



Kenya and Niger: the laughing cow and the crying one

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Kenya's milk production and trade of dairy products from 2000 to 2008, in volume and value

Milk production has jumped by 84% from 2000 to 2007 but has fallen a little in 2008 as a result of post elections troubles in the early year, therefore an accidental fact. The 4.402 million tonnes of 2007 or 4.257 billion litres correspond to a per capita consumption of 112 litres (38 million inhabitants), 3.2 times more than the 35 litres average for sub-Saharan Africa.

Kenya's trade in dairy products has passed from a clear deficit from 2000 to 2003 to a growing surplus since 2003, in volume as in value. This concerns milk (mostly concentrated) as well as butter but there has been a slight deficit on cheese which accounted for 3% only of dairy imports in 2008.

This growing trade surplus is to be related with the evolution of tariffs on milk (mostly concentrated), accounting for the bulk of trade: 90.8% of imports and 80.7% of exports in value in 2008 and 85.1% of imports and 83.8% of exports in value. Indeed the tariff on milk (mostly concentrated) has increased from 25% in 1999 to 35% in 2002 and 60% since 2004.

Kenya's milk production and trade of dairy products from 2000 to 2008, in volume and value

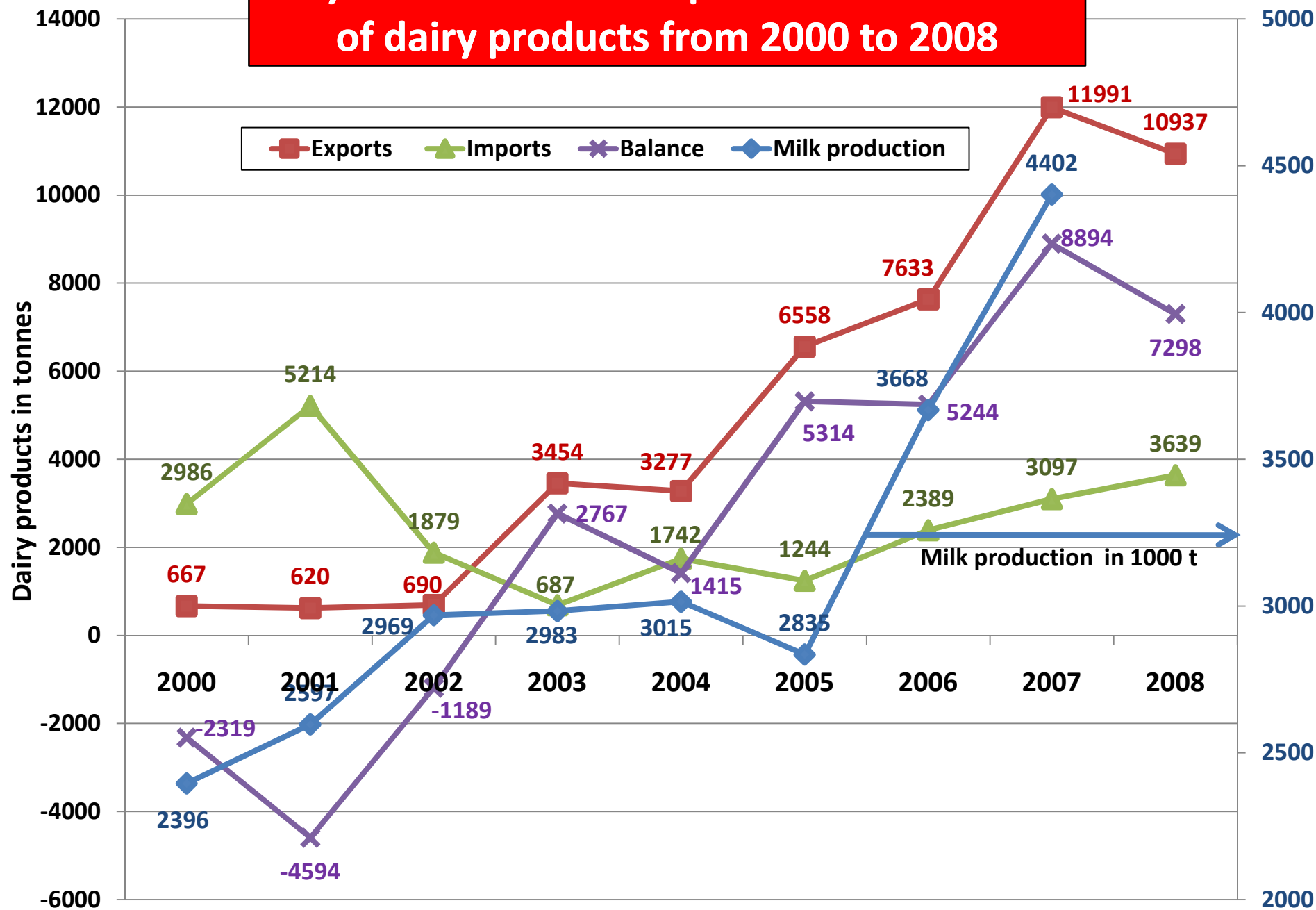
Kenya's production and trade of dairy products from 2000 to 2008, in volume and value

