Required Report: Required - Public Distribution **Date:** March 19, 2025

Report Number: KE2025-0006

Report Name: Grain and Feed Annual

Country: Kenya

Post: Nairobi

Report Category: Grain and Feed

Prepared By: Kennedy Gitonga and Damian Ferrese

Approved By: Bret Tate

Report Highlights:

FAS Nairobi forecasts Kenya’s marketing year 2025/26 corn production to increase by 15.8 percent due to a return to normal weather, following an unusually dry year. Rice production is also anticipated to increase by 11 percent, as more land is brought under irrigation and yields sustained. Wheat production will, however, decline by 5.6 percent due to a reduction in area harvested, as farmers respond to complications with the domestic support program. Kenya will remain a net importer of all the three commodities due local supply deficits. Import sourcing for corn and corn products will remain severely constrained by Kenya's ban on importation of genetically engineered products, limiting any advances in poultry, dairy, and livestock production.

Corn:

Table 1: Production, Supply, and Distribution

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Kenya	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2200	2300	2150	2100		2300
Beginning Stocks (1000 MT)	210	210	421	417		267
Production (1000 MT)	4284	4230	4000	3800		4400
MY Imports (1000 MT)	430	430	300	200		150
TY Imports (1000 MT)	310	305	300	300		250
TY Imp. from U.S. (1000 MT)	0	0	0	0		0
Total Supply (1000 MT)	4924	4870	4721	4417		4817
MY Exports (1000 MT)	3	3	5	0		5
TY Exports (1000 MT)	3	3	5	0		5
Feed and Residual (1000 MT)	400	450	400	350		400
FSI Consumption (1000 MT)	4100	4000	4000	3800		4000
Total Consumption (1000 MT)	4500	4450	4400	4150		4400
Ending Stocks (1000 MT)	421	417	316	267		412
Total Distribution (1000 MT)	4924	4870	4721	4417		4817
Yield (MT/HA)	1.9473	1.8391	1.8605	1.8095		1.913

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Production

FAS Nairobi forecasts Kenya's marketing year (MY) 2025/26 corn production will increase 15.8 percent over the previous year, from 3.8 million metric tons (MT) to 4.4 million MT, as weather conditions and rainfall levels return to normal. In the second half of MY 2024/25, prolonged dry weather negatively impacted corn yields; however, dry conditions are expected to be short lived, and production should return to normal in the forecast year. Post is also revising up MY 2025/26 area planted to 2,300 thousand hectares (ha), in line with historical area planted.

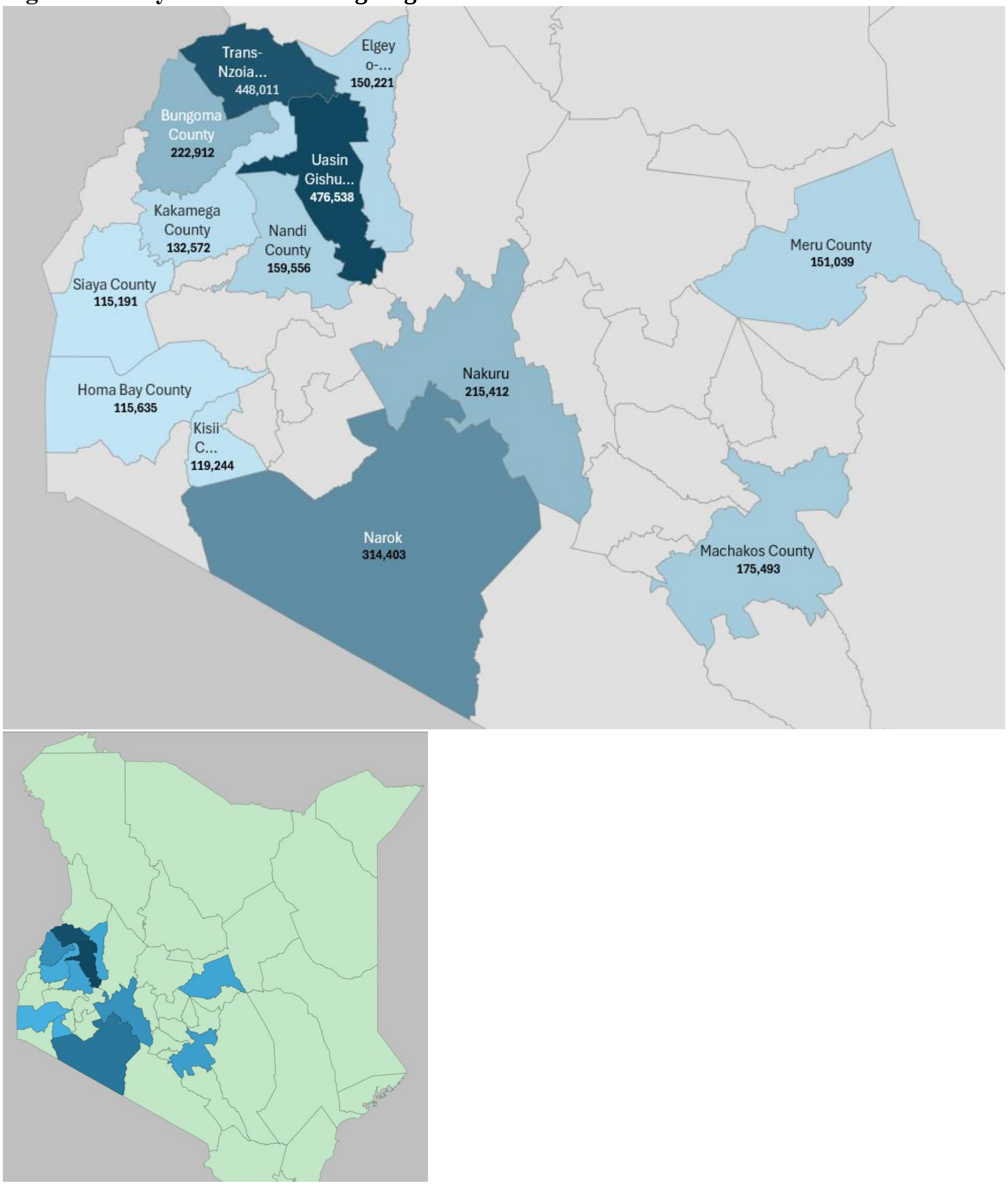
Kenya's commercial corn production is concentrated in the western and northern Rift Valley regions. Kenya has two harvest seasons for corn. The bulk of the crop is planted in March in the north Rift Valley and is harvested in October or November. Corn is planted biannually in the western Rift Valley, and in other locations to the south and east, and is harvested in both July-August and January-March.

