



Private Sector Development Impact Stories

Market systems and value chain development



DCED

The Donor Committee for Enterprise Development

The [DCED's Impact Stories](#) webpage offers a collection of short stories about private sector development programmes that have created jobs and income for the poor at scale – according to self-reported results. These stories underline the great potential of the private sector to generate economic opportunities and improve the living conditions of the poor.

Impact Story: Promoting market linkages and embedded services in Kenya's avocado sector

A variety of factors contributed to a declining European market share of Kenya's Fuerte variety avocados. Among the domestic constraints faced by avocado farmers were widespread crop disease, little access to technical assistance, almost no access to finance, and weak vertical and horizontal linkages within the value chain. No direct links between Kenyan avocado farmers and exporters were in place.

What has been done? In 2002, the government of Kenya and USAID funded a project to improve market linkages between small avocado growers and exporters (Kenya BDS Project). Exporters were identified that could provide extension services and supply contracts to small-scale producer groups. The first of these exporters was the East African Growers Association (EAGA). In addition, technical assistance was given to the establishment of supporting industries and input providers in the avocado cluster. These were ultimately relied upon for service provision to the avocado sector.

What has been achieved? By late 2006, the programme has worked with 14,240 smallholder farmers organised into 475 producer groups. The farmers access embedded services in extension, produce collection, transportation, and a guaranteed market whose prices average 3-4 times those of brokers. Grade-1 fruit yields have increased by more than 50% per tree. One of the program's most significant results is the commercial viability of the entire sector as demonstrated by the "replicated effect" among exporters: besides EAGA, four other lead firms have adopted the program and are working downstream with contract growers. Sources and more information: [World Bank, 2010](#) and [Growing Inclusive Markets \(nd\)](#)

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