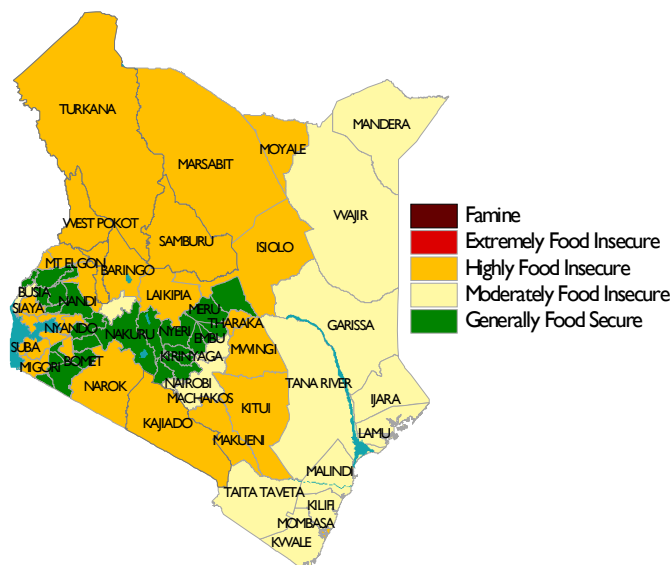


KENYA Food Security Update

February 2008

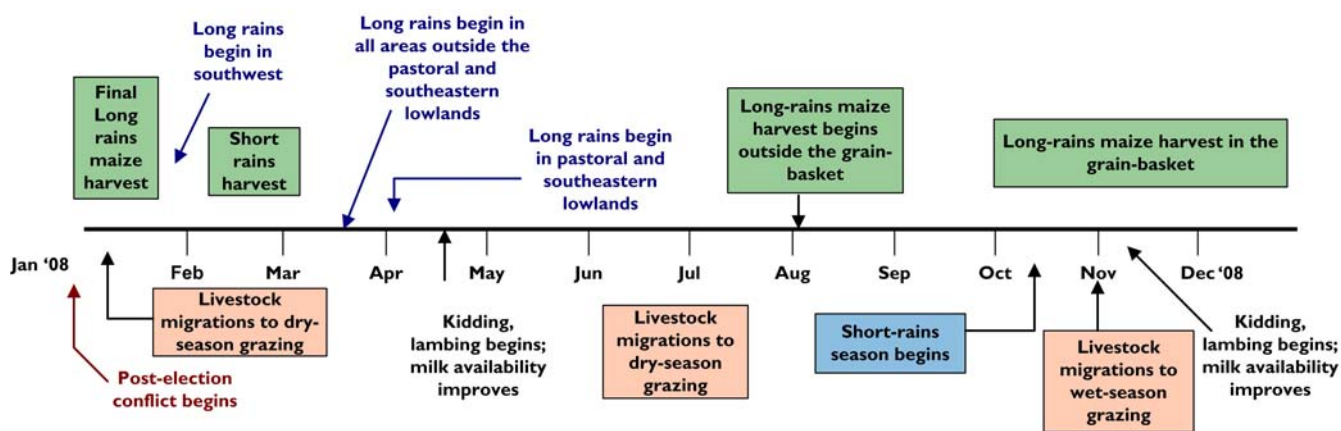
- Food insecurity continues to accentuate among populations displaced by post-election conflict as well as among the urban poor, whose employment opportunities have narrowed.
- Unseasonable January rains appear to have salvaged some crop in the southeastern lowlands. However, substantial crop losses had already been incurred due to the poor short-rains season, compounding food insecurity from this point forward for the short rains-dependent farmers.
- While pastoralists' pasture, browse and water availability have benefited from January rains, food security has visibly declined in the northeast and northwest, exhibited by rising malnutrition and lowered terms-of-trade.
- On-going conflict has caused livestock and cereal farm-gate prices to decrease due to constrained market access, limiting household income-earning capacity. In contrast, consumer prices for goods and services have increased.
- Overall national maize supply for the July 2007 to June 2008 marketing year is expected to decline significantly, due to a combination of crop failure in the short rains-dependent southeastern lowlands and pre- and post-harvest losses in Kenya's grain basket, which is also the epicenter of the current post-election conflict.