Many farmers in the key commercial corn growing areas of the north Rift Valley had been shifting to alternative crops like avocado and sugarcane. That transition appears to have slowed because of structural constraints. These alternative crops require larger initial investments and more operating capital than field crops. Additionally, the limited cold storage facilities for avocado and long distances from production regions to sugar mills created handling and marketing challenges not easily overcome.

Changes to MY 2024/25

Post is revising down Kenya's MY 2024/25 corn production by 5.0 percent, from 4.0 million MT to 3.8 million MT, due to low rainfall in the second half of 2024. With dry weather conditions, both yields and area harvested in MY 2024/25 were down in the central and eastern regions while the western and northern Rift Valley regions reported normal production. In line with production decreases, post is revising MY 2024/25 area harvested down by two percent, from 2,150 ha to 2,100 hectares.

Figure 1: Kenya's Corn Growing Regions



Source: FAS Nairobi

Marketing

Corn marketing in Kenya is largely private sector driven, with occasional government purchases by the National Cereals and Produce Board (NCPB) to put upward pressure on prices. Post anticipates this posture to remain. MY 2025/26 corn prices are anticipated to be below MY 2024/25 due to increased supply. In early March 2025, Kenyan farmgate corn price spiked to $344 per metric ton, which was up from $223 in November 2024.

Policy

Kenyan Fertilizer Subsidy Program

The Government of Kenya (GoK) has continued to expand its fertilizer subsidy program, first launched in 2022. Through the program the GoK issues a tender for the purchase of imported fertilizer. The imported product is then bagged and sent to the network of storage facilities managed by the National Cereals and Produce Board. Farmers are then able to purchase a pre-determined amount of fertilizer a subsidized rate from the NCPB facilities. The quota of subsidized fertilizer allotted to each farmer is based on their predicted acreage planted. At the time of research, contacts reported that the official price of subsidized fertilizer was KSh 2,500 (approx. $19) per 50-kilogram bag, though many expected prices to rise. Commercial fertilizer retails for as much as KSh 5000 ($38) per bag.

Several private sector fertilizer companies have exited the Kenyan market, as they were unable to compete with government-subsidized product. Critics of the program point to inefficiencies and allegations of corruption associated with fertilizer distribution. In 2023, industry contacts reported that fake or adulterated fertilizers were being distributed through the program. The following year, fertilizer arrived at the tail end of the planting season, limiting availability. Industry contacts note that private sector firms had a more advanced distribution network than the NCPB, decreasing the distance farmers had to travel to purchase fertilizer.

Both government and industry contacts assert that system has improved since its launch in 2022. It is unclear if farmers will have access to affordable, high-quality fertilizer in the coming year. In CY 2023, the largest two suppliers of fertilizer to Kenya were Russia and Saudi Arabia at 243,798 MT and 199,681 MT respectively.

Biotech Approval Remains on Hold

In November 2024, the Kenyan High Court removed a long-standing ban on the import and commercialization of genetically engineered (GE) products, effectively opening the Kenyan market to global feed suppliers and agricultural technology. However, in early March 2025, the Kenyan Court of Appeals placed an injunction on the lower court decision, replacing the ban. With the March reversal, GE products remain prohibited in Kenya until the appeals court can hear the case. Without access to global feed markets Kenya remains a deficit market for animal feed, severely limiting the productivity of dairy, poultry, and livestock producers.

