



**Drought intensifies in ASALs, Sisal exports surge**



**Drought situation continues to worsen in ASAL severely impacting on crop production.**

**High sisal exports**



**Government's new fertilizer subsidy to cushion farmers from high prices and improve agricultural production.**

## DROUGHT SITUATION IN KENYA

A recent analysis conducted between July and September 2022 by Integrated Food Security Phase Classification (IPC) showed that approximately 3.5 million people (24% of the ASAL population) are facing high levels of acute food insecurity – IPC Phase 3 or above, with about 2.7 million people in IPC Phase 3 (Crisis) and 785,000 people in IPC Phase 4 (Emergency) representing 10 per cent increase from the same period in 2021 where 2.1 million people were categorized in IPC Phase 3 and IPC Phase 4. *Refer to Table 1 for more details.*

**Table 1: Acute Food Insecurity Phase Classification**

Phase	Phase	No. of people
5	Catastrophic	0
4	Emergency	785,000
3	In Crisis	2,728,000
2	Stressed	5,049,000
1	Food security	6,272,000

Source: IPC

The below-average performance of rains in Kenya has negatively impacted crop production thus leading to food insecurity across the ASALs (Arid and Semi-Arid Lands). Persistent drought, coupled with high commodity prices, poor trade conditions and high inflation continue to impact food insecurity across the ASAL counties.

The most affected counties (predominantly pastoralists) representing 40% of the total country population in IPC Phase 3 or above are: Isiolo (50%), Turkana (50%), Garissa (45%), Mandera (45%), Marsabit (45%), Samburu (45%), Wajir (45%) and Baringo (40%).

In the projected period (October - December 2022), the food insecurity situation is likely to worsen, and more people may require urgent action to reduce food gaps and protect their livelihoods. About 4.4 million people are projected to face high levels of acute food insecurity (IPC Phase 3 or above). Overall, 3.1 million people will likely be in Crisis (IPC Phase 3) and 1.2 million people in Emergency (IPC Phase 4). *Refer to Table 2 for more details.*



**Table 2: Projected (October – December) Acute Food Insecurity Phase Classification**

Phase	Phase	No. of people
5	Catastrophe	0
4	Emergency	1,212,000
3	In Crisis	3,143,000
2	Stressed	5,110,000
1	Food Security	5,370,000

Source: IPC

**Mitigation Strategies to alleviate Drought Impacts:**

- Promotion of water harvesting and storage, training water user associations, planning for new water sources, deepening wells, desilting pans, planning future interventions.
- Capacity building, promote agro-forestry for fruits, fuel, fodder
- Promoting growth of orphan crops such as sorghum, cassava, pigeon peas and sweet potatoes which are drought resistant.
- Adoption/promotion of GMOs.

**Fig.1: Drought-struck area in Laikipia**



## FERTILIZER SUBSIDY EXPECTED TO BOOST PRODUCTION

The Kenyan Government through the Ministry of Agriculture and Livestock Development announced new subsidized fertilizer prices on 20<sup>th</sup> September 2022 after the government availed a KES 3.55 Billion fertilizer subsidy translating to 71,000 metric tons of fertilizers (1.4 million 50kg bags).

A 50kg bag of subsidized fertilizer is expected to retail at a maximum price of KES 3,500 down from KES 6,500 as part of the Government's interventions to address the high cost of living being experienced in the country. *Refer to Table 3 for more details.*

Farmers can purchase up to 100 bags of the 50kg bags of fertilizers at the National Cereals and Produce Board (NCPB) depots and sub-depots countrywide for growing food crops during the ongoing short rains season in some parts of the country.