Figure 1. Current estimated food security conditions, Feb. 2008



Source: ALRMP and KFSSG

Seasonal calendar and critical events timeline



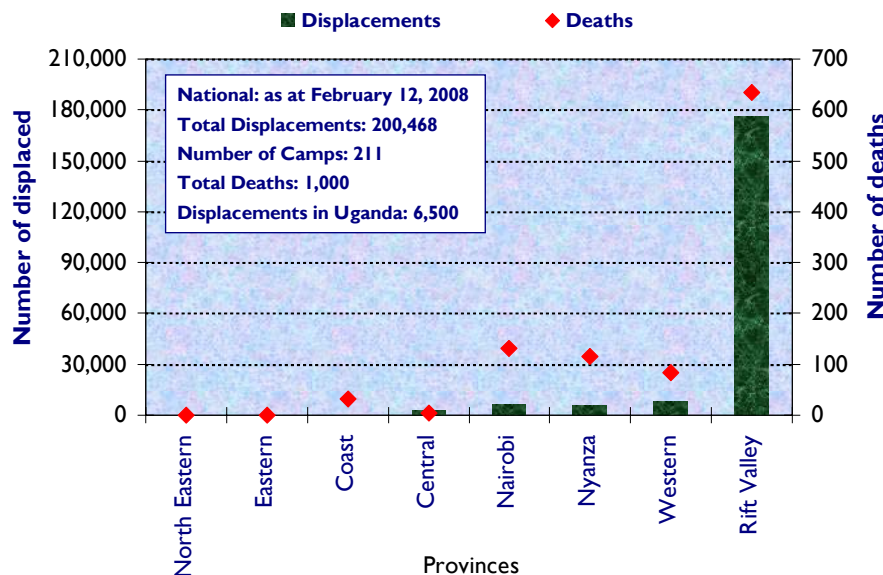
Impacts of post-election conflict worsen food security across the country

On-going post-election conflict that began at the end of December has continued through January. While the conflict subsided somewhat in the key urban centers of Nairobi and Mombasa, it has continued in the Rift Valley Province and escalated in areas such as Nakuru and Naivasha. Displacements also increased toward the end of January in areas close to Nairobi that are bordering Kiambu District. Figure 2 is an illustration of the scale and location of the displacements and deaths.

Food insecurity has increased significantly as the impacts of the conflict deepen across most livelihoods. The epicenter of the conflict is the Rift Valley Province, the most important agricultural area of the country. About seven districts that are affected severely by the conflict, namely Trans Nzoia, Uasin Gishu, Nakuru, Bungoma, Nandi, Buret and Kericho, account for close to 50 percent of all cereal produced in the country annually.

As a result, current and future production has been severely disrupted by the insecurity. Substantial post-harvest losses of the 2007 long-rains harvest

Figure 2. Location and impacts of post-election conflict



Source: ALRMP and NOC

may occur, since much of the harvested maize crop has not attained the optimal moisture content of 13.5 percent, thereby guaranteeing losses. The main buyer of newly harvested grain, the National Cereals and Produce Board, is not purchasing grain as a result of the conflict, causing farmers to store maize in unplanned storage facilities, thus exacerbating losses. In addition, storage chemicals are increasingly expensive, while producer farm-gate prices have plummeted (from Ksh. 900 per 90-kg bag to Ksh. 750 for maize), translating to constrained purchasing capacities for farmers. If the current marketing and storage difficulties persist, pre- and post-harvest losses could reach 300,000 MT.