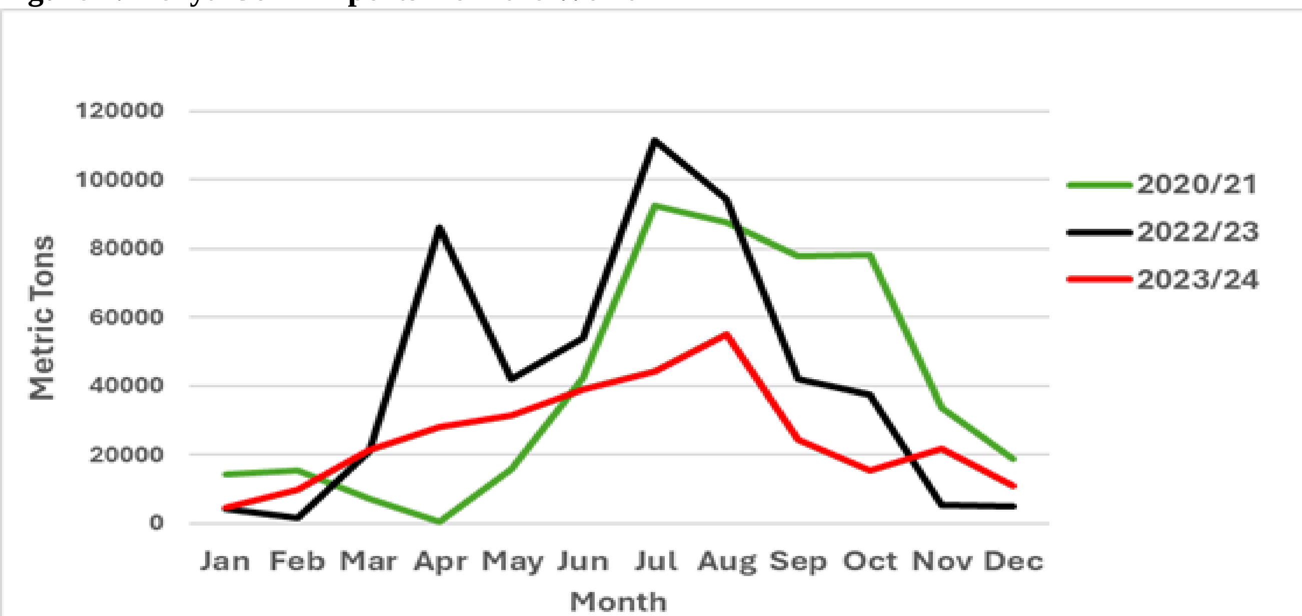
Consumption

Post anticipates MY 2025/26 corn consumption to increase 6.0 percent to 4.4 million MT, due to lower prices and increased supply. Food, seed, and industrial consumption is expected to remain high as corn is a traditional part of the Kenyan diet and a primary ingredient in many common local staple dishes. Additionally, post is raising MY 2025/26 feed and residual consumption, as the feed market remains tight and demand for feed corn continues to outstrip supply.

Changes to MY 2024/25
Post is revising down the MY 2024/25 corn consumption estimates 5.7 percent to 4.15 million MT due to high prices and reduced supply. With more limited supply of corn, prices are high, incentivizing consumers to switch to other energy sources such as rice or potatoes.

Trade
Post forecasts MY 2025/26 imports will decrease 25 percent to 150,000 MT, down from 200,000, on higher local production and a narrowing gap between domestic supply and demand. In addition, imports from Kenya's key regional partners, Uganda and Tanzania are most likely to be directed elsewhere due to increased demand, both commercial and humanitarian, in other regional countries such as Democratic Republic of Congo (DRC), and South Sudan. Kenya retains a steep import duty of 50 percent for corn from outside the East African Community (EAC), in line with the EAC common external tariff. Corn imported from EAC countries has duty-free access to Kenya.

Figure 2: Kenya Corn Imports from the World



Source: Trade Data Monitor LLC

Table 2: Key Corn Exporters to Kenya

Source Country	Unit	Year		
		2022	**2023**	**2024**
Tanzania	MT	658,969	219,260	286,124
Zambia	MT	67,327	13,621	12,849
Uganda	MT	837	10,498	297
Turkey	MT	-	25,000	50
United States	MT	293	-	21

Source: Trade Data Monitor LLC

Changes to 2024/25
Post estimates MY 2024/25 imports will settle at 200,000 tons. A smaller Tanzanian crop and bureaucratic delays in the issuance of Tanzanian export permits will limit available product. Similarly, much of the Ugandan crop is being pulled north into South Sudan as prices remain high in the conflict-worn region. Notably, Kenyan President Ruto has made a series of statements decrying the import of corn in recent months. In October 2023, Ruto said in a public statement that 2024 would be the last year that Kenya would receive corn from abroad, though the GoK has not taken any action to implement import restrictions.

