



HDC
horticulture
development
centre

Monthly Update

May 2005

“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.



Participants at the HDC Smallholder Flower Workshop



This month

It seems that smallholders are determined to survive and thrive in all areas of Kenya's fast-growing horticulture export industry. They have taken on the challenge of EUREPGAP and more are being trained and certified every month. In May, HDC held a successful Smallholders' Flower Workshop, with presentations on the theme **“Left on Their Own, Can the Kenyan Smallholder Flower Growers Survive?”** More than 80 growers and exporters squeezed into the conference room at Holiday Inn, together with representatives from the two main Dutch auctions, USAID and various government agencies. They came up with a long list of recommendations for increasing exports of 'summer flowers', many of which are grown by small-scale growers. At least 5,000 smallholders are involved, with an export FOB value estimated at Ksh 370 million (\$4.9 million) in 2004. In western and eastern districts, thousands of smallholders are starting to harvest birds eye chilli for the first time, and growers on the coast are re-planting and rehabilitating their cashew trees to take advantage of rising world demand.
Steve New, Director, HDC

Local Market Fruits and Vegetables

Growers have benefited from good market prices during the first five months of 2005, which have been significantly higher than in 2004 for all the main vegetables (see HDC's Horticulture Marketing News). In Central Province, Mrs Felistas Hato, made Ksh 12,500 from a quarter acre demonstration plot of Red Comet onion harvested in May. HDC partners and clients are currently managing more than 100 demonstration plots, growing at least 15 different vegetables. However, Kenya is still a major importer of onions. Brokers say they would prefer to buy local onions but the shelf life is not as good as onions imported from Tanzania. Surely this is just a question of better varieties and more attention being paid to curing after harvest. Kenyan growers must be able to meet this challenge.

Passion Fruit

Following some negative quality reports, HDC and Myner Exporters, jointly conducted passion fruit postharvest training for 36 growers from the Gatanga Self Help Group, in Thika. The trainers Lydia Njuguna, Timothy Mwangi (HDC Agronomists), Winnie Wambugo and Andrew Edewa (from Myner Exporters) focused on: Postharvest Handling; Transportation; Temperature Control; Product Specifications; Grading and Harvesting Containers; Postharvest Hygiene and Packaging. Growers and trainers discussed ways to minimize the time between harvesting and shipping; and to eliminate unnecessary p/h handling operations which damage fruit.

Local, regional and export demand for passion fruit remains strong.

Consequently, HDC-assisted clients have made record sales of passion fruit seedlings from their HCDA- licensed fruit tree nurseries, in response to the rising demand.

Chilli Products

With the onset of the rains in May, thousands of seedlings of African birds eye chilli (ABE) were planted in the Rift Valley, Western, Central and Eastern areas during May. Currently HDC is working directly with more than 20 extension officers, drawn from MACE Foods, Equator Products and HCDA/MOA, to meet the demand for technical assistance for improved production quality and quantity.

Equator Products currently has a contractual arrangement for organic ABE production with more than 700 growers and is increasing this number by 56 every week. The firm works closely with the HCDA and MOA to provide a six-module training programme in: Introduction to Equator Products; Contract Farming; Field Preparation and Transplanting; Organic Farming; Safe Pesticide Use and Produce Harvesting and Grading. The training is partially HDC-funded and is mostly conducted on the groups' demonstration farms. To guarantee the traceability of its produce, seedlings are also produced at the firm's nurseries. To ensure hygiene standards are met, mature chilli is collected at group collection points and solar-dried at the HCDA depot in Yatta. From the initial picking, 70 farmers have recorded an average of 500 kg fresh ABE per week, earning a total of Ksh 45,000. It is projected that production will be increased to 2 MT fresh ABE per day by year-end, to meet orders in excess of 200 MT of dried ABE per year.

Vanilla and Spices

In May, 500 vines were planted by farmers in Western Kenya with technical assistance provided by Umran Kaggwa, HDC's vanilla specialist from Uganda.

Tissue-cultured and micro-propagated plants are now available to growers from three commercial nurseries, but farmers must have fields prepared with shade trees and support plants. A register will be maintained of all growers planting vanilla to ensure that they obtain follow-up training in quality management. Successful development of a vanilla industry depends upon the production of high quality beans from day one.

In May HDC also started working with Earthoil and Mount Kenya Organic Farming to produce organic borage seeds and conduct trials on a range of other "pressed oil crops" for Body Shop and other up-market cosmetic firms.

Smallholder Flowers

On 12th May 2005, HDCs held its much awaited smallholder flower workshop, at the Holiday Inn, attended by 80 industry stakeholders. Some of the recommendations included:

- Harmonization of compliance codes to avoid confusion
- Increased access to market information
- More research on potential new products for Kenyan growers



From Karatina to Kampala: Ugandan buyers are providing an alternate outlet for passion fruit, paying as much as Ksh 38 per kg!



