



REPUBLIC OF KENYA
**SECTOR PLAN
FOR
AGRICULTURE
SECOND MEDIUM TERM PLAN**

The Principal Secretary
Ministry of Agriculture, Livestock and Fisheries
P. O. Box 34188-0010, Nairobi, Kenya
Tel: +254-20-2718870
e-mail:ps@kilimo.go.ke

Website: <http://www.kilimo.go.ke> ©Government of the Republic of Kenya 2013

STATEMENT BY THE CABINET SECRETARY MINISTRY OF DEVOLUTION AND PLANNING

In keeping with the decision that Kenya Vision 2030 be implemented through five year Medium Terms the Government successfully launched the Second Medium Term Plan (MTP 2013-2017) in October 2013. The Ministry of Devolution and Planning then embarked on the process of preparing the second round of Kenya Vision 2030 Sector Plans detailing policies, programmes and projects to be implemented in each sector. A total of twenty one Sector Plans have therefore been produced based on the work of nineteen medium term plan sector working groups and three thematic working groups formed to prepare detailed plans as background documents for the Second MTP).

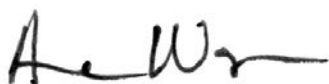
The Sector Plans outline in greater detail specific plans for implementation in each sector during the 2013-17 period. The Plans have been prepared through a participatory and inclusive process involving representatives from the government, development partners, private sector, NGOs, civil society, faith based organizations, professional associations, research institutions, and organizations representing women and youths, among others. Apart from the technical inputs, the Sector Plan priorities have been aligned and taken into account the priorities and inputs from nationwide Second MTP county consultation forums which captured views and priorities of Kenyans at the grass root and local level. Additionally, the Sector Plans have taken on board the key issues and priorities outlined in the Manifesto of the Jubilee Government in line with Second MTP.

The Sector Plans implementation matrices outline the broad goals and strategic objectives, the specific objective of each programme and project, the expected output and outcomes, the indicators for monitoring progress, the entity responsible for implementation, the implementation timelines, the source and mode of funding for each planned programme and activity starting financial year 2013/14 to 2017/18.

In accordance with the Constitution of Kenya, it is expected that the programmes and projects outlined in the Sector Plans will be implemented in close consultation and collaboration with county governments, keeping in mind, the distribution of functions between the national and county governments as outlined in the fourth schedule; and the capacity of county governments. Involvement of the private sector, including through Public Private Partnerships (PPPs), in implementing the sector plans will also be crucial to deliver the expected outputs and outcomes of various prioritized programmes and projects.

To ensure successful implementation of the Sector Plans, and the activities outlined in the implementation matrices, my ministry will put in place the necessary monitoring and evaluation framework and systems including the reporting formats and templates for production of quarterly progress reports by implementing entities.

In conclusion, let me take this opportunity to thank the respective Cabinet and Principal Secretaries involved in various sectors and all those involved in preparation of the Sector Plans.



Anne Waiguru, O.G.W.

Cabinet Secretary, Ministry of Devolution and Planning

FOREWORD

I feel privileged to be associated with the Second Medium Term Plan (MTP, 2013-2017) of the Agricultural Sector. The MTP outlines a broad road-map to be embraced by the entire sector in addressing the medium-term objectives of the Vision 2030 Strategy.

Traditionally, the sector has played a crucial role in ensuring food security, job creation, income generation, foreign exchange earnings and linkages with other sectors of the economy. However, for the country to reap maximum benefits from the sector, the current subsistence level has to be fundamentally transformed to modern commercial and competitive production and marketing.

In the last five years, strategies embraced under the First Medium Term Plan (MTP, 2008 - 2012) have greatly improved fortunes in the sector with most subsectors getting into a sustained growth path. Despite these efforts, the sector continues to face various challenges mostly as a result of unpredictable weather patterns and recurrence of insecurity particularly in the ASALs. Some of the many challenges facing the sector remain major threats to national economic progress.

It is important to note that about 80 percent of the country's population live in the rural areas and derive their livelihood from agriculture and related activities. The sector is therefore key in addressing poverty and food insecurity challenges. These factors suggest that for any strategy to address poverty and food insecurity successfully, it must embrace broad-based development of the agricultural sector and by extension that of rural Kenya. It must therefore focus on activities aimed at improving crops, livestock and fisheries to safeguard real farm incomes, and ensure availability and access to quality food. This entails transformation of subsistence agriculture into commercial production through value-addition while ensuring environmental conservation.

