

**THE EFFECTS OF PRICE FLUCTUATIONS ON PRODUCTION AND
EXPORTS OF VANILLA CROP IN MUKONO DISTRICT.**

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ABSTRACT.

This dissertation on the effects of price fluctuations on production and exports of vanilla crop was carried out in Mukono district.

The study adopted both qualitative and quantitative designs in the data collection, analysis and presentation of the findings. Qualitative designs were used in presenting the findings in narrative forms using quotations from respondents, and quantitative methods were used in presenting findings in tabular form and use of graphs for easy interpretation.

The findings indicated that farmers in Mukono produce a variety of crops both for home consumption and market purposes, asked on what type of crop farmers produce most, responses indicated that there is high production of vanilla for marketing as compared to other crops, the findings also showed that both farmers and the exporters responded differently to the changes in vanilla prices in that some farmers are withdrawing from the cultivation of vanilla but are willing to scale up their production when the prices start rising up again.

It was also revealed that the vanilla price changes have had more impact onto the family set up in terms of bringing conflict as a result of reduced income to meet family needs, school fees have become unaffordable as a result of reduced production. It was also discovered that, much as the prices of vanilla is not stable in both the local and international markets, there has been continued production though at a reduced quantity for market for survival of farmers. The study found out that marketing of vanilla is mostly done either through middlemen or some farmers export it directly

It was as well found out that Uganda Vanilla Association is in existence but it is not doing its role as it was established to perform. It was established to; train farmers and exporters on how to handle marketing challenges, market vanilla world wide on behalf of farmers/producers, and sensitize farmers on production and how to go about exporting vanilla directly outside the country without selling to the middlemen, but these are not being done.