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Milk production in 1000 tonnes									
Milk production	2,396	2,597	2,969	2,983	3,015	2,835	3,668	4,402	
Trade of dairy products in tonnes									
Exports	667	620	690	3,454	3,277	6,558	7,633	11,991	10,937
Imports	2,986	5,214	1,879	687	1,742	1,244	2,389	3,097	3,639
Balance	-2,319	-4,594	-1,189	2,767	1,415	5,314	5,244	8,894	7,298
In \$1000									
Exports	1,535	1,509	1,127	1,808	2,679	4,646	8,885	17,108	16,322
Imports	5,369	10,076	3,822	1,817	3,581	2,504	4,414	5,058	7,214
Balance	-3,834	-8,567	-2,695	-9	-902	2,142	4,471	12,050	9,108

Source: Comtrade and FAOSTAT

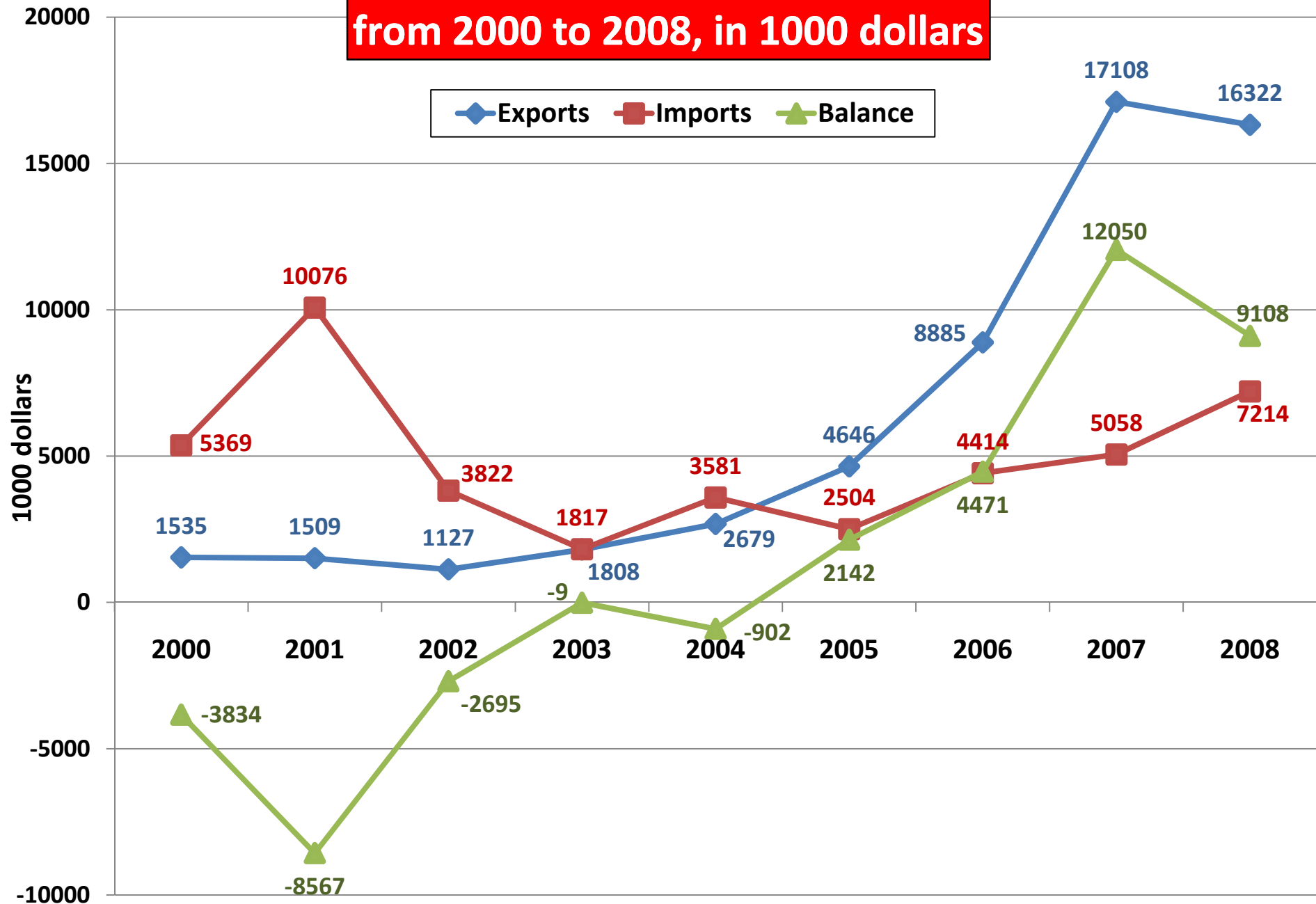
In 2006 1.8 million of small dairy farmers with 6.7 million cows have produced 4 billion litres of milk, 86% of which collected and sold by 39,650 small sellers as non pasteurized milk but systematically boiled before consumption (International Livestock Research Institute, www.ILRI.org).

