

# CATEGORY AFFORDABLE NUTRITION



## CATEGORY CONTEXT

According to the 2024 'State of Food Security and Nutrition in the World (SOFI)' report, in 2022, 79% of Kenyans were unable to afford a healthy diet, with wealthier households being more likely to meet dietary recommendations.<sup>1,2</sup> Convenient, affordable and shelf-stable packaged processed products are playing an increasing role in consumers' diets in Kenya.<sup>3</sup>

To mitigate the possible negative impact of those packaged processed products high in fats, salt and sugar on public health, it is imperative that 'healthier' varieties are priced affordably for all consumers. Access and availability of affordable, nutritious food is particularly key for low-income consumers, who spend a higher proportion of their budgets on food.

## FINDINGS

Of the 12 companies assessed, three Kenya-headquartered companies—Bidco, New KCC, and Capwell—market their products as both affordable and healthy or nutritious, but have not published a nutrition strategy describing criteria or targets for products to be considered affordable, healthy or nutritious. Kapa Oil states that its products are affordable on its website, without linking this specifically with healthiness.

Two companies were found to quantitatively track the affordability of their products without incorporating nutrition criteria into their analysis. Kapa Oil shared evidence with ATNi that it tracks the pricing of its products sold in different Kenyan supermarkets relative to competitors. Flora FG measured affordability by tracking the "percentage of people from lower socio-economic groups reached with our products" using household penetration data from Kenya.

Nestlé was found to have a policy addressing the affordability of its 'healthy' products—Popularly Positioned Products (PPP)—in emerging markets, including Kenya. The PPP applies to products in specific categories that:

1. Meet the criteria of the Nestlé NPM; and
2. Are affordable to low-income consumers who have a daily budget of USD 2 to 4.

Nestlé provided *qualitative* examples of affordable 'healthy' products. However, none of the companies assessed shared *quantitative* evidence of tracking the price differential between their 'healthy' and 'less healthy' products. Such data is crucial to ensure that healthier choices are at least as affordable—and ideally more affordable—than less healthy alternatives for low-income consumers.

TABLE 1  
POLICY LANDSCAPE

National Policy or Regulation	Summary
Value Added Tax Act, 2012	Exempts animal produce, and fresh and minimally processed staple foods from VAT to ensure that they remain affordable for the population. <sup>4,5</sup>
Kenya Finance Act, 2024	Doubled excise duty on the manufacturing and importation of sugar confectionary to 85.82 Kenya shillings per kilogram and increased this to 257.55/kg for imported chocolate products. <sup>5</sup> Additionally, Kenya's Ministry of Finance introduced a flat rate of 6.41 Kenya shillings per litre excise tax on non-alcoholic beverages (with or without sugar and sweeteners), in attempt to reduce the consumption of sugary drinks and tackle rising obesity rates and diet-related health issues. <sup>6</sup>
Import taxes	Imported food crops—cereals, legumes, pulses, and roots and tubers—are subject to a levy of 1-2%. <sup>7</sup> In addition, imported fresh and packaged processed goods are subject to the East African Community Common External Tariff rates. <sup>8</sup>

## INDUSTRY RECOMMENDATIONS

To ensure that 'healthier' food & beverage options are as affordable to consumers than 'less healthy' options in Kenya, food & beverage companies are encouraged to:

- Adopt and publish a strategy to ensure that the company offers 'healthier' products that are priced affordably for low-income consumers in Kenya.
  - Align the definition of 'healthier' or 'nutritious' products with the criteria of an NPM, such as the KNPM.
  - Use a formal, Kenya-specific classification of 'low-income consumers' to guide the strategy.
- Measure and report on the price differential between 'healthier' products relative to products that do not meet formal nutrition criteria in Kenya, and work on improving the differential between them.

## POLICY RECOMMENDATIONS

Some fiscal mechanisms exist at the national level to regulate the price of staple foods and packaged processed foods in Kenya, but these are not specifically linked to nutrition outcomes. Policymakers are encouraged to use the outcomes of this research to help develop a roadmap for industry and policymakers outlining measures to incentivize the affordability and consumption of 'healthier' foods relative to 'less healthy' foods.



## REFERENCES

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