



AGRIFIN

Rural Jobs Landscape Study

Exploring rural job opportunities for youth in agriculture

Nairobi, Kenya
January 2020

Dalberg

AgriFin Program Introduction



- Mercy Corps' AgriFin programming (MCAF) represents **USD 35 million in innovation funding** from the Mastercard Foundation, Bill and Melinda Gates Foundation and the Swiss Development Corporation to support development, testing and scale of digitally-enabled services to more than **3 million smallholders by 2021**
- Our objective is to develop sustainable services that **increase farmer income and productivity by 50%**, with **50% outreach to women and youth**
- MCAF works as an innovation partner with **private sector** scale partners and such as banks, mobile network operators, agribusinesses, as well as **technology innovators and governments** committed to serving smallholders at scale
- We help our partners develop, prototype and scale bundles of **digitally-enabled financial and non-financial services** supporting **partnership development** between market actors that leverage their strengths
- We combine MCAF team expertise with strategic subsidy to jointly implement **iterative, fail-fast engagements** with partners on a cost-share basis, **sharing public learnings** to drive market ecosystem growth
- Since 2012, we have completed more than **150 engagements with over 70 partners**
- **Currently, our work reaches more than 2.8 million smallholders**



Executive Summary – Context and Approach

Context of the engagement

- Mercy Corps, through its AgriFin Accelerate (AFA) and AgriFin Digital Farmer (ADF) programs, have always maintained a strong level of focus on supporting engagements that reach youth farmers, clearly identifying *existing* and *potential* opportunities for job creation in the agriculture and agri-finance sectors
- In this engagement, AFA has developed a landscaping study to understand the scale of the challenge and the opportunities for meaningful job creation that exist. The report looks right across the agricultural value chain from production to processing as well as the value-adding ag-services that cut across the value chain

Our Approach

Over six-weeks, AFA and Dalberg used a combination of research methods, gathering insights from AFA partners, aggregators, farmers and field agents.

- We conducted desk-based research and analyzed available data
- We **surveyed 19 AFA partners** and **interviewed five AFA partners**
- We spoke to four youth farmers, aggregators and agents
- We built on personas from the previous Dalberg and AFA study ‘Digital Pathways for Youth in Agriculture’

As a relatively short research piece, it is important to note its limitations:

- Market sizing was built on assumptions in order to provide an indication of the opportunity
- All survey data came from AFA partners who all have a digital element to their business and are therefore not fully reflective of the agricultural ecosystem

Executive Summary – Key Insights

The challenge

There will be an estimated 9.6m rural youth in Kenya by 2024:

- 2.8m estimated rural youth farmers (29%). Half of these (1.4m) will be young subsistence farmers not earning a meaningful wage
- 6.8m estimated non-farming rural youth (71%). Based on the current market, only 1.2m will be engaged in meaningful work.

Job potential in the agricultural value chain

Agriculture, including ag-related services, will not be able to meet the demand for 5.6m additional youth jobs alone. **However, there are still opportunities to provide economic opportunities for a sizable number.**

Types of jobs in agriculture and potential scale

There are opportunities to create jobs across the value chain:

- **Farming and production** presents the biggest opportunity to provide youth with meaningful work.
 - 1.4m young subsistence farmers can be supported to increase their yields and ensure they can earn a meaningful wage
 - An opportunity to create ~260,000 jobs in commercial farming and, by optimising just 10% of currently unused agricultural land, ~250,000 jobs in contract farming
- **Value-add agriculture services** is a growing industry, driven by the rise of digitally enabled products and business models.
 - There are opportunities for ~140,000 jobs in aggregation, logistics and agent roles offering bundled services (e.g. input distribution, financing)
- **Agro-processing** can also provide meaningful work to low-skilled labour. The current industry is small¹ yet there is growth potential.
 - Through the Kenyan Government's 2019 - 2029 Agricultural Sector Growth and Transformation Strategy, an estimated 227,000 jobs will be created in agro-processing, food hubs, fish processing, tea processing, and leather processing

1. Kenya's processed goods makes up just 16% of agriculture exports. In comparison, South Africa and Ivory Coast process 52% and 32%, respectively.

Executive Summary – Key Insights

Youth's unique positioning

- **Youth are perceived to be flexible, energetic, and equipped with relevant digital skills as well as having the ability to learn quickly**
 - These attributes were all identified as strengths by AFA partners
 - Such attributes make youth well placed for entrepreneurial jobs in the agricultural value chain such as aggregation, rural agents or logistics. It is these more informal roles, rather than full-time positions, where the largest number of rural job opportunities exist
- **While these attributes make youth employable and skilled to pursue entrepreneurial activities, they also face a number of challenges** including limited land ownership, access to finance, professional connection and access and control over resources.
- **It is also important to note that not all youth carry the same set of entrepreneurial attributes with many better suited to, and preferring, a steady income**
 - For example, one persona group identified as 'Rootless Climbers', do not have the skills and education levels to make their aspirations real and are therefore better suited to low-skilled paid employment such as commercial farming or agro-processing
 - Another group, 'Static Planners', prioritize their home and families, seeing agriculture as a means of achieving stability for their dependents and are therefore very risk-adverse
- **In order to succeed, youth-specific entrepreneurial support is required as well as interventions accommodating to the differentiating needs of other youth segments better suited to stable employment**

Executive Summary – Recommendations for AgriFin, its partners and the wider agriculture ecosystem

Promote farming as a business (production)

AgriFin and its partners can leverage digital platforms to provide end-to-end services and promote farming as a business by developing youth-focused bundled services which offer:

- Access to finance, quality input and information (good agricultural practices, weather information, etc.)
- Market linkages to high potential value chains e.g. horticulture, bee-keeping, fish farming

Create new jobs

Government can support the increase in youth involved in farming-as-a-business by increasing access to land and incentivising investment in commercial farms

Create rural opportunities outside of farming/production:

- AgriFin and its partners can nurture a digital field force of multi-functional rural agents. This can create multiple revenue streams for agents, improve cost effectiveness for companies and increase access to services for farmers
- County governments can harness public-private-partnerships to increase agro-processing jobs
- The Government can incentivise the diversification of the rural economy by supporting non-agricultural job creation

Match supply and demand

Funding for educational institutions to deliver training in business development and agriculture services (farming, logistics, machinery maintenance)

