Value Chain Development for Tilapia and Catfish Products: Opportunities for Female Participation in Kenya

Kwamena Quagrainie*

*Purdue University

Abstract

Session #504 A Benefit-Cost Analysis using ratios of annual costs and benefits was calculated for fish farmers (aquaculture) and fish marketers (including distributors, processors and retailers). Forty five of the 86 respondents had a benefit cost ratio higher than 1. Further analysis investigated effects of selected variables on ratios. Relative to Eldoret, marketers in Nairobi and Kisumu were more likely to have lower margins possibly due to the size of markets, competition and customer base. Experience had a positive effect on ratios probably because of the relationship-based nature of the fish markets. Fish marketers who had been in the business longer had created a strong customer base and stronger ties with their suppliers and customers. The data showed that performing multiple business functions had a negative effect on financial viability suggesting that specialization, and/or focusing a larger portion of the business in either retailing or wholesaling was better. Although gender effect was insignificant, the regression showed that being a female had a positive effect on the business financial viability. As part of the VCA framework, we used Porter’s model for competitive analysis in conjunction with the marketing mix (Ps) and SWOT analysis, performance profiling and the factor evaluation matrix. In terms of Porter’s 5 forces framework, the best value chain opportunities exist for fish marketers and the worst exist for input suppliers. Despite the high initial costs, by diversifying and also acting as hatchery and/or breeder, fish farming is viable.