STRATEGIC PLAN

KENYA DAIRY BOARD

"Quality milk for health and wealth"

2023 - 2027

VISION

A globally competitive dairy industry

MISION

To facilitate a sustainable dairy industry that meets stakeholder expectations.

CORE VALUES

Professionalism
Integrity
Innovation
Customer Focus
Equity
Environmental Consciousness

FOREWORD

On behalf of the Board and Management of the Kenya Dairy Board, I am pleased to present the Board's Strategic Plan for the period 2023-2027. This Plan is as a result of critical synthesis and integration of the mandate of the Board as envisaged in the Constitution of Kenya 2010, Dairy Industry Act CAP 336, Vision 2030, Fourth Medium Term Expenditure Framework (MTP IV) and the Bottom-up Economic Transformation Agenda (BETA). The development of the new plan was greatly informed by extensive consultations with stakeholders. The Board of management played the pivotal role of guiding and conceptualizing the Vision: The Board shall strive to lead "**a globally competitive dairy industry**" to align it with the aspirations of Vision 2030 and BETA

This Plan is a statement of intent on how KDB will regulate the Dairy Industry for Health and Wealth of the Dairy Value Chain Actors in the country. It identifies the measures of success that will support the delivery of our mission. The Plan also identifies strategic objectives, assesses the Board's strengths, weaknesses, threats and opportunities, culminating into a series of strategic initiatives and detailed tasks that will help us realize our vision and achieve our corporate strategic focus areas. The four corporate strategic focus areas that will drive the Board in the realization of its vision include: dairy industry compliance, industry support for accelerated growth and sustainability, research innovation and learning and institutional capacity. The successful implementation of a strategic plan is dependent on, senior management and other cadre of staff fully embracing it and committing themselves to its attainment. I therefore call on all of us to work together to effectively manage and use Board's resources so that this Plan can be realized. I am confident that we shall effectively tackle any issues that may arise and thus make a visible contribution to the broader MTP III of Vision 2030. As a Board, we are fully committed to implementing the clearly articulated goals in this Plan. We undertake to work with all stakeholders to continuously develop appropriate policies and review of the regulatory regime to meet the needs of all Kenyans. It is this commitment that underpins our new mission: -**" To facilitate a sustainable dairy industry that meets stakeholder expectations"**.

We believe this strategic document will drive the future success of the industry. It will also motivate our stakeholders to coalesce around areas of industry importance, lead to positive change in the provision of research and development and provide value-added services to dairy farmers.

Finally, I take this opportunity to commend all those who gave their invaluable input and more specifically members of staff of the Board who worked tirelessly to make this Strategic Plan a reality.

Sincerely,

GENESIO MUGO
CHAIRMAN
KENYA DAIRY BOARD

PREFACE

I am pleased to present the 5th Strategic Plan of the Kenya Dairy Board (KDB) for the period 2023– 2027. This Strategic Plan is the culmination of an all-inclusive consultative process that involved our staff and other stakeholders. The Plan honours the past challenges, the present and creates the future for the Board. The Plan articulates a comprehensive roadmap for the next five years and outlines the short and medium strategies for the Board. I urge staff to study and internalize the Plan so that we can deliver on the targets set out therein. Going forward, our corporate and individual Performance Contracts as well as resource allocation shall be based on this Plan.

To our stakeholders, this Plan will serve as a yardstick for evaluating our performance as the Dairy Industry regulator. In developing this Plan, the Board considered a number of important documents to ensure that the plan is anchored on the prevailing government policies, national development plans and the law. The most notable were the country's development blueprint - Vision 2030, Constitution of Kenya 2010, Dairy Industry Act Cap 336 and agriculture sector growth and transformation strategy 2019-2029, National Dairy Master Plan, National Dairy Development Plan 2013 and MTP IV. We shall endeavour to ensure that this Strategic Plan is aligned with any policy and legislative changes that may occur within the planning period.

This Plan takes cognisance of both the internal and external environment that the Board operates in. It also incorporated contributions from relevant stakeholders and took into consideration the lessons learnt from the 4th Strategic Plan to develop five corporate strategic focus areas. The focus areas have been translated into a matrix that links our strategic objectives with day-to-day activities that will be undertaken. Successful implementation of this Plan calls for internal transformation in order to enhance efficiency, effectiveness and greater client orientation. Through this process, the Board has identified a set of values that will build the cultural foundation required to align ourselves to the new strategy. I am happy that given the consultative process we went through in developing this strategic plan, there is common understanding, common ownership and common commitment to its implementation. As the CEO, I commit to remain the primary custodian and driver of the implementation process. I shall also keep my staff focused on the intended results and provide an enabling environment for success.

On behalf of the Board, I wish to express my gratitude to all those who participated or supported us as we prepared this Strategic Plan. It was an exacting but nevertheless a fruitful process. I have every confidence that we will deliver on this Strategic Plan and thus make a positive contribution to the economy of this country.

MARGARET R KIBOGY, OGW
MANAGING DIRECTOR
KENYA DAIRY BOARD

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ACRONYMS AND ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
AGPO	-	Access to Government Procurement Opportunities
BPO	-	Business Process Outsourcing
CODAF	-	Cooperative Dairy Farm Model
COMESA	-	Common Market for Eastern and Southern Africa
CSR	-	Corporate Social Responsibility
EAC	-	East African Community
ERP	-	Enterprise Resource Planning
FAO	-	Food and Agricultural Organization
GDP	-	Gross Domestic Product
GMP	-	Good Manufacturing Practices
ICT	-	Information Communication Technology
KASF	-	Kenya Aids Strategy framework
KDB	-	Kenya Dairy Board
KMDP	-	Kenya Market-led Development Programme
KRA	-	Key Results Area
LIS	-	Licensing and Inspection System
MERL		Monitoring, evaluation, reporting and learning
MD	-	Managing Director
MoUs	-	Memorandum of Understanding
MSMES	-	Micro, Small and Medium Enterprises
MTP	-	Medium Term Plan
MTR	-	Mid-Term Review
PBB	-	Programme-Based Budgeting
PESTEL	-	Political, Economic, Social, Technological, Environmental and Legal
PMRS	-	Performance management, reward and sanctions
QBMPS	-	Quality Based Milk Payment System
SDG	-	Sustainable Development Goals
SMEs	-	Small and Medium Enterprises
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
UHC	-	Universal Health Coverage
VAT	-	Value Added Tax

EXECUTIVE SUMMARY

The Strategic Plan of Kenya Dairy Board (KDB) has been developed in cognizance of its mandate as stipulated in the Dairy Industry Act Cap 336, Kenya's Vision 2030 and its attendant Fourth Medium Term Plan (MTP IV), the Bottom-up Economic Transformation Agenda (BETA), Africa 2063 aspirations, Sustainable Development Goals and other prevailing legal and policy documents. The implementation of this Strategic Plan is based on stakeholders' participation, good governance and a professional approach to institutional management.

The Board's mission which is ***"To facilitate a sustainable dairy industry that meets stakeholder expectations"*** and the core values of ***Professionalism, Integrity, Innovation, Customer Focus, Equity and Environmental Consciousness*** *underpin* its vision of ***"A globally competitive dairy industry"***.

The Strategic Plan gives the background, mandate and functions of KDB, the rationale and methodology. The Board has presented its agenda and the challenges in the dynamic environment under which it operates. It also takes cognizance of the importance of linkages and collaborations in the achievement of the set strategic objectives.

The Situational and stakeholders analysis looks at the internal and external factors obtained in the dairy business environment which will influence the operation of the Board during the strategic plan period. It reviews the achievements of the Board, challenges and lessons learnt. It deals with the environmental analysis as they affect KDB. Key stakeholders were also identified and common expectations were analyzed.

