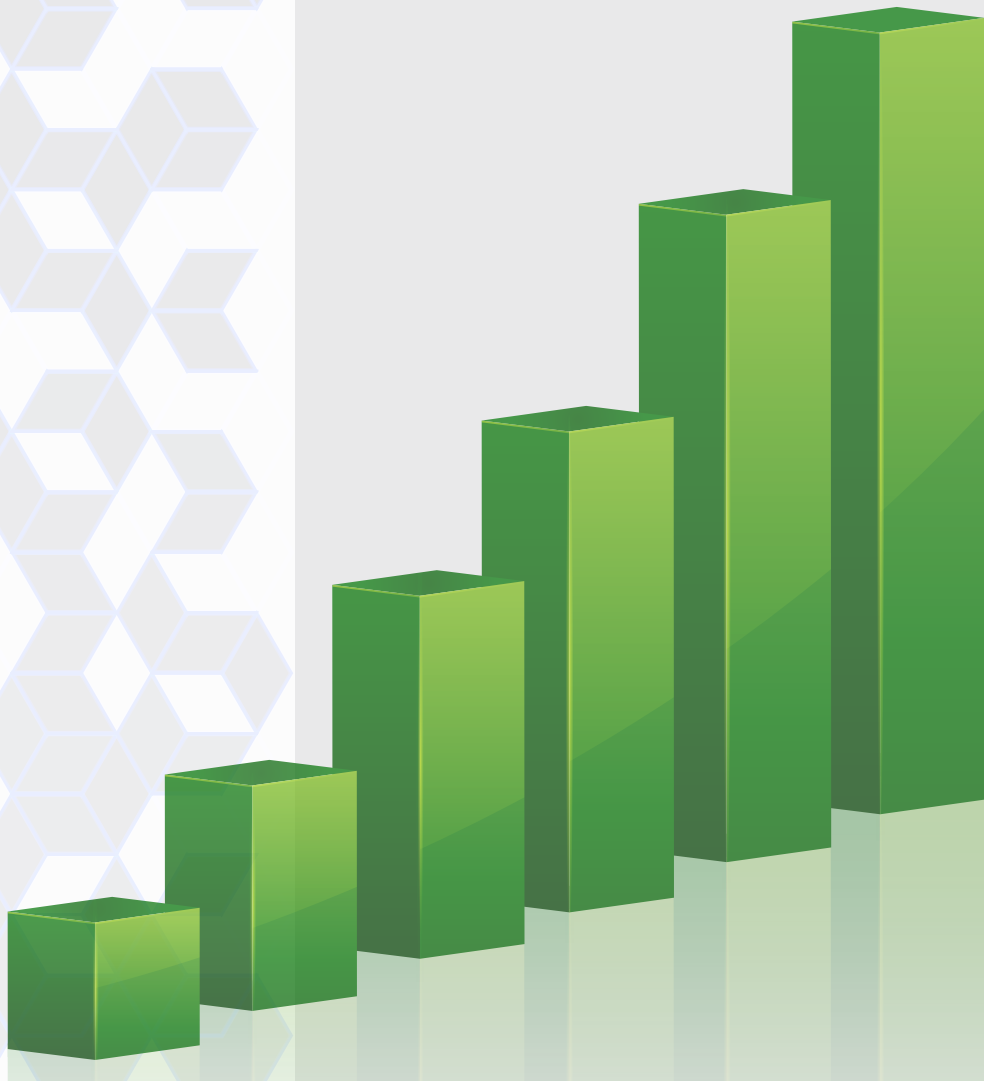




**Central Bank of Kenya**

# **Agriculture Sector Survey**

September 2025



## TABLE OF CONTENTS

1. BACKGROUND	3
2. METHODOLOGICAL FRAMEWORK	4
3. MAIN HIGHLIGHTS FROM THE SURVEY	6
3.1 Prices of key agricultural commodities	7
3.3 Factors affecting retail and wholesale prices	11
3.4 Analysis of output	13
3.4.1 Output and acreage expectations	13
3.4.2 Output expectations across select food crops	13
3.4.3 Acreage expectations for select food crops	13
3.5 Expected performance of the agriculture sector and the overall economy	15
3.6 Access to credit facilities in agriculture	16
4. VIEWS ON HOW TO IMPROVE THE AGRICULTURE SECTOR	18
5. CONCLUSION AND POLICY RECOMMENDATIONS	19
ANNEXES	20

## 1. BACKGROUND

The agriculture sector plays a crucial role in the economy given its contribution to economic growth, food security, employment, foreign exchange earnings and inflation. According to Economic Survey 2025 by Kenya National Bureau of Statistics (KNBS), the contribution of agriculture, forestry and fishing sector<sup>1</sup> to the the overall overall Gross Domestic Product (GDP) averaged 21.8 percentage points between 2000 and 2024. Growing of crops dominated agriculture sector activity over this period with its contribution to GDP averaging 15.5 percentage points. In 2023 and 2024, the sector grew in real terms by 6.6 percent and 4.6 percent, respectively.

The KNBS' Quarterly Gross Domestic Product Report for Second Quarter 2025 shows that agriculture, forestry and fishing activities expanded by 4.4 percent in real terms in the second quarter of 2025 compared to 4.5 percent in a similar quarter in 2024. The growth of the sector was supported by the favourable March-May 2025 rainfall outcome experienced in most parts of the country, which boosted production of crops and pasture for livestock.

Milk intake by processors increased to 272.0 million litres in the second quarter of 2025, from 219.2 million litres in the second quarter of 2024. Similarly, exports of coffee, fruits and vegetables increased to 20,041.7, 79,431.8 and 18,672.8 metric tonnes, respectively,

from 15,906.1, 72,124.8 and 14,194.5 metric tonnes, respectively, in a similar quarter in 2024.

In view of the significant impacts that developments in the agriculture sector has on output and food prices, the Monetary Policy Committee (MPC) of the Central Bank of Kenya (CBK) monitors developments in the sector through a survey conducted in select regions to gather information on indicative prices of basic commodities, output and expected trends.

More specifically, the survey focuses on the following:

- i. Indicative prices of select key agricultural food items and the general price expectations.
- ii. Assessment of output and acreage of select food items, and expectations.
- iii. Access to, usage and barriers to farm inputs for agricultural production.
- iv. Factors affecting agricultural production and marketing/sale of farm produce.
- v. Indicative information on access and use of credit facilities.
- vi. Suggestions on how to improve agricultural production.

## 2. METHODOLOGICAL FRAMEWORK

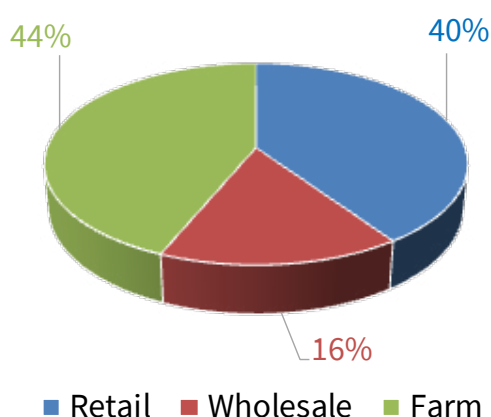
The September 2025 survey, like previous MPC surveys of the agriculture sector, gathered information on wholesale and retail prices of select food items, expectations regarding changes in prices and output, and factors that affect agricultural production. The survey drew respondents from select wholesale and retail markets and select farms in key food basket regions. These include Nairobi Metropolitan area, and neighbouring counties such as Kiambu, Kajiado and Machakos. Other areas covered included Naivasha, Gilgil, Nakuru, Narok, Bomet, Kericho Kisumu, Mombasa, Kisii, Eldoret, Kitale, Nyandarua, Nyahururu, Mwea, Isibania, Meru,

Nyeri, Isiolo, Oloitoktok, Namanga, Makueni and Molo and some parts of Western Kenya.