Kenya's volume of milk production and trade of dairy products from 2000 to 2008



Source: COMTRADE and FAOSTAT

Kenya's trade in dairy products from 2000 to 2008, in 1000 dollars



Source: COMTRADE

Kenya's production and trade of dairy products from 2000 to 2006, in tonnes of milk equivalent

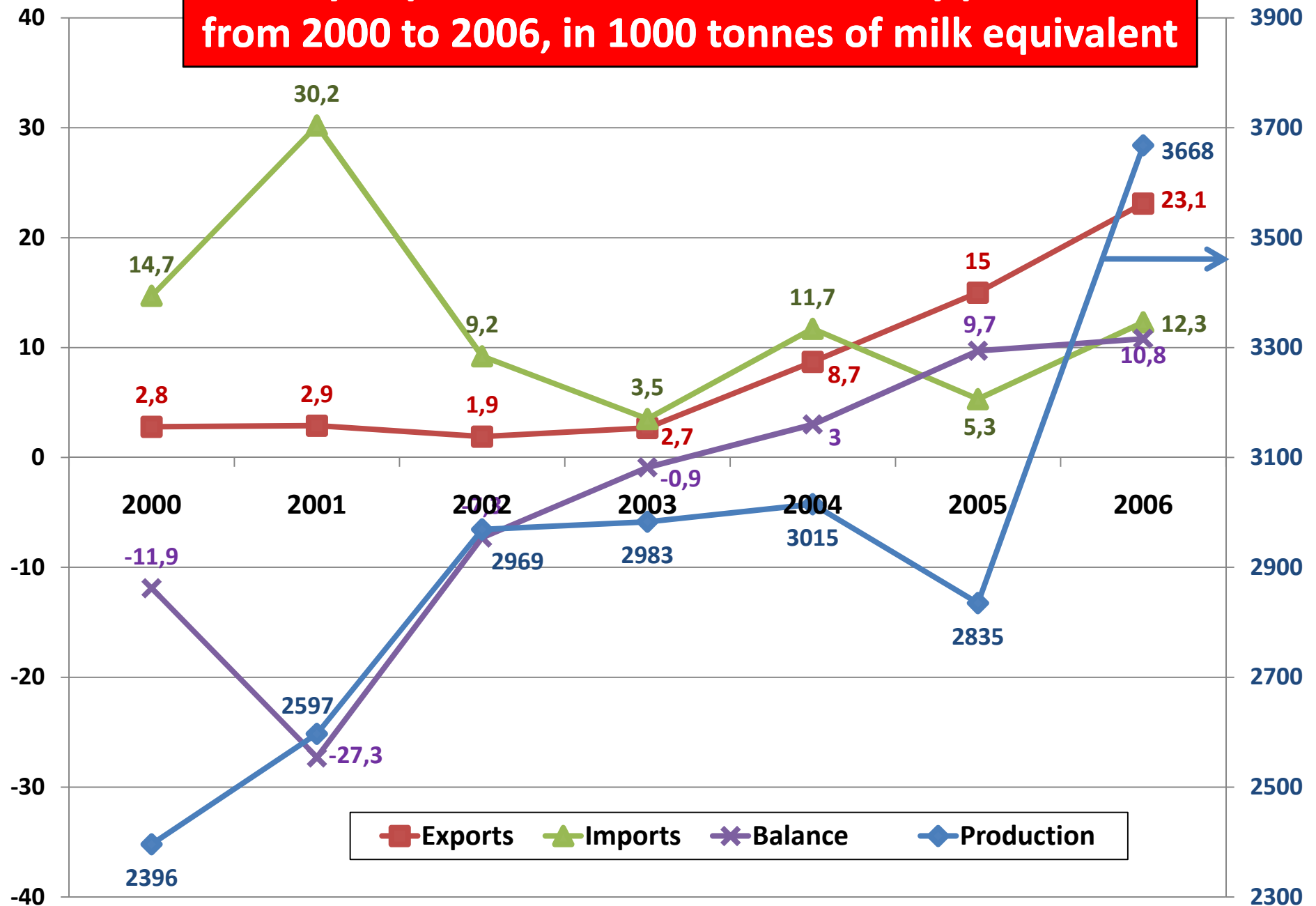
Kenya's production and trade of dairy products in milk equivalent from 2000 to 2006

1000 tonnes	2000	2001	2002	2003	2004	2005	2006
Production	2,396	2,597	2,969	2,983	3,015	2,835	3,668
Exports	2.841	2.898	1.944	2.580	8.661	15.019	23.065
Imports	14.693	30.170	9.223	3.509	11.691	5.321	12.294
Balance	-11.852	-27.272	-7.279	-0.929	3.030	9.698	10.771

Source : FAOSTAT

FAOSTAT allows to compare trade of dairy produce in milk equivalent with production up to 2006. It shows that milk trade is insignificant as imports have represented only 0.3% of production in 2006 and exports 0.6%. This does not imply a low competitiveness of Kenya's dairy exports, which are directed not only to neighbour countries but also to North Africa and the Middle East, but the fact that only 10% of the milk produced is collected and processed by some thirty modern dairies of the formal sector.

