RESEARCHING AND ANALYSING THE KENYA LIVESTOCK VALUE CHAIN

Locations	Kenya
Dates	05/09/2022 - 30/09/2023

Summary

The livestock sector in Kenya is vital to people’s livelihoods. Many households depend on it for income through the sale of animal products, employment, as a source of food, and it also contributes significantly to the national gross domestic product. However, the production and productivity of the sector are below potential due to process and technological under-developments, weak market infrastructure and organization, inadequate resourcing and climate change shocks. To help improve the productivity and resilience of the sector, this project is seeking to identify opportunities to strengthen value chains in the sector through investments, trade and collaborations with the United States agricultural sector.

The problem

In Kenya, the livestock sector is integral to the country’s agricultural sector, contributing significantly to the national gross domestic product. In 2020, cattle and calves provided the sub-sectors main production value, approximately $995 million.

For many households in Kenya, the sub-sector provides income, employment (of which contributes to 50% of the agricultural workforce (FAO) and food. Under six production systems, 15.8 million cattle, 4.6 million camels, 19 million sheep, 28 million goats, 443,000 pigs, 38.8 million chickens and one million apiaries are reared by 4.7 million households (39% of households in Kenya).

With a growing population in Africa expected to reach 96 million in 2050 (FAO), higher demands will be placed on the livestock sector with many depending on it even more for food, jobs and income.

However, despite the important role played by the sub-sector, it remains largely informal and unorganized which depicts low productivity and results in the sector being underdeveloped and a lack of investment from the government.

Furthermore, major constraints such as inadequate market infrastructure and market systems, weak animal health policies and unsupportive legislation are other underlying factors causing concern.

In order for the livestock sector in Kenya to sustain the challenges faced and ensure livelihoods and food security for the existing 47 million people in Kenya, support is needed to strengthen it.

What we are doing

CABI is conducting research and analysis of the livestock value chain in Kenya across two tiers.

From a situational analysis, the results will seek to identify which sub-sectors within the Kenya livestock chain should be prioritized for investment by the United States agricultural sector.

Tier one

- Analyzing and documenting the main livestock chains in Kenya to help provide a good understanding of where the production of various livestock food commodities is being done, how these commodities are being marketed and how they reach consumers
- Identifying the constraints the value chains face (e.g. climate shocks, seasonal supply, lack of access to markets, poor processing and handling); opportunities to increase the resilience and value of the sector (e.g. technical inputs, improved genetics, marketing and value chain organization); and other investments or collaborations
- Analyzing the economic and livelihood performance of value chains and their comparative advantages to determine their ranking upon which to prioritize in tier two

Tier two

- Assessing whether products or services from the US agricultural sector can be leveraged to support and enhance the resilience and value of Kenya’s livestock
- Identifying the nature of investments required

Results so far

The first tier of activities involving a situation analysis of the livestock sector covering genetics, live animals, feed, dairy, beef, mutton, chevon, poultry, pork, camel and honey sub-sectors are complete. The study sought to determine the current state of key parameters such as the structure of the sub-sectors, levels of production vis-à-vis demand, marketing systems, value addition options and the main constraints and opportunities for investment.

Constraints in the beef sector included the non-commercial nature of the pastoral production system which is relied upon as a source of beef (low offtake rates); seasonality of supply of slaughter stock due to climatic shocks, insecurity, physical barriers to accessing markets, inadequate fattening systems and old obsolete and encroached abattoirs. For the dairy sector, constraints included high prevalence of informal sector in dairy marketing, poor safety/unhygienic handling and quality assurance resulting in poor milk quality and excessive wastage, inadequate access to artificial insemination (AI) resources, insufficient knowledge on the management of fertility of dairy cows by farmers, high cost of packaging material for processing and overall high cost of production.

An assessment of the economic and livelihood performance of each value chain/sub-sector and their comparative advantages was also carried out and from that, beef and dairy value chains were identified as a priority for further study in tier two.

Following the conclusion of tier one research, key informant interviews with a wide range of stakeholders in the beef and dairy sectors will be conducted to document feasible opportunities for investment and collaborations with the US agricultural sector.

Donors	United States Department of Agriculture - Foreign Agricultural Service (USDA FAS)


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