

Agricultural co-ops should support farm subsidies to boost productivity



The next government must get down to work to address the urgent needs of the Kenyan farmer. Agriculture forms the backbone of the country's food security but the farmer has been left to their own devices.

The cost of farm inputs surpasses the economic gains the small-scale farmer derives out of farming. So the farmer is asking the local cooperative why they should not revert to subsistence farming—to produce just enough for the household. Therein lies the danger. Subsistence farming will expose the large majority of Kenyans to food insecurity.

Recently, it was reported that consumers were getting a reprieve with maize supply stabilising following harvest in parts of western Kenya and arrival of affordable produce from neighbouring countries. The *Daily Nation* of August 8 pointed out that the prices were declining as a result of increased supply.

Price fluctuations is what ruins the farmer's happiness. Yet we can, somehow, find a way to make the farmer happy. For Kenya to fortify its food security and protect the consumer, the government must first buttress the farmer. Farmers face a unique challenge in the produce supply chain. Produce, especially foodstuffs, is usually harvested at about the same time. Going by dictates of supply and demand, the glut created in the market depresses prices but, conversely, the high demand for farm inputs facilitates the higher prices. An unhappy farmer reduces their time on the farm and minimises acreage to concentrate on subsistence farming.

Agricultural subsidies

The world over, governments provide about \$700 million in agricultural subsidies. This is a constant feature in political circles in the UK, the US and France, among others. The primary goal for farm subsidies is to boost crop yields and farmer incomes. It puts resources in the hands of farmers to raise the standard of living in the rural areas.

Subsidies guarantee farmers minimum returns, which creates a pull force for more people (including the youth) to go into farming. They help the farmer to have faith in what they do. But the farmer must also exert more effort so that they are subsidised for fairer effort. This is where the agricultural cooperatives must step in to provide on-farm support in addition to the marketing function.

There are many arguments for and against subsidy payouts to farmers. But I agree with Booker Owuor that agricultural subsidies are expensive and do not provide the silver bullet to exterminate agricultural production challenges. How do we make them effective?

Improve food security

First, let's make them more targeted. The goal of subsidies is to improve food security, especially for disadvantaged households. Large farmers can store produce until market prices are high; this is frequently not the case for the smallholder. Let us concentrate subsidies on producers with limited resources to reduce poverty and food insecurity.

Second, farmers must test farm soils even though the technology to execute this at the farm level has been slow to catch on. Regular soil testing to determine the type of fertilisers best suited for maximising food production would be the foundation of an impactful fertiliser subsidy programme.

Lastly, agricultural cooperatives must invest in extension services. Farmers have traditionally grown their own food without using synthetic fertilisers. Misuse of these fertilisers is detrimental to crops and reduces farm yields. The cooperatives, in their operations, should include a network of extension workers who would regularly visit and educate farmers.

Increased production

Now, here is an example of what farm subsidies could do. In Siaya County, after the start of devolution, the county government put in place a system to support farmers through subsidies in 2014. Following this intervention, the production of maize, a staple crop in the county, increased. Maize production increased by 16,137 tonnes (from 129,818 tonnes in 2013 to 145,955 tonnes in 2014).

That could be replicated elsewhere in Kenya but first let us put a supportive ecosystem in place. Agricultural cooperatives should take a central role in these endeavours.

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