

# Future Agricultures Consortium

## Can Agro-Dealers Deliver the Green Revolution in Kenya?

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# Main Highlights

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- ❑ **Key policy narrative:** Low agricultural production (Oil crisis, rigid macro & structural policies, SAPs – SRA(2004)/Vision 2030;
  - ❑ **Problem:** Low productivity' in smallholder agriculture linked to farmers' lack of access to agric. inputs
  - ❑ **Solution:** GR type action needed, where agro-dealers supply new seeds/information to smallholder farmers and spur GR
  - ❑ **Reality on ground:**
    - ❑ Agro-dealers heterogeneous/unevenly spread– unbalanced benefits
    - ❑ Seeds & fertiliser business is risky especially in ASALs – low/erratic demand. Diversification is key
    - ❑ Agro-dealer model focusing on hybrid maize
      - Narrows choice of seeds/crop
      - More benefits for high rainfall areas & larger agro-dealers
    - ❑ Alternative/parallel input models to complement agro-dealer model.
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# Study Purpose and Methodology

- **Purpose:** To assess evolution & characteristics of agro-dealer in cereal seed systems & explore the extent of agro-dealer participation in GR
  - assess the cereal seed systems;
  - map actor networks;
  - characterize the agro-dealer;
  - identify points of convergence/divergence that build/break the agro-dealer agenda.
- **Methodology:** literature review; mapping actor network; analysis of narratives in policy documents; semi-structured discussions with key informants & Actors; agro-dealer survey



Discussion with members  
of a farmer group in  
*Machakos*

# Results: Cereal Seed Systems

## □ Seed systems

- Formal – Mainly supplies maize seed and high rainfall areas
- Informal – Mainly supplies seed of other cereals and low rainfall areas

Seed demand and supply for main cereal crops (2005)

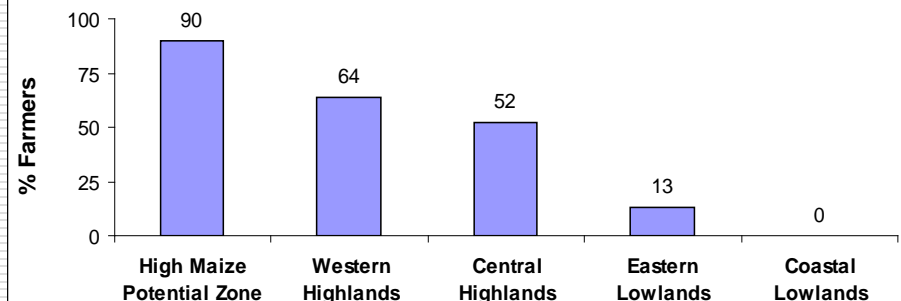
<i>Crop</i>	<i>Formal seed (%)</i>	<i>Informal seed (%)</i>
Maize	62	38
Sorghum	35	65
Millet	24	76
Rice	24	76

Source: Adapted from Ayieko and Tschirley 2006.

## □ Main Actors

- Ministry of Agriculture
- KEPHIS
- Research Institutions
- Seed Companies
- Donors/NGOs
- Farmers

Use of Formal Maize Seed in Different Agro-regions of Kenya



Source: Authors using data from Ayieko and Tschirley 2006

# Results: Agro-dealership

## Policy

- ☐ No overall policy document – but draft ready
- ☐ Elaborate seed legislative framework – outdated but undergoing revision [STAK & PBAK pushing]
- ☐ Legislation draws from international conventions, favours formal seed system, high rainfall areas, better resourced farmers

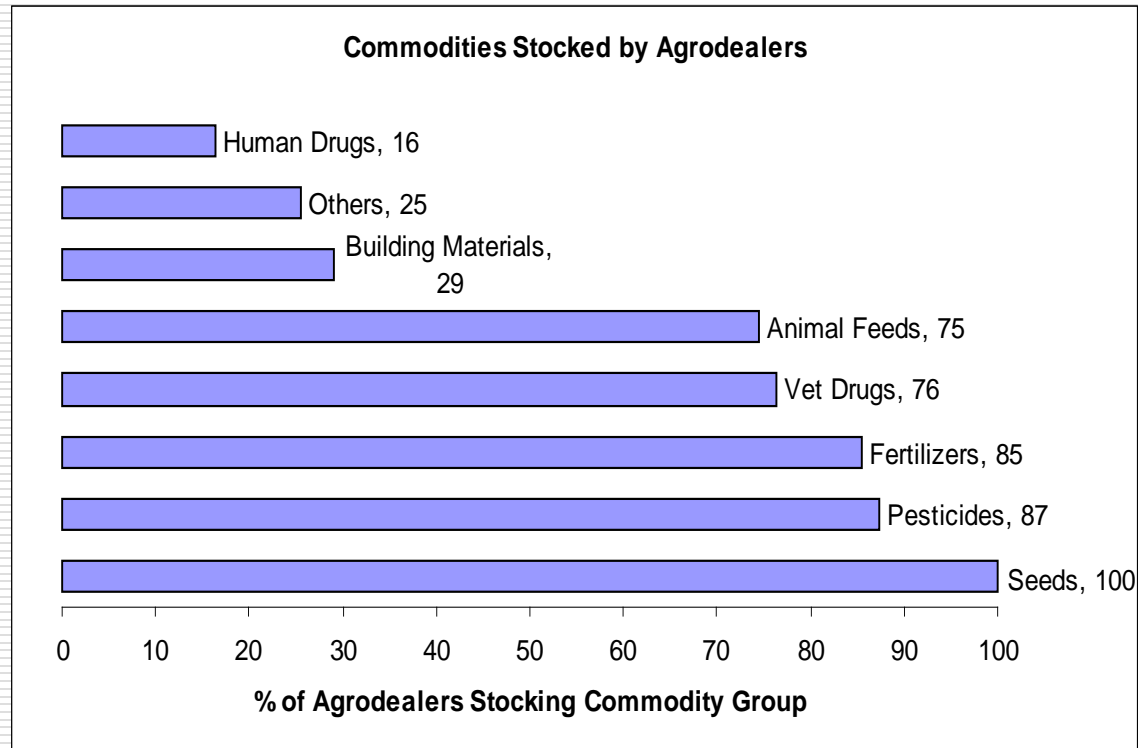
## Who is an Agro-dealer?

