



LAND CONSOLIDATION THROUGH PUBLIC-PRIVATE PARTNERSHIP FOR COMMERCIAL AGRICULTURE

The Problem

- Land fragmentation into economically-unviable units as the population grows.
- Aside from the negative impact on food security and livelihoods, this practice has hindered the ability to attract investment to improve the living standards of communities.

The Innovative Solution

Value Farms Ltd. is implementing a public-private partnership aimed at synergizing and making the most of agricultural potential in Siaya County.

This innovation is unique in persuading landowners to consolidate land and then lease it for commercial agriculture - an approach that is unprecedented in Western, and many other parts of Kenya, where sale or transfer of ancestral land to “outsiders” is considered a taboo.

Value Farms is carrying out commercial agricultural activities with landowners who have agreed to consolidate these small parcels, many of which were previously-unutilized for farming due to poor rainfall and lack irrigation capacity, and despite being near a permanent water resource. Farmers are engaged in producing large-scale horticultural and grain legumes on 260 acres of consolidated land.



Value Farms employees sorting tomatoes for sale

About the Award

Following an open and competitive process in 2015, Value Farms Ltd. was among three pilot roll-out innovations nominated for direct seed funding from USAID, under the Feed the Future Kenya Innovation Engine program.

- Award duration:** Feb 2016 - March 2017
- Award Amount:** KES 45.4million (\$445,348)
- Technical Assistance:** financial and procurement systems strengthening, strategic business planning
- Target Counties:** Siaya and Homa Bay
- Targeted Value Chain:** Horticulture and Staples

About the Innovator

Sospeter Waga is the Executive Director of Value Farms, an agribusiness company. He holds a diploma in management and is currently completing an MBA in Global Business and Sustainability. In 2002, DHL awarded him for running the best-managed logistics project in sub-Saharan Africa. Peter recently signed a KES 200million contract with *All Fruits EPZ* – a member of the Aga Khan group - to plant 100 acres of yellow passion for processing and supply to Coca Cola. In May 2016, he facilitated a session on improving smallholder profitability at the World Economic Forum’s Grow Africa Investment Forum 2016 in Kigali, Rwanda.

Goals under the Award

- Value Farms is scaling up the project to work with 3,200 farmers on over 2,000 acres of land with KES 40,000 (\$400) annual payment per acre.
- With a population of 250,000 members in Lake Sare area (Bondo, Siaya County) the community here is a net importer of food. The project is expected to offer food and nutrition security, through income generation, better marketing, and higher productivity, to a community that has relied on maize and fish as staple foods.
- The trickle-down effect will create the need for an additional 150 employees - agronomists, sales and marketing officers, security officers, drivers, managers and extension officers in the production areas.
- Young women and widows with limited economic opportunities form a significant proportion of the project's target beneficiaries.

Opportunities for Private Sector Partnership

- Contract farming with passion fruit farmers by processors
- Improvement of the irrigation infrastructure
- Provision of galvanized steel posts and wires for smallholder passion fruit farming
- Development of a cold storage facility for fruits and vegetables
- Facilitation for access to local and international markets
- Provision of extension services as a form of technical assistance



Produce from Value Farms Ltd. on sale at a local market

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