The Effects of Trust in the Development of Business Linkages and Relationships Between Sunflower Growers and Buyers: A Case 0f Small Scale Growers in Singida Region, Tanzania

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Abstract

Edible oilseeds, with their related industrial value chains of activities, represent growing components of the agricultural economy in Tanzania. Through its initiative of *Kilimo kwanza* (agriculture first) policy, among other things, the government of Tanzania intends to improve its agricultural sector by building strong domestic economic capacities of production and processing of agricultural produce for both the domestic and export markets. This paper provides a framework for analyzing the role of trust in the development of business linkages and relationships between sunflower growers and buyer firms in Singida region, Tanzania. The paper discusses key concepts of trust in light of value chains governance theory. Various studies have concluded that the essence of trust is to improve business performance of the participating parties. Trust is viewed as a lubricant or enabler of cooperation. It creates stability between business partners, facilitates cementation of their relationships and guarantees continuity in business relationships.

Keywords: Edible oils, value chain, trust, and agribusiness relations.

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1. Introduction

There is substantial evidence suggesting that in many developing countries, poverty reduction has occurred because of growth in the agricultural sector [1,2,3,4]. Substantial incomes generated from agribusiness sectors enable poor farmers and other contributors to purchase goods and services. However, before farmers can realize economic benefits, a number of factors, which include the size of the market and quality requirements, as well as competitors' performance and ability to access, influence and satisfy the market needs to be considered.

2. The edible oilseeds sector in Tanzania

The edible oilseeds sector in Tanzania is an important contributor to agricultural commodities. It is widely grown almost in every region of the country. Edible oil seeds and nuts are ranked third in crop importance, after cereals and traditional export crops [5]. Edible oilseeds are partly used for domestic oil extraction, while their by-products (Oil cake) are used as animal feed, partly exported to the East African, South African and European markets for oil re-extraction and animal feed.

The local edible oil industry, which to a large degree is not well-organized, engages more than three million rural people, primarily small scale farmers. The industry generates more than Tshs 55 billion for the economy [6]. However, the edible oil industry is presently under major threats from cheap imports from Malaysia and Indonesia [7].

Many small scale farmers of edible oil crops lack competitiveness because of the high costs involved in the production processes. The dissemination of knowledge on good agronomical practices is limited because extension services to small scale farmers are inadequate. As of January, 2012, Tanzania has four thousand extension officers, but to meet minimum requirements, there should be over fourteen thousand [8]. The infrastructures to facilitate flow of input to farmers and produce from farmers are not good (roads & railway systems). Agricultural input is expensive and sometimes not available (eg fertilizers, pesticides, high quality seeds). The tax regime is not in favor of local producers and processors with higher rates than our partners in the East African Community. The cost of electricity is both high and unreliable. Taken together, tax rates and high costs of electricity have undermined the processing and employment of larger factories in the country. Some factories have already closed their businesses, including NSK Oil of Arusha, Moproco Ltd of Morogoro, and Afro-Multiporpuse and Palson [9]. Because of these closures, more than 3,000 workers have lost their job opportunities.

In rural areas, processing is met by use of manual oil presses. In many rural and urban areas the quantity and quality of edible oils from artisanal production is limited by the technology in use. Large scale processing is limited to a few towns like Dar Es Salaam, Morogoro, Arusha and Mwanza, and production is below capacity because of insufficient supplies of edible oil seeds. Generally there is more processing

capacity in Tanzania than actual production of edible oilseeds, although the climate is very conducive to not only improving production of edible oilseeds, but even surpassing the current capacity.

The Food and Agriculture Organization (FAO) recommends a minimum annual per capita consumption of five Lts of vegetable oil. With a population of over 40 million, Tanzania's minimum national demand for edible oil is expected to be over 330,000 tons per year [10]. The production of oilseeds in Tanzania is mainly based on ground nuts (40%), sunflower (36%), sesame (15%), cotton (8%), and palm oil (1%). Palm tree nuts have the highest oil content 46% – 67% higher than its counterparts; however, the palm tree requires specific climatic conditions, found only in some parts of Tanzania [11].

3. Objective of the study

Singida region is one of the leading regions in Tanzania in the production of sunflowers. The table below indicates the trends and status of sunflower production in Singida.

