



**HDC**  
horticulture  
development  
centre

# Monthly Update

October 2004

## *“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.***



Children in Kwale entertain guests during World Food Day celebrations



## **This month**

October saw a congregation of agriculture experts and ministers from the COMESA region for a week in Nairobi to map out strategies for improving food security. Although food crops were much discussed, the importance of horticultural crops was also acknowledged. Apart from their excellent nutritional value, fruit and vegetable sales are the only source of cash for basic health and education needs in many areas of Kenya. To emphasize this, Cheryl French, the APHIS Assistant Regional Director for Africa, reiterated USAID’s commitment to assisting the region through conducting pest risk assessments (PRAs), necessary for fresh produce being marketed in the USA. In the poster session which ran parallel to the main meetings HDC’s selection of high quality fresh produce and smallholder flowers attracted much interest from the delegates.

This year’s World Food Day theme was “Biodiversity for Food Security”. It was celebrated by the Ministry of Agriculture with a colourful show held in Kwale District of the Coast Province. HDC supported the MOA to explain our joint horticultural activities in the region and donate sun visors which were much appreciated by the crowds of visitors. It seems that elephant intrusions on smallholder farms are a problem in some areas of Coast Province, and growers are hoping that the birds eye chilli which we have introduced as an export crop can also be used to produce deterrent sprays to warn off the elephants!!

Despite concerns last year that Eurepgap and traceability issues could be a threat to smallholder incomes, provisional figures show that overall fresh exports increased by 22% in the first eight months of 2004. If the trend continues, we estimate that the FOB value of fruit and vegetable exports in 2004 will increase by 16%, providing at least \$6 million in additional income to smallholders, and bringing their total earnings from export horticulture to over \$36 million.

## **Local Market Fruits and Vegetables**

To complement the surveys and analyses carried out by HDC and Tegemeo Institute this year, we have been interacting recently with some of the major distributors of vegetables on the local market – the notorious “brokers” – to observe their operations at first hand. Mumbi Kimathi travelled extensively with them to the field to see the collection and distribution of tomato, cabbage, potato and other vegetables. We have been impressed by two things. Firstly, the brokers are providing a range of services to their growers, including supplying them with inputs and credit. Secondly, the brokers told us repeatedly that their business is constrained more by supply and infrastructure problems than by consumer demand. Although it is difficult to quantify their comments, it is clear that the



James Murage, a major trader in potato, collecting and grading his crop from Bureti in Bomet District, for the Nairobi market - interesting packaging!

demand for fresh produce is strong and growing, despite economic hard times. This gives us confidence that some of our field interventions are worthwhile. To date, we have initiated a total of 113 demonstration plots in conjunction with inputs' suppliers, which give a good coverage of the country. Crops being grown include cabbage – 45, tomato – 41, onion – 10, capsicum – 6, melon – 6, butternut squash – 2 and other vegetables – 13. On November 17<sup>th</sup> we shall be holding a "stakeholders' meeting" at the Safari Park Hotel, in partnership with Tegemeo Institute, to discuss domestic market issues. If you would like to come and have not received an invitation, please contact us.

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## Passion Fruit

Statistics for the first eight months of the year have been encouraging, showing an increase in both value and volume of passion fruit exported. Relative to the same period last year, there has been a 29% increase, bringing the quantity of fruit shipped to 844 tonnes, equivalent to 23 tonnes/week. This translates to about Ksh 30 million going to smallholder passion fruit growers up to August. We are expecting even more income in the second half of the year.

Growers in Eldoret also report a booming business with traders from Uganda who pay good prices and come every week to collect fruit. Apparently they are in regular contact by cell phone from Kampala, and cannot get enough Kenyan passion!

As we have reported previously, quantities of passion fruit need to be increased substantially to justify any investment in processing for the export market, particularly since the demand for fresh fruit appears to be growing. Even firms producing passion fruit drinks for the local market have told HDC that they cannot get enough raw material. Consequently we shall be doubling our efforts over the next few months to increase the availability of good quality passion fruit plants from commercial nurseries. Interested nursery managers should contact HDC.

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## Chilli Products

Exports of fresh chilli varieties have increased this year. For the first eight months, HCDA's provisional figures indicate an increase in quantity of 19%, to 448 tonnes, equivalent to 12 tonnes/week. The reported value was Ksh 64 million, and it was all grown by smallholders.

There was more African birds eye (ABE) planted by HDC clients in October, which coincided with the start of the short rains. A total of 17 thousand seedlings were transplanted, mainly in Central, Western and Nyanza areas. Some ABE farmers have been begun to pick the crop, and we are collecting yield data to assess the long-term income potential of this crop. More planting and picking is expected to be done next month.

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## Vanilla and Spices

Despite a drop in vanilla prices, growers in Western Kenya continue to plant vanilla vines and *Jatropha circus* (the support plant) in anticipation of



HDC promoting fresh cut vegetables and smallholder flowers at the COMESA Agriculture Ministers' Meeting poster session



Assistant Agriculture Minister, Kyalo Ndile and Coast Provincial Director of Agriculture, Mr Odondi, present a Certificate of Merit to a delighted Kwale farmer, during the World Food Day

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receiving more planting material in future. Rooting of tissue-cultured plants has taken longer than expected, but we still expect the first plants produced at Jomo Kenyatta University (JKUAT) to be available to growers in the first quarter of 2005.

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## Smallholder Flowers

The first eight months of the year have seen an overall increase of 18% relative to last year in the value of a selection of smallholder flowers. Eryngium and Ammi Majus recorded impressive increases (40 and 33%, respectively), while Moby Dick's was a modest 4%. For Alstromeria (6%), Arabicum (3%) and Molucela (4%), there were slight drops in the value, but Ornithogalum recorded the largest drop of 46%. Additionally, according to some exporters, the season which began late due to low September/October prices, is predicted to improve in November. The introduction of fuel surcharges, coupled with current freight rates could impact negatively on farmers' returns, though the strong Euro should increase their returns in Kenya shillings. Meanwhile, HDC's trials on smallholder flowers are on-going at various sites in the Rift Valley and Central regions.

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## Tree Crops

The Ministry of Agriculture in Coast Province and KARI Mtwapa, supported by HDC, have invited 60 extension workers to attend cashew productivity training in November. The areas to be covered include: crop production, post harvest handling, cottage processing, entrepreneurship, group mobilization and marketing. Two groups of extension workers will be trained, through classroom and practical sessions, field visits, video shows and group work. Following this training they will be provided with tool kits and training materials by HDC to carry out a programme of demonstrations in each of their locations throughout 2005.

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## EUREPGAP

As we write this Update, the first wave of HDC-assisted outgrowers and smallholders are being audited by Africert. We will let you know next month if they passed! In the meantime HDC and the Horticulture Crops Development Authority (HCDA) will be working together over the next few months to develop a national public-private sector strategy for Eurepgap certification of smallholders. This will translate the many training activities which are taking place into specific plans for certification on an exporter-based, group-by-group basis.