



 KENYA

Overview

Kenyan coffee is known for its cooperative system of production, processing, grinding, selling, and auctioning. **It is estimated that there are roughly 150,000 coffee farms in Kenya**, and the coffee industry employing six million Kenyans directly or indirectly.

Export Value (2023) USD

\$259.4 Million

Export Volume (2023)

50,900 Tons

17th

Kenya was ranked 17 globally as a coffee exporter in 2023.

Main players

Sample Inputs suppliers

Kenyan coffee is primarily produced by **small-scale farmers, who form cooperative societies (60%), and plantation growers (40%) who own their farms.**

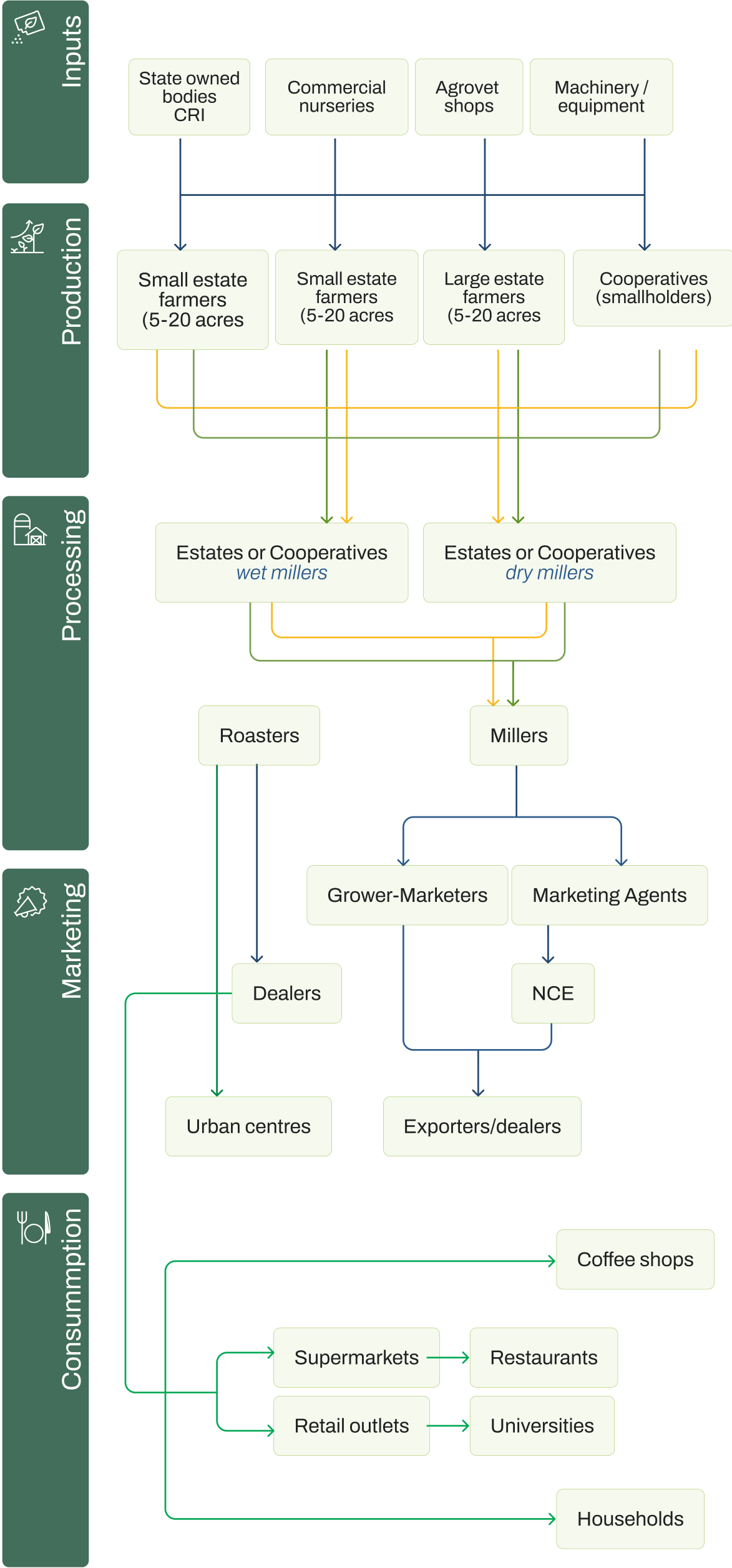
Input suppliers provide essential products and services to help farmers achieve optimal yields.