**Table 3: Subsidized price for different fertilizer types.**

Fertilizer	Quantity	Subsidized price
Di-Ammonium Phosphate (DAP)	50Kg	KES 3500,
Calcium Ammonium Nitrate (CAN)	50Kg	KES 2,875
UREA	50Kg	KES 3,500.
NPK	50Kg	KES 3,275,
MOP	50Kg	KES 1,775
Sulphate of Ammonia	50Kg	KES 2,220

Source: Ministry of Agriculture and Livestock Development

Fertilizer is a global traded commodity that can be influenced by multiple market factors beyond the control of the main producing countries. Fertilizer production is not only influenced by what is occurring where it is produced or the cost of production in that country, but also affected by the numerous other countries demanding fertilizer products and the transportation rates to get the fertilizer to its final destination. The ongoing war between Ukraine and Russia has also contributed to the high cost of the commodity. As a precautionary measure to avert further increment in fertilizer prices, farmers should be encouraged to use organic fertilizer. Additionally, Government of Kenya plans to set up fertilizer manufacturing plants to bridge the existing deficit.

## CONTAMINATED AVOCADO EXPORTS

Kenya is ranked the sixth largest exporter of avocados globally. Avocado export is fetching lucrative prices in China; a kilo of the fruit goes for \$8 (Sh970), an increase from the \$6 (Sh729) offered by the traditional European market.

Despite the above development, the Norwegian Food Safety Authority has raised concern over Kenyan avocado exports after two batches of the product were claimed to contain high dosages of Maximum Residue Levels (MRL) of chlorpyrifos pesticide that exceed the permitted limit value. Specifically Rema 1,000 Ripe avocado 2pk, 320g packaged on September 7<sup>th</sup> and 9<sup>th</sup>, 2022; and Season avocado ripened 2pk, 320g packaged on September 6<sup>th</sup>, 7<sup>th</sup>, and 9<sup>th</sup> have since been recalled from the shelves.

This rejection had a negative impact on the overall quantity of the commodity exported in September 2022 with the volume declining by 2,106.16 metric tonnes from 8,150.16 metric tonnes exported in August of 2022 as shown in *Table 4*.

**Table 4: Avocado exports Volume (MT) and value (KES) from July-September 2022**

<b>Year 2022</b>	<b>Volume (MT)</b>	<b>Value (KES) `000,000</b>
<b>July</b>	11,259.42	1,575.46
<b>August</b>	8,150.16	1,329.44
<b>September</b>	6,044.00	999.90
<b>Total</b>	<b>25,453.58</b>	<b>3,904.79</b>

Source: AFA- Horticultural Crops Directorate



## SISAL SECTOR SEES GROWTH IN EXPORT

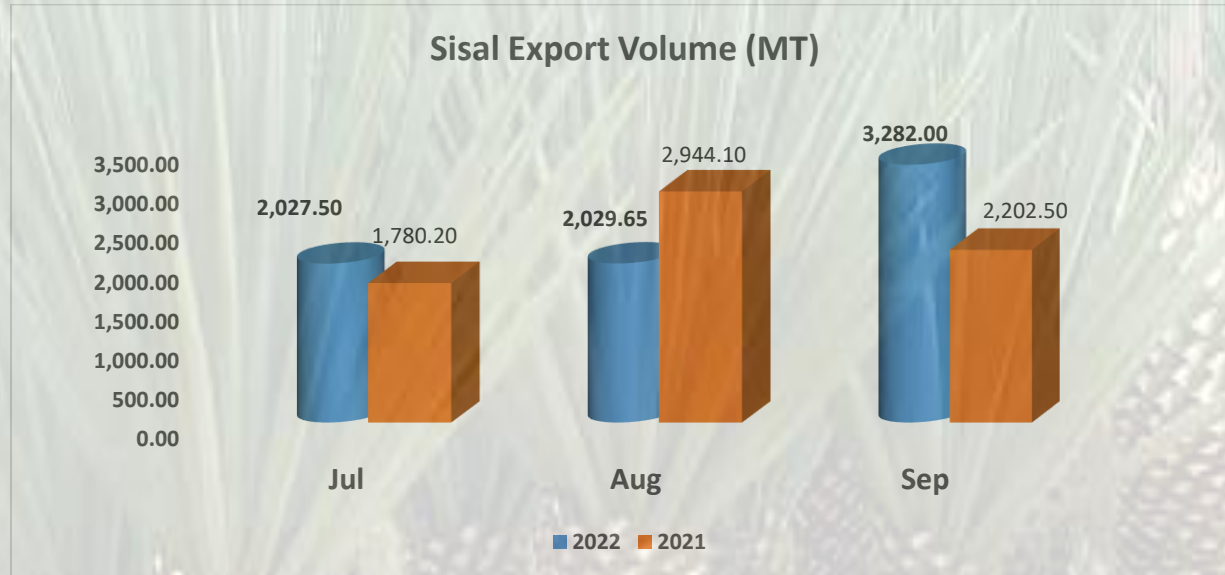
A total of 7,339.15 tonnes of sisal fibre was exported between July - September 2022, giving an increase of 6 per cent from the volume recorded during the same period in 2021, attributed to a deliberate increase in production to meet orders that had been pending in the previous months. Export value increased by KES 311,622,274.69 from the value collected during same period in 2021. Refer to Table 5 and figure 2 and 3 below for more information.

