
PARTNERS

Kenya Agriculture Commodity Exchange (KACE)

Prior to the formation of KACE, smallholder farmers lacked access to national markets for agricultural produce, leaving them vulnerable to the whims of buyers. Small farms, low education, low levels of technology, lack of access to quality markets and low levels of organization all translated into poor bargaining power.

In addition, the marketing chain for any one crop involved multiple middlemen, each taking a margin. Some buyers were not above squeezing prices to such an extent that the subsistence farmers at the bottom of the chain were forced to sustain losses.

KACE links farmers and urban buyers by collecting information on commodity prices in regional markets on a daily basis. Modern information communication technology (ICT) allows farmers to access this information in real time through mobile phone handsets and personal computers.

KEY SERVICE STAKEHOLDERS

An integrated approach to service provision

Implemented in eight countries, ITC's Trade at Hand programme supports the local development of mobile solutions. The ongoing Soko Hewani system upgrade in Kenya is the most sophisticated solution to date.

The upgraded version of Soko Hewani is the result of a close partnership of five institutions:

- Kenya Agricultural Commodity Exchange (KACE)
- KACE's Market Resource Centres (MRCs) in five counties
- Safaricom
- Ministry for Foreign Affairs of Finland
- International Trade Centre (ITC)

How ITC supports the Kenya Agricultural Commodity Exchange (KACE) in upgrading its business matching system

FOR MORE INFORMATION

The Trade at Hand programme
www.intracen.org/exporters/trade-at-hand/

International Trade Centre (ITC)
www.intracen.org/about/WTO-public-forum

World Trade Organization (WTO)
www.wto.org



EXPORT IMPACT
FOR GOOD

TRADE AT HAND:

Giving voice to
farmers,
enhancing
access to
markets

WTO PUBLIC FORUM 2013
INNOVATION CORNER

WTO Atrium, From 12:00, 1 October 2013
to 16:00, 3 October 2013





GIVING VOICE TO FARMERS

Information and communication technologies, used in innovative ways, allow Kenyan smallholder farmers to be integrated into export-driven supply chains. The system was designed around appropriate information channels in order to link farmers to food traders. The system is coordinated by the Kenya Agricultural Commodity Exchange (KACE), based in Nairobi. It is a business-matching system that was designed to enable KACE to modernize its existing information system and strengthen its service provision to farmers and food traders.