Such circumstances demand collective and concerted efforts to turn around the sector and with it the overall national economy as envisioned in the Vision 2030 Strategy. Foremost, the sector must demand a radical departure from over-reliance on rain-fed production to the embracement of irrigation in the crops sub sector and the enactment of supportive regimes in the other sub-sectors. In this spirit of Vision 2030 the private sector is expected to act as a catalyst for renewed growth while the government will continue to provide the requisite enabling environment.

When fully implemented, the sector is confident that this MTP will undoubtedly propel the sector, the national economy and livelihood of Kenyans to a higher sustainable path as envisioned in the Kenya Vision 2030. Above all the country will have taken a great step in ensuring food security, employment creation, higher incomes and poverty reduction.

**Hon. Felix Koskey,
Cabinet Secretary-Ministry of Agriculture**

TABLE OF CONTENTS

STATEMENT BY THE CABINET SECRETARY MINISTRY OF DEVOLUTION AND PLANNING	III
FOREWORD	IV
LIST OF ACRONYMS	VI
1 INTRODUCTION	1
2 SITUATIONAL ANALYSIS	2
1.2 Flagship Projects	2
1.3 Other Programmes / Projects	3
1.4 Emerging Issues and Challenges	3
3 PROJECTS AND PROGRAMMES FOR 2013-2017	4
3.1 Flagship Projects	4
4 IMPLEMENTATION MATRIX	6

LIST OF ACRONYMS

AG&DJ	: Office of the Attorney General and Department of Justice
ASCU	: Agricultural Sector Coordination Unit
CG	: County Government
KIRDI	: Kenya Industrial Research Development Institute
MAL&F	: Ministry of Agriculture and Fisheries,
MD&P	: Ministry of Devolution and Planning
MEAAC&T	: Ministry of East African Affairs, Commerce and Tourism
MEW&NR	: Ministry of Environment, Water and Natural Resources
MLHUD	: Ministry of Lands, Housing and Urban Development
NG	: National Government

1 INTRODUCTION

The agriculture sector is one of the sectors under the economic pillar. It contributes about 24 percent of the GDP, about 75 percent of industrial raw materials and 60 percent of export earnings. The sector accounts for 65 percent of Kenya's total exports, 18 percent and 60 percent of the formal and total employment respectively.

The performance of the sector is therefore reflected in the performance of the whole economy. Vision 2030 identified agriculture sector as one of the key drivers of the economy in order to sustainably achieve average economic growth rate of 10 percent, reduce poverty levels to 25 percent and boost food security to 30 percent by the year 2030. The development of agriculture is also important for poverty reduction since most of the vulnerable groups like pastoralists, the landless, and subsistence farmers, also depend on agriculture as their main source of livelihoods. Growth in the sector is thus expected to have a greater impact on a larger section of the population than any other sector.

The agricultural sector comprises of—industrial crops, food crops, horticulture, Livestock and fisheries—and employs such factors of production as land, water and farmer institutions.

2 SITUATIONAL ANALYSIS

The agricultural sector committed itself to achieving specific growth targets through implementation of a number of programmes and projects in the Vision 2030 and its First Medium Term Plan (MTP 2008-2012). This section provides highlights of the achievements made by the sector over the past five (5) years. In overall, the sector achieved most of the planned activities, more so the targets under the flagship projects.

While the First MTP (2008-2012) targeted the sector to grow at 7% per annum, the sector recorded an average annual growth rate of 4.3% between 2008 and 2012 mainly caused by adverse weather conditions in some years, post election violence and increasing costs of major inputs such as seeds, fertilizer and fuel. During this period, the agricultural sector registered remarkable recovery from negative 4.3% in 2008 to 6.6% in 2010. However, the trend was interrupted in 2011 due to global fuel crisis and severe weather conditions that resulted growth to decline to 1.5% in 2011, but grew to 3.8% in 2012. Indications show that the rapid growth trend will be sustained in the coming years. Likewise, the economy is back on a recovery path, with a steady increase in the growth rate from 4.4% in 2011 to 4.6% in 2012.

The sector achieved an annual increment of Kshs. 70,550 million in the value of agricultural output between 2008 and 2011 against the target of Kshs. 80,000 million per year as set out in Agriculture Sector Development Strategy (ASDS) and Vision 2030. The value of agricultural output at current prices grew from Kshs. 600,880 million in 2008 to Kshs. 989,448 million in 2012, with the values of horticultural produce and tea increasing from Kshs. 57,965.8 million to Kshs. 89,868.0 million and from Kshs. 55,383.1 million to Kshs. 100,262.3 million respectively. The value of livestock and products increased from Kshs. 38,895.9million in 2008 to Kshs. 88,305305.3 million in 2012. While the value of fish and fish products increased from Kshs. 8,640.2 million in 2008 to Kshs. 19,773 million in 2012.

