

**Business Development Services (BDS) Provision for the NICE Project in
Bungoma and Busia Counties**

Quarter Two Progress Report

Presented to:

Syngenta Foundation East Africa-(SFEA)

Submitted by:



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Executive Summary

Business development services supports implementation of activities under outcome 2 of the NICE project. The assignment involves setting up of farmers' hubs and developing the hubs through capacity building, mentorship and coaching to enable them transform into profitable and sustainable rural Agri-entrepreneurs within the larger business operational ecosystem. An empowered farmers' hub operates their enterprises efficiently and effectively. This quarterly progress report highlights activities that were carried out within the months of July and September with the established hubs and current performance of the entrepreneurs

Following through from quarter 1 accomplishments, the on boarded network managers and farmers' hubs were taken through coaching and mentorship sessions. These sessions were targeting to progressively develop business performance of these. The sessions begun with an assessment of the entrepreneurs' capacities using the entrepreneurs' capacity assessment tool (ECAT). Various capacity gaps were identified and major business development areas prioritised for intervention.

The 3 network managers and 65 farmers' hubs spread across the 2 counties of Busia and Bungoma, also continued to onboard farmers into the project. A total of 7,274 farmers have been recruited and 777 of the farmers have received trainings on good agronomic practices (GAP) through the collaborative approach of farmers' capacity building initiatives that has been adopted by the model.

The farmers' hub business model allows for hubs to offer important last mile services to smallholder farmers. These services include access to inputs, access to mechanization, access to finance, advisory services and access to markets. Syngenta Foundation East Africa has developed an online platform called E-hub which is used by the project to capture all farmers' hubs business transactional and farmer advisory activities. SFEA managed to train entrepreneurs with a total of 38 hubs already currently utilizing the platform. The platform has so far recorded transactional sales from the hubs totaling KES 8,480,000 with monthly transactional sales for the network managers being KES, 3,300,00 and farmers' hubs recording an average of KES 56,800

SECTION I: Brief Project Description:

LACOMP company Limited, a registered BDS service provider has been contracted by Syngenta Foundation East Africa to support in the implementation of the activities under outcome 2 of the NICE project. The implementation activities include; setting up and development of network managers and farmers' hubs in Bungoma and Busia counties. To establish quality hubs, LACOMP conducted a situational analysis and value chain analysis to determine the baseline of the hubs' ecosystem. results from these studies informed interventional options and actions which would be deployed in order to capacity build and strengthen these hubs and drive them towards achievement profitable and sustainable rural agri-entrepreneurs within the larger business operational environment. The goal of these entrepreneurs' establishment is to enable them acquire necessary skills and knowledge that would enhance an efficient and effective service delivery options to small holder farmers which include inputs and outputs supply chain requirements by the farmers. For effective monitoring of the entrepreneurs' business performances, the

farmers' hubs will be trained on E-hub platform use so that they gradually transit from the conventional manual record keeping to the electronic system (E-hub).

Implementation of these activities are within the sub counties of Kanduyi, Kabuchai, Webuye west, Bunyala, Nambale, Teso South & Matayos and the value chains of focus are; African leafy vegetables, Orange fleshed sweet potatoes, Poultry, Fish, Groundnuts. 60 hubs will be established in the 2022 long rains (March 2022) season with an additional 60 hubs in the 2022 short rains season (October 2022) with an aim of at least 4 hubs set up within the short rain season focusing on groundnuts, fish, poultry and Orange fleshed sweet potatoes.

SECTION 2: Milestones and Deliverables

Project implementation is focusing on the achievement of the following a key milestone;