Additionally, prospects for a favorable 2008 long-rains season in Kenya’s grain basket are dim. An assessment conducted by the Agriculture and Livestock sectoral working group of Kenya Food Security Steering Group (KFSSG) in Bungoma, Trans Nzoia and Uasin Gishu districts estimated that the costs of land preparation for the 2008 long-rains season have increased by close to 50 percent, while input costs (fertilizers and top-dress chemicals) have risen by close to 70 percent in the midst of the declining farm-gate prices. Only 1 percent of land preparation for the maize crop was completed by the end of January as opposed to up to 60 percent in normal years. As a result, an estimated 100,000 hectares in the grain basket districts may not be cropped during the upcoming long-rains season that is scheduled to begin in March. Projected reduction in hectares planted during the long-rains season, estimated to be up to 25 percent, coupled with the anticipated sub-optimal usage of production inputs, suggest a likely decline in cereal output in late 2008. This would combine with the potential losses of 300,000 MT in the 2007 long-rains harvest, indicating that national food supply will be dented significantly toward the end of 2009, unless the current insecurity is addressed and resettlement and recovery interventions are carried out. If farm households are unable to safely access their livelihoods, markets, input stores and agricultural extension staff, the KFSSG assessment team confirmed that the impacts of the current crisis on food security are likely to persist through 2008 and beyond.

The conflict is also affecting the prices of food and transportation. Gangs have barricaded key roads, causing fuel prices to increase dramatically due to transportation difficulties. The few stockists that are open have incurred substantial transaction costs, including additional security measures, which are passed on to consumers. As well, most transporters are unable to supply retail commodities to traders and are also not able to move farm commodities such as maize, milk and vegetables from key producing areas to the rest of the country. KFSSG's assessment team found that in addition to the farm gate price for maize declining, the consumer price for maize also rose to Ksh. 1,700 from Ksh. 1,080 in other markets in a space of three weeks. As nearly 68 percent of the population of Kenya are net consumers of maize as their key staple, these increased prices will have a significant impact on food access. The majority of consumers, and particularly the most vulnerable groups including pastoralists, agropastoralists, marginal agricultural farmers and the urban poor, are already adversely affected by rising prices of other commodities besides maize.

The livestock sector is also staggering from the insecurity situation due to a combination of reduced delivery of milk, increased livestock raiding and uncontrolled livestock movement. Prevailing insecurity has provided a favorable environment for livestock raiding, particularly in West Pokot, Turkana, Marakwet, Trans Nzoia, Uasin Gishu, Samburu and Bungoma districts. Many livestock keepers have lost their livestock and the KFSSG's assessment team estimates that 30,000 or 10 percent of the cattle have been stolen from Trans Nzoia and Uasin Gishu districts. In addition, the spread of livestock diseases is likely to significantly increase because of uncontrolled movement of livestock both from raids and from herders fleeing the conflict epicenters. Disease control measures are compromised by reduced access to veterinary drugs as well as absence of staff, some of whom have been displaced. Milk production is also likely to reduce substantially. Farmers in the grain basket Uasin Gishu District normally deliver 25,000 liters of milk per day to the Kenya Co-operative Creamery but the quantity has declined to 10,000 liters, leading to consumer price increases, further constraining purchasing capacities.

In summary, the continued conflict has adversely affected the Kenyan production sector, the impacts of which are likely to carry through the next marketing year that ends in June 2009. Key roads are inaccessible due to insecurity; harvested output is not able to reach markets; local traders are unable to source production inputs and consumer goods; fuel prices have escalated because of the high transaction costs that are associated with its delivery; and livestock raiding and spread of disease are further hampering the livelihoods of farmers. As a result, producers are facing profound crops losses and reduced incomes, especially for the normally food-secure Rift Valley farmers, and higher-than-normal prices due to reduced surpluses are negatively affecting consumers, especially the most vulnerable.