Kenya's production and trade of dairy products from 2000 to 2006, in 1000 tonnes of milk equivalent



Source : FAOSTAT

Niger's milk production and trade of dairy products from 2000 to 2008, in volume and value

If Niger's exports of dairy products are insignificant, its imports are huge and growing rapidly. They represent an increasing proportion of production in milk equivalent, having doubled in volume from 2000 (6.3%) to 2006 (12,6%). For 13.660 million inhabitants in 2006, per capita milk production (from all animals) was of 48 kg (46.4 litres) plus 6 kg (5.8 litres) imported. And dairy imports have accounted for 12.2% of food imports (without fish) in 2006, and much more in 2008.

Yet Niger and the other Sahelian countries of West Africa are not condemned to such an increasing deficit in dairy products if we compare their potential with that of Kenya. The assets of Kenya success are also the main weaknesses of its counterparts of Sahelian West Africa:

- 1) a deterrent tariff on milk (mostly concentrated), which accounts for almost all imports (98.9% in volume and 98.2% in value in 2008): 60% against 5%;
- 2) the organization of the informal domestic trade sector to sell directly to consumers at lower prices than those of modern dairies, which are collecting only 10% of the milk and are the only ones to export;
- 3) the large import dependency of West African countries is not due to a lack of production of milk powder as 90% of milk is bought raw by consumers.

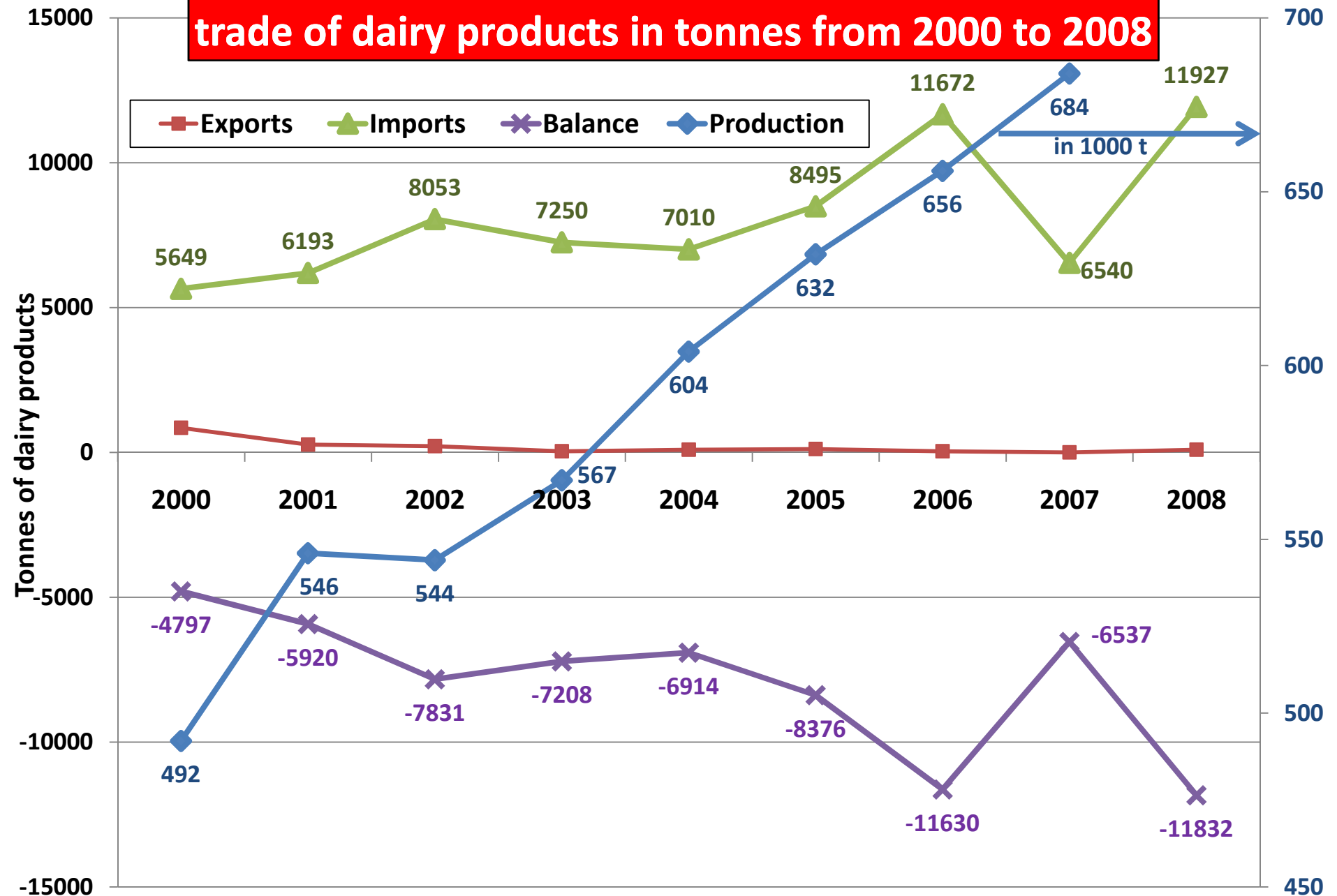
Niger's milk production and trade of dairy products from 2000 to 2008, in volume and value

