

Welcome to the...

THE ORGANIC BUSINESS SUMMIT

DEVELOPING PARTNERSHIPS FOR NEW BUSINESS
OPPORTUNITIES

The event starts at 9.00 AM.





About KOAN

- » Kenya Organic Agriculture Network (KOAN) is a national membership organization for organic agriculture in Kenya.
- » KOAN was formed to coordinate, facilitate and provide leadership and professional services to all members and other stakeholders in the organic agriculture industry in Kenya.
- » Membership is driven from farmers, traders, exporters, service providers (extension officers, certification bodies) and research institutions.
- » Our goal is to develop key competencies, skills and strategies in the areas of Organic Production; Marketing; Standards and Certification; Training, Extension and Information Exchange; Networking, Policy and Advocacy.



STATE OF THE ORGANIC INDUSTRY IN KENYA

- » ACRES UNDER ORGANIC PRODUCTION
- » PREMIUM EXPORT OPTIONS
- » PRODUCTION FOR LOCAL CONSUMPTION
- » KENYA ORGANIC POLICY ORGANIC POLICY





Thank You.



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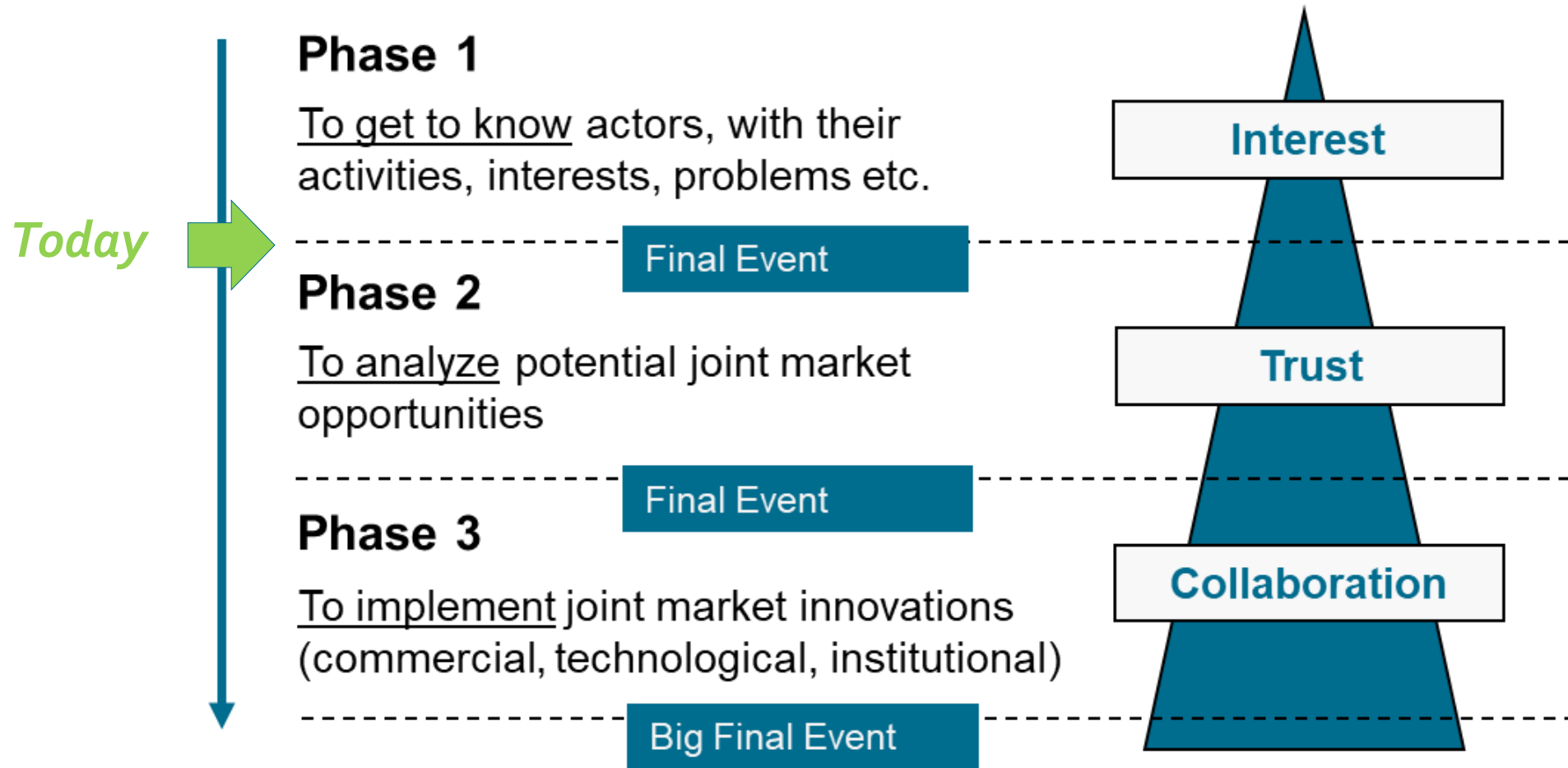


