



COMPETITIVENESS OF KEY FOOD STAPLES IN KENYA: IMPLICATIONS FOR FOOD SECURITY AND PRICING

Breakfast Forum organized by Tegemeo Institute of Agricultural Policy and
Development, Egerton University

Panafric Hotel

October 10th 2016



Introduction and Meeting Objectives

By

Dr. Mary Mathenge

Director, Tegemeo Institute



Introduction

- Agriculture's contribution to the Kenyan Economy key
 - Major driver of economic growth
 - Source of food for all
 - Strong linkages with other sectors
- Food security thus a priority in Kenya --emphasized in various government policy documents:
 - Food and Nutrition Security Policy (F&NSP)
 - Agricultural Sector Development Plan (ASDS)
 - Kenya Vision 2030
- The Constitution of Kenya under the Bill of Rights provides for the “right to food of adequate quality and quantity at all times for all”



Introduction cont

- Maize and Rice major food staples in Kenya
 - for both rural and urban households
- Country a huge net importer of rice and occasional for maize
 - Despite relatively favorable climatic environments
 - Unexploited potential ?
 - Insufficient policy support ?
- Also net importer in key other basic food commodities
 - Wheat
 - Sugarcane
 - Edible oils
- Trend poses major food security concerns if planning and policies are not well harmonized
 - Global dynamics and uncertainties w.r.t. availability and price



Introduction cont

- Maize and rice production in Kenya face numerous challenges:
 - High production costs
 - High inputs prices
 - High labour costs
 - Low/stagnating growth in crop productivity
 - Climate variability and change, among others.
- To address the key challenges, the government has launched several interventions e.g. input and output subsidies, among others
 - Without major success



Introduction cont

- Given the strategic role that maize and rice play in food security of Kenyans
 - It is important to continuously assess and monitor the cost of production
 - Identify drivers and feasible ways of lowering the cost
 - Lower costs would ensure competitiveness in production and lower food prices.
 - Also important to understand consumption patterns among different households
 - Continuously assess local demand
 - Identify feasible options to close any gap
- It is also critical to routinely assess the status of existing stocks especially for maize whose major proportion is produced locally
 - Planning and decision making



Tegemeo Institute's Work

- Tegemeo has recently conducted studies to:
 - Assess the cost of maize and rice production for the 2015/16 cropping year under different production systems and regions
 - Analysis of the consumption patterns for maize and rice and other key food staples
 - Assess the status of the current food situation and prices in Kenya
- Study used newly collected COP data and some expenditure survey data for 2013 and 2015



The Major Questions

1. What is the cost of maize and rice prodn in Kenya and how does it vary
 - Across different production systems?
 - Across regions/counties?
2. How does the cost of both maize and rice production vary with fertilizer subsidy?
3. What is the viability of maize and rice as a business ?
4. What are the recent trends in consumption of maize and maize meal vis a vis other food staples ---both rural and urban households.
5. What is the current maize situation in the country and any projections for the coming year?



Objectives of Meeting

- To share the findings of the various studies with key stakeholders (public, private and civil society)
 - Discussion and feedback
- Provide a forum for open discussion among stakeholders
 - On appropriate policy options
- Inform policy formulation and decision making



Program

- Four Presentations:
 - Cost of Maize & Rice Production in Small & Large Scale Systems: *James Githuku*
 - Consumption Patterns of Major Staples in Rural & Urban Kenya: *Kevin Onyango*
 - Kenya's Maize Crop Prospects and Food Situation: *Francis Karin*
 - The Current Situation of the Grain Industry in Kenya: *Gerald Masila, EAGC*
- Plenary and Way Forward