Niger's milk production and trade of dairy products from 2000 à 2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Milk production in 1000 tonnes									
Production	492	546	544	567	604	632	656	684	
Trade in dairy products in tonnes									
Exports	852	273	222	42	96	119	42	3	95
Imports	5,649	6,193	8,053	7,250	7,010	8,495	11,672	6,540	11,927
Balance	-4,797	-5,920	-7,831	-7,208	-6,914	-8,376	-11,630	-6,537	-11,832
Trade in dairy products in 1000 dollars									
Exports	1,183	236	238	46	294	137	35	3	329
Imports	9,402	11,135	11,786	13,066	14,461	17,165	25,067	15,713	32,374
Balance	-8,219	-10,899	-11,548	-13,020	-14,167	-17,028	-25,032	-15,710	-32,045

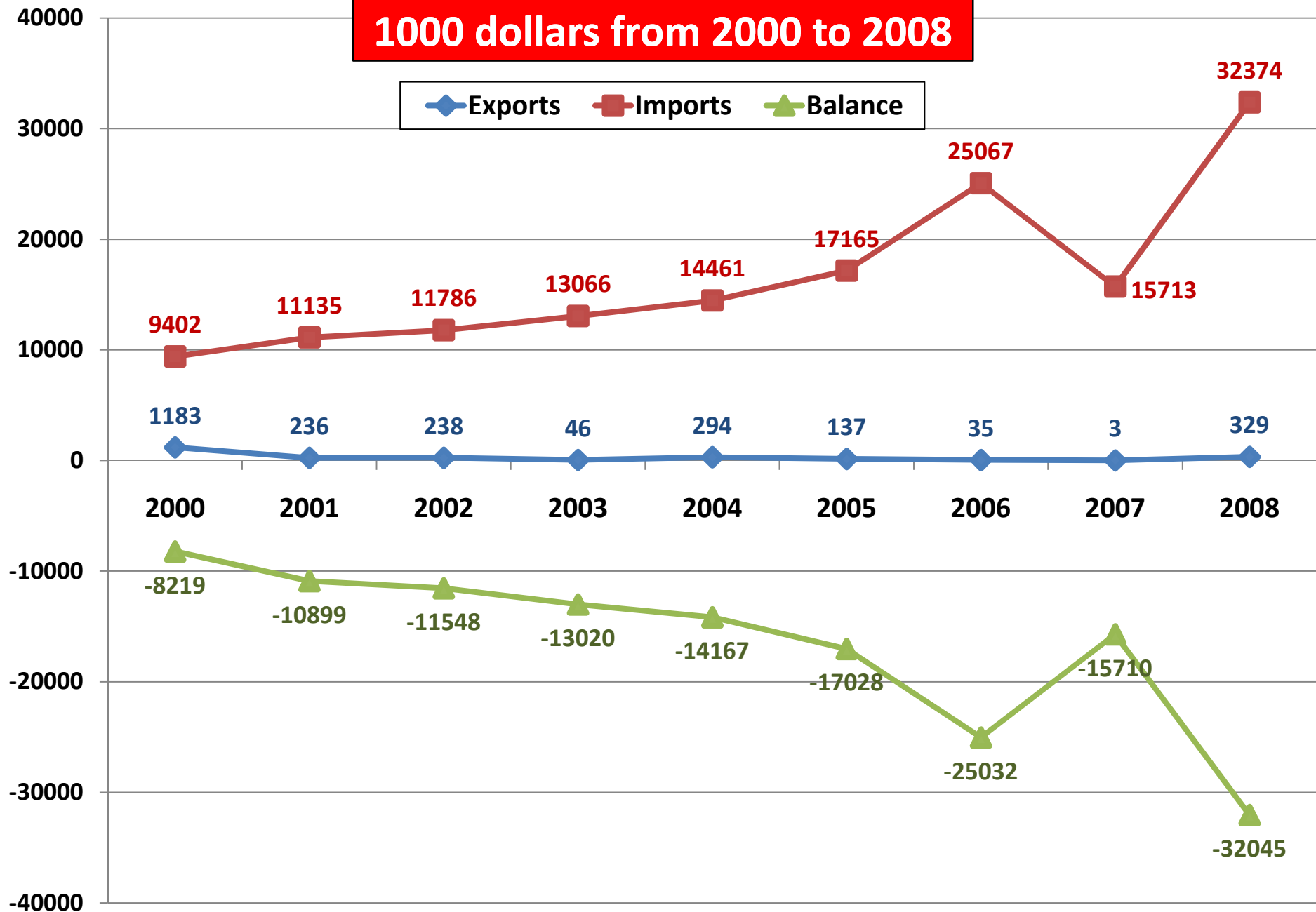
Source: FAOSTAT et Comtrade

Niger's production of milk in 1000 tonnes and trade of dairy products in tonnes from 2000 to 2008