During the Plan period, the Board will focus on five (5) Key Results Areas (KRA's):

1. Dairy industry compliance
2. Dairy Production and value addition
3. Market Access
4. Sustainability of the dairy industry.
5. Institutional Capacity

These will be actioned through the following strategic objectives:

1. To create an enabling policy and regulatory environment for the dairy industry
2. To enforce quality and safety requirements of dairy produce
3. To achieve 20% annual growth in production and value addition in the dairy industry.
4. Grow exports by 200 Million liquid milk equivalents annually.
5. Grow consumption of dairy products by 10% annually.
6. To promote climate smart agriculture in the dairy industry to achieve net zero.
7. To enhance research, innovation and learning in the dairy sector.
8. To enhance institutional capacity to provide quality and efficient services to the dairy industry stakeholders.

A strategy implementation matrix has been developed to match the identified key result areas with strategic objectives and appropriate strategies that will enable the Board implements the plan.

Institutional capacity and resource mobilization were analyzed to determine the organizational structure and staffing levels. An appropriate implementation and coordination mechanism has been developed which identifies what the Board must accomplish before, during and post-implementation period. A set of risk factors were identified, and appropriate mitigating factors were recommended. The Plan puts in place monitoring methodologies, evaluation mechanisms and periodic progress reporting frameworks. A midterm review will be undertaken in 2026 and appropriate amendments made at that time. A final evaluation will be done to create the baseline for the next Strategic Plan.

CHAPTER ONE

1. INTRODUCTION

This chapter outlines the importance of strategic planning to Kenya Dairy Board, the policy and legislative environment that contextualizes our strategic planning, a brief history of the Board and the methodology applied in developing this strategic plan.

1.1. Strategy as an Imperative for Organization Planning

Kenya Dairy Board is a state corporation under the Ministry of Agriculture and Livestock Development established in 1958 by an Act of Parliament, the Dairy Industry Act CAP 336 of the Laws of Kenya. The Act provides for the improvement and control of the dairy industry and its products.

Kenya Dairy Board fully appreciates the importance of developing and implementing a well thought out strategic plan to facilitate the realization of our mandate and functions as provided in the Dairy Industry Act Cap 336 and in line with the broad policies and guidelines of the Government. Such a strategy will give us direction and facilitate organizational planning and allocation of resources for optimal productivity, operational efficiency and service provision to stakeholders.

This is the Board's fourth cycle of strategic planning. Effective implementation of the previous strategic plans has enabled the organization to achieve key milestones that have impacted positively on the industry including growth of milk deliveries to dairy business operators from 685.9 million litres in 2019 to 755.3 million litres in 2022.

This Strategic Plan has been formulated to provide strategic direction to the Board for the next five years (2023/2024 – 2027/2028) and specifically to:

a) Establish the Board's priorities and targets;
b) Define the means and approach that will be applied for the realization of our priorities and targets;
c) Provide a framework for resource mobilization and accountability;
d) Ensure the Board's programs and projects are aligned to the national priorities and objectives including Vision 2030 and Bottom-Up Economic Transformation Agenda (BETA); and
e) Provides a framework for effective monitoring and evaluation.

1.2. The Context of Strategic Planning

The development of this strategic plan considered global, regional and national development goals and priorities. The relevant national policies and legislations were also considered.

1.2.1. United Nations 2030 Agenda for Sustainable Development

This Agenda is a plan of action for people, planet and prosperity adopted by all United Nation Member States in 2015. The Agenda has 17 Sustainable Development Goals (SDGs), which are urgent universal call for action by all countries to among others end poverty; stop hunger;

improve health; reduce inequalities; provide affordable and clean energy; protect the planet; and ensure peace and prosperity for all by 2030.

The dairy industry has a role to play in the realization of the SDG goals particularly in generating livelihoods and employment to end poverty; nourishing consumers for health and nutritional wellbeing; reducing gender inequalities by fully mainstreaming women and youth into the dairy value chain; promoting use of clean energy such as biogas and solar; and protecting the environment through reduction of Green Gas House emissions. The activities of the Board to contribute to the SDGs include improving the quality and safety of dairy produce through inspections and surveillances of dairy business operators; consumer education on milk quality and safety; generic campaigns to promote consumption of dairy produce; capacity building of stakeholders including women and youth to enhance productivity and value addition of dairy produce; and promoting adaptation of climate smart technologies and green sources of energy in the dairy value chain.

1.2.2. African Union Agenda 2063

Agenda 2063 is the blueprint and master plan for transforming Africa into a global powerhouse. It sets out the strategic framework for Africa to realize inclusive and sustainable development. The Agenda identifies key Flagship Programmes that can boost Africa's economic growth and development and lead to the rapid transformation of the continent. Implementation of the Flagship Programmes such as the Establishment of The African Continental Free Trade Area (AFCTA) will open up markets for trade of products and services including dairy produce. The African continent is a net importer of dairy produce, valued at USD 103.1 billion (KSh 14.4 trillion) in 2022 by the International Trade Centre. This is an opportunity for the Board to promote exports of dairy produce.

1.2.3. East Africa Community Vision 2050.

The EAC Vision 2050 is a blueprint articulating the desire of the Community to become a prosperous, competitive, secure, stable and politically united region. It envisions that by 2050, the community will transform into an upper-middle income region within a secure and politically united East Africa based on the principles of inclusiveness and accountability. The pillars and enablers for the Vision include infrastructural development to facilitate movement of people and goods; agriculture, food security and rural development based on improved agricultural practices, including mechanisation, irrigation, improved seeds and use of fertilisers; industrialization; and energy and information technology services that are accessible to all citizens.

The EAC is an important market for dairy produce that the Kenya Dairy Board will target to grow exports. Dairy imports by the region in 2022 were estimated by the International Trade Centre at USD 185.2 million (KSh 29.9 billion).

1.2.4. Constitution of Kenya

In exercising its mandate, the Board must adhere to the Constitution including the following specific Articles:

a) Article 6 (3) on access to services;
b) Article 10 (1)(2) on national values and principles of governance;
c) Article 21(3) on the needs of vulnerable groups including women, persons with disabilities, children, youth, members of minority or marginalised communities and members of particular ethnic, religious or cultural communities;
d) Article 35(1) on access to information;
e) Article 46 on the rights of consumers to access goods and services of reasonable quality; information necessary for them to gain full benefit from goods and services; and protection of their health, safety, and economic interests;
f) Article 201 on principles of public finance;
g) Article 227 on procurement of public goods and services.
h) Article 232 on the values and principles of public service.
i) Chapter Six on Leadership and integrity; and
j) The Fourth schedule on allocation of functions between national and county Governments

1.2.5. Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Fourth Medium Term Plan

1.2.5.1. Kenya Vision 2030

Kenya Vision 2030 is the long-term development blueprint for the country. It aims to create "a globally competitive and prosperous country with a high quality of life by 2030". Kenya will be transformed into "a newly-industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment".

Agriculture and Livestock is one of the six priority sectors identified to grow the GDP to 10 per cent per annum. This will be achieved through an innovative, commercially oriented, and modern agriculture and livestock sector. Strategies will be implemented to enhance productivity, production, value addition and market access of agricultural and livestock produce. The Board will promote value addition of high quality and safe dairy produce for the local and export markets. We will support transformation of micro, small and medium scale enterprises (MSMEs) through capacity building, market linkages for co-processing and co-branding of milk and milk products, and technology transfer among others.

1.2.5.2. Fourth Medium Term Plan

The Fourth Medium Term Plan (2023-2027) is the blueprint to implement the second last phase of Kenya Vision 2030. The plan outlines policies, programmes, and projects to be implemented by the government to sustain economic growth; address income inequality; empower youth, women and persons with disabilities; and revitalize all sectors of the economy to generate employment opportunities.

KDB will play its role in implementing MTP IV by doing the following:

a) Facilitate and support expansion of investments in the dairy industry.
b) Support enhancement of dairy productivity through initiatives geared towards promoting sustainable initiatives to increase per capita milk production.
c) Expand intersectoral collaborative efforts between National and County Government aimed at spurring economic growth, promoting trade, improve livelihoods and environmental sustainability.
d) Adapt technological initiatives aimed at reducing the cost of doing business by the dairy business operators.
e) Integrate practices aimed at improving competitiveness and enhancing business productivity in the dairy value chain and
f) Improve the capacity of the Board to render quality services to stakeholder within the appropriate regulatory framework.

