

## Commercial Villages

### Marketing Turnaround Fortunes for Onion Farmers in Kenya



Anne Njoki with a pile of onions at a collection centre.  
Inset: Ngatia explains how to store onions in his storage facility

When it comes to marketing farm produce, smallholder farmers have always been at a disadvantage when dealing with unscrupulous traders who offer low prices.

To beat the brokers and middlemen at their own game, onion farmers in Enderasha area in Nyeri, Kenya, have formed 'commercial villages'. These are designed to increase the village cash economy as well as improving food security. This means farmers shifting part of their farming system from subsistence to the commercial production for the market. The commercial villages are made up of several farmers' groups who share ideas on increasing production, adding value and marketing of their crops.

Between 2007 and 2008, Farm Concern International (FCI), with financial support from FARM-Africa's Maendeleo Agricultural Technology Fund (MATF) helped form the commercial villages. They brought the farmers

together and trained them to produce, market and sell their onion produce in bulk.

As a result of the training, most farmers are now directly in contact with traders and are able to know the prevailing market prices in Karatina, Nakuru and Nairobi before selling to traders or other middlemen who visit their farms. Using mobile phones, farmers also call each other to update their group members on the best price at which to sell their onions.

Mr. Ngatia Waithaka, the Chairman of Kinyaite Commercial Village, explains that after gaining knowledge on the use of best hybrid seeds, having storage facilities that add value and marketing together, his earnings from onions rose exponentially. On his one acre, he would reap 800 kg of onions per season which would fetch KSh 8,000 (approximately US\$ 102). On the same area his earnings from onions have risen ten-fold to KSh 80,000 (US\$ 1021). He attributes the difference in income from his onions

to improved marketing, since the farmers now bargain as a group and sell their produce in bulk. This has almost eliminated "brokers" who buy cheaply from farmers and sell at a higher price to traders.

As a result of the improved earnings, the farmers have changed their fortunes and improved their standards of living significantly. A number of farmers are constructing better houses, purchasing land and paying school fees for their children.

All the groups recognise that the improved farming and marketing practices have changed their lives and they appreciate the help they have received from MATF and FCI. The farmers are now working to ensure the long-term sustainability of the project in good time for the NGO partners to step back to allow the farmers to take full control of the project next year at the completion of the three year initiative.

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## Content

Onion Business, Kenya----- 1  
Cow Lungs Trick in  
Upland Rice, Uganda ---- 2

Market Linkage Study -- 3  
MATF Briefs ----- 4

## Message from the Fund Manager



The recent drought has once again caused major challenges to people living in rural areas in East Africa. The World Food Programme wrote that government officials fear a possible exodus of people and animals from Northeast Tanzania due to the ongoing drought. In Uganda, the New Vision reported that drought has hampered the Universal Primary Education programme, because children are going in search of food instead of going to school. In Kenya, the Associated Press estimated that 10 million people are going hungry after failed harvests. Amidst these challenges, Maendeleo Agricultural Technology Fund (MATF) and its partners continue to support food production in the region through innovative technologies, so that more hungry mouths can be fed and income from the sale of food can be gained.

In this issue you will read about the resourcefulness of Ugandan farmers in securing good upland rice harvests. Earning an income from agriculture is what will eventually lift farmers out of poverty, and break the cycle of low inputs and low production. The bulb onion story shows that when farmers organize themselves into groups in villages, their bargaining power increases and they can make more profit. Our projects are increasingly market focused, but that does not mean that there are no challenges in that field. We recently invited some agro-business experts to visit our Round five projects, and they came up with very good recommendations, some of which we share with you in this newsletter. I am happy to report that others are interested in our successes (page 4), and that we train others to follow our examples. In our previous newsletter we announced the launch of an appeal by the UK's National Farmers Union (NFU) to support MATF's work. This appeal aims to raise the impressive figure of £260,000 already, while a journalist from the UK, Mathew Naylor, spread news about this exciting initiative to farmers and other supporters in the UK.