**Table 5: Comparison of the value and volume of sisal exports in Q1 2021 and Q1 2022**

Months	2022	2021	2022	2021
	Volume (MT)		Value (KES) `000,000	
<b>Jul</b>	2,027.50	1,780.20	415.99	307.46
<b>Aug</b>	2,029.65	2,944.10	422.63	525.70
<b>Sep</b>	3,282.00	2,202.50	713.44	407.28
<b>Total</b>	<b>7,339.15</b>	<b>6,926.80</b>	<b>1,552.06</b>	<b>1,240.44</b>

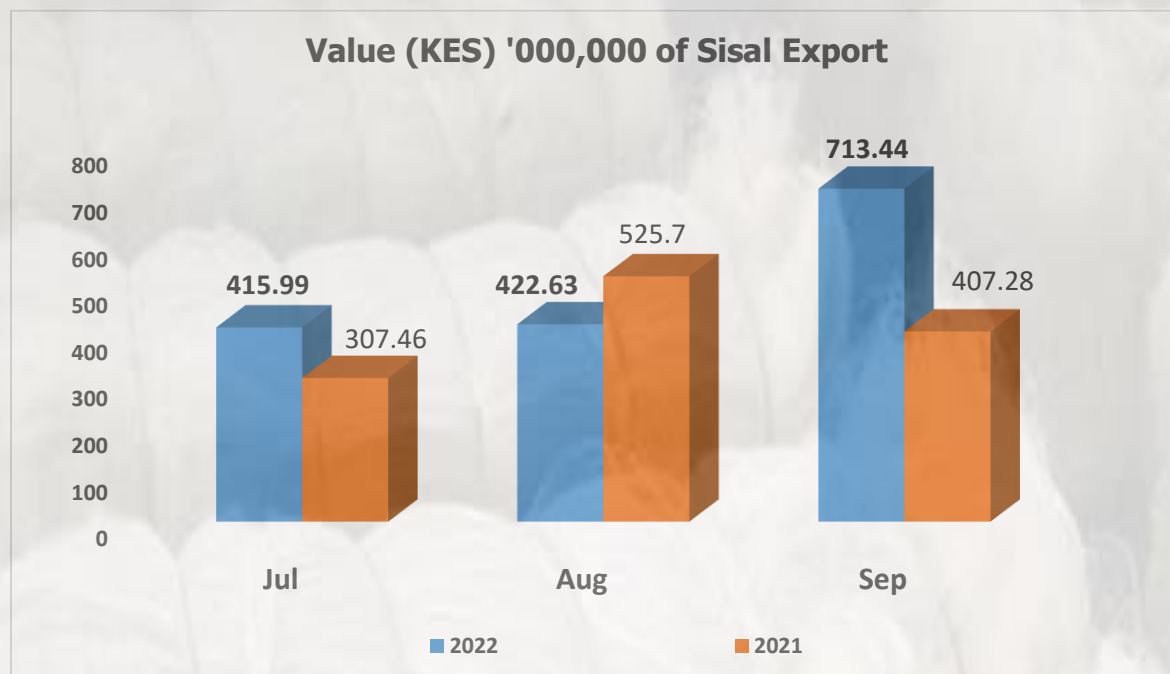
Source: AFA-Fibre Crops Directorate

**Fig.2: Volume (MT) of Sisal exports**



Source: AFA-Fibre Crops Directorate

Fig.3: Value (KES) of Sisal exports



Source: AFA-Fibre Crops Directorate

### Top sisal exports destinations

The top sisal exports destinations in July - September 2022 (Q1 2022/23) were Nigeria, Spain and Saudi Arabia. Nigeria was the leading export destination for Kenyan sisal. The country bought 3,231 tons of sisal fibre in Q1 2022/23 representing 1,815.50 increase from 1,415.50 tons traded in the same period last year. Refer to Table 6 below for more details.

Table 6: Top three sisal exports destinations

Month	2021			2022		
	Top 3 major destinations	Volume (MT)	Value (KES)	Top 3 major destinations	Volume (MT)	Value (KES)
July	1.Nigeria	279.00	49,754,051.48	1.Nigeria	670.00	136,106,627.00
	2.Spain	270.80	45,201,390.92	2.Ghana	355.00	61,888,437.00
	3.S/Arabia	244.00	48,052,959.22	3.S/Arabia	271.00	60,674,039.00
August	1.Nigeria	716.50	129,992,215.52	1.Nigeria	877.00	187,076,531.13

## Quarter 1 2022/23 e-Bulletin

	2.China	386.00	63,783,177.29	2.Ghana	401.65	72,029,617.29
	3.S/Arabia	322.00	62,670,961.17	3.Egypt	192.00	40,388,084.84
<b>September</b>	1.Nigeria	420.00	78,753,411.47	1.Nigeria	1,684.00	372,570,901.42
	2.Ghana	384.50	60,971,403.67	2.S/Arabia	464.00	109,373,763.18
	3.Morocco	276.00	55,284,985.78	3.Ghana	359.60	68,171,547.71

Source: AFA-Fibre Crops Directorate

