Title: STATUS OF COMMERCIAL FORESTRY IN KENYA

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OVERVIEW OF COMMERCIAL FORESTRY SECTOR

- Forestry sector contributes 3.6% to the GDP estimated annual turnover US$ 785,440,000 (KES 78.5 billion)
- The land categories include; community, public, private and farms.
- Several goods and services and various economic sectors
- Players are; farmers, companies, social investors,
- saw millers, wood preservers, food processors
- By 2020 supply deficit of 10.3 million m^3.
- Potential for 200,000 Ha US$50 million (KES 5 billion), 11,000 skilled jobs and turnover US$261 million (KES 26.1B
- Private sector brings in the desired land, financial capital and operational efficiency
- Driver good policies, laws, technical support and good prices

COMMERCIAL FORESTRY PLAYERS AND RESOURCES

- Community woodlands 24,510,000 hectares in the ASALs,
- Farm and private 10,385,000Ha agricultural landscapes
- Public plantations estimated at 125,000 hectares.
- Membership growers association (TGAs) estimated at 10,000.
- Public plantations in 1995 165,000 to 125,000 Ha in 2019
- Farms expanded 48.12% from 1990 to 2010, private (1.1%)
- Biomass dominated by tea estates and KTDA
- Potential forestland concessions under PPP Act of 2013
- Social investors; KOMAZA Ltd, Better Globe Ltd (BGF), One Acre
- Emergence of bamboo production with many players; APC-Kilifi, Green Pot Ltd Kitili Farm Bidco, Eco-Pole Ltd

COMMERCIAL FORESTRY PLAYERS AND RESOURCES

- Sawmilling the most developed and largest - 633 sawmills
- Categories large (30) medium (65) and small (538)
- Small saw millers (Cheboiwo, 2012).
- Technologies power saws, bench/band/gang saws and woodmizers
- In 2010 the combined sawmill production was 400,000m3
- Employed 50,000 directly and others 300, 000 people in various operations
- Saw milling have sufficient installed capacity for country's needs but shortage of wood and frequent logging bans

STATUS OF RECONSTITUTED WOOD SECTOR

- Dominated by three industrial complexes; Rai Ply, Comply, and Timsales
- Logging, transportation and processing 200,000–250,000m^3 annually
- Plywood and board products, HDF laminated, MDF, formica, furniture
- Pan African Paper Mill (PPM) at Webuye annual intake of 500,000m3 and 250,000m^3 of firewood mostly from farms, collapsed in 2009.
- The other 13 companies recycled paper as part of country circular economy mostly in Nairobi and Eldoret
- Emerging SMEs using Chinese technology to process plywood from small logs

STATUS OF WOODWORKS AND FURNITURE SECTOR

- Most diversified support 160,000 self-employed or with 5-10 employees and consume 77,672 m3 of timber per year
- In 2013 was worth US$496 with imports accounting for 13% of total market or KES 6.6 billion (US$66 million)
- Exports stood at KES 2.2 billion (US$22 million)
- Kenya is largest market and producer of furniture in East Africa
- Kenya well placed expand sales local and regional markets
- Two Truss rafters' Units; Trussed Rafters Development Unit on Ngong Road and H-TES, Mombasa Road
- Economic Housing Group (EHG) of Naivasha and Timsales of Elburgon.
- Brick and stone houses and shortage of high grade timber are key impediments.

STATUS OF WOODEN TRANSMISSION POLE SECTOR

- Use of wooden poles in power transmission dates back to 1922 with formation of KPLC
- Recorded fastest growth 2 plant in 2004 and over 65 in 2020 processing 160,000 to over 2 million poles per year
- Wooden pole imports from Tanzania and Uganda 25,000 poles per year.
- Unpredictable demand for synchronizing chemical imports and treatment cycles
- Challenges of seasoning and chemical penetration and chemical content
- Producers of poles are mostly farmers woodlots and private estates

STATUS OF BIOMASS ENERGY SECTOR

- Largest businesses in firewood and charcoal products
- Per capita 742kgs annual equivalent 34.3 million MT
- Requires 538,000 hectares of productive land per year
- Employs 200, 000 producers, 700,000 market value chains and 2 million dependents.
- GMM for charcoal growers 19.3%, merchants (48.5%) and vendors (32.2%) of consumer price
- KTDA and KTGA firewood consumption 1.8 million m3 valued at KES 4 billion.
- The biomass is equal to 11.6 million MT of coal calorific imports worth KES 105.8 billion more by KES 30 billion
- The key players landowners, charcoal burners, merchants, KTDA KTGA, Homalime, and Kakuzi Ltd, oil manufacturer Cummings in Baringo

STATUS OF WOOD CARVING SECTOR

- Critical employment sector in key urban areas
- Species preference *Dalbergia melanoxylon* (mpingo) *Terminalia brownii* , *Afzelia quanzenis, Jacaranda mimosifolia* most scarcity
- From farms, woodlands, public forests and imports from Tanzania.
- Declined due to global economic recess and fall in tourism sector
- Need reliable wood supplies from woodlots and plantations
- Challenges with green markets requirements and cost certification

