



Agro- processing Sector Investment Opportunity in Kenya



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At a defining moment in Kenya's industrial journey, ARISE IIP Kenya is delivering a new standard for industrial development — built on coordination, partnership, reliability, and long-term performance.

Kenya's industrial advantage rests on five structural strengths: a renewable-powered energy base, integrated logistics corridors linking ports, rail, and airports, a stable and investor-confident macroeconomic environment, a leading digital and innovation ecosystem, and growth-enabling industrial policy frameworks, including strategic incentives.

The ARISE IIP Kenya platform is anchored by a secured portfolio of industrial zones across Kenya's key economic corridors — including Vipingo Special Economic Zone on the northern coast, the port-adjacent Coast Integrated Industrial Park (CIIP) SEZ in Mombasa, Great Rift Industrial Park (GRIP) SEZ in the geothermal-rich Rift Valley, and the fiber-to-fashion Rivatex SEZ in Eldoret, western Kenya. Each zone plays a distinct role within the national industrial platform, enabling manufacturing, processing, and export activity to be deployed where location, infrastructure, and energy advantages perform best.

By aligning a secured multi-zone industrial portfolio under common standards, sector logic, and investor pathways, ARISE IIP Kenya delivers a single, coordinated industrial platform enabling investors to enter with clarity, operate with certainty, and scale across locations without restarting the investment journey.

The ARISE IIP Kenya industrial platform is not a collection of zones.

It is Kenya's industrial advantage system — designed for delivery.

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Ministry of Agriculture and
Livestock Development

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National Environment
Management Authority



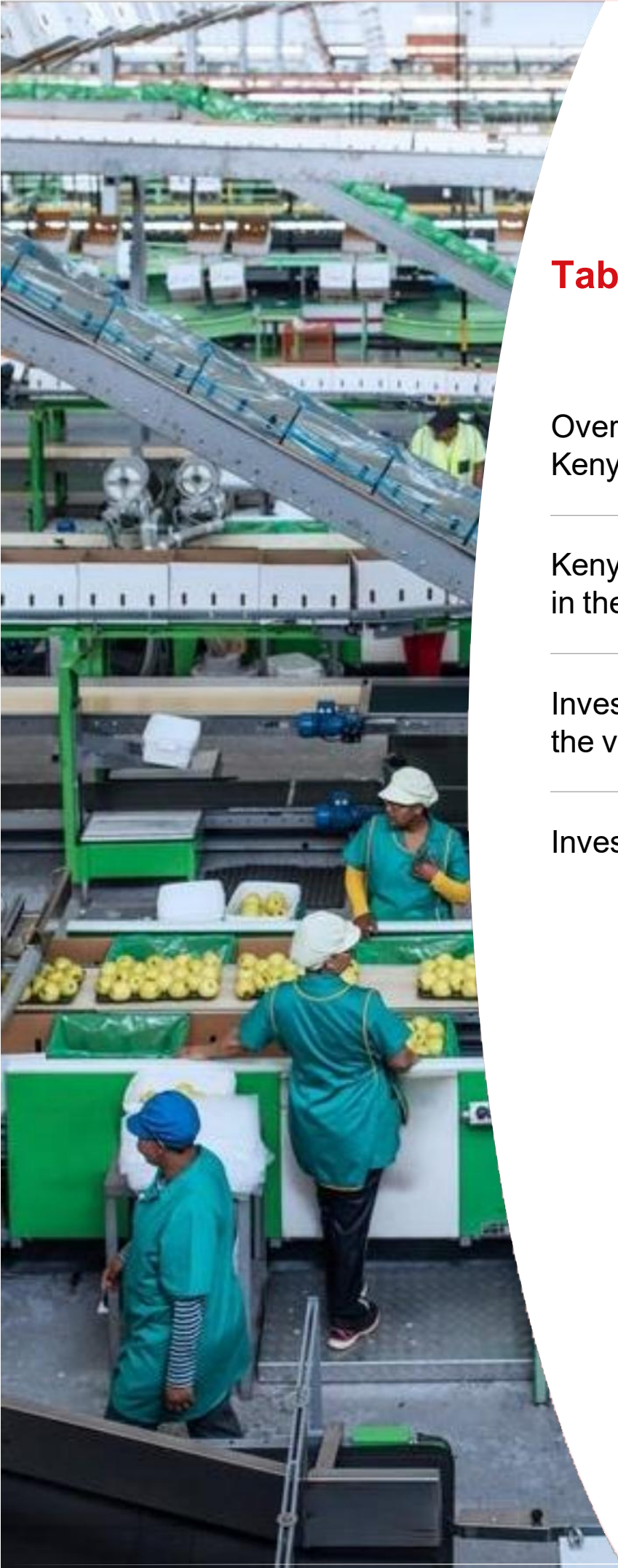


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Kenya Agro-processing Investment Opportunity



Kenya's agroprocessing sector offers immense value addition potential across multiple value chains — from cereals to dairy, from edible oils to fruits and beverages. Kenya is set to become Africa's hub for sustainable agro-industrial transformation

Global Agroprocessing Market Overview

The global agriculture and food processing market is experiencing rapid growth, with estimates clustering around **USD 160 – 190 billion** in 2023 – 2024. Projected compound annual growth rates of approximately 7% are pushing forecasts toward USD 300 – 400+ billion over the next decade

\$2.1T

Global Processed Food Market

Total market value in 2024, growing steadily

7%

Annual Growth Rate

CAGR driving market expansion through 2030

\$1.3T

Global Processed Food Imports






Up from \$1.02T in 2019, reflecting rising demand

Trade in agricultural commodities increased meaningfully during the 2010–2023 period. In 2023, global agricultural exports were substantially higher in nominal terms versus 2010, reflecting rising demand and value-added trade. The Americas are the largest net food exporter while Asia is the largest net food importer

