



SPEECH BY MR. WILLY BETT, CABINET SECRETARY, MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES DURING A MEETING WITH MEMBERS OF THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES AT WHITESANDS BEACH RESORT & SPA, MOMBASA.

Chairman, Departmental Committee on Agriculture, Livestock & Co-operatives Hon. Adan Noor Mohamed, MP.,

Hon Members of the Committee

Principal Secretaries,

Staff from my Ministry

Parliamentary Staff

Ladies and Gentlemen,

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*"There are a people in the world so hungry, that God cannot appear to them except in the form of bread", **Mahatma Gandhi.***

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Mr. Chairman, Honorable members, Ladies and Gentlemen;

It is a privilege for me to participate in this consultative forum and an opportunity to address you in my role as Cabinet Secretary for the Ministry. Before sharing some thoughts on the issues at hand, please allow me to convey my appreciation to all of you for honouring our invitation.

Honourable members, *I did some arithmetic last night and realized that it has been 100 days for me as the Cabinet Secretary for Agriculture, Livestock and Fisheries. It seems like fate and nature conspired to have you preside over my 100th day Anniversary in the Office. This is important to me and I want to thank you all for coming. Welcome.*

Mr. Chairman, Hon. Members;

During the period I have been in the office, I took time to learn and to understand this important sector. I have also configured areas of focus and how to realize them alongside the already outlined Ministry priority areas. I have scanned the sector sphere from Global perspective to local arena, from natural to physical and human resources, and, I have noticed huge sector potential and challenges exist on equal measure.

For these reasons, it is my desire to share with you my 100 day term experience at the helm of the Ministry. While doing so, I have structured my address to cover 5 main areas namely;

1. Global Agriculture Perspective
2. African Perspective
3. International Agreements/commitments and Kenya's status
4. Progress and Challenges in the Priority areas including the Youth.
5. Proposed Way forward.

1. GLOBAL PERSPECTIVE

Honourable members, Ladies and Gentlemen;

The (2015) World Bank Statistics shows that there is enough food for everyone on the planet today, yet almost 800 million people suffer hunger. Therefore, tackling hunger and malnutrition is not only about boosting food production, but also to do with increasing incomes, creating resilient food systems and strengthening markets so that people can access safe and nutritious food. ***That's our first area of focus.***

Our planet faces multiple and complex challenges in the 21st century. The new 2030 Agenda for Sustainable Development commits the international community to act together to surmount them and transform our world for today's and future generations.

The year 2015 marked the end of the monitoring period for the Millennium Development Goal targets. During this period, some regions such as Latin America, Asia, the northern and western Africa made fast progress. Progress was also recorded in eastern Africa, but at too slow a pace to reach the MDG target of halving the proportion of the chronically undernourished.

The post-2015 challenge is the full eradication of poverty and hunger. Many developing countries increasingly recognize that Agriculture is the key to addressing this challenge. **I want to remind us that we are privileged to serve humanity at this time in this sector and *there lies our second area of focus.***

2. AFRICA PERSPECTIVE

Africa's economy continues to perform above global expectations with impressive growth rates. One quarter of the countries in the region grew at about 7 percent or more, and 7 out of the ten fastest growing economies in the world are in Africa. The good news is that Africa's Economy is largely driven by Agriculture. The sad news is that the proceeds of growth have not yet translated into the improved livelihoods of the ordinary people. Unemployment remains unacceptably high, particularly among rural youth. Food production rates are modest and continue to be undermined by acute import dependency across the region.

This is our 3rd area of focus.

