



Central Bank of Kenya

Agriculture Sector Survey

July 2024



TABLE OF CONTENTS

1.	BACKGROUND.....	1
2.	METHODOLOGICAL FRAMEWORK.....	2
3.	MAIN HIGHLIGHTS FROM THE SURVEY	3
3.1	PRICES OF KEY AGRICULTURAL COMMODITIES.....	4
3.2	EXPECTATIONS OF PRICES OF KEY FOOD ITEMS	4
3.3	FACTORS AFFECTING RETAIL AND WHOLESALE PRICES	6
3.4	OUTPUT PERFORMANCE AND EXPECTATIONS.....	7
3.4.1	OUTPUT PERFORMANCE ACROSS FOOD CROPS.....	7
3.4.2	MARKET SUPPLY EXPECTATIONS.....	7
3.5	EXPECTATIONS ABOUT OVERALL ECONOMIC PERFORMANCE	8
3.6	FACTORS AFFECTING AGRICULTURAL PRODUCTION	9
3.7	USE OF FARM INPUTS IN AGRICULTURAL PRODUCTION	9
3.7.1	CHALLENGES ASSOCIATED WITH ACCESS TO FARM INPUTS.....	10
3.7.2	ACCESS TO GOVERNMENT SUBSIDIZED FERTILIZER.....	10
3.8	FACTORS AFFECTING MARKETING/ SALE OF PRODUCE	11
3.9	ACCESS TO CREDIT FACILITIES IN AGRICULTURE	12
4.	RECOMMENDATIONS ON HOW TO IMPROVE THE AGRICULTURE SECTOR.....	13
5.	CONCLUSION.....	13
	ANNEXES.....	14

1. BACKGROUND

The agriculture sector recorded impressive performance in 2023 and the first quarter of 2024, reversing two years of contraction experienced in 2021 and 2022. The strong rebound of the sector is largely attributable to favourable weather conditions in 2023 and first half of 2024. Based on recent data by the Kenya National Bureau of Statistics (KNBS) published in its Quarterly Gross Domestic Product (GDP) report for the first quarter of 2024, the sector is estimated to have expanded by 6.1 per cent in the first quarter of 2024, compared to a growth of 6.4 per cent in the first quarter of 2023. The expansion of the sector is also attributable to government interventions such as those targeting inputs particularly the subsidised fertiliser.

The year-on-year performance as reported in the Economic Survey 2024 shows the sector expanded by 6.5 percent in 2023, compared to contractions recorded in 2022 (-1.5 percent) and 2021 (-0.4 percent). As a result, the agriculture sector contributed 1.1 percentage points to the 5.6 percent overall real GDP growth in 2023. The high growth was mainly driven by the crops sub-sector which in real terms expanded by 6.4 percent in 2023 from a contraction of -2.7 percent and -1.4 percent in 2022 and 2021, respectively.

The Monetary Policy Committee (MPC) of the Central Bank of Kenya (CBK) monitors past, present and expected developments in the agriculture sector in view of the significant influence it has on other sectors of the economy, the overall economic performance, consumer and producer prices. Moreover, developments in agriculture also affect the current account balance through exports of horticultural products (fruits and vegetables, and cut flowers), tea and coffee. The share of agriculture in overall GDP was about 22 percent between 2019-2023.

CBK's proactive and forward-looking monetary policy framework has necessitated the survey of the agriculture sector to gather indicative information on current and expected developments in prices and output of select food commodities to inform monetary policy decisions. This report presents results of a survey of the retail and wholesale prices of agricultural commodities and farm output, undertaken during the period July 18-22, 2024.

More specifically, the survey focused on the following:

i. Indicative prices of select key agricultural food items and the general price expectations.

ii. Assessment of output and acreage of select food items, and expectations.

iii. Access to and use of farm inputs for agricultural production.

iv. Factors affecting agricultural production and marketing/sale of farm produce.

v. Indicative information on access to credit facilities and how farmers use the credit.

v. Suggestions on how to improve agricultural production.

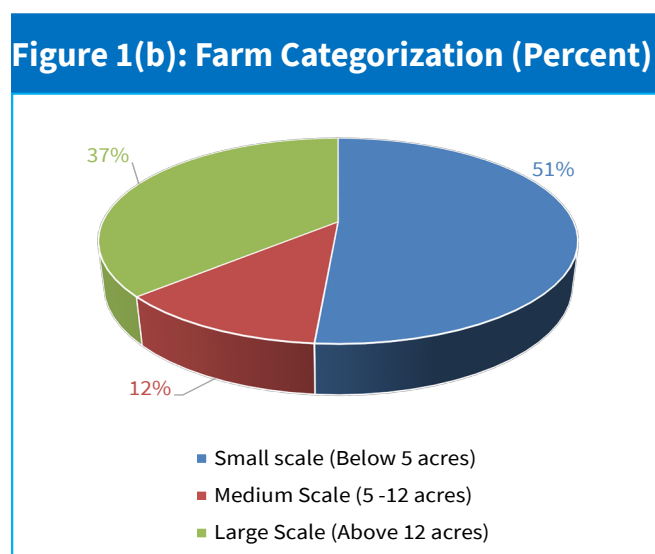
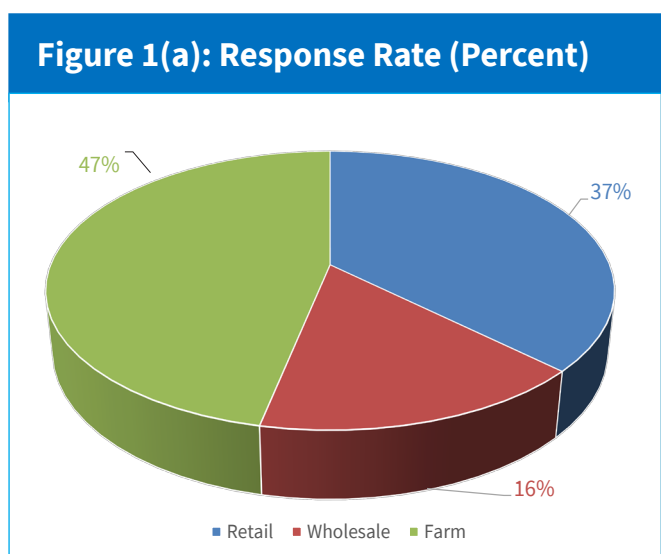
Results show a general decline in prices of fresh vegetables in July 2024 relative to June 2024. The declines were observed in relation to prices of tomatoes, onions, kales/sukuma wiki, spinach, and traditional vegetables. Prices of onions continued to moderate supported by domestic harvests which started towards the end of June 2024. There was also a general reduction in prices of non-vegetable items particularly maize products due to increased supply of maize following favourable rainfall in October-December 2023 and March-May 2024 season. The increased supply led to a drop in the prices of loose maize flour, sifted and fortified maize flour. The survey also recorded a moderation in sugar prices following the re-opening of local sugar factories in the last quarter of 2023.

The key factors found to be exerting upward pressure on inflation remained largely unchanged from previous surveys although the role of weather conditions (spill over effects of excess rainfall and flooding) was more pronounced in May relative to July 2024 survey. This was expected as July is climatologically drier compared to May. The role of weather, transport and input costs remained the most significant in explaining prices of agricultural commodities.

The government's subsidised fertiliser initiative continued to be viewed positively by farmers with the survey showing more than half of the sampled farmers had benefitted. Inflation expectations were on balance dominated by expectations for a decline both in the next one month and the next three months. However, the countywide protests at the time of the survey dampened expectations for increased overall economic performance as the proportion of respondents expecting the economy to improve declined in July 2024 relative to May 2024.

The role of weather, transport and input costs remained significant in explaining prices of agricultural commodities. However, the role of weather conditions was prominent in May 2024 relative to July 2024 as expected due to the flooding that characterised some regions of the country in May 2024. With regard to views on how to improve agricultural production, the suggestions did not differ much from those gathered in previous surveys. Suggestions included the need to construct more dams, dig boreholes and construct water pots/pans to ensure continuous supply of food. Other suggestions were for more government support

to address the high cost of inputs, for instance, by strengthening the national subsidised fertilizer programme to ensure more farmers benefit. Others proposed implementation of a mechanism to stabilise agricultural commodity prices due to seasonal variations. In view of these proposals, the government should strengthen the subsidised fertilizer programme as some farmers attributed it to the increases in output. The government could also consider stabilizing prices by increasing budgetary allocations to National Cereals and Produce Board (NCPB) to buy during surplus and avail the commodities during periods of deficits.



