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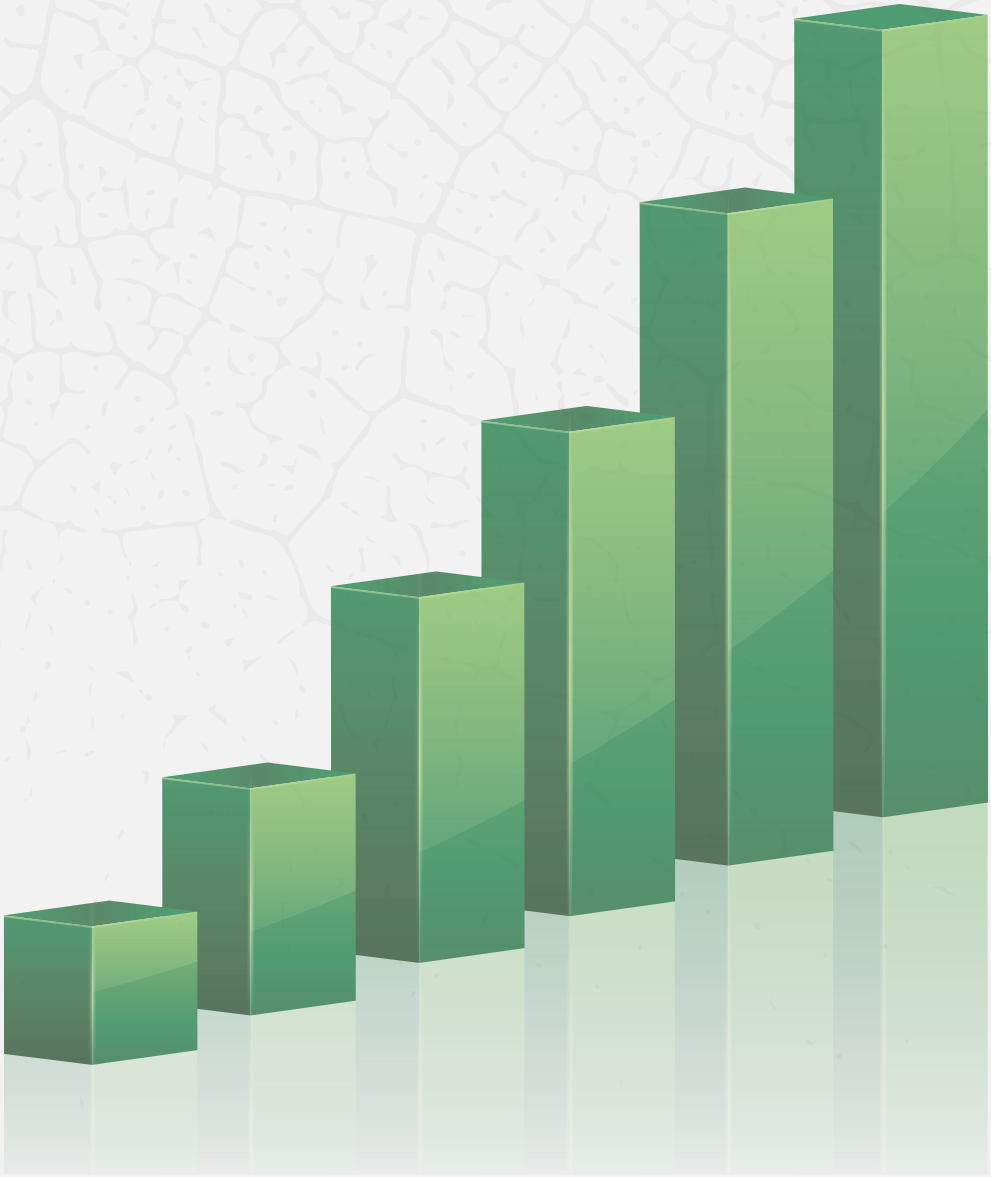


AGRICULTURE SECTOR SURVEY

January 2026

TABLE OF CONTENTS

1. BACKGROUND

The agriculture sector plays a crucial role in the Kenyan economy through its contribution to food security, economic growth, employment and foreign exchange earnings. According to the Kenya National Bureau of Statistics (KNBS) Economic Survey 2025, Kenya produced, on average, 41.1 million 50-kilogram bags of maize each year between 2020 and 2024. The Kenya Consumer Price Index (CPI) contains several food commodities derived from maize crop, namely, green maize, green maize – loose, maize grain – loose, maize flour – loose, sifted maize flour and fortified maize flour.

Over the same period, the average annual production of beans was estimated at 8.8 million 50-kilogram bags while the production of Irish potatoes was estimated at 2 million tonnes per year. These food commodities feature prominently in the consumer basket in view of the relatively high household expenditures on them. The KNBS Kenya Integrated Household Budget Survey (KIHBS) of 2015/2016 also found relatively high household expenditures on beans, green grams, potatoes, onions and tomatoes. Beans and Irish potatoes have weights of 0.72 percent and 0.75 percent, respectively, in the overall CPI basket. The weight of maize and associated products is significant at 2.6 percent[1].

According to KNBS Economic Survey 2025, the contribution of agriculture[2] to nominal Gross Domestic Product (GDP) averaged 21.8 percent between 2000 and 2024. Growing of crops was the dominant agriculture sector activity with its contribution to nominal GDP averaging 15.5 percent over the period.

In 2023 and 2024, the sector grew in real terms by 6.6 percent and 4.6 percent, respectively, and this performance continued into 2025. The KNBS Quarterly Gross Domestic Product Report for the third quarter of 2025 shows the sector expanded by 3.2 percent in the third quarter of 2025 compared to 4.0 percent in a similar quarter in 2024. The sector's performance in the third quarter of 2025 was mainly supported by increased milk production and exports of cut flowers. Milk deliveries to processors stood at 249.0 million litres in the third quarter of 2025, an increase of 9.7 percent compared to a similar quarter in 2024. However, growth of the agriculture was constrained by subdued performance of select items such as coffee, vegetables and fruits exports.

Developments in the agriculture sector are therefore bound to have an impact on not only aggregate output but also on inflation. It is in view of these considerations that the Monetary Policy Committee (MPC) of the Central Bank of Kenya (CBK) continuously monitors developments in the sector through a survey conducted in select regions to gather information on indicative prices of basic food 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.

1. The weight of maize grain – loose (0.5031), green maize (0.0768), green maize-loose (0.0188), maize flour-loose (0.4344), maize flour – sifted (0.7343) and fortified maize flour (0.7222).
2. Agricultural activities include growing of crops, animal production, support activities to agriculture, forestry & logging and Fishing & aquaculture.

