

Agricultural Extension Reforms in Kenya: Promoting Agri-Business through Value Chains

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Abstract

In Kenya, the agriculture sector is the mainstay of the country's economy and the role of the agricultural extension service in promoting growth in the agriculture sector is well recognized. Kenya's extension service, like many other developing countries has been undergoing a number of reforms since the early 1990s in a bid to improve its effectiveness. The country has therefore tried a number of extension models and styles. The Agriculture Sector Development Support Programme (ASDSP) is the new agricultural extension model in Kenya and it is based on Agriculture Sector Development Strategy (ASDS). The overall goal is to support the transformation of Kenya's agriculture sector into an innovative, commercially oriented, competitive and modern industry that contributes to poverty reduction, improved food and nutrition security in rural and urban Kenya, as a result of improved production and productivity in the rural smallholder farm and off-farm sectors through the value chain approach. The ASDSP has three components, and the third deals specifically with value chain development. The purpose of this paper is to share highlights on Kenya's new agricultural extension reforms, which will transform the role of the agricultural extension service from simply focusing on agricultural production, to promotion of agri-business by focusing on the entire value chain. The strategy will create stronger ties with all players in the value chains through more effective networking and collaboration from national level to the counties, sub-counties and wards, which are the centres of implementation. The current extension reforms are expected to result in a more vibrant agriculture sector, with more of the small-scale farmers participating actively in market led economy and reaping greater benefits from the value chains.

Background

In Kenya, the agriculture sector is the mainstay of the country's economy and the custodian of food for the growing population currently standing at 38.6 million people. It contributes 51 per cent of GDP directly and indirectly, accounts for 65

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per cent of Kenya's total exports and provides more than 18 per cent of formal employment and over 60 per cent of informal employment in the rural areas. Growth of the national economy in Kenya is therefore highly correlated to growth and development in agriculture.

A general consensus exists that extension services, if properly designed and implemented, improve agricultural productivity (Romani 2003; Evenson & Mwabu 1998; Bindlish & Evenson 1993). New global emphases on rural development as an essential element of poverty reduction provide the context for many extension reforms. The success of rural development programs depends largely on decisions by rural people on such questions of what to grow, where to sell, how to maintain soil fertility, and how to manage common resources. These decisions that are made in millions of rural households are dependent on the knowledge and information available to rural people. Ability to provide this information will ultimately determine the success of all rural development programs, whether focused on increasing agricultural production, stimulating off-farm employment, strengthening local organizations, developing new market linkages, providing social services, or conserving environmental resources.

The changing nature of agriculture characterized by declining land and water availability, degradation of natural resources, unfavorable price regimes, low value addition and increasing competition from imports has expanded farmers' need for information services. Extension must provide a wide range of services (DAC 2002; DAC 2000; Sulaiman and Hall 2002). As in the case of India, it is now widely recognized that agricultural extension needs to reform to allow it to fulfill a diverse set of objectives. This ranges from better linking of farmers to input and output markets (Neuchatel Group, 2002), to reducing the vulnerability and enhancing voice of the rural poor (Farrington *et. al.* 2002), development of micro-enterprises (Rivera, 2001), poverty reduction and environmental conservation (Alex *et. al.* 2002), as well as old concerns such as introducing new technology and facilitating rural innovation (Sulaiman & Hall, 2002).

Evolution of Agricultural Extension Services in Kenya

Agricultural extension in Kenya dates back to the early 1900s. Over the years, the Kenyan Government has tried a number of extension models and styles, including the progressive (or model) farmer approach, integrated agricultural rural development approach, farm management, Training and Visit (T&V)

system, farming systems approaches and Farmer Field Schools (FFS). All these approaches have emerged with varying levels of success. The Training and Visit (T&V) system of agricultural extension service management was introduced in Kenya by the World Bank in 1982. The effectiveness of the approach has been the subject of much debate.

