



**THE ORGANIC BUSINESS SUMMIT
DEVELOPING PARTNERSHIPS FOR NEW BUSINESS OPPORTUNITIES**

MINUTES OF THE MEETING

3RD DECEMBER 2020

List of Participants

No	Name	Organization	No	Name	Organization
1	Kate Kibarah	Kates organic	19	Lucy Wambui	
2	Deepu Mahajan	Organic farming Start-up	20	Samuel Maina	Murang'a FCS
3	Grace Wangui	Agrifood Organics	21	Yash Wadhwa	The Cornershop
4	Edwin Gitaari	Olivado EPZ LTD	22	Zachary Makanya	PELUM
5	Ibrahim Muriuki	Ministry of Agriculture	23	Joyce	
6	Andreas Wesselmann	Africrops	24	Martin Njoroge	PMCA Team
7	Samuel Ndung'u	KOAN (Moderator)	25	Lawrence Gitonga	PMCA Team
8	Catherine		26	Emma Njoki	PMCA Team(Taking Minutes)
9	David Karanja	OACK	27	Clement Adongo	PMCA Team
10	Everline		28	Thomas Bernet	PMCA Team
11	Eustace Kairii	KOAN	29	Irene Kadzere	PMCA Team
12	Moses Muiruri	SAMAWAKAMA	30	Anne Muriuki	PMCA Team
13	John Kamande	SAMAWAKAMA	31	Mary Wanjiru	PMCA Team
14	Andrew Kinyanjui	SAMAWAKAMA	32	Benjamin Graub	PMCA Team
15	Paul Mbugua	SAMAWAKAMA	33	Martha Musyoka	PMCA Team
16	Margaret Ndung'u	SAMAWAKAMA	34	David	Organic Frutas Stores
17	James Kimani				
18	Lucy Muigai	Murang'a FCS			

PART A MAIN SESSION

Min 1 | 031220OBS Introduction:

The organic business summit was held on 3rd December 2020 virtually via Zoom platform from 9.00 am to 1.30 pm (EAT). The meeting proceedings were coordinated by Martin Njoroge of KOAN. He welcomed participants and later facilitated the introduction and familiarization of the participants in the workshop. The workshop was attended by 34 participants (registered) representing various organizations and other coordinating staff. It was also noted that a number of participants had difficulty in using the zoom platform, among these were several retailers and farmers and were thus not included in the list of participants.

Min 2 | 031220OBS Key Note Address

Eustace Kiarii of KOAN thanked the participants for attending the summit. He explained that the role of KOAN in this context was to link organic farmers of Muranga County to markets. He further elaborated the collaborative partnership in the eco project in piloting the PMCA process in Muranga County and stated the main objective of the summit was to get feedback.

He thanked all the development partners that supported the process and stated that there were various business opportunities in the local and export markets. He was very optimistic that during the summit there was going to be agreements and commitments to optimize the opportunities.

Min 3 | 031220OBS Introduction of Pro-Eco Project

Irene Kadzere explained the background progress of the project since 2013. It started as a comparative research and one of the key challenges have been markets. In this context there was a launch of a market linkage component in Muranga County and PMCA methodology is being used to develop this market linkage. Therefore, the aims of the event were to share findings of a study conducted along the organic value chain actors, define thematic groups for business development and identify what is needed for the thematic groups to work.

Min 4 | 031220OBS Organic Stakeholder Survey

Mr. Lawrence explained the methodology used in PMCA was to identify stakeholders in the value chain like, producers, traders, processors, retailers, input suppliers and supporting actors. He elaborated the findings as challenges and opportunities.

Martin Njoroge presented the economic, technical, marketing and legal challenges together with the opportunities of farmer groups as well as of retailers, traders and processors. He noted that the demand for organic produce had more than tripled despite the COVID 19 pandemic which had been shown to have adverse impact on food and retail markets in Kenya. Thereafter Emma Njoki presented the findings from the input suppliers. In summary, the most interesting business opportunities were;

- Organic fruits and vegetables for local market.
- Organic for Export with emphasis on avocado.
- Organic Herbs, spices and tubers.

