

Promoting Production and Trading Opportunities of Organic Agriculture Products from Kenya.

National Integrated Assessment of Organic Agriculture Sub Sector in Kenya

Kenya Country Progress Report Presented at the Regional Workshop held in Arusha, Tanzania, on 8th March 2006.

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1

Progress Made

- **NIT established in September 2005 and has held several meetings to;**
 - prepare logistics towards composition of the NSC
 - design NSC agenda
 - strategize on participatory methodologies for developing IBD
 - revise the IBD drafts, and review work plans

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2

Progress Made cont.: National Steering Committee

- Held three (3) National Steering committee meetings as follows:
 - First NSC - introduce members to the project,
 - Second NSC - discuss TORs, design, input into the IBD, share progress and
 - Third NSC - prepare NSW

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3

Progress Made cont.

- Participated in the Regional Launch of the Programme for East Africa held in Kampala 19th to 20th October, 2006
- Developed the Initial Background Document
- The IBD was presented at the First National Stakeholders Workshop held on the 26th Jan 2006
- Attended by representatives from; government, OA farming community, international research orgs, CSOs working with farmers, national organic network, IFOAM, exporters e.t.c.

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4

Progress Made cont.

- NSW agenda- Introduction to the IAP project, presentations on IAP framework, status of OA in Kenya, case studies of a few selected organic products and exports, and organic movement in Kenya.
- Developed crop selection criteria for Kenya and sustainability indicators
- Commented on and critiqued the IBD
- After NSW- An Indicative Assessment Framework has been developed

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5

Organisation of IBD

- Background (review of past studies and evolution)
- Institutional Framework in the OA sector in Kenya (players in the sector and policy issues)
- Commodity Chain in Production and Trade in OA products (production, Marketing and trade)
- Quality Issues in Production and Trade (standards – audits and certification)
- Emerging Issues (threats, challenges and Opportunities)

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6

1.0 Introduction and Background

1.1 Review of Past Studies

Some of the work done includes:

1. Research Studies Including:

- A masters thesis study by Jessica R. G. (University of Wisconsin 2003) on Organic Agriculture in the Semi-Arid Kenya
- A study on Gender and Organic Agriculture by KIOF in 2004 which focused on the asymmetrical relationship between men and women in organic farming
- The level of Consumer Awareness of Organic Products: The Case of Indigenous Vegetables. Survey conducted by the Kenya Institute of Organic Farming - 2004.

2. Study visits and conferences:

by organizations like IFOAM, KOAN, KIOF, FAO and other

3. Organic Projects:

The IFOAM project of "Organic Agriculture till 1999"

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7

1.2 Players in the OA sector

Stakeholders in organic agriculture sector in Kenya are broadly categorized in four groups:

- 1. Private Sector** (includes farmers groups, producer associations, commercial farmers, processors, traders and retailers, inspection agencies and certifiers)
- 2. Civil Society Organizations** (includes training and research institutions and other promoters)
- 3. The government** (includes key ministries, departments and parastatals)
- 4. Development partners** (includes UNCTAD, UNEP, FAO, GTZ, HIVOS e.t.c.)

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8

2.0 Policy/Regulatory Framework

- Inadequate policy focusing / integrating OA

Current Policies related to OA in Kenya:

- The Agriculture Act Cap 318
- Livestock Development Policy
- The Environmental Management and Coordination Act (1999) and Environmental Policy
- The Finance Act (2005)
- Privatization Bill
- The Strategy for Revitalizing Agriculture (SRA 2004-2014) and
- The National Food and Nutrition Policy

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9

3.0 Commodity Chain

- Major organic production mainly comes from parts of Central, Western, Nyanza and parts of Rift Valley Provinces
- There are large numbers of farmers practicing OA in small scale
- Commercially there are more than 13 certified organic producers ranging from individual farmers to large companies
- Some of the organic products from Kenya includes; Tea, Coffee, Chilies, Fresh vegetables, macadamia nuts, cashew nuts e.t.c.

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10

3.1 Production

- Certified acreage under production is 181,585HA.
- Acreage under conversion for production is 853 HA
- Some products include vegetables, coffee, macadamia nut, Tea, pineapples, chilies e.t.c.

