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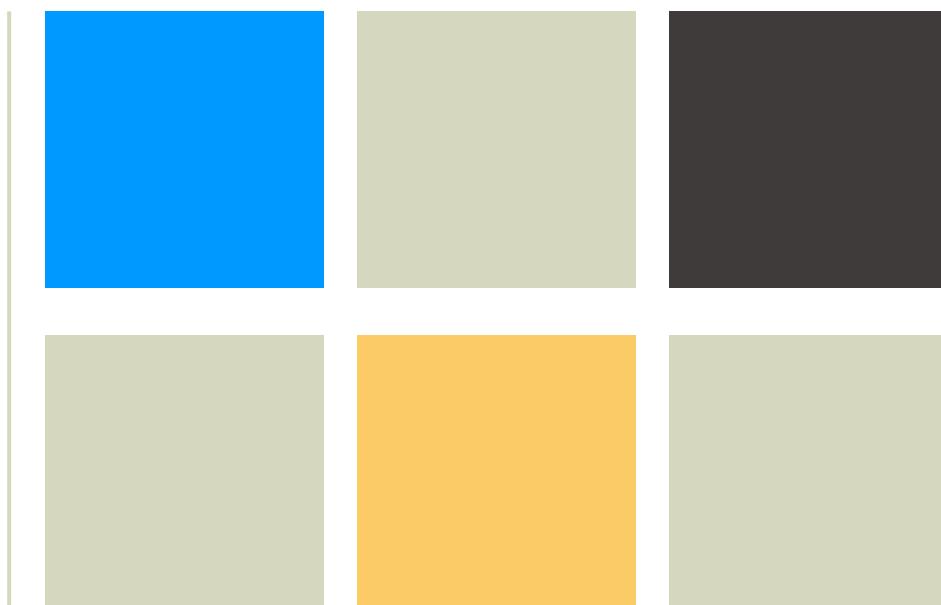
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PROMOTING THE DEVELOPMENT OF FOOD VALUE CHAIN IN AFRICA 2015

Part II Joint Public-Private Mission to Kenya

March 2016

Promar Consulting

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1. OVERALL SCHEDULE

	Day1	Day2	Day3	Day4	Day5
	08-Feb	09-Feb	10-Feb	11-Feb	12-Feb
8:00	(14:45 Arrival at Nairobi Airport)	8:00 Depart from Hotel	8:00 Depart from Hotel	7:00 Depart from Hotel	7:00 Depart from Hotel
8:30				8:00 Registration 8:30-12:50 Workshop	
9:00					
9:30		9:30-11:30 Toyota Kenya Academy	9:30-10:30 Nakumatt Mr. Thiagarajan Ramamurthy, Regional Director, Strategy and Operations		9:30-10:10 RiceMAPP Office
10:00					10:10-14:00 Visit • Experimental farm field • Core farmer's farm field • KHE (Kenya Horticulture Exports LTD) • Nice Rice Millers Factory and Local Market
10:30			10:30-11:30 Move to Bio Foods		
11:00					
11:30		11:30-12:30 Move to Toridoll	11:30-13:30 Bio Foods Mr. Binoy Zachariah, Managing Director		
12:00					
12:30		12:30-13:15 Lunch at Toridoll		12:50-14:00 Lunch	
13:00		13:15 Move to JETRO (by foot)			
13:30		13:30-14:30 JETRO/Toridoll	13:30-15:00 Move to Kenya Meat Commission		
14:00				14:00-17:00 Policy Dialogue	14:00-15:30 Lunch at (Nice Digital City Conference Room)
14:30		14:30-15:30 Move to KEPHIS	15:00-16:30 Kenya Meat Commission Mr. Joseph Learamo, Managing Commissioner		15:30 Move to Nairobi
15:00		15:30-17:00 Kenya Plant Health Inspectorate Service (KEPHIS)(1.5h)	16:30-18:30 Move to Nairobi centre Car no1: Back to Hotel Car no2: Visit Nakumatt Lifestyle		
15:30					
16:00					
16:30					
17:00	17:00-18:00 Briefing session @ Heron Hotel	17:00-18:30 Move to Hotel		17:30 Move to Japanese Ambassador's Residence	17:30 Breakup at the Hotel
17:30					(18:00 Depart hotel for airport)
18:00	18:00-19:00 Move to Cheka			18:30 Dinner at the Japanese Ambassador's Residence	
18:30		18:30 Breakup	18:30 Car 1: Breakup 18:30-19:30 Car 2: Visit Nakumatt Lifestyle		
19:00	19:00-21:30 Networking Dinner @ Cheka		19:30-20:00 Car2 Breakup		
19:30				20:30 Move to Hotel and Breakup	

2. POLICY DIALOGUE

A bilateral policy dialogue titled “Kenya-Japan Agricultural Cooperation Dialogue-Enhancement of Public-Private Partnership (PPP) on the Food Value Chains in Kenya-“ was held on February 11th, 2016. The policy dialogue was attended by 61 people including the Japanese and Kenyan government officials, private companies and related organizations and discussion was held regarding developing food value chains in Kenya. This chapter provides a summary of the policy dialogue, program, overview of the presentations and the minutes of discussion.

