



**REPUBLIC OF KENYA**

**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND  
COOPERATIVES**

**National Agricultural Marketing Strategy 2021 – 2030**

**November 2021**

## **FOREWORD**

We are pleased to share the National Agricultural Marketing Strategy (NAMS) with you as we seek to transform the Agricultural sector rapidly in line with our development goals and priorities. Marketing of agricultural produce and products has been identified as a priority area in achieving a successful transformation of the Agricultural sector. This Strategy focuses on increasing market access and competitiveness of locally produced commodities in both the domestic and international markets. In addition, it aims at improving the income and livelihoods of value chain actors. To achieve this, nine (9) strategic areas with actionable strategies have been identified to stimulate Agricultural marketing in the country.

Achieving our potential in agricultural marketing will enhance food and nutrition security, improve farmers' incomes, equitably benefit various actors along the agricultural value chains and contribute to agricultural competitiveness. In addition, the competitiveness of the agricultural sector will depend on sustainable agricultural markets. In line with our Constitutional requirement, the development and finalization of this Strategy involved extensive stakeholder consultations, which included but not limited to National and County Governments and the private sector at large.

Going forward, the government's focus is on the successful and inclusive implementation of the Strategy. In order to realize the goals of the Strategy, we have developed a robust implementation framework with a detailed budget and identified the roles of key stakeholders. Considering that Agriculture is a devolved function, the County governments will be key in implementation of the Strategy. I further, wish to recognize the important role that will be played by the development partners and the private sector.

I therefore, call upon and invite all the relevant stakeholders to join forces to drive this important agenda as we strive to transform our agricultural sector in line with our development goals and aspirations.

Hon. Peter G. Munya, EGH  
**Cabinet Secretary,**  
**Ministry of Agriculture, Livestock, Fisheries and Cooperatives.**

## PREFACE

Efficient agricultural marketing is fundamental for economic growth and development. Agriculture is one of the most important sectors in Kenya, which contributes 23 percent of the Gross Domestic Product directly and 17.1 percent indirectly (Economic Survey, 2021). In addition, the sector accounts for 65 percent of total exports. Importantly, the sector contributes to food and nutrition security for the country's growing population, with over 80 percent of the 47.7 million Kenyans deriving their livelihoods directly or indirectly from the sector. It also provides more than 60 percent and 18 percent of employment in the informal and formal sectors, respectively.

Smallscale agriculture is regarded as the engine for rural growth and development despite 46 percent living below the poverty line. As a consequence of poverty and food insecurity, a large proportion of smallscale farmers' remain deeply engaged in crops, livestock and fishery production and seasonally rely on the markets to supplement their food requirements.

The Kenya Vision 2030 identifies agriculture as a key sector through which annual economic growth rates of 10 percent can be achieved. The Vision calls for proactive efforts to maintain existing markets and create new ones to increase Kenya's bargaining power in the global agricultural market. Further, the Kenya National Agribusiness Strategy 2012 emphasizes on the need to improve the physical market infrastructure in Kenya, including aspects as diverse and fundamental as sanitation and storage facilities. Efficient markets also serve to ensure faster distribution of food from surplus areas to deficit areas.

Agricultural marketing is identified as one of the significant challenges constraining the productivity of the Agricultural sector. According to the Food and Agricultural Organization 2009, any efforts towards the upgrading of rural markets should focus on; strengthening food safety by providing a healthier environment with basic infrastructure and facilities for safe handling of produce; preservation of fresh produce and their nutritional value and provision of appropriate shelters, storage and water facilities; improving marketing activities through the provision of appropriate trainings; ensuring that all stakeholders are represented in market management; and reducing the risk of women, youth and persons with disability being excluded by facilitating their participation and access to market facilities.

To address the above, this Strategy is divided into two segments. The first segment consist of five Strategic Pillars with emphasis on market infrastructure; agricultural produce and product standards; supply of agricultural produce and products; value addition of agricultural produce and marketing channels. The second segment is the Strategic Enablers, whose emphasis is on the transport infrastructure and logistics; agricultural market intelligence, technology and innovation; marketing capacity; and access to domestic and export markets.

This Strategy aims to improve competitiveness and market access for Kenyan agricultural produce and products in both domestic and export markets. This is expected to contribute to overall economic growth of the Agricultural sector, enhance livelihoods particularly of farmers as well as create more employment opportunities.

We therefore commit to support the implementation of the strategy and appeal to all our stakeholders to come together and support the Strategy's implementation as we collaborate and learn how best to implement it successfully.

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## **ACKNOWLEDGEMENTS**

I wish to acknowledge the tremendous efforts of the technical experts from the public and private sectors, Non-Governmental Organizations and Research Institutes who actively participated in and contributed to the development of this National Agricultural Marketing Strategy. Special thanks go to Kenya Institute for Public Policy Research and Analysis (KIPPRA), Tegemeo Institute of Agricultural Policy and Development, the National Treasury, and State Department for Trade.

In particular, I appreciate the facilitating role played by the Ministry of Agriculture, Livestock, Fisheries and Cooperatives under the leadership of the Principal Secretary State Department of Crop Development and Agricultural Research Prof. Hamadi Iddi Boga; State Department for Livestock, Mr. Harry Kimtai; State Department of Fisheries and Blue Economy, Dr. Francis Owino; State Department of Cooperatives, Mr. Ali Noor Ismail;

Director of Agricultural Policy Research and Regulations; Director Crops Resources, Agribusiness and Market Development and the Deputy Director Marketing, Agricultural Advisory services; Deputy Director in charge of Livestock Marketing; Head of Fish Marketing Authority and Commissioner of Cooperatives .

Special thanks goes to the team of experts under the leadership of Jacqueline Kiio and Seline Bonyo. The coordinating role of the Micro-Reforms for Agriculture (MIRA) team led by Mr. David Ombalo and Peter Owoko is also highly acknowledged.

The Ministry expresses its immense gratitude to our development partners across the Agriculture and Rural Development Donor Group (ARDDG), with special note to the Alliance for a Green Revolution in Africa (AGRA) through their President, Dr. Agnes Kalibata, the Country Manager, Mr. John Macharia and the Programme Officer, Ms Rachel Shibalira. We thank you for the timely financial and technical support extended to this process.

As it is not possible to mention everyone and every institution individually, kindly take this acknowledgement as an expression of sincere gratitude.

Josphat Muhunyu

**Agriculture Secretary**

## EXECUTIVE SUMMARY

Agriculture, the mainstay of Kenya's economy, plays a critical role in ensuring food and nutrition security for the Kenyan population. According to the 2021 Economic Survey, the sector contributed approximately 23 per cent of total Gross Domestic Product (GDP) and an additional 17.1 per cent to GDP through linkages to other sectors such as manufacturing, distribution and services in the year 2020. It contributes approximately 75 percent of industrial raw materials, 65 percent of export earnings and 60 percent of the total employment. The sector employs more than 40 percent of the total population, approximately 70 percent of the rural population and is the principal source of rural incomes and livelihoods.

Kenya's agriculture is predominantly small scale, accounting for 75 percent of the total crops output. The Kenya Vision 2030 emphasizes the transformation of small-scale agriculture from subsistence activities marked by low productivity and value addition to an innovative, commercially oriented, modern and internationally competitive agricultural sector. The Agricultural Sector Transformation and Growth Strategy (ASTGS, 2019 - 2029), identifies agricultural marketing as a priority area for successfully transforming the agriculture sector. The marketing of agricultural commodities is critical to increasing agricultural productivity and commercialization of the sector enterprises.

The National Agricultural Marketing Strategy (NAMS) aims at contributing in the transformation of the agricultural sector into a vibrant, productive and efficient sector that is competitive both locally and globally. The strategy will help facilitate efficient trade and consequently energize small-scale farmers' move from focusing on subsistence farming to commercialization, while at the same time increasing the competitiveness of the country's produce and products in all segments of the marketing chain.

The NAMS has identified thirteen (13) constraints along the marketing chain of agricultural produce and products that can positively change the landscape of agricultural marketing in the country if well addressed. These constraints include inadequate market infrastructure and associated facilities, noncompliance with standards; inadequate supply of produce and products; high post-harvest losses; limited value-addition; underdeveloped marketing channels; poor access roads to physical markets; inefficient logistics for local and international trade; inadequate market information for decision-making; low adoption of technology and innovations in agricultural marketing; poor management of markets and marketing inefficacies; inadequate access to financial services; and low Access to markets.

To address these constraints, NAMS has outlined nine strategic areas to be addressed by actionable strategies in order to stimulate agricultural transformation. These include Market Infrastructure; Agricultural Produce and Product Standards; Supply of agricultural produce and products; Value addition of agricultural produce; Marketing Channels; Transport infrastructure and logistics; Agricultural Market Intelligence,

Technology and Innovation; Marketing capacity; and Access to domestic and export markets.

The NAMS outlines the institutional framework required to deliver the strategy; key stakeholders, their roles in the strategy implementation, and how they will be coordinated; risks that may affect the implementation of the strategy and measures for their mitigation are also included.

The Ministry will spearhead operationalization of this strategy in collaboration with County governments and other stakeholders in line with devolution and the Constitution of Kenya (2010).

The successful implementation of this Strategy will cost approximately KSh 74 Billion over a period of 10 years. The Strategy will be reviewed during or at the end of the implementation period.

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## **ABBREVIATIONS AND ACRONYMS**

AGRA	Alliance for a Green Revolution in Africa
NAMS	Agricultural Marketing Strategy
ARDDG	Agriculture and Rural Development Donor Group
ASTGS	Agricultural Sector Transformation and Growth Strategy
AWM	Agricultural Water Management
CAADP	Comprehensive Africa Agriculture Development Programme
CBOs	Community-Based Organizations
CDA	Coast Development Authority
CoG	Council of Governors
CoK	Constitution of Kenya
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EMCA	Environmental Management and Coordination Act
EPAs	Economic Partnership Agreements
EU	European Union
FAO	Food and Agriculture Organization
FBOs	Faith based Organizations
GDP	Gross Domestic Product
GoK	Government of Kenya
IMF	International Monetary Fund
JIISCO	Joint Irrigation Intergovernmental Steering Committee
JITCC	Joint Irrigation Technical Coordination Committee
KALRO	Kenya Agricultural and Livestock Research Organization
KES	Kenya Shillings
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KOMEX	Kenya National Multi Commodities Exchange
M&E	Monitoring and Evaluation
MALF	Ministry of Agriculture, Livestock, and Fisheries
MDAs	Ministries Departments and Agencies
MIRA	Micro-Reforms for Agriculture
MoALF & C	Ministry of Agriculture, Livestock, Fisheries and Cooperatives.
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NAS	National Agribusiness Strategy
NCPB	National Cereals and Produce Board
NGOs	Non-Governmental Organizations
O&M	Operation and Maintenance
PPP	Public Private Partnership
RDAs	Regional Development Authorities
SADC	Southern African Development Cooperation
SDGs	Sustainable Development Goals
TVET	Technical and Vocational Education and Training

VAT  
WTO

Value Added Tax  
World Trade Organization

## DEFINITION OF TERMS

**Aggregation centres** - Places where agricultural produce is delivered for bulking and collective marketing.

**Agricultural produce and products** - include harvested or processed crops, livestock and fishery commodities.

**Agricultural Marketing**- is a process that starts with a decision to produce sellable produce and includes pre- and post-harvest operations, assembling, grading, storage, transportation and distribution of agricultural produce and products.

**Agricultural sector** - Includes the crop cultivation, livestock husbandry, apiculture, fishery and related activities.

**All-inclusive agricultural production and marketing clusters** - include individual farmers (small, medium & large scale), members of farmer associations, cooperatives, buyers/brokers, processors, transporters and various service providers.

**Balance of Trade (BOT)** - is the difference between the value of a country's exports and the value of a country's imports for a given year.

**Certification** - is the process of certifying that an agricultural produce or product has passed performance and quality assurance tests, and meets criteria or parameters stipulated in contracts, regulations or set standards.

**Commercialization** - is the process of bringing new products or services to market. The broader act of commercialization entails production, product development, distribution, sales, and customer support, to achieve the commercial success in marketing of the new product or service.

**Commodity exchange** - an exchange licenced to undertake spot and futures commodity trading and derivatives trading, and includes any clearing or settlement or transfer services connected with the transaction.

- refers to legal entity/platform that determines and enforces rules and procedures for trading standardized commodity contracts and related investment products.

**Common user facilities** - structures, equipment, facilities, permits or any other property that are jointly owned, shared, used or operated by different users for marketing purpose e.g. for aggregation, value addition, transport, etc.

**Derivative markets** - The financial market for financial instruments such as futures contracts or options that are based on the values of their underlying agricultural commodities.

**Farmer organizations** - this includes Marketing Cooperative Societies, Common Interest Groups, Aggregators, Associations, Beach Management Unit, Community Based Organizations, Kenya Livestock Marketing Council.

**Incubation centre** - An institution that assists entrepreneurs in developing their business and solving problems associated with it, especially in the initial stages, by providing among others, an array of business and technical services, initial seed funds, lab facilities, advisory, network and linkages.

**Kenya Integrated Agricultural Marketing Information System (KIAMIS)** - An information management system that integrates information on input supply, production, marketing, and value chain actors.

**Market** - A place or platform where buyers and sellers meet to facilitate exchange or transact goods and services.

**Market access** - Ease with which goods and services can be traded in a particular market.

**Post-harvest management** - a system of handling, processing, storing and transporting agricultural commodities after harvest to ensure minimal or no physical and quality loss to the commodities.

**Sanitary and phytosanitary Standards** - Quarantine and biosecurity measures which are applied to protect human, animal or plant life or health from risks arising from the introduction, establishment and spread of pests and diseases and from risks arising from additives, toxins and contaminants in food and feed.

**Small-scale producer** - farmer producing relatively low output per unit input.

**Traceability systems** - the means to track the processes from procurement of inputs to production, consumption and disposal of agricultural produce to clarify "how, when and where the product was produced by whom"

**Value addition** - entails the process of increasing the economic value and consumer appeal of an agricultural commodities.

**Value chain actors** - Those who are actually directly involved in value chain activities including farmers, traders, processors, transporters, wholesalers, retailers, final consumers, etc

**Warehouse receipt system** - means part or the whole of the process of depositing commodities in a licensed warehouse, the issuance of a warehouse receipt reflecting the quantity and quality of the deposited commodity, the management of the transfer of the receipt as a document of title and includes, but is not limited to, the regulation of warehouses and actors associated in the processes.

