TO REDUCE POST HARVEST LOSS AND IMPROVE SMALLHOLDER LIVELIHOODS

MARKETPLACE WORKSHOP: INCREASING MECHANIZATION TO ACHIEVE GROWTH IN KENYA’S MANGO VALUE CHAIN

April 11, 2018 | Nairobi, Kenya

The Initiative for Global Development (IGD) and TechnoServe (TNS), with support from the Rockefeller Foundation, hosted on April 11, 2018, a marketplace workshop attended by 40 key players in Kenya’s mango industry: small and medium-sized enterprises (SMEs) that export fresh mangoes and mango products, processors, county government representatives, finance and technology providers representing an array of products and services, and business advisory service providers. The goal of the event was to foster connections in the mango value chain, explore available technical and financial resources, and discuss how SMEs can access such resources to grow their businesses, ultimately increasing offtake from smallholder farmers to existing and new markets, and reducing postharvest losses through better business practices. Specifically, the activities included:

- Connecting with UPL Limited, who will share their post-harvest crop technologies and commitment to fund a demonstration packaging unit to support Kenya’s mango industry.
- Exploring the eligibility of becoming a partner for the packing unit, and for leveraging available finance for mango processing and marketing.
- Understanding financial solutions and instruments available from the Industrial Development Bank (Kenya) to support increased mechanization and agro-processing for mangoes and other products.
- Learning about key next steps and technical assistance available to support growth in the Kenya mango sector.
- Interacting with key private and public sector leaders in the mango industry and leading global post-harvest handling technology providers. Add specific objectives from invite.

HIGHLIGHTS

- Attendees found this workshop extremely useful according to direct feedback
- Ofir Dadary of UPL and Benson Maina – a graduate student at Nairobi University - presented results from on-going testing of UPL technology on Apple mango varieties
- Judith Omachor and Petro Ndronji of IDB Capital (Kenya) Ltd presented on the current finance offering through the India Exim Bank Credit Facility.
- IGD facilitated targeted 1-1 meetings between SMEs and country governments with both IDB Capital and UPL Limited experts to explore specific partnerships.
- SMEs and county governments traveled across Kenya to attend the workshop, with county government officials hailing from Garissa, Makueni, Meru, Embu, Machakos, Tana River, Murang’a, Tharaka Nithi and Elgeyo Marakwet.
CONNECTING THE DOTS FOR SUSTAINABILITY

IGDs program of engagement complemented TNS implementation and field presence. Recognizing the need for sustainability of efforts, increased focus was on bringing value chain actors to collectively solve mutual challenges. IGDs efforts include:

- **Working with partners to identify and connect with high-growth SMEs** within different value chains, learning more about their businesses and specific needs for growth
- **Identifying and connecting with local providers of alternative finance and business advisory/technical assistance and** understanding their challenges in building pipelines and working with SMEs
- **Convening marketplace actors** to facilitate networking and build understanding
- **Designing customized workshop sessions** to address the challenges identified by marketplace actors
- **Prioritizing next steps and calls to action** in creating greater access to resources for SMEs
- **Continuing to share resources and build stronger networks** through continued engagement via newsletters, webinars, and targeted events

WORSHIOP OUTCOMES

Direct feedback and immediate follow up showed that attendees found the workshop very useful, made targeted meaningful connections, and sought to continue engagement in future joint activities.

SMEs and county government representatives were able to:

- Meet potential finance providers, technology solution investors and discuss specific opportunities for partnering
- Learn about technology solutions including ongoing trials of shelf-life prolonging technologies from UPL
- Hear directly from IBD (K) Capital Ltd. on the financial products and services offered, associated costs and ask practical questions on accessing and meeting requirements for financing
- Discuss opportunities to access business advisory services, their fee structures, and how they measure success
- Highlight ongoing common challenges and brainstorm, through prioritization exercise, how SMEs and other actors in the mango value chain can come together to solve them
IDB Capital Ltd were able to:
- Make useful connections to key actors in the mango value chain and understand the growth opportunities; have early stage discovery meetings with 6 potential clients and partners and have already scheduled follow up meetings with a number of the SMEs
- Recognize the high demand for finance and potential for growth in the mango value chain
- Better understand the capacity needs for SMEs to navigate their financing options, recognizing that there is a gap in business advisory services to enable companies to access finance recognizing that the process can be opaque and time-consuming to access

UPL were able to:
- Explore pilot programs with several companies and gain a better understanding of the specific needs of companies operating in the fresh, dried, and processed markets.
- Connect with a number of county government officials with interest in mango processing technology.

THEMES, LEARNINGS & PRIORITIES FOR ONGOING PROGRAMMING

Each session included opportunities for dialogue and discussion. The formal session ended with a needs prioritization activity that will inform the focus of future programming and further Mango Industry Platform workshop planned for Sept 2018. Participants emphasized the following key priorities:

- **Market Development / Market Access**: Focus specifically increasing access for SMEs in priority markets, from initial access to gaining market share and ensuring guaranteed volumes required at the appropriate quality and consistency to meet market demands.
- **Standards, Certification, Traceability and other and Market Requirements**: to access the target markets achieving the required certification is key while overcoming identified challenges. Possible opportunities could include bringing the standard setters into a workshop to hear about current, specific challenges facing the mango value chain (which differs significantly from other crops that successfully meet the standards)
- **Finance and Business Advisory Resources** – difficulty in accessing focused group to bring additional innovation.
• **More opportunities to network** with one another: SMEs noted that being able to hear directly from an official representative and ask more detailed questions about financing options was very helpful.
  - **Supply and demand side of SME finance**, including SMEs seeking finance, and finance providers and business advisory service providers to connect informally
  - **Capacity building / business advisory** - both finance providers, business advisory service providers and SMEs alike recognized that there is a need for greater support to ensure company’s ability to qualify for finance
  - **Complimentary financial services**: besides the credit finance, what other financial instruments exist to support SMEs struggling to finance their production, processing and trading operations.