2. METHODOLOGICAL FRAMEWORK

The January 2026 survey, like previous MPC surveys of 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 farms in key food basket regions. These included 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 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 320 respondents were sampled out of which farmers and retailers accounted for 42 percent and 43 percent, respectively, while wholesalers accounted for 15 percent **(Figure 1a and 1b).**

Figure 1a: Sample Composition (Percent)

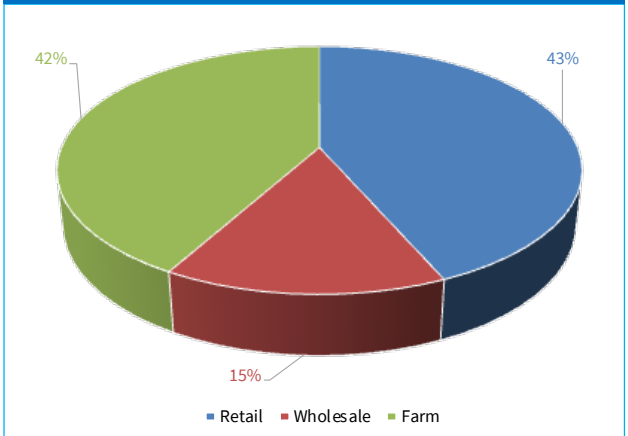
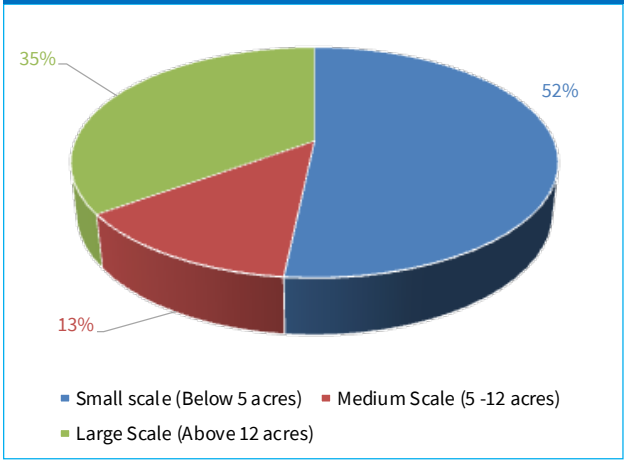


Figure 1b: Farm Categorization (Percent)



Analysis of the information collected was undertaken using both quantitative and qualitative approaches, with findings presented using summary tables and/or charts. The Balance of Opinion (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 and wholesale prices of select food commodities, acreage under crop and output. In general, the BOO metric reveals the net position with regard to responses to select questions such as respondents' expectations about future prices and economic performance. 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 expected inflation to increase, remain unchanged or decrease in the next one month and three months ahead. The BOO gets 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 a 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 expect 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

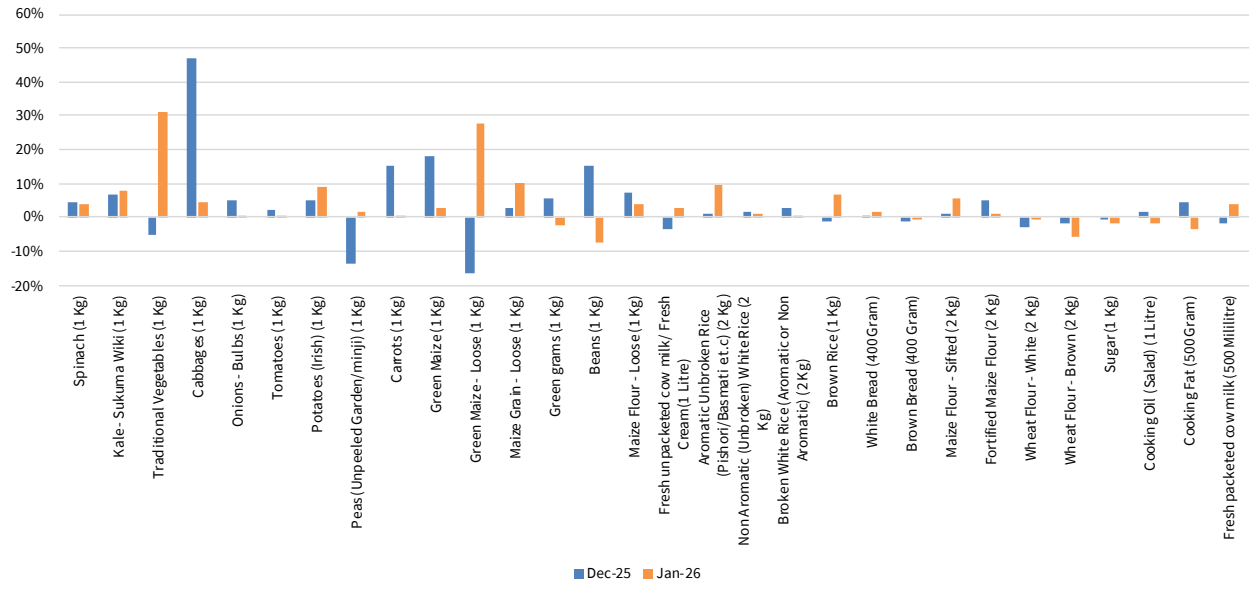
This section highlights the key findings from the January 2026 survey, as follows:

i. Monthly price changes for most sampled food items in the core CPI were generally stable in January 2026. However, prices of some items in con-core CPI increased, largely driven by seasonal factors.
ii. Balance of opinion on expected food prices in February 2026 points to price increases, mainly reflecting seasonal factors.
iii. Majority of the sampled respondents in January 2026 survey expected overall inflation to increase one and three months ahead, mainly driven by seasonal factors. However, the proportion was relatively lower for both one and three months ahead, compared to December 2025.
iv. The majority of farmers sampled in the January 2026 survey (69 percent) reported to have benefited from the subsidised fertilizer while 81 percent reported subsidised fertilizer as one of the most critical interventions needed to support production **(Annex Figure 11 & 12)**.
v. Optimism about expected performance of the agriculture sector in January 2026 remained high one year ahead but subdued three months ahead **(Figure 7a)**.
vi. Optimism about the expected overall economic performance showed a modest decline in January 2026 compared to November 2025 but remained high at 65 percent for three months ahead and 69 percent for one year ahead **(Figure 7b)**.
vii. The use of irrigation is relatively limited, with 72 percent of the farmers sampled in January 2026 reporting they largely rely on rain-fed agriculture **(Annex Figure 10)**.

3.1 Prices of key agricultural commodities

The analysis of the data shows monthly price changes across the sampled food commodities in the core CPI were minimal in January 2026 compared to December 2025[3]. Prices of items such as white bread, brown bread, white wheat flour, brown wheat flour, sugar, cooking oil, cooking fat, and fresh packeted cow's milk recorded minimal changes. However, prices of maize products such as green maize, green maize -loose, maize grain -loose, maize flour -loose, sifted maize flour and fortified maize flour recorded modest increases. In addition, prices of spinach, kales-sukuma wiki and traditional vegetables increased in January 2026 compared to December 2025, largely reflecting the impact of seasonal factors **(Figure 2).**

Figure 2: Monthly Changes in Retail Prices of Select Food Items (Percent)



3. 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 Expectations of prices of key food items

Balance of Opinion for the January 2026 survey on expected price changes one month ahead (February 2026) point to a general increase in prices, largely driven by seasonal factors. In particular, prices of vegetables such as spinach, kales/sukuma wiki, cabbages, onions, tomatoes, carrots, Irish potatoes and peas are expected to increase due to the prevailing sunny and dry weather conditions. Additionally, prices of most maize products, garden peas and fresh packeted milk are expected to increase, largely driven by seasonal factors **(Figure 3a)**.

