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Kenya

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Kenya Corn Update

Report Categories:

Grain and Feed

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Report Highlights:

Kenya appears to be on track to import record quantities of corn for human consumption during the current 2010 July/June marketing year (MY). The revised 2010 domestic corn production forecast, indicates that Kenya will harvest one of its smallest corn crops in recent years during marketing year (MY) 2010, Kenyan importers will need to import about 1.1 million metric tons (MMT) to service domestic demand. Kenya imported about one MMT of white corn during MY 2009.

Executive Summary: Weather, more specifically, the combination of lack of rainfall over most of the corn growing regions, and, where rainfall was at normal levels, poor timing of the rains appear to have stunted production of what is called the “long rains” crop, which traditionally generates about 85 percent of Kenya’s domestic corn production in any marketing year.

General Information:

Recognizing the current-to-medium term potential for a shortage of white corn in the domestic market, the Government of Kenya recently abated the corn import tariff until June of 2010. Tariff abatement will certainly open the door to bring in white corn from South Africa, and possibly the United States. Both countries export white corn, but whether the exportable surpluses can be destined for Kenya will depend on a range of factors from comparative freight rates, to competing import demand at other potential white-corn export markets. .

However, the tariff abatement will not help bring in corn from neighbor, corn-producing Tanzania. The Government of Tanzania (GOT) put in place a corn export ban during MY 2009. And, while some corn producing regions of Tanzania will likely harvest normal yields, other regions, especially those bordering Kenya have experienced the same lack of rainfall that reduced the Kenyan crop. As a result, the GOT reportedly will not relax the current export ban for at least one more year.

Because U.S. white corn exporters played an important role in satisfying Kenyan white-corn demand during MY 2009, the unanswered question of white corn exports to Kenya during this MY remains a topic of discussion here in Kenya. Exporters of U.S. white corn shipped a record 250 thousand metric tons during MY 2009. Record-to-near record low freight rates and lack of demand from Mexican white-corn importers featured prominently in the record-setting pace of U.S. white corn exports to Kenya. Freight rates, while higher now than during the February-to-July period when U.S. white corn was shipped to Kenya, are currently falling and may approach last year’s record-low levels in the near future possibly opening the door for renewed U.S. white corn exports to Kenya during the 2010 calendar year.

Kenya Corn in TMT	2008		2009		2010	
	2007/2008		2008/2009		2009/2010	
	Market Year Begins: Jul 2007		Market Year Begins: Jul 2008		Market Year Begins: Jul 2009	
	Post Old	New Post	Post Old	New Post	Post Old	New Post
	Data		Data		Data	
Area Harvested	1,700	1,700	1,645	1,645	1,750	1,600
Beginning Stocks	302	302	277	277	107	207
Production	2,950	2,950	2,000	2,000	2,400	1,800
MY Imports (Jul/Jun)	25	25	800	1000	600	1100
TY Imports	0	0	400	1200	400	1200
TY Imp. from U.S.	0	0	400	250	200	200

Total Supply		3,277	3,277		3,077	3,277		3,107	3,107
MY Exports (Jul/Jun)		50	50		20	20		20	20
TY Exports		50	50		20	20		20	20
Feed Consumption		50	50		100	100		100	50
FSI Consumption		2,900	2,900		2,850	2,950		2,800	2,900
Total Consumption		2,950	2,950		2,950	3,050		2,900	2,950
Ending Stocks		277	277		107	207		187	137
Total Distribution		3,277	3,277		3,077	3,277		3,107	3,107
Yield	NA	1.74	1.74	NA	1.22	1.22	NA	1.37	1.13