



STANDARDS AND MARKET PREFERENCES: OPPORTUNITIES AND CONSTRAINTS

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Abstract

Kenya horticulture industry has been consistent and committed to observing high horticultural standards. This consistency and commitment has enabled the industry to maintain and expand its share in high end consumer markets such as UK that takes up to 80% of Kenyan vegetable exports. The compliance to standards is further demonstrated by a 78.8% decline in interceptions between 2007 and 2009. The implementation of international standards such as GLOBALGAP has indirectly compelled growers to comply with mandatory local horticulture standard (KS 1758:2004) that the Government has been unable to enforce. In addition, the prerequisite for compliance to standards for growers targeting lucrative markets abroad has locally raised the level of awareness and concerns about safety of produce in the domestic markets. This has partly be attributed to demand for compliance with KenyaGAP Domestic Standard for all growers supplying local and regional leading supermarkets chains such as Nakumatt and Tusksys. There are 2569 and 300 farms in Kenya that are GOBALGAP and KenyaGAP certified, respectively. Preliminary results of a recent study conducted in Kenya indicate a 35% decline in cost of certification between 2004 (EUREPGAP) and 2010 (GLOBALGAP). Contrary to international standards, proliferation of private company standards which often do not recognize one another as equivalent has created a whole new industry of "auditors" which has made the whole idea of standards every expensive. In addition, some requirements of private standards lack clear scientific justification putting the standards' credibility to question. In view of this, the horticulture industry in Kenya welcomes the latest trend of importers in Europe of focusing on the legal requirements such as traceability, MRL'S, and quarantine pests while leaving issues on production for exporting companies and farmers. Such a move will go a long way in ensuring the sustainability of the industry that directly and indirectly support livelihoods of more than 6.5 million Kenyans.

1.0. Present implementation status of international and private company primary production standards

1.1. Implementation of international primary production standards

There are about 230 export companies actively involved in production and exporting of horticulture produce from Kenya. GLOBALGAP is the international primary production standard that is widely adopted in Kenya. There are 2569 GLOBALGAP certified farms in Kenya. This consist of 69 large scale farms, 207 medium scale farms, and 229 small scale farms for 56 grower groups. Kenya horticulture industry is committed to observing high horticultural standards. This commitment has enabled the industry to maintain and expand its share in high end consumer markets such as UK that takes up to 80% of Kenyan vegetable exports. Since the advent of EUREPGAP in Kenya, the industry has been dynamic in adopting changes in international primary production standards. This has been attributed to good farmer organization and support from export companies. Unlike the processing standards, changes in international primary production standards have not been frequent and are based on sound science making it easier for growers to comprehend and accommodate the changes. In addition, preliminary results of a recent study conducted in Kenya indicate that the cost of certification for an international primary production standard has declined by 35% between 2004 and 2010.

1.2. Implementation of private primary production standards

Information on private company primary production standards in Kenya is scanty. However, reports indicate that occasionally, private companies provide specific production requirements to suppliers.

KenyaGAP Domestic Standard is the first choice private primary production standard for producers supplying local and regional prime Nakumatt and Tusky's supermarket chains. There are 300 KenyaGAP certified Smallholder farmers that supply fresh fruits and vegetables to more than 36 KenyaGAP accredited market outlets.

2.0. Present implementation status of international and private company processing standards

2.1. Implementation of international processing standards

The British Retail Consortium (BRC) is the widely adopted processing standard among the Kenya horticulture exporters. This is partly because UK is the traditional market for Kenyan vegetables; up to 80% of Kenyan vegetables are sold in leading supermarkets in UK. However, with emerging markets for produce from Africa at better prices, it is envisaged that most local export companies will adopt ISO 22000 which is internationally becoming increasing acceptable as best industry code of practice.

2.2. Implementation of private company processing standards

Information on specific private company processing standards to Kenyan exporters is scanty. However, reports indicate that there is a rise in demand from supermarkets in UK for Kenyan exporters to adopt their specific processing standards as a point of reference with a view of attracting the high end British consumers. Specific private company standards often do not recognize one another as equivalent making compliance very expensive. These standards have in themselves created a whole new industry of "auditors" that earn a living "policing" export processors and there is no room for them in the current scenario where margins are non-existent and everyone is battling to survive. In view of the fact that private requirements often become the industry norm, it is envisaged that the proliferation of private standards will force many exporters out of business with devastating effect on more than 4 million Kenyans that directly and indirectly depend on horticulture for their livelihood.

3.0. Advantage and disadvantages of participating in standards certification schemes

3.1. Advantage participating in standards certification schemes

Participating in certification schemes of private standards has compelled the local producers to indirectly comply with mandatory standards that the Government has been unable to enforce. The KS 1758:2004 is a Government standard with a scope like that of GLOBALGAP covering issues of food safety, environmental sustainability, and social accountability. However, without an apparent benefit of complying with the standard, local producers have paid little attention to the standard. Since policing a standard is not feasible, the requirements of KS 1758:2004 would have remained unaddressed by local producers had it not been for the need to retain the lucrative markets tightly guided by the private standards.

The talk about private standards both in electronic and print media has raised the level of awareness and concerns of food safety among the general public in Kenya. This has put pressure on producers for domestic market to comply with local standards. Presently, the Nakumatt and Tuskeys supermarket chains in Kenya only receive vegetable and fruit supplies from KenyaGAP certified producers.

3.2. Disadvantage of participating in standards certification schemes

Despite the obvious benefits, there are some discontents about private standards with regard to: proliferation of standards; high cost of certification; lack of mutual recognition; requirements without sound scientific backing; and lack of local accredited agents. Proliferation and lack of mutual recognitions and local accredited agents for private standards makes compliance tedious and very expensive. In addition,

requirements of private standards without clear scientific backing seem to support the views of opponents that standards aim at protectionism, perfection, and are mere tools for self deification at an expense of growers; and are therefore technical barriers to trade.