



***“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.***



Professor Esther Kahangi of JKUAT- Eve Magazine's woman of the year.



## **This Month**

During the first week of May, we were pleased to take Meg Brown and James Kigathi of USAID, together with Al Kimani, the MOA Provincial Crops Officer, to visit HDC clients in Coast Province. Except for isolated examples of pineapple production and some small vegetable plots, Tim Mwangi, the HDC field agronomist had found almost no commercial horticulture when he moved to the coast in January 2004. Nevertheless the visitors saw that interest is high and despite low rainfall and very high temperatures this year, various farmer associations have received technical assistance from Tim to establish plant nurseries and plant a range of vegetable crops. HDC has also been working with public and private sector partners to increase the productivity of neglected cashew trees which are growing in abundance the length of the coastline from Kwale to Lamu. These represent a significant untapped income for thousands of small-scale farm families. Much of the coastal mango crop, particularly in the Tana Delta area is currently going to waste for lack of a fresh market. In line with HDC efforts to stimulate a processing industry, plans are now well advanced to set up a pilot scale mango processing operation on the coast.

Environment is also high on the HDC agenda. This month, with the assistance of consultant Dr Jim Findlay, previously MD of Monsanto (South Africa), we started an exhaustive review of the safety of all agricultural chemicals with potential for application on HDC target crops, with a special emphasis on low toxicity products and biological control agents. This is a specific USAID requirement but also fits well with HDC activities on EUREPGAP certification and new EU legislation on MRLs and traceability.

## **Passion Fruit**

Passion fruit propagation and demonstration plots are doing well in all areas with the demand from farmers far exceeding HDC's ability to respond. Fortunately we are not alone in promoting this crop, since it is also a priority for our colleagues at the HCDA. This month we had extended discussions and field visits with two separate potential investors in passion fruit processing, but so far there is no definite commitment to go ahead. We are also extending our range of varieties with plots of yellow passion fruit being established on the coast and propagation of large purple varieties from Uganda.

## **Chilli Products**

We estimate that more than 500 new growers have started production of African birds eye chilli for export during the past three months following seed provision and technical assistance from HDC. Thanks to cooperation with the Association for Better Land Use Husbandry we were able to extend



HDC trials show that Vanilla can be successfully propagated by tissue culture or from leaf cuttings in a humidity chamber.



HDC Director, Steve New, explaining why this vanilla vine is ready for exposure to more sunlight.

TA to growers in marginal areas in Mbeere and Kirinyaga Districts which could not be covered by the HDC staff. Harvesting of the first crops should start in September.

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## Vanilla and Spices

Our front page this month shows our vanilla partner at JKUAT, Professor Esther Kahangi with her magnificent trophy for winning the Eve Magazine "Woman of the Year" award. This acknowledged her outstanding work in the production of tissue-cultured bananas. Professor Kahangi has now repeated her success by developing a tissue culture system for producing vanilla plants, which the HDC will be testing in the field over the next six months. If field trials go well, JKUAT will be able to provide vanilla plants for long-term income generation to thousands of smallholders. It is great to see that the panel finally got their priorities right and chose an agricultural scientist against stiff opposition from distinguished ladies from politics and business! Field demonstrations continue to go well, including the utilisation of "mukungugu" as a live support plant, which was a brilliant idea from HDC agronomist Lydia Njuguna. Lydia and Steve New were busy in May (left), training growers in shade management and taking cuttings for further propagation. Fintrac's new project in western Uganda (the Kasese Smallholder Income and Investment Project) has been helpful in providing us with "inside information" on the vanilla market. A large crop is expected there and in Madagascar this year which will bring market prices down to \$50-100 per kilo for processed vanilla. Growers in Uganda will receive \$5-10 for green vanilla beans this month depending on quality.

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## Smallholder Flowers

Our "baseline survey" of smallholder flowers got started in May. According to consultant Martin Mulandi, who is highly qualified and experienced in this area, having come to HDC straight from his previous position as Chief Executive of the Kenya Flower Council - "there are many more growers than we previously thought obtaining an income from flowers, particularly in coffee and tea areas, and the interest is really high from both growers and exporters". In the meantime growers in Eldoret are rapidly propagating Hydrangea under the supervision of HDC agronomist Irene Nguni to meet a new sample order for 10,000 flowers.

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## Tree Crops

Work started in May to develop an IPM approach to powdery mildew and anthracnose control. The Real IPM Company, one of our technical partners on cashew made a fact-finding field visit with consultant Jim Findlay and came up with some immediate recommendations on pruning, crop management and *Trichoderma* as a potential biological control agent for powdery mildew. Since flowering starts in June, we shall be scrambling to set up some trials to test the theories. Planning for the mango processing pilot project continued with field visits to the Tana Delta by the HDC Director and meetings with USAID and local private sector partners.



Ready for export - they love Kenyan passion in the UK.



Meg Brown of USAID checks out the cashews at Millenium Management's processing plant in Kilifi.

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## Local Market Vegetables

Our baseline study of the local market for fresh fruits and vegetables continued during May with visits by Stanley Karuga and colleagues from Market Economies Development Ltd, to various provincial markets. Provisional reports confirm what we all know really, that the application of food hygiene systems and monitoring of MRLs is almost non-existent on the domestic market, with only supermarkets applying any significant grades and standards. Stanley's recommendations should be interesting!

Market data for May (see below) indicated massive regional differences in the prices of banana, cabbage, tomato and sukumu wiki, confirming the opportunities for growers who can produce "counter-season" using supplementary irrigation and appropriate varieties. HDC demonstrations, in conjunction with Regina seeds and other input suppliers, should start to illustrate this potential over the next year.

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## Market information

Although everyone agrees that market information is a valuable resource for growers, prices are a sensitive subject. Buyers and exporters claim, with some justification, that "market price reports are misleading", particularly for export markets, and can raise grower expectations to an unrealistic level. At HDC we agree with this but, at the same time, we think more information is necessary for growers in the horticulture sector to enable them to make good business decisions. So, in May we finalized the HDC Horticulture Marketing News which gives monthly prices of the main Kenyan fruits and vegetables sold on the UK market and an analysis of domestic prices for selected products in five urban markets, using data collected by the MOA. We also feature a market profile each month of one of the HDC target crops or products. To obtain as objective a report as possible from the UK market we have contracted a leading UK quality assurance firm, Food Surveys, to collect and validate price information from wholesale markets in London and Birmingham. Over the next few months we shall also be testing a system with Food Surveys for monitoring the quality and prices of Kenyan produce relative to the competition, to see if there are any useful industry-wide trends we can identify which might be useful for planning future marketing strategies.

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## EUREPGAP Programme

Our pilot project to take about 500 outgrowers through sensitisation, training and implementation to full EUREPGAP certification finally got started. The growers were identified by East African Growers Ltd, who are our partners in this experiment, with training and technical assistance provided by Millenium Management Consultants. During the design of this project it has become obvious to us all that nobody has ever estimated the true cost of bringing the "more than 50,000 outgrowers" in Kenya up to EUREPGAP standards. We shall be monitoring the costs closely on our test group. Thanks to our colleagues at BSMDP we were also able to meet and discuss this issue with Elme Coetzer from the EUREPGAP Secretariat and confirm that the EUREPGAP Committee needs much more information on the Kenya situation with regard to outgrowers.