### Sisal export by grades and volume

During the month of July 2022, UG was the most exported sisal grade at 856 tons (US \$ 1,855.53/ton) while SSUG grade was predominantly exported in August and September at 1,151.45 tons and 1,785.60 tons respectively. The month of September 2022 recorded the highest volume of sisal fibre exported (3,282.20 tons) to different destinations. *For more details, see Table 7 below.*

**Table 7: Sisal export by grades and volume (MT) in Q1 2022/23**

Grade	July 2022		August 2022		September 2022	
	MT	Average Price FOB/ton US \$	MT	Average Price FOB/ton US \$	MT	Average Price FOB/ton US \$
UG	856	1,855.53	628.8	1,880.69	1,225.50	1,941.00
SSUG	809.5	1,762.00	1,151.45	1,751.74	1,785.60	1,819.32
TOW.1	177	1,124.17	93.4	1,111.25	173.10	1,415.83
3L	108	2,171.67	60	2,132.50	28.00	1,680.00
UHDS	28	1,350.00	56	1,225.00	24.00	1,400.00
TOW.2	23	1,600.00	28	1,314.00	46.00	1,662.50
NO.3	14	2,463.00	-	-	-	-
NO.1	12	2,065.00	12	2,065.00	-	-
<b>TOTAL</b>	<b>2028</b>		<b>2029.65</b>		<b>3,282.20</b>	

Source: AFA-Fibre Crops Directorate



## SUGAR PRICES INCREASE DUE TO INFLATION

Sugar production in September 2022 spiked by 30 percent as the industry is steadily regaining momentum following the 9th August 2022 General Elections slowdown. The total sugar production in September was 60,388 tonnes up from 46,460 tonnes recorded in August 2022.

Data from AFA - Sugar Directorate shows that, a total of 587,697 tonnes of sugar was produced during the period January - September 2022, recording an 11 percent increase from 528,391 tonnes attained in the same period last year.

In September 2022, the sugar sales from all factories were 63,311 tonnes up from 46,535 tonnes sold in August 2022. Cumulatively, the sugar sales from January to September 2022 were 588,711 tonnes, 12 percent up from 527,211 tonnes sold over the same period in 2021.

