



© USAID

Briefing Paper

Women Agro-Processors in East Africa Success Stories and Ways Forward

By Leslie Debornes

Summary

With the rise of supply chains for export-oriented crops and agro-processing, new and better-paying employment opportunities are arising for East Africans. While the incorporation of women in this sector can be considered as one of the most important developments for female employment in recent decades, women agro-entrepreneurs remain relatively few. Based on success stories from surveyed female agro-processors in East Africa, this briefing paper draws policy lessons for the more effective promotion of women entrepreneurship in agro-processing. It also highlights challenges they typically face as women, such as reconciling their multiple roles at work and in the household, access to land and finance etc.

Status of Women in Agro-processing in the EAC

It is now undeniable that women play a key role in East African agriculture, food security, and its future. The International Labour Organization's (ILO) 2009 estimates show that more than 64% of women work in the agriculture sector, producing almost 80% of food resources.¹ However, women face many challenges in the labour market, and are often discriminated against in the context of land. According to the Food and Agriculture Organization (FAO), women possess less than 1% of land, and often this land is of lower quality than that owned by men. They are also often not considered in rural development projects.²

With the rise of supply chains for export-oriented crops and agro-processing, new and better-paying employment opportunities were created in the East African Community (EAC) countries of Burundi, Kenya, Rwanda, Tanzania, and Uganda. New forms of employment emerging from agro-industry development typically pay higher wages and are considered to have better working conditions compared to traditional forms of agricultural employment. Women are increasingly involved in this non-traditional agro-export production, especially in its packaging stage.³ Many agro-industrial firms prefer to hire female workers, as they are more capable to do the delicate work in harvesting and handling fresh produce. In addition, women have proven to be more efficient in certain tasks. For example, in the French bean sector in Kenya, female farmers were found to do a much

better job in harvesting, leading to substantially higher profits (Kimenye, 2005).⁴ Incorporation of women in the agro-processing sector can be considered as one of the most important developments for female employment in recent decades, even if women and men are still not employed on equal terms.

While women are highly involved in the production, processing, and marketing of agricultural goods in many African countries, agricultural information and production resources still do not reach and benefit them in the food security chain.⁵ Moreover, female farmers are mostly excluded from contracts with agro-industrial firms for the delivery of high-value produce. Although there are some examples of the successful integration of women as contracted parties in contract-farming schemes, most of the available studies, while limited, indicate that female farmers are largely excluded from high-value contract-farming.⁶

With the use of an online questionnaire and desk research, this paper aims to present success stories from female agro-processors in the EAC, and draw lessons from these experiences to identify what is needed to allow more women to become entrepreneurs in agro-processing activities. Based on lessons learned, the paper will highlight some of the policy changes that should be undertaken at national, regional, and multilateral levels to allow women agro-processors to overcome challenges.

¹ Global Employment Trends for Women. International Labour Office - Geneva: ILO, 2009

² ESA Working Paper No. 11-02. March 2011. Agricultural Development Economics Division. The Food and Agriculture Organization of the United Nations

³ Brussels Rural Development Briefings. Briefing n. 42 Women entrepreneurs – Key players in ACP agribusiness development. Brussels, 15 September 2015

⁴ Are African high-value horticulture supply chains bearers of gender inequality?. Miet Maertens and Johan F.M. Swinnen Katholieke Universiteit Leuven, Belgium

⁵ E.L. Okorley et J.A. Kwartan. Women and agro-processing in Africa: a case study of the state of women in fish smoking in the central region of Ghana

⁶ Maertens M. and Swinnen J. (2009). Are African high-value horticulture supply chains bearers of gender inequality?

Success stories

Through an online questionnaire, two inspiring success stories were collected from responding EAC women agro-processors. One of them explained that she started her own agro-business five years previously to earn additional income for her household. She was then able to grow and develop her business activities using her own salary. However, she is not currently exporting to other countries or regions, as she sells her products to her neighbours and other local consumers that know her business.

She quickly touched on the challenges and barriers she faced when running an agro-business, which relate to the high costs of production, especially labour costs and chicken feed. She also emphasized that transportation to the market is expensive, and that she would rather sell raw materials as a result of high costs of processing materials. Challenges faced by EAC women agro-processors will be developed further under third section of the paper.

Another respondent explained that her business began in her home kitchen, after her long-standing desire to have her own product, Kim's Natural Chili

Sauce. Using her limited kitchen appliances, she produced a few tins for market testing. After extensive testing, the product was finalized and sold in local markets. To this day, her sauce still exists on the market.

She affirmed that her business managed to survive without outside investment. To finance her business, she borrowed from family savings, micro-finance loans, and used revenue from product sales. However, her business grew gradually from humble beginnings in her kitchen to a makeshift facility, to a production facility at present. The new facility has improved production equipment that offers safe and fast production. The staff increased from 4 members to a current total of 10 members in production, marketing, sales, and day-to-day office operations. Her staff mainly comprises workers from rural areas. Employment for these individuals also helps to improve their communities.

However, she explained that she was not yet able to expand her business to export her product to other countries. She is currently working with the Uganda Export Promotion Board to begin exporting, as this is her goal for 2016.