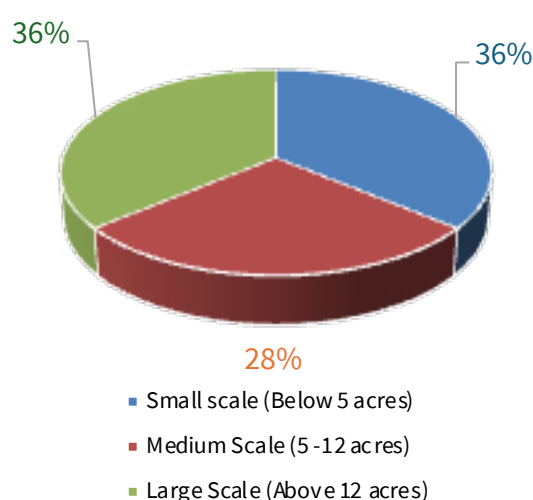
The coverage and scope of the survey has continued to gradually expand over time, thereby enhancing the response rate. The data was collected through face-to-face interviews with retailers, wholesalers and farmers in select markets and farms. A total of 245 respondents were sampled, out of which farmers and retailers accounted for 44 percent and 40 percent, respectively, while wholesalers accounted for 16 percent (Figure 1a and 1b).

1. Agriculture, forestry and fishing activities include growing of crops, animal production, support activities to agriculture, forestry & logging and Fishing & aquaculture.

**Figure 1a: Sample Composition (Percent)**



**Figure 1b: Farm Categorization (Percent)**



Analysis of the information collected was undertaken using both quantitative and qualitative approaches, with findings presented using summary measures, tables and/or charts. These include averages, percentages and balance of opinion (BOO). The BOO is a key tool used in the analysis to show on a net basis the expected directional change in relation to

variables of interest such as retail prices of select food commodities, acreage under crop and farm produce/output. In general, the BOO metric shows the net position with regard to responses to selected questions. The BOO is generally defined as the difference between the proportion of respondents having expressed a positive opinion and the proportion of respondents having expressed a negative opinion divided by the total number of respondents. The computation of BOO facilitates conversion of qualitative responses into quantifiable values.

For instance, with regard to inflation, the survey sought respondents' views about whether they expect inflation to increase, remain unchanged or decrease in the next one month and three months ahead. The BOO indicates the net positions of respondents and, therefore, helps shed light on the direction where, on balance, most of the responses are concentrated, after taking into account all the responses to the particular question. It is important to note that a respondent's expectations about inflation or economic performance could vary depending on the time horizon, for instance, a respondent could expect inflation to increase one month ahead but decrease three months ahead, and vice versa. The same applies to expectations about economic performance.

The survey also sought to understand how respondents expected the agriculture sector to perform in the next three months and one year ahead. The objective is to have separate expectations for agriculture sector performance and overall economic growth since expectations about the two can differ significantly despite the former being a sub-set of the latter. Overall economic performance encompasses the industrial and service sectors, in addition to agriculture.

### 3. MAIN HIGHLIGHTS FROM THE SURVEY

This section highlights the key findings from the September 2025 Survey:

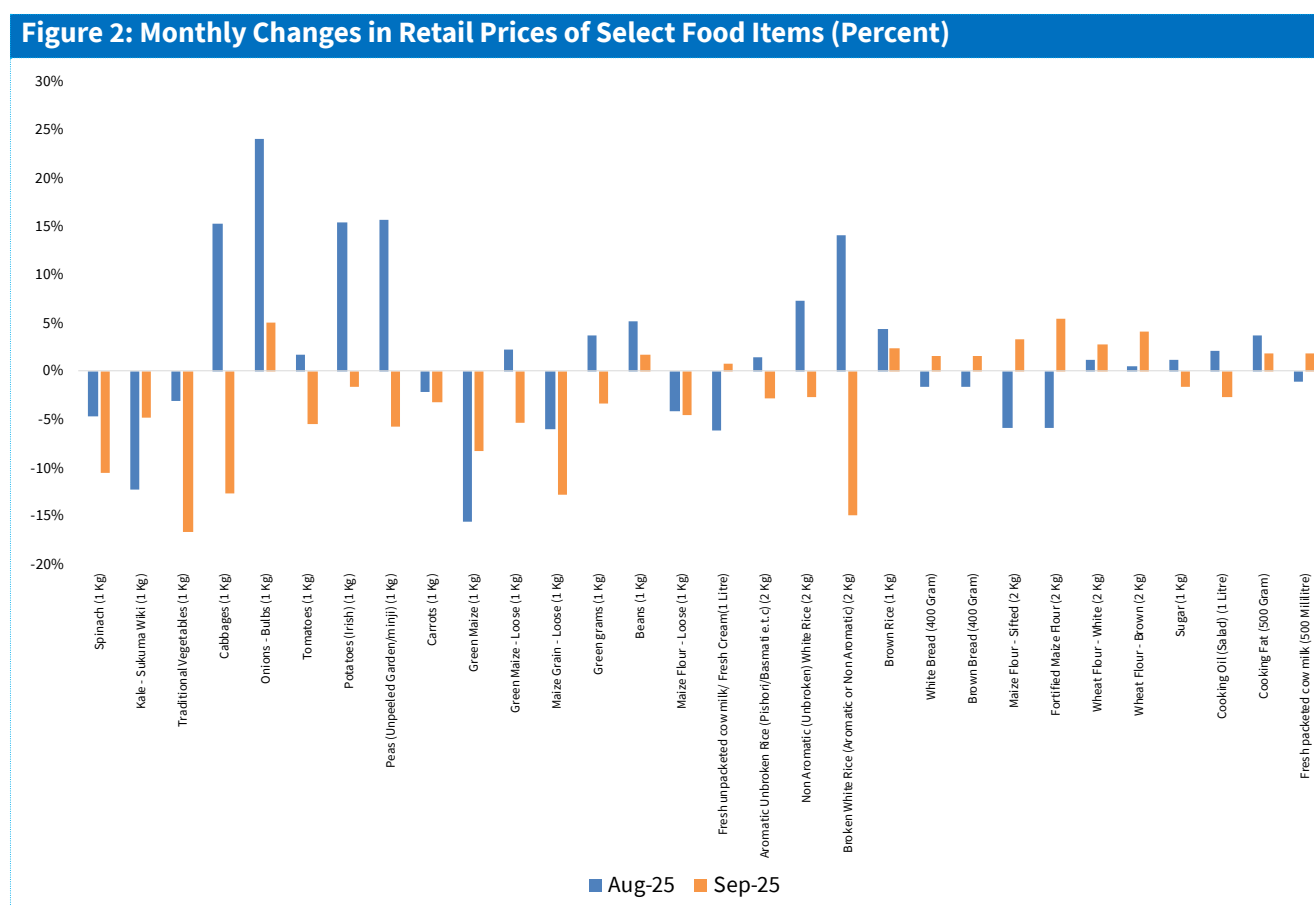
- i. Monthly price changes for sampled food items were generally modest in September 2025 compared to August 2025.
- ii. On balance, prices of select food items are expected to edge up in October 2025, largely driven by seasonal factors.
- iii. Inflation expectations over the next three months were evenly balanced between those expecting an increase and those expecting inflation to either decrease or remain unchanged.
- iv. The use of irrigation is relatively limited, with about 25 percent of sampled farmers in September 2025 reporting to have used irrigation (Annex Figure 10).

- v. On average, about 67 percent of the sampled farmers between July 2024 and September 2025 reported to have benefited from the subsidized fertilizer (Annex Figure 11). Moreover, access to the subsidized fertilizer was reported by 79 percent of the sampled farmers as one of the most critical interventions needed to support production in the September 2025 survey (Annex Figure 12).
- vi. Optimism about expected performance in the agriculture sector has remained high since January 2025. About 90 percent of the farmers sampled in September 2025 expect the sector's performance to improve in the next three months as well as one year ahead (Figure 7a).
- vii. Optimism about overall economic performance was high with 65 percent and 70 percent of the sampled farmers in September 2025 expecting overall economic performance to improve in

the next three months and one year ahead, respectively (Figure 7b).

