

## Should farmers in western Kenya still be growing sugarcane?

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Sugarcane farming and processing has been the primary economic activity in western Kenya, since the 1970s when government started promoting the expansion and commercialisation of the industry. Prior to that, poor infrastructure and remoteness of the area had posed significant challenges to the development of economic activity in this region. With the success of the Mumias Sugar Company, counties Bungoma, Busia and Kakamega of the western region were put on the economic map. The sugar industry has grown and become the dominant economic activity of the region. However, a number of factors has seen this industry's decline in the past decade.

Kenya's steady <u>population growth</u> has led to land fragmentation due to the culture of dividing land amongst siblings of a family. The declining acreage of land per farmer makes sugarcane farming no longer viable due to the <u>diseconomies of scale</u>. Therefore, sugarcane cultivation has become less common as many farmers are now turning to plant other crops such as maize and cassava. Prior concentration on growing sugarcane with minimal diversification to other crops has <u>posed dangers for natural resources and</u> the economy of western Kenya.

Other challenges faced by sugarcane farmers include:

- cheap imported sugar resulting in competition to the millers
- delays in disbursing payments to farmers by the sugar companies
- closure of some sugar processing companies due to mismanagement by top officials
- delays in harvesting
- annual closures of factories for servicing of machines
- fires, both accidental and arson
- pests and diseases

Given that agriculture is the mainstay of the Kenyan economy, coupled with increased digitisation, the government of Kenya should make every effort to use available agricultural data to support agricultural development. The limited availability of data has led the government to <a href="https://distribution.org/limited-numerators">hire enumerators</a> and supervisors in the department of agriculture to gather more information on farmers and farming.

The government has taken initiative to promote sugarcane farming through <u>subsidised fertilisers</u>, <u>enactment of laws to support the sugar industry</u>, <u>support by political leaders</u> and <u>financial bailouts</u> for sugar factories. Although this has led to increased production, the stiff competition amongst factories has come at the expense of the farmers in western Kenya. In an ideal situation, increased demand for cane coupled with reduced supply would lead to farmers earning more per crop. Instead what has played out is unhealthy competition amongst the few existing millers who have resorted to <u>buying cane harvested prematurely</u> which weighs less and results in low returns to the farmers. To prevent premature harvesting, a three month <u>ban on sugarcane harvesting</u> was initiated on 15 July 2023. Further, the Agriculture and Food Authority (AFA) instructed millers to halt the production of sugar and directed them to engage farmers on how to rapidly develop cane for crushing. This suspension has forced Kenya to import great quantities of sugar to meet the local demand and has also left sugarcane farmers without an income for three months. Could this be indirectly asking cane farmers to completely diversify their agricultural activities from sugarcane growing?

Just like the western region of Kenya, sugar production was the backbone of the economy of Mauritius. The government of Mauritius has had great commitment to diversifying the economy from its dependence on sugarcane production to other agricultural and non-agricultural economic activities. The economy is now highly diversified with 70% of its GDP coming from the tertiary sector. Currently, the significant sectors of the Mauritius economy are tourism, financial and business services, information and communication technology, seafood processing, real estate development, energy, education and textile. Mauritius has developed from a low-income to an upper middle-income economy since its independence in 1968 with an average annual growth rate of 4%. The positive growth rate has resulted in a more equitable income distribution, increased life expectancy, reduced infant mortality rates and a much-improved infrastructure.

It is clear that Kenya needs to proactively advise and encourage farmers to shift to more profitable agricultural and non-agricultural ventures instead of focusing solely on sugarcane farming. Steps have already been taken by the Kenyan government in this regard, who have recently been <u>encouraging the</u>

growing of oil crops elsewhere in the country. There are also success stories of how crops like indigenous vegetables (namely lisutsa, tsisaka, lisebebe, emiro, omurere, nderema and likhubi) and groundnuts have offered an alternative source of income to farmers in western Kenya. The crops are also highly nutritious and dense with vitamins and minerals and this has led to improved health of the farmers' households and consumers.

This can lead to increased international trade as the government will continue and increase the importation of sugar from countries that have a <u>comparative advantage in the production of sugar</u>.

Kenya will then concentrate on production of goods and services which it has a comparative advantage. This will lead to increased trade between Kenya and the rest of the world. With <u>increased international trade</u>, Kenya will be able to create employment opportunities for the youth and women in new activities. Diversification away from sugarcane production and international trade could provide new pathways to prosperity, not only for farmers in western Kenya.

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