

*"Keeping Smallholders in Business"*

*The HDC is a USAID-funded programme, managed by the agribusiness firm Fintrac Inc. Our mission is to increase and sustain smallholder sales and incomes through crop diversification, improvements in production and postharvest technologies, and market linkages.*



Fred Ochieng of HDC trains growers in Homa Bay on transplanting Techniques



## This Month

Welcome to the April "Monthly Update". This month, in addition to the brief summaries on each of our target crop categories, we are focusing on western Kenya, a region which has received very little development assistance on horticulture in the past. Consequently, many growers are unfamiliar with some of the basics of nursery preparation and transplanting techniques which are fundamental to good crop production. Nevertheless, the areas around Lake Victoria and Eldoret have great potential for some of the horticultural crops and products targeted by HDC and the demonstrations set up with smallholder groups and partner organisations have generated tremendous interest. We were also pleased to take our colleagues James Kigathi and Joseph Ondigi from USAID on a tour to visit farmers in Nyanza, Western Province and the Kerio Valley, which apart from the occasional torrential rain shower, was a great success.

To get on our mailing list via e-mail, please send a request to [hdc@fintrac.com](mailto:hdc@fintrac.com).

## Passion Fruit

Plant propagation and new orchard planting continued in Bungoma, Eldoret, Kerio Valley, Central and other areas. However, the supply of clean planting material is a serious constraint. We are currently working with private nurseries to increase production, but eventually it should be possible for good farmers to produce their own plants. There is also a need to look at different varieties of passion fruit. For example the large "hybrid" types which are grown in Uganda produce higher yields than the Kenyan small purple fruit (although not everyone likes the flavour as much) and have good potential for the fresh export market. For processing it may be necessary to grow more of the yellow passion which is also higher-yielding and can be grown even in the tropical coastal areas.

## Chilli Products

We have started working with a new partner Mace, based in Eldoret, to promote African birds eye chilli in western areas. Mace is a locally-owned company dedicated to producing a range of chilli and other spice products for export. They have partners based in Europe who can give them excellent access to markets. We are also encouraging production on the coast, where proximity to Mombasa port is a cost advantage if growers can improve their techniques to match yields and costs of production in other areas.

## Vanilla and Spices

Vanilla vines planted in small-scale field trials have done well during the heavy rains with plants producing 3-5 leaves during April. We are inundated with requests for plants from local and overseas growers. Tissue



James Kigathi of USAID with the Ngura Rangwena group, HDC clients in Homa Bay, Nyanza.



Testing the heat of African Birdseye Chillies with HDC partner MACE.



African birds eye Chilli.

culture production of planting material at JKU and Genetic Technologies has also moved successfully from initiation to multiplication stages. As predicted though, world prices have started to tumble from the record high of \$400/kg to more sustainable levels.

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## Smallholder Flowers

Trials with *hydrangea* and other species for "dried arrangements" are going well in Eldoret. The HDC survey of current production and potential floriculture crops for smallholders in the future started in April and will continue for the next three months.

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## Tree Crops

Our research on small-scale equipment for mango processing has shown that it should be possible to set up an efficient small-scale plant with a capacity of 1-2 tonnes/hour for a total cost of not more than \$200,000. The problem is that mango is concentrated in areas such as Tana River where there is no electricity and support services are minimal. Nevertheless, we are in discussion with local investors and are hopeful that a pilot scale plant may result in the near future.

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## Local Market Vegetables

Activities are continuing well on our local market survey and we are on schedule to produce a report by July. Demonstration plots for local vegetables are also increasing in all areas and we shall be holding open days with Regina Seeds and other partners during May and June.

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## Focus on Homa Bay

The Ngura Rangwena Focal Area Farmers Group, based in Homa Bay, Nyanza, comprises 15 smallholder groups with 613 members, 230 of whom are women. In the past, members of Ngura Rangwena predominantly grew cotton, maize and sorghum cash crops. However, prices for some of these crops have fallen in recent years, leading members to shift focus to bananas, tomatoes, mangoes, pumpkins, limes, pawpaws, and sukuma wiki. Despite the switch, the group has faced additional challenges in the form of droughts and locating markets outside their immediate region.