### 3.1. Prices of key agricultural commodities

The analysis of the data shows mixed price developments across the sampled food commodities in September 2025 compared to August 2025<sup>2</sup>. For instance, the survey showed modest declines in prices of maize products such as sifted maize flour, premium maize flour and loose maize flour. Prices of other sampled food commodities remained generally unchanged compared to August 2025. These include white bread, wheat flour, vegetable cooking oil, sugar and milk (Figure 2). Retail prices of fresh packeted cow milk and un-packeted cow milk have been stable, supported by favourable weather that has boosted pasture.



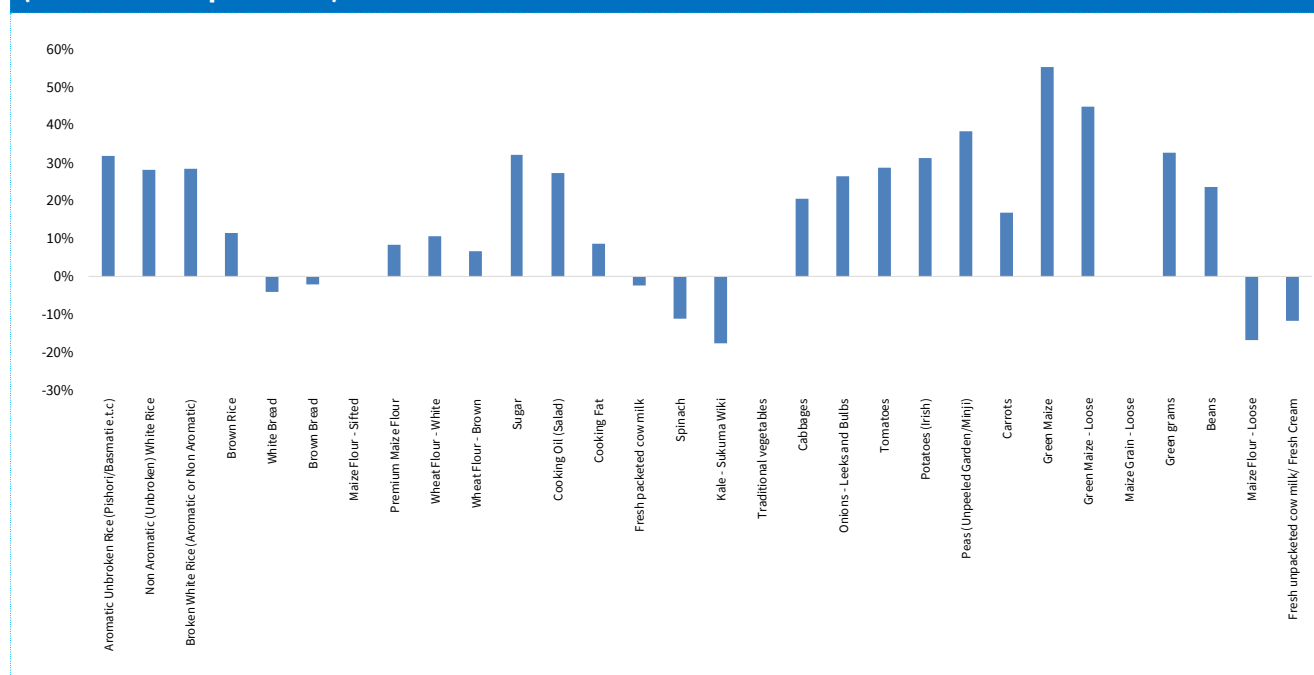
2. The price changes of the sampled food items are indicative and may differ in magnitude and direction from those reported by the KNBS. The KNBS CPI and inflation report published monthly has the final price outcomes.

### 3.2. Expected price changes for select food items

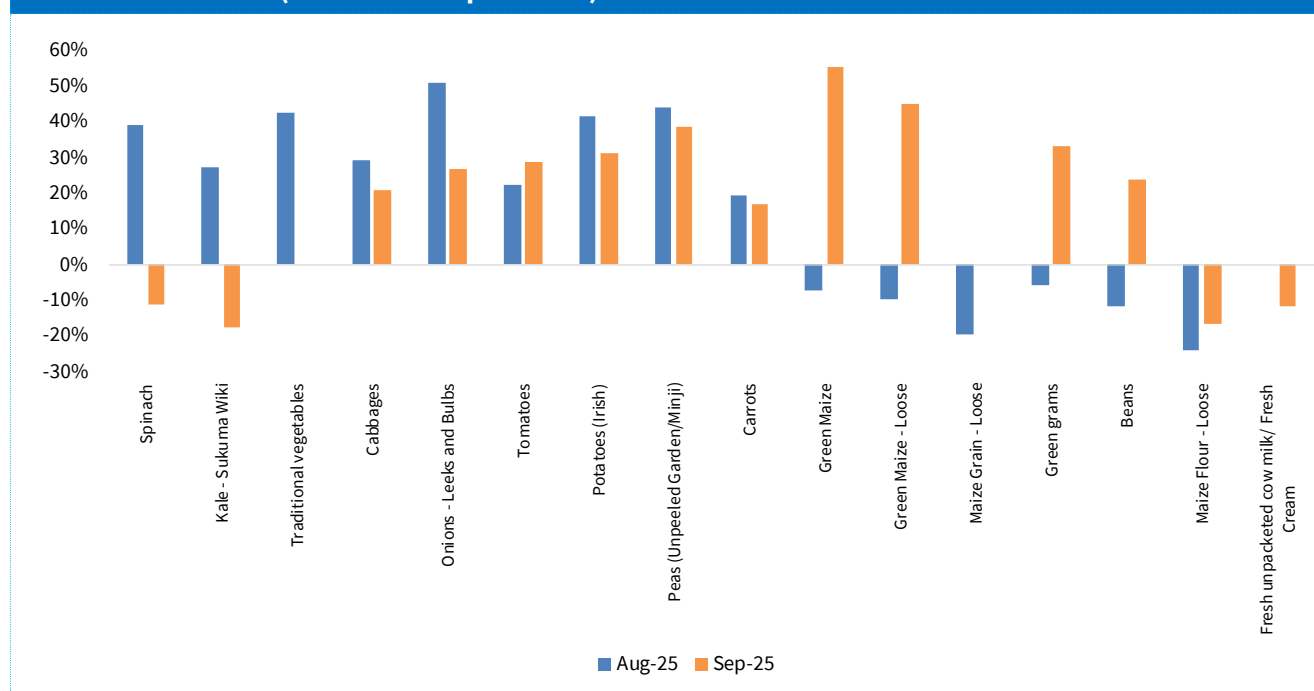
Balance of opinion (BOO) on expected price changes in October 2025 shows mixed expectations with prices of select food items expected to increase, remain unchanged or decrease (Figure 3a). For

instance, the prices of green maize and tomatoes are expected to increase in line with seasonality, while the prices of spinach and kale-sukuma wiki are expected to moderate in October 2025. This is expected with the onset of the October-December rain which will support fast-growing fresh vegetables (Figure 3a, 3b and 3c).

