

ssnup
Smallholder SustaiNability Upscaling Programme

project results

IMPROVING MARKET ACCESS FOR CHILLI PRODUCERS IN KENYA

Capacity building | Market access

Beneficiary organisation

PHYMA FRESH PRODUCE LIMITED (PHYMA) is a family-owned business founded in 2004 and specialises in growing and exporting fresh fruits and vegetables mainly to the European market. PHYMA specialises in three category products: exotic vegetables (green beans, mange tout, sugar snaps, baby corns, baby carrots); Asian vegetables (chillies, aubergines, okra, karella, ravaya, dudhi); and fruits (passion fruits, mangoes and avocados). PHYMA has a network of 1,247 registered smallholder farmers, out of which 797 farmers supplying chillies as of August 2022. PHYMA's chilli out-growers are in three of the main Kenyan growing regions, namely Isiolo, Embu and Taita Taveta.

The challenge

Up until 2018, Kenya was an important exporter of chili peppers to Europe. However, this changed sharply when **the new European Union (EU) Plant Health Regulation 2016/2031 came into effect in 2019, introducing stricter measures to prevent the introduction and spread of pests and diseases within the EU.** To meet these requirements, exporters needed to implement costly pest-control, containment, and traceability systems, which were largely unaffordable for smallholder producers. As a result, more than 90% of Kenyan firms that previously exported chili peppers to Europe stopped exporting to the EU market and shifted their focus to lower-return markets in the Middle East. By collaborating closely with smallholder farmers, PHYMA can support producers in meeting these stringent control measures while regaining access to this high-value market. The company has therefore established an out-grower scheme across the main chilli-growing regions and is now able to efficiently manage the entire chilli value chain, from production through to shipment, while meeting international traceability requirements. This also puts PHYMA in a position to initiate the certification processes required by international buyers.

The proposed solution

The GLOBALG.A.P. (GAP standing for Good Agricultural Practices) is the internationally recognised standard for farm production, while GRASP (GLOBALG.A.P. Risk Assessment on Social Practice) is a voluntary add-on designed to assess social practices on the farm. It consists of 11 standardised requirements and one additional requirement for the producer groups' quality management systems and is designed to complement GLOBALG.A.P. certification that is required by many buyers worldwide and in Europe. GRASP add-on incorporates worker's health, safety, and welfare on the farm. With the above-mentioned first-time GLOBALG.A.P. and GRASP certification, PHYMA expects to increase market access to Italy, Spain, France, while increasing its market share in Germany. The certification and its add-on will also strengthen smallholder farmers by improving production standards, market access, and prices.

The expected outcomes of the project were:

1. The **training and certification of 700 farmers** across 12 farmer groups in the chilli out-grower scheme, covering **GLOBALG.A.P. and GRASP standards**.
2. The **training of 5 PHYMA staff and provision of training materials** on GLOBALG.A.P. and GRASP standards to strengthen internal capacity and support continued farmer compliance.

PRIORITY TOPICS

Fair agrifood systems

IMPACT INVESTOR

alterfin

BENEFICIARY ORGANISATION

PHYMA FRESH PRODUCE LIMITED

Kenya

NUMBER OF FARMERS REACHED

700

AGRICULTURAL VALUE CHAIN

Chilli

START DATE

September 2023

END DATE

February 2024

TOTAL EXPENDITURE

€ 10,797

Including € 8,638 (80%) financed by SSNUP

key results





8 staff trained in GLOBALG.A.P. and GRASP standards

farm baseline assessments conducted
through on-site visits, interviews, and surveys

Educational materials (manuals, guides, videos) produced

Demonstration farms and peer learning networks established

Individual on-farm technical support and mentoring provided

700 smallholder farmers trained in GLOBALG.A.P. and GRASP standards

78% women

group training format
covering soil management, integrated pest management, water conservation, worker health and safety, and record-keeping

Farmers guided through documentation preparation

Internal audits conducted to prepare farmers for certification

700 smallholder farmers certified against GLOBALG.A.P. and GRASP standards

78% women

KES 36,508,756 or EUR 243,500 paid to chilli farmers following certification

2 new buyers and +19% in sales revenue for PHYMA following certification

SDGs supported by the project

1. No poverty
1.5 Building the resilience of vulnerable people

2. Zero hunger
2.4 Adoption of productive, sustainable and resilient agricultural practices

8. Decent work and economic growth
8.3 Economic development, support to decent work creation and entrepreneurship

lessons learnt

Explore other **SSNUP TA projects with Phyma**

✓ **Certification can be most effective when supported by farm-level coaching**

Farmers need more than one-time training to understand and consistently apply new standards. Step-by-step guidance, technical support, internal audits, feedback, and ongoing coaching are essential for maintaining compliance and promoting continuous improvement in production, quality, worker safety, and environmental management. Continuous engagement with farmers and regular feedback can further help identify challenges and areas requiring additional support, reinforcing motivation to sustain improved practices.

✓ **Practical learning through demonstration farms accelerates the adoption of GAP**

Demonstration farms are a practical platform for farmers to see and understand how standards can be applied in real farming conditions. Beyond serving as learning tools, they also create a physical meeting point where farmers can gather, observe practices together, and exchange experiences directly with one another. This builds trust and confidence among farmers and encourages adoption of improved practices, with peer learning and farmer-to-farmer knowledge sharing reinforcing the process.

✓ **GRASP certification helps surface social risks that were not previously managed systematically**

GRASP certification allows to identify and address social risks within farmers operations, such as fair wages, worker health and safety, and labor rights. Implementing measures to mitigate these risks can contribute to better relationships between farmers and their workers and communities. This suggests that certification requirements can serve a diagnostic function on the social side of farm operations, in addition to their role in verifying compliance with an external standard.

Outlook

GLOBALG.A.P. certification has opened new opportunities for PHYMA and its farmers to sell produce to larger markets in Europe and Asia, while assuring consumers that quality, safety, and sustainability criteria have been met.

PHYMA is well placed to build on the market gains already achieved through certification, including the **two additional buyers secured and the 19% increase in sales revenue in 2024.**