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50

Reducing the cost of livestock feeds in Kenya: Policy options and recommendations

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Background

Kenya's livestock sector plays a critical role in the country's social, economic, environmental, and public health landscape. In 2023 it contributed 3.8% to the national GDP and 17.3% to agricultural value added (KNBS 2024). However, the sector's productivity and sustainability are significantly hindered by the high cost of animal feeds, a challenge driven by technical, market and policy factors.

The country produces 46 million metric tons (MT) of dry matter (DM) as animal feed resources against the national feed requirement of 55 million MT of DM, indicating a deficit of 9 million MT. This deficit is worsened by competition with human food needs for some feed ingredients, in addition to post harvest losses, leading to an actual deficit of about 30 million MT or 60% of the requirement. The feed gap is partially met through importation of energy- and protein-rich feed ingredients. Not only are the import taxes high the prices are dictated by international market forces. In addition, cheaper alternatives such as GMO products are banned. The overall effect is high cost of and an unmet demand for livestock feeds (KCSAP/ELRP 2023).

The key constraints to Kenya's livestock feed sector are technical challenges (such as low yields, poor equipment, inadequate research, and post-harvest losses), which are compounded by market issues, including fragmented supply chains and poor infrastructure. On the policy front, high import duties, weak enforcement of feed quality standards, and insufficient incentives for local production further exacerbate the high cost of feeds.

This policy brief, based on an expert review of existing knowledge, recommends a range of interventions to address the above challenges.

Key messages:

- Access to affordable, quality feeds is vital for improving livestock productivity in Kenya.
- The Government of Kenya must prioritize reduction of feed costs by implementing targeted policies that support local feed production and incentivize private sector investments in feed innovation and infrastructure.
- The private sector should in turn invest in the sector. The large deficit of animal feed resources presents significant business opportunities. With the right incentives, the private sector should scale up production, explore alternative feed resources, and engage in strategic partnerships with small-scale producers, farmers and government agencies.
- International development partners should prioritize research in their technical assistance and financial support to enhance the sustainability and affordability of animal feeds in Kenya.

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Challenges

The livestock commercial feed and forages subsector in Kenya faces significant challenges that undermine its productivity and sustainability. The key challenges are in three categories: technical, marketing and policy.

Technical challenges

Kenya's livestock feed sector faces multiple interlinked technical challenges. Low yields and high costs of key raw materials such as maize and soybeans dominate the landscape. Forage production remains constrained by traditional farming practices that prioritize food crops, limited land allocation, and low adoption of improved, drought-tolerant varieties. Consequently, farmers rely heavily on costly commercial feeds during forage shortages. Domestic production of critical inputs is minimal—only 1% of soybeans are grown locally —forcing dependence on expensive imports that are vulnerable to global price shocks (Gatsby Africa 2024).

Feed manufacturers also grapple with outdated or inefficient equipment, high import duties on modern machinery, and unreliable energy sources, especially in rural areas. Research and development is underfunded, stalling innovations in alternative feed sources such as insect meal or agro-industrial by-products. Similarly, limited research into high-quality forage crops and poor extension support hinder adoption.

Storage and post-harvest losses further exacerbate the situation, with spoilage, pest damage, and mycotoxin contamination reducing the availability and raising the cost of inputs. The emerging trade in conserved forage like hay and silage is hampered by seasonality, inadequate storage, and high transport and packaging costs. Collectively, these challenges sustain high feed prices and limit productivity across Kenya's livestock sector.

Market-related challenges

Kenya's livestock feed sector faces significant market-related challenges, beginning with a poorly structured maize market marked by excessive margins and price distortions. Producers and traders can restrict supply to inflate prices, resulting in Kenya having some of the highest maize prices in the region—nearly three times higher than in Tanzania or Uganda.

The supply chains for feed ingredients and forage are fragmented and dominated by informal actors, which leads to inefficiencies in distribution, pricing, and high transportation costs. Weak infrastructure further hampers efficient movement of goods. Additionally, a lack of timely and accurate market data—especially for feed producers—contributes to poor planning, regional price disparities, and overall market inefficiency.

Policy challenges

Kenya's policy environment for animal feed is fragmented, poorly coordinated, and weakly enforced. High import duties and taxes on essential feed ingredients—over 80% of which are imported—drive up production costs. These costs are passed on to farmers, making animal feeds unaffordable. Currency fluctuations and geopolitical disruptions further compound import-related price volatility.

Enforcement of feed quality standards is weak, allowing price manipulation and the circulation of substandard products. The lack of consistent certification undermines consumer confidence, and in the forage market, clear quality-based standards are still missing. Moreover, there are no government incentives such as subsidies or tax breaks to support local production of feed ingredients or forage. This limits domestic supply, reinforces import dependence, and makes the sector vulnerable to global shocks—all of which reduce profitability for small-scale feed producers and farmers.

Key policy options

1. **Short-term measures (immediate action)**
   - Tax and import duty relief
     - Waive/reduce import duties on key raw materials (e.g. maize, soya, feed additives).
     - Allow duty-free importation of yellow maize.
     - Waive import duty on equipment for black soldier fly (BSF) farming.
   - Subsidies and incentives
     - Provide subsidies for local forage production and feed processing equipment.
     - Use government land to support commercial forage cultivation.
   - Regulatory reforms
     - Enforce feed quality standards to reduce adulteration and protect farmers.
     - Streamline licensing for feed manufacturers and improve regulatory inspections.
   - Forage development
     - Support farmers with training, improved seed distribution, input subsidies, and extension services to boost forage production.

2. **Medium-term measures (1–3 years)**
   - Alternative feeds and innovation
     - Develop a structured approach involving engagement of stakeholders and sharing of information to:
       - Promote black soldier fly (BSF) larvae, crop residues, cottonseed cake, and cassava as affordable alternatives.
       - Raise awareness of nutritional value, cost savings and environmental benefits of alternative feed ingredients.
     - Enhance extension and advisory services to support the adoption and scaling of these alternative feeds and innovations and informed decisions by all actors.
   - Invest in resilient forage systems
     - Provide incentives, including subsidies, and an enabling environment for the adoption of drought-tolerant forage varieties such as forage sorghum, Napier grass and Brachiaria grass.
     - Educate farmers on preservation technologies (e.g., bale compacting, silage pits) to mitigate seasonality.
     - Partner with research institutions for localized forage innovations.
   - Farmer cooperatives and aggregation
     - Strengthen cooperatives to pool resources, reduce costs through bulk buying, and share equipment and storage.
     - Build capacity in cooperative governance and business development.

3. **Long-term measures (3+ years)**
   - Research and development (R&D)
     - Fund R&D on local feed alternatives including insects and agro-waste products.
     - Support innovation in feed formulation and nutrition science.
   - Infrastructure and equipment
     - Upgrade existing laboratories for feed quality testing and certification.
     - Invest in rural feed processing and cold storage facilities.
   - Digital tools and data use
     - Use data analytics for market monitoring, price stabilization, and traceability.
     - Develop a central feed sector data platform with open access for stakeholders.
   - Legal and institutional reform
     - Review and align feed quality standards with global norms.
     - Mandate licensing and periodic audits of feed manufacturers.
     - Establish penalties for non-compliance and incentives for innovation.

Call to action

Kenya's livestock sector cannot thrive without affordable, quality feeds. A coordinated response is needed:

- Government: Lead with smart subsidies, regulatory reforms, and infrastructure investments.
- Private sector: Scale up local feed production and invest in alternative feed technologies.
- Development partners: Support research, financing, and pilot innovations.
- Farmers and cooperatives: Organize to improve market access and reduce production costs.

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