Table1. Sunflower productions in Singida region, Tanzania (Tones in '000)

Year	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010
Tones	25.20	42.50	21.34	72.64	67.00	28.9	70.1	128.8	152.5	178

Source: Regional Commissioner's office, Singida

Although the sunflower business has been growing over the last ten years and has continuously attracted buyers from all over Tanzania and beyond, nothing is known about the role of trust on the relationships between sellers and buyers. At the same time, trust is what leads the performance of the sunflower subsector in Singida. A study of various alternative models of conceptualizing trust were studied to reveal an alternative system or model to improve performance of sunflower subsector through good coordinated mechanisms.

 There is a great move in Tanzania to improve local governance and policies of the edible oil sector; these are necessary to shape economic performance and trigger the sector's growth process. Actors in the sector will realize lots of opportunities if the edible oil sector's reforms are implemented**.** It is estimated that edible oil imports to Tanzania range from 70 percent to 80 percent. Edible oil imports have had negative impact towards Tanzanian economy, e.g. the government expenditure on edible oils imports for 2008 alone stood at US$ 146 million [12]. This is a big sum of money, money that could have been invested in other economic sectors. Tanzania should have the capability to produce sufficient edible oils for home consumption.

4. Background literature

This area of literature draws on previous findings from value chain governance research that discuss factors associated with frameworks for analyzing the role of trust in developing business linkages. The focus of the study, therefore, relates to how trust is being perceived between sunflower growers on buyer firms in Singida region, Tanzania. The paper discusses key factors of trust in light of value chains governance theory.

McCormick and Schmitz as cited in Mwamila and his colleagues [13], suggest that value chain governance is related to the degree of direct or indirect control over a value chain. Governance is concerned with the control of key resources and decision-making about entry, exit and monitoring of supplies. It may also be exercised to provide technical support to help producers meet set performance standards as perceived by buyers/consumers. This argument is supported by authors in [14] who argue that linkages of actors in agricultural knowledge and information system (AKIS) are essential for the flow of technology and information. Poor performance in the agricultural sector is said to be directly related to linkage problems among actors.

Humphrey and Schmitz [15] distinguish three types of governance; these include: network, quasi and hierarchy. They cited works by Jessop and Williamson in [15] later discussed in the Institute of Development Studies (IDS) works, and summarized the types of coordination in what they call private governance as it appears in Table 2 below:

Table 2. Types of governance

Jessop	Williamson	Humphrey and Schmitz
Anarchy of exchange	Market	Arm's length market relations
Self organizing heterarchy	Network	Network
		Quasi hierarchy
Organizational hierarchy	Vertical Integration	Hierarchy

Source: Humphrey and Schmitz work (2000:4)

In addition to the private governance arrangement, Humphrey and Schmitz have discussed what is called public governance, though it remains a hybrid of public-private agencies as they are required for industrial upgrading and competitiveness. They also cited Messner in [15], who calls the public governance as "policy networks", and it includes: business associations, technology centre, groups of business leaders and government leaders. Governance is used for private and public arrangements at both a local and global level [15]. They provide a categorization of economic activities as follows in Table 3:

Table 3. Categorization of economic activities

	Local level	Global level
Private governance	Local business associations Hub & spoke cluster (1)	Global buyer-driven value chain Global producer-driven value chain (2)
Public governance	Local and regional government agencies (3)	WTO-rules National and supranational rules with global standing (4)
Public-Private governance	Local & regional Policy networks (5)	International standards International NGOs campaigns (6)

Source: Humphrey and Schmitz work (2000:5)

Literatures regard value chain governance as the framework and institutional structure by which rules about a product or service are set and implemented. Value chain governance works to coordinate chains of production and determine the division of labour as well as the distribution of rewards. The governance structures that firms under the value chain process may adopt have consequences for other firms' access to markets as well as for a range of activities to be undertaken. Authors in [16] have identified five basic types or forms of value chain governance. They are:

- Markets. Market linkages are said to persist over time with switching costs to other new partners remaining low for both parties involved
- Modular value chains. Suppliers in this form make products to a customer's specifications
- Relational value chains. These are networks with complex interactions between buyers and sellers. They create mutual dependence and high levels of asset specificity. The management of these networks is through reputation, or family and ethnic ties.
- Captive value chains. In these networks, small suppliers are transactional dependent on much larger buyers. The switching costs for suppliers are significant and are, therefore, "captive". These networks are characterized by high degrees of monitoring and control by lead firms
- Hierarchy. This form of governance focuses on managerial control, flowing from managers to subordinates, or from headquarters to subsidiaries and affiliates in the relationships.

