



**ADAPTING
COMMERCIAL
PRACTICES
AND ENHANCING
LIVES OF
SMALLHOLDERS
AND WORKERS
IN KENYA**

FLAMINGO 
HORTICULTURE

M&S
EST. 1884

 **TRAIDCRAFT**
Exchange

EXECUTIVE SUMMARY

The project 'Kenya Horticulture – A Fair Deal for Smallholder Farmers and Workers' brought together Marks and Spencer (M&S), Flamingo Horticulture (formerly Finlays Horticulture), Traidcraft Exchange and the Kenya Human Rights Commission. This enabled the different levels of a traceable green bean supply chain to work in partnership towards better communication, improving commercial benefits for all, more secure supply and improved livelihoods. It aimed to improve the financial stability and wellbeing of smallholder farmers and workers involved in the Kenyan horticultural value chain, who produce fine green beans, and focused on a group of 300 smallholders and 3,000 workers. The project ran from 2013 to 2016. Some of the initiatives started by the project continue to evolve and many of the findings and the impacts of the project have been identified since 2016.

THE KEY ACTIVITIES OF THE PROJECT

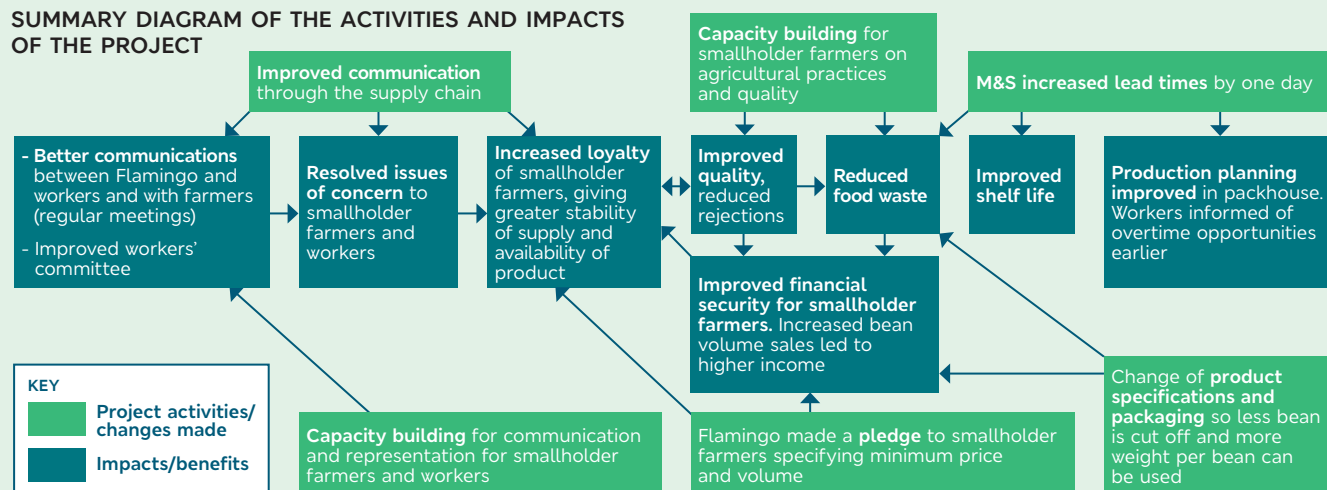
- **Meetings in Kenya and the UK brought together individuals from each part of the supply chain** including retailer, importer, exporter, smallholder farmers and packhouse and farm workers' representatives. These discussions included the key issues of concern for various supply chain actors and what steps could be taken to address them.
- **Capacity building for all parts of the supply chain in understanding how the whole supply chain operates.** This involved farmers' and workers' representatives visiting various parts of the supply chain, through to the UK shops, and retailers knowing more about the context of Kenyan farmers and workers in their supply chain.
- **Capacity building training** from the Kenya Human Rights Commission for workers and smallholder farmers on improving communication and representation, amongst other things.
- Flamingo signed a **pledge** with smallholder farmers committing to buy a minimum volume at a minimum price.
- The farmers **improved their cultivation practices**, due to the increased focus on and attendance of Flamingo's good agricultural practices and quality training and due to the establishment of demonstration plots (which also showed costs of production in different seasons).
- **Establishing and improving regular meetings between Flamingo and representatives** of farmers' groups and representatives of packhouse and field workers.
- **M&S identifying where to make changes in buying practices**, after understanding how decisions were impacting the supply chain.

THE BENEFITS AND IMPACTS OF THE PROJECT

The project demonstrates that win-win scenarios can be possible, and that these are identified correctly only when the whole supply chain is able to discuss and explore where changes can be made.

- **Flamingo and M&S** benefited from the smallholders providing a better quality and more reliable supply, because of increased farmer loyalty. Farmers sold to Flamingo instead of to brokers. Other benefits were reduced food waste, increased shelf life, improved order management and an improved understanding of the detail of the supply chain.
- **Smallholder farmers'** profits increased (partly because of improved quality and fewer rejects) and their income has stabilised (because of the pledge). They also benefited from the training and from the improved communication with Flamingo, which meant that a number of issues of concern were raised and resolved.
- **Workers in Flamingo fields and packhouses** experienced an increase in job security because more workers were put onto permanent contracts, reduced overtime and more notice given for overtime. The combination of increased capacity for raising and resolving issues, and better communication with management, led to a number of issues being resolved.

SUMMARY DIAGRAM OF THE ACTIVITIES AND IMPACTS OF THE PROJECT





LEARNING FOR M&S AND OTHER RETAILERS

The greatest benefits and positive change can be realised where the following scenarios are in place:

- Buying teams having an **openness to change** rather than being wedded to the 'status quo'.
- Having an **awareness of the impact of buying practices on smallholder farmers' and workers'** daily lives and wellbeing.
- Developing a **relational rather than transactional trade connection:** getting to know the real people in the supply chain, listening well, respecting each other and working together towards solutions.
- Developing appropriate and workable ways of having **two-way communication that involves the whole supply chain** (retailer, importer, exporter/supplier and workers' and smallholders' representatives), extending communication beyond the commercial discussions, and working together to resolve practical issues that improve the lives and wellbeing of workers and smallholder farmers.
- Being open to consider **giving the final order earlier**, since confirming orders a day or two earlier can make a big difference at the other end of the supply chain.
- Thinking outside the box in terms of **product specifications**, ensuring the specifications aren't imposing unnecessary restrictions, and identifying when a simple change could bring benefits and release value.
- Considering whether it's possible to increase the **reliability of income** for people who are working in the more vulnerable stages of a supply chain through a pledge relating to a significant volume of production.
- Changes made by the retailer prompted by this project did not have a detrimental impact upon rates of sale, nor wastage in store, but in fact improved product availability at the desired quality. Moreover during a time of stress [drought] on the supply chain there was sustained supply and M&S had better availability of product compared to its competitors.
- **Long term commitment and trust** is needed for this kind of approach to work well.

"I kicked off this project at M&S to enable us to get much closer to the worker and smallholder farmers in the supply chain. It really helped improve my understanding of the challenges they face and the improved communications and problem solving involved in the project has brought numerous benefits to the business.