Ralph Roethaert

## “The trick of cow lungs” in rice fields in Uganda

A three year project in Namutumba District in Uganda to promote the production, processing and marketing of NERICA III upland rice between FARM-Africa's Maendeleo Agricultural Technology Fund (MATF) and Africa 2000 Network (A2N) is aiming to raise household productivity while ensuring sustainable household income and natural resources.

Mr. Kajjumba John of Nsinze sub-county recalls when Africa 2000 Network introduced upland rice in their area, “At first, I was skeptical on how rice could be planted in rows” Kajjumba says. For more than 10 years he has been used to growing paddy rice and could not imagine shifting to planting in rows. During the first season, Kajjumba intentionally refused to grow the rice and instead watched to see how his neighbour's crop would perform.

In Kajjumba's mind, the idea of growing rice in rows was a tiresome and time wasting activity. However, as he observed those who planted rice in this way, he found it easier and faster to weed as well as to harvest than when the rice is broadcasted.

During the second planting season, Kajjumba decided he could try planting in rows instead of the traditional way “I was surprised when I planted in rows. Weeding and applying urea fertilizer was quite easy,” said Kajjumba. Kajjumba is grateful to A2N for introducing the upland rice and for encouraging him to plant in rows because it has reduced losses, now he is more confident about

growing upland rice on large scale as a commercial crop.

Isaga Henry of Ivukula sub-county remembers the difficulty of spending many hours a day scaring away birds from his rice fields. “Sometimes my children would help me to scare away the birds from the rice but the children tired and resorted to playing,” Isaga Says.

When A2N came to their sub-county, Isaga says that things began to change. “A2N introduced the technology of using rotten cow lungs that scares the birds away through emission of a bad smell. The birds think that one of their own has died. This does the magic,” Isaga says. He can now relax and even devote his time on other farm and social activities. At first he says he was not sure of the effectiveness of this trick. “I thought it was not going to work but to my surprise after I tied some lungs to a long stick and placed it in the field, the birds have never attacked my rice field again”, Isaga says. He is grateful to A2N since he is sure of a bumper harvest as well as his children are now able to attend school.

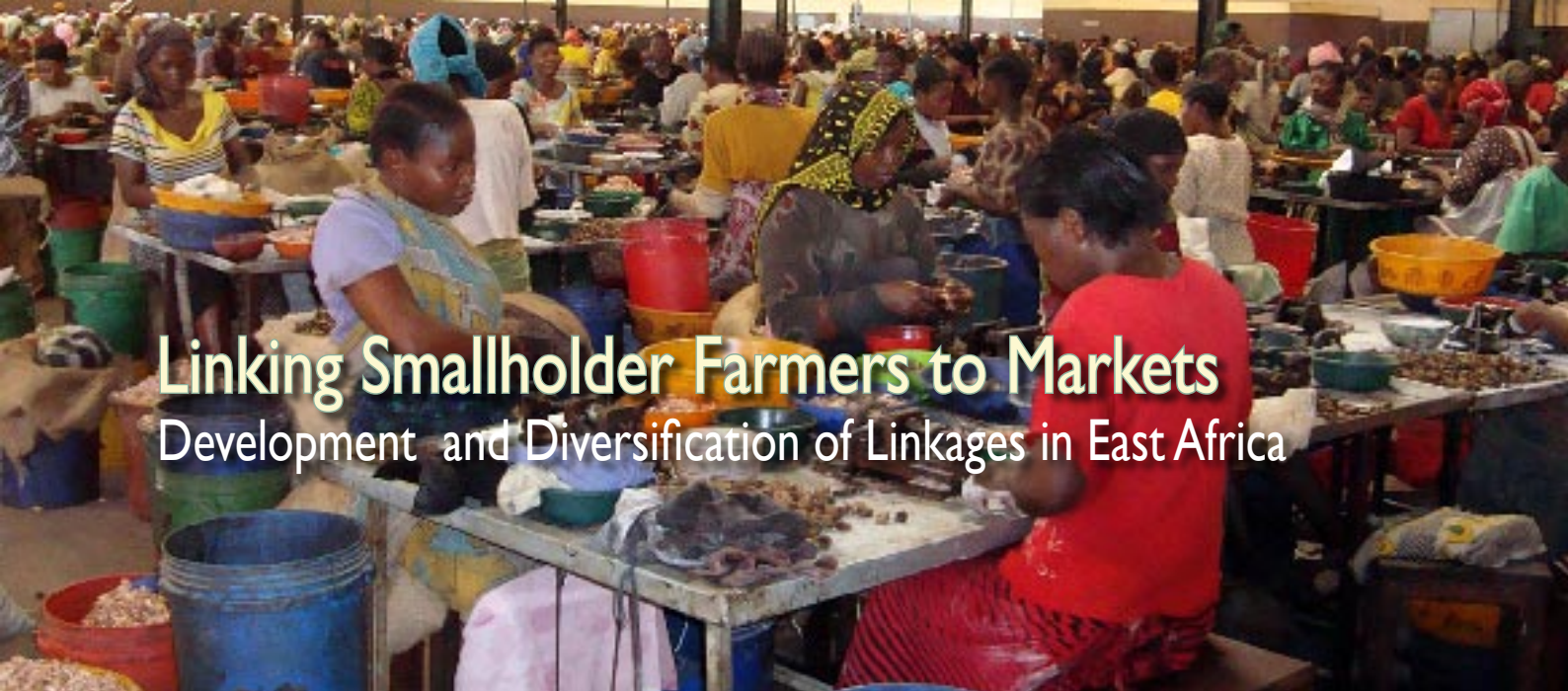
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A farmer enjoys weeding rice in rows



