

## Monthly Update

**November/December  
2005**

**“Keeping Smallholders in Business”**

**The HDP 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 Geoffrey Nyamota  
– new KHDP Manager in  
Eldoret

### **This month**

As you can see from the header at the top of this Update, we have changed our name for the new year! This is to support USAID’s major re-branding strategy; in future we will be known only as the USAID-Kenya Horticultural Development Program (KHDP). This change is welcome because it reflects USAID’s intention to be clearly associated with the many projects, institutions and relief efforts which it funds around the world. It will not change the work being done by USAID-KHDP, in fact we have plans to grow faster and diversify more in 2006!

Kenya’s reputation as a major player in the international horticulture industry continued to grow in 2005. In November it was boosted by an excellent stand at Hortifair, the global trade flower show, which took place in Amsterdam. As well as seeing a wide array of Kenyan flowers, visitors to the stand enjoyed refreshments of Kenyan macadamia, cashew, tea, coffee and mango juice. A 15-member delegation from leading German Flower auctions also visited Kenya in November and were impressed by the professional production and handling of flowers. The EU organized a regional workshop on Food Trade with the EU in Tanzania, where the Kenyan team was frequently requested to share its experiences as the major exporting country in East and Southern Africa.

On the domestic market front, the International Fund for Agricultural Development (IFAD) announced their intention to provide loans and grants of more than \$12 million to the Government of Kenya, to improve the production and marketing of the main local market fruits and vegetables. Trade figures for the year confirm that the trade in horticultural crops and products provides a major source of income for millions of Kenyans. The local market value of fruits and vegetables is more than Ksh85 billion (\$1.2 billion), mostly grown by smallholders. Exports grew by 12-14% in value and will probably reach \$630 million (Ksh48 billion) in *FOB* value when all figures are in. Flowers are a big part of this success, but other products such as fresh cut vegetables, nuts and processed products, are growing fast. Despite increasing costs of air freight and market competition from lower-cost producers, projections for 2006 are positive, particularly because of Kenya’s successful approach to food safety and traceability issues which continue to pre-occupy international markets.

A warm welcome to Geoffrey Nyamota who joins the KHDP as the new Eldoret-based Area Manager. Geoffrey brings extensive experience in organic horticulture, and smallholder market development. He is a graduate horticulturalist, with five years of specialist experience with the Environmental Action Team and Common Ground Programmes, prior to joining KHDP. We also wish all KHDP Update readers, clients and partners an enjoyable holiday season and a prosperous 2006. *Steve New, Director, KHDP*

### **Local Market Fruits and Vegetables**

Positive health messages are driving increased consumption of horticultural crops and products all over the world. African Leafy Vegetables (ALVs) and orange-fleshed sweet potato are “hot items” for KHDP growers at the moment.

## HORTIFAIR – AMSTERDAM



Joyce Mutuku of Swanwick Designs, putting the finishing touches...



The "all Kenya" stand



Angela Chesire of KHDP "manning" the stand

Demand from supermarkets and consumers for all types of fresh vegetables is higher than growers can supply, so we are working with KARI, seed companies, Family Concern and market intermediaries to increase availability and production of good quality seed and planting material. An intensive program to improve productivity, marketing and business capacity has also been started with farmer groups countrywide. "Brokers" (market intermediaries) are key players in this initiative which kicked off with orientation and training of 5 intermediaries and 5 extension officers to coordinate activities on the ground. The intermediaries are key information providers on prices, market trends and production constraints. The year-long partnership between KHDP and Seminis has reached thousands of farmers with technical assistance for production of hybrid cabbage, tomato and onion - leading to bumper harvests and increased incomes. In 2006, we will add melon, sweet pepper and other vegetable crops, and test low cost greenhouses.

IFAD held a stakeholder workshop in December to obtain feedback and recommendations for their proposed \$12 million intervention in the local market. A combination of loan and grant funding to the Ministry of Agriculture will facilitate major initiatives to upgrade marketing systems and rural infrastructure for the main local market crops, including potato, cabbage, tomato and banana. More information is available from IFAD consultant, Oscar Damen [oscardamen@arcadiakenya.com](mailto:oscardamen@arcadiakenya.com)

### Chilli Products

Commercial production of dried African birds eye chilli is now moving fast in Western, Eastern and Coastal areas. KHDP has started to receive calls from overseas buyers for the product, which is a sure sign that Kenya is now having an impact on the market. Exporters are also requesting samples of the fresh product for their European buyers.