The challenge therefore is transforming Africa Agri-food systems for inclusive growth and shared prosperity. This includes how African countries can shift from a traditional subsistence agriculture to a more commercialized, value chain based, agri-business focused and agro-industrialization driven and serve as a platform for the elimination of poverty, the eradication of hunger and the creation of jobs and wealth for many Africans. ***That is our 4th area of focus.***

3. INTERNATIONAL COMMITMENTS AND KENYAN STATUS;

Honourable Members;

As you are aware, African leaders have repeatedly reiterated their commitment to a prosperous food secure Africa where Agriculture plays a big and critical role. This has been through development and

implementation of international and regional agreements. As typical of our resiliency and leadership, Kenya has been at the forefront of some of these commitments. The question now is what Shakespeare would call “to be or not to be”. This should bother us in the sense that sometimes, we have made commitments but have not been able to live up to them. Allow me to share just a few critical commitments on food and nutrition security.

i. The Maputo declaration and CAADP Implementation in Kenya

In Maputo 2003, the Africa continent endorsed the Comprehensive Africa Agriculture Development Programme (CAADP) as a New Partnership for Africa's Development (NEPAD). The goal of CAADP is to help African countries reach a higher path of economic growth through agriculture-led development.

The Kenya CAADP was launched in 2010 and immediately integrated into the Agriculture Sector Development Strategy (ASDS) for implementation. The first Medium-Term Investment Plan (MTP) 2010–2015 was fully aligned with the CAADP Compact. The investment pillars for MTP II 2013-2017 has several priority areas including accelerated investment in agriculture, commercialization, promoting sustainable land and natural resources management and Sector Reforms. ***Mr. Chairman, Honourable members, these remain far from being achieved and therefore a challenge for all of us.***

ii. The Malabo Declaration

In June 2014, The African Union (AU) 2014 year of Agriculture and Food Security was marked in Malabo, Equatorial Guinea. During the Summit, the

Heads of State and Government adopted the Malabo Declaration which is “Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods”. The Malabo Declaration defined AU vision for agriculture in the next decade to 2025 and outlined the following seven commitments to hasten the sector transformation:

- i. Enhanced financial investment in agriculture to 10%**
- ii. Recommitment to the principles and values of the CAADP
- iii. Commitment to Zero Hunger – Ending hunger by 2025
- iv. Halving poverty by 2025
- v. Boosting intra-Africa trade in agricultural commodities and services
- vi. Enhancing Resilience of livelihoods and production systems
- vii. Commitment to mutual accountability to actions and results.

Kenya is one of the first eight countries in Africa to implement the Zero Hunger by 2025 Regional Initiative (RI) within CAADP Framework. ***However, the Key challenge remains the 10% budgetary allocation to Agriculture.***

iii. The 2006 Abuja Declaration

In 2006 Abuja Declaration on “Fertilizers”, the continent pledged to increase fertilizer use from average of 8 Kgs/hectare to 50Kgs/per hectare by 2015. For Kenya, this is already a Vision 2030 flagship programme and the current national fertilizer utilization is at 31kg per hectare. ***The key challenge remains finding a sustainable way of reducing costs of inputs as opposed to subsidy.***

iv. Sustainable Development Goals (SDGs)

Ladies and Gentlemen;

On 25th September 2015, the 193 member States of the United Nations adopted the sustainable Development Goals (SDGs) to be implemented over the next 15 years (2016-2030). The 17 SDGs aim at ending poverty and hunger while restoring and sustainably managing natural resources.

As a Co-chair of the Open Working Group on SDGs with Republic of Hungary, Kenya played a critical role in the negotiation and drafting of the **17 SDGs** and **its 169 targets**. Agriculture is a priority for the implementation of SDGs, and focus will be on the following 4 SDGs;

Goal 1: End poverty in all its forms everywhere

Goal 2: End hunger, achieve food security and improved nutrition and

Goal 12: Ensure sustainable consumption and production patterns.

Goal14: Conserve & sustainably use the oceans, seas and marine resource.

The key Challenge here remains the need for strong coordination and coherent actions, elaborate resource mobilization, sharing of best practices and invigorating monitoring processes in order to achieve the SDGs.