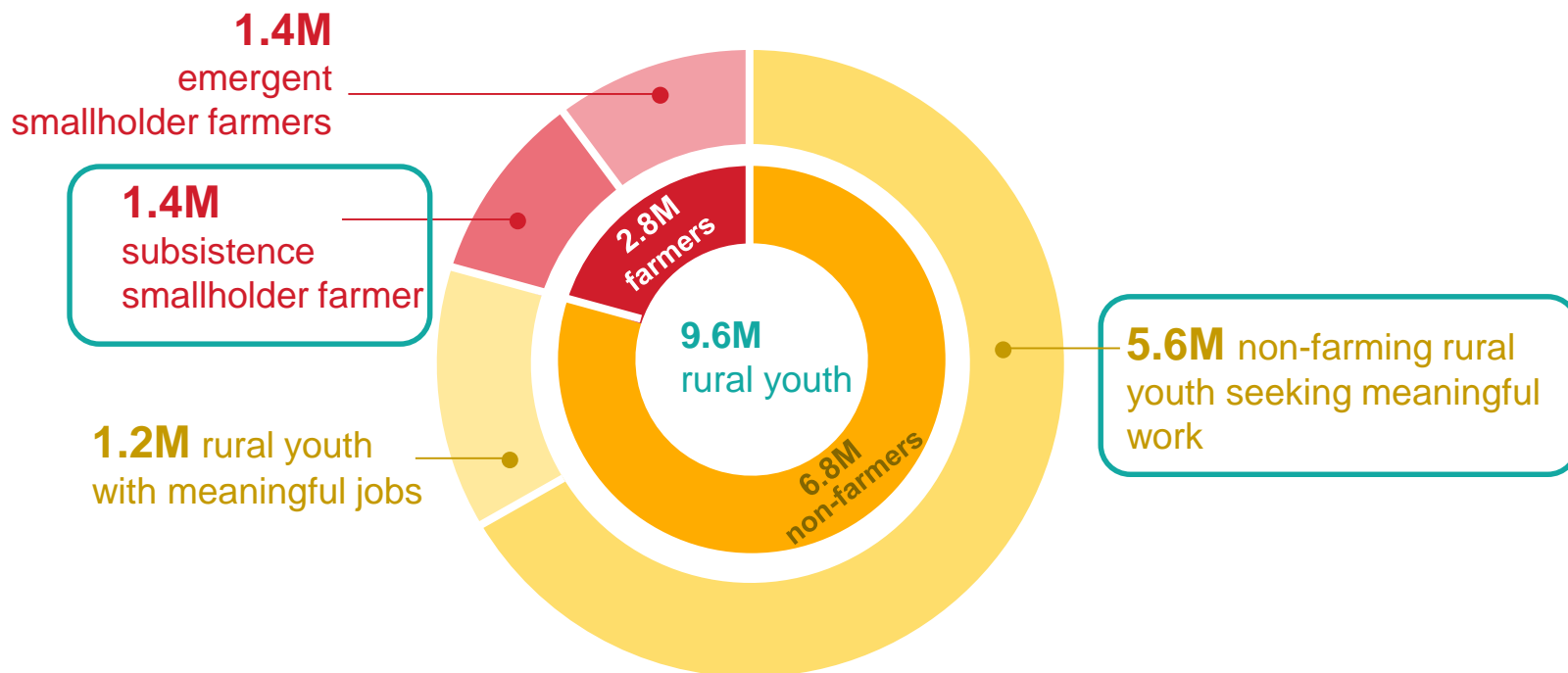
AgriFin partners to spur attitudinal shifts through media to change youth perception towards farming and **explore developing digital job linkages** to connect youth to relevant jobs and internships

Introduction

SECTION I



Projected numbers for 2024 indicate Kenya's growing rural youth population will face a challenging job market



[Click for full calculations on rural demographic estimations](#)

- **Youth¹**: persons aged between 15 and 34
- **Meaningful work**: includes formal or informal work performed with an employer or for one's self that generates an income which meets minimum wages and does not violate fundamental rights (such as the right to free choice of work without coercion, exploitation, or abuse).² It also engages a person's productivity, exceeding 28h a week

Sources: Kenya Integrated Household Budget Survey 2015/2016 Basic Report, Kenya National Bureau of Statistics; UN Population projections, 2009 – 2035; Dalberg Analysis; ¹ Kenya National Bureau of Statistics definition; ² Mastercard Foundation definition

Assumptions: (1) Sustained rural-urban proportions and unemployment rates in the KIHBS 2015/2016 among people aged 15 - 34 (2)

While agricultural value chains will not absorb all job-seeking youth, it can provide a large number of opportunities

1.4M

smallholder farmers

5.6M

non-farming youth seeking meaningful work

Farming as a business for subsistence farmers	~870K new job areas for non-farming youth		
Youth-focused bundled services to provide: <ul style="list-style-type: none"> • Access to finance • Access to quality inputs • Access to information, including good agricultural practices, weather, products and markets 	Production	Services across the value chain	Agro-processing
	<p>~ 260,000 jobs in commercial farming</p> <p>~250,000 jobs created by new contract farming</p>	<p>~ 140,000 jobs in aggregation and agent services</p>	<p>~ 227,000 jobs in manufacturing, export processing, food hubs, fish processing and leather processing</p>
	<p>Potential roles: contract farming, small-scale farming, farm hand roles, farm management, seasonal workers</p>	<p>Potential roles: input sales agent, produce aggregator, insurance agent, product sales, agro-dealer, field officer, stockists, driver, equipment leasing, data collector/verifier</p>	<p>Potential roles: washing/cleaning, machine operators, technical advisors, quality inspectors, equipment sales, repair and maintenance</p>
Job transformation / uplift	New job creation		

[Click for full calculations on job estimations](#)

Youth bring unique skills and characteristics to agriculture and agri-business, although a number of barriers still remain

Youth's unique position



Flexible disposition: Young people are open to shifting work environments and are more resilient to the dynamic demands of flexible working patterns



Quick uptake on new products and new ways of farming: Youth are able to quickly adopt new products and acquire new skills and ways of working



More tech-savvy: Employers note that youth are more conversant with technology, and more open to mastering technology-related skills



Best educated generation: 61% of Kenyan youth have secondary education or higher, compared to 38% of older generations

Barriers youth face



Limited asset ownership makes it difficult for youth to start or grow their own ventures



Access to finance: Larger lending institutions are more wary of youth due to lack of assets and credit history. Alternative financing organizations also lack youth-centric products



Limited connections: Despite high virtual connectivity, youth lack linkages to professional institutions and connections for new job opportunities



Limited access to and control over resources: About a third struggle to afford costs associated with job seeking including mobile data

It is important to keep in mind that youth have different circumstances, skillsets and aspirations and should not be seen as a homogenous group

Youth are not a homogeneous group. Targeted and tailored support is required to help them attain a meaningful job



Determined Builders

Achieved success by progressively and intentionally growing their agricultural business activities. They accumulate assets such as land, diversify agricultural activities, and experiment with new ideas and technologies



Opportunistic Movers

Risk takers with a strong belief in their own ability. They succeed through opportunistic wins and have occasional failed experiments. Their social safety net and technology usage help them continue to try new things, but do not guarantee results



Static Planners

Prioritize their home and families, seeing agriculture as a means of achieving stability for their dependents. They seek financial independence, which will offer greater freedom to determine their own path within agriculture



Rootless Climbers

Ambitious for success in agribusiness and other businesses but struggle to make their aspirations real. They dabble in other value chain businesses, relying on their knowledge and work ethic to help them persevere

Education

Primary and Secondary

Vocational college

Primary School

Primary school

Tech-usage

Avid smart-phone user

Avid smartphone, PC User

Basic feature phone user

Feature phone user

Land

Inherited or leased

None or inherited

Inherited or leased

None or leased

Ambitions

Commercial, contract farming

Become a successful value-add agri-businessperson

Autonomy over finances to support dependents

Consistent and stable income

The strategic opportunity for supporting youth in agriculture

Youth job opportunities and case studies across the agricultural value chain

SECTION II

Rural job creation opportunities cut across the agricultural value chain

1

AGRICULTURAL PRODUCTION

Agricultural production offers the largest opportunity for job creation by (i) moving subsistence farmers into farming as a business and (ii) developing commercial farmers' capacity.

High potential value chains include poultry, horticulture, and vegetables. There are **~260K** jobs in commercial farming; and **~250K** jobs in contract farming.

CASE STUDY:



Job creation and improved farmer incomes in Uganda and Nigeria

2

VALUE-ADD AGRICULTURAL SERVICES

Value-add agricultural services a growing sub-sector which has provided an increasing number of jobs in agent networks, aggregation and logistics.

There are **~70K** jobs in agent roles (commissioned work); and **~70K** jobs in aggregator roles (entrepreneurial opportunities).

CASE STUDY:



SunCulture agency model

3

AGRO-PROCESSING

Agro-processing can provide meaningful work to low-skilled labour. The current industry is small¹ however there is growth potential.

There are **~227K** jobs spread across government plans to establish agro-processing hubs, fish processing, leather processing and tea processing facilities.

CASE STUDY:



National Agricultural Investment Plan, Ivory Coast (2010 – 2015)

¹ Kenya's processed goods makes up just 16% of agriculture exports. In comparison, South Africa and Ivory Coast process 52% and 32%, respectively.

Overview

Agricultural production offers just 3%* of total jobs in Kenya despite being one of the largest contributors to Kenya's GDP – leaving ample room for growth. 20% of total youth in Kenya are farmers and half of these are subsistence farmers.