Figure 3a: Balance of opinion in January 2026 on expected price change one month ahead (February 2026) for select food commodities (Percent of Respondents)

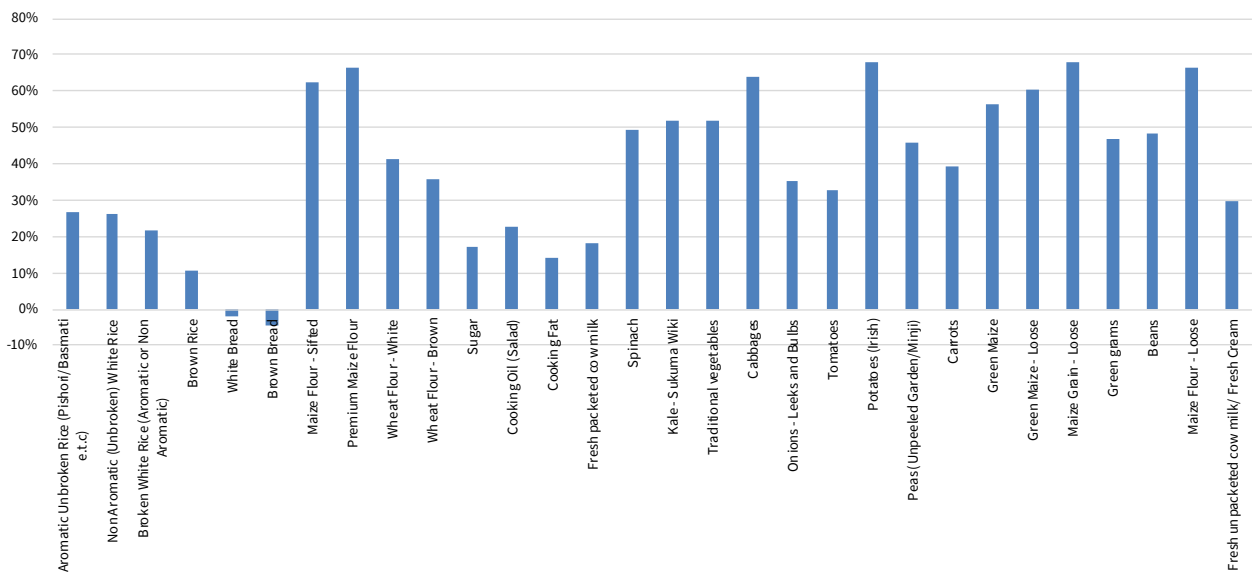


Figure 3b: Balance of opinion on expected price changes in the next one month for select food items in the core basket (Percent of Respondents)

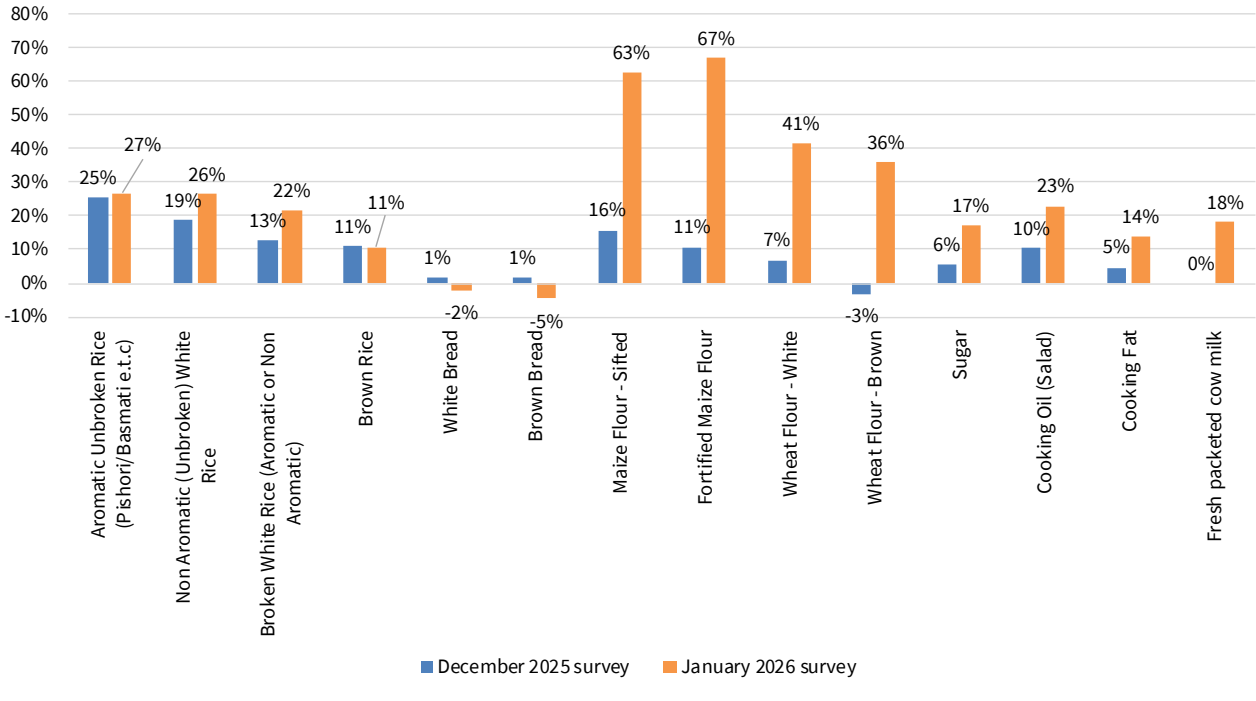
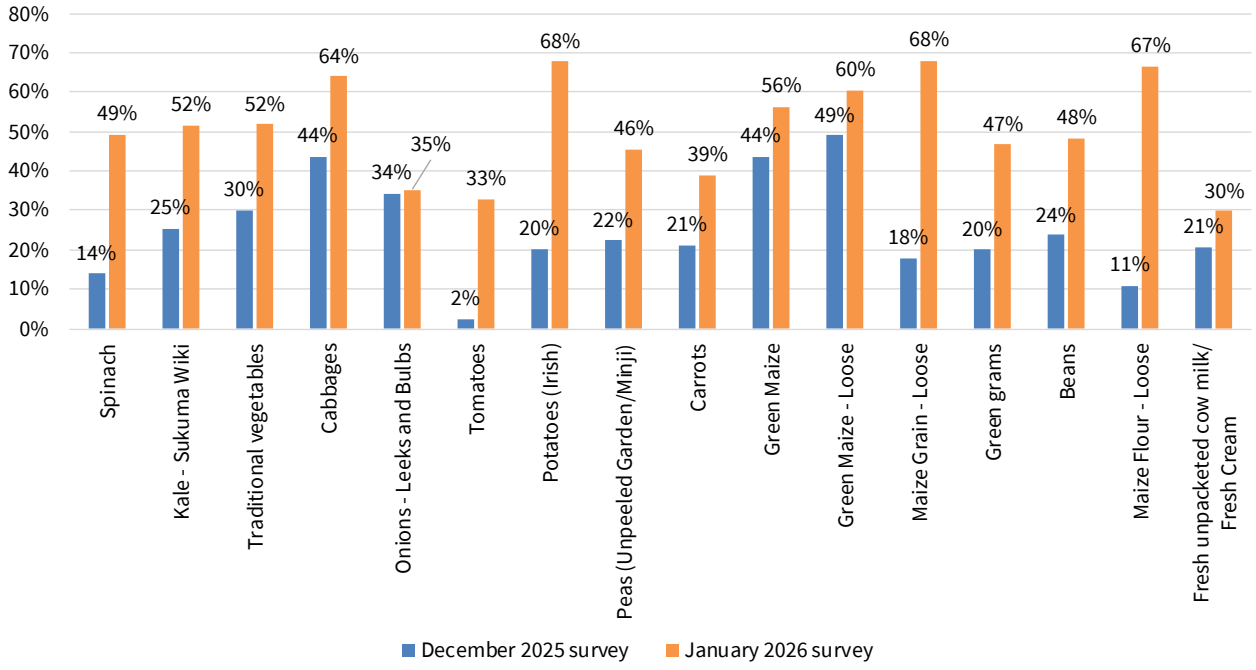
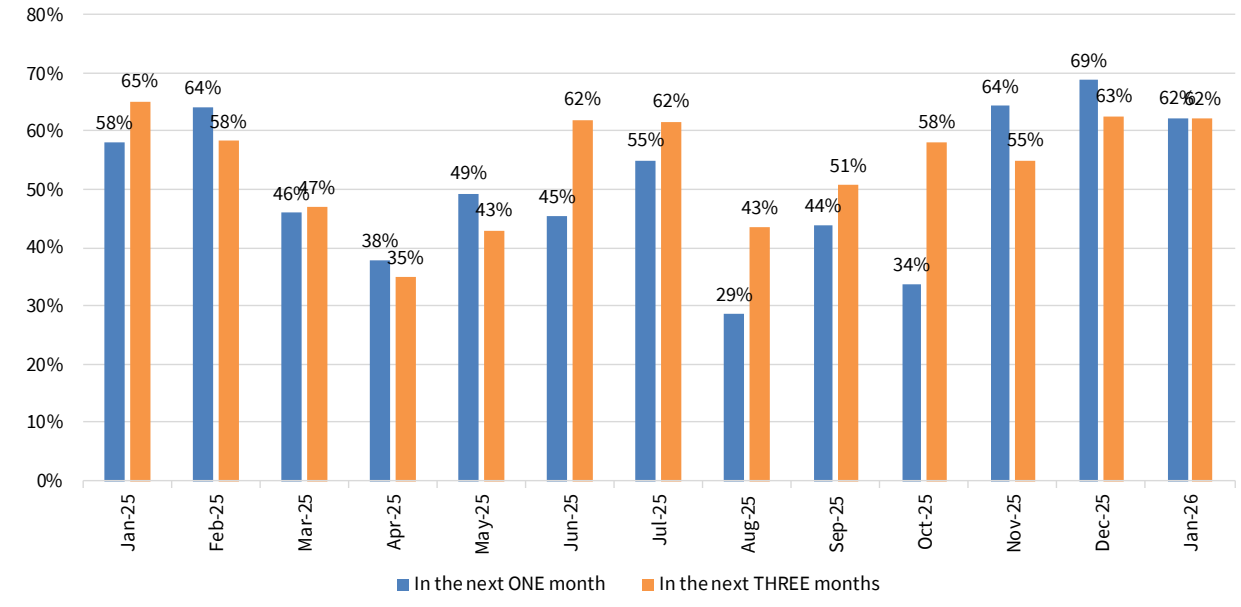


