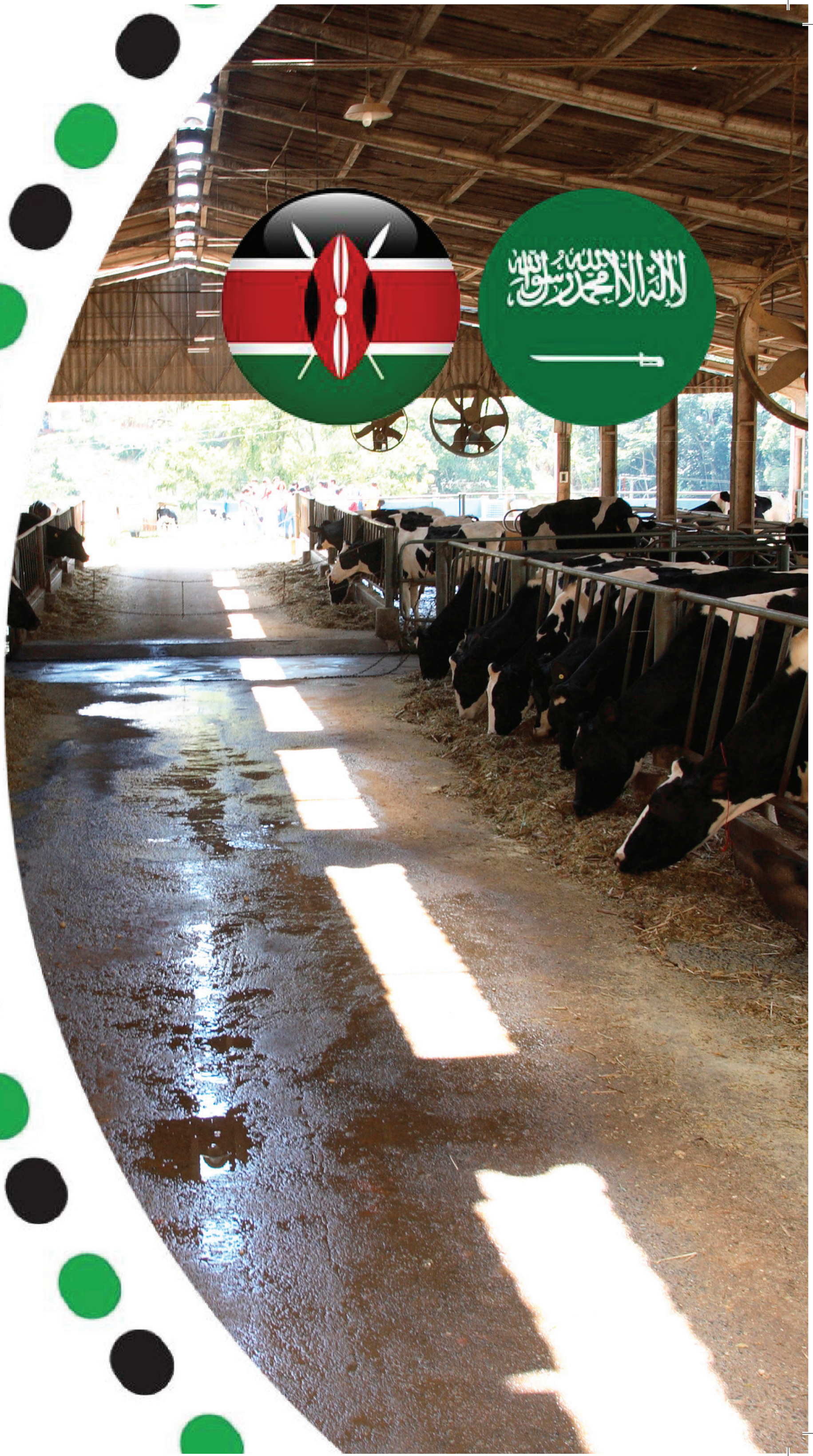
المراعي
Almarai

Invest in Kenya's Dairy Industry



REPUBLIC OF KENYA

MITI
MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

KenInvest
PROMOTING INVESTMENTS IN KENYA

EPZA
EXPORT PROCESSING ZONES AUTHORITY | KENYA
Your Investment & Trade Partner

KDC
KENYA DEVELOPMENT CORPORATION

"Powering Growth"

DBRT
DEPARTMENT of BUSINESS REFORMS & TRANSFORMATION

Contents

Kenya at a Glance

3rd largest
economy in sub-Saharan Africa.

