



K-SALES

Kenya Semi-Arid Livestock Enhancement Support Project

Introduction

The Kenya Semi-Arid Livestock Enhancement Support (**K-SALES**) Project, is a US\$ 14.5 million Food for Progress initiative funded by the United States Department of Agriculture (USDA) and implemented by Land O' Lakes International Development. Scheduled to run from September 2013 to September 2016, this three-year project is working to improve the competitiveness of the meat value chain to increase productivity and boost marketing and trade.

Why ASALs and Why Livestock?

The Arid and Semi-Arid Lands (ASALs) are home to some of the poorest segments of the population, which are highly vulnerable to drought, among other environmental challenges. Kenya's ASAL make up 84% of Kenya's total land surface. These areas, characterized by low and erratic rainfall, support about 8 million Kenyans (20 percent of the population), as well as 50 percent and 65 percent of the livestock and wildlife population respectively. The economy of these regions is dominated by agro-pastoralism with a more mixed economy prevailing in the better-watered and better-serviced semi-arid areas to include rain-fed and irrigated agriculture, as well as conservation and tourism-related activities.

More than 6 million Kenyan pastoralists and agro-pastoralists rely on livestock as a source of income, with the sector employing half of the country's agricultural workforce, generating \$3.9 billion in sales, and representing 12% of the nation's Gross Domestic Product. Agro-pastoralists living in Kenya's semi-arid regions struggle to survive in the face of unreliable access to water, cyclical droughts, livestock diseases and limited inputs and services. Rural poverty, food insecurity and under-nutrition characterize households living in these areas.

The livestock industry employs 90% of the labor force and provides up to 95% of family income in Kenya's eastern and coastal regions. Yet, these agro-pastoralist households face a host of challenges, including insufficient access to inputs and disease control measures, reliance on outdated technologies and practices, lack of transparency on prices, poor linkages between producers and markets, and – most immediately – drought due to climate change.

Project Objectives and Targets

Through the Kenya Semi-Arid Livestock Enhancement Support (K-SALES) project, Land O'Lakes Inc. - with funding from the United States Department of Agriculture (USDA) – aims to improve the competitiveness of the meat, hides and skin value chains in order to increase productivity, boost marketing and trade, and enable Kenya to upgrade food quality to meet market demands.

The project is informed by two main strategic objectives:



Increase Agricultural Productivity

K-SALES is working to directly benefit 80,000 households and build the capacity of 700 business service providers (BSPs) to deliver productivity enhancing inputs and services to farmers.



Expand Trade of Agricultural Products (domestic, regional, and international)

K-SALES will support livestock producer, processor and marketing associations to enhance the quality of livestock and livestock products delivered to the market with the aim of increasing the value of livestock sales by 30 percent by the end of the project.



Our Strategy: A light touch approach

K-SALES' implementation model consists of a light touch approach which entails working with existing **community-based associations** and **business service providers (BSPs)** to improve access to clean water systems, improve infrastructure, work with farmer field schools, hold county trade shows, facilitate agricultural lending, provide training in post-harvest handling and processing, develop the business capacity of cooperatives and associations and develop Business Service Providers (BSPs). Through this approach, K-SALES will facilitate sustainable and innovative business models, new technologies and investments and a responsive financial services sector that will allow Kenya to upgrade food quality to meet market demands.

K-SALES is **targeting key value chain points** by providing a total of \$6 million in the project's lifetime to pertinent firms through competitive sub-awards. The sub-awards are made out to potential service providers following successful proposals submitted in line with the project's seven focus areas described below. The project will then apply a demand-driven, private sector facilitative approach to help businesses grow and build linkages with livestock producers.

To Increase Agricultural Productivity K-SALES will increase access to and use of improved farm inputs; support the development and management of off-farm infrastructure, including water points for livestock; increase the use of financial services for sector investment; increase farmers' knowledge in the use and benefits of appropriate techniques and technologies; and strengthen farm management practices. As a result, livestock owned by participating farmers will have an ideal body condition score, and the value of livestock will increase by 15 percent in the region by the end of the project.

To Expand Trade of Agricultural Products K-SALES will improve post-harvest and market infrastructure, increase access to and use of financial services, facilitate buyer and seller relationships, and improve association management with a market-driven approach.