4. PROGRESS AND CHALLENGES IN NATIONAL PRIORITY AREAS

Mr. Chairman, Honourable members, Ladies and Gentlemen;

Allow me to address this area in three sub headings namely;

- a)** The progress we have made so far
- b)** Engagement of Youth in Agriculture (my Vision) and
- c)** The Challenges.

a) Salient areas of Progress in the Sector;

Linking with the global trends and the mentioned international and regional agreements, the Government promised Kenyans to enhance food security through innovative, commercially oriented and competitive Agriculture. The Government has signed several agreements committing to deliver on this promise. I am glad to note that we have made some significant progress in the following areas among others at the background of a fairly devolved sector:

i. The Fertilizer Subsidy Programme

In line with the 2006 Abuja declaration, the government committed to the Development and implementation of a 3 tiered fertilizer cost reduction program, to be achieved through fertilizer bulk importation, local manufacture and local blending. This has been achieved and so far;

- **912,920MT** of fertilizer valued at **Ksh 25 Billion** to support a fertilizer subsidy program has been procured in bulk and distributed to about 2.4 million small holder farmers. The fertilizer subsidy program has

stabilized fertilizer market price from **Ksh 6,500** in 2008 to **Ksh. 3,200** in 2016 hence improving fertilizer uptake by farmers.

- This year alone, the Government has purchased 138,000 Metric Tons of fertilizer valued at **sh. 4.2b.** The fertilizer has come just in time for the current planting season.
- The construction of the fertilizer plant through PPP has commenced and the intension is to produce crop and soil specific fertilizers. The first batch of fertilizer is expected to be available by August 2016.
- In collaboration with Safaricom and Equity Bank, the Government has launched an e-voucher system under the Kenya **Cereals Enhancement Programme (KCEP)** through which registered farmers can access information on where to get farm inputs. This Program is being piloted in four counties including Embu.

ii. Strategic Food Reserve

The Objective of maintaining a food reserve is to stabilize food supply and market prices. The Government has diversified the Country's food safety net from SGR to SFR effectively expanding the scope to other food commodities such as milk, rice, beans, canned beef and fish. SFR Trust Fund Board has been formed for efficient management.

iii. Agriculture Mechanization Project

The Government availed machinery units to Mwea rice farmers at half the market price with laudable success. Plans are underway to roll out this to other irrigation schemes in the Country. Discussions are underway with the

development partners from Brazil, South Korea and India to partner with us and raise the level of mechanization from the current 30% to at least 50%.

iv. Horticultural Market Access Interventions

These markets are meant to develop market hygiene and sanitary conditions and facilitate access. So far **37** markets have been completed at a cost of Kshs1.6 billion and 33 handed over to the Counties.

v. Agriculture Insurance and Risk Management Programme

First is the crop component which has been launched in 3 Counties of Nakuru, Bungoma and Embu for Maize and wheat. **Second** is **the National Livestock Insurance** Scheme whose aim is to minimize risks emanating from drought-related disasters and build resilience of pastoralists in ASAL Counties. To this end, **25000** livestock units worth **Kshs.1billion** have been covered in Turkana and Wajir Counties directly benefiting **30,000 people**. Roll out is underway for the remaining 12 ASAL Counties. At full implementation, 350,000 livestock units valued at Sh 14 b will be insured and the project will directly benefit 420,000 people. A total of Sh 85 million was spent in 2014/15 FY while Sh 131 million is budgeted for in 2015/16 FY. The Government money will save resources that are used on famine relief and emergency livestock off-take programmes.

vi. Livestock improvement;

To Enhance **the quality and efficiency of semen production**, storage and distribution, the Government has installed **4 Liquid Nitrogen Plants** in Eldoret, Meru, Nyahururu and Nairobi at a cost of **327 million**. **Bull station** in Transzoia will also be completed in June this year at a cost of **500 million**. These measures will also drastically reduce the cost of AIs across the Country.

vii. Support To Milk Processing and Value Addition (Milk Coolers)

The aim is to address perishability of milk (eliminate cases of glut) and increase milk bulking and marketing. So far the Government has procured 48 milk coolers valued at about **Kshs 350 million**. These have been distributed to 20 Counties. The Government is upscaling this project through acquisition of **another 990 Milk** coolers to be distributed to all milk producing areas in the next three months. Besides, A Dairy centre of Excellence has been established in Naivasha.

viii. Control of Livestock Diseases;

To improve **vaccine Production**, the Government upgraded the capacity of the Kenya Veterinary Vaccine Production Institute (KEVEVAPI) at a cost of **Kshs.217** million. The Institute will now produces adequate oil based vaccines thereby reducing the cost of vaccination by over 50%.

