



# East Africa's Women and Youth-led MSMEs in Agricultural Value-Chains

## **FACTSHEET 2024**

**Sauti.**  
East Africa



*A deep data-driven understanding of MSMEs in agricultural value chains is essential for crafting effective policies that drive East Africa's economic growth and promote broad-based economic empowerment.*



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*Get to know East Africa's  
MSME's in Agricultural  
Value-Chains*

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*Data-driven insights from more than 25,000 MSMEs to improve policy, intervention, and programme design for MSMEs in agriculture*

Agricultural value chains, which comprise dense networks of many Micro, Small, and Medium Enterprises (MSMEs), play a pivotal role in driving East Africa's economic growth and development. Recent initiatives, including the African Continental Free Trade Area, have placed a particular emphasis on empowering women and youth within these value chains.

However, the small scale and informal nature of their enterprises within East Africa's value chains have typically posed significant challenges for accurate data collection and profiling. Concerning the design of meaningful value-chain development programmes, poorly representative data can undermine effective targeting and risks the misallocation of development resources.

We developed this report to consolidate Sauti's extensive dataset of MSME profiles, and offer unprecedented data-driven insights into East Africa's women and youth-led MSMEs in agricultural value chains. We have specifically chosen to present data on select themes that are especially elusive to researchers and have relevance to current trends in agricultural value chain development and trade facilitation.

The data includes MSMEs' education levels, revenue sources, product mix, smartphone capabilities, professional membership, and cross-border trade experiences. Recognizing the important role of women and youth in the future of East Africa's agricultural development, we also disaggregate this data across distinct gender and youth demographic segments.

The data used in this report was collected from more than 25,000 MSMEs involved in agricultural value-chains across Kenya, Uganda, Rwanda, and Tanzania. We present our high-level findings on the next page.

Ideally, we intend for this report to inform the development community programming with the latest, most representative statistics to strategically allocate resources and catalyze opportunities for growth and empowerment for East Africa's MSMEs.

SAUTI EAST AFRICA

## AGE

- Approx. 72% of MSMEs are youth (18 to 35)
- Older MSMEs comprise 41% more women compared to men

## EDUCATION

- Approx. 87.3% MSMEs have, at least, a primary education while 60.4% have, at least, a secondary education.
- Older MSMEs are less likely to have more advanced levels of education
- Women-led MSMEs are less likely to have more advanced levels of education.

## PRIMARY REVENUE

- Most MSMEs' are found in either farming, fishing, and aquaculture, or trade sectors.
- Youth-led MSMEs are mostly found in the trade sector.
- Women-led are mostly found in the trade sector. Women are a minority in the services and transport sector.

## PRODUCT MIX

- Prominent MSME value-chains are vegetable products and animal products.
- Approx. half of MSMEs are involved in the cereals value-chain.
- About one third of MSMEs are involved in vegetables, roots, and tubers value-chains.
- Youth-led MSMEs are most present in animal products (e.g. dairy, honey) and least present in fruits and nuts value-chains.
- Women-led MSMEs are most present in fruits and nuts and least present in livestock value-chains.

## ACCESS TO SMARTPHONES

- Approx. 43% of MSMEs have access to an internet-enabled smartphone
- Women-led MSMEs are slightly more likely to have access to an internet-enabled smartphone

## PROFESSIONAL

- Approx. 78% of MSMEs are members of a professional association (e.g co-op or trade association).
- Older MSMEs are typically more likely to be a member of an association.

## SEASONALITY AND TRADE

- Approx. 75% of informal traders are seasonal traders who trade in their farm's off-season.
- Women-led MSMEs are more typically dedicated year-round traders, compared to men.

## BORDER CROSSING

- Approx. half of cross-border trader MSMEs cross the border at least once a week.

## BORDER CROSSING

- Approx. 29% of MSME traders' border crossings are associated with negative experiences.
- Women-led MSMEs are more likely to have a negative experience crossing the border compared to men.



*Informal MSMEs  
in agricultural  
value chains  
form a diverse  
and vital sector  
in East Africa's  
economy, driving  
regional growth  
and sustainable  
development.*



# MSMES AND AGE

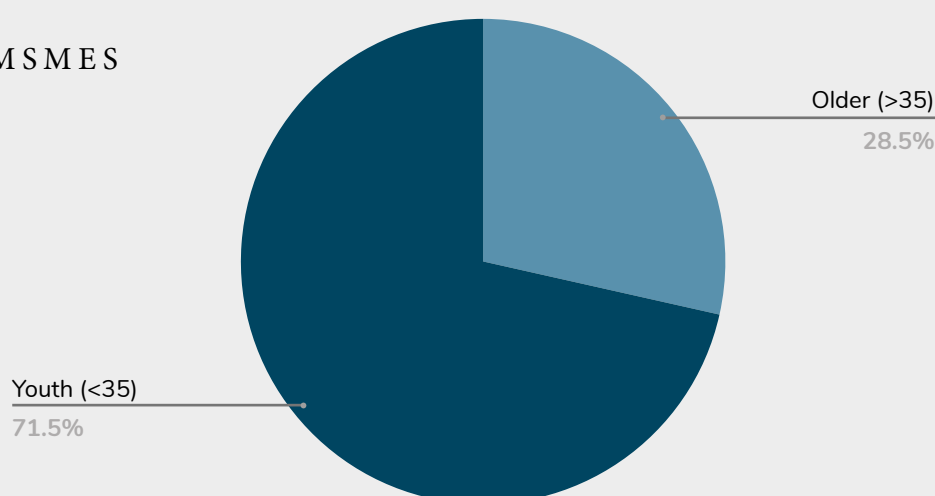
## OVERVIEW

Stakeholders involved in designing interventions and strategies use age profiles of MSMEs in agricultural value chains to tailor effective support mechanisms that address the needs of different age groups in the MSME community. A notable trend within agricultural value-chains is the prevalence of youth, with approximately 72% of MSMEs being led by youths aged between 18 and 35.

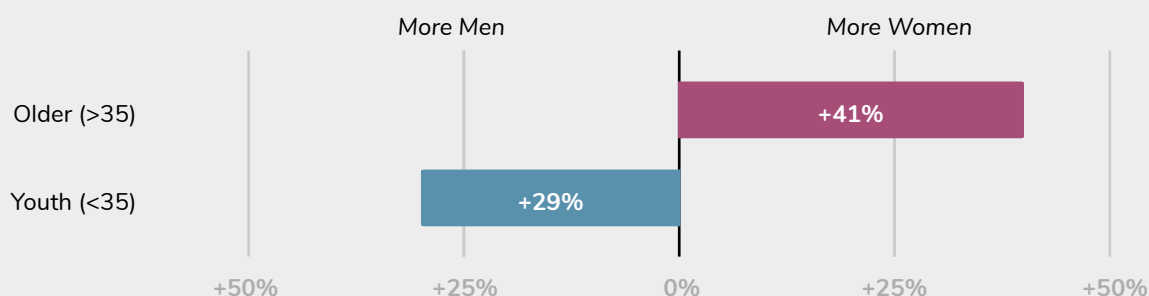
For these youth, employment from MSME activities is an important avenue for economic development, which often requires only modest initial investment and are fertile grounds for innovative business ideas.

While youth make up a significant portion of MSMEs, older MSMEs are 41% more likely led by women. This trend is possibly due to younger women being occupied with domestic and child-care duties, delaying their entry into entrepreneurship activities. As women age and gain experience, they increasingly establish and lead enterprises. This shift in gender dynamics within the MSME sector highlights how age and gender influence entrepreneurial pursuits and opportunities.

