

***“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.***



KARI is leading the way in passion fruit research



## **This month**

As a USAID-funded program we are subject to a high level of accountability, including regular evaluations to assess whether HDC is working effectively to increase rural incomes by making successful interventions in the horticulture sub-sector. The first field evaluation, by a team of six independent consultants, took place in April. Many of HDC's partners and clients were visited or consulted by members of the evaluation team, and we would like to thank you all for the positive comments and feedback which they received. They were also impressed with the scale of the horticulture industry. Based on HCDA and Customs figures for 2004, the total export value of flowers and cuttings; fresh and processed fruits and vegetables; macadamia and cashew nuts, was Ksh45 billion or \$590 million (€470 million). Kenya is quite unique in that much of this export value flows back to small-scale growers. Even the high-tech floriculture industry is a major employer, with farms providing at least 30,000 permanent jobs. *Steve New, Director, HDC*

## **Local Market Fruits and Vegetables**

The importance of the local market for fruits and vegetables has been highlighted again by Tegemeo Institute. At their annual conference held in April, they presented a new report based on household and supply chain surveys carried out in 2003/04. In Nairobi, they found that fresh fruits and vegetables account for "just over one-fourth of the households' total basic food expenditure ..... across all income groups". About 150,000 tonnes of potatoes were consumed in Nairobi in 2003, accounting for a quarter of total fresh produce consumption by weight. Average monthly expenditure per household was highest on tomato (Ksh229), followed by banana (Ksh146), potato (Ksh144) and onion (Ksh114). In total, Tegemeo estimate that the retail value of the Nairobi market for fresh fruits and vegetables is some Ksh70 billion (\$0.92 billion). We can assume that the national market is worth at least double this amount – perhaps as much as Ksh150 billion or \$2 billion (€1.6 billion). The study also found that consumers have a preference for buying at "open air markets and kiosks", and stressed the importance of "... improving the traditional markets as a way of improving the marketing and hence consumption of fresh produce in urban centers".

## **Passion Fruit**

KARI, one of HDC's key technical partners, has provided the following information on their passion fruit research activities, which will be of great interest to growers. Both yellow and purple passion fruit are grown in Kenya, mostly by small scale farmers. The average yield is 8-9 ton/ha compared to 19-24 tons/ha in South Africa. Cultivation suffers from fungal and viral diseases, insect pests and lack of clean planting material, making management and establishment costs relatively high. To address the problem a breeding programme was initiated at KARI with support from the



Anthurium flowers are in demand from Coast hotels



Tomato - most popular 'fruit' in Nairobi



Birds eye chilli seedlings – the new niche product for Kenya

World Bank and JICA. Field trials were carried out at KARI-Thika and KARI-Matuga, and in farmer's fields in Central, Eastern and Coast Provinces. The objectives were to: collect, introduce, preserve and characterize potentially useful passion fruit germplasm for variety development; and evaluate crossbred and other germplasm for fruit quality, yield and disease tolerance/resistance. Several imported and locally-selected cultivars were evaluated against local varieties of large yellow and purple passion fruit. Preliminary data from KARI Matuga show that the highest yield was obtained from passion fruit cultivar Brazil (280,000 fruits/acre/season) followed by KPF 26 (188,000 fruits) and C5 (155,000 fruits). With prices ranging from Kshs1.00-3.00 per fruit (Ksh30-90/kg), farmers can earn up to Ksh80,000.00/acre per season, almost double the income from local yellow. Seven farmers in Kwale–Matuga have already commercialized the new passion fruit lines. Two Farmer Field Schools of 50 farmers have been established at Shimba Hills and Msurwa, and field days have also been organized to sensitize the farmers on the new varieties. The farmers ranked KPF sweetest followed by Brazil and C5. Data on time to first flowering and passion fruit quality (flavour) also indicated that three cultivars - KPF, Brazil and C5 are superior to the local yellow.

### Chilli Products

The Public Ledger, a leading agricultural commodity journal, has reported that 2005 production of African birds-eye chilli in Zimbabwe has "...plummeted to less than half that of 2004". Zimbabwe was previously a major supplier to the international market. The article says that "...annual production is now less than 10% of what it was five years ago". This has increased market interest in production from other countries including Kenya where commercial production from smallholders is increasing rapidly. HDC is providing direct technical support to this new niche industry in partnership with commercial investors, and we hope to see Kenya emerging as a significant new player in the market in 2005.

