

Agribusiness Approaches to meeting the protein demands of the urban and Rural Populations.

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Farming Systems Kenya

Presentation Outline

- About Farming Systems Kenya
- Background
- Soy bean production in Kenya
- Lare Case : Soy bean Potential for food security
- Challenges
- Successes
- Lessons
- Distribution challenges
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- Conclusion

About Farming Systems Kenya

- An NGO formed in 1981 .
- Works under the AIC Kenya
- Main Agenda is to reduce poverty through agricultural development
- Works with small holder farmers who constitute 80% of the Kenyan farming community

FSK Vision

- To facilitate the development of a wealthy, prosperous and entrepreneurial small holder farming community

FSK Mission

- To provide technical , financial, marketing support , clean water and research back up to agriculturally based rural communities to assist them realise food security and improved household incomes.

Services

1. Training – Using the curriculum Based Approach
2. Seasonal credit for crop production
3. Provision of high quality dairy animals- using the pass on approach.



Services

- Clinical Veterinary Services for rural communities
- Marketing advisory services
- Technical services and building the capacity of rural communities to put up and manage water facilities
- Community mobilisation

Extension Approach

- Curriculum Based Approach under the Farmers Marketing Federation arrangement.
- Keys Pillars
- 1. Social Development- Group dynamic, project planning, environmental mgt etc
- 2. Production- crop/animal production
- 3. Business Development- Agribusiness, marketing, credit sourcing, financial management.

FMF



- Location Federation

FMF

- Individual Groups

Individual
groups

- Individual Farmers

Individual
Farmers

Soy Background in Kenya

- Kenya has 66.4 million Hectares of land
- Only 20% is classified as medium to high potential
- The remaining 80% is low potential with low rainfall and soils need specialised management to produce optimally.
- Soy introduced to Kenya in 1904 from temperate zones,

Background

- Soybean varieties in Kenya have been classified as either broad leafed / narrow leafed.
- Have different potential in different cropping systems

Soy Bean Production in Kenya

- Production estimated at 50-70,000 tonnes/annum.
- Way below the amounts needed for human consumption and animal supplements
- Areas with significant production include – Western Kenya, Rift valley, and parts of eastern.
- Average yield per acre is 800-1000 kg
- Most of the soy used in our manufacturing industry therefore imported.

Soy Gaps in Kenya

- Un availability of quality seed at agro retail outlets
- The right inoculation (rhizobia) to enhance yields is not readily available
- Marketing outlets for soy bean limited especially in the rural areas.
- Range of soy products still narrow
- Consumer education / awareness on **nutritional** advantages of soy mainly limited to the educated urban elites.
- Demand for soy products therefore low as majority of the rural population rarely consume it.

What is being done to address gaps

- Kenya Agricultural Research Institute (KARI) undertaking breeding for improved varieties adaptable to the local conditions.
- University of Nairobi working to produce biofix to inoculate seeds
- However, demand outstrips local supply

Lare Soy Production Case

- Pilot soy production project
- Partners – MOA, KARI, FSK, CDN, Egerton
- Formed a partnership to address food security in a semi arid area of Nakuru characterised by low food production, poverty and malnutrition
- PRA Conducted
- Needs prioritised and interventions indentified

Lare Case

- Stakeholders formed a forum with joint planning and action
- Soy among choice crop
- Extension messages developed to promote soy
- Received very well by community
- Productivity increased with average production being 642 Kg / acre amongst pilot group

Challenges Faced

- Utilization of this highly nutritious, high protein crop was a challenge. Women were mixing soy with maize to make githeri- a traditional Kikuyu dish , but the soy would not cook.
- Some were grinding the soy and mixing it with maize floor .
- The partners trained the community to make different soy recipes to address the utilization problems.