In the past decades, a number of changes on world agricultural economy have taken place. The drivers accompanying these changes include: international trade, industrial organization, globalization of production and trade, and the vertical disintegration of transnational corporations. All these have contributed to

stimulating the growth of industrial capabilities in food retail sectors and agricultural value added chains [16]. The ways these changes take place do undermine the ability of small scale farmers, especially those from developing countries, to get linked up to the globally integrated value chains. Though the emerging markets from developing countries offer opportunities for growth, the levels of risk are significant, due to the uncertainties in demand and supply. These higher levels of risks have led to concentration and massive vertical integration of businesses along the agribusiness value chains.

Schramm-Klein and his colleagues [17] argue about the importance of inter-firm coordination of activities from both academicians and practitioners. The literature on inter-firm relationships has been growing over the years. One of the key topics in general research on vertical coordination in marketing channels is the effect of forming long term relationships. Morgan and Hunt, Gundlach, Achrol, and Mentzer 1995 in [17] have mentioned factors such as enhanced communication and coordination processes and the establishment of commitment, trust and shared values. Authors in [16] describe the five linkage patterns of global value chain to be associated with three distinct variables: the complexity of information to be exchanged between value chain tasks; the codifiability of the information; and the capabilities resident in the supply chain base. Literature shows that industrial clustering has enhanced the economic development of local economies and collective efficiencies derived from their cooperation [16]. The value chain theory strongly supports the positive role lead firms play along the chain in assisting other actors to engage in industrial upgrading

To improve both competitiveness and focus on the end markets, especially by developing countries, the Micro report number 148 [18] provides some best practices on addressing value chain constrains by transforming stakeholder relationships. It suggests a cluster approach to help members of the cluster resolve their common problems. Cluster is defined as a geographic concentration of interconnected businesses, suppliers, and associated institutions, creating direct and indirect synergies among them. The cluster approach is very effective to strengthen a value chain, if the:

- Value chain is very unstructured,
- Trust among stakeholders is very weak, and
- Objective is to increased sales.

The cluster approach is positioned to improve exports, investments and employment creation.

It is widely accepted for both enterprise development and value chain programs to focus on what buyers want. The relevance of focusing on the end market is on products that have significant growth and potentially based towards specific firm level demand. It is argued that a good communication strategy is very important to prepare stakeholders to focus on end markets.

With reference to the edible oilseeds sector in Tanzania, the sector is positioned to grow significantly because of favorable climatic conditions and the huge demand both for the domestic and export markets. Since the sector is unstructured, a cluster approach is necessary to strengthen the edible oilseeds value chains and

improve sales in the future. This paper, therefore, wants to evaluate the role of trust in improving the sunflower value chain governance in Singida region in order to improve both production and sales.

5. Trust and relationships

Trust involves at least two agents, the trustor and trustee. Morrow and colleagues in Vieira and Traill [19:463] define trust as "the extent to which one believes that others will not act to exploit one's vulnerabilities". Robbins and Decenzo [20:364] define trust as a "positive expectation that another will not through words, actions, or decisions act opportunistically". Similar definition is given by Rousseau, Sitkin, Burt and Camerer [21:395],define trust as "the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another". Dirks and Skarlicki [22:137] argue further, saying "trustworthiness concerns the perceived characteristics of the trustee that serve as the primary basis on which individuals are willing to accept vulnerability". Trust, therefore, assumes knowledge of and the familiarization with the other party.