2. METHODOLOGICAL FRAMEWORK

The July 2024 survey, similar to previous surveys of the agriculture sector, gathered information on wholesale and retail prices of select food items, expectations regarding changes in prices and output, and factors that affect agricultural production. The survey drew respondents from select wholesale and retail markets, and select farms in key food basket regions. These included Nairobi Metropolitan area, and neighbouring counties such as Kiambu, Kajiado and Machakos. Other areas covered included Naivasha, Gilgil, Nakuru, Narok, Bomet, Kericho Kisumu, Mombasa, Kisii, Eldoret, Kitale, Nyandarua, Nyahururu, Mwea, Isebania, Meru, Nyeri, Isiolo, Oloitoktok, Namanga, Makueni and Molo and some parts of Western Kenya. The coverage and scope of the survey has continued to expand over time. A total of 272 respondents were sampled out of which farmers accounted for 47 percent while retailers and wholesalers accounted for 37 percent and 16 percent, respectively (**Figure 1a and 1b**).

Analysis of the collected information was undertaken using both quantitative and qualitative approaches, with findings presented using tables and/or charts. The Balance of Opinion (BOO) approach was used to get the net position with regard to responses to select questions. The BOO is generally defined as the difference between the proportion of respondents having expressed a positive opinion and the proportion of respondents having expressed a negative opinion divided by the total number of respondents. The computation of BOO facilitates conversion of qualitative responses into quantifiable values. For instance, with regard to inflation, the survey sought respondents' views about their inflation expectations, that is, whether they expected inflation to increase, remain unchanged or decrease in the next one month and three months ahead. The BOO gets the net positions of respondents and therefore, helps shed light on the direction where, on balance, most of the responses are concentrated, after taking into account all the responses to the

particular question. The same concept is applied to expectations about overall economic performance in the next three months and the next one year. It is important to note that a respondent's expectations about inflation or economic performance varies depending on the time horizon, for instance, a

respondent could expect inflation to increase one month ahead but decrease three months ahead, and vice versa. Likewise, a respondent could expect the economy to improve three months ahead and decline one year ahead, and vice versa. It depends on the factors at play in each of the horizons over which expectations are formed.

3. MAIN HIGHLIGHTS FROM THE SURVEY

This section highlights the key findings from the July 2024 Survey. Broadly, the following are the key highlights:

- i. Retail prices of key food items were generally lower in July 2024 relative to June 2024. For instance, sampled prices of tomatoes, kales/Sukuma wiki, spinach, traditional vegetables, carrots, onions, potatoes, garden peas and potatoes showed stronger price decline relative to the previous month.
- ii. There was a marked decrease in prices of cereals and cereal products mainly supported by the bumper harvest following favourable weather conditions in October-December 2023 and March-May 2024 rain seasons. The survey showed lower prices of loose maize flour, sifted and fortified maize flour in July 2024 relative to June 2024. The ample rainfall also supported growing of pasture leading to observed stability in prices of milk both in June and July 2024.
- iii. A larger proportion of respondents expected a general decline in food prices in the next one month (August 2024) and three months ahead. Likewise, expectations about overall inflation were dominated by respondents who expected a decline, both one and three months ahead. On balance, the proportion of respondents who expected overall inflation to increase in the next one month was lower at 10 percent in the July 2024 survey, compared to 36 percent in the June 2024 survey. Similarly, the proportion that expected overall inflation to increase in the next three months reduced to 18 percent in July 2024, from 39 percent in June 2024. Most respondents expressed concerns about the riots/protests over Finance Bill 2024/25 that characterised most of July 2024, noting that protests were a major risk for inflation if they were to persist. Despite reservations about the possible inflationary

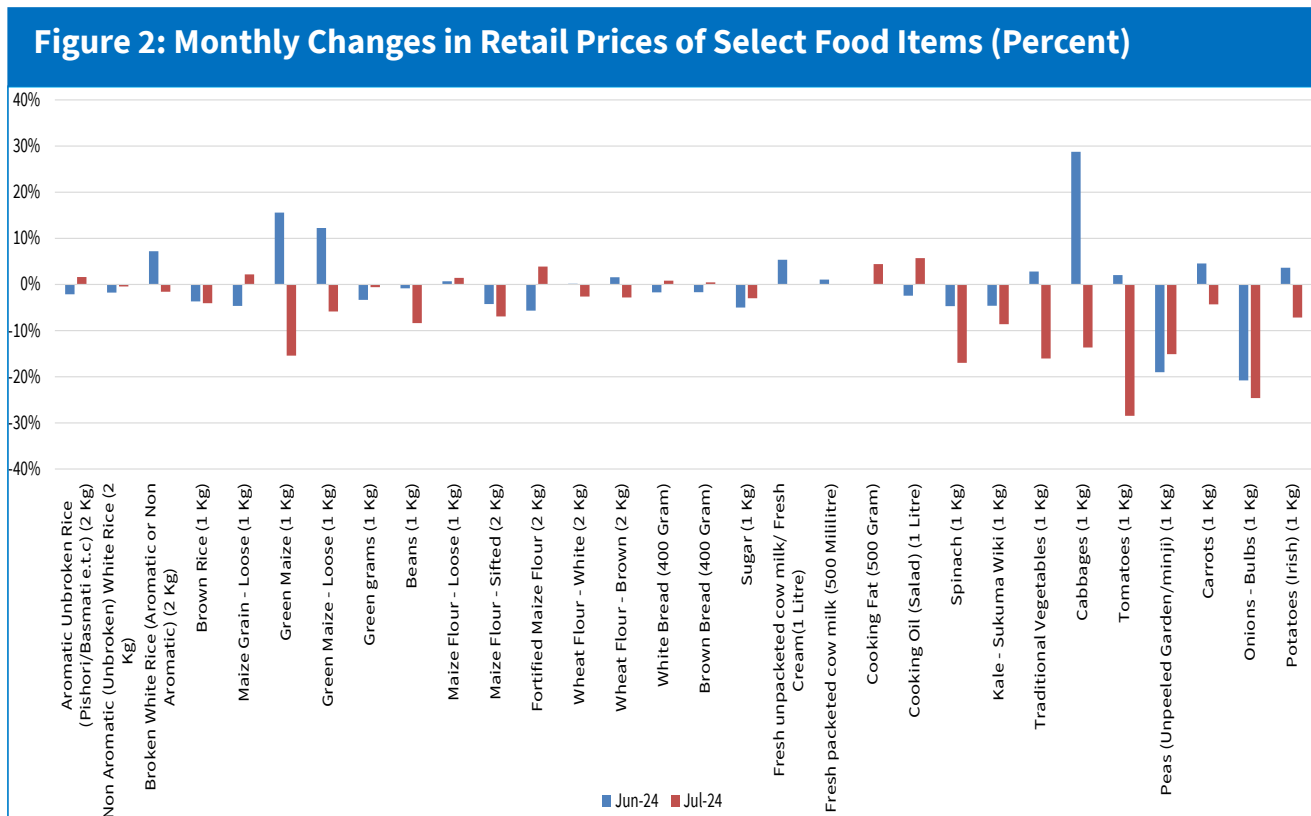
impact of the protests, expectations for lower inflation were underpinned by increased food supply following favourable rainfall, expectations for continued exchange rate stability, and continued reductions in pump prices by Energy and Petroleum Regulatory Authority (EPRA).

- iv. Expectations about both acreage and output of select crops in the next harvest were mixed, though most respondents expected an increase for most crops. Vegetables such as kales/sukuma wiki, spinach, traditional vegetables, cabbages, tomatoes, are expected to record increased acreage and output on account of continued favourable weather conditions.
- v. Weather conditions, transport and input costs continue to impact both output and price of key food items.
- vi. The proportion of respondents who reported to have accessed the subsidized fertilizer was more than half of the sampled farmers.
- vii. Similar to the finding in the March 2024 and May 2024 surveys, banks, Savings and Credit Cooperative Societies (SACCOs), friends/family and digital loans continued to be main sources of credit for farmers in July 2024. The funds were used mainly to finance farm implements, inputs (seeds, fertiliser, pesticides) and labour.
- viii. Optimism about economic performance in the next three months and one year ahead was subdued in July 2024 relative to May 2024 with most respondents expressing concerns about the likely negative impact of riots/protests if they persisted. This outcome is not surprising given that the survey was undertaken at the height of protests over the Finance Bill 2024/25.

3.1 Prices of key agricultural commodities

As with previous surveys, the survey sought to establish indicative prices of key agricultural commodities in July 2024. The analysis of the data shows most of the sampled food items experienced price decline in July 2024 compared to June 2024. There were notable declines in prices of most

vegetables such as tomatoes, traditional vegetables, spinach, kales/sukuma wiki and onions, supported by favourable weather conditions. There was also a marked reduction in prices of loose maize flour, sifted maize flour and fortified maize flour. A modest decline was noted with respect to sugar while milk prices remained more or less unchanged from the levels observed in June 2024 (Figure 2).