Challenges

- **Access to land:** Young farmers in Kenya own and operate an average of 0.7 - 1.0 hectares of land, in comparison to 2.7 - 3.2 hectares for adults¹
- **Access to finance:** Youth lack the collateral and credibility to access the growth finance that adults more easily obtain
- **Education and skills:** Youth often face an education - agriculture skills mismatch with higher education creating off-farm aspirations
- **Access to markets:** Youth struggle to access physical markets and have a limited understanding of how markets work
- **Inputs:** Youth, like other farmers, have limited access to the quality inputs to make their farming profitable
- **Infrastructure:** Limited access to value chain infrastructure like planting, harvesting and storage equipment makes it harder for youth to compete with adult farmers
- **A negative perception of agriculture as a career of last resort:** Youth view agriculture negatively due to its perceived low overall remuneration and quality of life

Growth areas

Opportunities for youth will come from both:

- **Moving subsistence farmers into 'farming as a business'** through value chains that offer high returns with minimal requirements, such as poultry, fish, fruit and vegetables and horticulture
- **Increased commercial and contracting farming** with the potential for ~ **260,000** jobs in commercial farming and ~**250,000** jobs created by new contract farming

Target personas



**Determined
Builders**



**Static
Planners**

¹ 'Youth in Agriculture in Kenya', 2015;

² Pathways into/out of poverty study, Mllu Muyanga, T Jayne, W Burke. 2010;

*Actual figure likely to be higher, as influenced by what is defined as a job

Uganda and Nigeria provide strong case studies for interventions that have led to job creation and improved incomes



NUCAFE'S Farmer Ownership Model for Rural Prosperity

Description

- The National Union of Coffee Agribusiness and Farm Enterprises (NUCAFE) seeks to establish a sustainable market-driven system for coffee farmers to increase their incomes

Components of the farmer ownership model

- **Value addition:** NUCAFE does not buy coffee from farmers, rather it provides value addition services such as transportation and processing that allows farmers to sell their coffee in markets that deliver higher prices
- **Trainings:** NUCAFE's involvement in the Skilling Youth in Agri-business (SKY) program has enabled it to provide tailored training for youth in the coffee value chain
- **Credit:** NUCAFE offers farmers advanced payment options of up to 80% of their total produce to access quality input provisions

250%

Increase in prices for coffee farmers affiliated with NUCAFE



Nigeria – Youth Employment in Agriculture Program (YEAP)

Description

- The Government of Nigeria, FAO and ILO set up YEAP in December 2014
- YEAP sought to train and provide access to credit to 758,500 young Nigerians with an aim of helping them start their agribusiness and employ other youth in their farms
- The training focused on priority value chains such as production and processing of tomatoes, cocoa, honey, and maize

Focus of the program

- **Nagropreneurs:** Youth who are graduates from higher institutions and may or may not have studied agriculture, but who show interest in agribusiness
- **Market-oriented producers:** Youth with an interest in agriculture regardless of their education background

~ 75,000 Jobs created by the end of 2018

Sources: NUCAFE'S farmer ownership model for rural prosperity, 2019; IFPRI, Delving Deeper into the Agricultural Transformation and Youth Employment Nexus: The Nigerian Case, 2016;

Overview

Value-add agricultural services represent a growing employment opportunity for youth, with an increasing number of job opportunities in agent networks, aggregation and logistics. AFA partners, the majority of which are in value-add services, average 75% of youth in their workforce. They have, on average, doubled their workforce between since 2017, and expect to keep growing by another 50% by 2021.¹

Challenges

- **Access to finance:** Youth lack sources of working capital to sustain themselves and weather the seasonal business cycles of agricultural activities
- **Access to information on job opportunities:** Rural youth rely heavily on immediate networks to source for jobs, and may miss suitable opportunities despite qualifications
- **Insufficient work experience:** Even where youth possess the required skills, employers require a familiarity with formal work environments and norms
- **Inadequate training:** Based on responses from AFA partners, employers see a gap in young people's ability to practically apply the theoretic content they were taught in training institutions
- **Negative perception of agriculture:** Qualified youth may discard agriculture-based opportunities due to the misperception that agricultural activities are not economically viable

Growth areas

~ 70,000 agent jobs²

Commissioned work:

- Bundled services agent (e.g. financial services, equipment leasing, input provision, data tagging)

~ 70,000 aggregators³

Entrepreneurship:

- Inputs distribution
- Aggregation services

Target personas



Determined Builders



Opportunistic Movers

¹ Source: Dalberg Analysis responses from a sample of 14 AFA Partners engaged in input provision, financial services, end-to-end services, aggregation/market access, and precision agriculture.

² Source: Dalberg Analysis. Assumes that there are 7million SHF, with each agent vending multiple services and catering to 50 people

³ Source: Dalberg Analysis. Assumes that each aggregator groups 100 farmers

AgTech companies, such as SunCulture, are creating new job opportunities for rural youth

Farming

Services

Agro-processing



SunCulture is an innovative agri-tech organization providing off-grid, solar-powered irrigation and energy products for smallholder farmers across Kenya. SunCulture's irrigation kits improve livelihoods by increasing yields from farming activities (2x to 5x), multiplying incomes (5x to 10x), and meeting farmers' domestic needs.¹

Rural Agent Distribution:²



80%
Youth



34%
Female

“Some agents started out balancing other jobs, however the scenario has changed. When they saw the potential, then they chose to focus on SunCulture ... Some agents have progressed and are now recruiting and managing their own sales teams”

-Head of HR, SunCulture

Sales Agent Profile

- **Average Earnings:** KES 10,000 to KES 100,000
- **Age:** Mid-20s to early 30s
- **Minimum requirements:** High school education; basic knowledge of farming and local farming practices; strong communication skills; entrepreneurial spirit

Challenges Faced

- Recruiting women to build a gender-balanced agent network. There is a misperception that men are better placed to sell equipment and tech products
- Equipping promising sales agents with the soft skills to successfully transition into management roles

Key Learnings

- Agency models are an efficient way to reduce customer acquisition costs and harness local relationships/knowledge to scale agri-businesses
- Agent roles create synergies with other job opportunities in the value chain through cross-selling potential (e.g. agro-dealership), further increasing earning capacity

¹ Source: SunCulture Website

² Source: SunCulture Data

Overview

The agro-processing market in Kenya is currently small, with processed goods making up only 16% of Kenya's total agricultural exports. This is low in comparison with South Africa and Ivory Coast (52% and 32% respectively). As part of the Government's Agricultural Sector Transformation and Growth Strategy, there are plans to create 227,000 new jobs across the country.

Challenges

- **Suitable crops:** Kenya's primary cash crops (tea, coffee, cut-flowers, avocados) do not require significant processing, limiting the need for processing plants
- **Infrastructure:** A lack of critical utilities such as reliable roads, power and water supply at potential sites
- **Government coordination:** There is currently limited inter-ministerial and county level coordination
- **High capital requirements:** Agro-processing requires significant capital expenditure and is seen as a risky by many potential investors
- **Lack of incentives:** As it stands, there are no current transport or tax breaks to encourage the commercialization of new facilities

Growth areas

There are government efforts to establish:

- Six new agro-processing hubs across the country in the next five years, creating **110,000 new jobs²**
- A food hub in Mombasa in the next three years creating up to **60,000 new agro-processing jobs** and a fish processing factory creating **12,000 jobs**
- Leather processing factories creating **35,000 jobs**
- Tea processing facilities to create **10,000 jobs**

Target personas



**Rootless
Climber**



**Determined
Builders**

¹ Source: Kenya Industrial Transformation Program

² Source: Ministry of Agriculture, Agricultural Sector Transformation and Growth Strategy, 2019 - 2029

The Ivory Coast has transformed its agro-processing industry through government intervention