Source: FAO (2024); World Bank Trade Data

Major Global Exporters of Processed Foods

Large agricultural exporters dominate bulk and processed food exports globally. The European Union, United States, Brazil, Canada, and India lead in different segments, with varying shares of processed versus raw commodity exports

Exporter	Annual Export Value (2019–2023)	Processed Share	Main Products	Key Advantage
 USA	USD \$175–190B	~8–10%	Soybeans, corn, meat, dairy, processed snacks	High-value processing in meat, cereals, branded foods
 Brazil	USD \$125–140B	~40–45%	Meat, sugar, soy oil, juices, coffee	Global leader in processed meat, sugar, beverages by volume
 EU	EUR €180–230B	~60–65%	Dairy, beverages, bakery, confectionery, wine	Global leader in high-value processed foods
 Canada	USD \$65–75B	~25–30%	Wheat, canola, meat, processed cereals	Strong in cereals and meat; integrated with US markets
 India	USD \$45–55B	~15–20%	Rice, spices, sugar, ready-to-eat foods	Rapidly growing processed exports; expanding packaged food

Key Insight



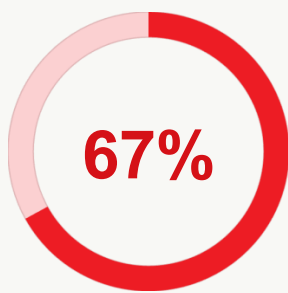
The EU leads with 60 – 65% processed share, while Brazil dominates in volume. Globally, agroprocessing accounts for 30 – 40% of total agri-food export value and is growing faster than raw commodity exports.

Source: WTO Trade Statistics 2023; ITC Trade Map

Major Importers Driving Global Demand

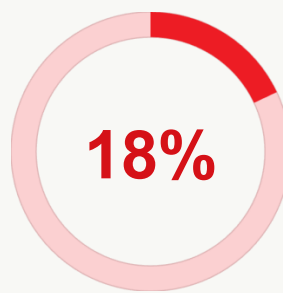
Asia (including China), the European Union, and MENA are major importers of processed foods and ingredients – driven by population growth, urbanization, and changing dietary preferences

Region	2019 Imports	2023 Imports	Growth	Urban Pop.	Key Demand Drivers
China	\$104B	\$139.6B	+34%	65%	Rapid urbanization, middle-class expansion, dietary diversification
Asia (excl. China)	\$310B	\$405B	+31%	60–80%	Income growth, convenience culture, food imports to meet demand
EU	\$132B	\$173B	+31%	75%	Consumer diversity, off-season/tropical demand, variety preference
MENA	\$77B	\$102B	+32%	70%	Food security reliance on imports, high per-capita income, limited arable land



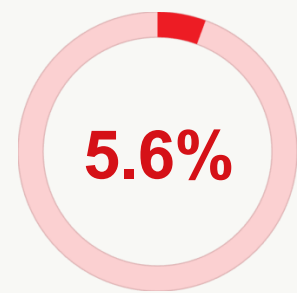
Share of Global Imports

Asia, EU, and MENA combined account for two-thirds of global processed food imports



Urban Population Growth

Urban dwellers in these regions increased from 2.7B to 3.2B (2019–2023)



Annual Import Growth

Processed food imports CAGR from 2019 to 2023

Source: FAO Food Outlook 2024

Five Key Trends Shaping Global Agroprocessing

01

Value-Addition Shift

Buyers and exporters are moving up the chain from raw commodity trade toward processed, packaged and branded goods, delivering higher margins and more resilience. This shift is accelerating across all major export markets.

02

Sustainability & Traceability Demands

Regulations on deforestation-free supply, food safety, and ESG due diligence require provenance, reduced footprint, and compliance systems. This is driving investments in traceability, sustainable sourcing and certification across supply chains.

03

Digital & Automation Adoption

AI, IoT, remote sensing, and automation are accelerating crop forecasting, quality sorting, and factory efficiency. These technologies reduce labour bottlenecks and improve yield recovery throughout the value chain.

04

Protein & Product Innovation

Growth of plant-based proteins, alternative ingredients like pea protein, and specialty ingredients is changing upstream cropping and processing demand. Rising demand for pea protein in China exemplifies this trend.

05

Resilience & Diversification

Buyers diversify suppliers to reduce reliance on single regions due to logistics shocks and rising labor costs in Asia. This opens opportunities for new processing hubs in Africa, Latin America and Eastern Europe.

The Agroprocessing Value Chain

The agroprocessing value chain transforms raw agricultural materials into finished products through eight interconnected stages, each adding value and creating employment opportunities

01

Input Suppliers

Seeds, fertilizers, agrochemicals, animal feed, seedlings, and equipment providers form the foundation of the value chain

02

Primary Production

Crop and animal production, primary harvesting, and on-farm sorting activities at the farm level

03

Aggregation & Primary Handling

Collection centers, cold chain initiation, cleaning, and grading operations that prepare products for processing

04

Processing & Manufacturing

Milling, canning, drying, oil extraction, fermentation, protein extraction, meat/dairy processing, packaging and labelling

05

Storage & Cold Chain

Refrigerated warehousing and controlled-atmosphere storage for perishables to maintain quality and extend shelf life

06

Logistics & Distribution

Domestic wholesale, export operations, port handling, and refrigerated transport to move products to market

07

Retail & Food Service

Supermarkets, wholesalers, HORECA (hotels/restaurants/catering), and exporters to international buyers

08

Consumers & After-Market

End-consumer delivery, waste management and circular recovery including by-products and composting

Broader Ecosystem Players

Beyond the core value chain, a network of supporting players enables efficient agroprocessing operations and market access