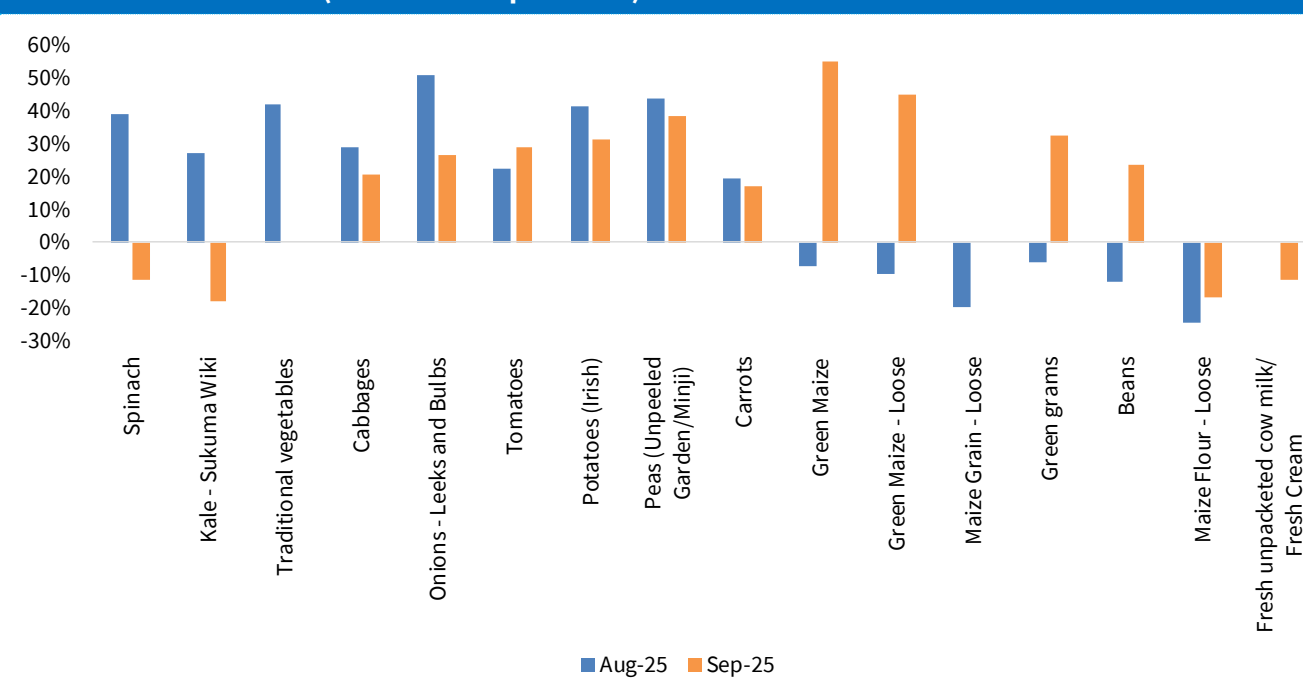
**Figure 3a: Balance of opinion on expected price changes in the next one month for select food items (Percent of respondents)**



**Figure 3b: Balance of opinion on expected price changes in the next one month for select food items in the core CPI basket (Percent of respondents)**



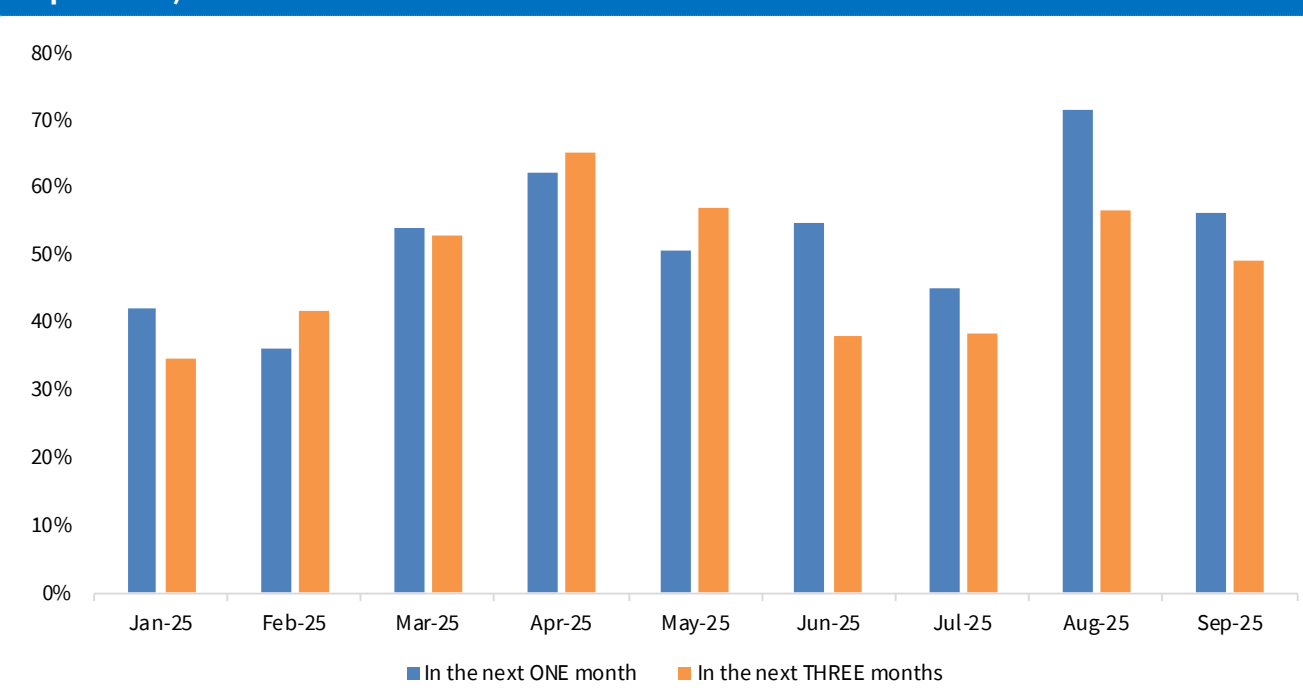
**Figure 3c: Balance of opinion on expected price changes in the next one month for select food items in the non-core CPI basket (Percent of respondents)**



The September 2025 survey showed that inflation expectations in the next three months were evenly balanced with 51 percent of the sampled respondents expecting inflation to increase while 49 percent expected inflation to either decrease or remain unchanged (Figure 4). Those expecting an increase indicated that uncertain rainfall outcomes due to climate change and high cost of production could

lead to price increases. Respondents who expected inflation to either decline or remain unchanged cited the moderately low inflation environment, stable pump prices, stable exchange rate and bumper harvests in food basket areas particularly maize, as possible factors that could lead to price declines or unchanged price outcomes.

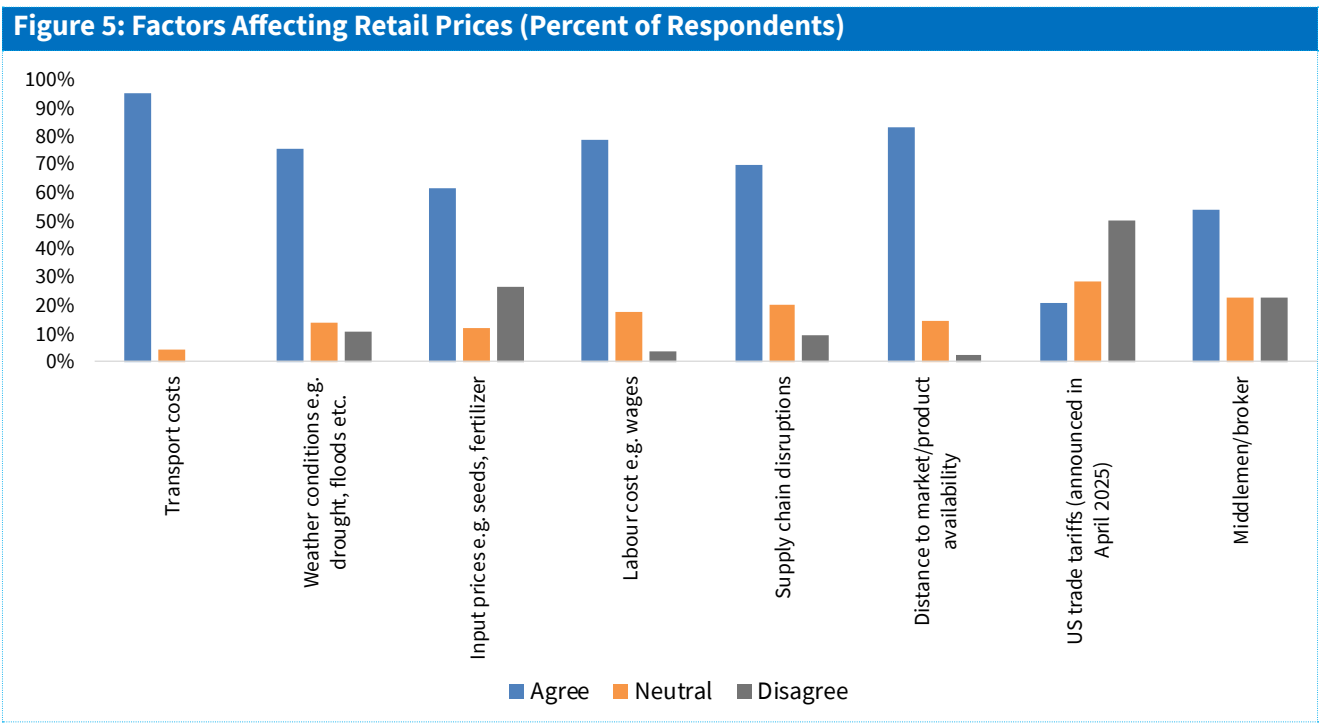
**Figure 4: Proportion of respondents expecting inflation to decrease or remain unchanged (Percent of respondents)**



