

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE

**PARLIAMENT
OF KENYA
LIBRARY**

**MINISTRY OF AGRICULTURE MEETING WITH
DEPARTMENTAL COMMITTEE ON AGRICULTURE,
LIVESTOCK AND COOPERATIVES**

FEBRUARY 7, 2011

**CURRENT FOOD SECURITY
SITUATION**

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE

FOOD SECURITY SITUATION AS AT 31st JANUARY, 2011

1.0 HIGHLIGHTS

National maize stocks as at 31st January 2011 stood at 27,690,229 bags, part of which NCPB holds 3,055,182 bags, farmers' stocks at 19,907,695 **bags**, traders' stocks at 3,994,521 bags and Millers stocks at **1,002,831** bags. The government has released Ksh500 million to National Cereals and Produce Board to purchase maize for the National Statutory SGR.

The current maize stocks, and imports from within the region will continue to meet the National maize demand in the short run. Harvesting of Long rains crop has finally been concluded in the North Rift, the Short Rains crop in South Rift is expected to be over by February 2011. The Eastern and central part of the country has had a very poor Short Rains crop due to early cessation of the rainfall as a result of the La Nina effect. The La Nina effect has significantly depressed production in areas like Eastern region whose main season is the October –December season. Areas that mainly rely on the Long Rains were not affected by the La Nina. A critical period of low supplies might be early September before the expected harvest in August 2011 is available for consumption.

As predicted by the Metrological Department, most Counties West of Kenya including Kakamega, Busia, Bungoma, Vihiga, Kisumu, Siaya, Kisii, nyamira, Kericho, Nandi, Uasin Gishu, and Trans Nzoia have continued to receive normal rainfall.

The Counties of Nakuru, Narok, Kajiado, Samburu, Turkana, Kiambu, Kirinyaga, Marang'a, Nyandarua, Meru, Embu and Tharaka have already shown signs of depressed rains. These areas continued to receive intermittent isolated showers during the month of December. Food crops in these areas have shown moisture stress.

On the other hand, Counties that remained unusually dry include Ijara, Mandera, Tana River, Wajir, Samburu, Garissa , Machakos, Marsabit, Mombasa, Kilifi, Lamu, and Taita. In most of these areas the reduced rainfall has resulted in total crop failure.

3. MAIZE AND BEANS INFLOWS IN THE MONTH OF JANUARY 2011

Maize inflows amounted to 50,000 bags within the month, about 50% of which came from Uganda while the rest came from Tanzania. A total of 14,355 bags of beans came into the country. Uganda contributed about 80% of these inflows and the rest came from Tanzania and Ethiopia (*See Annex 1*).

million bags for the current population of 38 million people for the next 6 months)	
Maize Balance as at 31st July 2011	8,781,206

* Imports based on 12 months imports average.

From this balance sheet, National Maize stock is expected to be 8.8 million bags as at end of July 2011. This is adequate to cover two months beginning August 2011. If the Long Rains of 2011 is favourable; the new harvest would reduce pressure on food stocks since an early harvest would be expected during the month of August 2011.

6. BEANS STOCKS AS AT 31ST JANUARY 2011

National beans stock stood at 2.4 million bags with 60% being held by farmers as shown in **Annex 3**. The country consumes approximately 0.5 million bags per month, these stocks will therefore last for the next 4.8 months. The expected harvest in the Eastern region has performed poorly due to depressed rainfall. The early planted crop in Eastern region is being harvested but with an extremely low yield.

7. CONCLUSION

The current maize stocks of 27.7 million bags, imports from within the region and the little harvests expected from the Short Rains will last the country up to August 2011. This therefore means that there might be maize shortage in the country in the month of September 2011 before harvest of long rain crop in November/December 2011. This is based on the hope that the Long Rains of 2011 will be favourable.

8. ANNEXES

Annex 1: Maize and Beans Inflows

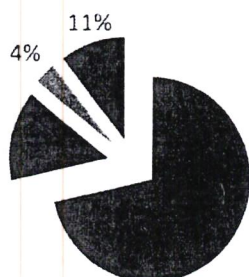
BORDER POINT	Maize (90Kg bag)		Beans (90Kg bag)	
	Jan 2011 Inflows	Cumulative since January 2010	Jan 2011 Inflows	Cumulative since January 2010
Busia	4,100	251,800	13,600	301,032
Malaba	5,200	84,090	6,400	90,715
Suam	500	38,911	150	39,466
Taveta	684	38,227	154	38,592
Moyale	5,120	5,120	17,285	17,285
Tarakea	0	20,803	0	20,803
Namanga	0	0	200	2,450
Isebania	0	202,000	0	212,000
TOTAL	50,000	889,260	14,355	956,825