2.1 Summary of the Policy Dialogue

Summary

Place: Toyota Kenya Academy

Date: February 11th, 14:00-17:00

No. of participants: 61

The presentation from the Kenyan government showed the overview of the agriculture in Kenya and the relevant government activities. It also explained the current situations and challenges after the enforcement of the new constitution in 2010, and the areas that the government will promote. High priorities were given especially to dairy and fishery industries for value addition. The Kenyan government expressed the intention to continue collaborations with the private sector to realize Vision 2030.

The Japanese government explained its actions that were advocated in the previous TICADs and the three pillars that the MAFF is promoting for the next TICAD. It emphasized the importance of establishing food value chains and the roles and future partnerships that the Japanese government and the private sector will make, especially in Kenya as an ideal business hub in Eastern Africa. It also mentioned that the project for improving nutritional status and efforts to tackle climate change is important.

In the discussion session, the Kenyan government promised to send a proposal in the following week explaining possible sectors for collaboration based on internal discussions. The Japanese government agreed on this suggestion and proposed to hold a policy dialogue basically once a year, and one between June and September in 2017. The Kenyan government accepted this proposed schedule. The Japanese government is committed to send the propositions with letters and asked the Kenyan side to include the response in writing. The Kenyan government accepted this point and requested to have meeting(s) for TICAD VI.

In the Q&A session, participants raised questions on the possible Public-Private Partnerships that the Japanese government has in mind and on the comprehensive strategies to bring synergies from the three pillars for TICAD VI. From the Kenyan government, there was a suggestion to utilize training centers established in the country as well as a request for the Japanese government to reflect opinions from the Kenyan side for the areas of future collaborations.

2.2 Program and Discussion Details

Program

“Kenya-Japan Agricultural Cooperation Dialogue-Enhancement of Public-Private Partnership (PPP) on the Food Value Chains in Kenya-“

14:00-14:20	Opening Remarks [Kenya Lead] by Kenya(Ms. Ann A. Onyango, MBS Director, State Department of Agriculture, MOALF) by Japan (Mr. Mikio Mori, Deputy Ambassador) -Introduction of participants
14:20-14:25	Adoption of agenda [Kenya Lead]
14:25-14:55	Status of Agriculture and Food sector in Kenya [Kenya Lead] (Ms. Ann A. Onyango, MBS Director, State Department of Agriculture, MOALF)
14:55-15:25	Presentation by MAFF [Japan Lead] (Mr. Ikefuchi) MAFF'S idea for TICAD VI – we have 3 pillars for TICAD VI Promoting development of food value chains Nutrition Improvement Strengthening resilience for climate change in Agriculture Sector
15:25-15:40	Coffee Break
15:40-16:05	Presentation by JICA & JETRO [Japan Lead] -JICA (Japan International Cooperation Agency) -JETRO (Japan External Trade Organization)
16:05-16:45	Proposed Area of Collaboration by MOALF [Kenya Lead] (Director of Policy, MOALF) [DISCUSSION SESSION]
16:45-16:50	Way Forward [Kenya Lead] (Director of Agricultural Engineering Services, MOALF)
16:50-17:00	Closing Remarks [Kenya Lead] -Remarks by Japan (Mr. Ikefuchi) by Kenya (Director of Crops, SDA,MOALF)

Discussion Session

Proposed Areas of Collaboration

(Ms. Onyango) We have had consultation among us, and although there are many areas which we had presentations, and in which we are already collaborating, the Kenyan delegation is on the opinion that we need to have a bit of time to consult further, and further also with our principles, so that we agree within the coming week on the areas of collaboration. We know we have done very well in rice, in mechanization, in horticulture, and a lot in capacity building, but I believe that there are new areas that are coming up in other sub-sectors like fisheries and livestock, and I believe we need to bring our common thinking, so we also make our principles agree with us, and then we can submit that to the Japanese team. In the area of value chain development, we already have done quite a bit of work together with JICA and the Japanese Government with the assistance from Japan, the area of cottage industry is the area we would really like to explore just in addition to whatever work that we have been doing, but I think overall what we have agreed is that we will need to meet and have a comprehensive paper then we can submit within the coming week. We will have that meeting by next week. So that we are able to submit it to the principle secretaries and the cabinet secretary, and if they have an agreement, then we can be able to submit it further.

(Mr. Ikefuchi) I agree with your proposal, so I am waiting for the return proposal next week. We would like to collaborate in various areas, including developing food value chain, thank you.