[Min 5 | 031220OBS Comments](#)

Andreas of Africrops Said that the findings presented were similar to findings of Africrops in their projects in Africa. He was of the following opinion:

- That the certification problem has lingered for long and that it can be solved by having a discussion with certifiers for example in reducing the 3-year requirement.
- That there is a huge demand for organic produce in this time of the epidemic and that the only challenge is to aggregate the produce.
- Need to advice farmers on cash flow management
- Affirmed that there were good opportunities for herbs and spices
- That he has ideas on how bulking, packaging and storage can be done to fit the markets

Anne Muriuki from KALRO encouraged processors to adhere to organic standards when value adding products in order to pass the certification test.

[Min 6 | 031220OBS Plenary Questions](#)

Martha Q: What was the basis of selecting the people interviewed? How about the certifying companies?

Answer: Priority was given to the main value chain actors. Only 3 input suppliers agreed to be interviewed but significant information was gathered from them.

As for the certification process, both farmers, traders, exporters and retailers were in agreement that organic certification is expensive. On one hand the farmers can't afford it and on the other

hand the traders and exporters are reluctant to take the risk of engaging with farmers who may not fulfil their end of the bargain.

Thomas: Q How does the Kenyan avocado sector compare with other countries like Peru and Chile? Is Kenya more competitive?

Answer: Most Kenyan exporters export immature fruits which is a threat to the business in a few years. Seasonality also plays a role. The Peru fruits come to the market in May which makes the prices go lower.

Grace: How are we to educate end users why organic food is better than conventional food

Answer: Training on healthy living and eating in exhibitions. Through radio and T.V programs and creating other platforms to spread awareness.

Min 7 | 031220OBS Introduction of Thematic Groups

Thomas introduced the discussions for the thematic groups with a clear background that built on how that was going to be implemented. The discussions would constitute from among the participants 3 thematic groups namely organic fruits and vegetables for local market, fruits for export market and herbs and spices (fresh and processed). He also gave direction and facilitated participants in joining the group of choice.

Min 8 | 031220OBS Breakout Session

All the facilitators lead discussions in thematic groups and thereafter presented the outcomes of the discussions from the respective groups. What commonly emerged is that the traders were willing to engage Muranga farmers to do business in fruits, vegetables and herbs. They all planned how to continue with the discussions after the summit.

Organic Vegetables & Fruits for The Local Market Break Out Session

Min 9 | 031220OBS Introduction

The break out session had more than 10 attendees including the facilitator, a number joined the meeting later as discussion had progressed. After preliminary introductions, the facilitator led the group through a value chain mapping process, where all the participants got to know exactly where on the value chain they / their organisations existed. (See Figure 1)

- Producers – 2
- Retailers – 2
- Private service providers – 5
- Public support actors – 2
- Consumer -1

Group «Organic Vegetables and Fruits Group 1»

Private Service Providers

Value Chain Actors

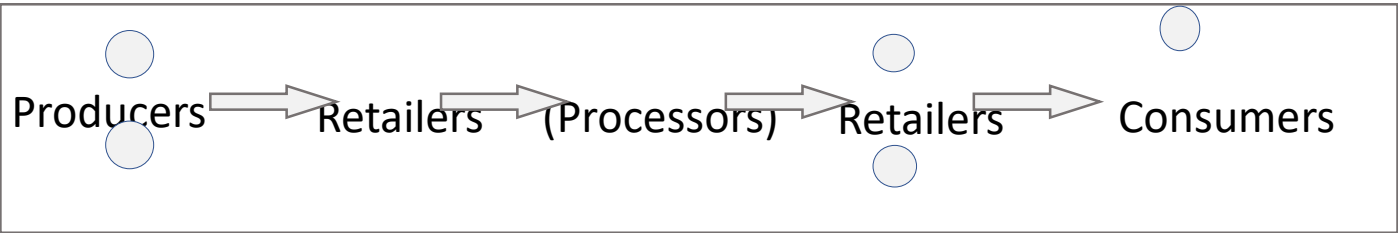


Figure 1 Value Chain Mapping

Public Supporting Actors

Min 10 | 031220OBS [Introductory Speech](#)

The Ministry representative (Trade and Marketing Department) mentioned the work by the government towards promoting marketing of farmer produce in premium shops in Nairobi. He also mentioned the presence of an Organic Desk in the Agri-Nutrition Department which has been tasked with promoting organic food due to its nutritive and food safety importance. The Ministry as well supports bulking and aggregation of produce to create opportunities for large scale trade.