Sugar prices have been soaring due to inflation in Kenya's economy and supply crunch in the industry. In the period under review (January - September), the average wholesale price of a 50 Kgs bag increased by 25 percent from KES 4,736 in 2021 to KES 5,957 in 2022. On the other hand, the average retail price of 1Kg increased by 22 percent from KES 110 in 2021 to KES 134 in 2022. *For more details, refer to Table 8 below.*

**Table 8: Domestic Sugar Prices 2021-2022**

Months	2021	2022	2021	2022
	Wholesale(50kgs bag) in KES		Retail 1Kg in KES	
<i>January</i>	4,962	5,900	115	130
<i>February</i>	4,858	5,600	112	132
<i>March</i>	4,721	5,534	109	130
<i>April</i>	4,686	5,551	108	129
<i>May</i>	4,639	5,565	109	129
<i>June</i>	4,560	5,546	107	128
<i>July</i>	4,585	6,356	107	132
<i>August</i>	4,579	6,218	107	140
<i>September</i>	5,032	7,341	113	158
<b>Average</b>	<b>4,736</b>	<b>5,957</b>	<b>110</b>	<b>134</b>

Source: AFA - Sugar Directorate

## COMMODITY CROPS DOMESTIC PRICES

### MAIZE

The average wholesale price of a 90 Kgs bag of dry maize ranged between KES 3,185 to KES 6,099 from January to September 2022. The maximum price was reported in July 2022 at KES 6,099.

### WHEAT

The average wholesale price of the 90 Kgs bag of wheat ranged between KES 5,056 to KES 7,624 from January to September 2022. The minimum price was reported in January at KES 5,056 per bag. The average prices rose to KES 5,227 in February and dropped to 5,140 in March. During the review quarter, the price rose steadily from KES 7,185 in July to KES 7,624 in August but dropped to KES 7,342 in September 2022.

### BEANS

The average wholesale price of the 90 Kgs bag of beans ranged between KES 7,365 to KES 9,662 between January and September 2022. The prices of the different varieties rose steadily through the year with the minimum price in January at KES 7,365 per bag.

### MILLET

The average wholesale price of the 90 Kgs bag of finger millet ranged between KES 8,667 and KES 9,222 for the period January to September 2022. The highest price was recorded in June at KES 9,655 per bag.

### RICE

The wholesale price of the 50 Kgs bag of rice ranged between KES 4,779 and Kshs. 7,967 for the period January to September 2022. Notably, the prices shot up from KES 6,297 in June 2022 to KES 7,225 in July 2022 for the 50 Kgs bag of pishori rice. The maximum price was reported in the month of September 2022 at KES 7,967 for a 50 Kgs bag of pishori rice.

Sindano rice recorded a similar trend to that of pishori rice. There was a steady rise in the wholesale price of sindano rice throughout the year to record a peak price of Kshs. 6,892 in September 2022. The minimum price of the 50 Kgs bag of sindano rice was reported in January at KES 4,779. *For more details on food crops prices refer to Table 9 below:*