1.2 Flagship Projects

The sector had thirteen (13) flagship projects that were implemented during the first Vision 2030 MTP 2008-2012. These are:

Enactment of the Consolidated Agricultural Reform Bill

Out of the five (5) Bills set for enactment during the First MTP period, three (3) Bills: the Agriculture, Fisheries and Food (AFFA) Bill 2012, Crops Bill 2012 and National Agricultural Research Bill 2012 were enacted in 2012. The sector has commenced steps towards rolling out implementation of the three Acts including establishment of Agriculture, Fisheries and Food Authority (AFFA) and Kenya Agricultural Research Organization (KARO).

Fertilizer Cost Reduction Project

A total of 274,000MT of fertilizer was procured as a price stabilization mechanism while the feasibility study for viability of a manufacturing plant was completed and the process of identifying a strategic investor is almost complete and four potential investors have been identified.

Establishment of Disease Free Zones

Under the Disease Free Zones (DFZs) project thirteen (13) zonal office blocks were designed and are under construction at the Coastal DFZ while four (4) baseline surveys for target diseases was undertaken; Four (4) strategies for target diseases developed and three (3) draft contingencies plans for livestock diseases developed. The Regional Veterinary Investigation Laboratory at Mariakani was rehabilitated and

a new laboratory at Bachuma constructed. A road map for implementation of Kenya DFZ was developed focusing on one DFZ due to financial and other logistical challenges.

Development of the ASAL (Tana and Athi)

Under the development of the ASAL and expansion of irrigation infrastructure, the area under irrigation expanded from 119,000ha to 159,000ha during the First MTP. The expansion of irrigation infrastructure was undertaken in Bura, Hola, Kano and Bunyala.

1.3 Other Programmes / Projects

In support of the flagship projects, the sector implemented a number of other priority programmes and projects with the aim of achieving the overall objectives of the Kenya Vision 2030 and the ASDS. These interventions were in research and development; improving delivery of extension services; strengthening producer institutions; intensifying and expanding irrigation; seed improvements; livestock development and fisheries development.

1.4 Emerging Issues and Challenges

The above achievements notwithstanding, the agricultural sector faced a number of challenges that impacted negatively on its development. Some of the key challenges that need to be addressed include:

- Unfavourable policy environment
- Inadequate funding,
- Impacts of climate change,
- Low adoption of technology and un-coordinated Research and Development (R&D),
- Insecurity/resource based conflicts,
- Population and cultural practices,
- Regional and international barriers to trade,
- Global economic recession,
- Conversion of agricultural land to other competing land uses,
- Availability and affordability of energy

3 PROJECTS AND PROGRAMMES FOR 2013-2017

3.1 Flagship Projects

The sector has identified the following flagship programmes/ projects that will be implemented during 2013-2017.

Implementation of the Consolidated Agricultural Reform Legislations

Three consolidated agricultural sector legislations were approved by the 10th Parliament and assented to by the President in December 2012. These are Agriculture, Fisheries and Food Act 2012; Crops Act 2012; and Kenya Agricultural Research Act 2012. The next step planned for the 2nd MTP is rolling out implementation of these Acts. This includes preparation of necessary regulations to actualize implementation of the Acts and setting up institutions such as the Agriculture, Fisheries and Food Authority (AFFA); and the Kenya Agricultural Research Organization (KARO) proposed in the new Acts. Additionally, efforts will be made to fast track passing of the Livestock and Fisheries bills by the National Assembly.

Fertilizer Cost Reduction Strategy

The purchasing and supply chain improvement in the market for fertilizer through reliable bulk procurement that is transparent and efficient with the involvement of the private sector is still required to streamline supply and distribution. This will address issues of access and affordability of fertilizer. Having identified and short-listed potential investors, the process of establishing a local fertilizer plant will now be hastened. Similarly, the identification of a private investor for blending will be undertaken. The ultimate goal is to import in bulk from source, blend and package, which constitutes the second tier of the inputs cost reduction project, a phase that will be implemented during the 2nd MTP.

