

Mr. John Mbuu and Jat Flora farms – a case study of social entrepreneurship

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Abstract

During the last year, students and faculty of the Medgar Evers College, Entrepreneurship & Experiential Learning (EEL) lab participated in international travel to ten countries, studying, discussing, and observing entrepreneurship innovations worldwide. On this the third visit to Kenya the Medgar team witnessed the power of social entrepreneurship.

Chairman, John Mbuu and farm manager, James Akech have worked together since 2009, first as a flower nursery exporter; later producing trees for environmental sustainability; and currently as growers of organic foods. The team won the 2012 Eco Total global award for environment sustainability. The farm is located in the rural town of Gilgil, employs 70 - 100 laborers of which 40% live on the 350-acre property. The leadership team indicates that market research is the key to their successes and ability to continually re-invent the farm's operations to meet customer demand. Their goal is to produce products and grow multiple income streams to support the families they employ.

The presentation will discuss the leadership team strategy in dynamically re-configuring product mix; the social impact on the local town; and the team's ability to continuously improve both production and product lifecycles for long term sustainability of the venture.

I. John Mbuu, social entrepreneur and sustainability advocate

John Mbuu was the 4th born out of 11 children. His father was a school teacher who wanted his children to get well educated despite being brought up in a rural village with scanty services and infrastructure. Since childhood, he always had an interest in agriculture hence his choice to study Land Economics in college after high school. He attended the University of Nairobi in Kenya and graduated with a Bachelor's Degree in Land Economics with Honors. After graduation, he was employed by a firm of valuers for 2 years in order to get accreditation to practice as a professional Land Economist. On attaining his accreditation, he set up his own private practice in 1972 where he continued with the practice until the year 2004 when he retired.

In order to succeed in business and practice, he opted in 1978 to attend a Business Management Course in Cranfield School of Management in the United Kingdom. This course was an eye opener for him into serious business undertakings especially in the field of property development for sale or rental. In the year 2000 he purchased the 350-acre Jatflora Farm. It was just fallow farmland without any infrastructure. He put in the infrastructure and it is now self-sufficient with electricity, two 250-meter boreholes, a dam, and he also opted to do organic farming in 8 greenhouses on the open 100 acres under drip irrigation.

As a staunch environmentalist, he set up an indigenous tree seedlings nursery that has different types indigenous seedling of which 15 types are herbal. It boasts of 6 million seedlings to be used to re-afforest our local forests.

II The launch of JatFlora

a. Hiring of Manager James Akech in 2009

In an effort to manage and achieve strategic goals set by the chairman Mr. John Mbuu for JatFlora Farm, Mr. James Akech was hired as Farm Manager on March 1st 2009.

Mr. Akech has over thirty (30) years experience in agriculture, horticulture, floriculture farm machinery and livestock management. His primary training is as an agriculturist.

His career began as a Senior Supervisor at flower nursery back in 1987. He has worked at various entities in Kenya including a stint in Cairo, Egypt from October 2002 to May 2005.

b. Development of floral and tree crops

Jatflora Farm, after being incorporated in 2007, originally started as a flower nursery from 2008, exporting flower crops primarily to Amsterdam. However, owing to the long drought of 2009 in Kenya, which was thought to have been influenced by the heavy deforestation, along with global warming, Mr. John Mbuu decided to change the output of the farm.

Mr. Mbuu became keen on environmental sustainability and hence the best way to combat to climate change was to facilitate a huge tree nursery project. This would germinate and nurture indigenous trees, fruit trees; bamboo seedlings to be transplanted to river banks and mountain. Mr. Mbuu had a vision that the government, various institutions and individual citizens could return Kenya to the benchmark of 10% forest as required.

As a matter of diversification the farm also ventured into other enterprises such as vegetables and fruits, livestock, poultry and mushroom production. The need for being a total organic farm, for environmental sustainability also fueled this diversification.

c. Government support for Environmental Sustainability

The government has been most supportive of the need to combat climate change and reforestation of Kenya. This was reflected by being one of the largest purchasers of tree seedlings from Jat Flora as seen in figure XXX.

d. Eco Total Global Award 2012

A survey was done by private sectors and the Kenyan Ministry of Forestry and Environment and it was established that Jatflora as a private farm had already germinated and nurtured over 7.8 million indigenous, exotic, fruits, bamboo seedlings and 250,000 plant seedlings for reforestation.

