

“Mapato zaidi kupitia kilimo bora”

Horticulture Market News – April 2010

Kenya's horticulture industry has survived the ravages of drought and recession relatively well. Producers for the domestic market have felt the benefit of good rains in the first quarter of 2010, after a year of drought that decimated crops, reduced incomes and forced market prices up for urban consumers. Exports have started to recover, but times are still hard for companies faced with higher air freight rates, static consumer demand and environmental disaster in the form of volcanic ash. The recent shut-down of European airports was a wake-up call that over-dependence on one market carries a high risk for the export industry. Market and product diversification are now high on the horticultural agenda.

— Steve New, Director, KHDP

International Prices

Avocado prices were average during this period, but Kenyan avocados have been scarce on the wholesale markets so far this year. Israel and Peru were the main countries sending the product into the market.

Kenyan green chili was also in short supply in the markets, but quantities from other sources forced prices well below 2009 levels. Although gaps in Kenyan supply are common in the second half of the year, it is unusual to see them now. Kenyan chili has been largely unavailable for 4 of the past 7 months. Quantities of other Asian vegetables have also dropped to very low levels due to a fall in demand and low margins. Kenyan exporters are increasingly focusing on higher demand products such as fine beans and mange tout, which remain core retail products for all consumers.

Kenyan fine beans continued to do well on the UK wholesale markets with January to April prices the highest in four years – 10 percent higher than 2009. Passion fruit prices remained strong at £3.60/kg, with Kenyan suppliers dominating the market.

Fresh Fruit & Vegetables – Average Wholesale Prices by supplier (UK£/Kg)

	Jan'10	Feb'10	Mar'10	Apr'10	% Change
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Avocados

Kenya			1.31	1.57	19.8%
Israel	1.41	1.52	1.46	1.73	18.5%
Peru		1.54	1.29		
SA	1.41	1.50		1.82	

Green Chilis

Kenya	1.70			3.62	
Ghana	2.26	1.44	1.31		
Gambia	4.00				
Holland	3.45	3.96	4.95		

Fine Beans

Kenya	3.03	3.30	3.28	3.58	9.1%
Zimbabwe					

Mange Tout

Kenya	3.25	3.33	3.58	3.87	8.1%
Guatemala	3.14	3.35		3.75	
Zimbabwe	3.13	3.00			

Sugar Snap Peas

Kenya	3.19	3.25	3.40	3.09	-9.1%
Guatemala	3.23	3.12	3.36	3.88	15.5%
Zimbabwe					

Okra

Kenya					
India	1.94	1.59	1.56	1.77	13.2%
Thai	4.25	4.25	4.28	4.20	-1.9%

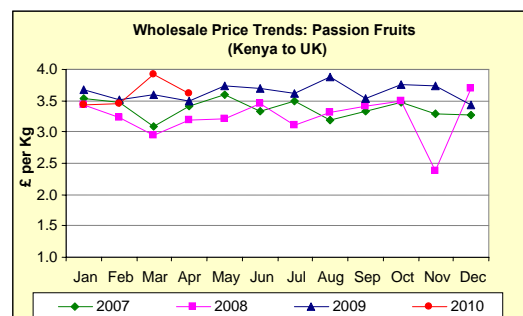
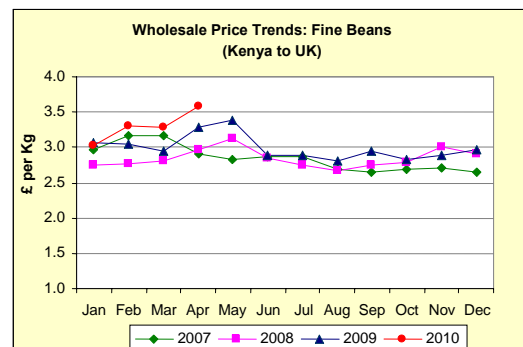
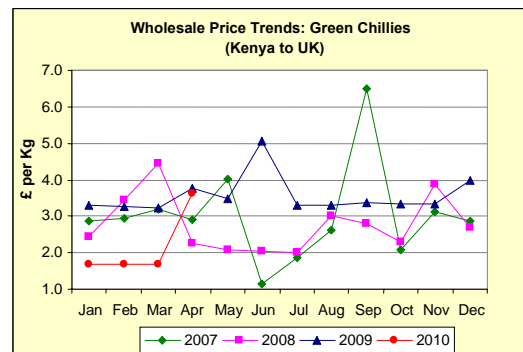
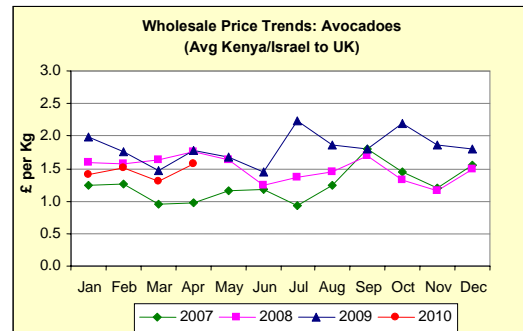
Passion Fruit

