



The SokoFresh Export Journey: Lessons Learned

Company: SokoFresh
Sector: Avocado
Location: Kenya
Investor Partner: Acumen
Pilot Duration: 2023–2025





Our Approach

The Commercial Agriculture for Smallholders and Agribusiness (CASA) Technical Assistance Facility (TAF) supports agribusinesses that source from smallholder farmers across Sub-Saharan Africa and South Asia. Our approach involves working closely with agribusiness management teams to develop an Inclusive Business Plan (IBP) – a roadmap for the agribusiness to deepen, broaden or strengthen supply chains in a way that delivers value to both smallholders and shareholders.

An Inclusive Business Plan (IBP) is a piece of thorough analysis produced over 3-6 months that:

- Diagnoses smallholder supply chain challenges;
- Identifies or validates the inclusive business growth opportunity, aligned to commercial objectives, identifying opportunities for greater commercial and smallholder impact;
- Quantifies the opportunity in terms of commercial value for the business and impact for smallholder farmers;
- Lays out a strategy to access the opportunity including investment and any partners required;
- Maps out an implementation plan; a linked package of technical assistance and blended finance structure, including required partnerships to support the inclusive business model.

Company Description

SokoFresh is a tech-enabled agribusiness founded in 2019. It focuses on providing smallholder farmers with best-in-class market access for their entire harvest through a tech-enabled market linkage platform, high-quality harvest management operations (including farm-level cold storage rental solutions), and post harvest management technical support. The company operates across multiple value chains, including avocado, mango, banana, and soybean. In July 2024, SokoFresh launched its avocado export operations with CASA Kenya's support, supplying produce to two European buyers in Spain and the Netherlands. The following case study describes the SokoFresh export journey, and their lessons learned along the way.

SokoFresh

In 2023, SokoFresh launched a bold growth strategy aimed at achieving profitability in 2-3 years. Building on steady growth since its founding in 2019, the company decided to focus on regional expansion and product diversification, particularly through scaling its high-margin fresh produce business.

That same year, SokoFresh, through its investor Acumen, joined the CASA TAF portfolio. The company had already identified several growth avenues, and CASA was brought in to help assess which opportunity could unlock the greatest commercial and smallholder impact. Through this analysis, direct avocado exports emerged as the most promising path to higher margins.

SokoFresh was not starting from scratch. The company had already been supplying high-quality, traceable avocados to Kenya's major exporters, giving it a solid foothold in the sector. Kenya ranks as the world's sixth-largest avocado producer, exporting more than 17,000 metric tonnes in 2024, with approximately 70% of supply coming from small-scale farmers. Yet despite this market dominance, smallholder incomes remain low, largely due to limited knowledge of the agronomic practices needed to produce export-grade quality fruit.

SokoFresh saw an opportunity: by improving the quality of production at the farm level and building internal capabilities for export, the company could increase farmer incomes while growing its own market share in the avocado value chain. To support this strategy, CASA Kenya designed a package of Technical Assistance support tailored to each of these areas, laying the foundation for a sustainable and scalable direct export business.

Inclusive Growth Opportunity

The Inclusive Business Plan identified three key capabilities that SokoFresh would need to establish to successfully launch its export business:



Business development: SokoFresh engaged an export consultant to identify priority international markets and potential buyers. The consultant played a pivotal role in buyer engagement, ultimately supporting the company to secure offtake contracts with two buyers in Spain and the Netherlands. These early wins helped validate the commercial viability of the model and built confidence in SokoFresh's new market-facing capabilities.



Farmer agronomy: To ensure a steady supply of export-grade fruit, an agronomy consultant was brought on board to design and roll out a farmer training curriculum. The training, focused on Good Agricultural Practices (GAP), focused on improving product quality and consistency at the farm level.