Farmers appreciating a good rice harvest after using the bird-scare technology



# Linking Smallholder Farmers to Markets

## Development and Diversification of Linkages in East Africa

A major challenge to agricultural development in Africa has been ineffective markets for inputs and products. The greatest potential for most African farmers lies in the domestic and regional markets for food staples such as cereals and root crops. For smallholder farming to be successful, it is essential that they are linked to new markets.

Recognizing the great need for market linkages by East African farmers, FARM-Africa's Maendeleo Agricultural Technology Fund (MATF) is adding emphasis to developing effective public-private partnerships and increasing support for stronger producer organizations.

MATF's new focus to develop market linkages began in 2007 when MATF funded five projects in East Africa being implemented by Africa Now and Farm Concern International in Kenya; Africa 2000 Network and NARO in Uganda; and DUCON and Farm Concern International in Tanzania.

To ensure that these projects were the fund's goals and to ensure sustainability of these ground-breaking projects beyond the project funding period, an evaluation of the current successes and challenges was undertaken. A study was commissioned in March 2009 to review the Round five projects and to recommend actions for strengthening marketing strategies for future learning.

### Achievements

The study found that partnership arrangements have been upheld and there is generally a cordial working relationship amongst the partners based on mutual trust.

The cashew nut project in Tanzania has facilitated the establishment of a district

based farmers' company, The Masasi High Quality Farmers Products Limited, that was made up of 800 members from 6 villages.

The upland rice project in Uganda has established the targeted 100 farmer groups. Each group is typically made up of 25-30 members. It is estimated that some 50% of these groups are fairly strong and are able to carry out regular meetings, enjoy good leadership structures and have methods for changing leaders, and are involved in self-help activities including the establishment and use of the Village Savings and Loans Association (VSLA).

The bulb onion project in Kenya, has mobilized 1,500 households into commercial villages and 23 producer groups have been established, of which 20 have been developed into Market Support Units (MSUs). New groups are being recruited and registration is expected for every group mobilized. Ten tailor-made training modules have been developed to strengthen commercial villages. At least 3 demonstration plots have been established in each commercial village in partnership with Seminis East Africa Limited, a horticultural seed company. In terms of other partnerships, Equity bank is providing training on credit management to farmers in producer groups and Osho Chemicals now supplies agro-chemicals through its stockists in the area. In terms of collective marketing, collective market systems (including establishment of bulking points) are being developed in addition to market information sharing mechanisms.

In the dried fruit project in Kenya, drying centre sites have been identified.

The project has identified one center in each district.