Source: FAOSTAT and COMTRADE

Niger's trade in dairy products in 1000 dollars from 2000 to 2008



Source: COMTRADE

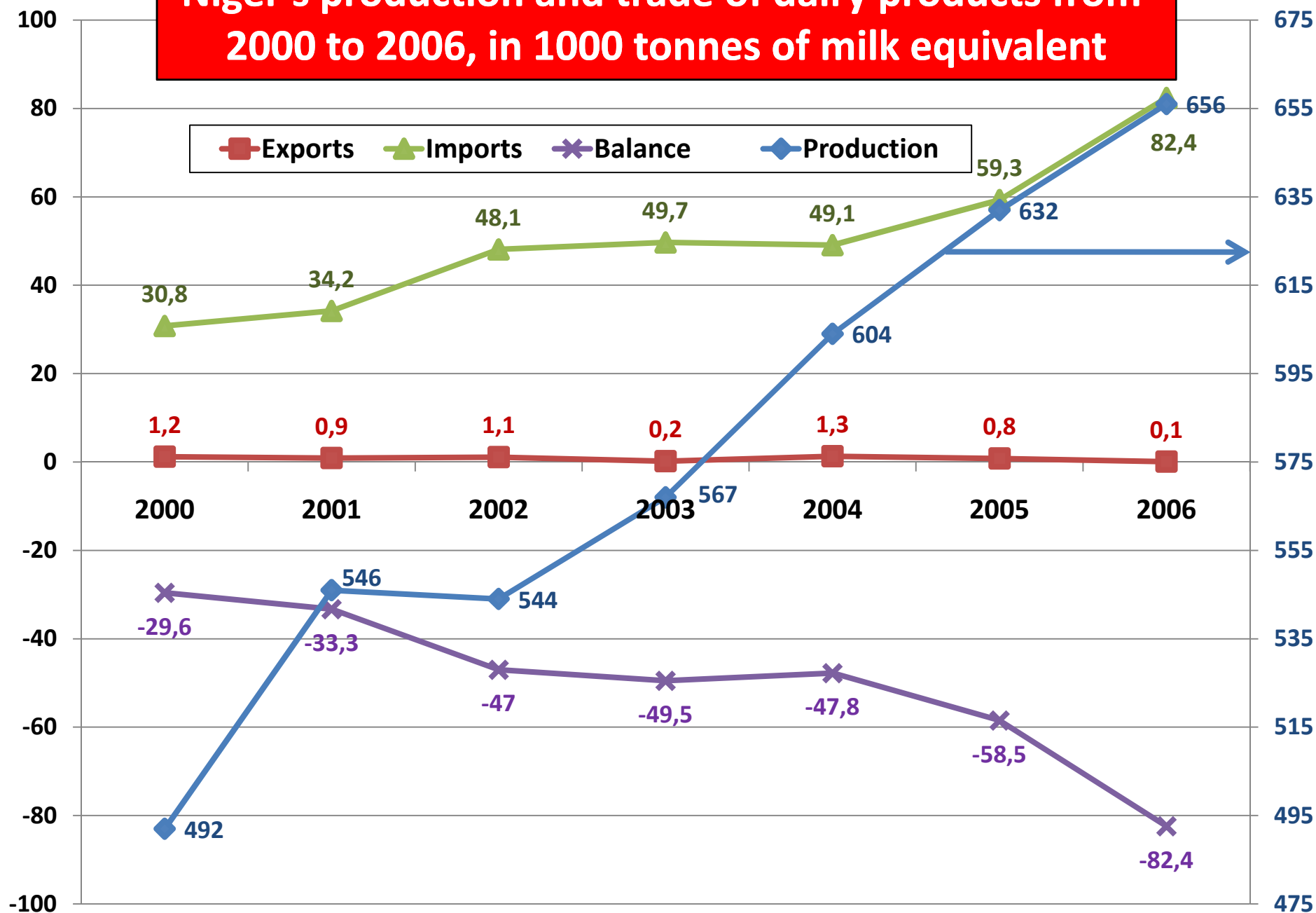
Niger's production and trade of dairy products from 2000 to 2006, in 1000 tonnes of milk equivalent

Niger's production and trade of dairy products in milk equivalent from 2000 to 2006

1000 tonnes	2000	2001	2002	2003	2004	2005	2006
Production	492	546	544	567	604	632	656
Exports	1.2	0.9	1.1	0.2	1.3	0.8	0.1
Imports	30.8	34.2	48.1	49.7	49.1	59.3	82.4
Balance	-29.6	-33.3	-47.0	-49.5	-47.8	-58.5	-82.4

Source: FAOSTAT

Niger's production and trade of dairy products from 2000 to 2006, in 1000 tonnes of milk equivalent



Source : FAOSTAT

West Africa's production and trade of dairy products from 2000 to 2006, in 1000 tonnes of milk equivalent and M \$