STATUS OF NON-TIMBER FORESTRY PRODUCTS

- Products from fruits, leaves, bark, gums and resins
- Key are gums potential 3,000 MT and resins 3,500 MT per year turnover KES 36 million ($3.6 million) per year.
- Prunus bark 250MT tonnes valued at KES 1.4 billion (USD $17 million) annually before ban in 2003.
- Others are herbal herbs, sandalwood oils, Baobab products, tamarinds, tannins. Aloe gum and Aloe gums.
- Scarce resource base

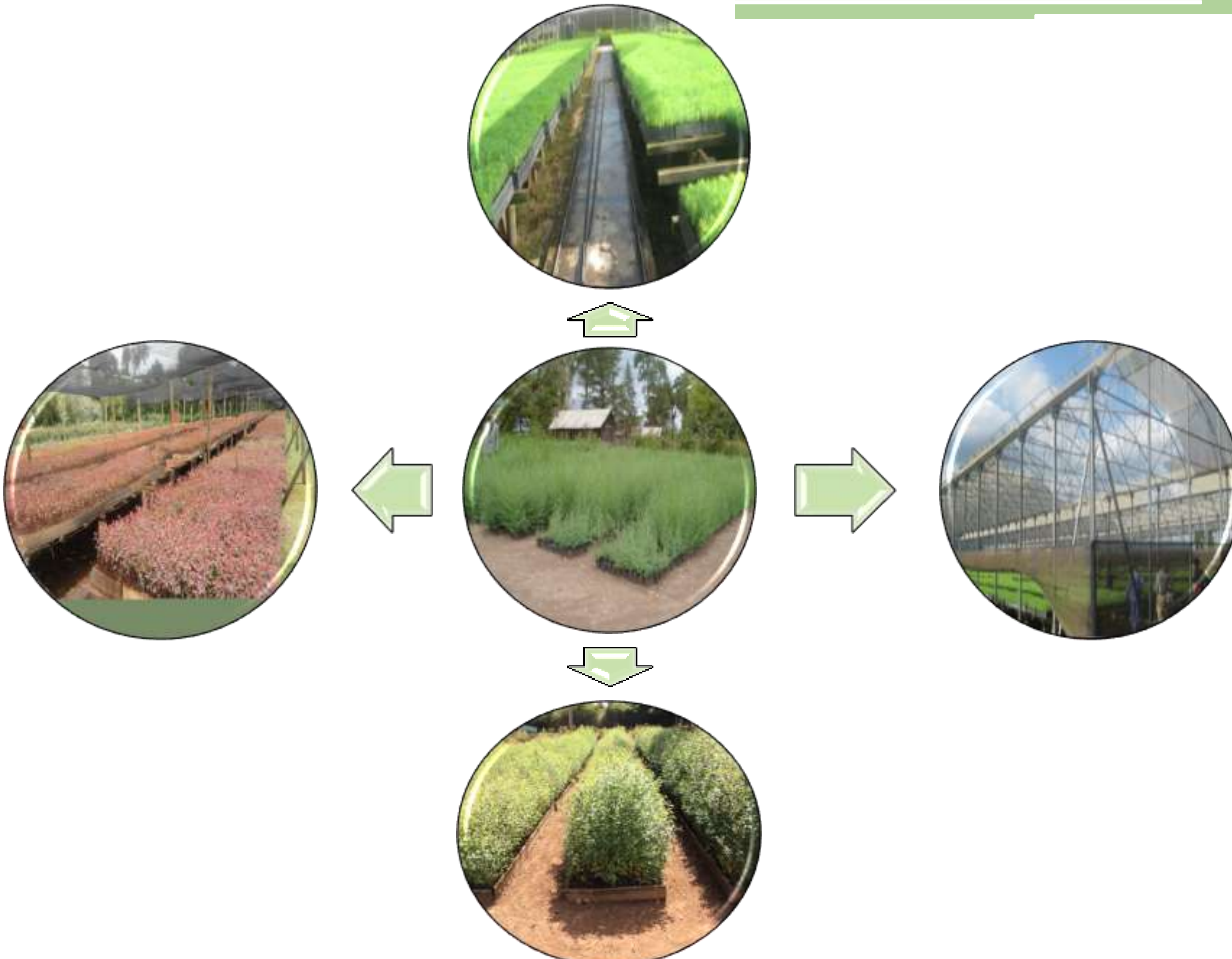
STATUS OF ENTRY AND BUSINESS BARRIERS

- Farm trees have many deformities, animal damages, nail wounds high rejection and discounted prices
- High transport costs up to 60% of factory price
- Viability of forest versus agricultural activities
- Legal and policy compliances permits, movement time, many fees
- Many players in the market value chains that share consumer price
- Many legal and illegal taxations and fees
- Policy and legal challenges permits, logging bans
- Price distortion by public logs and imports from from Tanzania and Uganda with lower costs