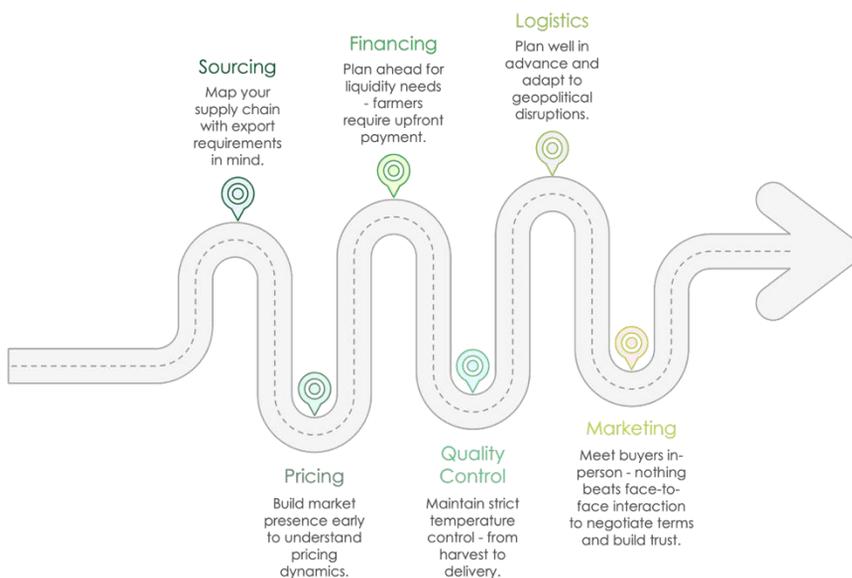


Quality assurance and operations: The export consultant also helped SokoFresh design Standard Operating Procedures (SOPs) to guide quality assurance across sourcing, packhouse operations and transport logistics, in order to meet buyer specifications and export standards.

The Export Journey: Lessons Learned

While the first export season delivered promising results, it was not without its challenges. Navigating these hurdles offered SokoFresh valuable insights into what it takes to run a successful export operation from the ground up. This case study shares some of the key lessons learned - offering practical guidance for other agribusinesses looking to enter the export market.

Lessons From the SokoFresh Export Journey



Sourcing >>

Map your supply chain with export requirements in mind.

Avocados destined for export, as with other export crops, must meet strict quality standards: specific variety, large fruit size, unblemished skin, no pesticide residues, and high dry matter content (a key indicator of fruit maturity and taste). While these criteria vary slightly by buyer and market, they are non-negotiable in international trade.

Although SokoFresh had prior experience sourcing avocados for large Kenyan exporters, its role had been limited to aggregation and the company was compensated for all volumes delivered, regardless of quality. Doing direct exports required a different set of capabilities. The company now had to ensure a steady supply of export-grade fruit to meet buyer expectations and protect its own margins.

This was no easy task. It's estimated that over 70% of Kenya's avocado output does not meet export standards. SokoFresh found itself competing with more established exporters for a limited pool of premium fruit. The company offered above-market prices to incentivise farmers, but still faced high rejection rates at the packhouse. Non-compliant avocados had to be diverted to local markets at much lower prices, significantly eroding overall profitability.



Key Learning: Before entering export markets, agribusinesses must map out quality requirements and work backwards through the supply chain. Is there sufficient export-grade supply? If not, what will it cost - in time, investment, and risk- to build that capacity? Answering these questions upfront is critical to designing a viable export strategy.

Pricing >>

Build market presence early to understand pricing dynamics.

Produce accounts for 60–70% of the cost of an avocado export shipment, and it is also the biggest driver of working capital needs. Getting the pricing right can be the difference between success and failure.

Avocado prices fluctuate across regions and throughout the harvest season. Established exporters understand these fluctuations, and so with strong farmer relationships and available working capital, they are able to buy at optimal times, maximising volumes while keeping costs manageable.

SokoFresh entered the market at the peak of the season, when supply was low and farmgate prices were high. To secure fruit, the company had to offer premium rates, becoming a price taker in a tight market. This placed heavy pressure on working capital and margins.



Key learning: Agribusinesses must invest time in understanding the price structure of the value chain, both on the market and supply side. The ideal window is when high market prices align with high volume availability. This balance allows companies to pay farmers competitively without eroding profitability.

With respect to the avocado sector specifically, building a robust scouting network is essential to understand volume and price trends across the region. Planning should begin at the close of the previous season, analysing regional performance to inform projections. These insights not only inform sourcing strategy but strengthen a company's position in price negotiations with buyers, as companies can assess the profitability of different price points. While it takes time to develop these capabilities, consistent market presence and investment in intelligence-gathering are crucial for long-term success.

Financing >>

Plan ahead for liquidity needs - farmers require upfront payment.

In Kenya's avocado sector (as with other crops), it's standard practice to pay farmers on the day of harvest / collection. This is because avocado farmers typically operate independently (unlike other commodity value chains where farmers are organised in cooperatives) and require cash payments upfront to meet their personal financial needs. In some cases, exporters offer deposits of up to 50% to secure supply from high-quality producers ahead of harvest.

For SokoFresh, this means having 40–50% of their total season earnings available upfront to finance fruit purchases. Factoring in aggregation logistics, packing and shipping, SokoFresh incurs $\pm 70\%$ of a consignment's costs upfront. However, payment from buyers is usually only received 60 days after shipment. This necessitates access to liquidity (cash or working capital) to bridge the gap. SokoFresh secured a working capital facility from a concessional lender, which proved critical for the execution of its first export season.

However, commercial working capital remains prohibitively expensive for many agribusinesses, especially new exporters. While a few concessional lenders offer more affordable options, many Kenyan agribusinesses may not meet their criteria. As a result, many either self-finance or rely on high-cost commercial loans.