Kenya	3.44	3.46	3.91	3.62	-7.4%
Colombia					
Zimbabwe	3.13	3.69	3.75	3.25	-13.3%

Karella

Kenya					
Dominican Republic	1.65	2.18	2.38	2.00	-16.0%
India		2.02		2.05	

Source: Food Surveys & Fresh Produce Journal, UK



Domestic Prices – Fruit

Fruit prices were fairly stable with the exception of passion fruit. January to April 2010 average prices for bananas, mangos and passion fruit were above those of 2009 and the highest in four years. Avocado and pineapple prices fell slightly below 2009 levels but were still 20-25 percent more than the four-year average.

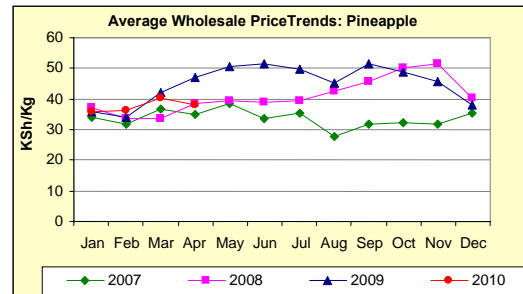
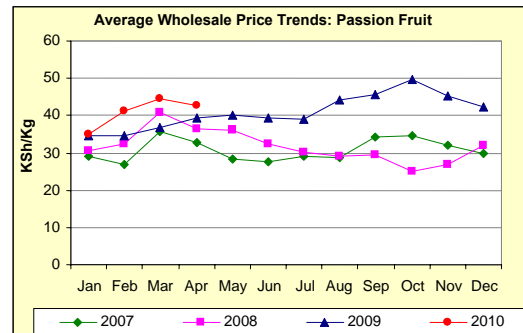
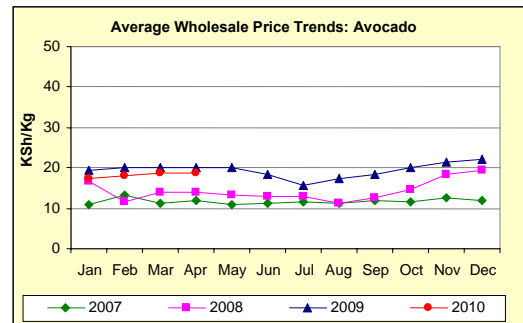
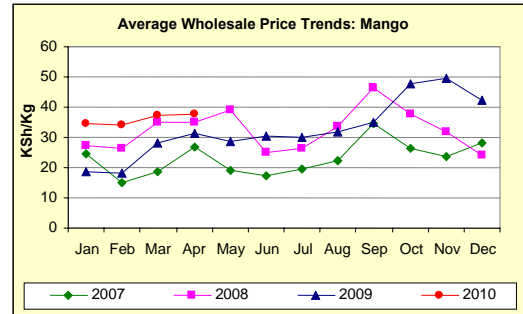
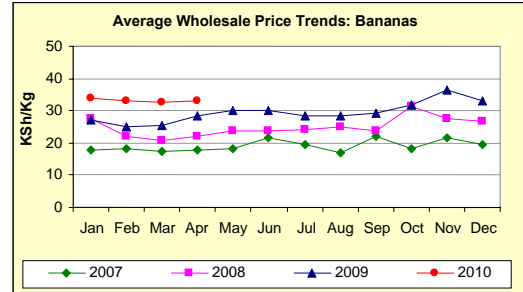
Steady mango supplies from Eastern, Central and Coastal growers kept average prices below KSh 35/kg in January and February. Prices started rising in March as supplies dropped, and Nairobi prices increased by 50 percent in April. Avocado prices were lower than all other fruit and remained stable from October through April at KSh 18-22/kg. In April, Nairobi and Eldoret markets recorded prices that were 13 and 11 percent higher, respectively. Passion fruit fell from KSh 42/kg in December to 35/kg in January but climbed to 45/kg in March. Pineapple prices remained above 35/kg in the first quarter but were 5 percent below 2009.