Challenges

- Market outlets became a challenge discouraging production. Processors have relied on imported soy. Tangible relationships with local supply chain not well developed.
- The prices offered by processors were also very low
- low production due to lack of starter fertilisers making local production uncompetitive
- Varietal mixtures - low yields
- Loss of seed vitality within a short time compared to other crops they know i.e. maize

Challenges

- Linkages sustainability and lack of reliable markets.
- Threshold to sustain interest not realised
- Proper food form delivery to suit the greater population not yet achieved

Successes

- The community created a linkage with a processor who is contracting them to produce soy at an agreed price which has been stable.
- Soy has greatly contributed to improved incomes and food security in the area as farmers are still producing it for sale.
- Community members have learnt to prepare various soya recipes and are utilizing it in their households
- A manual on soy production and utilization produced

Lessons

- There is potential to significantly increase soy production in Kenya by replicating the Lare model
- Awareness through simple soy bean recipes can improve acceptance and spur production and consumption of soy
- The development of the market chain and supporting players critical in sustainability of the soy business

lessons

- Parallel introduction key to success-production/utilization/benefits /
- The protein gap amongst the kenyan rural population is yet to addressed and a concerted effort is needed to address this need.

SOY Agribusiness Chain

The usual chain in agribusiness is:

Producer/ farmer



Middleman



Processor



Consumer

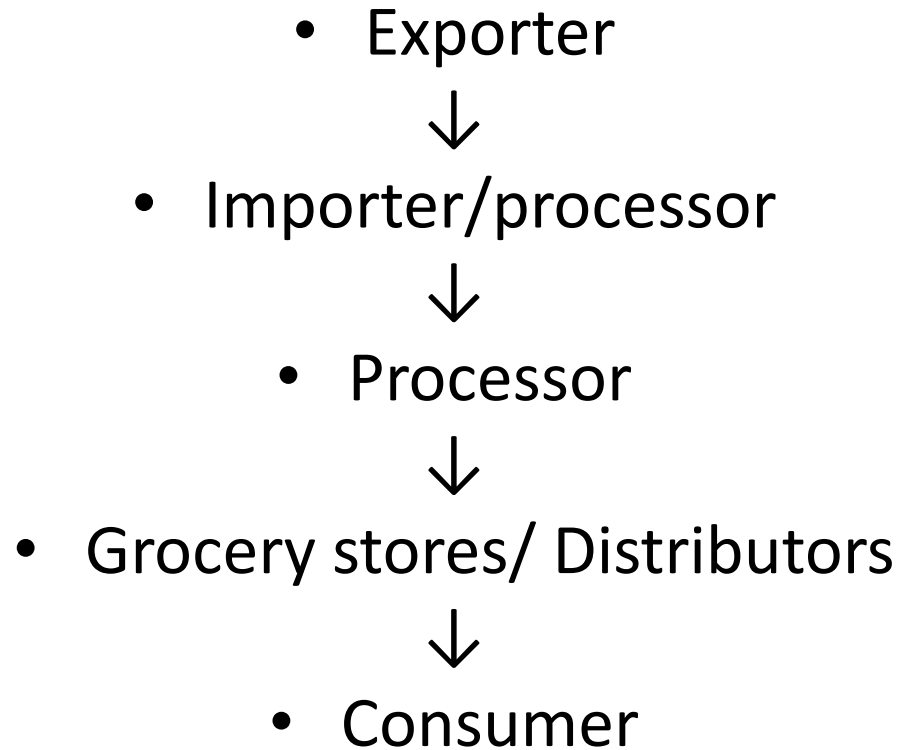
Agribusiness Opportunities

- Due to the low demand of soy in the rural areas, the people are not benefiting from the high nutritional value of soy.
- Malnutrition is widespread especially among children
- Most people have to rely on relief food which is not sustainable
- A commercial approach to the nutrition problem is the way forward.

