Kenya signs CAADP Compacts;

What it means to the private sector

On 24th July 2010, Kenya joined other 22 African countries by signing the Comprehensive African Agricultural Development Program (CAADP) Compacts. It was witnessed by the Kenya president H.E Mwai Kibaki while officially launching the Kenya Agricultural Sector Development Strategy which among other things advocates for 7% growth in the agricultural sector over the next 5 years in line with CAADP.

Speaking during the launch in Nairobi, president Kibaki said that his government will endeavor to create an environment which will enable the private sector to take over many of the commercial enterprises that are currently with the government.

Mr. Kibaki said that his aim is to make Kenya’s agricultural sector a profitable economic activity capable of attracting private investments and providing gainful employment to the citizens. He informed the gathering that the government will institute policy, legal and regulatory measures so that individual farmers will feel encouraged to shift from subsistent production to market-oriented production.

The president underscored the need for a review of credit laws to enable farmers’ access affordable credits. May be what the farmers need to invest in meaningful agriculture is adequate capital in the first place. Financial support would enable farmers purchase farm inputs like fertilizers, quality seedlings and pesticides and immensely improve the production and quality levels.

Improvement of rural infrastructure, instituting guaranteed minimum returns and farm insurance schemes, transforming farming enterprises from producers of primary raw materials to producers of value added products ready for consumption would greatly motivate farmers to increase production.

Following the signing of CAADP, Kenya can now access major funding from the World Bank and other development partners for agricultural development in the country. These funds would lead to improved rural infrastructure for easier accessibility to the markets; the much needed affordable credits would be accessible to farmers and most importantly increase the irrigated farm lands.

One of the aims of CAADP is to accelerate growth in the agricultural sector by raising the capabilities of private entrepreneurs to meet the increasingly complex quality and logistics requirement focusing on selected agricultural commodities that offers the
potential to raise rural incomes. For far too long, many farmers have been planting for subsistence use. Farming is therefore not taken as a serious economic undertaking in Kenya and is mainly practiced by majority poor who live in the rural areas. A whole overhaul of the mind set toward agriculture would mean proper utilization of God given resources like land and water, and to a great extent boost the lives of the majority who depend on agriculture for their daily bread.

The private sector stand to gain the most given the numerous opportunities that agricultural development presents: Improved rural infrastructure, better packaging and handling facilities, credits to farmers that translate to improved harvests, proper dissemination of technology and information and change from primary consumption to consumption of valued added agricultural products are poised to benefit all the value chains in agribusiness and agro-industry in Kenya.