Figure 3c: Balance of opinion on expected price changes in the next one month for select food items in the non-core basket (Percent of Respondents)



The January 2025 survey showed 62 percent sampled respondents expect overall inflation to increase in the next one month (that is, February 2026) compared to 69 percent who expected overall inflation to increase one month ahead in the December 2025 survey. Meanwhile, the proportion expecting overall inflation to increase in the next three months stood at 62 percent in the January 2026 survey compared to 63 percent in the December 2025 survey **(Figure 4)**. Respondents who expected overall inflation to increase one month ahead cited seasonal factors, that is the prevailing sunny and dry weather conditions which could cause scarcity of some food commodities.

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

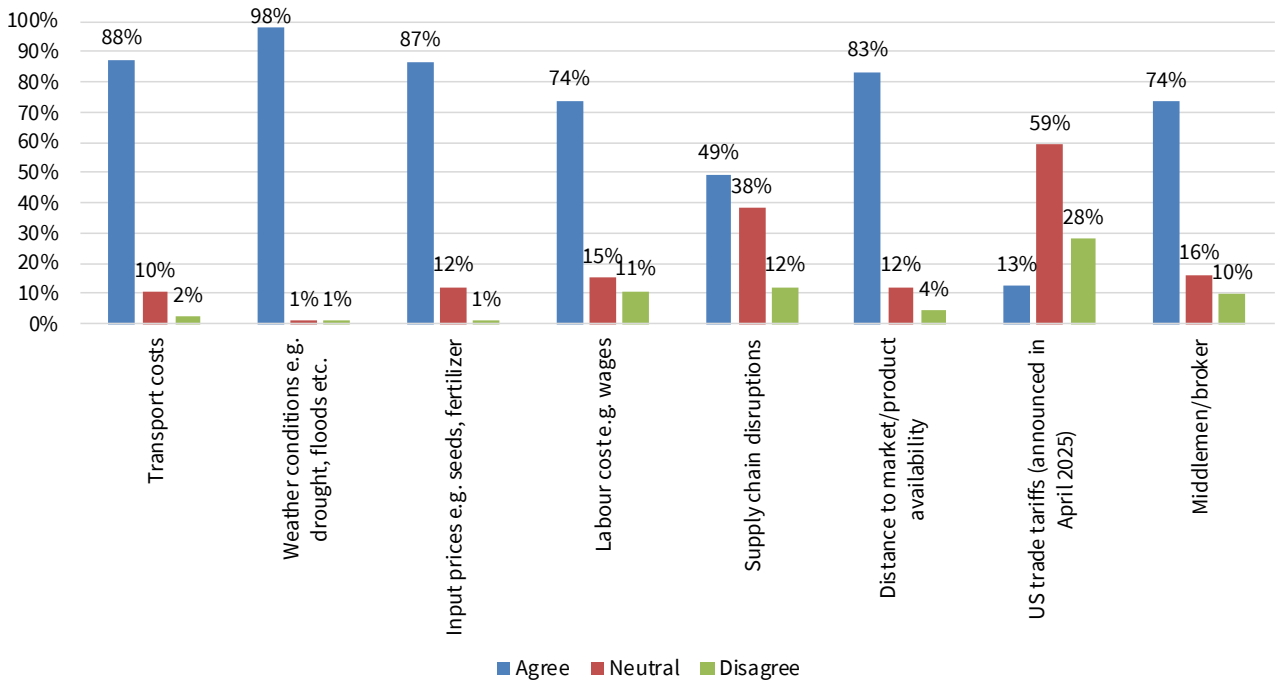


3.3 Factors affecting retail and wholesale prices

Survey findings showed that several factors, both domestic and global, play a significant role in influencing domestic consumer prices. Respondents identified adverse weather conditions (98 percent), input price increases, particularly for seeds and fertilizers (87 percent), and transport costs (88 percent) as important determinants of current price dynamics. Labour costs and price distortions by middlemen were reported by 74 percent of sampled respondents as important factors for consumer prices. However, the role of supply chain disruptions and US tariffs in affecting January 2026 prices were less pronounced as they were reported by only 49 percent and 13 percent of the sampled respondents, respectively.

