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**1. KENYA'S STRATEGY AND POLICY IN AGRICULTURE.**

- Agriculture is the mainstay of Kenya's economy, contributing over **50% of Kenya's Gross domestic product (GDP) – 34.2% directly and another 27% indirectly through linkages with other sectors.** In addition, Agriculture has the highest employment multiplier effect than any other sector, owing to its strong forward and backward linkages to other sectors of the economy. **Research conducted by the Kenya Institute for Public Policy Research and Analysis (KIPPRA) shows that livestock (cattle, sheep, and goats), hotels and restaurants, poultry, vegetables, and rice have the highest job creating impact. Four of the five value chains with the highest job creating impact are agricultural.**
- The country traditional exports such as tea, coffee, cut flowers and vegetables remain key exportable agricultural commodities. Further emerging exportable commodities such as avocados and macadamia nuts have penetrated the market. **However, coffee production has fallen to below 40,000MT from a peak of 130,000MT, against an estimated potential of 200,000MT. This translates to a potential increase in coffee export earnings five-fold.** We have several export crops that have collapsed, notably pyrethrum, cashew nuts and bixa. Kenya was once the world's leading producer of pyrethrum, with over 90% of world market share.
- The Government of Kenya through a bottom-up economic transformation model unveiled agriculture as its top priority hence

elevating the importance of food systems transformation. The economic pillar under the Vision 2030 places a strong emphasis on agriculture and establishes the agenda for inclusive growth and people-driven sustainable development by 2030. This is in line with the food systems transformation as stipulated in the 2030 Agenda for Sustainable Development.

- The transformation and rapid growth of Kenya's agriculture therefore remains central to ensuring the sector consistently contributes towards the 10% annual GDP growth envisioned in Vision 2030. **The Agricultural Sector Transformation and Growth Strategy (ASTGS 2019-2029) is founded on nine flagships anchored around four strategic themes: Food and Nutrition Security; Sustainable Agricultural Sector Transformation; Trade, Finance and Market development; Transformation Enablers.**
- To facilitate delivery of the strategy, the Government of Kenya has been promoting collaboration between national and county governments. Both levels of government adopted the theme **“Strengthening Intergovernmental Relations and Partnerships for Sustainable Food Systems towards 100% Food & Nutrition Security in Kenya”**. The goal of Government is to transform the agricultural sector so that it can respond to investments in food security, nutrition, and climate smart agriculture.

## **2. WHAT IS WORKING AND THE LESSONS BEING DRAWN.**

- Two-thirds of Kenyans derive all or part of their incomes from agriculture, therefore an agriculture-led growth will put more money in people's pockets. This also means that agricultural incomes have the highest income multiplier effect, that is, when farmers have money, they buy consumer goods and services from other sectors. Moreover, given the large share of food in household expenditures, savings on food costs have a very large multiplier effect on other sectors. **A 10% reduction in cost of food for a middle-class household, with a monthly food budget of KShs. 20,000, translates to a saving of KShs. 24,000 a year. Nationally, the food expenditure of KShs. 3 trillion translates to a saving of KShs. 300 billion that households will spend on other goods and services, equivalent to an economic stimulus of 10 percent of the budget, or 2.5 percent of GDP.**

- Currently, top priority initiatives include data and digital transformation and the Government has embarked on a robust farmer registration program in a bid to promote transparency in Government's interventions. These include the input subsidy program administered through the e-voucher system. **Digitization will facilitate the pursuit of climate-smart agriculture technologies; provision of customized extension services; monitoring of emergency food reserve stocks by use of digital food balance sheet; and an Early Warning System to monitor food supplies and market prices.**
- IFAD's agricultural commercialization initiatives have therefore been timely to support the Government efforts of transforming food systems. **Key among the programmes is The Kenya Smallholder Commercialization Project (SHDCP) and The Kenya Livestock Commercialization Project (KeLCoP),** IFAD has had other substantive engagement projects such as the Kenya Cereal Enhancement Programme - Climate Resilient Agricultural Livelihoods Window (KCEP-CRAL), the Aquaculture Development Program in fisheries and the Upper Tana water development **undertaking.** These have contributed to capacity development towards sustainable agriculture in the country.
- **Extreme poverty and vulnerability** are also an agricultural phenomenon. An estimated two million households, one in six, are food poor. That means they are unable to meet the body's food requirements every day. The vast majority of these are farmers. They have land but lack the resources to raise productivity to meet their subsistence needs. **Kenya Kwanza believes that support to farmers to raise productivity would not only enable them to feed themselves, but also generate a surplus that contributes to national and nutritional food security and the economy.**
- Providing food and nutrition security to all Kenyans is a national mandate. The country's future depends on a healthy population and an economy that is resilient to the effects of climate change, global swings in staple food prices, and the effects of emerging pests and diseases like the fall armyworm and the Maize Lethal Necrosis Disease (MLND). Such risks threaten the welfare and livelihoods of many Kenyans and destabilise the economy.

### **3. ACTIONS TO BE TAKEN TO ACCELERATE INVESTMENT IN TRANSFORMING FOOD SYSTEMS.**

- Using data and digital technologies to equip farmers with integrated agro-advisories to inform them on What, Where, When and How to plant and engage in agricultural production and information on markets, productive resources (inputs). Extension services will be given through these applications.
- Tapping into youth for them to engage in agricultural value chains by leveraging on digital technologies and innovations.
- Investing in irrigation to use the land especially in ASALs and reduce over-reliance on rainfed agriculture. Public land to be utilized under the Public Private Partnership approach to increase area of production.
- Investing in early warning systems - use of aerial surveillance and geospatial technologies for informed decision making.
- Promote diversification of diets to bring back traditional high value crops.
- Diversified production that includes crop, livestock, and fisheries enterprises.
- Enhance ecosystem restoration practises like agroforestry, afforestation and ensuring sustainable use of natural resources.

### **4. CONCLUSION**

- Agriculture remains the bedrock of the development of many nations and will continue to hold the key to the creation of equitable and sustainable growth for our people. No country, large or small, has ever attained significant growth without modernizing its agricultural sector. **As we rededicate ourselves to these targets, we must, in the immediate term, find answers to the severe deficit in the availability, flow, and accessibility of fertiliser to our farmers worldwide.**

- For continued and sustained efforts to address Kenya's food needs, stakeholder collaboration is critical considering that our economy relies on agriculture. This will be achievable if the agricultural sector players will focus more on **food systems transformation**.
- Smallholder farmers should be encouraged and supported to participate in the agricultural sector. The reason for this is that they form the bulk of the population both in terms of **production** and **consumption**.