(Ms. Onyango) Thank you very much. Probably in addition to what we have already discussed, since this meeting generally was enhancing public private partnership, we do feel that in such a meeting that we will have next week, we will include Kenyan private sector as well, the representatives, because I know that they will be interested also in partnering with the Japanese private sector. They are very vibrant, and in this area is where the agriculture producers are also included. So we will include our private sector, stakeholders in that discussion, and come up with a very comprehensive presentation for discussions. Thank you very much for accepting our proposal, and we pledge to have this proposal by the end of next week. Thank you very much. The Director for Fisheries would like to make one comment.

(Kenya, Director for Fisheries) Good afternoon. I just want to say that in the document we are going to give next week, especially on issues of fisheries, the value chain is connected to the document presented to the Government of Japan. Mr. Yuki Yamana and the Deputy Ambassador are aware of the document. There is a value chain on the migratorian species, like the sharks, the tuna, the whales, so you can develop value chains around those migratorian species. Of course, there are issues on the fish ports, in Lamu, Shimoni and Mombasa. So that you can see the potential of various value chains, which come up with industry of growth. And of course, in the document itself we are talking about value chains in aquaculture environment, especially in issues of value addition like fish processing. In Turkana lake we want to introduce value chains around the Nile perch fishery on Turkana, and issues of international Nile perch Center so we can also study the issues of the Nile perch, so we can tackle with the declining stocks in the lake.

(Ms. Onyango) Thank you very much for the comment. We also have a contribution from the engineer Njogu who presented this morning.

(Mr. Njogu) Thank you very much Madam. Mine is an observation I have seen on the Japanese products, and maybe it is a challenge especially for JETRO. Accessing Japanese products in the Kenyan market is not quite easy. I can give you an example. Japanese have been entering motorcycles in this country a very

long time ago. But if you want to buy a Yamaha motorcycle, you can only buy it from Toyota Kenya. Just after Japan, China came with their motorcycles and you can access these motorcycles from every small market, every small shop in this country. Similarly Brazil is coming up. I am saying this with a little of passion, because we are promoting the working tractors in Mwea, and the brand is Yanmar, but again, when the farmer want to get a Yanmar, we have no solution, no farmer can buy a Yanmar. Similarly, we are promoting the used Kubota combined harvesters, but even as it is today now, you cannot buy a Kubota combined harvester in Kenya. So what I wanted to say in short is that I think it is quite complicated for accessing Japanese Technology, you have to structure your work in order to obtain it from some single source of companies. That is quite complicated for business. I wish, even if we look at the private sector coming in, we can also look at the private-private sector coming in, so that the previous sectors do not have to set companies in Kenya, but you can also partner with small Kenyan companies which are upcoming so they can actually access the Japanese products. I wish this forum is expanding so that we can even see young men setting up businesses to partner with big companies of Japan to be the engines of Japan companies, so that more and more people can access Japanese technology.

(Ms. Onyango) So you are hearing the sentiments that have been expressed, the Kenyan delegation value the Japanese quality, but accessing it is very, very difficult. So, I think that is a thought for the private sector to carry as the reflect on how we are going to strengthen our collaboration.

Way Forward

(Ms. Onyango) I believe we have already come to some agreement on the way forward in terms of agree that the Kenyan team will have further consultations with their principles, and be able to submit a written proposal on the areas that we would like to propose for collaboration, particularly emphasizing on the value chain development, the various value chains that we think we can benefit from both countries. I think that is a major way forward which is going to determine how we move. Let me say that I believe this is not the only activity towards TICAD VI, but I want to believe that we are going to have a number of few consultations even if not a major bilateral like this, we are fortunate we have Dr. Murakami in our offices, and now know we can consult him and reach to you anytime that we need to reach out, so we are going to seek his guidance quite a lot in terms of the way you would like us to put the structure, the proposal for the Japanese delegation, and I believe really that that is the one major way forward that we want to capture today, that we will meet and come up with this proposal for future and further collaboration. Thank you.

(Mr. Ikefuchi) Thank you very much for your comment. I would like to propose regarding this dialogue, how often this will be held, and where will be the place to hold it. Japan would like to hold this dialogue basically every year, and the place would be basically Kenya. Next dialogue would be from June to September of next year, 2017. I would like to know if the details will be coordinated well. If you like it, please answer to my proposal within your return proposal on the collaborating areas that you will submit next coming week. Is that ok for you?

(Ms. Onyango) Yes, and I believe I speak on behalf of my colleagues that we accept, but I was saying is that towards the TICAD VI we need to meet maybe once or twice. But the major dialogue, as you have said, is once every year. But you see, we have a special event in TICAD VI, so we need at least to have, maybe not a wide dialogue, but some meetings towards the TICAD VI, so that we agree on what is going to be upcoming.

(Mr. Ikefuchi) I will submit a detailed proposal on what I said.

(Ms. Onyango) Thank you very much, we accept.

