

As we approach the new export season for flowers and fresh produce, the evidence is that horticulture is thriving in Kenya. Falling production in Zimbabwe, Zambia and Israel will provide new opportunities for us to increase our market share. The cost of entry for newcomers such as Ghana and Ethiopia may well prove to be prohibitive. Market demand is growing, particularly in eastern Europe and the new EU countries. AGOA may also offer niche opportunities in the US market. The major efforts taking place to bring outgrowers up to speed on Eurepgap and traceability are also helping to build market confidence. In addition to this, new reports by HDC and Tegemeo Institute confirm that the local market for vegetables is increasing, particularly for health-related products such as African indigenous vegetables (AIVs), which offer strong income generation potential for small-scale growers and are our featured products this month.

International Prices

Fresh Fruits and Vegetables

Food Surveys UK & Fresh Produce Journal UK

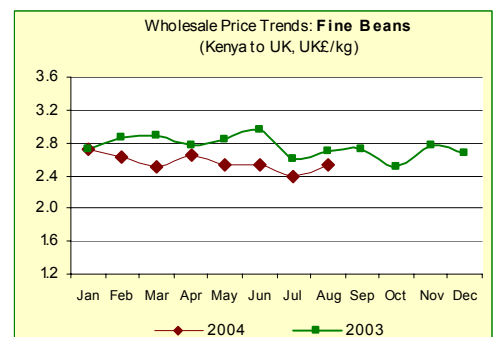
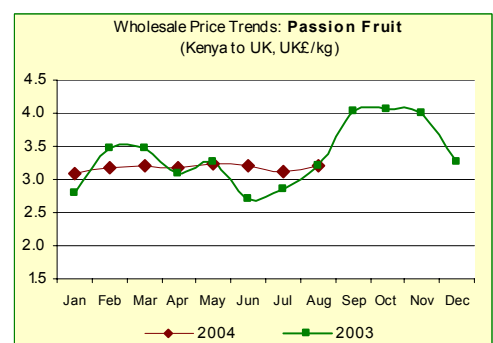
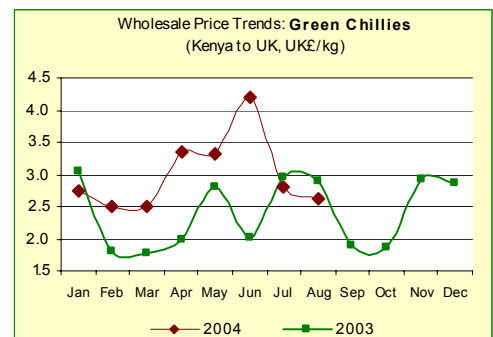
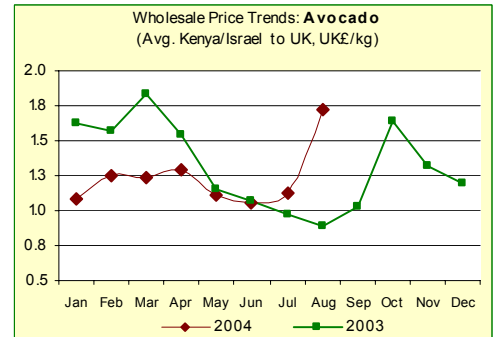
Market	Supplier	Variety	July	Aug	% change
Average Wholesale Prices UK£/Kg					
Avocado					
UK	Kenya	Fuerte	1.13	1.88	66%
	South Africa	Fuerte	1.11	1.57	41%
Green Chillies					
UK	Kenya	green	2.79	2.63	-6%
	Holland	green	2.52		
	Gambia	green	2.00	2.00	0%
Fine Beans					
UK	Kenya		2.40	2.53	5%
	UK	Bobi			
	Egypt	Bobi		2.25	
Mangetout					
UK	Kenya		2.48	2.34	-6%
	Guatemala		2.48	2.41	-3%
Sugarsnap Peas					
UK	Kenya		2.92	2.66	-9%
	Guatemala		2.75	2.73	-1%
Okra					
UK	Kenya		2.88	3.00	4%
	India		2.88		
	Gambia		2.75		
	Brazil		3.63	3.69	2%
	Thai		3.75	3.17	-15%
Passion Fruit					
UK	Kenya		3.13	3.21	3%
	Colombia		3.10	3.13	1%
	Zimbabwe		3.00	3.00	0%
Karella					
UK	Kenya		2.88	2.92	1%

Prices for Kenyan produce were generally good, with the usual exception of okra which fetched lower prices than other sources due to mixed quality of arrivals. In a short market avocado did particularly well although supplies were limited. Chilli prices have dropped back to average levels, partly because a lot of chilli is used in catering which has suffered from the worst summer rain in UK for forty years.

