

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Kenya

**Post:** Nairobi

### Kenyan Snack-Foods Market

**Report Categories:**

Product Brief

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**Report Highlights:**

Kenyans increase their snack-food consumption year-over-year at a current rate of growth greater than the growth in population, a trend likely to continue as more Kenyans attain “middle class” status and as retailers increase the variety and accessibility of snack-food offerings. Kenyan snack-food imports, as a percent of total snack-food consumption, are growing at an even faster pace.

## **General Information:**

The snack-foods considered in this report include:

- chocolate confectionery;
- sugar confectionery;
- gum; and,
- sweet and savory snacks (fruit snacks, chips/crisps, extruded snacks, tortilla/corn chips, popcorn, pretzels, nuts, and other sweet & savory snacks).

According to *Euromonitor International data*, the retail sales for snack-foods in Kenya increased at an average annual growth rate of eight percent, rising from \$34.2 million in calendar year (CY) 2005, to \$44.4 million during CY 2010.

However, *Euromonitor* indicates that the growth in this market will likely slow during the next five years (CY2011-2015) due to changing consumer tastes and continued inflationary pressure on consumer disposable incomes.

Chocolate confectionery remained the largest segment of the snack-foods market, as noted in the graph here below.

### **Chocolate Confectionery**

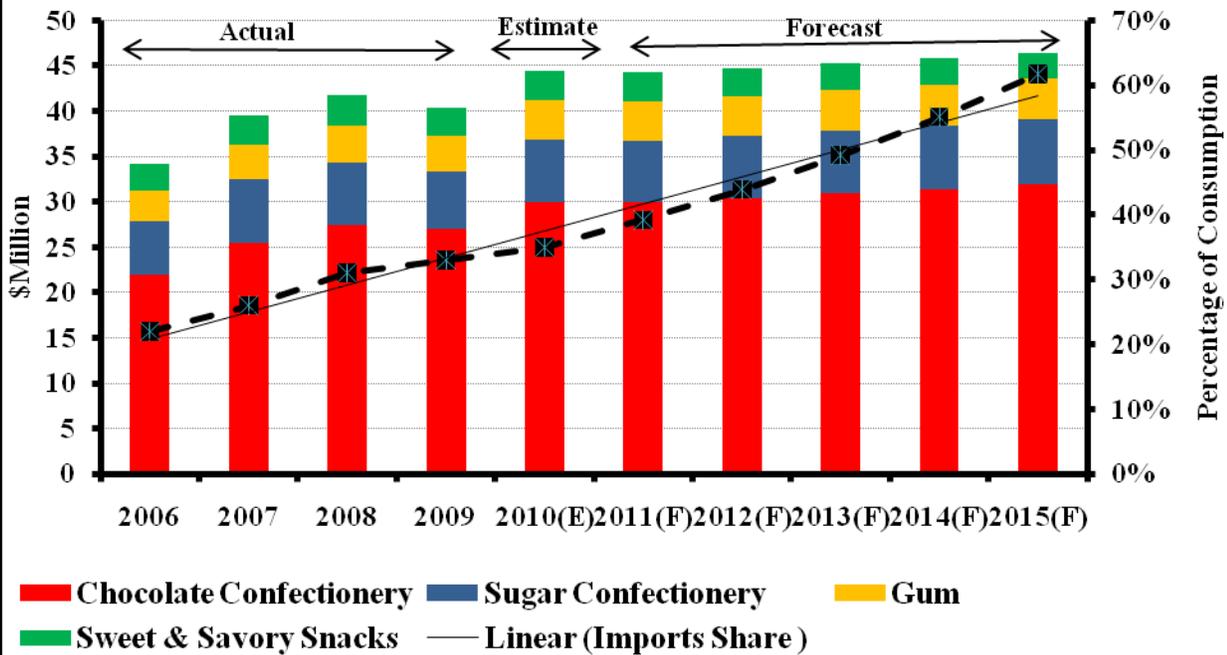
Kenyans prefer chocolate bars that contain relatively high levels of milk and sugar (chocolate). During the five year period noted in the graph to follow, Kenyans consumed an average of eight percent more chocolate per year, reaching about \$30 million in CY2010. On a per capita basis, that comes to just less than \$1.00 per person spent on chocolate per year.

While it appears that the per capita chocolate spending has great upside potential, *Euromonitor International* projects that sales during the next five year period will increase less than the population growth rate, achieving only a 1.5 percent per annum growth rate. *Euromonitor International* suggests that Kenyan consumers will reduce their overall consumption of high-sugar, high-caloric snacks.

### **Sugar Confectionery and Gum Sales**

Consistent with the forecasts regarding chocolate confection, Kenyans will likely reduce their per capita consumption of sugar confections and sugared gum during the CY2011-through-CY2015 period leading to an approximate one percent per annum growth rate in these two sectors.

### Kenya 's Consumption of Snack-Foods and Imports as a Percent of Consumption, 2006-2015



Sources: Euromonitor International for consumption; GTA; and FAS/Nairobi for imports

#### Snack-Food Imports

Kenya's snack-food imports, as a share of the total snack-food consumption, have grown on average 12 percent a year from CY2006 through CY2010. Applying this average annual growth rate for snack-food imports to forecast imports for the next five years (CY2011-2015), by the end of CY2015 the import share will have reached 62 percent or about twice the CY2006 level.

Some analysts point to the relatively high costs of starting and doing business in Kenya for Kenya's increasing dependence on snack-food imports. Parsing the import data, it appears that Kenyan importers source 30 percent of their snack-food products from Europe, 28 percent from Egypt and 11 percent from India. U.S. snack foods account for less than one percent of the current market.