Why this event?

Event Agenda

Time	Activity
9.00	Welcome & introduction
9.20	Presentation of the 'Organic Stakeholder Survey' (PMCA Phase 1 findings)
9.50	Question Round
10.10	Virtual Coffee & Tea Break
10.30	Presentation of the Thematic Group (TG) work
10.45	Group work in Zoom break-out sessions
12.15	Short feedback from the group work
12.35	Reflection of the work done and next steps
12.45	Evaluation of the event and interest to be part of PMCA Phase 2
13.00	Final words

Our Methodology – Participatory Market Chain Approach (PMCA)



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DEVELOPING PARTNERSHIPS FOR NEW BUSINESS OPPORTUNITIES



PARTICIPATORY MARKET CHAIN APPROACH

(PMCA) TEAM

Phase 1 Report



METHODOLOGY

Number of stakeholders engaged ;

42

Farmers
at different stages of
market development.

11

Retailers -
mix of exclusive organic
retailers and those that are not

10

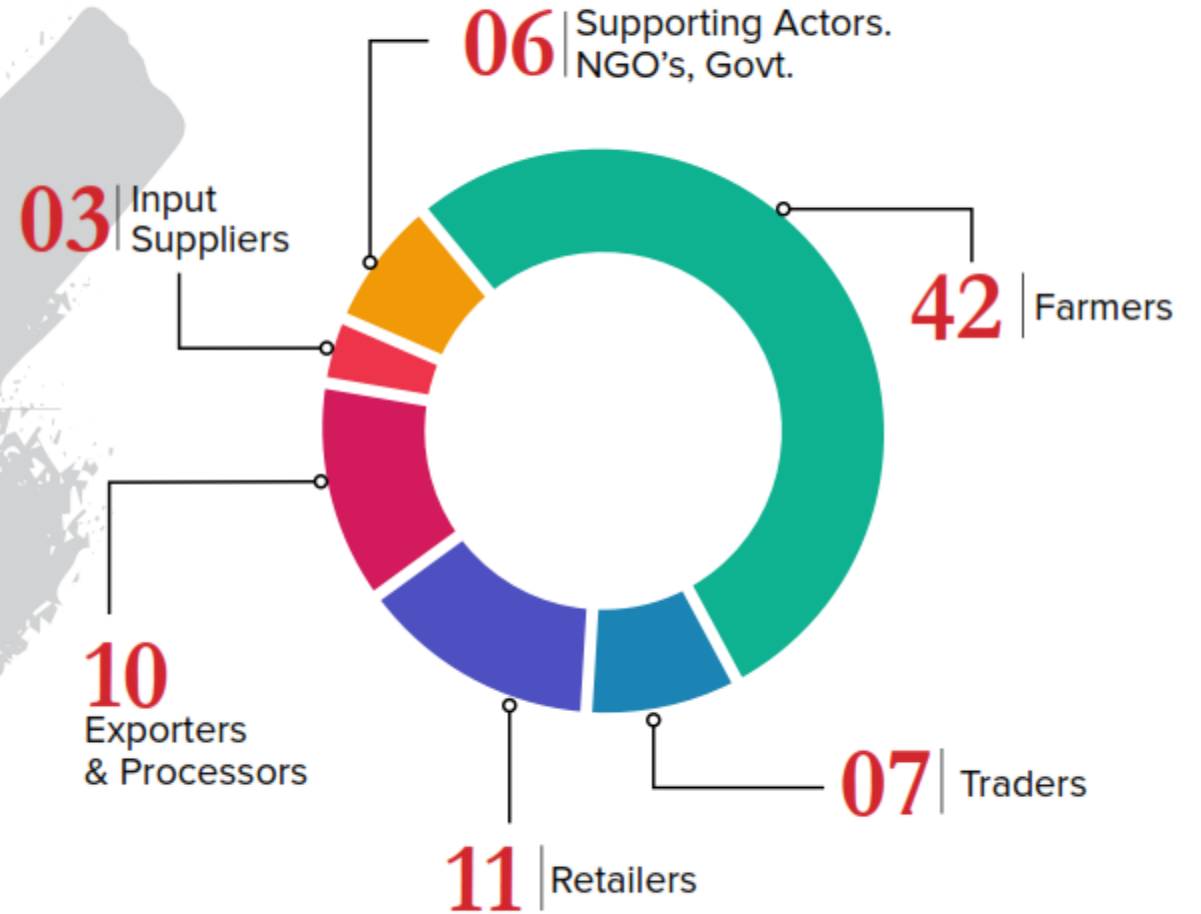
**Exporters and
processors**

07

Traders

06

Supporting actors





FARMER GROUP DISCUSSIONS

FARMER SUMMARY FINDINGS

Summary Findings from FGDs

CHALLENGES

06

ECONOMIC

- Capital for infrastructure (irrigation, cold rooms and collection centres) –Kangari now have a cold room (KOAN)
- High production and transport costs
- COVID 19

05

TECHNICAL

- Soil fertility and pest control (SaferInputs.com)
- Synchronized planting calendars –(Increase number of producers)
- Cooling facilities (Kangari Cold room facilitated by KOAN -3tonnes capacity)

