

**KENYA COUNTRY STATEMENT AT THE HIGH LEVEL
CONFERENCE ON WORLD FOOD SECURITY: THE CHALLENGES
OF CLIMATE CHANGE AND BIO-ENERGY: BY HON. WILLIAM
RUTO, M.P. MINISTER FOR AGRICULTURE – 3RD - 5TH JUNE 2007**

**UNITED NATIONS SECRETARY-GENERAL, DR. BAN KI-MOON,
THE DIRECTOR GENERAL, FAO,
YOUR EXCELLENCIES HEADS OF STATE AND GOVERNMENTS,
HEADS OF DELEGATIONS,
DISTINGUISHED DELEGATES,**

ON BEHALF OF MY DELEGATION AND THE GOVERNMENT OF THE
REPUBLIC OF KENYA, I BRING YOU WARM GREETINGS AND BEST
WISHES FROM KENYA.

THIS HIGH LEVEL CONFERENCE COULD NOT HAVE COME AT A
MORE FITTING TIME THAN NOW WHEN MANY COUNTRIES IN THE
WORLD ARE FACING FOOD CRISIS AND THE ADDITIONAL
CHALLENGES THAT HAVE BEEN POSED BY CLIMATE CHANGE,
BIO-ENERGY DEVELOPMENT AND THE SOARING COMMODITY
PRICES.

MR. CHAIRMAN AND DISTINGUISHED DELEGATES, DEVELOPING
COUNTRIES ESPECIALLY IN THE AFRICAN CONTINENT COMPRISES
OF NATIONS, MAJORITY OF WHO HAVE AGRICULTURE-BASED
ECONOMIES. THIS AGRICULTURE IS MAINLY RAIN-FED WITH
MINIMAL IRRIGATION, MECHANIZATION AND
COMMERCIALIZATION. FURTHER, THESE COUNTRIES EXPORT
MOST OF THEIR AGRICULTURAL PRODUCE UNDER DIFFICULT AND
STRINGENT CONDITIONS IN RAW FORM THUS FETCHING LOW
PRICES.

WE HAVE A CLEAR APPRECIATION OF THE CRISIS OF HIGH FOOD PRICES OCCASIONED BY DECADES OF UNDER-INVESTMENT OF GOVERNMENTS IN AGRICULTURE, THE NOW SKYROCKETING PRICES OF ENERGY, CHANGE IN CLIMATE PATTERNS, HIGH COSTS OF AGRICULTURAL INPUTS ESPECIALLY FERTILIZER AND THE INCREASING DEMAND FOR BIO FUELS. FOR THE LAST FIFTY YEARS THERE HAS BEEN DECLINE IN PRODUCTION WHILE THE POPULATION OF THE WORLD IS EXPECTED TO HIT THE 7.5 BILLION MARK IN 2050.

WE BELIEVE THE MOST COMPREHENSIVE WAY TO DEAL WITH HIGH FOOD PRICES, HUNGER AND POVERTY IS TO INVEST IN AGRICULTURE AND RAISE FOOD PRODUCTION. THE WORLD HAS DONE A GREAT DEAL OF HELP THROUGH THE WORLD FOOD PROGRAMME'S RELIEF EFFORTS BUT THE LONG TERM SOLUTION TO FOOD INSECURITY IS IN INCREASING PRODUCTION. NEW INVESTMENTS ARE REQUIRED IN FERTILIZER ACQUISITION, DEVELOPMENT OF EARLY MATURING, HIGH YIELD DISEASE-RESISTANT VARIETY OF SEED, IRRIGATION TO BRING MORE ARABLE LAND TO FOOD PRODUCTION AND EXPANSION OF AFFORDABLE CREDIT TO THE FARMER.

UNFORTUNATELY, THE WORLD FINDS MONEY FOR FOOD RELIEF MORE READILY THAN IT DOES OR WILL EVER DO TO BOOST AGRICULTURAL PRODUCTION ESPECIAL IN THE DEVELOPING WORLD. I WANT TO THANK THE WORLD FOOD PROGRAMME FOR DOING THEIR UTMOST UNDER SOMETIMES DIFFICULT CIRCUMSTANCES.

IN KENYA, WE HAVE HAD TO RE-STRUCTURE THE BUDGET SO AS TO PROVIDE FOR \$120 MILLION TO DOUBLE OUR STRATEGIC GRAIN RESERVES TO CREATE SUFFICIENT BUFFER FOR FOOD-INSECURE POPULATION.

KENYA HAS WAIVED IMPORT DUTIES ON MAIZE, RICE AND WHEAT AND PROVIDED IN THE BUDGET MONEY TO IMPORT 3 MILLION BAGS OF GRAIN TO MITIGATE THE INCREASING COSTS OF BASIC FOOD COMMODITIES.