I would recommend all trading/ buying teams to improve two way communication through the supply chain, and try to meet workers and growers when you are visiting suppliers. It has had a great impact on me personally and the wider category."

SUZANNE WEBB, TRADING MANAGER, M&S

The pdf of the full report and the project summary can be downloaded from www.traidcraft.org.uk/policy-resources/horticulture-adapting-practices

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INTRODUCTION

Food supply chains are often long and complex. Much has been written on the challenges of purchasing practices and their impacts on vulnerable workers down the supply chain¹. This project was instigated to look at these issues, asking the question of how better communication and understanding between all parties in a supply chain could lead to benefits for all involved. An idea conceived by Traidcraft Exchange² and supported by Comic Relief³ has yielded significant benefits right through the supply chain and has also produced useful learning that can be applied in other supply chains.

The project ‘Kenya Horticulture – A Fair Deal for Smallholder Farmers and Workers’ brought together Traidcraft Exchange, the Kenya Human Rights Commission⁴, Marks and Spencer⁵ and Flamingo Horticulture⁶ (formerly Finlays Horticulture), to enable the different levels of the green bean supply chain to work in partnership towards better communication, improving commercial benefits for all, more secure supply, and improved livelihoods. It aimed to improve the financial stability and wellbeing of smallholders and workers involved in the Kenyan horticultural value chain who produce fine green beans, focussing on a group of 300 smallholders and 3,000 workers. The project ran from 2013 to 2016 and some of the initiatives started by the project continue to evolve and many of the findings and the impacts of the project have been identified since 2016.

This report outlines the project’s aims, key activities, a summary of the benefits and then gives more details relating to each action taken and its impact. Since the project was working with a live supply chain and nothing is static, changes have happened since the project ended, and of course, as with any input in a complex system, not all aspects of the project went smoothly. Therefore the report also covers the limitations and challenges experienced and concludes with next steps and also learning for M&S, other retailers and importers.

With this report, we hope to share the learning of the project with other sectors with similar characteristics and also with other retailers and importers buying perishable products. In practice, supply chains are not unique but are shared, with importers serving multiple retailers and similar issues being found in various product areas. Therefore, to improve the livelihoods of smallholders and also to improve reliable and sustainable delivery of quality products, we believe it will be beneficial for more retailers to adopt the learning in this report. We hope you find this joint report by M&S, Flamingo and Traidcraft Exchange useful, and we would welcome hearing feedback from your experience: responsible-purchasing@traidcraft.org



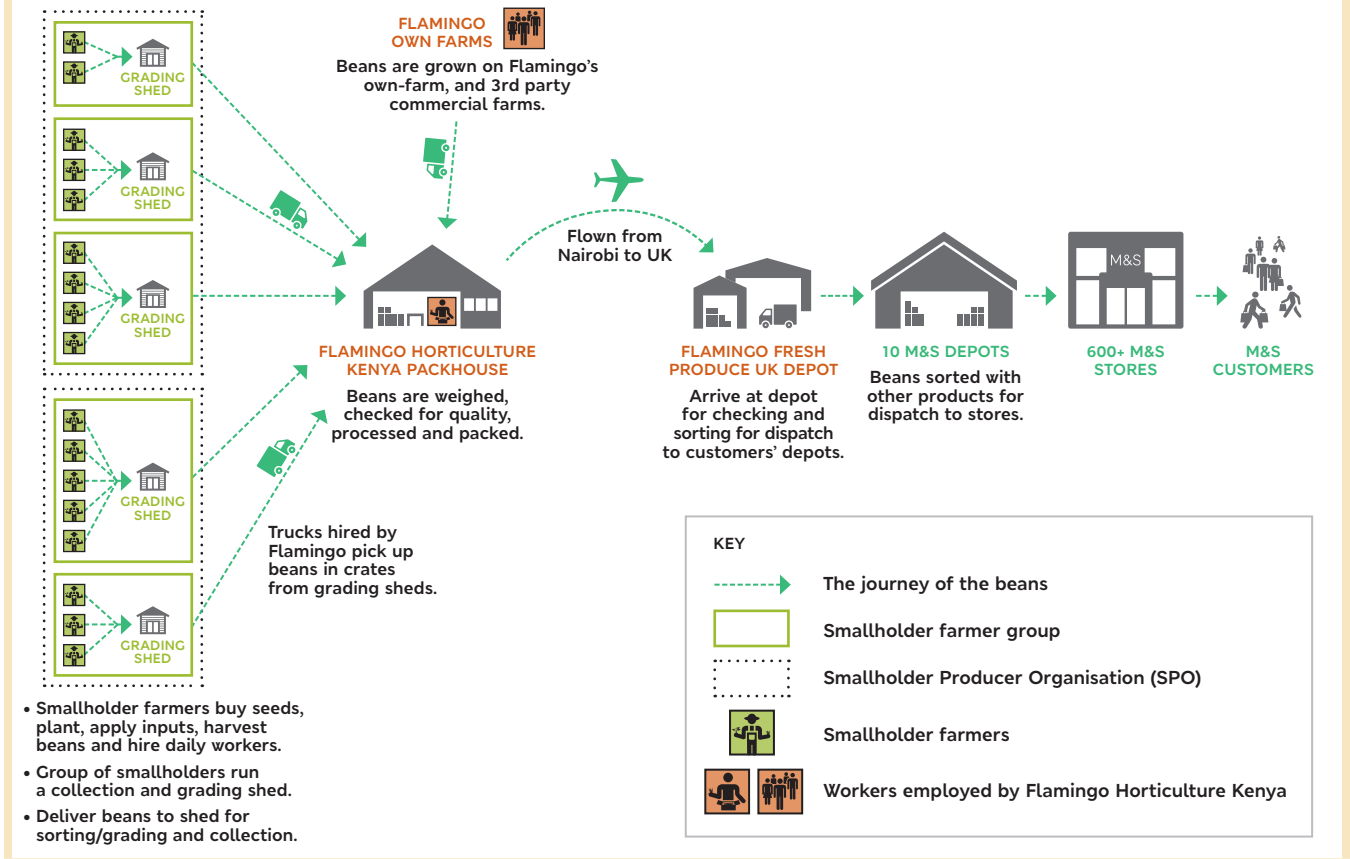
CONTEXT

- The beans are grown by smallholders in Meru County in Kenya, which is located on the eastern slopes of Mt. Kenya. The altitude ranges from 300m to 5,199m above sea level. This has influenced the atmospheric conditions, leading to a wide variety of microclimates and agro-ecological zones. In the recent past, most farmers have shifted from traditional cash and food crops to horticultural production which fetches relatively high prices in the market. Farmers in Meru are dependent on the rains, since only 2,131 hectares of county land is irrigated. Farming is the main livelihood activity, and over 70% of farming households in Meru county live in poverty⁷.
- French beans are the vegetable with the second largest volume exported from Kenya, with the largest proportion of the total volume (59%), going to the UK. The total annual production of French bean in Kenya is averaged at 62,000 tonnes. Meru county is among the three leading counties producing French beans in Kenya. Flamingo exports over 4,000 tonnes of French beans per year. M&S sells 1,200 tonnes of beans per year sourced from Flamingo and other suppliers and countries.