-  Input suppliers
-  Smallholder farmers
-  Cooperatives
-  Brokers
-  Large traders
-  Processors
-  Consumers



Farmers obtain coffee seedlings from Kenya Agricultural and Livestock Research Organization – Coffee Research Institute.

Value chain



Global production of coffee - 2023

Source: (Tridge, 2024)

Country	Percentage	Tonnes
 Brazil	37.22%	3405267
 Vietnam	21.39%	1956782.46
 Indonesia	8.31%	760192
 Colombia	7.44%	680857.67
 Ethiopia	6.11%	559400
 Honduras	4.20%	384361.02
 Uganda	4.20%	384000
 Peru	4.04%	369550.52
 India	3.64%	332848.31
 CAR	3.45%	316108

Leading coffee exporters globally

Source (Tridge, 2024)

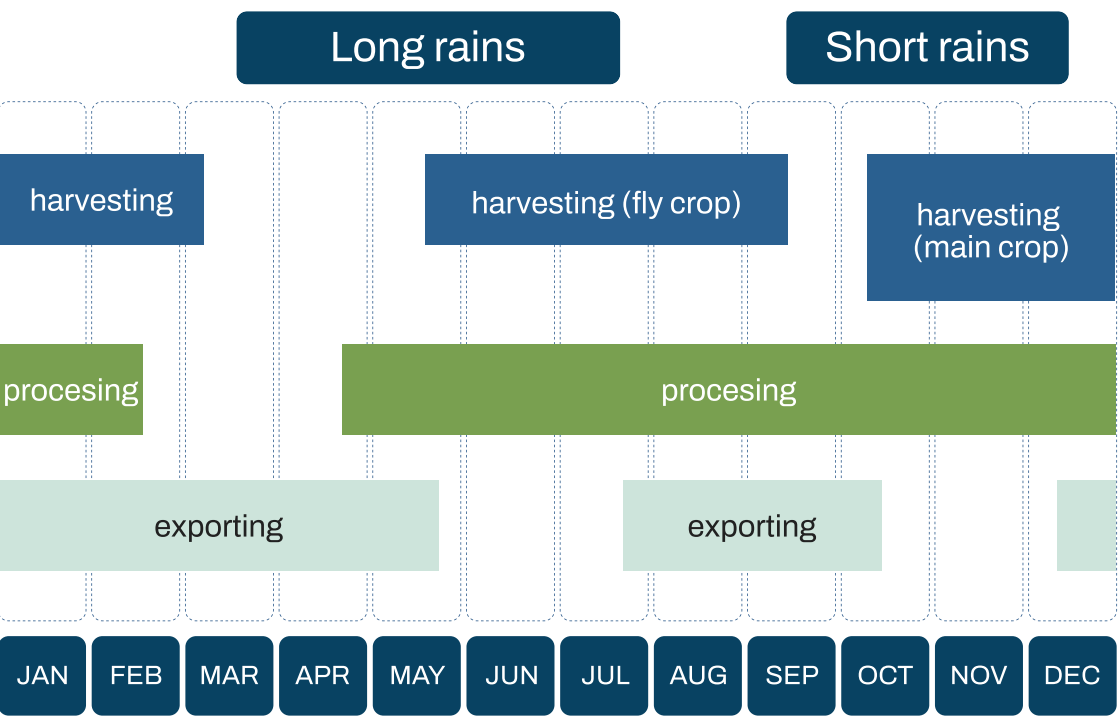
Export Destination	Share in Export	Export Value \$
 Brazil	23.17%	7.35B
 Switzerland	11.48%	3.64B
 Germany	11.03%	3.50B
 Colombia	9.19%	2.91B
 Italy	8.15%	2.59B
 France	3.90%	1.24B
 Netherlands	3.78%	1.20B
 United States	3.76%	1.19B
 Guatemala	2.99%	949.43M
 Canada	2.41%	763.21M

