

JUNE 2025

Advancing Research Evidence for Youth Employment in Agribusiness and Agro-Processing:

Building Inclusive Policies and Practices for MSME Growth in Kenya

Benson Mangeni, Patrick Odame, Lucy Adoyo, Elsie Kangai, Mercy Limiri and Jim Kaketch

Executive Summary

This policy brief is based on the synthesis and analysis of Utafiti Sera Youth Employment Creation project survey data, comprehensive literature reviews spanning global, national, and county initiatives, newly generated evidence from an empirical study focusing on new youth-led Agro-based SMEs in mango, potatoes, and avocado value chains, and a stakeholders' forum comprising National and County leaders, youth, business communities, academia, research institutions, NGOs, and farmers. The project is hosted by the Centre for African Bio-Entrepreneurship (CABE Africa) in collaboration with the Partnership for African Social and Governance Research (PASGR).

The policy brief underscores the critical role of agribusiness and agro-processing in addressing youth unemployment in Kenya, focusing on mango, potato, and avocado value chains. It identifies challenges such as gender and age disparities, limited formalization of youth-led MSMEs, inadequate access to finance and markets, and low participation in value addition. Despite their potential, youth involvement in agribusiness is hindered by insufficient skills, fragmented business environments, and lack of enabling infrastructure. The findings reveal that most youth-led enterprises operate informally, face difficulties in scaling up, and struggle to access export markets due to regulatory and logistical barriers. These challenges call for targeted interventions to promote sustainability, equity, and innovation within the sector.

To enhance youth participation and employment creation, the policy brief recommends improving access to finance, facilitating business formalization, and promoting ICT adoption in agribusiness. It emphasizes the need for gender-inclusive policies, capacity-building initiatives, and infrastructure investments to support value addition and market linkages. Coordination among stakeholders, including government agencies, private sector players, and civil society, is crucial to creating a supportive ecosystem. These measures aim to transition agribusiness from subsistence to a competitive, youth-driven sector, contributing to Kenya's economic growth and achieving national development goals.

Policy Brief



Introduction

Over one million Kenyan youth enter the labour market annually, comprising school dropouts, high school graduates, and those not enrolled in tertiary institutions. An additional 155,000 join after completing TVET or university, with only 12,000 from agricultural institutions (Mwaura, 2017). Many lack the skills and experience needed for employment, leading to frustration and potential engagement in vulnerable or illegal activities, contributing to social and political unrest. There's a lack of structured transition programs to help youth navigate the labour market effectively, especially concerning diversification and adapting to changing market conditions. This issue affects young women disproportionately, along with other dimensions such as family formation and adherence to social norms.

Despite significant efforts by both government and non-governmental entities to promote agriculture among youth in the past decade, there are still areas needing attention. These include youth participation in agriculture, job characteristics, agribusiness formalization, and the business environment. Addressing these issues will inform policy development to enhance job creation and agricultural sector transformation.

The mango, potato, and avocado value chains were selected for their significant socio-economic and employment potential. Mangoes are vital cash crops in semi-arid regions like Makueni County, which leads in production and export, supported by investments such as the Kalamba Fruit Processing Plant and improved farming practices. Similarly, West Pokot is enhancing value addition by introducing exotic varieties and establishing processing plants, despite low youth and women participation in cooperatives. Potatoes, Kenya's second most important food crop, contribute to food security and efficient land use, with Nyandarua County producing about 33% of the national yield. However, traditional farming methods and limited access to certified seeds constrain growth, presenting opportunities for modern interventions. Avocado farming, with Kenya ranked sixth globally, has seen rapid growth supported by investments in seedlings, cooperative development, and export partnerships in counties like Kakamega, showcasing its potential for youth employment and sustainable economic development.

Methodology

This policy brief synthesizes insights from the Youth Employment Creation (YEC) phases I, II, and III, focusing on the mango, potato, and avocado value chains. The analysis is based on an interdisciplinary mixed-method approach, incorporating youth narratives from surveys across counties, key informant interviews with stakeholders, and focus group discussions with young entrepreneurs. Participatory methods emphasized youth engagement, while quantitative data explored youth participation, business formalization, job types, and MSME success factors. An empirical literature review and a policy forum on the selected value chain provided additional insights. YEC IV identified gaps in youth-led MSME data within the value chains and addressed this through a rapid assessment and data triangulation. Findings were shared at a stakeholder forum, which co-designed capacity-building interventions to enhance evidence generation and support MSME-led youth employment initiatives.