The citronella and lemon grass project has developed an implementation strategy through the Pallisa Farmers Association (PAFA) which is expected to address the following critical areas:

- Farmer group mobilization and strengthening, where it intends to start with 100 groups and gradually expand to 250 groups
- Input distribution, processing and market linkages
- Strengthening financial management and project management

### Specific recommendations include:-

- Improving quality and pricing of upland rice by placing an emphasis on post-harvest handling such as use of tarpaulins for drying.
- Supporting PAFA's citronella and lemon grass project in capacity building and skills development in various disciplines; leadership training in governance and management; advocacy and lobbying; and financial sustainability.
- Building capacity of commercial villages and member groups in the bulb onion project to encourage ownership and sustainability
- Establishing an active and functioning market research and information flow in the dried fruit project to improve the chances of farmer groups sourcing and tapping into fresh fruit markets.
- Training members in the basics of semi-processing of cashew nut including hygiene standards to improve on trading and so obtaining organic and fair trade certification.

## Aga Khan Foundation Learns from MATF

On the 17th April 2009, a team of professionals from the Aga Khan Foundation, Coastal Rural Support Programme, Kenya, visited FARM Africa's Maendeleo Agricultural Technology Fund (MATF). The Aga Khan team met Monicah Nyang, the Program Officer and the MATF Communications Officer who explained the concept of MATF and how it works.

The purpose of their visit was to gather some useful information on the Rakai Chicken Model in Uganda with the aim of replicating the same work in the coastal region of Kenya.

The successful project was implemented by Community Integrated Development Initiative (CIDI) and partners, with financial support from MATF.

The team was impressed by the outcome of the project and are planning to visit it in May 2009.



Monicah exchanges ideas with Fredrick Kasina, Enterprise Development Facilitor, Agakhan Foundation

## UK Journalist Visits MATF Projects

In November 2008, Mathew Naylor, a freelance journalist and a farmer in Lincolnshire, UK, visited MATF's work in Kenya on the Silage Making and the African Indigenous Vegetable projects in Kiambu District, and the orange-fleshed sweet potato in Homabay District. Matthew came to report to UK farmers the impact that MATF project's can have in increasing staple food production through the Farmers Weekly, the biggest farming publication for the agricultural sector in the UK.

The visit revealed that MATF's projects have already demonstrated significant improvements in staple food production for farmers in East Africa. Matthew's visit gave a boost to the Africa 100 Appeal that called on the UK farming industry to raise funds to help increase sustainable food production in the centenary year of the UK National Farmers Union (NFU).

In December 2008, Matthew was featured on the BBC Radio 4's Farming Today talking about his experiences during his visit to Kenya as a farmer and what he learnt and saw.



Mathew tries carrying harvested Sweet potatoes on his head

### STAFF CHANGES

#### Renison Kilonzo

joined MATF in November 2008, in the capacity of an accountant. Having worked for ADRA for 7 years in a similar position, he brings along a wealth of experience. He has B.Ed (Commerce Major) Degree from the University of Nairobi. Currently he is pursuing his MBA, Majoring in Finance in the same institution.



### UPCOMING EVENTS

#### The 5th Grantholders Workshop, May 25th to 29th, 2009.

Organised by FARM-Africa's MATF, the workshop will take place in Entebbe, Uganda. It aims to bring together organisations in East Africa who have benefited from MATF's Round 5 grants program to learn about best practices in linking smallholder farmers to profitable markets.

#### Boosting Agricultural Productivity for Economic Growth in Africa, June 14th - 17th, Cape Town, South Africa \*The first EMRC AgriBusiness Forum in Africa\*

The AgriBusiness Forum 2009 will showcase successful partnerships and projects and present financing opportunities.

Over 350 professionals are expected from Africa, Europe, America and Asia. Delegates will include: industry leaders, cooperatives, SMEs, Financiers, Government Officials, NGOs, Researchers, International Organisations, Multinationals and Donors.

For details please visit: <http://www.emrc.be>



Kilimo Trust

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(FARM)-Africa. FARM-Africa's vision is a prosperous rural Africa. MATF supports innovative agricultural technologies, practices and access to markets through competitive grants. MATF emphasizes environmental sustainability and social equity.

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