AIMS OF THE PROJECT AT INCEPTION

1. 300 **smallholder farmers** in Meru achieve **more predictable and secure incomes** from their horticulture activities as a result of their participation in, and support provided by, well-organised effective farmer representative groups.
2. 3,000 **workers (packhouse and farm workers)** improve **their terms of employment** as a result of their participation in, and support provided by, well-organised effective worker representative groups.
3. **Increased capacity, governance, and performance of worker committees and farmer groups** so that each committee/group can better represent and support their members and directly negotiate – as appropriate – terms of employment with employers and improve farmers’ terms of trade with their buyers.
4. **Improved livelihoods of smallholder farmers and workers** (packhouse and farm workers) through review, adoption and implementation of progressive practices by Kenyan and UK governments, policies and laws by 2016.
5. **Improved engagement of all supply chain actors in the targeted supply chain** (farmers, farm workers, packhouse workers, exporter, importer, retailer) to develop a model of good practice for fairer benefits and risk sharing as well as respect for human rights in perishable product supply chains.

ILLUSTRATION OF THE FRENCH BEAN SUPPLY CHAIN



STAKEHOLDER ROLES

Marks & Spencer	A retailer which purchases French beans from their supplier Flamingo (and from another importer). Active involvement of the buyers and ethical trade team throughout the project, including attending the whole supply chain meetings. Technologists, forecasting and inventory planners were involved as needed.
Flamingo Fresh Produce UK	An importer which receives beans from Flamingo in Kenya and other countries. Transports to M&S depots (and to other customers). Active involvement in the project including attending whole supply chain meetings and negotiating changes to benefit the workers and smallholder farmers in the supply chain.
Flamingo Horticulture Kenya	An exporter and packhouse that provides technical guidance and some inputs to smallholder farmers. Has contracts to purchase beans from smallholders and also grows beans on their own land, packs the beans according to orders and airfreights them to the UK.
Packhouse workers and farm workers	Individuals employed by Flamingo Horticulture Kenya, who work on the farm and in the packhouse in a range of roles.
Smallholder farmers (growers)	Grow beans on small farm plots and sell to Flamingo.
Kenya Human Rights Commission (KHRC)	A non-governmental organisation (NGO) focused on improving human rights in Kenya. Provided training and capacity building on labour rights and Kenyan law for smallholder farmers and workers in Kenya.
Traidcraft Exchange	A UK NGO with staff in Kenya, that supports developing country farmers and workers to harness the benefits of trade to create lasting solutions to poverty. Project managed, developed and oversaw the implementation of the project. Facilitated full supply chain meetings and provided supply chain expertise.
Comic Relief	A UK Charity that funds organisations to tackle poverty and injustice. Provided funding enabling the input of Traidcraft Exchange and KHRC between 2013 and 2016, with the aim of improving lives in supply chains.
HIVOS	An International NGO provided funding to Traidcraft Exchange after 2017 to enable learning from the project to be shared more widely.

UNDERSTANDING THE SITUATION AT THE START OF THE PROJECT

Independent consultants were employed to conduct two studies to understand the situation at the start of the project in order to guide the project's activities and inputs.

- **A value chain analysis** was undertaken by an independent consultant (Streamlined Systems Ltd) to review all the activities in the supply chain, from growing and packaging, through to logistics and selling the final product in retailers' stores. The study aimed to investigate and document any aspects of the supply chain that adversely affected the human rights and livelihoods of smallholder farmers and workers in Meru involved in growing and packaging horticultural produce for exporters.
- **A human rights impact assessment** was conducted by an independent NGO (International Peace Information Service, IPIS[®]) to investigate the key issues that were present at the start of the project, in order to direct the focus of the project activities. The key human rights issues identified were:
 - **Income:** A high rejection rate reduced farmers' income and remuneration to employees was deemed too low.
 - **Right to family life:** Employees felt that long and unpredictable overtime hours interfered with their family lives.
 - **Right to health:** A need for more appropriate personal protective equipment (PPE) e.g for employees working in cold conditions. Farmers were not entitled to National Hospital Insurance Fund, as direct employees were.
 - **Right to access effective remedies:** The direct Flamingo employees had access to the Human Resources (HR) office to channel any grievances or issues, whereas the smallholder farmers had access to Technical Assistants but no redress in cases of grievances that were beyond the Technical Assistants' ability to resolve.
 - **Freedom of Association and Collective Bargaining:** The study found that workers' committees were already in existence (gender, welfare, Health and Safety) but there was no bargaining because there was little or no union membership. Due to restrictions in Kenyan law, Flamingo cannot legally negotiate wages with a workers' committee, only with a union.
 - **Gender equality:** An issue for farmers was that women work on the farms but men own the land and are often the ones who negotiate with the company. A need was also identified in the packhouse for a zero tolerance policy for sexual harassment.
 - **Right to security:** Many workers did not feel secure in Nanyuki, especially during pay times.



THE PROJECT ACTIVITIES

To achieve the aims of the project, the work centred on improving communications and ways of working along the value chain and included the following activities:

- **Capacity building training** from the Kenya Human Rights Commission for both workers and smallholder farmers to increase the awareness and the understanding of their rights, of Kenyan law and policies, the costs of production, and to improve communication with management, as well as representation and grievance procedures and processes.
- **The establishment and efficient working of regular meetings between Flamingo and representatives** of farmers' groups and representatives of packhouse and field workers.
- Flamingo signed a **pledge with smallholders** which committed them to buying a minimum volume at a minimum price and also gave a price premium for delivery of the pledge.
- Holding a number of **'ways of working' meetings** in Kenya and the UK, bringing together individuals from each of the main parts of the supply chain including the retailer's buyers, technologists and ethical trade staff, the importer, the exporter, packhouse and farm workers' representatives and smallholders. Discussions at these meetings included the key issues of concern for various supply chain actors and what steps could be taken to address them.
- **Capacity building for all parts of the supply chain in understanding how the whole supply chain operates:** Farmers' and workers' representatives visiting various parts of the supply chain, through to UK shops, and retailers understanding more about the context of Kenyan farmers and workers in their supply chain.
- **Increased focus on and attendance of Flamingo's 'good agricultural practices' and quality training** for farmers. Due to this training, and the establishment of demonstration plots, farmers improved their cultivation practices. **Demonstration plots** on smallholder farmers' land were conducted to enable farmers to better understand the cost of production in different seasons and when they made a profit.
- **M&S identifying where to make changes in buying practices**, after understanding how decisions were impacting the supply chain.
- **Identifying where policy and legal changes were needed** and where there were gaps in enforcement.
- After the project ended, M&S and Flamingo shared the cost of an **independent local ethical trading consultant to visit** the farmers and packhouse every quarter, to hear from workers and staff about the progress on the changes happening in the supply chain.



OVERVIEW OF PROJECT BENEFITS

This section outlines a summary of the benefits of the project based on an independent evaluation report.⁹ More details on each point are given in Section 4.