## YOUTH AMONG MSMES



## WOMEN AMONG MSMES



Sample Size: 8,217 informal MSMEs

# MSMES AND EDUCATION

## OVERVIEW

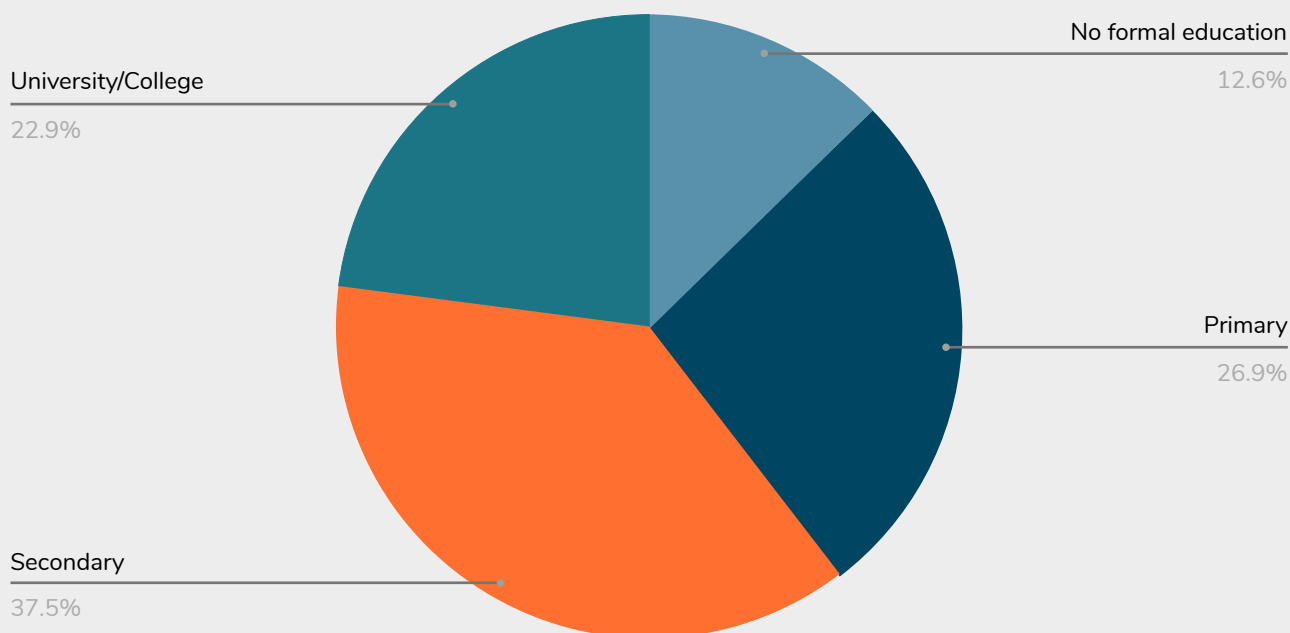
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The educational background of MSMEs in agricultural value-chains plays a significant role in shaping the dynamics and operations of these enterprises. Examining the educational background of MSMEs is essential because it provides insights into the skill level and expertise of entrepreneurs, which can impact their ability to navigate business challenges, innovate, and adopt new technologies. Moreover, it allows for the identification of trends and patterns in educational attainment, highlighting areas where targeted interventions may be needed to promote inclusivity and equal opportunities in entrepreneurship.

According to available data, approximately 87.3% have, at least, a primary education while 60.4% have, at least, a secondary education, indicating that a significant portion of the population has attained foundational education. These figures reflect the population's educational advancement and suggest potential for higher literacy rates beyond the primary level and improved socio-economic opportunities for MSMEs due to better education access.

## EDUCATION LEVEL AMONG MSMES

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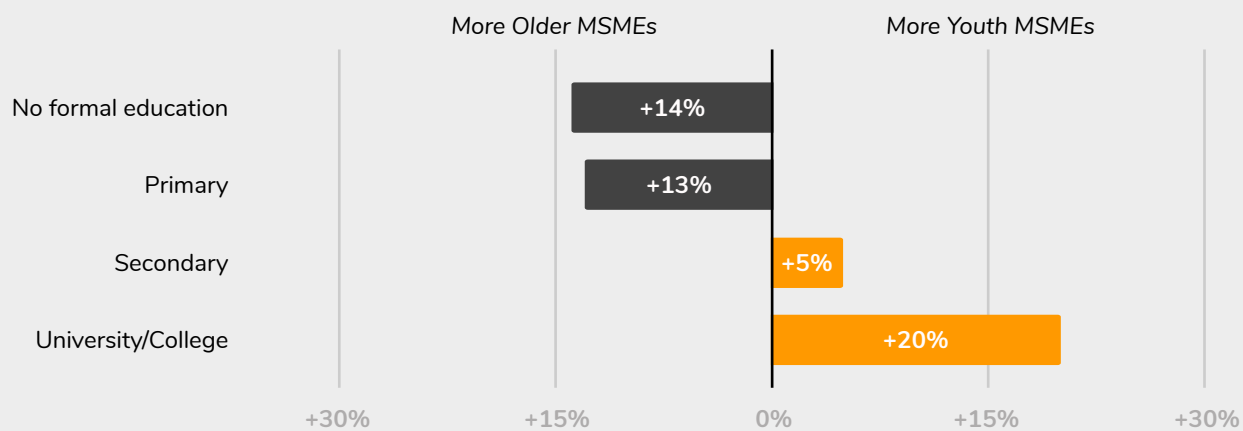


Sample Size: 11,325 informal MSMEs



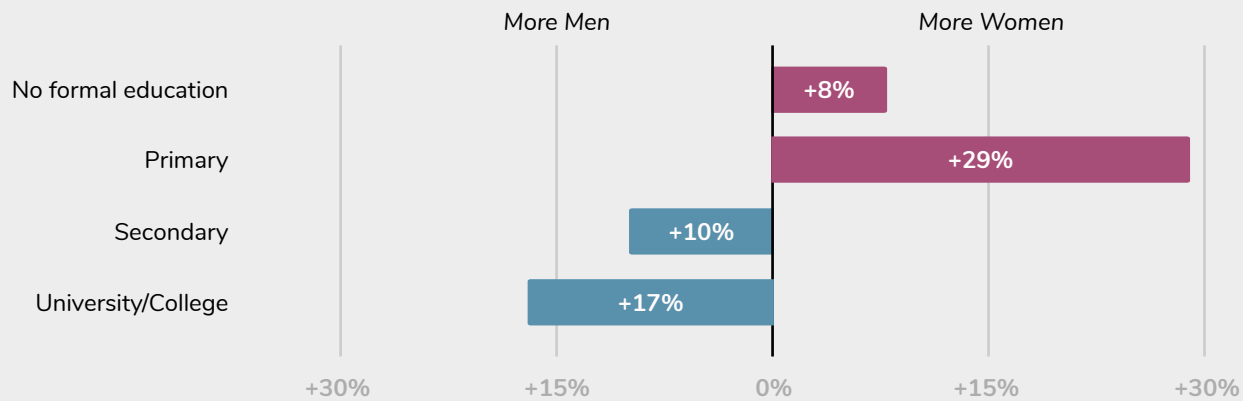
## EDUCATION LEVEL AMONG YOUTH-LED MSMEs

There is a discernible trend regarding educational attainment among older MSME operators: Compared to their younger counterparts, older MSME owners are less likely to have more advanced levels of education and are 14% more likely to have no formal education. This observation may reflect generational disparities in access to education, as well as differing generational norms and opportunities for educational advancement.



## EDUCATION LEVEL AMONG WOMEN-LED MSMEs

Gender disparities in educational attainment within the MSME sector show that women are less likely than men to have more advanced levels of education. Women are 29% more likely than men to have only completed primary education, while men are 17% more likely to hold a university or college degree. These gaps highlight the educational barriers women face and underscore the need for gender-inclusive strategies in skill development and capacity building to ensure equitable opportunities in the entrepreneurial ecosystem.



# MSMES AND PRIMARY REVENUE

## OVERVIEW

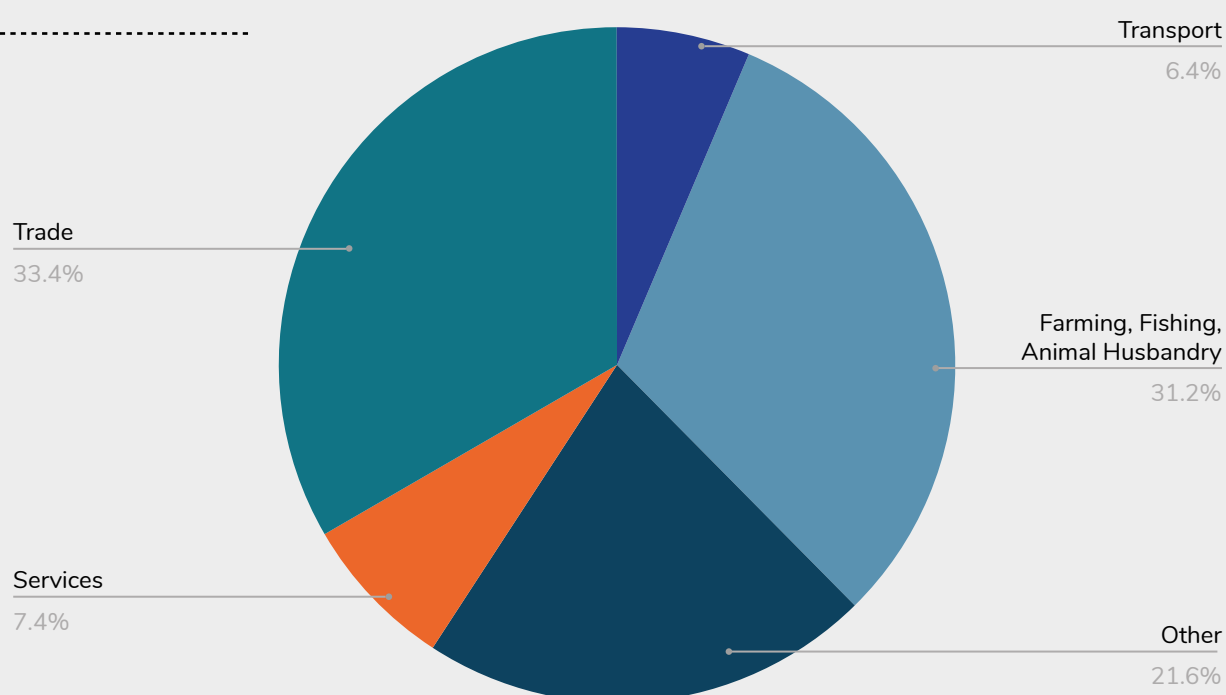
MSME primary revenue metrics provide useful insights on the economic activities driving the growth and sustainability of these enterprises. Identification of MSME revenue sources by policymakers can inform strategies for market development, investment, and business expansion. Additionally, it helps assess the resilience of MSMEs to external shocks and economic downturns by identifying sectors that may be more or less vulnerable to fluctuations in demand or market conditions.