The traditional public extension system was perceived as outdated, top-down, paternalistic, uniform (one-size fits-all), inflexible, subject to bureaucratic inefficiencies and therefore unable to cope with the dynamic demands of modern agriculture. To respond to these challenges, the Ministry of Agriculture and Rural Development formulated the National Agricultural Extension Policy (NAEP) to guide improvements in delivery of extension services in 2001. The NAEP recognized the need to diversify, decentralize and strengthen the provision of extension services to increase their sustainability and relevance to farmers. The NAEP was meant to form the basis for all extension work within the government and in its interaction with other stakeholders in agricultural research and development. To operationalize the NAEP, the Ministry prepared an implementation framework in the form of the National Agricultural and Livestock Extension Program (NALEP).

The policy has been criticized for being ambiguous on the specific roles of various actors in extension provision and particularly for failing to specify how the private sector would be encouraged to play a stronger role in extension. NALEP was the main government extension programme from the year 2000 to 2011. The Programme aimed at enhancing the contribution of agriculture and livestock to development and poverty alleviation by promoting pluralistic, efficient, effective and demand-driven extension services among farmers and agro-pastoralists. The premise of this approach was that development agents should not do extension alone, but together with all other stakeholders in the area could provide valuable inputs to the process in order to gain synergy effects. After being operational for ten years, NALEP has been replaced by the Agriculture Sector Development Support Programme (ASDSP).

Current Reforms in Agricultural Extension: Agriculture Sector Development Support Programme (ASDSP)

ASDSP is the new extension programme in Kenya, based on the Agriculture Sector Development Strategy (ASDS) that is set to run between the years 2010 and 2020. The launching of the programme has been delayed and it has become operational only in recent months. The ASDSP supports the Government's multiple goals of:

‘an integrated form of commercialization and market-led growth in agriculture, the pursuit of increased productivity, and strategies to address the special needs of vulnerable rural populations.’ The ASDSP contributes to the realization of Kenya’s wider development goals as expressed in the Millennium Development Goals (MDGs), Vision 2030 and Kenya’s Constitution (2010).