 <p>BUSINESS BENEFITS TO FLAMINGO AND M&S</p> <ul style="list-style-type: none"> • Smallholder farmers have provided improved quality and reliability, resulting in better consistency of supply. • Increase in farmer loyalty to Flamingo. Instead of selling beans to brokers, they have continued their supply to Flamingo. This was particularly noticed during a challenging drought period in Kenya. As a result, M&S has had better availability of this product compared to other retailers. This demonstrates a clear business case for this improved way of working, where all parts of the supply chain meet and work on effective communication. • Reduced food waste at smallholder farms and at the packhouse because of changes in product specifications. • Collaboration between different actors in the supply chain has improved order management and made it possible for orders to be confirmed earlier, improving both production planning and shelf life. • Improved understanding of the detail of this supply chain both for Flamingo UK and M&S. 	 <p>BENEFITS FOR SMALLHOLDER FARMERS</p> <ul style="list-style-type: none"> • Minimum volume and price guarantees have given a stable income to smallholder farmers. • Smallholder farmers' profits have increased because quality has improved and rejects reduced due to training. As a result, farmers received a higher income due to increased sales, and because of the minimum price guaranteed by the pledge. • Smallholder farmers benefited from the knowledge received from the demonstration plots and from the training on good agricultural practices by Flamingo's Technical Assistants. During the project, Flamingo's training became more focused and there was also increased participation and implementation of the training by the farmers. 	 <p>BENEFITS FOR WORKERS IN FLAMINGO FIELDS AND PACKHOUSES</p> <ul style="list-style-type: none"> • A reduction in overtime for workers. Now there is better planning and more notice given when overtime is needed (including Flamingo hiring more labour to reduce overtime). • During the course of the project, permanent workers as a proportion of the total workforce increased from 47% in 2013 to 69% in 2016.
<p>BENEFITS TO BOTH SMALLHOLDERS AND WORKERS</p> <ul style="list-style-type: none"> • Better communication with management and also full supply chain meetings have resulted in specific issues of concern being raised and resolved for both workers and smallholder farmers. • An increase in the capacity and confidence of workers and farmers to raise issues, negotiate and bargain, has also led to progress on a number of issues of concern to these groups. Building the capacity of the welfare committee and establishing more formal grievance procedures has also contributed to the progress achieved. 		

"Farmers maintained product supply. When there was a drought and there was a shortage of the product in the area, the smallholders kept us moving and we are proud of them. They didn't sell the product to other parties. The out-growers (smallholders) kept committed to Flamingo and kept us operational so we didn't have to make as many people redundant as other local companies did."

FLAMINGO, KENYA

"The packhouse is still operational (despite the severe drought and other packhouses having to close) and will remain so as the out-growers' (smallholders') products from other regions still remains stable (especially the pledged M&S growers from Lewa and Meru region) which is a credit to our new pledge and farmer loyalty scheme, enhanced by the ways of working project with M&S."

EMAIL TO MARKS AND SPENCER FROM IAN MICHELL, MD PRODUCE, GROUP TECHNICAL, AGRICULTURE & PROCUREMENT DIRECTOR, FLAMINGO UK. APRIL 2017



PROJECT ACTIONS AND IMPACTS ¹⁰

The following section outlines in more detail what happened as a result of the programme and how that impacted the different parts of the supply chain. The information in this section has come from an independent impact assessment. Although this chapter is written in the past tense for consistency's sake, most of the actions and impacts were ongoing at the time of writing the report.

The project resulted in a number of inter-related changes and improvements. There was an overlap in the different activities which yielded a number of different improvements. For example, the training combined with the confidence that farmers would be able to sell a specified volume of crop at a minimum price resulted in the following benefits:

- Smallholder farmers remained loyal and continued to supply their long-term buyers at a time when brokers were offering to pay on-the-spot higher prices for the beans. This happened at a time when demand was higher than availability.
- The smallholder farmers had greater confidence in the information they were provided by the exporter, and were motivated to address quality issues and supply to the quality desired. Farmers were

given more detailed feedback on quality issues in a timely manner, and this increased their understanding of the reasons given for their beans being rejected. Farmers were also paid more promptly.

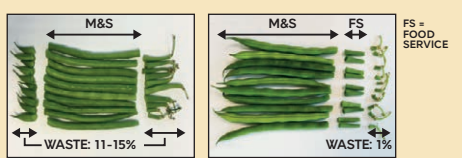
- Smallholder farmers had sufficient income and confidence to invest in purchasing inputs and spending the time needed to ensure good quality products were produced reliably.
- The project created a positive cycle of reliable supply of good quality product, which in turn built confidence, and led to an increase in the value the exporter placed on the role these smallholders play in their supply chain.

IMPROVED COMMUNICATIONS THROUGH THE SUPPLY CHAIN

- **Visits to the UK:** Representatives from Flamingo Kenya and also worker and smallholder representatives came to the UK twice for meetings with M&S at their head-office. They toured UK farms producing beans, visited M&S depots and a packhouse and were able to see their own products in stores.
- **M&S in Kenya:** M&S buyer and technologist met with Flamingo, smallholder farmers and workers in Kenya.
- **Whole supply chain meetings:** Instigated 'Ways of Working' meetings (face-to-face plus teleconferences where possible) that involved the different supply chain actors (smallholder farmers, workers, Flamingo Horticulture Kenya management, Flamingo Produce UK, M&S). Participants discussed and resolved issues to make the supply chain more effective for all, including a focus on the needs of workers and smallholders. Face-to-face meetings were facilitated by Traidcraft Exchange, who also took notes in these meetings. Teleconferencing has been used to continue these conversations.

CHANGED PRODUCT SPECIFICATIONS

- M&S and Flamingo agreed to change the product specifications to use a greater weight per bean (10% more than before) by reducing the amount cut off and leaving the 'tail end' on the bean, because it is edible. There used to be 11-15% waste cut off from the bean, now it is down to 1% with just the calyx end cut off.
- Previously the bean length was restricted to 10cm, even though the beans are grown to 13cm. Historically this was because of the punnet size. The packaging was changed by M&S and Flamingo from a punnet to a bag, which enabled a greater range of bean lengths to be presented.
- Evidence showed that there was no negative impact on the rate of sale or availability in-store as a result of the change in specifications and the new agreements.



INCREASED LEAD TIMES FROM M&S

Since November 2016, final confirmed orders are now given to Flamingo one day earlier than before. This is called 'Day one for day three orders' (used to be Day one for day two orders). Flamingo process orders every day of the week, but taking an example of delivering to the M&S depot on a Sunday, the process is outlined below:

- Order estimate received by Flamingo 28 days prior to delivery.
- During the day on the Thursday before arrival at the M&S depot, a large percentage of the order is packed and flown to the UK. At 9pm on Thursday, Flamingo receives the confirmed final order from M&S, packs the "top-up amount" on Friday, which is then flown to the UK on Saturday, reaches the M&S depots on Sunday, and is available to buy in the stores on Monday.
- The new system has improved the ability of the packhouse team to plan work schedules. Labour planning is done in the afternoon for the next day. Workers are notified of overtime opportunities at 1pm Kenya time on the day before so they can decide if they want the overtime and can make arrangements for childcare etc. When final orders are received, changes are made in production planning and assignment of labour to accommodate the orders if they are slightly more or less than expected. M&S have now rolled this out to some other product areas.

