

# UPDATE ON KENYAN HORTICULTURE

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

***“Mapato zaidi kwa kupitia kilimo bora”***

- **EPA negotiations successful**
- **Kenya Scoops Bronze at Hortifair**
- **Greenhouses booming**
- **Soil association not sure**

The threat of new duties on exports to the EU seems to have been removed for the foreseeable future. The tireless efforts and eventual success of the public and private negotiators involved in the EPA talks has been truly impressive. The new KHC made a good start by winning an award and much acclaim from international buyers at Hortifair.

Despite some negative publicity on carbon emissions and a strange decision by the UK Soil association to link air freight with organic certification, exports performed well in October. Eventually the Soil association backed down on their proposal to withhold organic certification from air-freighted produce. Although organic products have little commercial significance to the industry (accounting for less than 1% of exports), the misinformed perception that fresh produce grown in the tropics is somehow less “environmentally-friendly” than crops grown locally in the northern hemisphere, needs to be challenged on every occasion.

The commercial importance of local market for major crops such as tomato has been clearly illustrated by the rapid adoption of greenhouse technology. Farmers are showing that they are willing to invest in new techniques which will give them a commercial advantage.

## NATIONAL TASK FORCE ON HORTICULTURE

The task force this month has concentrated on organizing for the scheduled visit of the EU Food and Veterinary Office (FVO) evaluation mission to be held from 14<sup>th</sup> to 21<sup>st</sup> November. Meanwhile, the final version of the diagnostic study for the EU regulation 882/2004 (Food and Feed) was finalized and presented by consultant JJ Gichuki, who identified and reviewed all institutions in the private and public sector relevant to food controls. The

## Fruits for you



The PDA Nairobi Province, Mrs Jane Ngugi, receives a fruit basket from Ms Grace Matheka of HCDA during the launch of a demonstration greenhouse at the HCDA headquarters. The greenhouse initiative is jointly supported by KHDP, Seminis, Osho chemicals and other partners

document now needs to be made official by the Ministry of Agriculture together with the National Food Safety Co-ordination Committee. It provides the necessary grounds

to implement some of the recommendations related to food safety official control measures that would make Kenya equivalent to the EU systems and by extension to other developed countries. In the document, emphasis is given to the issue of modernizing legislation to meet import requirements set by the EU, which is Kenya's major market for horticultural crops and products. The recommendations of the study, if implemented, would go a long way in making Kenya's horticultural produce more competitive in the world market and enhance our position as a leading exporter of horticultural produce.

## KENYA HORTICULTURE COUNCIL - KHC

### EPA Negotiations

It's almost official! There will be no increase in duties on Kenyan produce entering the EU in 2008.

On 12<sup>th</sup> Nov 2007, the EU Commissioners, Peter Mandelson and Louis Michel, agreed with ESA Ministers (Kenya included) on the text of an interim agreement to be presented to WTO jointly by the EU and ESA countries. This text now forms the basis for countries to individually or collectively append their WTO compatible offers in order to guarantee non disruption of trade on Jan 1st 2008. This means that no new duties will be applied to exports from Kenya to the EU through 2008.

On 14th November EAC Ministers met Commissioners Peter Mandelson and Louis Michel again. During this meeting it was agreed that:

(1) The EU will negotiate with EAC as a distinct entity, so a lot of the comprehensive EPA negotiations will be held also at EAC level, starting January 2008.

(2) The EU and EAC will use already concluded ESA text, since 4 EAC countries were part of it, hence there will be no reopening of negotiations on the text.

(3) The EU accepts the EAC offer (sensitive list), which excludes about 19% of total EU trade to our region from liberalization, and believes that this offer is WTO compatible.

(4) The EAC should consider shortening the liberalization period from 25 years to 15 years, and reconsider removing plastics, steel, vehicles, and textiles from the sensitive list.

Individual EAC countries will take the text through their own ratifications. The EAC Council of Ministers will be responsible for ratifying our text. Final date for any changes to the text is 23rd November, to allow time for the EU and Geneva (WTO) notification process.

The final EPA text will be sent to WTO by the EU, after ratification by the commission, planned for December 10th, 2007. This ratification should not be a big problem, but it is necessary before the EU can effect the zero duty in January. After this ratification, a Directive (legal instrument) to implement the EPA will be sent to all ports of EU countries to continue the zero duty access we are enjoying. This directive will specify countries that have concluded acceptable offers (Kenya is one such country).

