



# KENYA AGRICONNECT COMPACT

## 2025-2030

AN INTEGRATED FRAMEWORK FOR:



Transforming agriculture.



Enhancing food and nutritional security.



Creating jobs.

ABRIDGED VERSION



### OUR PILLARS



PRODUCTION & PRODUCTIVITY



VALUE ADDITION & AGRO-PROCESSING



MARKET SYSTEMS TRANSFORMATION



ENABLING SYSTEMS

# TABLE OF CONTENT

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<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1. AGRICULTURAL SECTOR OVERVIEW .....</b>	<b>2</b>
1.1 KEY SECTOR FACTS. ....	2
1.2 CURRENT STATUS, CHALLENGES, AND OPPORTUNITIES .....	3
<b>2. PRIORITY VALUE CHAINS AND TRANSFORMATION PATHWAYS.....</b>	<b>5</b>
2.1 PRIORITY VALUE CHAINS. ....	5
2.2 TRANSFORMATION PATHWAYS .....	5
2.3 JOBS CREATION PATHWAYS .....	6
<b>3. COMPACT TARGETS.....</b>	<b>8</b>
3.1 AGGREGATE OUTCOMES FROM PRIORITY VALUE CHAINS. ....	8
3.2 PRIORITY INVESTMENTS TO DELIVER ON TARGETS .....	9
3.3 GOVERNMENT VERSUS PRIVATE SECTOR COMMITMENTS .....	9
<b>4. PRIVATE CAPITAL MOBILIZATION.....</b>	<b>12</b>
<b>5. RISK AND MITIGATION MEASURES .....</b>	<b>13</b>
<b>6. INSTITUTIONAL FRAMEWORK.....</b>	<b>14</b>

## EXECUTIVE SUMMARY

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The Kenya National AgriConnect Compact (2025–2030) is a national agricultural transformation programme designed to address Kenya’s urgent employment, food security, productivity and trade challenges while unlocking large-scale private investment across the agri-food economy.

Agriculture remains central to Kenya’s economy, contributing approximately 22% directly to GDP and supporting nearly 75% of rural livelihoods. However, despite its importance, the sector continues to face low productivity, climate vulnerability, weak market systems, limited agro-processing capacity, high food imports and insufficient job creation, particularly for youth.

The Compact responds to these challenges through a coordinated public-private transformation framework anchored on the following four mutually reinforcing pillars:

1. Production and Productivity
2. Value Addition and Agro-Processing
3. Market Systems Transformation
4. Enabling Reforms and Services

The Government of Kenya commits to mobilizing approximately USD 3.8 billion in catalytic public investment to crowd-in at least USD 7.6 billion in private capital.

By 2030, the Compact aims to:

- Create 2.482 million new and better jobs
- Increase productivity by 50%
- Halve food insecurity
- Reduce imports of rice, edible oils, and maize by at least 50%
- Expand high-value agricultural exports by 60%
- Double agro-industrial value
- Expand irrigated land from 760,000 acres to 1.5 million acres

The Compact positions agriculture not as a subsistence sector, but as a modern, technology-enabled, climate-smart and investment-ready engine for inclusive economic transformation.

# 1. AGRICULTURAL SECTOR OVERVIEW

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Kenya's agricultural sector remains the backbone of the national economy and the primary source of livelihoods for rural communities. The sector supports approximately 75% of rural households, contributes directly and indirectly nearly half of national economic activity, and remains central to food and nutrition security.

Despite this importance, agricultural productivity and employment growth have remained below its potential due to structural constraints affecting production systems, markets, infrastructure, financing and climate resilience.

The Kenya National AgriConnect Compact, therefore, provides a coordinated framework for accelerating agricultural transformation through reforms, strategic public investments, and private-sector-led delivery systems.

Kenya's economy and livelihoods remain heavily dependent on agriculture.

## 1.1 Key Sector Facts

- Agriculture contributes approximately 22% directly to GDP and an additional 27% through linkages in manufacturing, trade, and services (KNBS, 2025; National AgriConnect Compact, 2025–2030).
- The sector employs about 40% of Kenya's national labour force (KNBS, 2024; National AgriConnect Compact, 2025–2030).
- Agriculture supports over 70% of rural employment and livelihoods across the country (Ministry of Agriculture and Livestock Development; National AgriConnect Compact, 2025–2030).
- Kenya earns more than USD 3 billion annually from agricultural exports including tea, coffee, horticulture, and livestock products (CBK, 2024; KNBS Economic Survey 2025; National AgriConnect Compact, 2025–2030).

