

Working together

Some existing partnerships between tree growers and wood industries and the challenges they face

PART II

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The forestry sector in Kenya is characterised by a shortage of wood and a rising demand for wood in the construction and other sectors.

Forest cover in Kenya, estimated at 2.5 per cent of the total landmass, is relatively small compared to international standards. This scenario is made worse by the rapid degradation of public forests.

The proposed Forest Policy 2007 outlines activities to be undertaken by the government in collaboration with various stakeholders in promoting the development of farm forestry. Recent studies have shown that farmers are responding positively to these changes and many are taking trees as an important land use activity and as an alternative investment venture in their agricultural landscape.

The large round wood consumers in western Kenya have recently initiated a number of partnerships with tree growers in the region. This article aims at documenting existing partnerships and their experiences. The article is split into three. Part I - carried in *Miti* 5 - introduced the concept. Part II, in this issue of the magazine, gives some examples of partnerships, while the last part, in *Miti* issue 7, will deal with more examples and the lessons learnt.

Examples of partnerships

Nyando Valley Development Trust Fund (NVDT)

NVDT is a local community based organisation (CBO) formed by Homalime Company with local farmers in Koru, Nyanza. Homalime Company is a large consumer of firewood in its lime and sugar processing activities. NVDT promotes tree planting by farmers, mostly in Nyando, Kericho and Nandi South districts to boost production and improve environmental conditions in these areas. Currently, the project covers Kericho (Chilchila and Kipkelion divisions) and Nandi South (Meteitei and Chemase divisions).

Mode of operations

NVDT's central nursery produces over 100,000 seedlings per year that are sold to farmers at



Farmers during field training.

Ksh 5 per piece within two agro-ecological zones - the Rift Valley highlands and the Lake Basin lowlands. Farmers in the lowland zones are encouraged to plant *E. camaldulensis*, *E. paniculata* and *C. equisetifolia* while *E. grandis*, *C. lusitanica* and *P. patul* are recommended for the highlands. Through NVDT, Homalime assists groups and individuals to establish tree nurseries by providing quality seeds from KEFRI and tubes for one year to each nursery, which is expected to produce 50,000 seedlings per year.

The project is run according to a sustainability plan that expects the beneficiaries to sell all the seedlings at Ksh 5 each, to generate Ksh 250,000. The group members can share seedlings worth Ksh 150,000 of the generated money but have to plough back Ksh 100,000 to the nursery activities to ensure sustainability. In the second and subsequent years, the supported nurseries are required to buy seeds from NVDT to ensure that they raise good quality seedlings.

NVDT plans to recruit up to 16 groups and individuals in the next four years. It is collaborating with Kenya Forest Service (KFS) staff and other agencies in promoting tree planting activities within its operation area to complement its thin staff on the ground.

Homalime Company Ltd leases land from absentee landowners to plant trees under two arrangements:

1. The company can plant and maintain woodlots up to two years and the owners have two options; either to pay Ksh 50,000 per hectare to own the established woodlot or to allow Homalime to harvest the first crop, recover its costs and revert the woodlot back to the owner.
2. Farmers can also lease out their land to NVDT to plant trees or contract NVDT to plant trees for them.

To date, about 40 hectares of woodlots have been established through the programme. NVDT has long experience in integrating livestock with tree planting and thus encourages farmers to use wide spacing of 3m x 3m and 3x2m to enable woodlot owners to graze their animals from the second to the fourth year when grass can still grow under the woodlot canopy.

In collaboration with KARI and KEFRI Maseno, NVDT has been training farmers in nursery management, tree establishment, woodlot management, harvesting and marketing of tree products. The efforts are geared at creating awareness on the potential of farm forestry regarding income generation as well as improvement of environmental conditions within the highly degraded Nyando Valley Basin.

Homalime Ltd buys firewood from farmers and assists them to sell their surpluses to tea estates and other consumers. These efforts are to link tree growers with ready markets

for their tree products and hence promote commercialisation of farm forestry activities.