The Session facilitator invited members to mention their enterprises and observation in terms of market opportunity.

Min 11 | 031220OBS [Discussion Points](#);

- Pest and diseases control continue to be a challenge in organic farming, particularly for exotic produce such as cucumber, zucchini, tomatoes and berries. Without proper pest and diseases control some of this organic produce becomes scarce and expensive to retail.
- Root and tubers (cassava, nduma, sweetpotatoes) are becoming more popular, as well as indigenous vegetables. These are much easier to grow and are not affected much by pests and diseases.
- Consumer awareness on benefits of organic, although much higher than it was historically, is still limited and more needs to be done to promote organic.
- The demand for organic produce is rising, particularly following the COVID 19 Pandemic. Despite this many farmers are still missing out on market opportunities due to small produce quantities and retailers are unwilling to spend high costs in sourcing small amounts of produce. The challenge with organic in this case is mostly logistical – bulking, grading, building capacity of farmers.
- It was suggested that retailers could group together to share in the cost of logistics. This would allow all to benefit and maintain steady supply of produce while reducing the costs involved per retailer.
- As well it was suggested that an annual meeting between all organic farmers in Kenya and retailers could be organized to discuss how to improve the industry.
- A common message(s) could be adopted by all the retailers regarding organic. This could communicate to consumers about the qualities of organic produce which might differ

slightly from conventional produce so as to foster acceptance. An example of vegetable crispness and shelf was given as an example.

- The issue of pricing and premiums was broached. A deeper discussion on how to structure such prices could be adopted in future sessions. The Ministry of Agriculture's Marketing platform could be used as a reference point to advise farmers what the prevailing market prices for conventional produce were and a percentage could be added as premium. This would provide reasonable justification for premiums which would not deviate too much from conventional market prices.
- The retailers mentioned having an annual planting calendar to guide farmers on what to grow. It was noted that organic produce supply inconsistencies were a major impediment to retailer willingness to buy. As well a caution was sounded, due to the unpredictability of Kenya vegetable retail market, adopting a planting calendar might not solve all the supply problems.
- Issues of loyalty was also mentioned. When produce is in low supply farmers tended to sell to the highest bidder while when there was market glut they would in turn seek out the retailers they are familiar with, this leads to mistrust between farmers and retailers. More discussions on such should be pursued to come to consensus.
- Monthly pricing cycles were mentioned as a way to make sure all parties (farmers and retailers/retailers) get fair shake in prices. Further discussions on the same should be pursued.
- The Kenya Organic Agriculture Network was mentioned as essential in creating the platform for knowledge, information an interaction between the different stakeholders. Issues of distribution of farmers, food safety and testing, as well as nutrition information could be catalogued on the platform. The platform should also be a registry for all certified producers in Kenya and provide contact details for them.
- Farmers raised the issues of certification, a lot of information on organic certification is lacking and this needs to be well presented before a farmer engages in organic farming.
- It was also noted that more government representatives need to be involved in such a market promotion endeavour, the HCD, county governments need to be aware that such activities are ongoing and be part of the process.

Min 12 | 031220OBS Summary

From the discussions the following were agreed upon as the most important business opportunities;

- 1) Traditional vegetables, courghettes, cucumbers and tomatoes important and in high demand consistent supply would be favourable to all parties.
- 2) Logistical opportunities - Joint buying by traders, aggregation of produce in order to reduce costs involved and make organic produce consistently available.
- 3) Marketing Organic – Joint marketing campaigns, awareness on qualities and benefits of organic produce. A clear and uniform message from all retailers would boost market confidence and awareness of organic.
- 4) Production scheduling - Traders could list the most consumed produce and farmers to focus on consistently growing them.
- 5) Registry plus certification for organic producers in Kenya – This would allow for greater access to organic producers and greater availability of organic produce.
- 6) Meeting between traders and farmers to fix premium process based on current conventional prices.