Despite this importance, the sector faces major structural challenges, namely:

### **Employment Pressure**

Kenya has a rapidly growing labour force dominated by youth, yet formal employment growth remains weak. Agricultural employment has expanded slowly over the last decade, leaving many young people under-employed or outside productive work.

### **Food Insecurity**

Approximately 14.5 million Kenyans live below the food poverty line, while climate shocks continue to threaten national food systems.

### **Agricultural Trade Deficit**

Kenya imports large quantities of rice, edible oils, wheat, processed foods, and animal feed ingredients, resulting in significant foreign exchange outflows.

### **Climate Vulnerability**

About 84% of Kenya's land area is classified as arid or semi-arid. Heavy dependence on rain-fed agriculture exposes farmers and pastoralists to droughts, floods, and rainfall variability.

## **Limited Agricultural Financing**

Agriculture receives only a small share of commercial lending despite its contribution to GDP and employment.

The Compact, therefore, seeks to address these structural constraints through targeted reforms, strategic investments, and private-sector-driven growth.

## **1.2 Current Status, Challenges, and Opportunities**

### **Key Constraints**

The sector faces several inter-related constraints:

#### **a. Production and Productivity Systems**

- Low and variable yields across priority value chains, driven by limited access to quality inputs, irrigation, and mechanization.
- High climate vulnerability due to dependence on rain-fed agriculture and weak risk management systems.
- Declining soil fertility and inadequate use of soil testing and precision input application.
- Weak extension and advisory systems, limiting technology adoption and farm-level decision-making.
- Under-developed livestock systems characterized by disease burden, low genetic potential, and feed constraints.

**Opportunities:** Expansion of irrigation, improved seed and input systems, strengthened animal health and feed systems, scaling of mechanization services, and the deployment of digital advisory and data platforms to increase productivity and resilience.

#### **b. Value Addition and Agro-Processing Systems**

- Low processing capacity utilization for some of the value chains and limited agro-industrial development.
- High post-harvest losses due to inadequate aggregation, storage, and cold-chain infrastructure.
- Fragmented supply systems and inconsistent quality of raw materials.
- High energy, logistics, and compliance costs affecting competitiveness of processors.
- Limited participation of MSMEs and cottage industries in formal value chains.

**Opportunities:** Expansion of aggregation and cold-chain systems, development of agro-processing infrastructure, strengthening of standards and certification systems, and increased participation of MSMEs to drive value addition and job creation

### **c. Market Systems Transformation**

- Weak market infrastructure, including inadequate wholesale markets, feeder roads, and logistics systems.
- High transaction and transport costs are reducing farm-gate prices and competitiveness.
- Limited structured trading systems (e.g., warehouse receipt systems) and weak contract enforcement.
- Inadequate market information systems and price discovery mechanisms.
- Barriers to trade, including SPS compliance gaps and inefficient export processes.

**Opportunities:** Strengthening market infrastructure and logistics, expanding structured trading systems, improving trade facilitation and compliance, and deploying digital marketplaces and market information systems to enhance access and efficiency.

### **d. Enabling Reforms and Services**

- Fragmented institutional coordination across national and county levels
- Policy and regulatory inconsistencies affecting investment predictability.
- Limited access to agricultural finance and under-developed risk-sharing mechanisms.
- Weak digital infrastructure and lack of integrated data systems.
- Capacity constraints in regulatory institutions and service delivery systems.

**Opportunities:** Modernization and harmonization of policy and legal frameworks, strengthening of institutional coordination and governance mechanisms, expansion of agricultural finance and de-risking instruments, and development of interoperable digital public infrastructure to support data-driven decision-making and private sector investment.

## 2. PRIORITY VALUE CHAINS AND TRANSFORMATION PATHWAYS

### 2.1 Priority Value Chains

The Compact focuses on priority value chains with the greatest potential to create jobs, strengthen food and nutrition security, and improve Kenya's trade balance. These include dairy, cereals (maize and rice), poultry, red meat, tea, coffee, fruits (mango and avocado), potatoes, and edible oils. The selection reflects their contribution to domestic consumption, their role in reducing reliance on imports, particularly for staples such as rice, maize and edible oils, and their capacity to compete in regional and global markets. These value chains also present strong opportunities for private sector investment across production, processing, and trade.