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Background information**

Agriculture, the mainstay of Kenya's economy, plays a critical role in ensuring food and nutrition security for the Kenyan population. According to the 2021 Economic Survey, the sector contributed approximately 23 percent of total Gross Domestic Product (GDP) and an additional 17.1 percent to GDP through linkages to other sectors such as manufacturing, distribution and services in 2020. It contributes approximately 75 percent of industrial raw materials, 65 percent of export earnings and 60 percent of the total employment. The sector employs more than 40 percent of the total population, approximately 70 percent of the rural population and is the principal source of rural incomes and livelihoods.

Kenya's agriculture is predominantly small-scale, accounting for 75 percent of the output of the total crops. The Kenya Vision 2030 emphasizes the transformation of small-scale agriculture from subsistence activities marked by low productivity and value addition to an innovative, commercially oriented, modern and internationally competitive agricultural sector. The Agricultural Sector Transformation and Growth Strategy (ASTGS, 2019 - 2029) identifies agricultural marketing as a priority for successfully transforming the agriculture sector.

Agricultural marketing is critical in improving the competitiveness and market access of Kenyan agricultural produce and products, both domestic and export. This will significantly increase the contribution of the agricultural sector foreign exchange earnings, improved livelihoods, incomes and food security. An efficient marketing system would stimulate increased production, leading to the progressive development of the agricultural sector.

### **1.2. Overview of the Agricultural Marketing in Kenya**

Agricultural Marketing policies in Kenya has transformed into two distinct phases since Independence in 1963. In the first phases the government was directly involved in the participation of economic activities such as price and foreign exchange controls, investments and production.

Phase two of economic policies started early 1980 under the Structural Adjustments Programs of the World Bank and IMF. The liberalization policy comprised of a reduction in the participation of government in economic activities and an increased reliance on market forces and private individuals and organizations in agricultural production, marketing and investment.

In the era of government controls, production and marketing for most agricultural commodities were organized under Co-operative Societies and state run Organizations eg . Kenya Tea Development Authority (KTDA), National Cereals and Produce Board (NCPB) , Kenya Co-operative Creameries (KCC) and the Kenya Meat Commission.

The policies focused on gradual price decontrols and promotion of private trade in marketing of agricultural commodities that were previously controlled by the government through various marketing boards.

In 1986 the government rolled out the wide range of policy reforms for the national economy in Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth. The Sessional paper focused on reduction of government controls with a shift towards increasing the role of the private sector in undertaking most of economic activities. The role of the government was to control and regulate private participation in the market guided by forces of supply and demand, rather than government use of direct interventions. The deregulation of markets, decontrol of prices, and trade liberalization were aimed at encouraging the private sector to play a key role in the production, marketing and processing of agricultural commodities.

The Vision 2030 emphasized on legal, policy and institutional reforms in the Agricultural sector which culminated in establishment of Agriculture and Food Authority (AFA), Kenya Agricultural and Livestock Research Organization (KALRO) and the Crops Act with specific mandates of regulation of the crop and food sub-sector, agricultural research and agricultural policy formulation.

The promulgated Constitution of 2010 devolved some Agricultural functions. The county governments are mandated to promote Agricultural production and domestic marketing while the National Government mandate is to formulate National policies and promotion of International trade.

The Government has made further reforms to agricultural marketing in Kenya through the introduction of commodity trading and the Warehouse Receipt System (WRS) in a bid to organize the market and facilitate the purchase and sale of agricultural commodities. The enactment of the WRS Act, 2019 and the Commodity exchange regulations is an essential component in developing efficient marketing and trading systems that promote social welfare. Commodity exchange and Warehouse receipting are expected to improve the efficiency of markets in the region.

In livestock sub sector the Government have established disease free zones and feed lots, livestock insurance and provision of milk coolers for aggregation and minimize post harvest losses.

The new Cooperative Development policy have outlined several interventions towards Agricultural Cooperatives. One of the proposed Policy Objective is to promote Cooperative production, value addition and marketing in order to improve returns to the farmers. This will be achieved through streamlining marketing linkages among all value chains, ensuring Cooperatives are recognized under Commodity Exchange program and creating an enabling environment for Cooperatives to engage on Public Private Partnership (PPPs) and Business Process Outsourcing (BPO) with established manufacturers in order to inject new capital and enable technology transfer among other interventions.

In the fish sub sector, reforms to enhance fish marketing have been done through development and enactment of the Fisheries Management and Development Act No. 35 of 2016. The Act establishes the Fish Marketing Authority, whose purpose is to facilitate marketing of fish and fish products to ease markets access for sustainable utilization. These will be achieved through; identification of opportunities; development of a comprehensive

marketing system; facilitation of international trade; ensuring fish safety and quality control; collaborative regulation of fish import, export and domestic trade; undertake market intelligence and diversification of fish and fish products.

### **1.3. Methodology**

A team of experts from the sector ministries, Tegemeo, KIPPRA and AGRA, was constituted to spearhead the development of the NAMS through a consultative and inclusive process. The team prepared a concept note with a roadmap for developing NAMS. The team of experts held virtual meetings during the COVID-19 pandemic, did a literature search, and reviewed relevant sectoral policies, strategies, and legislations that have a bearing on Agricultural marketing, resulting in a zero draft of the strategy. The draft was subjected to a face-to-face discussion in workshops with key stakeholders in the agricultural sector for further input on the strategy and development.

After cleaning the zero draft, the draft NAMS was presented to the Agriculture County Executive Committee Members (CECM) Caucus in Naivasha. The draft NAMS was presented to the Sectoral Working (Agriculture) Group (SWAG) on Policy Legislation and Regulations for comments and guidance on the subsequent steps.

The draft NAMS was, with the recommendation from SWAG, subjected to public consultations in all the counties. Participants in the county consultations involved the participation of producer's traders, market officials and management committees.

The draft document was presented to the Ministry leadership under the chairmanship of Cabinet Secretary, attended by all the Principal Secretaries and Heads of Departments and Directorates of the State Departments and Heads of Agencies in the Ministry for their input in the draft strategy.

After inputting the recommendations from the Ministry leadership, the draft strategy was taken for national validation and adoption.

After validation, the draft strategy was taken for publication in readiness for implementation.

## CHAPTER TWO: SITUATION ANALYSIS

### 2.1. Analysis of Agricultural Market Contribution

#### a. Trade surplus/deficit

The agricultural sector contributes 22 percent of the total trade volume, which is KSh 2,287 billion in 2020. In the same year, the trade balance improved from a deficit of KSh 1,209 billion in 2019 to a deficit of KSh 999 billion in 2020. The overall value of marketed agricultural production increased from KSh 466 billion in 2019 to KSh 509 billion in 2020, an increase of 9.3%.

In the year 2020, the value of domestic exports increased by 8.9 percent or the equivalent of KSh 567 billion, mainly on account of an increase in the value of domestic exports of horticulture and tea. During the same period, the export value of horticultural products increased by 10.6 percent or an equivalent of KSh 136 billion and accounting for 24.0% of the total domestic export earnings. Tea was the second leading foreign exchange earner after horticulture, accounting for 23.0% of the total domestic export value. The agricultural sector has a trade surplus of KSh 86,959 Million.

#### b. Trade Competitiveness

The trade expansion potential of a country in a regional trade block which is one measure of trade competitiveness, can be measured by the production similarity index (QSI). The production similarity index (QSI) measures how agricultural production patterns between a given country and other countries in a trading block are dissimilar to the production pattern in the trading block. Trade expansion index less than 60% shows a dissimilarity between countries in a regional trading block such as COMESA.

There is evidence from research that Kenya has a high regional trade expansion potential (USAID, 2021). The agricultural production similarity index for Kenya within the COMESA region is below 60 percent considering the potential for expansion in the region

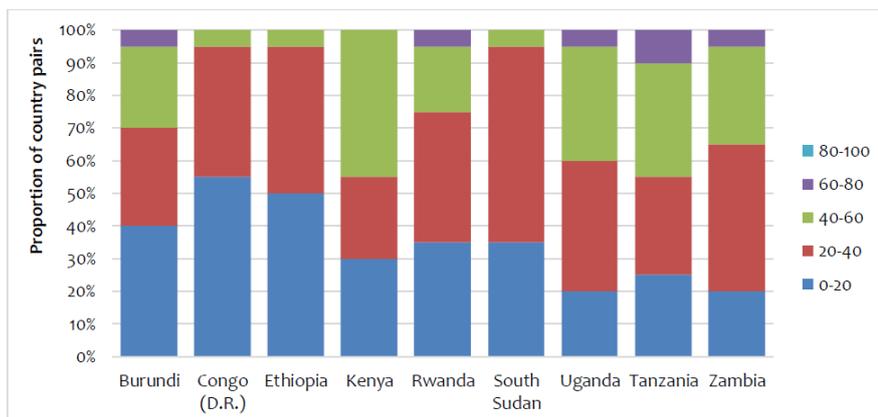


Figure 1: Distribution of production similarity index among COMESA countries, 2015-2019 (USAID, 2021).

The same study also developed a scenario analysis comparing the baseline situation, which is a continuation of the current trend of production and trade in the COMESA region and three interventions. The interventions include a ten percent reduction in trade cost, removal of cross-border trade barriers and a ten percent increase in crop yields among COMESA countries.

**c. Import Penetration and Export Intensity**

The import penetration rate shows to what degree domestic demand is satisfied by imports, while export intensity shows the percentage value of the exported national gross output. The import penetration had been declining from 17.9 percent in 2017 to 13.9 percent in 2020. This is within acceptable limits. There is an opportunity to further reduce this index through improved local production and competitiveness.

The export intensity for year 2020 was 3.49 percent.

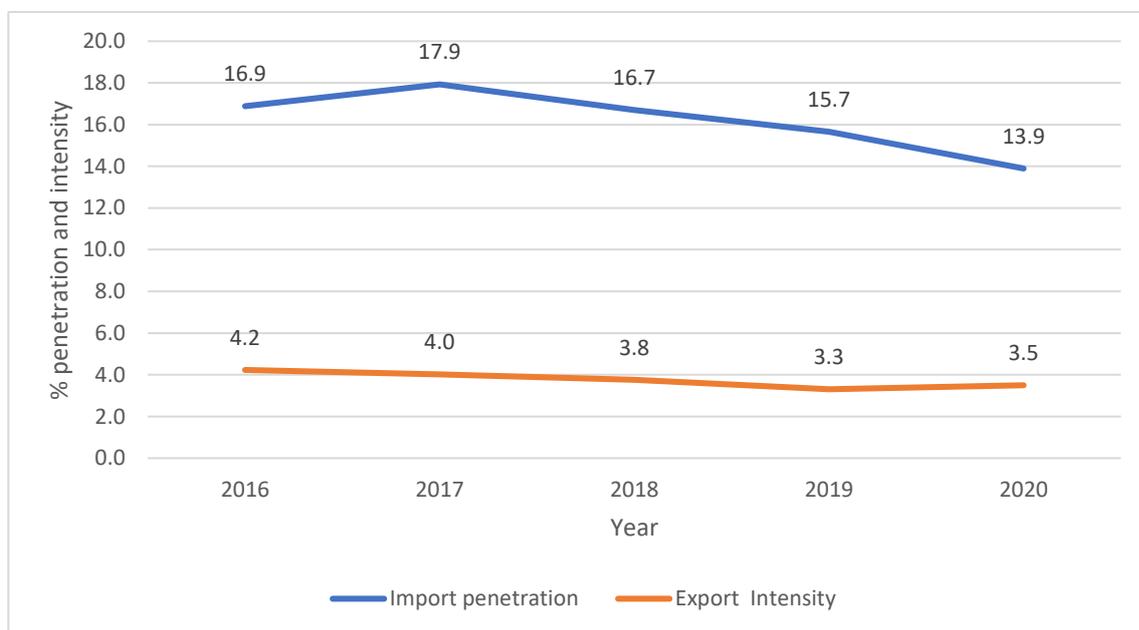


Figure 3: Import Penetration and Export Intensity between 2016-2020 (Economic Survey, 2021)

**d. Export Sector Concentration Index**

The Export Sector Concentration Index for Kenya was 59.53 percent in the year 2020. This reflects the degree to which the country exports are concentrated around the agricultural sector and affirms the dominant contribution to export earnings.

## **2.2. Analysis of Key Areas Affecting Agricultural Produce and Products Marketing in Kenya**

### **2.2.1. Market Infrastructure**

The available marketing infrastructures across the country are dilapidated, poorly designed and lack the required facilities and amenities such as value addition facilities, storage facilities, water supply, electricity, and ICT facilities. Their layouts and designs do not provide the required market facilities and designated areas for wholesale, retail, and even specific commodities. This has resulted in produce deterioration, wastage, congestion, inaccessibility of produce by customers and difficulties in produce loading and offloading. Sanitation in these markets is wanting, and in certain situations, the facilities are not conducive for use by persons with special needs.

The ideal agricultural produce market infrastructure should include the physical trading space and aggregation centres in addition to essential facilities and amenities such as value addition facilities, storage facilities, water supply, electricity and ICT facilities among others. Aggregation centres enable small-scale producers who produce smaller quantities to consolidate their produce or products to ease access to larger markets at competitive prices.

A number of strategic markets are currently being constructed and modernized through funding from National and County governments in partnership with development partners. In addition to new constructions and modernization, most county governments have dedicated funds for renovation of existing market infrastructure. These are meant to improve the marketing of agricultural commodities within the counties, country and East African region in order to cater for the needs of most agricultural marketing value chain actors such as traders and consumers.

Many markets are managed by market management committees that lack operational resources and capacity. In other instances, the infrastructure is managed by institutions that lack the technical capabilities to provide effective maintenance and operations.

### **2.2.2. Agricultural produce and product standards**

In the domestic markets, traders use unstandardized units of measure such as *goro goro* (perceived to be approximately 2kg tin) for grains and dried fish, bales of varied weights for hay, physical appearance extended bags and boxes for potatoes and tomatoes respectively and woven baskets instead of the standard SI units of weights and measures. In addition, producers undertake minimal quality enhancing value addition activities. The use of unstandardized units and uncalibrated equipments exposes smallscale producers and consumers to exploitation by middlemen and traders.

Standards are meant to regulate the quality, quantity and safety of agricultural produce and products. Standardization entails establishing and maintaining uniform measurements of produce quality and/ or quantity, simplifying produce and product trading. This ensures the producers get the right price for their produce and consumers get value for their money.

