

Types of Capacity Building Activities for Improved Market Participation by Farmer Groups in Turbo, Kenya

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Abstract

The aim of this paper is to examine the types of activities available to farmer groups and the role that these farmer groups play in improving access to formal markets based on a study of farmers in Turbo Division in Kenya. Building the capacity of the smallholder farmers is important in agriculture commercialization necessary for their participation in Markets. The study targeted members of five farmer groups in Turbo and got response from 62 study participants in population of 187. Descriptive survey design was employed and techniques of both quantitative and qualitative research methods through administration of questionnaires. Data gathered by these methods were subjected to Statistical Package for Social Scientists (SPSS) software for analysis and descriptive analysis and statistical tests investigated relationships between variables. The findings identified six types of activities, namely group training activities, group management skills provision, access to financial services, market skill provision, technological expertise, production and resource management activities. The study found out that generally most farmer groups undertook general group training activities as the most common type of capacity building activity whereas taking part in technological enhancement activities was the least type of capacity building activity undertaken by the farmer groups at the community level. The study recommends that all stakeholders should be geared towards empowering and engaging the smallholder farmer on how to undertake farming as a business. The study makes insightful contribution into the existing field of academia and elicits varied themes that need to be worked on by future researches.

Keywords: types, capacity building activities, improved market participation, farmer groups, turbo, Kenya.

INTRODUCTION

The majority of the world's poor live in rural areas in developing countries and Agriculture is the backbone of many of these economies, especially in the sub-Saharan Africa, which depend on agricultural production for income and food security (Henriksen, 2009). However, increased urbanization trends in these countries have also increased demand for fresh produce, food security and development of agricultural markets which puts a demand on the smallholder farmers. Therefore, commercialization of the smallholder resource poor farmers is important in realizing higher productivity, greater specialization and higher incomes in the rural communities (Timmer, 1997). These outcomes in turn contribute significantly to improved household food security, poverty reduction, agricultural development and general national economic growth (Fafchamps, 2005).

Nevertheless, majority of the smallholder farmers, because they are poor are adversely vulnerable to factors such as weather, pests, plant and livestock diseases, changes in prices for farm products and inputs besides politics and hence are unable to effectively engage in commercialization (Timmer, 1997). To reach the poorest people in large numbers requires formation of farmer groups and associations that are enabled to engage successfully in markets

and hence contribute significantly in reduction of poverty (CRS, 2007). By so doing, farming as a business becomes an important strategy in sustaining many enterprises that draw their sustenance on agriculture.

Indeed, most discussions on capacity building quickly tend to broaden out to deal with the overall process of development. Capacity-building is the process and means through which national governments and local communities develop the necessary skills and expertise to manage their environment and natural resources in a sustainable manner within their daily activities. This involves strengthening peoples' capacity to achieve sustainable livelihoods, engaging a cross-sectoral multi-disciplinary approach to planning and implementation and promoting innovation by developing skills that enhance both individual and group performance.

This paper attempts to find out whether or not capacity building has any influence in increasing the performance of farmer groups in organized markets. This is because according to many theorists capacity building enhances community development. Community development can be another goal of capacity building with the mobilization of the community resources available to individual

nonprofit organizations (Hudson, 2005; DeVita & Fleming, 2001). Therefore, this paper seeks to determine the role capacity building has on mobilized smallholder farmers through organized farmer associations and its role in their performance in formal markets and the country's food security.

Market participation entails the ability of one to engage effectively in the marketing process. In order to participate effectively in the market, firms have to undertake industry and competitive analysis to gain competitive advantage over the competitors. Competition leads to strategy formulation by firms for increased market share and redefines the underlying economic and competitive forces in a given industry. Porter (1979) helps define forces that drive industry competition: industry rivalry, bargaining power of suppliers, bargaining power of buyers, the threat of new entrants into the market and determinants of substitution threat. These factors that shape the market require highly organized entities to compete effectively. Therefore, the best way for the smallholder farmer to participate in the formal organized market is through organization into legal entities that can enable transaction at highly competitive levels.

The market is the outlet for goods and services in its simplest understanding. In the traditional sense, it is a collection of stalls where buyers and sellers exchange goods or services, usually for cash (Nichols & Helmi, 2009). Over time the market has been structured and organized formally into specializations. Technology and globalization has made the formal market complex requiring strategic entry. The formal market is shaped by competition and has four fundamental areas: Products, Price, Place and Promotion besides Marketing Research (Pearce & Robinson, 2005).

