

Although Kenya is a major supplier of flowers and fresh produce to European and other markets, there is no national strategy for market promotion. This means that European buyers and consumers know much less about Kenyan products than those of other supplying countries such as South Africa, Israel, Chile and Morocco. Even in the local press the industry rarely gets credit for being a major employer and contributor to foreign exchange earnings. In reality, Kenyan horticulture is one of Africa's success stories in terms of investment, growth and market penetration but nobody talks about it very much!! Recently however, there have been some good developments. KFC has been active in promoting Kenyan flowers and the fact that its certification scheme is now EurepGap benchmarked. FPEAK is making good progress with EurepGap for vegetables and this has been covered positively in the Kenyan and international press. On an individual basis, Kenyan companies are also doing well in the market (see below). A coordinated public-private strategy to promote "Kenya plc" is well overdue. *Steve New, Director, HDC*

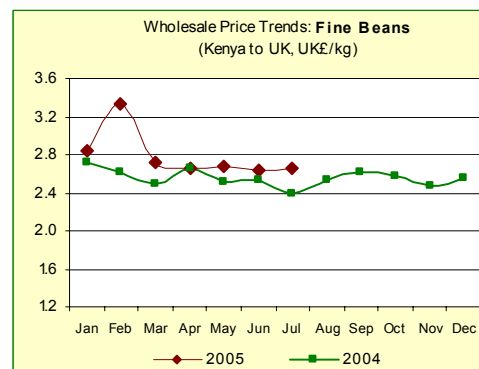
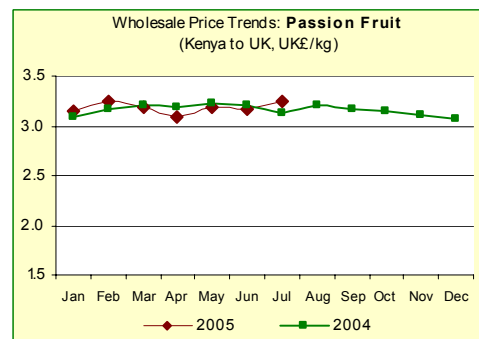
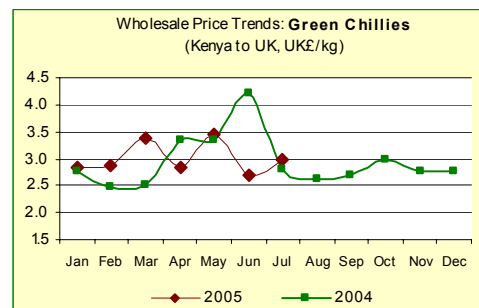
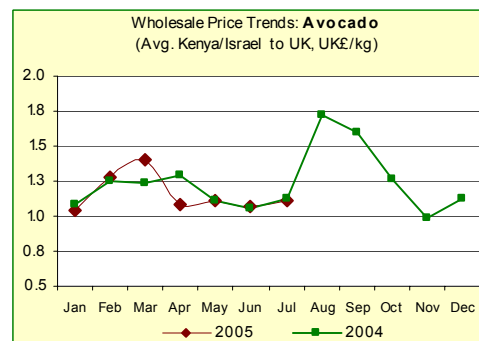
International Prices

Fresh Fruits and Vegetables – UK Market

Food Surveys UK & Fresh Produce Journal UK					
Market	Supplier	Variety	June	July	% Change
Average Wholesale Prices UK£/Kg					
Avocado					
UK	Kenya	Fuerte	1.10	1.10	0%
	Israel	Fuerte	1.03	1.12	9%
	SA	Fuerte	1.07	1.11	4%
Green Chillies					
UK	Kenya	green	2.69	3.00	12%
	Gambia	green	2.00		
	Holland	green	2.60	2.01	-23%
Fine Beans					
UK	Kenya		2.64	2.66	1%
	Zimbabwe		2.75	2.70	-2%
Mangetout					
UK	Kenya		3.75	2.94	-22%
	Guatemala		3.71	3.19	-14%
Sugarsnap Peas					
UK	Kenya		3.75	3.10	-17%
	Guatemala		3.51	3.21	-9%
Okra					
UK	Kenya		3.20	2.70	-16%
	Gambia		3.50	3.25	-7%
	Brazil			2.00	
	Thai			2.40	
Passion Fruit					
UK	Kenya		3.16	3.25	3%
	Colombia		2.33	2.33	0%
	Brazil		1.58	1.63	3%
	Zimbabwe		3.00	3.08	3%
Karella					
UK	Kenya		2.90	2.90	0%