MSMEs have been hailed as the backbone of the growing East African economy and are estimated to comprise the overwhelming majority of businesses throughout the region. In agricultural value chains especially, several employment sectors provide economic opportunities for MSMEs, offering

relatively few knowledge-based barriers to entry and little start-up capital requirements. In rural areas, too, MSME employment in agricultural value-chains can also be one of the few accessible avenues for economic empowerment for women and youth.

Agricultural commodity value-chains in East Africa typically involve a diverse set of employment sectors that fulfil vital roles in the journey of commodities from sites of production to consumption. While each commodity has its own features, prominent agricultural commodity value-chains in East Africa typically feature farmers and producers, aggregators and traders that arbitrage goods from rural to urban areas with the help of transporters, and retailers.

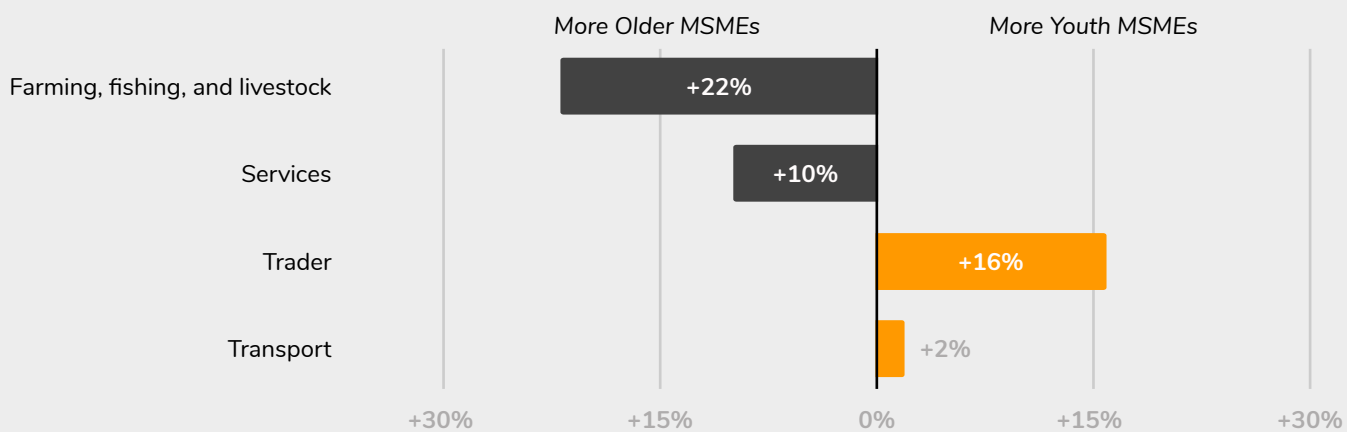
## PRIMARY REVENUES AMONG MSMES



Sample Size: 11,325 informal MSMEs

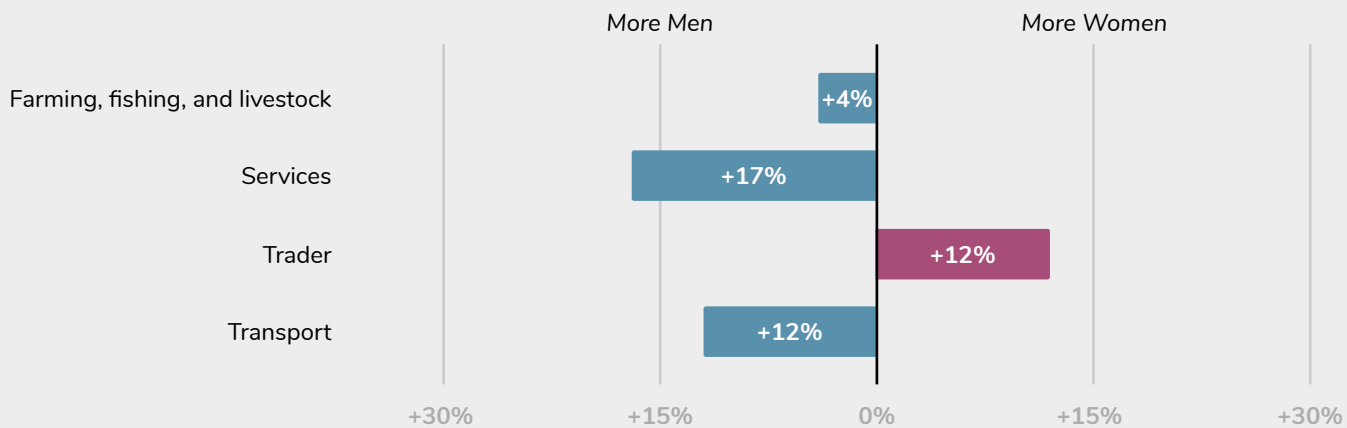
## PRIMARY REVENUE AMONG YOUTH-LED MSMEs

The data reveals age-related occupational trends within the MSME sector. Farming, fishing, and animal husbandry are 22% more likely to employ older MSME owners, while small-scale trade is 16% more likely to involve youth-led MSMEs. The dominance of older individuals in traditional farming, fishing, and livestock suggests that younger people may prefer sectors with fewer asset requirements and greater potential for innovation. Modernizing agriculture through technology and improved access to credit could make it more attractive to younger generations, promoting balanced participation across age groups and sectors.



## PRIMARY REVENUE AMONG WOMEN-LED MSMEs

The data reveals gender disparities in MSME occupations. Women are 12% more likely than men to work in the trade sector, while men are more dominant in services (17% more than women), transport (12% more), and farming, fishing, and livestock (4% more). Overall, the data suggests that gender-specific barriers to entry influence the occupational distribution within MSMEs, with more pronounced challenges in services and transport compared to trade and agriculture.



Sample Size: 11,325 informal MSMEs

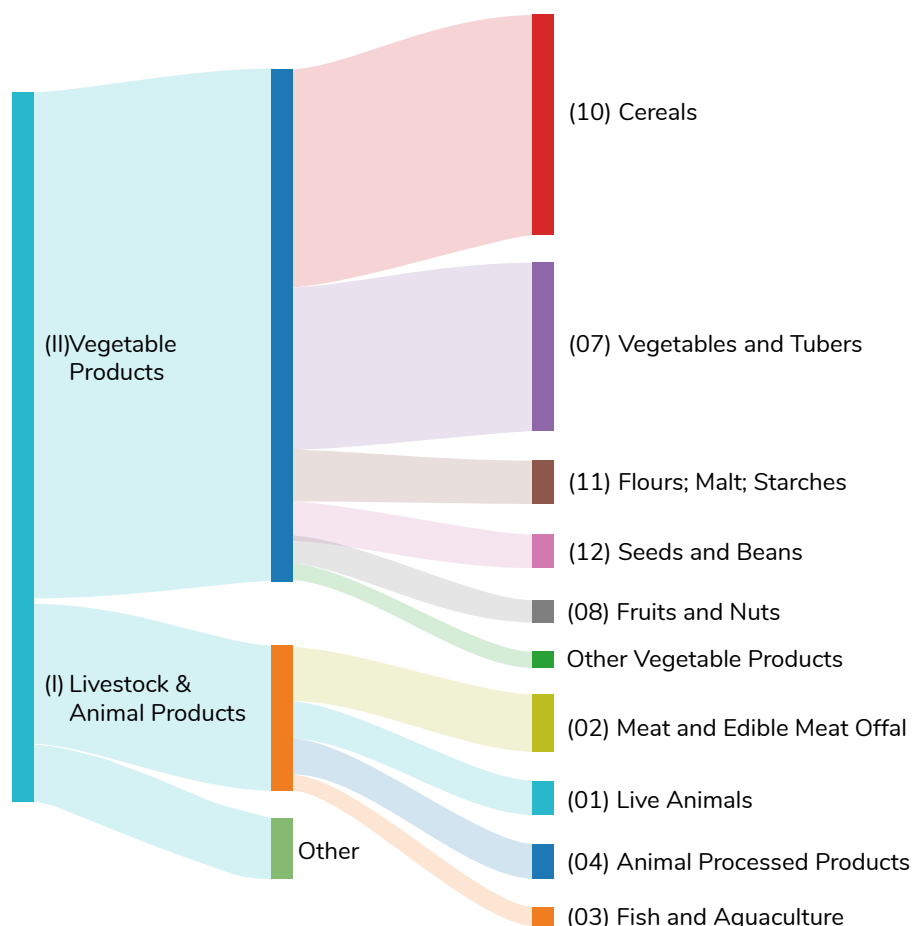


# MSMES' PRODUCT MIX

## OVERVIEW

Analysing MSME product mixes in agricultural value chains helps to assess supply chains in terms of product profitability, market demand and sustainability factors influencing MSME resource allocation. Among the prominent value-chains, vegetable products and animal products stand out, reflecting the diverse agricultural activities undertaken by MSMEs.

