Small-scale Farmers in Kenya Benefit from EUREPGAP Compliance

Kenyan horticulture is one of Africa's notable success stories. Major local and foreign investment in the past decade, encouraged by a hands-off approach from government, has made Kenya the leading supplier of cut flowers to the European Union (EU) and a market leader in French beans and other fresh fruits and vegetables. Technicians on the USAID-funded Horticultural Development Program (KHDP), managed by agribusiness consultants Fintrac Inc, estimate that smallholders' farmgate earnings from exports were at least $45 million in 2004, equivalent to $750 per farm family. Many more families depend on employment in the industry which is labor and skill-intensive. Rose farms for example employ a permanent staff of 11 workers per acre, all of whom receive intensive training to meet demanding market standards.

The unique smallholder base was threatened in 2003 when EU supermarkets introduced EUREPGAP, a new code of practice designed to protect their customers from food-related risks, require growers to adopt production systems which protect the environment, and provide improved labor practices and conditions for their workers. Initially the 210 conditions of EUREPGAP, developed with EU farming systems in mind, appeared to be impossible for developing country smallholders to implement. However, a market-driven alliance between KHDP and major export companies has helped turn EUREPGAP into a comparative advantage for Kenya's 60,000 smallholder producers. An intensive training and research program by KHDP, showed that no more than 10 conditions were beyond the reach of most growers, and that the national cost of compliance would not exceed $25 million – a small price compared with annual horticulture exports of $600 million. KHDP also created a partnership with other donors to focus resources on EUREPGAP compliance which has resulted in more than 30,000 growers receiving training and more than 1,000 receiving EUREPGAP certification to date. As a result of these intiatives, all major exporters are now investing heavily to assist their outgrowers to achieve EUREPGAP compliance. This has improved income and security for smallholders and raised market confidence to the extent that exports increased by 14 percent in 2004 and continue to grow in 2005, and certified growers can receive a price incentives of up to 15 percent for products such as passion fruit, one of KHDP's target crops.

Smallholder farmers like this women's producer group will continue to have access to export markets.

Following negotiations between KHDP, the Kenya Fresh Produce Exporters Association (FPEAK) and the EUREPGAP management committee, the code has now been adapted to meet Kenyan conditions while still protecting supermarket and consumer interests. In addition, a first draft of KENYAGAP has been produced and submitted to EUREPGAP for "benchmarking." When this is finalized, hopefully by the end of this year, KENYAGAP will be a suitable code of practice for use in all African and other southern hemisphere countries where smallholders contribute to exports. KENYAGAP will also provide a tool to start upgrading fresh produce standards and contribute to sustainable growth of Kenya's large local and regional markets that are currently supplied by more than 200,000 small-scale growers.

EUREPGAP and new EU food and feed laws, which come into effect in 2006, apply to all major food categories entering the EU. In every case, Fintrac has found that working with private sector companies, linked where necessary to government or donor-funded researchers and trainers, is the best way to achieve consensus on implementation of these codes of practice.