Organic vegetables: Domestic and regional marketing opportunities and constraints for small-scale farmers in East Africa

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BACKGROUND

Purpose: To assess the necessity for small-scale farmers to build domestic & regional organic vegetable markets

Methodology: Data presented is based on literature review

- Organic farming in Sub-Saharan Africa is mainly done in East Africa: Kenya, Uganda and Tanzania
- Certified organic production area in SSA is still very low: < 0.2 % of the total agricultural area
- Certified organic farming: done by large export-oriented farms or farmers in cooperatives / organizations

Many small-scale farmers are organic by default, e.g., Uganda: 85 %, > 2 million ha
- Organic vegetable sector in SSA is largely certified export-oriented due to demand from the North
- Certified fresh organic vegetables are produced in Kenya, Uganda, Malawi, South Africa, Zambia & Tanzania (not clear if certified)
- Most African organic market research is on general organic produce
- No detailed research on organic vegetables for African market conducted

MARKETING OPPORTUNITIES & CONSTRAINTS

Opportunities

- Global sales of fresh organic fruit & vegetables increasing at 8.4 % p.a.
- Demand is growing for organic produce in SSA:
  - Specialised & non-specialised outlets growing in capital cities:
    - Kampaia, Uganda; NOGAMI, Uchumi Supermarket;
    - Dar-es-Salam, Tanzania; Mums Kitchen, Envirocare, Shoprite
    - Nairobi, Kenya: Nakumatt Supermarket
- Consumers are mainly European expatriates, rich nationals
- Awareness of and health benefits associated with organic is rising

Constraints

Domestically:
- Consumers:
  - Unclear price premiums and lack of willingness to pay premium
  - Premium range fresh organic vegetables in Uganda: 30% - 50 %,
  - Kenya: 15 %, Tanzania (general organic produce): 50 - 100 %
- Lack of awareness concerning availability of organic products
- Farmers:
  - Poor infrastructure (also a government issue)
  - Lack of market information
  - Lack of product quality requirements
- High certification costs for export (Kenya: USD325 / farmer, Uganda USD4,000) depending on certifying agency fees & farm size
- Hardly any production data available
- Small-scale farmers need to be organized & certified for export internationally:
  - Shift in production to the South with organic vegetables imported from Asia & Latin America
  - Increasing interdependency
  - Challenge of the "Food Miles Movement"

WAY FORWARD

For small-scale farmers to gain from the growing export and domestic market, the following steps are needed:

- It is important to develop local markets first
- To be less dependent on the volatile world market
- To use alternative marketing approaches: e.g., Teikei system (Japan) or CSA (Community Supported Agriculture - USA)
- Based on direct producer – consumer sales and trust, hence no need for expensive certification
- Internationally, harmonize East African Organic Standards & use regional branding of produce (East African Organic Mark)
- Conclusion: domestic & regional organic vegetable production likely to remain niche market, still a valuable market smallholders cannot ignore

BIBLIOGRAPHY (selected)


Kenya: 2003 494 0.002
2005 182,438 0.69
2006 182,586 0.7

Kenya
2005 ns 105 0.0
2006 ns

Table 1: Overview of certified organic area in East Africa (Source: FiBL Survey 2005 / 2006, in: Parrott et al. 2006; Willer and Yussefi 2007; Hine and Pretty 2006; abridged)

Table 2: Export of organic vegetables from East Africa
* Due to the use of different sources, the data provided are not always complete, e.g. for one country, some sources have indicated destination markets, while others have not specified any; * ns: not specified