• **Technology to improve market development**: alternative technology, impact of preservation technologies on nutrition; value-added processing and target marketing

• **Trust building** with traders and brokers as critical players within the value chain to build efficiencies. Leveraging the work that TNS is doing with Traders who play key role, by helping them formalize their business, support actualization of trader’s association, giving market connections to the regional markets for large traders.

**IMMEDIATE PRIORITIES & NEXT STEPS**

• **Market Development and Market Facilitation**— engage with companies and define a program of work, which can form the basis of a focused session at the September convening. Identify whether additional market analysis is needed in the interim to inform the discussions in September, e.g. Gulf States potential and the lifting of the self-imposed EU-export ban. The work will incorporate TNS’ work to identify export partners to work on increasing local sourcing and review possibility for Europe market entry.

• **Implementing the piloting of UPL Protocols** for mangoes with exporters and better understanding the market opportunities for mangoes treated by the differentiated UPL products

• **Increased Access to Finance and other Critical Resources**
  Build on SME finance engagement to date and work with key actors to design a workshop session to maximize relevant connections
  Further explore how counties could access credit from IDB Ltd

• **Partnerships for Sustainability**
  Engage with other organizations operating in the mango value chain to identify ways to leverage ongoing activities and ways to effectively partner FPEAK, HCD, SNV, Partners for food solutions
  Follow up on direct connections made at the workshop

• **Communications**: Ongoing communications with the broader mango industry platform group of stakeholders to continue engaging key actors on priority topics and share learnings across other priority value chains, including using blogs, target e-blasts and website.
APPENDIX 1 – ATTENDEES

**Agribusinesses:**
Julius Njuki Maina, Akeniat
Tei Mukunya, Azuri Health
Patrick McMullin, Best Tropical Fruits
Jo Ryan, Best Tropical Fruits
Jonathan Bamber, Burton & Bamber
Ofelia Burton, Burton & Bamber
Anne Nyaga, CEC-Agri
David Mulwa, Kandia Ltd.
Japheth Mbandi, Keitt Exporters
Yvonne Otieno, Miyonga Fresh Greens
Dorothy Otieno, Miyonga Fresh Greens
Yvette Aduiambo, Ojay Greene
Yvette Ondachi, Ojay Greene
Jose Anton, Olivado
Binott Erassus, VGRT Ltd.

**County government**
Makanga Stephen, Makueni County Government
Nelson Muraguri, Muranga County Government
Obadiah Murithi Mumene, Tharaka Nithi County Government
Dennis Makii, Garissa County Government
J.M. Kariuki, Machakos County Government
Martin Munene, Meru County Government
Ann Nyaga, Embu County Government
Shadrack Yatich, Elgeyo Marakwet County Government

**Finance and Business Advisory Service Providers**
Jennifer Githinji, Africa Instore Solutions
Haron Wachira, Akili Group
Luis Leakey, Akki Dev Org
Petro Ndonji, IDB Capital Ltd.
Judith Omachar, IDB Capital Ltd.
Johnson Kiragu, PFS
Gillian Kadenyi, SNV
Sigrid Meijer, SNV

**Industry organizations, Certification and standards groups, and academic institutions**
Dennis Makii, Agriculture Association
Boniface Mulandi, Fresh Produce Exporters Association of Kenya (FPEAK)
Violet Gathaara, KALRO

**Mechanization and Equipment Suppliers**
Peter Ragu, Mahindra Ltd.
Ofir Dardary, UPL Limited
Ilan London, UPL Limited
Pinakin Gurjar, UPL Limited
Savesh Kumar, UPL Limited
Benson Maina, University of Nairobi (supporting UPL Limited)
APPENDIX 2 – AGENDA

9:00AM                  Introductory Remarks
                        • Olivia Karanja – Program Associate, Rockefeller Foundation
                        • Isaiah Kirema – YieldWise Program Manager, TechnoServe
                        • Helen Mant – Senior Advisor, Initiative for Global Development
                        • Daniel Karanja – Vice President for Programs & Advisory, Initiative for Global Development

9:30AM                  Post-Harvest Technology & Mechanization
                        Ofir Dardary – UPL Limited & Benson Maina – University of Nairobi

10:30AM                 Tea/Coffee Break

11:00AM                 Financing Options for Expansion
                        Judith Omachar & Petro Ndonji – IDB Capital Limited

12:00PM                 SME & County Government Perspectives

1:00PM                   Lunch Break

2:00PM                  1-on-1 Consultative Sessions with SMEs, County Govts., IDB and UPL

3:00PM                  Program Adjourns

APPENDIX 3 - WORKSHOP PHOTOS & PRESENTATIONS

To access all workshop photos in this shared Kenya Mango Workshop April 2018, please click here.
To access the workshop presentation by UPL (click here) and by IDB Capital Ltd. (click here).