



Smallholder farmers' involvement in commercial horticulture

Kenya's perspective

Video conference on high value horticulture for Eastern & Southern Africa

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Introduction

Up to 80% of horticultural production in Kenya is undertaken by smallholder farmers. The sub-sector employs approximately 4.5 million people countrywide directly in production, processing, and marketing, while another 3.5 million people benefit indirectly through trade and other activities. Horticulture is a major source of livelihood to farmers generating in excess of \$ 1.0 billion in foreign earnings annually. The Government has therefore identified horticulture as a major sub-sector in realizing the country's "Vision 2030" which envisages Kenya as middle income earner economy and semi-industrialized country. Despite their significant contribution, smallholder farmers in Kenya are facing a number of challenges including high cost of inputs, limited access to extension services, unreliable weather, and limited access to direct markets. In a bid to address these challenges, the Government is implementing either singly or with collaborating partners a number of horticultural projects and programs with specific objectives. There are also a number of non-governmental organizations that are involved in capacity building of smallholder farmers. In addition, there is increased funding of horticultural activities through grant and loans. In order to resolve farming challenges that are multi-sector in nature, the Ministry of Agriculture jointly with sector Ministries, relevant regulatory organizations, and the industry have formed the National Horticulture Task Force (NHTF). Kenya also actively participates in a number of regional initiatives such as the harmonization of horticulture standards for East Africa Community (EAC), Horticulture Council of Africa (HAC), sharing of information and experiences on high value agriculture through Video Conference, and Centre of Phytosanitary Excellency (COPE).

1-0. Involvement of smallholders in horticultural production

Agriculture accounts for about 24% of Kenya's GDP with an estimated 75% of the population depending on farming either directly or indirectly. The sub-sector employs approximately 4.5 million people countrywide directly in production, processing, and marketing, while another 3.5 million people

benefit indirectly through trade and other activities. Up to 80% of this population lives in the rural areas with poverty level of up to 56%.

The sub-sector is a major source of livelihood to smallholder farmers and has been identified as a key “driver” towards the realization of the “Vision 2030” which envisages Kenya as middle income earner economy and a semi-industrialized country. In 2009, the sub-sector generated in excess of \$ 1.0 billion in foreign earnings; and traded 6,972,743 tons of horticultural produce in the domestic market.

1-1. challenges facing smallholder farmers

Despite their significant contribution, smallholder farmers in Kenya are facing a number of challenges including high cost of inputs, limited access to extension services, unreliable weather, and low produce prices. The impact of high cost of inputs has been aggravated by declining soil fertility. In some parts of Kenya such as Meru, up to 75% decrease in yields of bean (Julia) is attributed to declining soil fertility.

There is limited access to extension services in most parts of the country with the National extension staff: farmer ratio standing at 1:1,500. This situation has hindered most farmers from keeping pace with changing technological advances.

Unreliable weather attributed to climate change is threatening production in most farming areas. Currently, reports indicate a decline of 50% in exports of beans compared to the same period in 2009. This has been attributed to low production due to prolonged drought for most part of 2009 and excessive rains in the early part of 2010.

Although return to investment in horticulture is comparatively better than most other forms of agriculture in Kenya, low or uneconomic prices remain a big challenge to sustainable and commercial farming for majority of smallholder farmers. The uneconomic prices are mostly attributed to weak farmer bargaining power and market cartels.

2-0. Involvement of smallholders in commercial horticulture

In a bid to address the challenges cited in section 1-1, the Government continues formulating horticultural projects and programs with a view of addressing specific objectives; four such projects are the National Accelerated Agriculture Input Program (NAAIP), Njaa Marufuku, Smallholder Horticulture Marketing Project (SHoMAP), and the Smallholder Horticulture Development Project (SHDP). The NAAIP is involved in capacity building and provision of seed and fertilizer grants for one hectare per smallholder farmer. The target of this program is 2.5 million smallholder farmers. Unlike NAAIP, the focus of Njaa Marufuku is smallholder farmer groups and not individual farmers. The program extends grants of up to \$ 6,250 per farmer group. SHoMAP is facilitating smallholders in addressing marketing and market infrastructure challenges. This program is earmarked to benefit 12,000 smallholder farmers. The SHDP is focused on establishing irrigation schemes for horticultural farming with a view of mitigating the negative effect of climate change. The program has

established 9 irrigation schemes with a total area of 2886 Ha; and is directly benefiting 5900 smallholder farmers.

