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Agribusiness Development through Rural Value Chain/Cluster Symbiosis

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Abstract

Talk about business acceleration in agrarian Africa is incomplete until agribusiness is mentioned. A 2013 World Bank report “Growing Africa: Unlocking the Potential of Agribusiness,” says that Africa’s farmers and agribusinesses could create a trillion-dollar food market by 2030 and calls on governments to focus on agribusiness. The report argues that these adverse trends can be reversed through, among other interventions, good policies that support open transparent procedures and processes along the entire agricultural value chain. The report laments that little attention has usually been paid to the value chain through which Africa’s agricultural commodities and products reach the final consumers within the country and abroad. The fact is that the level of agro-processing at rural level in Africa is in most of the cases inexistent or just very basic. The loud message of the said report is that Africa must develop innovative approaches to rural agribusiness development. This paper reports preliminary findings of an on-going demonstration research at Bungoma County. Applying the C in the entrepreneurial creativity tool mnemonic SCAMPER the author adapted the industrial ecology concept of industrial symbiosis (i.e. the sharing of services, utility, and by-product resources among industries in order to add value, reduce costs, prevent by-products from becoming wastes and improve the environment) to the rural scene in relation to agricultural value chains and clusters, hence the title. In the on-going, Bungoma County based demo- research farmers are subcontracted to plant sunflower which they deliver to the research site for processing into vegetable oil. The cake from the oil press is used to make fish and animal feed. This creates opportunity for fish farming and zero dairy grazing as well as poultry farming. The farming waste is used to produce bio-gas and organic manure. This is a drift away from the homogeneous cluster and single based value chain to a heterogeneous cluster based on an extended value chain. Indeed opportunities for other chains including packaging have started cropping up. Both intended and unintended results are being registered. Lessons are already being learnt. Partial policy interventions can be made.

Keywords: mnemonic SCAMPER, industrial ecology, extended value chain