Table 1: Milestones and deliverable/s

Activity Description	Deliverables
Activity 1: Establishment of hubs -Recruitment of network manager -Recruitment of Farmer hubs -Farmers recruitment	-4 network managers on boarded from situational analysis long list -45 farmers' hubs per county on boarded from situational analysis long list -18,400 farmers recruited from 94 hubs in Busia and Bungoma)
Activity 2: Trainings of farmers on GAP	-Recruited farmers trained on GAP
Activity 3: Mentorship and coaching of network managers and farmer hubs -Mentorship and coaching of network managers & youth -Mentorship and coaching of farmer hubs	- 4 active network managers coached and mentored - Achievement of KES 500,000 monthly sales per network manager -Achievement of at least KES 3,000,000 annual gross sales per network manager -Net profit per network manager at 10% -Achievement of at least KES 100,000 monthly sales per farmer hub -Achievement of at least KES 600,000 annual gross sales per farmer hub -Net profit per farmer hub at 10%
Activity 4: E-hub -E-hub adoption for Network managers -E-hub adoption for farmer hubs -E-hub reporting	-50% of network managers use e-hub for 12 months of the year -30% of farmer hubs use e-hub for 12 months of the year

	-Monthly reporting through E- hub by end of Q3
Activity 5: B2B Linkages	-Number and value of financial linkages achieved for NMs and FHs -Number and value of mechanization services offered to farmers by NMs and FHs -Volume and value of products sold to commercial market through the NMs and FHs -Number of linkages and partnerships created between NMs, FHs and public sector players

SECTION 3: Implementation Progress

Implementation of quarter 2 activities was within the period July to September 2022 in Bungoma and Busia counties with the key objectives being the following;

1. Establishment of network managers and farmers' hubs
2. Farmers recruitment by the farmers' hubs
3. Training of farmers on good agronomic practices (GAP)
4. Mentorship and coaching of the network managers and farmer hubs

Objective 1: Establishment of Farmers' Hubs

60 farmers' hub (30 hubs per county) were recruited, set up and currently operating. ALV production activities for the 60 hubs had targeted the 2022 long rain season. A total of 1,823 farmers from 33 hubs planted 646 acres of ALVs and production statistics for the yields are currently being compiled. Farm size for ALVS planting ranges between 0.5 - 1 acre in Busia while in Bungoma the range is between 0.25 - 0.5 acres per farmer.

Recruitment of additional 34 hubs (17 per county) will commence during the short rains of 2022. Additionally, 2 youths offering marketing support services to the network managers were on boarded in the previous quarter and have since delivered business growth for the network managers and supported farmers service delivery among the farmers' hubs in the 2 counties.

Objective 2: Recruitment of Farmers

The farmer hubs were to facilitate recruitment of 18,400 farmers (200 per hub) with 50% women composition. During this Q2, a total of three thousand and fifty-eight (3,058) farmers were recruited from the two counties of Bungoma (2,308) and Busia (750). Of the recruited farmers one thousand six hundred and ninety-five (1,695) were women representing 55% and nine hundred and ninety-one (991) youths making up 32%.

Objective 3: Training of Farmers in GAP

The project through partnership with the Department of Agriculture, Livestock Development and Fisheries in both counties facilitated GAP trainings for seven hundred

and seventy-seven (777) smallholders as at the end of this reporting period of which five hundred and sixty-nine (569) were from Bungoma and two hundred and eight (208) were from Busia. GAP trainings are organized into sessions lasting two hours a day using the following approach:

- 1) Farmers' hubs mobilize a group of 30-50 farmers for a session and through liaison with the BDS coach, the county officers from the MOAL&F conduct skill based technical trainings to the farmers
- 2) Similarly, the BDS coach through partnership with other interested stakeholders working within the county collaborate to have field days where farmers learn through demonstrations on good agronomic practices and climate smart technologies



Fig 1- Farmers at a field day learning various GAP and CSA technologies

Objective 4: Mentorship and Coaching of Network Managers and Farmers' Hubs

From the ECAT scores derived from an assessment previously done for the entrepreneurs, a capacity building program was developed and BDS coaches have been regularly coaching and mentoring the hubs. Within the quarter, forty (40) farmers' hubs finalized the coaching and mentorship sessions. The sessions involved empowerment in the aspects of business planning, financial literacy, record keeping, E-hub utilization and leadership and organization development. LACOMP expect to finalize the program for the remainder hubs within the next quarter of implementation.