Although national trends were clear and followed previous years, prices varied widely across the country. Passion prices in March ranged from 35/kg in Eldoret to 61/kg in Mombasa. In April, bananas apparently sold for 18/kg in Nakuru but were 45/kg up the road in Eldoret.

Fresh Fruit – Average Wholesale Prices by market, KSh per kg

	Jan'10	Feb'10	Mar'10	Apr'10	Average
Bananas					
Nairobi	42.7	38.7	41.0	43.1	41.4
Mombasa	33.2	34.7	33.7	32.2	33.4
Nakuru	23.6	17.9	17.9	18.1	19.4
Kisumu	25.4	22.7	22.9	27.2	24.5
Eldoret	44.1	51.7	48.6	45.2	47.4
Av. W/S P	33.8	33.1	32.8	33.2	
Mango					
Nairobi	33.1	26.7	22.8	34.2	29.2
Mombasa	17.2	24.4	31.6	23.6	24.2
Nakuru	19.8	16.8	18.5	18.7	18.5
Kisumu	70.2	68.6	80.0	80.0	74.7
Eldoret	32.8	32.8	32.8	32.8	32.8
Av. W/S P	34.6	33.9	37.1	37.9	
Avocado					
Nairobi	24.7	22.9	22.7	25.6	24.0
Mombasa	27.8	27.1	25.8	23.9	26.1
Nakuru	20.9	20.0	17.7	18.9	19.4
Kisumu	4.2	10.3	13.9	8.9	9.3
Eldoret	9.2	9.3	14.0	15.6	12.0
Av. W/S P	17.3	17.9	18.8	18.6	
Passion Fruit					
Nairobi	41.5	45.2	45.9	46.7	44.8
Mombasa	24.6	54.6	60.9	49.9	47.5
Nakuru	44.4	45.6	45.5	45.6	45.3
Kisumu	28.8	25.5	35.9	36.0	31.5
Eldoret	35.1	35.1	35.1	35.1	35.1
Av. W/S P	34.9	41.2	44.6	42.7	
Pineapple					
Nairobi	46.6	44.9	46.9	46.9	46.3
Mombasa	35.3	47.0	49.6	48.8	45.2
Nakuru	22.1	19.5	20.3	19.5	20.4
Kisumu	54.4	50.9	52.2	42.3	49.9
Eldoret	21.8	17.9	32.5	33.2	26.4
Av. W/S P	36.0	36.1	40.3	38.1	

Source: Ministry of Agriculture, Market Information Office & HDP



Domestic Prices – Vegetables

In January to April 2010 average prices fell for all vegetables except tomatoes compared to the same period in 2009. This was because of the rains that devastated outdoor tomato crops but kept supplies of brassica and potatoes flowing in to urban markets. Growers of greenhouse tomatoes profited.

Average potato prices fell from December 2009 until March 2010. In April, prices increased by 27 percent to KSh 17.4/kg, but this was still the lowest April price in three years. All markets returned higher prices compared to March.

Tomato prices rocketed in January, increased by 17 percent in February, went up 21 percent in March, and increased by another 40 percent in April to KSh 62.1/kg, the highest April price in three years. The highest price increment in the month was recorded in Mombasa (80 percent) while the highest overall price was recorded in Nairobi at KSh 74.2/kg.

