



## UPDATE ON KENYAN HORTICULTURE

### “MAPATO ZAIDI KWA KUPITIA KILIMO BORA”

This monthly update is brought to you by the **Kenya Horticultural Development Program (KHDP)** — a USAID-funded project that increases incomes through smallholder production and employment in the horticulture industry. USAID-KHDP works with public and private sector agencies to provide technical and marketing assistance to growers throughout Kenya. USAID-KHDP’s main agribusiness partners include grower associations, input suppliers, processors, exporters, research institutions and trade associations.

- **Smallholders cashing in on flowers as exports continue to rise**
- **Kenyan flowers win award at Miami trade show**
- **USDA market entry approval in the pipeline for Kenyan fine beans**
- **Escalating fertiliser prices hit small-scale farmers**
- **MOA holds successful exhibition for growers in Thika**

Kenya’s highly successful flower industry continued to grow in 2007, to an estimated fob value of KSh 32 billion (\$500 million). It is a major contributor to the economy in terms of employment and foreign exchange. Kenya is the number one supplier of roses for EU markets and though much of the production is from sophisticated greenhouses, Kenya is now emerging as the main supplier of ready-made bouquets for EU supermarkets. This is providing many new opportunities for outgrowers, many of whom are smallholders with less than a half acre of production.

In March, KHDP organised a media day in Thika District and showed members of the press how small-scale growers are adding to their income by growing small plots of “summer flowers” for export. In addition to growing bouquet “fillers”, these smallholders are also becoming leading suppliers of specialty flower varieties to the European market. Our photo gallery this month features some of these growers.

The combined effects of post-election violence and escalating energy prices are pushing prices of farm inputs out of reach for many small-scale growers. In some places, particularly Rift Valley where there are more than 200,000 internally displaced people (IDPs), fertiliser prices have doubled. This is having a knock-on effect on local market prices and is affecting consumers.

### KHDP farmers plant more Mobydick



Francis Ndung'u a *mobydick* farmer in Thika District shows his flowers to reporters during a recent media tour in the region. The flowers are processed and exported by Nature Grown (left).

Government and donors will need to look closely at fertiliser policies in 2008 to avoid food shortages.

### KENYA HORTICULTURE COUNCIL

Representatives from flower and fresh produce export companies traveled to the US at the invitation of US Department of Agriculture (USDA) to meet officials from the Animal and Plant Health Inspectorate Service (APHIS) and discuss entry inspections. Recently, APHIS concluded the pest risk assessments (PRAs) needed to allow US imports of Kenyan baby corn, baby carrots and shelled garden peas. It is hoped that after this meeting with the USDA “French” (fine) beans will receive fast-track import approval in the next few months.

The team also attended the Miami Floral Expo where the East Africa pavilion, designed with technical assistance

from USAID-KHDP and supported by the USAID-funded ECA Hub project, was awarded the Silver trophy for best design. This was the second year that USAID-KHDP supported promotion of Kenyan flowers at the show. Last year US buyers were surprised by the quality of Kenyan products and wanted to know more about the industry. This year, buyers came looking for the Kenyan booth, thanks to continuous efforts by companies to provide information, send samples and meet new orders from US buyers (despite the low dollar exchange rate). A total of 15 Kenyan growers attended the show. Based on feedback from buyers, KHC will target high volume buyers in 2008 and promote certified products especially Fair Trade and Rainforest Alliance.

In addition, USAID-KHDP is working on the cut flower value chain to identify downstream import partners and more direct shipping routes. World Floral Expo is the only international flower show in the US that focuses on growers meeting importers and large volume wholesalers. The Kenyan team was represented by KHC chair, Hasit Shah, KFC CEO Jane Ngigi, FPEAK CEO Stephen Mbithi, 15 growers and two florists.

### **MINISTRY OF AGRICULTURE**

The draft of the Ministry of Agriculture horticulture data validation report is in the final stages of editing. The report reviews data on production volumes and marketed value of horticultural crops in the country for 2004-06. Data sources in this report for the first time included seed industry reports, farmer interviews, export documents, trade association records and USAID-KHDP analyses. The final report, including 2007 data, will be published in April 2008

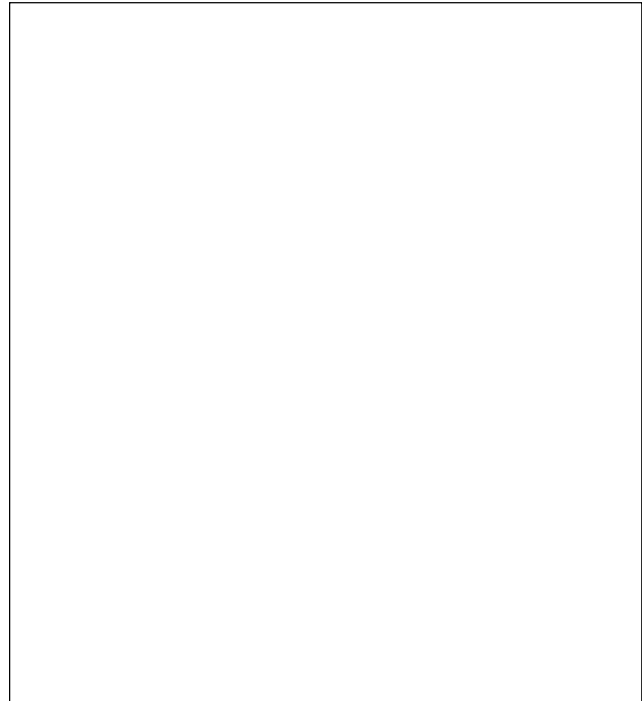
The Ministry organized a stakeholder's exhibition at Thika stadium that attracted more than 1,000 visitors and 25 exhibitors from various sectors of the industry. The exhibition was aimed at bringing growers, input suppliers, researchers and other agriculture stakeholders from the Central region together.

