

Horticultural Development Program

MONTHLY UPDATE – February 2006

“Keeping Smallholders in Business”

The KHDP is a USAID-funded program, 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.



US Ambassador William Bellamy at Milly Fruits in Mtwapa – enjoying a glass of the popular ‘Picana’ mango juice.

This month

Welcome to the “new look” Update!!! In February the spotlight was on market promotion and SPS interventions at various levels - international, regional and national. For the first time ever, Kenya participated in the Fruit Logistica trade show held in Berlin. Kenya was represented by FPEAK, KHDP and 11 Kenyan exporters. The event provided an excellent forum for Kenya to market its horticulture and reach many new customers. We were happy to take Jackee Schafer, Head of USAID’s “Economic Growth” (EGAT) Bureau in Washington, and other senior officials, to various KHDP sites in Central Kenya. They were impressed with the ‘Karatina to Kampala’ passion fruit trail, as an example of KHDP’s national initiative on this crop, as well as production demonstrations of various local market vegetables. The US Ambassador to Kenya, Mr William Bellamy, also visited Milly Fruits in Mtwapa to get an update on KHDP’s successful mango program at the Coast (and drink some Picana mango juice). Various stakeholders were busy preparing for the upcoming biannual Nairobi HORTEC 2006, which has gained a reputation for being the premier horticultural show in the region. With KHDP assistance, Kenyan exporters will also use the Miami World Floral Expo Show in the US next month, to market not just the country’s world class flowers but to attract US investors, buyers and visitors to the vibrant horticulture and tourism sectors. *Steve New*

Local Market Fruits and Vegetables

Although the drought has persisted KHDP clients growing tomato, onion and cabbage under irrigation have reported high yields. In Naro Moru, uptake of hybrid onion varieties including the Red Bombay and Red Comet, is good. Seedling nurseries have been established as farmers prepare land for transplanting at the onset of the rains. In Mwea, KHDP market intermediary Bernard Maina, has been so successful in tomato production and marketing that he is now diversifying into fine bean production. This is providing additional income for his growers too. KHDP agronomists and partners continued to provide field level technical assistance to farmers countrywide through the demonstration sites and field days.

Chilli Products

Encouraged by the successful and profitable production of African birds eye chilli (ABE) in Eastern and Western Kenya, demand by Coast growers for the planting material has exceeded supply. To address this, KHDP area manager, Beatrice Gambo has been sourcing seed from Busia and



Mama Wangui, an onion grower in Naro Moru tends her seedlings. Having invested in good quality seed with technical advice from KHDP, she is expecting high yields of quality onions.



What we believe is Kenya's first vanilla pod, growing at the Coast

coordinating new ABE nursery developments at the Coast. Since Kenya started growing ABE as a KHDP intervention for farmers in marginal areas, more than 50 tonnes of the dried product has been exported. Kenya may well become a market leader over the next two years.

Vanilla and Spices

In February, Fintrac consultant, Umran Kaggwa visited various KHDP-assisted vanilla growers and partners in Western, Central and Coastal parts of the country. The progress is encouraging, given that vanilla production is new to Kenya. The tissue cultured vanilla produced by our partners [JKUAT's Prof. Kahangi and Genetic Technologies Laboratories (GTL)] is doing well, though the main challenge is finding suitable root media that can support the plants once transplanted into the green house. Farmers who have irrigated their plants, while providing adequate shade, mulch and manure have recorded better growth, especially as the drought continues. Neem has proved to be a better support plant than *Jatropha* on the coast, as it has the added advantage of holding its leaves in dry conditions - KHDP will be introducing its use in Western areas too. Says Umran, " I am happy with the uptake so far. With the coming rains, we hope to have flowering of the vines at the Coast and I am eager to see how they will maintain the pods after pollination."

Umran agreed with KHDP's emphasis on the coast and Lake Victoria areas for vanilla production. He warned that the much-publicised attempts to grow vanilla in Nyeri and other areas where night temperatures fall below 15°C are misguided and doomed to fail. As a general rule, vanilla does not grow well above 1,200m and cannot tolerate low temperatures. This is substantiated by the results from KHDP trials.

Passion Fruit

It seems that the local and regional demand for passion fruit is taking most of the production at present, with relatively little going for export. According to the latest figures available, at least 32,000 tons of passion fruit were produced in 2005, of which only 998 tons or 3.1% was exported to overseas markets, valued at Ksh300 million FOB (KHDP estimate). The balance was consumed locally and exported to Uganda and other regional markets. An increasing amount of passion fruit is also being used by local fruit processors to produce juices for local and regional markets. These figures are based on the most recent data available from the MOA and HCDA, and field observations by KHDP staff. GTZ/PSDA organized a three-day stakeholders' workshop in Embu to discuss a joint diagnostic survey on the status of the passion fruit industry. Participants were unanimous that improvements in postharvest handling marketing; access to market information; and coordination of work in the industry were crucial in enhancing resource use and competitiveness. Research in crop management and pest and disease control would greatly improve productivity.

Meanwhile we have worked with our market intermediary, Alice Wangui, in linking Karatina producers to the Coast market, with 4 tons being sold in late February. To receive a copy of the diagnostic survey and workshop report, please contact the GTZ/PSDA .



