

Local Market Services Development, East Africa

This three-year project is testing an approach for improving small-scale producers' access to markets in East Africa.



What problem or need is the project addressing?

Agricultural marketing chains in rural areas of East Africa are disconnected and inefficient. Small farmers only know middlemen, middlemen only know big buyers, and so on to the consumers. There is a lot of distrust between different players, resulting in cheating, inefficiencies and ultimately lower prices and lower profits for all involved.

Transparent information for all players along the market chain can break through these inefficiencies. There is a commercial opportunity throughout the East Africa region for trusted individuals and small enterprises to provide the brokering and information services that the different players need to improve their transactions. A more efficient marketing chain would ultimately mean increased income for all involved.

What is the project doing?

The aim of this project is to test an approach for providing market information and brokering services to producers in East Africa (Kenya, Tanzania and Uganda), helping them to increase their earnings.

To do this, a unique model has been designed. Individuals and private companies at local, regional and national level in each country are being supported to set up in the business of providing up-to-date market information to farmers and other key players in the market chain. This is helping producers to find out vital information such as what is selling well, where the best prices can be found, which buyers are looking for what and so on, enabling them to get the best deal from their sales.

These individuals and companies are also playing a crucial brokering role, helping to make deals and coordinate sales between different parties on a commercial basis. This means a much more streamlined and efficient market chain with higher incomes for all involved.

What impact has the project had?

The model for delivering the market information and brokering services to small-scale farmers has now been tested and refined. A number of individuals and companies are now playing this role successfully, operating and making a profit while still ensuring farmers achieve higher prices – a win win situation for everyone.

Moses Gichuru is one of the brokers involved in the project:

"The first good thing about TSS [Transaction Secure Services] is transparency; I mean transparency for everybody who is involved in the business, starting with the buyer, the sellers, the transporter and all those in the middle. Everybody knows what is going on, there is nothing hidden under the table. We make all the disclosures: we buy at this price, we sell at that price, we have spent this much and the commission that we have got is this much because we facilitate the deal. Everybody along the value chain is satisfied."

Mercy Wamuyu and her husband Nelson Gichuru have seen big improvements since they started receiving market information from one of the companies involved in the project. Previously they were at the mercy of middlemen: *"When the brokers came we didn't know what the prices in the markets were, so we sold our produce at the low prices that they were offering."*

Now they have access to market information they can make more strategic decisions about what they grow and when/where they sell it. *"Through the market information from Bonde Soko Services we were able to look at the price trends of different crops through the year. This has helped us to time the planting of our potatoes, by knowing when the prices are high and the time that it is best to sell. With price information we can also calculate if it is worth taking our produce to sell in another market."*

How is this project funded?

The project is funded by the International Fund for Agriculture and Development (IFAD).