Input Manufacturers & Distributors

Provide seed, feed, chemicals and equipment critical to quality and yields throughout the production cycle

Processing Equipment & Tech Vendors

Supply machinery, automation, preservation and packaging systems that enable scale and compliance

Cold-Chain & Logistics Providers

Refrigerated transport, port handling and third-party logistics prevent spoilage and enable exports

Standards & Certification Bodies

Food safety (ISO, HACCP), sustainability standards, and buyer certification schemes needed for market access

Testing & Laboratory Services

Local chemical, microbiological and quality testing labs shorten lead times and enable export compliance

Finance & Insurance

Working capital, trade finance, crop insurance, and green/impact finance for capital expenditure investments

Government & Trade Promotion

Trade policy, export facilitation, sanitary and phytosanitary controls, and incentives (SEZ/EPZ) that lower investor risk

Training & Extension Services

Upskilling workers on processing best practices, food safety, and traceability systems implementation

Kenya's Agroprocessing Sector Size



The Kenya food processing market is valued at approximately **USD \$9 billion in 2024**, projected to grow to USD \$13 billion by 2030

~407

Processing Enterprises

Registered food and beverage manufacturers across 13 subsectors

330,000+

Direct Jobs

Formal sector employment, with over 1 million indirect jobs

\$4.8B

GDP Contribution

Approximately 9.5% of national GDP from agroprocessing

6.1%

Annual Growth

Sector CAGR driven by food demand and exports

\$1.6B

Export Earnings

From processed goods including tea, coffee, dairy, fruits, oils

40%

Manufacturing Share

Agroprocessing accounts for 40%+ of total manufacturing output

Agriculture value added at constant prices rose from approximately KSh 1,634.1 billion in 2023 to KSh 1,706.0 billion in 2024, demonstrating continued sector growth

Source: KNBS Economic Survey 2024

Agriculture contributes approximately **26% of Kenya's GDP** and employs more than **40% of the population**, creating a large base of raw material producers and labor force

Crop Category	Annual Production	Value (2023)	Top Counties
Maize	4.4M tonnes	KSh 199B	Uasin Gishu, Trans Nzoia
Dairy (Milk)	5.2B liters	KSh 1.2B	Nyandarua, Meru, Kiambu
Tea & Coffee	450K tonnes	KSh 1.1B	Kericho, Kiambu, Nyeri
Fruits & Vegetables	8.0M tonnes	KSh 900M	Makueni, Murang'a, Kirinyaga
Livestock (Cattle)	~18M head	KSh 500M	Isiolo, Garissa, Kajiado

Kenya's wide agro-ecological diversity supports both tropical and temperate crops, creating strong potential for vertical integration from farm to factory to export

Source: KNBS Agricultural Statistics

Employment Impact by Value Chain

Agroprocessing creates substantial employment across multiple value chains, with particularly strong job creation in dairy and livestock sectors

Segment/Subsector	Direct Jobs	Notes
Beef Value Chain	~54,799	Covers production, processing and marketing stages
Dairy Processing	~80,000	Factory workers, QA, packaging in milk processing
Dairy Farm Level	~400,000	Farmers, farm laborers, feed manufacturers
Export Processing Zones	~82,764	Includes agro-processing and exporting firms
Manufacturing Sector (Private)	~330,000	All manufacturing including food, beverage & tobacco

Agroprocessing generates approximately **20 direct jobs per USD 1 million investment**, more than most manufacturing sub-sectors, making it a powerful catalyst for inclusive growth and poverty reduction.

Source: KNBS Manufacturing Report

Raw Material Production Statistics

Kenya's diverse agricultural production provides abundant raw materials for processing across multiple value chains

Crop/Product	Production (2023)	Area/Metrics	Value/Notes
Maize	4Mn MT	2.5Mn hectares	Value: ~KSh 199Bn locally produced
Wheat	309,492 MT	104,440 hectares	Value: ~KSh 14.3Bn
Fruits (Primary fruits only)	4.2Mn MT	—	Projected to reach 4.68Mn MT by 2028
Milk/Dairy	5.2 Bn liters	908.4Mn liters marketed	Production increased from 2023 to 2024
Irish Potatoes	~2.3Mn tonnes	—	Value: KSh 74Bn
Cassava	~1.2Mn tonnes	—	Value: KSh 38.7Bn
Beans	~1Mn tonnes	—	Value: KSh 113Bn

Over 7Mn smallholder farmers feed raw materials into approximately 2,000 processors, forming one of Kenya's most diversified industrial ecosystems

Source: Ministry of Agriculture; KNBS

Livestock Resources

Kenya hosts a very large livestock herd creating substantial potential supply for meat, dairy, and leather processing

~18M

Cattle

Head of cattle providing beef and dairy

~18M

Sheep

Head of sheep for meat and wool

~28M

Goats

Head of goats for meat and milk production

This large herd creates significant potential for:

- Meat processing and value addition
- Dairy product manufacturing
- Leather and hide processing
- Animal feed production from by-products
- Export-oriented livestock product processing

Source: FAOSTAT 2023

Subsector Breakdown by Category

Kenya's agroprocessing sector spans diverse categories, each with specific infrastructure and capacity

Category	Number	Comments/Details
Food Processing Companies	~407	As of July 2025, includes all registered food processors
Dairy Suppliers	~276	Processors, distributors, and related suppliers
Licensed Milk Processors	~40	Active milk processors (some licensed but not fully operational)
Cottage Dairy Industries	~173	Small-scale dairy processors
Mini-Dairies	~67	In addition to major processors
Registered Feed Companies	~305	115 manufacture feed only; 96 supply raw materials; 94 do both
Edible Oil Processors	~13	Local manufacturers processing CPO, sunflower, soy, corn
Meat Processors	~9	Based on business directory (may undercount informal)

