



ssnup

Smallholder Safety Net
Upscaling Programme



INCREASING MARKET ACCESS OF CHILI PEPPERS PRODUCED IN KENYA



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

Kenya's agricultural sector is one of the backbones of the country's economy, representing 23% of the country's annual GDP. The agriculture sector employs more than 40 percent of the total population and 70 percent of the rural population. Kenya was an important exporter of chili peppers to Europe up until 2019, when the EU introduced new plant health regulations. Since then, costly pest control and containment mechanisms have deterred up to 90 percent of Kenyan firms previously exporting to Europe from doing so, instead opting to sell their chilis to the lower-return Middle Eastern markets. The costs associated with these measures are out of reach for smallholder producers and smaller exporters.

CURRENT STATUS OF THE INVESTEE

Phyma Fresh Produce Limited was founded in 2004 and specializes in growing and exporting fresh fruits and vegetables mainly to the European market. Phyma specializes in three category products: exotic vegetables (green beans, mange tout, sugar snaps, baby corns, baby carrots); Asian vegetables (chillies, aubergines, okra, karella, ravaya, dudhi); Fruits (passion fruits, mangoes and avocados).

The company works with a network of over 1,800 small-scale farmers spread across Central Kenya, Eastern & the Rift Valley regions on renewable yearly contracts. Most of Phyma's sourcing partners come from underdeveloped areas with farming being the main source of income who are finding it more and more difficult to cover the costs of inputs such as fertilizer and seeds that meet the requirements of exporters.

OBJECTIVE OF THE PROJECT

The objective is support Phyma Fresh Produce Limited in implementing a traceability system in the chili value chain that will enable smallholder farmers to meet the stringent control measures needed to export to the attractive European market.

The expected outcomes include:

- 500 farmers access new markets by being included in the traceability system.
- Improved control of the sourcing, packaging, and shipping process, resulting in the ability of real-time reporting.
- Improved access and increased number of buyers through the certifications of product.

IMPACT INVESTOR



AGGREGATOR / INVESTEE

Phyma Fresh Produce Limited (SME) – Kenya serving a total of 1,700 farmers

AGRICULTURAL VALUE CHAIN

Chili

STARTING DATE

May 2022

DURATION

3 months

TOTAL TA BUDGET

€ 9,600

Including € 6,720 (70%)
contribution from SSNUP



SSNUP c/o ADA asbl | 39, rue Glesener | L-1631 Luxembourg
T. +352 45 68 68 | www.ssnup.org | ssnup@ada-microfinance.lu