



# Enabling Farmers to Exploit Potential Market, Marketing options and Market Strategies for Pyrethrum



**NAVCDP**

NATIONAL AGRICULTURAL VALUE CHAIN  
DEVELOPMENT PROJECT

## Introduction

Pyrethrum is one of the important industrial crops in Kenya. It is mainly grown by small-scale farmers as a cash crop and is used for the extraction of pyrethrin, which is then processed and formulated into organic chemicals for export or local markets. The marketing of pyrethrum is mostly based on the weight of harvested dry flowers and pyrethrin content (w/w%). Current market prices range between KES 203 for dry

flowers with 1.4 w/w% and KES 600 for dry flowers with 3.0 w/w%.

The main challenges facing pyrethrum farmers include the lack of proper marketing channels, limited knowledge of available markets, and their accessibility requirements (i.e., market standards, phytosanitary requirements, record-keeping, and gross margin analysis), low production, lack of planting material, and a lack of trust in market sustainability.



*Field collection of dried pyrethrum flowers*

## Pyrethrum processors/ formulators in Kenya

Pyrethrum processors/formulators produce end use products for use in the different areas including, agriculture (crop protection), animal health (acaricides) and public health (mosquitoes, cockroaches, bedbugs etc). They are offtakers and thus ready markets for pyrethrum flowers in the country.

They include;

- Pyrethrum Processing Company of Kenya (PPCK), Nakuru
- Majchemie Ltd, Nairobi
- TWIGA Chemical Industries, Nairobi
- OSHO Chemical Industries, Nairobi
- Tropical Brands, Nairobi
- KAPI Ltd, Nakuru
- Kentegra Biotechnology.

## Marketing Channels and Linkages of Pyrethrum Growers to Processors

Pyrethrum marketing channels include:

### 1. Individual contracted growers

Processors contract pyrethrum growers with at least one acre, who

produce the flowers and deliver them to the nearest aggregation centre, or the processor may collect directly from their farms. Growers are paid according to the contract terms. During the contracting phase, growers provide details of the land under pyrethrum production, including ownership documents, size (in acres), address, bank details for ease of payment, and the specific variety/clone to be produced.

### 2. Self-Help Groups

Growers with acreage below one acre can form Self-Help Groups or Community-Based Organizations, registered by the Ministry of Labour and Social Protection, which may be contracted by the processor for pyrethrum production. They produce and deliver pyrethrum flowers to designated areas. Processors collect and pay them according to the contract agreement. Registration of Self-Help Groups/CBOs can be done in Huduma centres across the country. The groups are linked to state, non-state commodity value chain actors, and Microfinance Institutions (MFIs) for support.

To register a CBO, the following is required:

1. Name search
2. Minutes of the meeting seeking registration and showing elected officials must be attached to the application form.
3. List of members duly signed with Name/Position/ID No./ Mobile No. and Signatures must be attached to the application form.
4. The application form must be accompanied by the CBO's Constitution.
5. Attach ID copies of all members.
6. The application form must be accompanied by a Memorandum of Understanding (MOU) where CBO is formed through amalgamation (i.e., where several groups come together to form an umbrella organization).
7. Attach the original certificates of the affiliate group who are amalgamating.
8. Pay the approved registration fee of KES 5,000/=.
9. After registration, the CBO must:
  - Renew the certificate

annually.

- Submit quarterly progress reports to the registering authority.
- Allow accessibility of records to the registering authority upon request or when demanded to do so.

To register a Self-Help Group, the following is required:

1. Name search
2. Minutes of the meeting seeking registration and showing elected officials must be attached to the application forms.
3. List of all members duly signed with Name/Position/Mobile. No./ID No. and Signatures must be attached to the application forms.
4. ID copies for all members.
5. Application Form must be accompanied by the Group Constitution.
6. Pay the approved registration fee of Ksh.1,000/=.
7. After registration, the group must adhere to the following:
  - Renew the certificate annually after the first two years of registration.
  - Submit annual progress reports

to the Director of Social Development.

- Allow accessibility of records to the Director of Social Development upon request or when demanded to do so.

**Note:** Failure to adhere to the stated requirements of the self-help group or CBO will lead to non-registration/deregistration. The registration of the groups is done at the sub-county level.

### 3. Cooperative Societies

Pyrethrum growers can form a cooperative society to manage the production, post-harvest handling, and market linkage of the produced flowers. Requirements for the registration of a cooperative include:

- (i) Membership should be at least ten persons for a primary society.
- (ii) They should apply for registration to the Commissioner for Cooperatives.

- (iii) The application form must be accompanied by four copies of their by-laws.