INCREASED LOYALTY AND STABILITY OF SUPPLY HAS IMPROVED PRODUCT AVAILABILITY

- Better understanding of the details of the supply chain from M&S and Flamingo UK has led to increased loyalty towards smallholders.
- **Smallholders have increased loyalty to Flamingo and M&S. They said they felt more connected to where the end product goes.**
- Smallholders continued to sell to Flamingo even in times of drought, when brokers were offering higher prices because demand was higher than availability. Smallholders kept each other accountable to sell to Flamingo because of the long-term benefits of the pledge.
- **Therefore, M&S had better product availability than other retailers during the drought.**
- Better communication of the realities of the sales curve to smallholders resulted in farmers deciding to plant at times that they had previously perceived to be 'low' season, but when in reality there is still demand. This has increased product availability for M&S and Flamingo. In addition, farmers are now selling shorter beans that they had previously thrown away, to a food service company, resulting in reduced food waste and more beans being sold overall.

"We are motivated to continue farming for M&S and Flamingo because we feel that our challenges have a platform to be discussed and addressed." *SMALLHOLDER FARMER*

IMPROVED BEAN QUALITY

- **Improved bean quality**, enabled sufficient quantities to be produced even in drought periods, because the farmers had enough confidence and cash flow to tend to their crops. Rejections at the packhouse reduced from 9% to 4% in 2 years. Wastage on farms was reduced by 50% to 10-30% of the overall amount produced.
- Increased adherence to planting calendars, improved availability and quality.
- **Reduced food waste** because of reduced rejections.

SMALLHOLDERS SELLING MORE BEAN VOLUME AND INCREASING THEIR INCOME

- The change in product specifications meant it was possible to pay the smallholder farmers 3% more per kg, which offset inflation and a disadvantageous exchange rate change.
- There is also a greater range of product lengths and more weight that smallholder farmers can now sell, which resulted in increased income.

FOR THE EXPORTER, IMPORTER AND RETAILER

- More income for the exporter as the volumes able to be sold had increased.
- **Less food waste** (a priority of Marks and Spencer's "Plan A" Corporate Social Responsibility targets).

PRODUCTION PLANNING AND OVERTIME

- Workers were informed of overtime opportunities the day before rather than on the day, so they can plan child care and transport. Knowing the production plan at least a day in advance was a specific request from the welfare committee.
- Knowing the production schedule/order plan the day before ensured the performance related pay system worked well, with the day's production volume being clear at the start of the day, so workers know what they are aiming for, rather than it changing half way through the day.

FOR THE EXPORTER, IMPORTER AND RETAILER

- **Less food waste** because the exact order amounts were shipped rather than estimates based on previous experience.
- **An extra day of bean shelf life for M&S.** The changes in schedule have resulted in 90% of the beans having a 6-7 day shelf life, instead of 50% of the beans previously. The rest has a 5 day shelf life.
- Fluctuations in orders have reduced.



KEY



Action



Impact for exporter, importer and retailer



Highlighting the benefits to the retailer



Impact for smallholder farmers



Impact for Flamingo direct workers in packhouse and farm

IMPROVED COMMUNICATIONS FOR WORKERS AND FOR FARMERS WITH FLAMINGO

- Workers became more aware of their rights and were better able to negotiate with management. Flamingo staff improved how they listened to and responded to workers.
- New contracts were used between farmers and the company, with better representation of farmers' rights.
- The effectiveness of the Workers' Committee and grievance procedures were improved.
- Quarterly meetings were held between Flamingo management and worker representatives and also with farmer groups.

BENEFITS FOR THE EXPORTER, IMPORTER AND RETAILER

- Improved attendance and work efficiency.
- **Communications improved, it was easier to resolve problems and trust increased.**
- An improved ability to identify and resolve issues (including quality) because of a shared understanding of the problems and possible solutions.

A NUMBER OF ISSUES OF CONCERN FOR FLAMINGO PACKHOUSE AND FIELD WORKERS WERE RESOLVED

- The proportion of workers on permanent contracts increased from 47% in 2014 to 69% in 2016, therefore improving the workers' financial security. There were fewer redundancies in the packhouse during the drought than in other companies because of steady production from the smallholder farmers.
- Overtime was significantly reduced and advance communication of overtime opportunities was improved.
- Communication between the workers and management was improved and workers raised issues through the Welfare Committee that have been resolved, for example improvements in personal protective equipment (boots in the cold area), changes to breaks and provision of hot drinks. Other improvements included subsidised meals, free medical care and free/subsidised transport.

A NUMBER OF ISSUES OF CONCERN FOR SMALLHOLDER FARMERS WERE RESOLVED

- Logistics/transport: The produce was collected earlier, at the smallholders' request (16.00 instead of 21.00), so less farmer time is wasted waiting for trucks. There was also a reduced risk in security because people were not returning home in the dark, and the beans reached the cool environment of the packhouse more quickly, thus improving quality.
- Rejects: Information about rejects and reasons for rejects were communicated more formally and promptly (the next day via smart phones) which had been a concern for smallholders. This has built trust and resolved issues more quickly therefore improving quality.
- Payments were paid more promptly and delivery of seeds was faster than before the project started.

FINANCIAL SECURITY HAS IMPROVED FOR SMALLHOLDERS

- Financial security has improved because of an increased certainty that a minimum weight of crop will be purchased at a minimum price.
- Increased overall income has given farmers more economic empowerment, so they can spend more money on what is important to them, such as building their businesses and supporting their children's education.
- Steadier cashflow. An improved understanding for the farmers of their costs and knowing how many kilos they need to sell to make a profit, has meant they are more likely to spend money on inputs and tending plants to get the desired quality.
- A profit analysis showed 69% of the farmers experienced a 10% or more increase in real profit in 2016.

INCREASED QUALITY

- **An increase in quality** resulted in fewer beans being rejected, more beans being sold by the farmer and therefore increased income.
- Pesticide use improved resulting in fewer issues with 'Maximum Residue Levels' being found on beans coming into the UK.
- Improved technical/agronomy knowledge has resulted in quality improvements on the farm.
- Learning shared with neighbours has brought more cohesion in the community and resulted in more people benefiting from replicating the learning.

"Now we know when we are making a loss and when we are making a profit. This is a result of improved record keeping. The Flamingo Technical Assistants teach us good agricultural methods and provide good agricultural input products to use. We used to fear the Flamingo staff in the field but now we have gained courage through the training." *GREEN BEANS FARMER*

CAPACITY BUILDING FOR COMMUNICATIONS AND REPRESENTATION

- The Kenya Human Rights Commission (KHRC) delivered training and capacity building for smallholder farmers and workers, to increase awareness of their rights and to be more confident and capable in raising concerns with management.
- Smallholder farmer training included contractual farming, record keeping, effective communication, good governance and engaging with Kenyan horticultural regulatory bodies and with Flamingo.
- Direct employee and worker training topics included grievance handling, labour law with a focus on Freedom of Association, governance, leadership, negotiation, bargaining, communication skills, contracts and H&S. Input also aimed to improve the structure of workers' committees to better represent the workers and improve the formal grievance procedures.
- Meetings between Flamingo management and workers and also meetings with smallholder farmers were formalised and their effectiveness was improved.