Key learning: Planning for liquidity, as well as the ability to make spot payments, is critical to success when sourcing from smallholder farmers, particularly those that are not organised into cooperatives. Building trust with impact lenders, preparing investor-grade financial materials, and starting working capital discussions early are essential for businesses planning to scale in this space.

Quality control >>

Maintain strict temperature control - from harvest to delivery.

Avocados, as with other fruits, are highly sensitive to heat. Even brief exposure to high temperatures can trigger premature ripening, resulting in rejection at destination markets and consequent financial losses.

In its first season, SokoFresh encountered issues with the temperature control of their consignments - one of these shipments arrived fully ripened and was thus rejected by the buyer. Root cause analysis revealed that the fruit had been exposed to high temperatures in transit, particularly at handover points in the supply chain (i.e. from truck to packhouse, and packhouse to shipping container). This was a costly error and necessitated the implementation of clear SOPs for temperature management throughout the supply chain.



Key learning: Having a reliable end-to-end cold chain throughout the supply chain is critical to meet buyer requirements and minimise losses. Clear SOPs and training are essential, and digital temperature loggers can provide real-time alerts if thresholds are breached, allowing for swift corrective action.

Logistics >>

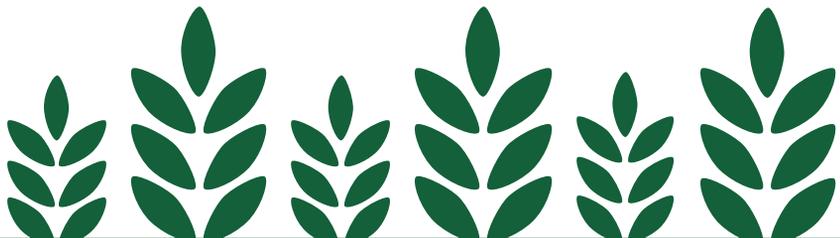
Plan well in advance and adapt to geopolitical disruptions.

Geo-political issues around the world can significantly affect shipping routes, having serious implications for logistics costs and timing. Recently, global shipping routes have been affected by the conflicts in the Red Sea, and exports from countries like Kenya had to be rerouted around the Cape of Good Hope, increasing transit times to Europe by 10-15 days. These delays further contributed to SokoFresh's logistics challenges highlighted above.

Logistics considerations are critical when selecting target export markets and possible modes of transport. Sea freight, while cost-effective, offers limited flexibility and longer-term planning. Air freight, on the other hand, is faster and more flexible, but significantly more expensive and capacity-constrained. Additionally, air freight in Kenya is highly competitive due to limited cargo aircraft serving this market, and priority is given to established horticulture and floriculture exporters. Early and thorough planning is thus critical for a new entrant to be able to secure space.



Key learning: Exporters should plan shipping routes early, secure space well in advance, and factor in broader geopolitical and seasonal dynamics when selecting target markets. The more proactive the logistics planning, the lower the risk of costly delays or rejected consignments.



Meet buyers in-person - nothing beats face-to-face interaction to negotiate terms and build trust.

Closing sales contracts is still very much about trust between two partners, and even in today's age of virtual business engagements, nothing builds more trust than face-to-face interactions. It is therefore still an expectation among international traders that deals are negotiated in-person.

For a new entrant like SokoFresh, in-person meetings with buyers in Kenya and Europe were instrumental in closing their first contracts. These interactions helped establish legitimacy and credibility, so that both SokoFresh and their buyers had confidence in the terms of the agreements.

Visiting buyers, and inviting them to visit operations in Kenya, helps foster transparency and gives buyers confidence in the product they are buying. While these trips might seem expensive, they are a worthwhile investment in long-term business relationships.



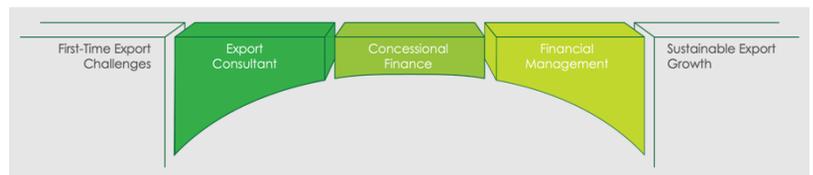
Key Learning: Personal engagement remains one of the most effective tools in building export partnerships. Budgeting for travel and buyer engagement should be part of any export strategy, especially for new entrants looking to build trust in competitive markets.

How can Technical Assistance providers and Investors bridge the gap?

Technical Assistance providers

Many first-time exporters underestimate the complexity of entering international markets. While it may seem more cost-effective to go it alone, engaging experienced export consultants / sales agents early can dramatically reduce missteps. Navigating contracts, understanding buyer specifications, and managing export logistics are often the steepest learning curves.