The stringent traceability requirements with respect to safety, sanitary and phytosanitary (SPS) standards and the maximum residue limits demanded by markets form major challenges for smallscale producers. Mandated authorities have inadequate capacity to carry out sampling and testing of agricultural produce.

Certification such as the Rain-forest Alliance, Fair-trade certification and Halal are becoming necessary for exports to Europe, America, middle East and others. These labels ensure and guarantee consumers that the production systems prevent deforestation, promote reforestation, protect biodiversity, mitigate the consequences of climate change and build climate resilience through climate-smart agricultural methods. More importantly, the system supports the improvement of the livelihoods of producers, farmworkers, their families, and local communities. Fairtrade goes further to guarantee premium prices to the value chain players.

### **2.2.3. Supply of Agricultural produce and products**

Kenya's agriculture is predominantly small-scale production that accounts for 75 per cent of the total agricultural output and 70 per cent of marketed agricultural produce. The majority of these producers and existing farmer groups are producing at subsistence levels with minimal surpluses for the market. In addition, the existing marketing organizations are weak in collective marketing and linkages with upstream value chain actors and are constrained by poor governance. The low quantities of surpluses from individual small-scale producers and producer groups often do not meet the market threshold required by the major buyers.

The supply of agricultural commodities in the country depends on the rainfall seasons in any given year. This results in fluctuating supply of marketable agricultural commodities in certain periods of the year. This seasonality of supplies has been worsened by climate change that has caused erratic weather patterns, production failures and outbreak of pests and disease among others.

Post-harvest losses in agricultural commodities are the measurable quantitative and qualitative losses in a given agricultural produce or product from harvest to consumption. These losses are a significant challenge in Kenya's agricultural sector, with an estimated loss of over 30% for harvested crops, 40% in dairy and 25% in fish. The causes of these losses include inadequate harvesting, handling and distribution techniques, poor storage facilities and perishability nature of agricultural commodities.

The government has implemented some initiatives to reduce post-harvest losses which has led to development of efficient post-harvest handling facilities, equipments and operations especially for the industrial crops. Some sub-sectors such as cereals, dairy, fisheries, legumes, meat, and horticulture are however neither adequate nor well-developed. Even where these facilities exist, they are largely under utilized.

#### **2.2.4. Value-addition of agricultural produce**

Value-addition is the processes undertaken to increase the economic value of agricultural commodities. Most policy documents in Kenya have identified value addition as one of the major challenges in the Agricultural sector.

Most of the agricultural produce and products are marketed in their raw form, leading to low returns. Most of the produce are exported in raw form, with a few processed, branded offshore and then re-imported for domestic consumption at very high prices. There is inadequate access to facilities and technologies that can prolong the shelf life of and add value to agricultural produce. In most cases the facilities and technologies are unavailable, and where they are available they are located far from the majority of producers. In addition, the cost of utilities especially energy to run value addition activities is comparatively higher than in neighbouring countries, thus reducing competitiveness of Kenya's value added agricultural products in existing markets.

#### **2.2.5. Marketing Channels**

Alternative agricultural markets are non-conventional marketing channels in an economy which may be new or modern ways of marketing agricultural produce and products. They include structured marketing platforms such as warehouse receipt system (WRS), commodity exchanges, futures and derivatives markets, and auctions. Other forms of alternative agricultural markets are the digital and virtual markets. Alternative markets, particularly digital marketing platforms, also reduce time and market transaction costs through matching buyers and sellers.

In the wake of covid 19 pandemic there was an observed increase in the use of alternative marketing channels especially digital marketing. The pandemic exposed the limitation of conventional means of marketing as it involves the physical presence and interaction of actors at a trading point.

The warehouse receipt system council and the Kenya Multi-Commodity Exchange (KOMEX) are already in place, and systems are being established for their operationalization. In addition, Kenya operates commodities auctions in crops and livestock, the main auctions being the Nairobi Coffee Exchange, Mombasa Tea Auction with the livestock counties like Baringo and Laikipia operating live animal auctions. These platforms are currently being improved to enhance efficiency. The futures and derivative markets are not yet well-developed for agricultural commodities and are currently dependent on the functioning of WRS and KOMEX.

#### **2.2.6. Transport Infrastructure and logistics**

Transport infrastructure and system include the physical transport networks, vessels, and operations, which are essential for the movement of goods and services to and from markets. This entails the transportation of produce from the producing areas to the market destinations, including collection centres or ports through the roads, rail, air and water.

In Kenya, the common practice of transporting agricultural produce is by general purpose commercial vehicles that do not comply with required specifications and facilities, except for a few industrial and export-oriented agricultural produce. The state of the rural and market access roads is poor, resulting in delays in collection and delivery, loss of value of agricultural produce and high cost of transportation. The high transportation costs are passed on to the consumers.

According to the World Bank Logistics Performance Index (LPI) 2018, Kenya ranked 68 out of 165 countries with an overall index of 2.81 out of a maximum of 5. Kenya is lowly ranked with regard to connectivity into the global supply chain, therefore constraining the business community to take up opportunities created by globalization.

The general state of cross-county transport network, including road, rail and port transport infrastructure, is not adequate for effective agricultural produce marketing logistics. Efficient transport and logistics facilitates market access, which is critical for agriculture since it boosts productivity, increases incomes, strengthens food security and allows producers to reliably sell more produce with better quality and at higher prices.

#### **2.2.7. Agricultural Market Intelligence, Technology and Innovation**

An effective agricultural market intelligence, research and innovation system is crucial to improving access to and competitiveness of domestic, export, alternative and speciality markets. If marketing intelligence and research are to assist producers and agripreneurs in decision-making, data and information provided must be comprehensive, accurate, timely and usable. For innovations to improve agricultural marketing, they should be accessible, affordable and easy to use by market players.

Currently, there are public, private, civil societies and international development organization that are involved in agricultural market intelligence, research and innovation. Some of these institutions include Ministry of Agriculture, Livestock, Fisheries and Cooperatives (MoALF&C); universities; Kenya Agriculture and Livestock Research Organization (KALRO)

; private agripreneurs and non-governmental organizations.

Web-based international and multilateral statistical databases such as the International Trade Centre - Market Analysis Tools (ITC-MAT), Trade Map and Food and Agriculture Statistics (FAOSTAT) are a very important source of international trade statistics. Some of these efforts are supported by development organizations and agencies such as the World Bank, World Trade Organization (WTO), Alliance for a Green Revolution in Africa (AGRA), GIZ and USAID, among others. However, there is limited capacity and use of these sources of information and innovations.

The Ministry has various initiatives to coordinate the collection, collation and dissemination of market information to all value chain actors and end-users. The Ministry has also developed the Kenya Agricultural Market Information System (KAMIS), a digital platform to collect market information from markets covering the 47 counties. The Ministry intends

to go a step further to ensure that all organizations and state corporations that collect market information are linked to KAMIS.

There are several agricultural marketing innovations by various actors being promoted and used on smallscale. Examples of this include digital marketing platforms such as Mkulima young, Mfarm, Farmer's Market Kenya, Digifarm, iShamba, Vuuna, Ujuzikilimo and Taimba among others. However, these are not the only innovations available and there is need to identify additional innovations and upscale them for agricultural marketing.

There is low prioritization and limited public funding for agricultural market intelligence and research. There is also significant information asymmetry between players in agricultural value chains. Even where market data and information may be available, it is often segmented, making access difficult. These have resulted in inadequate access to agricultural market information in domestic and specific external markets for market players' decision-making, especially in countries where Kenya has no diplomatic or bilateral trading arrangements.

There is limited access to market research findings because of inadequate information sharing and exchange platforms among players generating and those using market research information. In addition, there are inadequate systems for identifying, nurturing, and commercializing innovations, which has resulted in low utilization of research findings and innovations in agricultural marketing.

### **2.2.8. Marketing Capacity**

Marketing capacity is the ability to efficiently undertake the marketing function based on adequacy of the human resources (numbers, skills and competencies), financial, and institutional arrangements. Marketing capacity determines the ability of the agricultural sector to design and execute marketing functions that effectively increase Kenya's market share and competitiveness.

In Kenya, some of the value chain actors have inadequate capacity to carryout market survey, analyse and interpret market information. This is especially so, for the SMEs and individual farmers. Human resource capacity in terms of staff numbers, skills and competencies required to effectively implement the marketing functions is poor in both public and private institutions.

Marketing of agricultural produce and products requires capital and insurance. The cost of credit provided by financial services providers remains high and lack of specific insurance products designed to meet the needs of the marketing function of agricultural commodities. This affects the ability to invest in marketing and thus affects participation in both the domestic and export markets.

### **2.2.9. Access to Domestic and Export Markets**

#### a) Conventional agricultural produce and products

Kenya relies on a limited number of export produce and products and trade partners, making the country vulnerable to competition from other countries who produce similar products with comparable quality, targeting the established global markets. These produce are mostly exported in their raw and semi-processed forms. A number of challenges continue to hinder access to markets. These include; limited adoption of online clearing systems across both regional and international markets; limited information on efficient inland and maritime logistics; challenges in export of commodities due to emerging pests and diseases; inadequate capacity of responsible institutions to enforce compliance to SPS standards and the dynamism of the SPS requirements in export markets.

#### b) Speciality produce and products

Demand for speciality products in Kenya is low but growing and is largely driven by high-end consumers consisting of well-educated and financially independent Kenyans from the middle-class segment who are increasingly becoming aware of the benefits of healthy eating. In addition, tourists and the expatriate community consume 65 percent of the speciality products sold in Kenya. Therefore, agricultural speciality value chain players could significantly increase their incomes if they are supported to join speciality food schemes.

Speciality markets are specific consumer groups targeted with commodities that have unique attributes, commonly defined as speciality produce and/ or products. Speciality products are typically high-priced and differentiated with clear brand identification. In addition, Speciality markets focus on a narrow and specific range of merchandise and related items instead of markets that sell a large number of consumer goods categories. Examples of such products are branded as organic, or Halal.

In addition, origin branding concepts such as geographical indications are also gaining ground in Kenya. Geographical indications are a branding concept that identifies products with unique qualities attributable to the natural and human factors associated with the area of origin.

Halal Certifications is vital in informing the Muslim community on the agricultural produce and products acceptable to the Islam religion.

Speciality crops and livestock exhibit a great potential to form a significant part of Kenya's agricultural exports. The production of Speciality produce and products is low but rising in Kenya to supply the rising demand. For instance, only about 200,000 farmers are organic farmers, with only 13,000 having undergone certification, according to a report published by the Kenya Organic Agriculture Network in 2014.

Some of the issues facing Speciality produce, products and markets including but not limited to underdeveloped speciality value chains, lack of policy to support speciality sub-sector, inconsistent supply of speciality products in the market, lack of designated areas for the sale

of speciality produce and products in physical markets, and high cost of certification of speciality produce and products.

### 2.3. Analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT)

<i>Strength</i>	<i>Weakness</i>
<ol style="list-style-type: none"> <li>1. Ongoing and some developed modern transport infrastructure, physical market and regional hubs at the regional and county levels</li> <li>2. Existence standards and certification systems</li> <li>3. Suitable agroclimatic conditions and technical knowledge and capacity to manage and wide range of agricultural produce and associated value chains</li> <li>4. Well-developed agricultural produce value chains in which Kenya has a comparative advantage in the region and globally, e.g. tea and horticulture coffee</li> <li>5. Availability of institutions and infrastructure for aggregation of farm produce</li> </ol>	<ol style="list-style-type: none"> <li>1. Inadequate poorly maintained and managed transport infrastructure and facilities in most of the existing physical markets</li> <li>2. Low compliance with standards.</li> <li>3. Inadequate market information for decision-making</li> <li>4. Inadequate exploitation of existing production and associated value chain technical capacity.</li> <li>5. Post-harvest losses of agricultural produce</li> <li>6. Low value addition of agricultural produce</li> <li>7. Inadequate market infrastructure and associated facilities in existing markets, e.g. cold storage</li> <li>8. Low utilization of research findings, marketing technology and innovation in agricultural marketing.</li> <li>9. Few and/underdeveloped marketing channels.</li> <li>10. Underdeveloped speciality value chains</li> <li>11. Inefficient inland logistics for regional and international trade.</li> <li>12. High cost of transport and poor access to physical markets for agricultural produce.</li> <li>13. Produce interception due to none compliance.</li> <li>14. Limited exploitation of opportunities in bilateral, regional and multilateral trade agreements.</li> <li>15. Inadequate strategies to market Kenya value added products in international.</li> <li>16. Inadequate agricultural marketing capacity</li> <li>17. Inadequate access to financial services</li> <li>18. Low prioritization of and inadequate market research, intelligence and dissemination coupled with poor research findings and users of market information</li> <li>19. Weak governance of cooperatives and marketing organizations and value chain groups</li> <li>20. High cost of production and processing in Kenya</li> </ol>

	<ul style="list-style-type: none"> <li>21. High costs of agro-inputs (agricultural value addition equipment),</li> <li>22. Poor enforcement of laws, regulations and standards.</li> </ul>
<b><i>Opportunities</i></b>	<b><i>Threats</i></b>
<ul style="list-style-type: none"> <li>1. Existence of Strong Trade Logistics institutions in Maritime, Air, Rail and Road Transport</li> <li>2. Political good will and willingness by various actors including development partners to invest in infrastructures</li> <li>3. Strategic location of the country as regional economic Hub</li> <li>4. Existence of Strong Trade Logistics institutions in Maritime, Air, Rail and Road Transport and advanced technology - internet connectivity and telecommunication network (ICT platform)</li> <li>5. Growing local, regional and international demand for quality agricultural produce and products</li> <li>6. Bilateral and multilateral agreements with key markets</li> <li>7. Existing policies supporting agricultural marketing</li> <li>8. Special Agricultural Economic Zones (AEZs) for value addition and export promotion</li> <li>9. Established and emerging alternative marketing windows/channels such as Warehouse Receipt System</li> <li>10. Established and emerging niche markets for speciality products</li> </ul>	<ul style="list-style-type: none"> <li>1. Seasonally of agricultural production due to dependence on rainfall agriculture and inadequate storage and value addition</li> <li>2. Inadequate market research, intelligence and dissemination of market information</li> <li>3. Inadequate supplies of agricultural commodities.</li> <li>4. Unfavourable taxation regimes along the agriculture commodity value chains</li> <li>5. Intense competition from imports</li> <li>6. Competition from countries exporting to Kenya established markets.</li> <li>7. Cultural barrier in the continental markets.</li> <li>8. Multiple taxes, levies and fees.</li> </ul>