Closing Remarks

(Ms. Onyango) So I do believe we have come to a consensus, and I look forward to further consultations. I have been reminded that we are coming to the final closing session, and on behalf of the Kenyan team, I want to take this opportunity to thank you for a very active and participative in the dialogue, we have been really be able to have presentations during the morning from the private sector, we have had a few presentations from the Kenyan side also. I really would have appreciated more of the Kenyan private sector to present, but we were not able to get a response from them and I apologize for that. But all in all I believe, and you will agree with me, that it has been a very, very fruitful day, the exposure has been extremely useful, and I believe all of us as we go back to our stations, we have a lot to digest, a lot to reflect, and a lot to bring back to any future discussions. We have discussed a very wide range of issues, the focal point of course has been the enhancement of private public partnership on food value chain development, and I do believe that this is the conversation we should continue having as we build up the momentum towards the conference, and I believe that my colleagues are also very satisfied with this meeting that we have had today, and we look forward to further collaboration. We feel very gratified that Kenya has been chosen as a focal point in the region for the many programs that we implement together, and we want to express our gratitude on behalf of our principals who were not able to be with us today, they have truly missed a very satisfying discussion that we have had. They send their apologies and I believe in any future discussions they will join us. So, as you continue with your tour here, I wish you really a very enjoyable stay, the weather is not always like this this time, this is the result of the climate change that we talked about, so it is normally quite sunny. But again, like in African tradition, we say rain is a blessing, so your visit is truly blessed. Thank you very much. I now invite Mr. Ikefuchi to also say a word or two in closing.

(Mr. Ikefuchi) Thank you very much. Firstly, I would like to thank everyone for taking time of your busy schedule to attend this dialogue. I am glad that we exchanged opinions freely, and we had a very meaningful time. There were very very interesting and useful opinions for the development of food value chain in Kenya. We have just few minutes left, there is one thing I would like to tell you before closing. I feel very strongly that Kenya is our best and ideal partner through today's workshop and dialogue. We look forward to many years of friendly contact, and exchange including economic exchange, and exchange of persons. From today new step forward development of food value chain with dynamic Kenya has begun. I would like to conclude by wishing Kenya a prosperous future and happiness at good business to all those present here. I will see you at TICAD VI. Thank you very much.

3. WORKSHOP

A workshop titled “Promotion of Market-Oriented Agriculture and Food industry” was held on February 11th, 2016 in Nairobi, Kenya and lively discussion was held regarding efforts made by both Japanese and Kenyan sides in the agriculture/food and related industries, Japanese business activities in Kenya and areas of interest, as well as possible future cooperation between the both sides. This chapter provides a summary of the workshop, program, presentations, minutes of discussion and the results of the questionnaire.

3.1 Summary of the Workshop

Place: Toyota Kenya Academy

Date: February 11th, 8:00 -14:00

No. of participants: 104

Many Japanese and Kenyan companies as well as the government agencies attended the workshop. At the workshop the Japanese government explained the TICAD VI to be held in coming August and its interests in helping establish food value chains in Kenya. The Kenyan government presented the possible investment opportunities and the business environment, and challenges in food value chains. In the first session the overview, future activities and challenges identified were explained regarding the projects that the Japanese and Kenyan governments are collaborating with. In the second session, Japanese private companies made presentations on their business and interests in Kenyan food value chains. Questions were raised about the sector priorities while comments were given from the Kenyan side to expect further collaborations in the areas such as rice and fisheries. The workshop was attended by 7 people from the local media, and interviews were conducted with the speakers after the sessions.

3.2 Program

“Workshop on Promotion of Market-Oriented Agriculture and Food industry”

8:00-8:30	Registration
8:30-8:40	Opening Remarks by Japan (Ambassador, H.E. Tatsushi Terada)
8:40-8:50	Keynote speech by Ministry of Agriculture, Forestry and Fisheries of the Government of Japan (MAFF) (Mr. Masakazu Ikefuchi, Deputy Director-General, International Affairs, Minister's Secretariat, MAFF) (Keynote speech by Ministry of Industry, Investment and Trade)
8:50-9:00	Keynote speech by Ministry of Agriculture, livestock & Fisheries (MOALF) (Prof. Micheni Japhet Ntiba, PhD, CBS, Principal Secretary, State department of Fisheries) Keynote speech by Department of Industry and Enterprise Development (Mr. Julius Korir, Principal Secretary) Keynote speech by Department of Commerce and Trade (Dr. Chris Kiptoo)
9:00-9:30	<u>Session 1 - Kenya Part</u> 1. Rice MAPP, 2. SHEP PLUS, 3. PEGRES
9:30-9:45	Questions and Answers for Session 1
9:45-10:55	<u>Session 2 - Japan Part (Japanese private sector)</u> 1. TOYOTA TSUSHO CORPORATION, 2. Japan Association for International Collaboration of Agriculture and Forestry(JAICAF) 3. SUNTORY BEVERAGE & FOOD LIMITED 4. MAYEKAWA MFG.CO., LTD 5. Kikkoman Food Products Company 6. WAGO Co., Ltd (Inclusive Business development Programme & Project Evaluation (IMG))
10:55-11:10	Questions and Answers for Session 2
11:10-11:25	Coffee break
11:25-12:25	<u>Session 3 - Kenya Part</u> Representative of Youth and Gender (Ms. Annie Nyaga)
12:25-12:40	Questions and Answers for Session 3
12:40-12:50	Closing Remarks (Mr. Masakazu Ikefuchi, MAFF)
12:50-14:00	Networking Lunch