Here in the Coastal region, **Kshs. 588** million has been spent on the Bachuma, Kurawa and Miritini Disease Free Zone. Survey and design for

Bachuma Livestock Export Zone (LEZ) has been completed and construction of Phase I is at 60% completion level. Phase II construction has been tendered while design tender for Kurawa and Miritini export quarantine stations has been awarded awaiting contractual agreement and funding.

ix. Improvement of Fisheries Research, control of illegal fishing and reduced illegal activities;

RV Mtafiti costing Kshs.3.5 billion was commissioned to enhance deep sea research. This has seen marine fishing increase from 9,000 MT to 16,000 MT. Two patrol vessels are already operating in Lake Victoria and Lake Turkana and a third one for deep sea will be delivered in January, 2017. These are aimed at eliminating illegal fishing, improving fishing conditions and increase landed fish.

Mini- fish Processing Plants have been constructed in Kakamega, Nyeri and Meru Counties at a cost of Kshs.186 million. The aim is to minimize post-harvest losses, stabilize the commodity prices, and improve the quality of fish to the consumers. A fourth plant is about to be completed in Rongo, Migori County. In addition, the Government of Japan is funding construction of a Sh. 90m mini-processing plant in Embu to serve Murang'a and Machakos Counties as well.

x. Policy, Legal and Institutional Reforms

Various policies, bills and regulations are in different stages of development. They include the National Agricultural policy which will be the Over-arching sector policy, the National Veterinary Policy, the Fisheries Management & Development Bill which is now before the Senate having passed the National Assembly – *thanks to the Honourable members.*

Honourable members, you will recall that in 2013, the National Assembly passed the Crops Act and the AFFA Act. Implementation of the same is underway albeit with some challenges.

Under Institutional reforms, the Ministry has instituted processes aimed at restructuring The Kenya Meat Commission, The National Cereals and Produce Board and the Agricultural Development Corporation among others so as to effectively deliver to Kenyans. As key stakeholders, I can only assure members that you will be adequately consulted in these processes.

These undertakings, ladies and gentlemen, remain well within our National Development agenda and are geared towards impacting positively on the lives of our citizens.

b) Youth in agriculture - *(IFAD and FAO conferences emphasized Youth in Agriculture as a standalone subject, not mainstreamed within other programmes).*

The farming population in Kenya is aging (average – 63 years). Youth is a resource and has a role to play in food security.

Our Goal here is to promote innovative, attractive and sustainable employment for the youth through active engagement in agribusiness for increased income, wealth creation and poverty reduction by delivering the following objectives;

- i. To transform the perception of Youths to embrace Agriculture as a business venture.
- ii. To promote value addition, market linkages and improve entrepreneurship capacity among the Youth
- iii. To enhance Youth engagement in agriculture through improved access to factors of production including land, labour and capital.