Women Partnerships in Horticulture

Ms Lucy Muchoki is Chief Executive Officer of the Pan African Agribusiness and Agroindustry Consortium (PanAAC), a Regional Agribusiness platform that is mobilizing and supporting the domestic private sector in Africa. She is also the coordinator of the Kenyan Agribusiness and Agroindustry Alliance (KAAA). As an agro-business entrepreneur, she produces herbal products and also handles business in horticulture.

Her partnership with women's cooperative groups provides access to markets and transfer of know-how to small-holder farmers. She engages women in growing various plants that are then used for processing into finished products. Her career is as an inspiration to many other women, as she was able to grant them a means of earning an income, which ultimately gave their children opportunities to receive an education.

Sources: <https://agrigenderjournal.com/2015/04/29/10-influential-african-women-in-agriculture>,
<https://vimeo.com/10481610>

Challenges Faced by Women Agro-entrepreneurs

EAC women face various challenges in the agro-processing field which hamper them from following the path of successful women entrepreneurs or going further with their business.

General Challenges

Through the online questionnaire, it is clear that women agro-entrepreneurs encounter many challenges. Some of the barriers they have to overcome when running an agro-business in their country are highlighted below.

● *Access to finance*

At any point in the business growth cycle, finances are needed to realise meaningful growth. Often financial growth decelerates during some stage in the business venture. The inability to access funding is often attributed to funding conditions that do not fully understand or appreciate the challenges of small and medium enterprises (SMEs). Thus, funding institutions and their donors need to establish policies that support continued growth and do not create further indebtedness of businesses that struggle to get a hold of business stability.

● *Foreign investors competing locally*

As agriculture is the mainstay of the EAC economy, the five governments have emphasized agricultural development at all levels of the value chain, and EAC citizens are encouraged to grow in this sector. However, challenges arise when the government allows foreign investors to develop similar business sectors along the value chain, competing directly with local firms. This hinders a fair, national competitive environment as financially struggling EAC businesses compete with financially heavy external investors along the same production line. In

many cases, small national investors are out-competed by conditions favouring foreign investors. Therefore, according to some respondents, an agricultural policy definition and application are lacking.

● *Underdeveloped packaging industry*

While the quality of products offered by East African female agro-entrepreneurs is good, the lack of proper packaging affects their marketability on national and regional markets. Packaging is still one of the hindrances to realizing meaningful export. Moreover, high production costs are associated with packaging. To be able to export and compete favourably on the East African and global market, one needs to import packaging materials. A respondent affirmed that “You must import to export!”. All production requirements, such as packaging, need to be conducted within the local market to reduce costs.

● *High certification costs*

Despite the support from Trade Mark East Africa, the Standards Bureau needs to establish affordable charges and payment periods that support the growth of locally-owned agro-processing industries in the EAC.

Women-specific challenges

Many of the respondents affirmed that, as women, they face specific challenges in the running of their agro-business. As the main challenge, they point out the fact that women handle many responsibilities “by nature”. One explained that “By virtue of the fact that I am a woman, naturally running a business goes hand in hand with other natural fulfilments like child birth, child up-bringing and effective home management”. In one way or another, this reality constrains female entrepreneurs. Movement may be limited for women, especially where marketing and

sales apply, as overtime work may interfere with duties that they are expected to fulfil within the household.

In addition, they affirmed that, in comparison to their male counterparts both in rural and urban settings, women's resources are limited. In general, women have limited access to assets and resources, which prevents them from making decisions concerning planting and cultivating, in addition to processing and marketing.⁷ The patriarchal land tenure system, for instance, creates difficulties for women in starting or operating a business.⁸ Therefore, female empowerment in the agro-industry and in the economic circle in general requires reforming the current land tenure system to promote the status of women by giving them equal rights with men in taking decisions and receiving loans for starting businesses.

Furthermore, the growth of high-value supply chains negatively affected female farmers who are excluded from those economic activities, as men predominantly have power over land and labour resources.⁹ Again, the exclusion of women arising from the patriarchal system can only be solved by increasingly integrating women into the system through reform.

“By virtue of the fact that I am a woman, naturally running a business goes hand in hand with other natural fulfilments like child birth, child upbringing and effective home management”

A female agro-entrepreneur, Uganda

⁷ Bekele G., M: Briefing Paper “Gendering Agro-Processing in the EAC Region”.

⁸ *ibid*

Finally, the fact that women are also expected to perform household-related duties poses another critical challenge for women to move forward in their business development. Taking care of children and performing other duties makes it challenging for women to be fully involved in their business, which also limits the relative strength of their voice or decision-making power. These domestic responsibilities faced by women often prevent them from exploring and engaging in business and training opportunities.¹⁰

What Does it Take to Become a Successful Women Agro-entrepreneur?

Through the online questionnaire, respondents were asked what is needed to allow more women to follow the path of successful female agro-entrepreneurs in the EAC, or to allow female agro-entrepreneurs to expand their businesses. Five main needs were highlighted:

Business development skills

Their business development skills should be enhanced, and agricultural extension services adequately provided to farmers, especially women.