### **USAID-KHDP NEWS**

#### **Smallholder flowers**

Journalists from various media houses spent a day being taken through the summer flower value chain on March 14. The journalists visited demonstration plots at KARI Thika, flower farmers in Kabati, and Thika-based export companies Wilmar and Nature Grown, where MD Wilfred Kamami gave a guided tour of his new cold storage facilities. Nature Grown exports three times weekly to Dutch auctions and their flowers are sourced entirely from smallholders. Kamami answered questions and took journalists through the complete postharvest handling chain.

The event was also attended by KARI-Thika Director, Dr. Waturu who described KARI's research work on flowers. Area Assistant Chief John Wanyoike said that since KARI and USAID-KHDP introduced the flowers in the region two years ago, farmers' living standards have



improved and there is a decline in criminal activities because more young people are now self employed. The subsequent TV and press coverage created a lot of interest. USAID-KHDP-assisted growers have planted 43 acres.

#### **Local market fruit and vegetables**

Preliminary results from the Ministry of Agriculture report show that in 2007 Nyanza region was the leading producer of kale in the country. Nyanza was predominantly known for fish production. With technical support from the MOA and USAID-KHDP, however, growers seem to have adopted horticulture as an alternative to fishing, which is suffering from dwindling fish stocks in Lake Victoria. According to MOA reports, they produced 70 percent of butternut squash, kale and watermelons that were sold in domestic markets in 2007.

Domestically, market vegetable prices have been on the rise since early March following the dry spell that hit most parts of the country toward the end of February (see KHDP Marketing News for March). Most of the rivers that growers depend on for irrigation dried up, particularly in Central Province. Other factors attributed to increasing vegetable prices are the rising costs of inputs (see below) and fuel, which translates to increased transportation costs.

Growers throughout the country and particularly in the Rift Valley are claiming that they will be forced to reduce their cultivation land this season, because of an increase in the price of farm inputs, especially fertilizers. In some areas of Rift Valley prices have increased more than 100 percent. A DAP 50kg bag, which cost KSh 1,800 in 2007 is now KSh 4,200. A CAN 50kg bag is currently selling

for KSh 2,200 compared to KSh 1,000 last year. The growers are asking government officials to find a way to subsidize fertilisers to facilitate planting for the season starting in March.

### Passion fruit

Passion fruit availability has declined following the dry weather spell in March that hit parts of the Rift Valley and Central Kenya, the major passion fruit production areas. Buyers, however, are now able to access the farms in Rift Valley with relative ease compared to February, driving the price of fruit up to KSh 40/kg. Some of the USAID-KHDP-assisted growers that were displaced during post-election chaos have also returned to their farms and it is expected that production will start to increase in May, if conditions remain stable. MOA data shows that passion fruit production in the Rift Valley increased from 988 tonnes in 2005 to 1,180 tonnes in 2007, a 19 percent increase. Many of the growers were assisted by USAID-KHDP and partners.

### African Bird's Eye (ABE) chilli

Growers in Western, Nyanza and Coast regions are now transplanting their ABE chilli plants following the onset of the rains. With strong global demand and good prices, some new developments in the value chain occurred in March. Competition increased at the coast where more buyers entered the business. ADPP, one of USAID-KHDP's partners in western Kenya widened its range of services to growers to include consolidation and marketing of dried chilli. USAID-KHDP export partner Mace Foods appointed a new manager to promote chilli and service new growers in Kilifi and Malindi Districts.

### Vanilla

Growers in Busia, Western Kenya have not had much to smile about this year but vanilla farmers will soon be a happy lot following the emergence of flower buds on their vines in March. The flowers will be ready for pollination in April. The farmers have been planting vanilla since 2005 just like their counterparts at the coast (see February update). Their vines, however, have taken longer to flower because of cooler temperatures in the region. If the flowers are pollinated in April, farmers should harvest their first pods in December 2008. USAID-KHDP is working with 42 vanilla farmers in Busia who have a total of 10 acres of vanilla vines growing on *Jatropha* for support and are intercropped with bananas for shade. While they wait for vanilla, the farmers have been earning money from local sales of bananas at the Busia town market, where a bunch goes for about KSh 300.

At the coast, where growers use trees such as neem and cashew to support the vines, the flowers that were pollinated in February have produced up to 20 pods per cluster. The pods should be ready for harvesting in October 2008.



Jane Njoki is one of the successful flower farmers in the SAPEWE smallholder growers' association in Kabati. She says she plants the flowers on her small piece of land because they "are easy to grow and provide high returns". This is her first *Arabicum* crop.

### Eldoret Airport

Horticulture exports through Eldoret Airport are finally taking off. Canken International, a local export company based in Eldoret is recruiting growers within 100 kilometers of the town to produce a variety of export crops including Asian vegetables, fruits and beans. The company has established a 50-acre farm in Ziwa where they have been planting the crops as a demonstration for smallholder growers. The produce is exported to Dubai. Canken has a cold store at the airport and plans to export 7 to 30 tonnes every fortnight.

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