



# Kenya BDS

Kenya Business Development Services Program

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## Kenya BDS Market Intervention Brief

<i>Name of Activity</i>	Backwards Linkage and Industry Coordination with Smallholder Farmers in Passion and Mangoes, Eastern Province (A01/001/03)
<i>Facilitator</i>	Just Juice Enterprises Ltd, Kenya Agricultural Research Institute (KARI), Kenya Micro Enterprise Promotion Program (KMEPP)
<i>Period of Performance</i>	11 August 2003 – 10 August 2004
<i>Intervention Objective</i>	To facilitate market access and embedded business services for groups of smallholder farmers through development of a commercially sustainable backwards linkage with a lead processing firm.

### *Program Description*

Embedded services have been recognized as a viable means of providing access to commercial BDS for the rural micro-entrepreneur. In exchange for product, the lead firm provides value-added business services to build the capacity or better the quality of smallholder production. The cost of providing such assistance or business services is embedded in the cost of the end product.

This Program will be implemented by a consortium including a private sector firm (Just Juice, Ltd.), non-governmental organization (KMEPP), and Kenyan parastatal (KARI) to develop a backwards linkage activity among lead industry firms with smallholder farmers in the Embu and Meru Districts. Through an initial promotional awareness campaign, the consortium will promote the business linkage concept, and build awareness on the value of producer group formation to achieve economies of scale. KMEPP will facilitate the organization of farmers into viable producer groups, while building their capacity for self-management, as well as in basic business and negotiation skills. Just Juice Ltd. will coordinate with a number of lead processors and exporters in the industry, and facilitate the development of supply contracts for passion and mango fruit product. To facilitate additional technical support, increased awareness, and greater supply of inputs, KARI will establish and manage a commercial demonstration plot and 3 nurseries. The Program will result in better skilled farmers, higher quality product, and greater yield through value-added business development services. Smallholder farmers will also experience increased sales and sustained household income through a guaranteed market.

### *Key Results*

Sustained economic growth is best achieved through viable commercial business opportunities. It is particularly important that a significant investment is made on behalf of the private sector to ensure ownership and commitment to the initiative. For every US\$1 allocated to this initiative, Kenya BDS is leveraging US\$1.37 in investment from Just Juice, Ltd., as well as US\$.63 in cost-sharing from KMEPP and KARI. At the end of this Program, the following key results will be achieved:

- 1000 MSEs accessing commercial business services
- 12 business service providers providing commercial services through embedded arrangements
- 4000 MSEs aware of program assisted business services
- 1000 MSEs linked with the commercial market
- At least 500 women involved in program activities