### Vanilla and Spices

Vanilla trials at the Coast are progressing well, with vines being transplanted to commercial sites on a weekly basis. Together with KHDP partner Trees and Bees, we are field testing a low cost "hydroponic" system for vanilla using recycled plastic bags filled with coconut husks as substrate. The vines are growing fast on a range of local trees, including Neem. Growers in western districts are also increasing their vines, but using *Jatropha* as a support plant and following the "ground looping" system of their Ugandan neighbours.

### Passion Fruit

KHDP client, Helen Strong, is leading the way in Rift Valley passion fruit production, currently supplying Nakumatt Supermarket with 500 kg per week of her top quality purple fruit. Encouraged by her success, neighboring farmers are planting 28 more acres of grafted seedlings. Along with other KHDP client growers and processors, they will also benefit from a new market for passion fruit seeds. Seeds can be up to 25% of fruit weight and were previously discarded as a waste product during any kind of juice preparation. However, as part of a new KHDP partnership agreement, seeds are being consolidated and pressed industrially for oil extraction. The oil is used by cosmetics manufacturers as a natural ingredient in body lotions, shampoos and other luxury personal care products. KHDP Director Steve New, reports from UK that



Participants at the National Field Day for cashew at Mpeketoni, Lamu



Mrs Amania Njoroge's 90 kg cashew tree

passion fruit shower gel is a best-selling line in his local branch of Body Shop in the week before Christmas, alongside mango and vanilla products!!

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## Tree Crops

In December the National Technical Committee held a national field day for the cashew industry, organized by KARI in Mpeketoni, Lamu District. The 300 participants included KARI researchers, growers, input suppliers, extension officers, processors and buyers. Senior officials from the MOA, KARI Mtwapa, Bayer and USAID-KHDP, made three site visits to on-farm demonstration sites.

"Results in Mpeketoni are very encouraging, with more and more farmers keen to grow high-yielding varieties available from KARI Mtwapa" reported Beatrice Gambo, KHDP Coast Area Manager. In fact some of the trees seen during the field visits were estimated to produce more than 50 kgs of raw nuts each, compared with a national average of less than 5 kgs.

The KHDP mango postharvest management programme in Tana River is ongoing with a very positive response from both the growers and the processors. Consultant Steve Humphreys has been working with growers and partners HR Retief and Milly Fruits at the Coast, to improve quality and reduce wastage of fruit delivered for processing, to ensure optimal returns for the growers.

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## Smallholder Flowers

The annual Amsterdam Hortifair in November brought together many international exhibitors. For the first time, we had an "all Kenya" stand – professionally designed, constructed and manned by a completely Kenyan team, using local designers and florists. KFC organised the stand, in conjunction with FPEAK and support from KHDP. Flowers were the main attraction but we also treated guests to Kenyan tea, coffee, cashew and macadamia - showing the world that Kenya has many products to offer. Visitors included many Kenyan growers and exporters, who spent time at the stand and gave very positive feedback. The official report on the show records 51,227 visitors from more than 100 countries. There were 976 stands covering all aspects of horticultural production, processing and marketing from 50 countries. Floriculture accounted for about 60% of floor space. The Kenya Flowers stand (jointly run by KFC and FPEAK) was visited by more than 640 representatives from the flower industry. It was a four-day event with stands from all leading industry companies. Most of the flower exporting countries also had national stands. There were competitions for various flower displays and a series of lectures and open days at the Dutch auctions, and leading breeders and growers. The theme of our stand was **Kenya – land and culture** (map, safari chairs, Lamu chest, Kenyan nuts, coffee and tea, posters), **smallholder flowers** (a wide range of flowers was used from outgrowers as opposed to just roses and carnations), **environment** (protection of water resources and wildlife, codes of practice), **community development** (schools, hospitals, smallholders, employment) and **"trade before aid"** (Kenyan floriculture as an African private sector success story).

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## EurepGAP

Arusha, Tanzania hosted a two-day EU-sponsored regional workshop on **Food Safety and Standards for Trade with the EU**, bringing together more than



Renaldo Retief with mango growers at the Tana River collection centre



Vegetables are "hot items" on the local market in December



African birds eye chilli (ABE) is becoming an important cash crop in Western Kenya

60 participants from Kenya, Tanzania, Uganda and Belgium.

The workshop set out to, among other things,

- achieve a clear understanding among key East African stakeholders of official EU food safety regulations as well as private sector, commercial industry standards
- build consensus among stakeholders on: the key problems arising and issues that needs to be addressed on a regional EAC basis.
- agree on the need for regional (EAC) Taskforce to create a permanent forum for information sharing and dialogue, bringing together the key public and private sector stakeholders from East Africa.