08

MARKETING

- Consumer awareness
- Middlemen exploitation

02

LEGAL

- Lack of organic certification

OPPORTUNITIES

- Several opportunities were mentioned including;
- Publicize Murang'a Organic growing for visibility and trust
- Create a local outlet to retail to Murang'a residents (Accomplished).
- Diversify products to target external markets (outside of Murang'a County)
- Create a marketing collective to bulk sell organic products in large volumes.
- Already existing marketing cooperative and farmer collective marketing
- Packaging, branding and value addition (In the process of finalization)

TRADERS/ RETAILERS AND PROCESSORS

SUMMARY FINDINGS





28

Interviewed

7

Traders

11

Retailers

10

Exporters &
Processors

KOAN has links with a number of the interviewees under this category. A number as well have never had any relationship with KOAN . This was deliberate to allow for balanced information gathering.



Summary Findings From Traders , Retailers and Processors

CHALLENGES

04

ECONOMIC

- Limited access to credit
- Low liquidity
- Volatile market environment
- COVID 19

04

TECHNICAL

- Inadequate farmer extension support
- Poor quality supply from farmers
- Limited organic suppliers

06

MARKETING

- Consumer awareness
- Limited market access for organic produce

04

LEGAL

- Lack of organic certification
- High taxes

OPPORTUNITIES

Several opportunities were mentioned including;

