



International
Trade
Centre



CBI
Ministry of Foreign Affairs of the Netherlands

CREATING SUSTAINABLE EXPORTER COMPETITIVENESS

THE TREE FRUIT SECTOR IN KENYA



Horticulture is a key sub-sector of Kenya's agriculture, growing significantly to become a major employer and foreign exchange earner. Production variability and low productivity, however, are some of the challenges that continue to affect the performance of the fruit products value chains: fruits account for about 35 % of the total horticulture output in Kenya but represent less than 10% from the total earnings from horticultural exports.

A sub-sector review identified key challenges and weaknesses within the industry as a first step toward developing strategies that will enhance the growth and development of the sub-sector. Three tree fruits in particular are the focus of the Netherlands Trust Fund II (NTF II) project in Kenya avocados, mangos and passion fruits. It focuses on developing commodity business plans that would support coordinated effort to improve the export performance of the tree fruit sector thereby enabling low income farmers and SMEs to benefit from increased exports.

INSTITUTIONAL STRUCTURES TO STRENGTHEN FPEAK SUPPORT TO THE SUB SECTOR

The NTF II project focuses first on establishing an effective and sustainable structure within FPEAK (Fresh Produce Exporters Association of Kenya) to provide long term support to the tree fruit sub-sector. The first key element of this structure is to establish the Fruit Team which is housed within FPEAK. The Fruit Team is comprised of three commodity advisors for each of the three fruits – avocados, mangos and passion fruits – and one coordinator to drive the sub-sector development efforts. The Fruit team will lead the process of establishing three commodity working groups (CWGs), which are set up as a public-private partnership, and will include representatives from along the fruit value chain including exporters, selected processors / producers and relevant trade support institutions and intermediaries. Each CWG will be championed by the lead exporter (a large private exporting company) in the specific fruit it covers.

COMMODITY BUSINESS PLANS IN PLACE AND ACHIEVING TARGETS.

The CWGs are supported to develop business-oriented commodity business plans (CBPs) with targets and roles identified for the many participants. These CBPs constitute the second main output of the project and will focus on the business logic for increasing exports of each of the commodities. They will be developed from targeted market analysis, mapping of production capabilities, financial instruments and institutional infrastructure. With effective CPBs, the various interventions in the tree fruit sector can be harmonized and coordinated to achieve targets along the value chain such as increasing value or volume of exports or reducing waste at pre- or post-harvest.

A FUNCTIONING PROCESS FOR MONITORING IMPLEMENTATION OF CBPS

In addition to developing the commodity business plans, FPEAK will monitor their implementation and assess achievements.. The NTF II project will strengthen the capacity of FPEAK and the members of the three CWGs to ensure effective monitoring and evaluation processes are in place to assess the progress and to determine lessons learned throughout the implementation of the CBPs and the NTF II project as a whole, as well.

ABOUT THE NTF II KENYA PROJECT

The Netherlands Trust Fund II is based on a four-year partnership agreement between ITC and CBI. The NTF II Programme is funded by the Government of the Netherlands. The NTF II project is implemented in close collaboration with the Fresh Produce Exporters Association of Kenya (FPEAK), the Export Promotion Council (EPC) and the Horticultural Crops Development Authority (HCDA). NTF II Kenya focuses on 'Creating Sustainable Exporter Competitiveness in the Tree Fruit Sector in Kenya'.

FOR FURTHER INFORMATION, PLEASE VISIT <http://www.intracen.org/projects/ntf-ii>



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