

# Effects of Supermarkets on Fresh Fruit and Vegetables Small-Scale Farmers in Central Kenya

Riungu, Claris Karimi

## Abstract

Supermarkets have been spreading very rapidly in developing countries for the past decade. Kenya is the second advanced country in terms of presence of supermarkets, after South Africa. Supermarkets in Kenya have been increasing tremendously since 2003 and thus competition has increased. Growth in supermarket business has involved increase in the variety of products offered for sale, including agricultural produce. The effect of supermarkets on small-scale farmers has not been assessed. The main objective of this study was to analyze the effect of domestic supermarkets on small-scale farmers in Kenya. The study was carried out in the three leading supermarkets, their suppliers who included the farmers, traders the traditional channel farmers. Primary data was collected from 100 farmers, 50 from supermarket channel and 50 from traditional channel; 10 traders and eight branches of selected supermarkets. Results revealed that there were current and future opportunities of branches of supermarket of purchasing commodities from small-scale farmers. Fresh 'n' Juici and Uchumi branches interviewed indicated 80% and 60% of their fresh produce respectively was supplied by small-scale farmers either directly or indirectly. Traders indicated that they purchase 100% of the commodities especially the ALVs and green vegetables from small-scale farmers currently. They expected to source larger quantities in future because there has been an increase of branches of supermarkets, for example Uchumi, Tuskys and Nakumatt. A larger percentage of traders and farmer respondents had the opinion that they will sell large quantities in future. Results from multiple regression analysis revealed that farmers' past experience, distance to supermarket, reliability of the market, better prices and reduced risks affects the perception of the farmers about supermarkets. Results further confirmed that 88% of farmer respondents used good production practices and changed their cropping pattern as strategies they use so that they can supply supermarkets. All traders and farmer respondents had the better prices as one of the benefits while 88% and 68% of the traders and farmers respectively had stable market hence lowering post-harvest losses. Results from producer surplus calculations revealed that farmers who supply to supermarkets directly or through traders have higher producer surplus than those who supply to alternative markets except for farmers who sell Spider plant (*Cleome gynandra*) directly. Therefore, more small-scale farmers should find avenues or ways of supplying supermarkets by joining groups. It is also recommended that farmers should begin to add value to their commodities by grading and packaging.