As at the end of the quarter, 20 hubs managed to develop well-structured business plans. 3 of these hubs have managed to access credit from financial institutions with a total of KES 100,000 being accessed by Mildreds' FH through the KWFT. Goshen Chicken also

accessed KES 200,000 from AFC while Wayside Agro vet managed to receive KES 300,000 from Equity Bank.

The coaching sessions have also enabled 38 farmers' hubs to begin using the E-hub application tool within the 2 counties. This has necessitated proper financial transactions and tracking thereby resulting to profit generation by the entrepreneurs as shown on *Table 2* and *3* below.

Table 3- Bungoma FHs gross margin analysis

Hubs name	KES Gross revenue	KES Gross margin	% Gross margin
Nalulingo Agro vet	270,617	27,869	10
Mercy W,FH	6,246	1,503	24
Misanga FH	5,604	961	17
Blessing FH	12,117	163	1
Consolata FH	8,995	159	2
Mildreds' hub	5,000	135	3
David Khatete FH	3,079	65	2
Poultry/Veg hubs	517	0	-
Pamela FH	1546	0	-

Table 4- Busia FHs Gross margin analysis

Hubs name	KES Gross revenue	KES Gross margin	% Gross margin
Agape Agroveter	174,385	156,723	89
Nyongesa FH	221,346	28,559	13
Simion FH	88,814	24,222	27
Alpha Q Enterprises	42,848	13,343	31
Iqraam FH	16,634	6,653	39
Syltob FH	7,299	1,465	20
Riziki Agroveter	27,988	630	2
Mkulima FH	562	93	16
Hannah Karanja's hub	9,360	0	0
Namata FH	449,217	-22,065	-5

22 farmers' hubs are still learning how to upload their transactions data to the E-hub, others are still encountering errors during uploading since they accumulate the transactions before posting to E-hub which makes such transactions to be rejected or suspended by the system. The BDS coaches and SFEA team are working to continuously train the entrepreneurs on the platforms utilization.



Fig 2: Coaching session in Bungoma



Fig 3: Coaching session in Busia

Objective 5: E-Hub Adoption

SFEA conducted E-hub trainings in quarter 1 where 60 farmers' hubs, 3 network managers and 2 youth agents participated (34FH, 2NM and 1 youth in Busia and 26FH, 1NM and 1 youth in Bungoma) in Q1. Coaching sessions as conducted by the BDS coaches has resulted to 38 farmers' hubs (58%) and 2 network managers (50%) adopting utilization of the technology. Current statistics on E-hub use is shown below;

E-Table 5 - Busia FH E-hub transactions

Farmers' hub name	YTD KES transacted value	Unit bags of ALVS sold
Phylis Naliaka	448,217	Harvest to start in next quarter
Sylvia Nafula	7,299	Harvest to start in next quarter
Jackline Karanja	27,988	Harvest to start in next quarter
Simion Wanzala	88,814	52
Hannah karanja	9,360	Harvest to start in next quarter
Shadrack Okuku	0	6
Patrick okello	562	Harvest to start in next quarter
Magdaline Musembi	42,848	Harvest to start in next quarter
Fredrick Okello	-	42
Abdallah Daraja	16,634	Harvest to start in next quarter
Geoffrey Nyongesa	221,346	Harvest to start in next quarter
Namata FH	449,217	Harvest to start in next quarter
Everline Ouma		12

Table 6 - Bungoma FH E-hub transactions

Farmers' hub name	YTD KES transacted value	Unit bags of ALVS sold
Mercy W FH	6,246	Planting in short rains, yet to harvest
Misanga FH	5,004	Planting in short rains, yet to harvest
Blessings FH	12,117	Planting in short rains, yet to harvest
Consolata FH	8,995	Planting in short rains, yet to harvest
Mildred FH	5,000	Planting in short rains, yet to harvest
David Khatete	3,079	Planting in short rains, yet to harvest
Poultry / Vegetables	517	Planting in short rains, yet to harvest
Pamela FH	1,546	Planting in short rains, yet to harvest