Stocks
FAS/Nairobi anticipates MY 2025/26 ending stocks will increase to 412,000 metric tons. In Kenya stocks are held by farmers, traders, and millers. In the past, the National Cereals and Produce Board kept public stocks through its strategic reserves purchase programs. According to industry sources, NCPB is unlikely to keep any stocks in MY 2025/26, due to funding constraints. NCPB's installed capacity is estimated at 1.98 million metric tons, spread across the corn growing regions. A significant number of facilities are however in a state of disuse and disrepair, while others have been leased to the private sector or repurposed for non-grain commodities storage.

Figure 3: Corn in Storage at a Cooperative Aggregation Center in Trans-Nzoia County

Source: FAS Nairobi

Figure 4: Grain Silos in Nakuru at the NCPB Regional Center in Nakuru

Source: FAS Nairobi

Wheat:

Table 3: Production, Supply and Distribution (PSD)

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	**Jul 2023**		**Jul 2024**		**Jul 2025**	
Kenya	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	150	110	150	110		100
Beginning Stocks (1000 MT)	430	430	599	583		558
Production (1000 MT)	310	310	310	265		280
MY Imports (1000 MT)	2591	2264	2600	2400		2450
TY Imports (1000 MT)	2591	2264	2600	2400		2450
TY Imp. from U.S. (1000 MT)	0	94	0	0		0
Total Supply (1000 MT)	3331	3004	3509	3248		3288
MY Exports (1000 MT)	82	66	100	30		50
TY Exports (1000 MT)	82	66	100	30		50
Feed and Residual (1000 MT)	150	155	150	160		180
FSI Consumption (1000 MT)	2500	2200	2600	2500		2550
Total Consumption (1000 MT)	2650	2355	2750	2660		2730
Ending Stocks (1000 MT)	599	583	659	558		508
Total Distribution (1000 MT)	3331	3004	3509	3248		3288
Yield (MT/HA)	2.0667	2.8182	2.0667	2.4091		2.8

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Production

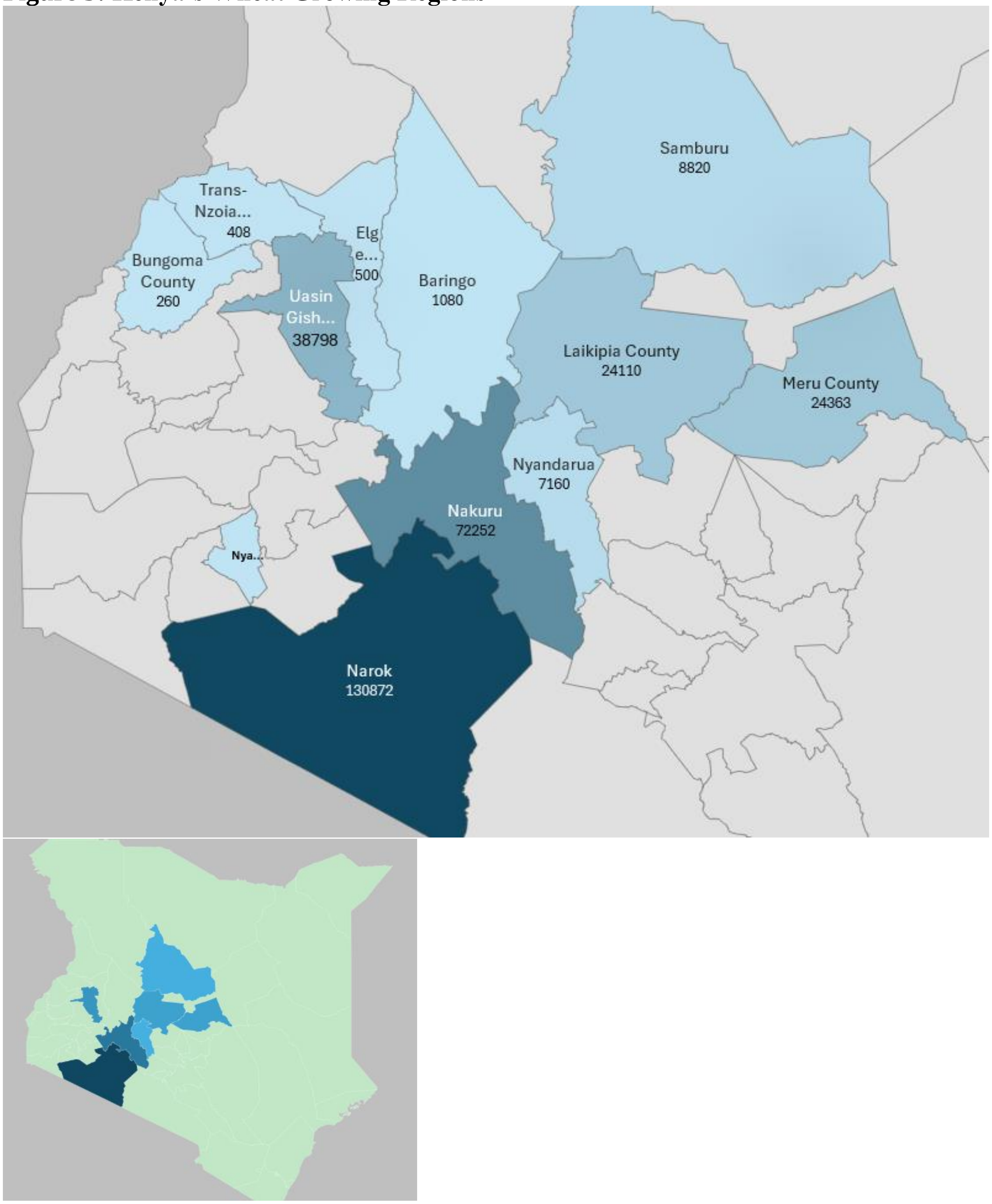
FAS Nairobi forecasts Kenya's MY 2025/26 wheat production will increase by 5.6 percent to 280,000 MT, up from 265,000 MT, on a return to normal weather and better yields. Area harvested is expected to decrease 9.1 percent to 100 thousand hectares, as farmers divest from wheat farming due to emerging marketing challenges and a shift to other crops such as barley and canola. Kenya's wheat production is dominated by large-scale farmers and is clustered around Narok, near the Tanzania border, and Timau, north of Mt. Kenya.