#### 2.4. Political, Economic, Social, Technology, Environmental and Legal (PESTEL) Analysis

Political	Economic	Social	Technology	Environmental	Legal
<ul style="list-style-type: none"> <li>✓ Membership to Regional and continental trading blocks.</li> <li>✓ Political interference in the governance of cooperatives and marketing associations</li> <li>✓ Number of Governments institutions imposing taxes</li> <li>✓ Harmonization of the regional standards, e.g. East Africa standards</li> </ul>	<ul style="list-style-type: none"> <li>✓ Bilateral and multilateral trade agreement</li> <li>✓ Inter-county trade</li> <li>✓ Availability of credit support progrNAMS e.g. for post-harvest handling</li> <li>✓ Improving market infrastructure and facilities</li> <li>✓ Joint venture to offer financing e.g. Private-public partnership</li> <li>✓ Availability of insurance products for agricultural products.</li> <li>✓ Branding of products.</li> <li>✓ Multiple taxation, cess and levies</li> <li>✓ Low private sector investments.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Changes in consumers tastes and preferences</li> <li>✓ Group and marketing</li> <li>✓ High demand of value added products</li> <li>✓ Hiring and leasing of capital and value Addition equipment (Common User Facility)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Modern technology in post-harvest handling.</li> <li>✓ Digital marketing e.g. E-commerce</li> </ul>	<ul style="list-style-type: none"> <li>✓ Different standards for various market destination.</li> <li>✓ Emerging competitors in various market destination.</li> <li>✓ Forex fluctuation.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Supportive legal instruments for contract farming, guiding marketing and brokerage</li> </ul>

## **2.5. Summary of Strategic Issues**

1. Inadequate market infrastructure and associated facilities
2. Noncompliance with agricultural produce and product standards
3. Inadequate Supply of Agricultural produce and products
4. High post-harvest losses of agricultural produce
5. Low value-addition of Agricultural produce
6. Underdeveloped marketing channels
7. Poor access roads to physical markets for agricultural produce and products.
8. Inefficient logistics for local and international trade
9. Inadequate market information for decision-making.
10. Low utilization of technology and innovations in agricultural marketing.
11. Poor management of markets and marketing inefficiencies
12. Inadequate access to financial services
13. Low Access to markets

## **2.6. Rationale for Agricultural Marketing Strategy**

The agricultural sector supports the livelihoods of 84% of the rural community and is a significant contributor to the national foreign exchange. The welfare and livelihood of this rural community depends on an efficient agricultural marketing system. The government and other stakeholders have over the years spent substantial resources building the productive capacities of rural communities. This is in addition to empowering them through supporting various productivity enhancing projects, research and technology transfer. Most of the projects have had market access as part of their components, and efforts have also been made to capacity building on market access in all other interventions. Unfortunately, most of the rural smallscale agricultural producers have not commercialized to the extent of benefiting on these efforts. This scenario can partly be attributed to the policy gaps in the area of agricultural marketing. In addition, where strategies have been developed, they have tended to focus on specific commodities rather than an agricultural sector marketing approach. This, necessitates formulation of a strategy that will streamline the activities of various players along the value chain so as to facilitate efficient agricultural trade and promote the competitiveness of Kenyan agricultural commodities in both domestic and external markets. The strategy is designed to bring about real, measurable change and is based on an understanding of the determinants of markets and shall provide anchorage for the commodity- specific strategies, Thus, this strategy will fill the policy gap and guide the process of addressing the bottlenecks in agricultural marketing.

## **CHAPTER THREE: GOALS, OBJECTIVES AND STRATEGIES**

### **3.1 Strategic Focus**

The Agriculture Marketing Strategy draws upon and shall be complimented by a number of guiding national and sectoral policies and strategies that also deal with trade issues. These include the following;

- (i) The Agricultural Sector Growth and Transformation Strategy;
- (ii) Agriculture Policy
- (iii) National Trade Policy
- (iv) National Livestock Policies;
- (v) The Standards Act
- (vi) National Industrial Policy;
- (vii) Competition Policy;
- (viii) Investment Policy;
- (ix) National Intellectual Property Policy and Strategy; and,
- (x) Other Sectoral Policies and Strategies.

The Agricultural Marketing Strategy will be central in guiding agricultural produce and product marketing and shall be implemented in complementarity with these policies strategies and legal frameworks. The purpose of the strategy is to transform markets and marketing systems into competitive, profitable and beneficial entities to all value chain actors.

### **3.2 Strategic Objectives**

The overall aim of the agricultural marketing strategy is to improve the competitiveness and increase market access for Kenyan agricultural produce and products in all market segments in order to enhance incomes and livelihoods of producers and other value chain actors. Strategic Objectives include:

1. To develop and maintain modern market infrastructure for efficient marketing of agricultural produce.
2. To facilitate compliance to agricultural produce and products standards.
3. To achieve sustainable supply of agricultural produce and products that meet market demand
4. To improve the value of agricultural produce for increase market access
5. To enhance adoption of modern and innovative systems for marketing of agricultural produce and products
6. To develop an efficient and reliable transport infrastructure and logistics for movement of agricultural produce and products to markets.

7. To increase market access through innovative use of agricultural market intelligence and technology
8. To improve efficiency in the marketing of agricultural produce and products
9. To enhance and maintain market position and competitiveness of Agricultural produce in new and established markets.

### **3.3 Strategic Values and Principles**

The strategy is underpinned by the following set of core values that guide the actions emerging from the strategy:

- (i) Competitiveness
- (ii) Transformation
- (iii) Inclusiveness
- (iv) Performance
- (v) Efficiency

### **3.4 Strategic Areas**

The following strategic priorities for the National Agricultural Marketing Strategy have been derived from the situational analysis. The agriculture marketing strategy has 9 strategic areas divided into 5 strategic pillars and 4 strategic enablers.

#### **Strategic Pillars**

##### **Strategic Pillar 1: Market Infrastructure**

**Strategic Objective 1:** To develop and maintain modern market infrastructure for efficient marketing of agricultural produce.

##### **Strategic Issue 1.1:** Inadequate market infrastructure and associated facilities

Many areas designated as markets do not have required agricultural market infrastructure. Most existing markets do not have designated areas for agricultural produce and products. However, where they exist they are poorly maintained and lack appropriate facilities such as value addition, storage, and sanitation. In addition, farmers lack aggregation centres with appropriate infrastructure.

**Strategy 1.1.1:** Develop modern and maintain existing physical agricultural produce markets.

- a) Mobilization of funds and prioritize development and maintenance of market infrastructure and facilities that meet the requirements of various agricultural commodities.
- b) Develop guidelines for allocation of revenue generated from markets to include maintenance of infrastructure and facilities in the market.
- c) Develop standards and designs, and formulate procedures for improvement and maintenance of market infrastructure.

- d) Promote private sector investment in the completion of incomplete stores, utilization of idle ones and construction of new ones under PPP.
- e) Capacity build market management committees on skills for maintenance of market infrastructure.

**Strategy 1.1.2:** Establish and develop aggregation centres with appropriate infrastructure and associated facilities for agricultural produce to attain economic volumes

- a) Conduct and document baseline information on aggregation infrastructure and associated facilities across the country.
- b) Mapping out areas for the establishment of aggregation centres
- c) Increase investments for development of aggregation infrastructure and associated facilities (common-user facilities).
- d) Develop and disseminate guidelines on the establishment and maintenance of aggregation infrastructure and associated facilities
- e) Capacity build farmer organizations and management committees on skills for maintenance of the aggregation centres.

## **Strategic Pillar 2: Agricultural Produce and Product Standards**

**Strategic Objective 2:** To facilitate compliance to agricultural produce and products standards.

**Strategic Issue 2.1:** Non-compliance with agricultural produce and product standards

Most agricultural produce and product have standards, save for some emerging and speciality produce and products. There are instances of non-compliance to set standards due to lack of awareness, high cost of compliance and weak enforcement.

Further, emerging challenges (such as pest, diseases, chemical residual level and contaminants) that were previously non-existent in commodities for export, and the frequent changes in the SPS requirements in export markets have led to Kenyan export commodities in the regional and international markets being intercepted on a number of occasions.

**Strategy 2.1.1:** Enhance compliance with set standards

- a) Development of standards for agricultural produce and product
- b) Promote adoption of standards among value chain actors through awareness creation and capacity building of value chain actors.
- c) Carry out surveillance to enforce compliance.
- d) Establish bilateral arrangement with counterpart institutions in export destinations to streamline export requirements.

**Strategy 2.1.2:** Enhance the Capacity of surveillance institutions at National and County levels to enforce compliance to standards.

- a) Increase, upgrade and modernize physical facilities and technological infrastructure for sampling and testing.
- b) Develop structures for enhancing coordination among the regulating agencies.
- c) Capacity building of inspectors and graders in sampling, testing and reporting.
- d) Capacity building of enforcement and judicial agencies on existing standards
- e) Increase the number of inspectors.
- f) Develop and implement traceability systems for agricultural produce and products

### **Strategic Pillar 3: Supply of agricultural produce and products**

**Strategic Objective 3:** To achieve sustainable supply of agricultural produce and products that meet market demand

**Strategic issue 3.1:** Inadequate Supply of Agricultural produce and products

The marketing of agricultural produce and products are beset by low volume and inconsistent supply due to dependence on individual marketing by small-scale farmers, seasonal rains and poor distribution channels for agricultural produce and products from areas of plenty to deficit areas. Further, there exist weak linkages between the existing marketing organizations and the upstream value chain actors. In addition, the supply of agricultural commodities is affected by inadequate access to quality farm inputs and support services.

**Strategy 3.1.1:** Streamlining supply of Agricultural produce and products

- a) Mobilization and formation of all-inclusive agricultural production and marketing clusters in each ward
- b) Link producers to other value chain actors, marketing organizations, aggregation centres and Processing Hubs.
- c) Develop and improve infrastructure and management of public irrigation schemes and water reservoirs.
- d) Facilitate formation of small-scale producers into marketing organizations to take advantage of economies of scale and improve farmers' bargaining power
- e) Capacity building of farmer's marketing organization on coordination of production, marketing and governance.
- f) Promote contract farming between producers and buyers
- g) Develop and implement code of conduct for the producers
- h) Promote the adoption of climate-smart production technologies

- i) Develop and implement Kenya Integrated Agricultural Market Information System (KIAMIS) to monitor and disseminate information on seasonal variation of produce and products availability and pricing.

**Strategy 3.1.2:** Promote access to quality agricultural inputs

- a) Develop and implement bulk inputs supply models for production/ marketing clusters.
- b) Develop and implement models for supply of support services to farmers.
- c) Develop and implement a community-based bulking of germplasm.
- d) Link production and marketing clusters to agro-dealers and other services providers

**Strategic issue 3.2:** High post-harvest losses of agricultural produce

It is estimated that over 30 percent of harvested crops, 25 percent of fish, and 40 percent of dairy along the value chain is lost due to poor post-harvest management, inadequate /inappropriate storage facilities, poor produce handling, and poor linkages to markets.

**Strategy 3.2.1:** Promote post-harvest and preservation technologies to reduce loss of Agricultural produce.

- a) Capacity building of value chain actors on appropriate post-harvest and preservation techniques.
- b) Establish linkages between producers to market.
- c) Map out underutilized and idle public and private storage facilities and make them available to value chain actors for use.
- d) Promote investment in post-harvest technologies by food processing hubs and aggregation centres.
- e) Develop and implement progrNAMS for post-harvest loss reduction.

**Strategic Pillar 4: Value addition of agricultural produce**

**Strategic Objective 4:** To improve the value of agricultural produce to increase market access

**Strategic issue 4.1: Low value-addition of Agricultural produce**

There is inadequate access to facilities and technologies that can prolong the shelf life of and add value to agricultural produce. In most cases the facilities and technologies are unavailable, and where they are available they are located far from the majority of producers. In addition, the cost of energy to run value addition activities is comparatively higher than in neighbouring countries, thus reducing competitiveness of Kenya's value added agricultural products in existing markets.

**Strategy 4.1.1:** Promote access to appropriate value addition facilities and equipment.

- a) Map out value addition hubs and assemble existing idle value addition equipment and facilities.
- b) Identify space at existing public facilities and aggregation centres,
- c) Establish value addition common user facilities with skilled human resource.
- d) Training of staff at the common user facilities on entrepreneurship and business skills, appropriate processing/ value addition technologies, Good Hygiene practices (GHP), Good Manufacturing Practices (GMP) product standard's and specifications,
- e) Identify value addition technology (equipment & machinery gaps) gaps,
- f) Develop and implement bulk-purchasing models for imported value addition equipment.
- g) Develop and implement business models for value addition for agricultural produce.
- h) Organize business to business meetings to share available value addition business models, and match MSMEs to suppliers and financial institutions.
- i) Promote consumption and marketing of processed agricultural products.
- j) Lobby for tax reduction on value addition equipment and reduction of power tariffs for value addition and processing of agricultural produce.
- k) Promote investment in green energy e.g. solar, biogas, wind to enhance competitiveness and market access for agricultural produce and products.

**Strategic Pillar 5: Marketing Channels**

**Strategic Objective 5:** To enhance adoption of modern and innovative systems for marketing of agricultural produce and products.

**Strategic Issue 5.1: Underdeveloped marketing channels**

Most marketing of agricultural produce is done through conventional channels that includes producers, brokers, retailers, wholesalers and processors. In the recent past there has emerged alternative marketing channels such as digital and virtual markets; auctions, warehouse receipt system (WRS) and commodity exchanges; and derivatives markets like futures. These are however few and not fully developed in Kenya and therefore are limited in usage in marketing agricultural produce and products in the domestic, regional and international markets.

In addition, Kenya has well-developed facilities and infrastructure such as Mombasa and Lamu Ports, In-land Dry Ports, Konza Techno City, Jomo Kenyatta International Airport, and modern road and rail networks, which offer opportunities for trade.

