



E- NEWS BULLETIN

THE BIG 4 AGENDA

*-AFA's Role in the achievement of 'The Big Four'
Agenda*

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Upcoming Agricultural Events:

February:

**22nd – 23rd Agribusiness Investors Summit
Venue: Nairobi**

**25th – 28th Open Data Workshop
Venue: Machakos**

March:

**7th – 10th Eldoret National Show
Venue: Eldoret**

**15th – 17th Eastern Kenya Branch Show
Venue: Embu**

May:

**24th – 26th Mt.Kenya Branch Show
Venue: Nanyuki**

June:

**6th – 9th Meru National Show
Venue: Meru**

`The Big Four` Agenda

After assumption of office for his 2nd term, President Uhuru Kenyatta unveiled his `Big Four` Agenda i.e manufacturing, universal healthcare, affordable housing and food security in line with Vision 2030. The president intends to swap state departments and parastatals for effective and efficient achievement of these crucial and pivotal projects critical for economic takeoff.

According to 2018 Budget Policy Statement (BPS), The Big Four” Plan targets to:

1. Support value addition and raise the manufacturing sector’s share to GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty;
2. Focus on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain;
3. Provide Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans ; and,
4. Provide at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improve the living conditions for Kenyans.



Impact of the `Big Four` on the Agricultural sector

To boost the growth of manufacturing, the Government will focus on the following sub-sectors; agro-processing, leather, textiles/apparels, oil, mining and gas, and iron and steel as well as production of construction materials.

1. Agro- Processing

- Support value addition to agricultural produce across the value chain. This will involve processing tea, coffee, meat, sugar, dairy, fruits and vegetables locally in order to obtain more value and create additional 200,000 jobs and wealth for Kenyans.
- Triple the amount of processed agricultural exports from the current annual growth of 16 percent to 50 percent by 2022.

2. Textile industry

- Cotton production using hybrids and Bacillus Thuringiensis (BT) which have 3 times production yield compared to present conventional varieties,
- Buying of domestically grown cotton,
- Improve governance in the import rules for textile products to cushion local producers as well as give incentives to investors to build modern ginneries and

textile manufacturing plants.

- Train 50,000 youths and women to be involved in this sector and establish 5 million square feet of industrial sheds.

Successful implementation of these measures is expected to increase revenue from textile industry from USD 350 million to USD 2 billion, create 500,000 cotton jobs and 100,000 new apparel jobs by 2022.

3. Exports of manufactured products

- Implement an elaborate marketing strategy to diversify our export markets including penetrating new markets. This will be alongside exploiting the markets available under Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and the tripartite arrangements.
- Develop industrial infrastructure such as Export Processing Zones (EPZs), Special Economic Zones (SEZs) and industrial parks across the country.
- Establishment of a Modern Industrial Park in Naivasha, apparel industrial sheds in Athi River, establish the Dongo Kundu SEZs and infrastructures.

To achieve food security and improved nutrition, the Government will focus on three broad areas in 2018, namely: enhancing large-scale production; boosting smallholder productivity; and reducing the cost of food.

1. Enhance large -scale production

- Place additional 700,000 acres through PPP under maize, potato, rice, cotton, aquaculture and feed production
- Form an Agriculture and Irrigation Sector working Group (AISWAG) to provide coordination for irrigated Agriculture
- Use locally blended fertilizer on a 50/50 basis and implement liming
- Avail incentives for post-harvest technologies to reduce post-harvest losses from 20% to 15% e.g. waive duty on cereal drying equipment, hermetic bags, grain cocoons/silos, fishing and aquaculture equipment and feeds

2. Boosting smallholder productivity

- Establish 1,000 targeted production level SMEs using a performance based incentive model in the entire value chain
- Improve access to credit/input for farmers through warehouse Receipt System and strengthen commodity fund
- Establish commercialized feed systems for livestock, fish, poultry and piggery to revolutionize feed regime and traceability of animals to access export markets
- Secure investors to construct a shipyard and increase domestic fishing fleet by 68 vessels in the coast