Farming

Services

Agro-processing

Ivory Coast's National Agricultural Investment Plan (NAIP) 2010 - 2015



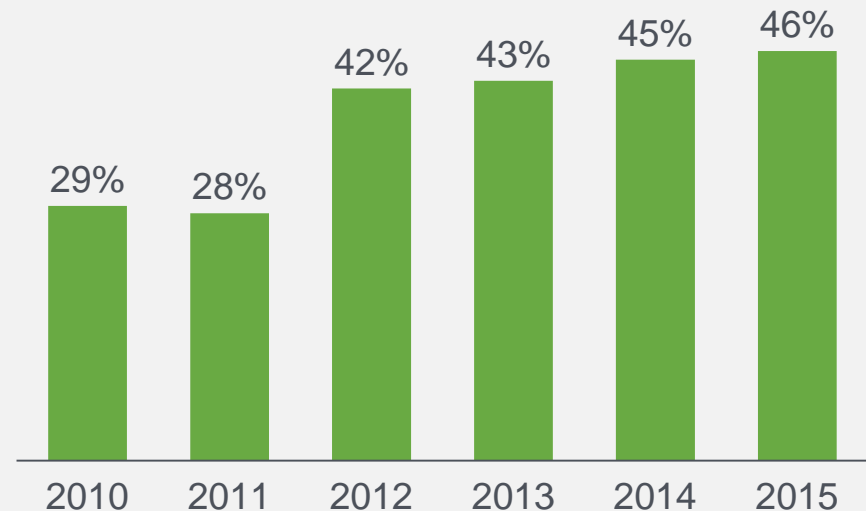
Ivory Coast's National Agriculture Investment Plan (NAIP) is the agricultural pillar of the National Development Plan (NDP). The first phase sought to increase investment in processing activities, and promote a diversified mix of strategic cash and food crops for growth and food security.¹

The NAIP aimed to revive agricultural growth at a rate of 9% per year through milestones such as creating 2.4M jobs over the five period; transforming at least 50% of agricultural products locally; and increasing food security.² The first phase of the NAIP helped Côte d'Ivoire achieve record production results as the world's #1 grinder of cocoa.³

NAIP I cost USD ~1.4B⁴, funded through public private partnerships. Its success has fuelled more funding for the NAIP II (2016 – 2020) which will further increase investment into agro-processing activities.

Agro-processing, Ivory Coast⁴

(Weighted % of Production Activities, base year: 2007)



- ¹ Source: [World Bank, Project Information Document/ Integrated Safeguards Data Sheet \(PID/ISDS\), 2017](#)
- ² Source: [Ministry of Agriculture, Republic of Cote d'Ivoire](#)
- ³ Source: [Republic of Cote d'Ivoire](#)
- ⁴ Source: [Institut national de la Statistique \(INS\), Republic of Cote d'Ivoire](#)

Who are the youth and how can they realize their potential in agriculture?

Youth personas and their agricultural pathways to success
(based on adapted findings from the AFA case study on
'Digital Pathways for Youth in Agriculture')

SECTION III

Youth are not a homogeneous group. Targeted and tailored support is required to help them attain a meaningful job

1

DETERMINED BUILDERS



Overview:

Determined Builders have achieved success by progressively and intentionally growing their agricultural business activities. They accumulate assets such as land, diversify agricultural activities, and experiment with new ideas and technologies

Support Areas

- Formal business training
- Asset prospecting
- Access to finance
- Network-building

2

OPPORTUNISTIC MOVERS



Overview:

As risk takers with a strong belief in their own ability, they succeed through opportunistic wins and have occasional failed experiments. Their social safety net and technology usage help them continue to try new things, but do not guarantee results

Support Areas

- Value chain entrepreneurship
- Transferable skills training
- Access to finance
- Sharing positive narratives

3

STATIC PLANNERS



Overview:

Static Planners prioritize their home and families, seeing agriculture as a means of achieving stability for their dependents. They seek financial independence, which will offer greater freedom to determine their own path within agriculture

Support Areas

- Value chain diversification
- Access to finance
- Crop protection and post-handling services
- Strengthening women-centric support groups

4

ROOTLESS CLIMBERS



Overview:

Rootless Climbers are ambitious for success in agribusiness and other businesses but struggle to make their aspirations real. They dabble in other value chain businesses, relying on their knowledge and work ethic to help them persevere

Support Areas

- Virtual job linkages
- Work experience opportunities
- Peer to peer mentorship
- Providing training to advance their career path

Determined Builders



Determined Builders accumulate assets, diversify agricultural activities, and experiment with new ideas and technologies. They have the potential to move into commercial farming, create jobs and be important focal points in the community

Education level: Primary and secondary school

Gross earnings: KES 25,000 to KES 1.5M monthly

Top opportunities

Production:

- Commercial farming and agribusiness

Value Add Services:

- Aggregate produce from other local farmers;
- Input sales to local farmers;
- Finance and insurance agent

Agro-processing:

- Small-scale agro-processing

Support areas



Avail formal business training (e.g. cashflow management and feasibility analyses for potential ventures) to support expansion



Encourage asset prospecting and planning by providing access to information and databases of available assets (e.g. land) for lease as individuals or groups within the locale



Provide access to financial services that allow determined builders to progressively acquire high-value assets they can use to further expand their operations (e.g. machinery or storage facilities)



Tap into social networking tendencies to grow determined builders' networks of agronomic training resources/organizations, fellow farmers, and larger agribusinesses for learning and inspiration

Determined Builders: Pathways to agricultural success

SUCCESS ENABLERS

Land inheritance

The Determined Builder who has greater access to land through family inheritance is more likely to quickly find positive results in farming.

Relationship and groups

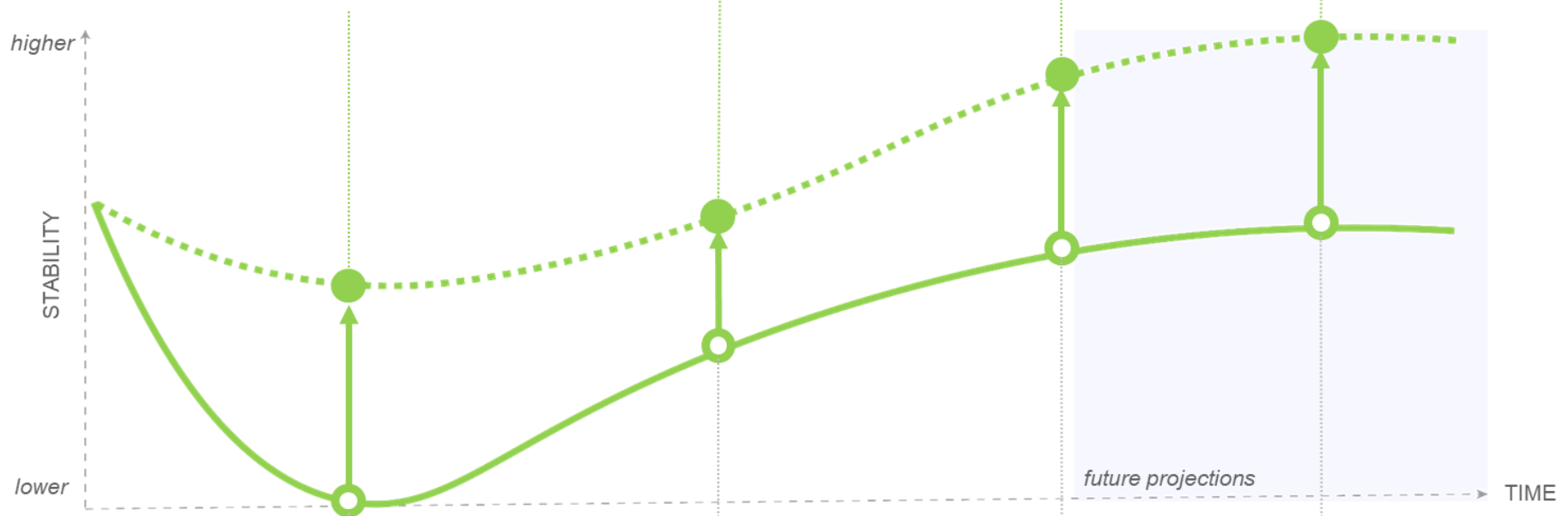
Youth groups provide support during periods of social and economic shocks. These groups and informal networks play critical roles during early agribusiness explorations.

Budgeting and planning

As the Determined Builder accrues assets using a careful mix of savings and loans, budgeting and planning become more important. Those who do it better tend to see better business returns.

Larger loans

The Determined Builder who is able to access larger loans to support new investments and working capital needs sees greater success in agribusiness.



