

3. Payment terms (checks, need for a bank account, signatories to the account).
4. How the money shall be shared in the group.
5. Investment plans for the group and savings mechanisms.

Market informed Business development services

A farmer or group with access to marketing information, will be able to wisely decide:

1. Which services are the most important.
2. Which services need to be strengthened.
3. Should services be paid and, if so, how.



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Accessing Pyrethrum Markets through Market Information





Introduction

The pyrethrum sector has exhibited monopolistic behaviour at the market level resulting to decline in production. This has led to tragic reduction of the sector contribution of over 90% of world pyrethrum in the late 1990's, to less than 2%, currently. The sector has relied on one processor (Pyrethrum Board of Kenya -PBK), whose failure to pay farmers for the pyrethrum they delivered promptly (in some cases farmers have waited for four years to receive payments) led to the collapse of the sector.

Farmers Fears and unpaid arrears

Pyrethrum farmers have developed cold feet because of a history of non-payment. Other constraints include; lack of investment in planting materials, poor production and post-harvest skills, and stalled research that has resulted to lack of competitively high yielding varieties. However, Kenya is undertaking the liberalization of the pyrethrum sector so as to revamp and revitalise it. The purpose

of this market research brochure is to provide avenues which farmers can use to acquire timely market information.

Importance of market information in pyrethrum value chain

Acquiring market information:

- Is essential for decision making, reducing transaction costs and risks, enabling efficient storage, and facilitating the flow of pyrethrum from production to the buyers.
- Reduces business risk and allows market participants to explore profitable opportunities and meet consumer needs.
- Lowers the scope for cheating and unfair pricing practices is also significantly reduced.
- Enable farmers to have an idea of input sources and prices, current product prices in local markets, the degree of price volatility in these markets, the best time to sell, and price trends and seasonality.
- Enable farmers to know the number and type of buyers operating in different local markets, their volume and quality required, and selling arrangements.

Market informed production

A farmer growing pyrethrum with access to market information, will be able to wisely decide:

- Area of land to be planted.
- Tools to be used (diversify from hand hoes to animal traction or tractors).
- Agronomic practices to be changed (seed type, variety, planting density, weeding methods, fertiliser application, irrigation usage).
- What to monitor and when in the fields under pyrethrum production.

Market informed post-harvest handling

A farmer with access to market information, will be able to wisely decide:

1. How to harvest, when and by whom?
2. Storage options and facilities.
3. Sorting, grading, packing, and labelling.

Marketing: A farmer or group with access to marketing information, will be able to wisely decide:

1. How the group would like to market its produce.
2. Transport, and delivery schedules.