KENYA DAIRY MARKET’S OVERVIEW

BY

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INTRODUCTION

- Global human population is currently estimated at 7 billion and is projected to be 9.6 billion by 2050 (AGRA,2016)
- Africa's population is estimated at 583 million
- East African community's population is estimated at 160.7 million
- Kenya, with a land area of 580,609 square kilometres, has a population estimated at 45.4 million
- Kenyan GDP currently stands at Kshs. 7.1. trillion

INTRODUCTION

- The projected increase in population offers an immense market opportunity to lift smallholder dairy farmers out of poverty
- It is therefore incumbent to put greater emphasis and investment in unlocking the dairy sector
- In developing countries, over 75% of the poor are rural smallholder producers who derive their livelihoods primarily from agriculture.
- Global milk production has increased by more than 50% from 500 million tonnes in 1983 to 769 million tonnes in 2013

INTRODUCTION

- Africa accounts for approximately 5% of global milk production with Kenya accounting for 18% of Africa milk production
- Globally, an estimated 1 billion people live on 145 million dairy farms
- Most of these households comprise smallholder dairy farmers who depend on milk production as a source of nutrition, food security and income generation
- Demand for milk in developing countries is expected to increase by 25% by 2025 due to population growth and increasing incomes (IFAD,2016)

INTRODUCTION

- As continental demand grows, improving the dairy value chain is increasingly a priority across the continent
- The dairy industry in Africa is one of the most important sectors in terms of income generation, food, and food and nutrition security
- There is therefore a need for continental agenda on dairy transformation as well as share innovative, scalable and sustainable models.

INTRODUCTION

- **These models will transform the dairy value chain in Africa for economic, social and institutional benefits.**
- **The focus must be market-driven**
- **There should be systematic, transformative change in the dairy sub-sector to take advantage of the increased demand for milk in the continent**
- **The critical intervention areas that will catalyse transformation in the dairy sector in Africa need to work on how to seize the moment.**

INTRODUCTION

- Kenya has one of the largest and most developed dairy sub-sectors in Sub-Saharan Africa
- It accounts for about 4% of GDP with a growth rate of 4% per annum (GOK, 2016)
- Kenyan smallholder dairy producers account for 80% of total milk production and 70% of total milk marketed (GOK,2016)

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