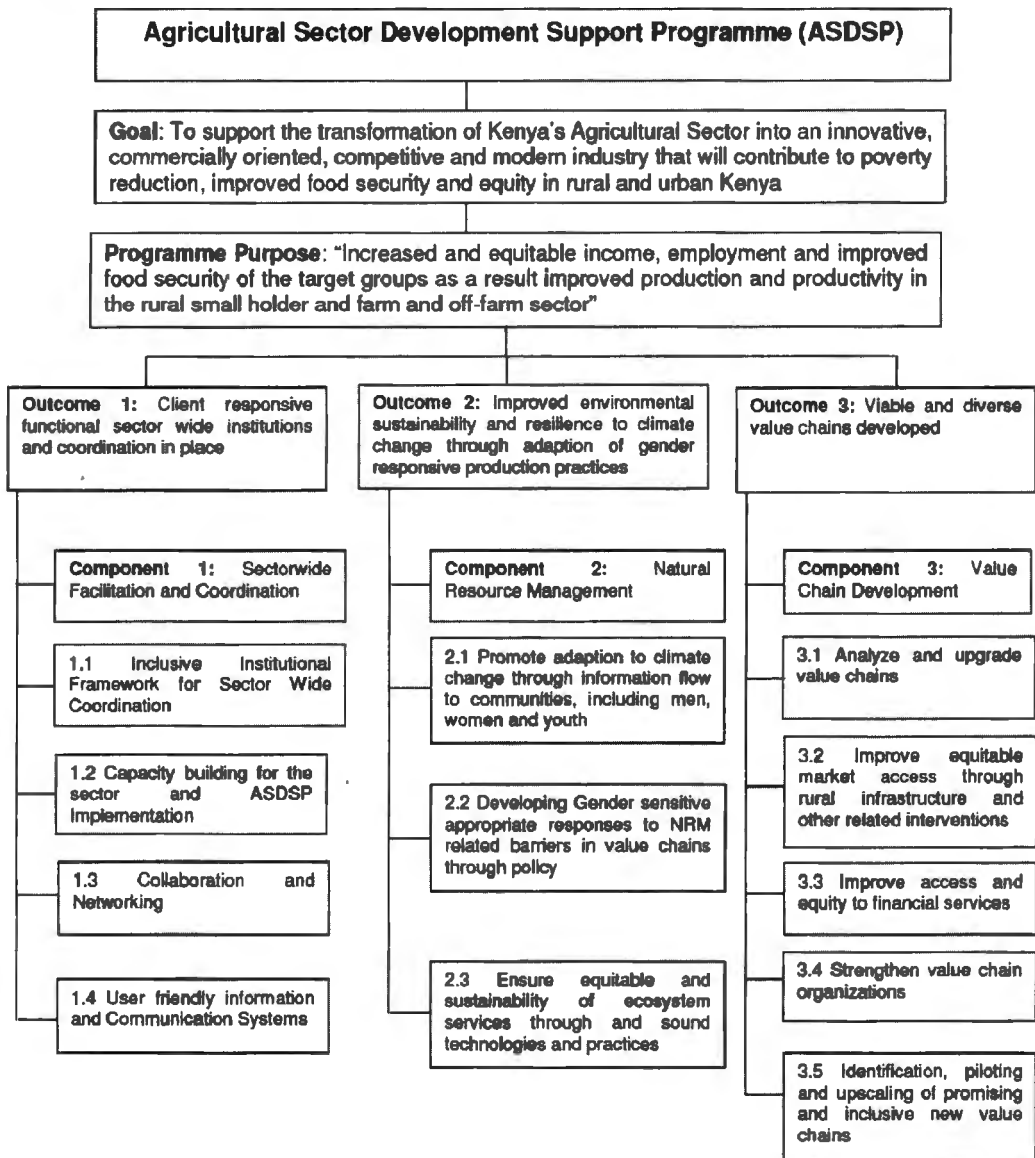
The overall goal of ASDSP is to support the transformation of Kenya’s agricultural sector into an innovative, commercially oriented, competitive and modern industry that will contribute to poverty reduction and improved food security in rural and urban Kenya. The purpose is: ‘increased and equitable income, employment and improved food security of the target groups as a result of improved production and productivity in the rural smallholder farm and off-farm sectors’ through the value chain approach. The ASDSP is characterized by three components:

Component 1: Sector wide Coordination. In this component, an inclusive institutional framework for implementing the ASDSP is initiated and coordination in the sector is supported. Institutional development will entail creating a secretariat to manage the ASDSP in line with the ASDS framework of using a sector wide approach, and establishing joint management and implementation structures for the mutual benefit of all programmes in the sector.

Component 2: Natural Resource Management. The component is designed to provide an enabling environment for the value chain component and at the same time build wider ecosystem resilience. At the macro level this calls for support to specific policy commitments and, if necessary, policy change. At lower levels this requires ensuring that value chain development not only ‘does no harm’, but upgrades degraded local ecosystems where possible.

Component 3: Value Chain Development. This component will support the commercialization and market orientation of the agricultural sector. The main vehicles are gender-sensitive value chain analysis and development of appropriate interventions to mitigate bottlenecks and improve the functioning of the entire chain. In addition, governance structures-policies, government support and subsidies-will be streamlined. Other activities include providing capacity development support to enable value chain actors to access and expand their markets; providing access to financial packages and strengthening value chain-related associations and organizations. Food security and nutrition will form an important part.

The ASDSP summary



The lead technical focus of the ASDSP is on agribusiness and market development. This is based on the assumption that deepened and equitable commercialization of Kenya’s agricultural sector, including at the smallholder level, will help to improve the availability of food in both rural and urban areas, and in so doing will reduce the need for food imports and food aid. It is expected that commercialization will enable stakeholders to increase their incomes and lead to economic growth, particularly in rural areas. It is recognized that special measures need to be

instituted to ensure that food security and nutrition objectives are realized during commercialization. With regard to the varied nature of the target groups, including benefits for vulnerable groups, the ASDSP will create tailored and differentiated interventions to help build their asset base in order to promote their integration into commercialized farming practices, while ensuring that their food security and nutrition needs are met. Concurrently, gender-based constraints at institutional and household levels will be addressed to improve equity. Therefore, the ASDSP moves beyond the producer base by placing special emphasis upon working with actors all along the value chain to strengthen their capacity and their coordination.