The factors that Porter (1979) mentions require highly organized entities to compete effectively and which enhance the commercialization process for the farmer groups. Essentially basic market skills and knowledge on managing farming as a business enables poor farmers to transition from semi-subsistence to commercial agriculture and enhance agro-enterprise development (CRS, 2007).

Statement of the Problem

Transition from low productivity, semi-subsistence agriculture to high productivity, commercialized agriculture is the core theme of development and agricultural economics for developing countries (Timmer, 1988). It is envisaged that the processes of agricultural and rural transformation will not only usher in increased productivity and commercialization in agriculture but will also involve economic diversification and accelerated rural economic growth and share of employment through agricultural market development. This agricultural

transformation is to be realized through the commercialization of the smallholder resource poor farmers which is important in realizing higher productivity, greater specialization and higher incomes in the rural communities. Such a process is meant to have the smallholder farmer engage in markets effectively and is a route clouted to ensure food security and rural economic growth.

Despite the increasing number of farmer groups which are engaged in agriculture and agriculture related business activities, the farmer associations do not practice farming as business in spite of the presence of organized markets through farm produce exporters, NGOs, Millers among others. They are still vulnerable to exploitation by the middlemen and they sell their produce at throw-away prices and continue living in poverty. Turbo Division typifies this scenario best. Therefore, the study sought to investigate the types of capacity building activities available to farmer groups in the Division, as well as the roles that these farmer groups play in improving community access to formal markets.

LIMITATIONS OF THE STUDY

This study sought to study the role of capacity in enhancing smallholder farmers' participation in formal markets. The research was limited only to smallholder farmers dealing in cereals and having participated in at least one marketing activity in the previous two years. Due to diversity and agricultural dynamics in different regions of Kenya, the author limited the study to Turbo Division area which has characteristics that are representative of the entire agricultural areas in the country. However, the study is not intended to provide any interventional strategy or new farming methodology.

MATERIALS AND METHODS

The study was conducted in Turbo Division located in the North Rift Valley region of Kenya. The research design used in the study was a descriptive survey. The study population constituted 187 smallholder farmers who were members of the five identified community based farmer groups in the Division. These organizations were identified through the Ministry of Agriculture staff in Turbo Division and were selected on the basis of being active and having participated in at least one marketing activity in the past two years (2009-2011). The identified groups were Schemers Community Based Organization, Kaptebee Farmers group, Lemook Kamasia Group, Wema Widows Initiative and Mali Shambani Farmer Group.

Purposive sampling procedure was employed to identify the active groups in the location by help of the Divisional Agricultural Officer targeting farmer groups that were actively involved in a marketing activity most of which had been involved selling

cereals to the United Nations' World Food Programme. Therefore, a sample size of 56 was selected.

In carrying out this research, data was collected using a structured questionnaire which uses the attributes to elicit information about existing groups saved on time and ensured confidentiality. The questionnaire had both closed-ended and open-ended questions. Questionnaires are also convenient tools where a large number of subjects are to be handled. This is because they facilitate easy and quick responses within a short time. The research utilized a self-administered questionnaire. The study used additional 30% of the questionnaires to cover for failed responses, hence 73 questionnaires were sent out in total.

The quantitative and qualitative data was analyzed using Statistical Package for Social Sciences (SPSS). The raw data was appropriately coded and tabulated in readiness for analysis. Both the descriptive and inferential statistics were used. A comprehensive description of the quantitative data was given and represented in means, standard deviations and frequencies. After establishing particular trends, statistical relationships for the various dependent and independent variables for the study were examined. Some of the statistical procedures to examine relationships involved the use of correlation coefficients and Chi-square test for independence of categorical variables in the study. MS Excel was used for the generation of pictorial representations like the graphs and charts from the SPSS output.

RESULTS AND DISCUSSION

Types of Capacity Building Activities Available to the Farmer Groups

One of the key objectives the study sought to find out was the types of capacity building activities available and how they were being utilised by the farmer groups in the communities. The findings identified six types of activities which were: group training activities, group management skills provision, access to financial services, market skill provision, technological expertise, production and resource management activities. The study found out that generally most farmer groups (84%) undertook general group training activities as the most common type of capacity building activity whereas taking part in technological enhancement activities was the least type of capacity building activity (24%) undertaken by the farmer groups at the community level.

