

## Survey of horticultural stakeholders and potential partners

### Introduction

A survey of the industry was carried out during April and July 2017. Over 30 stakeholders were interviewed, including growers and grower groups, suppliers, educational establishments, government agencies and interested media parties.

The selection of **growers** varied from large commercial rose producers, to medium and small summer flower producers. Two growers groups were surveyed to widen the viewpoint. For vegetables, large exporters, who buy produce from several medium and small scale growers, were surveyed as well as individual growers.

### Challenges for the industry

A great number of challenges were cited; however each group of respondents raised different and disparate challenges. Not all of these challenges can be addressed by a HCoE. Many of those surveyed listed taxation, VAT, lack of access to capital, bureaucracy of banking as the major challenge for the industry, non of which can be addressed by a HCoE.

Growers and grower groups saw the main challenge to the industry as finance. They would like easier access to capital investment – Kenyan banks are too slow, interest rates are prohibitive, and bureaucracy hinders access.

Government taxation and VAT is very bureaucratic and punitive, corporation tax being 30% (compared to the UK at 19 – 20%). Cess is being paid twice, to counties as well as to central government as export levy. Cess is a county levy paid on agricultural produce moving from one county to another, and this varies from county to county, in addition to the 0.20cents per Kg export levy paid to HCD. VAT refunds are usually not forthcoming.

Freight costs are too high, and there no subsidies on fuel in Kenya for agriculture, transport and export freight lines. The proportion of costs that are paid for transport/freight is extremely high.

Government could improve trade agreements, and increase access to and the number of markets. There is no central marketing platform/ agency to promote Kenyan products, and any that have been in the past have been unable to fulfil their roles adequately.

Due to the current climate, and changing rainfall patterns, inadequate water supplies was mentioned severally.

Suppliers had different challenges, though some overlapped with growers. Water was mentioned severally, as restricted water access restricts the size of the industry – which in turn restricts the size of the markets for suppliers to that industry, and increases the cost of production of inputs.

Post-harvest technology is poor; the lack of technology is causing excessive crop losses after harvest, or reducing quality, and therefore prices of product.

The education system was faulted – this is a common theme with industry in Kenya. The education system produces large numbers of graduates and trainees with little or no technical and practical skills. This is something an HCoE can tackle directly.

Government bureaucracy prevents and hobbles importation and registration of Bio- products, varieties, new technology and machinery.

Government agencies saw varied challenges stemming from having no control over progress, as they cannot change existing protocols and procedures. They need more finance and skilled labour, and see government subsidies for inputs as a way of assisting the industry. HCoE could assist the government in formulating new protocols and procedures, and provide them with the skilled labour they require to effectively carry out their roles.

Educational establishments see a challenge in encouraging youth to enter this technical industry. The average farmer is 59 years old, mostly in small scale subsistence and semi-professional agriculture, or as semi-skilled labour in large scale production.

The sector has a negative image among the youth, who prefer to enter the industry in the service or manufacturing side of agriculture, rather than production. The establishments need an enabling environment, skilled and professional staff for training students, and funds to be able to set up demonstration farms with all the latest technology so the graduates they produce have the practical, technical and up-to-date skills required by the industry. The latter could be undertaken by HCoE as partners to training and education institutions.

Overseas educational establishments could engage in exchanges with Kenyan universities for a transfer of knowledge. The universities could develop into Centres of Excellence if given support

The general consensus in the media was that Kenya lags behind Ethiopia in creating an enabling environment for modern agriculture, especially export. Ethiopia's unified voice and single marketing platform means the sector is much easier to work with, and simpler to understand. The media also see the need for engaging youth into the industry, and providing them with the skills to do so.

### Technical needs

Large **flower growers** appear to be fairly self-sufficient; they either travel overseas, or employ consultants to keep them in touch with the latest technical innovations. Vegetable growers on the other hand are looking for assistance with testing for MRLs specifically, among others. But the need for an independent testing centre was mentioned several times by all groups. Individual areas mentioned:

- MRL testing
- Packaging analysis
- Farm machinery
- Vegetable processing technology
- Lighting LED
- Heating
- Computer controlled irrigation equipment

Many Kenyan **suppliers** are very technically advanced, and bring technology to the industry very successfully. They offer training, and being in Kenya they understand Kenyan climatic conditions, and many could be considered centres of excellence in their own fields but *not independent!*

Among government organizations there is a mixed reaction - they need technology but are unsure if they have the facilities to share this technology with the industry.

There is a great deal of entrepreneurial initiative going on in the **universities and colleges**. This needs harnessing and developing. The universities are definitely places of forward thinking and experimenting. The Netherlands and its partners could offer exchange programs between Kenya and Holland, to increase the professionalism of the Kenyan university staff and the quality of the training provided. Looking at training needs, many interviewees spoke of the difficulty in getting practically experienced graduates. This is an area that an HCOE could fulfil.

There is a very large and strong need for **media** (including internet based) to be used to bring together all the concurrent activities going on in Kenya. The horticulture industry is bursting with innovations, but this needs bring together, and a single web site for horticulture innovations could be an answer. The Netherlands could assist in setting up a web site that could become a **Virtual Centre of Excellence**, where all the industry could access the answers to all its needs.

### Training needs

Growers are looking for supervisory and management skills and training. The industry is over 25 years old, and as farms are getting larger the need for management training increases. Interestingly whether the respondent was small, medium or large scale, financial management and budgeting and running a business is requested by many. Farms need trained trainers for on farm training of workers, but need off farm training for managers.

Suppliers are less needy; they have highly qualified specialist staff and trainers and train their staff to their own standards. In addition many suppliers offer high quality technical training to their customer – and could be potential HCoEs themselves.

On many occasions the need for university graduates to have an intensive off farm training in practical skills was referred to. This issue could be taken up by the universities themselves, or an HCoE. The Netherlands could assist in setting up a school or unit for practical skills in horticulture.

The government's need was more geared to administration and data analysis, to enable them to communicate with the industry.

The media industry was more demanding of structured training in this industry and pointing out that the youth need to be included in this very progressive industry that is fast moving and offers good opportunities for career advancement.