Distance to markets/product availability was reported by 83 percent of respondents as an important factor driving consumer prices, reflecting the role of commodity scarcity/shortages in price determination.

Figure 5: Factors Affecting Retail Prices Reported in January 2026 Survey (Percent of Respondents)

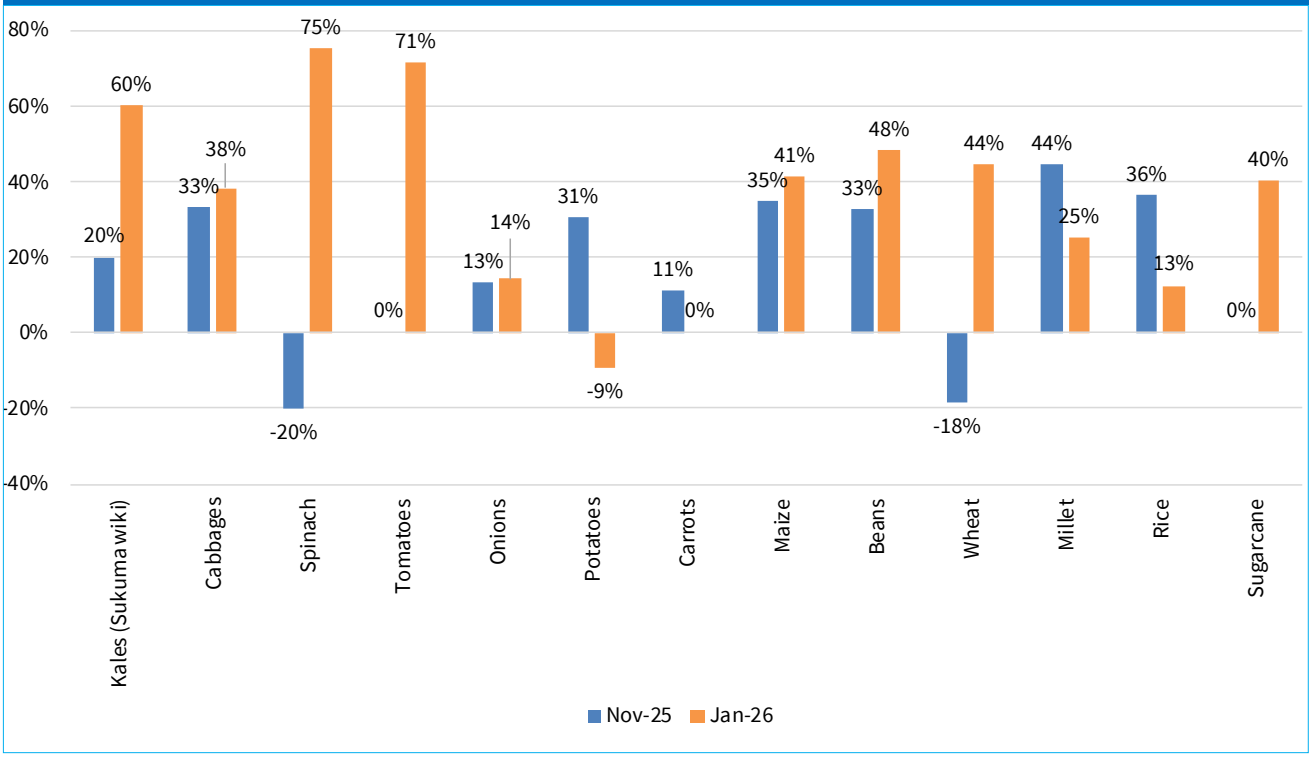


3.4 Analysis of output

3.4.1 Acreage Expectations in the Long Rains Season

Farmers' expectations for the upcoming long rains season point to expectations for increased acreage, in general, for key food crops as survey responses indicate desire for potentially higher cultivated area compared with the November 2025 expectations. The strongest expected increases are observed for spinach (75 percent) and tomatoes (71 percent), reflecting possible improvements in weather and market conditions, and possibly the anticipated profitability. Significant acreage expansion is also expected with respect to kales (Sukuma wiki) (60 percent), maize (41 percent), and beans (48 percent) suggesting rising confidence in staple crop demand and improved input availability, given that thereported proportions are based on the BOO and hence are in net terms. By contrast, intentions to reduce acreage and possible reallocation of cultivated land to other farming activity was reported with respect to potatoes (–9 percent), likely pointing to expected lower returns due to concerns about weather and relative price disincentives. Overall, survey findings signaled that farmers expected notable expansions in acreage for most crops, implying a potential increase in aggregate output in the forthcoming planting season. Additionally, the expected expansion in acreage indicates a possible strengthening of staple food supply in the upcoming season, with positive implications for farmers' incomes, food security and reduced import dependence.

Figure 6a: Balance of opinion on expected acreage for select crops (Percent of Respondents)



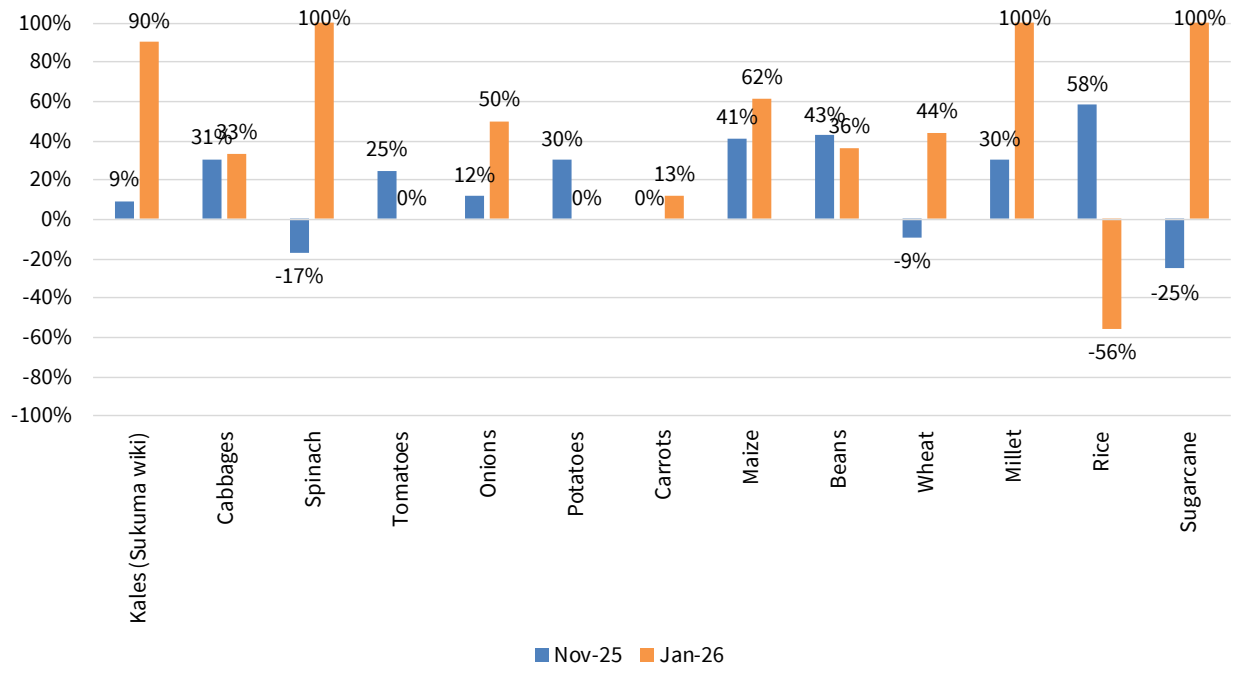
3.4.2 Output Expectations for the Long Rains Season