5.1 The role and classification of trust in inter-firm relationships

The role of trust in inter-firm relationships is very clear to businesses as it attempts to improve performance of the participating parties [23,24,25]. Trust is a basis for successful business interaction [26]. It is viewed as a lubricant or enabler of cooperation. Trust facilitates efficiency in business [27,28,29]. Scholars from both economic and sociology schools of thoughts have paid many interests to further the studies on the concept of trust. These schools, however, have differed in their theoretical assumption and concepts. Transaction cost economics focuses on opportunistic behavior of the participating parties and the risks associated in the relationships and the concerns that have to do with increased efficiency. Sociological networking theory considers transaction-trust correlation. Networking theory insists on minimizing the cost transaction while maximizing the joint value of a given transaction among several value system actors [19].

According to Littlejohn [30], network theory starts with the idea that an organization consists of patterns of interaction among its members. It is about who talks to whom. What is the flow of information? In general, network theory is about connectedness.

Kadushin [31] has defined network as a set of relationships. He says that networks contain sets of objects with specified descriptions between the objects. He distinguishes three kinds of networks: ego-centric, social centric and open system networks. Ego-centric networks refer to networks that are connected with single individuals (e.g., firms that do business with a single firm). Networks carry information between relating firms. Socio-centric networks refer to personal communication. This may include connection between workers in a firm and is regarded as a closed system. The third kind of network is known as an open system network. This is concerned with networks whose boundaries are not clear, but are said not to be in a box like those in socio-centric networks.

Gilchrist [32] discussed complexity theory, developing a model of well-connected community. He argues that networking is an important component of community development practice. From his community development perspective, networks create conditions for healthy and flexible forms of collective action. Community development as a network should enhance people's capacity to network, individually, collectively and through social institutions. He cites a study by Scott who concluded that organizational studies suggest that organizational network forms provide a means to copy effectively with high levels of uncertainty and ambiguity. According to this theory, organizations are said not to be fully independent. According to the complexity theory, connections between elements are considered to be simple rules of interaction; however, they may lack central mechanisms. Local clusters have limited awareness of the total system. However, over time, when units respond systematically to signs received from their neighbours, the entire system will settle down to a state of dynamic equilibrium.

Network alliance can decide what products or functions or geographic location it will own and handle and what will be outsourced to other organizations [33]. Under such relationship, decisions amongst organizations are managed through negotiations and persuasions and not through formal authority channels. Bateman and Snell [34] argue further by describing that each organization is able to pursue its own competence under the web of interrelationships among many organizations.

Gulati [35] has an opinion that economic exchange takes place in social context and, hence, is embedded in a social network relationships. Uzzi, Grabher, Granovetter in Habton, Owusu-Frimpong and Lutz [36] see trust as an important concept in networking theory.

5.2 Trust and Personal relationships

Johannisson's social network theory [37] puts emphasis on the role of personal relationships in improving collaborations of business partners. The theory considers important factors such as trust, friendship, commitment and beliefs. Social networks are said to substitute formal contracts by trust and commitment when participants are engaged in business

Trust creates stability between partners and helps to cement their relationships and guarantees continuity in the relationships. Luo [23] visits previous studies cited in Roussean colleagues and Sheppard & Sherman, who argue that trust is a multidimensional construct containing both cognitive and affective dimensions. The dimensions comprise both macro (inter-organizational) and micro (interpersonal) elements. They also suggest that the role of trust is both an economically and socially embedded phenomenon and is being fashioned by the internal and remote environments of the individual.

There is inherent risk and vulnerability in developing trusting relationships. Robbins and Decenzo [20] mention five key dimensions that underlie the concept of trust; they include: integrity, competence, consistency, loyalty and openness.

- Integrity. This refers to honesty, conscientiousness, and truthfulness of all the dimensions; it thus is regarded as critical dimension. It works to perceive other's moral character and basic honesty

- Competence. This encompasses individual's technical and interpersonal knowledge and skills.

- Consistency. This is related to an individual's reliability and predictability, as well as good judgment about handling various situations.

- Loyalty. This relates to depending on someone and not acting opportunistically.

- Openness. This refers to willingness to share ideas and information freely.

5.3 Types of trust

There are three types of trust in any organizational relationship: deterrence-based, knowledge-based, and identification-based [20]. Deterrence-based trust involves the most fragile relationships and is based on fear of reprisal if trust is not followed through the agreed obligations in the contract. Knowledge-based trust refers to the behavioural predictability that comes out of historic interaction between organizations. This type of trust exists when you understand someone well and you are in position to predict the outcome of his or her behaviour. It relies on the power of information that is developed over a period of time, mainly as a function of experience built on confidence of trustworthiness and predictability.