Problems and experiences

Homalime Ltd has experienced the following challenges:

- High costs of extension and support activities without any external support.
- The company has not realised benefits commensurate with the costs incurred in the promotion of farm forestry activities.
- Many farmers have high expectations that cannot be matched by Homalime's limited resources.
- Many farmers view Homalime Ltd as a donor who must do all the planting and maintenance activities for them, an attitude that stops the farmers from taking up the ownership of supported farm forestry activities.
- A strategy coordinated by the government on farm forestry and environmental development in the country is lacking, specifically on growing of eucalyptus.
- Some stakeholders in the sector expect financial support to mobilise farmers to participate in its forestry projects, the absence of which gives rise to conflicts and hostile reception.

Western Kenya Tree Planters Association (WETPA)

WETPA is among the many emerging, small, and poorly coordinated tree planters' associations in western Kenya that have been formed in the last six years to serve the interests of tree growers in the region. WETPA covers Lugari, Bungoma, Busia and Trans Nzoia and has an office in Webuye town

WETPA, whose formation was facilitated by Forest Action Network (FAN), aims to mobilise

farmers within the Pan African Paper Mill (PPM) supply zone to grow commercial trees to sell to PPM, to negotiate for fair prices and offer other support for its members. In 2006, WETPA's members had planted 20 hectares of trees and negotiated an increase of the factory gate price from Ksh 1,200 to 1,500 per tonne of firewood.

Many members of WETPA we interviewed felt that the current prices offered by PPM make it financially unviable to grow trees for firewood. Nobody was aware of the price that makes a firewood enterprise feasible and most had no access to cost-benefit information of tree-based enterprises, thus making investment decisions difficult.

Pan Paper Mills Western Kenya Out-grower Scheme

Pan African Paper Mills (PPM) is the largest paper making industry in Kenya and has been relying on public forests for its round wood supply since its establishment in 1975. However, the supplies from public forests have been declining and PPM in 2004 took a decision to extend its supply catchment to farmers within a radius 150 kilometres from the factory. PPM reports that by 2006 it had demarcated 11 districts into its potential supply zones and appointed four extension/liaison officers to recruit commercial tree growers.

To motivate tree growers, PPM increased its factory gate prices from Ksh 750 to 1,500 per tonne for firewood and Ksh 1,600 per tonne for pulpwood. It has developed specifications and regulations for the supply of firewood and pulpwood with which farmers comply. It had registered 5,000 farmers as potential suppliers of round wood and sells to them high quality seedlings

at Ksh 3 per piece. In 2005/2006, the company produced 2.8 million seedlings for both indigenous and exotic species that was split between KFS and farmers. The bulk of the seedlings are *E. grandis*, but also include cypress, pine and various indigenous species.

In 2005, farmers were given 192,715 seedlings. The number increased to 4,444,171

in 2006 with higher targets in the future. Between January and August 2006, farmers supplied 8,959.13 tonnes of pulpwood and 7,671.28 tonnes of firewood. The payout sum was Ksh 14,334,608 and Ksh 11,506,920 respectively.

Experiences

The supply from farms is irregular because farmers are forced to synchronise harvesting with off-farming seasons to reduce possibility of crop damage.

Transport costs have discouraged farmers from delivering round wood to the factory for it costs up to Ksh 10,000 to hire a 7-tonne lorry to ferry firewood to the mill. This can still be higher with increased distances and poor roads. Thus, the traders dominate the delivery business, taking up margins that could have accrued to farmers.

However, the traders complained of incurring losses due to high prices of trees from farms; losses made worse by lack of a common unit of measure. PPM devised a solution to the two issues, advising both traders and farmers to agree on prices based on conventional mill tonnage on delivery to the factory. An agreement is drawn between the traders and farmers on the agreed prices per tonne and PPM splits the cheques as per the agreement when paying for the deliveries.

PPM has worked closely with KFS on recruitment of tree growers and supply of seedlings to farmers. PPM also expects KFS to inform farmers on the potential markets, processing of harvesting and movement permits for tree products. It is keen to get supplies of high quality seeds from KEFRI and other agencies. PPM was also working with KEFRI to provide guidelines on economic analysis of tree growing enterprises to aid farmers in their investment decisions.

Reliance on one industry like PPM has its shortcomings, which came to the fore when the company ceased operations in March 2009, thus dashing the hopes of hundreds of investors in tree farming in western Kenya.

However, the government has revived the plant, under the name Webuye Paper Mills and it remains to be seen how it will fare.

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Farmers are working with the wood industry for mutual gain.