### 2.2 Transformation Pathways

The Compact is structured as an investment-ready programme anchored on a clear public-to-private delivery pathway, linking catalytic government action to private-sector-led transformation and inclusive outcomes.

**Stage One:** Public reforms and investments build foundational systems, reduce risks, and improve the investment environment.

**Stage Two:** Financial instruments and partnerships mobilize private capital across value chains.

**Stage Three:** Investments drive value-chain transformation, increasing productivity, value addition, and market integration.

**Stage Four:** Scaled implementation delivers jobs, improved food security, increased exports, and reduced imports.

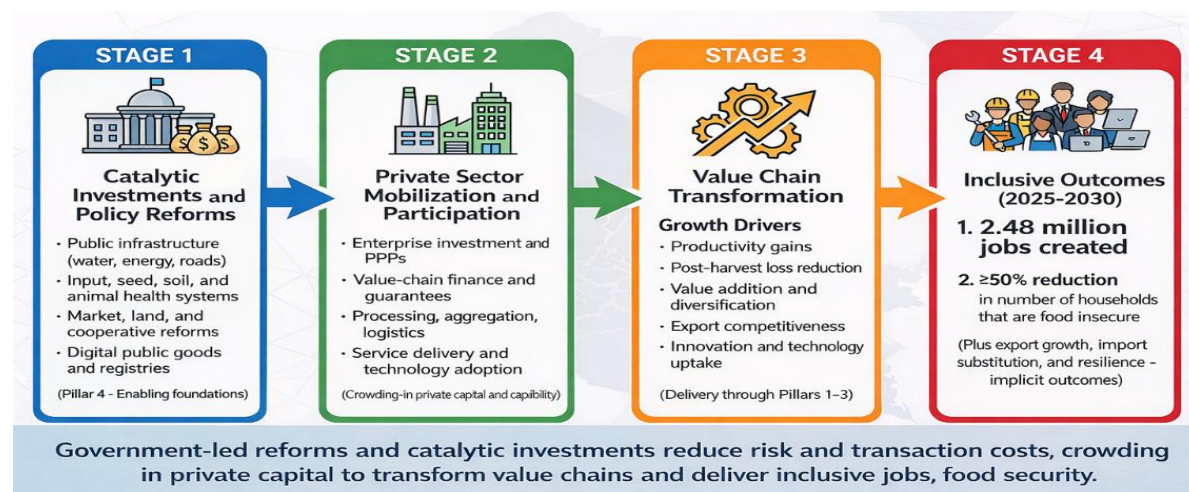


Figure 1: Theory of Change for National AgriConnect Compact

## 2.3 Jobs Creation Pathways

The Compact organizes employment outcomes across four inter-connected pathways, each aligned to a delivery pillar and associated job targets as follows:

Table 1: Job distribution by pillar and pathway

Pillar	Key Employment Areas	Projected Jobs
<b>Production &amp; Productivity</b>	Irrigation operations, mechanization services, seed systems, agronomic extension, and on-farm employment opportunities.	<b>788,000</b>
<b>Value Addition &amp; Agro-Processing</b>	Factory-based processing, MSME agro-processing, aggregation centres, cold chains, and manufacturing activities.	<b>800,000</b>
<b>Market Systems Transformation</b>	Aggregation, logistics, warehousing, commodity trading, standards compliance, and export logistics.	<b>420,000</b>
<b>Enablers</b>	Digital agriculture services, agricultural finance, advisory systems, research, and innovation ecosystems.	<b>474,000</b>
	<b>Total Jobs Created</b>	<b>2,482,00</b>

The AgriConnect Compact is expected to deliver a total of **2.482 million jobs by 2030**, combining both employment expansion and quality improvement across the agri-food system. This includes approximately **0.922 million new jobs**, generated through the expansion of production, aggregation, logistics, and service delivery, and **1.56 million better-quality jobs**, arising from formalization, productivity gains, skills upgrading and technology adoption across value chains.

The table below presents the distribution of jobs across the priority value chains, highlighting where employment opportunities are concentrated within the agri-food system. It reflects the relative scale, labour intensity, and market potential of each value chain and demonstrates how the Compact translates investments into value chain-specific employment outcomes across production, processing, logistics, and trade.