### 3.3. Factors affecting retail and wholesale prices

The September 2025 survey, like previous surveys, sought to establish the factors that influence wholesale and retail prices of select food items. Transport costs and distance to the market were

the most highly cited factors that influenced retail prices of food commodities, reported by 95 percent and 83 percent of sampled respondent, respectively. Another key factor for retail prices is labour costs which was reported by 79 percent of the sampled respondents in September 2025 (Figure 5).



### 3.4. Analysis of output

#### 3.4.1. Output and acreage expectations

This section describes the outcomes of the September 2025 agriculture survey regarding farmers’ views on expected changes in output and acreage for select crops. These expectations are then compared to expectations obtained in the July 2025 survey in order to establish if there has been any shift in expectations either in relation to output or acreage or both. The survey also sought to understand what underpinned the expectations on output and acreage, for instance, what would inform a farmer’s decision to change acreage or what reasons they had for expecting a lower, unchanged or higher output in the next season.

#### 3.4.2. Output expectations across select food crops

Most sampled farmers in the September 2025 survey were optimistic that output of most food crops was

generally expected to increase, largely driven by favourable March-May 2025 rainfall outcomes in most regions and expected continuation of government measures geared towards improving agricultural productivity, particularly those targeting farm inputs such as the subsidised fertilizer programme. Similar to the findings in the July 2025 survey, some farmers underscored the adoption of smart agriculture farming methods which, despite being limited in scope, were gaining traction and a potential source of farm income.

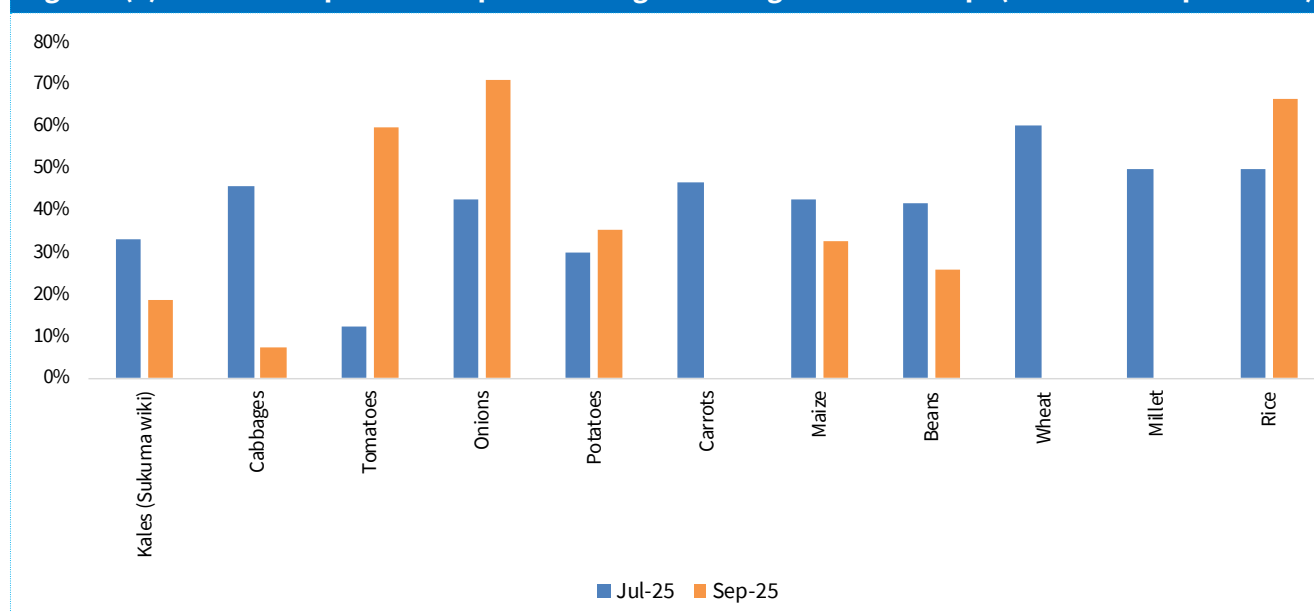
#### 3.4.3. Acreage expectations for select food crops

Farmers were optimistic about area under crop in the next season. On balance, most farmers sampled in the September 2025 survey expected to increase the acreage for all sampled crops. In general, the BOO on acreage and output expectations in September 2025 shows farmers expected to realize increased output and increased acreage under cultivation for most crops in the next season. For instance, about 60 percent of sampled farmers reported that they will

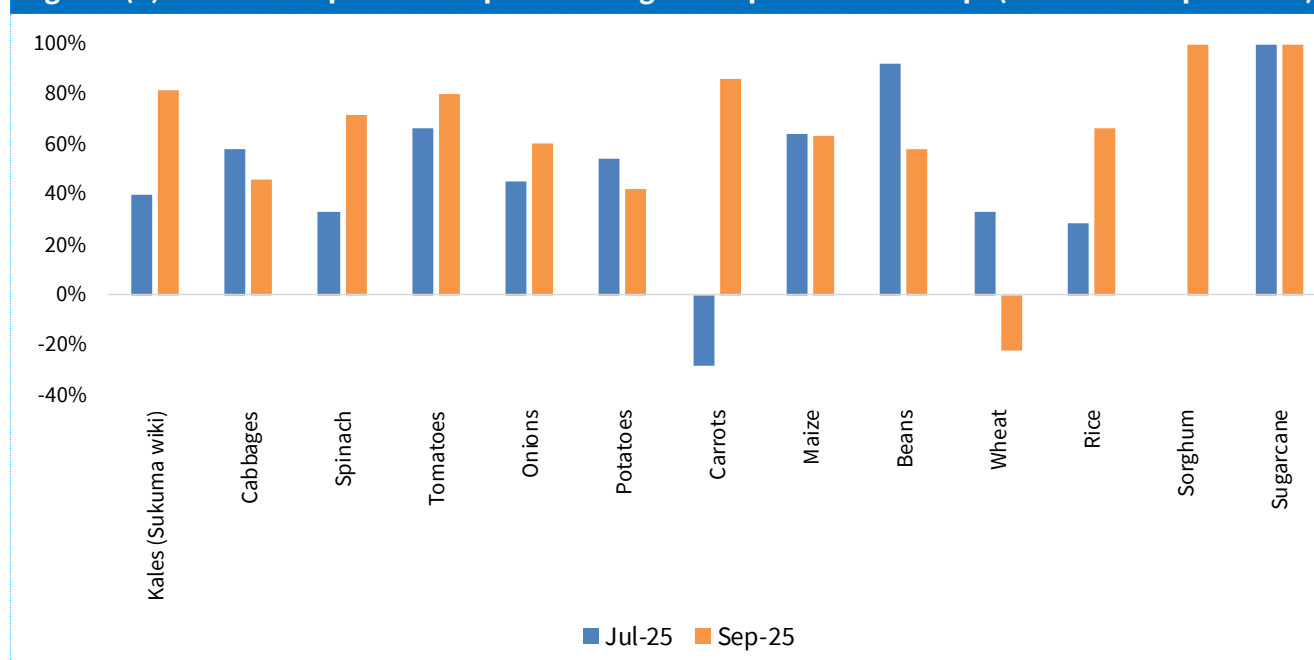
increase acreage for tomatoes while for onions and rice, the proportion was relatively higher at about 70 percent (Figure 6a & 6b). These findings reflect the optimism generated by the bumper harvest for most crops especially in the food basket regions, the continued adoption of climate smart agriculture

and the expectations that the government would continue implementing measures aimed at easing farm input cost burden to boost productivity in the agricultural sector. These include the subsidised fertilizer programme and distribution of certified seeds.