As a result of this survey and the impressive results by the farm for agricultural and environmental sustainability, Jatflora was awarded the ECO TOTAL GLOBAL AWARD 2012.

e. Workers supported by the farm and challenge to economic stability due to government change

The change to diversify the farm's output was multi-faceted; for profit but also to sustain the 40% of farm staff and their families that reside on the farm, and also to educate their children.

f. Decision to diversify product base as a means of Corporate Social Responsibility to support the workers and their families... 40% of workers live on the farm

As per Mr. Akech's interview, "the farm is running at low revenues owing the largest buyer, the government not buying trees seedlings at the moment and general economic downturn". He noted that drought, animals and people are dying of hunger and water. Although the drought effect is real and experienced all over our country called Kenya. Jatflora as a farm had put in place

arrangement to have livestock feeding in place both for hay grass, lucerne, dairy meal, grower smash, layers mash, chick mash and green vegetables feeds for poultry to produce yellow yolk.

The farm's management hopes, that their efforts will be assisted by organizations and people of good will who are intent to reforest Kenya and the world as they have surplus capacity to supply outside Kenya.

EARLY 2010 TO 2011 TREE SEEDLINGS ACQUIRED FROM JATFLORA LTD NURSERY AND PLANTED TO VARIOUS PLACES

a. Government of Kenya:

1. Mau Forest	3,619,821
2. Eburru Forest	1,740,500
3. Aberdare forest	1,360,750
4. Kabugi Dam -Gitare	527,350
5. National Youth Service-Gilgil	48,390
6. KDF Camps Gilgil	38,389
7. Gilgil District Primary Schools	148,200
8. Mai Mahiu Hills	68,950
9. Karati Hills	70,070
10. Ndabibi Naivasha	69,800
11. Gatamaiyu Naivasha	36,760
12. Malewa- Gilgil	71,020
Total	7,800,000

Year 2012 to 2013 January

b. Government of Kenya and private farms

1. Upper karunga	126,220
2. Maraigishu	137,300
3. Gitare hills	186,470
4. Mariba area	88,360
5. Lower Gilgil	110,560
6. Upper gilgil	112,300
7. Lower karunga	37,280
8. Private farms	325,450
Total	1,123,940
	8,923,940

III. Diversification and Transformation for sustainability

a. Completely self-sustained farms growing all required food for consumption

The philosophy of Sustainable farming is taken very seriously at JatFlora. Mr. John Mbuu and his team have embarked on the mission of showing communities locally and around the world how to "own the process of sustainable development". They do this through the well thought out deployment of techniques, technology and practices that leaves little to waste. Some of the crops that are grown in a sustainable manner those stand out are the tree planting and rabbit farming businesses. Having started with the unsuccessful growing and selling of flowers, the JatFlora team

felt it necessary to diversify into the products of Beekeeping, Dairy farming and Nurturing tree seedlings among others. They too, employ sustainable farming techniques.

The food produced is sold to hotels, and throughout the Gilgil community. There is currently high demands for his organic foods of items such as mushrooms, for example, are ordered well before they are ready to harvest.

b. Current production of organic foods. Certified organic

The world is attracted to the Organic mode of farming in contrast to using chemicals and artificial fertilizers. The company has made note of this and employs carefully designed practices that have no insecticides or chemicals involved. JatFlora has taken responsibility for their production process by employing certified testing. Employees are constantly trained and updated on the best and constantly improving farming techniques. They, for example would grow and treat their own hay to feed to the animals, from their own 'incubator mushrooms', etc. This is important in that it gives the customers the satisfaction and guarantee their products are of a high quality and supports the company to stand up to any scrutiny.

Three years ago, the farm ventured into mushroom farming which has become a big encouragement to other farmers in Kenya who did not know that mushrooms are a delicacy.

c. Current animal and livestock production

The company currently rears the livestock of rabbits, cows, chickens, goats and most notably dorpers. The dorper is a South African breed of domestic sheep, which is developed by cross breeding the Dorset Horn and the black head Persian sheep. This meat sheep is more suitable to the arid conditions of the country and can be considered as an innovation in livestock production. JatFlora also makes an assortment of homestead products such as, homemade jam and jellies, making their own cheese etc.