Regional food security implications of the Kenyan crisis

Kenya is a net importer of all major food crop and livestock commodities, indicating that regional linkages are central to national food security. Historically, food security in the Greater Horn of Africa is closely inter-linked and determined by substantial cross-country variabilities in agroclimatic; socio-economic; infrastructural; geographic; and cultural characteristics. The main food security linkages include:

- Kenya is a net importer of key grains and cereals from Uganda, Tanzania, Ethiopia and Rwanda.
- Tanzania and Somalia are key exporters of livestock to Kenya, a net importer of livestock.
- Uganda, Tanzania and southern Sudan import industrial commodities from Kenya, including agricultural production inputs.
- Uganda, Burundi, southern Sudan and Rwanda are landlocked and depend substantially on the port of Mombasa for imports of production and finished goods.
- Grazing exchanges between Kenya, Uganda, Tanzania, Ethiopia and Somalia occur regularly within the pastoral livelihood.
- Technology and labor exchanges with Uganda, Tanzania, Ethiopia and Somalia are common.

Crop output in Uganda, in particular, could decline if the proportion of imported production inputs is significant. However, if inputs are sourced elsewhere, producers in Uganda, Tanzania and Rwanda could benefit from enhanced export incomes, as a result of expected below-average production in Kenya. However, due to insecurity along Kenyan roads, transaction costs are high, translating into increases in the prices of goods and services and compromising purchasing capacities of the

vulnerable populations in the Uganda, Rwanda, Burundi and southern Sudan, countries that are dependent on imported goods, including fuel. In addition, Kenya is likely to lose vital trade revenue as Uganda, Rwanda and Burundi divert their sea imports to Tanzania ports. However, Tanzania is already raising concerns of increasing congestion in its key port of Dar es Salaam.

Livestock prices in Tanzania and Somalia are likely to decline as Kenyan traders reduce their import purchases due to their inability to access local domestic terminal markets. In addition, pastoralists' terms-of-trade are increasingly unfavorable as prices of other goods and food commodities rise due to closure of markets or reduced exchange outlets. Livestock production is also affected adversely by the spread of livestock diseases as livestock movement is unchecked, while key institutions, including veterinary services and input stockists, are not functioning as normal. Some pastoralists are unable to access pastures across certain borders, such as between northwestern Kenya and northeastern Uganda, due to rising security incidents.

Employment and other income-earning opportunities are curtailed as movement is restricted by insecurity. Even where employment is available, wide currency and exchange-rate fluctuations are affecting production and trade by increasing uncertainty, thus minimizing the ability to plan future production activities effectively.

Post-election response

KFSSG's multi-sectoral working groups (including Food; Water and Sanitation; Agriculture and Livestock; Education; and Health and Nutrition, comprising the Government of Kenya (GoK), Kenya Red Cross, the UN and NGOs) are working collaboratively to respond to the substantial needs that have resulted from the displacement of more than 300,000 persons, many of whom still reside in camps.

The UN and NGOs launched a flash appeal totalling \$41,938,954 for the Kenya emergency. The Central Emergency Response Fund (CERF) has provided \$7 million to this appeal. Considerable additional pledges and donations have been provided by governments and agencies, including the US, UK, Korea, Japan, Canada, Australia, the UN, and ECHO. The Kenya Red Cross has also received resources of just more than \$8 million, representing about 60 percent of their requirement. However, current and growing needs have tended to overwhelm the response, suggesting that additional donations are critical to meet the needs created by the precarious food security crisis.

The GoK, Kenya Red Cross and WFP are jointly co-ordinating the food aid pipeline and food assistance activities to displaced and affected persons following the post-election crisis. A full basket consisting of cereals, pulses, vegetable oil, corn soya blend and iodized salt is being provided to the beneficiaries. By the end of January, WFP had reached 341,511 people in Rift Valley, Western, Nyanza, and Nairobi and Kisumu slums with about 1,700 MT of food. The Government of Kenya also provided about 2,000 MT of cereals from the national grain reserve.

WFP is also supporting UNICEF and the Ministry of Health by providing food commodities for supplementary feed for 50,000 children under five and approximately 6,000 pregnant and lactating women among the population affected by violence and displacement. In addition, WFP and GoK's emergency operation (EMOP) targeting 652,000 drought-affected pastoralists and agropastoralists in 14 districts is on-going. Food distribution was temporarily disrupted by lack of access due to on-going conflict, in some areas such as in Turkana District. The current EMOP is scheduled to end in February, subject to the outcome of the short-rains assessments currently taking place in 25 districts.

