

Fodder shrub seed production and marketing in Kenya: matching demand to supply

Easing restrictions on licensing, and reducing free seed distribution, would greatly facilitate the development of a private sector seed market in Kenya.

Since the late 1990s there has been a big increase in the numbers of smallholder dairy farmers taking up fodder shrubs as a way to feed their dairy cows and goats better, especially during the dry season. Demand is expanding rapidly: already, we estimate that nearly 50,000 Kenyan farmers have planted fodder shrubs, and there is the potential for the numbers to rise much higher than this.

Changes in policies relating to seed supply, at both the national and the institutional level, would help the scaling-up process.

Limits to uptake

The main constraint currently limiting the wider adoption of fodder shrubs is the ability of farmers to access planting material – especially in areas where the rate of planting is accelerating. There seems to be little spontaneous development of market-driven seed or seedling production. We carried out a study of distribution and marketing mechanisms for calliandra seed in Kenya, to explore the roots of this problem and how best to address it. Calliandra is a fast-growing shrub, originally from Central America, which has been the most widely promoted and adopted fodder shrub in East Africa so far. The study was part of a larger project concerned with scaling up the adoption of fodder shrubs across the East African region.

We identified *two key issues* which are preventing the calliandra seed market from operating to its full potential:

- ➔ Most production of calliandra seed for sale in Kenya is in Western Province, while the greatest shortages are in Central Province. There is no effective market chain linking the producers to the end-users.
- ➔ Many extension providers working with fodder shrubs have given seed to farmers for free, reducing the potential for an effective market chain to develop.



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Strengthening the market chain

Smallholder farmers who want to buy seed have trouble accessing it directly, because the input stockists and dairy societies, to whom they would normally go for inputs, do not usually deal with tree or shrub seed. Local stockists do sell agricultural seed which they get from seed companies; but the market for fodder shrub seed is so much smaller than for food crops that the big seed companies do not want to become involved.

Farmers are selling some seed amongst themselves, but the seed does not travel far and is not sold by stockists. The stockists could also acquire seed directly from the producers, and we would welcome such linkages. The problem here is that under current phytosanitary laws in Kenya, seed dealers need to be licensed to undertake this activity. In Kenya the permit costs Ksh 70,000 (US\$ 875), which inhibits seed dealers and stockists from getting involved in tree seed marketing.

At the national level, there is a need to relax the licensing regulations for local seed/input stockists.

Recognising the value of seed

There are large-scale seed dealers in Western Kenya who buy seed from smaller producers and then sell it in bulk. At present, though, there are few large-scale buyers in Western Kenya. The main ones are:

- ☆ the National Tree Seed Centre (KEFRI)
- ☆ the World Agroforestry Centre (ICRAF)
- ☆ international NGOs (e.g. VI Agroforestry, Heifer International)
- ☆ development projects.

The development of a market for seed has been artificially suppressed by the tendency of many organisations to distribute it for free, creating an expectation among farmers that this will continue.

Please turn over...

There is a valid case for this approach in the initial stages of fodder shrub promotion: farmers are often unwilling to pay for an innovation if they have no experience of it. However, it is important to make it clear that seed will not continue to be provided for free in the future. If farmers develop this expectation it may act as a disincentive, not only to buying seed, but also to managing trees for on-farm seed production.

Ways to make a gentle transition from initial free distribution to a payment-based system include:

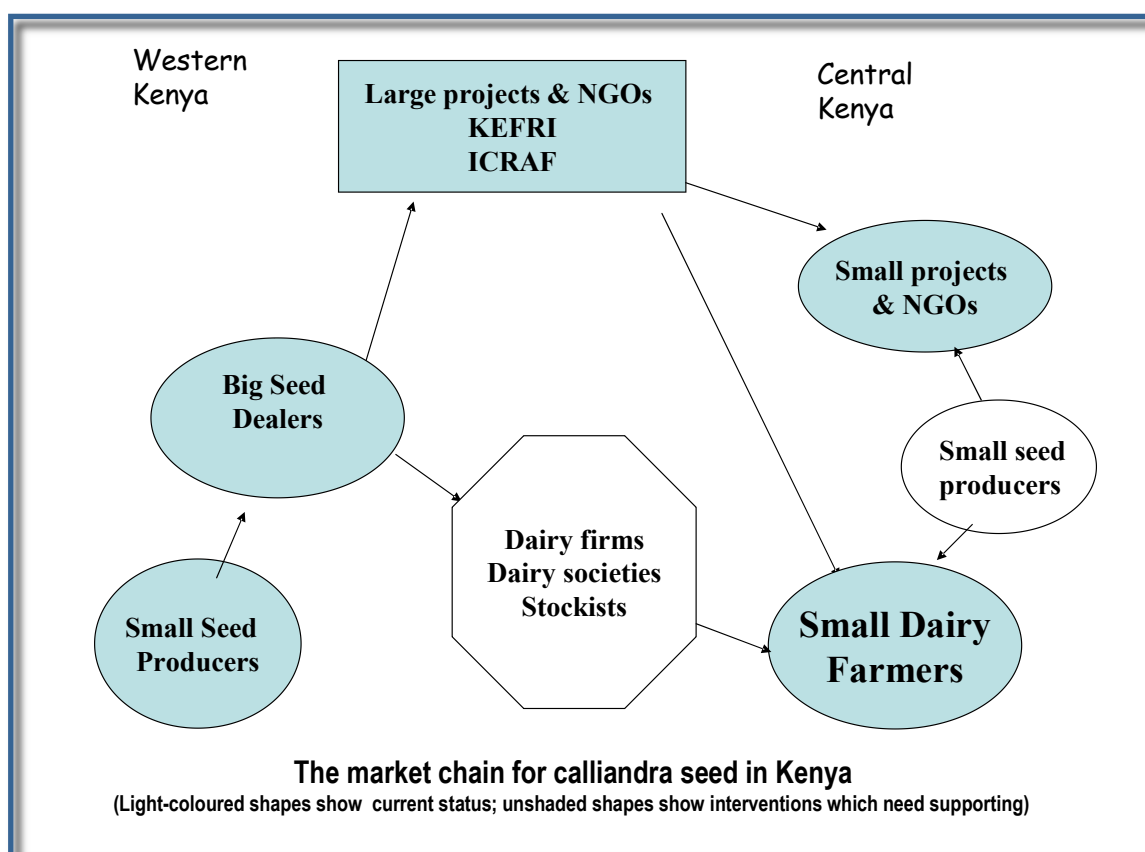
- ➡ Selling the seed in small packets at a subsidised rate, so that the farmers attach some value to it, but it is not so expensive as to prevent them buying it. This is an effective way to give many farmers access to the planting materials. By putting

monetary value on the seeds, the strategy is also likely to attract entrepreneurs to engage in tree seed marketing and lead ultimately to a commercialised and sustainable seed distribution system. This approach has been used in central Kenya with good results.

- ➡ Giving seed for free initially, but on condition that the farmer gives back at least an equivalent amount once seed production starts (for distribution to other farmers). This approach will only work in areas where the shrub sets seed, and if the farmer has left some trees for on-farm seed production. It also depends on the capacity of the organisation to provide the necessary follow-up.

Government extension services and related institutions must reduce free seed distribution to facilitate the development of a private sector seed market in Kenya.

The diagram below summarises the main linkages in the fodder shrub seed market in Kenya.



This policy brief is based on the experience of a fodder shrub promotion project managed by Janet Stewart, Oxford Forestry Institute, U.K. and implemented by the World Agroforestry Centre (ICRAF), Nairobi, Kenya. For further information, please contact Steven Franzel or Charles Wambugu, World Agroforestry Centre, P.O. Box 30677, Nairobi, Kenya (s.franzel@cgiar.org; c.wambugu@cgiar.org)

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