LIFE JOURNEY

Early shock

The Determined Builder has to discontinue education and abandon other career aspirations. He turns to farming as he has previous experience and has inherited land.

Invests in farming

He explores various farming opportunities and goes into agri-business, which enables him to invest further and expand his farm.

Diversified income

He occasionally takes loans and always saves, growing his assets conservatively. He may supplement income with part-time work. This enables him to try new forms of business.

Loan limitations

Due to the informal nature of his businesses, he struggles to receive larger loans. He is left to move slowly in his pursuit of agribusiness expansion.

Opportunistic Movers



Opportunistic Movers take risks and believe in their own abilities. They are comfortable with multi-tasking and resourceful with their social networks. They have high potential as sales agents or aggregators.

Education level: Vocational College


Gross earnings: KES 5,000 to KES 100,000 monthly

Top opportunities

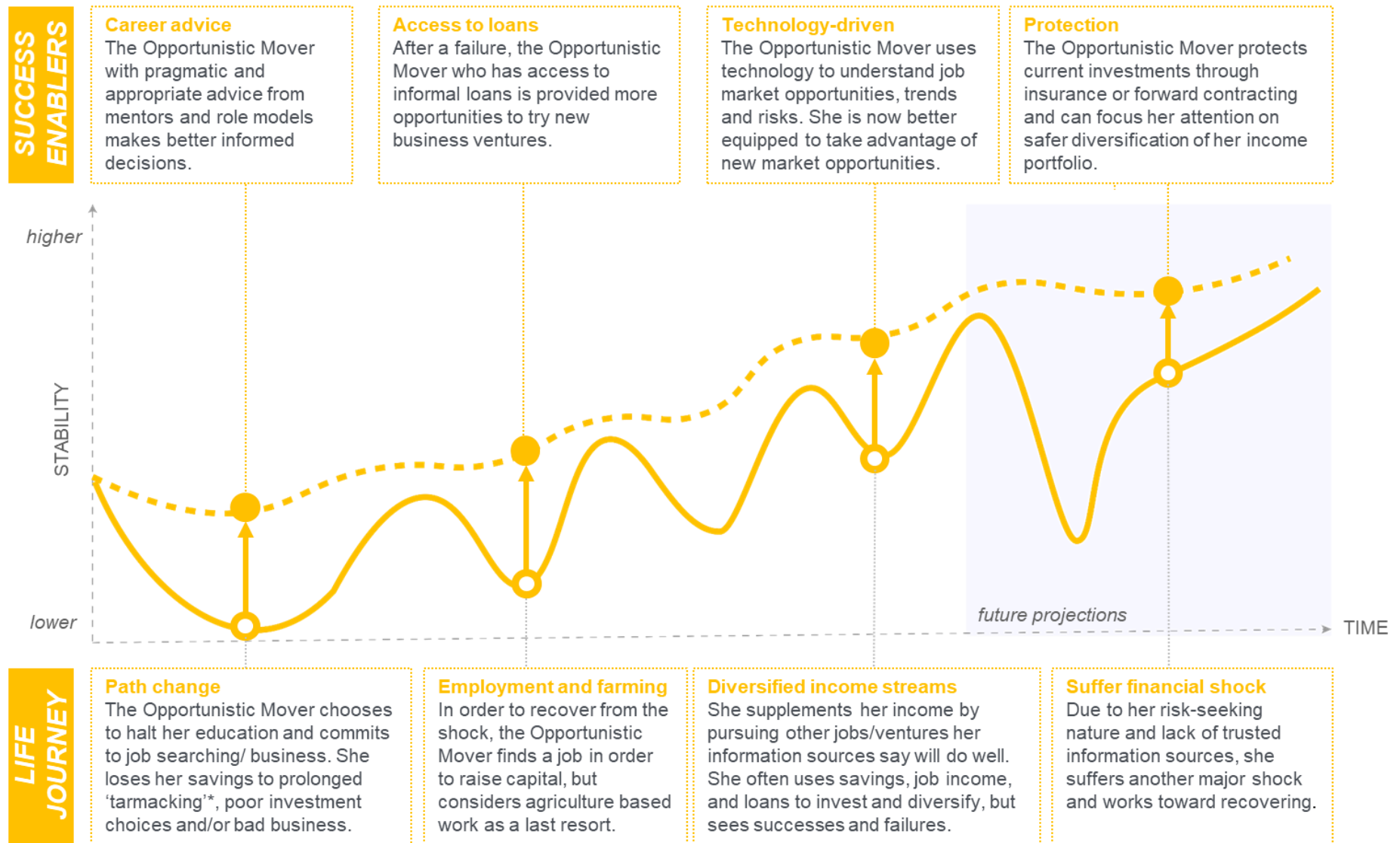
Value-Add services:

- Input distribution to local farmers/agrovets
- Aggregate produce from local farmers networks
- Multi-service agent for local farmers (e.g. input provision, financial services, equipment leasing, precision services)
- Logistics services for smallholder farmers

Support areas

-  **Promote value chain entrepreneurship** by sharing information on job opportunities across agricultural services in fields such as logistics, finance, and post-harvest processing
-  **Provide access to finance** to cover the working capital needed to sustain and upscale entrepreneurial ventures
-  **Provide training** that offers transferable skills across the value chain e.g. sales pitching and digital training
-  **Leverage Opportunistic Movers' online connectivity** to promote positive narratives of agriculture and deliver targeted messages on agricultural services as a meaningful career path, especially for Opportunistic Movers who opt to discontinue education/switch career paths

Opportunistic Movers: *Pathways to agricultural success*



*Tarmacking refers to the time period spent job hunting, where one stretches out their savings to sustain them while they follow leads seeking work.

Static Planners



Static Planners prioritize their home and family, seeing agriculture as a means of achieving stability for their dependents. Their aspirations for financial stability could be realized by introduction to higher value crops/agricultural practices.

Education level: Primary school

Gross earnings: KES 3,000 to KES 10,000 monthly

Top opportunities

Production:

- Small-scale commercial farmer
- Produce supplier for aggregators

Value-Add Services:

- Part-time community trainer for agricultural practices

Support areas



Diversification into targeted high-return value chains by delivering training and information on improved agricultural practices



Access to financial services for quality inputs through simple digital platforms that challenge static planners to set goals and meet them, incentivize good financial behaviour and disseminate information about the benefits of setting up and tracking budgets



Crop protection and post-handling services to cushion farm produce risks will appeal to static planners' desire for predictable returns and angle them towards farming as a stable income earner



Strengthening women-centric support platforms by tapping into Static Planners' social support networks of women-specific groups as channels to draw encouragement and support

Static Planners: Pathways to agricultural success

SUCCESS ENABLERS

Access to training and education

The Static Planner who has access to education and vocational training is better able to balance the competing demands of family and farm.

