



PRACTICAL SKILLS IN PYRETHRUM BUSINESS AND MARKETING



Introduction

Pyrethrum is an industrial crop from which pyrethrin is extracted. The pyrethrin is used for manufacturing organic chemicals. It is grown in medium to high altitude areas in Kenya, and is a source of income for small scale farmers in Kenya. The production challenges include poor market information and linkages, low production, inadequate quality planting material and lack of trust in market sustainability. The value chain suffers from inconsistency in supplying sufficient volumes required for trade, and seasonal supply and price fluctuations. Thus there is need to equip farmers and other pyrethrum stakeholders with the knowledge on commercial pyrethrum farming, market access and strategies for marketing.

Marketing

Marketing channels for different categories of pyrethrum growers exists for farmers or growers to choose which to adopt. These channels include individual growers (small, medium and large scale), self-help groups and/or community-based organisations

(CBOs) and cooperative societies. Stakeholders involved include farmers, traders, processors, input suppliers, credit suppliers, market information providers, insurance services, policymakers, extension staff and researchers who in consultation, solve challenges in the value chain.

Marketing channels

I. Individual growers (small, medium and large scale)



- Growers with more than one acre of land under pyrethrum can directly weigh their flowers under contractual agreement by the processors.
- The flowers can be collected from the growers or delivered by the grower to the nearest aggregation centre.
- The grower is paid in accordance with the contract terms.

II. Self-help groups/ Community based organizations receiving and weighing flowers from small scale farmers



- Comprises Self Help Groups/Community-based Organizations mainly formed by growers producing on less than one acre.
- Usually contracted by the processor. The groups aggregate their pyrethrum flowers in designated areas, from where the processor collects them.
- The self-help groups/CBOs should be registered by

Ministry of Labour and Social Protection.

III. Cooperative societies - Aggregation of flowers from small scale farmers who are members of the cooperative society.



- Growers with the less than one acre may form and register a cooperative society if they meet the requirements: have minimum number of ten members, and apply using the provided application form accompanied by four copies of the by-laws.
- The registered cooperative society can then be contracted by the processor, under agreed terms of contracting.

IV. Flower collection centres (aggregation centres for flower collection)



- Pyrethrum growers who do not belong to any of the above categories can deliver their flowers to an aggregation centre managed by the processor.
- The grower delivers flower to the aggregation centre in adherence to the terms of engagement with the processor and provides details required by the processor i.e. identification, location and bank details.

Marketing strategies for growers in contracting and selling the dry pyrethrum flowers

Competitive Price

- Pyrethrum flowers are paid based on the pyrethrin content and weight and vary from one player to another.

Place

- Market accessibility: aggregation centres should be close to growers to enable short distance to deliver and weigh the dried flowers.

Promotion

- Processors and other key stakeholders should promote pyrethrum production and products through various media including print, Shows, field days, radio and television, for stakeholders to make informed interventions in the value chain.

Processes

- The Value chain processes from crop establishment, management, drying, weighing, delivery and payment should be simple, transparent and prompt

Performance

- Competitive payment, extension services and training to growers are key to enhance productivity.





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