The edible oil sector has approximately **1 million MT/year idle capacity**, representing significant opportunity for expansion

Source: KAM Manufacturing Directory

Kenya's Strategic Position in East Africa



Kenya's central location in East Africa makes it a natural logistics and trade hub, connecting landlocked neighbors to global markets while serving a growing regional consumer base

Gateway to Africa

Kenya's strategic location provides efficient access to:

- Uganda, South Sudan, Rwanda, and DRC markets
- Port of Mombasa handling 41.1M tonnes annually
- JKIA connecting to Middle East, Europe, and Asia
- Standard Gauge Railway reducing freight costs by 30–40%

Regional Market Access

Preferential trade agreements unlock massive markets:

- **EAC:** 290M people, USD 305B GDP
- **COMESA:** 640M people, USD 930B GDP
- **AfCFTA:** 1.4B people, USD 3.4T GDP
- EU and UK Economic Partnership Agreements

Source: World Bank; KPA

Kenya's Competitive Advantages: Digital Readiness

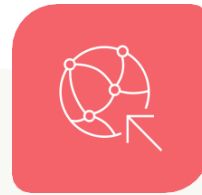


Kenya ranks **#28 overall** among the world's 50 emerging markets in the Agility Emerging Markets Logistics Index, and **#17 in digital readiness**



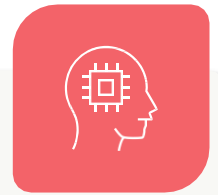
Mobile Money Leadership

M-PESA and fintech integration enable efficient payments for smallholders and processors, reducing transaction costs and improving cash flow management throughout the value chain



Agri-Finance Innovation

Platforms like Apollo Agriculture, Twiga Foods, and DigiFarm link farmers, input suppliers, and processors seamlessly, creating transparent and efficient supply chains



Tech Adoption Potential

Strong potential to adopt digital tools in supply chains, traceability systems, and automation makes Kenya attractive for tech-enabled agro-processing investments

This digital infrastructure creates a foundation for modern, traceable, and efficient agroprocessing operations that meet international standards and buyer requirements

Source: GSMA Mobile Economy Africa

Fruit export earnings jumped from **KES 19.7B in 2022** to **KES 32.37B in 2023**, demonstrating strong growth in fresh produce exports and the capability of Kenya's sorting and cold chain infrastructure

Export Performance

Cut flowers: 221,100 tonnes, KES 104.3B revenue

Fruits & vegetables: KES 46.1B earnings

Top destinations: Netherlands, UAE, Qatar, UK

Growing certification in organic and fair-trade

Infrastructure Capability

Established cold chain networks

Quality sorting and grading facilities

Air cargo capacity: 350K tonnes/year at JKIA

Compliance with EU and US phytosanitary standards

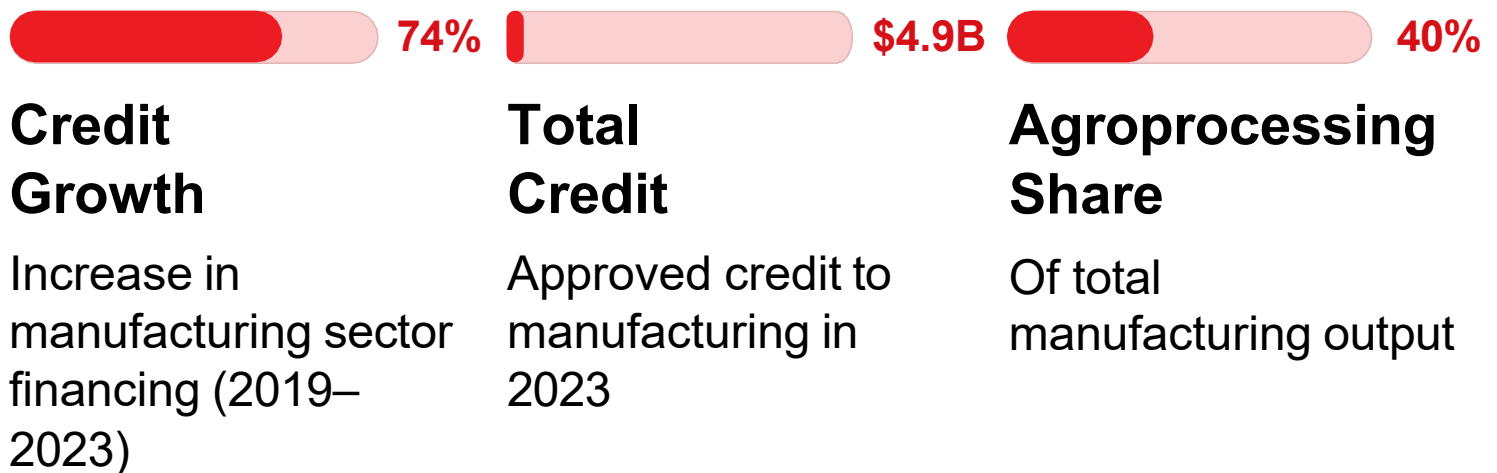
This evidence of strong growth in fresh produce exports suggests significant capability and infrastructure that can support processing of similar product types

Source: HCD Export Statistics

Manufacturing Finance Growth



Total approved credit to the manufacturing sector rose by approximately **74%**, from KES 368B (~US\$2.8B) in 2019 to KES 639B (~US\$4.9B) in 2023



This increasing investment capital into manufacturing means better capacity to invest in processing plants, equipment, and scaling value addition. Growing investment from impact funds and green finance institutions is supporting agro-industrial SMEs