3.3 Workshop Questionnaire Results

104 people from Kenya and Japan have attended the Workshop on Promotion of Market-Oriented Agriculture and Food Industry. 37 participants responded to the questionnaires. Among them 25 were from the government and its relevant organizations, and 3 from the private companies (details of 9 were unknown). Most of the respondents were Kenyans. The answers were positive in general. Participants evaluated that they were able to understand the activities and interests of the Japanese and Kenyan governments/private companies as well as that they had opportunities of networking with different private companies. On the other hand, some respondents mentioned that time spent for the presentations, discussions/Q&A and networking was too short. The lack of the presentation materials and the absence of the Kenyan private sector were also pointed out.

4. JOINT PUBLIC PRIVATE MISSION

A Joint Public Private Mission from Japan to Kenya was conducted 8th–12th February 2016 in Nairobi Kenya. Some 20 companies and organizations participated in the mission including agribusiness company, beverage manufacturer, cold chain facilities manufacture, distribution company and trade company. This chapter summarizes the presentations and discussions at the companies and organizations visited during the mission as well as the results of the questionnaire.

4.1 TOYOTA TSUSHO

Destination to visit : Toyota Tsusho East Africa, Toyota Academy	Date : February 9,2016
Location : Toyota Business Park, Popo Road, Belle Vue off Msa Road, Nairobi	
Contact persons : Mr. Tatsuya Hirata, Mr. Seiya Okonogi, Mr. Kentaro Yoneda, Mr. Akira Wada	Number of Participants : 30
<p>Q & A</p> <p>(Q) Which stages of value chain is Toyota Tsusho interested?</p> <p>(A) Expansion of the agriculture and food industries is the key for Kenyan development. However, the actual situation shows challenges such as low domestic self-sufficiency rate. Risks for doing business in agriculture are still high. We have just started and would like to learn from other companies.</p> <p>(Q) What kind of activities do you do in the area of environment?</p> <p>(A) We have not taken concrete actions yet but we will work on it.</p> <p>(Q) Do you find farmers who are willing to develop agriculture, even though using fertilizers increases production costs? How much do farmers feel comfortable to pay? How did you approach to expand the company's products?</p> <p>(A) Large-scale farmers take advanced way for agriculture and has high interests in agricultural inputs to improve productivity. Although the number of those farmers is limited, they use fertilizers for 2.5 million hectares of production areas. On the other hand, 70%-75% of the total farmers is small-scale who often cannot buy fertilizers. The central government and local governments have encouraged farmers to form organizations or corporations, and to train lead farmers. International organizations, NGOs and micro finance institutions are also conducting projects for small scale farmers. There appear to be many small-scale farmers who are keen to improve agriculture but the problem is the lack of finance, information and products. We hope to expand our products both to small and large-scale farmers.</p> <p>(Q) I am doing business around the Kenya and Tanzania border areas, and have experienced that application of fertilizer does not lead positive outcome due to the lack of soil analysis. How do you approach to rural farmers and connect the company headquarter level with the field?</p> <p>(A) Mostly fertilizer companies dispatch agricultural engineer to the field, aside from field visits by company staff. Correct usage is important because some fertilization is toxic.</p> <p>Toyota Tsusho is committed to disseminate the products based on the past records of fertilizer usage. In addition, the products are mainly for maize and cannot be used for other crops in a same way. We are currently testing our products with 200 large and small-scale farmers.</p>	

(Q) There are relatively many institutions in Kenya that conduct soil analysis. Our company has used a laboratory in Nairobi to analyze fertilizer for pythrum. I also would like to ask if Toyota Tsusho handles threshing machine and attachments for maize. We are dealing with pest agents for maize and it can be used simply by attaching to threshing machines. Only a few farmers in Tanzania have spreader and there seems to be demand.

(A) There are business opportunities for post-harvest treatment. At present, Chinese machines are mainly used. Regarding soil analysis, Cropnuts and KARLO offer such service, the country has been collecting a large number of samples recently. However, the lack of recommended fertilizer has resulted in the usage of inappropriate products. Toyota Tsusho will approach to large-scale farmers as well as small scale farmers that cannot conduct soil analysis.

(Q) Japanese machine is highly functional but the price tend to be high. What kind of products are in demand in Kenya?

(A) Products with 80-90 hp are mainly used; US maize tractors such as New Holland and John Deere are widely in use. These products are usually made in India or Turkey. Yammar machines are relatively small, and such products are not that common. We hope there would be systems of lending machines to farmer unions. It has been 30 and 40 years since tractors were introduced, and time and trainings are also needed to disseminate small-scale machines. In addition, we will need to differentiate Japanese products compared to other countries'. We believe that the desirable way is to sell agricultural machines to motivated famers who will lend them to other farmers.