As with any other business, the financials play an important part in animal and livestock production. Items such as production costs and market sales go hand in hand. For production costs you have to manage transportation, planting seed materials, and overheads such as the management team, security costs, equipment costs, etc. In all segments of the farm each revenue stream must be calculated to nearest shilling to determine if it is successful enough to be continued.

On the farm, he also has a herd of milk cows and Lama goats. He recently set up a yoghurt and cheese factory in addition to feeding the local people with milk and also supplying the local hotels.

d. New "Clean tech" factory to manufacture yogurt and cheese

Another part of self-sustained farming is finding safer eco-friendly sources of energy such as solar panels. This, JatFlora has dubbed, "clean tech". Clean tech is any process capable of reducing negative environmental impacts. Example of clean tech is biofuels, solar power, renewable energy etc. In self-sustained farming the use of "clean tech" factory to make products is recommended. These are factories, which use renewable energy to power and operate machinery such as wind technology.

IV. Growth of the Worldwide Organic Market

Why organic is being asked more often than at any other point in modern history. This look into why organic for JatFlora will discuss need to support organic production and consumption, the need to support environmental sustainability through planting of trees, and look what the academic community can do to support the goals of JatFlora. Does the paradox of organic and non-organic gives rise to an economical, health and wellness divide?. Can everyone be given organic food? Why the supporters of Genetically Modified Organism (G.M.O) oppose organic agriculture.

Organic Production

What is organic agriculture? The United Nations (UN) Food Agriculture Organization (FAO) defines organic farming, “as a system that relies on ecosystem management rather than external agricultural inputs”. Furthermore, this alternative to conventional and GMO farming process is too identified “ as a system that begins to consider potential environmental and social impacts by eliminating the use of synthetic inputs, such as synthetic fertilizers and pesticides, veterinary drugs, genetically modified seeds and breeds, preservatives, additives and irradiation.” As the largest Certified Organic farm and leader of private sector for nurturing and planting tree seedlings in Kenya, Chairman Mr. John Mbuu shares that JatFlora philosophy is to, “show the communities in Kenya and around the world the benefit of safeguarding the environment and investing in food security in practical terms that will allow communities to own the process of sustainable development”. Because of tried and proven methods, the company manager Mr. James followed up on the chairman points to share that “we use site-specific management practices that maintain and increase long-term soil fertility and prevent pest and diseases.” With its core vision and mission to safeguard the environment and food security, JatFlora according to Chairman Mr. Mbuu follows a “5-thematic approaches towards a safe and sustainable society”. As this farm is a hobby, his passion is linked to “conservation and utilization of genetic diversity, responding to climate change, promotion of Food Security and Nutrition, promotion of Herbal Medicine and Health, and provisions of environmental services that will improve economic and social well-being without compromising environmental safety”. As a result of its core business aims and objectives, Chairman Mr. Mbuu feels “the beneficial socio-economic impact will reinvigorate communities to sustain themselves, replenish nature's abundant nutritional and healing power, restore clean water and better air quality, thus, promoting a healthy productive society.” With this 350-Acre organic farm that started in 2007, a significant breakthrough was achieved in 2013 in the institutionalization of the African Organic Network (AfrONet). Its activities include strengthening and supporting regional networks, the Ecological Organic Agriculture Initiative for Africa, and organic conferences in Eastern, Western, Central and Southern Africa. Key achievements comprise a close collaboration with the African Union Commission (AUC; based in Addis Ababa, Ethiopia), training on organic standards and certification for stakeholders in the member countries of the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), and the East African Community (EAC). Furthermore, the Kasisi training center in Zambia has been identified by AUC as one of the satellite centers for organic training on the continent. The African Union Commission (AUC) has approved the continent-wide Organic Product Standard for Africa.