Kenya's wheat yields have historically remained low, due to rampant seed recycling by farmers, and periodic outbreaks of UG-99 wheat stem rust. In addition, farmers also attribute low yields to declining soil fertility, due to the unpredictable and very short land leases that disincentivize long-term investment in soil health. Most land leases in Kenya's wheat growing regions are renewed every year.

Changes to MY 2024/25

Post is revising MY 2024/25 production down 14.5 percent to 265,000 MT from 310,000 MT, due to dry weather conditions that affected the crop, especially in the Timau and Laikipia areas on the northern slopes of Mt. Kenya. Weather conditions were optimal in the key growing region of Narok.

Figure 5: Kenya's Wheat Growing Regions



Source: FAS Nairobi

Marketing

Prior to 2024, Kenyan wheat farmers had a predictable marketing arrangement, negotiated with the Government of Kenya and the Kenyan miller's association. Under Kenya's Wheat Purchase Program (WPP), millers commit to purchase all the locally produced wheat at predetermined prices, before they are licensed to import from other countries. In 2024, this arrangement partially collapsed due to the exit of a key logistics firm that was contracted to facilitate the storage of the wheat on behalf of the millers. This has led to lower prices, and on-farm accumulation of an estimated 320,000 90-kilogram bags (28,800 MT) of wheat. In the meantime, the GOK has offered to purchase wheat from farmers, through the National Cereals and Produce Board. Post anticipates the chaos surrounding the WPP to adversely affect MY 2025/26 production.

Due to the collapse of the wheat program, local prices are now below the WPP negotiated price. The current WPP prices are Ksh 5,300 per 90-kg bag ($457/MT) for grade one wheat, and Ksh 5,200 ($447/MT) for grade two wheat, with grade three being on a "willing buyer-willing seller" basis. The WPP agreement is negotiated by farmers, represented by the Cereal Growers Association (CGA) and millers, represented by Cereal Millers Association, and endorsed by the Kenyan government.

Consumption

Post projects a 2.6 percent increase in Kenya's wheat consumption MY 2025/26, to 2.73 million metric tons. The increased consumption is tied to a growing preference for wheat products by Kenyan consumers, particularly by younger, urban-based cohorts of the population. The consumption of more wheat-based products such as pizza, pastries, cakes, and bread products is driven by growing disposable incomes and increased exposure to other food cultures. Industry sources indicate that the bakery products are the fastest growing consumption category, with sales projected to grow at a compound growth rate of 8.85 percent between 2025 and 2030.

Changes to MY 2024/25

Post is revising down the MY 2024/25 consumption estimate by 3.2 percent to 2.66 million MT due to higher prices and tighter supply.

Trade

FAS Nairobi anticipates MY 2025/26 imports will continue to increase reaching 2.45 million MT as local demand for wheat products increases and domestic production decreases. Kenya historically sourced its wheat from several different suppliers and traders frequently switch from one country to another based on relative prices. Russia remains the largest exporter of wheat to Kenya, largely due to pricing, and freight advantages. Other source countries are Argentina and Canada.