Value chain approach is based on causal model that focuses on addressing critical bottlenecks, constraints and opportunities in a selected value chain. The expectation is that this will foster increased competitiveness, sustained access to business development services, increased micro- and small-enterprise incomes, and overall value chain growth. Value chain approaches are built upon *coordinated, systematic and systemic* methodologies and work with actors undertaking specific functions along a particular chain and actors with support functions, as opposed to strengthening one particular actor alone.

To ensure that value chain effectiveness is not compromised by working with vulnerable groups, this component will work with actors along the chain, from input suppliers to final consumer. It recognizes that interventions at all levels of the chain are needed to remove inefficiencies, and the critical requirement of a strong 'end market' to pull the chain. It also recognizes the importance of ensuring an overall 'enabling environment'. It will undertake additional, specific activities to remove constraints limiting a selected value chain that the first two components cannot address.

The value chain component in the ASDSP focuses on a number of key points;

- Analyze and upgrade value chains that can generate equitable employment, ensure equitable food security and nutrition, and increase incomes. Analysis to be fully gender sensitive along all levels of the value chains.
- Increase equitable market access by improving rural infrastructure and other trade-related trade interventions.
- Improve access to financial services by male and female actors.
- Strengthen value chain organizations, paying special attention to gender and other vulnerabilities.
- Identify promising and socially inclusive new value chains and pilot them.

Value Chain Development

This component will support the commercialization and market orientation of the agricultural sector. The main vehicle is value chain analysis and development of interventions to mitigate bottlenecks for effective participation by men and women, and improving the functioning of the entire chain piloted by ASCU and other programmes. In addition, governance structures-policies, government support and subsidies-will be streamlined. Other activities include providing capacity development support to enable value chain actors, men and women, smallholder farmers (on and off-farm), men women, youth and agro dealers. The agro dealers include processors, transporters, marketers, traders, input suppliers and other service providers to access and expand their markets; provide access to credit guarantee and other financial models and strengthening value chain related associations and organizations. Food security and nutrition issues will be addressed in the ASDSP using the framework of the National Food Security and Nutrition policy, which was recently approved by the Cabinet. Credit guarantees and other appropriate financing arrangements will be rolled out guided by ASCU. The ASCU thematic working group on Agribusiness, marketing, and financial services will guide this component, by providing policy and technical advice.

Natural Resource Management component in the ASDSP will ensure that the supported value chains are equitable, viable and sustainable in terms of the primary production base and that their externalities, such as their effects on soil, water, vegetation and biodiversity, are managed. This component will ensure that the interventions are designed to promote creative adaptation to anticipated effects of climate change.

To ensure the requirements of a rights-based approach are met, ASDSP will develop value chains that offer maximum potential for the achievement of equity objectives while contributing to the commercialization of the agricultural sector. While the ASDSP will adopt standard approaches to value chain identification and facilitation, it will ensure maximum participation by vulnerable groups in these activities, including enabling their participation at higher levels in the chain (such as processing, aggregating, trading and marketing). This will be achieved through identifying social and gender constraints to participation along different levels of the value chains. The programme will also develop a methodology to prioritize value chains for more focused support. The component will develop vulnerability and gender-sensitive indicators, some in partnership with target communities, to

capture effects on household food security and nutrition, asset accumulation, and gender equity among actors at different levels along the chain. ASCU's thematic working group on Agribusiness and financial inputs provides a big opportunity for this programme to draw expertise. This TWG will therefore spearhead this component by providing both technical and policy advice.

ASDSP Implementation at County level

County level operations are steered by the ASDSP County Steering Committees (CSC) and supported by the County Coordination Units (CCU) led by the County Coordinator and a team of technical staff. The CSCs and CCUs also function as the decentralized ASDS sector coordination bodies, which in this capacity report to the ICC and ASCU.

