

## Monthly Update

January 2006

### **“Keeping Smallholders in Business”**

**The HDP 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.**



USAID's Harrigan Mukhongo and Steve New of KHDP talk to farmers during the FPEAK Hortifair in Mwea

### **This month**

January was a busy month for growers preparing for the Valentine's Day demand for roses and other flowers. However, the continuing appreciation of the Kenya shilling against all major currencies has eroded margins for exporters. A debate started in the press during January on whether Government should take positive steps to stop this appreciation and keep exports competitive. We give some more facts on exchange rates and exports in January's edition of the KHDP Horticulture Market News.

The public sector and donors were also active in January after the Christmas break, with several new SPS activities starting up. The World Bank has now joined USAID and the EU in designing specific initiatives to enable small-scale growers to meet changing global standards for food safety and quality.

At KHDP we were particularly pleased with the results of our mango processing initiative on the Coast, and container loads of African birds eye chilli exported from Kenya for the first time. These are labour-intensive, added value products which impact directly on employment and smallholder incomes in rural areas.

*Steve New, Director, KHDP*

### **Local Market Fruits and Vegetables**

The persistent drought has created some shortages in the availability of vegetables, resulting in price increases. This has benefited KHDP-assisted growers using drip irrigation and other water conservation techniques, and provides a good illustration of how low-cost technology, if adopted by many local market growers, would help to stabilize supply and prices.

This month we also conducted a two-day training course for field staff working with domestic market intermediaries (brokers) to procure onions, potatoes, passion fruit and tomatoes. As well as crop-specific information, they received training on teaching methods and reporting. In future, this will help them to supply extension support to growers as an "embedded" service provided by the intermediaries. At the end of the workshop the trainees were very happy with the acquired skills, "I am now more confident in my ability to work with the farmers and help them more effectively to increase production," said potato buyer Boniface Mwoki.

The FPEAK Hortifair held in Mwea, a major tomato producing area, also provided a good opportunity for growers to obtain new information on hybrid vegetables, appropriate fertilizers, crop protection chemicals and other inputs (see below). The KHDP stand was shared with our partners, Hygrotech, WONI, Family Concern, Mace Foods, Athi River Mining with their 'Mavuno' fertilizer, and passion fruit seedling producers from Central Kenya. Throughout the two days, KHDP agronomists Irene Ngugi and Tim Mwangi were inundated with enquiries from local vegetable and fruit growers.



KHDP client, Helen Strong is leading the way in passion fruit production in Eldoret



Mrs Amania Njoroge and her family with a bumper crop of cashew in Mpeketoni, Lamu

## Chilli Products

End-of-year reports from KHDP partners Mace Foods and Equator Products confirmed that Kenya became a commercial exporter of dried African birds eye chilli (ABE) and cayenne chilli powder for the first time in 2005. A total of seven container loads (49 tonnes) were shipped to buyers in Europe. The customers were generally satisfied with quality and both companies have a full order book for 2006. Mace shipped another container of 7,800 kgs of ABE this month. The chilli is being grown by thousands of contracted smallholders, mainly in Western, Nyanza and Eastern Provinces. The growers receive extension services and technical assistance as part of their production contract with the buyers.

## Vanilla and Spices

There is still a lot of technical work to be done before vanilla becomes a commercial crop in Kenya. Over the past two years, KHDP partners JKUAT have been developing and improving tissue propagation systems for vanilla. They now have the capability to supply up to 65,000 vanilla plants per month. However, moving from laboratory to field is a big challenge. Samples have been "hardened and grown on" successfully at several nurseries and are now being tested on suitable farmers' fields under the supervision of KHDP technical staff. The plants are doing well under controlled conditions. By contrast, growers who rushed to Uganda and bought vines when vanilla prices were high, have lost many of their plants due to inexperience and lack of knowledge of suitable production systems. Although we have not yet seen a single vanilla bean produced in Kenya, vegetative growth is good, and it is likely that the first flowers and pods will be produced on KHDP trial plots this year.

## Passion Fruit

Despite the dry weather, some of the best passion fruit we have seen is being produced in Eldoret. Karatina farmers also have some good orchards under irrigation. The experience of most growers over the past few months is that without irrigation, it is difficult to maintain year-round passion fruit production on a commercial basis. Nevertheless, KHDP nursery clients sold their complete stock of high quality, grafted passion fruit seedlings during the Mwea Hortifair.

The new KARI quarantine house came into operation in January. This is a KARI -KHDP joint venture, designed to produce "elite" passion fruit plants, grafted on to selected rootstocks and free of viruses and other diseases. Within the next few months the first plants will be available for sale to growers.

## Tree Crops

The December/January crop of mango in Tana River was larger than in recent years. KHDP partners R. Retief Ltd (dried fruits) and Milly Fruit Processors (Picana mango juice) reported that a record amount of more than 3,500 tonnes of fresh mango was processed. About 8% of this came from the three low-cost collection centers constructed by Tana growers with assistance from KHDP. The quality of fruit from the centers was above average, allowing higher recovery of pulp and better prices for growers. MOA/KARI/KHDP cashew training continued in all Coastal Districts.



A model fruit tree nursery at East College, Embu



HCDA and KARI technical teams with the fruit tree nursery operators during a training session in Embu

## Smallholder Flowers

Thanks to all export companies, KFC and FPEAK for responding to our final survey to identify the key areas for technical interventions on smallholder flower production. It seems that the problem areas, which almost everyone identified, are unsuitable postharvest systems which damage flowers and reduce vase life; degenerate seeds and bulbs which produce low quality flowers; old varieties which sell for low prices; and lack of irrigation, causing supply fluctuations. Work to tackle some of these problems will start next month with field visits to outgrowers identified in the survey.