### Vanilla and Spices

Vanilla plants will be available from several HDC partners for planting at the start of the next rains. Despite a big drop in vanilla prices, there is still a lot of interest from growers who want to buy the plants. The problem for most growers is that they do not have suitable fields with support trees already planted and shade available from bananas or other trees. Growers in western and coastal areas who are interested in growing vanilla commercially should contact HDC with information on rainfall and trees already planted on their farms.

### Smallholder Flowers

More information from KARI on their flower research! Since 1998, several new varieties of anthurium have been under evaluation at KARI Matuga. The varieties investigated were Hajrija, Magaretha, Pistache, Midori, Sonate, Senator, Midori, Fla Beauty, Fla Orange, Local, Fantasia, and Tropical. Results showed that conditions in some coastal areas are suitable for the production of anthurium flowers. Consequently demonstrations and trainings were carried out to teach farmers how to grow the flower. Growers were also shown how to multiply seed for their own use and sale, when this did not conflict with breeders' rights. The AIC Shanzu Youth Group has been able to produce up to 4000 plantlets per farmer with a value of at least Ksh30,000 per month. In 2004 they earned a total of Ksh85,000 which they



Charcoal coolers are now more important than ever under EUREPGAP



The Kenya EUREPGAP Technical Committee

Horticulture Development Centre  
MPPS Building  
Mombasa Road  
P.O. Box 3074-00506  
Nyayo Stadium, Nairobi

Phone: 20-556728/556807  
Fax: 20-556804  
Email: [hdc@fintrac.com](mailto:hdc@fintrac.com)

Field Offices:  
Thika, Kisumu, Eldoret, Mombasa

re-invested in a second shade house. In Ukunda, a woman farmer earned a total of Ksh40,000 per month from the sale of anthurium. Proceeds obtained from sale of the flowers have helped her to construct another shade and pay school fees for her child in college.

## Tree Crops

In the first quarter of 2005 HDC supported the construction of three low-cost collection centres for mango along the Tana River, at Wema, Chamwanamuna and Ozi. Trials will be starting in May to improve the quality of mango for processing and potentially fresh sales. The response of farmers to the cashew training programme funded by HDC and implemented by MOA extension agents has been fantastic. Since January, 816 field training days have been held, attended by 16,100 growers. More than 10,000 improved cashew seedlings have also been planted so far.

## EUREPGAP

The total number of HDC-sponsored EUREPGAP trainers has reached 18 with others sponsored by different agencies. Field visits were organized for USAID evaluators, Ugandan flower investors, UK importers who were all impressed by Kenya's EUREPGAP progress. A survey of EUREPGAP compliance indicates that by the end of April: 38 exporter-owned or managed farms were certified, 9 out-growers with more than 20 acres and 413 out-growers with less than 20 acres. The main crops are Runner beans, Baby corn, Fine- and Extra fine beans.

The EUREPGAP Technical Committee met in Naivasha Country Club for a three-day workshop to complete discussions on the interpretation guidelines and develop a template quality management system (QMS) for Option 2 (small holders) EUREPGAP compliance. A full report on the deliberations is being compiled and will be available next month from FPEAK.

## Industry News & Views

Horticulture crops and products are now traded on a global scale and subject to various international standards agreed by members of the World Trade Organisation (WTO). Under the WTO agreement on application of sanitary and phytosanitary measures (SPS), each member state has obligations relating to transparency in trade. Countries are required to establish an "enquiry point" responsible for answering questions about SPS measures and related issues. In Kenya, the SPS enquiry point has been established at KEPHIS under the WTO/JITAP program. This will also meet one of KEPHIS' responsibilities as the Competent National Authority required by the new EU regulations on food and feed safety (EC/2004/882). An important function of the SPS National Enquiry point is to access information on SPS issues that is published by the WTO and pass it on to stakeholders who may be affected. This is to ensure that stakeholders have all the necessary information to meet trade requirements and facilitate trade without barriers. SPS notifications made by the WTO during March 2005 are now available at KEPHIS.