The terrorist bomb attacks in central London on 7th and 21st July affected wholesale market traders directly. Although buying activity has slowly recovered to near normal, the fear is that tourists will stay away by up to 20% this summer and this will have a knock on effect on London's food trade. Many market traders reported weak sales had forced them to lower prices and dump some stock on certain days. Most were cautiously optimistic that the bombs in London would not damage trade long term but were waiting to see. Other markets outside of London were not so directly affected by the attacks but some buyers did report a slow down in business as UK consumers tended to eat out less immediately after the attacks. Despite this, prices held firm for fine beans, passion fruit, avocado and chilli. A drop in mangetout, sugar snap and okra prices was mainly due to increased arrivals from Guatemala and West Africa respectively.

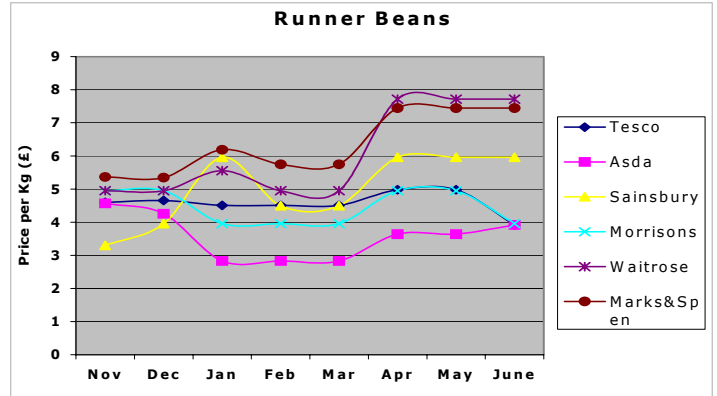
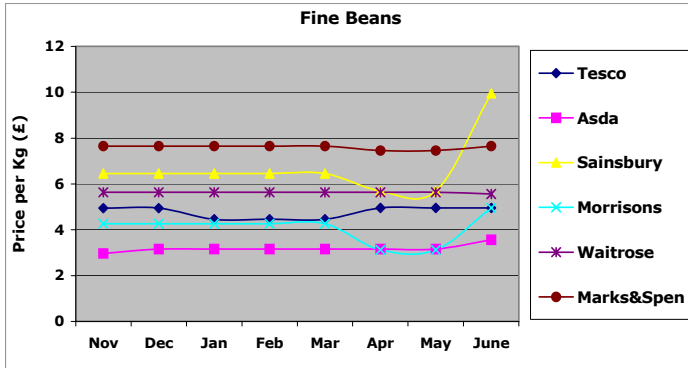
In July the UK trade press reported that Flamingo Holdings, parent company of Homegrown, acquired Lingarden Ltd, a major UK flower distributor. This makes Flamingo one of the UK's leading suppliers of flowers and fresh produce to supermarkets, with 50% of its production coming from Kenya, including fine beans from EurepGap-certified smallholders. This is a massive achievement for a local company which started business in 1982, as Homegrown Kenya (growing strawberries), and is now a truly global operation, with more than 10,000 employees in Kenya, UK, Holland, South Africa and Guatemala. Other exporters are also reporting increase in orders for the coming winter season



