

## Monthly Update

October 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.**



Kenya's delegation at the Paris Conference, with Nigel Garbutt, EurepGAP Chairman

### **This month**

October was a high profile month for Kenyan horticulture, with the industry featuring in a major global event. The successful EurepGAP Annual Conference 2005, was attended by 460 delegates representing key players in retail distribution, international trade, economic development and crop production. It provided an ideal forum for delegates to hear about Kenya's smallholder certification efforts, through various presentations and discussions. Kenya is clearly way ahead of other countries in this field, and the Kenyan delegation received requests for more information from China, Ghana and other developing countries who want to follow the same route.

Congratulations to our partner Real IPM, for being among the 12 finalists in the BBC "World Eco-Challenge" launched in March 2005. Their film presentation, titled "Bugs Money" by the BBC, showed Real IPM's cost effective biocontrol solutions that allow Kenyan farmers to make savings and protect the environment in their pest control strategies, through the use of beneficial insects.

Technoserve and Tegemeo Institute brought together more than 110 industry stakeholders during their recent Horticulture Competitiveness Seminar **"Strengthening Kenya's Competitive Edge: Challenges and Prospects in Horticulture."** Delegates were in agreement that there is a need for industry players to prioritize the current and emerging opportunities for Kenyan horticulture globally, regionally and domestically. "I am pleased with the successful public-private sector collaboration in the export market and that is currently emerging in the domestic market," - Hon. Kipruto Kirwa, Minister of Agriculture, addressing the Seminar.

Eldoret played host to FPEAK's Hortifair, in which we joined 35 other exhibitors and their partners in showcasing varied services and products, ranging from new horticultural crops to safe chemical use training to finance. Crowds of farmers attended on both days, and visitors to the HDP stand were especially keen to know more about ABE chilli, passion fruit and vanilla. We are grateful to our partners - MACE Foods, WONI, Rosavie, Genetic Technologies, Joat Agro and Etang for making their contributions.

Congratulations to FPEAK for launching *Horticultural Insight* an excellent quarterly magazine providing in-depth articles and information on Kenyan horticulture. We also welcome Mr Benjamin K. Sogomo, the new Managing Director of HCDA, we look forward to seeing you at the National Taskforce on Horticulture. *Steve New, Director, HDP*

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

Onion trials are producing good crops in Central Kenya with farmers reporting bumper harvests even though they are growing it for the first time. Red Comet (Seminis) and Red Pinoy F1 (Kenya Highland Seeds) are giving high yields of excellent quality.

The role of horticulture in food security is not usually appreciated, but farmers

## HORTIFAIR - ELDORET



The HDP stand



Vanilla – a major attraction



There almost wasn't enough room at our stand for visitors interested vanilla, ABE and other attractions

at the Coast are rapidly adopting orange-fleshed sweet potato as a food crop, which we are actively promoting with our partner Family Concern. Tomato demonstrations are also doing well, encouraging the Tototo growers association to buy additional irrigation kits, and diversify into cucumber production.

TechnoServe and Tegemeo Institute held a Horticulture Competitiveness Seminar at the Safari Park Hotel. During the Seminar key findings from a one-year study on recent trends in the domestic fruits and vegetable market were presented. The participants were urged to take advantage of existing opportunities for investment in fresh produce distribution as well market infrastructure, as the domestic market was identified as being the next driver for the subsector's development. Further recommendations were that the domestic market should adopt the best practices from the export market drive, while moving from a 'business as usual' orientation.

IFAD has completed its Smallholder Horticulture Domestic Market Programme Inception Report, which has been presented to the Kenyan Government, for consideration. This could be a major catalyst for local market development in the future.

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### Chilli Products

Production of ABE chilli is increasing at the Coast and two collection centres have been set up in Malindi District at Sabaki and Gede. Elsewhere, HDP conducted capacity building training of chilli groups for Equator Products and MACE Foods farmers, covering financial management, group dynamics and gender mainstreaming. Many farmers bought ABE seed from MACE Foods during the recent Eldoret Hortifair. So the indicators are still good for the long-term future of dried chilli as an export crop.