**Strategy 5.1.1:** Strengthen the existing and emerging agricultural alternative trading platforms

- a) Fast track the ongoing reforms to improve trading at the Nairobi Coffee Exchange and Mombasa Tea Auction
- b) Operationalize the warehouse receipt system and Kenya Commodity Exchange (KOMEX).
- c) Facilitate trade in futures and derivative markets
- d) Provide incentives to attract investment in digital trading platforms.
- e) Support direct marketing of agricultural producers, e.g. by designating a farmer's market day in existing markets and special areas.
- f) Establish quality assurance system for online marketing of agricultural produce.
- g) Sensitization of users, including communities, importers and exporters through alternative marketing channels.
- h) Support capacity building for value chain actors across the warehousing and commodity exchange ecosystem.
- i) Development of new and review of existing standards for storage facilities such as warehouses, cold storage for agricultural commodities to be traded.
- j) Institute measures for attracting investments in warehousing and trading focusing on regional and county priority value chains, such as financing to develop aggregation facilities, warehouses, and warehousing facilities.

**Strategy 5.1.2:** Exploit Kenya's unique location and infrastructure as a regional trading hub for the export of agricultural produce and products.

- a) Establish efficient produce handling facilities and operations
- b) Coordination of one-stop clearing and handling of agricultural produce and products for export to ease business transactions.
- c) Provision of tax incentives to market players.

### **Strategic Enabler 1: Transport infrastructure and logistics**

**Strategic Objective 6:** To develop an efficient and reliable transport infrastructure and logistics for movement of agricultural produce and products to markets.

**Strategic Issue 6.1:** Poor access roads to physical markets for agricultural produce and products.

Poor conditions of access roads lead to high cost of transport, delays and post-harvest losses.

**Strategy 6.1.1:** Development and maintenance of rural access roads

- a) Increase budget allocation for development and maintenance of rural access roads

- b) Encourage private sector to invest in improvement of rural roads.
- c) Develop and promote use of models for community based road maintenance.

**Strategic issue 6.2:** Inefficient logistics for local and international trade

Access to agricultural produce and products markets at the local and international levels, have been greatly hampered by poor logistics, including:

- a) Unreliable and inefficient freight transport
- b) Limited use of appropriate transport vessels.
- c) Limited information on efficient inland and maritime logistics to reach target markets
- d) Inadequate implementation of harmonized customs clearance and administrative procedures that differ from country to country.

**Strategy 6.2.1:** Promote the use of appropriate transport vessels

- a) Sensitization of transporters and traders on the industry-specific codes of practice for handling, packaging and transportation of agricultural produce.
- b) Enforcement of standards and specifications for handling, packaging and transportation of agricultural produce.
- c) Modernization of existing transport vessels to conform to food safety requirements.

**Strategy 6.2.2:** Improve on logistics for efficient transportation of agricultural produce and products to the markets

- a) Advocate for the development, adoption and harmonization of the online clearing systems.
- b) Sensitize and capacity build the value chain actors on efficient logistics management
- c) Monitor and address the emerging bottlenecks to efficient transport and logistics
- d) Promote partnerships with international retail chains and facilitate the expansion of Kenya based retail chains to distribute Kenyan value-added products to the regional and international markets.
- e) Establish Common user facilities in the export markets for ease of logistics (such as warehouses).
- f) Enhance Maritime investments and partnerships in commercial shipping vessels
- g) Promote strategic partnerships with the national and other airlines for efficient air freight

## **Strategic Enabler 2: Agricultural Market Intelligence, Technology and Innovation**

**Strategic Objective 7:** To increase market access through innovative use of agricultural market intelligence and technology

**Strategic issue 7.1:** Inadequate market information for decision-making.

The current market information collection and dissemination is limited in scope, leaving out vital market data and information such as transport costs, local and international market produce demand, produce quality and safety. This is due to low prioritization and limited public funding for market intelligence research. In cases where research information exists, there is low utilization of these research findings for decision-making. This is partly due to existence of barriers to access to data and information on certain domestic and external markets, leading to information asymmetry between industry players and producers, resulting in exploitation of producers.

**Strategy 7.1.1:** Promote market intelligence and research.

- a) Undertake awareness creation on Agricultural market information system to value chain actors.
- b) Increase public budgetary allocation to agricultural market intelligence
- c) Establish partnerships and collaborations between public and private research organizations, universities and industry players that enhance the capacity to attract funds for market intelligence.
- d) Develop standard operation procedures for data collection and management.

**Strategy 7.1.2:** Enhance access to data and information on domestic and external markets.

- a) Establish and manage an Agricultural Market Information System (AMIS) for gathering, analyzing, storing, and sharing relevant and timely information on domestic and external (regional and international) markets for agricultural produce, products and value chain actors.
- b) Integrate Agricultural marketing system into Kenya integrated agricultural management information system (KIAMIS) and big data.
- c) Build and strengthen capacity of various actors including the youth for collection, processing and dissemination of market data and information.

**Strategy 7.1.3:** Enhance utilization of market research findings

- a) Mainstream information from market research in agricultural advisory services.
- b) Increase utilization of market research findings by providing credible market information
- c) Strengthen linkages and collaboration between public and private sector research institutions with industry players to promote utilization of research findings.

**Strategic issue 7.2:** Low utilization of technology and innovations in agricultural marketing.

There is low identification, nurturing and commercialization of innovations. This is a result of limited access to market research findings

Technological capacity in transportation, storage, sorting, processing and packaging of produce and produce is low. Existing Market Information Systems are not linked and are limited in technological capacity, resulting in delayed dissemination of information on marketing.

**Strategy 7.2.1:** Promote identification, incubation and commercialization of agricultural marketing innovations.

- a) Awareness creation on opportunities for development of market innovations
- b) Establish platforms for the identification of promising innovations.
- c) Develop a system for incubation and commercialization of innovations.
- d) Sensitization of innovators on the existence of public and private Funds for development of market innovations
- e) Promote utilization of processing hubs and aggregation centres as incubation centres for agricultural marketing innovations.

### **Strategic Enabler 3: Marketing capacity**

**Strategic Objective 8:** To improve efficiency in the marketing of agricultural produce and products

**Strategic Issue 8.1:** Poor management of markets and marketing inefficiencies

The management of physical markets to facilitate the marketing functions of aggregating; storing and warehousing; standardization and grading; transportation, and trading is poor due to weak supporting structures and institutions such as market management committees, marketing cooperatives and other organized producer and trader organizations. Where such institutions exist, the required management to organize market operations and marketing skills sets to facilitate the marketing functions are inadequate or lacking. In addition, staffing levels within the national and county government institutions are low, affecting the ability of Government to train the actors.

There is also low capacity amongst value chain actors, especially the small and medium market actors, to analyze markets, interpret market information, undertake market surveys, and effectively negotiate better trading terms.

**Strategy 8.1.1:** Enhance the capacity of various market players on management of markets and marketing

- a) Enhance the capacity of government institutions both at national and county levels to support training of market management committees and other market players

- b) Establish and train management committees for all markets and aggregation centres on management skills and governance
- c) Develop and implement market management guidelines.
- d) Coordinate the implementation of good marketing practices and enforce adherence to laws, regulations and guidelines for traders in designated physical markets, aggregation centres and alternative market platforms
- e) Establish and use stakeholder forums for continuously engaging and exchanging information on best practices in management of markets and marketing of agricultural produce in both the domestic and international markets
- f) Establish sustainable funding mechanism to support market management activities/operations

**Strategic Issue 8.2: Inadequate access to financial services**

With inadequate access to credit, agricultural value chain players are hard-pressed to finance capital investment and export financing. Marketing of agricultural commodities is also a high-risk venture that requires insurance services, which are hardly accessible.

**Strategy 8.2.1: Enhance access to financial services**

- a) Develop innovative credit models that are appropriate to support traditional, new and emerging agricultural produce and product supply chains such as aggregating; storage and warehousing; standardization and grading; transportation, and trading,
- b) Promote the development of insurance products that are appropriate to support agricultural marketing, such as risk-bearing financing
- c) Promote development of financial products targeting youth and women in agricultural marketing.

**Strategic Enabler 4: Access to domestic and export markets**

**Strategic Objective 9:** To enhance and maintain market position and competitiveness of Agricultural produce in new and established markets.

**Strategic Issue 9.1: Low Access to markets**

Low competitiveness of agricultural produce in the domestic and export markets resulting from multiple taxation of agricultural produce by the County and National government; limited exploitation of opportunities in bilateral, regional and multilateral trade agreements; stiff competition from countries exporting to Kenya established markets; Limited diversification into new and emerging markets; export of raw bulk commodities; and cultural barrier associated with colonial affiliations in the continental markets. These have reduced market access, resulting in increased imports as well as reduced exports of Kenyan Produce.

There also exist speciality produce and products such as purple tea, infused tea, organically grown, whose markets are underdeveloped due to low demand and limited knowledge of local and international markets requirements.

**Strategy 9.1.1:** Create favourable taxation regimes

- a) Harmonize payment of cess, fees and levies for agricultural produce in the domestic market
- b) Institute fiscal measure that promote export of Kenyan Agricultural produce and products
- c) Evaluate and review agricultural taxation regimes for different value chains for purposes of tax regime decision-making

**Strategy 9.1.2:** Promote exploitation of opportunities in bilateral, regional and multilateral trade agreements

- a) Promote a culture of comprehensive inclusivity in trade negotiations.
- b) Mainstream implementation of bilateral and multilateral opportunities in strategies and operations of the MDAs
- c) Build the capacity of value chain players to respond to regional and international market opportunities
- d) Enhance bilateral and multilateral engagements to streamline export processes to improve market position and competitiveness in international markets
- e) Diversify to new and emerging markets to expand the export markets.
- f) Partner with non-agricultural sectors such as tourism and the hospitality industry in promotion initiatives.
- g) Organize and participate in exhibitions and fora focused on Kenyan agricultural produce and products in the local and international markets

**Strategy 9.1.3:** Promote Kenyan speciality products in local and international markets.

- a) Conducts market research to identify opportunities in existing speciality markets
- b) Conduct research on Kenyan products to identify unique characteristics that can qualify them to be speciality products.
- c) Organize and participate in exhibitions and fora focused on speciality products in the local and international markets
- d) Expand product range of speciality products for both domestic and international markets

## CHAPTER FOUR: STRATEGY IMPLEMENTATION

The implementation of this strategy will be undertaken by various stakeholders at the national and county levels. The implementation of this strategy, this will require effective coordination of key industry stakeholders; mobilization of adequate funding for strategy implementation, implementation of effective risk mitigation measures, development and deployment of an effective information and knowledge management system and proper monitoring and evaluation of implementation measures

To realize the objectives of this strategy a number of assumptions have been made. These include that there will be: political good will; adequate resources; prudent use of resources; professionalism; improved sector coordination and collaboration; between various agencies within Government at the national and county levels and between public and private sector actors

### **4.1 Coordination of Key industry Stakeholders in Strategy Implementation**

#### **4.1.1 Key Stakeholders and their Roles**

##### **a. National and County Government level Departments and Agencies**

Government Ministries, Department and Agencies will continue to play the policy environment enabling role and that of regulation. The principal ministries who shall play the lead and coordination roles for the Agriculture Marketing Strategy will be the Ministry of Agriculture and the Ministry of Trade and the departments of agriculture and trade at the county level. Additionally, key public agencies in Agriculture including the Agriculture and Food Authority, Kenya Plant Health Inspectorate Service, Kenya Bureau of Standards will work with the National and County Governments and private sector actors.

##### **b. Private sector actors**

Private sector actors include producers of various agricultural commodities and all other non-state actors along the various marketing supply chain. The private sector is responsible for the production, processing and marketing of agricultural commodities and provision of marketing services. To enhance efficiency and effectiveness in marketing of agricultural commodities and provision of related services, the private sector will be expected to form and strengthen stakeholders' umbrella associations for the retail, wholesale, and export trading and to champion and spearhead stakeholder interest while also developing good codes of practices amongst members. It is expected the associations will enable the effective provision of services related to marketing such as quality assurance, linking producers to markets and capacity building.

##### **c. Development partners**

The development partners will be responsible for technical and development cooperation; resource mobilization and funding of agricultural marketing strategies and programmes and

supporting capacity building of stakeholders.

## **4.2 Strategy Implementation Coordination**

The implementation of the Agriculture Marketing Strategy will make use of established structures under the National Trade Policy of 2015 rather than establish new implementation structures. These structures consist of the;

- (i) Trade Sub-Technical Committee established in accordance with the Intergovernmental Relations Act (Chapter 5G), and comprising of representatives from the National and County Government under the names: National Trade Sub-Technical Committee and County Trade Sub-Technical Committee.
- (ii) National/County Trade Consultative Forum for steering the implementation of the trade policy and comprising members drawn from the National and County Governments Trade Technical Committees.
- (iii) National Trade Technical Committee and the County Trade Technical Committees, an advisory body whose function is to guide the overall trade policy formulation, provide an effective mechanism for intra-governmental policy coordination of cross cutting trade

Agricultural Marketing Strategy implementation will benefit from the structures at which key public and private marketing actor will be represented.

## **4.3 Capacity and Resource Mobilization**

### **4.3.1 Funding for Strategy Implementation**

Resources for implementation of activities assigned to the National Government outlined in the Strategy Implementation Matrix shall be mobilized by the national government from its normal budgetary allocations and national programmes and budgets funded by development partners. The County governments shall mobilize resources through mainstreaming of Strategy in the County Integrated Development Plans (CIDPs) and budgetary allocations in annual workplans as well as sourcing for funding from donors for investments falling under the county governments. The major funding areas for the two levels of government will focus on creation of enabling environment and expenditures on public goods and services targeted at improving efficiency in marketing.

Private sector actors are expected to mobilize resources for investments along the marketing value chain through their normal budgeting cycles.

