

#### PROCEDURES FOR EXPORTING HORTICULTURAL PRODUCE

# A: Legal Documentation and Licensing Requirements

To export horticultural products which are fruits, flowers, vegetables and processed horticultural products the following legal/licenses are mandatory.

- 1. A Certificate of Business Incorporation/Registration from the Business Registration Service
- 2. Obtain an Export Licence from Agriculture Food Authority (AFA)-Horticultural Crops Directorate (HCD). All applications must be submitted through the AFA IMIS Portal: imis.afa.go.ke the following conditions apply.
  - Submit copies of Certificate of Incorporation/Registration
  - Valid County Business Permit
  - Valid Tax Compliance Certificate from KRA
  - Packing facilities inspection report
  - Register the contract (between the producer & exporter) with the HCD indicating produce price, quantity and quality requirements
  - Company stamp and authorized signatory of the applicant
  - A Bank Account
  - Declaration of source of produce
    - If you are a grower, indicate the location of the land and the total acreage under production
    - If not, provide written contracts with farmers for supply of produce of a certain quality and standard, unless you are producing the export crop yourself.

After obtaining the export license then register with the Kenya Trade Network Agency (KenTrade) Facilitation Platform: registration.kentrade.go.ke
The procedures for exporting various horticulture products are available in the KenTrade InfoTrade Portal https://infotradekenya.go.ke/

- Knowledge of KS 1758 Standard: Part 1: Floriculture Part 2: Fruits and Vegetables
  - Adequate knowledge of quality standards for horticultural produce on the market (Good Agricultural Practices – GAP; Traceability; Maximum Residue Level – MRLs; Post Harvest Handling procedures, Kenya Bureau of Standards (KEBS) etc.
  - Packing facilities. (shed, grading hall, cold store, etc.)
  - Documentary evidence from your overseas client, that you are ready to start an export business, e.g., an order from the client, or agreement to start business etc.
  - HCD provides guidelines on how to construct a hygienic collection shed and pack house regulations.

# **B:** Export Documentation

Every consignment of horticultural products requires the following documents that are mandatory: -

- Phytosanitary Certificate from Kenya Plant Health Inspectorate Services issued after inspection.
- 2. **Certificate of Origin** (depending on the destination market).

The following Certificate of Origins are issued by Kenya Revenue Authority

- COMESA Certificate of Origin for products destined to COMESA countries
- EAC Certificate of Origin for products destined for EAC Countries
- EUR 1 Form for products destined to European Union
- GSP form for products destined to USA, Japan, Australia, and Canada etc.
- AfCFTA Certificate of Origin for African Continental Free Trade Area (AfCFTA)
- AGOA certificate of origin for products destined for the USA.

The Kenya National Chambers for Commerce and Industry issue the following

- Ordinary Certificate of Origin for products destined to Middle East, India, Central Europe, etc.
- 3. Commercial Invoice
- 4. Bill of lading (sea freight), Airway bill (for air freight)
- 5. Packing List

#### **C:** Business Infrastructure

- 1. Acquiring trading premises (office, pack house, cold store)
- 2. Establish communication infrastructure
  - Address
  - Telephone
  - Email address
- 3. Develop Business image builders/marketing tools:
  - Letter Head
  - Business Cards
  - Company Profile/Brochure
  - Price list
  - Packaging and Branding
  - Website.
- 4. Post-harvest handling Facilities
  - Collection sheds at the farms
  - Insulated transport vehicles
  - Packing house/hall
  - Cold store



# D: Marketing of Horticultural Produce

Horticultural sector comprises of four sub-sectors namely;

- Cut flowers
- Fruits
- Vegetables and herbs
- Processed horticultural products

Kenya's most important markets for horticultural produce include Europe, Middle East, Far East and Asia and parts of Africa. Kenya's horticultural produce is exported mainly in fresh but in value added packaging as well as in processed forms.

1. Export Marketing Channels for Horticultural Produce

## - Direct exporting

This involves the producer exporting directly to the foreign country. The producer can export directly to:

- i. Consumer
- ii. Wholesalers/retailers in the export market
- iii. Distributors in foreign countries
- iv. Auctions especially for flowers
- v. Through joint ventures with partners in importing countries
- vi. Own branches set up in the export market.
- vii. Through licensing arrangements with a company in the export market

### Indirect Exporting

Here the producer/farmer does not have direct access to the foreign market. The following options can be pursued.

i. **Option 1:** The exporter sells to an exporting company/agent (middleman) locally. The exporting company/agent consolidates the produce, inspects the quality, does the packaging and exports through the channels indicated above.

This channel could be appropriate for **small-scale producers** who do not have enough capacity to produce adequate quantities. This method can also be beneficial to **a beginner in export business** where they will acquire experience especially in **quality requirements**, **production planning**, **packaging**, **export market requirements and capacity build up to increase production**. Here the risks are transferred to the export company.



- ii. **Option 2:** Small-scale producers form clusters such as cooperatives, groups etc. through which they will sell their produce. The groups will in turn market the produce through the direct exporting channels.
- iii. **Option 3:** Horticultural producers can also sell through foreign companies or organisations registered locally i.e., trade offices, etc. For instance, a number of flower auctions of Netherlands have set up buying offices in Nairobi.

Therefore, indirect exporting will enable the small-scale producers to take advantage of the skills, expertise and market knowledge of export companies (production planning, quality requirements, market trends and consumer preferences). This comes in handy at a later stage when the producer intends to export directly.

## **Marketing Agent**

Marketing agents act as middlemen between growers of horticultural produce and buyers of horticultural produce. They sell to exporters as well as supply supermarkets, hotels and groceries. Engagements with any horticultural growers should be through contract farming. The registration of these agents is anchored on the Crops Act 2013, para 61(1) and (11). This is to ensure traceability and conformity to quality standards.

# **E:** Branding Horticultural Produce

To increase the competitiveness of Kenyan export products, it is imperative that our products are well branded. KEPROBA has developed a unique identifier of our Horticulture products known as the Grown in Kenya brand Mark.

a. The Grown in Kenya Mark (GIK)



The mark identifies Kenya's Horticultural products abroad to make them competitive, inspire creative excellence and show genuine integrity that adds real value to all our customers.



# b. Criteria for acquiring the mark

Log on to www.madeinkenya.go.ke the requirements are;

- 1) Location Companies must be located in Kenya
- 2) **Employment** At least 50% of the employees should be Kenyans.
- 3) **Compliance** with statutory requirements including:
  - Tax compliance Certificate
  - Registration Certificates

**Certification-**The product must bear the approved certification for Horticulture products

# c. Benefits of Adopting the Mark

Grown in Kenya (GIK) adoptees stand to enjoy the following benefits.

- Opportunity to participate in Expos and exhibitions
- Access to promotional services
- Access to preferential government procurement services
- Product promotion in Embassies/foreign missions abroad
- Access to training

### **USAGE OF THE MARK**

The logo can be applied on the product, packaging, websites, social media and any other form of advertising.

#### **DISCLAIMER:**

KEPROBA has compiled this Information with the aim of providing support and guidance for promotion of Kenya's Export of goods and services. The information contained in this document is restricted, legally privileged, and may be inaccurate due to policy changes from time to time. KEPROBA will not accept responsibility or liability for the content, or for the consequences of any actions taken on the basis of the information provided therein.

KENYA EXPORT PROMOTION AND BRANDING AGENCY

P.O. BOX 40247 00100 NAIROBI TEL: +254 20 2228534-8

EMAIL:chiefexe@brand.ke, WEBSITE:www.makeitkenya.go.ke