**Figure 6(a): Balance of opinion on expected change in acreage for select crops (Percent of respondents)**



**Figure 6(b): Balance of opinion on expected change in output for select crops (Percent of respondents)**



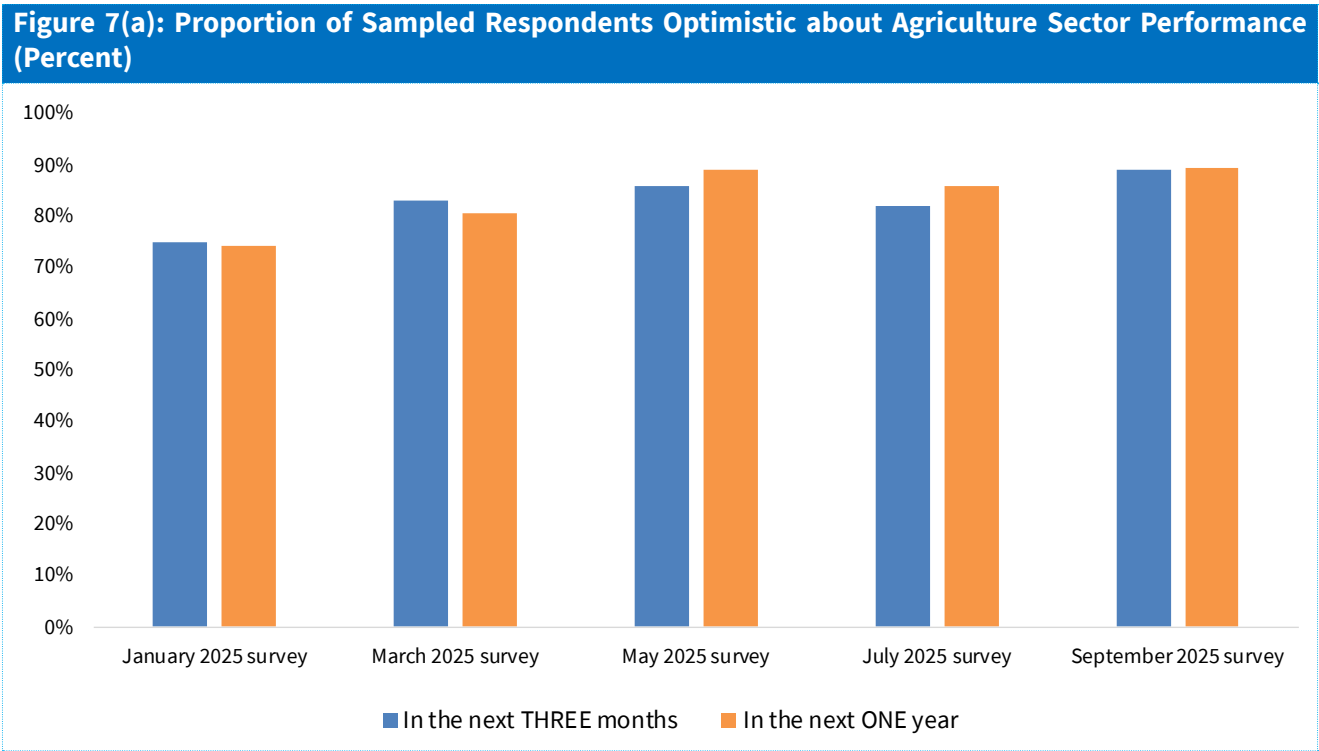
3.5. Expected performance of the agriculture sector and the overall economy

Respondents were asked to state their expectations regarding performance of the agriculture sector in the next three months as well as one year ahead. That is, whether they expected the sector’s performance to remain unchanged, to improve or to worsen. The proportion of sampled respondents optimistic about agriculture sector prospects has been rising, in general, since January 2025. Analysis of September 2025 survey response data shows that optimism was high with about 90 percent of the sampled respondents expecting the performance of the agriculture sector to improve in the next three months as well as one year ahead. The proportion was relatively higher both for three months ahead and one year ahead compared to outcomes of July 2025 survey (Figure 7a).

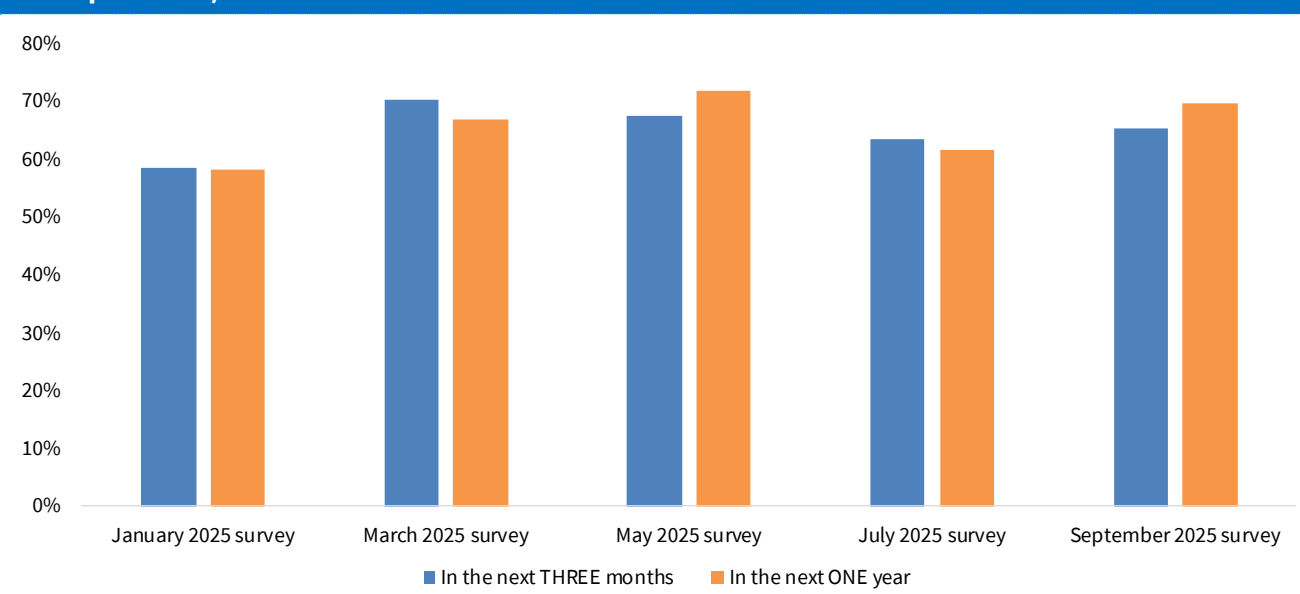
The high optimism in July and September 2025 was mainly informed by the favorable rainfall outcomes in March-May 2025 season, which had positively impacted output, as well as government interventions aimed at increasing productivity in the sector. Some respondents underscored the high

growth potential of the sector in view of the adoption of new farming methods such as smart agriculture farming methods and the growing interest by investors in the agriculture sector.