The current interim agreement covers market access (basically the duty issue, and aspects of rules of origin), fisheries and development. Next year (2008), EU and the ACP regions will have to complete the work and agree on a comprehensive agreement that will last many years - it will not have an expiry date, until replaced by another agreement.

### HORTIFAIR, Amsterdam 2007

Kenya's stand won the bronze award for the educational content at Hortifair 2007, the premier global trade show for floriculture, held in Amsterdam in October. This is the first time Kenya has won an award at Hortifair, which attracted over 1,000 exhibitors from 51 countries this year.

Kenya's stand focused on the "grown under the sun" campaign, responding directly to the current debate on food miles and carbon emissions. The stand highlighted a wide range of Kenyan horticultural products; described natural resource conservation initiative; certification levels; smallholder and employment benefits; and the contribution of the industry to economic and social development.

The international launch of the Kenya Horticultural Council (KHC) was also held at Hortifair, attended by over 100 interested buyers and clients, diplomats and other stakeholders. The KHC launch was held concurrently with the official launch of a merger between Flora Holland and Aalsmeer auctions, to form what will be the world's largest flower trading operation, by far.

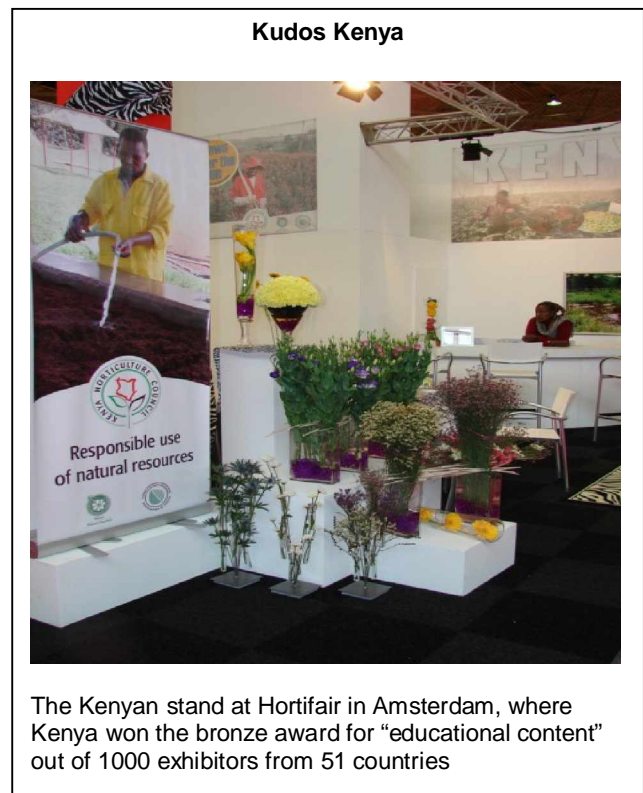
KHDP provided technical support for the stand. The Kenyan team included KHDP's Trade advisor Kimberly Smith, KHC Acting Chair Mr. Hasit Shah, KFC CEO, Ms. Jane Ngige, and FPEAK CEO, Dr. Stephen Mbithi.

The massive support given by the international flower trade to Kenya's socioeconomic and development message at Hortifair was a strong endorsement of the environmental measures, social policies and product strategies adopted by the Kenyan industry.

### MINISTRY OF AGRICULTURE

#### Greenhouse launch

"Agricultural stakeholders and farmers should work together to avoid duplication and contradiction of activities which leads to time wastage and confusion to the farmers" - Provincial Director of Agriculture (PDA), Nairobi province MS. Jane Ngugi, at the launch of a demonstration greenhouse at the HCDA headquarters. Ms Ngugi, pointed out that the Government has realized that success is achieved by collaboration



between stakeholders. She called upon all stakeholders in the private sector to work with Government to ensure food security and eradicate poverty. Ms. Ngugi reiterated that agricultural benefits can be derived from proper utilization of soil and challenged participants to promote urban farming by using modern technologies such as the greenhouse to meet the high demand for agricultural products in urban areas.

