

ACCESS TO MARKETS AND FINANCIAL SERVICES FOR RURAL SMALL-HOLDER FRUIT PRODUCERS



Project site: Uasin Gishu and Keiyo Districts, Kenya



Mrs. Zippy Simiyu attending passion fruits at goodneighbours farm in Uasin Gishu.

Background

Kenya Union of Savings and Credit Cooperatives Society (KUSCCO) is the apex body for Kenyan Savings and Credit Cooperatives (SACCOs), with a membership of over 2,000 SACCOs. Its mandate is to promote growth and development through advocacy and lobby, research, training, risk-management schemes and financing.

Horticulture has been identified as the country's main income, employment and food generating sub-sector, employing 8 million people and earning producers USD 1.94 billion in 2007. passionfruit and papaya are two important horticultural crops: passionfruit contributing to 53% of fruit exports in 2007 and papaya being a source of revenue for 90% of women, youth and the elderly. Demand for the fruits by processors and exporters based in Nairobi and Kampala are high, but farmers are not able to deliver in bulk and access to market and financial services causes a major dilemma for over 8,000 producers.

Project description

KUSCCO and Agric Chains Development Ltd intend to address the issues of market and financial access by strengthening the capacity of one SACCO and two marketing cooperatives to provide an estimated 700 producers with credit services and market enhancement strategies.

The SACCO and marketing cooperatives are namely MEFAT SACCO and Koyumkaa and Soin Marketing Societies. KUSCCO will strengthen capacity to support informal sector cooperatives with new outreach programmes, special lending packages, risk mitigating strategies and case studies.

The project has been designed to include important agencies (apex and primary coops, private sector providers and potential development partners) to operate at different levels and address various challenges.

KUSCCO will assist MEFAT SACCO to build capacity so they have a wider outreach and the capacity to offer affordable financial services, while Agric Chains Ltd will carry out market research, linkages and organisational

development for producers through Soin and Koyumkaa Marketing Cooperatives.

Contributions to the Decent Work Country Programme's priority (DWCP):

- Employment generation for target groups and SMEs engaged in farming or small-scale related enterprises.

Partners

- Agric Chains Development Ltd, a local BDS provider, will share their expertise on market development, organisational development, product development and project management;
- ACK Diocese of Eldoret, a local NGO, has been supporting MEFAT SACCO through technical advice and limited grants. It also provides market linkage to dairy and horticulture farmers in the region;
- The Ministry of Cooperative Development, government body involved in cooperative policy development and enforcement;
- Lanstar Technologies, private software vendor for SACCOs, will supply MIS to MEFAT SACCO.

Beneficiaries

The prime beneficiaries are the members of MEFAT SACCO, Soin and Koyumkaa Marketing Cooperatives and 700 passionfruit and papaya producers.

The project will provide employment for 8 people and reach 84 cooperative leaders, 2300 members will receive market information and published materials will be distributed to 100 cooperatives.

Expected achievements

- Strengthened MEFAT SACCO with a wider outreach;
- Organized marketing of passionfruit and papaya fruits through Koyumkaa and Soin Cooperatives;
- Increase incomes by 20% for fruit producers;
- Strengthened cooperative leadership on management, marketing and product development;

- Enhanced capacity of KUSCCO and other support institutions to promote primary cooperatives;
- Increase work opportunities for women and youth;
- Increase in savings & loan portfolio by 30%;
- 2 sales contracts established;
- 2 publications produced;
- An Increased and sustained income for 700 producers;
- Credit for investment and stronger bargaining power, hence, reduced poverty through farm and related enterprises and employment.

The project will inform on how cooperative business can be monitored and assessed. KUSCCO will use the case of MEFAT SACCO to develop a model to assess how SACCOs can be supported to meet standards under the new SACCOs Act.

Project duration and budget

Project duration: 10 months, May 2009 - February 2010

Total Budget: USD 78,779

Contribution from COOP^{AFRICA}: USD 52,254

Other partners contribution: USD 3,000



PHOTO: KUSCCO

Passionfruit growers and members of Koyumluk Cooperative Society in Keiyo district tending to their fruits.

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