

# ASTGS BULLETIN

*An update on Kenya's Agriculture Growth and Transformation*



## IN THE SPOTLIGHT

**ACCELERATING AGRICULTURE REFORMS FOR GROWTH & TRANSFORMATION**

**FROM CRISIS RESPONSE TO TRANSFORMATION & RESILIENCE**

**ACCELERATION OF DIGITAL INNOVATION IN THE AGRICULTURAL SECTOR**

**RESTRUCTURING AND DIGITALIZATION OF THE STRATEGIC FOOD RESERVE**

**BOOSTING BLUE ECONOMY TO CREATE EMPLOYMENT IN KENYA'S COAST**

## Agriculture Sector Transformation & Reforms

The Agriculture Sector Transformation and Growth Strategy (ASTGS), and its National Agricultural Investment Plan (NAIP) have the goal of creating “A Vibrant, Commercial and Modern Agricultural Sector that Sustainably Supports Kenya’s Development in the Context of Devolution.”

Over ten years, nine flagship projects aim to increase small-scale producer incomes, increase output and value addition, improve food security, and facilitate broad sector transformation through capacity building and innovation.

H.E. the President Uhuru Kenyatta commissioned the Cabinet Secretary to fast-track the macro- and microeconomic elements of this strategy, especially those involving grass-roots initiatives to sustainably boost the income of Kenya’s smallholding famers, accounting for 80% of the sector.

CS Peter Munya has since last year, set the Ministerial agenda to revitalise key sub-sectors and break certain cartels’ stranglehold especially in the tea, coffee and sugar industries. The comprehensive legal reforms ensure that tea growers will now get paid within 14-days, and the restructured Coffee Cherry Advance Fund will enable coffee farmers to access credit via a mobile based platform to ease cashflow issues.

# ACCELERATING AGRICULTURE REFORMS



CS Peter Munya is shown how Coffee Grading is done under to reduce losses under the New Kenya Coffee Processing Unit (NKPCU). Coffee is one of the Value chains targetted in the Ministry's Reform Bills.

## Restructuring and digitalization of the Strategic Food Reserve

Since the launch of the ASTGS, significant reforms to the country's Strategic Food Reserve (SFR) have been implemented. Under an ongoing policy review process by the National Cereals and Produce Board (NCPB), food reserve storage has been opened to private participation under a new Warehouse Receipt System, and the government eased price controls. Additionally, Kenya is a pioneer on the continent with a new Digital Food Balance Sheet to feed real time data on food reserves and prices into timely decision-making.

## Agriculture digitisation and innovation

Data and digital innovation and specific use cases are critical enablers of the ASTGS agenda. In addition to the Digital Food Balance Sheet – now owned by the National Cereals and Produce Board (NCPB) – the MoALFC has rolled out a Projects Dashboard centralizing information on public agriculture sector projects, as well as the Kenya Integrated Agriculture Management Information System (KIAMIS) platform for helping registered farmers benefit from a “digital identity” (e.g., to access e-vouchers, credit, insurance, etc.). Soon, a digital roadmap will launch to guide data transformation and integration efforts across the Ministry, and new applications of data and technology will be rolled out in support of each ASTGS flagship.

## SME Accelerator program readied for launch

Two pilot programs are ready to launch in mid-year 2021, with the objective of serving 25 agro-processor and 50 cold chains solution providers and reaching 75,000 small-scale producers through those businesses. The accelerator program will offer tailored business support, link SMEs to farmer associations and private partners, and facilitate access to finance. With donor support, the government will recruit implementing partners to propose and implement programs in line with program objectives.

## Over 315,000 farmers registered for e-voucher input subsidy program

Kenya's e-voucher input subsidy program has been rolled out in 37 counties across the country. In the project's pilot phase, 77 agro-dealers (including private agro-dealers, cooperative societies, and NCPB/KNTC depots) have enrolled to redeem subsidy vouchers. Over 300,000 farmers have registered on the e-voucher platform, and over 10,000 e-vouchers have been redeemed. Ultimately, a government commitment of Ksh 68 million will support adoption of **KES 170 million** worth of inputs. After a pilot phase, the program will scale to benefit the livestock and fisheries sectors.

## Cabinet memo set to launch land commercialization program, and 122,000 acres of government land identified for leasing

A cabinet memo is being finalized to formally launch a flagship program to open government lands for competitive bidding by commercial farm operators. The program will increase the country's food supply and catalyze investment in irrigation. MoALFC and the National Lands Commission have already identified 122,000 acres of land for potential investment, and existing investment opportunities are open at Galana Kulalu, the Kurawa Animal Quarantine Station, and the Bachuma livestock export zone. 17 potential investors in feedlot and pasture/fodder development have expressed interest.

