



# Microlending Chickens and Entrepreneurship: Empowering Poor Rural Families in Kenya

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## Abstract

This paper is about a project that combines entrepreneurship and microlending—two currently significant concepts in international development. The purpose of the project was to provide poor families with a source of income and protein-rich food through microlending chicken start-up support. Its method was to partner with Nutri-Fresh Farm & Agri-Hub, a non-governmental organization for creating agricultural entrepreneurs from subsistence farmers and youth in Kenya. Each family signed a Poultry Project Loan Agreement stating their obligation to repay—without interest—in the form of mature poultry cocks the costs of the chicks, feeds, vaccines, training and follow-up until the chicks attained maturity at six months. The repaid amounts would be invested in new families. Recently Simon Wachieni, Director of Nutri-Fresh Farm & Agri-Hub, confirmed that all families so far involved have eggs for sale and as a regular source of protein for themselves, that they increase their asset through the additional hatching of their own chicks, and that they are repaying the loan. Our final conclusion is that this project combining microlending chickens and entrepreneurship has been successful and that it can be useful elsewhere as well.

## Subject Areas

Entrepreneurship

## Keywords

Chicken, Development, Entrepreneurship, Kenya, Microlending

## 1. Introduction

This paper introduces a project for empowering needy rural families in Kenya through microlending chicken start-up support. Its theme is the combination of entrepreneurship and microlending—two currently significant concepts in in-

ternational development—to empower families in the Donyo region who have low income and support children at risk, including some orphans or those with special needs. It equips them with a source of income from raising chickens and protein from the eggs. In a blog, “Why I Would Raise Chickens,” on 7 June 2016, Bill Gates wrote that raising chickens can provide poor families with a source of income and protein-rich food. He made a major donation of chickens through Heifer International, a non-profit organization that provides livestock and training to impoverished people around the world [1] [2]. A hallmark of Heifer International’s approach is “passing on the gift” by recipients passing on some animals or time and knowledge or in some other ways [3]. This is admirable. Our far more limited project’s concept is, nevertheless, different. It is microlending. One advantage of microlending is that the repaid loans will support additional families so that the project can be self-sustaining and continue in the future.

## **2. Memorandum of Understanding**

This project began when a group of six people in East Lansing, Michigan who are interested in international development came into contact with Nutri-Fresh Farm & Agri-Hub, a non-governmental organization for creating agricultural entrepreneurs from subsistence farmers and youth in Kenya. They entered into a Memorandum of Understanding and stated the main problem to solve: how to help needy families rise above poverty and successfully run a chicken/egg selling business. Salient points of the memorandum were that donations from the six persons—referred to as “The Chicken Group”—will be used to support the microlending chickens project. The families in need will repay—without interest—upon maturation of chickens the amount that was invested to start them off. The repaid amounts would be reinvested in new families [4].

## **3. Poultry Project Loan Agreement**

After Nutri-Fresh Farm & Agri-Hub trained the family heads of the initial ten families on how to manage their chickens using professionally recommended approaches, the families constructed chicken coops that met the required professional recommendations. Nutri-Fresh Farm & Agri-Hub then inspected and approved the coops. Each family was supplied with 50 chickens, one month of age, of the improved Kuroiler indigenous breed of chicken [5]. They signed a Poultry Project Loan Agreement stating their obligations including that the costs of the 50 chicks, feeds, vaccines, training and follow-up until the chicks attained maturity at six months would be repaid in the form of mature poultry cocks to Nutri-Fresh Farm & Agri-Hub [6].

The family members initially trained transferred their poultry management skills to other family members and to neighbors. Some neighbors then improved their chicken coops by copying the coops the project families had constructed. The families were excited to have the prospect of a new source of income. Further, they were able to enrich the soil of their farms with manure from the

chickens [7].

#### 4. A Lesson Learned

A lesson was learned regarding vaccination of the chicks. The vaccination for Newcastle disease was done on the 35th day. After the vaccine was taken from refrigeration it was not 100% effective by the time it reached all the families and, as a result, a number of chicks were lost [8]. This mistake can be avoided by supplying the chicks to the families after they have already been vaccinated, *i.e.*, after they are 45 days [9].

#### 5. Conclusions

In recent correspondence Simon Wachieni, Director of Nutri-Fresh Farm and Agri-Hub, confirmed that the chicken project is doing well. The chickens for the second group of families—nine more families—have also matured and now all nineteen families so far involved are repaying the loan. The families have eggs for sale and as a regular source of protein for themselves and they increase their asset through the additional hatching of their own chicks. He gets very positive feedback when he tells people about using the microlending chickens model to empower poor income households [10]. Our final conclusion is that this project combining microlending chickens and entrepreneurship has been successful and that it can be useful elsewhere as well.

This initial project was limited to nineteen families, but we expect the project, as it continues, to include many further families. Many needy families can benefit from the microlending of chickens which become a source of income and protein. The repaid loan amounts allow such projects to continue sustainably in the future.

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