

Facilitating Small-holder Farmers to Access Markets Case Study



Gakaru Self help group,
Githunguri, Kenya.

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Organic Marketing Assistance Programme
Kenya Organic Agriculture Network

- Kenya Organic Agriculture Network (KOAN) is the National Representative Body for organic agriculture activities in Kenya.
- It is a membership Organization with members spread throughout Kenya.
- KOAN's mandate is to coordinate, facilitate and provide leadership and professional advisory services to all members and stakeholders in the areas of production, training, marketing, certification, lobbying and advocacy.
- Our Aim is to transform the organic movement into an industry.

The Kenya Organic Agriculture Network; Who are we?

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Role of OMAP in Market Development



- Provision of technical advice, training, promotion and business support in the areas of:
 - Commercial Organic Production
 - Improved processing technologies
 - Organic market development
 - Certification Development
 - Product Design
 - Creating market linkages both in the national and international market

OMAP's Focus



- Development of commercial smallholder organic production.
- Facilitating linkages between small scale and commercial operators.
- Market orientation and diversification of large scale operators.
- Product design and marketing
- Certification development.

Cntd: Focus

- "OMAP as a KOAN programme works with KOAN members and other interested organic producers and producer groups through mutually agreed programmes which assist in establishing or improving viability of their organic and natural products enterprises".



Marketing For Smallholder in Kenya: A Historical Perspective

- ❑ Marketing through cooperative movements
- ❑ Extension services emphasizing on production and very little on market dynamics
- ❑ Emphasis of subsistence farming instead of commercial oriented production.
- ❑ Emergence of middlemen who exploit ignorant and unknowledgeable farmers.

Background

- ❑ Gakaru Self Help group hails from Kiambu District, Lari Division, Kamburu location, Gakaru sub-location about 30 km from Nairobi
- ❑ The region has good soils and average rainfall allowing the growth of coffee, avocados, vegetables and tea. It can be classified as a high potential area

Cont Background

- ❑ Gakaru Self Help Group was started in 2002 where producers came together to combine forces in solving the myriad problems of production and marketing facing them.
- ❑ Started a merry go round.
- ❑ Started growing flowers for export
- ❑ Trained in Eurep-gap compliance

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- ❑ Abandoned flower production due to poor payment
 - ❑ Undertook the first module of organic agriculture training in 2003 which was facilitated by Community Sustainable Development Programme (COSDEP), an NGO based in Gachie, Kiambu.
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- ❑ Introduced to KOAN by the NGO to assist in Market development capacity building for the group.
 - ❑ The group underwent market orientated training with KOAN in 2005.
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KOAN's Response: Paradigm Shift

- Subsistence production system to commercial orientated production.
 - Market led production
 - Farms as business enterprises.
 - From traditional kitchen gardening to commercial farming.



Capacity developed contd:

- ❖ Consistency in terms of Quality, quantity, logistics.
- ❖ Business approach: Yield estimates, farm financial planning, Profit and loss calculation, pricing, record keeping, enterprise selection (Inside out vs outside in).

Production

- Conversion planning, Field design, crop planning; rotations, planting calendars, Post harvesting handling and management

Data Entry Sheet
Gakuru Farmers Self Help Group

Month of
Name of the crop: Date of plating..... Acreage..... Quantity of seeds

Activities (Tick as appropriate). Put any costs involved.								
Date	1 st Weeding	Fertilization	Pest Disease Control	2 nd Weeding	Irrigation/Watering	Harvesting Leaves	Harvesting seeds	Comments
1/11/06								
2/11/06								
3/11/06								
4/11/06								
5/11/06								
6/11/06								
7/11/06								
8/11/06								

Business Planning

- Enterprise selection
- Financial planning

	Estimate	Actual
Yield	X = 3000kgs	Y = 4000kgs
Costs of production (Fixed Costs + Variable costs)	M = 30,000	N = 30000
Cost per unit	$m/x = 10/kg$	$n/y = 7.5/kg$
Profit per unit (%of cost per unit)	$40\%(m/x) = Ksh. 4$	$40\%(n/y) = Ksh3$
Selling price per unit	$m/x + 40\%(m/x) = ksh. 14$	$n/y + 40\%(n/y) = Ksh. 10.5$
Variance (Actual-Estimate) = 3.5 There was less incidences of diseases and pests and therefore production improved.		

Provide market access through:

- Farmers Markets
 - Learn about marketing specifications
 - Market dynamics
 - Consumer behaviour



Commercial partners

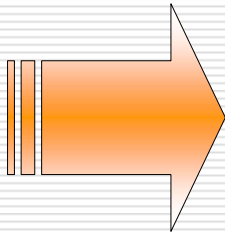
- As opposed to Brokers commercial partners will assist in;
 - Bulking
 - Providing market info
 - Guiding on market specs
 - Act on consistency.



Farmers participation in Marketing

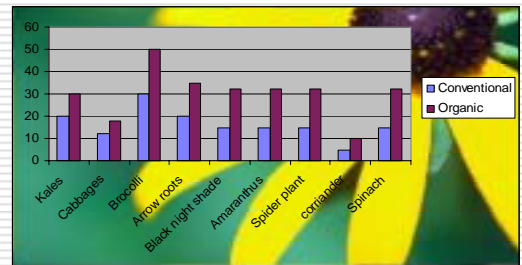
- Moving from farm gate marketing to market presence: Discourage unnecessary middlemen.
- Meet with proprietors of green grocers, restaurants, hotels to discuss supplies.
- Understanding quality requirements.
- Pricing: Improve bargaining power.

Produce currently produced and supplied to the market



- Kales
- Cabbages
- Broccoli
- Arrow roots
- Black night shade
- Amaranthus
- Spider plant

Organic Premiums the group is getting



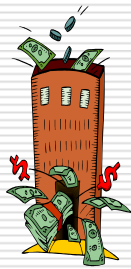
Achievements

- The group is currently supplying Bridges Organic Health restaurant and green dreams organic shop.
- Their incomes have improved through increased prices
- Prices offered by brokers to them is currently competitive (they are referred to as the organic group who knows prices in the market)

contd

- The group currently negotiate prices with the buyers and are more empowered to negotiate prices in the market.
- The farmers are able to work out logistics for making supplies to the market.
- Through their planting calendar, the farmers are able to supply throughout the year.

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- The group has attracted a commercial partner to work with them for an organic export project on borage growing.
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Thank
You



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