

Raising incomes of smallholder coconut producers in Kenya through more efficient value chain management

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ABSTRACT

Coconut (*Cocos nucifera* L.) is an important tree crop providing livelihoods for about 10 million people world-wide in cultivation, processing and related activities. Over 80% of coastal farm households in Kenya (about 2.4 million people) derive their livelihood directly or indirectly from coconut and its by-products. The potential value of the sub-sector is estimated at US\$ 180.6 million but actual value of the sub sector is only 25% of that (US\$ 44.5 million) annually and consists of nuts (both mature and immature – *madafu*) account for about 24%, coconut wine (60%), *Makuti* roofing materials (12%), brooms (3.3%) and coconut wood (1%). Despite the great potential for the coconut-based enterprises, the population of the coastal region is very poor, with poverty level estimated at 62%. In addition, Kenya imports about 95% of its vegetable oil requirement of approximately 400,000 metric tons (cost estimated US\$ 320 million). This large internal market for vegetable oil could be exploited by improving the production and use of Kenyan coconut oil to satisfy some of the domestic demand as well as improving the socio-economic conditions of the producers

We explored the challenges involved in the whole supply chain from producers, tappers through to processors and marketing. Production constraints included inadequate use and high cost of inputs, limited availability of clean planting materials, pests and diseases, poor agronomic practices, poor knowledge base, poor market access, low farm-gate prices and low yields while constraints for processors included seasonal availability of raw materials, lack of modernised processing equipment and inadequate skills base. Marketing reported high transport costs, inadequate storage facilities, lack of skills in preservation and packaging as some of the problems.

Transforming the sub-sector in Kenya into a commercially viable and sustainable industry will need diversification options, intensification, increased hectareage, value addition and effective marketing. The skill and knowledge base of the producers and processors will require upgrading to facilitate adoption of improved production and processing practices and the introduction of new technologies would improve productivity and quality. The lack of improved planting materials would be facilitated by the establishment of certified nurseries. Organizing producers to be better equipped to negotiate with processors as well as contributing to a culture of improving quality should also be investigated

The constraints and potential solutions are discussed in more detail in the full paper.