Commercial Villages: Improving Market Access

In Endarasha, near Nyeri, Kenya, onions are the main cash crop, but with poor access to markets many smallscale farmers like Ngatia Waithaka find themselves at the mercy of middlemen, who offer farmers low prices for their produce. Selling his onions in small quantities to brokers, Waithaka used to earn just Ksh 8,000 (US$100) per season from his half hectare plot. By joining a 'commercial village', he has seen his earnings increase ten-fold.

Developed by Farm Concern International (FCI), and funded by FARM-Africa's Maendeleo Agricultural Technology Fund, the Commercial Village Model (CVM) organises farmers into small clusters of 20 to 30 households before forming larger groups of over 300. Buying and selling in bulk, the groups are able to increase their bargaining power with traders to obtain better prices for their onions, and purchase inputs and quality seeds more cheaply. The groups are also encouraged to adopt better farming practices and develop direct links with traders in order to maximise their income. To date, more than 2,000 households in Endarasha have joined a commercial village.

Market development

As part of the FCI project, farmers in Endarasha have been trained how to price, promote and distribute their onions and how to select reliable buyers. As a result, commercial villages are now in direct contact with traders in Karatina, Nakuru and Nairobi. By keeping up-to-date with the latest market prices, farmers have increased their incomes from an average of Ksh 5-10 to Ksh 35-40 per kilogramme. "I used to work on people's farms as a casual labourer and life was difficult," recalls Patrick Nginyi, chairman of the Gikuno commercial village. "But when this project was initiated, my life changed for the better."

FCI has also facilitated farmer-trader linkages by identifying 'onion market hubs'. "We select different towns and cities in Kenya and we build the capacity of a number of informal traders," explains Mwangi Stanley from FCI. These traders are organised into an association and then given training on supply-chain management, financing, and post-harvest management of onions. They are then linked with representatives from the commercial villages. "We also identify other hubs like supermarkets and help link them to commercial villages," adds Mwangi.
Establishing partnerships with key local businesses and government agencies, in order to provide support services, has been an important part of the project. "Establishing partnerships with the private and public sector is the key to development in the region," Mwangi observes. Under the guidance of government extension officers, and with support from private seed and chemical companies, commercial village members have been given training on production, pest control, soil testing, and the appropriate use of fertilizers and agrochemicals. "I had no idea what chemicals to use on my farm," Stephen Wachira remarks. "Even if I was sold chalk I would not have known. But after Farm Concern trained us, we now know the best chemicals."

Through demonstration plots and on-farm training, farming practices have improved and the average yield of onions per hectare has doubled to 14 tonnes. "We started field demonstration plots to show the farmers that with the hybrid seeds they would reap bigger profits," recalls Mr Ndung'u from FCI. Previously, farmers had been using a low yielding and poor quality open pollinated variety because it was cheap. For Waithaka, the chairman of Kinyaite commercial village, the adoption of hybrid seeds has contributed to his increased income. "I am now aware of the right kind of seeds and I have also identified a certified supplier where I and my group purchase our inputs," he remarks.

### Scaling up

With increased incomes, farmers involved in the commercial villages have seen their standard of living rise significantly. "I have now been able to acquire my own land and also educate my children," declares Anne Njoki, from the Kabati commercial village. But with poor infrastructure and a changing climate, challenges still remain. "Climate change is a real challenge because onion production is rainfed and rainfall in the region has decreased," Mwangi explains. "The farmers have increased production and their income, but if they had sufficient rain they could earn much more." As a result, many involved in the project have been using their increased incomes to diversify into keeping dairy goats, bees and producing biogas as insurance if the rains fail.

Despite these challenges, the commercial village approach has successfully increased yields and incomes for the Endarasha onion farmers. Consequently, the model has been promoted across ten African countries for improved marketing of over 50 different commodities including grains, fruits, vegetables and spices. "We would like to identify other parts of Africa where we can scale up the project," Mwangi asserts. "The aim is to establish commercial villages that are sustainable, viable and that can give even higher returns than we have already seen."