AGRICULTURE

OPPORTUNITIES IN KENYA

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Outline

• Introduction
• Drivers of Exports
• Transforming Agriculture using Technology
• Focus for Agriculture
• Opportunities for investments
• Other attractions
• Impact of Regionalization
Introduction

- Contributed **24.5%** of the GDP valued at **USD 10.2 billion** in 2013.

- Contributes another **27%** to GDP through linkages with manufacturing, distribution and other service related sectors.

- Absorbs **18%** of formal employment and **60%** of total employment.
Introduction contd..

- Contributes 65% of Kenya’s total exports
- Small scale farmers account for 70% of total exports
- Largest exporter of Tea globally
  - USD 1.2 billion
  - Every 4th cup of Tea consumed is Kenyan
- Horticulture penetration
  - USD 1.0 billion in exports
  - Every 3rd Rose flower sold globally is Kenyan
Drivers of Exports

• Favourable enabling environment & institutional framework

• Strict adherence to international standards & quality

• Conducive investment environment – including appropriate incentives

• Highly driven private sector
Drivers of Exports (Contd…)

• Available technical expertise & highly productive labour force
• Investments in R&D
• Access to markets
• Well organized producer organizations
Transforming Agriculture Using Technology

- Adopted an e-extension approach to provide advisory services to farmers,
- Using e-platform to provide inputs to small scale farmers through private suppliers,
- Use of mobile phones to access financial services &
- To access mobile phone money transfers to pay for goods and services.
Opportunities for Investments

Development of Agro-Food Parks (AFP)

• Is the creation of a node which integrates processing with infrastructure & institutional support framework.

AFP Integrates:

• Agri-business value chains,
• Rural transformation & employment,
• Spatial clustering of agro-production chains,
• Optimizes backward & forward linkages,
• etc.
Identified Value Chains

GRAINS >> RIFT VALLEY

DAIRY >> CENTRAL

MEATS >> NORTH EASTERN

FRUITS >> COAST
Identified Value Chains (Cont..)

Grain VC:
• Size of Grain AFP – 136 Hectares
• Estimated Cost – USD 66 Million

Dairy VC:
• Size – 34 Hectares
• Estimated Cost – USD 12.46 Million

Fruits & Vegetables VC:
• Size – 34 Hectares
• Estimated Cost – USD 26.63 Million
Immediate & Potential Opportunities in Value Chain Investments

Immediate Opportunities refer to value chains with immediate investment cases.

- Mangoes
- Sugarcane
- Beef
- Rice
- Dairy
- Leather

Potential Opportunities refer to value chains with medium to long term investment cases.

- Passion Fruit
- Aquaculture
- Cashews

Source: Ministry of Agriculture, Livestock and Fisheries
Other Attractions

Tourism

• Major contributor to export earnings averaging USD 1 billion annually
• Tourist numbers still low compared to our competitors in Africa.
• Need to diversify tourist arrival to other markets outside traditional ones.
• Need to diversify & develop niche products.
Tourism (Cont..)

Agro-Tourism

- Mapping of Agro-tourism sites in Kenya.

- Potential sites to visit include tea, coffee & sisal estates and food festivals.
Impact of Regionalization

- Strategically positioned for regional & pan-African trade in agricultural commodities
- Internationally accessible via its ports
- Africa accounted for 46% Kenya’s total exports, of which 71% was to EAC & COMESA,
- Is the dominant economy in Eastern Africa, contributing more than 40% to the region’s GDP
Contacts

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