Min 13 | 031220OBS Outlook

- It was decided that all stakeholder interested in Organic Fruits and Vegetables to Meet in December or early January to start discussions on how to address the problems in organic and pursue joint business opportunities.
- A WhatsApp group to be created where the stakeholders can interact.

Organic for Export Break Out Session

Min 14 | 031220OBS Stakeholders Present

Name	Organization	Role in the value Chain	Contact
Lawrence Gitonga	KOAN	Facilitator	0723669212
Clement Adongo	KOAN	Facilitator	0718062479
Samuel Ndung'u	KOAN	Supporting Actor	0721949546
Edwin Gitaari	Olivado EPZ	Processor	0722157345
Andreas Wesselmann	Africrops!	PMCA Team/Processor	
Moses Muiruri	SAMAWAKAMA	Producer	0722226715
John Kamande	SAMAWAKAMA	Producer	0720211777
Andrew Kinyanjui	SAMAWAKAMA	Producer	0721156414
Paul Mbugua	SAMAWAKAMA	Producer	0712143601
Margaret Ndung'u	SAMAWAKAMA	Producer	0721264669
Samuel Maina	Murang'a Organic FCS	Producer	

Summit facilitators: Lawrence Gitonga Muriuki and Clement Adongo Rurinja

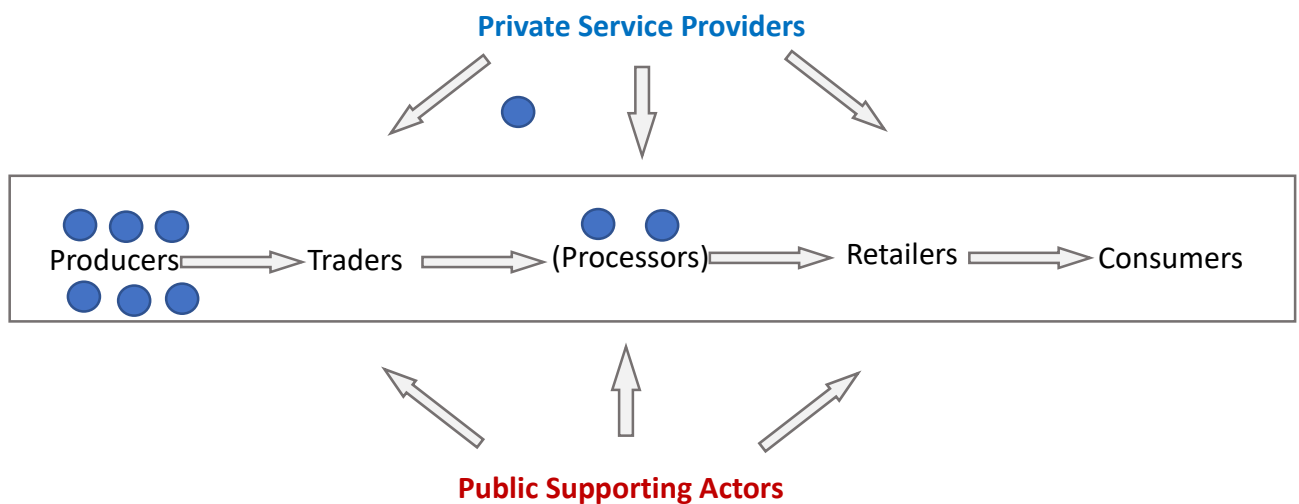
Min 15 | 031220OBS Objectives

1. Formation of thematic group, with interested stakeholders within the value chain of organic for export.
2. Discuss market opportunities related to our group (Organic for Export).
3. Come up with strategies on how we will be able to meet as a group and capitalize on the opportunities.

Min 16 | 031220OBS Introduction

Each participant introduced him/herself and the role they play along the organic for export value chain. Below is a summary of the stakeholders in the meeting.

Stakeholder	No of stakeholders in the meeting
Producers	6
Processors	2
Supporting Actors	1



Key crop of interest that emerged from the discussion was organic avocado.

