



HOW TO PLAN FOR A WARE POTATO BUSINESS



I) Introduction

Ware potato refers to potatoes grown specifically for eating or table consumption. They are sold by wholesale and retail open-air markets, roadside vendors and supermarkets. The production of ware potatoes in Kenya contributes to food and nutritional security improves livelihoods for farmers, traders, and middlemen. Starting a ware potato Business requires dedication, hard work and careful planning. Commitment to goals leads to the establishment of a successful and profitable potato farming operation.



II) Why Start a Ware Potato Business (WPB)?

A ware potato business is done for various reasons, including venturing into farming as a business, ensuring food and nutritional security at both household and national levels, or simply as a hobby. It is essential to ensure that your WPB generates a profit, meaning that the income from the business exceeds the production costs.

III) what to consider before setting up a ware potato business:

- Conduct market research to understand the demand for ware potatoes and identify potential customers
- Choose a suitable location for ware potato production farm, considering factors such as accessibility, security, soil quality, climate, and availability of water, among others.

- Develop a business plan outlining your objectives, target market, marketing strategies, operational plan, and financial projections

IV) What you must know

Costs: How much does it cost you to produce one acre of ware potato?

Income:

Expected selling price:

At what price does one expect to sell potatoes this season?

- What was the price last season ?
 - What was the weather like last season?
 - In the last 2-3 years, how many seasons experienced similar weather conditions?
- What was the price the season before that ?
 - What was the weather like that season?
 - In the last 2-3 years, how many seasons experienced similar weather conditions

Costs of producing ware potato on one acre

- Cost of preparing land



- Cost of ploughing
- Cost of harrowing

- Cost of making furrows ($P_f \times D_f \times W_f$)
 - Total number of people needed (P_f)
 - Total number of days worked (D_f)
 - Daily wage rate (W_f)

- Cost of planting



- Total cost of certified seed planted (No. of bags x price per bag)
- Total cost of fertilizers used
- Cost of planting labour = $P_p \times W_p$
 - Total number of people planting 1 acre (P_p)
 - Daily wage rate (W_p)
- Cost of crop management
 - Cost of labour for 1st weeding = $P_{w1} \times W_{w1}$
 - No. of people needed to weed 1 acre (P_{w1})
 - Daily wage rate (W_{w1})
 - Cost of labour for 2nd weeding/hilling = $P_{w2} \times W_{w2}$
 - No. of people needed to weed /hill up 1 acre (P_{w2})

- Daily wage rate (W_{w2})
- Cost of spraying (pest and disease control)
 - Cost of chemicals
 - Spraying cost = $T_s \times P_s \times W_s$
 - No. of times crop sprayed (T_s)
 - No. of people spraying (P_s)
 - Daily wage rate for sprayer (W_s)
- Cost of labour to dehauling crop = $P_d \times W_d$
 - No. of people required to dehaulm (P_d)
 - Daily wage rate (W_d)
- Costs of harvesting



- Cost of harvesting labour = $P_h \times W_h$
 - No. of people needed to harvest one acre (P_h)

- Daily wage rate (W_h)

Expected income = $S_p \times N_b$

- What is the expected selling price (KES/bag) based on past weather trends? (S_p)
- What is the expected yield (number of bags) based on past weather trends? (N_b)

Table 1: description of activities during ware potato production

Activity	Details	Costs (KES)
Soil testing	Fertility test	
Land preparation	Ploughing	
	Harrowing	
	Ridging	
Planting	Certified seed potato	
	Fertilizers	
	Planting labour	
Crop management	Labour for 1st weeding	
	Labour for 2nd weeding/hilling up	
	Contact fungicide	
	Preventive fungicide	
	Spraying cost	
	Dehaulming labour	
	Harvesting	Harvesting labour
	Sorting labour*	
	Storage costs**	
	TOTAL COST	

- Estimated profits = Expected Income - Total costs

* Farmers usually do not grade potatoes; in many regions this is done by the broker

*** Farmers don't usually store; they sell at the farm-gate immediately after harvesting*

Table 2: seasonal cash flow plan

Month	Activity	Money required (KES)
January	Soil fertility test	
February	Land preparation	
March	Planting	
April	Crop management	
May	Crop management	
June	Crop management	
July	Harvesting/grading/storage	
August	Selling	

- Estimate how much money is needed every month
- Plan how to get the required money



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