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Value Chain Governance of African Indigenous Vegetables: Smallholders Participation in Kenya

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Abstract

Production and marketing of African indigenous vegetables (AIVs) offers opportunities for smallholders to participate in higher value chains in Kenya. There is growing demand for AIVs among the middle and upper-class urban consumers due to promotional campaigns by research organisations and public agencies. The vegetables are rich in macro and micronutrients and possess bioactive compounds with antioxidant potential making them very suitable for food and nutritional security. Production of AIVs is predominantly by smallholders in rural and peri-urban areas in Kenya. These vegetables are now sold in big supermarkets signalling prospects for the smallholder to participate in coordinated higher value chains. Access and participation in these higher value chains depend on the embeddedness in the coordination and governance structures. Based on an exploratory multiple case study, this paper comprehensively maps out chain actors and their activities, assesses the coordination and governance structures that influence participation in the AIV value chains in Kenya. It further identifies constraints and opportunities for integration and finally explores upgrading strategies for sustainable smallholders' participation. A comparison has been made between governance coordination in the traditional and coordinated value chains for rural and peri-urban smallholders. A stratified multistage sampling technique was used to select a sample of 288 respondents and data was collected through semi-structured interviews using different instruments for different nodal actors. A majority of farmers (98%) participate in traditional value chains as compared to only 2% that supply supermarket which represent coordinated value chains. The study did not find collective actions for marketing indigenous vegetables among rural farmers. There were no direct transaction relationships between rural farmers with the more remunerative urban traders and supermarket outlets. Farmers in the peri-urban areas made use of farmer groups to participate in urban wholesale markets as well as supply supermarket outlets. The wholesalers and supermarkets set compliance parameters such as price, quality and quantities in the traditional and coordinated value chains respectively. Vertical linkages between value chain actors in both coordinated and traditional value chains are weak; mostly characterised by “arms-length” market transactions, except for the modular governance arrangements exhibited between supermarkets and their suppliers.

Keywords: African indigenous vegetables, chain governance, coordinated value chains, smallholder participation, traditional value chains