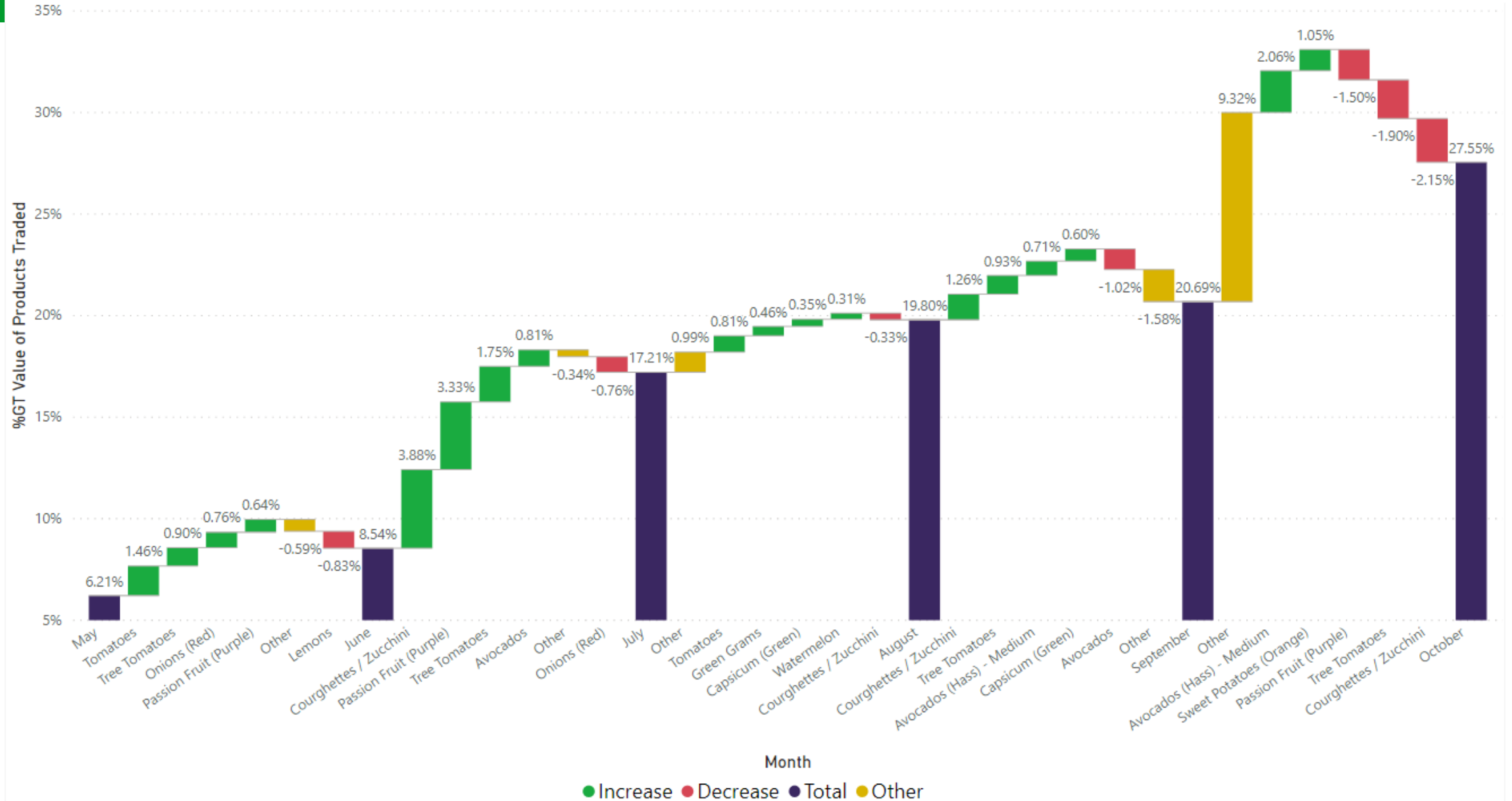
- Fresh Organic Vegetables and Fruits Local Market growing
- Fresh Organic Fruit Export (Avocado)
- Processed Organics (Fruits, Herbs and Spices)

In-Store Organic Promotion and Branding



Snapshot of Local Organic Fruit and Vegetables 2020

Monthly Produce Trend Analysis (Growth and Recessions)



What's Behind Such a Trend?