The substantial increase in manufacturing finance demonstrates strong investor confidence in Kenya's industrial sector and creates favorable conditions for agroprocessing expansion

Source: CBK Banking Sector Report

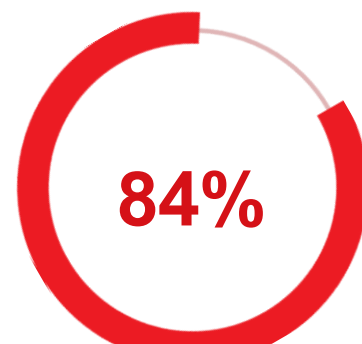
The Value Addition Gap: A Major Opportunity

Only **16% of Kenya's primary agricultural produce** is processed domestically, indicating a large upside and gap with huge opportunity for investors



Currently Processed

Domestic processing rate



Opportunity Gap

Potential for value addition

What This Means for Investors

- Massive untapped potential for value-added processing
- Opportunity for import substitution of processed foods
- Export-oriented value addition possibilities
- Room for both large-scale and SME processors
- Government support for increasing processing rates

Compared to regional peers and national goals, this low processing rate highlights a significant and immediate opportunity for investment in value addition across multiple agricultural value chains

Source: World Bank Agriculture Report

Value Addition Potential Across Key Products

Processing agricultural products can increase their value by **150% to 2,600%** depending on the product and level of processing

Product	Raw Price	Processed Price	Value Increase	Processing Type
Milk	KSh 40–45/liter	KSh 150–350/liter	+200–600%	Yoghurt, cheese, milk powder
Maize	KSh 35–40/kg	KSh 90–110/kg	+150%	Fortified flour
Pineapple/ Mango	KSh 15–25/kg	KSh 180–250/kg	+800–1,000%	Canned juice, puree
Coffee	USD 3.0/kg	USD 20/kg	+600%	Roasted & packaged
Macadamia	KSh 70/kg	KSh 650/kg	+800–900%	Roasted & packaged
Avocado	KSh 80/kg	KSh 600/kg	+650%	Cold-pressed oil
Sugarcane	KSh 4/kg	KSh 110/kg	+2,600%	Refined sugar & confectionery

Key Insight



Every KSh 1 of raw output can yield KSh 3–10 in processed value depending on the product line, creating substantial opportunities for investors

Source: FAO Value Chain Studies

Government Value Addition Targets



The Kenyan government has set ambitious targets to increase value addition across key agricultural sectors by 2027–2028



Dairy Sector

Increase processed share from 40% to **60%** through expanded yoghurt, butter, and cheese production



Tea Sector

Raise value-added tea exports from 5% to **50% by 2027** through packaging and branding



Coffee Sector

Grow export value from KSh 44.7B to **KSh 57.1B by 2028** via specialty processing



Meat Products

Increase exports from US\$102M to **US\$130.5M by 2028** through processed meat products

These targets represent government commitment to supporting value addition and create a favorable policy environment for investors in agroprocessing

Trade Diversification Success

Kenya's trade bulletin 2022/23 shows that among the top 10 exports, 6 are agricultural products (tea, coffee, cut flowers, palm oil, nuts), and exports are being diversified into edible preparations, essential oils, and other processed goods

Current Export Strengths

- Tea & Coffee: USD 1.05B (UK, EU, UAE)
- Fruits & Vegetables: USD 420M (EU, Gulf)
- Dairy & Feeds: USD 180M (EAC region)
- Edible Oils & Soaps: USD 140M (COMESA)
- Nuts & Oilseeds: USD 120M (China, Japan, Germany)

Diversification Trends

- Moving into higher-margin processed goods
- Expanding into essential oils and extracts
- Growing edible preparations exports
- Increasing branded and packaged products
- Total agro-exports: USD 1.6B with 6.3% CAGR

This demonstrates existing strengths in agricultural export and successful diversification into more processed, higher-margin goods

Source: KNBS Trade Bulletin

Logistics Performance Excellence



Kenya was ranked **2nd best in Africa** in the World Bank's Logistics Performance Index (LPI) for ease of moving goods across borders

Port of Mombasa

41.1M tonnes handled in 2024 (+14% YoY), Africa's most efficient eastern seaport with cold-chain and container hubs

Standard Gauge Railway

485 km Mombasa–Naivasha route reduces freight costs by 30–40% to Nairobi SEZs

Air Cargo Capacity

JKIA handles 350K tonnes/year, with 70% being horticulture exports for fast shipping of perishables

Road Networks

Northern Corridor and LAPSSET connecting to Ethiopia, Uganda, and South Sudan markets

Good logistics and border performance reduces cost and time for exports and imports – a key factor in competitiveness of processed food. Kenya's logistics reforms have cut average export lead time by **22% from 2019 to 2024**

Source: World Bank LPI

Renewable Energy Advantage

Kenya's power system is highly renewable – approximately **>90% of electricity generation¹** comes from renewables, giving processors access to low-carbon baseload power and stable tariffs