KENYA IS SETTING ASIDE \$85 MILLION FOR BULK PURCHASE OF FERTILIZER FOR OUR RURAL FARMING COMMUNITIES TO INCREASE FOOD PRODUCTION BY MAKING FERTILIZER ACCESSIBLE.

IN APRIL THIS YEAR WITH A \$5 MILLION IFAD/AGRA GRANT FOR WHICH I TAKE THIS OPPORTUNITY ON BEHALF OF THE PEOPLE OF KENYA TO THANK THEM, THE KENYA GOVERNMENT WAS ABLE TO RAISE \$50 MILLION FROM THE PRIVATE SECTOR TO EXTEND CREDIT TO CEREALS FARMERS AS A WAY OF INCREASING THEIR CAPACITY TO PRODUCE GRAIN MAINLY FOR FOOD. WE ARE LOOKING FORWARD TO BUILDING ON THIS SUCCESS STORY TO FOSTER GREATER PARTNERSHIP WITH DEVELOPMENT PARTNERS AND OUR PRIVATE SECTOR TO FINANCE AGRICULTURAL PRODUCTION.

THE ADJUSTMENTS IN THE BUDGET NO DOUBT WILL SLOW OUR PACE TOWARDS ACHIEVING OUR MDGS BUT IS SACRIFICE WORTH TAKING.

THE DEVELOPED WORLD NEEDS TO OPEN THEIR MARKETS TO AGRICULTURAL PRODUCE FROM THE DEVELOPING COUNTRIES. RESTRICTIVE TRADE BARRIERS FRUSTRATE AGRICULTURAL PRODUCTION WHILE CREATING ARTIFICIAL PRICES THAT ARE NOT SUSTAINABLE. THE INCENTIVE TO INCREASING FOOD PRODUCTION IS MARKET AVAILABILITY AND PREDICTABILITY.

THOSE INVOLVED IN PROTECTIONIST REGIMES CREATING MARKET IMBALANCE CANNOT AT THE SAME TIME SAY THEY ARE GENUINELY INTERESTED IN THE PLIGHT OF THE ALMOST 1 BILLION HUNGRY. DISTORTION OF MARKETS FRUSTRATES PRODUCTION OF FOOD WHICH THEN INCREASES THE COST OF AVAILABLE FOOD ITEMS AND CREATES THE NECESSARY CONDITIONS FOR FOOD INSECURITY AND HUNGER. THE DEVELOPED COUNTRIES HAVE A LOYAL MARKET FOR THEIR INDUSTRIAL PRODUCTS IN AFRICA.

IT IS HYPOCRITICAL FOR THEM TO DISTORT AND FRUSTRATE MARKETS FOR AGRICULTURAL PRODUCTS, MAINLY AGRICULTURAL FROM DEVELOPING NATIONS.

BIO ENERGY IS THE WAY FORWARD FOR DEVELOPING NATIONS ESPECIAL IN AFRICA, WHERE THE CLIMATIC CONDITIONS ARE MAINLY ARID AND SEMI-ARID. MAJORITY OF STOCK FOR PRODUCTION OF BIO-ENERGY DO WELL IN SUCH CONDITIONS AND AT LEAST, WE HAVE A READY MARKET FOR BIO-FUELS.

THERE IS URGENT NEED TO CREATE MORE INVESTMENT FUNDS, MAKE AFFORDABLE CREDIT AVAILABLE, TRIPLE THE USE OF FERTILIZER TO BOOST YIELDS, DEVELOP EARLY MATURING, DROUGHT RESISTANT HIGH YIELD SEED VARIETIES AND PROVIDE

LOGISTIC SUPPORT FOR HANDLING DISEASE CONTROL AND VALUE ADDITION AS WELL AS MARKET INFORMATION TO ACCESS BEST VALUE FOR PRODUCT.

GREATER INVESTMENT IN AGRICULTURE NOT ONLY HELPS AGRI-BASED AFRICAN ECONOMIES TO GROW, REDUCE POVERTY, CREATE MORE JOBS BUT ALSO DEVELOP BETTER AGRICULTURAL PRACTICE, IMPROVES VALUE ADDITION WHILE REDUCING FOOD INSECURITY AND INCREASING THE OVERALL WORLD PRODUCTION OF FOOD. IN ANY CASE, AS THE WORLD POPULATION INCREASE WE MUST DEVELOP NEW STRATEGIES OF PRODUCING MORE FOOD.

KENYA USES ABOUT 25% OF HER TOTAL NATIONAL IMPORT BILL ON FUEL IMPORTS AND THEREFORE AN ALTERNATIVE SOURCE OF FUEL WOULD RELEASE SOME OF THE RESOURCES TO OTHER CRITICAL AREAS.