FLAMINGO PLEDGE FOR SMALLHOLDERS

Minimum price agreed by Flamingo

- Flamingo signed a pledge giving a guaranteed minimum price to farmers, even if good weather conditions meant a surplus was produced and market price decreased.
- The pledge meant that farmer payment was (on average) more than the market value. If droughts or floods reduced production and increased the market price, Flamingo paid a price closer to the market price even if it was more than the pledge.

Minimum monthly order volume

- A guaranteed monthly order volume (50% of M&S programme/target plan with Flamingo) was given 20 weeks in advance. The volume and price pledge was still in effect and was in the process of being renewed/extended at the time of writing this report.

CAPACITY BUILDING FOR SMALLHOLDERS

- Flamingo increased their support to smallholder farmers in terms of input on quality and agronomic advice. Flamingo increased the size of the support team, had assistant supervisors stationed in the regions and intensified their support in harvesting and grading. The emphasis of the training was on timely harvesting, proper grading and timely delivery to the packhouse.
- Charcoal coolers were provided at grading sheds to avoid dehydration and increase quality.
- Demonstration plots were used to help farmers understand their costs and the seasonal variations of profit margins.
- Flamingo provided good inputs (seeds, herbicides and fungicides) at lower costs. Previously smallholders used lower quality seeds and inputs and planted in the wrong season because of poor cashflow.
- Farmers and collection shed clerks were trained at the packhouse on how grading is done in order to increase their awareness of quality specifications.
- An exchange program was developed for farmers from different regions to learn from each other.
- The project worked with members of existing smallholder groups established by the exporter. They met regularly to discuss and resolve issues, to advise each other and to jointly access markets, purchase inputs and share costs.

LIMITATIONS AND CHALLENGES

FLAMINGO FIELD WORKERS AND PACKHOUSE WORKERS

Although the field workers and packhouse workers directly employed by Flamingo did benefit from the project, the smallholder farmers became the main focus of the project activities.

Living Wages

The workers' wage levels are still challenging in that region of Kenya, even though Flamingo pays above the minimum wage and more than other companies in the region¹¹. Packhouse workers earn 145% of the legal minimum wage¹². However, 100% of workers interviewed stated that the pay was not sufficient to live on⁹. This is a difficult issue in many sourcing countries around the world.

Flamingo is making other efforts to improve the financial stability of their workforce, including financial literacy training and also 'Emerging Leaders' training for workers which includes a financial management module and how to start a small business outside of working time.

Welfare Committee

Flamingo has a workers' welfare committee that goes beyond the legal requirements and it generally works well, but as with all consultative committees, there are always ways these functions could improve. Worker representatives wanted a more meaningful engagement in relation to how Flamingo set wages, and in how the redundancy processes were managed. However, due to restrictions of Kenyan law, Flamingo cannot legally negotiate wages with a workers committee, only with a union.

Quotes from the Welfare Committee for Flamingo Workers

- "Most grievances from workers are solved at the lower level without having to be escalated to the HR level."
- "I am happy being a welfare committee member because I was elected by workers. Given another chance I will still represent the workers."
- "At times we are not happy, especially when reporting an issue between a supervisor and a worker to the HR office. Many times this causes hostility between the supervisor, the concerned workers and the committee member responsible for that section."

Job Security

Within the time period of the project, the exporter-importer company was sold and the new owners made some changes which resulted in approximately 10% of the workforce being made redundant to ensure the company remained profitable. The company continues to hire workers when possible.

Also, due to droughts in 2016 all the companies growing beans in that region had to make redundancies. Some other companies had to close down for months. Flamingo also needed to restructure its workforce during the drought to survive as a business. Flamingo did this in such a way that was in accordance with the legal requirement in Kenya. There are opportunities to consider improving the way the consultation process is carried out, if this kind of situation happened again in the future. Flamingo had to make far fewer redundancies than other companies in the area because of the continued production from smallholder farmers, which kept beans coming through the packhouse, keeping those workers employed.

Training

The impact assessment report also noted that although there was a 'train the trainer' model with the training of worker representatives and farm group officials, more needed to be done to ensure the training continued. It needs to be institutionalised into the company's training program and provisions made to ensure training is passed on to new representatives and officials after election.



ISSUES RAISED BY SMALLHOLDER FARMERS THAT REMAIN UNRESOLVED

Additional markets

Farmers requested Flamingo's assistance in finding additional markets for beans that are produced above M&S' and other retailers' final orders and/or that don't meet the 'premium' standards, to reduce their losses.

Return of rejected produce

Smallholders wanted the rejected produce to be returned to them rather than being disposed of by Flamingo, so they can use it for feed etc. This is still being considered/resolved.

Change point of transfer of produce ownership

Farmers wanted the transfer of ownership of the beans to be at the local grading shed (the collection point for Flamingo trucks to pick up beans) rather than where it currently is, at the Flamingo packhouse, where beans are received and checked for quality. Rejections made at the packhouse can be a source of mistrust for the smallholder farmers because they are then at risk of not being paid for some of the crop they perceived as good quality when it left the grading shed. Flamingo has decided that at this stage transfer of ownership needs to remain at the Flamingo site/packhouse for various reasons, including the difficulty of implementing transfer of payment before the receiver has checked quality. However, to address the concerns, Flamingo made the following changes:

- New scales were installed at farmsites, because inaccurate scales had been causing discrepancies.
- The Flamingo packhouse was moved closer to the farmers, so it became a one hour drive from the smallholder farmers, to Timau, rather than a five hour drive to in Nairobi.
- Smallholder farmer training was conducted at the packhouse, so the farmers could see the product being received, graded and processed. This increased their understanding of acceptable production standards¹³.



MINIMUM PRICE, SURPLUS AND THE KENYAN CONTEXT

Flamingo has contracts in place with smallholders in compliance with the Horticultural Crops Development Authority Order, 2011. The contracts are registered with the Horticulture Crops Directorate (HCD) and indicate the produce price, quantity, quality requirements and the transfer of ownership point. The quantities collected may sometimes be less than the total produced because of fluctuating orders from retailers and surplus production. The contracts provide for a mechanism where parties agree on the best way to mitigate losses in such instances.

With the system of the minimum price provided by Flamingo to smallholders, there is a challenge if the smallholder farmers are producing a surplus due to good weather conditions. In that situation, Flamingo may have specified the seed, but they are only able to buy the amount they need for M&S and other customers' requirements. However smallholder farmers obviously want Flamingo to buy all they have produced for the guaranteed price rather than the market price (which is lower because of the surplus)¹⁴.

Flamingo has two types of agreements with smallholder farmers: Smallholder Producer Organisation (SPO) agreements and normal contracts for smaller farmer groups. (SPO is an umbrella group for a few small farmer groups). Some of the volume for M&S is supplied under SPO agreements and the surplus farmers sell is governed by normal contracts (in accordance with the Horticultural Crops Directorate). It is a requirement of Kenyan law that a small group of farmers can only sell beans to a nominated exporter, using a contract approved by HCD. Both the smallholder groups and SPO were set up by the exporter. Towards the end of the project some of the smallholders (together with some farmers not involved in the project) established for themselves a single separate group, now registered as a cooperative, which has a governance structure separate from the exporter. This will enable them to source advice independently from the exporter, assess whether to diversify into other crops, and market other crops.