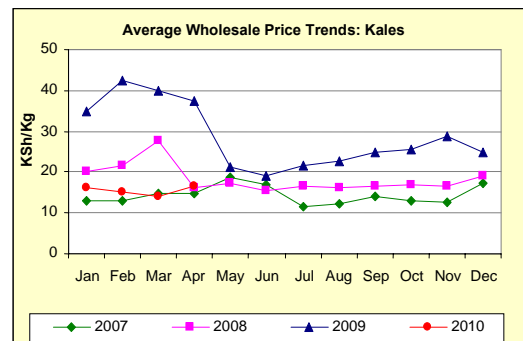
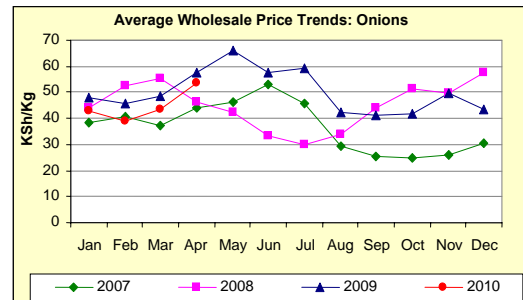
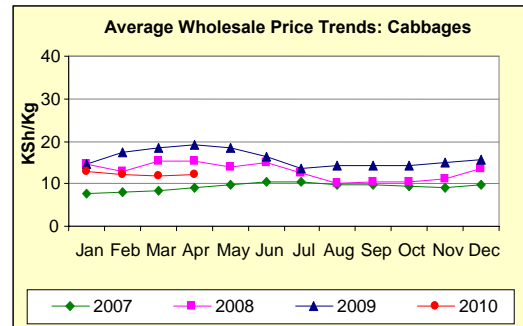
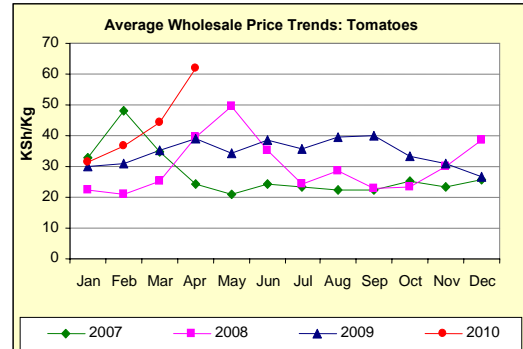
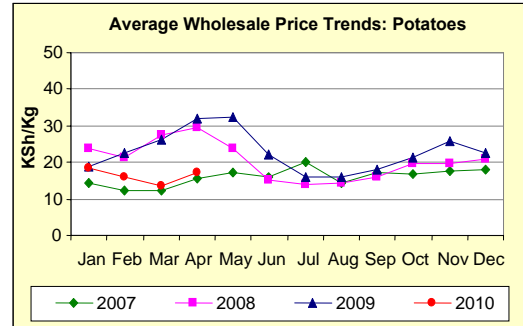
Prices for leafy vegetables remained below KSh 20/kg until April. Heavy rains in April affected supply, causing a 3 percent increase in cabbage prices and a 17 percent rise in kale supply (sukuma wiki). January to April average kale prices were 60 percent lower than 2009 levels, which was a relief for consumers.

Onion prices followed the normal seasonal trend, falling to KSh 40/kg in December and February then rising by 11 percent in March and 24 percent in April. All markets returned higher prices for onions in April with the highest price of KSh 85/kg recorded in Kisumu.