Top Kenya's coffee export destination

Source: (TRIDGE, 2024)

Export Destination	Share in Export	Export Value in \$
 United States	22.94%	58.82M
 Germany	13.90%	35.64M
 Sweden	9.13%	23.41M
 Belgium	7.67%	19.67M
 South Korea	5.36%	13.75M
 Switzerland	5.31%	13.61M
 Netherlands	4.62%	11.84M
 Australia	3.68%	9.44M
 Denmark	3.19%	8.18M

Crop calendar



Sustainability financing

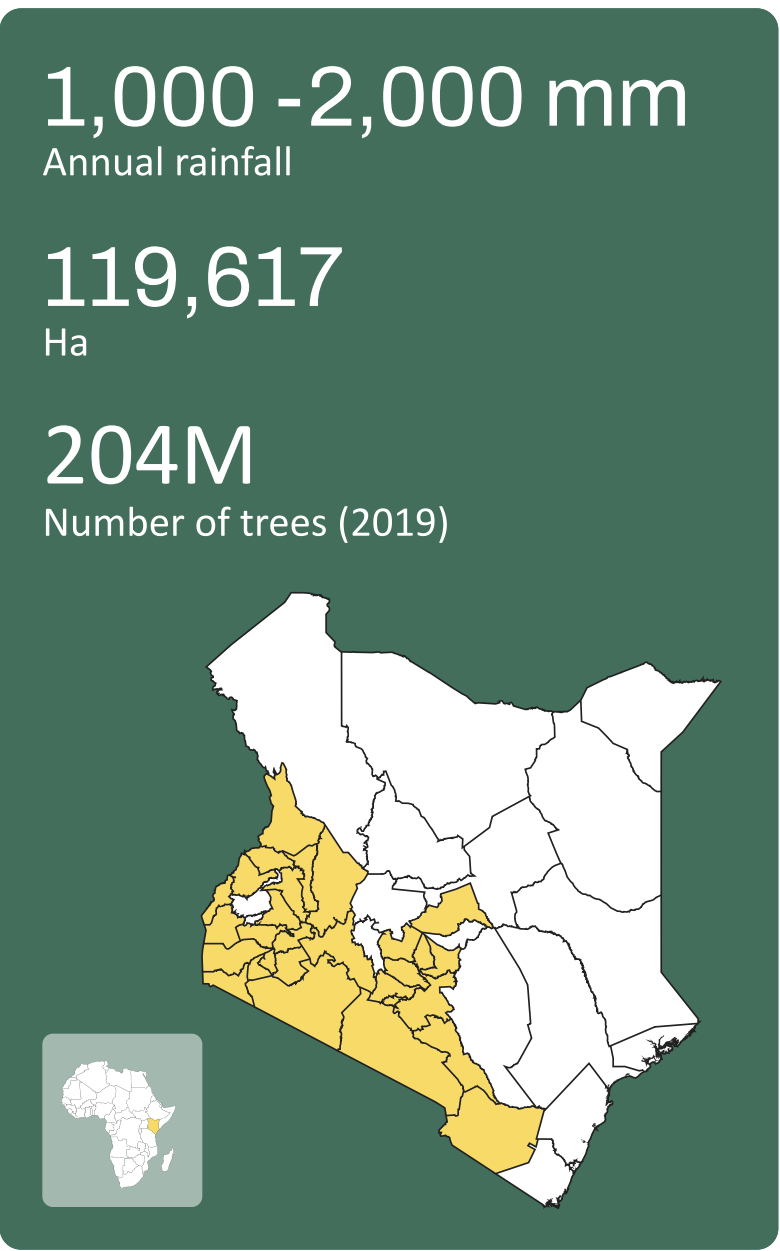
Green financing can tackle issues related to water use management, solid waste management, and energy-efficient processing equipment. For producers, it is crucial to adopt climate-smart agriculture practices to ensure sustainability.