Approximately 50% of MSMEs are involved in the cereal value-chain, highlighting the importance of staple food crops in the local economy. Additionally, about one-third of MSMEs operate within the value-chains of edible Vegetables, roots, and tubers, indicating the significance of horticultural and root crops.

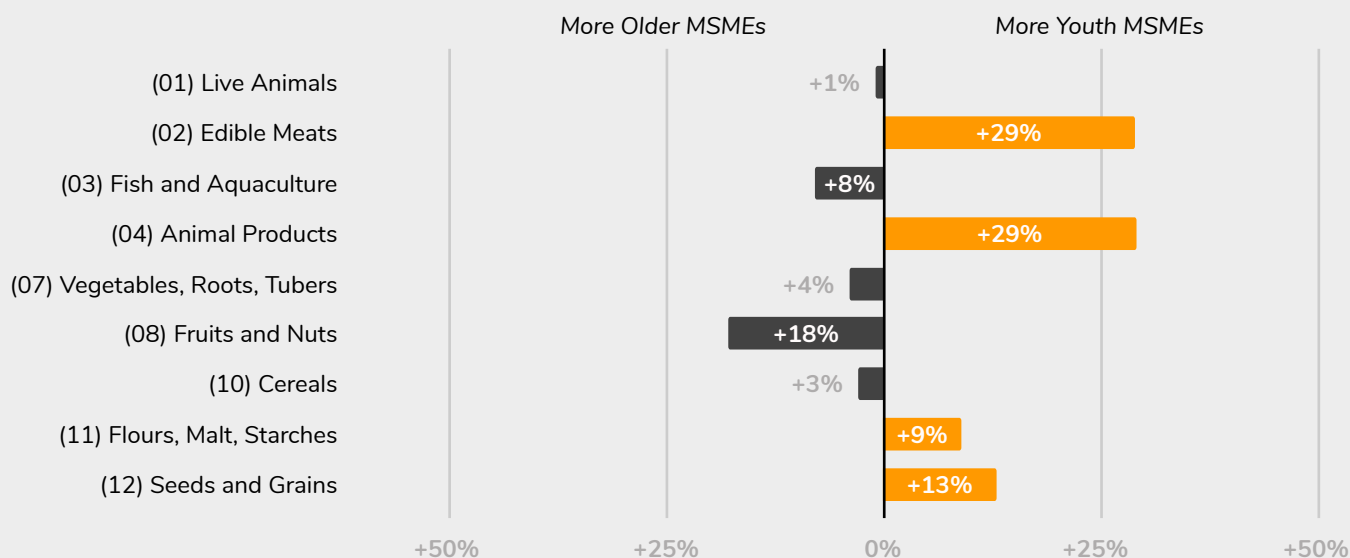


HS Section	Commodity (HS Chapter in brackets)	Percent of MSMEs
Vegetable Products (Chapters 6-14)	(10) Cereals	49.4%
	(07) Vegetables, Roots, and Tubers	38.3%
	(11) Flours, Malt, Starches	10.0%
	(12) Seeds and Beans	8.1%
	(08) Fruits and Nuts	6.6%
	Other Vegetable Products	3.1%
Animal & Animal Products (Chapters 1-5)	(02) Meat and Edible Meat Offal	13.3%
	(01) Live Animals	7.7%
	(04) Animal Products	7.7%
	(03) Fish and Aquaculture	4.0%
Other Agricultural Products	-	11.1%

Sample Size: 23,351 informal MSMEs

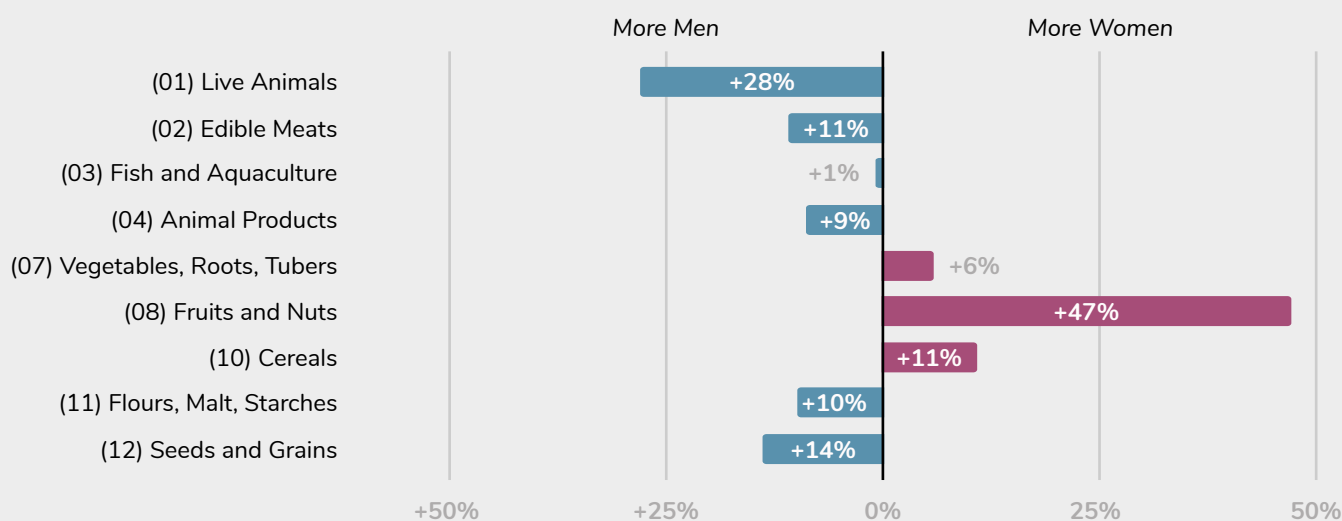
## YOUTH-LED MSMES PRODUCT MIX

The data shows age-related trends in MSME participation, with older entrepreneurs more engaged in sectors like Fruits and Nuts (+18%), Fish and Aquaculture, and Live Animals (+1%), likely because they produce their own goods and have established operations. In contrast, youth-led MSMEs favor sectors such as Edible Meats (+29%) and Animal Products (+29%) (like eggs, honey, etc), which are more focused on arbitrage and trading rather than production. Sectors like Live Animals (+1%) show a more balanced age distribution.



## WOMEN-LED MSMES PRODUCT MIX

The data shows gender-related trends in MSME participation across agricultural value chains. Men are more likely to be involved in sectors such as Live Animals (+28%), Edible Meats (+11%), and Cereals (+14%), suggesting these areas may involve traditional practices or physical labor. In contrast, women dominate in Fruits and Nuts (+47%), indicating a preference for sectors that may be more accessible or have lower barriers to entry. Sectors like Vegetables, Roots, Tubers (+6% more women) show a smaller gender gap, suggesting more balanced participation.



Sample Size: 23,351 informal MSMEs

# MSMES AND ACCESS TO SMARTPHONES

## OVERVIEW

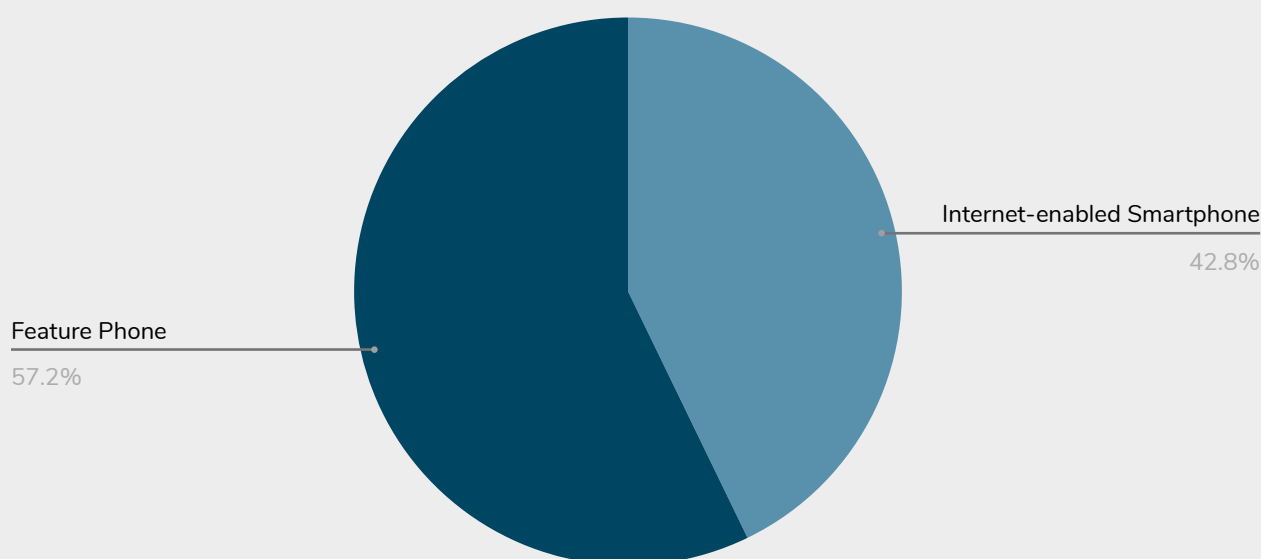
Access to smartphones among MSMEs is the main avenue for digitalization and the integration of B2B and B2C digital platforms and services. Beyond the basic functionalities like communication and internet browsing, smartphones empower MSMEs to leverage a wide array of digital tools and applications.