Min 17 | 031220OBS Challenges in the Organic Avocado Chain

Producers

- Limited access to production and Harvesting technologies to ensure good quality organic avocados.
- Lack of capital to participate in export markets and therefore relay on the exporters to sale on their behalf. Some of the buyers who are mostly middlemen have led to exploitation of farmers.
- Unreliable market and limited market information.
- Low prices

Processors

- Breach of contract by farmers who sell to middlemen.
- Use of inputs not recommended in the organic production
- Inadequate support from the relevant stakeholders within the Avocado value chain.
- High operation cost of coordinating and recruiting producers. KOAN offered to support in coordination, recruitment, advocating and capacity building among others.
- Limited support from regulatory bodies such as HCCP, MOA and County government.

Min 18| 031220OBS [Market Opportunities](#).

Olivado EPZ a processor and exporter of avocado stated that the current demand for organic Avocado is high and as a company they are not able to meet the demand for organic fresh Avocado and oil.

Identify opportunities within the Organic Avocado value chain;

- a. Fresh Organic Avocado
- b. Organic Avocado Oil.

Min 19| 031220OBS [Way forward](#)

- i. Have several meetings within the period of December to February
- ii. Identify other stakeholders within the Avocado value chain and add them to our discussions.
- iii. Identify other business opportunity within organic for export and engage relevant stakeholders.
- iv. Develop a business model to interact and collaborate to promote good and long lasting business relationship.
- v. Build up trust among the stakeholders.

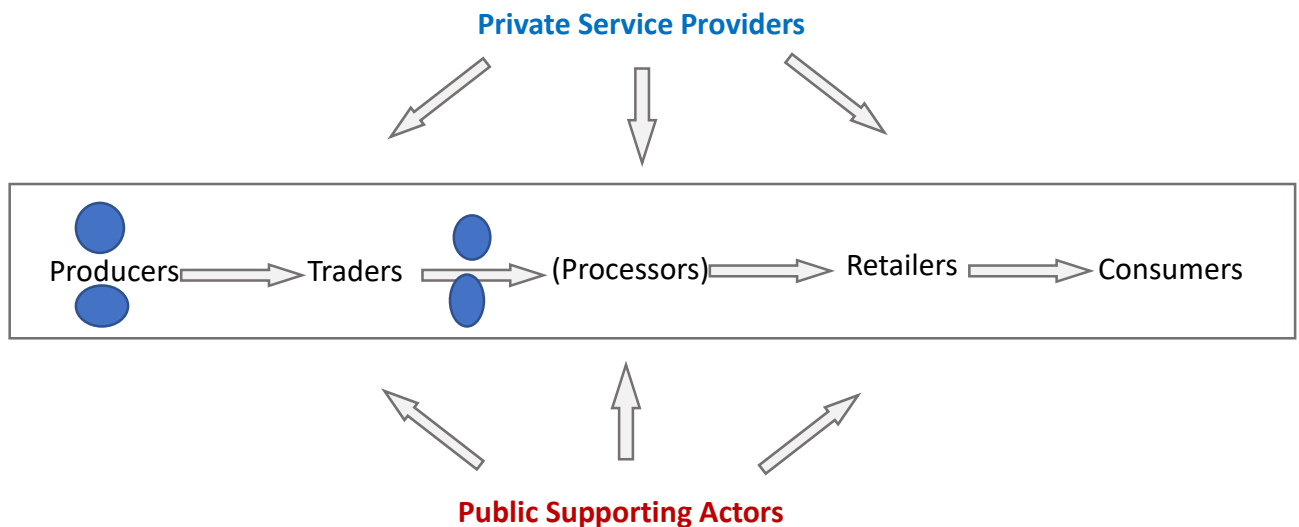
Herbs and Spices Break Out Session

Min 20| 031220OBS Introduction

The herbs and spiced thematic group consisted of 4 participants with different roles in the organic value chain. Two of the participants had multiple roles of processing and trading. Their products are processed for both local and export markets. The producers from Murang'a grow most of the herbs that the traders were interested in except for Dill and Coriander.