3. Reducing the cost of food

- Contract farmers for Strategic Food Reserve (Price Stabilization) and other commercial off-takers
- Redesign subsidy model to maximize impact by focusing on specific farmer needs (flexible voucher & incentive based model)
- Secure investment through PPP in post-harvest handling (storage, cold storage

for fish aggregation) and market distribution infrastructure to reduce losses

- Rehabilitate and operationalize fish landing sites in Lake Victoria (Migori, Homa Bay and Busia)
- Eliminate multiple levies across counties in the agriculture value chain (enforce laws on roads)

Execution Plan

According to the BPS the government intends to achieve `The Big Four` agenda by;

- Maintaining macroeconomic stability in a bid to create a conducive environment for private sector investment as a basis for sustainable economic growth by pursuing prudent monetary and fiscal policies
- Improving the national security in a bid to stabilize the economy and attract investment, accelerating growth and in turn creating employment for the youth
- Collaborating/partnering with the county governments since most of the Big Four pillars (food security and health care) falls under the shared function while only policy formulation left to the nation government
- Development of faster and cheaper means of transport for freight and passengers for the expansion of economic opportunities
- Reducing the cost of doing business by improving access to adequate, affordable and reliable energy supply which is critical in spurring growth of enterprises and industries
- Promoting the use of ICT as a means of reducing the cost of doing business and enhancing efficiency in service delivery by expanding of optic fibre backbone infrastructure across the counties in order to facilitate internet connectivity, recruiting and training of ICT graduates under the Presidential Digital Talent Programme aimed at enhancing ICT skills among the youths to enhance their

employability; training of 10,000 youth on online jobs under Ajira Programme; and leveraging on ICT to improve Government service delivery through initiatives such as e-Procurement, Huduma Kenya, e -Citizen, iTax and IFMIS

- Promoting Environmental Conservation and Water Supply
- Tourism transformation and its integration with sports, culture and arts are critical for revenue generation, inclusive growth and employment creation
- Development of Legal and Regulatory Frameworks for Public Finance Management
- Fostering inclusive growth, reduction of poverty and inequality by continuously investing in quality and accessible healthcare, relevant education and strengthening the social safety net
- Improving and expanding the industry-led Technical and Vocational Education and Training (TVET) Colleges and Universities in order to equip the youth with relevant skills required to drive the industrialization agenda
- Promoting gender and youth empowerment, improving livelihoods for the vulnerable groups and people living with disabilities through the National Youth Service (NYS) program, the social transformation program, and SACCOs in order to attain sustainable youth led enterprises and promote employment creation services.
- Strengthening expenditure control and improving the efficiency of public spending through public financial management reforms aimed at enhancing transparency and accountability in order to provide fiscal space for financing priority projects.

AFA's Role in the "The Big Four Agenda"



Agriculture and
Food Authority

- Collaborate with relevant authorities in the elimination of multiple taxations across Counties in the agricultural value chain



Tea Directorate

- Reforming the legal and policy frameworks
- Promotion of value addition
- Mapping of tea value chain



Coffee
Directorate

- Promotion of value addition
- Supporting debt waiver for growers
- Collaborate with other stakeholders in the expansion of NCE into a Commodities Exchange



Food Crops
Directorate

- Enhancement of market distribution infrastructure
- Post-harvest technologies to reduce post-harvest losses