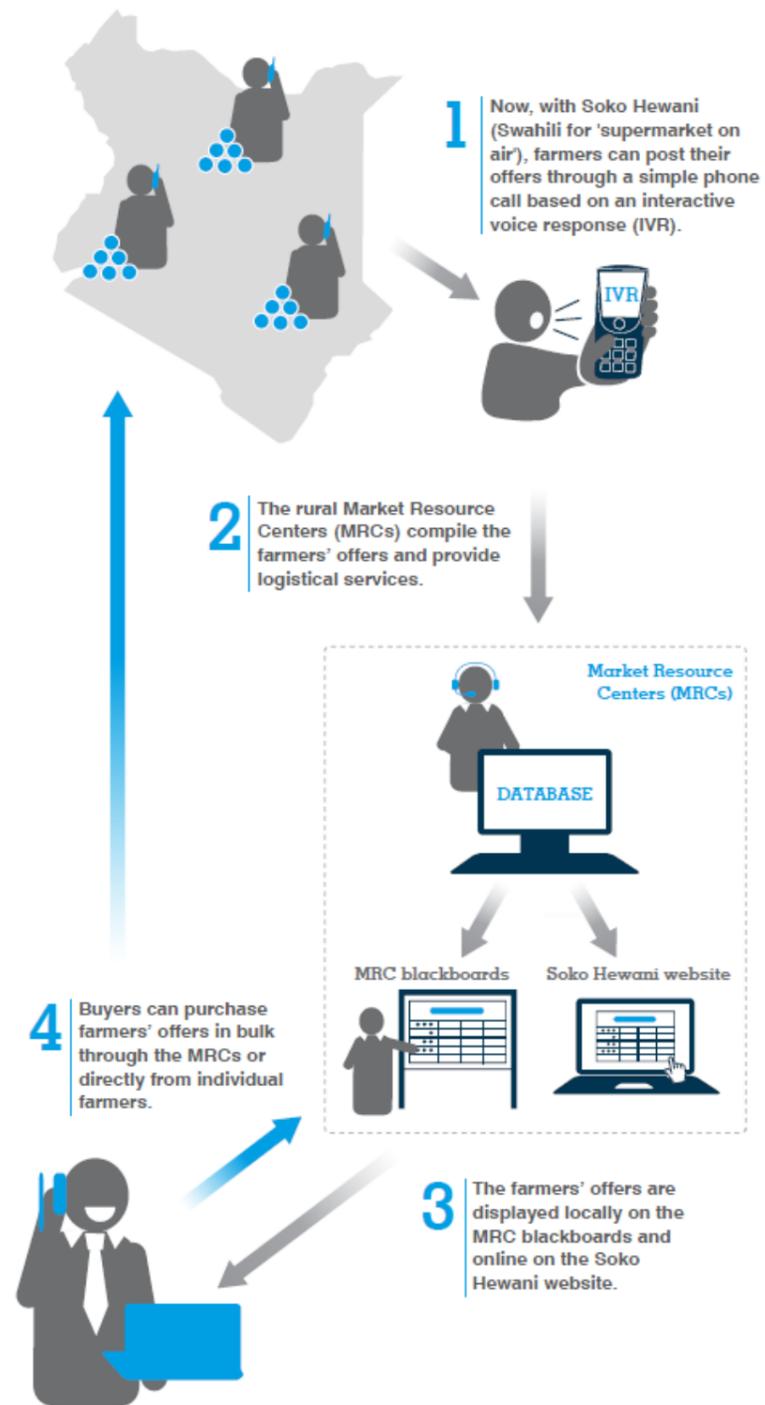
SOKO HEWANI: CONNECTING TO THE MARKET

In 2013, ITC financed the upgrade of KACE's Soko Hewani market information system. The upgraded system allows agri-food buyers and traders to access offers from all over the country, to compare prices from one place to another and find new business opportunities. This, in turn, provides a unique visibility to smallholder farmers. Soko Hewani's advantages lie in its:

- Accessibility (two languages, voice channel);
- Coverage (radio and telecom networks);
- Service level (KACE back-end services); and
- Information channel integration.

'Soko Hewani empowers farmers with information to find better markets, to bargain for better prices with the middlemen or traders, when they go to buy produce from them.'

Mr. Adrian Wekulo MUKHEBI, Chairman, KACE
Nairobi, 11 July 2013



WORKING ACROSS THE VALUE CHAIN

Connecting smallholders through different channels

The Soko Hewani system was designed by integrating:

- Voice (IVR)
- Mobile payment
- Radio broadcasting and
- Web technologies.

Through these different channels, it connects the different stakeholders in the agri-business value chain, bridging the interaction gap between smallholder farmers and more urban traders.

The virtual marketplace is one of the services provided to farmers and traders by KACE, others being transport, food quality measurement and warehousing.

Sustainability was built into the system design

The widespread use in Kenya of mobile payment system mPesa[®] helps drive the sustainability of Soko Hewani. For the system to sustain itself, it is essential to find the right balance between system costs, stakeholder payment capacities and the actual will to pay for an innovative business-matching service. Business models and scenarios were developed in order to adequately price service access at all entry points, for all stakeholder profiles.

The key role of radio

Radio is a key component of Soko Hewani. KACE in conjunction with the Kenya Broadcasting Corporation (KBC) radio disseminates price information on selected commodities every day except for Sundays. The information is aired both in English and Kiswahili. The KBC radio network covers the whole country and is therefore widely followed by the public, including rural, smallholder farmers.