



Frigoken Limited: How Small Bean Farmers in Kenya Now Export to Europe

When farmers move beyond subsistence agriculture to produce surpluses, local economies experience an infusion of capital that, in turn, leads to the development of small enterprises, the formation of new markets and the injection into cash-starved economies. However, there are often major obstacles to sustaining such growth, including the seasonal nature of agriculture, quality control problems and transport.

To address these issues, Frigoken, a project company of the Aga Khan Fund for Economic Development (AKFED), began providing a number of services to Kenyan bean farmers, including price guarantees, the provision of seeds, quality control, processing, transport and marketing. By processing beans throughout the year (rather than only when there was demand during European winters), a steady income was assured to farmers, many of whom had plots smaller than 2 acres -- on which they typically cultivated around 200 square metres.

Today, Frigoken is the largest exporter of processed green beans from Kenya, accounting for over 80 percent of the total exports. Most of these beans are sold on European markets under famous brand names.

The company currently provides direct employment to over 2,700 people, most of whom are women, and supports over 45,000 small scale farmers in rural areas of Kenya.

Industrial Promotion Services (IPS), AKFED's operating arm in the industrial sector, currently invests in over 50 companies in the developing world. IPS companies are involved in various sectors including printing and packaging, agro-industry and foods, leather, specialized textiles and infrastructure, including power generation and telecommunications.