Fibre Crops
Directorate

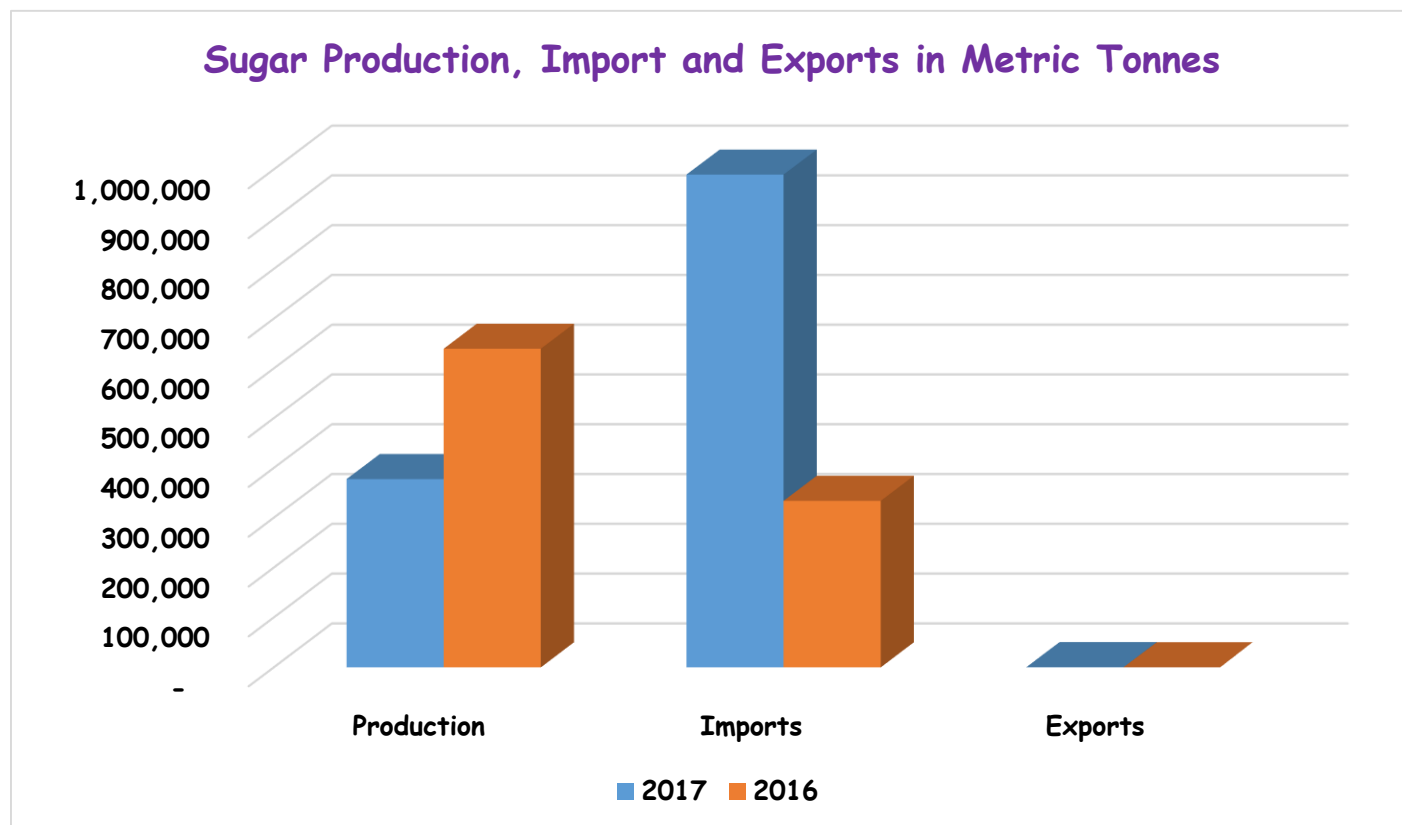
- Introduction of BT cotton variety
- Train 50,000 youths and women
- Improve governance in the import rules for textile products



Horticultural
Crops Directorate

- Value addition across the value chain
- Triple the amount of processed agricultural exports from 16% to 50% by 2022

Figure 1: Sugar Production, Imports and Exports 2017 AND 2016 (MT)



Source: AFA - Sugar Directorate

1. Sugar

Sugar Production

The Sugar production of 377,818 metric tonnes was recorded in 2017 compared to 639,742 metric tonnes achieved in the same period last year, representing a 41 per cent decrease. The low production is as a result of acute cane shortage experienced in most sugarcane growing zones due to weather vagaries.

Sugar Sales

Total sugar sales in 2017 were 373,606 metric tonnes compared to 635,851 metric tonnes sold in the same period last year, a decrease of 41%, attributed to low sugar production this year.

Sugar Closing Stocks

Total sugar closing stock held by all the sugar factories as at the end of December 2017 was 11,668 metric tonnes against 2,876 metric tonnes observed in December 2016. The High sugar stocks being witnessed towards the end of the year is ascribed to improved local production in the last Quarter of the year and increased availability of sugar imports in the market.