### **4.3.2 Funding for Coordination of Strategy Implementation**

Resources for coordination of strategy implementation shall be mobilised by both the National and County government as per the coordinating structures and institutions established under the section 4.2 of this Strategy. It is expected that development partners and other non-Governmental organizations will support both the National and county Governments in facilitating coordination and M&E activities under the Strategy

#### 4.4 Funding for Strategy Implementation

The proposed budget for implementing the NAMS is estimated at KES 73.937 billion over the Ten-year strategy implementation period. This cost will be shared amongst the National Government, County Governments, development partners, private sector players and beneficiaries. The Ministry will endeavour to ensure prudent utilization of public funds during the period to realize all the aspirations. The resource requirement for implementation of NAMS is as summarized in Table 4.2

S.No	Strategic Objective	Strategies	Cost in Billions (KSh)
1.	<b>Strategic Objective 1: To develop and maintain modern market infrastructure for efficient marketing of agricultural produce.</b>	Strategy 1.1.1: Develop modern and maintain existing physical agricultural produce markets.	8.052
		Strategy 1.1.2: Establish and develop aggregation centres with appropriate infrastructure and associated facilities for agricultural produce to attain economic volumes	10.321
2.	<b>Strategic Objective 2: To facilitate compliance to agricultural produce and products standards. s.</b>	Strategy 2.1.1: Enhance compliance with set standards	0.101
		Strategy 2.1.2: Enhance the Capacity of surveillance institutions at National and County levels to enforce compliance to standards.	0.580
3.	<b>Strategic Objective 3: To achieve sustainable supply of agricultural produce and products that meet market demand</b>	Strategy 3.1.1: Streamlining supply of Agricultural produce and products	1.310
		Strategy 3.1.2: Promote access to quality agricultural inputs	0.405
		Strategy 3.2.1: Promote post-harvest and preservation technologies to reduce loss of Agricultural produce.	0.310
4.	<b>Strategic Objective 4: To improve the value of agricultural produce for increase market access</b>	Strategy 4.1.1: Promote access to appropriate value addition facilities and equipment.	3.090
5.	<b>Strategic Objective 5: To enhance adoption of modern and innovative systems for marketing of agricultural produce and products.</b>	Strategy 5.1.1: Strengthen the existing and emerging agricultural alternative trading platforms	16.080
		Strategy 5.1.2: Exploit Kenya's unique location and infrastructure as a regional trading hub for the export of agricultural produce and products.	1.140
6.	<b>Strategic Objective 6: To develop an efficient and reliable transport infrastructure and logistics for movement of agricultural produce and products to markets.</b>	Strategy 6.1.1: Development and maintenance of rural access roads	8.304
		Strategy 6.2.1: Promote the use of appropriate transport vessels	0.209
		Strategy 6.2.2: Improve on logistics for efficient transportation of agricultural produce and products to the markets	1.845

7.	<b>Strategic Objective 7: To increase market access through innovative use of agricultural market intelligence and technology</b>	Strategy 7.1.1: Promote market intelligence and research.	2.000
		Strategy 7.1.2: Enhance access to data and information on domestic and external markets.	5.510
		Strategy 7.1.3: Enhance utilization of market research findings	1.500
		Strategy 7.2.1: Promote identification, incubation and commercialization of agricultural marketing innovations.	3.800
8.	<b>Strategic Objective 8: To improve efficiency in the marketing of agricultural produce and products</b>	Strategy 8.1.1: Enhance the capacity of various market players on management of markets and marketing	1.750
		Strategy 8.2.1: Enhance access to financial services	2.100
9.	<b>Strategic Objective 9: To enhance and maintain market position and competitiveness of Agricultural produce in new and established markets.</b>	Strategy 9.1.1: Create favourable taxation regimes	1.100
		Strategy 9.1.2: Promote exploitation of opportunities in bilateral, regional and multilateral trade agreements	3.500
		Strategy 9.1.3: Promote Kenyan specialty products in local and international markets.	0.930
10.	<b>Coordination of strategy implementation</b>	Chapter 4: Strategy implementation	****
	<b>TOTAL</b>		<b>73.937</b>

#### 4.5 Information and knowledge management

Information and knowledge management will entail data collection, analysis, reporting and dissemination, building institutional memory, establishing repository in analog and digital formats. The Strategy will develop and maintain a web-based Agricultural Market information management information system (AMIS). This system will ensure organization of Agricultural and marketing data and information in a structured manner to facilitate accessibility, sharing amongst stakeholders for effective and efficient planning, coordination, monitoring and evaluation of the sector; and establish a support platform for policy, management and investment decisions.

#### 4.6 Risk Analysis and mitigation

##### 4.6.1 Risk Analysis Matrix

Risk	Category	Mitigation measures
1. Political influence in resource distribution	High	➤ Clear criteria for Mapping, selection of sites and prioritization of programmes
2. Cross border informal trade	Medium	➤ Enforcement of regulations and standards

3. Technological changes in product development	High	<ul style="list-style-type: none"> <li>➤ Upgrading technology</li> <li>➤ Carrying out continuous research and training</li> <li>➤ Technology adaptation</li> <li>➤ Capacity building</li> </ul>
4. Inadequate Marketing experts in multilateral and bilateral trade negotiations and professionals and technical officers in public sector	High	<ul style="list-style-type: none"> <li>➤ Continuous capacity building of experts</li> <li>➤ Establishment of desks on multilateral and bilateral trade negotiations in the Ministries of agriculture</li> <li>➤ Succession and talent management</li> </ul>
5. Social and cultural conflicts	High	<ul style="list-style-type: none"> <li>➤ Developing and implementing conflict resolution mechanisms</li> <li>➤ Sensitization of stakeholders</li> </ul>
6. Covid-19 and similar pandemic	High	<ul style="list-style-type: none"> <li>➤ Declaration of right to access to food and agricultural marketing an essential service requiring special intervention measures</li> </ul>

#### 4.7 Monitoring and Evaluation

Monitoring and evaluation are critical in supporting the development of Agricultural Marketing by ensuring the implementation is impactful, cost effective and well-coordinated.

A logical strategy framework will be developed that outlines the mission, vision, overall objectives, outputs, activities and observable variable indicators to guide strategy implementation, monitoring and evaluation. These key performance indicators (KPIs) for each pillar will contribute to the overall M&E framework. To accompany the logical framework is the cost and time framework. The cost of implementing the strategy will inform the Governments and other stakeholders on the resource mobilization for strategy implementation.

In collaboration with county governments and partners, the national government will develop a risk assessment framework to assist actors in mitigating challenges, which arise from various pillars linked to agriculture marketing development.

The implementing agencies will conduct monitoring and evaluation to assess the performance and delivery of set outputs. Monitoring will be conducted on a quarterly basis. This will be followed by an annual evaluation of the strategy at the end of each year. The monitoring and evaluation will be conducted by a multisectoral team drawn from participating partners.

#### 4.8 Agriculture Marketing Strategy Review

This strategy may be reviewed during the implementation period taking into account the effectiveness and progress of its implementation, and. emerging domestic and international marketing and trade issues. The Strategy will be review in the year 2030 to address emerging issues in the agricultural marketing.



## ANNEXES

### ANNEX I: NATIONAL AGRICULTURAL MARKETING STRATEGY IMPLEMENTATION MATRIX

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
<b>Strategic Pillar 1: Market Infrastructure</b>							
<b>Strategic Objective 1: To develop and maintain modern market infrastructure for efficient marketing of agricultural produce.</b>							
<b>Strategic Issue 1.1: Inadequate market infrastructure and associated facilities</b>							
Strategy 1.1.1: Develop modern and maintain existing physical agricultural produce markets.	a) Mobilization of funds and prioritize development and maintenance of market infrastructure and facilities.	Expenditure on development and maintenance of market infrastructure and facilities.	Mobilize fund for constructing and maintenance of market infrastructure and facilities.	Mobilize fund for constructing and maintenance of market infrastructure and facilities.	Use the market infrastructure and facilities appropriately	Continuou s	8
	b) Develop guidelines for allocation of revenue generated from markets to include maintenance of infrastructure and facilities in the market.	Guideline developed.	Develop guidelines for allocating revenue generated from markets to include maintenance of infrastructure and facilities	Adopt developed guidelines for allocating revenue generated from markets to include maintenance of infrastructure and facilities		Short-term	0.001

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	c) Develop standards and designs, and formulate procedures for improvement and maintenance of market infrastructure.	Standards, guidelines and procedures developed.	Develop standards and designs, and formulate procedures for improvement and maintenance of market infrastructure.	Cascade and implement standards, designs, and procedures for improvement and maintenance of market infrastructure.	Follow standards and procedures for improvement and maintenance of market infrastructure	Short-term	0.001
	d) Promote private sector investment in the completion of incomplete stores, utilization of idle ones and construction of new ones under PPP.	Number of PPPs entered into.	Provide incentive for PPP Mobilize private sector investment	Identify incomplete and idle stores Provide incentive to private sector to construction of new stores and restore available ones		Short-term	0.01

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	e) Capacity build market management committees on skills for maintenance of market infrastructure.	Guideline for management of aggregation centres developed Number of farmer organizations trained in governance and management of aggregation	Develop guidelines and training manuals for managing aggregation centres	Organizing farmers and training them in governance and management of aggregation		Continuou s	0.04
Strategy 1.1.2: Establish and develop aggregation centres with appropriate infrastructure and associated facilities for agricultural produce to attain economic volumes	a) Conduct and document baseline information on aggregation infrastructure and associated facilities across the country.	Baseline survey on aggregation infrastructure and facilities.	Develop and administer baseline survey on aggregation infrastructure and facilities.	Administer baseline survey on aggregation infrastructure and facilities.		Short-term	0.005
	b) Mapping out areas for the establishment of aggregation centres	Documentation of areas for establishment of aggregation centres	Document and map areas for establishment of aggregation centres	Identify areas for establishment of aggregation centres		Short-term	0.001
	c) Increase investments for development of aggregation infrastructure and associated facilities.	Amount of funds allocated to market management and operations.	Mobilize funds for development of aggregation infrastructure	Allocate and mobilize funds for development of aggregation		Continuou s	10

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
			and associated facilities.	infrastructure and associated facilities.			
	d) Develop and disseminate guidelines on the establishment and maintenance of aggregation infrastructure and associated facilities	Guideline developed.	Develop guidelines on the establishment and maintenance of aggregation infrastructure and associated facilities	Disseminate guidelines on the establishment and maintenance of aggregation infrastructure and associated facilities		Short-term	0.015
	e) Capacity build farmer organizations and management committees on skills for maintenance of the aggregation centres.	Number of trainings offered to market management committees.	Develop training manuals for farmer organizations and market management committees	Organizing farmer organizations and market management committees and train them on various skills		Continuou s	0.3
<b>Strategic Pillar 2: Agricultural Produce and Product Standards</b>							
<b>Strategic Objective 2:</b> To facilitate compliance to agricultural produce and products standards.							
<b>Strategic Issue 2.1:</b> Non-compliance with agricultural produce and product standards							

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
Strategy 2.1.1: Enhance compliance with set standards	a) Development of standards for agricultural produce and product	Produce and products standards developed	Facilitate development and review of standards	Support/ sensitize through mobilization of stakeholders	Support the review and development standards	Continuou s	0.03
	b) Promote adoption of standards among value chain actors through awareness creation and capacity building of value chain actors.	Number of trainings offered to value chain actors	Facilitate capacity building	Carry out capacity building	Facilitate capacity building	Continuou s	0.01
	c) Carry out surveillance to enforce compliance.	Number of violations recorded.	Develop and provide guidelines on implementation of standards	Capacity building and enforcement of compliance	Support sensitization of stakeholders	Continuou s	0.06
	d) Establish bilateral arrangement with counterpart institutions in export destinations to streamline export requirements.	Number of bilateral arrangements established.	Support establishment of bilateral arrangements	Suggest areas of cooperation	Suggest areas of cooperation	Continuou s	0.001

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
Strategy 2.1.2: Enhance the Capacity of surveillance institutions at National and County levels to enforce compliance to standards.	a) Increase, upgrade and modernize physical facilities and technological infrastructure for sampling and testing.	Number of physical facilities for sampling and testing	Facilitate development of facilities	Co-own/ manage some facilities	Support seamless sampling and testing	Continuou s	0.5
	b) Develop structures for enhancing coordination among the regulating agencies.	Structures for coordination developed.	Facilitate development of coordination structures	Support development of coordination structures	Support development of coordination structures	Short-term	0.001
	c) Capacity building of inspectors and graders in sampling, testing and reporting.	Number of trainings offered to inspectors and graders.	Facilitate capacity building	Support capacity building	Support facilitation of capacity building	Continuou s	0.005
	d) Capacity building of enforcement and judicial agencies on existing standards	Number of trainings offered to enforcement and judicial agencies.	Facilitate capacity building	Support capacity building	Support facilitation of capacity building	Continuou s	0.004
	e) Increase the number of inspectors.	Number of new inspectors licenced.	Appoint, train and gazette inspectors	Capacity building of county based inspectors	Support inspection work	Continuou s	0.02

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	f) Develop and implement traceability systems for agricultural produce and products	No of traceability systems developed	Develop framework for traceability systems	Support implementation of traceability systems	Develop and use of traceability systems	Continuou s	0.05
<b>Strategic Pillar 3: Supply of agricultural produce and products</b>							
<b>Strategic Objective 3: To achieve sustainable supply of agricultural produce and products that meet market demand</b>							
<b>Strategic issue 3.1: Inadequate Supply of Agricultural produce and products</b>							
Strategy 3.1.1: Streamlining supply of Agricultural produce and products	a) Formation of agricultural production and marketing clusters	No. of clusters formed. No. of producer's marketing cluster.	Train the TOT, Develop the guidelines for the design, operation and management of clusters.	Identification of cluster area, Formation of clusters	Producer, Farmers,	Short term	0.1
	b) Facilitate formation of small-scale producers into marketing organizations to take advantage of economies of scale and improve farmers' bargaining power	No. of producer marketing organizations. No. of cooperative associations No. of farmers trained. No. of trainings	Train the TOT, Formulations of legislations, rules and regulations governing the marketing organizations	Formations of marketing organizations	Farmers, producers, cooperatives, fisher folks,	Long term	0.15

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	c) Capacity building of farmers marketing organization on coordination of production, marketing and governance.	No. of farmers trained. No. of training No. of marketing organization.	Train TOT for county staff	Train farmers, Producers and marketing organization.	Farmers, Fisher folk. Cooperative societies,	Short term	0.05
	d) Map and link value chain actors to marketing organizations, aggregation centres and Processing Hubs.	No. of aggregation centres No. of processing hubs.	Map the aggregation centres and processing hubs.	Identification of sites for the aggregation centres and processing hubs.		Short term	0.01
	e) Develop and improve infrastructure and management of public irrigation schemes and water reservoirs.	No. of Ha under irrigation. No. of water reservoirs	Capacity built the County staff	Develop and implement small scale irrigation and water reservoirs	Farmers, producers to adopt growing under irrigation	Long term	0.7
	f) Promote the adoption of climate-smart production technologies	No. of programmes on climate smart, No. of training	Training the County staff on climate smart agriculture	Develop and implement programmes on climate smart agriculture	Producers, farmers	Medium term	0.2