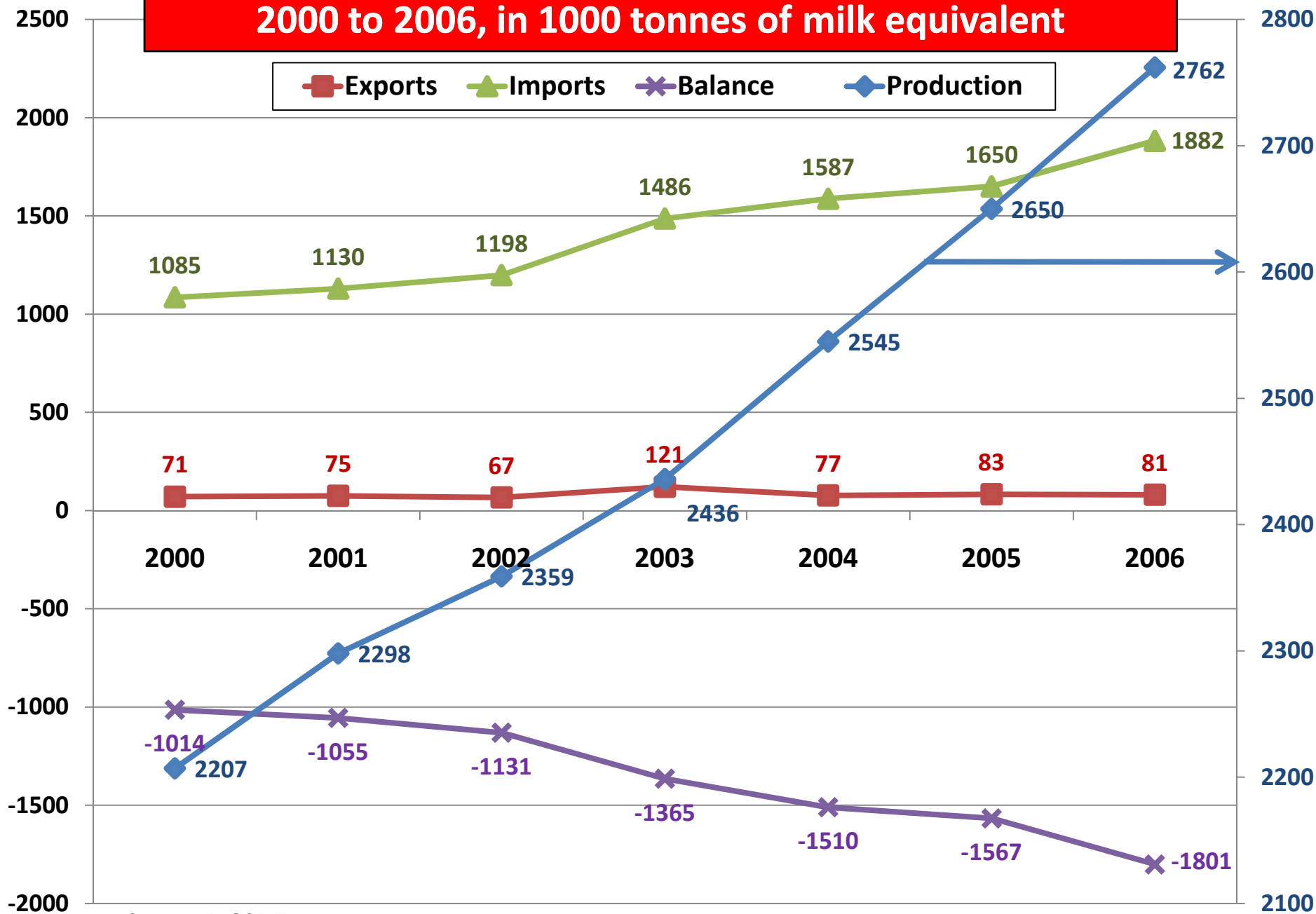
West Africa's production and trade of dairy products in milk equivalent and \$ million from 2000 to 2006

	2000	2001	2002	2003	2004	2005	2006
In 1000 tonnes of milk equivalent							
Production	2207	2298	2359	2436	2545	2650	2762
Exports	71	75	67	121	77	83	81
Imports	1085	1130	1198	1486	1587	1650	1882
Balance	-1014	-1055	-1131	-1365	-1510	-1567	-1801
Net imports/production	45.9%	45.9%	47.9%	56.0%	59.3%	59.1%	65.2%
In million dollars							
Exports	13,9	23,2	21,4	40,2	29,2	27,2	33,2
Imports	323,4	365,4	366,6	498,5	604,8	696,5	740,8
Balance	-309,5	-342,2	-345,2	-458,3	-575,6	-669,3	-707,6

