

KENYA CROPS AND DAIRY MARKET SYSTEMS ACTIVITY

The Kenya Crops and Dairy Market Systems activity (KCDMS) is a five-year USAID activity designed to increase agricultural production and reduce poverty and malnutrition in Kenya by spurring competitive, inclusive, and resilient market systems in the horticulture and dairy sectors.

The agricultural sector is the backbone of the economy, contributing approximately 33 percent of Kenya's Gross Domestic Product, but producers continue to face constraints that limit growth and increase food insecurity. The activity partners with private sector actors to transform agricultural market systems, create an enabling environment for businesses to thrive, and encourage government-level reforms that encourage investment.

Strategy

Through a private sector-driven approach, this activity uses a variety of incentives, capacities, and practices to stimulate market players to invest in productivity, quality, financing, and business relationship enhancing improvements. KCDMS also leads interventions to improve nutritional outcomes and strengthen the capacity of county governments to facilitate agricultural sector growth. Thus, KCDMS facilitates a more inclusive business and investment enabling environment, at all stages of the target value chain, through county and national level policy dialogue grounded in firm and business association market intelligence. KCDMS also facilitates market linkages in domestic, regional, and international markets for more competitive value chains. During the COVID-19 pandemic, KCDMS redirected investments to ensure functioning of local markets, working with agri-businesses and outreach to smallholders through an array of radio messaging to foster continued production and access to inputs; in addition, the activity worked with key business development services providers to assist farmer cooperatives on internal business development.

Objectives

To address these challenges and improve the overall agricultural landscape, KCDMS supports five priority areas:

- A competitive, inclusive, and resilient agricultural market system, particularly with women and youth
- Diverse agricultural production and improved productivity
- An improved policy environment for market systems development
- Joint learning for market systems change and technology adoption



Workers at the Nuru Social Enterprises factory producing yogurt cups with their new packaging machine, which was purchased in partnership with KCDMS. Photo Credit: Amunga Eshuchi / RTI International.

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Duration

2017–2022

Focus Areas

High-rainfall counties in western Kenya and semi-arid counties in eastern Kenya



Counties: Kitui, Makueni, Taita Taveta, Homa Bay, Migori, Kisii, Kisumu, Siaya, Kakamega, Bungoma, Busia, Vihiga

Focus Value Chains

Dairy and Horticulture (mango, passion fruit, avocado, banana, pineapple, and sweet potato)

Implementing Partner

RTI International

Key Partners

Busara Center for Behavioral Economics
East Africa Market Development Associates (EAMDA)
Farm Input Promotions Africa (FIPS)
International Livestock Research Institute (ILRI)
Making Cents International
Open Capital Advisors (OCA)

Market System Policy Development

Kenya's path toward sustainability is contingent on moving away from the elite capture and cartels that inhibit competitiveness and market efficiency, toward a vibrant, competitive, and inclusive private sector, especially for women and the youth. KCDMS provides policy support at the national, regional, and county level to increase private-sector investment in focused commodities and policies for inclusive agribusiness growth. KCDMS also provides functional analyses of Kenya's agricultural sector at the national, intergovernmental, and county levels. These assessments focus on organizational institutional and human resource arrangements to determine the needed adjustments that enable the agricultural sector to deliver its national mandate, and in line with the Constitution and the Agriculture Sector Transformation and Growth Strategy (ASTGS) goals.

Competitive & Inclusive Agriculture

Policy development grounded in the private sector's voice and facilitated through true partnership between the national and county governments will unlock investment opportunities for smallholder farmers and micro, small and medium enterprises (MSMEs). KCDMS is mobilizing innovative financing and insurance packages—working alongside county governments and financial institutions, as well as increasing agricultural growth through direct private sector investment and mobilizing cost-share contributions from private sector partners.

Key Achievements (2017 - 2020)

Working jointly with over 4,000 local partners and 12 county governments, KCDMS has achieved the following:

- 162,820 individuals (56 percent being women) supported with increased access to agricultural markets and services
- Partner firms/farms generated sales worth \$43 million of agricultural produce and inputs
- MSMEs and farmers accessed cumulative credit of \$6.4 million to purchase inputs and production equipment
- Almost 100,000 farmers have adopted improved technologies and management practices

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