Annex 2: MAIZE STOCKS AS AT 31st JANUARY 2011

Province	Farmers' Stocks(bags)	Traders' Stocks	Millers' Stocks	NCPB	Total
Western	3,758,400	518,960	156,745	0	4,434,105
Nyanza	1,345,342	433,447	51,166	0	1,829,955
R/Valley	12,228,595	1,886,395	579,180	0	14,694,170
Central	428,814	225,363	101,222	0	755,399
N/Eastern	510	4,100	348	0	4,958
Eastern	1,481,525	803,178	99,043	0	2,383,746
Coast	663,827	105,129	2,302	0	771,258
Nairobi	682	17,949	12,825	0	31,456
NCPB				3,055,182	2,963,122
Total	19,907,695	3,994,521	1,002,831	3,055,182	27,690,229

Maize stocks held by Stakeholders in January 2011

Farmers' Stocks
 Traders' Stocks
 Millers' Stocks
 NCPB



Annex 3: Beans stock as at 31st January 2011

Province	Farmers' Stocks(bags)	Traders' Stocks(bags)	NCPB (bags)	Total 90 kg bags
Western	172,760	90,310	5,252	268,322
Nyanza	336,367	392,319	20,956	749,642
R/Valley	575,710	184,820	4,329	764,859
Central	112,751	66,780	0	179,531
N/Eastern	0	0	0	0
Eastern	204,188	159,050	289	363,527
Coast	2,736	12,756	0	15,492
Nairobi	247	10,072	0	10,319
Total	1,404,759	916,107	30,826	2,351,692

There was an increase in beans stock during the month which can be attributed to the minimal harvest that survived the La Nina drought,

Annex 4: 2010 CROP STATISTICS

Table 1: Maize

Province	TARGETS						ACHIEVEMENTS					
	AREA IN HA			PRODUCTIONS IN BAGS			AREA IN HA			PRODUCTIONS IN BAGS		
	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL
	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR
Rift Valley	663,705	97,085	760,790	15,265,215	2,718,380	17,983,595	642,185	63,460	705,645	25,096,328	1,630,657	26,726,985
Nyanza	175,453	87,000	262,453	3,145,715	565,500	3,711,215	226,377	131,608	357,985	4,702,744	0	4,702,744
Western	232,975	50,521	283,496	3,494,625	656,773	4,151,398	209,211	3,456	212,667	3,829,480	135,411	3,964,891
Central	107,725	85,605	193,330	2,349,086	1,027,260	3,376,346	98,172	75,759	173,931	1,755,776	375,691	2,131,467
Eastern	247,674	270,152	517,826	3,477,821	1,350,760	4,828,581	233,145	312,017	545,162	2,724,168	1,357,452	4,081,620
Coast	111,083	60,187	171,270	1,555,162	421,309	1,976,471	111,973	28,013	139,986	1,723,149	0	1,723,149
N/ Eastern	5,450	5,350	10,800	14,950	11,000	25,950	2,059	2,198	4,257	8,240	0	8,240
Nairobi	798	420	1,218	3,360	9,542	12,902	468	354	822	12,569	515	13,084
Total	1,544,863	656,320	2,201,183	29,305,934	6,760,524	36,066,458	1,523,590	618,875	2,140,455	39,852,454	3,499,726	43,352,180

Status of long rains harvest:

Harvesting of the Long Rains crop is over.

Only 75% of the projected area was planted. Due to the La Nina effect, production is expected to plummet in parts of the country which will lead to shortage of beans. Recent survey has indicated a 40% loss in yield in Eastern, Central and Coast regions attributed to erratic rains.

Table 3: Wheat

Province	TARGETS						ACHIEVEMENTS					
	AREA IN HA			PRODUCTIONS IN BAGS			AREA IN HA			PRODUCTIONS IN BAGS		
	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL
	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR
Rift Valley	112,665	8,050	120,715	3,429,240	164,870	3,594,110	119,352	5,670	125,022	3,459,665	89,365	3,549,030
Western	57	-	57	1,539	-	1,539	50.5	0	50.5	137,135	0	137,135
Central	7,714	2,899	10,613	160,045	84,410	244,455	5,565	2,617	8,182	64,503	15,555	80,058
Eastern	7,940	12,400	20,340	166,740	223,200	389,940	8,607	15,360	23,967	395,702	376,464	772,166
Total	128,376	15,299	151,725	3,757,564	307,610	4,230,044	133,574.7	25,657	157,221.7	3,919,870	481,384	4,538,389

The production of 3.5 million bags in Rift Valley was higher than targeted for in long rains due to favourable weather conditions. North Rift has finalized its harvesting. There is harvesting going on some parts of South Rift region. The current good wheat producer price has motivated farmer as noted by the over achievement of the target short rain hecterage.