A summary of these and more data is given in Table 1 below.

Table 1: Types of Capacity Building Activities Available to Farmer Groups and Utilization rate

Capacity Building Activity	% of Groups/Individuals in the communities	
	Accessing this service (% accessing)	Not accessing this service (% not accessing)
Group training activities	52(84%)	10(16%)
Group management skills	23(37%)	39(63%)
Access to Financial services	34(55%)	28(45%)
Basic market skills	44(71%)	18(29%)
Technological skills	15(24%)	47(76%)
Production and resource management skills	23(37%)	39(63%)
Percentage	51.34%	48.66%

Hudson (2005), Weisinger and Salipante (2005), and DeVita and Fleming (2001) have shown that capacity building activities mainly focus on leadership development, organization development, and inter-organizational collaboration. The study put a lot of focus on understanding the types of capacity building activities available to farmers and what their main focus was. From the study, 37% were involved in group management skills, 55% in accessing financial services, 71% in basic market skills while 37% of the groups were engaged in production and resource management skills.

It is important to note that from the study, community farmer groups were aware of the various capacity building options open to them.

Roles of Farmer Groups in Improving Community Access to Formal Markets

The study sought to find out the roles played by the farmer groups in improving the community access to formal markets. Most (40.31%) of the groups greatly provided market information to the community. The representation of this data is given in Table 2 and Figure 1 below.

Table 2: Roles of Farmer Groups in Improving Community Access to Formal Markets

Roles played in Improving community access to formal markets	Frequency	Percentage
Provision of market information	25	40.31
Training services on quality products for market	13	20.94
Product aggregation	13	20.42
Other vital factors for market	11	18.33
Total	62	100

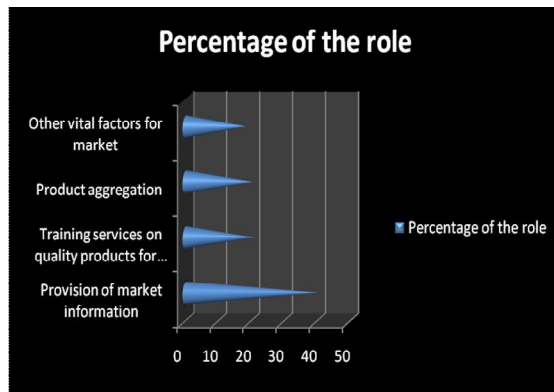


Figure 1: Roles of Farmer Groups in Improving Community Access to Formal Markets

Source: Author, 2011

Porter (1979) argues that forces driving industry competition are: industry rivalry, bargaining power of suppliers, bargaining power of buyers, threat of new entrants into the market and determinants of substitution threat. These factors that shape the market require highly organized entities to compete effectively.

As discussed earlier, market participation entails the ability of one to engage effectively in the marketing process. In order to participate effectively in the market firms have to undertake industry and competitive analysis in order to gain competitive advantage over the competitors. Competition leads to strategy formulation by firms for increased market share and redefines the underlying economic and competitive forces in a given industry. These concepts may be too complex for the folks in the community set-up but can be easily broken down by community farmer groups which may later pass the message to the community.

This study sought to find out what roles are currently played by the community farmer groups in improving the access to formal markets. Apart from the 40.31% of the groups that greatly provided market information to the community, 20.94% of the interviewed groups trained the community on quality products for the markets, 20.42% of the groups capacity built the community on product aggregation while 18.33% of them engaged the community in other vital factors that will aide ease of market access.

CONCLUSION AND RECOMMENDATIONS

The study at Turbo revealed that community farmer groups in the area are aware of the various capacity building options that are open to them. Whereas the farmer groups play important roles in emotional and social support to their members, they portend great opportunity in improving economic capacity of the farmers and hence provide important platform for the commercialization of the smallholder farmers.

The study found out that most people join farmer groups for economic empowerment and therefore focus by all stakeholders should be geared towards empowering and engaging the smallholder farmer on how to undertake farming as a business. The study has made a tremendous contribution into the existing field of academia and has elicited varied themes that need to be worked on by future researchers. Some of the themes that need to be explored further include relationship between the community based farmer associations and its performance and the extent to which local governments and other stakeholders can collaborate with existing farmer groups in promoting an active business community.

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