Geothermal²

~48% of generation, providing stable, low-cost base-load power available 24/7

Hydro

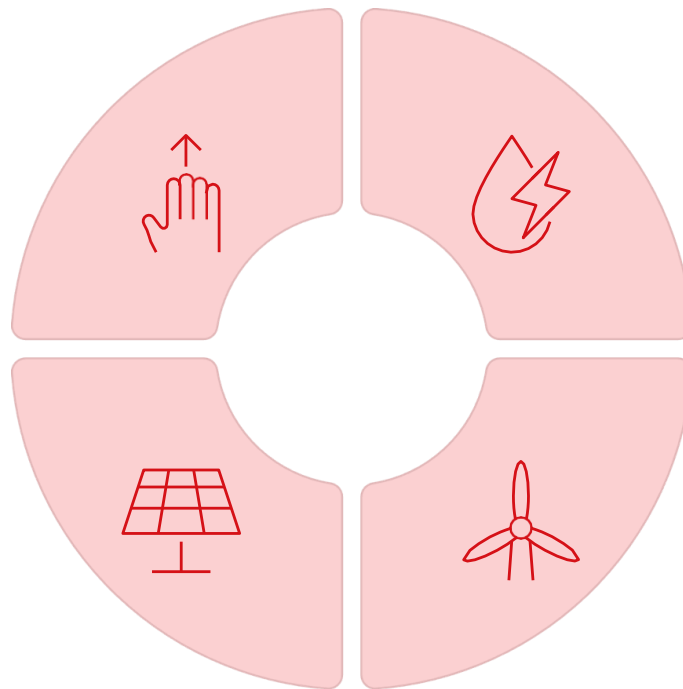
~24% of generation from hydroelectric sources across the country

Solar

~3% and growing, with industrial-scale installations reducing costs by 15–25%

Wind

~13% of generation from wind farms, particularly in northern regions



Kenya's renewable energy generation – among the highest globally – gives Kenya an edge in green manufacturing and processing, positioning it as a low-carbon agro-processing hub attractive to ESG- focused investors

1. Includes imported electricity

2. Includes Thermal

Source: EPRA Energy Statistics (FY June 2025)

Youthful and Skilled Workforce

Approximately **75% of Kenyans are under 35**, delivering a large, trainable labor pool for agroprocessing factories and agritech adoption

Demographic Advantage

- Large youth population under 35 years
- Educated and increasingly skilled workforce
- Growing expertise in agri-tech and manufacturing
- Competitive manufacturing wages: ~KES 1,055,647 annually

Innovation Ecosystem

- KALRO, KEFRI, Tea Research Institute
- Innovation hubs: iHub, KilimoSource
- Egerton University Agro-innovation Centre
- Growing adoption of digital agriculture and automation

Kenya's youthful labor supply and active innovation ecosystem make it well-positioned to adopt automation, digital traceability, and modern manufacturing practices at scale

Expanding Infrastructure Backbone

Kenya operates **140+ economic zones** including SEZs, EPZs, and large public and private industrial parks that offer plug-and-play infrastructure and incentives for processors



Special Economic Zones

Tatu City, Dongo Kundu, Naivasha, Eldoret offering dedicated power, water, and road networks with streamlined customs clearance



Export Processing Zones

Athi River, Mombasa, Naivasha with on-site customs clearance and plug-and-play industrial utilities



County Aggregation & Industrial Parks

13 CAIPs under BETA across all economic blocs providing serviced industrial zones near raw material sources

These zones reduce up-front infrastructure risk and lower unit operating costs. Modern transport networks including LAPSSET, SGR railway, and upgraded highways improve movement of raw materials and processed goods

Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) prioritize agro-industrialization and value addition with comprehensive support mechanisms



Tax Incentives

10-year corporate tax holiday for EPZ/SEZ firms, reduced rates for processors, VAT exemptions for inputs



Trade Facilitation

AfCFTA, COMESA, EAC membership giving access to >1.4 billion consumers tariff-free



Government Programs

Agricultural Transformation Office, Kenya Investment Authority, Export Promotion & Branding Agency



Investment Deductions

100% deduction on new plant and machinery for agro-industrial investors

Combined, these incentives can improve project IRR by **2–5 percentage points**, making Kenya one of the most attractive destinations for agroprocessing investment in Africa

Cost Competitiveness: Kenya vs Global Giants

Kenya maintains a **10–25% production cost advantage** over regional peers in cereals, dairy, and animal feeds, powered by renewable energy and localized raw materials

Product	Kenya	Regional Peers	Global Giants	Kenya's Advantage
Maize/ Wheat Flour	\$0.70/kg	Uganda \$0.85	USA \$1.10	✓ 20–30% lower regionally
Processed Milk	\$0.35/ liter	S. Africa \$0.50	EU \$0.55	✓ Low farm-gate cost, renewable drying
Refined Sugar	\$0.60/kg	Tanzania \$0.58	Brazil \$0.45	⚠ Slightly higher; modernization ongoing
Edible Oils	\$1.50/kg	Uganda \$1.80	Malaysia \$1.20	✓ Regionally strong, green energy advantage
Roasted Coffee	\$3.00/kg	Ethiopia \$3.50	Brazil \$2.70	⚠ Premium grade offsets higher cost
Fruit Puree/Juice	\$0.90/kg	Uganda \$1.10	Thailand \$0.80	✓ Near parity; local fruit supply advantage
Animal Feed	\$0.50/kg	Tanzania \$0.60	EU \$0.75	✓ 15–30% lower cost base

Source: FAO Production Cost Analysis

Key Cost Drivers Supporting Competitiveness



Kenya's production efficiency is reinforced by its renewable-powered industrial base, transport connectivity, and favorable tax regime

Electricity Mix

>90% renewable¹
(geothermal, hydro, wind) with industrial tariff ~\$0.15/kWh vs \$0.20+ in peer countries

Labor Costs

Competitive semi-skilled workforce with average manufacturing wage KSh 1.05M/year (~\$7,300)

Logistics

Access to Mombasa Port + SGR with ~41M tonnes throughput (+14% YoY)

Raw Materials

75% of raw inputs domestically sourced, reducing import dependency and transport costs

Incentives

Up to 10-year tax holiday + VAT-free machinery in EPZ & SEZ zones

These factors reduce effective operating costs by **10–15% compared to regional averages**, with ongoing modernization expected to cut processing costs by a further 5–10% by 2027

1. % within domestic generation
Source: KNBS Manufacturing Statistics

Unique Cost Advantages Over Global Competitors



Beyond competitive pricing, Kenya offers several structural advantages that global export giants cannot easily replicate