Table 5: Rice

Province	TARGETS						ACHIEVEMENTS					
	AREA IN HA			PRODUCTIONS IN BAGS			AREA IN HA			PRODUCTIONS IN BAGS		
	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL
	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR
Rift Valley	24	9	33	820	286	1,106	8.5	0	8.5	196	0	196
Nyanza	7,595	3,720	11,315	253,860	249,280	503,140	1,865	1,982	3,847	354,790	0	354,790
Western	1,200	470	1,670	32,400	11,280	43,680	826	187	1,013	9,092	0	9,092
Central	1,560	9,802	11,315	79,900	667,937	747,837	2,046	8,247	10,293	97,626	304,100	401,726
Coast	2,217	357	2,574	39,700	6,940	46,640	1,660	241	1,901	15,940	0	15,940
N/ Eastern	75	75	150	750	750	1,500	12	12	24	240	240	480
Total	12,671	14,433	24,483	407,430	936,473	1,343,903	6,417.5	12,679	17,086.5	477,884	3043,40	782,224

With the Short Rains harvest reported in central Kenya, production has increased to 782,224 bags which have come handy for the country to reduce pressure on maize as a food crop.

Rice production was boosted with adequate supply of water to the paddy fields as the long rains were heavy with good distribution.

Long rains harvest is now over with **1.3 M** bags of 90kg being realized out of an estimated target of **2,195,685** Ha. Only 76.9% of the hecterage target was achieved. Shortage of certified seeds has contributed to non achievement of set targets. There is a rapid expansion of Gadam sorghum in Eastern Province due to the contractual arrangement with Kenya Breweries Limited.

Table 7: Finger millet

Province	TARGETS						ACHIEVEMENTS					
	AREA IN HA			PRODUCTIONS IN BAGS			AREA IN HA			PRODUCTIONS IN BAGS		
	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL	LR	SR	TOTAL
	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR	2010	2010	LR+SR
Rift Valley	12,674	2,253	15,771	114,066	15,771	129,837	9,438	752	10,184	80,058	4,444	84,502
Nyanza	18,239	14,785	33,024	145,912	88,710	234,622	9845.5	3,520	13,365.5	95,188.50	0	95,188.5 0
Western	6,431	2,513	8,944	77,172	20,104	97,276	5,459	24	5,483	45,502	0	45,502
Central	91	84	175	371	365	736	44.9	47	91.9	176.45	176	352.45
Eastern	42,224	43,596	85,820	250,226	248,991	499,217	15,420	21,000	36,420	122,536	68,384	190,920
Coast	404	250	654	3,636	2,000	5,636	174.7	150	324.7	472.1	0	472.1
Total	80,063	63,481	144,388	591,383	375,941	967,324	40,382	27,503	65,869	343,933	73,004	416,937

Long rains harvest is now over with 233,026bags of 100 kg being harvested out of an estimated hectarage of 30,666. This represents 29% achievement in production. Shortage of clean planting materials contributed to shortfall in cropped area.

Annex5: MARKET PRICES

Table 9: Maize Price Trends in Major Markets (ksh/90kg bag)

Month	Nairobi	Eldoret	Kisumu	Mombasa	Machakos	Karatina	Kakamega	Garissa
Jan 2010	2,700	2,600	2,400	2,312	2,790	2,700	2,600	3,150
Feb 2010	2,500	2,600	2,400	2,125	2,610	2,500	2,600	3,150
Mar 2010	2,000	2,600	2,400	1,920	2,340	2,200	2,900	3,150
April 2010	1,700	2,600	2,200	2,200	2,070	1,900	2,500	3,150
May 2010	1,400	1,700	2,000	1,600	1,710	1,900	2,200	3,600
June 2010	1,400	1,700	1,800	1,650	1,620	1,300	1,800	3,150
July 2010	1,600	1,700	1,600	1,650	1,620	1,300	1,680	3,150
August 2010	1,600	1,500	1,500	1,500	1,350	1,400	1,700	3,150
September 2010	1,650	1,600	1,400	-	1,440	1,300	1,350	3,150
October 2010	1,690	1,000	1,600	1,400	1,400	1,400	1,300	-
November 2010	1,700	1,000	1,600	1,700	1,400	1,450	1 400	-
December 2010	1,750	1,200	2,000	1,700	1,800	1,500	1,470	2,000
January 2011	1,800	1,900	2,000	1,700	1,800	1,700	1,500	3,150

Wholesale prices appeared to show an upward trend. This can be attributed to the current shortage of maize in the dry marginal areas of the country.