Growth in Demand for Organic Products

- More retail outlets and processors are diversifying into organic products
- Localized sales for organic products increasing
- Consumer awareness on organic increasing

Increased Consistency in Supply

- Production was boosted by increase in irrigation capacity by farmers
- Improved logistics and reduced delays in delivery

Increased Consistency in Supply

- Production was boosted by increase in irrigation capacity by farmers
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INPUT SUPPLIERS

SUMMARY FINDINGS





3

**Input Suppliers
were interviewed**

BACKTOEDEN



CHEMICAL INDUSTRIES LTD.



Back to Eden has a working relationship with KOAN.

Summary Findings from Input Suppliers

CHALLENGES

03

ECONOMIC

- Low volumes of product sold making it costly to run the business.
- Population stress: people want quick fixes to have quick results

08

TECHNICAL

- Slow adaptability – Takes around 3years before converted farms can reap full benefits of organic conversion.
- Organic Inputs have short shelf life.

03

MARKETING

- Promotion of organic products e.g. branding, labelling lack important information.
- Low volumes of organic produce.
- Inputs that are locally made are limited to local market

03

LEGAL

- Lack of an organic product policy.
- Risk of Prosecution in case of possessing none registered products yet they have KEBS mark.

OPPORTUNITIES

- Several opportunities were mentioned including;
- Production of organic seeds.
- Manufacturing of quality organic inputs.
- Some outsourced products can be made locally
- To acquire organic certification for my products so as to expand market to export farmers.
- Training on value addition like extracting inputs from herbs may promote home industries
- Acquire other products at discounted prices from wholesalers
- Policy to promote local productions for example to be included in the list of allowed inputs in Kenya.

Summary of Feedback from all Stakeholders

Most Interesting Business Opportunities:

- Organic Fruits and Vegetables for local market proved to be the most popular products as mentioned by the traders and farmers. Despite the COVID 19 pandemic this category of products has been on a constant growth trajectory with a number of new outlets venturing into the space.
- Exporters were keen on Avocado especially if Organic and other fruits where available. Avocado has emerged as one of the biggest horticultural export earner for Kenya in 2020 (over KES 8B).
- Herbs spices and tubers came 3rd among the most popular produce.

Thank You



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Thematic Groups to discuss most interesting joint marketing opportunities

- » Group 1. Organic vegetables & fruits for the local market
- » Group 2. Organic vegetables & fruits for the local market
- » Group 3. Organic for export (avocado)
- » Group 4. Organic herbs & spices (fresh & processed)

Questions Time

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Now is Coffee Time!

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Introduction for interaction in Thematic Groups