Traders and supermarkets were happy with the quality of Kenyan fine beans and runners. Good quality mangetout, sugar snaps and fresh shelled peas were also in evidence in many supermarkets. UK consumers appear to have given up on shelling their own peas, which could offer huge potential for Kenya in the future. Exporters report this as the fastest growing vegetable product.

In addition to the main products reported here, Kenya is also a major supplier of a wide range of lower volume Asian vegetables. Some traders complain that Kenya is more expensive for these than other sources and that quality is variable.

The potential for some other high volume "ethnic" products which are pushing in to supermarkets has also been raised by both importers and exporters. These would include ginger, sweet potato and pumpkin. UK "mango week" also received a lot of media attention in September, raising the question again of whether Kenyan exporters should take advantage of improvements in shipping and handling technology to make a new start with fresh mango exports.

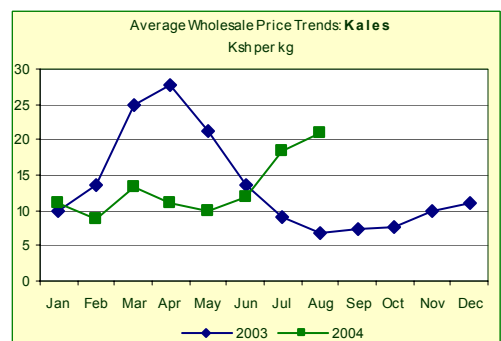
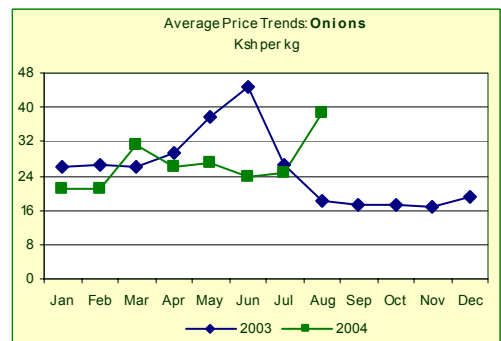
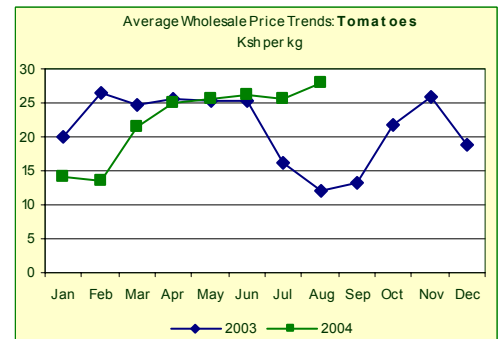
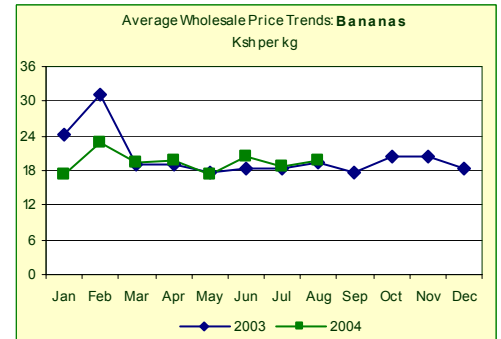
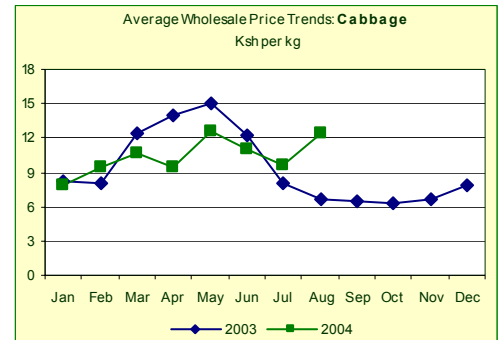


Domestic Prices

Fresh Fruits and Vegetables

Ministry of Agriculture, Market Information Office & HDC

Market	April	May	Jun	Jul	Yearly Average
Average Wholesale Prices, Ksh per kg					
Bananas					
Nairobi	21.4	23.4	25.1	23.3	24.54
Mombasa	21.4	19.6	21.7	18.8	19.89
Nakuru	26.4	25.9	17.4	25.7	24.85
Kisumu	7.1	13.4	10.0	11.8	10.46
Eldoret	10.0	19.6	19.8	19.3	17.35
Tomatoes					
Nairobi	31.3	32.2	25.9	31.5	28.50
Mombasa	14.8	27.6	27.0	19.3	20.44
Nakuru	28.1	26.6	22.4	28.3	21.46
Kisumu	28.1	23.5	28.7	34.8	23.62
Eldoret	25.0	20.8	24.3	25.9	18.09
Cabbage					
Nairobi	11.1	12.4	13.3	14.9	11.59
Mombasa	26.2	21.0	19.8	23.5	21.07
Nakuru	7.9	8.1	7.2	7.9	6.95
Kisumu	4.8	9.8	3.8	10.6	6.99
Eldoret	-	4.1	3.9	4.8	4.11
Onions					
Nairobi	21.5	21.2	20.8	34.7	27.13
Mombasa	30.8	24.5	22.9	43.8	26.24
Nakuru	28.8	29.8	25.7	42.3	26.22
Kisumu	32.3	19.0	32.9	43.1	30.32
Eldoret	20.9	23.5	22.3	30.2	23.56
Kales					
Nairobi	12.0	12.7	20.0	22.2	14.50
Mombasa	10.0	11.9	24.0	22.4	14.98
Nakuru	8.0	12.4	12.0	14.3	10.02
Kisumu	10.0	12.4	20.0	24.1	14.07
Eldoret	10.0	10.5	16.0	21.1	12.24



