



HDC
horticulture
development
centre

Monthly Update

June 2005

“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.



Welcome to Beatrice Gambo who joins the HDC on July 1st as the new Coast area Field Manager



This month

June was another positive month for Kenya with praise coming from various sources for Kenya's progress towards EUREPGAP compliance and the impressive growth in export horticulture, especially cut flowers. Senior USAID officials in Washington DC were updated on the contribution of horticulture to poverty reduction through a presentation by HDC Director, Steve New. James Wachira, of Kenya Nut Company gave a presentation on Kenyan cashew nuts during the first African Cashew Alliance meeting in Baltimore, USA. HDC also supported a market assessment trip to the US for Sicily Kariuki, CEO of FPEAK, during which she met with key US Department of Agriculture (USDA) officials as well as importers from across the US. We are pleased to welcome Beatrice Gambo, who is joining HDC to manage our activities at the Coast. Beatrice brings a wealth of experience in market-led smallholder production, and extensive knowledge of the region, having previously worked with Palm International in promoting commercialization of coconut production - *Steve New, Director, HDC*

Local Market Fruits and Vegetables

A typical public-private sector event was held in Kiambu District this month when the MOA, input suppliers and HDC joined together for a field day to promote agriculture in general, and horticulture in particular. Companies exhibited a wide range of products and services to more than 2,000 farmers. According to the area District Commissioner and chief guest, Mr James Waweru, "This is the biggest turnout I have seen in the area and it confirms the importance of agriculture to you. Through forming groups you will have better access to training, technologies and markets." Farmers were also urged to eat more traditional fruits and vegetables to promote their health.

Chilli Products

Kenya is now on the way to becoming a leading supplier of African birds eye chilli. To date, more than 100 thousand seedlings have been planted in the Rift Valley, Western, Central and Eastern areas, by HDC and partner clients. Exporters have purchased more than 10 tonnes of the dried product from farmers, valued at KSh1 million.

Vanilla and Spices

Technical trials are continuing on soil composition and nursery techniques. The first commercial batch of 700 plants are now ready to move to the field from JKUAT. In Maragua, Beatrice Kamande's 100 vines did particularly well during the recent rains. Trees and Bees, an HDC partner at the Coast currently have 800 vines ready to plant, with most of these being targeted

for farmers around Malindi. Great progress is being made in Western/Nyanza, with 19 farmers having at least 950 plants. The challenge now is to establish a commercial chain from nursery to field production and income generation. This will take at least two more years.

Tree Crops

James Wachira of Kenya Nut Company and Steve New of HDC attended the first preparatory meeting for the African Cashew Alliance in Baltimore. There were buyers and other stakeholders present from more than 20 countries. Their view after the meeting is that although Kenya is a relatively small player, we are not lagging behind other African countries in developing initiatives on the ground. In fact Kenya is one of the few with a well-organised program to increase farmer productivity. Thanks to the collaborative extension programme directed by the National Technical Committee for Cashew, growers are taking better care of their trees with a view to increasing productivity and tapping the rising world demand for cashew nuts. Tesco Supermarkets in UK reported that sales of cashew in June rose an incredible 300% following TV publicity for the health and dietary benefits of nuts (see HDC's Horticulture Marketing News).

Smallholder Flowers

Zimbabwean production of "summer" flowers continues to fall, causing bouquet makers to look for other sources, and presenting an opportunity for Kenyan growers. Industry sources confirm that prices have been fairly stable so far this year for good quality flowers. Overall Kenya's floriculture industry is an African success story and was given as a great example that trade and not aid would greatly facilitate African economic development. Speaking at this year's Flower Day, in London, Kenya's High Commissioner, HE Joseph Muchemi said, "The Kenyan flower industry is one success story I am extremely proud of."

EUREPGAP

At the same function, Steve Homer, Chairman of the EUREPGAP Ornamentals Technical Standards Committee commended KFC on becoming the first national growers' association to have its code benchmarked with EUREPGAP's ornamentals' scheme. "KFC has distinguished itself as a dynamic industry association with a truly world class standard." On his part, Nigel Garbutt, the EUREPGAP Technical Committee Chairman added that this was a significant achievement that continued to reinforce Kenya's determination to take the lead in meeting the requirements of its international clientele. Also present was Erastus Mureithi, the KFC Chairman, who confirmed that equivalence with EUREPGAP and other codes would be extremely important in spearheading harmonization of industry standards thus making it even more efficient.

Export companies, assisted by Government, donors and NGOs are working with many outgrowers to deliver training and obtain certification. But it is clear that the process of achieving universal compliance will take several years and require higher levels of investment than are currently available. In June, FPEAK conducted the first of a series of five-day Internal Auditors'



Farmers in Kilome, Makueni District – a truly marginal area, are growing cabbage, onion and tomato with great success!



Peter Ruhi, capsicum farmer extraordinaire, had a bumper first harvest in June



Kenya, one to watch as world demand for nuts and specifically cashews, remains high

training courses, co-funded by HDC. The well attended course drew 17 participants from the technical departments of FPEAK member firms, and covered all the aspects of Quality Management Systems (EUREPGAP, ISO, BRC, HACCP and EMS), taught by four BVQI trainers. In recognition of Kenya's achievements in ensuring smallholder compliance, Kenya was invited to the EUREPGAP Technical Committee meeting held this month in the Netherlands. Apollo Owuor, representing the Kenya EUREPGAP Technical Committee, gave an excellent presentation on the current progress as well as challenges unique to smallholders. The EUREPGAP Steering Committee is keen to support Kenya in charting the way for sustainable international standards compliance for smallholders, particularly through benchmarking of KenyaGAP.

