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PRODUCTION AND MARKETING OF ANNATTO IN KENYA

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Abstract

Kenya is the third largest annatto producer in the world, after Peru and Brazil. Kenya Bixa Ltd. has a monopoly which they share with the National Cereals and Produce Board for buying, processing and exporting annatto. This paper presents an outline of the annatto industry in Kenya, including production figures, pricing and marketing.

Introduction

The tree which produces annatto (*Bixa orellana*) was introduced to Kenya as an ornamental shrub probably as early as the end of the 19th century by the British in Mombasa, Kenya's principal port. Today it is grown mainly in the coastal region, though it is a garden ornamental in many up-country homes. The tree and the dye produced from the seeds are called "bixa" in Kenya.

The earliest recorded case of the use of the annatto coloring was with the Carib Indians in the Antilles islands and the Guianas of northeast South America, noted by Columbus in the late 15th century. The Carib called the dye *roucou* and they used it to paint their faces and bodies to make themselves look fierce. They managed to produce a bright red coloring by rubbing the seeds with their hands, previously dipped in oil, until the pulp came off as a clear paste. They scraped this off their hands with a knife onto a clean leaf, which they then put in the shade to dry. They then mixed the annatto with lemon juice and gum to make a crimson paint. They also used the roots and leaves in cooking. The Yanomami Indians of Amazonia still use annatto today to adorn themselves, calling it *urucu*.

By the end of the 19th century Britain and France were importing several hundred tons of annatto in paste and cake form from Guadalupe, Martinique and Jamaica, and Brazil, Venezuela and the Congo were also producing annatto at this time.

Kenya Bixa

Large scale commercial production of annatto began in 1979 in Kenya when Toyota Tsusho Corporation of Japan set up a factory in Kwale District on the coast. The factory is a subsidiary of the Kenyan parastatal National Cereals and Produce Board (NCPB), who are the majority shareholders, and the company running the factory is named Kenya Bixa Ltd. The chairman of the board of the factory is also the managing director of the NCPB. The factory is managed by Kenyan staff and Toyota Tsusho maintains a Japanese technician on the premises to supervise production.

The dried annatto seeds are collected from farmers at NCPB depots at Mokowe in Lamu District and next to the factory in Kwale District. These are the only districts in Kenya producing annatto, and both are in the Coast Province.

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Production

Several hundred small farmers grow annatto trees on their property. There are no plantations, the farmers generally have a few trees planted around the house, along farm boundaries, and in fields where crops such as maize and cassava are grown. Three different varieties of Bixa are grown and NCPB field officers provide advice to farmers. Ministry of Agriculture extension officers are not involved in annatto production. The seed pods are picked by hand and the seeds are carefully removed and laid out to dry in the sun. They are then packed into 80kg bags and transported to the NCPB depots for sale.

The NCPB pays — Kenya shillings (1US\$ = 24 KSh) per kilo for the seeds. If an agent has transported the bags he is given an extra KSh 14.50 per bag. November-December are the biggest buying months, followed by March. The production figures for the past three years are:

Year	Lamu	Kwale	Total
1987-88			
1988-89			
1989-90			

The NPCB has a monopoly to buy annatto seed and it sells 100% of it to Kenya Bixa Ltd. at the price of — KSh per bag, or — KSh per kilo.

Extraction

The seeds are put into stainless steel vats and the testa pulp is separated from the seeds using boiling water and sieving. The resultant pulp is dried and turned into a powder and bagged. The maximum production capacity of the factory is — bags a day, or — bags a month.

Marketing

All of the annatto is marketed through Toyota Tsusho Corporation. Between 1987 and 1990 the factory produced on average — kgs of annatto powder per year for export. About 90% of it is sent to Japan, where it is distributed to buyers. The other 10% is sent directly to buyers in Europe and North America. Marketing has become increasingly difficult over the past two years due to a flooding of the market from Brazil, according to the Kenya Bixa Ltd. managing director Mr. Jonathan Jacca. Three years ago annatto with 30% bixin content sold for up to US\$30 a kilo, with lower qualities ranging down to US\$20/kg. Today it is difficult to find buyers at US\$20/kg for the highest quality. Much of the annatto is now not finding a market, and production from growers is dropping as the NCPB has temporarily halted buying seeds from growers.

Conclusions

The annatto industry started out well in Kenya and was profitable up to 1989. Since that time the Kenyan annatto market has diminished due to competition with Brazil. Increasing production and falling prices suggest that it might be wise for the world's annatto producers to create an organization to negotiate an agreement amongst themselves to set production quotas in order to support annatto prices. If the global market is large enough, all producers should benefit.

Note: The missing production and price figures will be presented at the symposium.