Low-Carbon Energy Potential

Kenya is a world leader in geothermal and renewables, offering stable baseload power with low variable fuel costs when processors secure favorable tariffs or PPAs

Year-Round Raw Material Availability

Multiple agro-ecological zones enable complementary crop production during different seasons, reducing storage costs and eliminating off-season import needs

Proximity to Regional Markets

Shorter transit to East African and Gulf markets reduces freight and lead-time costs versus suppliers from South America or distant Asia — critical for perishables

Lower Land and Facilities Costs

Industrial land, packhouse sites and farmland are cheaper than in EU/US, lowering capex per unit footprint for factories and expansion

Mobile Payments & Fintech







M-Pesa and digital ag-services reduce transaction costs, speed supplier payments, and shrink working-capital needs throughout the value chain

Preferential Market Access

EAC, COMESA, AfCFTA membership plus direct shipping lanes to Middle East/EU shorten value chains and reduce tariff costs for regional exports

Market Access Through Trade Agreements

Kenya enjoys preferential access to key global markets through multiple trade frameworks, opening duty-free and quota-free access to **over 1.4 billion consumers**

Agreement/ Bloc	Market Size	Tariff Advantage	Key Exports
East African Community (EAC) 	290M people, \$305B GDP	Duty-free movement	Dairy, flour, edible oils, juices, animal feeds
COMESA 	640M people, \$930B GDP	Zero duty on 95% of goods	Tea, sugar, processed foods
AfCFTA 	1.4B people, \$3.4T GDP	Up to 90% tariff liberalization	Processed coffee, cereals, oils
EU-Kenya EPA (2024) 	450M people	Duty and quota-free	Tea, coffee, fruits, nuts, horticultural products
UK-Kenya EPA (2021) 	67M people	Preferential access	Tea, coffee, avocado oil, tropical fruit juices
Gulf Cooperation Council 	60M people	Low import duties (~5%)	Dairy powders, beverages, sugar, canned foods

Intra-African exports now account for **23% of Kenya's processed food exports**, up from 17% in 2020, driven by EAC and COMESA integration

Source: AfCFTA

Investment Opportunities: Edible Oils & Fats



Invest in sunflower, canola, and avocado oil refining facilities powered by renewables to capture growing domestic and regional demand

Market Size

Domestic consumption ~800,000 MT/year with installed capacity of 2+ million MT, creating 1 million MT idle capacity opportunity

Raw Materials

Sunflower, canola, avocado, and other oilseeds with growing local production and import substitution potential

Export Markets

EAC, COMESA, and DRC markets with USD 140M current exports and strong growth trajectory

Investment Opportunities: Additional Value Chains

Multiple additional subsectors offer attractive investment opportunities with strong returns and government support

1

Sugar & Confectionery

Mini sugar refinery & candy line in Busia. CAPEX: \$4.0–5.0M, IRR: 13–15%. Value increase: Raw cane KSh 4/kg → Refined sugar KSh 110/kg (+2,600%)

2

Animal Feeds & Premixes

Feed mill using agro by-products in Thika. CAPEX: \$1.8–2.2M, IRR: 15–18%. Serves rapidly growing livestock/poultry sectors

3

Nuts & Specialty Exports

Macadamia & cashew roasting line in Embu. CAPEX: \$3.0–3.5M, IRR: 18–21%. Raw nuts KSh 70/kg → Roasted KSh 650/kg (+830%)

4

Essential Oils & Extracts

Distillation & extraction facility in Naivasha. CAPEX: \$2.5–3.0M, IRR: 16–19%. Growing demand for aromatics and herbal cosmetics

5

Agro-Industrial/Non-food

Paper & bio-packaging plant using sugarcane waste. CAPEX: \$5.0–6.0M, IRR: 14–17%. Circular economy opportunity

6

EPZ Export-Oriented

Multi-product export plant in Athi River EPZ. CAPEX: \$10–15M, IRR: 17–19%. Maximum tax benefits and export facilitation

Success Story: Del Monte Kenya

Del Monte Kenya exemplifies agro-export excellence through vertical integration and compliance with international standards

Scale & Investment

10,000-hectare pineapple estate & processing plant in Thika with USD 90M investment and 7,000+ direct jobs

Products & Markets

Produces canned fruit, juices, and concentrates for EU & Middle East with annual exports exceeding USD 100M

Certifications

ISO 22000, BRC, Rainforest Alliance certified ensuring compliance with international buyer requirements

Returns

Average IRR of 15% demonstrating sustained profitability in export-oriented processing

Investor Lesson: End-to-end vertical integration combined with export certification compliance and efficient port logistics via SGR creates sustained global competitiveness

Success Story: BIDCO Africa

BIDCO Africa demonstrates how renewable energy integration and regional expansion drive competitiveness in edible oils and diversified products

Company Overview

Location: Thika SEZ & Nakuru Industrial Park

Investment: USD 200M+

Employment: 5,000+

Operations: 17 African countries

Product Range

Edible oils (sunflower, palm, soy)

Soaps and detergents

Beverages and juices

Margarine and fats

Key Success Factors

Solar power integration cut energy costs by **20%**

Strong distribution network across East Africa

Regional expansion strategy

ESG edge through renewable energy use

IRR: **14–17%**

Investor Lesson: Energy efficiency through renewable power enhances competitiveness and margins while meeting ESG requirements for international investors

Investment Enablers: Infrastructure & Support

Strong infrastructure, a vibrant innovation ecosystem, and government commitment to industrialization make Kenya ideal for agro-investment



Logistics Infrastructure

Port of Mombasa (41.1M tonnes), SGR railway (30–40% freight cost reduction), JKIA air cargo (350K tonnes/year), and 140+ EPZ/SEZ sites