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Thomas Bernet
FiBL



Let's Discuss in 4 Groups

→ Developing concrete business opportunities



» **Group 1+2: Organic vegetables & fruits for the local market**



» **Group 3. Organic for export (avocado)**



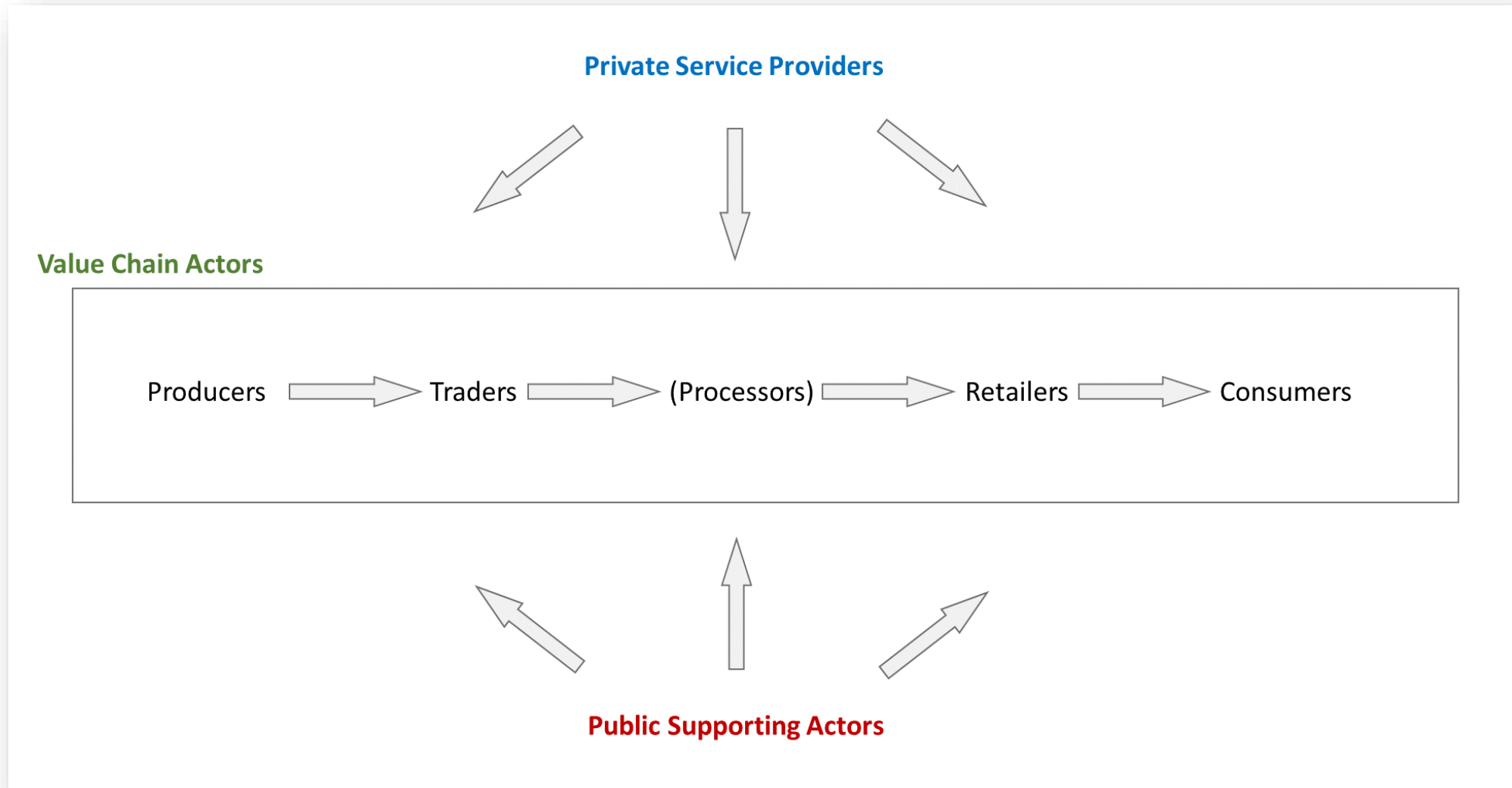
» **Group 4. Organic herbs & spices (fresh & processed)**

Agenda for Thematic Group Discussions

- (1) **Introduction & presentation of each participant** → who, role, market opportunities of interest.
- (2) **Discussion** → what market opportunities are of special interest for the participants and what is needed for their development (with project support).
- (3) **Wrapping up** → main conclusions and next steps, including arrangement of next meeting.



