

**MINISTRY OF AGRICULTURE,  
LIVESTOCK & FISHERIES**



# **AGRIBUSINESS 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 4<sup>th</sup> cup of Tea consumed is Kenyan
- Horticulture penetration
  - USD 1.0 billion in exports
  - Every 3<sup>rd</sup> 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



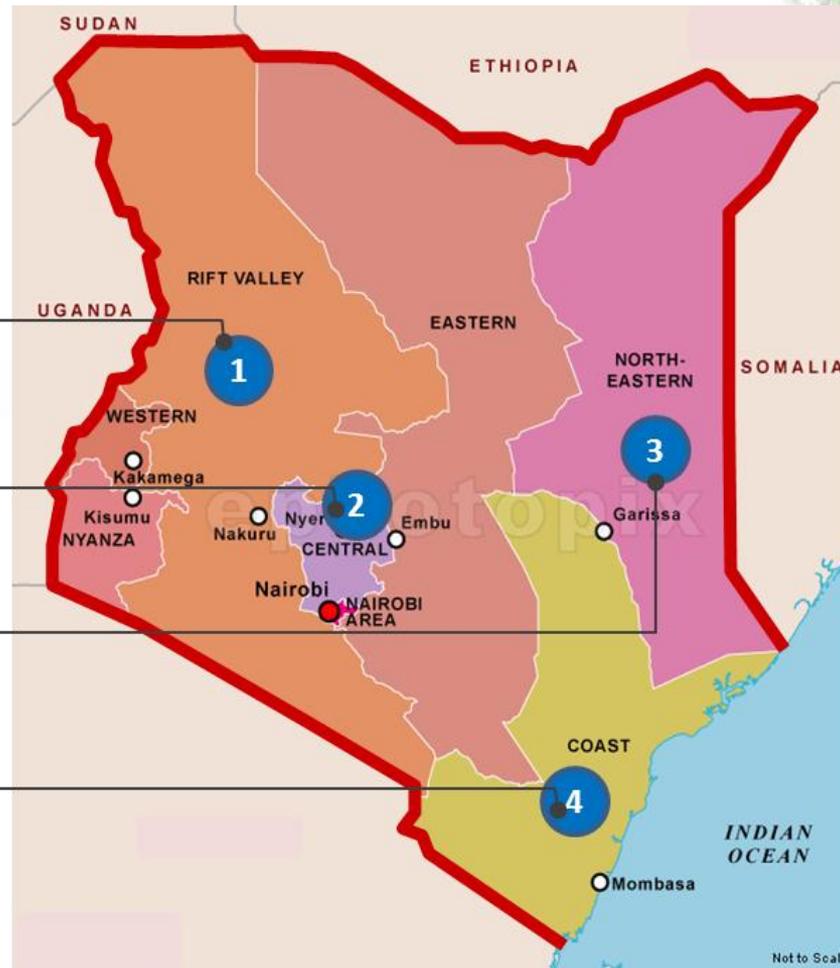
# Identified Value Chains

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



Mangoes



Sugarcane



Beef



Rice



Dairy



Leather

**Immediate Opportunities** refers to value chains with *immediate* investment cases

## Potential Opportunities



Passion Fruit



Aquaculture



Cashews

**Potential Opportunities** refers to value chains with *medium to long term* investment cases



# 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

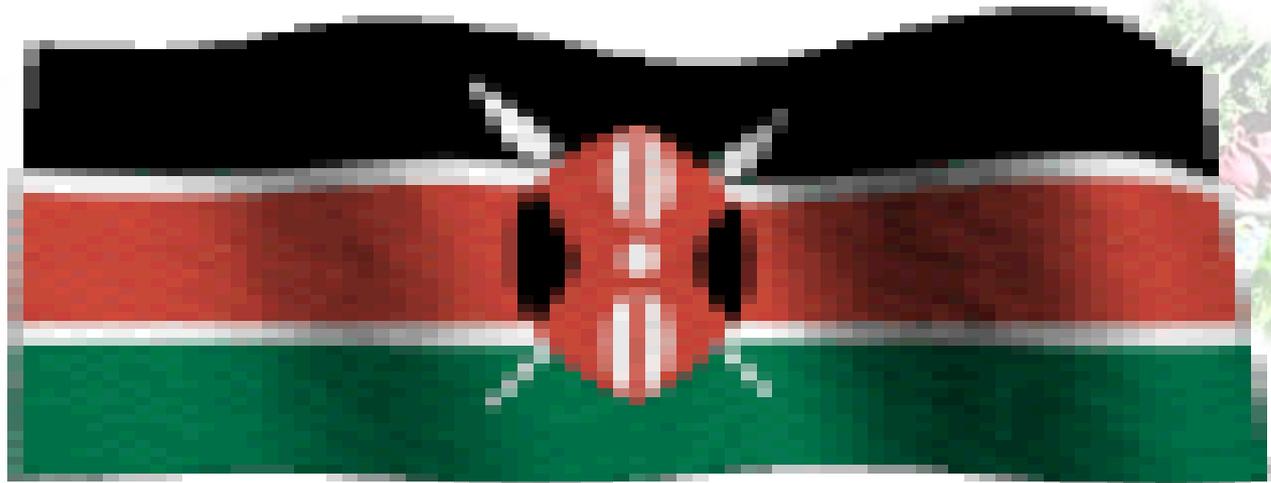
- Mapping of Agro-tourism sites in Kenya.
- Potential sites to visit include tea, coffee & sisal estates and food festivals.



# 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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