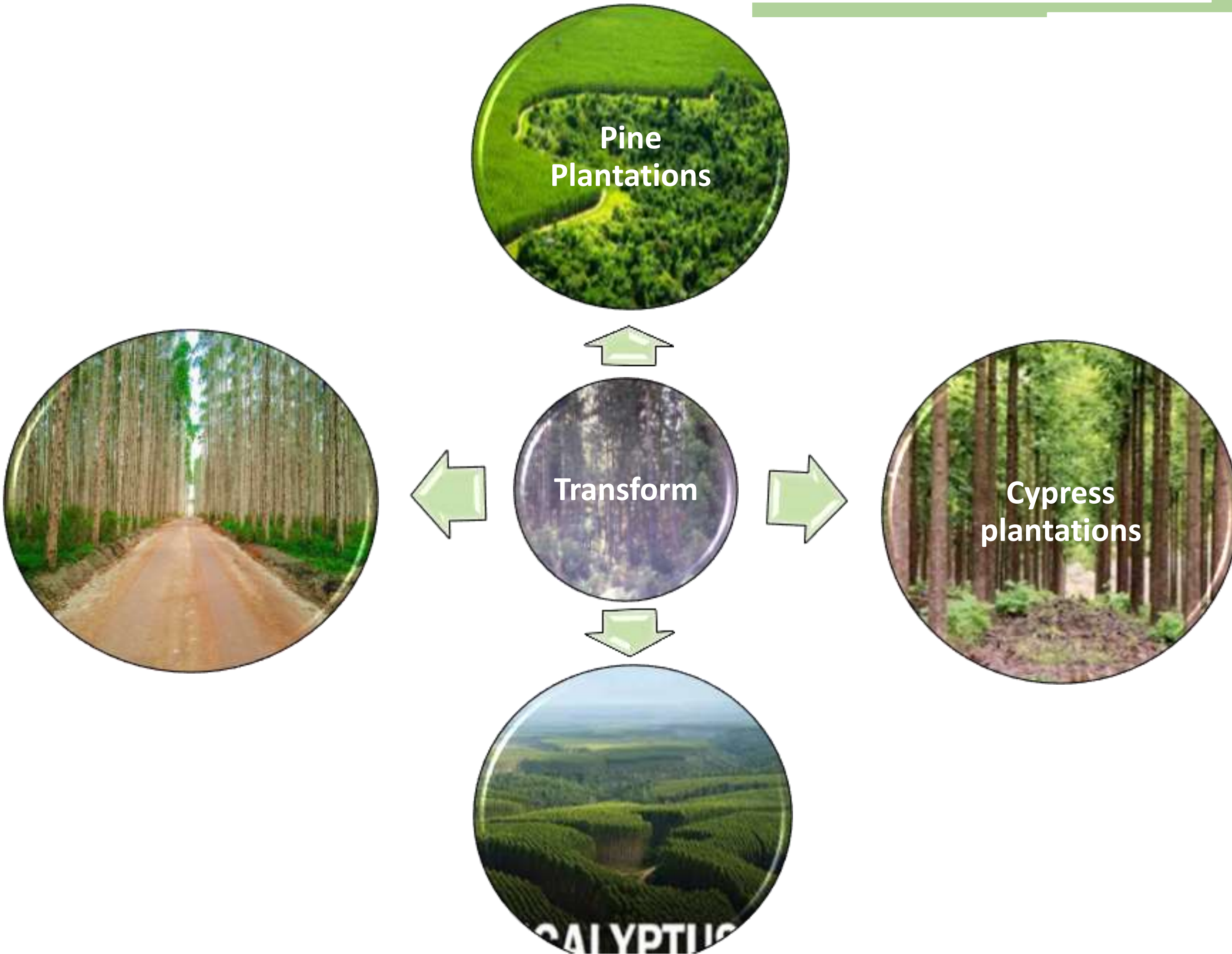
STATUS POLICY AND LEGAL ENVIRONMENT

- The Forestry sector has enacted transformative policies and laws to promote commercial forests
- Positive policy objectives and legal clauses facilitate investments, certification, authentication
- Repealed Forest Act 2005,
- National Forestry Programme (2016-2030),
- Evolving Draft National Forest Policy (2005-2021),
- Forest Conservation and Management Act 2016 and
- National 10% Tree Cover Strategy 2019.
- Forests (Charcoal) Rules, 2009
- Community Land Act No 27 of 2016 provides several clauses to transfer tenure and user rights to various entities
- Public Private Partnerships Act, 2013 and Policy 2014

TRANSFORMING SEEDLING PRODUCTION



PLANTATION FOREST TRANSFORMATION



SAW MILLING SECTOR

BAMBOO SECTOR

Tree improvement: Orchards, seed stands and clones

Reclaiming Prosopis invaded areas: from 2007

Degraded lands are predisposed to invasions

Oysris Seedling production

- Propagation of Oysris is problematic
- Promotion for farmers planting through field days, open day, ASK Shows, demo plots, etc.
- Screening of various host plants already established

Gmelina aborea spp- Seed stand, Nyandiwa Siaya County

THANKS

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