1.2.5.3. Bottom-Up Economic Transformation Agenda.

The Bottom-up Economic Transformation Plan 2022-2027 is the commitment of the Government to citizens. The agenda is anchored on five pillars, that is, Agriculture; MSMEs Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.

In agriculture, dairy was selected as one of the key value chains for transformation given its massive potential to impact on the socio-economic welfare of the country including that of millions of smallholder producers. The goals are to double annual production of milk from the current 5.2 billion litres to 11 billion litres and grow annual exports of dairy produce to 1 billion litres milk equivalents by 2027.

To double production, interventions to enhance feeding, breeding, disease control and famer extension services will be implemented to increase productivity per cow from 5 to 10 litres per day. Ward based feeds centres will be established to supply feeds to dairy farmers. The increased production will require additional investments in milk cooling and processing to handle the estimated 3.3 billion litres of milk to be formally marketed per year. The Board will play a critical role in improving the quality and safety of dairy produce along the value; promoting investments in milk cooling and processing: product diversification; expanding markets for dairy produce; and implementation of minimum guaranteed prices (MGP) for raw milk.

The above farmer centric interventions are expected to increase productivity and production of milk while enhancing the profitability, resilience, and sustainability of dairy farming. This will impact on other upstream activities with more milk available for processing, value addition and marketing.

1.2.6. Sector Polices and Laws

There are several policies and laws that directly and indirectly influence or affect the dairy industry as summarized below

Table 1: Sector policies

	Sector policies	Relevance to the dairy industry
1.	National Dairy Master plan (2010-2030)	Outlines the strategies for improving efficiency, productivity, and market access for dairy produce
2.	Agricultural Sector Transformation and Growth Strategy (2019-2029)	Aims at sustainable agricultural transformation and food security
3.	Kenya Dairy Industry Sustainability Framework (2023-2032)	Roadmap to enhance the sustainability and resilience of the dairy industry
4.	National Agriculture Policy (2021)	Provides a road map to realize Vision 2030's agricultural goals and targets. It provides measures towards sustainable use of natural resources, particularly land and water, which are expected to boost agricultural production and productivityy
5.	National Veterinary Policy Sessional Paper No. 2 of 2023	Aligns development of the animal resource industry to the Constitution, Vision 2030 and international animal health laws, treaties, agreements and conventions ratified by Kenya. It addresses animal health, production, welfare, food safety and trade among other concerns.
6.	National Livestock Policy Sessional Paper No. 3 of 2023	Provides policy directions on the growth and development of the Livestock Sector including utilization of livestock resources for food and nutrition security and improvement of livelihoods while safeguarding the environment

Table 2: Sector laws

	Sector laws	Relevance to the dairy industry
1.	The Dairy Industry Act Cap 336	Establishes and gives Kenya Dairy Board the powers and mandate to regulate, develop and promote the dairy industry
2.	The Dairy Industry Regulations, 2021	Provides the legal framework to operationalize the Dairy Industry Act Cap 336 including on registration and licensing of dairy business operators, management of dairy imports and exports, establishment of contracts and minimum guaranteed producer prices, and management of dairy produce safety, traceability and recall
3.	Public Health Act Cap 242	Provides controls on handling of food, health of food handlers, management of foodborne infections and disposal of unsafe food

4.	Food Drugs and Chemical substance Act Cap 254	Has provisions to prevent adulteration of food, drugs and chemical substances
5.	Standards Act Cap 496	Establishes framework for development, review and implementation of standards; and certification of products
6.	Weights and Measures Act Cap 513	Regulates calibration of equipment used in the dairy industry for process control, product analysis and quantity measurement
7.	The Animal Diseases Act Cap 364	Establishes rules to manage and prevent transfer of animal diseases
8.	Veterinary Surgeons and Veterinary Para-Professionals Act No. 29 of 2011	Makes provision for the training, registration and licensing of veterinary surgeons and veterinary. paraprofessionals; and to provide for matters relating to animal health services and welfare
9.	Fertilizers and Animal Foodstuff Act Cap 345	Regulates manufacturing, importation and marketing of feed for animals and fertilizers
10.	Cattle Cleansing Act Cap 358	Regulates the cleansing of cattle to manage infestation by ticks
11.	Environmental Management and Coordination Act Cap 387	Establishes legal and institutional framework for environmental management and conservation
12.	Consumer Protection Act, 2012	Provides for the protection of the consumer and prevention of unfair trade practices
13.	Biosafety Act No. 2 of 2009	Regulates activities in genetically modified organisms including those for food and feed.
14.	Agriculture and Food Authority Act 2013	Provides for administration of matters of agriculture and the preservation, utilization and development of agricultural land and related matters.
15.	Anti-Counterfeit Act No. 13 of 2008	Prohibits trade in counterfeit goods

1.3. History of the Organization

Kenya Dairy Board was established in 1958 by an Act of Parliament, the Dairy Industry Act Cap 336 of the laws of Kenya to provide for the improvement and control of the dairy industry and its products. Its formation was recommended by Sessional Paper No. 9. of 1956/57, which was a report of a committee appointed by the Minister of Agriculture in 1955 to consider whether some form of statutory control of the dairy industry was necessary. The Committee, headed by Mr. L.G. Troup, noted that production of milk at that time had begun to rise and there was need for a statutory body to control the dairy industry by among others standardizing and controlling methods of production and handling of milk; safeguarding public health; and supporting efficiency of production.

Enactment of the Dairy Industry Act CAP 336 in 1958 established the Board to perform the following functions;

a) To organise, regulate and develop the efficient production, marketing, distribution and supply of dairy produce, having regard to the various types of dairy produce required by different classes of consumers;
b) To improve the quality of dairy produce;
c) To secure reasonable and stable prices to producers of dairy produce;
d) To promote market research in relation to dairy produce;
e) To permit the greatest possible degree of private enterprise in the production, processing and sale of dairy produce, consistent with the efficiency of the producer and the interests of other producers and of consumers;
f) To ensure, either by itself or in association with any government department or local authority, the adoption of measures and practices designed to promote greater efficiency in the dairy

Since its formation, the Board has evolved to adapt to changes in government policies, priorities and objectives, and the dynamics in the dairy industry. The Board has therefore transited through several phases of development of the Kenyan dairy industry. These include the colonial period when dairy farming was dominated by white settlers; the period between 1960s and 1970s after independence when Government deliberately implemented measures to promote production and market access of milk by smallholder Kenyans; the 1970s and 1980s when the Kenya Cooperative Creameries rapidly expanded its capacity for cooling, processing and marketing of milk; the early 1990s when the dairy industry was liberalized ending the monopoly of Kenya Cooperative creameries and Government stooped provision of subsidized services to the dairy industry; the period after liberalization of the dairy industry in 1992 when organized marketing of milk collapsed and informal milk marketing proliferated; and the period from 2003 when reforms were initiated by Government to revitalize the dairy industry.

Through this history, the Board has achieved key milestones. Before independence and after independence, effective regulation by the Board and the monopolistic structure of the industry resulted to a highly organized and efficient dairy industry from production, collection, bulking, processing, and marketing of dairy produce. The industry was highly formalized and productive, making the country self-sufficient in dairy produce for the domestic and export markets. The Board successfully managed the transition of the industry from a monopolistic to a liberalized dairy industry. The liberalization in 1992 opened up processing and marketing of dairy produce to the private sector. This resulted to new investments in milk processing and proliferation of informal milk marketing. The Board licensed new processors and created other licensing categories to accommodate small and medium dairy operators. Programmes were put in place, including capacity building, to transform informal milk traders to deliver quality and safety of milk. From 2003, the Board played a key role in Government's programme to revitalize the dairy industry including revival of New KCC, enforcement of timely payments to primary producers for deliveries of milk, expansion of the infrastructure for milk cooling and processing, and establishment of strategic reserves for dairy produce among others. In the last strategic planning cycle, the Board established a modern dairy regulatory laboratory to enhance regulatory surveillance and analysis of private samples. The Board implemented Minimum Guaranteed Prices for dairy produce from 2021. This has stabilized producer prices and encouraged production and organized marketing of milk. The Dairy Industry Regulations were reviewed in 2021 to address devolution, dairy produce safety and traceability, milk contracts, and pricing of dairy produce among others. The Dairy Industry Act Cap 336 is currently under review to update the legislative framework to the trends and needs in the industry.