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### Vanilla and Spices

Vanilla trials with Vitendo and Msabaha Neem groups, both in Malindi District, are progressing well. Vanilla vines, growing on several different tree species have produced three new leaves in less than two months. More trials are being established with five more groups. Ginger production has also picked up at the Coast, and it is generally doing well. Water and lack of good quality planting material are limiting factors.

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### Passion Fruit

Demand for passion fruit for local, regional and export markets, remains high. HDP Coast Manager, Beatrice Gambo, has started promoting yellow passion fruit planting with growers in Malindi and Tana River areas. This variety has greater potential for processing than the purple type. The uptake has been great, especially by cashew growers. At the FPEAK Hortifair in Eldoret, HDP partner Etang sold many grafted passion fruit seedlings to farmers from as far as Nakuru and Malaba.

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### Tree Crops

The work of many partners has contributed to a significant increase in cashew productivity during 2005. In Mpeketoni in Lamu District, for example, farmers



Use of hybrid onion varieties has increased yields and profits



Yellow passion fruit is taking off at the Coast

are obtaining yields of more than 10kgs of nuts per tree. During this month's Cashew Technical Committee meeting stakeholders made several proposals on how this growth could be maintained while also increasing the industry's competitiveness regionally and globally. They concluded that planting of improved seedlings, group strengthening and training in "farming as a business" is essential. Postharvest management training to improve nut quality is also necessary. Marketing contracts and better access to credit for growers would also contribute to Kenya achieving its full potential in the international cashew market.

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## Smallholder Flowers

Following a series of meetings with growers and exporters, 6 export companies, representing nearly 400 summer flower growers have agreed to participate in the HDP smallholder flower initiative. Interventions will include improved access to good quality planting material, drip irrigation, postharvest management and new market linkages.

Under a new agreement with the Kenya Flower Council, we shall be assisting them to promote the achievements of the industry and to develop the capacity and production of smallholder flower growers. The first activity will be an "all-Kenya" stand at Hortifair in Amsterdam – more details on this in the November Update.

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## EurepGAP

This year's **EurepGAP** Global Conference was held on October 16-19, in Paris, France, with Kenyan horticulture strongly represented. By the end of the Conference, the food industry buyers were unanimous in expressing their future support for the Kenyan horticulture industry and its smallholder base - a major PR and technical achievement. Following is an overview of the Conference:

### The Kenyan delegation:

Apollo Owuor - Technical Manager, Kenya Horticultural Exporters (KHE) Ltd, representing the Kenya EUREPGAP Technical Committee

Hasit Shah - Managing Director, Sunripe (Kenya) Ltd, and Chairman of FPEAK

Rod Evans - Corporate Affairs Director, Homegrown (Kenya) Ltd

Francis Akivaga - Auditor, Africert (Kenya) Ltd

HDP's Steve New and Timothy Mwangi (Director and EUREPGAP Coordinator)

### Participants

The conference was attended by 460 delegates from all leading European supermarkets and restaurant chains, certification companies and government agencies. The EU, World Bank, DFID, WWF and other national development agencies and major NGOs sent representatives. Growers and other organisations from the USA, China, Chile, Mexico, Egypt, Israel, South Africa, Ghana and other countries also attended.

### The programme

It was a three-day event with presentations by leading industry figures during morning plenary sessions, followed by many technical break-out meetings



Apollo Owuor, KHE Technical Manager, making the case for Kenyan smallholder certification during the Paris EurepGAP Conference



Rod Evans, Corporate Affairs Director, of Homegrown (K) Ltd putting Kenyan horticulture on the world map

during the afternoons and evenings. Kenya was given a plenary session alongside prestigious speakers from the WWF, McDonalds Europe and Wil Sumner of SCS, USA, covering certification for the US market. Technical sessions covered diverse topics.

