

IN-FEAST Africa

Knowledge Exchange Event

Event Report

Introduction

On July 6th, Netherlands Food Partnership (NFP) - together with Fair & Sustainable (F&S) Consulting and New Generation Nutrition (NGN) - organised the **Insect Farming East Africa** (IN-FEAST Africa) event to allow for the exchange of knowledge and experiences on insect farming in East Africa. Insect farming is an upcoming industry in the region that offers opportunities for improved food security, economic development and a reduction of waste streams.

Key Note

The event was kicked off by Mr. Bart Pauwels, Agricultural Counselor at the Embassy of the Kingdom of The Netherlands in Nairobi. Mr. Pauwels emphasised the Embassy's recognition of the potential and opportunities in insect farming and its contribution to more sustainable and inclusive food systems. At the same time he addressed the challenges that the industry faces in its growth and taking the step to impact and business at scale, which set the stage for the subsequent presentations and discussions.

Presentations

Black Soldier Fly Kenya

Laura Stanford ([The Bug Picture](#)) and Laura Martinussen ([F&S](#)) presented their recent report on the potential for a Black Soldier Fly (BSF) Platform in Kenya. They indicated that, while different types of insect farming take place, BSF is dominating on the feed front. One of their findings is that the industry is currently quite fragmented and characterised by a large number of small players doing everything. The sector could benefit from more organisation and formalisation, and a professional association. An association that aims to bring farmers and other actors together for improved collaboration and information sharing, while working with the government to better understand the processes and the



licences required. The most pragmatic approach would be to help further strengthen the already existing BSF Association in Kenya, for example in establishing a transparent governance structure for trusted membership, government (and other) advocacy and lobbying, creating a vetted and responsible knowledge sharing platform, and a platform for establishing partnerships and attracting funding.

Access to Finance

This attracting of funding, which had been identified as one of the key challenges of industry farming actors, was the focus of the next presentation by Dominic Strano ([IDH](#)). IDH finances sustainable value chains through a variety of financial instruments, such as their Farmfit Fund, Land Degradation Neutrality Fund, AGR13 Fund and Green Fund. Mr. Strano indicated that insect farming is a nascent industry, which makes the majority of investors hesitant to invest. He connected this to the often seen mismatch between demand supply for investment necessary to accelerate market transformation. IDH tries to bridge that gap through their Investment Development hubs that provide a full range of services such as business coaching, technical assistance and grants, seed capital, investment network and finance for scaling. Mr. Strano further emphasised that IDH ideally works with aggregated parties - rather than individual ones - with an ambition to grow and who have a clear sight on who their suppliers, partners and off takers are.

Side Sessions

After the presentations the participants entered into side sessions based on the insect farming industry's main challenges¹: **access to funding, improved technical capacity / training, and improved collaboration.**

Side Session: Access To Funding

Entrepreneurs mentioned that they struggle with **finding investors** in the first place, they perceive **criteria** to qualify for financing as **too strict**, and notice a **reluctance to invest in operational expenses**. The **innovative character** of the sector and the **characteristics of the entrepreneurs** (e.g. youth) were mentioned as being perceived 'too risky'. From the investors' perspective it was mentioned that they see that entrepreneurs spend a lot of attention on supply, but less often on **creating demand**. Finally, there seems to be a '**financing desert**' where businesses are too big for microfinance, but too small for private equity.

Suggested solutions focused on the power of aggregation and collaboration to de-risk investments:

- Join with other actors in your **value chain** or even **eco-system** (e.g. service providers, advisors) to apply for funding;
- Apply for **blended funding**: financing for business as well as technical assistance;

¹ Participants were asked about the main challenges within the industry upon registration. The side sessions were organised around the 3 challenges that were ranked highest.



- Change the conversation to **food security** rather than insect farming;
- Make sure you can **illustrate (expected) demand**. For example, by already partnering with potential off-takers (to underline that there will be no growth bottlenecks in the value chain).