Additionally, the survey sought respondents’ views on their expectations about the overall performance of the economy, in terms of GDP growth prospects in the next three months and one year ahead. Results in September 2025 show optimism remained high, with 65 percent of the respondents expecting an improvement in the overall economic performance in the next three months, compared to 63 percent in July 2025. Similarly, optimism about expected economic performance one year ahead remained high, with the proportion that expected better prospects in relation to the overall economy increasing to 70 percent of the sampled respondents in September 2025, compared to 62 percent in July 2025 (Figure 7b). The optimism was largely informed by the positive expectations about the performance of the agriculture sector, which has strong forward and backward linkages with other sectors of the economy. It was also informed by the expectation that weather conditions would continue to be favorable in addition to the expected continuation of government interventions aimed at boosting productivity in agriculture.



**Figure 7(b): Proportion of Respondents Optimistic about Overall Economic Growth Prospects (Percent of Respondents)**

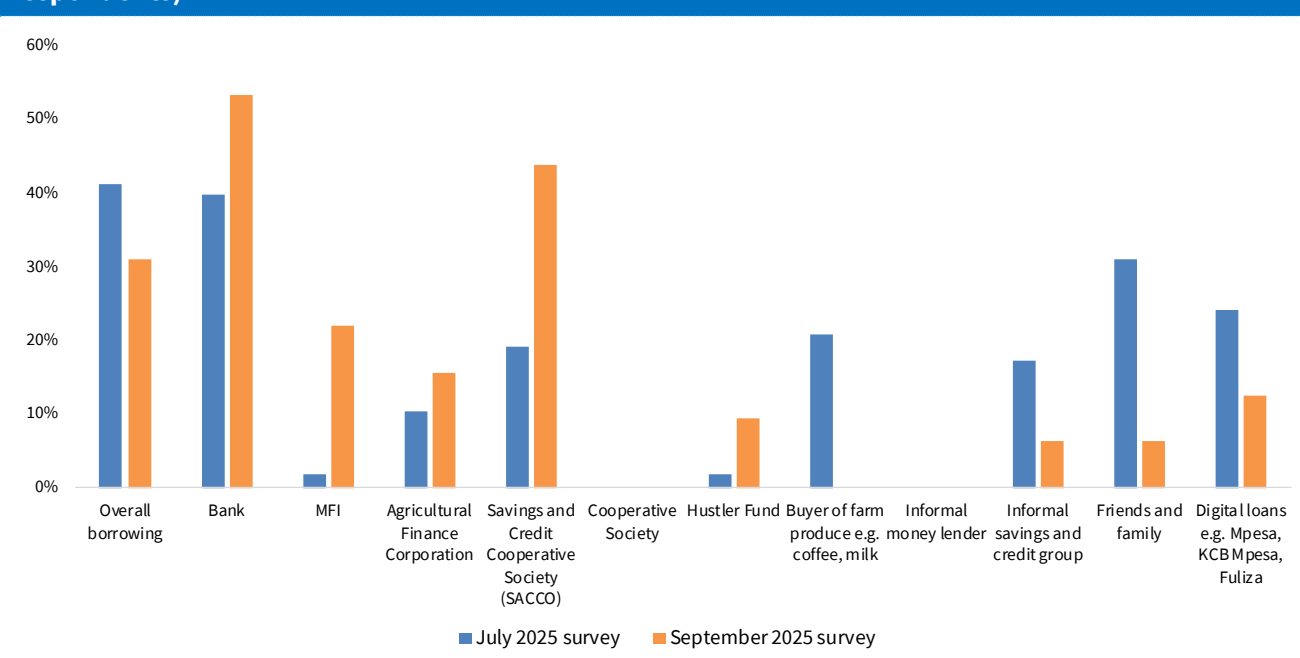


### 3.6. Access to credit facilities in agriculture

The proportion of farmers who reported to have borrowed to finance farming was relatively low at 31 percent in September 2025 compared to 41 percent in July 2025. However, a larger proportion reported to have borrowed from banks in September 2025 compared to July 2025. Similarly, 44 percent of the sampled farmers reported to have borrowed from Savings and Credit Cooperatives (SACCOs) in the

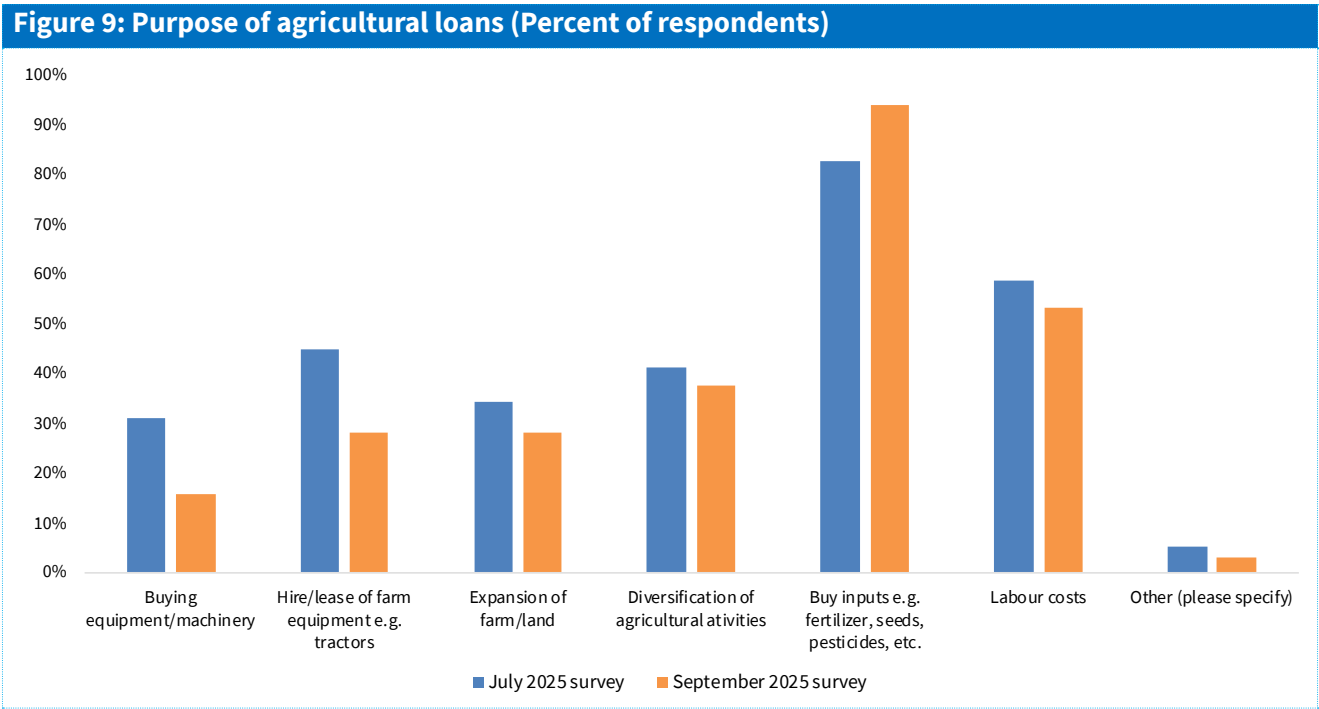
September 2025 survey compared to 19 percent in the July 2025 survey. The proportion that reported to have borrowed from the Hustler Fund was relatively lower at 9 percent in September 2025 (Figure 8). The main sources of credit reported by farmers in the September 2025 survey were banks and SACCOs. The sustained monetary policy easing has resulted in relatively lower lending rates, and this may explain why a relatively larger share of farmers reported to have borrowed from banks and SACCOs.

**Figure 8: Proportion of respondents who borrowed to finance farming by lender (Percent of respondents)**



Consistent with previous findings, trends in purpose for application of credit by farmers remain largely unchanged in July and September 2025 surveys. Results show that farmers typically utilize credit to purchase farm inputs, with the proportion reporting

remaining higher at 94 percent in September 2025 (Figure 9). The proportion that reported using agricultural loans to meet labor costs was slightly more than half at 53% in September 2025 and 59 percent in the July 2025 survey.