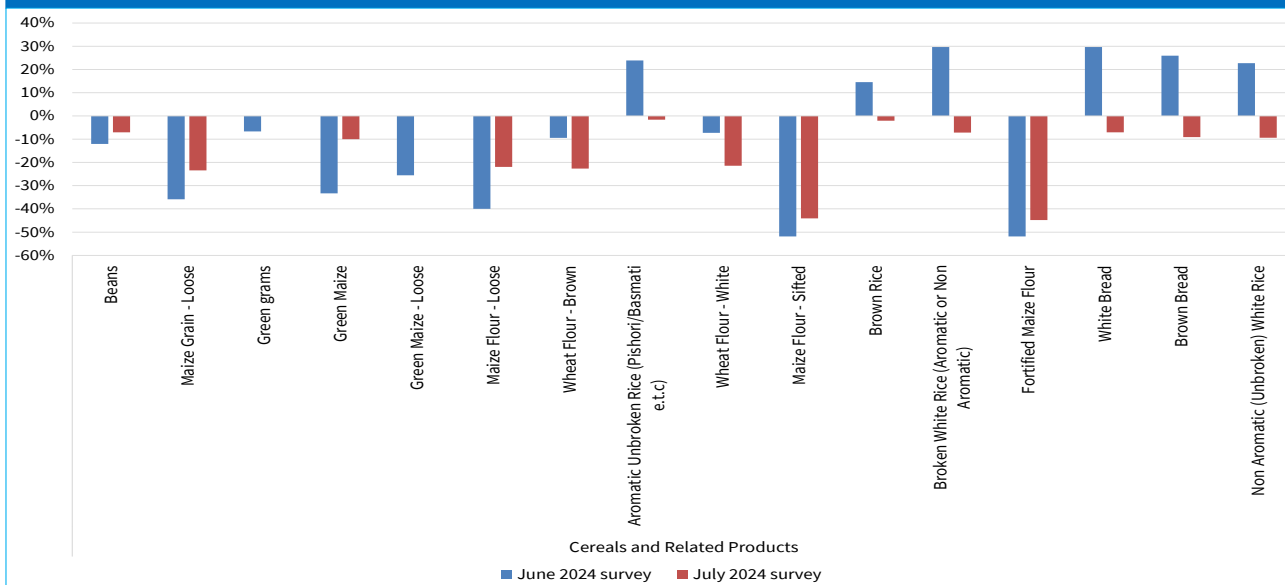
Prices of cereals notably loose maize grain, green grams and beans have been generally lower in the first five months of 2024 compared to a similar period in 2023 and 2022. In general, prices of most non-vegetable commodities recorded decreases in July 2024 compared to June 2024.

3.2 Expectations of prices of key food items

On balance, the BOO points to an expected general decline in prices of most food items in August 2024. This also includes expectations for decline in prices of

fresh vegetables (Figure 3 and 4). Similar to finding during the June 2024, the July 2024 survey revealed that a higher proportion of respondents expected, on balance, substantial declines in prices of loose maize grain, loose maize flour, sifted maize flour and fortified maize flour in the next one month. This was underpinned by the expectation that market supply will continue to improve supported by favourable weather conditions experienced in the country. They, however, expected some increase in prices of rice reflecting the adverse impact of excess rainfall/flooding on domestic production.

Figure 3: Balance of Opinion on Expected Price Changes for Cereals and Related Products in the Next One Month (Percent of respondents)

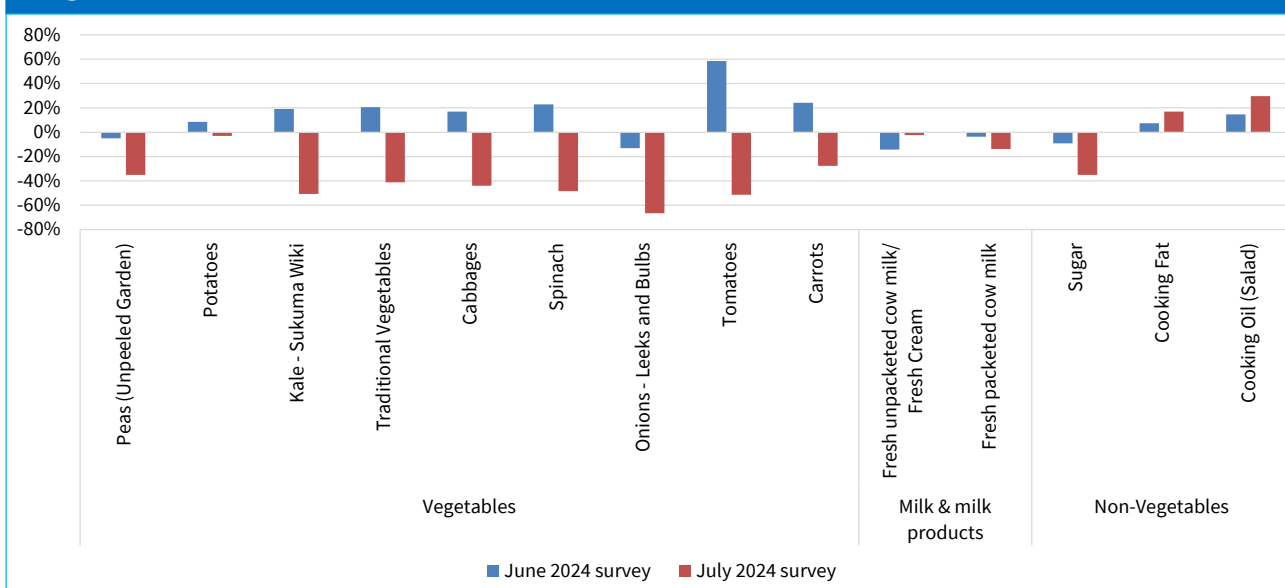


Respondents expected a decline in prices of most vegetables and continued stability of prices of milk and sugar (Figure 4). Respondents expected the spillover effects of the excess rainfall/flooding that characterised March-May 2024 season to subside for most food items. The flooding was largely responsible for the spike in prices of fresh vegetables in June 2024 but the advent of relatively drier weather conditions in July 2024 led to improved market supply of food items such as tomatoes, carrots, garden peas, potatoes and onions. However, the supply of cabbages was found to be low in some regions, due to the impact of flooding. It was also reported

by some respondents that there had been a shift by some farmers to growing of onions whose prices were viewed by farmers as relatively much better.

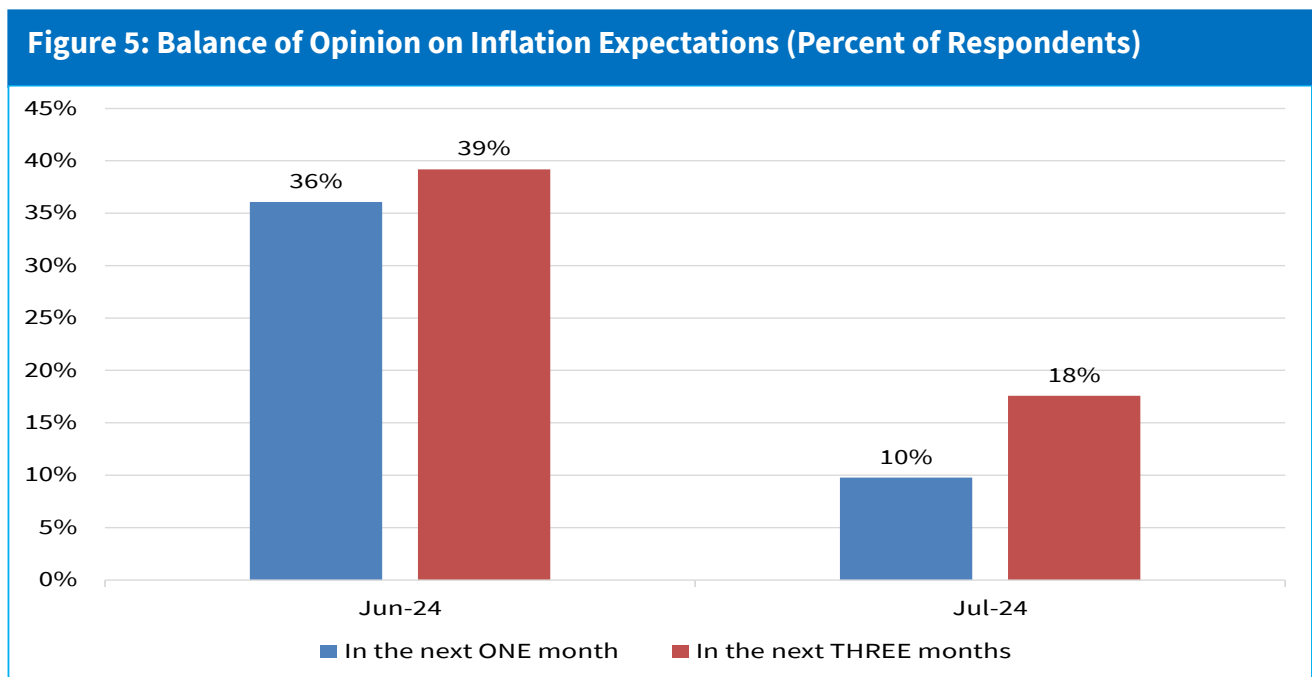
Prices of onions were much better in both June and July 2024 relative to the same period last year. The onset of harvests locally had improved market supply leading to a decline in average prices to about Ksh 100 per kilogram, from the highs of about Ksh 200 that were observed last year. The exceptionally high onion prices last year incentivised farmers to produce more onions, thereby leading to increased supply and price declines.