1.4. Methodology of Developing the Strategic Plan

This Strategic Plan was developed through a four-stage process, namely, initiation of the strategic planning process; strategic plan development; strategic plan validation; and finalization and dissemination of the strategic plan.

The process was initiated by the Managing Director who constituted a technical team, issued the Terms of Reference and guided the team on the rational and scope of the review. The review was occasioned by Treasury Guidelines on the preparation of the fifth-generation strategic plans (2023 – 2027). The Technical team subsequently developed an action plan to review the strategic Plan, which was approved by Management. The Technical team developed a draft strategic framework as per the guidelines by the National Treasury. This included scanning and identifying the contribution of the Board to the relevant global, regional and national policies, legal and regulatory frameworks; proposing the strategic direction of the Board including mission, vision, goals, core values and quality policy statement; conducting a comprehensive analysis of internal and external environment and stakeholders; identifying strategic issues which informed on the strategic goals, KRAs, strategic objectives and strategies; and formulation of the implementation and coordination framework; risk management framework; monitoring and evaluation framework and resource mobilization strategies.

The draft was subjected to internal and external validation and review by the State Department of Economic Planning. The feedback received informed on the finalization.

CHAPTER TWO

2. STRATEGIC DIRECTION

This chapter presents the strategic focus of the Kenya Dairy Board and enumerates the various strategic elements that include the vision, mission, strategic goals, core values and quality policy statement.

2.1. Mandate

To provide for the improvement and control of the dairy industry and its products

2.2. Vision

A globally competitive dairy industry

2.3. Mission

To facilitate a sustainable dairy industry that meets stakeholder expectations.

2.4. Strategic Goals

The strategic framework for the Kenya Dairy Board Strategic Plan 2023-2027 is aligned to its mandate. The framework outlines interrelated goals which the Board will pursue in the next five years. It is expected that, institutionalization of the framework will revitalize the Board's performance in the realization of its mandate. The Goals are:

1. Safe and quality marketed dairy produce.
2. Adequate dairy produce for local and export market.
3. Expanded market access for Kenyan dairy produce.
4. Profitable dairy businesses that are responsive and adaptive to the environment.
5. Organization's capacity to meet customer expectations.

2.5. Core Values

a) Professionalism

We will maintain high standards and professional competence in the discharge of responsibilities and delivery of services. We are committed to teamwork and endeavour to be fair and objective in all the Board's activities and decision making.

b) Integrity

We value high standards of ethical behaviour at all times. We shall uphold honesty and promote transparency and accountability in all the Board's activities and decision making.

c) Innovation

We are committed to fostering an enabling environment that encourages innovation, creativity, continuous learning and improvement for efficient and effective service delivery.

d) **Customer focus**
We are committed to always placing the customer at the core of the Board's business and always ensuring high quality of service in a timely manner.

e) **Equity**
We value all dimensions of diversity and seek to provide for a balance in distribution of resources and benefits accruing from the Board's programs and projects.

f) **Environmental consciousness**
We are committed to responsible planning and management of the environment.

2.6. Quality Policy Statement

Kenya Dairy Board is committed to providing quality services to the dairy industry and other stakeholders in compliance to international standards, legal requirements, statutory requirements, policy requirements, the needs and expectations of its stakeholders as well as requirements for relevant Quality Management Systems as set out in KS ISO 9001.

CHAPTER THREE

3. SITUATIONAL AND STAKEHOLDER ANALYSIS

This chapter reviews implementation of the Board's 2017-2022 strategic plan, environmental scanning, and stakeholder analysis. The analysis looks at the internal and external factors obtaining in the dairy business environment which will influence the operation of the Board during the strategic plan period. By examining these elements of the business and its environment, the Board was able to identify strengths and weaknesses as well as potential areas and opportunities for growth.

3.1. Situational Analysis

3.1.1. External Environment

The Dairy Industry has shown remarkable improvement from the previous strategic plan and has demonstrated a viable opportunity to grow and support the Kenyan economy. However, the industry growth has been hindered by low productivity, a large but declining informal sector, poor marketing systems, limited skills and knowledge, insufficient extension services, uncoordinated disease management systems, underfunding and reduced accessibility to quality inputs among others. To better address these challenges, the government has put in interventions through the BETA economic model which has prioritized dairy as a key value chain to drive its economic agenda. Through this model, the Board will develop and implement programs and activities geared towards improving production and productivity in the industry. To implement these programs, the Board will continuously lobby for more funding from the government and also increase and diversify internally generated revenues including commercializing of the National Dairy Regulatory Laboratory. To further enhance its services and coverage, the Board will expand its presence in emerging milk production counties by establishing new offices leading to expanded growth. To ensure effective regulation, the Board will lobby for enactment of Dairy Industry Bill 2023 and develop necessary enforcement instruments. by reviewing.

3.1.1.1 Macro-Environment

Different external factors have both direct and indirect impacts on the Board and the dairy industry as a whole. These include factors that are related to the political, social, economic, technological and legal environment. These macro-environment factors are analyzed through the PESTEL approach as follows:

PESTEL Analysis

Category	Factor	Strategic Implication	Strategic Response
Political	**Political interference**	May hinder enforcement of the Dairy Industry Act and its Regulations	• Lobby and sensitize the lawmakers and the public on the mandate of the Board
	Change in Government policies	May interfere with service provision and performance of the industry	• Lobbying and sensitizing lawmakers and policy makers on dairy policy issues
Economic	**Pandemics, natural calamities, and disasters**	• Disruption of service provision to the industry • Low purchasing power affecting marketing of dairy produce • Impact on productivity, production and supply • of milk and products	• Develop and implement business continuity plans
	Reducing land size for dairy activities	• Decline in milk production and supply	• Promote intensive dairy farming • Promote dairy production in ASALs • Increased productivity to double current production.
	Limited market access of Kenya's dairy produce.	• Reduced income for dairy producers. • Reduce income from dairy business	• Expand the market access of Kenya's dairy produce.
	High cost of dairy inputs and services	• High cost of milk production • Low productivity and production of milk • High cost of milk and milk products • Low consumption of milk and milk products	• Lobby for reviewing of taxes imposed in dairy inputs
	Globalization of trade arising from international, continental and regional trade agreements	• Opening of domestic market to dairy imports	• Improve competitiveness of the Kenyan dairy industry • Lobby for implementation of appropriate safeguards • Participate in bilateral, regional, and international trade negotiations improve the quality and safety of dairy produce.
	Low budgetary allocation for dairy development by national and county Governments	• Poor service provision to the industry • Slow growth of the industry	• Sensitize national and counties to increase allocation for dairy development. • Promote partnerships and collaborations for dairy development

Category	Factor	Strategic Implication	Strategic Response
	Illegal importation of dairy produce	• Unfair competition to local dairy produce • Possibility of food safety risks • Loss of revenue to the Board	• Multi-agency surveillance on illegal imports • Enhance sanctions for non-compliances
	Outbreaks of animal diseases	• Affects productivity and production of milk • May restrict marketing of milk and milk products • Increases cost of milk production	• Sensitize national and county governments to enhance animal disease control. • Promote vaccination of dairy animals
Social	**Limited economic participation of women and youth in the dairy value chain**	• Impact on productivity and continuity of the dairy industry • Affects gender and youth mainstreaming • Impact on household incomes and nutritional security	• Promote economic participation of youth and women in the dairy value chain
	Poor hygiene practices by informal milk traders	• Incidences of food poisoning • High post-harvest losses of milk • Bad publicity on the industry	• Train informal milk traders on hygienic milk handling • Promote adoption of appropriate technologies in handling of milk and processing of traditional milk products
	Cases of insecurity	• Threat to dairy production, investments and distribution of dairy produce	• Promote communal based milk production systems such as Cooperative Dairy Farms
	High rate of unemployment	• Low purchasing power affecting market for dairy produce • Affects investments in the dairy industry	• Promote investments in the dairy industry to generate additional employment
	Poor welfare of dairy animals	• Affects productivity and production of milk • Contributes to incidences of animal diseases	• Sensitize county governments and other relevant stakeholders to address animal welfare issues
	Rapidly growing population	• Opportunity to expand market for dairy produce	• Promote productivity and production of milk • Promote consumption of milk and milk products
Technological	**Rapidly changing technologies**	• Opportunity to improve productivity and compliance. • Improved service delivery • Risk of inadequate legal and regulatory framework	• Upgrading ICT infrastructure • Training and capacity building of staff • Develop and implement cyber security policies • Regularly review the regulatory framework