These new digital capacities include enabling online stores, inventory management, reach customers through social media, and streamlining business communications and transactions. Smartphones also provide access to more sophisticated mobile banking services for financial transactions, productivity apps for managing tasks and documents, and e-commerce platforms for expanding their market reach.

Increasing digitalization (e.g. e-commerce) at the retail end of the value-chain also means that internet-enabled smartphones among MSMEs involved in production, aggregation, and wholesale trade is essential to take advantage of internet-enabled customer demand.

Our data shows that approximately 44% of MSMEs already possess smartphones, and there's a clear indication of the growing digitalization of business operations within the agricultural value-chain sector. For the remaining 56% with basic feature phones, however, these MSMEs are at a disadvantage. Indeed, as more programme and service delivery models embrace ICT-first solutions (e.g. smartphone apps), MSMEs with limited access to internet-enabled smartphones are at risk of being left out of the digital revolution.

## ACCESS TO SMARTPHONES AMONG MSMES

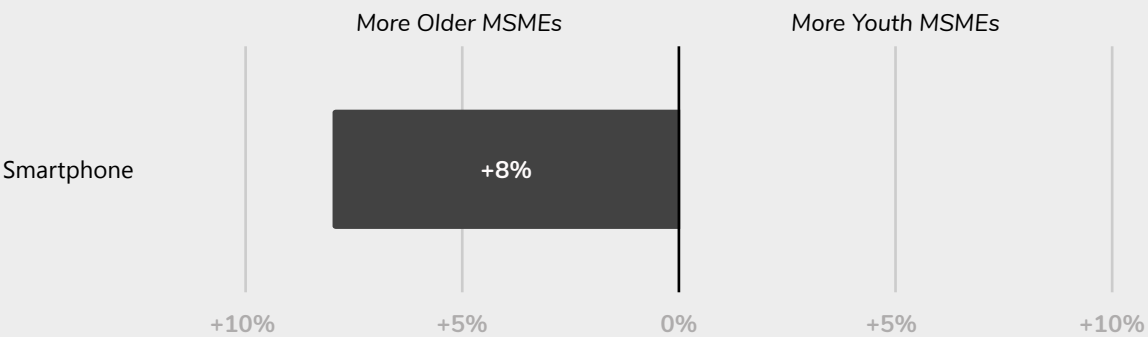


Sample Size: 14,485 informal MSMEs



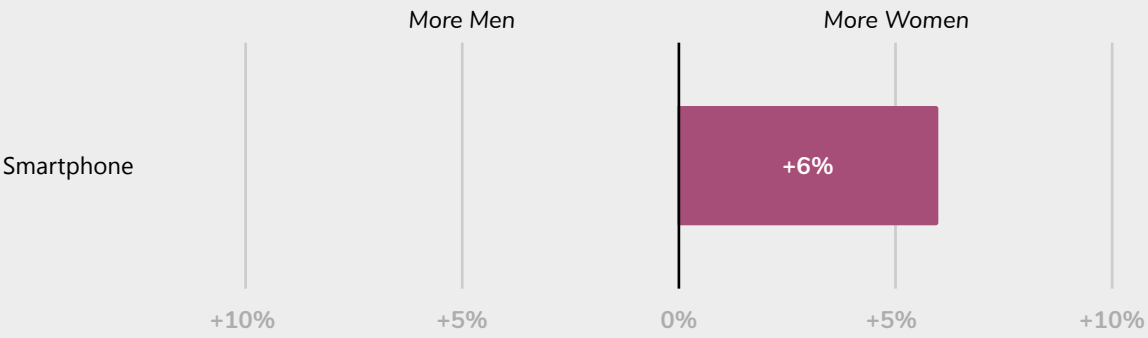
## ACCESS TO SMARTPHONES AMONG YOUTH-LED MSMES

The data on smartphone ownership reveals that older MSMEs are 8% more likely than youth-led MSMEs to have an internet-enabled smartphones. Despite the common assumption that digital technologies may be more appealing or accessible to younger generations, this data challenges that notion and suggests that older (often wealthier) entrepreneurs are also embracing smartphone usage. As such, there are significant opportunities to harness smartphones to empower and support entrepreneurs of all ages, facilitating their integration into the digital economy and fostering their growth in the competitive business landscape.



## ACCESS TO SMARTPHONES AMONG WOMEN-LED MSMES

The distribution of male and female MSMEs in trade differs significantly between those who own feature phones and those who own smartphones. Women-led MSMEs are 6% more likely than men to own smartphones, suggesting a shift in digital inclusion that supports gender empowerment in entrepreneurship. This trend indicates an opportunity to leverage digital platforms to boost the participation and impact of women-led MSMEs, paving the way for greater gender equality in economic activities.



# MSMES AND PROFESSIONAL ASSOCIATIONS

## OVERVIEW

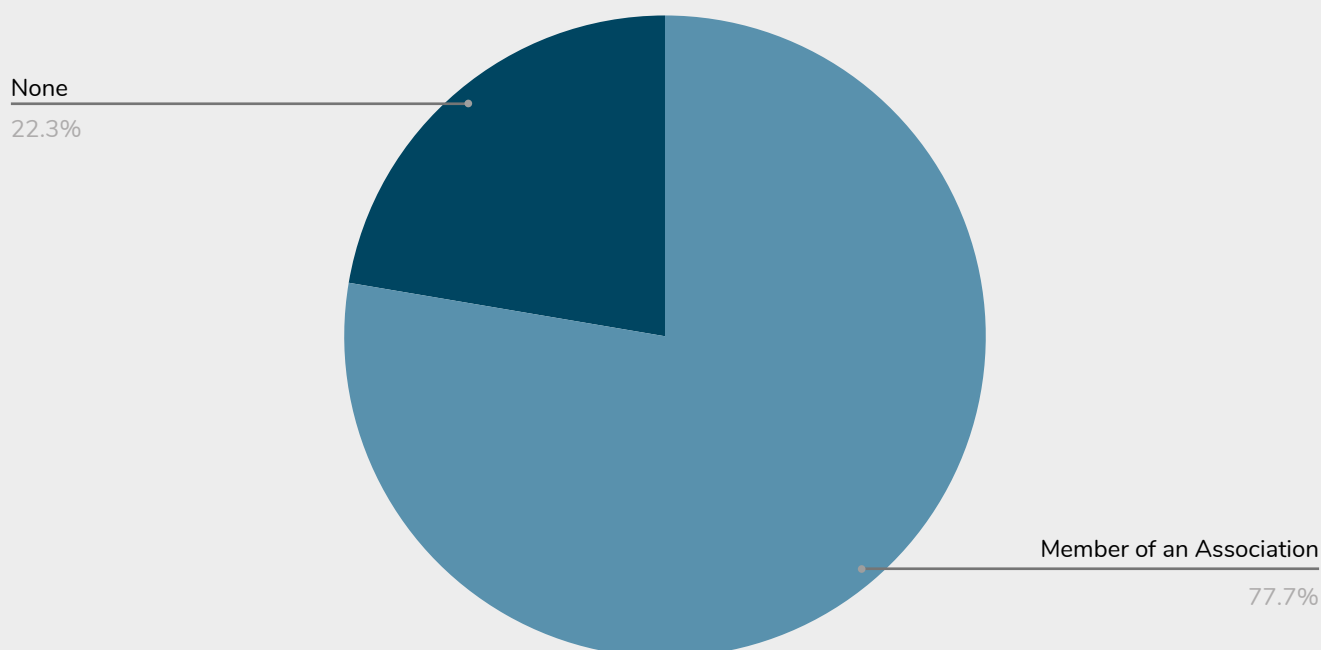
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A nuanced understanding of professional MSME associations provides valuable insights into the organisational structures and support systems available to businesses within the sector. Approximately 77% of MSMEs in the region are affiliated with some form of association, ranging from cooperatives to trade associations. These associations serve as crucial hubs for networking, knowledge sharing, and collective action among businesses, contributing significantly to their resilience and growth potential.

The high prevalence of association membership among MSMEs suggests a strong culture of collaboration and collective problem-solving within the business community. These associations often play pivotal roles in advocating for the interests of their members, influencing policy decisions, and providing access to resources and opportunities. Ultimately, associations are fostering a supportive ecosystem conducive to business growth and development for MSMEs.