Figure 4: Balance of Opinion on Expected Price Changes for Vegetables, Non-Vegetables and Animal Products (Percent of Respondents)



In addition to gathering respondents' views about the expected direction of food prices, the surveys also sought their views about the expected change in overall inflation which encompasses more components, besides food items. This was meant to shed light on expected price changes for a broader category of commodities which is captured by the overall consumer price inflation. Specifically, the objective is to get respondents' expectations about the expected change in the general price level in the economy.

Results show that inflation expectations one and three months ahead were dominated, on balance, by expectations for a decline. The proportion of respondents that expected inflation to increase one month ahead declined to 10 percent in July 2024, compared to 36 percent in June 2024. Similarly, the proportion that expected inflation to increase three months ahead declined to 18 percent in July 2024 from 39 percent in June 2024 (**Figure 5**).

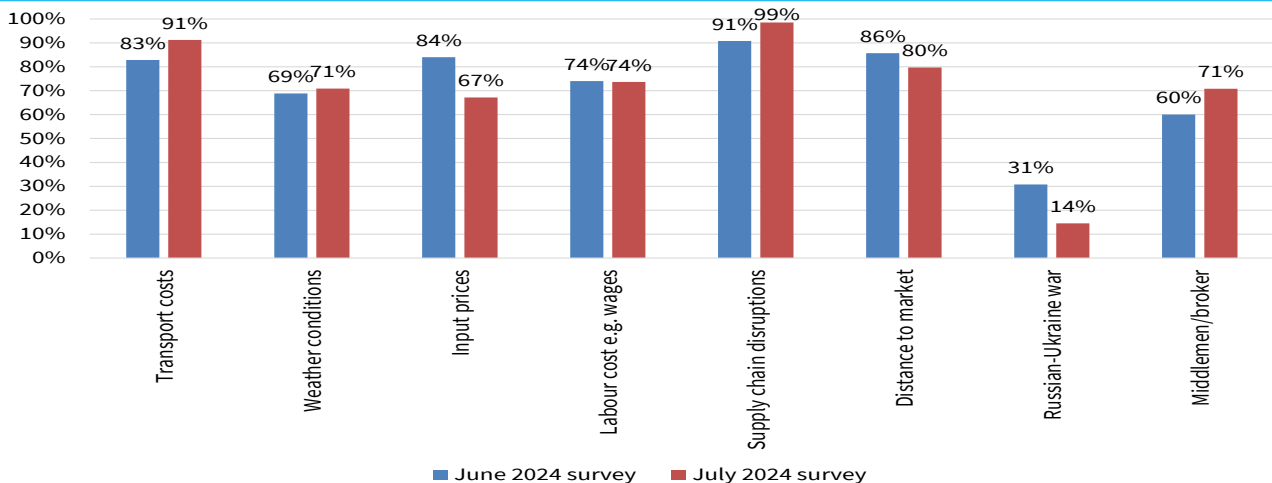


3.3 Factors affecting retail prices

The survey also sought to establish the factors affecting wholesale and retail prices of select food items. Transport costs, supply chain disruptions and distance to market were cited by over 80 percent of respondents to be key factors explaining prices. The role of weather in driving up retail prices was

not significantly different both June and July 2024 surveys. The role of supply chain disruptions was relatively magnified in July 2024. This is not surprising given that the survey was undertaken at the peak of nationwide protests over the contentious Finance Bill 2024/25. In some regions the protests/riots led to blockage of roads and disruption of transport services (**Figure 6**).

Figure 6: Factors Affecting Retail Prices (Percent of Respondents)



3.4 Analysis of output

3.4.1 Output performance and expectations

This section describes the outcomes of the agriculture survey in terms of changes in indicative output and acreage across regions as well as farmers' expectations on output and area under crop. This information is useful in shedding light on the likely direction of agricultural activity and the implications on food prices.

3.4.2 Output performance across food crops

Sampled farmers in the July 2024 survey observed that output and acreage of most crops were expected to increase, largely driven by the above average rainfall that was experienced between October-December 2023 and March-May 2024 season, and the expectation that the weather would continue to be favourable for the rest of 2024. They were also

optimistic that the affordable fertilizer initiative would be sustained.

3.4.3 Expectations about output and acreage

Farmers' expectations about likely changes in output and acreage in the next harvest were, on balance, pointing to an increase. Despite the challenges of excess rainfall and flooding in some regions, farmers expected to increase acreage on crops such as kales-sukuma wiki, cabbages, spinach, tomatoes, onions, potatoes, carrots, maize and beans. They also expected output to increase as a result, controlling for any other factors that may undermine output. Farmers who rely on irrigation were optimistic that the favourable rainfall had raised the water table and hence, it was less costly pumping water from boreholes (**Figure 7a and 7b**).

Figure 7(a): Balance of Opinion on Expected Acreage for Selected Crops: July 2024 Survey (Percent of respondents)

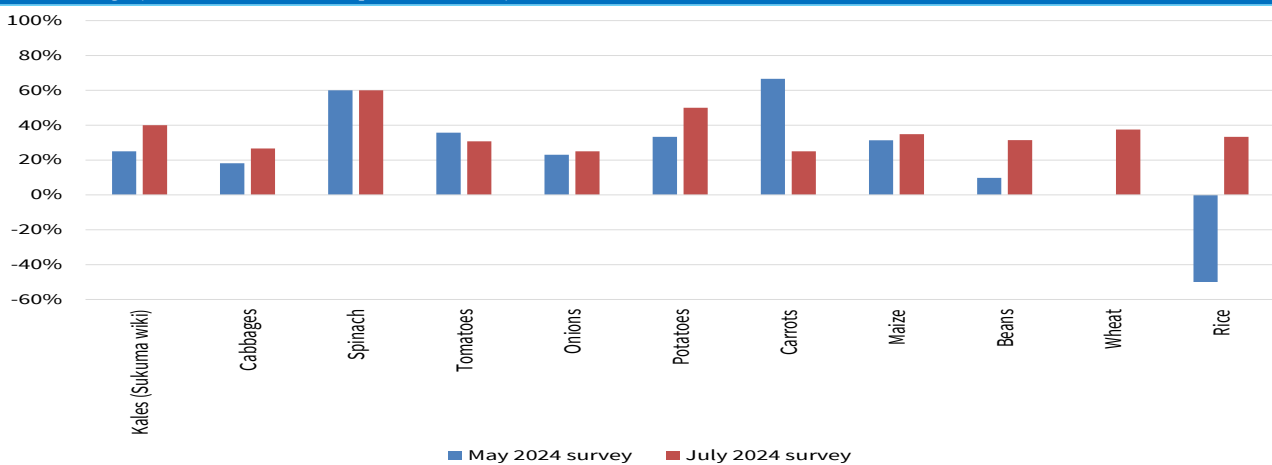
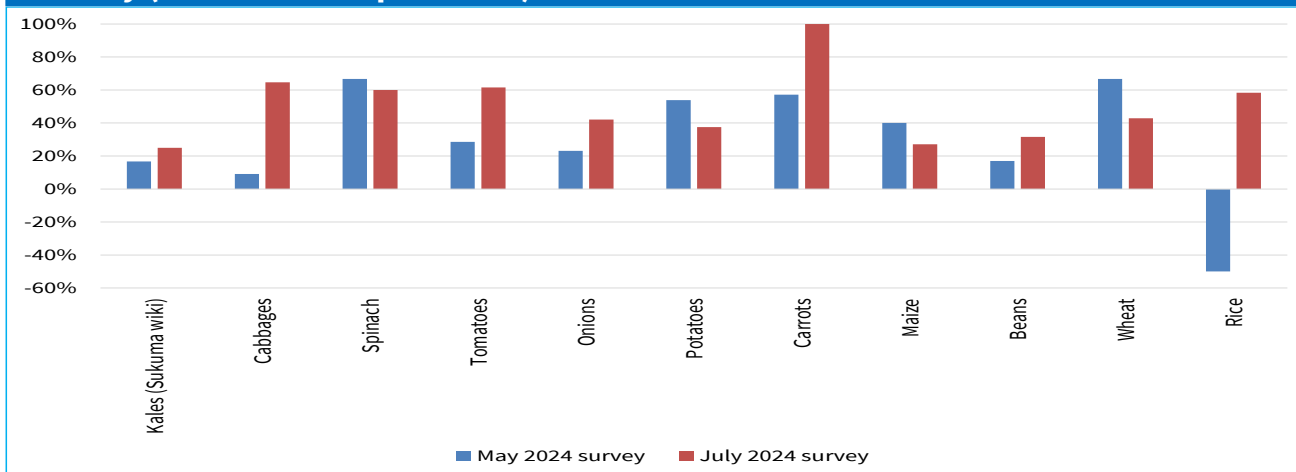


Figure 7(b): Balance of Opinion on Expected Output for Selected Crops: July 2024 Survey (Percent of Respondents)



Consistent with findings of previous surveys, sampled farmers indicated that the decision about crop acreage was determined by several factors and not just expected weather conditions. Other considerations included the cost of seeds, the cost of land preparation for the specific crop, expected returns as well as the requirements for crop rotation which is a standard practice to improve soil fertility.