Stakeholder profile

Name	Organization	Role	Market
Kate	Kate's Organics	Trader and processor	Export and local
Stella	Spills of Eden	Trader and processor	Export and local
Kemuma	Zurie fresh farm	Producer	
Lucy	Samawakama Farmer group	Producer	



Min 21| 031220OBS Dialogue themes

- Farmers are producing in small quantities
- Lack of farmer commitment in Kenya. This makes traders want to outsource from other countries namely Uganda and Tanzania
- Towards sourcing from Kenyan farmers (lessons from Tanzania and Uganda farmer)
- Farmers primarily supply raw materials so receive the least benefits of the value chain

Min 22 | 031220OBS Way forward

- Bulking would be a more viable move for traders to work with farmers. This would assure consistent quantity supply.
- Farmers' commitment is likely to move beyond project level as trust builds up.
- Farmer to trader contract would reduce mistrust.
- Develop a training program for value added products to expand a farmer's prospects and cushion against postharvest losses.

MIN 23 | 031220OBS Business Opportunities

1.Farmers to outgrow specific herbs for processing companies

2.Develop a training program for value addition for local and export markets:

- Essential and natural oils
- Beauty Soaps and ointments
- Medicinal extracts (tincture and powders)
- Herbal teas from dried herbs
- Fresh herbs
- Culinary mixtures

Min 24 | 031220OBS Outlook

- Create WhatsApp group to continue future discussion.
- Schedule a physical meeting where and when it deems possible

Min 25 | 031220OBS Evaluation

An evaluation of the discussion was given by some participants as follows:

Kemuma of Zurie fresh farms said she learned a lot from the discussions and urged the stakeholders to form more synergies and network more. She also felt that such meetings should be more of a routine than a onetime event.

Kate from Kate's organics applauded the forum for bringing the stakeholders together especially the farmers. It is a more viable and powerful way for traders like her to engage with farmers. This will solve the problem of coordination that arises when a trader is dealing with 2 or 3 farmers. It will give her more confidence to deal with Kenya farmers who she abandoned for Tanzania and Uganda farmers. Consequently, the Kenyan sector will grow.

Edwin from Olivado requested more involvement with representatives from regulatory bodies such as HCCP, MOA and county government. This is important for the coordination of activities especially at the county level. One of the activities is to supply farmers with farm inputs and farmers are receiving conventional inputs which are not in line with the organic production system. He also felt that more frequent meetings were better for the growth of the organic sector.

PART B MAIN SESSION

Min 25 | 031220OBS Next Step of PMCA

Thomas explained the steps of PMCA as follows:

Phase 1 was to identify the actors and their challenges.

Phase 2 will be to analyse potential joint market opportunities with focus on the thematic group meetings using the following order/;

- To specify joint business opportunities i.e. what needs to be done, who to engage and how it will be done.
- To clarify support needed to each group
- Move towards developing the said opportunities
- Involve more actors needed for discussion.

Phase 3 will be to implement joint market innovations.

Thomas also clarified that stakeholders should be able to participate in different thematic groups.

Min 26 | 031220OBS [Reflection by The Ministry of Agriculture](#)

The Kenyan government is in the process of finalizing the policy for organic agriculture that will support capacity building and a strategy has been done by KOAN. Mr. Ibrahim stated that the government will work in partnership with the organic sector in supporting development and technical expertise. Together with UAP insurance it will also work together closely with the department that is doing minimum guarantee returns for farmers. He applauded the PMCA process and assured collaboration to grow the sector.

Min 27 | 031220OBS [Summary and Closing Remarks](#)

Irene highlighted that there exist local and export business opportunities. In order to match supply and demand there is need to pay attention to quality, quantity and consistency. Also that from the multi-player actors there is need to connect, promote learning but most importantly build trust among the stakeholders. She also highlighted PMCA next steps as follows:

FIBL will continue to support the PMCA process

KOAN will continue to lead the PMCA process with KALRO as the coordinator

AFRICROPS will provide support in business coaching for local and export markets

ICIPE, KALRO and OACK will provide technical support

Martin gave a vote of thanks and concluded the meeting.