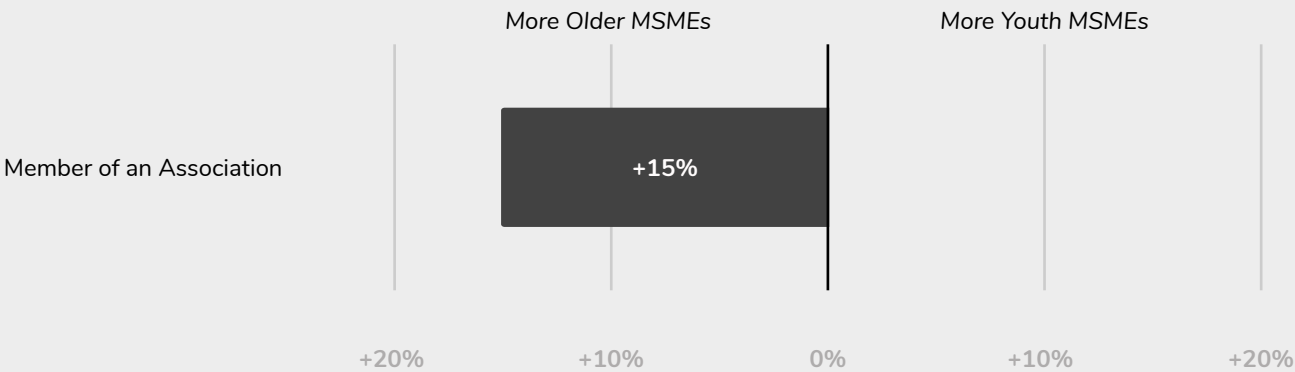
## PROFESSIONAL MEMBERSHIP AMONG MSMES

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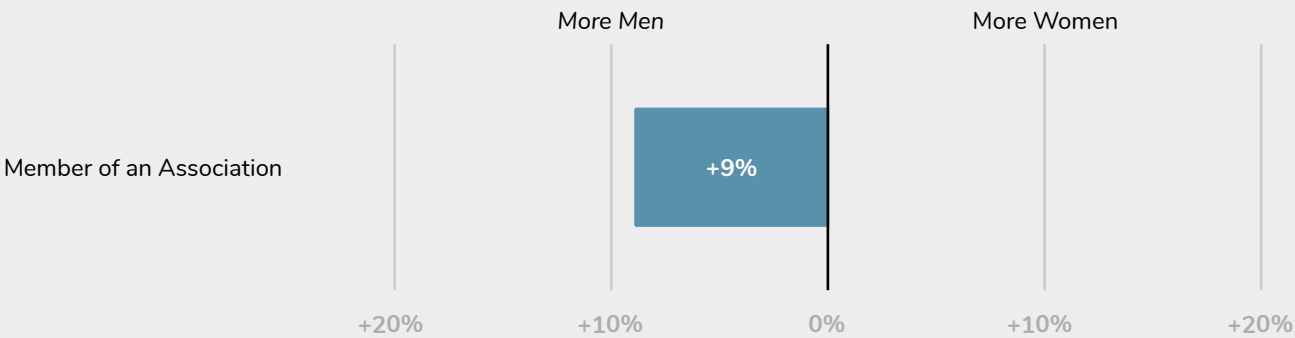
PROFESSIONAL MEMBERSHIP AMONG YOUTH-LED MSMEs

The age distribution among MSMEs shows significant differences between those who are members of a trade association and those who are not. Older MSMEs are 15% more likely to belong to a trade association than younger ones, likely due to better access to established networks and community structures. This trend highlights the value of intergenerational knowledge transfer, with older entrepreneurs sharing insights and experiences with younger members. Expanding trade association access and appeal for younger MSMEs could encourage broader engagement and resource-sharing across age groups in the sector.



PROFESSIONAL MEMBERSHIP AMONG WOMEN-LED MSMEs

The distribution of men and women-led MSMEs in agricultural associations shows minimal gender differences in trade association membership, suggesting it may not significantly impact sector outcomes. However, men are 10% more likely than women to be members, indicating that women in the MSME sector may have less involvement in formal networks. Despite this, trade associations still hold significant potential as supportive business communities, offering women valuable benefits like networking, mentorship, and collective bargaining.





# MSMES AND SEASONAL TRADE

## OVERVIEW

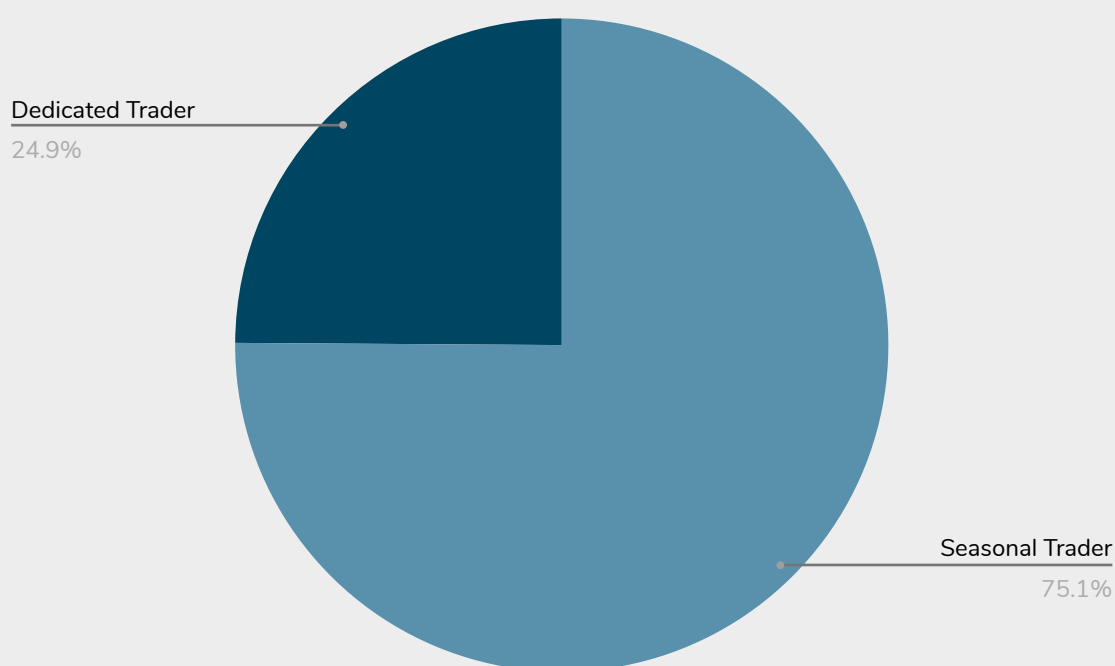
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Seasonal dynamics of informal trading provides insights into the diverse patterns of economic activity among traders in the region. By identifying seasonal patterns, businesses can allocate resources such as labour, capital, and inventory more efficiently, reducing waste and improving profitability. Approximately 75% of informal traders engage in seasonal trading, leveraging their agricultural activities during off-season periods to supplement their income through trading. These traders often transition between farming and trading activities based on agricultural cycles, capitalising on market opportunities when agricultural production is low and demand for goods is high.

The distinction between seasonal and year-round trading patterns indicates the diverse strategies employed by informal traders to navigate market dynamics and capitalize on economic opportunities. While seasonal traders adapt their activities to align with agricultural cycles, year-round traders maintain a steady presence in the market, leveraging their trading expertise and networks to generate income consistently. Thus, comparing seasonal and year-round trade provides valuable insights into the diverse strategies employed by traders to navigate market dynamics and achieve sustainable livelihoods.