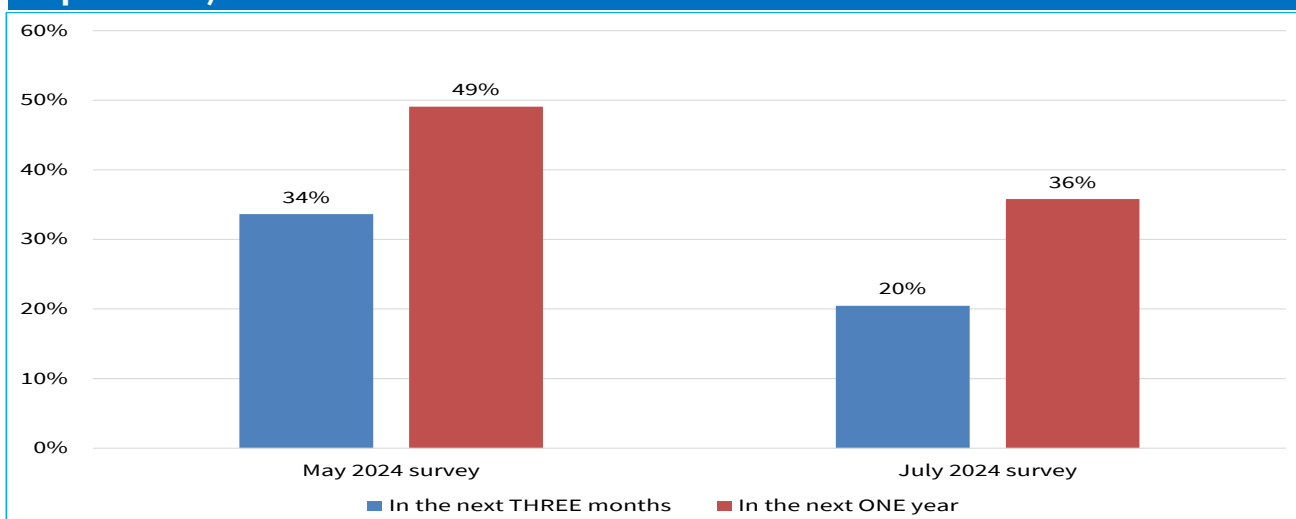
3.5 Expectations about overall economic performance

Respondents were asked to indicate their views about how they expected the performance of the overall economy to evolve in the next three months as well as in the next year. Results show a moderation in optimism attributable largely to recent protests over the Finance Bill 2024/25.

Asked about their views about whether the performance of the overall economy was going to increase, remain unchanged or decrease, in the next three months and in the next one year, most respondents expected a moderation. This view was largely attributable to the protests at the time which were viewed to be disruptive to economic activity.

The proportion of respondents expecting the overall economic performance to improve in the next three months was 20 percent in July 2024, compared to 34 percent in May 2024. Similarly, the proportion expecting the economy to perform better in the next one year moderated to 36 percent in July 2024, from 49 percent in May 2024. This outcome was largely informed by the protests at the time of the survey. However, most respondents noted that the impact of the protests would dissipate if they do not persist (**Figure 8**).

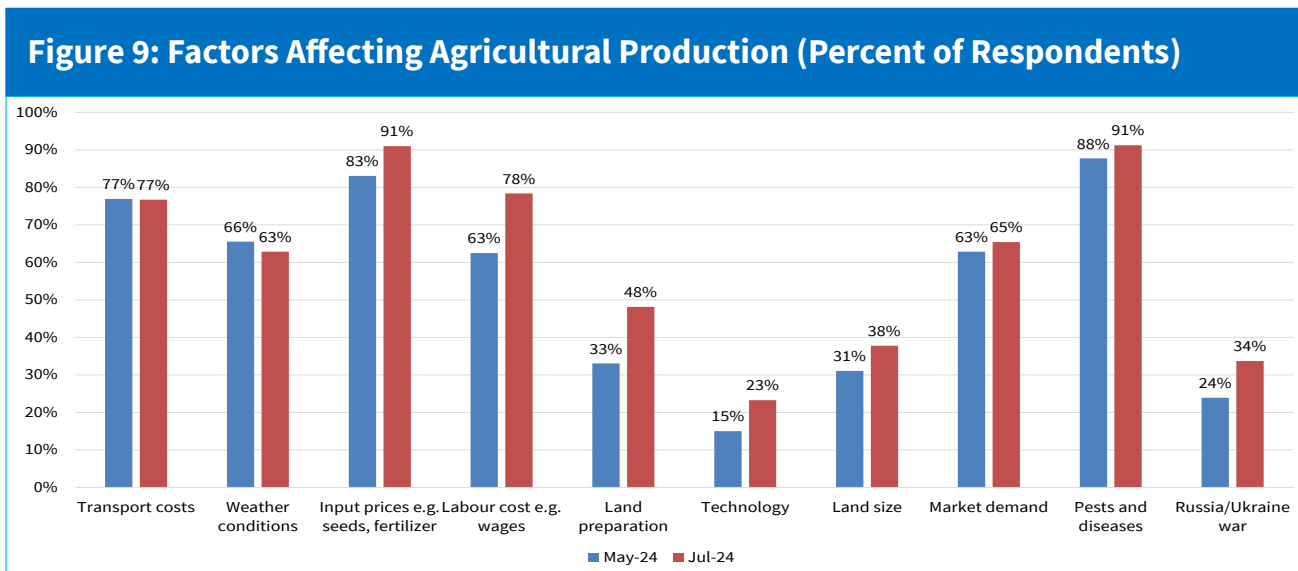
Figure 8: Expectations for an Improvement in Economic Performance (Percent of respondents)



3.6 Factors affecting agricultural production

Over 80 percent of the sampled respondents both in the May and July 2024 surveys reported input prices, and pests and diseases, as important factors that influence agricultural production. A notable finding,

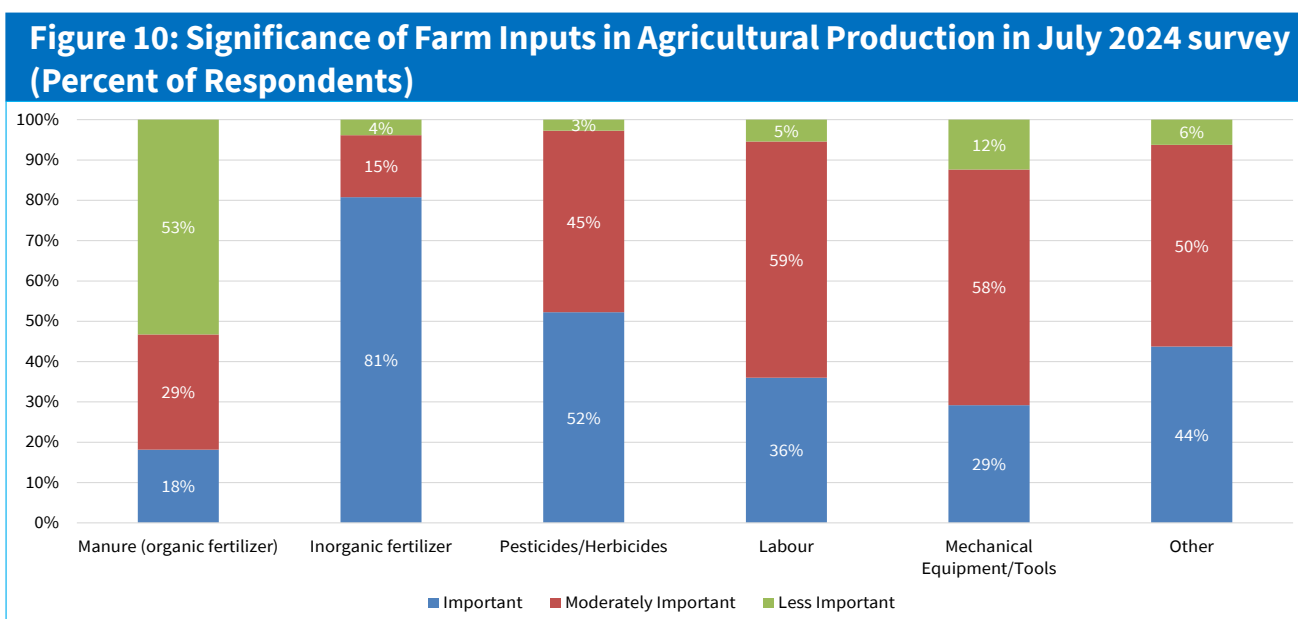
however, is the moderation in the proportion of sampled farmers who cited transport costs as a key factor influencing production in both surveys relative to what had been reported in earlier surveys. The consistent downward adjustment of pump prices by EPRA since November 2023 helped reduce price pressures on transport cost (Figure 9).