Sugar Imports

Sugar imports in January - December 2017 totalled 989,619 tonnes compared to 334,109 tonnes shipped in the same period last year.

Bulk of the sugar imports was of brown/mill white type (829,871 MT), representing 84% of the total consignment. The increase in table sugar imports is ascribed to amplified shortfall due to low local sugar production.

Exports

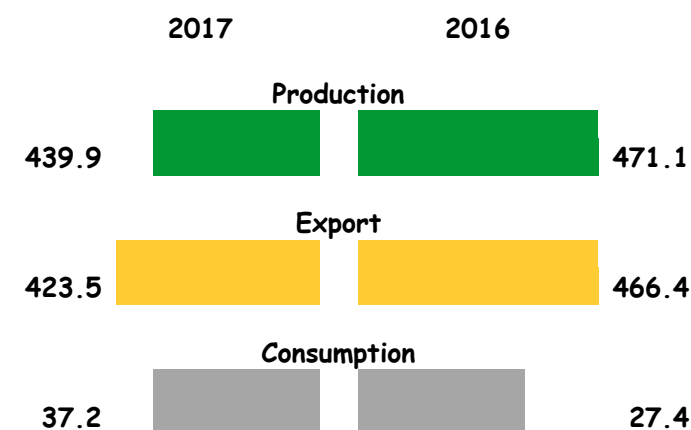
Total sugar exports in January - December 2017 were 406 tonnes against 98 tonnes in the same period last year. The Exports were mainly destined to Somalia, Uganda and Rwanda. Kenya is a deficit producer thus most of her production is for the local consumers.

2. Tea

Tea Production

Tea production for the period under review January - December 2017 was significantly lower at 440 Million Kgs against 471 Million Kgs recorded during the corresponding period of 2016 resulting to 7 per cent decrease in the overall production. The decrease was attributed to the unfavorable weather conditions that was experienced during the year.

Tea Production, Export & Consumption in Million Kgs



Source: AFA - Tea Directorate

Tea Export

Tea exports in the period under review, January - December 2017 dropped by 9 per cent to record a cumulative total of 424 Million Kgs down from a high of 466 Million Kgs recorded in a similar period in 2016.

Local Consumption

Local tea consumption for 2017 stood at 37.2 Million Kgs against 27.4 Million Kgs for the corresponding period of 2016 representing a 36 per cent increase in consumption attributed to increased awareness creation by AFA - Tea Directorate on the importance of drinking tea as a health beverage.

3. Macadamia

A total of 5,526 and 5,423 metric tonnes of processed macadamia nuts valued at Kshs 7.04 and 5.7 billion were exported in January – December 2017 and 2016 respectively, representing 2 per cent increase in volume and an increment of 24 percent in value. This increase is attributed to the high demand of macadamia nuts in the USA.

4. Sisal

20,293 metric tonnes of sisal valued at Kshs. 3.6 Billion were sold in 2017 compared to 21,460 metric tonnes valued at Kshs. 4.2 Billion representing a decrease of 5 percent in quantity sold and 15 per cent in the value.

TABLE 3: SISAL EXPORTS (Volume and Values)

MONTH	Export Volume (mt)		Export Values (Kshs)	
	2017	2016	2017	2016
JANUARY	1,797.00	1,833.40	330,473,635.00	364,664,742.00
FEBRUARY	1,911.00	2,203.50	353,925,775.00	417,603,852.00
MARCH	1,683.60	1,910.75	298,094,675.00	382,457,377.62
APRIL	1,409.00	1,723.60	254,469,560.00	332,243,960.00
MAY	2,569.00	2,251.90	438,180,465.00	437,632,805.00
JUNE	1,882.00	1,712.80	323,344,519.00	347,700,880.00
JULY	1,967.30	1,558.20	331,187,981.00	304,217,223.00
AUGUST	1,610.00	1,980.20	293,037,396.00	383,717,750.00
SEPTEMBER	1,552.10	1,671.53	258,728,517.68	323,649,225.00
OCTOBER	1,431.30	1,645.83	237,818,627.00	320,911,950.00
NOVEMBER	1,436.00	1,931.90	259,336,223.00	367,883,353.00
DECEMBER	1,045.00	1,036.00	179,222,834.00	194,081,672.00
TOTAL	20,293.30	21,459.61	3,557,820,207.68	4,176,764,789.62

Source: AFA - Fibre Crops Directorate



5. Horticultural Crops

A. Export Market

Cut Flowers

A total of 159,961 and 133,658 metric tonnes of cut-flowers valued at Kshs 82,249 and 70,829 million were exported in January - December 2017 and 2016 respectively, this represent an increment of 20 percent and 16 percent in volume and value respectively.