The 2005 export figures from Customs and HCDA suggest that summer flower exports increased overall last year although quantities of *Eryngium* and *Arabicum*, both important smallholder crops, were down by 68 mts (18%) and 58 mts (26%), respectively. Significant increases were seen for *Statice/Limonium* (up 131%), *Agapanthus* (112%), *Scabiosa* (108%), *Alstromeria* (31%), *Ammi sps* (28%), *Molucella* (23%), *Papyrus* (21%) and *Asclepias* "Moby Dick" (10%). Some new varieties are emerging as possible smallholder crops, particularly *Montbretia* (also called *Crocasmia*) which appeared on export statistics for the first time in 2005 with 26 mts shipped.

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## EurepGAP/SPS

Efforts to build up the numbers of certified growers are ongoing countrywide, with various initiatives underway. According to KHDP estimates, there are now more than 1,000 certified farms and growers in Kenya.

The joint World Bank/USAID Standards and Trade e-learning course "*Challenges and Opportunities for Developing Country Agro-Food Trade*" started this month and will provide excellent training to technicians in the industry. At the end of the seven-week course, participants in each country team will prepare a summarized 'Response Action Plan' in relation to their specific food industry situation as regards standards implementation. For more details contact Timothy Mwangi at KHDP or go to [www.worldbank.org/wbi/trade](http://www.worldbank.org/wbi/trade)

The PCPB, with technical support from KHDP partner Real IPM, held a one-day workshop in Thika, sponsored by EU-PIP, to share information on its role in pesticide legislation as well as safe and effective use of pesticides. The 55 participants who represented diverse stakeholders discussed consumers' concerns on pesticide use and the relevant EU regulations. The role of various stakeholders in promoting safe and effective use of pesticides was clarified. It was agreed that intensifying farmer and stockist training as well as better information sharing would greatly enhance safe use efforts in the industry. In future PCPB will attempt to ensure that pesticides are only sold by trained persons. A complete list of registered pesticides is available from PCPB, at KSh1,000.

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## Industry News & Views

### Ministry of Agriculture

The MOA, with assistance from UNDP, has started work on a new policy paper "*Development of a National Regulatory Framework for Horticulture*" – which will



Sunflower is an attractive and effective companion crop to keep the birds away from the birds eye chilli

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contribute to the development of a definitive *Kenyan Horticulture Policy*. The MOA is also partnering with the German Development Services (DED) on a Smallholder Irrigation Program in the Mt Kenya area. The Program will bring irrigation to about 700ha, with 1,500 smallholders benefiting from improved livelihoods and farm incomes, over a 5-year period. The project area is four Districts in Eastern and Central Province, and its technical assistance focus will be mainly on: capacity building for water management and conservation; training on IPM, farmer management and standardization; and market linkages.

For more details contact the MOA or Hermann Kamprath on [hermann@orientalonline.net](mailto:hermann@orientalonline.net)

### **National Taskforce on Horticulture/KEPHIS**

Consultant J.J. Gichuki is working on the diagnostic study for the EU food and feed regulation 882/2004. He will report on the institutional capability of national regulatory and technical agencies relative to the demands of the new regulation.

Following a largely successful audit of their analytical chemistry laboratory (ACL) late last year by SANAS, a South African accreditation agency recommended by the EU, KEPHIS is now working on the 9 minor non-conformities identified. This is certainly good news for the industry both for meeting the 882/2004 criteria and providing accredited analytical services for pesticides and other chemicals to the industry at a competitive cost. For more details on the work of the Taskforce and KEPHIS, contact the MD, KEPHIS through: [kephis@nbnet.co.ke](mailto:kephis@nbnet.co.ke)

### **FPEAK**

FPEAK successfully held its second Hortifair in Mwea on January 20-21st. The event was officially opened by the Assistant Minister for Agriculture, Hon. Kembi Gitura who gave a speech on behalf of the Hon. Kipruto Arap Kirwa. There were around 40 exhibitors, representing various MOA agencies, donor programmes, agricultural input suppliers, finance sector and standardization bodies. Over the two days the show received more than 3,000 visitors. Growers were unanimous in welcoming the opportunity to visit a trade show in their own area rather than in Nairobi, which they said was for "weekend farmers" (or words to this effect). In the various meetings and discussions held at the KHDP and other stands, farmers expressed their concern about fake seeds and fertilizers; complained about unlicensed agrovet dealers; asked for information on contract farming and market linkages; and requested affordable EurepGAP certification services as well as technical support for crop production. FPEAK are grateful to all partners for making the 2nd Hortifair a success. For more details, please contact [info@fpeak.org](mailto:info@fpeak.org)

### **HCDA**

This month HCDA, KARI and MOA technical staff from Eastern Province conducted a three-day regional workshop for 25 fruit tree nursery owners from Central and Eastern Provinces. The participants received training in key areas such as: 'farming as business'; nursery management; pest and disease control; basic regulations governing fruit tree nurseries; propagation principles and practices. All the participants were unanimous that the formation of a National Association for Fruit Tree Operators would greatly coordinate their activities. More details on this initiative and other activities can be obtained from the HCDA at [hcdamd@wananchi.com](mailto:hcdamd@wananchi.com)