Farmers' output expectations for the long rains season point to a general improvement, with opinions tilted towards substantial anticipated improvements across most crops, including key cereals. The most pronounced optimism is observed for spinach, millet, and sugarcane, where all surveyed respondents expect higher output, alongside strong expectations for kales (90 percent), onions (50 percent), and maize (62 percent). Positive expectations for beans (36 percent) and cabbages (33 percent) further signal confidence in improved yields. By contrast, output expectations for rice (–56 percent) suggest possible reduction in rice output largely driven by concerns about weather conditions.

Overall, the survey results imply a favorable near term outlook for aggregate food production, with expected gains concentrated in selected crops, likely reflecting better rainfall prospects, increased planned acreage, and expectations that the farmers will have access to high quality and affordable inputs, particularly seeds and fertilizer. However, downside risks could prevent these expectations from translating into higher realized output. These include weather related shocks—highlighted by farmers as a major uncertainty—which could significantly curtail yields despite expanded acreage.

There are potential implications of improved optimism on acreage and output in the long rains season. Positive prospects arising from expanded acreage and strong output expectations in horticulture and maize point to improved near term food supply, conditional on seasonal rains and input availability. Additionally, anticipated increased supply of fresh farm produce could soften farm gate prices, while constrained acreage/output in wheat and rice may keep their prices elevated.

Figure 6b: Balance of opinion on expected output for select crops (Percent of Respondents)



3.5 Expected performance of the agriculture sector and the overall economy

Respondents were asked to state how they expect the agriculture sector to perform in the next three months as well as one year ahead. That is, whether they expect the sector's performance to remain unchanged, to improve or to worsen. In recent surveys, the proportion of sampled respondents optimistic about agriculture sector prospects has remained high. Analysis of January 2026 survey response data shows about 65 percent and 82 percent of the sampled respondents expect the performance of the agriculture sector to improve in the next three months and as well as one year ahead, respectively. The relatively modest optimism three months ahead compared to the November 2025 survey largely reflect respondents' concerns regarding the October – December 2025 poor rainfall outcomes in some regions and the fact that the first quarter of the year tends to be climatologically dry. Despite these concerns, the proportion of optimistic respondents remained relatively high over one year ahead, suggesting most farmers remain optimistic about the March - May 2026 long rain season **(Figure 7a)**.

Additionaly, respondents continued to underscore the potential of the sector in view of the adoption of new farming methods such as smart agriculture and the growing interest by investors in the agriculture sector.

The survey also sought respondents' expectations about the overall performance of the economy, in terms of GDP growth prospects in the next three months and one year ahead. Results of the January 2026 survey showed that optimism remained high with 65 percent and 69 percent of the respondents, expecting an improvement in the overall economic performance in the next three months and one year ahead, respectively **(Figure 7b).** The optimism was largely informed by the positive expectations about the performance of the agriculture sector, which has strong linkages with other sectors of the economy, particularly manufacturing through agro-processing, wholesale and retail trade and transport and storage. It was also informed by the expectation that government interventions aimed at boosting productivity in agriculture would be sustained.

Figure 7a: Proportion of Sampled Respondents Optimistic about Agriculture Sector Performance (Percent of Respondents)

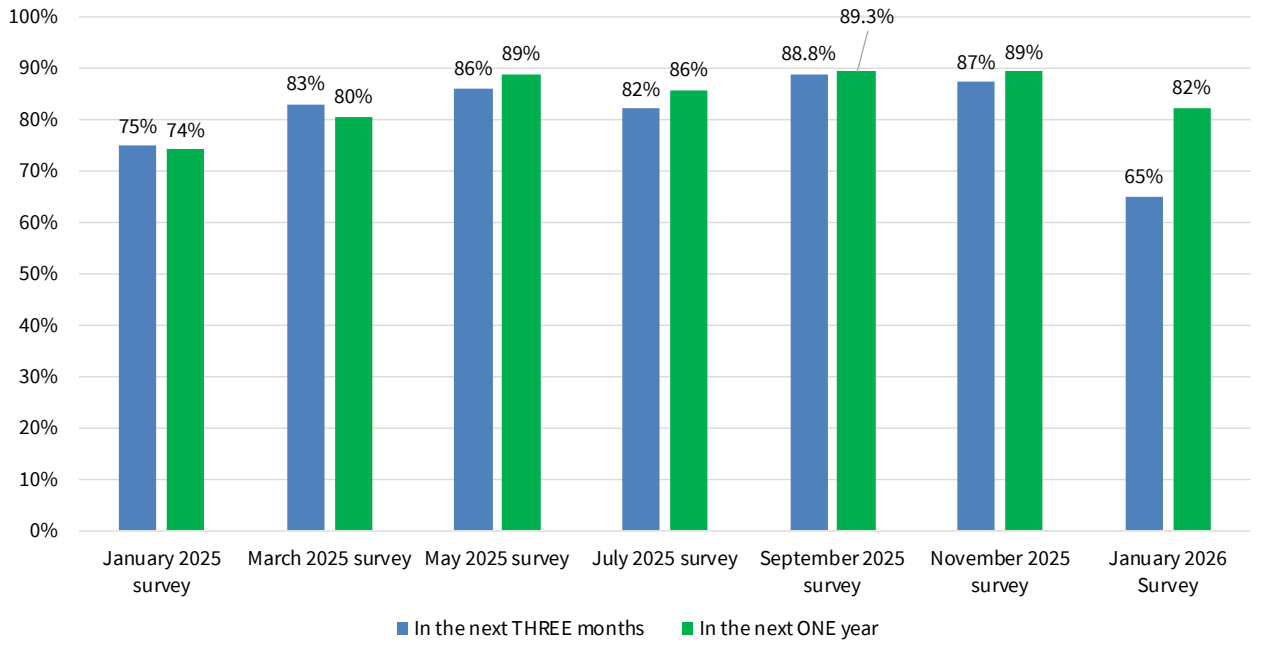
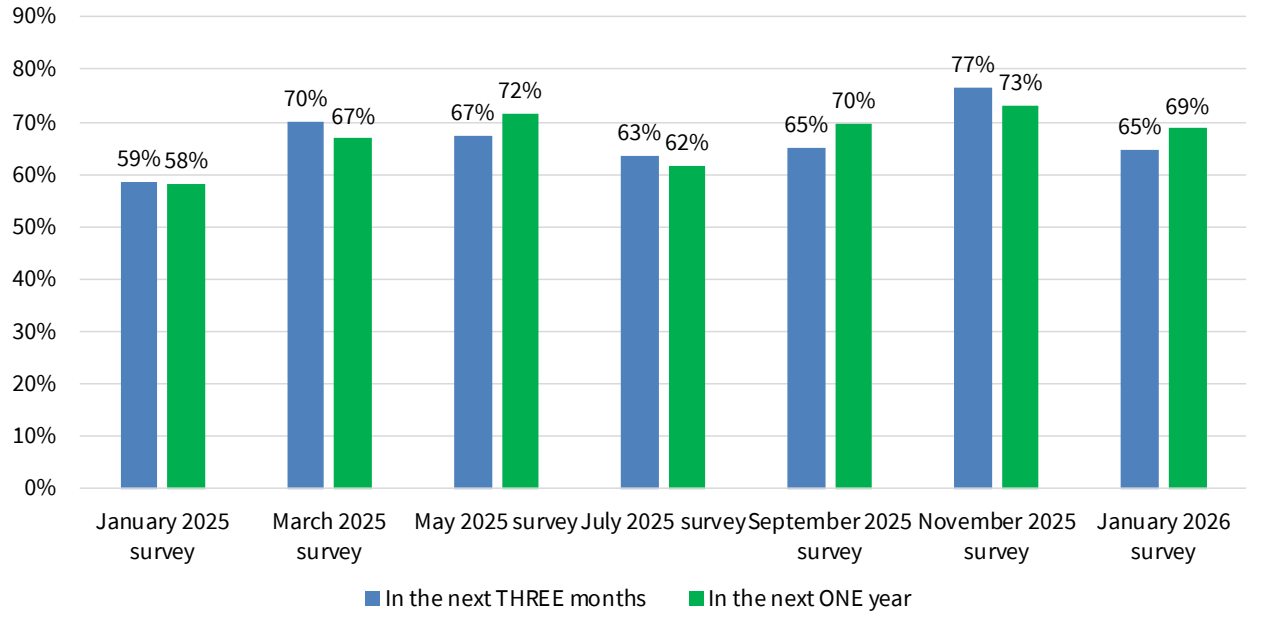