Strong women groups

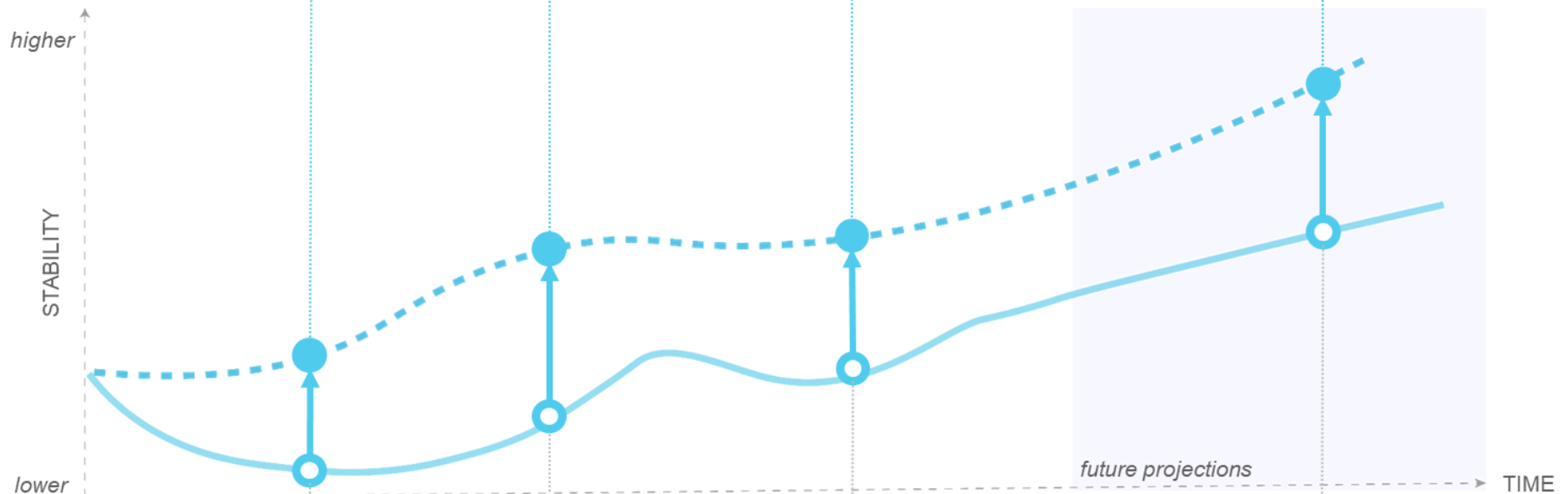
Participation in women's groups provides the Static Planner with information and support, empowering her and reducing dependency on her spouse.

Financial identity

The Static Planner who begins to build her own financial identity by engaging with FSPs is better able to manage her increasingly demanding agricultural, financial and personal life.

Financial literacy and management

Greater financial literacy and structured financial management enables the Static Planner to have more autonomy over personal finances and longer-term household planning.



LIFE JOURNEY

Early marriage

The Static Planner gets married at a young age and is forced to abandon her previous aspirations, leaving her fully dependent on her husband with no capital or savings of her own.

Introduced to farming

The Static Planner is introduced to farming by her husband and takes this on as a career path.

Prioritizing dependents

The Static Planner uses agriculture to financially support her parents and siblings. She saves in 'chamas' to create a safety net, but has limited funds to expand her farming practice.

Trapped

Saving from farming activities to support the family becomes the dominant pattern over time. The Static Planner lacks the knowledge, networks and empowerment to make strides toward financial autonomy, so continues the way she always has.

Rootless Climbers



Rootless Climbers are ambitious for success in agribusiness and other businesses, but struggle to make their aspirations real. They rely on their knowledge and work ethic to persevere. They seek stable employment and would be well suited for fixed positions.

Education Level: Primary

Gross earnings: KES 5,000 to KES 20,000 monthly

Top opportunities

Production:

- Farm manager

Value-add services:

- Stockist
- Transport co-ordinator

Agroprocessing:

- Processing plant technician
- Machine operator
- Quality inspector
- Equipment sales and/or servicing

Support areas



Use digital technologies for job linkages (such as [Ejoobi](#)) to connect Rootless Climbers with valuable information on employment opportunities across the value chain



Provide internship/attachment opportunities that equip Rootless Climbers with work experience and expose them to professional development opportunities across the value chain so that they can position themselves to succeed in fixed employment

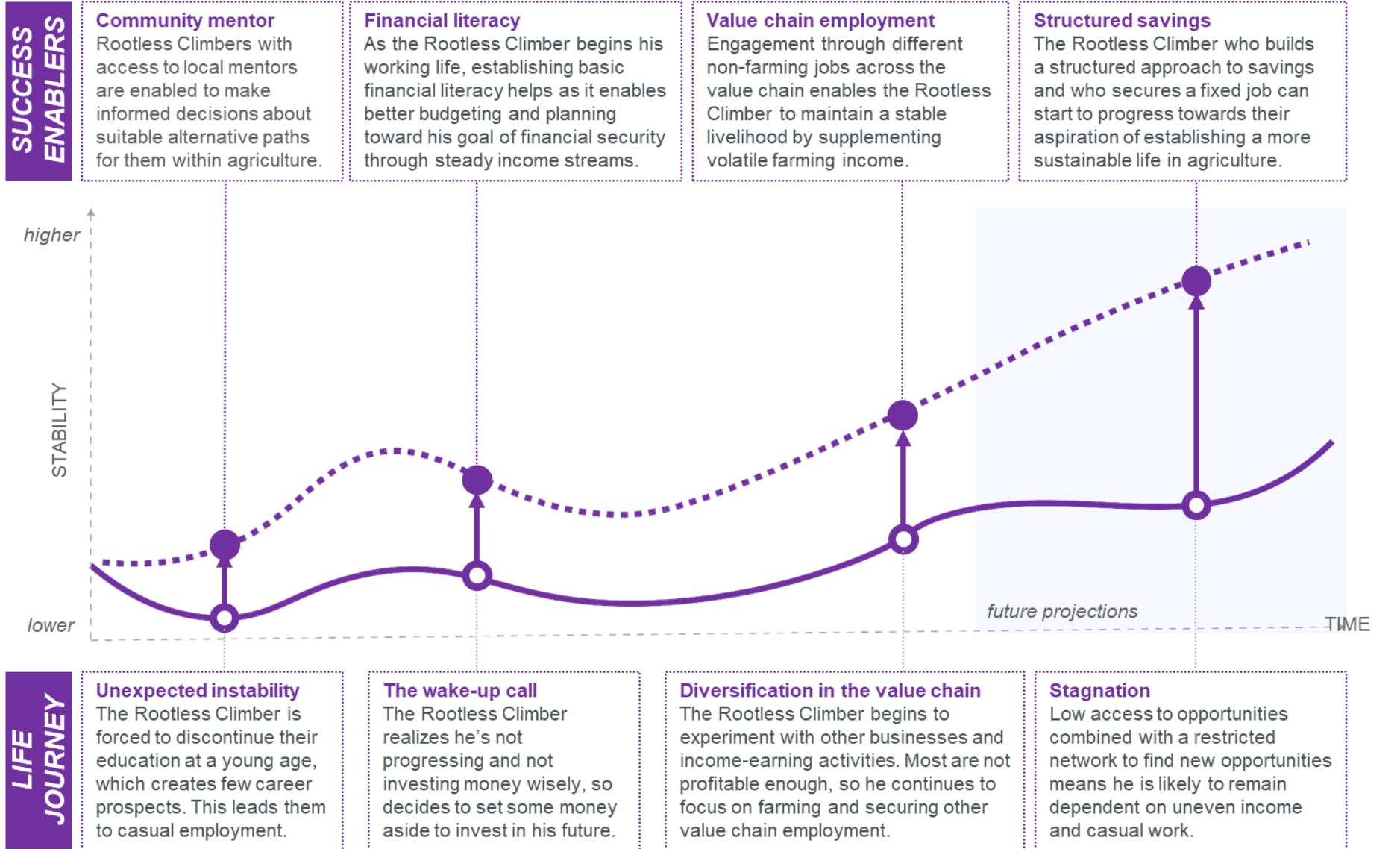


Create peer-to-peer mentorship platforms where Rootless Climbers can assist each other to make informed decisions on their career paths



Provide training for Rootless Climbers to develop the skills to build their career path and gradually advance into more senior positions

Rootless Climbers: Pathways to agricultural success



Recommendations

for AgriFin, AgriFin partners, and the wider agriculture ecosystem

SECTION IV

Co-ordinated efforts by AFA and key actors across the agriculture ecosystem can create meaningful jobs for ~1 million youth

1

PROMOTE FARMING-AS-A-BUSINESS

AgriFin and its partners can leverage digital platforms to provide end-to-end services and promote farming-as-a business

For example, AgriFin and its partners can design youth-focused bundled services which provide:

- Access to finance, quality inputs and information (such as good agricultural practices, weather information, etc.)
- Market linkages to high potential value chains e.g., horticulture, bee-keeping, and fish farming

2

CREATE NEW JOBS

The Government can increase the number of youth involved in farming-as-a-business through:

- Increasing young farmers' access to land
- Investment in commercial farms

Rural job creation beyond farming/production activities

- AgriFin and its partners can groom a digital sales force of multi-functional rural agents to provide shared services for rural/agri-businesses
- County governments can harness public-private sector partnerships to develop agro-processing hubs
- The Government can diversify the rural economy by focusing on non-agricultural job creation