### **Kenya Presentations**

*Plenary session, Day 2*

KenyaGAP - A National Scheme that Embraces Smallholders – Apollo Owuor

The Development of Good Agricultural Practices in Kenya – Rod Evans

*Technical session D, Day 2*

Training and Certifying Smallholders to EUREPGAP in Kenya – T. Dijkstra

*Technical session G, Day 2*

Lessons learnt Working with Smallholders in Africa (Kenya case study) – John Sayer

In addition, HDP was requested to provide a fact sheet on the status of smallholders and EUREPGAP in Kenya for distribution to all delegates.

### **Impact**

The highly professional presentation by the Kenya delegation, with one of our biggest companies, Homegrown, showing a video to support the FPEAK smallholder summary and HDP's fact sheet, was acknowledged by the Chairman of EurepGAP during the closing session. The progress being achieved with smallholders in Kenya was reported on independently by the Director of the Ethical Trade Initiative.

For more details on the Paris Conference, please visit [www.eurep.org](http://www.eurep.org)

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## **Industry News & Views**

### **The National Taskforce on Horticulture**

The Horticulture Research Fund (HRF) committee met to evaluate the submitted proposals and the results will be made available in November.

The Taskforce will be coordinating implementation of the gaps identified for donor intervention during the **Donor Horticulture Project's Coordination Workshop** organized by FPEAK in July.

Additionally, the Taskforce is working closely with other industry stakeholders in formulating a winning strategy for increasing Kenya's global performance. The USAID, through HDP will thus be supporting two separate initiatives, to be coordinated by FPEAK:

- Development of a global marketing strategy
- Diagnostic studies on food and feed systems in Kenya.

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 organised a well attended and highly successful Hortifair in Eldoret between 28<sup>th</sup> and 29<sup>th</sup> October 2005. Agriculture Assistant Minister Dr. Noah Wekesa officiated. Also present was the Secretary of Agriculture Dr. Wilson



Extra-curricular activities during the Paris Conference!

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Songa. Over 36 exhibitors and their partners took part, with farmers' making requests for certification and nursery inspection services. At the same event, FPEAK relaunched their quarterly magazine, *Horticultural Insight* after a 2-year break.

For more details, please contact [info@fpeak.org](mailto:info@fpeak.org).

#### **HCDA**

From October 10, the Food and Agriculture Organization (FAO) organized a 5-day sub-regional workshop on "**Improving the Quality and Safety of Fresh Fruits and Vegetables: a Practical Approach**" in Arusha, Tanzania. 16 countries in Africa were represented, with HCDA forming part of the Kenyan delegation. The workshop was timely and achieved the following objectives:

- Analysis of international importance of fresh fruits and vegetables, as high value chains, challenges and future opportunities for the region and individual countries.
- Discussion on an integrated approach to the quality and safety concepts as applied to production and trade in fresh fruits and vegetables.
- Highlights on standards and regulations, both voluntary and mandatory, applicable to quality and safety issues.
- Training on principles and practices of quality and safety issues throughout the food chain.

Last month, HCDA participated in the annual Kenya Week in Poland, for the second time. Some of the Week's highlights were the exhibition of Kenyan handicrafts and horticultural products at Wola Park Shopping Mall; as well as an investment conference in the Polish Chamber of Commerce. There was ample opportunity for networking with Polish importers of horticultural produce, with HCDA establishing that there was a high demand for processed fruits and vegetables from Kenya. Sharing of the outcomes from both events with stakeholders is on-going.

More details are available from the HCDA, [hcdamd@wananchi.com](mailto:hcdamd@wananchi.com)

#### **KFC**

The KFC successfully held its 7th annual general meeting on 5th October 2005 at Serena Hotel, Nairobi, convening its members as well as invited guests, KFC secretariat staff, 3 exhibitors and the media. During the meeting, there was an address by the Ministry of Trade and a presentation by the head of EU delegation, Mr. Harvey Rouse. Both KFC members and media representatives interacted with the Board members and the presenters, with some of the key issues addressed being:

- The effect of the rising value of the Kenya Shilling on profitability of the farms and what the Kenyan government is doing about.
- The benefits to farms of complying with both EUREPGAP requirements and EU regulations.
- The meaning of EPA negotiations, progress achieved and what ACP countries stand to gain.

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