## SEASONAL TRADE AMONG MSMES

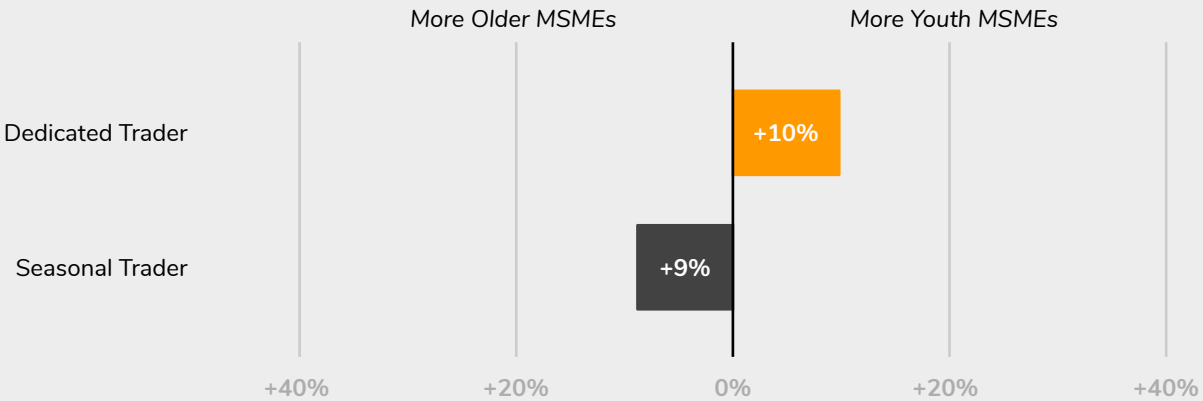
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Sample Size: 1,599 informal MSME traders

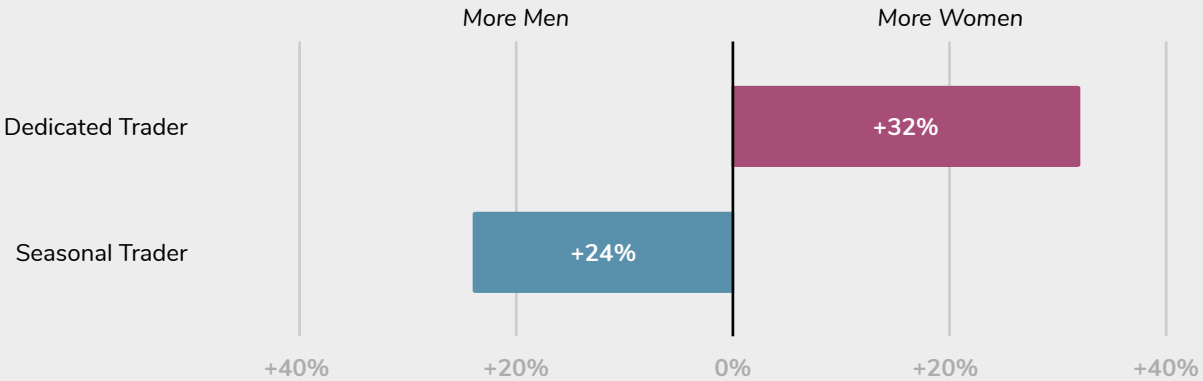
## SEASONAL TRADE AMONG YOUTH-LED MSMEs

In the context of East African agricultural MSMEs engaged in small-scale trade, youth are 10% more likely than older individuals to operate dedicated, year-round trading businesses. This suggests a preference among younger entrepreneurs for continuous business models. In contrast, older MSMEs may balance other entrepreneurial activities or domestic responsibilities, capitalizing on peak periods, such as harvest times, to maximize earnings from farm yields. The data underscores the importance of stable, continuous trading opportunities in supporting youth employment and driving income generation.



## SEASONAL TRADE AMONG WOMEN-LED MSMEs

Data on gender and seasonal trade among MSMEs reveals distinct differences in business engagement between men and women. Women are 32% more likely than men to operate dedicated, year-round trading businesses, indicating stronger continuity in market activity. This consistent involvement highlights the significance of trading as a primary income source for many women, who depend on steady market participation to sustain their livelihoods and support their families.



# CROSS-BORDER TRADE CROSSING FREQUENCY

## OVERVIEW

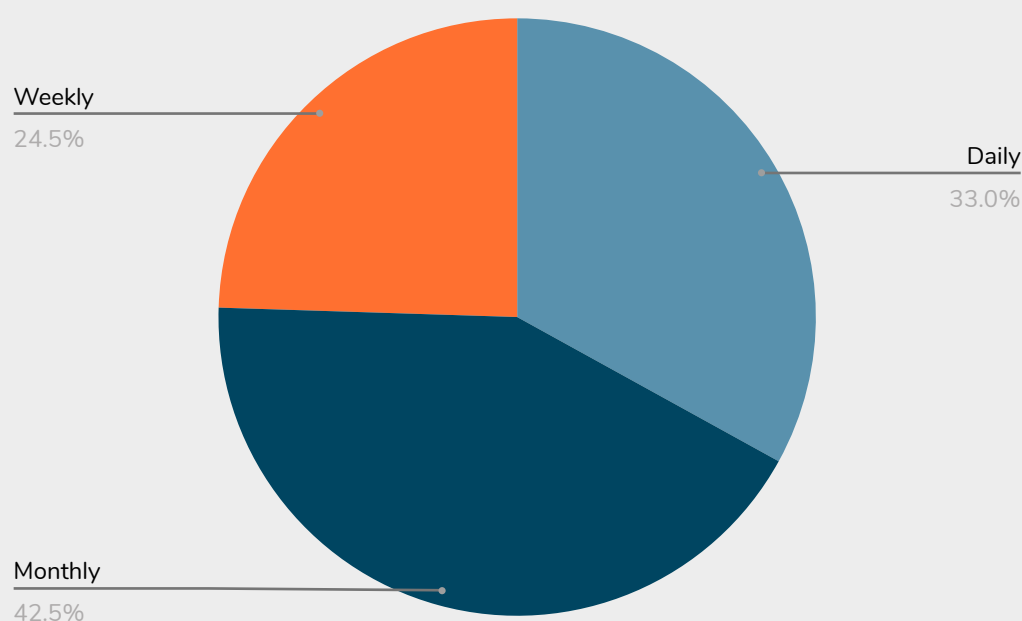
Assessing the frequency of cross-border trading activities provides valuable insights into the dynamic nature of cross-border commerce and the regularity of cross-border interactions among traders in the region. Approximately half of cross-border traders engage in cross-border activities at least once a week, highlighting the significant volume of cross-border trade and the frequent movement of goods and people across East African borders.

The prevalence of weekly cross-border trading underscores the integral role of border infrastructure in driving economic activity, fostering regional integration, and promoting cross-border cooperation and exchange. By

facilitating regular cross-border interactions, traders contribute to the development of cross-border trade networks, the exchange of goods and services across borders, and the strengthening of economic ties between neighbouring countries.

For policymakers, border authorities, and other stakeholders, recognizing the factors that influence the frequency of cross-border trading activities is crucial. This awareness enables the development of effective strategies supporting legitimate cross-border trade, streamlining border procedures, and enhancing trade facilitation mechanisms. Ultimately, these efforts foster greater economic integration and regional cooperation while addressing associated challenges and risks.

## CROSSING FREQUENCY AMONG MSMES IN CROSS-BORDER TRADE

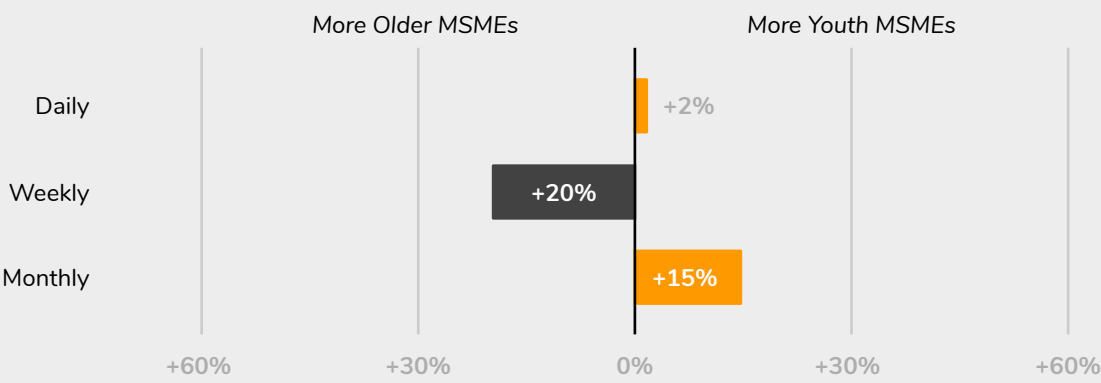


Sample Size: 3,697 informal cross-border traders



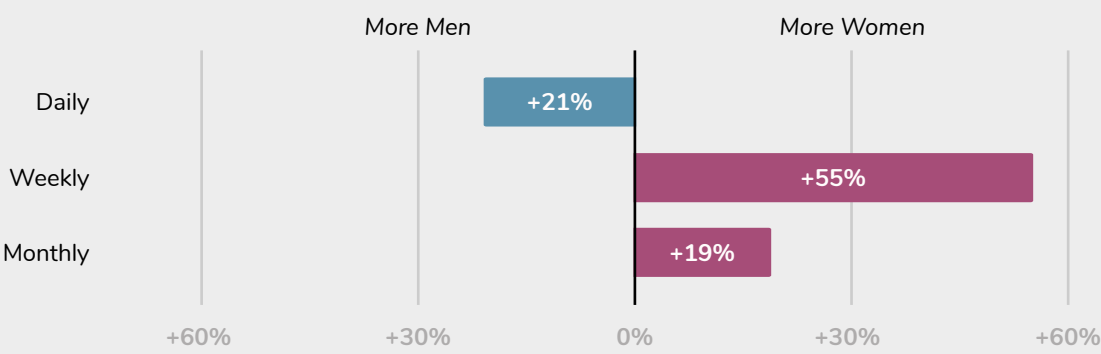
CROSSING FREQUENCY AMONG YOUTH-LED  
MSMES IN CROSS-BORDER TRADE

The data shows age-related differences in cross-border trade frequency, with older individuals 20% more likely to engage in weekly crossings, while youth show a 15% higher likelihood of monthly crossings. Additionally, youth have a slight 2% lean toward daily trade activity. This suggests a varied approach to trading intervals, with older MSMEs preferring more frequent weekly engagements, while younger traders tend toward monthly schedules. The consistent participation across all age groups underscores the shared reliance on cross-border trade for livelihoods and highlights the importance of policies that support both young and older entrepreneurs in the regional economy.



