



Kenya BDS

Kenya Business Development Services Program

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Kenya BDS Market Intervention Brief

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| <i>Name of Activity</i> | Facilitation of Market Information for the Rural Smallholder Farmer through Information and Communication Technologies, Central Province (A01/002/03) |
| <i>Facilitator</i> | Kenya Agricultural Commodity Exchange Ltd (KACE) |
| <i>Period of Performance</i> | 11 August 2003 – 10 August 2004 |
| <i>Intervention Objective</i> | To facilitate increased availability and use of market information among farmers, traders and buyers of tree fruits through information and communication technology (ICT) |

Program Description

This intervention will be implemented by the Kenya Agricultural Commodity Exchange (KACE) - a private sector firm that has been in operation in Kenya since 1994. KACE will stimulate the commercial provision of two essential services for smallholder farmers: 1) linking producers and buyers of mango, passion, and avocado produce; and 2) provision of market information for commercial actors within the subsector.

Through a partnership with the mobile phone company Safaricom, KACE has developed a service that allows access to daily agricultural commodity prices, extension messages, and even the opportunity to sell or bid via short messaging services (SMS) technology. This intervention will be complemented with rural-based Market Information Points (MIPs), which are essentially rural-based trading floors that are linked through an electronic information system that allows smallholder farmers in one area to link with buyers in different areas. Key activities under the program will involve establishment of a system for data collection and posting into an electronic data base that allows users to receive up-to-date market information; establishment of the three MIPs in busy rural markets with high concentration of tree fruits; awareness-building among potential users (farmers and buyers) on availability and use of the services; and training of farmers on how to use the SMS technology. As KACE expands operations into additional commodity areas and information dissemination platforms, it will begin to “offload” various components for investment to be run and managed by other members of the private sector. In this way KACE is acting as a facilitator, as the three MIPs established are fully commercialized and sold-off as franchises by the end of Project.

Key Results

The intervention will result in increased flow of market information to farmers (sellers) and buyers of tree-fruits on a commercial basis, resulting in greater transactions and efficiencies. At the end of this Program, the following key results will be achieved:

- 18,000 offers and bids processed among producers and buyers of tree-fruit at the 3 Market Information Points, resulting in at least 3,600 successful transactions.
- At least 1.2 million tree fruit market information messages disseminated.
- At least 2,500 farmers, traders and buyers of tree fruits requesting and accessing market information through SMS.
- 2 commercial mobile phone companies providing SMS services related to tree fruits.
- 3 Market Information Points established and operating commercially in rural areas through franchise-based arrangements.