3.7 Use of farm inputs in agricultural production

The findings on the type of inputs used and their intensity was much similar to the findings of previous surveys. The two most used inputs are inorganic fertiliser and pesticides/herbicides. This was reported by more than 50 percent of the sampled farmers. Fertiliser use is critical during planting as well as for top dressing. Use of pesticides is also widespread to control for various crop diseases at various stages of the crop cycle.

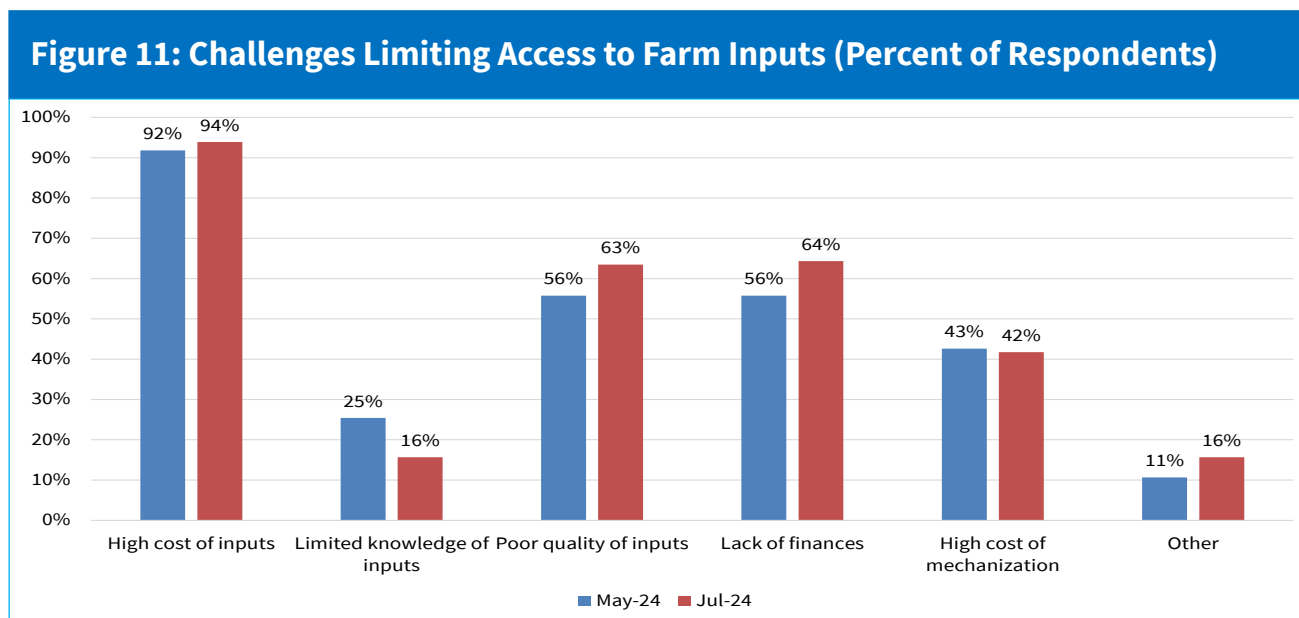
Use of hired labour and farm equipment and machinery was also common though not as widespread as that of fertiliser and pesticides. Some farmers indicated that they rely exclusively on family labour for land preparation, planting, spraying pesticides, weeding, and harvesting. Use of farm machinery and equipment was common in medium and large-scale farms. The least used input was farm manure which was indicated to be less important input by more than 60 percent of the sampled farmers in terms of usage of inputs (Figure 10).



3.7.1 Challenges associated with access to farm inputs

Farmers face several barriers in accessing farm inputs, but the most severe is the high costs – especially in relation to fertilizer, seeds, and pesticides. Other challenges include lack of finance and the high cost of mechanization (Figure 11).

The problem of high cost of farm inputs was cited by more than 90 percent of the sampled farmers as a binding constraint to accessing farm inputs. This is despite the Government having initiated a subsidised fertilizer programme with a view to lessen the cost and encourage use of fertiliser to increase yields.



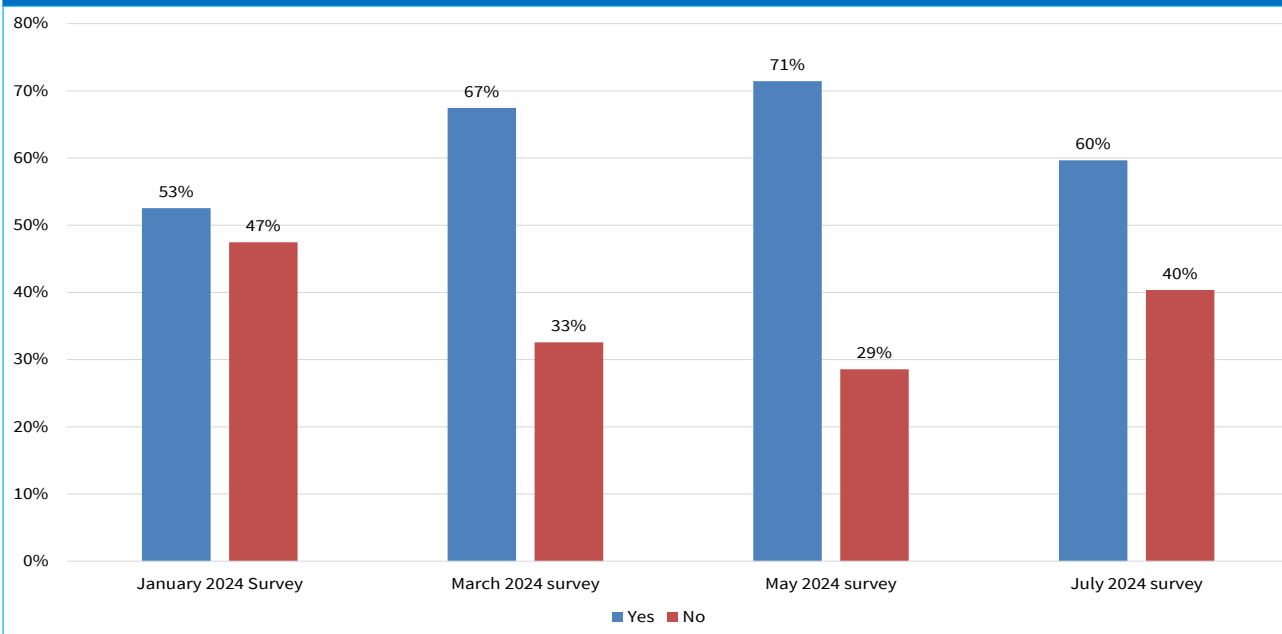
3.7.2 Access to Government subsidized fertilizer

The proportion of sampled farmers who report to have accessed government subsidized fertilizer has been more than 50 percent since the January 2024 survey. The proportion reported was 53 percent in January 2024, 67 percent in March 2024, 71 percent in May 2024 and 60 percent in July 2024 (Figure 12). The lower intake in some months reflects seasonal factors as intake is likely to be higher just before the rain season.

The reasons given in the July 2024 survey for not being able to access the subsidised fertilizer were similar to those given in the previous surveys in May 2024, March and January. Some farmers indicated that they did not get because it was costly to pay for transport to reach the collection centres, e.g.

the nearest NCPB depots. Others reported that they were notified through their mobile phones to go to the nearest NCPB depot to collect the subsidised fertilizer, but failed to go thinking they would not get due to the large number of farmers that sought to get the fertilizer. In other instances, sampled farmers reported that they did not bother to register for the subsidised fertilizer. In other instances, some farmers reported that they were not aware that subsidised fertilizer was available at a reasonable price. Other farmers cited the complications around the logistics of access, and that the demand for the subsidised fertilizer was too high relative to supply. In some cases, priority was given to farmers who were members of a farming group, making it difficult for those who did not belong to any farming group to benefit from the subsidised fertilizer.