Side Session: Improved Technical Capacity / Training

Information on best practices in insect rearing is **fragmented** and **not context-specific**. As a consequence there is a lot of trial-and-error going on, which is amplified by the context-specific variables that influence results of the rearing process (e.g. climate, substrate mix). A lot of information is available online, but the **legitimacy** is difficult to assess. And where information is reliable (e.g. through credible training institutes) the **provision of information is *ad hoc*** rather than regular. Moreover, participants mentioned a **lack of motivation** from individuals to **follow a certified training**, partly due to a **lack of investment to run training programs** for entrepreneurs. Finally, in many communities there is a **cultural barrier** to accepting insects as part of a food value chain.

Suggested solutions focused on collaboration and professionalisation:

- **Joint research partnership** considering the information needs in the value chain in different contexts to make available credible information/evidence;
- **Showcasing viable insect businesses** and involving farmers to improve uptake of innovation. In combination with **demo farms** (skilled locations) to set-up research units on different local substrates to generate evidence and document processes which can be used in trainings for farmers;
- Work together with like-minded production farms who are willing to **share documented best practices** to make credible information available;
- **Investments** (in forms of grants, revolving funds) in research, training and knowledge transfer. E.g. Work with country agricultural ministries and lobby for funds;
- **Opening up info across East African countries** as currently much of the knowledge/facilities are focused on Kenya;
- **Certification** through credible training institutes to give credibility to trainers and programs
- **Value chain and stakeholder mapping** per country to know which players there are and how they can complement efforts of others;
- **Organising associations** in the form of working groups to document information, organise trainings on specific knowledge/expertise gaps in the sector.

Side Session: Improved Collaboration

Information and knowledge sharing within the sector seems to be **limited**. Mainly because entrepreneurs are afraid of **losing their competitive advantage** or people are still **'figuring it out'** and cannot guarantee the quality of information. In line with that, most **information is unverified**



and **not made available in an organised manner**. Finally, participants mentioned that **priority of core-business activities** tend to prevail over more collaborative activities such as sharing information and building networks.

Suggested solutions focused on a value chain approach, professionalisation and 'starting small':

- Start with **small regular activities**, such as monthly webinars or "breakfast cafés" around a certain topic regarding BSF farming;
- Develop a **common language** in the sector around the main definitions and topics;
- An association should **include actors of the larger value chain** rather than just focus on producers, to find synergies and working together to solve key issues;
- **Demonstrate the benefits** of an association. People only pay for something that benefits them in some way (e.g. a learning library with validated knowledge to access and learn, a place of action instead of only having conversations);
- An association should, in the end, be able to **function independently from donor funding**;
- **Benchmark and learn** from other sectors organisation (such as apiculture association)
- **Annual event** to discuss state of the sector and provide network opportunities;
- **Professionalise existing BSF Association Kenya**. E.g. one-pager about BSF association (activities & expectations), create smaller groups within association, coordinate secretariat). The association in Kenya can act as a blueprint for other countries or a future regional association.

Panel Discussion

During the final part of the event a selected panel discussed the topics of *market access* and *conditions for scaling*. The panel consisted of Bon Tjeenk Willink ([Koudijs / De Heus](#)), Michael Lwoyelo ([Sanergy](#)) and Jacques Steffens ([Sapling 54](#)). Mr. Tjeenk Willink indicated that an off-taker is mainly concerned about being supplied with a consistent volume and quality at a good price. But the sector is currently still too fragmented to stabilise both volume and quality. Mr. Steffens argued that the opportunity lies in value chain or eco-system investing: collaborating with other value chain actors to improve volume and quality, and at the same time ask for a bigger amount to strengthen the value chain or eco-system as a whole. Thereby de-risking the investment. Moreover, Mr. Tjeenk Willink stressed the importance of clearly defining what you are and do as a business, since the current industry consists of a large number of small businesses trying to do everything. Mr. Lwoyelo stressed that collaboration is crucial for scaling. Working together not only with other actors in your value chain to improve your cost of procurement (of inputs), production and processing, but also with organisations that can further help strengthen your business and the sector. Such as waste collectors, county governors, industrial players (esp. Processing industry) and knowledge institutes such as ICIPE to maximise yields. As final words, the panelists emphasised a couple of words of advice: create an interesting story for the investor, collaboration is crucial and make sure to talk to your customers.



Contact

Thank you for helping to make this exchange of knowledge, information and experiences a success. If you have any further question, or perceive opportunities for collaboration please do not hesitate to contact us:

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