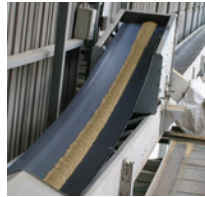


Kenya

Kenya Maize Development Program (KMDP)



Each year, the average Kenyan consumes 98 kilograms of maize, the staple of the Kenyan diet. At the same time, maize prices in Kenya are among the highest in sub-Saharan Africa, and the poorest quarter of the population spends 28 percent of its income on the crop. Inefficient production and marketing in the maize subsector contribute to economic stagnation and poverty in Kenya. Increased productivity and efficient markets, in conjunction with rational government policies, can dramatically alter the economic contribution of the subsector. With proper reforms in place, the maize industry will become a key element in accelerating growth and reducing poverty.

However, poor rains, a reduction in planting after the 2008 post-election violence, and a decrease in fertilizer application due to higher prices have resulted in lower harvest yields for smallholder farmers in 2009. Kenya normally has a deficit in maize, which is filled by informal cross-border trade from Uganda and Tanzania; however, the present deficit is so large (estimated at 400,000 to 700,000 MT) that imports from the international market have been required.

In this environment, ACDI/VOCA has been implementing the Kenya Maize Development Program (KMDP), a USAID-funded, \$11.2 million program that was originally funded under a 4-year cooperative agreement to increase rural household incomes. Currently in its seventh year, KMDP boosts household incomes by raising productivity, improving the effectiveness of smallholder organizations and increasing access to agricultural markets and business support services. Led by ACDI/VOCA, the program involves a diverse consortium of partners within the maize value chain, including the Cereal Growers Association of Kenya, Farm Input Promotions Africa Ltd. (FIPS), and the Kenya Agricultural Commodity Exchange (KACE).

KMDP has achieved nearly tripled smallholder yields from a baseline output per unit of 8 bags per acre (each bag weighs 90 kg) to an average of 32 bags per acre, only dropping to 25 bags per acre when fertilizer prices increased and farmers were forced to reduce their usage. This has resulted in increased net earnings of \$206 million for 370,000 smallholder farmers (almost 30 percent of whom are women). Of these farmers, over 100,000 have completed the project-designed training course in *Farming as a Family Business*. The training provides practical information on how to use improved varieties of seed and fertilizer, conservation tillage and other natural resource management practices.



Project Profile

ACDI/VOCA also trains farmers to better market their crop through organized markets systems. Two-thirds of the farmers have improved their husbandry practices through observation of the trained farmers' practices. ACDI/VOCA provides practical on-farm training through collaboration with FIPS, the Kenyan Ministry of Agriculture and other stakeholders. Over 400,000 farmers have visited project demonstration plots that feature better agronomic practices in western Kenya and the Rift Valley region. Farmers witness these new practices and assess successes firsthand to gain confidence to try these methods on their own farms.

This dramatic growth in smallholder productivity is brought about by improving farmer business management, tailoring input distribution specifically for smallholders (new types and smaller packages), and bulk purchases and marketing through the groups. Smallholder farmers are learning to adhere to international quality and linking directly with private sector business development services. Through KMDP, ACDI/VOCA helps stimulate increased demand for business services by providing linkages and awareness of the services and products available, while addressing constraints on the delivery of these services. For example, KMDP facilitated the first-ever private sector-focused maize industry business fair in September 2003 to bring together over 3,000 farmers and 200 business service providers to create effective business linkages. Since then, KMDP has held annual business fairs with as many as 80 exhibi-

tors and 20,000 people participating in the 2008 event, resulting in smallholder producers connecting directly to market service providers and thereby reducing the number of middlemen in the value chain.

A major problem for smallholder farmers is the lack of access to timely and accurate market information. To address this problem, KMDP established a network of market information centers that serve as locations for prices and trade information within local and regional markets. Through these centers, buyers are able to post purchase bids while farmers can review offers and sell their stocks to buyers. KMDP also strives to provide farmers and agribusinesses

with access to new and improved technologies. Kenyan farmers have been able to take advantage of the widespread use of mobile phones to acquire quick and accurate information through the short messaging system (SMS). This system allows users to receive as text messages the prevailing market prices for various products within several markets. The system also enables farmers to receive weather alerts and regular extension messages on production practices. By using SMS, farmers can avoid exploitation by middlemen, who have historically taken advantage of uninformed farmers by offering lower-than-market prices.

The formation and development of farmers' associations is another focus of KMDP. In 2003, the project supported 18 associations, which grew in 2008 to 80 associations with a total membership of approximately 250,000 farmers. KMDP directly trains an average of 12,000 farmers each quarter in business practices primarily through ACDI/VOCA training in business skills for association leaders and their members, including the Farming as a Business module, which teaches producers to adopt a commercial approach to their farming activities. A *Farming as a Family Business* module is currently in development that will assist smallholder families in adopting these commercial approaches so that they may improve their standard of living. The KMDP team has further developed their training curricula to include a business startup training program targeting entrepreneurs in the agricultural and business sector. In 2007 KMDP, in collaboration with the private sector, research community, universities and government organizations, published the Kenya Maize Handbook, a summary of the maize production process and industry trends. A second edition will be launched in August 2009 at the business fair. This handbook has become a reference guide to smallholder farmers providing them with up-to-date information on maize production, crop protection, post-harvest handling and storage, marketing, government policies and regulations, weather and future trends. ACDI/VOCA also uses this forum to address critical cross-cutting issues such as natural resource management, gender equity and HIV/AIDS.

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ACDI/VOCA's provides training on improved seed varieties, fertilizer and conservation.