Table 4: Top Wheat Exporters to Kenya

Source Country	Unit	2022	2023	2024
Russia	MT	401,903	1,452,170	1,886,102
Argentina	MT	588,787	-	193,364
Canada	MT	38,500	80,049	104,722
Uruguay	MT	-	-	62,959
Australia	MT	371,204	67,489	50,616
Egypt	MT	13,840	20,743	20,625
Netherlands	MT	-	25,001	15,252

Source: Trade Data Monitor LLC

Changes to MY 2024/25
Post is revising MY 2023/24 imports down by 7.7 percent from 2.6 million MT to 2.4 million MT, as the government is not issuing import licenses to millers. With the recent breakdown in the WPP, millers have been importing without having purchased existing domestic wheat stock. New import licenses will remain on hold pending the resolution of the current standoff between millers and farmers.

Policy
Under the framework of East African Community, Kenya implements a duty waiver program on wheat imported from non-EAC countries. All registered millers enjoy a 10 percent ad-valorem tariff for wheat imported from non-EAC countries, on the condition that they participate in Kenya's Wheat Purchase Program. Participation in the WPP obligates registered millers to purchase all locally produced wheat before they can apply for import licenses. Wheat imports by millers or traders who are not covered under this arrangement are subject to the EAC's Common External Tariff of 35 percent, while wheat imports from EAC member countries are exempted from duty.

Stocks
Post forecasts Kenya's wheat stocks will decrease by 8.9 percent from 558,000 MT in MY 2024/25 to 508,000 MT for MY 2025/26. Wheat stocks in Kenya are usually held by private traders and millers.

Rice:

Table 5: Production, Supply and Distribution (PSD) Table

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Kenya	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	50	40	55	45		50
Beginning Stocks (1000 MT)	333	333	153	153		133
Milled Production (1000 MT)	160	160	180	185		205
Rough Production (1000 MT)	242	242	273	280		311
Milling Rate (.9999) (1000 MT)	6600	6600	6600	6600		6600
MY Imports (1000 MT)	610	610	800	750		760
TY Imports (1000 MT)	900	898	800	600		610
TY Imp. from U.S. (1000 MT)	0	0	0	0		0
Total Supply (1000 MT)	1103	1103	1133	1088		1098
MY Exports (1000 MT)	0	0	0	0		0
TY Exports (1000 MT)	0	0	0	0		0
Consumption and Residual (1000 MT)	950	950	975	955		960
Ending Stocks (1000 MT)	153	153	158	133		138
Total Distribution (1000 MT)	1103	1103	1133	1088		1098
Yield (Rough) (MT/HA)	4.84	6.05	4.9636	6.2222		6.22

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Production

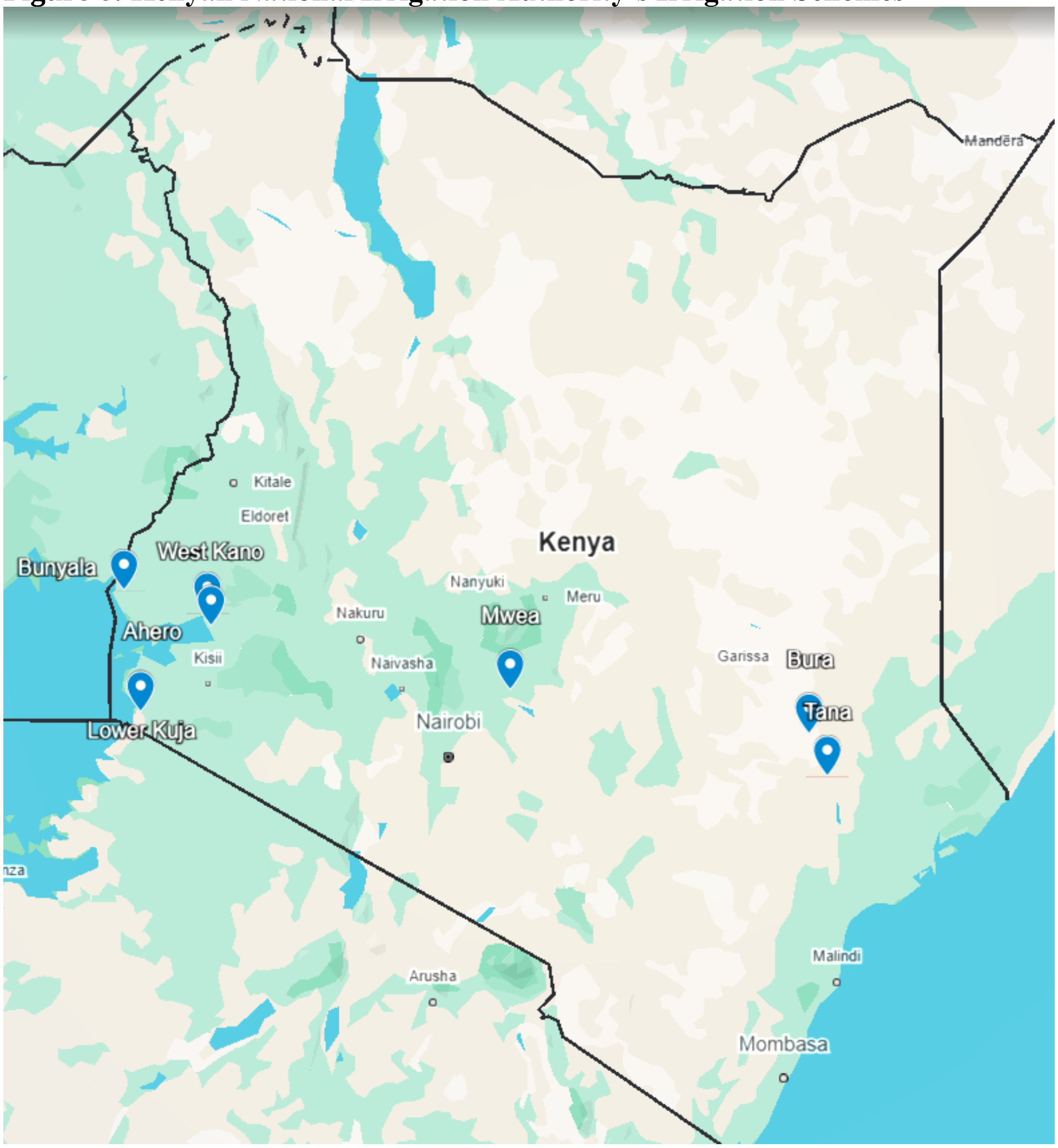
FAS/Nairobi forecasts Kenya's milled rice production will increase by 11 percent to 205,000 MT in MY 2025/26, up from 185,000 MT in MY 2024/25. The growth is tied to the expansion of area harvested in irrigation schemes across the country. Of significance is the anticipated opening of new farms in the Mwea, Bunyala, and Lower Kuja irrigation schemes that are managed by the National Irrigation Authority (NIA). Sources at the NIA indicate that new farmers will gradually be onboarded as last-mile canal infrastructure is completed. The Ahero and West Kano schemes continue to face perennial production disruptions due to breakdowns and poor maintenance of their respective intakes. NIA sources also indicate that low recruitment of farmers in the new schemes where locals have historically not been rice producers may hamper further increases in production.