Table 2: Distribution of jobs across the priority value chains

Value Chain	Estimated Jobs by 2030	Key Job Nodes (Illustrative)
Cereals (Maize & Rice) & Edible Oils	450,000	Production, irrigation, aggregation, milling, oil processing, logistics.
Horticulture (Fruits & Potatoes)	510,000	Production, aggregation, cold chains, processing, export logistics.
Dairy	360,000	Production, animal health, milk collection,

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		processing, distribution.
Livestock (Red Meat & Poultry)	390,000	Production, feed systems, aggregation, processing, logistics.
Tea & Coffee	248,000	Production, processing, grading, export handling.
Total	2,482,000	Across all value chain nodes.

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## 3. COMPACT TARGETS

### 3.1 Aggregate Outcomes from Priority Value Chains

Collectively, the priority value chains drive the Compact’s core outcomes by linking productivity gains to market expansion, value addition, and employment. Across these value chains, the Compact delivers **2.482 million jobs**, with the majority generated in production and agro-processing, and supported by market systems and enabling services. Productivity increases of **at least 50 percent** across value chains will strengthen raw material supply, while expanded processing and reduced post-harvest losses will raise value addition to **50 percent of output**.

At the market level, improved aggregation, logistics, and trade systems will increase access to profitable markets by **50 percent**, enabling both domestic supply stability and export growth. The combined effect will reduce imports of key commodities such as rice, maize, and edible oils by **at least 50 percent**, while driving approximately **60 percent growth in high-value exports** including tea, coffee, and horticultural products.

Together, these outcomes position the priority value chains as the primary engines for **job creation, income growth, food security, and trade balance improvement**, translating investments into measurable and scalable national impact.

Table 3: Aggregate Outcomes from Priority Value Chains (PVs)

Outcome Area	Target by 2030	Key Effect
Employment Creation	2.482 million jobs (0.922M new, 1.56M better jobs)	Large-scale, inclusive employment across value chains
Productivity Growth	≥50% increase across priority value chains	Higher yields, improved efficiency, stronger raw material base
Value Addition	50% of output processed	Increased agro-processing, reduced post-harvest losses
Market Access	50% increase in access to profitable markets	Improved farmer incomes and market integration
Food Security	≥50% reduction in food insecurity	Increased availability and affordability of food
Import Substitution	≥50% reduction in imports (rice, maize, edible oils)	Improved trade balance and reduced dependency
Export Growth	~60% increase in high-value exports (tea, coffee, horticulture)	Enhanced competitiveness in regional and global markets

### 3.2 Priority Investments to Deliver on Targets

The AgriConnect Compact prioritizes a set of targeted, high-impact investments aligned to the four delivery pillars to translate reforms into measurable outcomes in productivity, jobs, food security, and trade. These investments are structured to finance critical public goods, de-risk private capital, and enable scalable value-chain transformation.

Table 4: Priority investment areas by pillars

Pillar	Priority Investment Areas	Strategic Purpose
<b>Production &amp; Productivity</b>	Irrigation expansion; soil health and input systems; seed systems; livestock feeds, breeds, and animal health; mechanization services; digital extension platforms.	Increase productivity by $\geq 50\%$ , expand production systems, and strengthen resilience to climate variability.
<b>Value Addition &amp; Agro-Processing</b>	Aggregation centres; storage and cold-chain infrastructure; agro-processing facilities; quality standards and certification systems.	Increase value addition to 50% of output, reduce post-harvest losses, and drive agro-industrial development.
<b>Market Systems Transformation</b>	Market infrastructure; logistics systems; warehouse receipt systems; digital marketplaces; trade facilitation and SPS compliance systems.	Increase access to markets by 50%, improve price efficiency, and enhance domestic and export competitiveness.
<b>Enabling Reforms and Services</b>	Policy and regulatory reforms; agricultural finance and de-risking instruments; digital agriculture platforms; institutional coordination systems.	Improve the investment climate, mobilize private capital, and strengthen coordination and service delivery

### 3.3 Government Versus Private Sector Commitments

The Compact mobilizes a total investment envelope of **USD 11.4 billion**, comprising **USD 3.8 billion** in catalytic public investment and **USD 7.6 billion** in projected private investment. Public financing is concentrated in foundational systems and public goods, particularly under production and market systems. In contrast, private investment projected to be heavily concentrated in agro-processing, logistics, trade, and commercial service delivery. This structure reflects the Compact’s strategy of using public investment to reduce risks, strengthen enabling systems, and crowd-in large-scale private capital across the agri-food economy.