UK Supermarket Survey Jan-June 2005

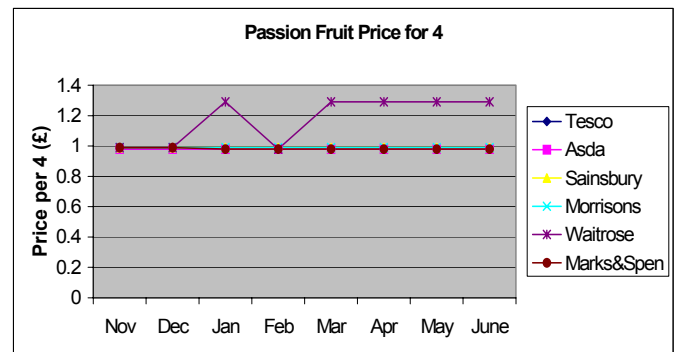
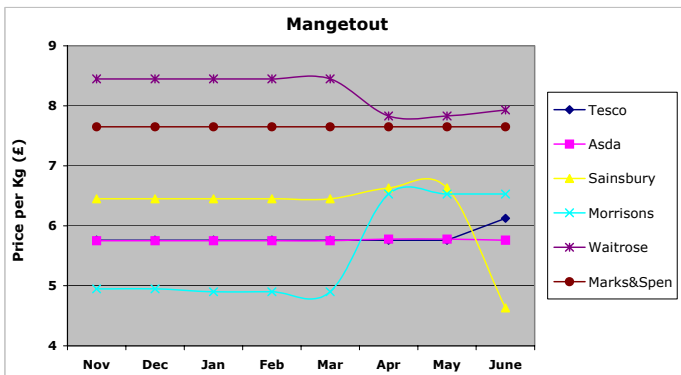
As part of HDC's monitoring and evaluation program, we collect monthly sample data on Kenyan fresh produce in the top six UK supermarkets. The table at the bottom of the page shows a typical survey result during the last week of June. Of the 12 products monitored, 5 were present in M&S and 4 in Morrisons and Sainsbury. Quality was generally excellent.

Retail prices ranged from £3/kg (Ksh420/kg) for fine beans in Asda to £14/kg (Ksh2,000/kg) for passion fruit in Waitrose. Average prices for vegetables were £5-6/kg which is about double the reported C&F value. There was no measurable difference in pricing between Kenyan produce and supplies from other sources. Overall, Asda had the lowest prices and M&S the highest.



Fine beans and shelled peas were the most prominent - available in 5 out of the 6 stores. Main competition was from Morocco, Zimbabwe and South Africa.

Kenyan mixed vegetable packs were available in all stores at prices ranging from £4.50/kg for carrots + mangetout (on promotion) to £9/kg for "tender stem"broccoli.



PRODUCT TYPE	TESCO	ASDA	SAINSBURY	MORRISONS	WAITROSE	MARKS & SPENCERS
AVOCADO HASS	Peru (Medium) - 1x £0.47	South African (Med) - £0.78 ea	Chile (Large) - £1.19 ea	N/A	Israel (Large) - £0.79 ea	Spain (Large x 2) - £1.19 ea
AVOCADO FUERTE	N/A	N/A	N/A	Israel (Large x 1) - £0.79	Israel (Large) - £1.19 ea	N/A
FINE BEANS	Zambia (200g) - £0.99	Egypt (250g) - £0.89	Kenya (200g) - £1.99	N/A	N/A	Kenya (260g) - £1.99
FINE BEANS TRIMMED	N/A	Kenya (180g) - £0.94	N/A	Kenya (200g) - £0.99	Kenya (250g) - £1.39	N/A
SUGAR SNAP PEAS	N/A	Peru (160g) - £0.98	Zimbabwe (200g) - £1.39	N/A	N/A	Kenya (200g) - £1.69
SUGAR SNAP PEAS TRIMMED	Zimbabwe (160g) - £0.98	N/A	N/A	Guatemala (150g) - £0.98	Zambia (150g) - £1.29	N/A
MANGETOUT	N/A	Guatemala (170g) - £0.98	Kenya (300g) - £1.39	N/A	N/A	Kenya (260g) - £1.99
MANGETOUT TRIMMED	Zimbabwe (160g) - £0.98	N/A	Guatemala (200g) - £1.39	Kenya (150g) - £0.98	Zambia (150g) - £1.19	N/A
RUNNER BEANS	Morocco (250g) - £0.98 Sliced Zimbabwe (335g) - £1.59	Kenya (250g) - £0.98 Sliced Kenya (280g) - £1.32	Morocco (250g) - £1.49	Kenya (250g) - £0.99 Sliced Kenya (200g) - £1.39	Sliced Kenya (180g) - £1.39	Kenya Sliced (200g) - £1.49
PASSION FRUIT	South Africa (Medium x 4) - £0.98	N/A	South African (Medium x 4) - £0.99	N/A	SA (Medium x 4) - £1.29 SA (Large) - £0.54ea	N/A
GREEN CHILLI	Kenya Birds Eye (30g) - £0.52	N/A	Kenya Birds Eye (30g) - £0.79	Kenya Birds Eye (50g) - £0.42	N/A	N/A
SHELLED PEAS	Kenya (190g) - £1.27	Kenya (150g) - £0.97	Kenya (190g) - £1.19	N/A	Kenya (170g) - £1.49	Kenya (200g) - £1.59