The key is efficient logistics from the port as the existing railway is not operated consistently and the cost is high. The Kenyan government attempts to fix of the railway line between Mombasa and Nairobi, but soft management will also be required after development of physical infrastructure. We are looking closely to see the changes in logistics. In addition, storage facilities at an intermediately stage are necessary for post-harvest treatment. Product management including logistics are essential for our business.

It is not easy to source raw materials in Kenya as there basically is no resource. Although oil has been excavated but it is unknown how it can be utilized for agriculture. The Kenyan government is required to take measures to reduce fertilizer costs and make competitive products.

(Q) Does Toyota foundation do activities in other countries?

(A) Only in Kenya at present but we would like to expand them to South Africa.

4.2 JETRO • TORIDOLL

Destination to visit : JETRO / Toridoll	Date : February 9,2016
Location : International House, 4 th Fl. Mama Ngina Street, Nairobi, KENYA	
Contact persons : Mr. Atsuhiko Naoe (Executive Director, JETRO), Mr. Hiroyuki Shimakawa (Director, JETRO), Mr. Masahiro Ikemitsu (Managing Director, Toridoll Kenya Ltd.)	Number of participants : 26
<p>Q & A</p> <p>(Q) How do you source materials and equipment (e.g. raw materials, packaging paper, printing etc.)</p> <p>(A) There is no wholesaler in Kenya and we have to buy directly from each specialty company. Therefore, procurement work requires extra work. Price negotiation is important and we should not believe the initial price offered. We imported some products from Japan in the past, while sourcing products locally if available. It is necessary for us to consider how to differentiate our products from other companies', by using different materials.</p> <p>(Q) Why does Toridoll not do business of noodle products?</p> <p>(A) Because there is no culture of eating noodles. We also considered that chicken was growing fast. As we aimed to expand our business to many stores, we decided to focus on chicken products that are widely consumed by the middle class consumers.</p> <p>(Q) Do you have a Kenyan unique hospitality culture, such as OMOTENASHI in Japan?</p> <p>(A) Kenyans are price sensitive when eating out. Although the middle class is increasing, cheap shops are popular.</p> <p>(Q) Future prospects of the business?</p> <p>(A) We would like to increase the number of stores; however, there is no good location for business. In the future, we are planning to have stores in shopping malls and gas stations. Five or six stores will be set up around urban area. Independent stores are difficult to open because of the lack of infrastructure.</p> <p>(Q) What is the strategies for product promotion and management?</p> <p>(A) Not many promotion companies but many POP companies exist in Kenya. Promotion is active on the internet. As there are many full time workers, we try to make efficient shifts and operation process.</p> <p>(Q) Why does Toridoll not deal with bone less chicken?</p> <p>(A) It's because that bone in chicken is cheaper. If we remove bones by ourselves, the loss rate could be high at 30% but companies tend to remove chicken bones manually.</p> <p>(Q) What are the future prospects of the cafe and croissant business ?</p> <p>(A) The purpose of those products is to increase customers in the morning. Recently, Kenyan people are getting more health-conscious, and we would like to appeal to customers about the fact that we are aware of health and cook carefully.</p> <p>(Q) What kind of Japanese food would be accepted in Kenya?</p> <p>(A) It could be processed food, but the price is the most important issue. We would like to use the Japanese products; however, the price is high and there is no importer. It means we have to handle everything by ourselves.</p>	

4.3 KEPHIS

Destination to visit : Kenya Plant Health Inspectorate Service	Date : February 9, 2016
Location : Plant Inspection Unit Jomo Kenyatta International Airport, P.O. BOX 19164-00501 Nairobi	
Contact persons : Esther Kimani (Ag. Managing Director) Josiah Sianda (Ag. Officer In-charge Plant Inspection Unit, JKIA)	Number of participants : 29
<p>Q & A</p> <p>(Q) Has fumigation facility been used traditionally or does it need to be installed? Market access was a problem in the past due to this problem.</p> <p>(A) Port residue analysis at least is conducted for fruits and vegetables. Fly is one of the problems.</p> <p>(Q) What is the problem regarding water?</p> <p>(A) Heavy metal is a problem around factories. Some places also have issues of salinity.</p> <p>(Q) How do you handle temperature/moisture contents?</p> <p>(A) Chillers in the KEPHIS premise is owned and managed by private companies. KEPHIS only does inspection. Temperatures of the chillers are kept at 4-5°C.</p> <p>(Q) Is inspection certificate needed for coffee samples?</p> <p>(A) Inspection certificate should be accompanied even with samples. Certificate is required for processed products as well as semi-perishable items.</p> <p>(Q) Where are vegetables exported?</p> <p>(A) They are exported mainly to EU. SA, US and Middle East are also the major destinations. There was a problem with air freights but we are now trying to sort it out.</p> <p>(Q) What is the time-frame for clearance of tomato/strawberry seeds?</p> <p>(A) Seeds usually have less problem than other commodities. Pest risk analysis is undertaken. Time frames depend on situations.</p>	