The third type of trust is identification-based trust. This is based on emotional connection between parties. It allows one part in the partnership to act as an agent for the other. It is argued that this type of trust exists because the parties understand each other's intentions and value the existing wants and desires of the participating parties.

Zucker [38] proposes a much broader model for conceptualizing trust as it appears in the conceptual framework of trust in Table 4 below:

Table4. Conceptual framework of trust

Level/basis	Source	Examples
Characteristics based trust (Micro level trust)-based on common characteristics such as ethnicity, family background and culture	Family background, Ethnicity, sex etc	Membership of professional associations, educational achievement
Institutional based trust (Macro level trust)-based on codes, or guarantees that the transaction will take place as	Professional firm, Associations, regulations	Technical/professional standards, benchmarking

promised	Bureaucrats	
Process based trust (Meso level trust)- based on past exchange experience or future expectations	Reputation, brands Gift giving	Mutual adaptation, learning by doing, routinization

Source: Adapted from Zucker (1986) and Nooteboom (2002)

6. Methodology

Quantitative research design was employed in generating empirical data for this study. The study was conducted in Singida region in Tanzania. Singida is recognized as one of the leading sunflower producing regions in Tanzania [39]

The government of Tanzania in 2003 launched the National Sample Census of Agriculture [40] as part of its initiatives of the Poverty Monitoring Master Plan to support the production of statistics for advocacy of effectively public policy formulation, including poverty reduction, access to services, gender, and standard crop production data collected from agricultural sector [41]. The initiatives try to stimulate stakeholders in agricultural sectors like Agricultural and Marketing Cooperative Societies (AMCOs) and other non-farm businesses to develop the agricultural industry. The survey was conducted in twelve AMCOs with 229 respondents who were administered with questionnaires.

Table 5. Singida Districts covered in the survey

Categories	Frequency	Percentage
Singida urban	73	31.9
Singida rural	92	40.1
Iramba	24	10.5
Manyoni	40	17.5
Total	**229**	**100.0**

Source: Field data 2012

Table 6. Gender of respondents

Categories	Frequency	Percentage
Male	162	70.7
Female	67	29.3
Total	**229**	**100.0**

Source: Field data 2012

Table 7. Age of Respondents

	Frequency	Percent
18 -20	18	7.9
21 -30	46	20.1
31 -40	83	36.2
41 -50	59	25.8
51 -61	15	6.6
61 +	8	3.5
Total	229	100.0

Source: Field data 2012

7. Operationalized constructs

Adapted from Robbins and Decenzo, suggestions on the five key dimensions of integrity, competence, consistency, loyalty and openness, as well as the Zucker trust conceptualization model, were operationalized. The factors in the conceptualization model include: maximization of joint transaction value (competence and pricing methods of buyers), networking, personal relationships, and fairness and business relationships. The following were topical issues investigated using questionnaires:

Respect: Attracting and retaining customers are two major tasks that businesses have to focus on if they have to retain bigger product/service market share. Ali [42] surveyed clients of dental clinics in Malaysia on the effects of respect and rapport on relationship quality. He proved that rapport and respect to customers are indeed examples of cost-effective and customer retention strategies. He noted that respect (attention & valuing to the particularity, understanding and responsibility), if well implemented and maintained, may lead to relationship quality between buyers and sellers of products/services.