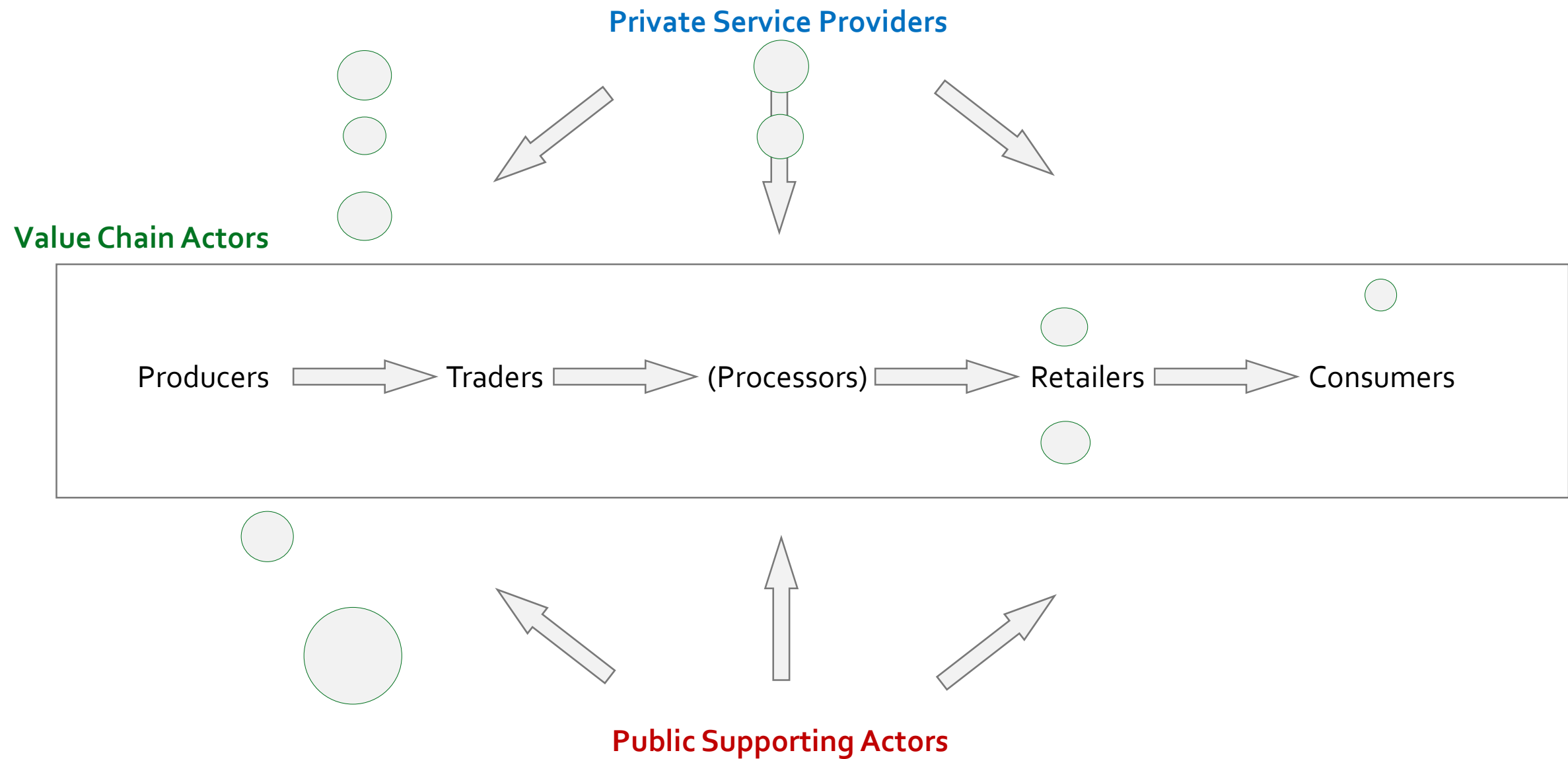
Discussion Focus → Demand & Value Chain



Discussion in the 4 Groups Zoom Break Out Groups

You enter the room of interest:

Breakout Rooms - Not Started		✕
▼ 1. Organic Vegetables and Fruits		Participate
▶ 2. Organic Vegetables and Fruits		Participate
▶ Organic for Export (Avocado)		Participate
▼ Organic Herbs & Spices		Participate



Wrap Up → Conclusions

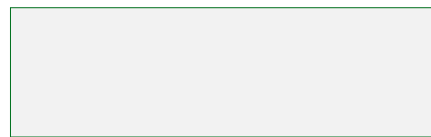
- A. Most important joint business opportunities
- B. Outlook (date of next meeting if agreed)

A. Most important business opportunities:

- Traditional vegetables, courghettes, cucumbers and tomatoes important and in high demand
- Logistical opportunities - Joint buying by traders, aggregation of produce
- Marketing Organic – Joint marketing campaigns, awareness on qualities and benefits of organic produce
- Production scheduling - List of most consumed produce focus
- Registry plus certification for organic producers in Kenya
- Meeting between traders and farmers to fix premium process based on current conventional prices

