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Policy interventions for revitalizing Kenya's pyrethrum productivity and marketing for smallholder farmers

Introduction

Production of pyrethrum in Kenya has dropped by more than 56% since 1983 and pyrethrum export volume and value have also declined by 44%. In addition to development of a pyrethrum policy and encouragement of farmers to continue pyrethrum production, stability of supply in the future depends greatly on how well farm-level and institutional level constraints are addressed to revitalize Kenya's pyrethrum industry. The key constraints that need to be addressed through policy interventions are delays in payment of farmers, low value addition, poor marketing, and lack of stakeholder participation and mismanagement of pyrethrum institutions. Implementation of the policy interventions outlined below would greatly boost the effort of revitalizing Kenya's pyrethrum productivity and marketing for smallholder farmers.

1. Effective participation of farmers in National and County policy-making and implementation

- Pyrethrum farmers need to be well-represented in the National and in the County Government planning fora where policies, strategies and allocation of budgets are developed.
- The planning process is mainly participatory which is an opportunity for the farmers' voice to be heard in policy-making and implementation for increased production, timely payment, stable incomes and enhanced quality of environmental resources.
- There should be involvement of farmers by the National and County Governments in all phases of the policy-making cycle.

2. Enhancing the competitiveness of local pyrethrum products

- Stiff competition from highly demanded imported synthetic pesticide poses a major threat to the locally manufactured pyrethrum products, partly due to the

relatively low price of synthetic pesticides.

- In order to reduce competition from imported pesticides, the policy measures should include inclusion of Tripple Super Phosphate among the subsidized fertilizers, improvement of the domestic processing factory efficiency levels, improving utilization, removal of Value-Added Tax (VAT) on imported inputs for pyrethrum production and processing, raising of the import duty on synthetic aerosols.

3. Institutionalization of pyrethrum production financing

- Farmers require credit for purchasing farm inputs such as fertilizers, seeds/seedlings and pesticides that are important in the increase of production and productivity.
- Only about 20% of pyrethrum farmers access credit for pyrethrum production.
- The main types of credit facilities accessed by small scale farmers are farmer groups/cooperatives, merry-go-round, friends/relatives, which in most cases are very little.

- There is need for a pyrethrum credit and funding policy that is specifically for pyrethrum smallholder farmers.

4. Revamping extension services

- Farmers need skills and incentives to adopt technologies for improved pyrethrum production. These skills can be sharpened through effective extension services. The incentives can be provided through collaborative efforts involving government agencies, extension services and private sector partners.
- Therefore, formulation of policy measures to ensure functional extension systems involving research and extension personnel from private and public service providers would provide a solution.

5. Streamlining Cooperatives

- Cooperatives are an important vehicle that enables farmers to pool financial and technical resources, access inputs, credit and information, bargaining power thus spreading their costs and drawing from the collective members' experiences.
- However, cooperatives/unions experience leadership-related problems such as delayed payments, misuse of funds, poor representation and unskilled leadership.
- Therefore, corrective policy measures, including strict bylaws and regulations, to streamline leadership and accountability in cooperatives would give incentives to farmers. Such policy interventions would facilitate

improved managerial efficiency, enforceable contract farming, legislation to check fraud, training and democratic elections.

6. Participatory pyrethrins content determination

- The profitability of pyrethrum largely depends on the pyrethrins content of the dry flowers upon which the producer price is based, with higher content fetching a higher price.
- The pyrethrum processors determine the pyrethrins content without the involvement of farmers, leading to dissatisfaction.
- Therefore, there is need for a policy that streamlines farm-level involvement in measurement of pyrethrin content and pricing of pyrethrum flowers.

7. Representation of farmers in boards in the industry

- Various inefficiencies at the Pyrethrum Processing Company of Kenya (PPCK) Limited (formerly the Pyrethrum Board of Kenya) contributed to a decline in Kenya's pyrethrum industry. One of the major contributor was the non-inclusion of farmer representative in the Board.
- Therefore, a policy on the reforms in the pyrethrum industry should factor in the inclusion of a broad range of stakeholders, with majority representation to be held by pyrethrum producers, in order to give an opportunity to voice their issues.



Compiled by: Wambua, J.M., Obanyi, J., Jelagat, F., Kivuva, B., Kinyua, Z.M., Kirigua, V., Wasilwa, L. and Oduor, H.C.

Edited by: Nyabundi, K.W., Mukundi, K.T., Maina, P., Wanyama, H.N., Kedemi, R.M. and Kibunyi, N.

Design and Layout: Nogrecia Mnene

For more information contacts: The Centre Director, KALRO Molo
P.O Box 100-20106 MOLO
Email: kalro.molo@kalro.org

