ADAPTING COMMERCIAL PRACTICES AND ENHANCING LIVES OF SMALLHOLDERS AND WORKERS IN KENYA

The project ‘Kenya Horticulture – A Fair Deal for Smallholder Farmers and Workers’ brought together Marks and Spencer (M&S), Flamingo Horticulture (formerly Finlays Horticulture), Traidcraft Exchange and the Kenya Human Rights Commission. This enabled the different levels of a traceable green bean supply chain to work in partnership towards better communication, improving commercial benefits for all, more secure supply and improved livelihoods. It aimed to improve the financial stability and wellbeing of smallholder farmers and workers involved in the Kenyan horticultural value chain, who produce fine green beans, and focused on a group of 300 smallholders and 3,000 workers. The project ran from 2013 to 2016. Some of the initiatives started by the project continue to evolve and many of the findings and the impacts of the project have been identified since 2016.

THE KEY ACTIVITIES OF THE PROJECT

- Meetings in Kenya and the UK brought together individuals from each part of the supply chain including retailer, importer, exporter, smallholder farmers and packhouse and farm workers’ representatives. These discussions included the key issues of concern for various supply chain actors and what steps could be taken to address them.
- Capacity building for all parts of the supply chain in understanding how the whole supply chain operates. This involved farmers’ and workers’ representatives visiting various parts of the supply chain, through to the UK shops, and retailers knowing more about the context of Kenyan farmers and workers in their supply chain.
- Capacity building training from the Kenya Human Rights Commission for workers and smallholder farmers on improving communication and representation, amongst other things.
- Flamingo signed a pledge with smallholder farmers committing to buy a minimum volume at a minimum price.
- The farmers improved their cultivation practices, due to the increased focus on and attendance of Flamingo’s good agricultural practices and quality training and due to the establishment of demonstration plots (which also showed costs of production in different seasons).
- Establishing and improving regular meetings between Flamingo and representatives of farmers’ groups and representatives of packhouse and field workers.
- M&S identifying where to make changes in buying practices, after understanding how decisions were impacting the supply chain.

THE BENEFITS AND IMPACTS OF THE PROJECT

The project demonstrates that win-win scenarios can be possible, and that these are identified correctly only when the whole supply chain is able to discuss and explore where changes can be made.

- Flamingo and M&S benefited from the smallholders providing a better quality and more reliable supply, because of increased farmer loyalty. Farmers sold to Flamingo instead of to brokers. Other benefits were reduced food waste, increased shelf life, improved order management and an improved understanding of the detail of the supply chain.
- Smallholder farmers’ profits increased (partly because of improved quality and fewer rejects) and their income has stabilised (because of the pledge). They also benefited from the training and from the improved communication with Flamingo, which meant that a number of issues of concern were raised and resolved.
- Workers in Flamingo fields and packhouses experienced an increase in job security because more workers were put onto permanent contracts, reduced overtime and more notice given for overtime. The combination of increased capacity for raising and resolving issues, and better communication with management, led to a number of issues being resolved.

SUMMARY DIAGRAM OF THE ACTIVITIES AND IMPACTS OF THE PROJECT

- Improved communication through the supply chain
- Resolved issues of concern to smallholder farmers and workers
- Increased loyalty of smallholder farmers, giving greater stability of supply and availability of product
- Improved quality, reduced rejections
- Reduced food waste
- Improved shelf life
- Improved financial security for smallholder farmers
- Increased bean volume sales led to higher income
- M&S increased lead times by one day
- Production planning improved in packhouse. Workers informed of overtime opportunities earlier
- Change of product specifications and packaging so less bean is cut off and more weight per bean can be used

KEY
Project activities/changes made
Impacts/benefits
Capacity building for communication and representation for smallholder farmers and workers
Flamingo made a pledge to smallholder farmers specifying minimum price and volume
Improved financial security for smallholder farmers
LEARNING FOR M&S AND OTHER RETAILERS

The greatest benefits and positive change can be realised where the following scenarios are in place:

- Buying teams having an openness to change rather than being wedded to the ‘status quo’.
- Having an awareness of the impact of buying practices on smallholder farmers’ and workers’ daily lives and wellbeing.
- Developing a relational rather than transactional trade connection: getting to know the real people in the supply chain, listening well, respecting each other and working together towards solutions.
- Developing appropriate and workable ways of having two-way communication that involves the whole supply chain (retailer, importer, exporter/supplier and workers and smallholders’ representatives), extending communication beyond the commercial discussions, and working together to resolve practical issues that improve the lives and wellbeing of workers and smallholder farmers.
- Being open to consider giving the final order earlier, since confirming orders a day or two earlier can make a big difference at the other end of the supply chain.

- Thinking outside the box in terms of product specifications, ensuring the specifications aren’t imposing unnecessary restrictions, and identifying when a simple change could bring benefits and release value.
- Considering whether it’s possible to increase the reliability of income for people who are working in the more vulnerable stages of a supply chain through a pledge relating to a significant volume of production.
- Changes made by the retailer prompted by this project did not have a detrimental impact upon rates of sale, nor wastage in store, but in fact improved product availability at the desired quality. Moreover during a time of stress (drought) on the supply chain there was sustained supply and M&S had better availability of product compared to its competitors.
- Long term commitment and trust is needed for this kind of approach to work well.

“I kicked off this project at M&S to enable us to get much closer to the worker and smallholder farmers in the supply chain. It really helped improve my understanding of the challenges they face and the improved communications and problem solving involved in the project has brought numerous benefits to the business.

I would recommend all trading/buying teams to improve two way communication through the supply chain, and try to meet workers and growers when you are visiting suppliers. It has had a great impact on me personally and the wider category.”

Suzanne Webb, Trading Manager, M&S

The pdf of the full report and the project summary can be downloaded from www.traidcraft.org.uk/policy-resources/horticulture-adapting-practices