Pricing method: Kotler [43] argues that a company must consider setting product's/service's price in relation to the value delivered and perceived by customers. If the price is perceived higher than value received, a company will miss potential profits; but if the price is lower from the value perceived, it will fail harvest potential profits. When there are competitions between price and quality segments, the company must decide where to position its product on quality and price segment. Table 8 below shows the nine price-quality strategies:

Table8. The nine price-quality strategies

	Price			
		High	*Medium*	*Low*
Product quality	*High*	1. Premium strategy	2. High value strategy	3.Super value strategy
	Medium	4.Overcharging strategy	5. Medium value strategy	6. Good value strategy
	Low	7.Rip off strategy	8.False economy strategy	9.Economy strategy

Source: http://www.apmf.org.sg/Lt9--PricingStragsforASPAC.ppt (1st November, 2013)

Competence: According to Ambrosini, Johnson and Scholes [44], organizations need to understand their strengths to be able to compete successfully in the rapidly expanding world economy. Prahalad and Hamel [45] suggest that the core competence of any organization lies in collective learning in the organization, especially on the coordination of diverse production skills and the integration of multiple streams of technologies. Similarly, Parsons [46] proposed early on that the skills and capabilities of an organization are embodied in three subsystems, namely: administrative, technical, and institutional. Kay [47], writing on the foundation of corporate success, recalls attributes that are necessary for corporate success, including: architecture, innovation, reputation and strategic assets. He believes by effectively blending these attributes, an organization can demonstrate competitive advantages.

Loyalty: Jones and Sasser [48:194] define loyalty as "the feeling of attachment to or affection for a company's people, products or services. These feelings manifest themselves in many forms of customer behaviour. The ultimate measure of the loyalty, of course, is share of purchase in the category". The Economist Intelligence Unit [49] uses the term "engagement" instead to describe customer marketing, loyalty, satisfaction and retention practices as a strategic way of looking to enhance customer relationships. According to the recent research findings by the Economist Intelligence Unit, companies in every region, sector, and across market capitalizations all share a conviction that cultivating a high level of customer engagement remains now as a key strategic challenge.

Networking: Kadushin [32], has defined network as a set of relationships. He says that networks contain set of objects with specified descriptions between the objects. He distinguishes three kinds of networks: ego-centric, social centric and open system networks. Ego-centric networks refer to networks that are connected with single individual (e.g., firms that do business with a single firm). Networks carry information between relating firms.

Socio-centric networks refer to personal communication. This may include connection between workers in a firm. This is regarded as a closed system. The third kind of network is known as an open system network. This is concerned with networks whose boundaries are not clear; they are said not to be in a box like those in socio-centric networks.

8. Data collection

A sample comprised of 229 small scale farmers was randomly selected from a population of small scale sunflower growers drawn from twelve (12) AMCOs from all four districts of Singida region. Data included both secondary and primary sources. Data from secondary sources were drawn from various government reports, journal articles, books, and newspapers that related to the value chain theory. The primary data were collected using a questionnaire administered to 229 sunflower small scale farmers. The questionnaire was translated in Kiswahili before it was administered to respondents.

9. Findings and discussions

The following section presents findings based on the analysis of the quantitative data (Tables 5 through 8) generated from the study area (Singida region). The questionnaires were distributed to 229 respondents of which 70.7 per cent were men and 29.3 per cent were women drawn from four districts. The age of respondents ranged from 21-50 years and constituted 82.1 per cent of all respondents.

9.1 Data analysis using SPSS as a tool

Table 8: Trust in the sunflower value chain

Investigated topics		Totally disagree	Disagree	Neutral	Agree	Totally agree	Don't Know
I trust in the competence of buyers in running the business	F	52	136	5	8	15	13
	%	22.7	59.4	2.2	3.5	6.6	5.7
I trust in the pricing method of sunflower subsector product	F	95	113	1	4	2	14
	%	41.5	49.3	0.4	1.7	0.9	6.1
The presence of networking between small scale farmers and buyers of sunflower has enhanced the emergence of relationships and trust	F	80	80	18	23	11	17
	%	34.9	34.9	7.9	10	4.8	7.4
Respect between a seller and a buyer of sunflower is a prerequisite to creating trust	F	105	16	2	24	61	21
	%	45.9	7	0.9	10.5	26.6	9.2
Buyers of sunflower are trusted because of personal relationship and friendship	F	164	33	2	11	8	11
	%	71.6	14.4	0.9	4.8	3.5	4.8
Buyers of sunflower are trusted because	F	163	36	8	4	6	12

of the presence of fair sunflower buying contractual relationship	%	71.2	15.7	3.5	1.7	2.6	5.2
Buyers of sunflower are trusted because of good and long term business relationship	F	175	22	8	9	1	14
	%	76.4	9.6	3.5	3.9	0.4	6.1