DAILY WORKERS TO SMALLHOLDER FARMERS

In the original project aims, the group hoped to help improve the conditions and financial security of the daily workers on smallholder farms. However, the initial focus of the project needed to be increasing the income and financial security of the smallholder farmers themselves. Although the daily workers were not a major focus of the project in the end, it is hoped that their lives may have been improved by the fact that smallholders' incomes have improved and their security has been increased.

FOCUS ON A SMALL PART OF THE PICTURE

A comment from Flamingo was that this project has required a lot of time and resources focused on a small part of their whole supply chain and may have meant fewer projects and efforts could be made in other parts. However, this project has yielded learning and recommendations which are highly relevant for other perishable products.

NEXT STEPS

CONTINUED MOMENTUM AND IMPROVEMENTS IN THIS SUPPLY CHAIN

- M&S and Flamingo continue to work together to find the right mechanism for maintaining good two-way communication with the whole supply chain, as this is often a limiting factor in keeping momentum going with projects and partnerships. Since the project ended conference calls have been trialed, and currently M&S and Flamingo have appointed a consultant to support the businesses in hearing from smallholder farmers and workers who were involved in the project.
- Flamingo is continuing to consider the challenge of wage levels. Performance related pay has been beneficial but it's still hard to live on the wages provided, despite being above the minimum wage. This is not only an industry-wide issue in Kenya but is a challenge in many supply chains around the world.
- M&S, Flamingo and the farmers are working together to review and renew the pledge given to farmers which includes minimum volumes and a premium on the price. Potentially, this could be extended to other groups of farmers in Flamingo's supply chain.
- M&S would like to consider more options to improve supply chain management in order to further improve product quality and availability throughout fluctuating weather conditions, maximise the edible crop and increase shelf life. For example, in this supply chain this could involve cooling the product as soon as it's picked. This could extend the shelf life by up to 20 days, which could then allow for sea freight rather than air freight, a strategic innovation to mitigate the environmental impacts of transport.

SHARING AND EXTENDING THE LEARNING

- The knowledge from the programme has been shared with the wider industry because these problems are not unique to M&S' sourcing. The sharing has included sessions at the Ethical Trading Initiative and at the United Nations Business & Human Rights Forum. M&S and Traidcraft Exchange are open to opportunities to share the learning more widely, particularly in relation to sourcing other perishable products, or sourcing from smallholders.
- M&S is considering how best to communicate the product's positive story to consumers.
- Flamingo has noted that there are other crops/supply chains in Kenya (peas, mangetout, sugar snaps) and also in other countries that could benefit from this process and from better communication with order management teams in M&S and other retailers.
- M&S are working to understand how they can extend the principles learnt and developed from this project to other value chains.
- M&S has noted that better planning is needed. For this product they were able to make final orders one day earlier which had a large positive impact, so they now want to engage others within M&S to attempt to increase lead times on other products. There is still room for improvement for M&S to continue to work on order planning for this product, which would enable Flamingo to provide more accurate planting calendars and more accurate distribution of seeds.



LEARNING FOR M&S AND OTHER RETAILERS

All of the team involved in a product, including buyers, technologists, merchandisers and new product developers, can learn lessons from this project and apply them to the development, sourcing and sale of different product types.

M&S would like to spread the learning to other product lines as well as encourage people in similar roles with other retailers to take steps to put some of these principles into action.

OPENNESS TO CHANGE

A key aspect of whether something like this can work, is whether all parties are open to changing the way they operate for the benefit of the supply chain as a whole, and for the workers and smallholders. It is dependent on the mindset and character of the buying team and whether they are wedded to the 'status quo'.

AWARENESS OF THE IMPACT OF BUYING PRACTICES ON WORKERS

Some of the learning for M&S has included understanding that ordering patterns can create challenges for the supplier, smallholders and workers, sometimes even conflicting with the requirements of M&S' labour standards commitments.

RELATIONAL RATHER THAN TRANSACTIONAL SUPPLY CHAIN CONNECTIONS: COMMUNICATION

This kind of approach requires a movement from a 'transactional' trade connection to a 'relational' connection. This involves getting to know the real people at each level of the supply chain, respecting each other and engaging with them as people, listening well and working together towards solutions.

In this project, a key aspect of this shift was increased communication across the whole supply chain. In a supply chain, having open communication between retailer importers, exporters, workers and smallholders means that there is potential for a good mutual understanding and any issues that arise can be resolved more easily.

Care needs to be taken in the set-up of supply chain meetings. It is essential that each stakeholder group is able to nominate their own representatives to speak at the meeting without interference. It can help if some meetings are independently facilitated and capacity



building prior to the meeting can also be helpful. However, this isn't practical for all dialogue.

Some points to consider:

- Ideally, where possible, an initial face-to-face meeting can help to establish trust and confidence in the process.
- The option of holding whole supply chain phone conference meetings could be explored at a frequency which works for all the supply chain stakeholders. Discussions could include what is going well (not just commercially but in terms of producers'/workers' lives and wellbeing), what are the frustrations or issues and then working together to brainstorm solutions. In these meetings it is important to find out what is actually important to the workers and smallholders and what can be put in place to improve these areas.
- Finding a practical mechanism for this regular dialogue without it costing lots of money is key to sustaining communication e.g. conference calls, dialling up people's mobile phones.

Video conferencing may not work well with limited internet in some sourcing countries. In this project, Skype voice calls with multiple participants has worked best so far.

VALUING THE ROLE AND PERSPECTIVE OF A 3RD PARTY

Openness to hearing different perspectives on the same issue is also vital for finding a solution. In this project, the involvement of a third party helped to identify issues and bring resolution through facilitated conversations. This involvement, at times, built the confidence of the weaker party to speak up in meetings, and helped solutions to be found that involved all parties, in a way that might be difficult in normal business interactions because of inherent power dynamics. Generally M&S would visit its suppliers in Kenya at least once a year. The attendance of a third party prompted a different type of dialogue to take place which enabled more time to be given to understanding the challenges for all members of the supply chain.

LEAD TIMES AND FORECASTING

In this project, M&S changed the time of their final confirmed orders to be one day earlier than before. They also gave a 28 day order forecast.

Buyers of other products might consider whether it is possible to confirm orders a day or two earlier. This can make a big difference in production planning, so that working hours for packing staff can be managed better, which can result in a significant positive change in wellbeing for workers.

Forecasters can aim to increase the accuracy of forecasted volumes and provide more medium-term and long-term 'target plans' in advance. These changes can have a massive impact on ensuring that farmers do not grow unwanted products, and on the working conditions of farm and packhouse workers. They can also help to spread risk more fairly throughout the supply chain.

When forecasts are very different to final orders, this causes smallholder farmers to carry a lot of risk, because they need to plant the products in advance. Retailers need to work with their suppliers to look at ways to increase the accuracy and credibility of their forecasts. Work needs to be done on finding good ways to do this. Traidcraft Exchange suggests this might include exploring some kind of financial consequence if the final order is not within a certain % variation of the forecast.

PRODUCT SPECIFICATIONS: THINKING OUTSIDE THE BOX

This project saw significant benefits being passed on to smallholder farmers, because of different stakeholders in the supply chain being open to doing things differently and not being stuck with how things have been done in the past. Being flexible about the length of the bean sold, its packaging and how it was cut, resulted in more bean volume being able to be sold.