US$ 110.35 Bn
7.5% growth
Dominant economy in EAC
≈46% of EAC's GDP.

US$ 2,081.8
+75% growth since 2010
Growing middle-class with an increasing appetite for high-value goods and services.

- Regional economic hub
- Host to over 200 Multinational Corporations with regional & continent-wide HQs in Nairobi
- Robust financial system
  - 43 banking institutions
  - 9 representative offices of foreign banks,
  - 13 Microfinance Banks,
  - 3 credit reference bureaus
  - 19 Money Remittance Providers
  - 73 forex bureaus

- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.

- Communications & Logistics hub of the region
- Access to regional transport corridors.
  - 4 international airports
  - 2 sea ports and 2 ICDs
  - 30-freight and 2-passenger rail services daily between Nairobi and Mombasa.

Existing Bilateral Trade Treaties with Kingdom of Saudi Arabia

1. Double taxation agreement

2. Bilateral Labour Agreement on 25th May 2017

The Investment Environment is Conducive

1

- Guaranteed repatriation of capital and profits
- Constitutional protection against expropriation
- Investment guarantee against non-commercial risks: ICSID, MIGA and ATIA

2

- One stop shop facilitation
- Periodic Presidential roundtables with private sector
- Digitization of government services
- Facilitative Industrial zone programs - EPZs & SEZs

3

- Political and macroeconomic stability.
- High labour productivity: a large pool of youthful, trainable and literate workforce
- Globally competitive:
    - 56th in the Ease of Doing Business
    - 1st for five years in a row in financial inclusion
    - 1st globally in protection of minority investors
    - Nairobi – Africa's leading business travel destination and hub for impact investors.
    - 2nd in Africa in the logistics performance index

Source: World Bank, UNCTAD, CBK, KNBS

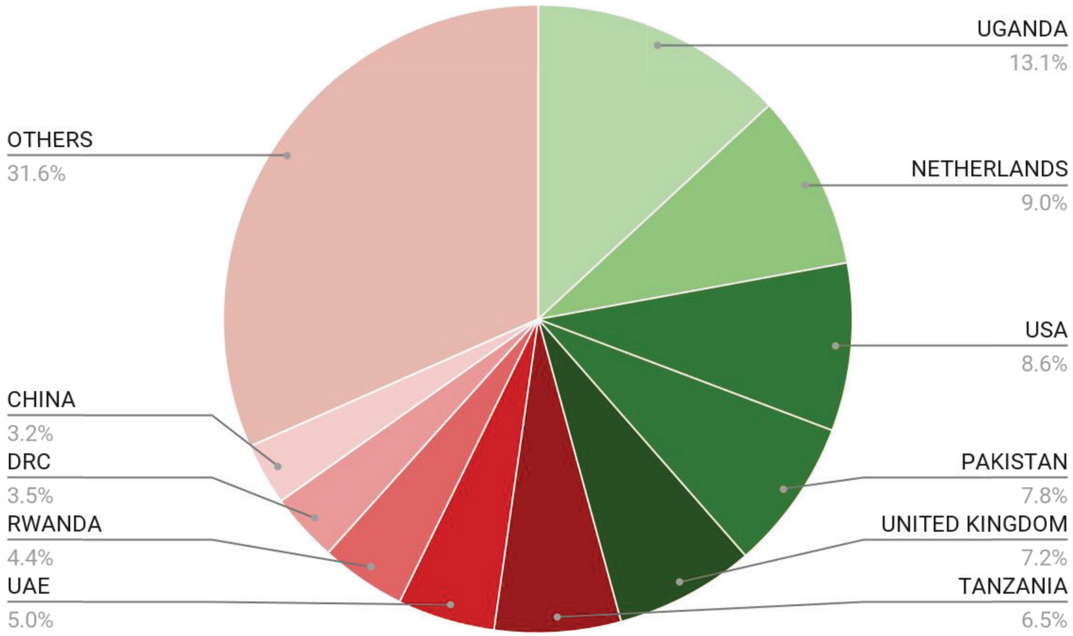
Wide Market Access & Good Trade Relations

