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## Kenya

### Grain and Feed

### Kenya Corn Update Report

**2004**

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**Report Highlights:**

FAS Nairobi corn production estimate for 2004/05 is now 2.1 million mt about 15% below that of the previous year. Due to the tight food supply situation the GOK has announced a 'National Disaster' and appealed for food aid from the international community. In order to facilitate private sector imports the GOK has zero-rated the white maize import duty for the next three months. Issues of moisture content (13.5%) and GMO requirements by Kenya continue to inhibit maize trade between the U.S. and Kenya. The GOK continues to deal with agricultural policy issues on an *ad hoc* basis and lacks a comprehensive drought mitigation strategy.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Nairobi [KE1]  
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## Production

The Ministry of Agriculture projects maize production for 2004/05 at 2.34 million mt. FAS total production for 2004/05 is projected at 2.1 million mt about 15 % below the previous year. This is below the annual average of 2.43 million mt. The decline in production is attributed to the poor rains in the last two years, low usage of farm inputs and lack of usage of improved planting material among other factors. The rains have been below normal in intensity, poorly distributed and characterized by long dry spells in some areas.

<b>PSD Table</b>						
<b>Country</b>	<b>Kenya</b>					
<b>Commodity</b>	<b>Corn</b>				(1000 HA)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
<b>Market Year Begin</b>		07/2003		07/2004		07/2005
Area Harvested	1500	1500	1500	1600	0	0
Beginning Stocks	48	180	98	150	48	150
Production	2500	2500	2300	2100	0	2400
TOTAL Mkt. Yr. Imports	150	250	200	500	0	200
Oct-Sep Imports	100	250	200	500	0	200
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	2698	2930	2598	2750	48	2750
TOTAL Mkt. Yr. Exports	0	80	0	50	0	100
Oct-Sep Exports	0	100	0	50	0	0
Feed Dom. Consumption	50	52	50	50	0	50
TOTAL Dom. Consumption	2600	2700	2550	2550	0	2500
Ending Stocks	98	150	48	150	0	150
TOTAL DISTRIBUTION	2698	2930	2598	2750	0	2750

## Performance of the 2004 Long Rains

The long rains started late in Nyanza, South Rift and Western provinces. The rains, which were expected in mid February, came in early March and were followed by a dry spell for most of the month. The distribution was poor in most parts of the country with very heavy rainfall reported within a short stint of time (mid April to early May). The rains caused floods in some areas of Western and Nyanza provinces. The Coastal region, for the third consecutive seasons, experiencing very dry conditions. The Pastoral, agro pastoral areas and the marginal agricultural areas of Eastern and Nyanza provinces experienced spatial distribution of rainfall as well.

The rains have been below normal in intensity, poorly distributed and characterized by long dry spells. Although some of the above provinces are relatively minor food producers. Successive poor seasons coupled with few viable alternative income sources have worsened food security among households.

### **Performance of Long Rain Maize Crop**

There are wide disparities in maize performance across regions mainly following the rainfall patterns. Western province unlike most parts of the country is expected to harvest normal maize output. Nyanza (mainly low land areas), Rift Valley, Central, Eastern and Coast provinces have experienced 40%, 10%, 60%, 80% and almost zero percent crop failure respectively. Overall the Ministry of Agriculture estimates 1.89 tons of maize and FAS estimates 1.65 tons of the long rain production and about 450,000 mt for the short rain production.

### **Aflatoxin Outbreak**

The outbreak of acute jaundice in several districts of Kenya's Eastern and Central provinces in 2004 was linked to aflatoxin poisoning from contaminated maize. This was revealed by an elaborate study carried out by a team comprised of Ministry of Health, U.S. Center for Disease Control (CDC) and FAS (Nairobi) and the U.S. Food for Drug Administration (FDA). A total of 120 deaths and over 275 cases of presumed aflatoxicosis was reported. High levels of contamination were reported at major agricultural markets and at National Cereals and Produce Board (NCBP) warehouses. Efforts to destroy the maize and replace the contaminated maize are underway albeit in a slow manner.

### **Declaration of National Disaster**

The GOK has announced a National Disaster and appealed for aid from local and international communities as a result of the tight food supply conditions the country is experiencing. The President stated a requirement of 156,000 tons of food with an estimated cost of 76 million dollars required to contain the situation over the next critical six months. A further 32 million dollars is also required for intervention in non-food items during the same period. It is estimated that 1.8 million adults and 1.5 million school children have been affected and require immediate assistance.

The government has removed the 25% duty on corn until 30<sup>th</sup> September 2004 to facilitate both private sector and government to import maize. The aim of the GOK is to import 360,000 mt of corn on a 50/50 basis between GOK and private sector. Preference will be given to importation from the neighboring countries through cross border trade, COMESA countries and finally from other nations. The neighboring countries have limited supply of maize hence the likelihood of sourcing maize either from the U.S. or South Africa. Maize from the U.S. is required to meet moisture content of 13.5% and should be labeled 'GMO' free inhibiting trade between the U.S. and Kenya.

### **Strategic Grain Reserve and Famine Relief**

GOK's 900,000 bags for SGR and famine relief stocks is dwindling as a result of the on going issuance of relief food to the drought affected households as well as replacement of aflatoxin contaminated maize in the lowlands of eastern province. Part of the consignment that will be imported will be used as Strategic Grain Reserve.

The GOK has no effective policy to govern practical drought mitigation measures, which could prove to be more cost effective than poorly targeted free food distribution. The 1999/00 drought that was termed as the worst in the history of Kenya should have been a lesson for proper long-term non-food aid drought mitigations measures to be put in place.