Kingdom of the Netherlands

SUSTAINABLE INCLUSIVE BUSINESS
THE KNOWLEDGE CENTRE KENYA

REPORT:

CIRCULAR AGRICULTURE ROUNDTABLE

FOCUS:

ALTERNATIVE PROTEIN-BASED ANIMAL FEED

KENYA & THE NETHERLANDS

Working together towards circular agriculture in Kenya

6TH April 2022, Radisson Blu

INTRODUCTION

Agriculture is the back-born of Kenya's economy, contributing 26% of the GDP. While Kenyans undertake commercial agriculture majorly in horti- and floriculture, many families engage in subsistence farming on their small pieces of land.

The small-scale farmers sell their products and use the proceeds to buy other commodities to sustain their families.

For a long time, small-scale farmers in Kenya used organic methods of farming. This has continued to change over the years as yields keep decreasing due to land degradation and climate change.

Adoption of conventional farming has led to the use of synthetic chemicals (fertilizer, hormones, pesticides, etc), causing environmental pollution, climate change, and health issues. This unsustainable way of production is no longer working.

Adopting circular, regenerative, and inclusive farming practices has shown great potential to make the country's second-largest industry more sustainable overall.

For instance, circular agriculture is enabling Kenya to mitigate climate change, elevate its food quality and improve security.

Under this backdrop, the Embassy of the Netherlands in Kenya hosted a Circular Economy Roundtable on protein-based feed on the 6th of April in Nairobi.

The main objectives of the roundtable discussions were:

1. Raise awareness and inform the target group on the status of current successful developments in CE Agri/Horti in Kenya and the relations between the Netherlands and Kenya.
2. Discuss the vision and create a collective vision for CE Agriculture in Kenya.
3. Discuss challenges and next steps to grow opportunities locally and regionally.

The roundtable brought together 36 participants drawn from different organizations.

THE ROUNDTABLE ON PROTEIN-BASED FEED

OPENING REMARKS BY MS. INGRID KORVING AGRICULTURAL COUNSELLOR FOR KENYA AND TANZANIA

"Kenya and Netherlands have worked together for many years in the agriculture sector, this partnership has enabled the two countries to share knowledge on circular economy in agriculture which has led to growth in the sector's sustainability.

As we endeavor to better the sector, we need to consider other alternatives for animal protein feed and make this a future model for agriculture. Agriculture is the only way to secure a sustainable future and this is the right time to make the needed changes to achieve circular agriculture in Kenya."

HIGHLIGHTS ON THE TRENDS IN AGRICULTURE BY MS. KARIN BOOMSMA, DIRECTOR SIB-KENYA

Highlighting the trends in circular agriculture in Kenya, Ms. Karin Boomsma stated that agriculture brings us and businesses back to nature. We are part of the environment, and thinking that we are disconnected, has caused an imbalance with nature. Our activities are driving the extinction of nature, but we can re-imagine and make the desired change.

In her comments, Ms. Talash Huijbers, founder and CEO of Insectipro, stated the need to fill the Agri protein value chain gap by being innovative and creating alternatives. She said that the black soldier fly (BSF) is a good protein feed for animals, and needs waste as a breeding space, thus eliminating the waste challenge and contributing to environmental protection.

In his remarks, Mr. Wouter Van Vliet, Director of Larive, reiterated the need to work together in consortia being the ingredient to better sustainable growth in the sector. Regional scaling calls for all stakeholders (Public and Private) to come together and spearhead the discussion on improving the circular economy status in Kenya.

He added that Kenya should take the lead in transforming Agriculture in East Africa, by identifying the existing challenges and demystifying the circular economy concept to improve the role of the farmers and empower them on quality production. He stated that the country is in a better position to draw down the costs of animal proteins by working in collaboration with both the public and private sectors.

GROUP DISCUSSIONS

During the group discussion session, participants addressed the vision, opportunities, and challenges in the animal protein sector.
These are documented as follows and will pave way for follow-up meetings and projects soon.

THE VISION

The participants envisioned more mainstreamed and scalable projects with a focus on capacity building at all levels of the value chain.
They also proposed “sandboxing" to allow the alternative animal protein feeds industry to grow as regulations embrace the sector.

Others include:

Increased investments in technology	Creation of enabling policies	De-risking	Awareness creation at both the private, public, and farmer levels	
Reduced waste throughout the value chain	Having a larger source of protein feed	Getting on the agenda of decision-makers.	Knowledge transfer and uptake of alternative feeds	Further collaboration and networking

Target: Getting to 35.000 metric tons of alternative ingredients by 2027 (5 years).

MAIN CHALLENGES

Addressing the identified challenges will help to expedite the process of scaling the adoption of alternative protein feeds.

The following challenges were collectively highlighted and should be addressed:

- Limited investment to scale the sector.

  This is especially due to the lack of trust in agriculture by banks, thus leading to minimal financing for attractive business ventures in a Circular Economy.

- Rigid regulatory environment.
- Lack of comprehensive policy.
- Lack of adequate awareness of regenerative agriculture at the farmer level.
- Kenya is a net importer of grain, which makes agriculture quite expensive.
- Feed formulations when using alternative ingredients.
- Too much waste is produced.