Table 7: Q2 Summary of hubs Sales captured on E-hub

Deliverable	Bungoma County		Guiding notes	Busia County	
	July	Aug		July	Aug
1. NMs KES sales captured in E-hub	3,743,750	3,041,614	Monthly gross sales of 500,000 ksh per NM	13,600	174,486
2. FH KES sales captured in E-hub	87,927	341,531	At least 15 FH per county transacting an average of 100,000 Ksh per month through E-hub	236,142	1,038,458

Objective 6: B2B Linkages

The project has facilitated linkages between the FHs, NMs and various private and public sector partners. Kuku Ni Mali Ltd a private company began supplying farmers' hubs in Webuye west with 1 day and 2 months old chicks. Omukikayi farmers' hub is supplying brooders to farmers in Bungoma. An ALVS seedling producer supplying farmers in Busia with seeding and hubs entered into a partnership to begin conducting business together.



Fig 4 - BDS coach assessing brooders from Omukikayi farmers' hub

SECTION 4: Performance against Deliverables

Deliverable indicators	Targets	Achievements	Means of verification	Remarks
1. Development of BDS and GAP curriculum	Validated curriculum for BDS and GAP	BDS and GAP curriculum developed and validated by SFEA	Validated curriculum	Achieved as planned in Q1
2. Recruitment of NM and youths	3 NM 2 Youths	3 NM recruited 2 Youths recruited	MOUs with NMs	Achieved as planned in Q1
3. Recruitment of farmer hubs	120	67 farmer hubs recruited in the two counties	List of farmers' hubs	Recruitment of additional 60 FH (30 per county) during short rains is on-going
4. Training of network managers and youth on GAP and BDS	2 Network managers 2 youth	All network managers and youths trained on BDS and GAP	Network managers and youth's training reports	Achieved as planned in Q1
5. Training of Farmer hubs on GAP and BDS	65	All 65 farmer hubs recruited trained on BDS and GAP	Farmers hubs training reports	Achieved as planned in Q1
6. BDS coaching for network managers	5	3	Client visitation forms	On course as planned; coaching and mentorship is a continuous process
7. BDS Coaching for farmers' hubs	60	All the recruited hubs have begun receiving coaching and mentorship sessions	Clients visitation forms	Coaching proceeding as planned as a continuous exercise
8. Farmers recruitment	18,800	7,374 smallholders recruited	E-hub recruitment report	3,149 recruited in quarter 2. Most farmers taking time to understand the model hence the pace
9. Farmers trained on GAP	TBD	777 smallholders trained on GAP within the two counties	Training reports and uploaded farmers attendance sheet	There was slow training in activities in this quarter 2 due to intensified political activities.

10. E-Hub reporting	3 NM and 60 FHs	3 NM, 60 FHs and 2 youths trained on E-hub application in Q1 38 hubs are currently using E-hub to report their transactional sales figures	E-hub training reports E-Hub dashboard data	Coaching on E-hub use is on-going with increased usage expected in the next quarter
11. B2B linkages	KES 100,000 monthly sales by farmers' hubs KES 500,000 monthly sales by network managers	18 farmers' hubs reported an average monthly sales of KES 56,800 2 network managers reported an average monthly sale of KES 1.7M	Entrepreneurs sales report E-hub	KES 1.7M cumulative sales for farmers' hubs KE. 6.97M cumulative sales for network managers

SECTION 5: Challenges and Lessons

Challenges

1. Inability by most farmers' hubs to provide logistics for farmer trainings especially when farmer numbers involved are high and an appropriate venue requiring payments is needed.
2. Prolonged political campaigns in most parts of the quarter. This slowed down engagements, production activities and affected farmer participation in the planned training sessions.
3. NICE project focuses on both social, nutritional and economic empowerment using the selected value chains hence full optimization of business performance of for the entrepreneurs and farmers alike is slow.

Lessons learnt

1. Coaching and mentorship sessions as well as GAP trainings received by the entrepreneurs over the past 2 quarters have resulted to improved farmers and entrepreneurs' engagement within the NICE project activities. Further impact is expected in due course.

SECTION 6 : Annexes

1. **Annex 1.....Client visitation forms**
2. **Annex 2 Training attendance sheets**
3. **Annex 3..... E-hub sales report.**