Results / findings / key insights

The findings underscore the critical role of selected agricultural value chains viz. mango, potato, and avocado in addressing youth unemployment and fostering economic growth in Kenya. These value chains were chosen due to their potential for job creation, enhanced productivity, and capacity for value addition. The findings highlight gaps and opportunities within the value chains and provide actionable recommendations to maximize their impact on youth employment, with support from empirical data and literature.

1. Youth Participation in Value Chains

Youth engagement in agriculture is essential for transforming the sector, yet significant disparities exist, particularly in gender representation and resource access (Njeru & Mwangi, 2017). Across the selected value chains, male dominance is prevalent, with female participation higher in secondary activities. For example, in the potato value chain in Nyandarua County, participation is nearly equal (51% male, 49% female), contrasting with the mango value chain in Makueni, where males dominate at 79%. Policies must address these disparities by enhancing youth access to

resources and opportunities, particularly in high-value segments. Empowering youth through targeted initiatives and customised trainings is critical for sustainable sector transformation.

2. Business Formalization Challenges

Despite high awareness of the benefits of formalization—such as access to finance and market linkages—registration rates among MSMEs remain low. In Makueni's mango value chain, registration is only 37%, while it is 18% and 7% for Nyandarua and Kakamega, respectively. Challenges include lengthy procedures, high costs, and uncertainty about business performance (Kaplan et al., 2006). Tailored incentives, such as simplified registration processes and access to credit, can encourage formalization, leading to greater market access and increased economic contributions from MSMEs.

3. Nature of Jobs Created in Value Chains

The selected value chains primarily generate temporary jobs, with 86% of MSMEs offering casual employment. This is particularly evident in potato and avocado value chains, where youth engagement focuses on primary production. In contrast, Makueni's mango value chain shows potential for value addition, with 14% of youth involved in processing. Expanding value-added activities through infrastructure investments, such as processing plants and storage facilities, and establishing high-value markets for finished products can create stable, higher-value jobs for youth. Addressing barriers like limited financial access and technical training is essential for realizing this potential (FAO, 2020).

4. Access to Finance and Markets

Access to finance remains a critical barrier, with 62% of Makueni's mango value chain MSMEs relying on personal savings. Similarly, market access challenges, including price volatility and broker dependency, hinder growth. Addressing these barriers through targeted government interventions, such as affordable credit schemes and trade policies supporting integration into export markets, can significantly enhance the economic impact of the value chains. Strengthening linkages between producers and high-value markets is necessary to unlock the sector's full potential.

Policy Recommendations

Based on the findings, this policy brief outlines the following recommendations

i. Transform Youth Perceptions and Build Awareness of Agribusiness Opportunities

Develop and implement targeted campaigns to change youth mindsets about agriculture by showcasing success stories, potential incomes, and career opportunities within mango, potato, and avocado value chains. Engage youth representatives in designing awareness programs and prioritize initiatives that illustrate the potential for sustainable livelihoods through agribusiness.

ii. Enhance Coordination of Interventions for Inclusive Youth Participation

Improve collaboration among government ministries, development agencies, civil society organizations, and private sector actors to harmonize agribusiness programs. Establish an integrated framework at both national and county levels to address skills gaps, facilitate access to markets, and increase youth participation in value addition and secondary activities within the selected value chains.

iii. Promote Access to Finance, Land, and Modern Agricultural Technologies

Facilitate access to affordable financial services through government-backed loan schemes and private-sector partnerships. Address barriers to land ownership for youth through innovative mechanisms like land leasing and communal land management. Expand the use of ICT solutions and Agri-technology innovations to improve market access, input delivery, and agricultural advisory services.