4.4 NAKUMATT

Destination to visit : Nakumatt	Date : February 10, 2016
Location : Road C, Off Enterprise Road	
Contact persons : Mr. Dominic Gasperaj (General Manager-Product Development) , Mr. Rejesh B. Dave (Product Manager) , Mr. Vignesh Ramachandran (Administrator-Marketing)	No of participants : 26
<p>Q & A</p> <p>(Q) What kind of products would you have next for the private label? Do you have an option of making products by yourselves not sourcing through import? How can we help in terms of trading products?</p> <p>(A) Value for Money for our customers is the priority. Any products are welcome; we are working with companies to bring Japanese tuna/mackerel/sardine products with 20-30 feet containers. Products from Thailand/Europe are available already. Products need to compete with the existing ones in price and quality.</p> <p>(Q) Some companies use natural refrigeration technologies to reduce environmental effects. What kind of products are you having?</p> <p>(A) We ask an Italian Company to design shelf and chillers according to the floor layout. Some products are Chinese.</p> <p>(Q) What kind of products would you expand the Blue Label brand?</p> <p>(A) PB provides 32 different categories by each product. We need to establish PB for a wider range of products, although Korean such as Samsung is well-known for TV etc. We believe that PB brand with locally-made products can be expanded to some categories, including smaller home appliances.</p> <p>(Q) Where do you source chicken?</p> <p>(A) We source it from Sigma, which is slaughtering meat according to Halal requirements. About 70% of Nakumatt shops, usually except for those in coastal and western regions, offer chicken. Boneless chicken is needed; however, we presently offer whole chicken only to ensure value for money for consumers. In Uganda we source chicken from Yo Kuku.</p>	

4.5 BIO FOOD PRODUCTS

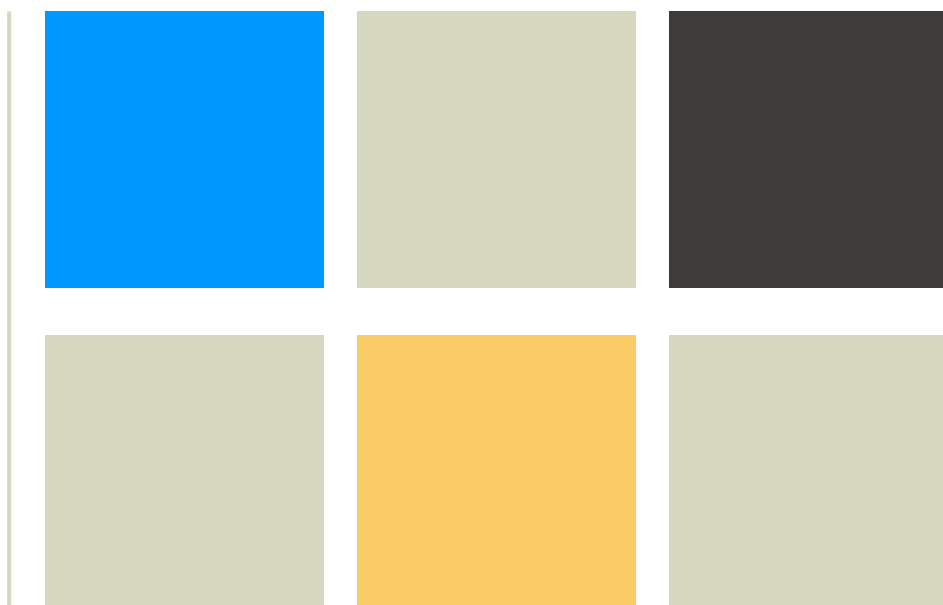
Destination to visit : Bio Food Products Ltd.	Date : February 10, 2016
Location : Off Road C, Industrial Area, after Sameer Industrial Park, Nairobi	
Contact persons : Mr. Binoy Zachariah (Managing Director) Ms. Lea Gasser Khimani (Quality Director)	Number of participants : 24
<p>Q & A</p> <p>(Q) Is the business approach targeting high-income consumers sustainable and feasible?</p> <p>(A) As it is not easy, we will also target middle-income consumers in the near future.</p> <p>(Q) What is the big difference between the products for high-income and middle-income consumers?</p> <p>(A) The difference includes using flavor instead of fruits. Flavor can be selected from either natural or artificial one. Unlike the products for high-end customers, products may not necessarily have constant quality and smooth texture.</p> <p>(Q) How does the company control quality?</p> <p>(A) Protein and fat contents of feed, breeding, refrigeration/hygiene management/efficiency of handling of milk etc. We control the whole cold chain until the milk is delivered to Bio Food.</p> <p>(Q) How is milk stored?</p> <p>(A) The farms have cooling devices. Milk is cooled at three to five degrees immediately and then stored for about two days. Milk is supplied to Bio Food every day. Depending on the farms, it could be once in two days.</p> <p>(Q) How do you manage the production stage? Are there any issue?</p> <p>(A) Kenyan expert(s) is allocated to provide advice to farmers. Good quality feed is difficult to obtain and it is not always used. Contamination of Aflatoxin is also a problem. The biggest challenge, though, is sourcing of raw materials.</p>	