Kenya's horticulture sector is well developed, and there is a pool of seasoned consultants who can support businesses through every stage of the export process. TA providers can play a crucial role in connecting agribusinesses to this expertise and de-risking the initial setup phase.



Investors

Access to affordable working capital is critical for export-oriented agribusinesses. Payment from buyers often comes 30-60 days post-shipment, while sourcing from smallholders typically requires cash payments on purchase, putting significant pressure on cash flow. Furthermore, commercial loans remain too expensive for many small and medium enterprises (SMEs), limiting their ability to scale and fulfil larger orders. Concessional finance is essential.

Equally important is support in financial management and planning. Investors can provide targeted TA to finance teams, helping SMEs strengthen their cash flow forecasting and working capital management. These capabilities are critical not only for survival, but for building the financial resilience needed to scale exports sustainably.



How is SokoFresh creating value for avocado farmers?

In Kiganjo, a town on the periphery of the Aberdares Mountain Range, lies the 2.8 acre farm of 58-year-old James Mwangi Kibunja. For nearly two decades, this farm has been his source of livelihood, farming avocados, bananas, coffee, and maize and tending cows. With income from this farm, he has sustained his wife and six children. James began his avocado farming journey in 2000 when he planted his first trees on his current farm.

During these earlier years, James was earning just KES 20,000 – 30,000 (USD 154 - 232) annually from avocados. His biggest challenge was that he lacked access to reliable markets that could have paid him more competitive market prices for his produce - a problem many farmers face when trying to sell their produce. Without this direct access, he would have to rely on middlemen, or 'brokers', who would only pay KES 6 per fruit (\pm KES 30 per kilo). To make matters worse, they would also steal avocados from his farm.

"Farmers in this region had no choice but to sell to them. They dictated the prices, and we sold them... Many times they would hide avocados in the farm during the day and steal them at night."

James first learned of SokoFresh during a visit to the local market, where they were actively seeking avocado farmers to work with. Interested, James signed up, and soon after, he was visited on his farm by a SokoFresh field officer who assessed his produce.

Immediately after being onboarded, SokoFresh started buying his fruit at KES 80 (USD 0.62) per kilo, a huge increase from what he was previously earning. The company also sent an agricultural extension officer to work with him as part of their farmer support program. He was trained on the following topics:

- Managing pests and diseases to protect his fruit trees,
- Enhancing soil fertility to boost his yields,
- Quality control practices to meet export market requirements, and
- Record keeping to track progress and optimize his production.

James has benefitted greatly from this partnership. With the increase in avocado revenues, he was able to buy a motorbike, which helps him get feed for his cows and transport other agricultural produce from his farm. His eventual plan is to buy a pickup truck and grow his business further. To realize this dream, he has already started scaling his avocado farming by planting more trees, with the confidence that he will earn good income from this in the future.

This partnership is one of the many that SokoFresh has established with farmers in the areas they work in. Michael Kariuki, SokoFresh Hub Manager in Kiganjo, shares the company's philosophy:

"Our farmers' success is key to our own success. That is why we are constantly in touch with them and address their challenges while equipping them with the knowledge and tools they need to farm better."

James' story is one of many - SokoFresh is transforming the lives of smallholder avocado farmers by equipping them with new skills and providing access to better markets. For James and many other farmers, the future is looking bright.

What was the result of this export trial for SokoFresh?

Despite the challenges of its first export season, SokoFresh exceeded expectations, shipping twice its original volume target. Strong European demand for Kenyan avocados provided a favourable market window, which the company capitalised on by delivering high-quality consignments with strong acceptance rates. Encouraged by this early success, SokoFresh has already signed new contracts with additional buyers for the upcoming season and has commitments for four times the volume exported in its first season.



Building on TechnoServe's experience implementing the Commercial Agriculture for Smallholders and Agribusinesses (CASA) Technical Assistance (TA) Facility, the CASA Kenya buy-in programme supports emerging agribusinesses as engines of Kenya's economic development. The programme's objective is to drive inclusive and green growth among Kenyan agriSMEs by providing targeted packages of support, combining technical and financial assistance, to help the businesses progress along their growth journey.

The CASA Kenya portfolio includes agriSMEs across different value chains and operating a range of different business models. Some of these businesses are early-stage companies still proving their concepts, while others are more established SMEs seeking to test new models, enter new markets, or reach different customer segments as they move into their next phase of growth. The underlying principle of CASA is to support agriSMEs not only to grow, but to grow inclusively, engaging more effectively with smallholder farmers – either as suppliers or customers.

This case study forms part of CASA Kenya's broader learning agenda, which aims to generate practical, evidence-based insights from portfolio experience to inform investors, policymakers, and of course, other agriSMEs operating in this space.

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