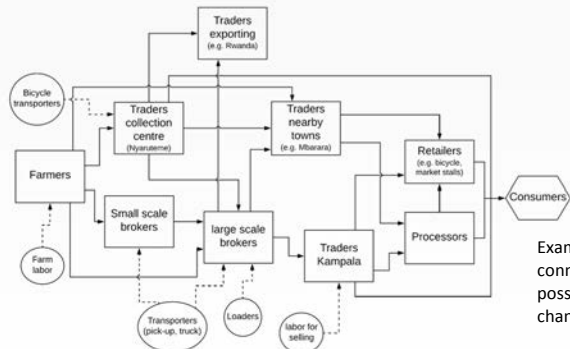


Loading of harvested pineapples

Actors are faced with problems, such as post-harvest losses, low income and fragmented chains. Solutions to these problems cannot be found in technical innovations alone, but require that actors change their actions and manage their relationships in a sustainable way.

**Unfolding relationships: Mapping actors and how they connect**

We investigated the relationships that actors establish to perform production, sale, purchase, logistics and information exchange. To identify contextual constraints on business activities we studied how relationships were managed and the challenges actors experienced.



Example of actor connections and possible trading channels

**Maintaining business relationships**

We found that **socializing activities** were important to successfully establish and maintain relationships. As explained by a trader:

*“You have to socialize with farmers, pay them on time and don’t over-squeeze them in the prices... All those things we do, small things that get the morale in the business... that is the best outcome to make some good business with them.”*

Being **trustworthy** played an essential role in the maintenance of relationships and thus business success. As pointed out by a farmer:

*“Trust is the most important thing in business – actually it is the business itself... Because if you are not a trusted person, there is no way that you can deal with traders”. Accordingly, as stated by a trader, “if someone breaks trust you cannot go ahead and work together, so the relationship ends there and you get someone else to work with.”*

**Challenges to relationships**

Despite and because of the importance of **trust** in sustaining relationships, it was often challenged by activities described as **‘cheating’**.

A common problem for traders arose when a farmer reneged on an agreement and instead sold pre-booked or pre-paid pineapples to another trader:



Off-loading pineapples in markets

*“The farmers take advantage... and they take money from us because they know we need pineapples from them. They say if you want me to give you pineapples, first send [a deposit]. So, you may send the money and... then you find he has already given the pineapples to another person.”*

In other cases, farmers were affected when a trader or a broker did not fully pay the agreed upon amount as explained by a farmer:

*“A trader will say that the pineapple price fluctuated and when he was to give you [farmer], a certain amount he instead gives you less and says, “I will top it up later” but he disappears without paying.”*



Selling pineapples in markets

For further information refer to:

Tröger, K., Lelea, M. A. and Kaufmann, B. (2018) ‘The Fine Line between Trusting and Cheating: Exploring Relationships between Actors in Ugandan Pineapple Value Chains’, *The European Journal of Development Research*, vol. 30, pp. 1–19. doi: 10.1057/s41287-018-0134-7.