The PDA assured farmers that her Ministry together with the Nairobi City Council was in the process of developing a policy that will favor urban and peri-urban farming with regard to the environment. During the event, Seminis East Africa handed over the demonstration green house to HCDA, to be used as a learning facility for farmers. The Acting MD of HCDA, Mr Nguku, was optimistic that urban farm would be possible because of the greenhouse technology. The greenhouse was sponsored by KHDP, Seminis and Osho chemicals and other partners as part of their joint efforts to increase productivity in horticulture through improved technologies.

The event was attended by over 300 farmers and traders from all over the country, as well as Directors of HCDA and the Agricultural Society of Kenya. Any enquiries regarding green house technology can be channeled to [Mr. Peter Randa, of Seminis East Africa](mailto:Mr. Peter Randa, of Seminis East Africa) on Tel; [825160/2/4](tel:82516024) or [0734616716](tel:0734616716).

**KHDP NEWS**

**Smallholder Flowers**

Small-scale outgrowers are becoming major suppliers to the booming flower export industry and the ever increasing demand for flowers and plants on the local market. During October KHDP provided TA to flower growers on more than 30 different flowers (including *arabicum*, *stalice*, *eryngium*, *gerbera*, *gladiolus*, *hydrangea*, *zinnia* and *tagetes*) and foliage items (pigeon pea *stachys*, *eucalyptus* and strawberry leaves).

**Local market vegetables**

A few years ago, it was hard to associate horticulture with Nyanza Province. Yet in October, KHDP-assisted growers alone earned Ksh1.07M from sales of local market vegetables (cabbage, tomato, water melon and squash and others). A combination of greenhouse technology and hybrid varieties continues to transform tomato production all over the country. Farmers, including some from neighboring countries, are calling KHDP and our partners continuously for more information on how to produce 40kgs per tomato plant!

**Chili products**

Equator products held a successful field day in October during which 58 farmers were trained on good agricultural practices in ABE chili production. The farmers were

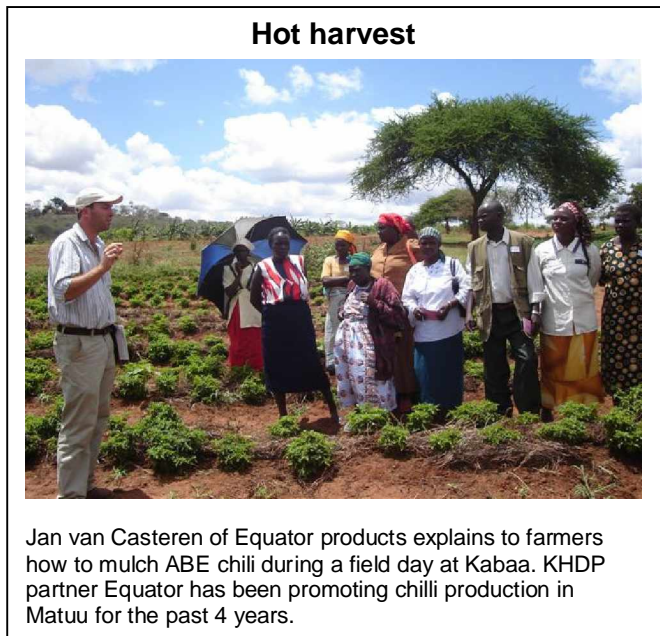
shown intercropping systems, fertilization for good plant nutrition, seed selection and IPM techniques. In Nyanza, ABE chili farmers delivered a total of 3,194 kg of dried chili to Mace, earning over Ksh300.000. Deliveries are expected to increase from mid Nov-07.

**Sweet potato**

Bulking of orange-fleshed varieties for local and export markets continued in Nyanza, Central and Coast areas. In Rift Valley, there was a good demand for potatoes harvested during the month and more continued to be planted. Two new varieties were introduced to the region by KHDP partner Farm Concern International.

**Passion Fruit**

Passion fruit prices improved in the month with demand strong from exporters and processors. Rift valley, particularly the Eldoret area continues to lead the way. In Central, Propagation of grafted seedlings continued at KARI, and KHDP-assisted farmer groups and individual nurseries reported high demand for grafted seedlings from new growers in Central, Eastern and the Rift Valley areas.



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