Enactment of policies

One respondent affirmed that “The policies are there, though accumulating dust in ministry cabins. Of what purpose are the policies which cannot be backed by law and thus enforced?”

Business environment

A more clearly defined business environment in the EAC, especially in terms of investment

⁹ *ibid*

¹⁰ *ibid*

opportunities and the role of external investors. Ideally they should act as complementary investors that improve the country's business environment's competitiveness, avoiding interference that would put national entrepreneurs out of business.

Awareness-raising

Sensitization is also needed. One said that "Many female entrepreneurs are failing to succeed or even start due to lack of knowledge". This must be included in the national and regional agendas if playing fields are to improve. Sensitization facilitates awareness of policy and relevant laws upon which the business community can rely if needs arise.

Policy inclusiveness

Women in agro-business need an all-inclusive policy "for all, by all". Governments or a minority of private stakeholders should not be able to set policies that affect millions of entrepreneurs without communication, collaboration, and accountability. To have a better understanding of what constitutes an effective policy framework, inclusion of all stakeholders in the value chain is imperative.

Gender equality

Moreover, to allow more women to be successful in their agro-business, they should receive equal rights at work and also at home, by dividing household chores between themselves and their male counterparts. The patriarchal system is still dominant in the region. Therefore, a major shift in mentality is clearly needed. One way to achieve this is through the enlightenment of EAC societies on the concept of gender equality, which can be done through education, training, and information dissemination systems to change mentalities for present and future generations.

Policy Recommendations

Based on the needs expressed in this paper, a set of actions should be prioritized by national, regional, and international organizations to ensure female entrepreneurs can develop their agro-businesses, such as:

- Offer training and services to women to allow them to improve their business skills and provide better quality products;
- Improve the business environment of the region (i.e. attracting external investors while protecting national development interests); and
- Sensitize women about policies and facilities in place to encourage them to start their own business

In terms of policy environment, it is clear that an inclusive policy environment is needed to enable women agro-entrepreneurs to start or develop their own business. While some policies have been prepared and adopted at national, regional, and multilateral levels, their effective implementation is lacking.

For instance, the EAC Secretariat has made progress in developing the necessary strategy and policy documents to promote the role of women in socio-economic development and in business. These include:

- The EAC Social Development Framework, which was adopted in August 2013;
- A regional strategy for promoting women in socio-economic development and women in business, which is awaiting adoption.

- Proposal on the establishment of a Regional Financial Facility in collaboration with the East African Development Bank. This will target female-owned businesses and aim at reducing the risk of loans extended to women, limit transaction costs, as well as guarantee payment in case of default.
- A project proposal on Empowerment of Border Communities through locally-shared markets; and
- Gender and Social Development Outcome Indicators for the 4th EAC Development Strategy (2011-2016).¹¹

Hence, EAC policy-makers should work towards the concrete and effective implementation of the above-mentioned policy frameworks, strategies, and projects. To ensure that these documents will benefit female agro-processors, the inclusion of women in policy organs, structures, and processes related to agriculture and associated sectors is critical.

Governments and private/public donors should tailor their interventions and programmatic support to meet the specific and unique challenges faced by different categories of women agro-entrepreneurs, (e.g. SMEs in different commodity value chains).¹²

EAC Priorities for Women's Economic Empowerment

The EAC Secretariat has identified the following activities as priorities in the path of women economic empowerment in EAC:

- “(a) Enhance both women and men’s access to regional and international markets;
- (b) Facilitate entry of women and girls in the trade and services sector by providing training on ICT, e-commerce as well as their participation in cross-border, regional, and international trade;
- (c) Promote the participation of women in trade negotiations as well as work to engendering trade policies through research, training, advocacy and networking;
- (d) Facilitate the formation of women in business associations and networks.”

Source: <http://www.eac.int/eacwomen/index.php/features/conference-overview-2>

¹¹ EAC Secretariat. 4th EAC Development Strategy (2011/12 – 2015/16). August 2011.

¹² Gender Forum on Women in Agribusiness: Synthesis Summary of Proceedings of the Multi-Stakeholder Technical

Workshop and Public Forum. 30th April, 2015. Nairobi Safari Club (Lillian Towers), Nairobi, KENYA



CUTS International, Geneva

CUTS International, Geneva is a non-profit NGO that catalyses the pro-trade, pro-equity voices of the Global South in international trade and development debates in Geneva. We and our sister CUTS organizations in India, Kenya, Zambia, Vietnam, and Ghana have made our footprints in the realm of economic governance across the developing world.

© 2016. CUTS International, Geneva.

This note is authored by Leslie Debornes. CUTS briefing papers are to inform, educate and provoke debate on specific issues. Readers are encouraged to quote or reproduce material from this paper for their own use, provided due acknowledgement of the source is made.

37-39, Rue de Vermont, 1202 Geneva, Switzerland
geneva@cuts.org • www.cuts-geneva.org
Ph: +41 (0) 22 734 60 80 | Fax:+41 (0) 22 734 39 14 | Skype: cuts.grc