Project Focus Areas and Activities

K-SALES' project activities are tailored to ensure gender-sensitivity and environmental sustainability. The project's work is organized around seven focus areas:

1 **Facilitating farmer field schools (FFS)**

A farmer field schools module will be used to train producers and facilitate peer-to-peer training. The project will work with livestock cooperatives and producer groups to develop and host Farmer Field Schools. We will work with each FFS to identify priority training topics and build the cooperative/producer group's leadership capacity to conduct future assessments of its training needs. Trainings will focus on improved agricultural production techniques, improved farm management, animal husbandry, herd management, disease prevention, treatment, reproductive health and animal nutrition, amongst others.

2 **Increasing access to clean water systems**

Farmers participating in the Farmer Field Schools will form Water User Associations (WUAs) to develop community-based water points such as water pans, boreholes, and water troughs to ensure access to clean water for both human and livestock consumption. The program will work with its partners to rehabilitate existing community-based water points using in-kind grants. The project will also train Water User Associations in book keeping, project management, leadership and natural resource management to enable them to effectively administer and maintain the water points.



3 Developing Business Service Providers (BSPs)

Over three years, the project will work with existing Business Development Service (BDS) providers who will train BSPs to deliver productivity, enhance inputs (e.g. agro-veterinary products, animal feeds etc.) and services (training, technical assistance & follow-up support). The BDS providers will build the BSPs' business management capacity through trainings in business, financial management, marketing, after-sale services & natural resource management. K-SALES will help create a more inclusive, competitive and efficient livestock sector by reducing drought-related losses, building the technical capacity of value chain actors and reducing marketing inefficiencies. The project aims to generate more than \$33 million in additional net profits for farmers, traders, cooperatives and processors.

4 Improving on-farm and off-farm infrastructure

K-SALES will organize communities around common issues as one of the steps towards establishing or rehabilitating key infrastructure. Examples of infrastructure include cattle crushes/pens for delivery of animal health services and veterinary inputs, dip tanks, and water systems that are easily accessible by livestock. K-SALES will promote a commercially-minded management approach to ensure continual re-investment. As a result, 189,000 farmers and community members will have access to sufficient water from the rehabilitation or development of 250 water points. K-SALES will also support increased efficiency of post-production processes by improving post-harvest infrastructure (off-farm).

5 Facilitating agricultural lending

To fuel investment in improved processing and marketing technologies and infrastructure, K-SALES will work to increase the flow of financial resources into livestock value chains. The program will achieve this by collaborating with financial institutions to build their capacity to finance actors along the value chain and to help them to design accessible financial products and services. In so doing, K-SALES will facilitate access to formal credit and other formal financial products. Lead firms and industry associations will be encouraged to co-finance investments, develop supply contracts and provide capacity-building workshops on product quality and market standards.

6 Providing training in post-harvest handling and processing

K-SALES will facilitate the training of 2,500 processors of livestock and livestock products employed at slaughter facilities and butcheries. At least 50 percent of the firms participating in the project will be introduced to the use modern equipment and techniques to process livestock products by the end of the project in 2016. Land O'Lakes will work in close collaboration with Government of Kenya (GoK) Veterinary Health Officers, meat and hides/skins Inspectors, the Kenya Meat Commission (KMC), the Kenya Livestock Marketing Council (KLMC), the Meat Training Institute at Athi River, the Kenya Leather Development Council (KLDC), and the Tanners Association of Kenya to ensure success and buy-in.

