

# **Collective Empowerment of Small-Scale Farmers**

## **A Case of Contract Farming in Kenya**

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### **Research background**

While approximately 70% of Kenyan citizens rely on agriculture for their livelihoods, arable land makes up only 20% of Kenya's land area. Due to recent population growth, more people are farming in increasingly smaller land plots. Moreover, as the market economy is spreading even in rural areas, the necessity of obtaining more income is growing. In other words, more income is required from small land plots. Contract farming surely brings about certain amounts of income, which is different from other types of cash crop production.

Contract farming is hereby defined as modes of contracts under which grades of products and prices per unit of products of each grade are fixed prior to cultivation. In many cases, contracts are concluded between a company and a local group which consists of small-scale farmers. Some of the products under contract farming are sold in domestic markets and others are exported.

### **Research purpose**

I focused on Kenyan small-scale farmers who obtained farming contracts as a group, and tried to collect as much basic data on these groups for a preparatory study on the organization of the inhabitants through contract farming. For this purpose, I investigated counties with much arable land. I interviewed people, focusing on basic information such as the kinds of products, the number of members, and when contract farming started.

### **Results/Achievements**

I conducted a survey in seven counties. Seven people were interviewed in Uasin-Gishu county, six in Nandi county, one each in Narok county, Bomet county, and Kericho county, nine in Nakuru county, and two in Kirinyaga county.

In terms of products, one contracted product is produced in each group; thus, 15 groups produced French Beans, four produced passion fruit, three produced chilies, and two produced avocados. The number of households belonging to a group is a minimum ten and a maximum of 250. Furthermore, half of the groups (12 groups) contained multiple ethnicities.

I interviewed people about the gross profit of contract farming based on French Beans. The

cultivation of French Beans involves various kinds of costs, for example, manure and chemicals such as fertilizer and pesticide, fuel expenses for watering, and labor wages for harvesting. In addition, if the French Beans do not meet the conditions of the contract, the company will not buy them. Thus, I found that contract farming does not guarantee a profit, but there are merits in that farmers can receive technical support and the products that meet the conditions are sure to be bought.

Group A in Bomet county was established in 2014, and started the contract of producing avocados with Company S in 2015. After they started cultivating the avocados, Company S delayed their payments for six to seven months, although it was specified in the contract that payments would be received within two weeks. Group A negotiated with Company S and as a result they succeeded in raising the buying price of avocados 1.6 times in the third year compared to the first year. This is a case in which the betterment of conditions for farmers could be realized through negotiation between small-scale farmers and the company, making full use of unity among the members.

### **Plans for further research**

The case mentioned above may imply that small-scale farmers could empower themselves through contract farming and collective action and could succeed in improving their contract conditions, such as buying prices. This point could invite another question of why they could organize such collective actions. Furthermore, we should ask whether or not other groups could achieve success in improving their conditions by the same means or other, and if not, why?

Contract farming groups differ from other types of self-help groups in that their members share the purpose of increasing their sales. In Kenya in general, small-scale farmers work individually without much mutual support in every-day production activities. My research thus far has aimed at grasping the brief profiles of farming contracts in Kenya. Further studies are needed in order to clarify how to empower groups by focusing on mutual relations among small-scale farmers.



The women who harvest French Beans (Kirinyaga County)



A small-scale farmer talks about avocados with an HCD (Horticultural Crops Directorate) officer (Bomet county)