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	g) Develop and implement Kenya Integrated Agricultural Market Information System (KIAMIS) to monitor and disseminate information on seasonal variation of produce and products availability and pricing.	Market information system operational. No. of market information data disseminated.	Development of the KIAMIS system. Trainings of trainers for data collection. Develop guidelines for data collections. Manage the KIAMIS systems.	Collection of and submission of data. Awareness creations on the existence of KIAMIS.	Producers, Farmers, Processors Consumers.	Short term	0.1
Strategy 3.1.2: Promote access to quality agricultural inputs	a) Develop and implement bulk inputs supply models for production/ marketing clusters.	No. of producer organizations/cluster. Quantity of farm inputs purchased Type of inputs	Develop voucher systems for inputs distribution. Initiate and develop inputs quality standards.	Implement the voucher systems, Regulate and enforce the quality standards,	KEBS to develop quality standards, Enforce the quality standards,	Long term	0.1
	b) Develop and implement models for supply of support services to farmers.	No. of credit scheme No. of extension staff No. of farmers trained No. of trainings	Develop national extension service policy. Train county staff as TOT	Provide extension service to producers	Farmers to adopt the schemes. Financial institutions to	Medium term	0.1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
		No. of insurance packaged. No. of credit schemes	Develop credit and insurance packages in consultation with the county governments and financial institutions.		provide credits and insurance		
	c) Develop and implement a community-based bulking of germplasm.	No. of germplasm bulked. No. of bulking sites No. of fingerlings No. of animal breeds	Provide the capacity building to the County Government staff	Identify the bulking sites, bulking and multiplication of germplasm.	Regulatory agencies to certify the germplasm Producers to provide sites for bulking,	Long term	0.2
	d) Link production and marketing clusters to agro-dealers and other services providers	No. of clusters No. of agro-dealers No. of financial institutions. Number of insurance agencies.	Provide the capacity building to County staff. Build partnership with the financial institutions.	Identification and formation of marketing clusters	Agro-dealers to provide inputs,	Medium term	0.005
<b>Strategic issue 3.2: High post-harvest losses of agricultural produce</b>							

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
Strategy 3.2.1: Promote post-harvest and preservation technologies to reduce loss of Agricultural produce.	a) Capacity building of value chain actors on appropriate post-harvest and preservation techniques.	No. of trainings. No. of actors trained No. of preservation technologies. No. of workshops No. of seminars	Train TOT for county staff. Identify the post-harvest technologies	Train value chain actors. Create awareness	Research institutions to develop post-harvest technologies	Short term	0.005
	b) Establish linkages between producers to market.	No. of producers No. of market outlets.	Capacity built the county staff, Develop marketing models,	Formation of marketing producers, Awareness creation, Train producers on marketing.	Producers	Short term	0.003
	c) Map out underutilized and idle public and private storage facilities and make them available to value chain actors for use.	Number of underutilized and idle public and private storage facilities brought to use.	Map out available storage facilities. Develop guidelines for the use of the storage facilities.	Identify storage facilities within the County.		Continuou s	0.002
	d) Promote investment in post-harvest technologies by food processing hubs and aggregation Centre's.	No. of post-harvest technologies. No. of food processing hubs.	Identify the existing post-harvest technologies	Create awareness on post-harvest technologies,	Processor and aggregation centres to invest in post-	Long term	0.2

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
		No. of aggregation Centre's. No. of beneficiaries		Train producers on post-harvest management	harvest technologies.		
	e) Develop and implement progrNAMS for post-harvest loss reduction.	No. of progrNAMS No. of beneficiaries	Train County staff on project development, implementation and monitoring	Develop programmes to address post-harvest losses.	Research institutions to develop post-harvest technologies.	Medium term	0.1
<b>Strategic Pillar 4: Value addition of agricultural produce</b>							
<b>Strategic Objective 4: To improve the value of agricultural produce to increase market access</b>							
<b>Strategic issue 4.1: Low value-addition of Agricultural produce</b>							
Strategy 4.1.1: Promote access to appropriate value addition facilities and equipment.	a) Map out value addition hubs and assemble existing idle value addition equipment and facilities.	Report on existing processing hubs, facilities and equipments	Prepare and TOR for the consultant & survey tools	Undertake the actual survey	Provide actual information on the types and location of hubs & facilities	Short term	0.02
	b) Identify space at existing public facilities and aggregation centres	Report on available value addition spaces in public facilities and aggregation centres	Develop TOR and survey tools for the study	Coordinate the study in the counties		Short term	0.02

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	c) Establish value addition common user facilities with qualified human resource	Report on No of functional value addition common user facilities established.	Support training of value addition staff	recruit qualified staff and coordinate trainings	Provide industrial attachment for staff	Long term	0.1
	d) Training of staff at the common user facilities on entrepreneurship and business skills, appropriate processing/ value addition technologies, Good Hygiene practices (GHP), Good Manufacturing Practices (GMP) product standard's and specifications	Report on trainings conducted	Develop training modules and mobilize training resources	Recruit and coordinate trainings	Provide industrial attachment for staff	Long term	0.2
	e) Identify value addition technology (equipment & machinery) gaps	Report on value addition technology gaps	Develop TOR and survey tools for the study	Coordinate the survey in the counties		Long term	1
	f) Develop and implement bulk-purchasing models for	Report on imported value addition equipment	Prepare specifications				

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	imported value addition equipment		and authorize the importation				
	g) Develop and implement business models for value addition for agricultural produce	Report on the No. of business models (BM) on value addition adopted.	Develop and share business models with counties	Promote the BM among private sector	Implement the BM	long term	0.05
	h) Organize business to business meetings to share available value addition business models, and match MSMEs to suppliers and financial institutions	Report on B2B meetings	Profile all relevant suppliers and financial institutions, Prepare and share topics for discussion with counties	Coordinate the B2B meetings	Facilitate supply contracts with MSMEs	Long term	0.5
	i) Promote consumption and marketing of processed agricultural products	Awareness materials developed on consumption and marketing of processed products.	Development & dissemination of awareness materials	Coordinate awareness campaigns in counties	Facilitate the campaigns	Longterm	1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	j) Lobby for tax reduction on value addition equipment and reduction of power tariffs for value addition and processing of agricultural produce	Report on comparative tariffs on agricultural value addition equipment and power.	Organize meetings to discuss the impact of current tariffs on competitiveness of Kenyan value added produce			Longterm	0.2
<b>Strategic Pillar 5: Marketing Channels</b>							
<b>Strategic Objective 5: To enhance adoption of modern and innovative systems for marketing of agricultural produce and products.</b>							
<b>Strategic Issue 5.1: Underdeveloped marketing channels</b>							
Strategy 5.1.1: Strengthen the existing and emerging agricultural alternative trading platforms	a) Fast track the ongoing reforms to improve trading at the Nairobi Coffee Exchange and Mombasa Tea Auction	Report on the progress on reforms at the Nairobi Coffee and Mombasa Tea Exchange	Implement reforms to improve trading at the Nairobi Coffee Exchange and Mombasa Tea Auction			Short-term	0.4
	b) Operationalize the warehouse receipt system and Kenya	Warehouse receipt system and Kenya Commodity Exchange (KOMEX) operational	Functioning ICT system	Mobilize the VCAs, Coordinate the trainings	Enter into PPP arrangement to Build Operate	Long-term	4

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	Commodity Exchange (KOMEX).		Prepare TOR and engage consultant Prepare training materials Facilitate trainings Develop guidelines for establishment of aggregation centres with warehouses	Provide public space and utilities to attract private sector to invest in warehouse	& Transfer warehouses Implement the standards Utilize the WRS and KOMEX facilities		
	c) Facilitate trade in futures and derivative markets	Volume of trade in futures and derivative markets	Provide favorable platforms for futures and derivative markets		trade in futures and derivative markets	medium-term	0.3
	d) Provide incentives to attract investment in digital trading platforms.	Investment in digital trading platforms.	Develop ICT platform			medium-term	0.06

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	e) Support direct marketing of agricultural producers e.g. by designating a farmer's market day in existing markets and special areas.	List of designated markets and special areas for farmer market days	Organize county consultation forums to identify existing markets	Designate and develop markets and special areas for farmer market days	Utilize the market facilities and market days	medium-term	6
	f) Establish quality assurance system for online marketing of agricultural produce.	Prepare an inventory of all existing markets and special areas	Designate farmers market days and special areas	Ensure compliance to relevant Quality standards to all produce traded		Long-term	0.3
	g) Sensitization of users, including communities, importers and exporters on alternative marketing channels.	Published awareness materials	Develop awareness materials on WRS & KOMEX	Disseminate information on WRS & KOMEX		Long-term	0.02
	h) Support capacity building for value chain actors across the warehousing and commodity exchange ecosystem.	Organize sensitization forums for Importers and Exporters on WRS & KOMEX	Organize sensitization forums for communities on WRS and KOMEX	Utilize the WRS and KOMEX facilities		Long-term	0.5

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	i) Development of new and review of existing standards for warehouses such as cold storage and agricultural commodities to be traded.	Revised & New Published standard's for warehouse storage and commodities	Organize stakeholders forums to review existing and develop new standards	Capacity build private sector on enforcement of the standards	Implement the standards	Medium-term	0.5
	j) Institute measures for attracting investments in warehousing and trading focusing on regional and county priority value chains, such as financing to develop aggregation facilities, warehouses, and warehousing facilities.	Number of aggregation centres operating warehouse trading	Develop guidelines for establishment of aggregation centres with warehouses	Provide public space and utilities to attract private sector to invest in warehouse	Enter into PPP arrangement to Build Operate & Transfer warehouses	Long-term	4
Strategy 5.1.2: Exploit Kenya's unique location and infrastructure as a regional trading hub for	a) Establish efficient produce handling facilities and operations	Produce handling facilities Standard Operation Procedure for handling produce	Develop Standard Operation Procedure for handling produce	Establish produce handling facilities Cascade the SOP for	Utilize the produce handling facilities and the SOP	Continuous	0.04

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
the export of agricultural produce and products.				handling produce			
	b) Coordination of one-stop clearing and handling of agricultural produce and products for export to ease business transactions.	Report on the transactions at the one-stop for agricultural business licensing transactions	Facilitate the process of establishment of a one-stop shop for agricultural business licensing at various counties	Implement the one-stop shop at each county for agric. Business licensing	Utilization of the facilities	Long-term	0.8
	c) Provision of tax incentives to market players.	Wider tax base	Develop and implement tax incentive models	Develop and implement tax incentive models		Continuous	0.3
<b>Strategic Enabler 1: Transport infrastructure and logistics</b>							
<b>Strategic Objective 6: To develop an efficient and reliable transport infrastructure and logistics for movement of agricultural produce and products to markets.</b>							
<b>Strategic Issue 6.1: Poor access roads to physical markets for agricultural produce and products.</b>							
Strategy 6.1.1: Development and maintenance of rural access roads	a) Increase budget allocation for development and maintenance of rural access roads	% budgetary allocation to rural access roads	Allocate some funds for development and maintenance of	Allocate some funds for development and maintenance of		Continuous	8

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
			rural access roads	rural access roads			
	b) Encourage private sector to invest in improvement of rural roads.	Number of direct transport scheduling to destination markets	Sensitize the private sector on the need to invest in the improvement of the rural roads.	Collaborate with the private sector in identification of the rural roads to be developed	Put some funds aside for the development of rural roads	Continuou s	0.3
	c) Develop and promote use of models for community based road maintenance.	Number of community-based road maintenance linked to produce cess collected.	Hold workshops at county level to sensitize them on the model.	Apply the model in the maintenance of the community roads	Invest in the maintenance of the rural roads	Medium-term	0.004
<b>Strategic issue 6.2: Inefficient logistics for local and international trade</b>							
Strategy 6.2.1: Promote the use of appropriate transport vessels	a) Sensitization of transporters and traders on the industry-specific codes of practice on handling, packaging and transportation of agricultural produce..	Number of sensitization events.	Capacity build transporters and traders on the industry-specific codes of practice on handling, packaging and transportation of	Hold training workshops for transporters and traders on the industry-specific codes of practice on handling, packaging and	Work in partnership with both National and County Governments in carrying out training workshop to	Continuou s	0.2

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
			agricultural produce.	transportation of agricultural produce.	sensitize transporters and traders		
	b) Enforcement of standards and specifications for handling, packaging and transportation of agricultural produce.	Number of violations of standards and specifications.	Enforce adherence to the specifications for handling, packaging and transportation of agricultural produce.	Enforce adherence to the specifications for handling, packaging and transportation of agricultural produce.		Continuou s	0.004
	c) Modernization of existing transport vessels to conform to food safety requirements.	Number of existing transport vessels modernized	Enforce conformity to food safety requirements by the existing transportation vessels	Enforce conformity to food safety requirements by the existing transportation vessels		Continuou s	0.005

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
Strategy 6.2.2: Improve on logistics for efficient transportation of agricultural produce and products to the markets	a) Advocate for the development, adoption and harmonization of the online clearing systems.	Established online clearance system	Promote and sensitize adoption and harmonization of online clearing systems	Promote and sensitize adoption and harmonization of online clearing systems	Promote and sensitize adoption and harmonization of online clearing systems	Short-term	0.003
	b) Sensitize and capacity build the value chain actors on efficient logistics management	Sensitization forum	Hold workshops to sensitize and capacity build the value chain actors on efficient logistics management	Hold workshops to sensitize and capacity build the value chain actors on efficient logistics management	Hold workshops to sensitize and capacity build the value chain actors on efficient logistics management	Medium-term	0.007
	c) Monitor and address the emerging bottlenecks to efficient transport and logistics	Number of bottlenecks identified	Monitor and address the emerging bottlenecks to efficient transport and logistics	Monitor and address the emerging bottlenecks to efficient transport and logistics	Monitor and address the emerging bottlenecks to efficient transport and logistics	Continuou s	0.02

