

Kenya is well-known for its exports of flowers and fresh produce, particularly in the UK and other European markets. However, the global market is here and the future will depend upon diversification of markets and products to meet different customer tastes in the fast-growing markets of USA, Asia, Eastern Europe. In these and other parts of the world Kenyan products are, as yet, largely unknown. One of the product categories with most potential is nuts. These are regarded throughout the world as one of the healthiest sources of protein available, especially for the millions of vegetarians who we carnivores often forget about. So our feature this month is on macadamia. Kenya is already the world's fifth biggest producer with massive potential for growth. *Steve New, Director, HDC*

International Prices

Fresh Fruits and Vegetables – UK Market

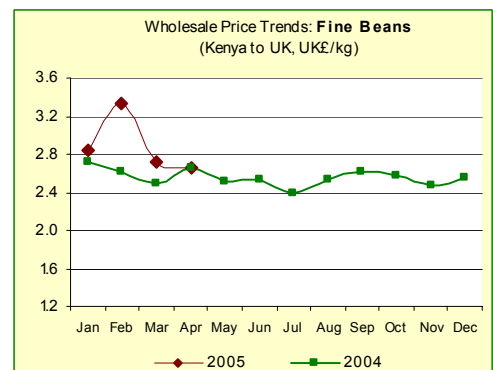
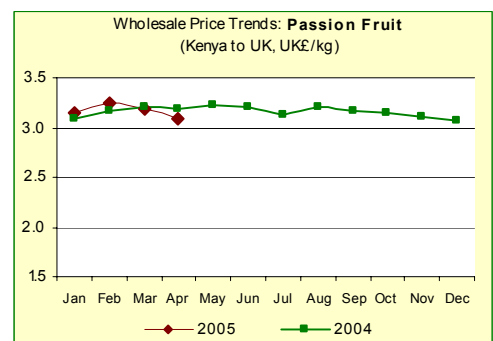
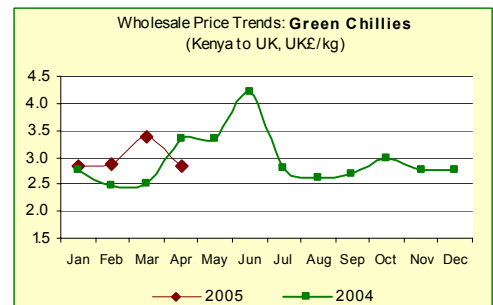
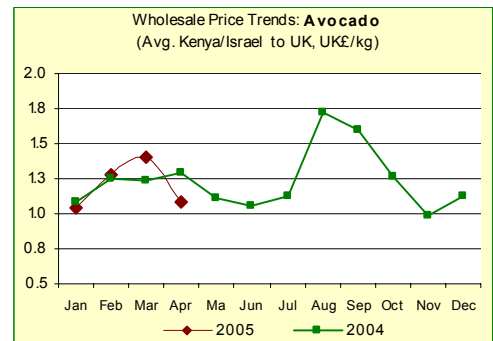
Food Surveys UK & Fresh Produce Journal UK					
Market	Supplier	Variety	March	April	% Change
Average Wholesale Prices UK£/Kg					
Avocado					
UK	Kenya	Fuerte	1.46	1.05	-28%
	Israel	Fuerte	1.35	1.13	-16%
	Spain	Fuerte	1.35	1.20	-11%
Green Chillies					
UK	Kenya	green	3.38	2.83	-16%
	Egypt	green	2.72	2.50	-8%
	Holland	green		3.90	
Fine Beans					
UK	Kenya		2.71	2.66	-2%
	Zimbabwe		2.70	2.75	2%
Mangetout					
UK	Kenya		2.71	3.87	43%
	Guatemala		2.84	3.96	39%
Sugarsnap Peas					
UK	Kenya		2.90	3.57	23%
	Guatemala		2.70	3.26	21%
Okra					
UK	Kenya		3.50	3.35	-4%
	India		2.85	2.40	-16%
	Brazil		3.63	3.60	-1%
	Thai		3.40	3.40	0%
Passion Fruit					
UK	Kenya		3.18	3.08	-3%
	Colombia		3.00	3.50	17%
	Brazil		1.46	1.56	7%
	Zimbabwe		3.00	3.00	0%
Karella					
UK	Kenya		2.90	3.00	3%

The UK market was generally well supplied with produce in April, with the exception of mangetout and sugar snap peas. A combination of variable quality and limited quantities from all sources forced prices up by 40% to as much as £4.00/kg in some wholesale markets. Kenyan production was particularly affected by the onset of heavy rains in some production areas which created quality problems.

Poor weather also affected the quality and supply of Asian vegetables, particularly okra which dropped in price by about 4%. Good supplies from the Caribbean and West Africa, and the first crop of greenhouse chilli from Holland, caused a general reduction in prices of all chilli varieties of around 10%. As always, chilli prices varied widely depending on variety and colour.

Kenyan avocado prices dropped by up to 30% on the previous month as Spanish fruit came in to the market with much lower transport costs and generally higher quality.

Passion fruit prices held firm at over £3.00/kg with few sources able to maintain regular supplies of Eurepgap-certified fruit. Interceptions of passion fruit with high residues of organochlorine pesticides from various sources, including Kenya, means that many exporters are reluctant to send fruit unless it is from a safe and traceable source.