USAID-Kenya's Allan Fleming with KHDP's Steve New and passion fruit broker, Alice Wangui, at Karatina market



KHDP's Timothy Mwangi providing technical assistance to an Indu-farm passionfruit outgrower in Limuru.



Growers scouting for pests in cabbage at Karatina

Tree Crops

Findings from a three-month market research on "Domestic Market Opportunities for Small-scale Cashew nut Processing", commissioned by KHDP in collaboration with the Coastal Development Authority (CDA), are now available. The research, conducted by Family Concern, identifies potential market share and suitable value chains for cottage women processors in Kwale. There is a growing local market for processed cashew nuts, currently exceeding 200 tons annually with an estimated value of KSh 70 million (USD 1 million) farm gate value. KHDP is working jointly with other stakeholders to enhance the women's competitiveness and develop linkages with local buyers.

A few years ago, Moringa promised to be the new wonder crop, but then it disappeared from sight with growers disappointed that they had no market for their crop. With the renewed interest in bio-fuels and other uses for pressed seed oils, KHDP has partnered with a new investor to rehabilitate Moringa in coastal and Western areas.

Smallholder Flowers

Recognizing the emerging significance of the US market for horticultural products, and the advantages of AGOA, KHDP is assisting KFC and FPEAK growers to promote their flowers in the upcoming Miami Floral Expo. Although Kenya is mostly recognized for its world class roses, the Miami Show will provide ample opportunity for Kenyan exporters to showcase the potential of summer flowers. We have produced a generic promotional package which tells US buyers where to find Kenya in Africa, and gives ten good reasons why they should start buying our flowers. Not least of these is that Kenyan floriculture is an African private sector success story!

EUREPGAP

Impressed by Kenyan public-private sectors collaborative efforts in ensuring EurepGAP and SPS compliance, following a KHDP presentation to USAID-Washington last year, USAID Zambia provided funding in February for a study tour to Kenya by an official Zambian delegation. Led by the Permanent Secretary, Ministry of Agriculture and Cooperatives, Dr Mundia, the delegation met with key industry representatives. Through the interaction that included formal discussions as well as visits to farms and institutions, the Zambian team became familiar with challenges to trade posed by the new requirements and Kenya's coping strategies. Commending the Kenyan public-private collaboration, the Zambian team confirmed that they would be practicing the same back home. Collaboration between the two countries will strengthen the region's position in trade negotiations, where some integration of SPS and related issues will be essential. In February, 20 more internal auditors trained by FPEAK with KHDP support received their certificates. The increasing private sector capacity to train and audit their outgrowers, as well as their own farms, is becoming the most powerful tool for EurepGAP compliance.

Industry News & Views

The National Taskforce on Horticulture



Jackee Shafer and the USAID team in the field at Karatina

The Taskforce has become regional! Arusha, Tanzania hosted the first meeting of the Steering Committee of the proposed 'East African Taskforce on Horticultural Exports.' Morag Webb of the EU-PIP facilitated the discussions. Eight participant organizations from the East African public and private sectors deliberated on key issues such as: the expected benefits; its mission statement and objectives; 'sectors' to be addressed as well as its membership. They were in agreement that the mission of the Taskforce would be 'To facilitate and promote regional and international trade in horticultural exports.' Facilitation of regional international trade as well as strengthening of regional public-private partnerships would go a long way in enhancing market access for the region's horticultural growers.

To receive a report of the Arusha meeting and for more details on the work of the Taskforce, contact the MD, KEPHIS through: kephis@nbnet.co.ke

FPEAK

Kenya was an exhibitor for the first time at this year's Fruit Logistica trade show held in Berlin, Germany. The Kenyan stand, managed by FPEAK with KHDP support, featured a wide range of high quality vegetables and fruits grown by our farmers as well as macadamia and cashew nuts, coffee, tea, and processed products. More than 60,000 visitors representing over 62 countries visited the stands which covered all aspects of fruit and vegetable production, processing and marketing. Kenya was well represented by Sicily Kariuki, CEO - FPEAK, Nipul Dodhia - East African Growers Ltd, Charles Muchiri - Avenue Fresh Produce Ltd and Monica Ndungu - Everest Ltd; with more than 50 growers attending at their own expense, and some assisting on the stand. Kenya received very positive feedback from visitors and the stand was acknowledged by all as being the best ever contribution from Kenya. From the interest shown by buyers in fresh cut and mixed packs of vegetables, it is clear that the rest of Europe is now following the UK in demand for this type of product. This is good news for Kenya, which is already a market leader in the UK. FPEAK is currently distributing the trade requests generated from the show.

FPEAK brought together more than 70 industry participants during its members' interactive meeting, held on February 22nd. The meeting facilitated discussions on available industry support through presentations by KHDP, BSMDP & Centre for Development of Enterprises (CDE); progress on the PRAs; launch of NRI's IPM training materials as well as Kenyan horticultural production training needs. It was also highlighted that effective training was critical not just in enhancing competitiveness, but also improving efficiency and innovation.

FPEAK's excellent quarterly journal, *Horticultural Insight* continues to provide incisive coverage of the Kenyan industry and stakeholders are invited to send in their information to FPEAK for inclusion in the journal or their monthly newsletter. Of course KHDP also welcomes any contributions from readers of the UPDATE.

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