Category	Factor	Strategic Implication	Strategic Response
		• Increased cybercrime • Risk of technological obsolescence • Resistance to adopt new technologies	
	Limited mobile and internet network coverage	• Downtime affecting access and provision of online services	• Promote alternative service infrastructures
Environmental	**Climate change and global warming**	• Low productivity and production of milk • Disease outbreaks for both human and animals • Limited access to water	• Promote irrigation fed dairy farming • Training and sensitization of stakeholders on climate smart agriculture • Sensitize stakeholders on green energy technologies • Promote water harvesting and conservation. • Develop and implement a dairy industry sustainability roadmap
	Disposal of waste from dairying activities	• Environmental degradation • Contamination of dairy produce • Health hazards and high incidence of environmental related diseases	• Promote effective management of liquid and solid waste. • Promote use of green energy • Inspection of premises • Implement national waste management policy • Promote reuse and recycling
Legal	**Constitution of Kenya, 2010**	• Assigns functions between National and County Governments	• Align functions of the Board to the Constitution.
	Dairy Industry Act Cap 336	• Affects regulation and service provision to the industry.	• Review the Act to address current issues.
	Draft national dairy development policy	• Not finalized for implementation affecting policy direction to stakeholders	• Finalize and implement the national dairy development policy
	Compliance to statutory requirements	• Financial and legal risk for non-compliance	• Establish mechanisms to comply with legal • Conduct legal compliance audits

Category	Factor	Strategic Implication	Strategic Response
Ethics	**Poor governance of cooperatives and dairy business entities**	• Delayed and non- payment of farmers for milk deliveries threatens sustainability of the dairy industry. • Promotes informal marketing of milk	• Enforcement of laws and regulations • Capacity building of producer groups and dairy business operators • Arbitrations and dispute resolutions

3.1.1.2 Micro-Environment

The Board's immediate environment has a major impact on its performance, service delivery and achievement of its mandate. Human resource, technology, automation and financing among others are key micro-environment factors impacting on the Board. To successfully implement its strategic plan, the Board will require competent and skilled human resource personnel. As par the strategic plan, the Board will recruit staff and adequately train and develop them so as to meet and exceed the demand for services from our stakeholders. To improve efficiency and reduce on operational costs and turn-around time, the Board will continuously automate its operations. To enhance its revenue collection and reduce on any loopholes that may be involved therein, we will enhance our revenue collection systems and fully automate through the e-citizen platform in conformity with the government directive. Additionally, the Board will seek partnerships and collaborations with other players to support our programs so as enhance service delivery to our stakeholders. To ensure improved service access, the Board targets to increase our branch network to more counties so as bring services closer to our stakeholders. We will also leverage on technology, mainstream media, social media and other communication tools to reach more of our stakeholders.

No.	Factor	Interventions
1.	Inadequate human resource capacity to implement the Board's programs	• Recruitment of additional staff, including internships.
2.	Delay in automation of the Board's key processes following Government's guidelines on procurement of ICT equipment	• Exemption was requested from the Ministry of Information Communication Technology (MOICT) to procure ERP.
3.	Inadequate funding affecting the day-to-day operations of the Board	• Revenue streams were diversified. • Efficiency and effectiveness in revenue collection was enhanced. • Engagement with partners and collaborators to fund or co-fund some activities
4.	Poorly organized dairy business Operators distorting marketing strategies for dairy development	• Dairy business operators were categorized by type, size, and whether formal or informal

No.	Factor	Interventions
5.	Limited access of our services by clients affecting service delivery	• Increased the number of branches to bring services closer to stakeholders
6.	Large informal milk market, which is difficult to regulate and likely to predispose consumers to milk related health hazards and safety concerns	• Capacity building of informal traders and enforcement • Consumer education and awareness campaigns • Partnerships with county governments to strengthen regulatory activities
7.	Outbreak of pandemics that would affect the implementation of some programmes especially field related activities identified in the strategy	• A disaster preparedness and management plan was developed and implemented • Use of ICT and social media to communicate with internal and external stakeholders. • Authority was sought from Government to work past curfew hours
8.	Lack of structured framework for communication and engagement of stakeholders on key issues related to the dairy industry	• Use of technology and social media to increase outreach to stakeholders • Automation of licensing and inspection services • Expansion of branch network
9.	Mistrust from some stakeholders given our regulatory role eroding institutional confidence and corporate standing.	• Improved service delivery • Increased involvement of stakeholders in our activities • Communication with stakeholders
10.	Non-Technical Barriers in regional export markets affecting trade in dairy produce	• Participation in bilateral trade negotiations
11.	Reduced credibility on capacity for testing quality and safety of dairy produce	• Equipping and accreditation of the national • dairy regulatory laboratory
12.	Increased imports of dairy produce stifling the growth of the local dairy industry.	• Gazettement and implementation of the Dairy • industry (imports and exports) regulations, 2021

3.1.2 Summary of Opportunities and Threats

Environmental factor	Opportunities	Threats
Political	Political goodwill provide opportunity for achievement of strategic direction.	Political interference affects the operational effectiveness of the Board
	Change in Government policies may install favorable systems in place to propel specific strategic directives	Change in Government policies may affect negatively the operations of the Board towards achievement of the strategy.
Economic	Prioritization of dairy as a key driver in the economic transformation (BETA).	Pandemics, natural calamities, and disasters resulting to disruption of service provision to the industry and low purchasing power affecting marketing of dairy produce
		Reducing land size for dairy activities resulting to decline in milk production and supply
		High cost of dairy inputs and services leading

Environmental factor	Opportunities	Threats
		to high cost of milk production, Low productivity and production of milk, high cost of milk and milk products and Low consumption of milk and milk products
		Globalization of trade arising from international, continental and regional trade agreements resulting to opening of domestic market to dairy imports
		Low budgetary allocation for dairy development by national and county Governments leading to poor service provision to the industry and slow growth of the industry
		Illegal importation of dairy produce may lead to unfair competition to local dairy produce and possibility of food safety risks and loss of revenue to the Board
		Outbreaks of animal diseases leads to loss of productivity and production of milk and may restrict marketing of milk and milk products and increases cost of milk production
		Limited economic participation of women and youth in the dairy value chain will impact on productivity and continuity of the dairy industry and to household incomes and nutritional security
Social	Rapidly growing population presents an opportunity to expand market for dairy produce	Poor hygiene practices by informal milk traders result to incidences of food poisoning and high post-harvest losses of milk
		Cases of insecurity is a threat to dairy production, investments and distribution of dairy produce
		High rate of unemployment will result to low purchasing power affecting market for dairy produce and affects investments in the dairy industry
		Poor welfare of dairy animals will affect productivity and production of milk and contributes to incidences of animal diseases
Technological	Rapidly changing technologies is an opportunity to improve productivity and compliance and overall improved service delivery	Rapidly changing technologies increases the risk of inadequate legal and regulatory framework which may result to increased cybercrime, risk of technological obsolescence and resistance to adopt new technologies
		Limited mobile and internet network coverage results to downtime affecting access and provision of online services
Ecological/ Environmental		Climate change and global warming results to low productivity and production of milk and increases disease outbreaks for both human and animals. Also results to limited access to water

Environmental factor	Opportunities	Threats
		Disposal of waste from dairying activities could result to environmental degradation and contamination of dairy produce. It also introduces health hazards and high incidence of environmental related diseases
Legal	Constitution of Kenya, 2010 assigns functions between national and county Governments	Draft national dairy development policy not finalized for implementation affecting policy direction to stakeholders
	Dairy Industry Act Cap 336 affects regulation and service provision to the industry.	Compliance to statutory requirements exposes the Board to financial and legal risk for non-compliance
		Poor governance of cooperatives and dairy business entities leads to delayed and non-payment of farmers for milk deliveries and threatens sustainability of the dairy industry. It may also promote informal marketing of milk

3.1.2. Internal Environment

The Board internal environment analysis or internal analysis is the process of assessing of internal resources and capabilities to know its strengths and weaknesses. The Board's internal factors such as value chain activities, resources capabilities, skills competences and structural design. The assessment will also entail the functional areas to determine their relative contribution to overall performance of the Board.