Table 11(a) Average Maize flour prices ksh

City/Town	Nairobi	Mombasa	Nyeri	Embu	Nakuru	Kakamega
Brand						
Jogoo Extra	68	-	88	69	62	65
Hostess	90	87	110	75	80	85
Ugali Afya	107	115	71	109	110	114
Maycon	70	-	-	-	-	-
M/Choice	65	-	50	60	56	-
Posho Mill	-	-	-	60	45	-
Ingasi	-	-	-	-	-	-
Bahari	-	-	-	55	-	63
Budget	-	-	-	-	-	-
Chania Harisi	73	-	-	-	-	-
Cosmos	60	-	-	-	-	-
Dola	-	62	58	-	58	57
Heri	-	-	-	-	-	-
Hodari	-	-	70	-	-	61
Jogoo	66	66	-	62	60	61
Jambo	-	-	-	-	-	-
Jimbi	63	55	59	-	-	-
Jembe	61	53	-	-	-	57
Jahazi	-	-	-	-	-	-
Njema	58	-	-	55	-	-
Ndovu	62	-	-	58	-	-
Nzau	-	-	65	-	-	-
Pembe	63	-	63	63	61	-
Soko	64	-	59	64	58	-
Sana	-	-	-	-	-	-
Shujaa	56	-	-	-	-	-
Taifa	-	58	-	-	-	-
Tima	-	55	62	-	-	-
TSS	-	-	59	-	-	-
Zawandi	62	-	-	-	-	-

Table 11(b): Average Maize flour prices (ksh.)

City/Town	Lodwar	Malarlal	Kangundo	Makueni	Garissa	Wajir
Brand						
Jogoo Extra	-	-	90	90		
Hostess	-	100	110	105		
Ugali Afya	-	-	140	120		
Maycon	-	-	-	-		
M/Choice	-	-	75	-		
Posho Mill	50	40	60	50		
Ingasi	-	-	-	-		
Bahari	100	75	80	-		
Budget	-	-	-	-		
Chania Harisi	-	-	-	-		
Cosmos	-	-	75	75		
Dola	-	-	-	65		
Heri	-	-	-	-		
Hodari	100	-	-	-		
Jogoo	100	90	69	85		
Jambo	-	-	-	-		
Jimbi	-	-	69	-		
Jembe	-	75	-	70		
Jahazi	-	-	-	-		
Njema	-	-	-	65		
Ndovu	-	75	75	-		
Nzau	-	-	-	69		
Pembe	-	-	70	68		
Soko	-	-	70	-		
Sana	-	-	-	-		
Shujaa	-	-	-	-		
Taifa	-	-	-	-		
Tima	-	-	-	-		
TSS	-	-	-	-		
Zawandi	-	-	-	-		

The price of maize flour was stable in the high potential areas with a 2Kg packet of the common brands selling at an average price of Ksh 60. In marginal districts, the average price increased from Ksh 85 to Ksh 100 per 2Kg packet.

MASINGA DAM

CHALLENGES IN THE USE OF MASINGA DAM WATER FOR AGRICULTURAL PRODUCTION

Background information:

Masinga Dam was conceived in the 60's immediately after the commissioning of the Kindaruma Dam. The project took 7 years from feasibility studies to commissioning. The power station was commissioned on 2nd December 1981 with an installed capacity of 40MW. The Dam is located in Machakos/Embu Counties, 150 km from Nairobi via Thika – Kangonde road and 70 km from Embu town.

Masinga Dam has a catchment area of 7354 km² with a reservoir capacity of 1560 million cubic metres. It also has surface area of 120km² with a length of 45 km from the dam wall to the Tana Bridge. It has a dam wall height of 60 metres. There is a proposal to increase the height of the dam wall by 1.5 metres which will increase the reservoir capacity to 2000 million cubic metres

Masinga dam was sited upstream of the other dams to act as a regulatory dam. It had an objective of improving power generation during the dry season as well as increasing the irrigation potential in the lower Tana basin.

Potential for irrigation

- While the broad objective of the dam was on power generation, there exist potential to utilize the water reserve for irrigation mainly through pump fed approaches to utilize the upper catchment areas.
- Already the water is being utilized by individual small scale farmers along the dam to produce horticultural crops.

Challenges of using the dam for irrigation

- During design and construction, irrigation infrastructure was not included hence limiting any Agricultural use of the water in the upper and lower catchments.

**LONG TERM MEASURES FOR FOOD
SECURITY**

MEASURES TO ACHIEVE LONG TERM FOOD SECURITY IN KENYA:

BACKGROUND:

Food security includes availability and access of nutritionally balanced food that will help meet the dietary needs of the people. Achievement of food security remains elusive due to various challenges facing the agriculture sector. Some of these challenges include:

- Dependence on rain-fed agriculture;
- 80% of our land area is arid and semi arid;
- Climate change resulting in frequent droughts and floods hence the need for efficient early warning systems;
- Volatile commodity prices;
- Weak farmer institutions especially the farmer cooperatives;
- Inadequate affordable agricultural credit;
- Poor rural infrastructure;
- Low use of inputs and thus low productivity(fertilizers, pesticides)
- Pests and diseases
- Low mechanization
- Inadequate value addition thus selling agricultural products in raw form and fetching low prices
- Unfavourable policy environment
- Low budgetary allocation to the agriculture sector

The government objective is to attain national food security but deficits continue to reoccur especially in years of prolonged drought. Furthermore, national food availability does not guarantee household food access. Transportation of the foodstuff produced in one area to the food deficit areas continue to pose a major challenge to the country. Communities in the food deficit areas do not have

Secondly, the Government continues to facilitate the purchase and management of Strategic Grain Reserve (SGR). The government intends to raise the SGR to 4 million bags in physical stocks and an equivalent in cash stocks. The Government intervenes in stabilizing the price of cereals by participating in the market. This intervention supports farmers and helps them invest in cereal production.