Fresh Vegetables – Average Wholesale Prices, KSh per kg

	Jan'10	Feb'10	Mar'10	Apr'10	Average
Potatoes					
Nairobi	20.6	15.7	14.3	20.3	17.7
Mombasa	20.1	20.9	19.4	21.4	20.5
Nakuru	16.5	13.5	12.8	15.1	14.5
Kisumu	22.3	22.1	15.7	19.1	19.8
Eldoret	11.9	8.0	6.5	11.2	9.4
Av. W/ SP	18.3	16.0	13.7	17.4	
Tomatoes					
Nairobi	34.9	45.9	55.5	74.2	52.6
Mombasa	23.5	28.8	34.5	62.1	37.2
Nakuru	27.5	39.5	39.7	61.3	42.0
Kisumu	40.2	41.2	49.1	67.2	49.4
Eldoret	31.4	29.0	43.5	45.8	37.5
Av. W/ SP	31.5	36.9	44.5	62.1	
Cabbage					
Nairobi	16.3	16.5	15.0	15.8	15.9
Mombasa	23.2	21.4	22.4	21.4	22.1
Nakuru	9.2	8.7	8.0	8.1	8.5
Kisumu	11.0	9.8	9.0	10.3	10.0
Eldoret	5.2	4.5	5.0	5.4	5.0
Av W/ SP	13.0	12.2	11.9	12.2	
Onion					
Nairobi	41.5	36.0	38.6	48.0	41.0
Mombasa	46.2	43.3	45.1	62.3	49.2
Nakuru	35.4	34.6	34.6	38.6	35.8
Kisumu	52.5	52.9	73.3	85.3	66.0
Eldoret	37.8	27.9	24.8	34.4	31.2
Av. W/ SP	42.7	38.9	43.3	53.7	
Kale					
Nairobi	34.8	18.0	14.0	18.3	21.3
Mombasa	10.3	10.9	12.1	15.3	12.1
Nakuru	4.0	7.2	5.8	5.8	5.7
Kisumu	20.9	28.8	28.4	31.0	27.3
Eldoret	10.7	10.2	11.0	12.7	11.1
Av. W/SP	16.1	15.0	14.2	16.6	

Source: Ministry of Agriculture, Market Information Office & HDP



2009 Horticultural Exports

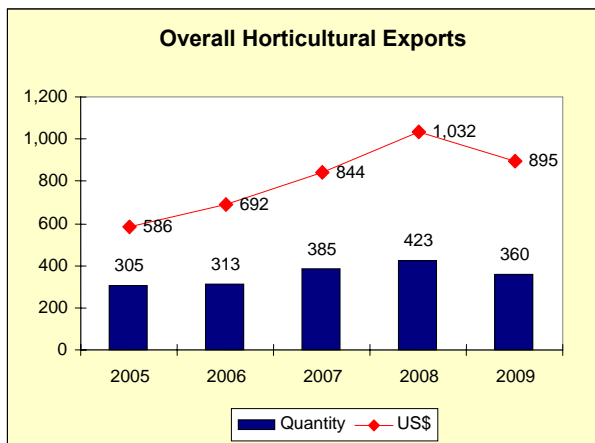
Horticultural exports for 2009 went down by 15 percent in quantity, 3 percent in Kenya shilling value and 13 percent in US dollar value compared to 2008 (table 1, figure 1). This was because of the drought that hit the entire country, drastically reducing production of rain-fed vegetables. However, the annual performance was better than 2007 by 25 percent in Kenya shillings and 6 percent in dollar value, but down in quantity by 6 percent. On average the Kenya shilling devalued by 12 percent against the dollar in 2009 compared to 2008 and by 18 percent compared to 2007.

Table 1: Quantity and Value of Horticultural Exports

Year	Quantity ('000' Tons)	Value	
		Billion KSh.	Million US\$
2005	305	44	586
2006	313	50	692
2007	385	57	844
2008	423	74	1,032
2009	360	72	895

Source: KRA Customs

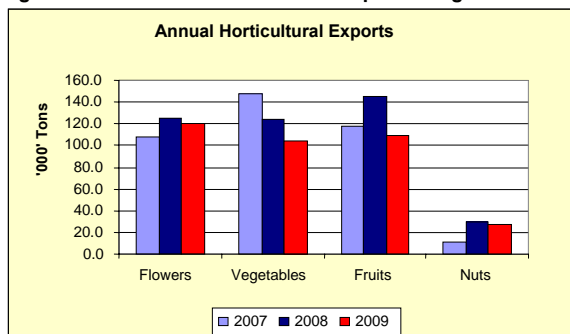
Figure 1: Annual Horticulture Exports' Qty in '000' Tons and Value in Million US\$



