This chapter discusses the externalities of pesticide use in vegetable production in Kenya. Through secondary data analysis, individual farmer interviews, pesticide residue analysis, expert interviews and workshops, the health and environmental costs of farmers' pesticide use are estimated. The chapter distinguishes between costs, which are actually borne by farmers but are often not attributed to pesticide use, and non-market effects, which are paid by society at large. The implications of these findings in the development of agriculture, environmental and health policies are mentioned.