Industry News & Views

The National Taskforce on Horticulture

A Horticulture Research Fund Committee, chaired by KFC, has been established to evaluate research proposals that will qualify for the KSh 5.5 million fund. In recognition of its significant role in the ongoing EPA negotiations, the Kenyan private sector was invited to join the official KEPLOTRADE delegation to the recent Dedicated Session on Agriculture for the EPA Negotiations with the EU, held in Harare, Zimbabwe. Kenya had prepared a position paper and was represented by senior officials from various GOK ministries and agencies, KEPLOTRADE, KFC, FPEAK and Mrs Margaret Chemengich, consultant and delegation spokesperson. Key recommendations were made on market access; subsidies and preference erosion as well as standards and SPS measures, in ESA-EU agricultural trade. A key outcome was the felt need to consolidate and coordinate regional SPS issues, beginning with country-specific diagnostic studies on the current status. HDC has agreed to fund this study, which will be coordinated by KEPHIS. As part of the effort towards a coordinated Kenyan horticulture subsector, HDC has also funded a review of all donor-funded projects relating to horticulture. Findings will be shared in an upcoming stakeholders' meeting. The Taskforce unanimously adopted HDC's Monthly Update as the official industry newsletter until a permanent promotional strategy can be developed and implemented. For more details on the work of the Task Force, contact the MD, KEPHIS through: kephis@nbnet.co.ke

KEPHIS

The generally high standard of Kenyan exports was confirmed by KEPHIS figures showing that only 0.05 % of the total produce exported is actually intercepted, with some of the causes such as wrong or no documentation being quite easy to avoid altogether. As a further boost to its activities, the KEPHIS Analytical Chemistry Lab has been chosen by COLEACP for soil and irrigation water analyses to support their technical assistance activities. Auditing for EU accreditation is targeted for end of June 2005. Further EU funding of €1 million to improve its capacity has also been approved.

FPEAK

The Horticultural Promotion Council (HPC), Zimbabwe in conjunction with the sub-regional office for Southern and Eastern Africa (SAFRI) of FAO, organized a workshop during which the "Network of Horticultural Produce



Milly Fruit Processors, makers of 'Picana' juice are very happy with the mango received from the new HDC-supported collection centres on the Tana River



Lydia Njuguna, HDC Thika Agronomist providing passion fruit training to Gatanga farmers

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Exporters in Southern and Eastern Africa" was formed. Kenya was endorsed as the host country for the newly formed Secretariat. Kenya's representatives - FPEAK, KFC and MOA - agreed that FPEAK should form the regional focal point.

Earlier in the month, the FPEAK CEO traveled to the US for market assessment supported by HDC. During the trip, meetings were held with USDA-United States Department of Agriculture and importers of produce in Florida (Miami), Georgia (Bainbridge) and in California (LA). In order for Kenya to remain competitive in trading with the US, improved implementation of PRAs (as stipulated by APHIS) and fulfilling growing US demand for new products such as ginger, mango and passion fruit, while exploring opportunities offered by sea freight, will be required. For more details, please contact info@fpeak.org.

HCDA

HCDA successfully conducted a collaborative fruit tree nursery operators training course in Eldoret, in June, attended by 33 managers from Rift Valley, Nyanza, and Western provinces. Resource persons were from HCDA, KEPHIS and MOA. During the course all key aspects of nursery establishment and management were covered, with special focus on 'commercial management of a fruit tree nursery enterprise'. This training also provided an excellent opportunity for HCDA to meet with its key partners in the region including Kenya Airports Authority, KEPHIS, Mace Foods, MOA and HDC.

KFC

In addition to having their Code benchmarked with EUREPGAP, the Council held two successful Kenya flower days, one in London, and the other jointly with FloraHolland, in the Netherlands. A tour of the FloraHolland auction as well as key Dutch flower trade companies provided invaluable insights into the quality and control exercise of Kenyan Flowers, under the guidance of quality inspectors as well as buyers, focusing on minimizing quality remarks to optimize returns. KFC Chairman Erastus Mureithi also introduced the KFC Strategic Plan 2005-7, indicating how KFC will assist small scale growers meet market challenges. For more details please contact kfc@wananchi.com

MOA

MOA's Horticulture Division has been implementing the IFAD-funded KSh 5 million Eastern Horticulture and Traditional Food Crops Project (EPHTFCP) to build farmer and staff capacity in addressing food safety and quality concerns and marketing. In both May and June, 116 farmers from 32 groups and 15 horticultural officers have been trained in EUREPGAP requirements and internal auditing, respectively. To facilitate this, 600 copies of various key EUREPGAP publications were reproduced - 'Community Empowerment on Farmer Organization and Good Agricultural Practices'; 'Control Points and Compliance Criteria of EUREPGAP' and 'Cost of EUREPGAP and Laboratory Tests' booklet. For more details and to receive copies of these, please contact Mrs Susan Muriuki at the MOA.