Table 5: Commitment by government and projected commitment by the private sector

<b>Pillar / Area</b>	<b>Government Commitments</b>	<b>Projected Commitments from the Private Sector</b>	<b>Public Inv (USD Bn)</b>	<b>Private Inv (USD Bn)</b>	<b>Total Envelope (USD Bn)</b>
<b>Production &amp; Productivity</b>	Invest in irrigation, input systems, extension, animal health, mechanization support, and climate resilience systems.	Invest in production systems, mechanization services, input distribution, and adoption of improved technologies.	2.37	1.08	3.45
<b>Value Addition &amp; Agro-Processing</b>	Strengthen aggregation systems, standards, certification, quality assurance, and enabling infrastructure.	Lead investments in processing facilities, cold chains, manufacturing, and agro-industrial systems.	0.57	1.50	2.07
<b>Market Systems Transformation</b>	Invest in market infrastructure, trade facilitation, SPS systems, and market information systems.	Invest in logistics, warehousing, trading systems, digital marketplaces, and export operations.	0.68	4.02	4.70
<b>Pillar IV – Enabling Reforms and Services</b>	Implement policy and regulatory reforms; strengthen institutions; deploy digital systems; establish de-risking and coordination mechanisms.	Invest in digital services, finance platforms, innovation systems, and commercial service delivery.	0.17	1.00	1.17
<b>Total</b>	<b>—</b>	<b>—</b>	<b>3.80</b>	<b>7.60</b>	<b>11.40</b>

## 4. PRIVATE CAPITAL MOBILIZATION

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### **Private Capital Mobilization**

The Kenya AgriConnect Compact adopts a deliberate strategy to mobilize private capital as a central driver of agricultural transformation. Public investment is positioned as catalytic, financing public goods, enabling systems and de-risking measures that crowd-in commercial investment across production, processing, logistics, markets, and services. The Compact mobilizes a total investment envelope of USD 11.4 billion, comprising USD 3.8 billion in public investment and USD 7.6 billion in projected private investment.

### **Investment Promotion and Partner Engagement**

The Compact positions priority value chains as investment-ready opportunities through improved coordination, market systems and partnerships among Government, private sector actors, financial institutions, development partners and producer organizations.

### **Financial Sector Market Development for Agricultural Investment**

The Compact strengthens agricultural finance markets through blended finance, guarantees, warehouse receipt systems, commodity exchange platforms, and digital payment systems to improve transparency and increase financial sector participation.

### **Access to Finance and Financial Health**

Financial inclusion interventions include digital payments, e-vouchers, credit and insurance linkages, and digital credit scoring. Cooperatives and producer organizations will also be strengthened to improve governance and access to commercial financing.

### **Unlocking Agricultural Assets and Enterprise Value**

Aggregation systems, traceability mechanisms, structured trade and digital registries will improve enterprise visibility, commercialization and investment readiness across value chains.

### **Private Sector Mobilization Instruments**

The Compact deploys blended finance, guarantees, insurance solutions, PPPs, and liquidity enhancement instruments to reduce investment risks and crowd-in private capital.

### **Policy Reforms**

Policy reforms focus on harmonizing regulations, simplifying trade procedures, strengthening contract farming and warehouse receipt systems, and enabling cooperatives to access capital markets and attract investment.

## 5. RISK AND MITIGATION MEASURES

The implementation of the AgriConnect Compact may be affected by risks related to climate variability, financing, market systems, institutional coordination and private sector participation. The Compact integrates mitigation measures across the four delivery pillars to strengthen resilience, reduce investment risks and ensure effective implementation.

**Table 6: Key risks by pillar and mitigation measures**

<b>Pillar</b>	<b>Key Risks</b>	<b>Mitigation Measures</b>
<b>Pillar I – Production &amp; Productivity</b>	Climate shocks, pests and diseases, low technology adoption.	Irrigation expansion, climate-smart systems, resilient inputs, extension, surveillance, and animal/plant health systems.
<b>Pillar II – Value Addition &amp; Agro-Processing</b>	Post-harvest losses, weak quality and standards compliance.	Investments in aggregation, cold chains, processing, traceability, and SPS systems.
<b>Pillar III – Market Systems Transformation</b>	Weak market integration, price volatility, trade barriers.	Market infrastructure, structured trade systems, digital marketplaces, and trade facilitation.
<b>Pillar IV – Enabling Reforms and Services</b>	Limited private investment, weak coordination, financing and digital gaps.	Blended finance, policy reforms, digital systems, institutional strengthening, and coordination mechanisms.