Establishment of Coast Disease Free Zone

Establishment of Coastal Disease Free Zone (CDFZ) and livestock processing facilities will be undertaken to facilitate access of Kenyan meat, leather and leather products to local, regional and international markets. The project area will cover the Counties of Kwale, Mombasa, Kilifi, Tana River, Lamu and parts of Taita-Taveta outside the Tsavo National Park. It will involve rehabilitation of zonal infrastructure including quarantine stations and holding grounds, disease investigation and diagnostic laboratories, construction of zonal offices and disease cordon barriers. It will also involve baseline survey of trade sensitive animal diseases, undertaking mass vaccination of animals and disease surveillance aimed at attaining zonal freedom from diseases to facilitate trade. Rangeland management and breeding programs will ensure production and finishing of quality animals.

Fisheries Development and Management

This will be achieved through:- expanding the area of fish farming from the current high potential areas to Arid and Semi Arid Lands (ASALs), and establish fish ponds in schools; increase fish production from capture fisheries through capacity building for exploration of under-utilized water bodies like the Kenya's Exclusive Economic Zone (EEZ) and Lake Turkana by developing fisheries related infrastructure and strengthening of monitoring, control and surveillance systems; stocking, restocking and restoring lakes and dams with fish and insitu conservation; reduce post-harvest losses, contamination of fish, fishery product and aquaculture inputs to ensure the safety and quality of fish for human and animal consumption in the domestic and international markets; research and construction of Lamu Fish Port under LAPSET.

3.2 Other Priority Programmes

Besides the flagship projects indicated above, the agricultural sector has earmarked the following as priority programmes / projects for implementation during the Second MTP:

- **Agricultural Development along LAPSET Programme:** This will involve feasibility studies, documenting investment opportunities in the corridor and providing investment incentives to those interested in agricultural enterprises along the corridor.
- **National Agricultural Sector Extension Programme (NASEP):** This programme aims at improving access to agricultural extension by farmers and further strengthens agricultural research and development.
- **Irrigated Agriculture Programme:** Over reliance on rain-fed agriculture has been a major constraint to agricultural development and food security. Investment into water harvesting and irrigation is geared towards increased production and further diversification of agricultural production especially to horticultural production
- **Agri-Business Development Programme:** This programme is geared towards improving access to markets by all agricultural value chain players as well as improve and modernize market facilities. It will further transform agricultural marketing functions through value chain development and strengthening producer and marketing systems. Under this programme agricultural product development will be done through value addition programmes. The programme will ensure creation of local, regional and international marketing opportunities for agricultural commodities.
- **Accelerated Agricultural Inputs Access Programme:** Agricultural sector access to quality and affordable inputs has been very low. This programme is therefore aimed at improving access of agricultural inputs such as fertilizer, agrochemicals and seed.
- **Agricultural Credit and Financial Services Access Programme:** Access to affordable financial services has been very low due to the perceived risk in agricultural investment. This programme is therefore aimed at improving access of agricultural credit and insurance to agricultural value chain players.
- **Institutional Reforms:** Implementation of the Medium Term Plan requires efficient and effective functioning of institutions. The programme aims at developing the capacity of staff, strengthening information and communication systems, strengthen monitoring and evaluation and provide offices and equipments to support implementation.
- **Integrated basin based development programme:** The sector will undertake the development of multipurpose dams and through them irrigate land in ASAL areas hence ensuring food security.

4 IMPLEMENTATION MATRIX

Goal	Innovative, Commercially-oriented, Competitive and Modern Agriculture										
	Strategic Objectives	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)				
Programmes /Projects	Objective	Objective	Indicator	Implementing Agency	Timeframe	Source of fund	2013/14	2014/15	2015/16	2016/17	2017/18
	Institutional reforms Increasing productivity Increased access to markets Land use transformation ASAL development	Agriculture Policy and legal framework consolidated Sector specific policies updated and finalized	No. of legislation consolidated and enacted (NG) 5 policies reviewed (NG)	MAL&F, ASCU, MLHUD, MEW&NR, Ag&DJ	2013-2017	GOK,PPP, DPs	3,000	2,000	1,000	500	500
Implement the Consolidated Agricultural Policy & Legal Framework	Develop appropriate policy framework Finalize, review and update agricultural legislations										

Goal		Innovative, Commercially-oriented, Competitive and Modern Agriculture									
Strategic Objectives		Institutional reforms Increasing productivity Increased access to markets Land use transformation ASAL development									
Programmes /Projects	Objective	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)				
							2013/14	2014/15	2015/16	2016/17	2017/18
Fertilizer cost reduction	Facilitate access to affordable and quality fertilizer	Increase in use of fertilizer by smallholder farmers Feasibility study on fertiliser plant implemented Increased output/yield	Increase fertilizer use by smallholder farmers by 10% (CG) Establish a fertilizer plant with a strategic partner (NG) Increase productivity of major cereals and pulse by 10% (CG)	MAL&F, MEAC&T, NT	2013-17	GoK/PPP	10,000	10,000	10,000	1,000	500