3.2 Local distribution is through retail shops & supermarkets in major towns.

- Green Grocer Retail Outlets
- Indigenous vegetables

3.3 Export Market destination for organic produce from Kenya includes: Europe (Germany, UK, Belgium, Italy) USA, Japan and Austria. There is very limited data on quantities of organic exports from Kenya.

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11

4.0 Quality Issues

4.1 Standards

- The KOAN - Kenya Bureau of Standards has developed the Kenya Organic Standards
- Currently being used in harmonization with EA standards
- International Standards still in use – IFOAM and Codex Alimentarius among others

4.2 Certification

- There are four international certification bodies that operate in Kenya, namely; Soil Association (UK) Eco Cert, (France), Institute for Market ecology (IMO) (Germany) and Bio Swiss (Switzerland)
- Certification for the export market still done by different external certifiers depending on the destined markets.
- The cost of certification remains prohibitive for small scale Farmers- (Kshs 300,000 per visit per year).
- AfriCert (2003) is a result of local attempt to localize certification.
- Encert has been recently incorporated to carry out local organic certification

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12

5.0 Emerging Issues

5.1 Benefits of OA in Kenya

- Protection of traditional Knowledge
- Promotes pest management in small holder systems
- Promotes and enhances family involvement in farming (gender integration)
- Food security and poverty reduction through cheap food production well suited for small scale farming
- Produces healthy food for the population
- Ensures environmental conservation by limited/non-use of agro-chemicals
- Acknowledged by stakeholders

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13

5.2 General Constraints

- A very involving conversion process
- High cost of certification (Kshs 300,000 per visit)
- Low level of local consumer awareness
- Inability to take advantage of benefits offered by organic produce
- Marketing monopolies e.g. Kenya Coffee Board
- Low price premiums to the farmers in the local market.
- Inadequate policy and legislative framework

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14

5.3 Emerging Issues (matters arising)

Organic Commercialization

- There is an increase in the production and export of organic products from Kenya to Europe and North America.
- Small scale producers getting more and more commercially than farming for subsistence and food security (borage, herbs, spices, essential oils (incl. MOOF and Meru Herbs))
- We have 13 organic operators consisting of large scale farmers, processors, exporters and retailers involved in the marketing of both certified and non certified organic produce and products.

Technology relating to GMO and implications to plants life due to cross pollination

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15

5.3 Opportunities for Kenya

- There are many institutions that train farmers on Organic Agriculture
- Ease in certification process and reducing certification costs by grouping of farmers
- 75% of Kenya is arid and/or semi arid providing opportunities for wild harvests
- Changing consumers trends guided by health concerns
- Creation of the EAC and the Common Market presents better trading opportunities for OA products bilaterally and multilaterally
- Agricultural Production practices in Kenya are (in most cases) traditionally complying with principles of OA
- Increasing capacity of stakeholders in the area OA
- Standards have been developed but not yet implemented

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16

Draft Integrated Assessment Framework

- An Indicative Assessment Framework (IAF) has been developed using NSW recommendations and further consultations with experts.

Steps in the IAF:

1. Initiation – stakeholder analysis (from the IBD)
2. Analysis
 - Analysis of the OA sector in Kenya (from different studies done on OA in Kenya)
 - Identification of commodities/crops for the assessment
 - Identification of key SEE indicators through short survey and information relevant organisations
 - Poverty perspectives and root causes analysis

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17

Draft Integrated Assessment Framework cont.

3. Trend mapping and analysis
4. Identification of key sustainability issues
5. Identification of root causes and opportunities for sustainability problems
6. Analytical tool for Assessment

Other work after IAF

- Crop selection criteria has been proposed and selection of three crops (Macadamia nuts, coffee and Tea) is being debated further
- SEE crop assessment indicators against which policy options will be developed have been arrived at in consultation with experts

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18

Policies

- Agriculture Act Cap 314
- National Food and Nutrition Policy
- Strategy for Revitalizing Agriculture
- Livestock Development Policy
- The Privatization Bill under the ministry of Finance
- Guidelines for the Production, Processing and Packaging of Organically Produced Foods by the Kenya Standards

Policy implications on OA

- Under the Privatization Bill, the role of the government in agriculture will be limited to an extent of regulation aimed at maintaining the accepted standards of safety while shedding off commercial functions.