The CCUs mainly perform a facilitating and convening function while the County Value Chain Platforms (VCP) - which comprise of local private sector, government, existing programmes, civil society and community representatives – are responsible for selection of priority value chains; identification of value chain constraints; prioritization of activities to address such constraints; oversight of activity implementation by VC groups, individual stakeholders and community groups, and advocacy for policy initiatives needed to address identified VC constraints.

The County Coordinating Units (CCU) coordinate all ASDSP activities at the county level, support the establishment of platforms for local stakeholder-led identification and implementation of Value Chain development initiatives, and provide networking support as needed to secure technical and financial support towards these stakeholder-led Value Chain development initiatives. The CCU is led by the County Coordinator and comprises, in addition to administrative support staff, the following four technical officers: a) Value Chain/ Private Sector Collaboration Officer, b) Institutional and Capacity Development Officer, c) Natural Resource Management Officer, and d) Monitoring and Evaluation Officer.

Local Level

At the local level, the ASDSP will be implemented through Sub-County agricultural development committees (SADCs) made up of sector ministries and stakeholders. These SADCs will elect the chairman and secretaries on two-year rotation basis, who will link with ASCU headquarters on project implementation. ASCU will organize the requisite training and capacity support for stakeholders to implement the strategy.

Implementation will be carried out at local (Sub-County and Ward) levels. ASCU will strengthen the local multi-stakeholder forums to enable them serve farmers and other stakeholders. Priorities on implementation will be agreed upon at Sub-County development committees, SADCs and constituency development committees. Measures will be instituted to encourage CDF committees to allocate resources to agricultural sector development with the aim of encouraging the youth to participate in agriculture.

Competent bodies under the auspices of ASCU will carry out sector-wide monitoring and evaluation (M&E) and periodic progress reviews. Corrective action will be instituted as the programmes are implemented.

At the local level, producer organizations will be enabled to provide regular feedback (e.g. customer satisfaction surveys that validate access to, use of and satisfaction with services) on agriculture-related public services. At the national level, the National Integrated Monitoring and Evaluation System provides the framework for measuring efficiency of Government programmes and the effectiveness of policies. To provide regular information on the performance of the sector and subsectors, information originating from the different sources will be compiled in an agricultural sector M&E framework. Existing M&E instruments (ministerial monitoring, agriculture/rural household surveys, programme/project baseline surveys and monitoring systems) will be harmonized to reduce duplication and overlapping and to fill information gaps in a coordinated effort.

The M&E framework will compile indicators for the different subsector's value chain processes-production, value addition, marketing, security, institutional development, etc.

To coordinate the inputs from different data sources, a coordination unit at national level within the ASCU M&E framework will be established to analyze data and elaborate on regular devolved level and national reports. The unit will have as its basis a partnership between the sector ministries and research institutions, including regular cooperation and exchange with universities. To make the M&E system sustainable, methods for funding surveys and maintaining the databank should be in place before the system is established.

With increasingly decentralized structures, Sub-County stakeholder forums (e.g. SADCs) will obtain more accurate information on financial and technical support services to their locality. The public will follow up on Government's expenditure in

their locality and acquire information on what has been spent. Through these forums, the public will decide more autonomously how to make use of these resources. Through regular customer satisfaction surveys, the satisfaction of farmers, fisher folk and pastoralists in accessing quality public services (*e.g.* agriculture/livestock extension, rural infrastructure) will be included in the M&E process as feedback.

Conclusion

With the implementation of the ASDSP in Kenya, it is clear that the role of the agricultural extension service has to change from simply focusing on isolated aspects of the production of agricultural commodities, to focus on the entire value chain. The extension service will also need to create stronger ties with other important players in the value chains through more effective networking and collaboration. All in all, it is clear that the current reforms will result in a more vibrant agriculture sector, with more of the small-scale farmers participating actively in a market led economy. Extension has to play the role of empowering these farmers, to ensure that they reap greater benefits from the value chains.

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