Sustainability & Traceability Demands

>90% renewable grid (47% geothermal, 43% hydro/wind, 10% solar) providing stable, low-carbon power for industrial operations



Digital & Automation Adoption

KIRDI, KALRO, KEBS, Egerton University, and 15+ R&D institutions supporting product development and quality standards



Protein & Product Innovation

TVET programs and university partnerships providing skilled technical workforce for food engineering and processing



Resilience & Diversification

Public-private partnerships in agro-industrial parks, irrigation, logistics, and power projects with 100% foreign participation allowed

With over 18,000 acres in SEZs and 13 County Aggregation Industrial Parks under development, investors can leverage plug- and-play zones with ready utilities

Enabling Environment: EPZ & SEZ Benefits

Kenya operates **140+ economic zones** offering comprehensive tax incentives and infrastructure support for agro-processors

Feature	EPZ (Export Processing Zone)	SEZ (Special Economic Zone)
Corporate Tax Holiday	10 years (0%), then 25% for 10 years	10 years (0%), then 15% thereafter
Import Duty	Exemption on machinery & raw materials	Exemption on raw materials & inputs
VAT	Zero-rated for supplies to EPZs	VAT-free on SEZ transactions
Withholding Tax	Exemption for first 10 years	5% on interest, dividends, royalties
Profit Repatriation	100% allowed	100% allowed
Infrastructure	Plug-and-play industrial utilities	Dedicated power, water, road networks
Customs	On-site customs clearance	Streamlined clearance via KRA SEZ unit
Examples	Athi River, Mombasa	Tatu City, Dongo Kundu

Combined fiscal incentives can improve project IRR by **2–5 percentage points.**

Source: EPZA; SEZA

County Investment Hotspots

13 County Aggregation & Industrial Parks (CAIPs) anchor localized agro-industrial growth under BETA (2024–2027)

County/ Region	Key Resource	Ideal Investment	Advantage
Uasin Gishu / Trans Nzoia	Maize, wheat	Flour & feed mills	Largest cereal production zone
Nyandarua / Meru	Milk, potatoes	Dairy & starch	High dairy productivity
Makueni / Kitui	Mango, avocado	Juice, oil, puree plants	Fruit processing hub
Kericho / Kiambu	Tea, coffee	Beverage & instant plants	Premium quality crops
Isiolo / Garissa	Livestock	Meat & leather processing	Large pastoral herds
Busia / Kakamega	Sugarcane	Mini sugar mills	Established cane growing
Embu / Kirinyaga	Macadamia	Nut & oil pressing	Premium nut production
Naivasha / Nakuru	Herbs, flowers	Essential oil distillation	Horticulture infrastructure

CAIPs offer serviced land, roads, and utilities, reducing setup costs by up to **30%** for agroprocessing investment

Invest in Kenya's Agroprocessing Future



Kenya offers a unique combination of advantages that position it as **Africa's premier destination** for agroprocessing investment

Massive Opportunity

Only 16% of produce currently processed domestically, creating an 84% value addition gap worth billions in potential investment

Strong Returns

Average IRR of 16–22% across subsectors, with payback periods of 3–5 years for most projects

Market Access

Preferential access to 1.4 billion consumers through EAC, COMESA, AfCFTA, EU, and UK trade agreements

Green Advantage

90% renewable energy grid providing low-carbon manufacturing edge and ESG compliance for international investors

Government Support

10-year tax holidays, VAT exemptions, 100% profit repatriation, and comprehensive PPP framework under BETA

Proven Success

Leading companies like Brookside, Del Monte, and BIDCO demonstrate sustained profitability and regional expansion potential

Contact Kenya Investment Authority (KenInvest) to explore investment opportunities in Kenya's agroprocessing sector and access one-stop facilitation services for your project

Source: Government of Kenya BETA

Kenya offers multiple public SEZs, EPZs and industrial parks

Example parks¹



1

Konza Technopolis
Machakos
5,000 acres

Borders 3 counties (Makueni, Machakos and Kajiado)
60 KM from Nairobi



2

Dongo Kundu SEZ
Mombasa
3,000 acres

Adjacent to the Mombasa Port in Likoni



3

Naivasha SEZ
Naivasha
1,000 acres

Located in Maai Mahiu along the Nairobi-Naivasha SGR line
Competitive power tariffs
Planned 5,000 acre expansion



4

Olkaria SEZ
Nakuru
8,292 acres

Leverages geothermal power and hosts KenGen's Green Energy Park



5

Riwa SEZ
Homa Bay
530 acres

13 KM from the CBD
8 industrial, sector-based zones planned

18,000 acres of public SEZ and industrial park land
47 CAIPs in development

1. At different stages of development (e.g., Konza Technopolis is operational, Dongo and Naivasha are under construction)

Source: SEZA, EPZA

Private SEZs and industrial parks are also available in Kenya

Example parks



1

Vipingo SEZ
Kilifi
2,000 acres



Plug-and-play industrial park in Kilifi County focused on green energy solutions



2

Two Rivers Financial Center
Nairobi
64 acres



Access to international markets for global, regional, and Kenyan service-oriented business enterprises



3

Tatu City
Kiambu
5,000 acres



Mixed-use special economic zone



4

Northlands SEZ
Kiambu
528 acres



Private SEZ located in Ruiru, Kiambu County



5

Infinity IP
Nairobi
200 acres



Private IP for SMEs located 10 km from Jomo Kenyatta International Airport and 20 km from Nairobi's City Center



6

Mount Kipipiri Golf and Resort
Nyandarua
1,478 acres



Megaproject in Kipipiri, Nyandarua

Source: SEZA, EPZA


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