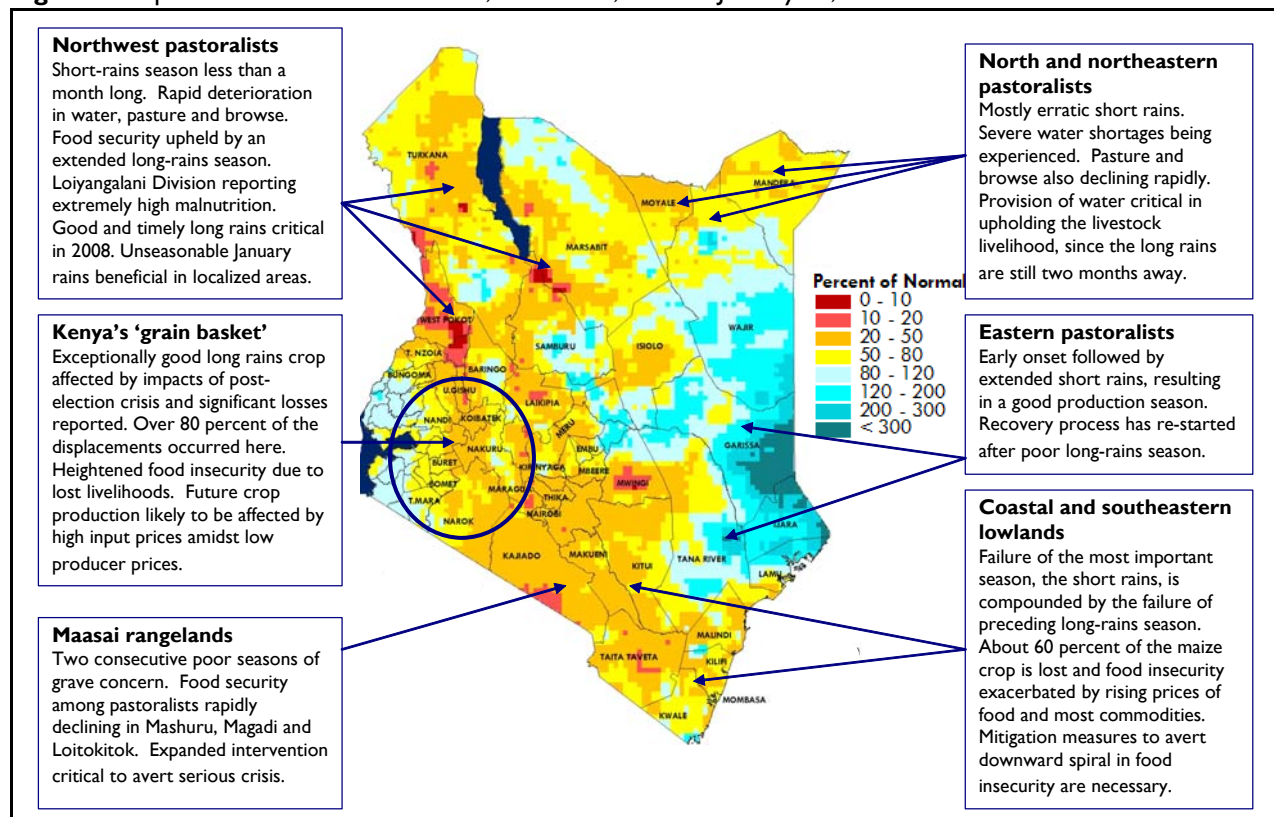
Contrasting prospects for pastoralists and farmers at the conclusion of the short rains

The short-rains season re-started uncharacteristically during the third week of January, improving production prospects in localized areas of the drought-affected southeastern and coastal lowlands as well as in the northern and western pastoral districts. However, cumulative rains for the entire short-rains season were much below average (figure 3), with the exception of the eastern pastoral districts, areas around the lake shore and localized northern pastoral areas.