Short Term Approach

- We need to bridge the gap between the current nutritional needs of the population and long term sustainability where farmers can be trained and supported to grow soy as a business.
- In the short term, engage processors who can import, add value and distribute soy and soy products to both the urban and rural Kenyan population

Urban Market chain

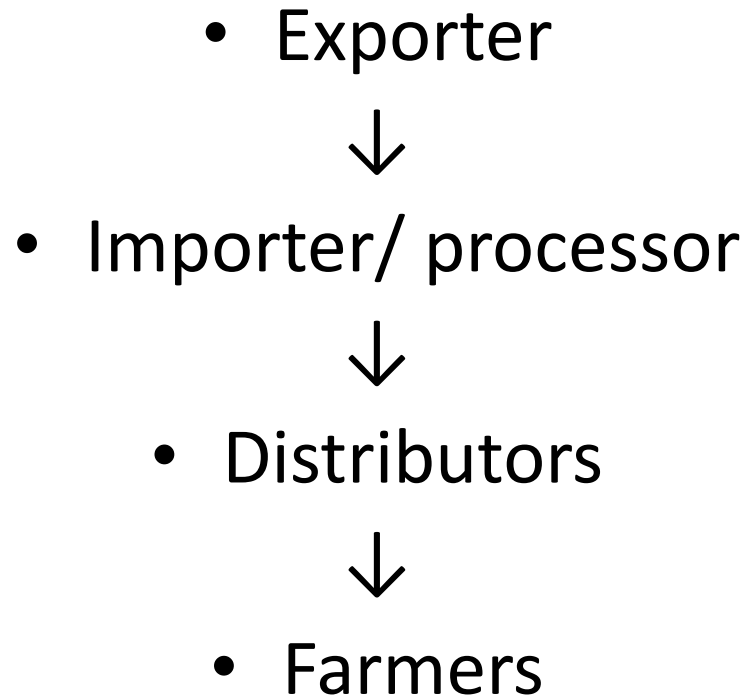


(Already aware of soy benefits / value and is able to buy processed and packaged soy products)

Urban Awareness approach to increase demand

- Radio
- Television
- Posters / bill boards
- Internet
- Mobile phone messages

Rural Chain



(Soy demand low due lack of awareness. Priorities different from urban)

Issues with increasing rural demand

- Limited demand hence supply chain not well developed
- Cottage industries which could provide market for soy not well supported. There is a great business opportunity here once awareness is created
- Awareness on nutritional value and product variety limited.
- Limited movement and opportunity to experiment with new foods i.e. soya

Rural chain

- Feeding culture
- Pricing of value added products. Alternatives packaging for Rural Areas ?
- Affordability. The general population especially in the rural areas are poor – earning less than a dollar a day.
- Knowledge of how to prepare soy limited. Interest diminished
- Still trapped in bulk feeding as opposed to quality feeding- limited means

Opportunities for soy producers and marketers

- Create demand for soy amongst the 80% of Kenyans in the rural areas.
- Make them consumers and not just producers
HOW? Soya campaign
- Develop the agribusinesses dealing with soya at the local level to create awareness/ visibility
- Lower costs of soy products. High prices a demotivator . Pocket friendly

Opportunities..

- Joint ventures between kenyan and US firms on value addition, packaging and distribution.
- Distributorship of soy cow – which would be appropriate for rural groups that would like to add value on soy
- WISHH could support people along the chain to develop their own commercial responses to the rural nutrition needs.

Opportunities

- Link local entrepreneurs with others who are already adding value to soy to learn from their expertise .
- Work with local entrepreneurs to Increase range of soy products available in the local market i.e. Short cake, family cereal, soy milk powder, beverages, unimix, yoghurts, sauces, soya meat, pasta, infant formula bakery products and fortifying other products i.e. maize flour with soy.

Opportunities

- Promotion of Soy milk for milk deficit areas and to the population with milk intolerance. Price comparison with (UHT) long life milk
- Kenya is the confluence through which the whole of east and central Africa can be reached.

Long term

- Support the rural population to grow soy by addressing the production and marketing challenges as this will be a more sustainable approach to meeting their nutritional needs.

Conclusion

- The small holder farmer like others all over the world have to produce a quality product at competitive cost and therefore must take a business approach to farming in order to make a profit and remain in business in the long term. They must engage in farming as a business.

ASANTE SANA

THANK YOU FOR LISTENING