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Kenya

Grain and Feed

Kenya Corn Update Report

2007

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Report Highlights:
Kenya is forecast to have a third consecutive good corn production year. A price collapse is forecast due to the increased supply.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Nairobi [KE1]
[KE]

Corn Production

Kenya's production system is characterized by a combination of uni-modal and bi-modal rainfall patterns. The uni-modal rainfall pattern (long rains) is characteristic of Rift Valley, Western, Coast provinces and the pastoral areas of Eastern and Rift Valley Provinces. The bi-modal rainfall pattern is characteristic of Central, Eastern and Nyanza provinces, with the short rain season running from October to February. The long rains season is the most important accounting for over 80 percent of the national output. The short rain crop is critical for the marginal agricultural households, since they are short rain dependent. Corn accounts for over 70 percent of national cereal consumption and is the overwhelming staple food crop in Kenya, synonymous to food.

The 2007 long rain season started late and progressed slowly throughout most of the long rain dependent areas. The erratic nature and lateness led to low germination with some farmers replanting. However, precipitation in the months (July – September) that followed was above normal; thus improving the 2007 long rain crop prospects. Rainfall was adequately and uniformly distributed during the growing periods. In the areas where the soils have poor drainage, the prolonged and heavy rains caused yellowing of leaves, stunted growth, browning and drying of the lower leaves.

PSD Table									
Country	**Kenya**								
Commodity	**Corn**						(1000 HA)(1000 MT)(MT/HA)		
	2006	Revised		2007	Estimate		2008	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		07/2006	07/2006		07/2007	07/2007		07/2008	07/2008
Area Harvested	1700	0	1260	1700	0	1275	0	0	1300
Beginning Stocks	182	100	182	282	150	432	257	0	622
Production	3000	2500	3000	2800	0	3060	0	0	2900
MY Imports	50	350	225	25	0	230	0	0	200
TY Imports	25	350	225	25	0	230	0	0	200
TY Imp. from U.S.	0	0	2	0	0	0	0	0	0
Total Supply	3232	2950	3407	3107	150	3722	257	0	3722
MY Exports	100	300	45	0	0	50	0	0	60
TY Exports	100	50	45	0	0	50	0	0	60
Feed Consumption	50	50	50	50	0	50	0	0	50
FSI Consumption	2800	2450	2880	2800	0	3000	0	0	3000
Total Consumption	2850	2500	2930	2850	0	3050	0	0	3050
Ending Stocks	282	150	432	257	0	622	0	0	612
Total Distribution	3232	2950	3407	3107	0	3722	0	0	3722
Yield	1.76	0.00	2.38	1.65	0.00	2.40	0.00	0.00	2.23

October started with a fairly dry period conducive for drying and harvesting. Harvesting is complete in the bi-modal maize areas of the Nyanza and parts of western provinces. Harvesting is underway in the grain basket of the Rift Valley, expected to end towards the end of the year. Crop prospects are generally favorable due to the good rains and 2007 long rain output is estimated at 2.56 million tons. FAS estimates production for 2007/08 to be at 3.06 million tons. This is a minimal increase from the previous year (3 million tons). During previous years annual corn output averages 2.63 tons. The increase was occasioned by a

slight increase in area under corn, favorable weather conditions during the growing season and stable prices.

Corn prices have been quite stable in the capital city (Nairobi) and other major towns. Corn prices between USD 200 – USD 203 per ton have been reported in key markets. For the last two years the National Cereals and Produce Board (NCPB) has agreed to pay farmers USD 215.5 per ton. But the government often has been slow to pay farmers and several opt to sell to middlemen at a lower price. Industry analysts foresee a significant price drop early in 2008 due to increased supplies.