## 6. INSTITUTIONAL FRAMEWORK

Implementation of the Kenya National AgriConnect Compact (2025–2030) will be anchored on an institutional framework designed to ensure coordinated delivery, strong national–county alignment, and a progressive transition toward a permanent institution for agricultural transformation. Overall governance will be provided through a National AgriConnect Steering Council made up of Cabinet Secretaries from the line ministries, the Council of Governors and the private sector, and chaired by the CS – MoALD. The day-to-day coordination will be managed by an AgriConnect Compact Secretariat housed within the Ministry of Agriculture and Livestock Development. Implementation will be supported through multi-stakeholder Pillar Taskforces, National Value Chain Platforms, County AgriConnect Units, and a unified digital platform integrating farmer registries, finance, markets, traceability, and jobs tracking. The framework will leverage catalytic public investments to crowd-in private-sector-led delivery across priority value chains, while progressively building the systems and institutional capacity required for a sustainable long-term governance structure for Kenya’s agricultural transformation beyond 2030.

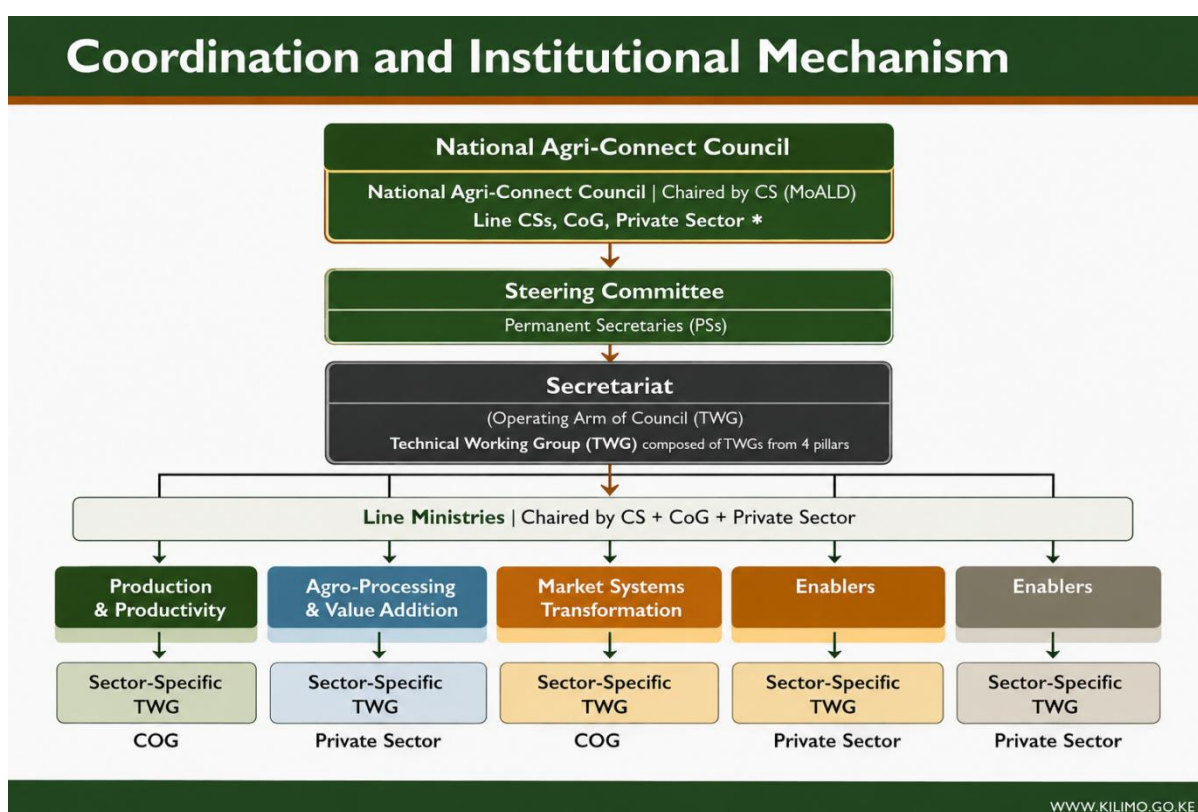


Figure 2: Coordinating Mechanism