THE MAJOR SOURCE OF ENERGY IN MY COUNTRY IS BIOMASS, WHICH ACCOUNTS FOR 68% OF TOTAL ENERGY CONSUMPTION FOLLOWED BY PETROLEUM AT 22% AND ELECTRICITY AT 9%.

IN THIS REGARD, BIOMASS RESOURCE IS GETTING DEPLETED AT AN ALARMING RATE WITH ADVERSE EFFECTS ON ENVIRONMENT AND WATER THEREBY THREATENING THE FUTURE OF THIS VITAL RESOURCE. I BELIEVE, THIS IS ALSO HAPPENING IN MANY DEVELOPING AND LEAST DEVELOPED COUNTRIES.

MOST OF ELECTRICITY GENERATION IN KENYA IS HYDRO POWER AND RELIES ON ADEQUATE WATER LEVELS IN DAMS. CLIMATE CHANGE THEREFORE DIRECTLY AFFECTS ELECTRICITY

GENERATION. THE DEVELOPMENT OF BIO-ENERGY OFFERS OUR COUNTRY THE OPPORTUNITY TO EXPLORE ALTERNATIVE SOURCES OF ENERGY.

MR. CHAIRMAN, MY COUNTRY IS IN THE PROCESS OF DEVELOPING A STRATEGY OF BIO-ENERGY WHOSE IMPLEMENTATION WILL INVOLVE GOVERNMENT, PRIVATE SECTOR, NON-GOVERNMENTAL ORGANIZATIONS, LOCAL AND FOREIGN INVESTORS. 16

BIO-ENERGY PRESENT AN OPPORTUNITY TO ATTRACT INVESTMENT IN AGRICULTURE FOR MODERNIZATION, COMMERCIALIZATION, AND SINCE SOME OF THE FEED-STOCKS USED ARE SAID TO BE SUITED TO ARID AND SEMI-ARID AREAS, AN OPPORTUNITY TO RECLAIM 80% OF KENYA THAT FALL UNDER THIS CATEGORY AND PUT IT TO PRODUCTIVE USE. THE HIGH LEVELS OF FERTILIZER REQUIRED WILL NOW CREATE A JUSTIFICATION FOR INVESTMENT IN A FERTILIZER MANUFACTURING PLANT IN EAST AFRICA THAT WILL INCREASE ACCESS TO FERTILIZER BY FOOD CROP FARMERS.

THE INVESTMENT WILL ASSIST TO MITIGATE THESE CHALLENGES AND TAKE ADVANTAGE OF OPPORTUNITIES THAT MAY ARISE, SO AS TO IMPROVE THE LIVELIHOODS OF OUR PEOPLES AND CONTRIBUTE TO THEIR FOOD SECURITY.

RISING COSTS OF OIL CONTRIBUTE TO RISING PRICES OF COMMODITIES, ESPECIALLY FOOD. IN ADDITION, AS OIL PRICES GO HIGHER, IT BECOMES COST EFFECTIVE FOR BIO-FUEL PRODUCERS TO EXPAND PRODUCTION AND PAY MORE FOR AGRICULTURAL FEED-STOCKS. COMPETITION FOR THESE FEED-STOCKS RAISES THEIR PROCESS AND INDIRECTLY, THE PRICES

OF OTHER COMMODITIES INCLUDING FOOD AND ULTIMATELY INCREASES COSTS TO CONSUMERS. INCREASED INVESTMENT IN AGRICULTURE WILL INCREASE CREDIT TO FARMERS, MAKE FERTILIZER AVAILABLE, IMPROVE COMMERCIALIZATION AND MECHANIZATION AND HENCE, INCREASED FOOD PRODUCTION.

IT IS THE HOPE OF MY DELEGATION THAT DELIBERATIONS AND INTERACTIONS AT THIS HIGH LEVEL CONFERENCE WILL RESULT IN A COMPREHENSIVE FORWARD ON THE CHALLENGES FACING FOOD SECURITY.

FINALLY, MR. CHAIRMAN, ON BEHALF OF MY DELEGATION AND THE GOVERNMENT OF THE REPUBLIC OF KENYA, I WANT TO TAKE THIS OPPORTUNITY TO THANK THE INTERNATIONAL COMMUNITY, DEVELOPMENT PARTNERS AND ALL OUR FRIENDS WHO HAVE SUPPORTED KENYA AS A RESULT OF THE POST-ELECTION HARDSHIPS WE EXPERIENCED IN JANUARY. YOUR CONTRIBUTIONS AND SUPPORT HAVE GONE A LONG WAY IN RESTORING PEACE AND RESETTLING AND INTERNALLY-DISPLACED AND I CAN ASSURE YOU THAT WE ARE ON THE HIGHWAY TO PROGRESS AGAIN. THE GRAND COALITION GOVERNMENT IS COMMITTED TO THIS COURSE AND WE LOOK FORWARD TO CONTINUED SUPPORT FROM ALL OF YOU.