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19

Policy Implication on OA

- The SRA aims at providing a conducive policy and institutional environment for increasing agricultural productivity, promoting investment and for encouraging private sector involvement in agricultural enterprises and agribusiness in order to transform Kenya's agriculture into a profitable, commercially oriented and competitive economic activity that provides gainful employment to Kenyans.
- The Livestock Dev. Policy promotes use of livestock manures on OA. Integration of leguminous and livestock forages intercropped with OA crops
- Kenya Standards will assist in streamlining national certification and audit of production, processing and packaging of organic produce

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20

Criteria for Crop Selection

Environmental	Social	Economic
<ul style="list-style-type: none"> • Agro-ecological suitability 	<ul style="list-style-type: none"> • Importance of crop to subsistence and food security • Contribution to household income • Employment potential • Importance to majority of farmers and producers 	<ul style="list-style-type: none"> • Foreign exchange earnings • Contribution to household income • Potential domestic and foreign demand • Employment potential • Data availability

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21

Indicators

Environmental	Social	Economic
<ul style="list-style-type: none"> • Area treated with pesticides and fertilizers • Pesticide residues in OA foods • Change in land use from conventional to organic agriculture 	<ul style="list-style-type: none"> • Housing conditions • Health • Nutrition • Ownership of household assets • Division of labour in OA. Number of women involved in OA • Access and control of resources from/for OA eg incomes, microfinancial services etc • No of registered and unregistered women groups on OA eg farmer groups, cooperatives etc 	<ul style="list-style-type: none"> • Total area under OA crop for selected crops • Earnings from selected OA crops for farmers, traders, exporters etc • Levels of income • OA crop employment • OA crop productivity (yield) • OA crop prices vis-à-vis conventional agriculture crop prices

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22

Reasons for Indicators selection

- Data availability
- Importance and relevance to national policy priority indicators and targets
- Easy to monitor and evaluate changes towards or from the targets
- Importance to SEETAP livelihoods of stakeholders

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23

Policy Options development.

We will use Scenario building

- The first scenario is business as usual (BAU) and will refer to the current situation, which is characterized by no policy on OA.
- The assumption here is that OA will be governed by the current conventional agricultural policies
- The scenario will assume a 3.1% growth rate for OA, which is the annual rate projected by both the ERS and the SRA for the year 2003 to 2007.
- Scenario two (OA Policy) will assume the existence of a policy on OA. Under this scenario, the assumption is that an OA policy is in place and fully implemented.

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24

Policy Options development.

- This policy will be assumed to address the current challenges of the sector and annual growth rate of 5% for as the rate targeted by the SRA by 2007.
- Scenario three (OA Policy Plus) will be a policy plus on OA and hence a win-win.
- An annual growth rate of 6% for the sector will be assumed, which is the rate that was recorded by the agricultural sector during the first two decades after independence.
- 2005 will be taken as the base year for all scenarios and projections on selected indicators, production and trade of OA for the target years 2015 and 2030.

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25

Scenarios	Base Year (2005)	BAU	OA Policy	OA Policy Plus
OA growth rate		3.1%	5%	6%
OA Production				
OA Trade				
<i>Economic Indicators</i>				
<i>Social Indicators</i>				
<i>Environmental Indicators</i>				

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26

Way Forward

This is what we have planned for future:

- **Conducting the Integrated Assessment:**
 - Scoping Review (Wk 3, Jan 06 to Wk 4, Mar 06)
 - Development of Policy Options and Integrated Assessment (Wk 1, April to Wk 4, May 06)
- Second National Stakeholder Workshop (Wk 2, June 06)
- Preparation of the Draft Results of IA study (Wk June to Wk 2 July 06)
- Third NSC Meeting (Wk 2, August 06)
- Development of Final Country Report (Wk 3, August to Wk 1, Oct 06)
- Third National Stakeholder Workshop (Wk 4, Oct 06)
- Finalization of Country Report (Wk 1, Nov to Wk 2, Dec 06)

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27

Thank - You

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28