Focus on Onions



In recent years Kenya has consistently imported onions from Tanzania and occasionally from Eritrea. However, recent food security interventions by the Tanzanian Government have reportedly reduced onion production and consequently squeezed supply in the Kenyan market. The reports appear to be confirmed by August market prices which rose to Ksh40/kg, more than double the price in August 2003. This of course represents a good market

opportunity for Kenyan growers, but only if they can improve their production and storage systems. Interviews with the main Kenyan buyers highlighted that the Tanzanian and Eritrean onions have a good colour and are well cured, giving a longer shelf life than Kenyan onions which last only for a few days before rotting or sprouting.

A new Tegemeo Institute report (see HDC September Update) also points out that Tanzanian onion yields are 30% higher than in Kenya which makes them more price competitive even though other costs are similar. Tanzanian growers are also more disciplined in their harvesting and drying techniques, which gives them a market edge. The seed varieties and technology exist in Kenya to produce all the onions needed on the local market. Technical assistance is available from the HDC, HCDA and MOA extension workers - now it is up to the growers to respond.

**HDC Product Profile:
African Indigenous Vegetables:
The forgotten treasure**



New research studies by HDC and Tegemeo Institute (see HDC September Update) report that demand for African indigenous vegetables (AIVs) is currently growing faster than for any other fresh produce category. This applies to both supermarket and traditional retail outlets. According to MOA data the AIV area under production more than doubled during the period 1992-2001 compared with a 20% increase for kale and lower increases of 0-10% for the other major vegetables. Retailers confirm a resurgence in the interest in traditional vegetables to the extent that they cannot meet demand.

This high market growth potential, particularly among the more health-conscious consumers stems mainly from the belief that the highly nutritious vegetables are rich in vital minerals and can boost the human immune system. There appear to be real benefits to patients who are HIV positive or suffer from other debilitating diseases. For children under five, AIVs can also offer an affordable and sustainable source of essential minerals and vitamins.

The market penetration and uptake rate for both informal and formal markets for the last two years has been over 500% due to a renewed interest, triggered through promotional campaigns facilitated, for example, by Family Concern and the International Plant Genetic Resources Institute (IPGRI).

Kenya is endowed with a wide variety (about 210 species) of edible indigenous vegetables which have evolved and been selected over many years for their pest and disease resistance and fast growing, colonizing nature. Black Nightshade (*Mnavu*), Spiderplant (*Sageti*), and cowpea leaves (*Kunde*) dominate the market share due to their consumption across various communities as well

as known medicinal and nutritional benefits. These were traditional components of diet in pre-colonial times, but it is estimated that during the last century, as urbanization created longer and more formal marketing chains, over 90% of these vegetables were phased out and replaced by cabbage, spinach and kales. These "imported" varieties are higher-yielding and more resilient, but often less nutritious and more susceptible to pests and diseases than the traditional AIVs.

AIVs offer very attractive attributes to eco-systems due to their simple and complementary production and environmental contribution. These vegetables perform best under organic agronomic systems; are fast-growing (ready for harvest within 4-5 weeks) and resistant to common pests and diseases.

Their short growing period, which leads to more regular harvests; low input requirements; and high utilisation rates (low wastage) also contribute to profitability. With current demand and market prices high, the gross margin for AIV production is relatively good compared to other vegetables. Most AIVs are currently grown by small-scale growers, providing them with valuable income. Although the domestic market is still growing and not fully supplied, the global demand for "natural foods" is also growing at an ever-increasing rate and may provide export potential for some of these vegetables in the future.

African Indigenous Vegetables' market share for Nairobi Market

Vegetable	% age market share
Black Nightshade (<i>Managu, Manvu</i>)	30%
Spiderplant (<i>Sageti, Saga, Osuga</i>)	28%
Cowpeas (<i>Kunde, Thoroko</i>)	20%
Amarunthus (<i>Terere</i>)	12%
<i>Mlenda, Kanzira, Mitoo</i>	9%
Others	1%
TOTAL	100%

Source: Family Concern, 2003