Organic Consumption

Organic food is a healthy choice for all of us but especially for kids. There are studies that show infants and children are particularly vulnerable to chemicals because their immune systems are still developing and they are exposed to more chemical residues than adults. Africa is the world's second largest continent (after Asia), with the world's second largest population - about 1.216 billion people. As reports have shown, there are slightly more than 1.2 million hectares of certified organic agricultural land in Africa, which constitutes about 3% percent of the world's organic agricultural land but only 0.1% of Africa's farmland. There are more than 574'000 organic producers that Uganda has the largest organic area (231'000 hectares) and most organic producers. Too, the island state Sao Tome and Principe has the highest share of organic agricultural area; 7.2%. While Jatflora is major supplier to local tourism industry through local hotel markets, the majority of certified organic produce in Africa is destined for export. On the latter, Chairman Mr. Mbuu does not have any immediate plans to export due to the increase in demand for organic food from his current customers. On who are the customers, Chairman Mr. Mbuu said, “the company target market is not local residence rather the hotels that are in the region of farm, in part due to higher cost

for products." A recent study comparing organic and nonorganic dairy production, commissioned by the farming cooperative Organic Valley, found a medically significantly higher concentration of heart-healthy omega-3 fatty acids in organic products. "Organic Valley is proving what our farm families have known for a long time," said George Siemon, a founding co-op member. "Not only is high-quality pasture and forage better for cows, it produces nutritionally superior whole milk." There is a growing recognition among policy makers that organic agriculture has a significant role to play in addressing food insecurity, land degradation, poverty, and climate change in Africa. As with JatFlora that is a farmer driven organic agriculture, Mr. James, manager of farm, "believe that conventional agriculture is unsustainable and have developed alternative modes of production to improve their family health, farm economies and self-reliance."

Academic support for JatFlora

In many developing countries, organic agriculture is adopted as a method to improve household food security or to achieve a reduction of input costs. Produce is not necessarily sold on the market or is sold without a price distinction as it is not certified. In developed countries, small farmers are increasingly developing direct channels to deliver non-certified organic produce to consumers. In the United States of America (USA), farmers marketing small quantities of organic products are formally exempt from certification. What can academic community do to support JatFlora organic agricultural goals? In its corporate social responsibility, Jatflora visits nearby schools to help teach children how to plant trees. Some of these schools include: Gilgil Hills Academy and St Andrews School in Kasarani, Naivasha North. Due to the tree project's capacity to facilitate in restoring the worlds eco-system and food security, Jatflora with its team would like to expand its market to include farmers, corporate entities, government ministries, environmental organizations, educational institutions and international organizations. From company's testimonials, JatFlora clients include individuals, companies, and the Kenya Ministry of Environment. On JatFlora Trees initiative, Chairman Mr. Mbuu, "we are seeking partnerships in carrying out our vision and mission in planting trees that effectively mitigate the adverse effects of climate change at the local and global level". On how academic community can assist, Mr. James feels, "their need to be more organic agriculture emphasizes in the curriculum that students are learning effective methods to help environment." Also, Chairman Mr. Mbuu, confers with Mr. James and added, "We have to teach our students the importance of organic farming because of impact non-organic farming has on the environment". With that, JatFlora with its visionary Chairman, Manager, and team are working to aide environments locally and globally.

V. Summary

John Mbuu's advice to any entrepreneur is that, one needs determination and focus to succeed especially in farming; being patient because farming does not yield immediate returns; there is a requirement to do appropriate market research; read widely, and finally, to succeed in business one has to work hard sometimes under very harsh conditions and environment.

The JatFlora case demonstrates that social entrepreneurs, such as John Mbuu, can successfully advocate for and improve environmental sustainability; implement production sustainability as a corporate social responsibility to their workforce; and dynamically shift to new market needs such as the production of organic crops and livestock.

What is most interesting in this case is the philosophy of long-term employment and a commitment to continuously re-invent the company to meet the mission of employment for the labor force. The Medgar team traveled two hours from Nairobi to Gilgil with Mr. Mbuu's driver, Moses a 21 year employee. We passed the town of Gilgil and where the tarmac road ended we went vertically up until there was nothing but mountaintops. When we finally reached we said, "Moses has brought us to the promise land." Indeed, it is a special place where leadership, management, and labor collaborate for the sustainability of a venture as one team, one family for the survival of all.

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