Source: Field data 2012

The administered questionnaire investigated a number of topics in relation to how small scale farmers perceived the role of trust in the sunflower value chain. At the start sunflower farmers were asked to give their views on whether they trust the competence of buyers in running the sunflower business, and from the categories of answers that ranged from "totally disagree," "totally agree" and "don't know" the disagree answers were that they did not trust the competence sunflower buyers to run the business. Out of 82.4 per cent , 59.7 per cent indicated to disagree and 22.7 per cent totally disagreed. As to pricing method, farmers were asked to provide their views on whether the pricing methods by buyers related to the value of sunflower traded. Ninety point eight per cent of the respondents indicated to be not satisfied with the way the pricing methods were handled by buyers. Out of 90.8 per cent, 49.3 per cent indicated to disagree, and 41.5 per cent totally disagreed.

Respondents were also asked about the presence of networking between farmers and buyers of sunflower, and if it had helped to enhance emergence of relationships and trust. Regarding the networking and whether or not it helped to enhance relationships and trust, 69.8 per cent of respondents of the investigated issue indicated to disagree (34.9 per cent disagreed and 34.9 per cent totally disagreed).

The importance related to respect between sunflower sellers (small scale farmers) and buyers as a prerequisite of creating trust was highlighted in one of the statements of the questionnaire. According to this question, sunflower farmers were somehow widely distributed: 45.9 per cent of the respondents totally disagreed, while 26.2 per cent agreed citing that there is respect among sellers and buyers.

Further analysis was performed to understand whether buyers were trusted because of personal relationship and friendship variables. Eighty-six per cent declined by indicating disagreement with the statement. Out of 86 per cent, 71.6 per cent totally disagreed, while 14.4 per cent disagreed.

With respect to the statement of whether buyers of sunflower are trusted because of the presence of fair sunflower buying contractual relationship, respondents disagreed with this statement. Contractual farming is seen by many researchers and practitioners to enhance productivity, production and income to farmers. However, 86.9 per cent of respondents disagreed (71.2 per cent totally disagreed and 15.7 per cent disagreed) to indicate that contract farming is nonexistent and, hence, not benefiting them.

Finally, the issue of whether buyers of sunflower are trusted because of good and long term business relationship was explored. Respondents disagreed with the statement. Seventy-six point four per cent totally disagreed with the statement.

10. Interpretation and conclusion

The study on the effect of trust on value chain governance was analyzed in this paper, focusing at the investigated topics with relations to value chain governance theory. The study yielded a number of insights, being feedback of perceptions from sunflower growers drawn from Singida region.

First, it is overwhelmingly clear that the successful design and delivery of the sunflower subsector development hinges on trust and relationships among actors in the sunflower value chain. The subsector is very potential towards improving the economic well being of farmers and other subsector actors in Singida region. For the case of this study, sunflower agribusiness performance is positioned to be further developed if the investigated topics under Table 5 above are adequately readdressed and implemented as reflected in trust models under literature discussion. Table 5 indicates actors (sunflower farmers and buyers) in the sunflower business in Singida region facing the biggest obstructions to improve business performance of the subsector. The dominant approach towards solving noted obstructions is to advocate for strengthened intervention strategies, letting small scale farmers acquire a strong and dominant position in the sunflower business.

This could be achieved through provision of necessary resources and capabilities to small scale farmers. The private and public sectors need to improve the coordination of functions of various actors involved in the sector. This could follow approaches like improving horizontal strategies by combining together farmers' associations to develop common stands, especially meeting the sectoral growth objectives and sustainability of the sector. Sectoral specific skills and knowledge, relationships with other actors, informational flow and other support services are necessary to give a face-lift of the sector.

Second, the models and theories under the study draw attention about obstructions as being exacerbated by certain organizational features that hamper sunflower sellers (farmers) and buyers' interaction and relationships.

Finally, the models have pointed towards the problem of variability between the model expectations and the facts from the findings of this study. There is a need to clearly resolve the problem over poor relationships in order to improve commitment, trust, competence, and loyalty of the two sides participating in the business of sunflower subsectors. Models provide a coherent framework for conducting a systematic performance of the practical cases.

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