Figure 12: Access to Subsidized Fertilizer (Percent of Respondents)

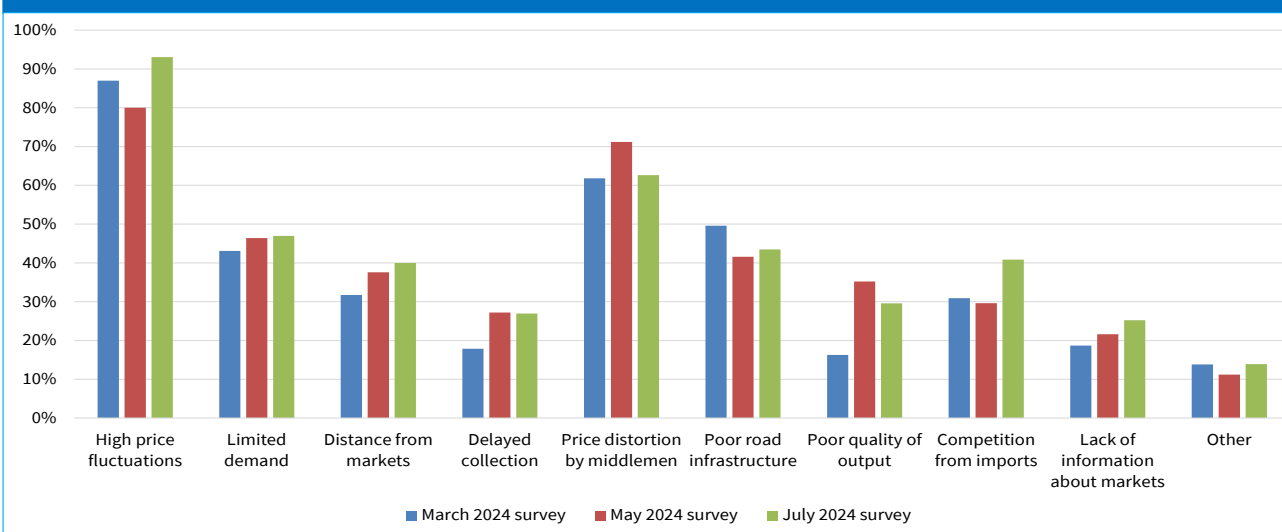


3.8 Factors affecting marketing/sale of farm produce

On the question about factors that critically affect marketing/sale of farm produce, farmers sampled in the survey conducted in the July 2024, just as in the May 2024, reported high price fluctuations, price distortion by middlemen/brokers and poor road infrastructure as the main challenges (Figure 13). The price fluctuations are common because most

farmers tend to harvest at the same time thereby flooding markets with the same farm produce, which leads to lower prices. This is very common particularly with respect to maize, tomatoes and onions. Conversely, during periods of shortages occasioned by factors such as drought or floods, prices tend to increase. There is also the problem of price distortions caused by imports which tend to depress domestic prices (Figure 13).

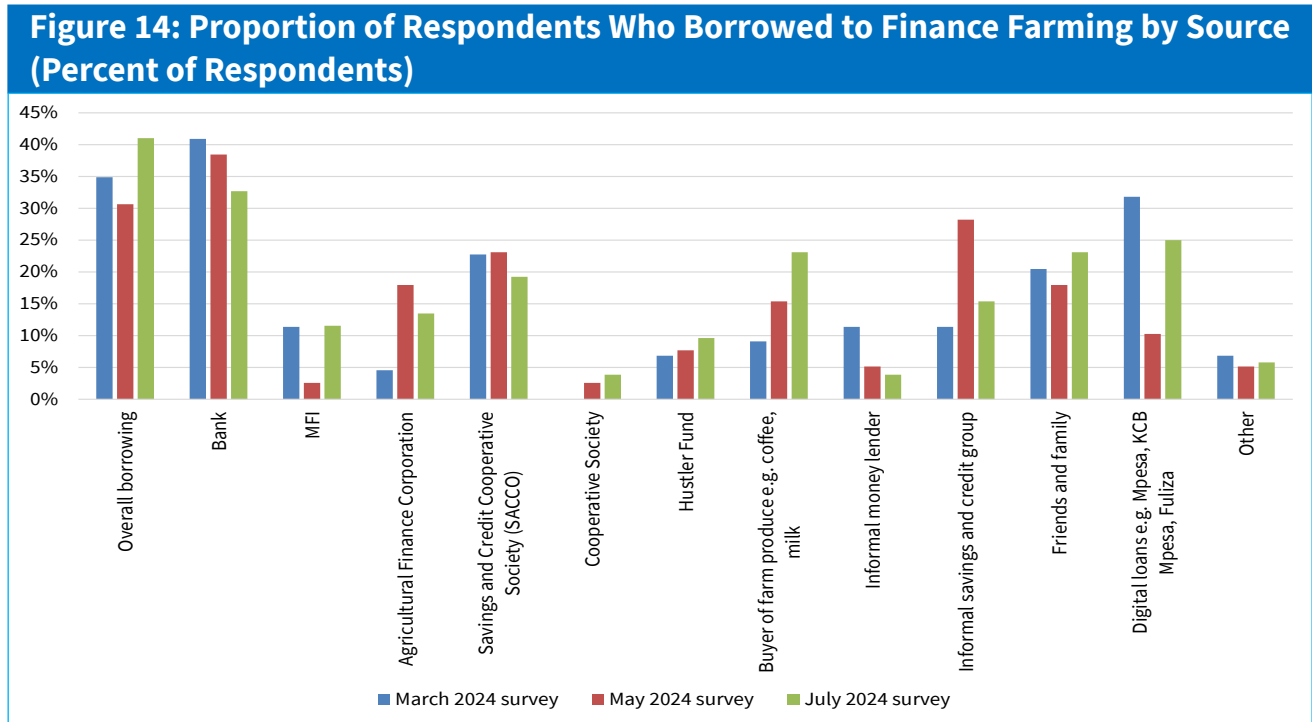
Figure 13: Factors Affecting Marketing/Sale of Farm Produce (Percent of Respondents)



3.9 Access to credit facilities in agriculture

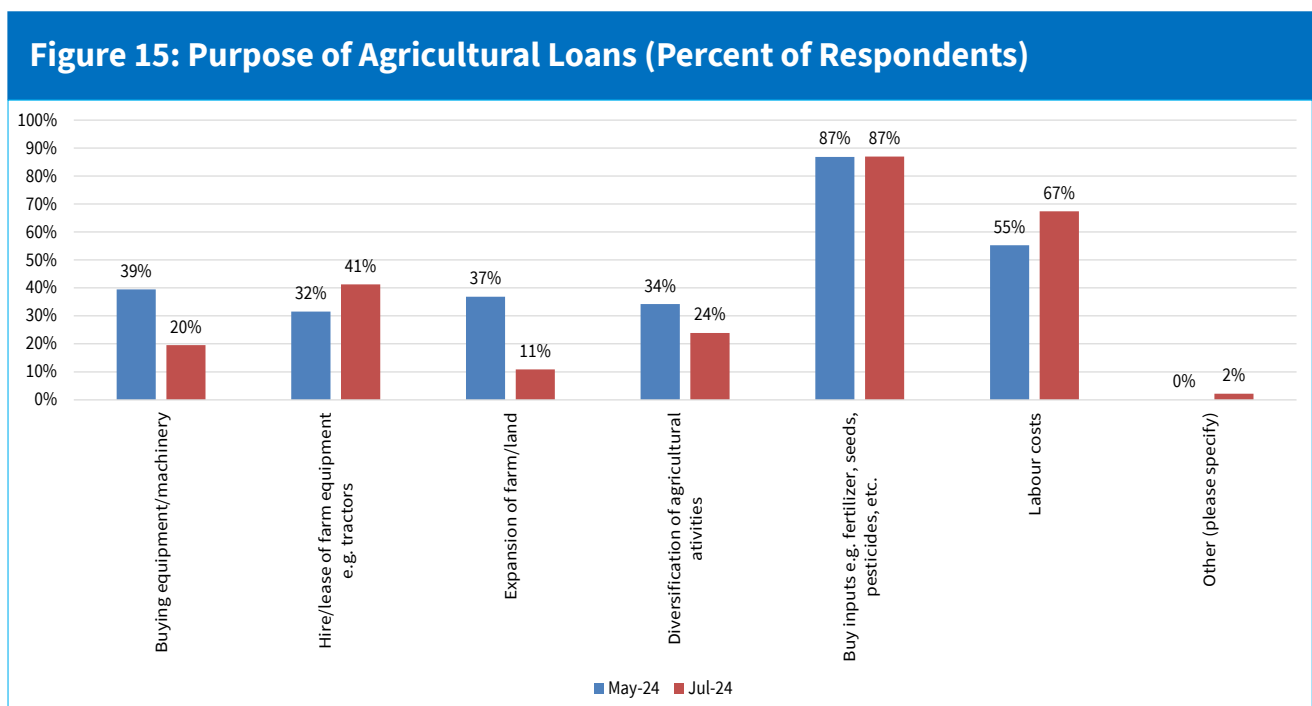
About 40 percent of the sampled farmers reported to have obtained loans from various sources in July 2024 with increases in the proportion of respondents

who reported to have borrowed from the Hustler fund, buyer of farm produce, friends and family and cooperative society, compared to May 2024. The main sources of finance for farmers have continued to be banks, SACCOs, and digital loans (Figure 14).