**Table 9: Food Crop Commodity prices in January - September 2022**

Commodity	variety	package. weight (Kg)	Jan	Feb	March	April	May	June	July	August	Sept	Average	Trend
Dry Maize	Mixed-Traditional	90	3,224	3,231	3,341	3,842	4,235	5,600	6,124	5,528	5,428	4,506	
Dry Maize	Popcorn Maize	90	10,440	12,393	13,039	13,522	14,546	18,603	15,015	10,758	16,848	13,907	
Dry Maize	White Maize	90	3,200	3,209	3,185	3,766	4,264	5,609	6,099	5,634	5,560	4,503	
Dry Maize	Yellow Maize	90	3,333	3,262	3,272	3,743	4,262	5,665	6,124	6,003	6,056	4,636	
Finger Millet		90	8,667	8,736	8,643	9,189	9,006	9,655	9,227	9,305	9,222	9,072	
Pearl Rush Millet		90	6,201	6,245	6,256	6,296	6,094	7,088	8,161	8,102	8,144	6,954	
Red Sorghum		90	4,777	4,917	4,866	4,928	5,290	5,887	5,978	6,045	6,077	5,418	
Rice	Pishori	50	5,447	5,618	5,624	5,770	6,059	6,297	7,225	7,288	7,967	6,366	
Rice	Sindano	50	4,779	4,849	4,935	5,188	5,220	5,845	6,108	6,150	6,892	5,552	
Wheat		90	5,056	5,277	5,140	5,433	6,252	6,977	7,185	7,624	7,342	6,254	
White Sorghum		90	5,009	5,506	5,035	5,041	5,370	5,874	6,458	6,359	6,520	5,686	
Beans (Canadian wonder)		90	7,868	7,616	7,439	8,524	8,359	9,014	8,968	9,124	9,695	8,512	
Beans (Mwezi Moja)		90	7,516	7,498	7,640	7,826	8,456	8,857	8,976	8,932	9,431	8,348	
Beans (Mwitmania)		90	7,324	7,335	7,408	8,002	8,462	8,822	9,183	9,529	10,467	8,504	
Beans (Yellow bean)		90	8,656	8,805	9,074	9,571	9,893	10,282	10,704	10,890	11,837	9,968	
Beans Red Haricot (Wairimu)		90	6,881	6,966	7,232	7,744	8,125	8,172	8,653	8,911	8,841	7,947	
Beans Rosecoco		90	7,842	7,831	7,934	8,675	8,671	9,215	9,301	9,859	9,869	8,800	
Beans Rosecoco (Nyayo)		90	7,520	7,558	7,761	8,235	8,344	8,849	9,143	9,456	9,913	8,531	
Cowpeas		90	8,720	8,721	8,273	8,288	9,207	9,452	9,597	9,609	9,857	9,080	
Dolichos lablab (Njahi)		90	8,176	8,418	8,153	7,926	8,830	10,176	10,794	10,749	11,508	9,414	
Dry Peas		90	10,602	10,222	9,958	10,660	11,107	11,569	12,098	12,580	13,141	11,326	
Fresh Peas	On pods	50	3,505	3,878	3,972	5,278	4,742	4,640	3,907	3,089	3,563	4,064	
Fresh Peas	Shelled Peas	50	6,000	5,928	5,892	9,250	4,917	5,000	5,208	6,227	5,817	6,027	
Green Grams	Hybrid/ polished	90	11,032	11,086	10,264	10,139	10,573	10,777	11,019	11,264	11,156	10,812	
Green Grams	Local-Special	90	10,460	9,724	9,420	9,769	10,190	11,224	10,304	10,244	10,763	10,233	
Green Grams	Makueni	90	11,124	10,773	10,238	10,285	10,224	11,160	11,390	11,734	11,728	10,962	
Lentils		50	8,800	8,927	9,366	9,585	10,020	10,325	10,145	10,579	10,331	9,786	
Mixed Beans		90	5,926	5,828	5,842	6,994	6,991	7,274	7,566	7,741	7,852	6,890	
Pigeon peas		90	7,767	7,752	7,894	7,885	8,126	9,002	9,422	9,689	9,838	8,597	
Arrow Root		99	8,079	7,702	7,710	8,456	9,860	8,370	8,567	8,638	8,610	8,444	
Cassava Chips (dry)		1	48	50	53	53	56	56	62	65	65	56	
Cassava Fresh		99	5,037	4,352	4,658	4,563	4,902	4,963	4,559	4,963	4,676	4,741	
Red Irish potato		50	1,741	1,937	2,085	2,413	2,500	2,226	2,051	1,944	2,130	2,114	
Sweet potatoes		99	4,531	4,478	4,436	4,838	5,013	5,411	5,512	5,257	5,269	4,972	
White Irish Potatoes		50	1,953	1,919	2,029	2,698	2,895	2,372	2,107	2,079	2,193	2,249	
Yam		99	7,569	7,566	7,582	6,586	8,786	9,310	7,576	8,580	9,267	8,091	

Source: Ministry of Agriculture and Livestock Development