3.1.2.1 Governance and Administration Structures

The Board examines its governance structures and mechanism as well as the administrative structure to determine the strength and weakness. Through functional analysis, the Board has undertaken the organization structure and examined different functional areas where core competence resides in order to identify potential strength and weakness.

No.	Functional Areas	Strengths	Weaknesses
1	Compliance	• Comprehensive set of regulations, the Dairy Industry Regulations 2021 • Well-grounded and long experience in regulating, developing and promoting the dairy industry • Leverage on the National Dairy Regulatory laboratory to monitor and improve quality and safety of dairy produce	• Lack of mandate to regulate milk from other species other than the cow. • Inadequate sanctions to deter offenses under the Act. • Inadequate data on the dairy industry • Limited coverage in non-traditional milk producing areas

2	Finance & Accounting	• Legally mandated to collect revenue from the dairy industry • Opportunity to generate revenue and be self-sustaining • Well established finance policies for accountability.	• Inadequate funding
3	Human Resources	• Updated Human Resource procedure and policies to manage recruitment and retention of staff • Ability to improve staff competence.	• Ability to recruit staff to march the requirement of service delivery
4	Administration	• Expansive branch network in major milk producing and consuming areas	
5	ICT	• Adapting use of automation in service delivery	• Rapidly changing technology • Cyber security threats
6	Corporate Communication	• Good corporate image which maintains recognition and confidence by stakeholders	

3.1.2.2 Internal Business Processes

The Board evaluates its internal systems, process and standard operating procedure in order to determine the areas of strength and weaknesses.

No.	Business Process	Strengths	Weaknesses
1	Issuance of Regulatory Permit Inspection of Premises Enforcement of Dairy Regulations	• Regulations in place for requirements for issuance of regulatory permits, inspection of premises and enforcement of Dairy regulation	• Compliance to the regulations.
2	Filing of returns	• Requirements and systems in place for filling of returns	• Adherence to requirement for filing returns • Inaccurate figures in filled returns. • Not able to capture all DBO in filing of returns
3	Payment of consumer safety levy and penalties	Regulation in place for payment.	• Accrual of debts due to non-payment of levies and penalties

3.1.2.3 Resources and Capabilities

a) Institution Strategic Advantages

Kenya Dairy Board is the only established regulator for the dairy industry in Kenya. This is further entrenched by the Dairy Industry Act Cap 336 of the Laws of Kenya, that sets the regulatory framework of the Boards mandate. In addition, the Dairy Industry Act spells out the functions of the Board and confers power to the regulator to discharge its function. In addition to the legal framework, the Board enjoys the good will from the government through support from the Ministry of Agriculture and Livestock Development in its endeavors to support the economic development agenda. The Boards long experience in handling the matters relating to the dairy industry brings on board practical skills and knowledge in handling critical stakeholder aspects relating to production and marketing of Kenya's dairy produce.

b) Strategic Characteristics of Resources

Kenya Dairy Board valuable resources are its human resource capacity and experience gained over the years in managing the dairy industry issues in the country. In addition, the Boards expansive outreach network within the branches ensures adequate coverage of the stakeholders with a purposeful expansion program to enhance stakeholder accessibility to the Boards services.

Resources can be divided into two main types: tangible and intangible. While resources refer to what an organization owns, capabilities refer to what the organization can do. More specifically, capabilities refer to the organization ability to bundle, manage, or otherwise exploit resources in a manner that provides added value and, hopefully, competitive advantage.

The Boards tangible resources are resources that can be readily seen, touched, and quantified. Physical assets such as the Boards property, plant, and equipment are considered to be tangible resources, as is cash.

Intangible resources are quite difficult to see, touch, or quantify. Intangible of the Board will include the knowledge and skills of its employees, the Boards reputation, and the organization culture.

The Board due to its organization structure and establishment characteristic as a regulator, is capable of propelling industry change through its strategic orientation and focus. This is leveraged on the dedicated government policy on economic transformation with the key focus on agriculture driven transformation agenda.

In comparing the two types of resources, intangible resources are more likely to meet the criteria for strategic resources (i.e., valuable, rare, difficult-to-imitate, and organized to capture value) than are tangible resources.

Table 3.1.3 Summary of Strengths and Weaknesses

Factor	Strengths	Weaknesses
Governance and Administrative Structures	• Comprehensive set of regulations, the Dairy Industry Regulations 2021 • Well-grounded and long experience in regulating, developing and promoting the dairy industry • Leverage on the National Dairy Regulatory laboratory to monitor and improve quality and safety of dairy produce • Legally mandated to collect revenue from the dairy industry • Opportunity to generate revenue and be self-sustaining • Well established finance policies for accountability. • Updated Human Resource procedure and policies to manage recruitment and retention of staff • Ability to improve staff competence. • Expansive branch network in major milk producing and consuming areas • Adapting use of automation in service delivery • Good corporate image which maintains recognition and confidence by stakeholders	• Lack of mandate to regulate milk from other species other than the cow. • Inadequate sanctions to deter offenses under the Act. • Inadequate data on the dairy industry • Limited coverage in non-traditional milk producing areas • Rapidly changing technology • Cyber security threats
Internal Business Processes	• Regulations in place for requirements for issuance of regulatory permits, inspection of premises and enforcement of Dairy regulation • Requirements and systems in place for filling of returns • Regulation in place for payment.	• Compliance to the regulations. • Adherence to requirement for filing returns • Inaccurate figures in filled returns. • Not able to capture all DBO in filing of returns. • Accrual of debts due to non-payment of levies and penalties
Resources and capabilities	• Legally mandated to collect revenue from the dairy industry providing opportunity to generate revenue and be self- sustaining • Adequate institutional capacity providing for effectively execution of our mandate and serve stakeholders • Board established to steer the aspects relating to the dairy industry in Kenya	• Inadequate fund to fund all the projects and programmes • Ability to recruit staff to march the requirement of service delivery.

3.1.3. Analysis of Past Performance

3.1.2.4 Key Achievements

The key achievements by the Board in the 2017-2022 strategic planning period are as shown in table below

Achievements

	Strategic Objective	Outcome(s)	Achievements	Level of Implementation (%)
1.	**To strengthen policy and regulatory framework, compliance and enforcement**	Strengthened policy and regulatory framework	• Dairy regulations were gazetted and implemented. • Stakeholders in 18 counties were sensitized. • Policy to guide sale of raw milk was developed • Amendment of the Dairy Industry Act Cap 336 was initiated • Over 20 national and regional dairy standards were developed or reviewed	95%
		Enhanced compliance to quality and safety requirements	• Compliance of dairy produce to quality and safety standards improved from 80% in 2017 to 96% in 2022 • Milk intakes by the formal market increased from 591 million litres (2017) to 755 million litres (2022) • National Dairy Regulatory Laboratory was constructed, equipped and commissioned. • Enforcement and inspection tools and procedures were standardized. • Inspection and issuance of regulatory permits were automated. • Enforcement and Inspection Manual was developed. • Regulations to support enforcement and compliance procedures developed and operationalized. • Measures to promote self-regulation by dairy business operators were identified.	100%
2.	**To increase consumer awareness on risks associated with consumption**	Increased consumer awareness	• Improved communication with internal and external stakeholders. • Improved relationship with stakeholders • Enhanced corporate image of the Board • Communication policy developed and	70%