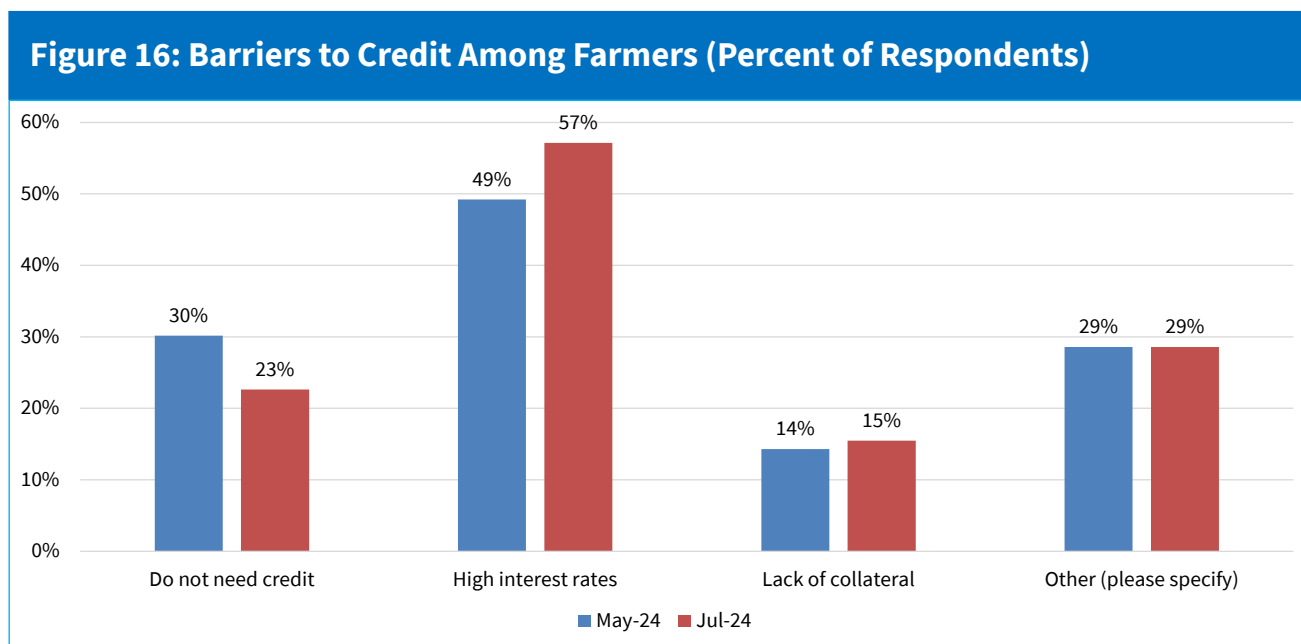
In terms of usage of funds, the July 2024 survey established that, similar to findings of previous surveys, a large share of loans was allocated to buying inputs, followed by labour payments (Figure 15).

Similar to previous surveys, relatively larger share of farmers reported to have experienced higher costs of inputs, despite the provision of subsidised fertilizer.



from the July 2024 survey were not significantly different from the findings in the previous surveys (**Figure 16**). High interest rates continued to be the most prominent barrier. Some farmers reported being averse to acquiring any form of credit for fear that it would render them vulnerable to being auctioned. They explained that crop growing was a risky activity as it mostly relied on rain which could fail thereby exposing the farmer to possible auction. A large share of crop growing is rain fed. For instance, in the July and May 2024 surveys, about 80 percent

of farmers interviewed practised rain-fed agriculture (**Annex Figure 17**). Similar to what was observed in the previous surveys, it was reported in the July 2024 survey that for farmers who use irrigation, reluctance to finance farming activities was partly due to significant price fluctuations which make their incomes unstable. Some farmers also cited lack of collateral as a deterrent to seeking loans especially in cases where farms were leased.



4. RECOMMENDATIONS ON HOW TO IMPROVE THE AGRICULTURAL PRODUCTION

The survey sought views from farmers on how to improve agricultural production. The views differed significantly depending on the region as well as the crop grown. However, there are suggestions that appear to resonate with most farmers. For instance, most farmers emphasized the need for water conservation through construction of dams, water pans and boreholes. Another cross-cutting suggestion was the need to reduce the cost of farm inputs through measures such as subsidies. The government has been providing subsidised fertilizer and, in some instances, free seeds to farmers to alleviate the cost burden borne by farmers in accessing inputs. Another suggestion was for the government to stabilize prices, for instance, through NCPB purchasing maize at a price that covers production costs.

To address the problem of low-quality inputs, some farmers suggested that the government should enhance surveillance. Other farmers proposed enhanced mechanization of agriculture through subsidizing of farm equipment/machinery, including hiring of tractors especially during land preparation, or by direct intervention whereby counties avail more tractors for hire by farmers.

Moreover, there were suggestions that the government should boost extension services by supplying more agronomists to assist farmers with relevant information in order to ensure farmers follow appropriate farming procedures, such as on optimal crop spacing, crop rotation and how to minimise post-harvest losses.

5. CONCLUSION

This Agriculture Sector Survey report summarizes findings from the July 2024 survey conducted from July 18-22, 2024. The main objective of the survey was to obtain indicative information on recent trends and market expectations of prices and output of key agricultural commodities for the purpose of informing monetary policy.

As with previous surveys of the agriculture sector, the survey focused on prices of key agricultural commodities in select retail and wholesale markets, actual agricultural output and acreage as well as output expectations from sampled farms, factors affecting agricultural production, marketing and sale of farm produce, access to farm inputs and credit facilities as well as proposals on how to improve agricultural production.

The survey drew 272 respondents from wholesale traders, retailers, and farmers in select towns across the country (Nairobi Metropolitan area, and neighbouring counties including Kiambu, Kajicho and Machakos, Naivasha area, Gilgil Nakuru, Narok, Bomet, Kericho Kisumu, Mombasa, Kisii, Eldoret, Kitale, Nyandarua, Nyahururu, Mwea, Machakos, Isebania, Meru, Nyeri, Isiolo, Oloitoktok, Namanga, Makueni, Molo, Kakamega and Bungoma).

The key findings from the July 2024 Survey include the following:

- Most respondents expect a general decline in food prices in the next three months.
- Majority of respondents expect overall inflation to either remain unchanged or decline both in the next one month and three months ahead.
- Weather conditions, transport and input costs continue to impact both output and price of key food items.
- 60 percent of farmers sampled benefitted from the subsidized fertilizer, a key input in crop production, compared to about 71 percent reported in the May 2024 survey.
- Optimism about the expected performance of the economy was subdued in the July 2024 survey relative to May 2024 survey, reflecting the negative impact of countrywide protests experienced in July on respondent expectations.
- With respect to suggestions on how to increase agricultural production, the proposals by

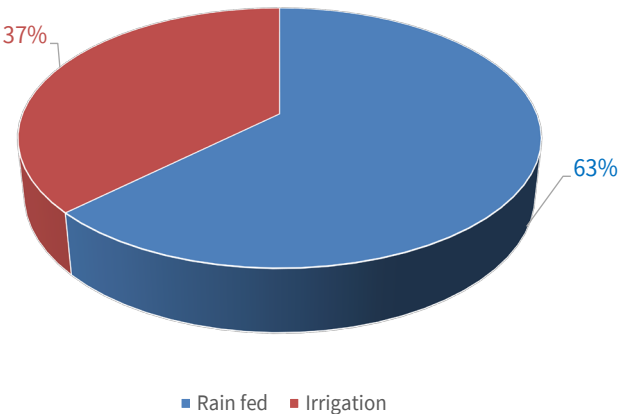
sampled farmers were similar to those obtained in previous surveys. They included the need to preserve water through construction of dams, digging boreholes and water pans; address the high cost of inputs and create a mechanism to stabilise prices of agricultural commodities which are characterised by fluctuations from time to time.

There are several measures the Kenya government can take to ensure that farmers are incentivised to increase production. Based on the findings of this survey, the key recommendations mirror those contained in previous reports of the Agriculture Sector Survey:

- Consider subsidizing farm inputs. The government has already implemented the national subsidised fertiliser programme. This can be extended to cover other essential inputs particularly seeds and pesticides/herbicides. This can be done by reducing or zero-rating VAT on farm inputs.
- Ensure farm inputs are of highest quality, by enhancing surveillance, checks and control mechanism by the government.
- Ensure fertilizer collection centres are closer to farmers, by deliberately engaging village chiefs/nyumba kumi to establish where these collections centres can be located on temporal basis.
- Consider financial/fiscal/monetary/trade incentives to attract more people engaged on agricultural activity especially youth. For instance, consider protecting farmers from food imports in situations of excess harvests.
- Intensify provision of extension services to farmers particularly agronomists.
- Protect farmers from exploitation by middlemen/brokers by standardizing units of measurement of farm produce, for instance, by having same standard for tomato crates; potato bags.
- Prioritize irrigation to reduce the vulnerability of agriculture to the dictates of weather.
- Implement measures to reduce output price volatility for instance by allocating more funds to NCPB to purchase more output during periods of excess supply. In this regard, increase storage facilities for cereals and other products.
- Prioritize building food markets.

ANNEXES

Figure 19 Main Water Source for Farming in July 2024 Survey (Percent of Respondents)





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