The registered cooperative society is then contracted by the processor. Registration of CBOs can be done at the Huduma Centres across the country. The groups are linked to state, non-state commodity value chain actors, and Microfinance Institutions (MFIs) for support.”

### 4. Pyrethrum Aggregation Centres

Pyrethrum growers/farmers who do not belong to any of the above categories can deliver their flowers to processors’ aggregation centres and provide their identification, location, and bank details. The grower is paid according to the agreed terms with the processor, usually based on the weight and pyrethrin content of the dried flowers. Failure to adhere to the stated requirements results in non-registration/deregistration, a process handled at the sub-county level.



## Opportunities and challenges associated with pyrethrum businesses

### 1. Existing Natural Conditions

Weather and Topography  
Pyrethrum growing areas in Kenya have favorable weather conditions, including adequate rainfall, cool temperatures, optimal altitudes, and well-drained soils that support pyrethrum cultivation.”

### 2. Market Demand and Supply

Chains. There is high demand for pyrethrum-based products, while production does not meet the market demand for pyrethrum.

### 3. Attractive Prices and Incentives

Pyrethrum has a stable and growing market demand that can leverage the increasing demand for environmentally friendly organic products. Additionally, stable producer prices based on pyrethrin content (with no fluctuations) are already set and in place.

### 4. Established Commercial Nurseries

Commercial nurseries play a crucial role in increasing pyrethrum production in the country by ensuring the availability of adequate quality planting materials. Any individual or group of farmers can establish commercial nurseries as long as they meet and conform to the required conditions and regulations set by KEPHIS and AFA. To register a commercial pyrethrum nursery, the following information is required:

1. Nursery name (optional).
2. Name of the applicant(s).
3. National Identification Number (ID No).
4. Kenya Revenue Authority Pin No.
5. Physical address/nursery location.
6. Contacts (Postal address/ mobile (telephone) number/ email address).
7. Source of nursery propagation materials.
8. A list of the crop varieties/ species being raised in the nursery

9. Copy of receipt for seed acquisition.
10. A copy of the Plant Import Permit (for all imported nursery mother plants).
11. Certified copy of AFA nursery mother-block registration.

Once approval is granted to establish a Domestic/Local Markets Nursery, KePHIS conducts an inspection and releases a report. This involves a systematic examination of nursery stock/facility and systems to ensure compliance, assessment of any pathogen infestations and possible management measures, as well as compliance with nursery stock pest cleanliness, labeling, and quality standards. If the nursery meets all the compliance standards, a certificate, renewable every year upon inspection, is issued.

## **Pyrethrum Farm Business Management**

Commercial farming requires proper planning, preparation, and making sound decisions. This necessitates record-keeping of all farm activities for reference during result analysis and decision-

making. The records may cover identification, production, disease and pest management, asset inventory, and budgetary and financial records. The benefits of keeping good records include:

1. It may be a requirement. Creditors, government agencies, insurance companies, among others, often require detailed and well-maintained records of the farm's performance before offering their services to farmers.
2. Better farm planning and forecasting. Record-keeping provides valuable information on previous performances, useful for planning, budgeting and taking realistic decisions.
3. Tracking income and expenditure. Keeping accurate records enables the farmer to conduct profit and break-even analyses on expenditures and income for commercial farming. This allows for making sound decisions on inputs, their prices, sales prices, and the timing of sales.
4. Better management of a

farm with accurate records, one can easily reference past performances and results, enabling informed and rational decision-making for future plans and preparations.

### **Challenges of pyrethrum farm business**

Challenges of pyrethrum farm business include:

1. High cost of production.
2. Delays in payment for delivered flowers.
3. Inadequate availability of quality planting materials.
4. Insufficient development of research technologies.
5. Competition from inexpensive synthetics.
6. Effects of climate change.
7. Exploitation of growers by brokers.
8. Lack of adequate extension services.

### **Marketing strategy**

The sales strategy involves the following 5P factors:

**Price:** Pyrethrum flowers are paid based on the pyrethrin content

and weight. Growers should strive to increase income per unit area through adherence to good agricultural practices.

**Place:** Accessibility to the market is crucial for growers. This should be enhanced by the respective players to cushion growers against long distances for delivering and weighing dry flowers. The aggregation centres should be close to growers.

**Promotion:** Each processor promotes its entity to growers for contracting through various media, shows and field days. Growers should be attentive and make informed decisions regarding the information.

**Processes:** The processes from drying, weighing, delivery, and payment should be simple, transparent, and prompt.

**Performance:** Extension services, training, and development for growers are key to enhancing productivity. Payment based on the pyrethrin content should be competitive.





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