Organic vegetables:

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

Dr. Shilpi SAXENA

The World Vegetable Center – Regional Center for Africa, Tanzania

shilpi.saxena@avrdc-rca.co.tz

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 Madagascar, 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

Photo 1: Organic farmer near Arusha
(Source: Author)

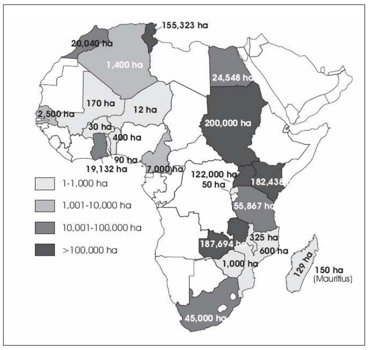

Fig. 1: Certified organic area in Africa
(Source: FiBL Survey 2005 / 2006, in: Parrott et al. 2006)

Country	Year	Organic Management Area (ha)	Share of Total Agricultural Area (%)
Kenya	2003 2005 2006	494 182,438 182,586	0.002 0.69 0.7
Rwanda	2005 2006	50 105	- 0.0
Tanzania	1998 2003 2006	4,000 55,867 38,875	0.01 0.14 0.1
Uganda	2004 2006	122,000 182,000	0.99 1.5
Africa	2005 2006	639,750 701,931	<0.2

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*)

Photo 2: Organic chilli near Arusha
(Source: Author)

MARKETING OPPORTUNITIES & CONSTRAINTS

Opportunities

- Organic world market: USD40 billion (2006), USD27 billion (2004)
- 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:
  - Kampala, Uganda: NOGAMU, Uchumi Supermarket;
  - Dar-es-Salaam, Tanzania: Mums Mitchen, Envirocare, Shoprite
  - Nairobi, Kenya: Nakumatt Supermarket
- Consumers are mainly European expatriates, rich nationals
- Awareness of and health benefits associated with organic is rising

Exporting Country	Crop	Destination	Quantity / Value	Year
Kenya	Fresh vegetables	ns [b]	510 t	2005 (est.)
	Fresh vegetables, beans	EU, Japan	ns	2003
	French beans, runner beans, mange tout, salads	UK	ns	2005
Tanzania	Fresh vegetables	ns	34 t	2005 (est.)
	Ginger (semi-processed or raw)	Germany, NL, Sweden, Japan, Switzerland, UK, Indonesia, US	ns	2006
Uganda	Fresh & dried vegetables, chilli, ginger	Europe, US	ns	2006
	Dried chilli	ns	USD 2,240 / ton	2005 ?
	Fresh & dried vegetables	ns	USD 1 mill.	2004 / 05
	Organic exports	ns	USD 4.6 mill.	2002 / 03
	Organic exports	ns	3,159 t / USD 7.7 mill.	2003 / 04

Table 2: Export of organic vegetables from East Africa
(Source: *own compilation based on* Kenya / Tanzania: ITC 2006a, b; Taylor, 2006; Kenya only: Kimemia and Oyare, 2006; Uganda: Walaga 2005; Gibbon 2006; ITC 2006c) [a]
[a] 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 ; [b] ns: not specified

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 Africa, 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)*

Kortbech-Olesen, Rudy 2006. Demand for Organic Products from East Africa. Geneva, ITC. 52 p.
Organic Monitor 2006: Global Organic Food Industry Facing Supply Challenges. November 15th, 2006. London, Organic Monitor.
Taylor, Alastair 2006. Overview of the Current State of Organic Agriculture in Kenya, Uganda and the United Republic of Tanzania and the Opportunities for Regional Harmonization. Symbol No. UNCTAD/DITC/TED/2005/16. Geneva, U NEP-UNCTAD Capacity Building Task Force (CBTF). 64 p.