MACE, an export company with offices in Eldoret and Germany (see above), have carried out trials of African Birds Eye chilli during the last year. This chilli enjoys strong demand in export markets where, among other uses, it is an ingredient in the manufacture of processed foods and pepper spray. Results have shown that these chillis do very well in the climatic conditions of Homa Bay. HDC, working with MACE, has established demonstration plots with the Ngura Rangwena growers in the hope that production volumes can be increased for this product in order to meet MACE export targets. The goal is to have 25 ha under production and 40 tons of African birds eye chilli produced this year. HDC is also providing regular training and technical assistance to the growers in order to ensure that product meets the required export standards. Growers are hopeful that this and other horticultural crops will generate additional income in future compared to previous crops.

HDC also recently assisted Ngura Rangwena members in marketing their produce outside their immediate vicinity, in Mfangano market located some 60 km from Homa Bay. Products with strong local market potential include tomatoes, cabbages and sukuma wiki.



Mango grafting at Odala, West Kisumu.



Dried green mango sample for processing customer in Holland.



HDC agronomist Lydia Njuguna demonstrating fertilizer and soil mixing during passion fruit planting.

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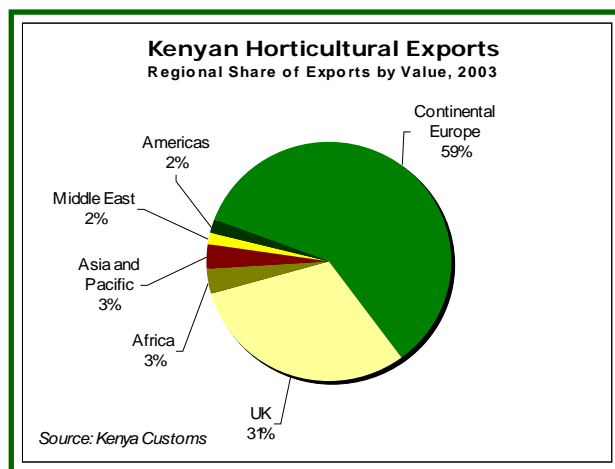
Field Offices:  
Thika, Kisumu, Eldoret, Mombasa

## USAID Field Visit

In April, HDC technicians invited USAID staff to accompany them on field visits with clients in Nyanza, Western and Rift Valley Regions. James Kigathi and Joseph Ondigi of USAID enjoyed four days away from their desks, and were able to visit growers producing passion fruit, chilli and a range of local market vegetables. Their conclusion was that Fintrac has achieved their objective of getting HDC staff out in to the field, working on commercial crop and product development during the first six months of the project. They also noted however, that smallholders in these areas have been starved of TA in horticulture in the past, and that they will also need intensive training in business management techniques to achieve the commercial targets set by HDC and other partners.

## Baseline Survey: Export Data

HDC's Baseline Survey for 2003 will be completed in early May. The information compiled for the survey will be used to assess HDC progress in helping smallholders increase productivity, sales and incomes over the life of the project. Information being collected for the survey includes yields per hectare, client



sales, number of farmers using improved technologies, etc. The baseline information will be used in conjunction with Fintrac's Client Impact and Results Information System (CIRIS) to monitor client progress.

This sample of the data for 2003, provided by KRA, shows the extent to which Kenyan horticultural exports (fresh or processed produce, flowers and foliage, and spices) depend on continued access to the European market. In particular, the Netherlands and UK together receive nearly two-thirds of Kenyan horticultural exports by value: In 2003, the Netherlands imported Ksh 12.2 billion (US\$160 million) worth of produce, mainly cutflowers, while the UK received Ksh 11.4 billion (US\$149 million), consisting mainly of green beans and other fresh vegetables. The other significant export was processed pineapple from Cirio Del Monte. Complete data tables are available from the HDC.

## EUREPGAP Programme

"EUREPGAP panic" continues to grip Kenya!! In April, we started on the HDC programme of training and systems implementation to certification level of outgrowers linked to specific export companies. We hope to reach at least 5,000 small-scale growers and rural workers with this initiative, but this is less than 10% of those who will need to be certified by 2005 to stay in business.