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	d) Promote partnerships with international retail chains and facilitate the expansion of Kenya based retail chains to distribute Kenyan value-added products to the regional and international markets.	Number of promotion forums held	Hold promotion forum for partnerships with international retail chains and facilitate the expansion of Kenya based retail chains to distribute Kenyan value-added products to the regional and international markets	Hold promotion forum for partnerships with international retail chains and facilitate the expansion of Kenya based retail chains to distribute Kenyan value-added products to the regional and international markets	Partner with both National and County Governments in organizing for the forum.	Continuou s	0.015
	e) Establish Common user facilities in the export markets for ease of logistics (such as warehouses).	Number facilities in the export markets for ease of logistics	Establish Common user facilities in the export markets for ease of logistics (such as warehouses).	Establish Common user facilities in the export markets for ease of logistics (such as warehouses).	Establish Common user facilities in the export markets for ease of logistics (such as warehouses).	Medium-term	1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	f) Enhance Maritime investments and partnerships in commercial shipping vessels	Number of maritime investments and partnerships in commercial shipping vessels	Organize a platform for investors and partners in Maritime and commercial shipping vessels	Organize a platform for investors and partners in Maritime and commercial shipping vessels	Invest in the sector or partner with the Government in developing the sector.	Longterm	0.8
<b>Strategic Enabler 2: Agricultural Market Intelligence, Technology and Innovation</b>							
<b>Strategic Objective 7: To increase market access through innovative use of agricultural market intelligence and technology</b>							
<b>Strategic issue 7.1: Inadequate market information for decision-making.</b>							
Strategy 7.1.1: Promote market intelligence and research.	a) Undertake awareness creation on Agricultural market information system to value chain actors.	Report on distribution and dissemination of market information awareness materials	Facilitate country wide awareness campaigns on benefits of quality market data & Responsibilities for each SHs,	Collect feedback on level of awareness among target stakeholders	Regularly participate in surveys on awareness of market information	Short-term	1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	b) Increase public budgetary allocation to agricultural market intelligence	Report on allocations for market intelligence budget allocations & expenditures	Prepare annual budgets proposals for market information gathering and dissemination & submit to National Treasury	Prepare annual budgets proposals for market information gathering and dissemination & submit to County Assemblies	Commit to support allocation for market data intelligence during the public forums on budgets	Short-term	0.05
	c) Establish partnerships and collaborations between public and private research organizations, universities and industry players that enhance the capacity to attract funds for market intelligence.	Report of resource mobilization forums	Organize forums for development of funding proposals at National Levels	Organize forums for development of funding proposal county level	Lobby funding agencies to prioritize funding for market intelligence gathering initiatives	Short term	0.05
	d) Develop standard operation procedure for data collection and management.	Standard Operation Procedure data collection and management.	Develop Standard Operation Procedures for data collection	Cascade the SOP for data collection and management.	Access and utilize data	Short-term	0.9

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
			and management.				
Strategy 7.1.2: Enhance access to data and information on domestic and external markets.	a) Establish and manage an Agricultural Market Information System (AMIS) for gathering, analyzing, storing, and sharing relevant and timely information on domestic and external (regional and international) markets for agricultural produce and products.	Operational MIS system	Develop the data tools & MIS for processing & sharing data & information, Facilitate collection of baseline data, Training of CG staff and enumerators on data collection	Supervision of baseline data collection, Train stakeholders on continuous data entry to the system, Undertake regular data validation, Facilitate continuous data collection, Sharing of market information to stakeholders	Translate market information into production plans, Implement the production plans	Short-term	5

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	b) Integrate Agricultural marketing system into Kenya integrated agricultural management information system (KIAMIS) and big data.	Report on system integration	Facilitate a study of existing systems, Procure system expert	Train SHs o use of integrated systems	Populate the marketing data into the system on continuous basis	Short-term	0.01
	c) Build and strengthen capacity of various actors including the youth for collection, processing and dissemination of market data and information.	Report on number of youth providing commercial data collection services,	Develop training modules for commercial market data collection, facilitate trainings and mentorship on data collection	Provide data collection opportunities for trained youth		Short-term	0.5
Strategy 7.1.3: Enhance utilization of market research findings	a)Mainstream information from market research in agricultural advisory services.	Report on materials updated with market information intelligence	Prepare and update training materials with market information gathering and dissemination modules , Coordinate	Coordinate regular trainings of advisory service providers on market information intelligence	Commit to participate in trainings	Medium-term	0.6

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
			regular trainings of advisory service providers on market information intelligence				
	b) Increase utilization of market research findings by providing credible market information	Report on active data sharing platforms	Organize National Data sharing platforms	Organize county data sharing forums	Access the data sharing forums and platform	Medium-term	0.4
	c) Strengthen linkages and collaboration between public and private sector research institutions with industry players to promote utilization of research findings.	Report on linkages and collaboration forums between public & private research institutions and industry players	Organize National Forums for public, private research institutions and industry	Organize County Forums for public, private research institutions and industry		Medium-term	0.5
<b>Strategic issue 7.2: Low utilization of technology and innovations in agricultural marketing.</b>							
<b>Strategy 7.2.1:</b> Promote identification, incubation and	a) Awareness creation on opportunities for development of market innovations	Published awareness materials	Develop awareness materials	Disseminate the awareness materials		Continuous	0.2

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
commercialization of agricultural marketing innovations.	b) Establish platforms for the identification of promising innovations.	Report on marketing innovations	Prepare and announce a call for marketing innovations, Select the promising ones and facilitate incubation	Set up an innovation fund in each county Provide space at aggregation centres, , Supervise & prepare reports on innovations	Participate in fundraising to facilitate incubation of innovations	Long-term	2
	c) Develop a system for incubation and commercialization of innovations.	Report on commercialized market innovations	Establish a reward scheme for most promising innovations	Administer the reward scheme	Carry an assessment of the commercialized innovations	Long term	0.5
	d) Sensitization of innovators on the existence of public and private Funds for development of market innovations	Report on the number participating in the call for innovations	Prepare awareness materials	Disseminate awareness materials	Support dissemination of awareness materials		0.1
	e) Promote utilization of processing hubs and aggregation centres as incubation centres for agricultural marketing innovations.	Report on the number of functioning innovation hubs	Prepare guidelines on innovation hubs	Implement the guidelines	Support establishment of the Innovation hubs		1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
<b>Strategic Enabler 3: Marketing capacity</b>							
<b>Strategic Objective 8: To improve efficiency in the marketing of agricultural produce and products</b>							
<b>Strategic Issue 8.1: Poor management of markets and marketing inefficacies</b>							
Strategy 8.1.1: Enhance the capacity of various market players on management of markets and marketing	a) Enhance agricultural marketing capacity in government institution both at national and county levels to support training of market management committees and other market officials	Training of market management committees and other market officials	Develop training manuals for market management committees and other market officials	Cascade training manuals Train market management committees and other market officials		<b>Medium-term</b>	0.5
	b) Establish and train management committees for all markets and aggregation centres on management skills and governance	Capacity build markets and aggregation management committees on management skills and governance	Develop training manuals for markets and aggregation management committees on management skills and governance	Cascade training manuals Train markets and aggregation management committees on management skills and governance		<b>Medium-term</b>	0.5
	c) Develop and implement market	Market management guildlines	Develop market management guildlines	Cascade market management guildlines	Adopt the market	Short-term	0.1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	management guidelines.			Oversee the adoption of the market management guidelines at the markets	management guidelines		
	d) Coordinate the implementation of good marketing practices and enforce adherence to of laws, regulations and guidelines for traders in designated physical markets, aggregation centres and alternative market platforms	Number of noncompliance	Prepare and review guidelines agricultural marketing	Sensitize traders on good marketing practices, laws, regulations and guidelines  Enforce adherence to laws, regulations and guidelines by traders in markets	Enforce adherence to laws, regulations and guidelines by traders in markets	Medium-term	0.2
	e) Establish and employ sustainable stakeholder platforms such as conferences, workshops, digital dashboards for	Regular engagement of stakeholder	Establish platforms for engaging stakeholders	Establish platforms for engaging stakeholders	Participate and support engagements	Continuous	0.4

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	continuously engaging and exchanging information on best practices in management of markets and marketing of agricultural produce in both the domestic and international markets						
	f) Establish sustainable funding mechanism to support market management activities/operations	Funding to support market management activities/operations	Develop funding mechanism to support market management activities/operations	Develop funding mechanism to support market management activities/operations	Develop funding mechanism to support market management activities/operations	Continuous	0.05
<b>Strategic Issue 8.2: Inadequate access to financial services</b>							
<b>Strategy 8.2.1:</b> Enhance access to financial services	a) Develop innovative credit models that are appropriate to support traditional, new and emerging agricultural produce and product supply chains such as aggregating; storage	Credit facilities	Facilitate development of innovative credit models for marketing agricultural commodities			<b>Short term &amp; Medium-term</b>	0.05

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	and warehousing; standardisation and grading; transportation, and trading						
	b) Promote the development of insurance products that are appropriate to support agricultural marketing such as risk-bearing financing	Insurance products	Facilitate development of Insurance products for marketing agricultural commodities			<b>Short term &amp; Medium-term</b>	0.05
	c) Promote development of financial products targeting youth and women in agricultural marketing.	Financial products for youth and women	Promote development of financial products targeting youth and women by both private and public sectors			<b>Short term</b>	2
<b>Strategic Enabler 4: Access to domestic and export markets</b>							
<b>Strategic Objective 9: To enhance and maintain market position and competitiveness of Agricultural produce in new and established markets.</b>							
<b>Strategic Issue 9.1: Low Access to markets</b>							
Strategy 9.1.1: Create favourable taxation regimes	a) Harmonize payment of cess, fees and levies for agricultural produce in the domestic market	Revised system of administering cess fees and levies for agricultural products	Develop a strategy of harmonization and reduction of	Develop a strategy of harmonization and reduction	Participate in review of cess , fees and levies by	<b>Short-term</b>	0.1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
			fees and levies charged on agricultural produce	of Cess and levies charged on agricultural produce	county and national governments		
	b) Institute fiscal measure that promote export of Kenyan Agricultural produce and products	Revised measures of fiscal support to export of agricultural produce	Continuously revise fiscal support to agricultural produce export to enhance competitiveness and promote increased export of agricultural produce and products	Continuously revise fiscal support to agricultural produce export to enhance competitiveness and promote increased export of agricultural produce an	Private sector to advice national and county governments on effective fiscal measures to promote export of agricultural produce	<b>Short-term</b>	1
Strategy 9.1.2: Promote exploitation of opportunities in bilateral, regional and multilateral trade agreements	a) Promote culture of comprehensive inclusivity in trade negotiations.	Number of MDAs and county government participating in trade negotiations	Established a system with expanded representation of key MDAs and county government representation in negotiations	Establish a negotiation task force to participate in trade negotiations	NGOs and private sector Participate in trade negotiation teNAMS	<b>Short-term</b>	0.4

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	b) Mainstream implementation of bilateral and multilateral opportunities in strategies and operations of the MDAs	Progress reports on implementation of bilateral opportunities	Include implementation activities in MDAs performance indicators	Include implementation activities in MDAs performance indicators	-	<b>Medium-term</b>	0.1
	c) Build the capacity value chains players to respond to regional and international market opportunities	Capacity building reports on training and sensitizations	Undertake training and sensitization meetings for VC actors	Undertake training and sensitization meetings	Participate in capacity building on market opportunities forums	<b>Short-term</b>	0.5
	d) Enhance bilateral and multilateral engagements to streamline export processes to improve market position and competitiveness in international markets	Number of systems of engagement with competent authorities of export destination by their Kenyan counterparts	Competent authorities including KEPHIS, and KEBS to establish engagement channels with foreign counterparts	-	Engage competent authorities on bottlenecks experience during export processes	3-5 years	0.5

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
	e) Diversify to new and emerging markets to expand the export markets.	Strategy on capturing new and emerging markets in place	Developing strategies for capturing new markets and capacity building stakeholders on those opportunities	Sensitization of actors on new and emerging markets	Private sector and other non-state actors to Advice on potential markets for Kenya's produce and best strategies for promotion of exports there	Short-term	1
	f) Partner with non-agricultural sectors such as tourism and the hospitality industry in promotion initiatives.	An established framework for utilization of non-sector Kenyan promotion agencies and players to also promote Kenya's agricultural Produce and products abroad	Prepare a framework of cooperation with these promotion agencies Create awareness on products being promoted for exports to all stakeholders	Sensitization of VC actors on produce being promoted for export for increased production and trade	Participate in promotional activities for export of agricultural products exports	3-5 years	1

Strategies	Activities	Measure of achievement	Responsibilities and Institutions			Priority Timeline (ST <3 Yrs; MT 3-5 yrs)	Indicative Budget (KES. Billions)
			National Government	County Government	Other Stakeholders		
Strategy 9.1.3: Promote Kenyan specialty products in local and international markets.	a) Conducts market research to identify opportunities in existing speciality markets	Market survey report	Develop TOR for market survey	Implement TOR for market survey		Continuou s	0.03
	b) Conduct research on Kenyan products to identify unique characteristics that can qualify them to be speciality products.	Engage a consultant to undertake market survey.	Disseminate market survey report to Value chain actors	Invest in opportunities in the speciality product value chain		Medium-term	0.2
	c) Participate in exhibitions and fora focused on speciality products in the local and international markets	Report on exhibitions held	Organize Regional and International Exhibitions	Organize county exhibitions	Participate in local, regional and International exhibitions	Long-term	0.3
	d) Expand product range of speciality products for both domestic and international markets	Report on new speciality products developed	Organize technical teNAMS for product development	Promote the consumption of speciality products	Invest in production and marketing of speciality products	Long-term	0.4



**ANNEX II: MONITORING MATRIX**

Strategic objective	Strategic intervention	Indicators	Targets		Means of Verification
			Baseline 2021	End-term (2030)	
To develop an efficient and reliable transport system for agricultural produce and products		<b>Efficiency of transport system for agricultural produce and products</b>			
	Development and maintenance of transport infrastructure	KM of roads developed and maintained			Progress Report
	Promote aggregation of agriculture produce to attain economic volumes	Volume of commodities transported in bulk			Progress Report
	Promote the use of appropriate transport vessels	Proportion of agricultural commodities transported using appropriate Vessels			Survey Report

### **ANNEX III: LIST OF PARTICIPANTS**

1. Lucy Njenga
2. Grace Agil
3. Moses Kamau
4. John Maina
5. Albert Mwangi
6. Jacqueline Kiio
7. Seline Bonyo
8. David Ombalo
9. John Macharia
10. Rachel Shibalira
11. Peter O Owoko
12. Timothy Ogwang
13. John Wainaina
14. Benson Kamau
15. Hannington Odido
16. Evelyne Heyi
17. Matthew Muma
18. Nathan Hiuhu
19. Martin Odengi
20. Matthew Wanjiru
21. Kennedy Anahinga
22. Jane Auch
23. Joshua Oluyali
24. John Chege
25. Wekesa Khisa
26. Robert Gwadoya
27. Dennis Olila
28. Hassan Pakia