



**HDC**  
horticulture  
development  
centre

# Monthly Update

March 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.**



Increasing numbers of smallholder growers are receiving EUREPGAP certification



## **This month**

Congratulations to FPEAK on obtaining full support from EUREPGAP to provide interpretation guidelines for smallholder compliance, and to proceed with the benchmarking of a KENYAGAP protocol. In acknowledgement of this achievement, we are abandoning our usual format this month, to print the EUREPGAP web site announcement in full. Other organisations and projects which must be thanked for contributing to this complete turnaround on Kenya’s EUREPGAP position include: the MOA and HCDA through their countrywide extension services; technical support from the Government of Japan; DFID support through its BSMDP project; EU support through the PIP project; and USAID through its funding of HDC. In addition there has been a major investment by the private sector, with exporters now moving fast to obtain EUREPGAP certification for their outgrowers.

The success of Kenya’s horticultural export industry often overshadows the importance of the domestic market, where more than 90% of all fruits and vegetable grown by smallholders are sold. With this in mind, HDC has doubled its efforts on the local market this year and we will be doing everything possible during 2005 to focus attention on some of the constraints which are restricting its growth. To make the point, we are also highlighting a small-scale local market processor as the second feature of this issue.

On a more academic front, Kenya became a Country Member of the prestigious International Society for Horticultural Science (ISHS) in March, through the Horticultural Association of Kenya (HAK). We hope this will help raise awareness of current horticultural research to a level which matches the commercial success of the industry. *Steve New, Director, HDC*

## **EUREPGAP**

**From the official EUREPGAP web site:**

### **LATEST NEWS**

15.03.2005

**KenyaGAP starts the process to benchmark with EurepGAP in fruit and vegetables**

**EUREPGAP and the Kenya’s Horticultural industry agree on a common approach in getting equivalence between KENYAGAP and EUREPGAP**

Passion fruit juice production for the local market at Kasarani Fresh, Nairobi



Mr. Nigel Garbutt, the Chairman of EurepGAP, was on a working tour of Kenya from 21st to 25th February 2005. His visit's objectives were:

- To assess the industry's readiness for compliance with the EurepGAP standards in general,
- To meet with FPEAK, the Kenyan exporters Association and its members to agree on how best KenyaGAP can achieve its envisaged role of incorporating small-holder issues in GAP compliance.

The tour involved field visit's to the small-holder production areas, meetings with exporters & FPEAK Board and management, public sector stakeholders involved in regulating the industry, development partners and NGO's. The tour culminated in the establishment of a National Technical Working Group to:

- Develop a small holder EurepGAP Interpretation Guidelines that will be used in Kenya.
- To work out sustainable compliance modalities for small-scale farmers.

The core group of the committee will comprise technical personnel and agronomists of exporting firms and will draw on experience of relevant stakeholders through a wide consultation process.

Further, at the end of the tour, the EurepGAP Chairman jointly with FPEAK Chairman, Mr. Hasit Shah, agreed the following as the way forward :

1. FPEAK will continue to steer the process of revising KenyaGAP and benchmarking it with EurepGAP
2. FoodPLUS and FPEAK will enter into closer collaboration where:
  - FPEAK undertakes to immediately start engaging all stakeholders so that once KenyaGAP attains equivalence with EurepGAP, it will gain acceptance by all.
  - FoodPLUS will assist in getting the message across to the world that KenyaGAP is equivalent to EurepGAP, once the benchmarking process is completed.
  - A member of the National Technical Working Group will represent the Kenyan industry to the EurepGAP Technical committee.

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## Passion for the Local Market

In March, HDC sent out to stakeholders the proceedings of an HDC-Tegemeo Institute workshop on the domestic market for horticultural



Fresh natural passion fruit juice is available at Kasarani Fresh Restaurant

Horticulture Development Centre  
MPPS Building  
Mombasa Road  
P.O. Box 3074-00506  
Nyayo Stadium, Nairobi

Phone: 20-556728/556807  
Fax: 20-556804  
Email: [hdc@fintrac.com](mailto:hdc@fintrac.com)

Field Offices:  
Thika, Kisumu, Eldoret, Mombasa

crops, held in November 2004. More than 80 people turned up for the workshop, which received a lot of media attention – especially when the Minister for Local Government closed Wakulima market several weeks later, and sent a reported 6,000 rats to an early grave.

We are currently following up on some of the major issues raised at the workshop. One of these relates to the demand for processed products. Everyone can see the range of imported juices on supermarket shelves, and it seems that consumption of these is increasing. Other examples are cashews - roasted, salted, and masala-flavoured, available in a range of packs; and vegetable pickles for every occasion – with or without chilli! Clearly there is a demand for processed products, but how big and who is supplying it is not known.

Kasarani Fresh, owned and managed by Mrs Catherine Nduta Nyagah, is an excellent example of a small fruit processor who has exploited the local market potential for juice products. Started in 2000, the firm mainly produced and supplied yoghurt for the local food service sector (cafes and hotels). However, within a short time, and in response to market demand, Mrs Nduta started marketing her own FIPS brand of passion, mango, orange, tangerine and pineapple juice. Today, from its modest premises in Nairobi's Kasarani area, the firm produces 8-10 tons of passion fruit pulp per month, requiring 24 tons of fruit. Much of this is supplied by HDC-assisted growers in Central Kenya, and we are working closely with FIPS to increase the reliability and quantity of fruit supplied.

"For Kasarani Fresh, the main challenge has been obtaining good quality fruit. Luckily, I have not had this problem with the fruit I have been sourcing from HDC's farmers since January 2004!" says Mrs Nduta. With the scaling up of operations, the firm has been able to employ 8 people permanently, including one quality controller and one food production specialist; and up to 14 casual workers during peak production periods. Recently, Kasarani Fresh received an order from one of Kenya's leading processors to supply 10 tons of de-seeded passion fruit pulp monthly - good news for both the firm and the passion fruit farmers.

Like any small business, FIPS needs more cash and new equipment to meet the growing demand for its products. To ease cash-flow, a factoring arrangement has been agreed with the Kenya Gatsby Trust, so that cash payment can be guaranteed to farmers within a few days of purchase. And because there are no expensive air freight or packaging costs for the local market, FIPS can pay the same farmgate price as fresh fruit exporters.

Capital to buy equipment to increase processing and storage capacity is an even bigger challenge. But with a good order book which can provide a guaranteed market for many farmers, FIPS is the type of client which HDC wants to work with to turn this problem into an opportunity.

*Growers who are interested in a marketing arrangement with FIPS should contact Mumbi Kimathi at HDC for more details*