The Government together with stakeholders in the cereal sub-sector has also embarked on the introduction of Warehousing Receipt System (WRS) and Commodity Exchange to give both farmers and traders an opportunity to get best returns from cereal production and trades. The policy and rules to operationalize the WRS are being developed.

ii) POLICY:

With regard to creating the necessary enabling environment for growth of the economy and the agriculture sector, the government continues to review the policies and legal framework in order to steer growth and attract investment. The **National Food and Nutrition Security Policy** and the **Agriculture Sector Development Strategy** are meant to drive the growth of the sector and steer food security. The **National Agriculture Sector Extension Policy** will guide the provision of extension services by both public and private providers

Other policies and strategies that the Ministry has finalized or are in the process of development and directly relate to food security include: National Seed Policy, National Rice Development Strategy, Soil fertility policy, National Horticulture Development Policy, KEPHIS Bill, Oil Seed Crops Development Bill, National Emerging Crops Bill, National Urban and Peri-urban agriculture and livestock bill, Root and Tuber Crops Bill, National Wheat Strategy and National Agribusiness Policy. The Agriculture Sector Coordinating Unit (ASCU) is also playing a leading

v) **AGRICULTURAL INFORMATION**

- The Ministry in all its offices from Division to the Provincial level has put in place information desks where farmers and other interested stakeholders can obtain information on various aspects of agriculture.
- Through the Agriculture Information Resource Centre, farmers are educated through radio programmes like Sikio la Mkulima and other vernacular programmes.

vi) **CAPACITY BUILDING**

The Ministry as part of its activities will continue to build capacity not only in recruiting agricultural staff but also training in aspects that will assist farmers to realize better productivity and improved incomes. These areas include:

- Early Warning systems
- Value addition: The 10 Agricultural Technology Development Centres to be strengthened to offer appropriate technology for agro-processing. In addition, through the Promotion of Private Sector Development in Agriculture (PSDA) programme, this aspect of value addition is being addressed.
- Farming as a business
- Diversification of production and new technologies.

vii) **INFRASTRUCTURE**

Provision of water for irrigation, markets and accessible roads remain key to enhancing food security. The following projects in the ministry will contribute to the long term goal of attaining food security in the country.

- The Ministry in collaboration with IFAD is implementing the Small-holder Horticulture Marketing Programme (SHOMAP) that will develop market and rural access roads infrastructure for horticulture in 14 districts

**AGRICULTURAL DEVELOPMENT CORPORATION
(ADC)**

Agricultural Development Corporation

Introduction

Agricultural Development Corporation is a Government Parastatal, which was established in 1965 through an Act of Parliament, Cap 346, to facilitate the land transfer programme from European settlers to locals following the country's independence.

With the successful completion of the land transfer programme, revision of the objectives of the Corporation was carried out resulting in the Act of Parliament, Cap 444 of 1986, in which, the functions of the Corporation were redefined to include promotion and execution of agricultural schemes, and reconstruction in Kenya by initiating, assisting and expansion of agricultural undertakings and enterprises. It is on the basis of this Act that the Corporation manages its operations across the country.

VISION

Our vision is:

To be the leader of agricultural development in Eastern Africa and beyond.

MISSION

Our mission is:

To promote agricultural development in Kenya by expanding agricultural undertakings through production and supply of quality seed, livestock, technological transfers and training in a sustainable and affordable manner.

CORE VALUES

In its endeavour to realise our vision and mission the Corporation upholds the following core values:

- Team work and Commitment
- Professionalism
- Innovativeness
- Integrity, Accountability and Transparency
- Delivery of Quality Service
- Partnerships with Others
- Corporate Social Responsibility
- Environment Friendly



Seed Maize field in Kitale

Potato Seed Production

ADC Molo seed potato was established in 1979. This was done through funding by the Royal Netherlands Government in collaboration with the Government of Kenya.

The cold storage was commissioned in 1985, but it ceased operation in 1999. However, courtesy of the Ministry of agriculture the cold storage was rehabilitated in 2007/8. The cold storage has 13 rooms with capacity store 2000 tones of potatoes at 6-4°C for upto 6 months. This ensures availability of high quality seed potato due to land allocation in

(a) Dairy Production

ADC prides itself of have some of the finest daily breeds in the country. The Corporation is the National Custodian of stud dairy breeds. There are Ayrshires, Fresians, Guenseys and jersey. We also have sahiwal boran crosses that are bred specifically for the harsh coastal climate in Kiswani, Brown swiss, a dual purpose breed is also bred in Kitale region for farmers who wish tp venture in a breed that can be converted to beef anytime.