  Too much waste is produced from Agricultural products and food waste, most of which can be avoided.
  This is coupled with a lack of proper agricultural /organic waste management infrastructure (Especially logistics and separation at source), worsened by the unwillingness of producers to invest in sustainable waste management.

- Low level of professionalism at smallholders' level (Ingredients producers).
- Production inefficiency.
- Lack of a portal for protein ingredients.

UNDERLYING OPPORTUNITIES

There exist immense opportunities in the alternative protein-based animal feed space. Players need to identify and take advantage of the scope and the range of materials to improve the quality of alternative protein animal feed.

Alternatives such as BSF are important but are not sufficient to meet the existing demand for protein animal feed, with the market currently relying on commonly used protein sources including soy, fishmeal, sunflower seed cake, and cottonseed cake.

In case of unforeseeable circumstances that would result in a shortage of these sources, then their reliance is seen as unsustainable.

These opportunities were listed, with the potential for exploration:

Increase agriculture entrepreneurs' ability to create bankable business plans to easily access financing from banks and other financial institutions.

Creation of jobs and income diversification.

Raw material availability at local markets.

Create markets for sustainable agricultural products including protein animal feeds.

Provide cheaper feeds for livestock and fish farmers in East Africa.

Develop and enact regional policies across East Africa to open more markets.

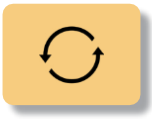
Drive policy change at the national level.

Nutritional value improvements versus 'regular' feed (a better and more sustainable product).

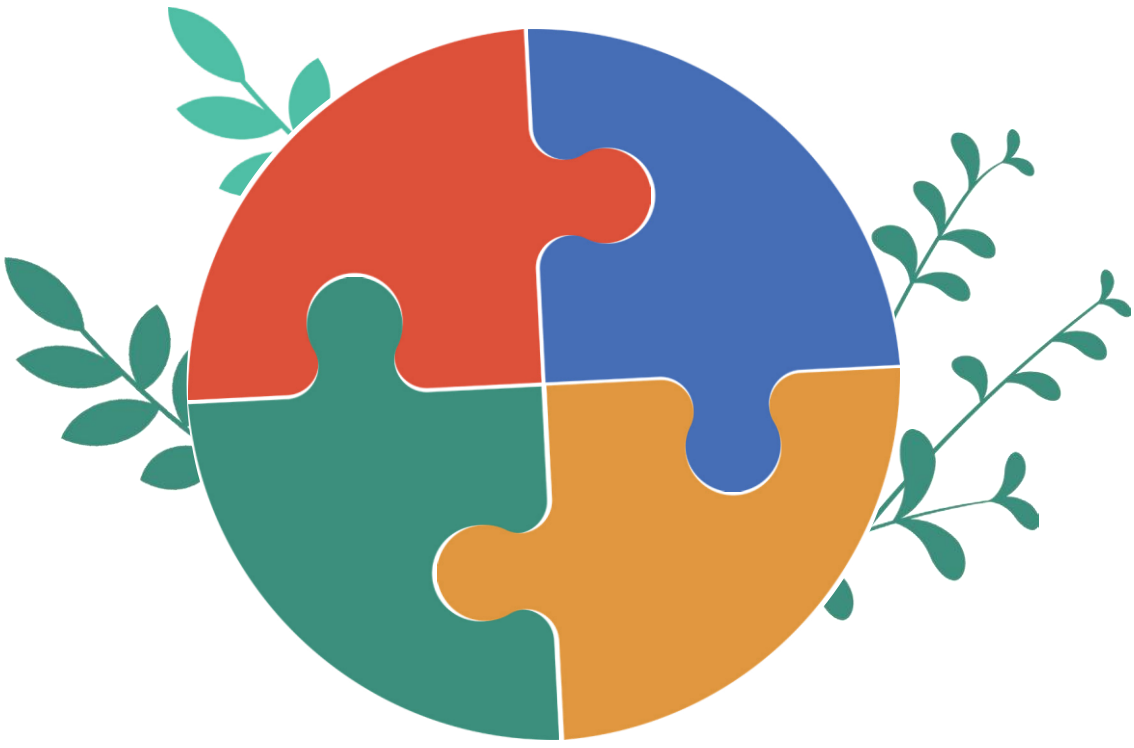
Mapping of waste and waste streams to improve management at the producer, and consumer levels.

Reduction of greenhouse gas emissions by the sector.

Sustainable production and taking the forefront on the continent.



Mobilize acceptance by farmers, by providing hard evidence that regenerative agriculture works, and that alternative protein animal feeds like BSF as a sustainable solution are available.

Out of the opportunities identified, the team suggested some quick actions that would make a great difference when prioritized:

- Matchmaking SMEs with investors to increase their chances to scale --- create 30 BSF producers.
- Drive policy change.
- Initiate an awareness campaign on cost-effectiveness at the farmer level, as well as about circular agriculture in general.
- Optimize the BSF diet for livestock and fish (formulation).
- Bring together stakeholders in a follow-up meeting both within and outside the participating group.
- Sensitizing farmers at the Larvae level (work bottom-up). But also, at all levels.
- Create a task force on alternative proteins in Kenya.
- Lobbying for a fitting regulatory framework.
- Establishing a training facility, and working out a fitting training model(s).
- Showcasing best practices and learning from failures and successes.