Eight key areas were prioritized for intervention, top on the list being capacity building for conformity assessment and for public-private partnership; implementation of regional food laws as well as official recognition of competent authorities. As a good way forward, the participants agreed that:

- Tanzania and Uganda should conduct a food system gap analysis, after borrowing from Kenya's experience, to be funded by the EU-PIP.
- Two nominees each, from the EAC, would meet in January 2006, to develop preliminary terms of reference and list of members of the proposed regional taskforce. EU-PIP will be financing this initiative.
- All increase awareness of EU 882/2004 to their respective governments.

For more details on this workshop and to receive the full report, please contact the MD, KEPHIS through [kephis@nbnet.co.ke](mailto:kephis@nbnet.co.ke)

## Industry News & Views

### The National Taskforce on Horticulture/KEPHIS

In November, KEPHIS organised an exporters meeting at their headquarters, to deliberate on issues related to produce interception on the world markets, attended by 36 participants from both public and private sectors. It emerged that so far 33 interceptions of Kenyan produced had been recorded, with interceptions mainly from Netherlands, France and Britain. This is a better record than the majority of other exporting countries, but reductions are still possible. The following measures were agreed:

- More cooperation between growers and exporters
- Improved scouting for pesticide application systems
- Development of comprehensive traceability systems
- More sampling and record keeping
- Lower cost, and more efficient testing for pesticide residues
- More inspections at the farm level
- Better management of out-growers by exporters
- Improved database on pest and pesticide spray records
- KEPHIS ban on exporters with high frequency of interceptions
- More use of bio-degradable pesticides

As part of its efforts in promoting Kenyan horticulture, the Taskforce has received funds to hire a consultant to assist in the development of an International Marketing Strategy for Kenyan Horticulture. This promotion of Kenya horticulture in the global market place will be a major activity for the



ABE is also popular on the coast - Beatrice Gambo training growers on picking and quality requirements

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Taskforce in 2006. For more details on the work of the Taskforce, contact the MD, KEPHIS through: [kephis@nbnet.co.ke](mailto:kephis@nbnet.co.ke)

### **FPEAK**

FPEAK's programme of activities for its members continued in full swing in November/December, particularly in the development of KENYAGAP and in the preparations for 2006 trade fairs. For more details, please contact [info@fpeak.org](mailto:info@fpeak.org)

### **HCDA**

In November, HCDA technical staff conducted countrywide regional farmer trainings through EU-PIP support in Mwea, Kibwezi, Eldoret and Nakuru. The trainings were aimed at:

- ensuring farmers meet production processes that are market compliant;
- developing training modules and manuals to enable delivery of accurate, uniform and updated information to the participating farmers.

The attendance was excellent and various topics were covered, such as safe use of pesticides; pests and diseases identification and control; post harvest handling procedures; food safety and hygiene as well as record keeping. HCDA partners included input suppliers Osho Chemicals, Farmchem, Juanco, SPS, Seminis (EA), and Bayer (EA). All gave presentations on their products and provided literature and promotional materials. The trainings will continue during December 2005 and first quarter of 2006. More details from the HCDA at [hcdamd@wananchi.com](mailto:hcdamd@wananchi.com)

### **KFC**

A delegation of fifteen officials from Germany, headed by the president of NBV/UGA GmbH, Mr Wolfgang Degenhardt, visited Kenya from November 13-17. At the start of their visit, the delegation were hosted to an industry stakeholders' breakfast meeting at KEPHIS headquarters, "We want to increase our Kenyan flower imports from the current 3 million stems, by 10% annually," affirmed Mr Degenhardt, speaking at the meeting. Echoing his sentiments, Mrs Gervie Swinkels, the NBV/UGA director said "Germany had a KSh 429 billion flower market in 2004 and this is projected to grow further." While touring a total of twelve cut flower growing companies around Nairobi, Naivasha and Nakuru, the delegation was impressed by the professional approach to production. They also visited the airport cut flower handling facilities at JKIA. On their last day, the NBV UGA delegates held an interactive session at Nairobi Hotel with 16 cut flower companies, which culminated in a dinner that was sponsored by the Minister for Trade and Industry, Dr. Mukhisa Kituyi, at the Carnivore Restaurant.

For more details please contact [kfc@wananchi.com](mailto:kfc@wananchi.com) or visit [www.kenyaflowers.co.ke](http://www.kenyaflowers.co.ke)