Over the years, the Corporation has won champion trophies in the Agricultural shows of Kenya by producing the supreme dairy cows of the shows we have participated.

(b) Beef Production

The Corporation is also the custodian of boran stud in the country. Boran is hardy, acclimatized easily and with excellent fleshing quality as provided in the result of carcass content through its farms Kitale, Mutara and Galana, the young boran bulls are bred, reared and sold to the farmerds who wish to improve their best hard with the introduction of broan blood

(c) Kiswani Butchery

In adding to beef production, the Corporaion has ventured into value addition of beef production by establishing Kiswani butchery in Malindi. The butchery was commitioned on11th August2010. We have sloughterd 209 Steers, 4 Goats and 57.4 Chicken.This replaces the Kiswani that was closed earlier when the corporation sold some of its property in some areas including thMalindi. The butchery now is an outlet of our fat steers from Galana Ranch. We anticipate to be a national butchery and be able compete with KMC.

(d) Pig Industry

The objectives of Pig Enterprise is to expand pig production as an enterprise at ADC Lanet Feedlot, for the purpose of availing high quality breeding stock to Kenyan farmers, contribute animal protein supply for the increasing population, technology transfer and to generate revenue to the Corporation as a revolving fund. To also become a major processor of pork, bacon and all other pig products within a period of five years.

ADC A.I training

Artificial Insemination in ADC was initially started 2005 to train ADC staff only. However, with the privatization of A.I services there arose demand of more A.I technicians and there was need to provide an A.I training institution in the North rift .In its quest to provide services close to the farmers, the Corporation establish an A.I Training school in Kitale in 2007. A.I students from Ghana and Uganda have been trained in the training school. In total over 350 AI technicians have since been trained.

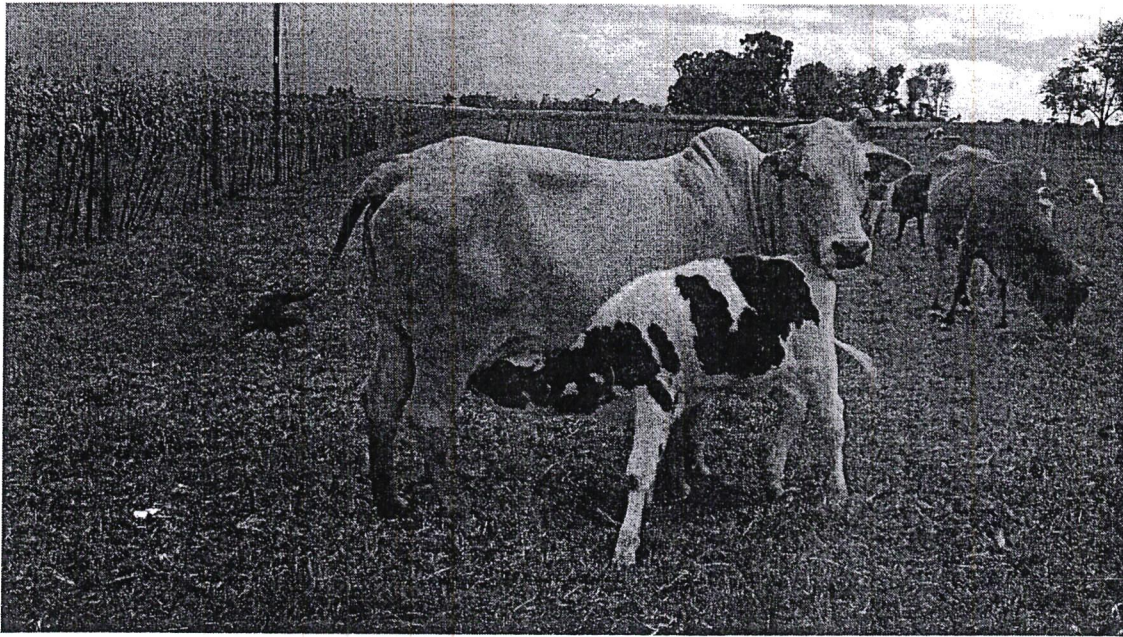
All students who have been trained through the institution have excelled in their field due to adequate practice offered because of the abundant livestock for thorough practical training and examination.



Students in ADC AI Training school

Embryo Transplant(ET)

ET is the process of stimulating donor cows to release many ova from its ovaries which are then fertilized after normal insemination thereafter; the embryos develop and then can be flushed from uterus of donor cow and transferred to heat synchronized recipient cows / heifers that carry the pregnancy to term.



ET calve Suckle her surrogate Boran mother

Progeny testing and Contract Mating

ADC participates actively in progeny testing program. Progeny testing is the process through which young sires are evaluated by examining the production and traits of their daughters, they are upgraded to proven "sires" status where their positive traits are documented through bull catalogue. Apart from ADC being the testing ground for the CAIS young Sires due to large Number of herds and good recording system, the corporation also participates in contract mating where its high yielders are contracted to CAIS who will inseminate them with superior sires when these dams calve down to bull calves then they are caught by CAIS. These young sires will undergo progeny testing before being classified as proven sires.