- ☐ Trained and certified stockists (AGRA)
- ☐ No legal definition in Kenya – Seed laws recognize licensed seed merchants and sellers
- ☐ In practice - traders in agric. inputs, known as 'Agro-vets' or 'Stockists'. Some operate 'illegally'. Less than 50% owners manage business full-time
- ☐ Deal in several commodities, some non-agric.



# Results: Commodity Focus of Agro-dealers

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Source: Agro-dealer survey data, 2009

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# Commodity Focus cont..

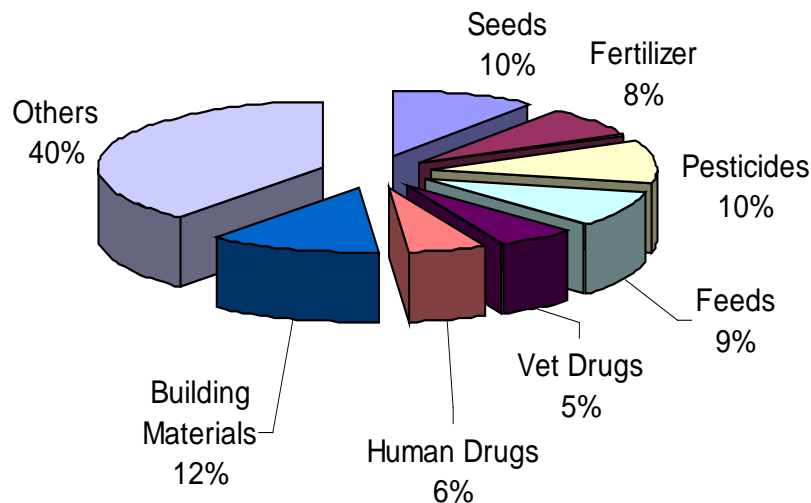
## Arrangement of commodities inside an agrodealer shop



## Commodity Focus cont...

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Value of Commodities Stocked by Agro-dealers(%)



- Fertilizer & seed constitute <20% of stock value
- Direct agric. inputs constitute about 40% of stock value
- Commodity diversification vital risk mitigation & cost management



# Commodity Focus cont...

## Small scale (Left) vs large scale (Right) Agro-dealer



# Agro-dealer Participation in GR: Programmes, Actors & Outcomes

Programme	Implemented by	Donor
Kenya Agro-dealer Strengthening Programme (KASP)	CNFA/AGMARK, GoK, Equity Bank	AGRA, IFAD
National Accelerated Agricultural Inputs Access Programme (NAAIAP)	GoK	MoA, CNFA/AGMARK, Equity
Maize Seed for the Poor (MSP)	CIMMYT, IFPRI, KARI, STAK, Equity	USAID, ASTA

## Remarks

- Program narratives: Low agricultural production linked to farmers' lack of access to inputs
- Challenges: Targeting, Agro-dealers lack capacity (capital)
- More benefits for high rainfall areas & larger agro-dealers
- 'Parallel' government programs bypassing agro-dealers



# Building/Breaking Agro-dealer Model

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## Building

- ❑ Need for a GR in Kenya (Africa)
- ❑ Need for increased use of modern farming inputs – requires increased access by farmers
  - *Agro-dealers needed to supply inputs & information*

## Breaking

- ❑ Agro-dealer density no guarantee to input access – Farmers not purchasing inputs at nearest agro-dealer
  - ❑ Agro-dealer support programmes benefiting seed & fertilizer industries. Benefit to farmers not assured.
  - ❑ GR rolling out 'expensive & potentially harmful' GM products of TNCs, represented by Agro-dealers.
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## Conclusions/Lessons Learnt

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1. Formal & informal seed systems are important in supplying cereal seed to Kenyan small farmer
  2. Kenya's GR favours formal system, maize, high rainfall areas & well resourced farmers.
  3. In practice, agro-dealership is risky: the business must look beyond supplying seeds and fertilisers
  4. Agro-dealers are participating in GR, but capital & government interference limits them.
  5. Rethink the agro-dealer model to account for differences in geographic/socio-cultural factors
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**Thank  
You**

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