Innovative, Commercially-oriented, Competitive and Modern Agriculture										
Goal	Institutional reforms									
	Increasing productivity									
Strategic Objectives	Increased access to markets									
	Land use transformation									
Programmes /Projects	ASAL development									
	Objective	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)			
						2013/14	2014/15	2015/16	2016/17	2017/18
Agricultural R & D, extension and support services along agricultural value chain:	Improved agricultural research To improve access to agricultural extension service	Increased new varieties Increased extension outreach	No. Of new varieties (NG) 4 Million farmers reached with extension information (CG)	MAL&F and Producer organizations	2013-17	GoK/ PPP	7,000	7,000	5,000	5,000
Access to agricultural inputs	Increase access to agric inputs	Increase no. of producers accessing quality inputs	No. of producers accessing inputs (NG)	MAL&F	2013-17	NG (GoK)	3,000	3,000	3,000	3,000

Innovative, Commercially-oriented, Competitive and Modern Agriculture											
Goal	Institutional reforms										
	Increasing productivity										
Strategic Objectives	Increased access to markets										
	Land use transformation										
Programmes /Projects	ASAL development										
	Objective	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)				
Access to credit and financial services	Increase access to credit and financial services	Increase no. of producers accessing affordable financial services including insurance schemes	No. of producers accessing credit and financial services (CG)	MAL&F	2013-17		2013/14	2014/15	2015/16	2016/17	2017/18
							3,000	3,000	3,000	3,000	3,000

Innovative, Commercially-oriented, Competitive and Modern Agriculture										
Goal	Institutional reforms									
	Increasing productivity									
Strategic Objectives	Increased access to markets									
	Land use transformation									
Programmes /Projects	ASAL development									
	Objective	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)			
						2013/14	2014/15	2015/16	2016/17	2017/18
Development and rehabilitation of Water harvesting and irrigation infrastructure	Construct water harvesting structures Expand area under irrigation	Increased production from ASAL Increased area under irrigation	300 smallholder water harvesting structures constructed (CG) Percentage increase in agricultural output from ASAL (CG) 650,000 acres put under irrigation to reach 1 million acres target (CG)	MAL&F MEW&NR, NIB	2013-17	Gok/ PPP	5,000	5,000	5,000	5,000
				MAL&F, MEW&NR, NIB	2013-17	Gok/ PPP	24,000	24,000	24,000	24,000

Goal	Innovative, Commercially-oriented, Competitive and Modern Agriculture										
Strategic Objectives	Institutional reforms Increasing productivity Increased access to markets Land use transformation ASAL development										
Programmes /Projects	Objective	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)				
Agricultural market access and value addition	To enhance agricultural product development and marketing systems.	Producers and market associations formed and linked to markets New local and foreign markets opportunities created Value chains developed/ analyzed	Number of new products developed (NG) Number of agro-processing technologies (NG) Number of new local and foreign agri-market opportunities created (NG) Number of producer and market associations formed (CG)	MAL&F, MD&P, MEAAC&T, KIRDI, CG	2013-17	GoK/PPP	2013/14	2014/15	2015/16	2016/17	2017/18
							1,000	1,000	1,000	1,000	1,000

Goal	Innovative, Commercially-oriented, Competitive and Modern Agriculture										
Strategic Objectives	Institutional reforms										
	Increasing productivity										
	Increased access to markets										
	Land use transformation										
	ASAL development										
Programmes /Projects	Objective	Expected output/ Outcomes	Indicator	Implementing Agency	Timeframe	Source of fund	Indicative budget per year (Million Kshs.)				
							2013/14	2014/15	2015/16	2016/17	2017/18
Fisheries Development	To increase fish production from capture and culture fisheries by 10% annually To reduce post harvest losses from approximately 25% to 5% by 2017	Stock assessment & set reference points Increased fish production from capture and culture fisheries Reduced fish post harvest losses per annum	Presence of biomass data and number of reference points for all capture fisheries (NG) Metric tonnes of fish produced or percentage of fish produced annually (NG) Percentage (%) of reduced fish post harvest losses per annum (NG)	MAL&F, MD&P, MEAAG&T, KIRDI, CG,	2013-17	GOK, PPP, DP	10,600	10,500	8,700	8,500	8,300