Source : FAOSTAT

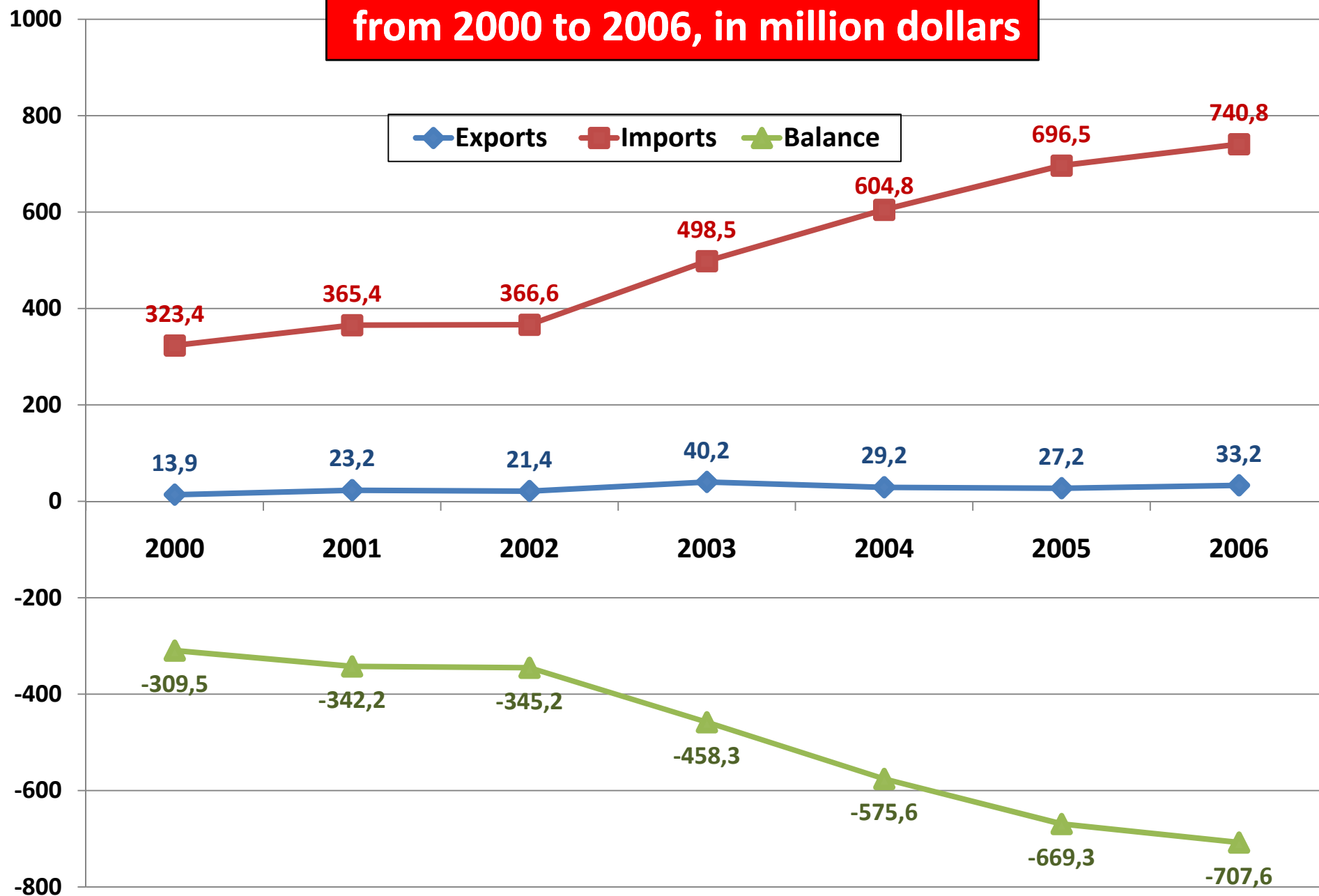
West Africa (WA)'s production of milk has risen by only 30% from 2000 to 2007 when that of Kenya has jumped by 84%. Kenya's production, with 37.8 M inhabitants in 2007, exceeded by 54% that of WA, with its 284.4 M inhabitants! Yet WA had 56.4 M bovine cattle heads in 2007 (of which 8.2 M in Niger) on 193 M ha of pastures and permanent meadows against 12.9 M bovine cattle heads on 21 M ha in Kenya.

West Africa's production and trade of dairy products from 2000 to 2006, in 1000 tonnes of milk equivalent



Source : FAOSTAT

West Africa's trade of dairy products from 2000 to 2006, in million dollars



Source : FAOSTAT

Percentage of net imports of dairy products in milk equivalent on milk production in Kenya and West Africa in 2006

Net imports of dairy products in milk equivalent on milk production: Kenya & West Africa in 2006

1000 tonnes	Kenya	WA	Sénégal	BF	Mali	Niger
Production	3,668	2,762	122	224	670	656
Exports	23	1,883	27	0.2	0.6	0.1
Imports	12	81	273	53	78	82
Balance	11	-1,802	-246	-53	-77	-82
Net imports/production	-0.3%	65.2%	200.8%	23.7%	11.5%	12.6%

Source : FAOSTAT

Whereas Kenya is a net exporter of dairy products in milk equivalent, the percentage of West Africa's net imports in relation to production was on average of 65.2% in Sahelian countries in 2006, with a maximum in Senegal, at 200%, and a minimum in Mali at 11.5%. The import dependency of coastal countries is larger, with 175% for Nigeria, 335% for Ivory Coast and 454% for Ghana. Yet, in the medium to long run, the Sahelian countries have the potential to satisfy the needs of the coastal countries.