Ultimately, over **500,000** acres of land will be open for investment.

## From crisis response to transformed Resilient Food Systems



*Trained Members of the National Youth Service (NYS) before going to spray hopper bands of desert locust in Lokichar, Turkana County. Photo FAO© 9 June 2020.*

In 2020, the MoALFC responded to multiple emergencies: COVID-19, the Desert Locust invasion, and flooding. The 'Food Security War Room' coordinated the response of over 50 stakeholders, responded to data on food availability and prices in real time, and accelerated policy decision-making. The results included reopening of almost all produce markets, procuring ~260,000 litres of pesticide to prepare for locusts, and reopening >3,500 tonnes of export cargo capacity for agricultural produce.

## Food Security Monitoring Committee (FSMC)



With effective food security monitoring institutions in place, the MoALFC is now accelerating implementation of the ASTGS flagship projects, which can drive food security and sector growth over the long term. After the crises in 2020, the ASTGS agenda is more important than ever for resilience a small producer livelihoods.

The Food Security War Room established to track national food availability, accessibility and affordability during the first wave of COVID-19 transitioned to become the FSMC. The multi-agency and multi-stakeholder committee meets fortnightly to monitor monitoring of key food stock commodities (harvests and imports), shift in commodity prices and consumption patterns and flag potential risks for the Ministry's action. This is in line with flagship nine of the ASTGS which seeks to build national Infrastructure to monitor food system risks and build resilient food systems.

The Agriculture Transformation Office has commenced duties as the national Secretariat to support the National Convenor of the FSS Summit.

Sub-national dialogues spearheaded by the Regional Economic Blocs and the Council of Governors shall take place over the month of April, and the national Dialogue during the Intergovernmental Forum on Agriculture in June.

### The five (5) FSS tracks are:

- Ensure access to safe and nutritious food for all.
- Shift to healthy and sustainable consumption patterns.
- Boost nature-positive food production at scale.
- Advance equitable livelihoods and value distribution.
- Build resilience to vulnerabilities, shocks and stressors.

# Operationalizing the ATO

The Agriculture Transformation Office (ATO) was set up to lead and institutionalize a systematic approach to delivering ASTGS results. The institution is tasked with coordinating flagship delivery with stakeholders inside and outside MoLAFC, enabling fast decision-making by cutting through bureaucracy, and creating transparency and mutual accountability for results.

As of March 2021, the ATO has a team of ~18 team members dedicated to driving the ASTGS agenda. Among other roles, team members will manage flagship work plans, liaise with counties and stakeholders, mobilize resources behind the strategy, and work with private sector players to deliver on the ATO mandate.

Over the coming months, new transformation management processes will kick off to accelerate the pace of implementation and coordination with sector stakeholders. Several initiatives will soon be visible, including:

- Setup of a one-stop-shop “Deal Room” to attract investment to well-scoped opportunities in the sector.
- Recruitment of implementing partner(s) to operate the SME Accelerator flagship program.
- Scale-up of farmer registration and e-voucher disbursements heading into long rains.



*Thule Lenniye, ATO Coordinator*

## NEW LEADERSHIP AT KILIMO



Dr. Francis O. Owino has assumed the role of Principal Secretary for Fisheries, Aquaculture and the Blue Economy. PS Owino will ensure that transformation of the blue economy and fisheries sectors is a prominent focus across ASTGS flagships.



Mr. Lawrence Omuhaka joined the Ministry from the County Government of Kakamega as the Chief Administrative Secretary (CAS) in charge of States Departments of Livestock and Fisheries and Blue Economy.

## BOOSTING BLUE ECONOMY



The Cabinet Secretary for Agriculture, Livestock Fisheries and Cooperatives Peter Munya has commissioned three powerful fishing vessels in Mombasa to allow local fishermen to take up deep sea fishing, to support fishermen in Kenya’s Coastal region.

The CS said the three boats would be distributed to fisherfolks in the coastal counties of Mombasa, Kilifi and Lamu to boost deep sea fishing, with two more being procured to be deployed in the counties of Lamu and Tana River.

The government is also refurbishing and rehabilitating the Liwatoni Fishing Complex to provide a first-class fisheries jetty, adequate cold storage, a fish processing facility and a fish auction centre. These investments are set to tap into their huge aquatic resources and to increase the country’s Blue Economy contribution to the GDP, whilst creating employment opportunities.