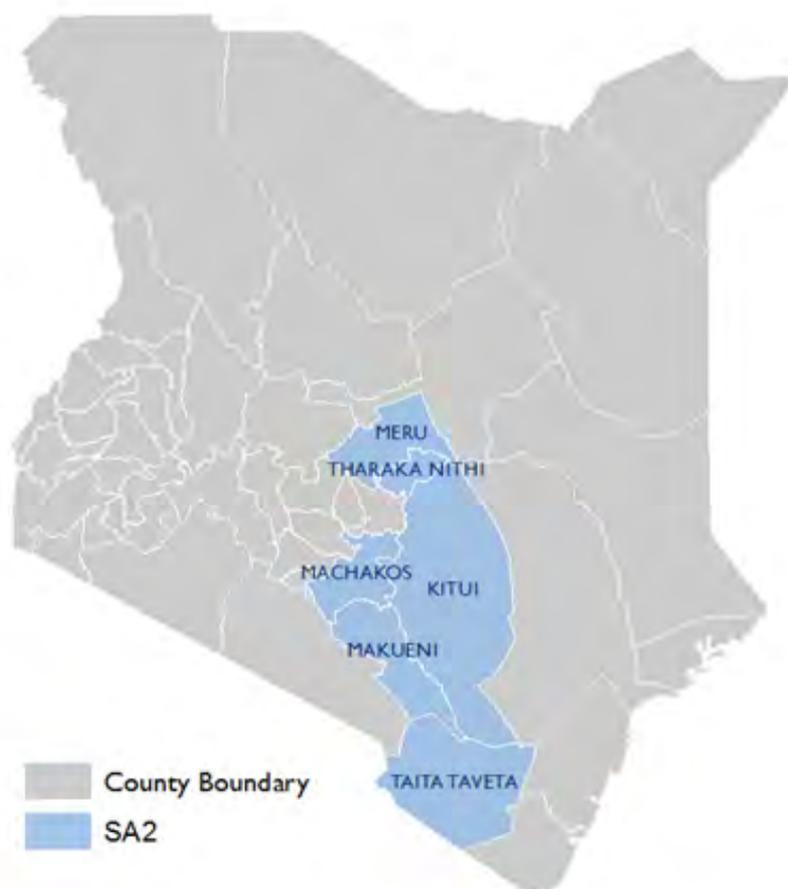
7 Developing the business capacity of cooperatives and associations.

K-SALES will develop the capacity of producer groups and associations by offering training on best practices to be used to ensure best results.

Where we Work

K-SALES is working in six counties in the Semi-Arid area zone 2 (SA2) counties, namely: Meru, Tharaka-Nithi, Kitui, Machakos, Makueni and Taita Taveta in Kenya.

Map showing regions where K-SALES will cover



Project Reach

The project will directly benefit at least 300,000 Kenyan household members who depend on livestock, 1,000 livestock producers and 1,000 agribusinesses, including youth and women-owned Micro, Small and Medium Enterprises (MSMEs); inputs wholesalers and retailers.

Partners

Current and potential partners include:

▶ National Government

Ministry of Agriculture, Livestock and Fisheries -

We work closely with the Ministry to ensure alignment with national objectives towards improving the livelihoods of livestock farmers.

▶ County Governments in the six target counties

We work with county governments so as to ensure strategic and cohesive activities that benefit all members of the community.

▶ Actors in the meat value market chain

Producers, business service providers, flayers, wholesalers and retailers.

▶ Business Development Service Providers

BDS providers will build the BSPs' business management capacity through trainings in business, financial management, marketing, after-sale services and natural resource management.

▶ Financial Service Providers

Include micro-finance institutions (MFIs) and banks that will enable farmers and actors in the meat value chain to access financial services to improve their livestock.

▶ Meat and hides/skins lead firms

Including the Kenya Meat Commission (KMC), the Kenya Livestock Marketing Council (KLMC), the Meat Training Institute (Athi River), the Kenya Leather Development Council (KLDC), and the Tanner Association of Kenya who will ensure that best practices in meat handling have been adhered to from processing to market.



Background

In 1981, Land O'Lakes formed the International Development Division (IDD) as part of its Corporate Social Responsibility. IDD's vision is to be a global leader in transforming lives by engaging in agriculture and enterprise partnerships that replace poverty with prosperity, and dependency with self-reliance. Land O' Lakes applies an integrated approach to international development that capitalizes on Land O' Lakes 90 years as a leading farm-to-market agribusiness. Land O'Lakes International Development brings this difference- our in-depth knowledge of crop, livestock and dairy production, marketing, business management and cooperative principles- to every international development project. And through this approach, we help implement successful and sustainable projects, create profitable businesses, and drive economic growth worldwide.

Since its inception, Land O'Lakes International Development has implemented 220 programs and 60 training initiatives in 80 countries across the world. Leveraging nearly a century of Land O'Lakes heritage as a leading agribusiness cooperative, IDD transforms lives through agricultural and enterprise partnerships that use a business-oriented approach to linking smallholder farmers to markets, and strengthening value chains for growth.

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