Food security for pastoral households remains fragile in the northern and northwestern areas where pasture, browse and water is only sufficient to last to the beginning of the long-rains season in early April. However, water scarcity in Mandera, Kajiado, Marsabit, Moyale and Turkana districts is rapidly increasing, and water tankering is already being carried out in Mandera District. Most of the eastern pastoral areas neighboring Somalia experienced additional rains in December and January, though, and key environmental indicators have responded favorably.

The Arid Lands and Resource Management Project (ALRMP) reported that terms-of-trade for pastoralists also declined as terminal markets remain inaccessible due to on-going conflict, while other cereal and retail commodity prices rose. Pastoral terms-of-trade in Samburu District have declined by close to 10 percent during January and are more than 30 percent lower than the long-term mean. Cattle prices have also declined by 5-10 percent in Samburu, Mandera, Isiolo and Baringo, and by 30 percent in Turkana. Although the terms-of-trade are poor, cattle prices remain 10 to 15 percent higher than average in most pastoral markets. The decline in livestock prices and terms-of-trade is also attributed in part, to the seasonal decline that often occurs during the January to March dry season. However, the impacts of the current political crisis are the key contributor to worsening pastoral welfare primarily because of the restriction in trade both for producer and consumer goods.

Figure 3. Impacts of cumulative short rains, October 1, 2007 to January 31, 2008



The ALRMP reported that rates of child malnutrition depicted a mixed trend during January, increasing areas that have had a poor season, while declining in areas that experienced sustained recovery. Rates of child malnutrition, the 'At Risk' population measured using the middle upper arm circumference (MUAC), rose by 5 to 25 percent in January, in Mandera, Samburu, Marsabit, Turkana, Baringo and Tana River districts. Worrisome rates of child malnutrition were also reported in Loiyangalani Division in Marsabit, exceeding the WHO threshold, necessitating expedient intervention. However, rates of child malnutrition declined in Ijara, Wajir, Isiolo and Moyale. In January, the Health and Nutrition sectoral working group also screened 8,752 children in 37 out of a total of 183 camps for the displaced, also using the MUAC at-risk measurement, and found that 6.4 percent were moderately malnourished, while 1.1 percent was severely malnourished.

Total national cereal output is likely to reduce considerably, erasing the expected surplus following significant pre- and post-harvest crop losses in Kenya's grain basket in addition to crop losses in the short rains-dependent southeastern lowlands. It is not immediately clear what the exact losses are from the impacts of the disrupted production in key growing areas. However, total crop losses of up to 400,000 MT may occur, unless normal production and marketing processes are restored in Rift Valley. Out of that quantity, an estimated 100,000 MT of the short-rains crop has already been lost to drought in the southeastern lowlands. An estimated 2.52 million MT of maize should have been harvested from the 2007 long-rains season, if the crisis had not occurred. However, the country has sufficient maize to last for the next seven months at least, coinciding with the start of the long-rains harvest in 2008. Maize prices have already responded to the expectation of a tight market, rising by more than 22 percent in Nairobi during January as compared to December but remaining close to the six-year average. However, maize prices are 20 percent higher than the six-year average in Mombasa, as normal supplies from the grain-basket districts are restrained by uncertain passage due to heightened insecurity.

Conclusion

The post-election unrest in Kenya has had significant impacts on food security throughout the country, through the scarcity of key food commodities, increased consumer food prices, and decreased livestock and farm-gate prices. The food security of pastoralists is declining faster than normal due to the pressure on the terms-of-trade arising from lowered livestock prices and increased consumer prices. The food security of marginal agricultural farming households in the lowlands of the southeast has also declined following a poor short-rains season. More worrisome for these lowland farmers is the relative unimportance and unreliability of the upcoming long-rains season, suggesting that they face poor food security through most of 2008 if the long rains are also poor. The worst affected are displaced households, particularly those residing in camps for internally displaced persons. Many of these have lost their entire livelihood, including their land. The food security of the normally self-sufficient farm households could deteriorate to extreme levels if they are not resettled back to their normal production activities.