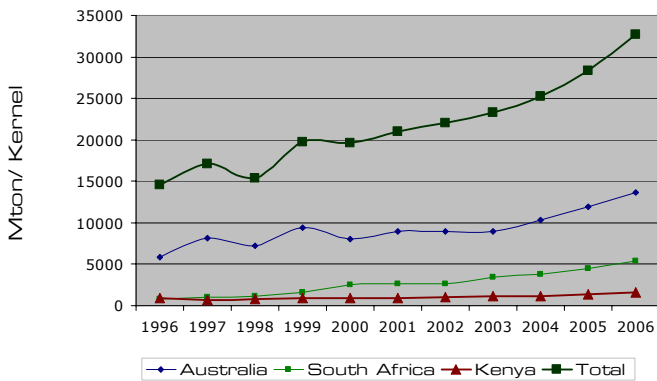
The World Market for Macadamia Nut

Macadamia is a “minor” nut on the world market. However, the demand for all nuts is growing fast and world trade in macadamia has increased by almost 10% per annum over the past five years. Opportunities also exist to increase sales on local and regional markets, since current consumption is negligible, and demand for healthy, nutritious snacks is growing fast in Africa.

Kenya Production

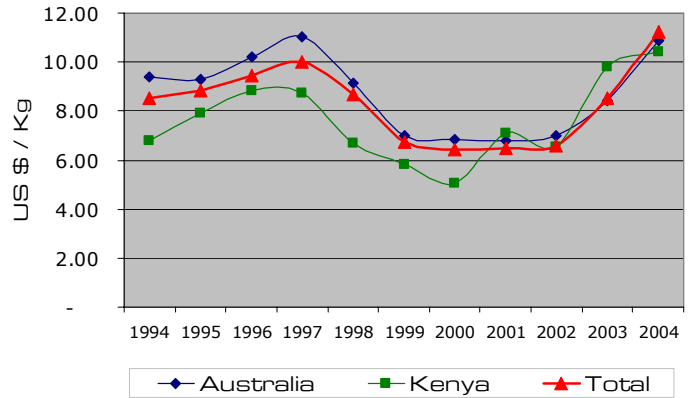
Kenya is the fifth biggest producer after Australia, Hawaii (USA), South Africa and Guatemala, and exported a reported 6,030 tonnes in 2003/04, equivalent to 9.6% of total world trade. According to the MOA, more than 100,000 small-scale growers have macadamia trees, although yields are low and variable. Most nuts are grown in Central and Eastern Province, with Embu District leading. According to Ms Grace Ndung’u, the Provincial Director of agriculture, growers earned Ksh280 million in 2004 from 5,008 tonnes of nuts sold “wet-in-shell” to the Kenya Nut Company and other processors. The average price was Ksh50/kg but this has recently increased to Ksh80-90 for good quality nuts.

MACADAMIA PRODUCTION



Production is expected to increase by at least a 1,000 tonnes in 2005 with farmers expecting to earn as much as Ksh500 million if current prices hold.

US IMPORTS MACADAMIA NUTS, UNIT VALUE (CIF)



The MOA is encouraging growers to plant new improved varieties which come into production within five years, and produce good yield of high quality nuts.

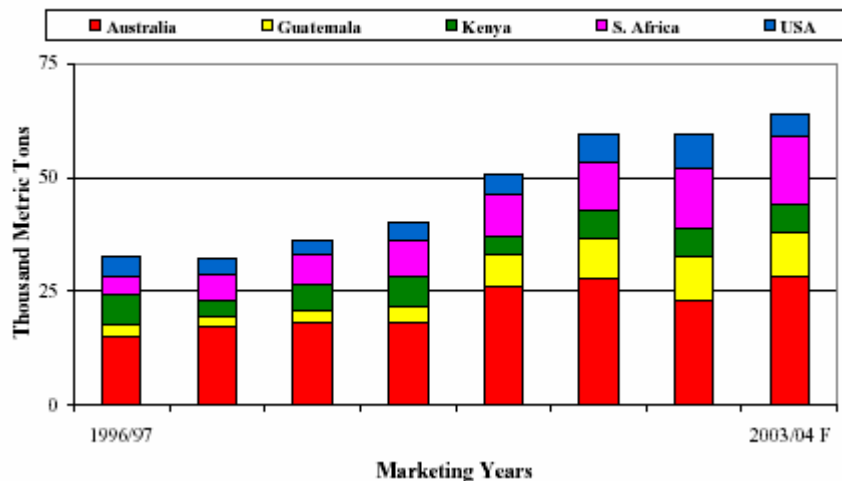
Markets and Prices

Macadamia is a high value nut. In 2004, the average C&F price in the US for nuts from all sources was \$11.23/kilo for style 2 nuts (13-17mm whole and Half kernels – 50% whole). Kenya macadamia sold at an average of \$10.42/kilo.

The US is the biggest market for macadamia, followed by Japan and Europe. It imports raw nuts in shell and re-exports prepared and processed macadamia products. However, Chinese consumption is rising more rapidly than in any other country, and may offer massive potential for the future. In 2003/04, the US surpassed Japan as the primary export market for Kenyan macadamia.

At a recent international conference on dried fruits and nuts, Gerald Klijn of Global Trading and Agency, Rotterdam, leading nut traders, said that macadamia is “**the** nut with growth potential” since it is good for snacking and is being used as an ingredient in a wide range of health foods, particularly in Asia.

Macadamia Nut Exports for Selected Countries



Source: USDA