



Factsheet

Horticulture in Rwanda

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Rwanda has made remarkable progress since 2000. GDP growth has averaged 8% per year, the poverty rate has fallen from 59% to 40% and 80% of all households are food secure. Agriculture and services make up the majority of GDP at 33% and 47% respectively, with 72% of the population employed in subsistence farming. Agriculture therefore remains at the center of strategies to reduce poverty and improve food security and nutrition. Rwanda remains challenged by malnutrition, with a stunting rate of 37.9%. Rwanda's population is growing and the demand for more food, better nutrition and employment and enhanced resilience is increasing. Considering the abundant labor capacity in agriculture, the Government of Rwanda will continue to promote horticulture production, a labor intensive high-value sector.

Facts and Figures

- Rwanda has abundant rainfall during the year (900-1800mm).
- Agriculture is largely rain-fed exposing planting and harvest cycles to weather vagaries.
- Diversified agro climatic zones with high, medium and low altitude (1400m to >2400m).

Rwanda at a glance:

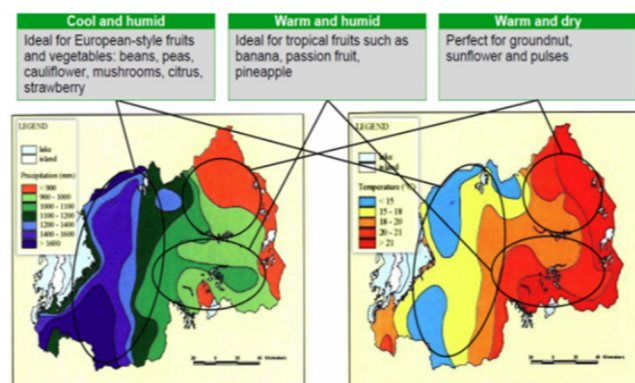
Capital: Kigali
Languages: English, French, Kinyarwanda
Area: 26.338 km²
Arable land: 19.200 km²
Population: >10 million
Density: >400 / km²
GDP per capita: \$644

- Fertile soils, from rich volcanic to well drained alluvial soils (mainly sandy loam texture dominant).
- Agriculture is challenged by topographic and climatic conditions, as more than 70% of its farming is carried out on slopes ranging from 5-55% inclination, which makes Rwandan agriculture sensitive for erosion and soil degradation.

- According to the government's state of environment report (2015), about three quarters of Rwanda's soils are acidic, with a pH below 5.5 and with deficiency in nitrogen, or in phosphorus.
- Temperate climate with day temperatures of 20-30°C and night temperatures of 5-20°C.
- In Rwanda labor is available at competitive costs at USD 1.5-2/day for unskilled labor and approximately USD 300-450/month for experienced agronomists.
- There is free movement of persons, labor and right of residence under EAC common market protocol, provides easy access to skills from across the EAC.
- Rwandan farmers are in a good position to use land as collateral for getting loans. Following the country-wide land titling efforts, 85% of cultivating households now have the right to sell their land or use it as a guarantee for a loan.
- Availability of agricultural inputs (soil and water analyses, seeds, fertilizers, irrigation and pest control products) improved in recent years.
- Among fruits, pineapple is by far the largest in volume at 12.8 percent of total horticultural production. Passion fruit (3.5%) and tamarillo (2.6%) come in a distant second and third. As a function of sales value, the big three (pineapple, passion fruit and tamarillos) contribute nearly 95% of all fruit sales.
- Vegetable sales are dominated by tomatoes (28.4%), onions (14.2%) and cabbages (12.8%), by volume of total horticulture production. These crops are also very important in terms of sales value, but sweet pepper surfaces as one of the more important vegetable crops (11.5%) of all sales due to its high price per kg. Other crops that round out the vegetable segment of horticulture are carrot (4.5%) and eggplant (6.3%).

Strengths and Opportunities

- Vegetables and fruits are excellent sources of micronutrients and are affordable for consumers if supply to the market is sufficient. Besides their nutritional qualities, vegetables offer excellent opportunities for productivity increase and income improvement for farmers. The vegetable sector offers employment and business opportunities and is therefore a unique sector for economic development at local level, providing income security for workers in rural areas.