A large group of sires in CAIS Kabete and from ADC and we are proud that we have been able to serve the farmer through CAIS

ADC Feedmill

ADC Feed mill was started in 1978 specifically too provide high quality feeds to the dairy cattle in the Corporation. However in 2006, the corporation saw the need of ensuring that the farmers apart from buying high quality breeding stock, they can also purchase high quality feed from the Corporation therefore commercialize the feed industry by scale up production beyond the units requirement. It is encouraging to



One of ADC lodges in Galana Ranch

ADC Dairies

Over the years ADC's mandate is to be the custodian of the livestock stud in the country following the exit of the European settlers. This has become the practice and ADC has expanded and maintained the quality livestock high breed to date.

It is imperative that milk production has in the process been one of the enterprises that ADC has undertaken to do as a source of revenue and an income stream for the corporation with a capacity do a dairy production yet it has over the years been a challenge to do so.

This is a strategic business venture that can only meet the needs of the corporation today and notwithstanding the country at large in terms of job creation. This is in line with the vision 2030 which endeavors to have and industrialized country and to fulfill the large picture of the new constitution to provide employment to the youth.



Agribusiness Tractors in yard.

Eco- Housing Project

In its endeavour to provide modern housing for its staff, the corporation embarked on eco – housing, a project that uses locally available materials to construct improved houses for the employees. Under this, project the corporation has been able to construct 4 units in each farm and more houses are lined for this financial year.

per kilo) are raised to a reasonable Sh. 53/= per kilo. This requires Government intervention so that the Corporation can continue to make its contribution to National Food Security.

In other areas of our operations the Corporation is highly underfunded but could be able to carry out more programmes if more financial resources are made available.

CONCLUSION

The Corporation recently launched its second Strategic Plan that is expected to raise the level of performance to a turnover of Ksh 2 billion during the next five years. This will be achieved through increased productivity, diversification and efficiency in our operations. The Corporation will continue its staff training programme in order to build capacity and knowledge base of the work force. The staff of ADC have made a significant contribution and demonstrated clear commitment and dedication to duty even in the most challenging circumstances.

We have attached with this submission DVD that summaries our activities and achievements in the past few years. We also enclose our current Strategic Plan that summarizes our past performance and focuses on our projected future performance.

W. K. KIRWA, OGW

MANAGING DIRECTOR

BUDGETARY PROPOSALS 2011/2012 FY

Resource Requirements for SAGAs Under Agriculture

Name of the SAGA	Approved Estimates (Million Kshs)	Projected Estimates (Million Kshs)				
		2010-11	2011-12		2012-13	2013-14
		Allocation	Required	Allocation	Required	Required
Coffee Development Fund	310	410	410	420	430	
Cotton Development Authority	180	180	180	180	180	
Coconut Development Authority	80	80	80	80	80	
Kenya Plant Health Inspectorate Services	448	448	448	448	448	
Pest Control Products Board	89	89	89	89	89	
Horticultural Crops Development Authority	320	320	320	320	320	
Tea Board of Kenya	60	60	60	60	60	
Coffee Board of Kenya	30	30	30	30	30	
Bukura Agricultural College	160.2	160.2	160.2	160.2	160.2	
Total	1,677.2	1,777.2	1,777.2	1,777.2	1,777.2	