Post anticipates MY 2025/26 yields will remain flat due to consistent crop practices in the operational schemes. NIA has also indicated challenges with pests such a Golden Apple Snails and the Quelea Quelea birds, especially in the Mwea Irrigation scheme, leading to increased cost of production due increased labor and use of biopesticides.

Changes to MY 2024/25

FAS Nairobi is bringing down area harvested in MY 2024/25 18 percent to 45 thousand hectares. The NIA's irrigation schemes have come online in fits and starts with technical and mechanical difficulties often creating large gaps between expected area planted and actual area harvested. Industry contacts suggest that the USDA official estimate of 55 thousand hectares was optimistic for expected area planted, and well above actual area harvested. Post is adjusting yields upward based on farmer reported yields, which will subsequently raise MY 2024/25 domestic production by 5,000 metric tons.

Figure 6: Kenyan National Irrigation Authority's Irrigation Schemes



Source: FAS Nairobi

Two-thirds of Kenya's domestic production is grown in the Mwea Irrigation Scheme. The rice variety of choice in the Mwea Scheme is the aromatic Basmati (Pishori), while the semi-aromatic Komboka variety is preferred in other irrigation schemes.

Figure 7: The Recently Commissioned Thiba Dam in Mwea Irrigation Scheme

Source: National Irrigation Authority

Figure 8: Newly Completed Irrigation Canal Infrastructure in Bunyala Irrigation Scheme

Source: National Irrigation Authority

Marketing

Post-harvest handling and marketing of locally produced rice is undertaken by individual traders and farmer cooperatives. The Mwea Scheme has the highest concentration of private sector investments in marketing logistics, mills, and blending facilities. Most of the rice in western Kenyan schemes is sold unmilled due to the absence of mills. Basmati is a premium variety and is preferred in Mwea due to demand in in the lucrative market in Kenya's capital, Nairobi. In MY 2025/26, local rice prices are expected to stabilize between $1.20-1.40 per kilogram (kg) for aromatic rice, and $0.90-1.20 per kg for non-aromatic rice.

Consumption
MY 2025/26 consumption is anticipated to increase to 960,000 MT, up a half percent from 955,000 MT during MY 2024/25. The modest increase is driven by lower prices and higher supply. Though rice is not a traditional staple food, it is easy to prepare and is less time consuming, making it a preference for households, especially in urban areas and in institutions. Preferences among Kenyan consumers for either aromatic (premium) or non-aromatic rice, depends on income levels, the nature of catering, and accessibility. For instance, high-end events and catering facilities will most likely serve aromatic rice, whereas in schools and other institutions, non-aromatic rice is served to reduce costs.

Changes to MY 2024/25
Post is revising MY 2024/25 consumption down 20,000 metric tons, or 2.1 percent, on marginally tighter supplies and higher prices. Since rice is not a Kenyan staple, consumers tend to be price conscious, and quick to substitute rice with corn or wheat products.