3

MATCH SUPPLY & DEMAND

AgriFin can support youth upskilling through training in business development and agriculture services (such as farming, logistics, machinery maintenance)

AgriFin partners can spur attitudinal shifts through media to change youth perception towards farming by shedding light on success stories of youth in agriculture

AgriFin partners can explore developing digital job linkages to connect youth to relevant jobs and internships

The Government can learn from Ethiopia's cluster approach (ACC) to serve as physical centres of excellence for youth farmers

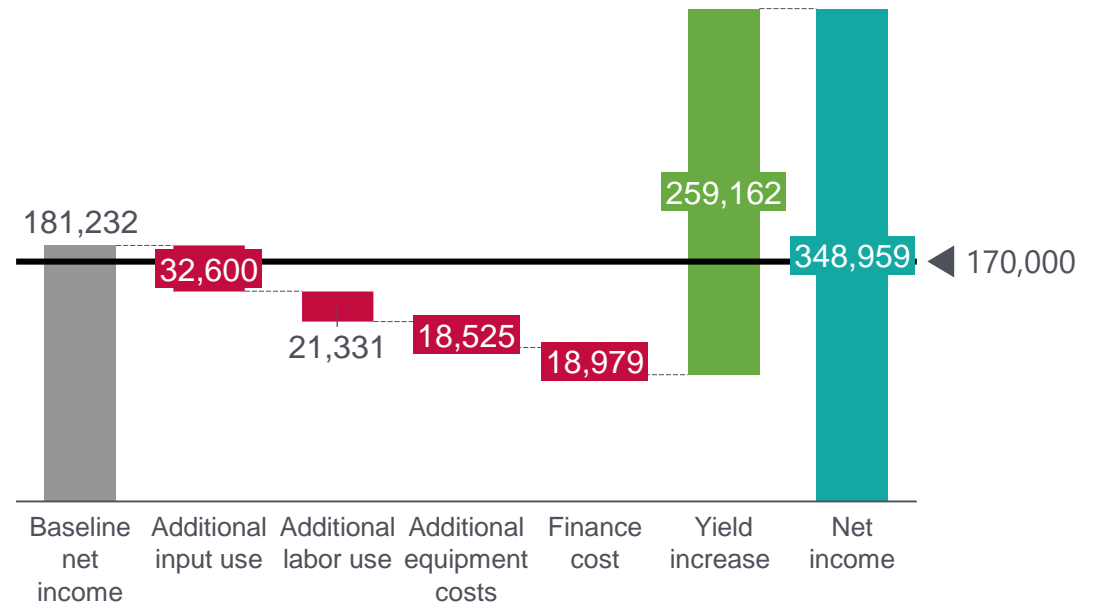
1a

Promoting farming-as-a-business through youth-focused access to finance, markets, equipment, training and quality inputs

AFA and its partners could:

- **Deploy youth-focused financial products** through alternative credit scoring, loans and savings packages that are tailored to cater to youth's circumstances (such as limited or no collateral)
- **Facilitate access to inputs and equipment** through linkages to distributors of quality inputs, extension services, and shared/leased access to farming and post harvest equipment
- **Enable access to markets** by disseminating market information (e.g. prices) or leveraging tech platforms such as Agriwallet or Twiga to connect youth farmers and buyers
- **Provide capacity development** through training on financial management, business development and/or technical agricultural skills

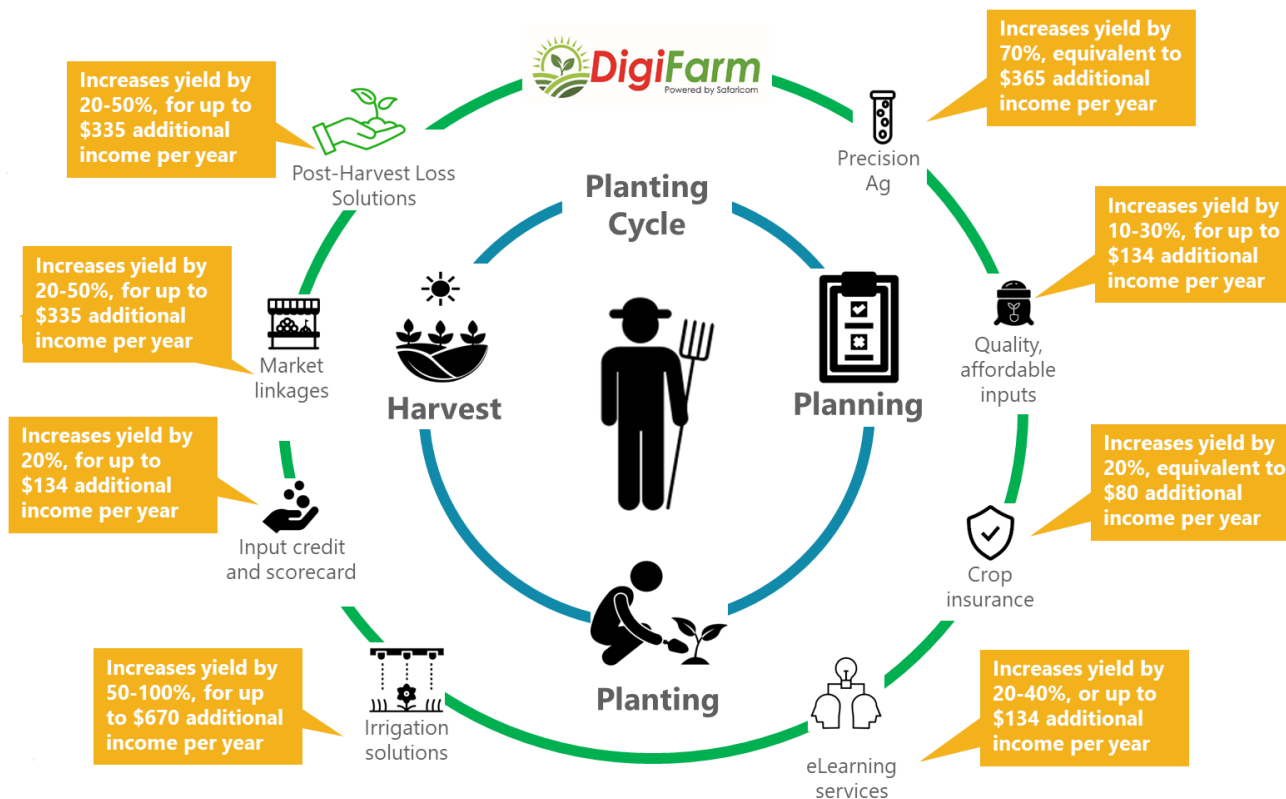
Annual net income per value-added french beans farmer, 3-year average (KES, 2019)



The above farmer economics model illustrates how access to bundled services for farmers can result in **higher yields, and consequently higher revenue from product sales** that is just over 2x the basic wage

1b

Delivering bundled services through innovative digital platforms such as Safaricom's DigiFarm



AFA can continue to support the DigiFarm platform, boosting yields for farmers and providing an ecosystem for digital value-add Ag services to thrive:

- **Delivering bundled services to SHFs** – the DigiFarm platform supports youth farmers to boost yields and improve income through bundled services
- **Enabling digital value add-services to thrive** – with 1.3m registered farmers, DigiFarm has already provided digital value-add services such as Arifu and iProcure with the platform to scale.

Creating new jobs across the value chain

Challenge to be addressed

Specific opportunities for ecosystem actors

A

Increase opportunities for youth farmers

Access to land is still a major barrier for youth getting into farming.