Figure 7b: Optimism about GDP Growth Prospects (Percent of Respondents)

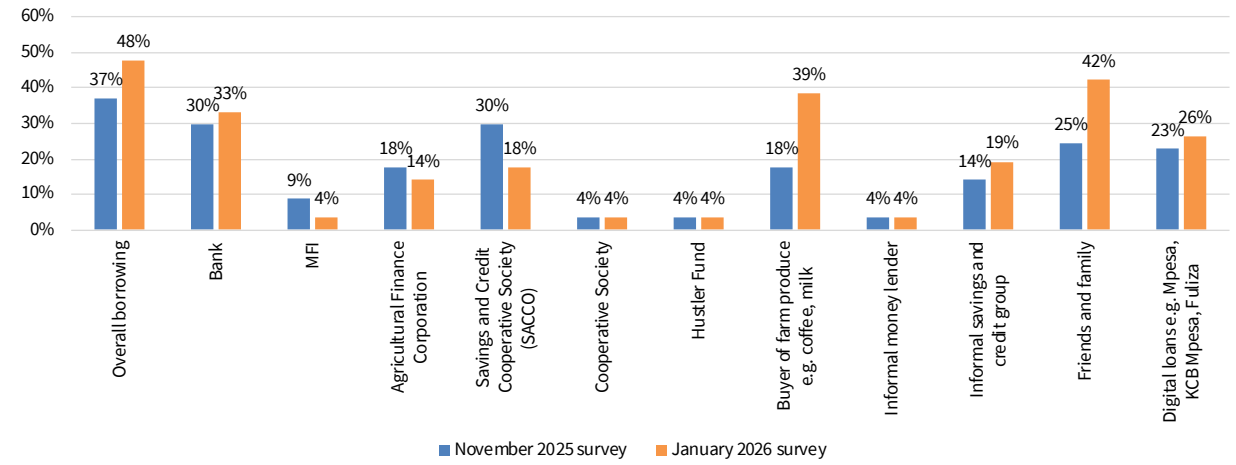


3.6 Access to credit facilities in agriculture

The proportion of farmers who reported to have borrowed to finance farming picked up further to 48 percent in January 2026 compared to 37 percent in November 2025. Borrowing from friends and family was reported by 42 percent of sampled farmers in January 2026 compared to 25 percent in November 2025, while the proportion of those who reported to have accessed digital loans increased further to 26 percent compared to 23 percent in November 2025. The proprotion that accessed bank loans increased by 33 percent in January 2026 compared with 30 percent in November 2025.

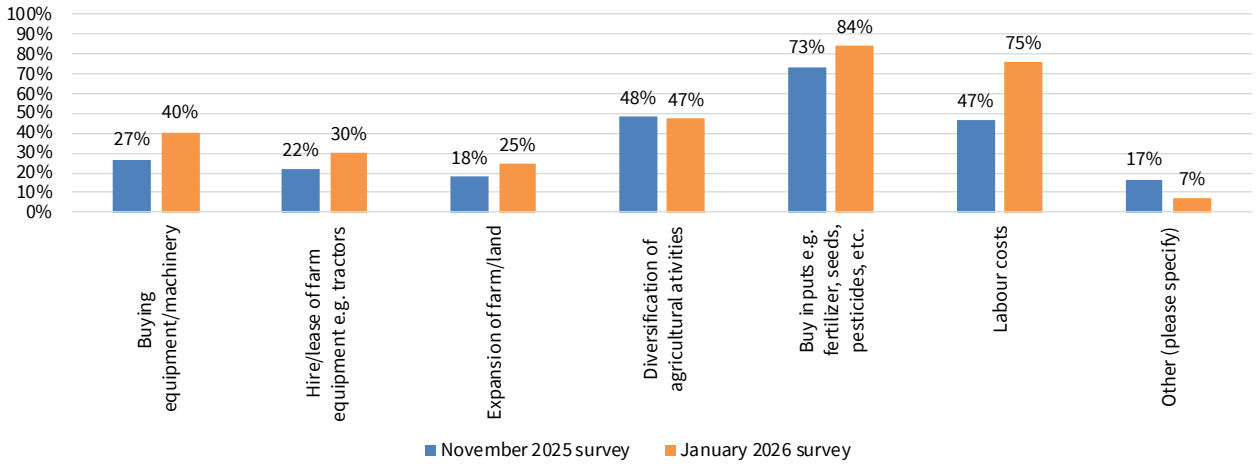
Reported borrowing from Savings and Credit Cooperatives (SACCOs) was 18 percent of the sampled farmers in January 2026 compared to 30 percent in November 2025 **(Figure 8)**. The sustained monetary policy easing by the CBK has resulted in relatively lower lending rates and this may explain the continued uptick in borrowing from banks.

