

Better Market Linkages for Horticulturalists through Allaken

By James Kanyi¹

Horticulture: Kenya's Top Export Earner

“Horticulture is firmly the leading export and top foreign exchange earner, bringing in Sh73.7 billion in 2008, up from the Sh57.3 billion it earned the country the previous year. The main growth commodities were cut flowers, processed vegetables and fruits. Fresh vegetables recorded a decrease in export volume owing to lower than expected rainfall in at least five months of 2008, but managed to record an overall 12.7 per cent increase in value. Horticulture overtook tourism and the tea sector to become Kenya’s top foreign-exchange earner in 2007. Releasing the figures on Wednesday, Agriculture ministry Permanent Secretary, Romano Kiome, said the sector’s performance was remarkable viewed in the context of the increased cost of doing business in 2008”

(Source:nation.co.ke; Publication date: 2/26/2009)
http://www.freshplaza.com/news_detail.asp?id=39065

According to Peter Mbogo, Programme Manager of Smallholder Horticulture Marketing Programme (SHOMAP), despite horticulture being the top export earner there are still high poverty levels in many of the horticultural areas in Kenya. Clearly, increased returns are not getting back to the smallholder farmers. This story illustrates how Allaken MAC is trying to get a better market for the horticultural producers in the Ndaragua area through the AgriTrade network.

Allaken Market Access Company (MAC)

Allaken MAC is situated in Othaya and covers the Nyeri, Nyandarua and Laikipia districts. It is a small commercial enterprise that offers client services to get better access to local, national and international markets. Through our Information Board we access and

distribute locally relevant market information and intelligence. At the Allaken office we provide computer services, training and agricultural information and advice.

Our vision is to be the leading company in the provision of fair-trade and price discovery to key players in the marketing chain. Our business aims to improve on how to make deals in an effective, reliable and transparent way and build trust with and among all players along the chain.

Allaken Links with Horticultural Producers



Bernhard at the pick-up point for WAMU

Bernhard Mwangi in Ndaragua is one of the many farmers producing snopeas, French beans and sugar snaps for Everest and Wamu. The farmers bring their vegetables in bags by bicycle, cart or on their backs. They then grade the produce before it goes into crates and onto the trucks for Wamu or Everest, which come to the pick-up point three times per week. Wamu and Everest grade the vegetables again at their packing factories and pay the farmers around 70/Ksh per kg at the end of the month, according to the quantity and quality of the crop produced. The vegetables that are not taken at the pick-up point are given to the cows as feed or just thrown away. But it is clear that these ‘rejects’ are only unacceptable because of the very exact size specifications; in every other way they are perfectly marketable.



¹ Interviewed by Anne Dennig in February 2009.



Sorting the 'reject' snopeas for feed for cows

The farmers complain about the big buyers. The export companies give low prices and are not altogether transparent; for example, we have the problems with 'rejects'; produce that is slightly the wrong shape or size. Sometimes the farmers get discouraged from production as they do not get what they expect in terms of payment after the companies have sorted the crop a second time before packing. They think what is accepted seems to depend on the market demand rather than the quality of the vegetables.

Allaken has links to horticultural producers in the region who are at present exporting through Everest and Wamu. We want to link these farmers to a market for the 'reject' or second grade vegetables that they cannot sell. To do this we are in touch with the AgriTrade network and have already made contact with Moses Gichuru and his Information Board Manager (IBM) network in Nakuru, and Samuel Mugo (IBM) in Nairobi.



James Kanyi and Moses Gichuru

The idea is for Allaken to source second grade French beans, beetroot, and eggplant for buyers in the 'malikiti' (or satellite) retail markets in Nakuru town. The IBMs in the Nakuru markets will identify buyers and IBMs in the Nyandarua collection centres will

advertise the offers and price. The IBMs will arrange payment between buyers and sellers using Mpesa and will arrange transport of the produce to Nakuru on behalf of the buyer. The buyers will pay AgriTrade commission and transport costs on delivery of the produce to Nakuru market. We are also trying to source second grade French beans for buyers in Wakulima market in Nairobi from producers in the Mt Kenya region, Ndaragwa, and Timau. Samuel Mugo (IBM Muthurwa market, Nairobi) will identify buyers while Bernard Mwangi will organize the collection centres.

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