Flowers, Vegetables and Nut Exports

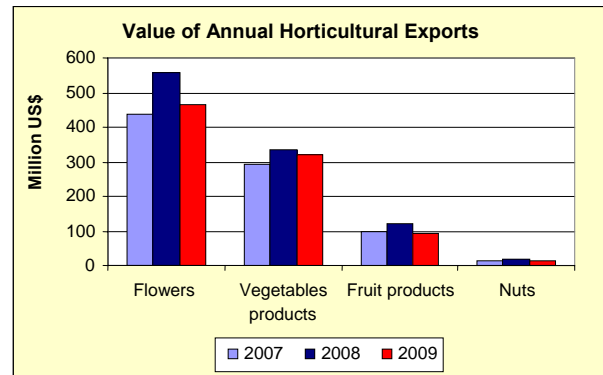
The quantity exported decreased by 63,000 tons. All four categories recorded reduced volumes (figure 2) but the major casualties were processed fruits, which decreased by 48,000 tons and dried vegetables, which decreased by 13,000 tons (table 3). The huge shipments of dried legumes that were sent to India and Somalia in 2008 were not sent in 2009 (table 3).

Figure 2: Quantities of Horticulture Export Categories



The major export category was flowers (33 percent of volume, 52 percent of value), followed by vegetables (29 percent of volume, 36 percent of value) and fruit (30 percent of volume, 11 percent of value). Nuts comprised 8 percent of all the quantities exported but only 2 percent of export values (figure 2). Vegetables performed better in value terms relative to previous years, largely due a re-categorization of miraa by KRA from "cut foliage" to "processed vegetables."

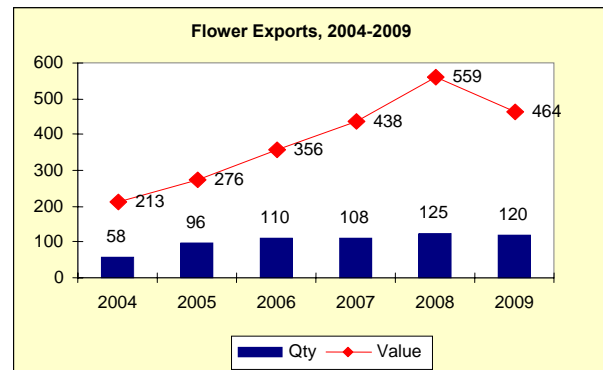
Figure 3: Value of Horticulture Export Categories



Floriculture

Flowers comprise more than 50 percent of the horticultural export value, dictating the overall trend in any given year (figure 3, table 3).

Figure 4: Flower Exports' Qty in '000' Tons and Value in Million US\$



Overall floriculture exports in 2009 went up in quantity by 1.5 percent and down in value by 3 percent. This is because of a 5 percent drop in the value of cut flowers (table 3) whereas other products, mainly cuttings, went up in value by 12 percent. Re-classification of miraa (see above) also contributed to the overall drop in value. The main destinations were the Netherlands and UK (table 2).

Table 2: Cut Flower Exports by Destination, Qty in '000' Tons and Value in Million US\$

Destination	Quantity	Value
Netherlands	77.1	\$222.6
United Kingdom	21.5	\$121.1
Germany	4.7	\$20.2
France	1.7	\$5.2
Russian Federation	1.7	\$6.0
UAE	1.0	\$4.6
Others	6.3	\$28.2
Total	114.1	\$407.9

Table 3: Quantity in '000' Tons and Value in Million US\$ of Calendar Year Horticultural Exports

Commodity	2007		2008		2009		% Δ, 08/09	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Cut flowers	97.8	310.6	113.6	429.5	114.1	\$407.9	0.5	-\$5.0
Other Floriculture products	6.1	74.3	5.1	50.6	6.3	\$56.0	24.0	\$10.6
Total Flowers	103.9	384.9	118.6	480.1	120.4	\$463.8	1.5	-\$3.4
Fresh Vegetables	80.2	234.8	78.2	251.2	73.9	\$214.7	-5.5	-\$14.5
Dried Vegetables	40.8	19.0	17.1	13.0	4.2	\$3.0	-75.6	-\$76.9
Processed Vegetables	26.8	40.6	28.2	71.3	19.4	\$33.8	-31.2	-\$52.5
Total Veg	147.8	294.4	123.5	335.5	97.5	\$251.6	-21.1	-\$25.0
Fresh Fruits	20.4	21.0	24.1	25.1	35.3	\$29.8	46.6	\$18.9
Processed Fruits	97.3	77.9	121.2	96.4	73.3	\$65.1	-39.5	-\$32.5
Total-Fruits	117.7	98.9	145.3	121.5	108.6	\$94.8	-25.3	-\$21.9
Nuts	11.4	12.6	29.5	16.4	27.4	\$16.0	-7.0	-\$2.3
Other Vegetable Products/fresh foliage*	4.4	53.4	6.3	78.4	6.7	\$69.2	5.8	-\$11.7
Grand Total	385.2	844.3	423.1	1,031.8	360.5	\$895.5	-14.8	-\$13.2