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



Consistent with previous findings, trends in use of credit for various farming activities show that farmers typically borrow to purchase farm inputs, with the proportion having borrowed for this purpose increasing by 84 percent in January 2026 from 73 percent in November 2025 **(Figure 9)**. The proportion reporting using agricultural loans to meet labor costs also picked up to 75 percent in January 2026 from 47 percent in November 2025.

Figure 9: Purpose of agricultural loans (Percent of Respondents)



5. CONCLUSION AND POLICY RECOMMENDATIONS

This agriculture sector survey report summarizes findings from the survey conducted from January 19-23, 2026. 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 from sampled farms, factors affecting agricultural production, access to farm inputs and credit facilities as well as proposals on how to improve agricultural production.

The survey drew 320 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.

The survey sought farmers' views on what should be done to increase production in the agriculture sector. The views/suggestions gathered in January 2026 were like those obtained in previous surveys and included the need for high quality and certified farm inputs such as seeds, herbicides, pesticides and farm machinery; making farm inputs affordable and accessible; and timely provision of farm inputs such as fertilizer. They also underscored the importance of supporting farmers with different services such as tractor services, reduced interest on farm loans; extension officers for professional advice, to educate farmers on proper land preparation and on proper use of pesticides. Other suggestions include the need to establish yards/holding centres for fertilizers nearer to farmers to ease access; improve road infrastructure, reduce cost of fuel, provide water for irrigation and eliminating middlemen and brokers as they benefit off the farmer.

The policy recommendations draw from farmers' views and suggestions and based on the findings of the January 2026 survey are similar to those indicated in previous survey reports. The government should continue the farm input subsidy program, enhance irrigation, continue to expand and improve road infrastructure, particularly rural access roads and continue stabilizing fuel prices. In addition, the government should ensure extension officers are available on a timely basis to provide professional advice and educate farmers on the best farming methods.

ANNEXES

Figure 10: Main water source for farming in January 2026 (Percent of Respondents)

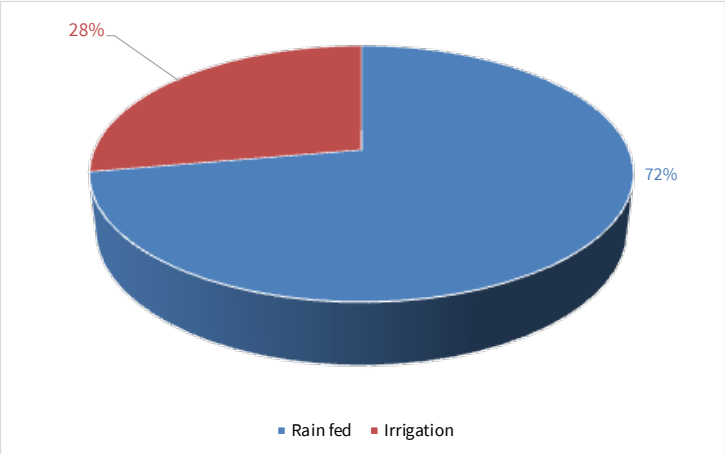


Figure 11: Access to Subsidized Fertilizer (Percent of Respondents)

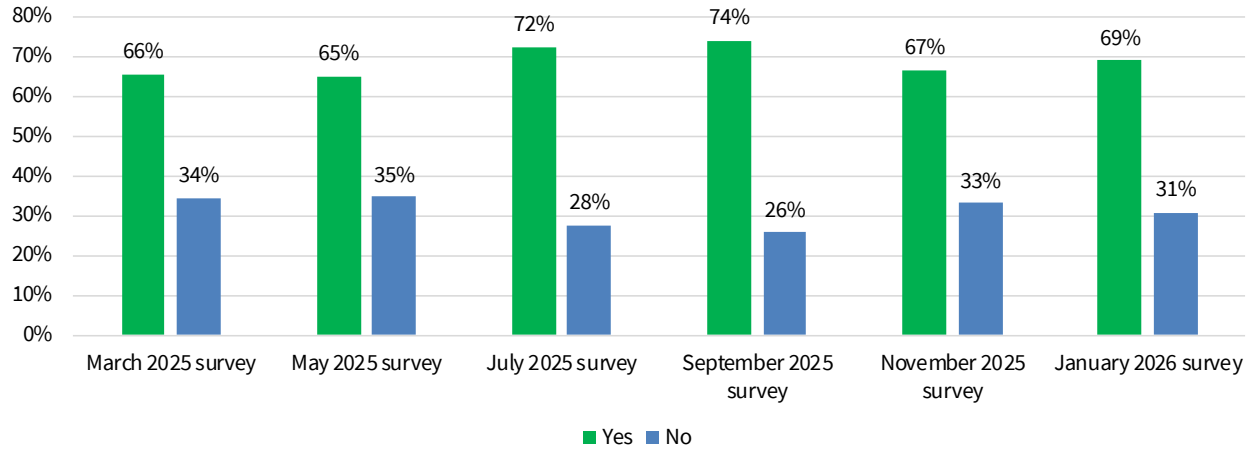
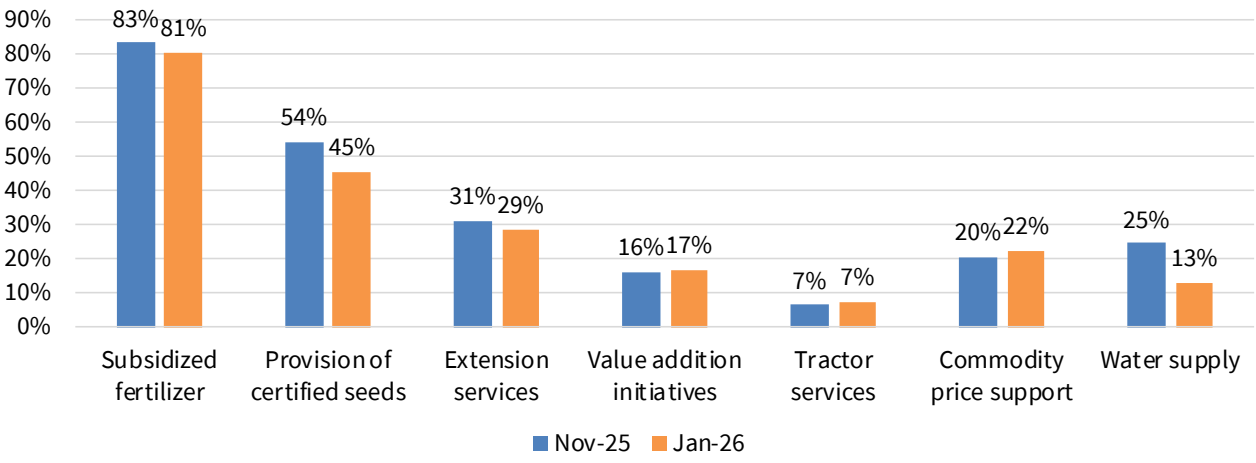


Figure 12: Government interventions reported as most critical for agricultural production in January 2026 survey (Percent of Respondents)



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