	Strategic Objective	Outcome(s)	Achievements	Level of Implementation (%)
	of unsafe dairy products.		approved. • Customer service charter customized to unique needs of KDB customers including braille, sign language and different vernaculars.	
3.	**To enhance visibility and awareness on the role of the Board**	Improved visibility	• Branding of KDB offices • Branding of 28 motor vehicles • Positive coverage by the media Directional signages erected for all branch offices and national laboratory • Branded protective clothing and apparels • issued to staff • PR and CSR activities undertaken including milk donations, tree planting and sponsorship of sporting events	90%
4.	**To enhance capacity of dairy dealers to produce and deliver quality and safe dairy products.**	Enhanced capacity to deliver quality and safe dairy products	• Collaborations with stakeholders to develop framework and pilot Quality Based Milk Payment Systems • Requirements on dairy produce traceability and product recall established • Capacity needs for primary producers and dairy business operators assessed • User friendly guidelines on Quality Assurance and Good Manufacturing Practices (GMP) developed and disseminated to stakeholders. • Over 10,000 primary producers and dairy business operators trained	95%
5.	**To expand market access to domestic and export markets 5% annually.**	Increased exports of dairy produce	• Value of exported dairy produce increased from Kshs 165 million in 2016 to Kshs 569 million in 2021 • Exporters of dairy permit timely issued • with export permits • Several bi-lateral meetings conducted to promote exports of dairy produce within • the region	100%
		Expand domestic market for processed dairy produce	• Through put of formally marketed milk increased from 648 million liters in 2016 to 755 million liters in 2022.	24%

	Strategic Objective	Outcome(s)	Achievements	Level of Implementation (%)
6.	**Improve coordination and establish partnership to support the delivery of dairy development interventions**	Structured and organized dairy industry	• Baseline survey conducted to evaluate organization of dairy stakeholders • Dairy stakeholder associations supported • Requirements on milk sales contracts established • Minimum guaranteed producer prices gazetted	100%
7.	**Embrace quality research, innovations and adoption of research findings.**	Availability and access to relevant information for decision making	• Research and data gaps in the dairy industry identified • Studies conducted on cost of milk production; cost of milk distribution and retailing; and feed and fodder production. • Study on milk dispensing trends • conducted in collaboration with 3R project • Data on industry performance routinely collected and disseminated	100%
8.	**To achieve full automation of the core processes**	Full automation of Core processes.	• ICT Policy, Information Security Policy and ICT Equipment Management Policy developed and implemented. • Licensing and Inspection System (LIS) for inspection and issuance of licenses and permits developed and implemented. • Enterprise Resource Solution (ERP) to automate core processes developed and implemented.	80%
9.	**To acquire, secure and maintain physical facilities, tools and equipment.**	Improved physical Infrastructure and working tool.	• Perimeter wall and civil works for Kabete plot completed. • National Dairy Laboratory constructed, equipped, commissioned, and operationalized. • Construction of administration block initiated. • Seven Motor vehicles procured. • ICT equipment procured and data center equipped. • KDB Offices renovated, furnished and equipped. • Opened three new branch offices	80%

	Strategic Objective	Outcome(s)	Achievements	Level of Implementation (%)
		Enhanced security of all KDB physical and electronic assets.	• All assets of the Board insured • Security services for Kabete property procured. • Implemented an online data backup and cloud service solution. • Staff trained on implementation of ISO 27001 Certification (ISMS) • Information Security Policy developed. • CCTV installed at the Head office and Kabete. • Controlled access to key installations at the head office and dairy laboratory established. • Firewalls installed to secure network. • infrastructure • Office computers secured by antivirus and internet security solutions. • Electronic data secured through online backup solutions	100%
10.	**To maintain optimal staff with requisite competence.**	Improved capacity and performance	• Recruited 37 staff. • Conducted staff training. • Implemented staff welfare benefits	100%
		Improved human resource governance.	• Reviewed and implemented human resource policies and procedures	100%
11.	**Expand the Board's financial base by 6% per annum**	Increased internally generated revenue	• Internally generated revenue grew by an average of 8.08% per year. • Annual revenue grew from Kshs 334.58 million to Kshs 491.90 million • Sources of revenue diversified with gazettement of the Dairy Industry Regulations, 2021	86%
12.	**To ensure integration of national concerns to support implementation of the plan**	Improved environmental management	• Supported planting of more than 70,000 indigenous trees • Supported sustainable water harvesting initiatives. • Sensitized staff and stakeholders on environmental conservation • Sensitized dairy farmers on adoption of biogas and other strategies to reduce. • greenhouse gas emissions	100%

	Strategic Objective	Outcome(s)	Achievements	Level of Implementation (%)
		Mainstreamed Gender equity, Disability and HIV prevention in KDB Processes	• Opportunities provided for persons living with disability and gender in staff recruitment, internships, and procurement. • HIV policy developed and implemented. • Survey on alcohol and drug abuse within the institution conducted and findings disseminated to staff	100%
Overall Level of Implementation				**89.4%**

3.1.4. Challenges in Implementation of 2017-2022 Strategic Plan

During the implementation of the Strategic Plan 2017-2022, the Board faced a number of challenges that affected implementation of the planned activities. Table below outlines the key challenges faced and the respective interventions undertaken.

Challenges

No.	Challenges	Interventions
1.	Inadequate human resource capacity to implement the Board's programs	• Recruitment of additional staff, including internships
2.	Delay in automation of the Board's key processes following Government's guidelines on procurement of ICT equipment.	• Exemption was requested from the Ministry of Information Communication Technology (MOICT) to procure ERP.
3.	Inadequate funding	• Revenue streams were diversified. • Efficiency and effectiveness in revenue collection was enhanced. • Engagement with partners and collaborators to fund or co-fund some activities
4.	Poorly organized dairy business operators.	• Dairy business operators were categorized by type, size, and whether formal or informal
5.	Access of our services by clients	• Increased the number of branches to bring our services closer to stakeholders
6.	Large informal milk market, which is difficult to regulate and likely to predispose consumers to milk related health hazards	• Capacity building of informal traders and enforcement • Consumer education and awareness campaigns • Partnerships with county governments to strengthen regulatory activities

No.	Challenges	Interventions
7.	Outbreak of COVID – 19 affected implementations of some programmes especially field related activities	• A disaster preparedness and management plan was developed and implemented. • Use of ICT and social media to communicate with internal and external stakeholders • Authority was sought from Government to work past curfew hours
8.	Lack of structured framework for communication and engagement of stakeholders on key issues related to the dairy industry	• Use of technology and social media to increase outreach to stakeholders. • Automation of licensing and inspection services • Expansion of branch network
9.	Mistrust from some stakeholders given our regulatory role	• Improved service delivery • Increased involvement of stakeholders in our activities • Communication with stakeholders
10.	Non-Technical Barriers in regional export markets	• Participation in bilateral trade negotiations
11.	Limited capacity for testing quality and safety of dairy produce	• Construction and commissioning of the national dairy regulatory laboratory
12.	Increased imports of dairy produce	• Gazettement and implementation of the Dairy industry (imports and exports) regulations, 2021 • Multi-agency surveillance on illegal imports • Opening of branch at Busia one stop border point • Monthly monitoring of milk imports data
13.	High cost of consultancies for studies and surveys	• Internal collection • Co-funding through partnerships
14.	Inadequate dairy regulatory framework	• The dairy industry regulations 2021 were developed, gazetted and implemented

3.1.5. Lessons Learnt in Implementation of 2017-2022 Strategic Plan.

The following key lessons, which will build on future planning and success, were learnt during the period;

a) Adequate collaboration, communication and outreach to all stakeholders is critical for effective implementation of the Board's programmes.
b) Development and implementation of legal and regulatory framework is time and resource intensive and therefore requires adequate budgetary allocation, partnerships and collaborations.
c) There is need to optimize on ICT and full automation of the Board's core process so as to increase efficiency and effectiveness in operations and service delivery.
d) There is urgent need to increase productivity and production of milk to meet domestic demands and leave surplus for export.
e) The regional market for dairy produce is growing. This provides opportunity for Kenya to grow and diversify dairy exports. Other export markets such as the Middle East provide opportunities for export of high value dairy produce such as ghee and butter.
f) To enhance competitiveness and sustainability of the Kenyan dairy industry there is need to manage the cost of producing, bulking and processing milk.

g) The operating environment is dynamic and vulnerable to major disruptions such a the one caused by COVID-19 outbreak. To ensure business continuity in such circumstances, it is imperative to put in place emergency preparedness and mitigation measures.