So far, we have developed a concept for engagement of Youth in Agriculture and we are at a resource mobilization stage. However, the Government has to substantially contribute to this kitty. My appeal to you is for support during the sector budget reviews.

c) Salient Sector Challenges

Mr. Chairman, Honourable members; from the above progress, one might be forgiven to think that things are rosy in the sector. Far from it, the sector faces myriad of challenges which undermine our ability to deliver efficiently and effectively. Allow me to highlight just but a few;

i. Inadequate funding

The level of public funding in the sector is still far too low to facilitate implementation of basic programmes and activities yet the sector is the mainstay of our economy. The total budget for the Ministry this year is about **Sh. 44b** for both development and recurrent expenditure. Though there are various agricultural activities funded by the exchequer outside my Ministry, the total allocation for the sector is about **4%** of our national budget which is far below **the 10%** required by **the Maputo** Declaration.

ii. Coordination of the sector under devolved system;

- Lack of adequate structures to coordinate delivery of services by both the National and County Governments
- Resistance to change
- Tendency to create silos at either level of Government.

iii. Inadequate extension services to farmers

- Lack of prioritization by the County Governments.
- Inadequate funding
- Ageing staff
- Low staff morale at the Counties

iv. Use of Outdated Technology

- This leads to low yields hence low returns
- Old methods are laborious and not cool enough to attract the Youth

v. Inadequate Research;

- Poorly equipped laboratories
- Inadequate skilled manpower due to poor remuneration.

vi. High Cost of inputs hence increased cost of production

The cost of key inputs such as seed, pesticides, drugs and vaccines is high for resource-poor farmers. Most farmers therefore do not use them leading to reduced yields.

vii. Legal and Institutional Framework

- Policies have not been approved– *in draft form*
- The AFFA regulations are yet to be gazetted
- Proposed miscellaneous amendments to the Crops, AFFA Act and KALRA Act. are still pending hampering delivery in the institutions.

viii. Dwindling fortunes for Sugar, Coffee and Tea sub sectors

- Numerous levies and licence fees making them non competitive.
- Lack of agro-processing, value addition and markets.
- Lack of innovations
- Obsolete and low capacity factories in sugar sector

ix. Poor infrastructure-

- Poor rural roads and other key physical infrastructure have led to high transportation costs for agricultural inputs and products.
- It also leads to spoilage of perishable commodities during transportation. This causes high losses to farmers.

x. Engagement of Youth in Agriculture

- Low participation of Youth in Agriculture
- The Ministry has developed a concept to engage the Youths
- Funds are required to roll out the concept.

Other challenges are;

- Prolonged drought, effects of climate change and erratic weather
- Weak data and information systems
- Insecurity and terrorism that distract priorities and divert resources

5. WAY FORWARD

1. **Proposal 1:** Support to the Ministry's budgetary request and to monitor the allocation to the Counties. These should be pegged at 10% as required by the Maputo declaration.
2. **Proposal 2:** Strengthen the intergovernmental structures for enhanced working relationship with the Counties.
3. **Proposal 3:** Devise ways of achieving enhanced capacity building of County staff and conduct regular and independent Monitoring and Evaluation of National priority projects implementation. These include projects that cut across the Counties.

4. **Proposal 4:** Rollout the successful Mwea scheme to other irrigation schemes Country wide.
5. **Proposal 5:** The Government to remove the levies and licences burdening farmers and enhance direct funding of the sector Research. In His 2016 State of the Nation address, His Excellency directed on this move. We are already working on the logistics with relevant Government departments to implement this initiative.
6. **Proposal 6:** The Ministry to work with other stakeholders to find sustainable ways of managing costs of inputs even as subsidy programmes continue as short term measures.
7. **Proposal 7:** Committee members to intervene and have the amendments to Crops, AFFA and KALRO Acts enacted as soon as possible. Regulations will also be tabled soon for gazettelement.
8. **Proposal 8:** Support to be given to the ongoing Privatization of Public owned Sugar Factories. There are already Taskforces for Coffee (Presidential) and Tea (Ministerial) looking into the issues in these sub sectors. It is requested that all stakeholders including the Honourable members support the implementation of the Taskforces recommendations so as to fix these sub sectors.
9. **Proposal 9:** County Governments should enhance spending on infrastructure in Agriculture potential areas.
10. **Proposal 10:** The concept of Youth in agriculture needs support by every one of us who sees the challenge they pose. Our request is support to the Ministry's initiative so that it is funded as a standalone programme. ***Thank You .***