Technologists, buyers, merchandisers and new product development teams could think through questions such as:

- Is the product dictating the packaging or is the packaging dictating the product? If the packaging was changed would it give a way to improve value to the supply chain or create less waste?
- What small changes can be made that will release value, that can be passed on to workers/smallholders?

GUARANTEEING A MINIMUM INCOME

In this project, the supplier Flamingo negotiated a pledge with the smallholder farmers and provided them with a guaranteed minimum volume that they would buy and a minimum guaranteed price. This increased the smallholder farmers' loyalty and therefore the reliability of supply. The farmers knew it was worth their while tending the crops to meet quality specifications because they were guaranteed a sale.

Working together with suppliers, buyers could investigate how reliability of income could be made more secure for other small scale farmers of perishable crops. Could minimum volumes and/or minimum prices be included in pledges or contracts?

INVESTMENT OF TIME AND RESOURCES

The approach taken throughout the project clearly has benefits for every level of the supply chain but does take commitment of both time and people/resources.

FLEXIBILITY IN FINDING SOLUTIONS

Every single product and supply chain has to look at its own structure to see what changes could be appropriate and beneficial.

When attempting this kind of approach, it's important to be aware that some changes may be tried and then the situation may change over time depending on market circumstances. It's important to have a flexible approach that allows solutions and interventions to evolve. It helps to focus on enabling each of the supply chain participants to speak up and to develop solutions together.

LONG-TERM COMMITMENT

Wherever possible, having longer term relationships with particular suppliers enables this kind of progress to happen, because trust needs time to be built. An investment in making improvements in a supply chain through better communication can be a long term process. In addition, commitment to suppliers means security of jobs for workers.



ANNEX

KEY FEATURES OF THE “PLEDGE” AGREEMENT RELATING TO MINIMUM VOLUMES AND PRICE.

The following text includes key relevant sections of the Flamingo pledge with Small Producer Organisations of farmers' groups.

Text in [square brackets] indicates sections to be replaced, if agreements like this are to be adopted by other exporters with their smallholders.

Agreement is made on [date] between [Small Producer/Farmer Group & legal address] and [Exporter & legal address].

[Exporter] has agreed to engage the services of [Small Producer/Farmer Group] to plant, nurture, and harvest [types/names of crops] crop(s).

The agreement will be read in conjunction with [Exporter] Code of Practice for Outgrowers, Global Gap, [Retailer standards] and other industry standards that shall apply during the agreement.

It is agreed and understood between the parties as follows:

1. Duration

Commence on [date], and remain in force for a period of one year. Discussions regarding renewal of the agreement will start three months prior to the expiry of the one year period.

2. Volumes

[Exporter] will purchase on a weekly basis, a minimum of [X] kg/week of [product] from [Small Farmer Group] specifically destined for [Retailer].

3. Price

[Exporter] will pay minimum price (associated with purchases for [Retailer]) of [Y] [currency] per kg of [product].

4. Pesticide residue testing

[Exporter] shall carry out routine tests for pesticide residues. In the event that Maximum Residue Levels are found to exceed EU/UK standards or the use of non-approved chemicals is detected, then this Agreement is terminated immediately, and [Exporter] shall not be liable for any direct or consequent losses incurred by [Small Producer/Farmer Group].

5. Payment

The planting programme is expected to yield the Agreed Weight of product set out in [Appendix 1]. [Exporter] will buy the Agreed Weight of the product at the Agreed price. Payment for the Agreed weight of product supplied shall be made within one week from the last day in the week produce is delivered.

[Small Producer/Farmer Group] shall submit any claims for erroneous payments within two weeks from date of the receipt of the statement from [Exporter]. [Exporter] will respond to such claims in writing within two weeks of receiving them.

6. Dispute Resolution

Any dispute in connection with this Agreement shall be first resolved by means of joint cooperation or discussion between representatives of both parties within one week after a dispute arises or an extended time period as the parties may in writing allow. Failing which, the same shall be referred to arbitration by [Kenyan Horticulture Crops Directorate (HCD)].

REFERENCES

- 1 Useful resources include:
 - 'The Joint Ethical Trading Initiatives' Guide to buying responsibly', based on international research carried out by the International Labour Organisation
https://www.ethicaltrade.org/sites/default/files/shared_resources/guide_to_buying_responsibly.pdf
 - Fresh Perspectives. Traidcraft Exchange <https://www.traidcraft.org.uk/policy-resources/2017/10/20/a-fresh-perspective-responsible-vegetable-buying>
- 2 www.traidcraft.org.uk/
- 3 www.comicrelief.com
- 4 www.khrc.or.ke
- 5 <https://corporate.marksandspencer.com>
- 6 <https://flamingo.net/>
- 7 UNDP 2013
- 8 International Peace Information Service (IPIS) – website <http://ipisresearch.be/>
- 9 Independent impact evaluation report in November 2016, conducted by an independent consultant, Mike Muchilwa in consultation with farmers in Meru and Lewa, Flamingo workers, Traidcraft Exchange, Kenya Human Rights Commission, Flamingo and M&S.
- 10 This information has been taken from the independent impact assessment (see reference 9) and also interviews with: Matt O'Hagan and Chris Ling, the agronomist and buyer for green beans at M&S; Fiona Gooch at Traidcraft Exchange; Martin de la Harpe, Sustainability for Flamingo; Ian Michell, MD Produce, Group Technical, Agriculture & Procurement Director at Flamingo UK and Leonard Nawiri, Ethical Trade Services.
- 11 Interview with Leonard Nawiri, Ethical Trade Services, who visits the smallholders and workers every quarter to check on the progress of project outcomes. Interviews with packhouse workers.
- 12 Reported by Leonard Nawiri, Ethical Trade Services, who visits the smallholders and workers every quarter to check on the progress of project outcomes. Interviews with packhouse workers. November 2017.
- 13 Ian Michell, MD Produce, Group Technical, Agriculture & Procurement Director at Flamingo UK.
- 14 Conversation with M&S buyer and agronomist.



The project 'Kenya Horticulture – A Fair Deal for Smallholder Farmers and Workers' brought together Marks and Spencer, Flamingo Horticulture, Traidcraft Exchange and the Kenya Human Rights Commission, enabling the different levels of the green bean supply chain to work in partnership towards better communication, improving commercial benefits for all, more secure supply and improved livelihoods.

It aimed to improve the livelihoods of smallholders and workers involved in the Kenyan horticultural value chain, who produce fine green beans. The project resulted in a number of benefits for all levels of the supply chain and has produced some useful learning for other supply chains dealing with perishable products and/or smallholder farmers.

The specific benefits yielded from this project include improved quality, better availability of product, less food waste, longer shelf life and more loyal and reliable supply. This comes alongside the associated benefits of higher and more stable incomes for farmers, more secure employment for workers and a better alignment of the retailers' buying practices with its code of conduct for working conditions in supply chains.

This joint report produced by Traidcraft Exchange, Marks & Spencer and Flamingo Horticulture contains a summary of the project, outcomes, impacts and lessons learnt for retailers, importers and other purchasers of perishable products or agricultural crops from smallholders.

Report written by Hilary Murdoch on behalf of



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