Additionally, interventions in the input sector should address the high cost of inputs and unreliable rainfall by providing green solutions, such as affordable organic fertilizers and drip irrigation systems, to reduce dependence on rain-fed agriculture.

VC Segment	Green Finance
Processor	- Water recycling Facilities - Solid Waste Management System - Eco pulping machines - Solar dryer/ Green houses for coffee drying - Solar/ wind pups Capex investment
Aggregate	Governance and management capacity building for cooperative boards, committees, and employees
Producer	- Solar Dryer/ Green houses - Solid waste management system - Water recycling facilities - Regenerative agriculture

Input	- Transition to organic fertilizer - Drip irrigation systems
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Production areas



Kenya's tropical environment is ideal for coffee growing, with balanced temperatures year-round and two rainy periods (April-June and October-November).

The fertile volcanic soil, rich in mineral nutrients, enhances the coffee's flavour. Arabica coffee thrives here, benefiting from the 1,000 mm to 2,000 mm of evenly distributed annual rainfall. Harvesting typically occurs during the dry months.

The estimated area under coffee production in Kenya (2019)- 119,617 Ha and the number of trees close to 204 million (2019) **while number of growers directly engaged in coffee growing were over 800,000.**

Deforestation risk

In the eight counties where caffee are cultivated, three counties are classified as high- risk deforestation counties and the remaining counties ranging from medium to low risk.

This distribution highlights the environmental challenges associated with caffee farming in these regions, emphasizing the **need for sustainable agricultural practices to mitigate deforestation risks.**



eco.business fund

The **eco.business Fund** aims to promote business and consumption practices that contribute to the **conservation of biodiversity, the sustainable use of natural resources, and climate change mitigation and adaptation.** By financing business practices that preserve nature and promote biodiversity, the fund seeks investments that generate both **environmental and economic returns.** The fund primarily offers loans to qualified financial institutions, which in turn lend to eligible borrowers. These borrowers include holders of recognized certifications as well as those implementing changes that **support conservation and biodiversity.** The fund supports sustainable operations in the **agriculture, fisheries (including aquaculture), forestry, and tourism sectors.**

Contact
Finance in Motion GmbH
The Address Building, 13th floor, Muthangari Drive, Nairobi, Kenya

www.ecobusiness.fund
info@ecobusiness.fund



Challenges and opportunities

Challenges

- **High water consumption** in coffee cherry processing; at present it takes 40 litres of water to process 1 kg of beans. This water is not re-used and normally runs off.
- **Dying of coffee beans** - It takes at least 16 days to dry the coffee beans in beds under the sun.
- **There are by-products produced during coffee production**, such as coffee pulp, seed coat, inner peel, coffee dregs and mucus etc. Coffee wastewater generates a considerable amount of greenhouse gases, particularly methane.
- **Late payment** by off-takers.
- **Old diesel-run generators** are highly maintained whilst polluting the environment.
- **High cost of production** due to cost of inputs.
- **Governance issues** among cooperatives.

Opportunities

- **Procurement of an Eco pulper machine;** this machine cuts out the fermentation stage in coffee processing and reduces the use of water and days involved in the processing by a week.
- **Solar Dryer/ Green houses for coffee drying;** the solar drying system takes six to eight days. This will significantly reduce costs and increase the quality of the coffee and improve the cash conversion cycle as well.
- **Renewable energy:** establishment of bio digestors that will generate fuel to run some of the factory processes and can also be used at household level.
- **Working capital facilities** that will enable the off takers to pay farmers promptly.
- **Support factories to install solar-run pumps that are more efficient,** cheap to run and more importantly are good for the environment.
- Cooperatives aggregate demand of inputs to **get competitive prices which can be financed by banks.**
- Pre- and post-investment **technical assistance to cooperatives.**