Fresh Vegetables

Fresh produce recorded a 6 percent decrease in quantity and a 15 percent decrease in value compared to 2008. This was mainly because of an 8 percent drop in volume of mixed vegetables exported (53,000 tons compared to 57,000 in 2008), which comprised 71 percent of all fresh vegetable exports during the year. Main destinations for mixed vegetable packs were UK at 36,000 tons (69 percent) and the Netherlands 8,000 tons (15 percent).

Exports of fresh beans made up 17 percent of the fresh vegetable exports and dropped by 17 percent, from 15,000 tons in 2008 to 13,000 tons in 2009. The major destinations were France (6,000 tons) and UK (5,000 tons).

Table 4: Major Fresh Vegetable export commodities QTY ('000' Tons) and Value in Million US\$

Product	2008		2009		% Δ	
	Qty	Value	Qty	Value	Qty	Value
Mixed Vegetables*	57.06	198.78	52.50	169.76	-8.0	\$14.6
Fresh Beans	15.33	40.62	12.66	33.29	-17.4	\$18.0
Others	5.77	11.79	8.71	11.68	51.0	-\$0.9
Total	78.2	251.2	73.9	214.7	-5.5	\$14.5

* includes Asian vegetables

Fresh Fruits

Fresh fruits performed extremely well in 2009, recording a 46 percent increase in quantity and a 19 percent increase in value. Avocados, which were 54 percent of all fresh fruit exports, represented 67 percent of the export value and increased quantity by 23 percent and value by 19 percent (table 5). Exporters were able to penetrate the Spanish market while maintaining their traditional market share in France.

Mangoes were 26 percent of both quantity and value of all fresh fruit exports. Export shipments increased by 33 percent from 6,000 tons in 2008 to 9,000 tons in 2009. Value also went up by 38 percent. This was partly because of emerging markets in the region. Quantities of passion fruit and other fruits increased to more than five times their previous levels, largely as a result of increased exports to Uganda.

Table 5: Major Fresh Fruit export commodities Qty in '000' Tons and Value in Million US\$

Product	2008		2009		% Δ	
	Qty	Value	Qty	Value	Qty	Value
Avocado	15.54	16.78	19.08	20.04	22.8	\$19.4
Mango	5.95	5.65	8.98	7.79	50.9	\$37.9
Passion Fruit	1.01	1.31	5.70	1.04	463.3	\$20.7
Others	1.55	1.32	1.5	0.91	-3.2	\$31.1
Total	24.1	25.1	35.3	29.8	46.3	\$18.6

Processed Fruit

Processed fruit comprised 22 percent of all horticultural exports in 2009. Volumes decreased by 40 percent and values by 33 percent. Fruit slices, which comprised 65 percent of all processed fruit exports, dropped by 49 percent (from 94,000 to 48,000 tons) in quantity and 38 percent in value. 98 percent of the fruit slices exported in 2009 were pineapple slices produced by Del Monte, which recorded a 50 percent drop in quantity, from 94,000 tons in 2008 to 47,000 in 2009, and a 40 percent drop in value. This was as a result of the credit crunch that hit the European market and made canned fruits a luxury good.

Processed Vegetables

Quantities went down by 31 percent and values went down by 53 percent (table 3). The major commodity in this category is canned beans (table 6). In 2008 canned beans were 70 percent of processed vegetables, while in 2009 canned beans were only 41 percent of processed vegetables, which equates to a 45 percent drop in quantity (from 19,655 to 10,737 tons) and a 38 percent drop in value.

Table 6: Major Processed Vegetable export commodities, 2009

Product	Qty ('000' Tons)	Value (Million US\$)
Beans	10.7	\$16.9
Spices	5.0	\$9.1
Mixtures of vegetables	1.9	\$2.0
Others	1.8	\$5.9
Total	26.1	\$103.1

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