4.6 KENYA MEAT COMMISSION

Destination to visit : Kenya Meat Commission	Date : February 10, 2016
Location : KMC Headquarters Athi River, Off Mombasa Road, Nairobi	
Contact person : Joseph Learamo (Managing Commissioner)	Number of participants : 23
<p>Q & A</p> <p>(Q) Could you tell us more about the PPP, including revenues and number of employees?</p> <p>(A) Investment (plan) is 1.8 billion Ksh for modernizing the plant. KMC's total assets is 6.8 billion. We will cut down the number of employees from 450 to 300. We do not have specific proposals regarding the PPP as it should be based on suggestions from companies. Through the PPP, we would like to increase the handling capacity from 30k to more than 2.1 million cows. Strengths of the Kenyan meat industry is organic meat. UAE market had a plan to acquire KMC at about 20 million dollars; however, our supply capacity was not able to meet demand. Other countries also have interests in KMC. We need efficient technologies, good quality meat and meat processing plants. We are also looking for partner companies for the canned corn beef product to reduce the production costs, which is high at present. PPP can also be applied for manufacturing by-products. We have raw materials for feed (pet meal) but totally depend on imports from South Africa. In addition, animals skin is currently removed by hand, which makes difficult to be accepted by the international markets. The animal horns is not used and just stored at present.</p> <p>(Q) Why UAE is interested in Kenyan meat?</p> <p>(A) Because cows grow up with eating grass and their meat are soft and sweet.</p> <p>(Q) Do you compete with Ethiopia in the meat market?</p> <p>(A) There may be competition; however, KMC is a pioneer in eastern, central and northern Africa. In Botswana, in 1999, some companies started to learn and follow KMC's business.</p> <p>(Q) How many people are allocated to the slaughter line?</p> <p>(A) The current capacity is able to process 1,000 of livestock and 2,500 small animals per day, with 150 people. Because the line has not been mechanized completely, actual processing level is about 400 animals.</p> <p>(Q) What kind of refrigeration facilities do you use?</p> <p>(A) We are using tunnel freezer with ammonia liquid.</p>	

4.7 MWEA (JICA Project Site)

Destination to visit : Mwea	Date : February 12, 2016
Location : several places including Rice MAPP project site	
Contact persons : ① Mr. Akio Goto (Rice MAPP) ② Hon. P. Ngundo Warui (County Executive/ Minister, County Government of Kirinyaga) ③ Justin Asiachi (Group Operation & Technical, Kenya Horticultural Exporters (1977) Ltd) ④ C.N. Kaburu(Mkombozi) (Director,NICE RICE MILLERS LTD/NICE Digital HOTEL) ⑤ Teresia Migua (Business Growth & Development Manager, EQUITY Bank) 、 Anthony Waweru (Mwea Rice Growers Multipurpose Cooperative society Ltd.) 、 Mauricius Mutugi (Chairman, Mwea Irrigation Water Users Association)	Number of participants : 24
Q & A at Nice Rice Millers (Q) Why is Japanese assistance directed to Mwea? (A) Japan has assisted rice production, and Mwea is the biggest production area in Kenya. JICA is focusing on assisting infrastructure. It would be great if the investment from Japanese companies will be promoted. (Q) What do you mean by infrastructure? (A) Improving road conditions. Roads are important for agricultural production. (Q) What kind of assistance has Japan done? (A) The Japanese government has assisted Mwea in different ways since 1980. JICA is supporting farmers' income through the improvement of rice yield. (Q) Do you have any comment on the high interests from the Japanese companies ? (A) We welcome the Japanese delegation. Value addition is important and it would be appreciated if JICA provides machines for that purpose. There is a room for value addition for potato, tomato, beans, mango etc. Community members will receive benefits if the Japanese people support Nice Rice Millers. There is also a need of production facilities for pesticide, which we now rely on imports.	



平成 27 年度 フードバリューチェーン構築推進事業

第三部 添付資料

2016 年 3 月

プロマーコンサルティング

添付資料 / APPENDIX

1. 参加企業リスト
2. 政策対話・ワークショップ・ミッションの発表資料

1. 参加企業リスト

1. ALPHAJIRI LIMITED
2. バイオバーシティインターナショナル
3. IMG
4. JAICAF
5. JEVIC
6. KAI LIMITED
7. キッコーマン食品
8. ヤマトキャピタル
9. ノットグローバル
10. 丸紅
11. 前川製作所
12. 三井物産
13. 日本工営
14. 住友化学
15. サントリー
16. 豊田通商
17. 和郷

2. 政策対話・ワークショップ・官民ミッションの 発表資料