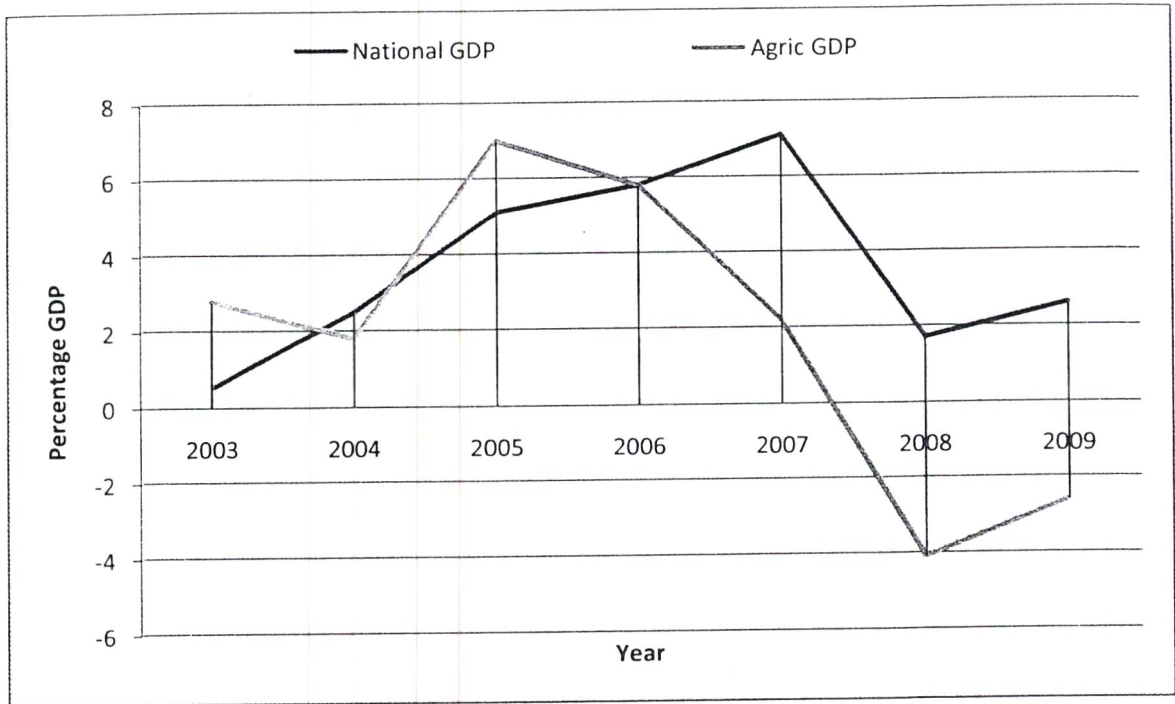
Agriculture Resource Requirements by programmes/sub programmes

Sub Programme	Approved Estimates (Million Kshs)	Projected Estimates (Million Kshs)				
		2010/11	2011/12		2012/13	2013/14
		Allocation	Required	Allocation	Required	Required
Programme 1: Policy, Strategy and Management of Agriculture						
Development/ Review of Agricultural Policy, Legal and Regulatory Frameworks	1,897	1,980	1,897	1,737	1,998	
Agricultural Planning and Financial Management	1,556	1,738	1,738	1,690	1,805	
Sub-total	3,453	3,718	3,718	3,427	3,803	
Programme 2: Crop Development and Management						
Land & Crops Development	2,264	2,511	1,373	2,567	2,625	
Food Security Initiatives (NMK)	198	258	258	261	264	

Agriculture Extension Services	5,935	7,128	5,006	7,411	7,722
Sub total	8,397	9,897	6,637	10,239	10,611
Programme 3: Agribusiness and Information Management					
Agribusiness & Market Development	2,110	2,385	608	2,500	2,566
Agriculture Information and Service	110	133	133	140	147
Sub total	2,220	2,518	741	2,640	2,713
Total	14,070	16,133	10,805	16,682	17,155

Agriculture: Resource Requirements by Economic Classification

Expenditure Classification	Approved Estimates (Million Kshs)	Projected Estimates (Million Kshs)			
		2010/11	2011/12		2012/13
	Allocation	Required	Allocation	Required	Required
(1)Current expenditure					
Compensation of Employees	3,067	4,094	3,875	4,293	4,513
Use of goods and services	1,597	1,722	1,723	1,867	2,011
Current transfers Govt. agencies	3,525	3,624	1,381	3,728	3,861
Other recurrent	-	-	-	-	-
(2)Capital expenditure					
Acquisition of non-financial assets	7,167	8,015	3,386	8,212	8,332
Capital transfers to Government agencies	3,607	3,785	440	3,803	3,813
Other developments	-	-	-	-	-
Total	18,963	21,240	10,805	21,903	22,530



ARDS Trends in Funding (% of Total GOK Budget)

ARDS	2006/07	2007/08	2008/09	2009/10
	4.49	4.77	4.24	4.45

ARD SECTOR RESOURCE CEILING AS PER BOPA 2010

- 2011/12 Total = Kshs. 31.606 Billion (3.97% of Total GOK Budget)
- Recurrent – Kshs. 13.878 Billion
- Development – Kshs. 17.728 Billion
 - (GOK – Kshs. 10.329 Billion
 - (Grant – Kshs. 4.588 Billion
 - (Loan – Kshs. 2.811 Billion

Sub-sector Net resource gap- Recurrent (Kshs. Millions)

Sub sector	Resource Requirements	Allocation	Resource Gap
		2011/12	
Agriculture	7,198	6,979	-219
Cooperatives	1,479	1,131	-348
Fisheries	3,272	741	-2,531
Lands	5,146	1,835	-3,311
Livestock	5,258	3,732	-1,526
Total	22,353	16,013	-6,340

sub-sector resource gap- Dev (Kshs. Millions) Ceilings for GOK only

Sub sector	Resource Requirements	Allocation	Resource Gap
	2011/12	2011/12	
Agriculture	8,935	3,826	-5,109
Cooperatives	671	503	-168
Fisheries	2,897	2,869	-28
Lands	4,267	1,152	-3,115
Livestock	3,421	2,494	-927
Total	20,191	10,844	-9,347