CROSSING FREQUENCY AMONG WOMEN-LED  
MSMES IN CROSS-BORDER TRADE

The distribution of gender among daily, weekly, and monthly border crossings suggest that women in informal trading tend to exhibit a more consistent weekly presence in cross-border markets. Women are underrepresented in daily crossings, where men are 21% more likely engaged, indicating possible barriers such as safety concerns, financial constraints, or balancing family responsibilities that limit their ability to cross borders frequently. Monthly crossings also show women's participation with 19% more likelihood than men. These patterns suggest that while women are less involved in daily border crossings, they are active on a weekly and monthly basis.



# CROSS-BORDER TRADE CROSSING EXPERIENCES

## OVERVIEW

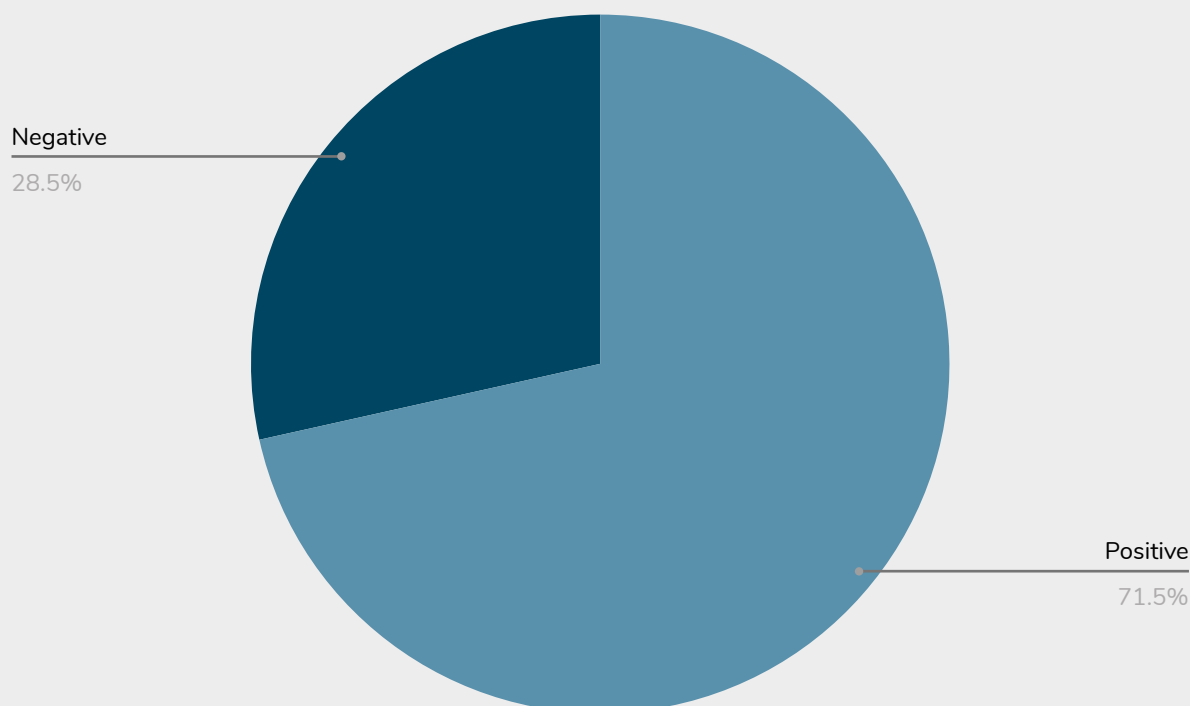
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The border crossing experience plays a pivotal role in shaping the dynamics of cross-border trade, with significant implications for traders' livelihoods, business operations, and overall economic activity. By understanding the challenges and inefficiencies faced by traders and travelers at borders, policymakers can identify bottlenecks and streamline procedures to enhance the overall border crossing process. Approximately 29% of traders' border crossings are marked by negative experiences, highlighting the challenges and obstacles encountered by traders when navigating border checkpoints and crossing international boundaries.

These negative experiences encompass a wide range of issues and challenges, including bureaucratic hurdles, long wait times, inefficient border procedures, corruption, harassment, extortion, theft, and other forms of misconduct or mistreatment by border officials. Such incidents not only disrupt the flow of goods and impede traders' mobility but also contribute to increased transaction costs, delays in trade transactions, loss of merchandise, and overall inefficiencies in cross-border trade.

## CROSSING EXPERIENCES AMONG MSMEs IN CROSS-BORDER TRADE

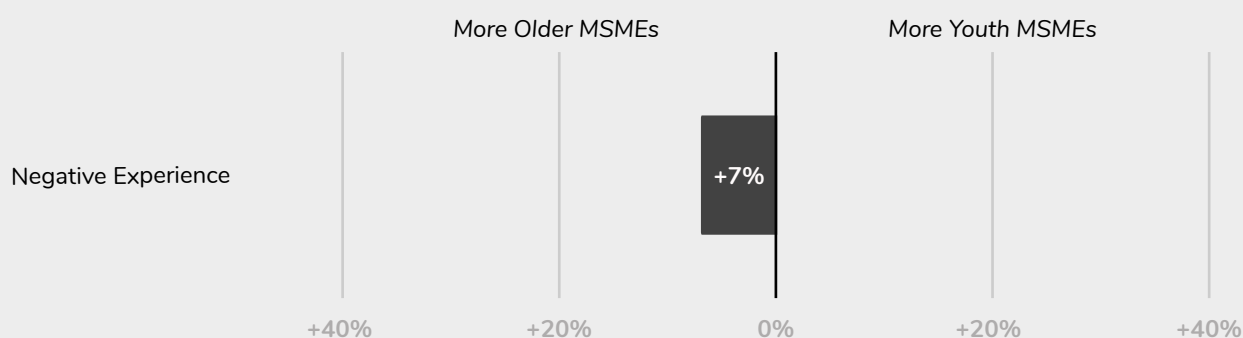
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Sample Size: 12,740 EAC border crossings

## CROSSING EXPERIENCES AMONG YOUTH-LED MSMEs IN CROSS-BORDER TRADE

Older MSMEs indicate a 7% higher chance of having a negative experience while crossing the border in their cross-border trade activities. This indicates that cross-border trade experiences are generally similar across age groups, indicating no significant age-based barriers. While the causes of negative incidents are not detailed here (refer to Sauti's Quarterly Impact Reports), non-tariff barriers related to crossing the border significantly impact the feasibility and profitability of cross-border trade for both youth and older MSMEs. Providing training on cross-border regulations, streamlined procedures, and robust feedback mechanisms, can help mitigate these difficulties.



## CROSSING EXPERIENCES AMONG WOMEN-LED MSMEs IN CROSS-BORDER TRADE

Women traders are 37% more likely than men to encounter negative experiences when crossing the border, reflecting the disproportionate challenges they face. These may include gender-based harassment, discrimination, or exploitation, which create additional risks for women. The gender disparities in border experiences highlight the unique vulnerabilities and barriers faced by women traders, emphasizing the need for gender-sensitive approaches to improve border management and trade facilitation.



## ABOUT SAUTI EAST AFRICA

Sauti East Africa, headquartered in Kenya, empowers MSMEs—especially women and youth—across East Africa through innovative IT solutions and development research. With over a decade of experience, we address information barriers by utilizing mobile technologies such as USSD, SMS, and WhatsApp to provide essential services, including access to market prices, financial resources, legal support, and trade information. Our platforms are active across Kenya, Uganda, Rwanda, and Tanzania, reaching vulnerable, informal, and cross-border communities.

We collaborate with UN agencies, international donors, NGOs, and private sector partners to integrate technology into development initiatives. Our work focuses on promoting equitable access to economic opportunities, enhancing resilience, and fostering sustainable capacity-building across the region.

Our services include:

- Agricultural value-chain development to give MSMEs the tools they need to make informed decisions and foster growth.
- Data collection and surveys to identify community needs and deliver targeted interventions.
- Regional trade facilitation, equipping informal MSMEs with up-to-date information for smoother cross-border trade.
- Research and evidence-based strategies to shape policies and support sustainable economic growth.

By advancing digitalization, sustainable practices, and market inclusivity, we work to transform economic landscapes and empower communities to thrive across East Africa's agricultural value chains.





# Sauti.

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The Foundry, Viking House, Waiyaki way,  
Westlands, Nairobi, Kenya,  
P.O. box 2060 – 00621, Nairobi

T: +254 (0)721 246 193  
[info@sautiafrica.org](mailto:info@sautiafrica.org) | [sautiafrica.org](https://sautiafrica.org)