Fruits

A total of 56,945 metric tonnes of fruits valued at Kshs. 9,009 Million were exported between January and December 2017.

Vegetables

A total of 87,240 metric tonnes of vegetables valued at Kshs 24,065 Million were exported in 2017 compared to 78,790 metric tonnes valued at Kshs 23,367 Million the previous year. This represents an increase of 11 percent in the quantities sold and 3 per cent in value

For more information refer to table 1 & 2.

TABLE 1: FRESH HORTICULTURAL CROPS EXPORT JANUARY - SEPTEMBER 2017 AND 2016 (MT)

Month	Volume in metric tonnes (MT)					
	Cut Flowers		Fruits		Vegetables	
	2017	2016	2017	2016	2017	2016
January	12,847.70	10,016.45	5,870.92	3,385.51	8,326.11	6,758.37
February	15,576.94	13,717.40	4,922.09	3,807.98	6,962.03	4,811.68
March	14,394.77	12,378.88	6,151.45	6,129.92	7,345.77	5,804.76
April	13,620.42	12,320.47	6,361.80	7,865.70	5,675.43	5,744.89
May	16,093.20	11,641.17	7,180.31	4,748.73	7,274.99	4,870.06
June	12,245.53	8,904.29	6,821.85	4,245.78	7,203.98	7,007.28
July	10,163.25	7,920.62	5,475.41	4,274.02	6,539.94	5,785.96
August	11,734.28	9,284.47	3,908.37	4,119.43	7,713.89	6,245.95
September	12,727.64	10,605.34	3,441.02	2,278.11	7,648.91	8,040.14
October	14,568.45	12,542.75	1,815.36	2,297.36	7,953.25	8,486.92
November	12,222.30	12,098.36	2,301.27	2,417.37	7,152.79	8,256.31
December	13,766.70	12,228.15	2,695.52	3,087.92	7,443.18	6,978.28
Total	159,961.19	133,658.33	56,945.37	48,657.81	87,240.28	78,790.59

Source: AFA - Horticultural Crops Directorate

TABLE 2: FRESH HORTICULTURAL CROPS EXPORT STATISTICS FOR JANUARY - SEPTEMBER 2017 AND 2016 (KSH)

Month	Values in Ksh. Millions					
	Cut Flower		Fruits		Vegetables	
	2017	2016	2017	2016	2017	2016
January	8,782.27	8,398.53	819.86	605.03	1,956.81	1,923.64
February	8,623.25	8,073.17	678.67	561.37	1,639.72	1,516.29
March	6,596.20	8,461.59	853.46	852.27	1,644.29	1,825.83
April	6,330.60	5,388.81	832.96	1,073.93	1,813.27	2,147.97
May	7,523.48	4,779.79	954.86	643.76	1,814.03	1,580.73
June	6,280.96	6,031.49	1,187.28	562.91	1,927.01	3,698.28
July	4,734.88	3,373.73	1,066.66	675.38	2,858.39	1,527.75
August	6,733.53	4,909.50	786.16	776.39	1,717.46	1,607.08
September	6,199.25	4,465.33	649.33	377.65	2,113.84	1,815.98
October	6,798.61	6,072.96	316.44	365.15	1,944.00	1,873.98
November	5,976.81	5,354.67	374.80	377.66	1,923.05	1,909.08
December	7,669.02	5,519.89	488.84	445.76	2,712.78	1,940.17
Total	82,248.86	70,829.47	9,009.32	7,317.27	24,064.64	23,366.77

Source: AFA - Horticultural Crops Directorate

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