iv. Strengthen Vocational Training and Capacity Building in Agribusiness

Tailor vocational training and entrepreneurship education programs to align with the specific needs of youth engaged in agriculture. Collaborate with educational institutions and technical training centers to provide practical, hands-on training, incubation, mentoring and coaching that enhances skills for productivity, value addition, and innovation. Focus on building entrepreneurial capacities and leveraging digital tools for business operations.

v. Support Market Linkages and Value Addition Initiatives

Invest in infrastructure and capacity building to support value addition activities, such as processing plants and storage facilities, for mango, potato, and avocado value chains. Strengthen producer clusters and cooperatives to facilitate aggregation, improve bargaining power, and connect farmers with high-value export markets. Address challenges like market volatility and transport inefficiencies.

vi. Institutionalize Monitoring, Learning, and Youth Participation in Policy Implementation

Develop comprehensive monitoring, evaluation, and learning systems to assess the effectiveness of youth-focused policies. Invest in quality data collection to inform evidence-based policy decisions and integrate successful experiences into future interventions. Strengthen youth-led advocacy networks to enhance their voice in decision-making processes and drive policy reforms to support agribusiness transformation.

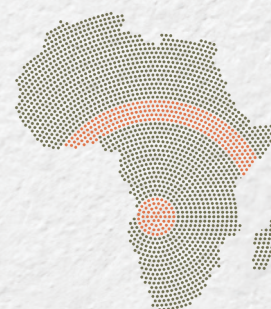
The policy brief was written by Benson Mangeni, Patrick Odame, Lucy Adoyo and Elsie Kangai, from the Centre for African Bio-Entrepreneurship (CABE Africa) and Mercy Limiri and Jim Kaketch from Partnership for African Social and Governance Research (PASGR). It was produced in the context of the Utafiti Sera project on Youth Employment Creation in Agriculture and agro-processing House with support of Hewlett Foundation and PASGR. Utafiti Sera project is an innovative model for bridging the gap in evidence and policy processes aimed at enhancing growth of communities of practice around specific policy issues. The model facilitates meaningful and equitable participation of diverse value chain actors in evidence informed decision making (EIDM) and systematic engagements and deliberations. Project covers Kenya, Rwanda and Zambia. The views expressed do not necessarily represent those of the Foundation, its staff, or its Board of Directors.

Disclaimer

The views expressed do not also necessarily represent those of CABE Africa and PASGR. The opinions expressed are strictly those of the authors and do not necessarily reflect the views or policies of PASGR and the Hewlett Foundation.

References / Further reading

1. FAO. (2019, January 20). Rural youth employment and agri-food systems in Kenya: A rapid context analysis. Retrieved January 2024, from FAO: <https://www.fao.org/documents/card/en/c/CA7341EN/>
2. GoK. (2017, July). Kenya Youth Agribusiness Strategy 2018 - 2022: Positioning the youth at the forefront of Agricultural Growth and Transformation. Nairobi. Retrieved January 21, 2024, from https://kilimo.go.ke/wp-content/uploads/2021/01/Kenya-Youth-in-Agribusiness-Strategy_signed-Copy.pdf
3. Mwaura, G. M. (2018). Youth Employment Creation in Agriculture & Agro-Processing in Kenya: Synthesis Report
4. Njeru, L.K. and Mwangi, J.G. (2017). "Influence of gender differences on youth participation in agriculture in Kajiado North Sub County, Kenya", International Journal of Development and Sustainability, Vol. 6 No. 8, pp. 851-861
5. Partnership for Economic Policy, PEP. (2014). Productive Employment in Segmented Markets of fresh produce. <https://www.pep-net.org/programs/presm#Project>
6. PASGR. and CABE. (2018). An Apprenticeship Policy Framework on Youth Employment Creation in Agriculture and Agro-Processing in Kenya: Utafiti Sera Policy Brief.



pasgr.org
PARTNERSHIP FOR AFRICAN SOCIAL
& GOVERNANCE RESEARCH

Partnership for African Social & Governance Research (PASGR)

6th Floor, I & M Building, 2nd Ngong Avenue, Upper Hill
P.O. Box 76418-00508, Nairobi, Kenya | Email: research@pasgr.org
Tel: +254 (0)20 2985000 or +254 (0)731 000065

www.pasgr.org