

MULTI-FUNDER INITIATIVE

Canadian International Food Security Research Fund (CIFSRF)

“Farm Shop” brings supplies, knowledge and profits to Kenyan farmers

A growing number of informal agro-dealers across Kenya are adopting a new franchise model that can boost retail revenues by at least 500% in the first six months. Top performers have seen profits rise more than 2000%. As importantly, this proven market-driven approach provides smallholder farmers—particularly women—with access to high quality products (e.g. seeds and fertilizer), services (e.g. soil testing, animal health care), educational opportunities, and trusted advice that improves livelihoods, productivity, and food security.

A proven retail and distribution model

Over 43% of Kenya’s population remains food insecure and 46% live below the poverty line. The government recognizes the importance of small-scale farmers—who contribute 75% of the country’s agricultural output. But increasing their agricultural productivity is challenging: supply chains are fragmented, inefficient, and informal. Counterfeit products are pervasive, availability is poor, and prices are high due to supply chain inefficiencies and unequal power relationships.

A Kenyan social enterprise is addressing these challenges with a modern distribution network that provides rural farmers with affordable and reliable access to products, education, women-friendly services, and trustworthy service providers. Seed funding from a Canadian family foundation (Comart) and two global foundations (MasterCard and Ford) validated the model, finding that farmers are more likely to buy and correctly use farm inputs proven to increase yields.

Expanding Farm Shops across Sub-Saharan Africa

Follow-on funding from CIFSRF is building on the success of the first 25 shops by providing the training and support to establish a network of 125 new franchises. Researchers foresee that this is the tipping point for financial sustainability, which would eliminate the need for government subsidies.

Farm Shop’s team of business and agricultural specialists, along with researchers from Kenya and Canada, will test ways to increase the scale of Farm Shop’s operation to the expected breakeven point of 150 stores.

Expected results

- By the end of 2017, establish a network of 150 shops serving 75,000 smallholder farmers (50% women), benefiting some 375,000 people in farming families
- Double or triple yields of smallholder farmers, increasing their incomes, and the supply of food in poor rural areas
- Create 1,375 new full, part-time, and indirect jobs as a result of 125 new shops
- Share research results and lessons learned with African decision-makers, business, and local community leaders

LEAD RESEARCHERS

Farouk Jiwa, Farm Shop, Kenya
Kevin McKague, Cape Breton University, Canada

Country: Kenya

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PO Box 8500 Ottawa ON Canada K1G 3H9
Phone +1 613 236 6163 • Fax +1 613 236 7293
cifsrf@idrc.ca • www.idrc.ca/cifsrf