Source: Tierra B.V. *Floriculture for the Republic of Rwanda*

- The domestic and regional consumption of fresh fruits and vegetables is increasing as the population is urbanizing and incomes are increasing.
- Rwandan urban markets include Kigali, Musanze, Rubavu, Huye, Muhanga, Nyagatare and Rusizi with a total urban population of approximately 3.6 million.
- Rwanda imports annually about 8,000 tons of fruits and 64,000 tons of vegetables (WUR, 2015). Especially the annual imported volume of vegetables is high at 8, 1% of the annual vegetable production volume (excl. potatoes). During the long dry season in June, July, August the import of tomatoes increases up to 500 tons per month.
- Retail traders (52%) are the main buyers of fruit and vegetables in Rwanda, followed by wholesale traders (37%).
- 72, 4% of fruit and vegetables never leave the district in which it is produced. The rest is split between the Kigali market and the organization's own or other provinces. Kigali is the preferred market for Rwandan producers.
- Rwanda is uniquely positioned to serve the markets of North and South Kivu in Eastern DRC and Burundi. These markets together represent more than 15 million people, and are a stepping stone toward accessing the more demanding export markets of Europe and the Middle East.
- Exporting flowers from Rwanda looks feasible. Three Rwandan flower producers are currently exporting to Europe, but face challenges in terms of competitiveness compared to other flower producing countries in the region.



Challenges

- Pests and diseases, but also erratic rainfalls are ever present across Rwanda and crop productivity remains low. Technology and expertise are needed to deal with agricultural risks. Current post harvest losses amount to $\pm 35\%$
- Credit to agriculture remains at a low 7% (2016). Financial constraints affect the sector particularly at the time of acquiring required inputs and at the post-harvest stage.
- Access to finance a big challenge, especially for young agronomists willing to start a business in horticulture.
- Cash flow is a challenge for (regional) exporters as farmers have to be paid on the day of harvest while payment from importers takes place within 15-30 days if not longer.
- Because most producers sell principally to buyers on local (district) markets, product requirements are relatively relaxed. So long as growers can meet product size and color expectations, as well as selling in adequate volumes, their buyers will be generally satisfied. The ability to respond to new market requirements (quantity demands with reliable consistency, food safety, and compliance to Global GAP certification) is a major issue right now.
- The availability of packaging material is limited in Rwanda.
- There is little awareness amongst stakeholders within the value chain on the importance of cold stores.
- As a landlocked country, Rwanda suffers from high transport costs that affect the marketing of its goods. Rwandan new competitive export strategy will focus on high-quality niche products which compete in higher price and lower volatility markets.

Framework Policies

As the Rwandan agricultural sector is of high influence for economic growth within the country the Rwandan government set up several ambitious policy documents related to agricultural development: 'Rwanda vision 2020', the second 'Economic Development and Poverty Reduction Strategy' (EDPRS-2) 2013-2018, 'Strategic Plan for the Transformation of Agriculture in Rwanda (PSTA-3)', 'Agriculture Sector and Investment Plan' and the 'Crop Intensification Program'. For the period 2018 – 2023 the Ministry of Agriculture and Animal Resources (MinAgri) will present a new Agricultural Policy and a new Strategic Plan for the Transformation of Agriculture in Rwanda (PSTA-4). The new policy aims to contribute to improved food and nutrition security, through increased rural incomes, access to safe and affordable horticulture products for rural and urban consumers; while also strengthening the horticulture sector to become an innovative, dynamic growth and export sector for Rwanda. The new policy clearly makes a shift from a government led economic development to a more private sector led economic development.

Rwanda is working with regional bodies such as the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) to expand the opportunities created by agricultural growth and integrated regional trade.

The Embassy

The Embassy of the Kingdom of the Netherlands in Kigali offers active support to Dutch companies already present in Rwanda and to Dutch companies interested in doing business in Rwanda. In addition, the government of the Netherlands has developed several business support instruments, including financing for demonstration projects, feasibility studies and knowledge acquisition. For more information please visit <http://english.rvo.nl/subsidie-programmes>. You can also contact the Embassy by sending an e-mail to kig@minbuza.nl or calling to +250 280280281.

Sources

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 EU, *National horticulture policy and strategic implementation plan* (2014)
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