Policy
Due to low domestic production, the East African Community has, since 2015, permitted Kenya to apply a lower tariff on rice imported from non-EAC countries. Instead of the EAC common external tariff of 75 percent or $345 per MT **(**whichever is higher), Kenya applies a tariff of 35 percent or $200 per MT (whichever is higher) on rice originating outside the East African Community. The partial duty reduction is reviewed every year by the EAC Secretariat. Post anticipates this tariff posture will continue in MY 2025/26.

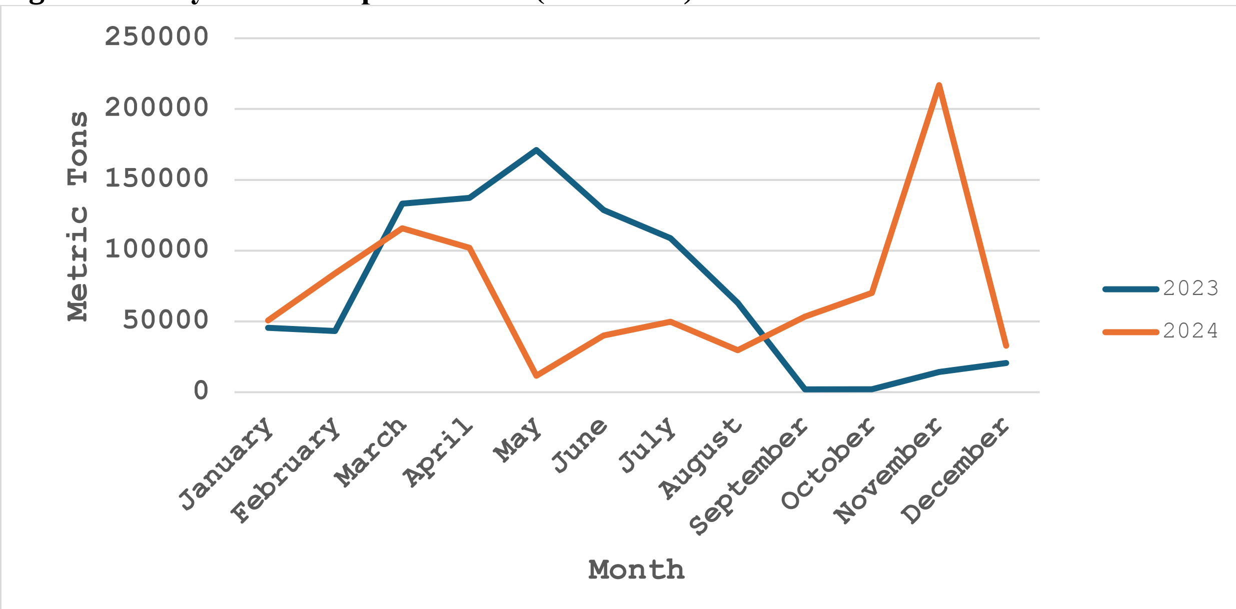
Trade
Post anticipates a one percent increase of rice imports in MY 2025/26 to 760,00 MT from 750,000 MT in MY 2024/25. The increase offsets a local supply deficit and growing consumption. Traditionally, the bulk of Kenya's rice imports have originated from India and Pakistan, a trend Post expects to continue in MY 2025/26. Kenya is not a significant exporter of rice.

Table 6: Key Rice Exporters to Kenya

Source Country	Unit	2022	2023	2024
Pakistan	MT	330,399	262,487	428,020
India	MT	247,613	634,686	305,353
Tanzania	MT	54,614	1,461	84,002
South Korea	MT	22,010	11,000	42,000
Thailand	MT	18,461	7,430	36,210
China	MT	1,507	383	2,050
Vietnam	MT	110	602	107

Source: Trade Data Monitor LLC

Figure 9: Kenya's Rice Import Trends (2023-2024)



Source: FAS Nairobi

Changes to MY 2024/25

Post is revising down MY 2024/25 import estimates to 750,000 MT, from 800,000 metric tons. The decrease is due to a return to normal tariff levels after the end of a duty waiver that was announced in May 2024 and lasted until November 30, 2024. The waiver window coincided with export restrictions in India, during which time the bulk of Kenya's imports came from Pakistan. While Kenyan rice consumers are generally indifferent to the source of imported rice, Kenya's Asian ethnic community is particularly keen on parboiled basmati rice for their high-end social events.

Stocks

FAS/Nairobi forecasts MY 2025/26 ending stocks will increase four percent to 138,000 MT from 133,000 MT in MY 2024/25. Rice stocks are held by individual farmers, cooperatives, and private traders. No stocks are expected to be held by the government, after a previous stockholding and distribution program by the Kenya National Trading Corporation (KNTC), a GOK agency, collapsed due to inadequate funding.

Attachments:

No Attachments