B. Outlook:

- Organise for a meeting in 1 December / physical meeting



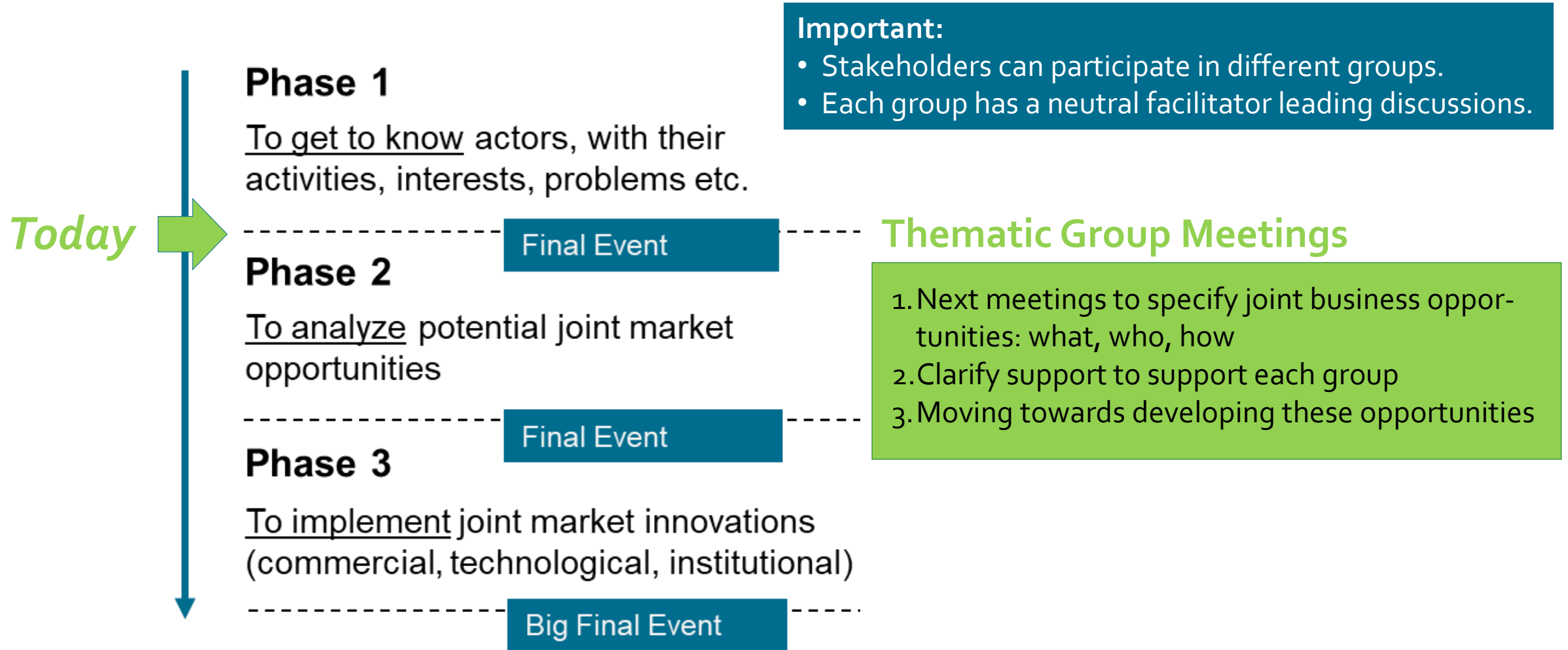


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AND WHAT NEXT?



Our Methodology – Participatory Market Chain Approach (PMCA)



Thematic Groups



- » Organic vegetables & fruits for the local market



- » Organic for export (avocado)



- » Organic herbs & spices (fresh & processed)

Group Facilitators

MARTIN NJOROGI



LAWRENCE GITONGA



CLEMENT ADONGO



MARTIN NJOROGI



EMMA NJOKI



MARY WANJIRU



Next Step – Email with Event Information & Small Questionnaire

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OPPORTUNITIES FOR MURANG'A, KENYA