#### 4. VIEWS ON HOW TO IMPROVE THE AGRICULTURE SECTOR

The survey sought farmers’ views on what should be done to increase production in the agriculture sector. The suggestions gathered in September 2025 were similar to those obtained in previous surveys and include:

- Provide technical training to farmers.
- Support cold chain development for perishable commodities to extend shelf life and market reach;
- Improved infrastructure and digital platforms to help stabilize prices in some regions;
- Provide farmers with dryers to help attain the required moisture;
- Provide storage facilities for farmers;
- Reduce price of farm inputs such as pesticides, including the price of fuel;
- Expand irrigation infrastructure
- Enhance construction of roads to address supply chain disruptions particularly during rainy season.

## 5. CONCLUSION AND POLICY RECOMMENDATIONS

This report summarizes the findings of the agriculture sector survey conducted from September 15 to 19, 2025. The main objective of the survey was to obtain indicative information on recent trends and market expectations of prices and output of key agricultural commodities for the purpose of informing monetary policy.

As with previous surveys of the agriculture sector, the survey focused on indicative prices of key agricultural commodities in select retail and wholesale markets, indicative agricultural output and acreage as well as output expectations, factors affecting agricultural production, marketing and sale of farm produce, access to farm inputs and credit facilities, and proposals on how to improve agricultural production.

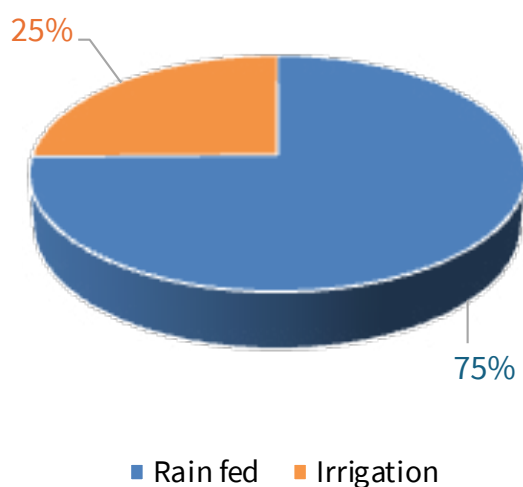
The survey drew 245 respondents from wholesale traders, retailers, and farmers in select towns across the country: Nairobi Metropolitan area, and neighbouring counties including Kiambu, Kajiado and Machakos, Naivasha area, Gilgil Nakuru, Narok, Bomet, Kericho Kisumu, Mombasa, Kisii, Eldoret, Kitale, Nyandarua, Nyahururu, Mwea, Machakos, Isibania, Meru, Nyeri, Isiolo, Oloitoktok, Namanga, Makueni, Molo, Kakamega and Bungoma.

Policy recommendations arising from the September 2025 survey are similar to those identified from previous surveys. They include the following:

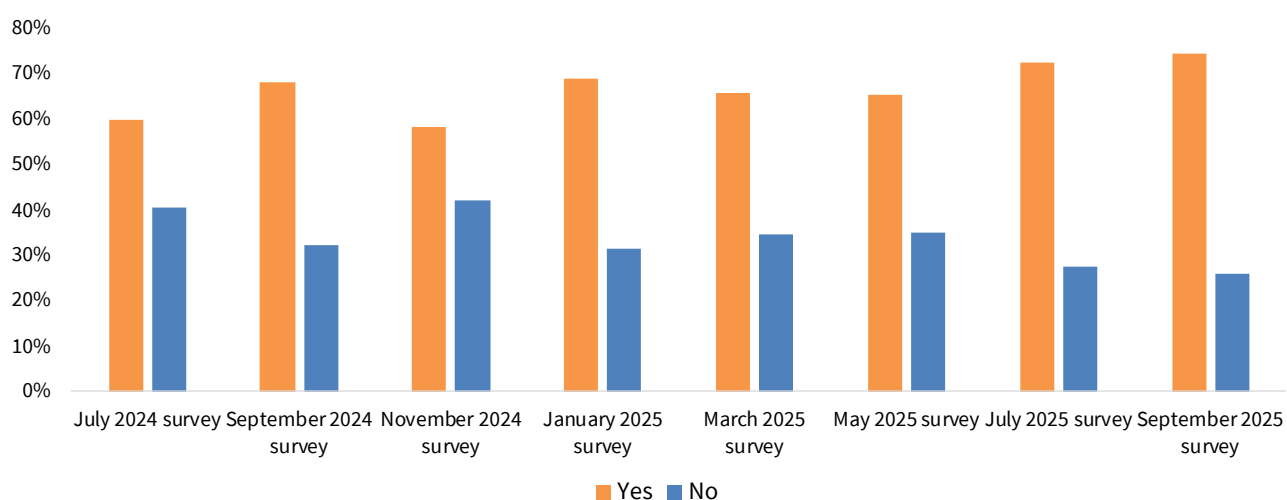
- Government should enhance support to farmers especially regarding extension services and technical training to improve productivity.
- Government initiatives to promote value addition in the agricultural sector should be strengthened, for instance, initiatives such as cold chain development to extend shelf life of perishable commodities and to reduce losses incurred by farmers.
- There is need to increase budgetary allocations to improve road infrastructure, to ensure timely delivery of food commodities to market, reduce post-harvest losses and to improve farm incomes.
- Implement measures to reduce farm input cost burden. The ongoing subsidised fertilizer programme should be enhanced.
- Implement measures to increase irrigation initiatives.

## 6. ANNEXES

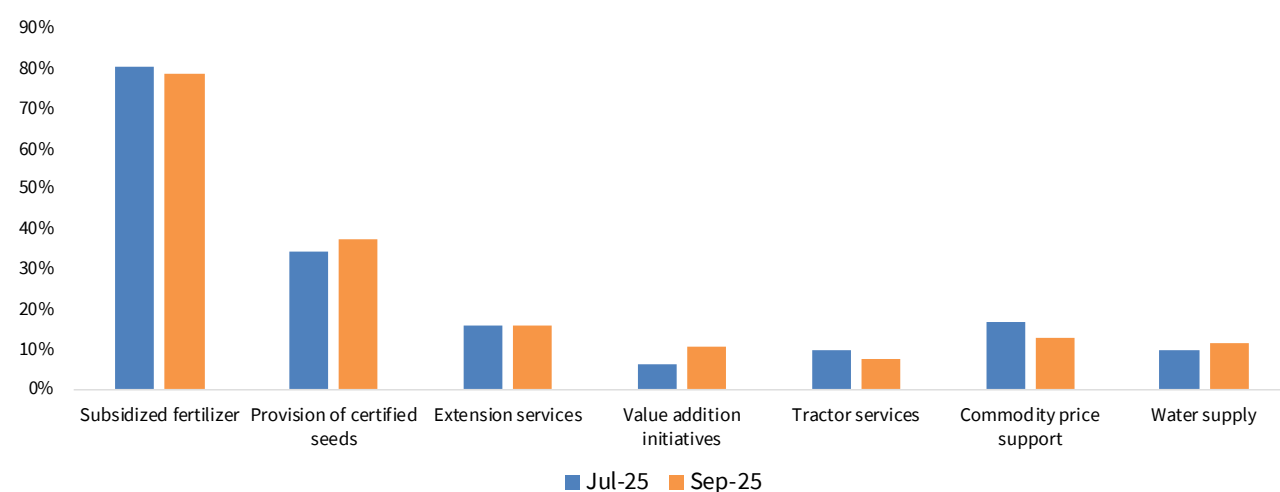
**Figure 10: Reported sources of water for farming in September 2025 (Percent of sampled farmers)**



**Figure 11: Farmers who reported to have benefitted from subsidised fertilizer (Percent of respondents)**



**Figure 12: Government interventions reported as most critical for agricultural production in September 2025 survey (Percent of Respondents)**







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