There are many other Government funded horticulture projects which compliment its activities undertaken through the National Agriculture and Livestock Extension Program. The Government in collaboration with the International Fund for Agriculture Development (IFAD), Alliance for Green Revolution in Africa (AGRA), and the Equity Bank (K) has also set up a loan scheme known as “Kilimo Biashara” to facilitate credit access to smallholder farmers. This initiative also involves a cover known as the “weather Index Crop Insurance” that insures crops failure due to erratic weather. In addition to the Government funded projects, there is a large number of Non-Governmental Organizations with different initiatives towards supporting horticulture in many parts of the country. Most of these projects are funded through international cooperation agencies such as the USAID, JICA, Gtz, among others.

A number Non-Governmental Organizations and farmers associations are also involved in capacity building of smallholder farmers. Three leading such associations are the Fresh Produce Exporters Association of Kenya (FPEAK), the Kenya Flower Council (KFC), and the Kenya National Federation of Agricultural Producers (KENFAP). The FPEAK like KFC is involved in building smallholder farmers capacity in market requirements and linking them to markets. The earlier has facilitated 350 smallholder farmer groups certification to KenyaGAP and linking of the groups to the premium supermarket chains namely Nakumatt and Turskys. Through the initiatives of KFC, Kenya is currently the leading exporter of flowers to the European Union; contributing 31% of all flower sales, followed by Columbia with 17% and Israel 16%. KENFAP is an umbrella federation of farmers comprising of over 1.4 million farm families. The federation empowers Kenyan farmers with a strong voice hence better bargaining power in business transactions.

In order to resolve farming challenges that are multi-sector in nature, the Ministry of Agriculture jointly with sector Ministries, relevant Government sub-sector regulating agencies, and the industry have formed a National Horticulture Task Force (NHTF). This is an *ad hoc* forum that addresses all forms of multi sectoral challenges affecting growth and sustainability of horticulture sub-sector in Kenya. In addition, the Government has mandated the Horticultural Crops Development Authority (HCDA) with the responsibility of developing, promoting, facilitating, and regulating the industry.

3-0. On-going strategies at regional level

There are on-going efforts to harmonize about 128 commodity based horticulture standards among the East Africa Community (EAC) member states. These efforts are coordinated by the United Nations Industrial Development Organization (UNIDO) with a view of facilitating trade within the member

states. The EAC is well placed to coordinate this process. Kenya is represented by the Kenya Bureau of Standards in the EAC technical committee on standard harmonization.

Other notable effort towards enhancing regional horticultural activities is the Horticulture Council of Africa (H.C.A). The H.C.A is a network established by member Country national associations to address constraints the region is facing in maintaining competitiveness in the horticultural export market, especially in the European markets. The on-going debate on carbon and water foot prints should be a priority to H.C.A. Kenya is represented by the Fresh Produce Exporters Association of Kenya (FPEAK) and the Kenya Flower Council (KFC).

GlobalHort is coordinating information and experiences sharing among the Southern and Eastern States: Kenya, Uganda, Tanzania, Ethiopia, Zambia, Mozambique, and Madagascar in a series of video conferences on high value Agriculture in Southern and Eastern Africa.

The Kenya Plant Health Inspectorate Services (KEPHIS) recently launched the Centre of Phytosanitary Excellency (COPE). COPE has been established through a collaborative initiative between: National Plant Protection Organizations of Kenya (KEPHIS), Zambia, Tanzania and Uganda; Experts from 10 countries in East and Southern Africa; The Inter-African Phytosanitary Council of the African Union (IAPSC); Secretariat of the International Plant Protection Convention (IPPC); CABI Africa; FAO Regional Office for Africa; National Plant Protection Service of Netherlands (NPPS); and University of Nairobi (COPE secretariat).