



“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.



USAID Country Director, Dr Kiert Toh, plants a cashew tree in Kilifi to mark the launch of the cashew extension programme



This month

December and January were busy months for HDC, and the horticulture industry as a whole. Exporters reported a record demand in December for almost 5,000 tonnes of fresh vegetables in the build-up to Christmas, and air freight capacity was squeezed to the limit. In January, the Director of the USAID Mission in Kenya, Dr Kiert Toh visited Coast Province, where he spent two days in the field with small-scale vegetable and cashew growers and officially launched the much anticipated collaborative cashew extension programme, managed by the MOA and KARI. This is a public-private sector collaboration to boost production by at least 5 000 tonnes by 2007. Kenya’s first local certification body, AfriCert was finally handed its ISO 65 accreditation at a colourful launch ceremony, where it was confirmed that there is a growing local demand for EUREPGAP certification. As part of subsector collaboration and coordination, donors funding various horticulture projects in Kenya met at HDC and agreed to formally set up the Donor Horticulture Coordination Group. Also, we were pleased to take part in a Stakeholders Consultation on “Partnership for Market Access for Horticultural Produce” organized by the Royal Netherlands Embassy, as part of its WSSD Partnership Programme. Of special interest were the position papers that had been prepared on the fruits, vegetables and floriculture sub-sectors. For the first time this month we are very pleased to include news highlights from the Horticulture Crops Development Authority (HCDA) and the Fresh Produce Exporters Association of Kenya (FPEAK), leading industry agencies who will give the Monthly Update an industry-wide perspective. Finally we would like to wish all of our readers a happy and prosperous 2005.

Steve New, Director, HDC

Local Market Fruits and Vegetables

A clean up exercise of the Wakulima Market by the Nairobi City Council (NCC) shortly before New Year, rid the market of 6,000 rats, greatly contributing to consumers’ confidence in its improved hygiene and sanitation levels. We hope it was not a coincidence that this came a month after the joint HDC/Tegemeo Institute workshop where many participants lamented the neglect of hygiene and standards in urban markets. In response to many requests to link horticulture and food security, we started work on a new initiative to promote ‘rain-fed horticulture’. This will focus on promoting crops and technologies that will enhance water conservation (mulching), food security (sweet potato), nutrition (papaya) and drought resistance (varieties). The Mwangaza Women’s Group in Kilifi District will manage the first demonstration site. Challenged by sandy soils, high temperatures and low rainfall, they have planted brinjal, sweet potato, chilli, papaya and passion fruit for home consumption and supplementary income.



Passion fruit is doing well under drip irrigation at Gatanga



Field trials of Zinnia at KARI Thika

Passion Fruit

Demand for high quality planting material remains high. Commercial nurseries in Eldoret and Thika are building their capacity to produce grafted seedlings with technical support from HDC. More than 10,000 seedlings were distributed in December and January. In response to requests from potential investors, we have completed financial projections for passion fruit processing. However, the high local, regional and export demand for fresh fruit has created a "sellers market" with farm-gate prices rarely falling below 30/- per kilo. For processing to be feasible, fruit must be available at around 15/- .

Chilli Products

The first 300 kilos of dried birds eye chilli were delivered at MACE Foods by HDC-assisted clients in Nyanza and Western Provinces. They hope to double this figure by March. The bushes should produce at least four main crops over the next two years before re-planting is necessary. Reports from buyers confirm that the quality of the Kenyan crop is superior to Ugandan chilli which they were buying previously.

Vanilla and Spices

Field trials of vanilla are now established in Western, Central and Coastal areas. We are hoping for a growth spurt during the next rains which will allow vines to reach their first looping stage. Propagation is also accelerating at JKUAT and at three private nurseries. Small-scale commercial planting by selected growers should be possible in the second half of 2005.

Smallholder Flowers

The first trials of Zinnia and Tagetes at KARI, and by smallholders in Thika District were carried out for Rosavie. Trials with other varieties are ongoing to identify suitable selections for smallholder production. HDC will hold a one-day stakeholders' workshop in March during which participants will develop a strategy to improve quality and increase the quality of flowers produced by small-scale growers for both local and export markets.

Tree Crops

We were delighted to have the USAID Mission Director, launch the cashew extension programme, at Kilifi Institute of Agriculture on January 13th. Dr Toh presented technical kits and training materials to 90 extension workers, who were sent out with the rallying call 'Pandeni Korosho kwa Wingi'. The programme represents collaboration between the MOA, KARI, HDC and other members of the Cashew Technical Training Committee, with a target to increase cashew nut production to 15,000 tonnes per year.

Construction of mango collection centres started at three sites in the Tana River delta area. The associations managing the centres at Chara, Ozi and Wema locations aim to deliver a total of 3,000 tonnes of fruit to processors during 2005. Training and improved handling facilities should lead to more efficient delivery and better fruit



Another busy day at Wakulima Market



Ruth Nyagah, Managing Director of AfriCert, at the company launch in January

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utilization by the processors, and increased income for the growers.

EUREPGAP

Our best wishes go to AfriCert, once again as they continue working with Kenyan smallholders to bring them to EUREPGAP certification. We are certain that the entry of new players will result in reductions in certification costs, welcome news to smallholders.

6 HDC-assisted EAGA smallholders were presented with their EUREPGAP certificates during the AfriCert launch. We foresee the expansion of this programme as we have entered partnership with additional exporters and their growers, bringing the total number of HDC EUREPGAP partners to 5.

Industry News & Views

FPEAK implements new Strategic Plan 2005-2007

In seeking to make Kenyan horticulture the global choice, FPEAK has revised its corporate mission statement and began implementation of its 2005-2007 Strategic Plan. The new mission statement "To develop, promote and unite the Kenyan horticulture industry in the global market with due regard to safety, good agricultural practices, social, ethical and environmental responsibilities" clearly outlines FPEAK's role in the face of recent industry challenges and threats. As a result of FPEAK's close public-private sector collaboration in the coming years, the following key strategic outputs will be achieved from their Plan:

- Benchmarking of Kenya-GAP to EUREPGAP and other international recognized standards
- Enactment of a facilitative environment
- A better informed industry, especially FPEAK membership on the market requirements, changes and regulations
- Market diversification

HCDA and CBI prepares Kenya for Fruit Logistica Trade Fair

In January, HCDA and the CBI jointly held a two-day workshop for 24 exporters and 20 HCDA personnel, in preparation for the upcoming annual Fruit Logistica Trade Fair to be held in Berlin, Germany. Through CBI (Centre for the Promotion of Imports from Developing Countries), the Dutch government seeks to improve competitiveness of developing country companies in the EU market, by paying for exhibition stands in European trade fairs. During the workshop, opened by (the Managing Director) Dr Songa, and facilitated by Klass De Boer and Fred Harmsen (CBI consultants), the focus was on:

- Changing consumer preferences and resulting market requirements, for fresh fruits and vegetables
- Pre-fair market research and preparations for participation in this February's Fruit Logistica
- Optimization of the unique opportunity presented by trade fairs in marketing goods and services to potential clients