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Integrating Small Scale Farmers to Regional Organic Markets: Issues, Opportunities and Constraints in East Mau Catchment, Kenya

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Abstract

In Kenya, just like in other developing countries, the character of the food system and nature of food policy is changing, with the supermarkets and other specialised outlets taking a leading role in marketing of agricultural produce, policy makers have also to focus on emerging issues with regard to food production, processing and marketing. As these changes occur, the gains are more likely to accrue to the more concentrated players who control the major agro-based and food processing systems. The small scale farmers are likely to be the losers due to a number of challenges and poor links of their production to the market. Against the backdrop of the expanding domestic and export markets for organic produce accelerated by changing global food systems, food, health and safety concerns, this study sought to identify the factors that influence the level of local market participation for small scale farmers in East Mau catchment. It was hypothesised that there is a relationship between the farmers' level of participation in the market and the state of infrastructure, level of transaction costs, level of trust and farm specific socioeconomic factors. A tobit model was used to analyse the factors that influence farmers' level of market participation. Results indicate that, infrastructure, transaction costs, level of trust, inconsistent production and low premiums were identified as some of the factors that mainly impede farmers from competitive participation in the market for specified food crops. We suggest that though it is important to target the ever growing export markets, there is need to empower the small scale farmers to fully participate in local and regional markets. The link between the organic farmers and specialised and non specialised outlets in the urban centres of Kenya is still weak. Primary data was collected through a household survey on a sample of 308 farmers in the study area between January and March 2007. Additional data was collected from focus group discussions with agricultural experts in the region.

Keywords: Market participation, organic markets, transaction costs