Policy changes, or youth-focused land leasing schemes could be supported by AFA to provide affordable resources for youth to enter farming as a business. For example, the Government estimates there are 3 million acres of available land which could be made available for leasing to youth

B

Support digital agent networks

Not all youth are able or willing to earn a living from farming activities

Digital agent networks present a flexible, multi-stream employment opportunity for AFA partners. Accreditation and standards could ensure agents receive the right training and support with a particular focus on women to create a gender-balanced workforce. In return, businesses can have quality assurance and more easily recruit quality agents

C

Blended investment in agro-processing

New jobs in agro-processing will require significant capital investment, largely from the private sector

Governments and donors can de-risk investment by carrying out feasibility studies and introducing tax incentives to incentivize capital flows. For example, Ghana offers a five year tax holiday and up to 20% tax reduction for agro-processors using local raw materials as their main input

D

Diversify the rural economy

Agriculture will not be able to meet the demand for rural jobs alone.

Government and donors should explore opportunities to encourage job creation in other industries. For example, Ethiopia is pursuing rural diversification by industrializing textiles, which employs a predominantly rural workforce (64%). The industry has had an average growth rate of 51%, attracted over 65 international investment projects, and seeks to create 300,000 new jobs in textiles and apparel by 2025.

Matching supply and demand through upskilling, attitudinal shifts through media and job linkages

A

Skills Training

Challenge to be addressed

Inadequate technical training and insufficient work experience are among the largest factors holding youth back from accessing meaningful work

Specific opportunities for ecosystem actors

Training for youth across the agriculture value chain to develop technical skills and increase productivity. This could include AFA partners supporting training on farming/production practices, veterinary studies, equipment servicing, etc. Targeting rural women who balance family and other part-time responsibilities would empower an especially vulnerable segment

Soft-skills training to prepare youth for the workplace, especially those beginning their careers, or transitioning from informal to formal employment

B

Attitudinal shifts through media

Majority of youth do not see farming as an attractive proposition

AFA and AFA partners can use TV, radio and social media to share agricultural success stories and promote role models to encourage new farmers and retain current ones. For example, AFA partnered with Mediae to broadcast 'Don't Lose the Plot', a TV show designed to engage young people in farming-as-a-business. 3.4m viewers watched the TV shows in Kenya, Tanzania, and Uganda - more than 60% of viewers were aged 18–34

C

Job linkages

Information on available work opportunities is restricted to knowledge passed on through immediate social circles

AFA and AFA partners can explore Digital and USSD recruitment platforms and leverage rural outlets such as agrodealers to connect youth to a wider range of jobs across the agricultural value chain. There are a number of platforms emerging, with Ejoobi (USSD based job linkages) and Mintor in South Africa and Kuza in Kenya currently leading the way

Learning from Ethiopia's cluster approach (ACC) to serve as centres of excellence for youth farmers

Area

Description

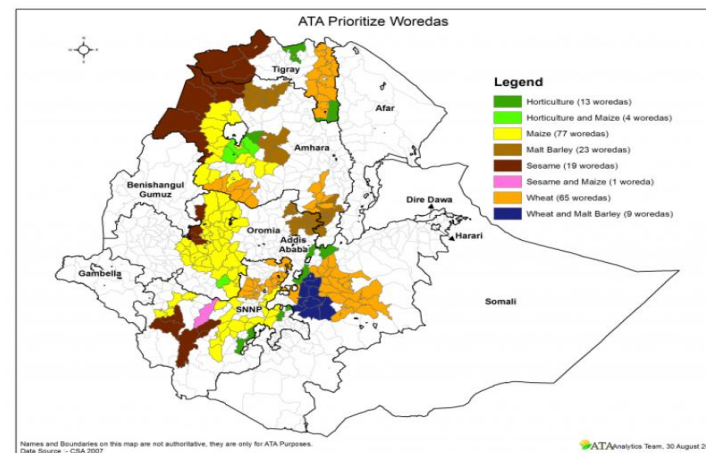
Location of ACCs (2011-2012 E.C)

The ACC concept

- Initiated during the first Growth and Transformation Plan (GTP I), the Agricultural Commercialization Clusters (ACC) approach aims to integrate key interventions and investments in specific geographic areas, targeting high value commodities
- The ACC selects geographies based on a 3-step process – i. priority list of commodities; ii. potential clusters for each commodity, and iii. list of regional clusters per crop

Vision and objectives

- ACC's vision is to support agricultural led growth and rural transformation
- The clusters serve as Centers of Excellence, and supports regions to maximize production and productivity while integrating commercialized activities
- Objectives are to increase income of small holder farmers, increase agri-business, bring value addition and improve market linkages



Design features

- Adjacent woredas are clustered to support rapid enhancement of priority commodity and value chain through proximity of actors
- Use of multi-stakeholder platforms to prioritize and coordinate activities

Thank You!



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ANNEX 1 – Rural Demographic Calculations for 2024

Rural demographics	Calculations
9.6 million rural youth	UN Population projections combined with Dalberg data on youth proportions shows that there will be approximately 15.4 million youth (15 – 34) of 60 million Kenyans in 2024. Based on current rural-urban splits, then 62% of youth (9.6 million) would be in rural areas.
2.8 million rural youth farmers	<p>The total national youth population is estimated to 15.4 million in 2024. Dalberg’s prior research as part of the Human Account shows that:</p> <ul style="list-style-type: none"> • 20% of youth are farmers, so assuming current proportions remain there will be 3.08 million farmers in Kenya. • 92% of youth farmers will be based in rural areas, resulting in 2.8 million rural youth farmers. • There is 50 - 50 split among the number of subsistence and non-subsistence farmers, resulting in 1.4m subsistence farmers, and 1.4m non-subsistence farmers
5.6 million youth non farmers seeking gainful employment	There will be 6.8m youth who are non-farmers. Based on Dalberg’s prior research and statistics from the Kenya National Bureau of Statistics via the KIHBS 2015/2016 we estimate there are: 6% of young people in rural areas who are unemployed, and 76% who are employed but earning below minimum wage. Therefore 82% of the 6.8 million rural youth non-farmers will be seeking gainful employment equalling 5.6 million

Assumptions for youth farmer and non-farmer calculations:

- Current proportions based on current population data will remain the same
- Gainful employment refers to more than just having a job, it is having one that yields above minimum wage and over 30 hours of work a week

ANNEX 2 - Job estimations calculations: ~870K new job areas for non-farming youths

Sub-sector	Estimated job numbers	Assumptions
Commercial Farming	~ 260,000 jobs	According to the Agricultural Sector Transformation Strategy Kenya, Flagship 4 aims to unlock ~50 new large-scale private farms with ~<2,500 acres each. This is equal to 125,000 acres of new commercially farmed land. To estimate the number of potential jobs created we used the average workers per acre required across 4 common value chains in Kenya. Sugarcane (1.7p/acre), Horticulture (4.3p/acre), Maize (1.4p/acre) and Pyrethrum (1p/acre). Using the four value chains across 31,250 acres gave us 53,125 jobs in sugarcane, 134,375 jobs in horticulture, 43,750 in maize and 31,250 In Pyrethrum coming to a total of 262,500 jobs.
Contract Farming	~250,000 jobs	The Kenyan Agricultural Sector Transformation and Growth Strategy estimated that more than 15% of Kenya's land mass (21million acres) is classified as high-potential agriculture zones. Of this, 19 million acres are under agricultural production. If 15% of this high-potential agricultural land is leased to youth with plots of 1.2 acres, 250,000 jobs could be created
Aggregation Services	~ 70,000 jobs	There will be an estimated 7 million farmers by 2024. We estimated that there is the potential for 1 aggregator for every 100 farmers. While we know that aggregators will often have more than 100 clients, a lot of farmers will also have more than 1 aggregator which brought us to this estimated average.
Agent Services	~ 70,000 jobs	There will be an estimated 7 million farmers by 2024. We estimated that there is the potential for 1 aggregator for every 100 farmers. While we know that aggregators will often have more than 100 clients, a lot of farmers will also have more than 1 aggregator which brought us to this estimated average.
Agro-processing	~ 227,000 jobs	Agro-pressing numbers were estimated using the Agricultural Sector Transformation Strategy Kenya. The report identifies estimated the creation of 110,000 new jobs by doubling the amount of agro-processing across 6 hubs, 10,000 new jobs in tea production, 60,000 jobs at new food hubs (processing imported raw materials), 12,000 in fish processing and 35,000 jobs in leather processing.