

For Kenyan Farmers, the Future Belongs to the Organised

Kenyan small-scale farmers are increasingly willing to shift from subsistence to commercial farming, from which they expect higher income and more security. Belonging to strong producer groups will be a condition for their fair participation in markets, and the government should support the creation and up-scaling of such groups country-wide.

In recent years in Kenya, smallholder farmers are increasingly leaning towards commercial farming hoping it will secure better livelihoods and higher incomes for them. But the many constraints they face in producing quality surpluses coupled with imperfect markets for them have proven to be great obstacles to their doing business.

Part of the problem lies in that, since the dismantling of cooperatives and other farmers' organizations at the time of liberalisation, individual farms lack proper and organized marketing channels, cannot access affordable production inputs such as finance, technology, land and water, and are locked out of markets. On the contrary, many opportunities are emerging for those who are organised, including through governmental programmes and contract farming.

Belonging to a cohesive and sustainable producer group, one that is born right from the grassroots and driven by a committed leadership, should become standard among Kenyan farmers. But following the decline of cooperatives, some farmers have negative attitudes towards groups. To overcome such skepticism, strengthen existing farmer organisations and create an enabling environment for the creation of new ones, public authorities should consider the following:

- ❶ The government and especially the Ministry of Co-operative Development and Marketing should revise policies and laws on farmers' organizations in a way that give members to be in control of their organization and protect them from exploitation. Such policies should include legal support for contractual arrangements which producer groups have with the private sector, as well provisions on building their institutional capacity through partnerships at the local and national level.
- ❷ Government at all levels should continue up-scaling on-going initiatives for farmers' support, including Public-Private Partnerships, in order to strengthen and increase the number of grassroots groups. Special attention should be given to inclusion of these groups into broader national farmer organizations or federations that have more political weight, while preserving cohesion and ownership.

← QUICK FACTS

- » Agriculture-led growth in Kenya is more than twice as effective in reducing poverty as growth led by industry
- » The majority of farmers cultivate less than five acres of land and market approximately 30% of their crops.
- » Most smallholder farmers are not organized into groups that collectively market their commodities. Consequently, most sell at the farm gate.

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What are typical challenges of individual farms ?

Smallholders' crops are highly dependent on climate conditions, which are increasingly extreme. Because farmers can't access productivity-enhancing and adaptation technology, they often experience losses. When climate conditions spare some surpluses, poor road networks make it virtually impossible for farmers to access markets, and when they nevertheless reach a local market, they lack information to bargain fair deals. At farm gates, farmers have no choice but to rock-bottom prices to brokers who take up to a third of their sales, and are left with very low incomes or even lose money.

What opportunities for organised farmers ?

With a growing number of agro-processing and export firms interested in contracting farmers' organisations for the supply of raw materials, thousands of Kenyan smallholders are given the means to improve their productivity and farming practices thanks to contractor-provided extension services and support in accessing finance, improved seeds, technology and knowledge. Although not perfect, contract farming and outgrower schemes help farmers increase their yield and meet required quality standards, ensure a market for their produce as well as regular and higher income.

Confident that his involvement in the Project Nurture outgrower scheme will double his income, Mr Mwangi, a passion fruit grower in Thika region, sees his family fortunes changing. "You look at other investments, like buying more land, buying an additional cow and taking the children to college" (Business Daily Africa. March 5, 2010).

Farmer organisations are also supported by the public sector in the implementation of new policies that seek to improve agricultural techniques and practices, promote optimal use of land and water resources, increase production of high-value commodities, and gradually commercialise agriculture in collaboration with the private sector.

For instance, the Private Sector Development in Agriculture (PSDA) programme, which among other things coordinates public and private extensions services and seeks to help farmer organisations extend the services they already provide to their constituents has helped potato farmers increase their yields from 7 to 25 tonnes per hectare. The increased production has created more than 8,500 new farm jobs each season, more than half of which go to women. Similarly, Public-Private Partnerships for microfinance programmes like the Micro Enterprise Support Programme Trust (MESPT) deliver microfinance services to smallholder farmers in selected Arid and Semi-Arid Lands of Kenya through their respective organisations.

What makes a successful farmers' organisation ?

Experience points to the critical role of members' ownership. This should first of all be achieved through the inclusive participation of all members in drawing up and adopting clear rules, procedures, and role distribution. In such settings, members can easily monitor one another, resolve conflicts, reduce the problems of asymmetric information in the groups and ensure transparency and accountability in the way things are done.

In addition, savings schemes have been identified as one of the factors that strengthen farmers organisations, as they provide a source of affordable credit where commercial lenders are not keen to lend money. The experience of Regional Land Management Unit (RELMA) in Mbarara shows that farmers are able to develop effective savings schemes, provided their group is trained in microfinance and governments ensure laws and regulations that favour the establishment of village banks.

USEFUL RESOURCES

-  Parkins J. and Gill D. *Farmer Group Development in Kenya: Issues and Recommendations for Service Providers*. Staff Paper 97-05
-  WFP. *The Contribution of P4P to Building Farmers' Organisation Capacity*. Country Paper: Kenya 2011.
-  Costa Pinto, A. *Agricultural Cooperatives and Farmers Organizations: Role in Rural Development and Poverty Reduction*. 2009
-  ASARECA Contacts Directory
<http://www.asareca.org/directory/>
-  International Cooperatives Day - 2 July 2011
<http://www.un.org/en/events/cooperativesday/>
-  Ministry of Cooperative Development & Marketing
Social Security House (NSSF) Building, Eastern Wing of Block "A",
P.O. Box 30547 - 00100, Nairobi
Tel. 2731531-9
Website: www.co-operative.go.ke
-  Kenya National Federation of Agricultural Producers - KENFAP
Langata Mai Mahiu Rd. 43148 - 00100 Nairobi, Kenya
Tel. 254-2-6008324 ; Fax. 254-20-6008325
Email: producers@kenfap.org
Website: <http://www.kenfap.org>