US$ 17.43 Bn
Total Imports

US$ 6.09 Bn
Total Exports

Preferential Trade Agreements

1.7Bn ~ US$ 40Tn
Population Market value



Kenya's untapped export potential ~ US$ 4.1 Bn (ITC)

Contents

EXECUTIVE SUMMARY

Opportunity	Powdered Milk Factory and strategic
Implementing Agency	Kenya Dairy Board
Location	Nairobi, Kenya.
Investment Value	USD 3 Million
Investment Structure	Public-Private Partnership (PPP)
Investment Facilitator	Kenya Investment Authority.
Anchor Investor	Kenya Development Corporation.

Kenya's Dairy Market

5.2 billion litres/year
Milk produced from cattle, camels, goats & sheep

3.9 billion litres/year
Cow milk

1.22 billion litres/year
Camel

276.19 million litres/year
Goats

107.2 million litres/year
Sheep

- The formal milk market in Kenya is carried out through organized dairy business operators including milk processors, mini dairies, cottage industries.
- Smallholder dairy farmers dominate production of cow milk, at over 90% of the total production.
- The Country has 46 registered processors with a processing capacity of 4.5 million litres per day

Milk and Milk products exported in 2022

- Kenya is currently not exporting powdered milk.
- There exists an opportunity for setting up a processing plant and exporting the powdered milk to the Middle East and other target markets.
- In Kenya most milk is consumed unprocessed and there is no substantive demand for powdered milk locally. **The opportunity is in export market.**

TYPE OF PRODUCT	QUANTITY IN KGS
BUTTER	30,014.00
CHEESE	3,568.40
CREAM	26,474.88
GHEE	15,829.00
UHT	113,633.76
YOGHURT	4,998.40
POWDERED MILK	0
TOTAL	**194,518.44**

Powered Milk Opportunity

Set up a powdered milk plant with a capacity sufficient to cover export demands.	Available SEZs including Dongo Kundu & Lamu which offer fiscal incentives and Government support.	Export to Middle East, Nigeria and other countries who are net importers of powdered milk
Opportunity to support small scale farmers in Kenya and impact livelihoods	Affordable labour readily available	Logistics easily sorted - Advanced infrastructure development in Kenya: air, road, sea, rail

Opportunity for Strategic Partnership

Location: Meru and Kiambu Counties, Kenya
Kenya

The opportunity: Strategic partnership and investment to turnaround two underperforming dairy company

Installed Capacity: Over 6O0,000 litres per day currently underutilized by more than 50%.

Competitive Advantage of Meru Processors;

- Ready catchment areas
- Milk readily available - supports 80,000 smallholder farmers
- Good infrastructure network - Milk can easily be transported within and outside the Country
- Availability of cooling facilities
- Expansion of market to export of powdered milk.

Contents

Get Started with KenInvest and KDC

Kenya Investment Authority
Tel: +254730104200
Email: info@invest.go.ke
Website: www.invest.go.ke

Kenya Development Corporation
Tel: +254727534572
Email: info@kdc.go.ke
Website: www.kdc.go.ke

MAKE IT KENYA

REPUBLIC OF KENYA

MITI

MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

KenInvest

PROMOTING INVESTMENTS IN KENYA

KDC

KENYA DEVELOPMENT CORPORATION

EPZA

EXPORT PROCESSING ZONES AUTHORITY | KENYA

Your Investment & Trade Partner

SEZA KENYA

"Powering Growth"

DBRT

DEPARTMENT of BUSINESS REFORMS & TRANSFORMATION