Green Challenger cabbage was the main attraction at the HDC-Regina Seeds field day in Bungoma



Training is key in maintaining the postharvest quality of African birds eye chilli grown for Equator Products



Drying chilli at MACE Foods in Eldoret, grown by thousands of smallholders in Western and Rift Valley areas

- Investment and training in postharvest management
- More effective public and private sector extension services

Based on these and other recommendations, HDC will be initiating a smallholder flower development programme during June

To receive a copy of the Workshop Proceedings and Presentations, as well as the 2004 HDC Smallholder Flower Survey Report, please contact the HDC.

Congratulations to the Kenya Flower Council for winning first prize ahead of 28 other countries at this year's Florissimo, for the best exhibition stand. The event was held concurrently with the 18th World Orchid Conference in Dijon, France and had the theme: Exotics and Orchids. The spectacular KFC display included a range of smallholder-grown flowers - Ornithogalum, Limonium, Anthurium, Asclepia (Moby Dick), Calla Lily, Rudbeckia, Pennisetum, Molucella, Tuberosa, Arabicum, Agapanthus and Strelizia.

EUREPGAP

The EUREPGAP National Technical committee has completed the first draft of the National EUREPGAP Interpretation and QMS Guidelines. They will present this draft to all industry technical personnel on 21st June 2005 for validation and further input. Coordination and facilitation of this committee is done by FPEAK with DFID-BSMDP funding.

Two HDC-assisted outgrowers, Janet Kajuju and Phalis Kimaita; and two farmer associations, Jericho and Makena Selfhelp Groups, received EUREPGAP certification in May. All have marketing contracts with East African Growers (EAGA) who have now increased their list of certified outgrowers and groups to 30. Additionally, 11 new EUREPGAP extension officers, recruited by WONI Exporters with HDC assistance, began their field work, having received training in all aspects of EUREPGAP compliance. They conducted a needs assessment of more than 20 farmer groups in late April and are now providing training and supervising implementation, with pre-auditing planned for June/July.

We congratulate AfriCert, Kenya's first local certification agency, for becoming the officially sub-contracted certification body for the German Flower Label Programme. To obtain the FLP label, growers must achieve high standards in social and environment responsibility as well as occupational health and safety. With assistance from GTZ, Africert is also developing its capacity for organic certification.

Industry News & Views

The National Taskforce on Horticulture

The Task Force, chaired by KEPHIS, is now widely recognized as an effective and influential public-private initiative to guide Kenyan horticulture into the future. In May, members of the Task Force met with exporters, pesticide distributors and farmers in Nairobi and Machakos, to discuss their various challenges. Exporters raised issues of multiple levies; high airfreight rates; poor roads; and new EU regulations which require strategic actions to maintain Kenya's competitiveness. Farmers requested improved supply



WONI's extension officers raring to go after their EUREPGAP training



Livingstone Ochwada, HDC's Chief Agronomist, training passion fruit farmers

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contracts; access to current market prices; and continued support for EUREPGAP compliance. Input suppliers complained of counterfeit products; recommended more training for stockists; and requested clarification of the "approved list" of pesticides. For more details on the work of the Task Force, contact the MD, KEPHIS through: kephis@nbnet.co.ke

KEPHIS

A crucial aspect of KEPHIS's work is to monitor cases where Kenyan produce does not meet EU standards under various SPS regulations. Each of these "interceptions" by EU inspectors must be traced back to the grower in Kenya, and remedial action taken. It is a tribute to the trainers, growers and exporters that only 28 interceptions occurred in 2004, compared to 126 in 2003. This is a creditable performance, and better than growers achieved in some European countries.

FPEAK

It is very good news for exporters that FPEAK has been co-opted on to the TREO Committee which approves applications for use of the tax remission facility. In April FPEAK also made a submission highlighting the continued delays in VAT refunds experienced by members, and made some recommendations for the government's consideration in the June budget.

Next month, FPEAK will be conducting a 5-day internal auditors' course, cosponsored by HDC, targeting technical personnel involved in monitoring and implementing procedures for standards compliance. Starting in July, FPEAK will be holding "Hortifairs" in Eldoret, Mwea, and Nyahururu. For more details please contact info@fpeak.org.

HCDA

HCDA initiated a major training programme in May. In cooperation with the Pesticide Initiative Programme (PIP), 36 HCDA technical officers received intensive training in a range of food safety and crop protection technologies. They were provided with tools, equipment and educational materials for follow-up field activities and farmer training. Over the next two years HCDA extension officers will set up 30 demonstration plots, on 18 field stations, providing TA and training to at least 75, 000 farmers.

With the strong interest in new planting of fruit trees, it is important that all nursery operators register with HCDA under the Fruit Tree Nurseries Legislation (fruit tree nurseries) Order 1995. Traceability of planting material back to a certified nursery is now included in all commercial codes of practice and SPS regulations for horticultural produce. The registration procedure is straightforward and involves site inspection and recommendation, with payment of a fee of only Ksh150 plus Ksh2,000 for the license, renewable annually. Additionally, KEPHIS must certify all planting material before it is sold. Currently there are 198 registered nurseries, with 10 of these having been registered between January and March this year, for mango, pawpaw, banana, citrus, avocado, and passion fruit. Contact Mr Jotham Ouko at the HCDA for details.