3.2. Stakeholder Analysis

A stakeholder analysis was conducted to map out the key stakeholders and their interests during implementation of this Strategy. A summary of the analysis is shown in table below

Table 3.3 Stakeholder Analysis

	Stakeholder	Role of Stakeholder	Expectation of the Stakeholder	Expectation of the Organization
1.	**National Government**	• Delivering services to stakeholders according to their mandate. • Providing the overarching national policy framework and service delivery standards for devolved functions.	• Create an enabling environment for dairy. • Compliance with statutory, policies, regulatory obligations, and presidential directives • Good corporate governance • Support, promote and protect the Dairy industry. • Provide advice on dairy matters	• Create a conducive business environment. • Timely approval of policies and enactment of legislations • Financial support • Effective cooperation between different government agencies on dairy and related matters • Goodwill and support • Dispute resolutions
2.	**County Governments**	• Responsible for the support to Agricultural functions within the county as assigned to it under the Constitution or by an Act of Parliament.	• Effective and efficient delivery of services to the dairy industry • Provide technical support to the industry. • Creation of awareness • Partnership and support in the dairy industry • Consultation in development of policies and legislations	• Partnerships and collaborations for dairy development • Support implementation of the Act and regulations • License compliant dairy business operators • Register producers. • Support producers to increase productivity and production of quality and safe milk. • Organize producers
3.	**Development partners**	• Support dairy related initiatives in the industry and capacity development of dairy industry actors	• Efficient, effectiveness and transparency in utilization of resources • Support capacity building of producers and business operators • Provision of industry data and information	• Support development of enabling dairy policy, legal and regulatory framework • Align their programs with • priorities of government and industry stakeholders • Provide resources for development. • of the dairy industry • Share data, information, knowledge and innovations relevant to the dairy industry

	Stakeholder	Role of Stakeholder	Expectation of the Stakeholder	Expectation of the Organization
4.	**Primary producers and Dairy Business Operators**	• Produce and market quality and safe milk and milk products that comply to the relevant statutory requirements.	• Produce quality and safe products. • Make milk and milk products accessible and affordable. • Operate ethically. • Comply with established laws and regulations. • Protect the environment	• Increase production of milk and milk products • Produce quality and safe milk and milk products. • Register and apply for the relevant permits. • Support development and implementation of policies and regulations • Compliance with the dairy industry • Act and its regulations • Collaborate during inspection and other compliance activities. • Make use of services offered by the Board. • Submit monthly returns and payments on time. • Sustainable production of milk and • milk products • Operate ethically and practice self- regulation. • Protect the environment
5.	**Milk consumers and the general Public**	• Purchase and consume milk of certified quality. • Demand for quality and safe milk in dairy produce markets	• Support development of the local dairy industry • Patronage consumption of local dairy produce	• Increase consumption of quality and safe dairy produce • Provide feedback and information about the safety of milk and milk products. • Handle milk safely during storage and consumption • Proper disposal of waste
6.	**Business Member Organizations**	• Advocacy for dairy produce compliance to relevant regulatory and standard requirements. • Lobby for favourable pricing of dairy produce	• Lobbying on behalf of the industry • Providing quality services to stakeholders • Representing stakeholders' interest	• Organizing members • Promoting self-regulation • Supporting policy development and implementation • Mobilizing resources for dairy development
7.	**Enforcement agencies**	• Facilitate compliance to regulatory and standard requirements.	• Enforcement of relevant laws and regulations • Transparency and openness in operations • Effective service delivery • Collaborations and partnerships with stakeholders • Sharing of relevant data and information	• Collaboration in dairy regulation, development and promotion activities • Sharing of relevant data and information • Co-funding of activities

	Stakeholder	Role of Stakeholder	Expectation of the Stakeholder	Expectation of the Organization
8.	**Research and development institutions**	• Identify, develop and disseminate technologies for efficient and effective production of dairy produce	• Conducting research that is useful to stakeholders. • Disseminating research findings • Implement ethical practices during research	• Conduct and disseminate research findings relevant to the industry. • Collaborate and partner in conducting and disseminating research findings. • Sharing data and information
9.	**Media**	• Report on the ongoing concerns in the dairy industry. • Promote safe use of certified quality dairy produce.	• Accurate, fair and timely reporting	• Accurate and fair reporting on the industry and the Board • Promoting investments in the dairy industry • Creating a positive image of the Board • Creating awareness to consumers on safe consumption of milk • Linking service providers with primary producers and dairy business operators • Providing space for advertisement
10.	**National, regional and international organizations**	• Promote collaboration and cooperation of stakeholders in the dairy industry.	• Collaboration and cooperation • Compliance with agreements and MoUs	• Technical assistance • Compliance with agreements and MoUs • Collaboration and cooperation
11.	**Suppliers of goods and services**	• Supply dairy related inputs that support production of quality and safe dairy produce	• Providing quality goods and services • Acting ethically and complying • with the law • Paying taxes due to government	• Timely provision of quality goods and services • Adherence to contractual • obligations • Responding to quotations and tenders to provide services. • Providing support services where required • Quoting goods and services at competitive prices • Acting honestly and ethically

	Stakeholder	Role of Stakeholder	Expectation of the Stakeholder	Expectation of the Organization
12.	**Board of Directors**	• Provide effective policy direction to the management of the Board for implementation of strategy.	• Providing effective policy direction and oversight • Timely responses to challenges affecting the industry. • Compliance with statutory obligations • Good governance practices • Adherence to core values • Effective communication with stakeholders	• Resource mobilization • Policy formulation and implementation • Adequate provision of human, physical, ICT and working resources
13.	**Staff**	• Implement policy and regulatory requirements for the implementation of strategy.	• Efficient and timely delivery of services • Compliance with public ethics requirements	• Efficient and timely provision of services • Participate in decision making. • Prudent utilization of resources • Team working • Self-development • Providing feedback for continuous improvement • Compliance with public ethics requirements

CHAPTER FOUR

4. STRATEGIC ISSUES, GOALS AND KEY RESULTS AREAS

The strategic framework for the Kenya Dairy Board Strategic Plan 2023- 2027 is aligned to its mandate. The framework outlines interrelated KRAs which the Board will pursue in the next five years. It is expected that, institutionalization of the framework will revitalize the Board's performance in the realization of its mandate. These are aligned to United Nations 2030 Agenda for Sustainable Development, African Union Agenda 2063, East Africa Community vision 2050, the Constitution of Kenya and the Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Fourth Medium Term Plan and other National Priorities. The chapter captures the four Strategic Issues, Strategic Goals and Key result areas.

4.1. Strategic Issues

Strategic issues are the problems and opportunities emanating from situational analysis that the Board will have to manage in order to fulfil its mandate and mission. These are:

a) Quality and Safety of dairy produce.
b) Production and productivity of the dairy industry.
c) Local and international markets access for Kenya's dairy produce.
d) Climate change and resilience of dairy enterprises.
e) Service delivery.

4.2. Strategic Goals

Strategic goals are qualitative statement on what the Board endeavor to achieve in long term. These strategic goals are linked to strategic issue.

a) Safe and quality marketed dairy produce.
b) Adequate dairy produce for local and export market.
c) Expanded market access for Kenyan dairy produce.
d) Profitable dairy businesses that are responsive and adaptive to the environment.
e) Organization's capacity to meet customer expectations.

4.3. Key Result Areas (KRAs)

The framework outlines interrelated KRAs which the Board will pursue in five years. It is expected that, institutionalization of the framework will revitalize the Board's performance in the realization of its mandate. The KRAs are:

KRA 1: Dairy industry compliance

KRA 2: Dairy Production and value addition

KRA 3: Market Access

KRA 4: Sustainability of the dairy industry.

KRA 5: Institutional Capacity

Table 4.1: Strategic Issues, Goal and Key Results Areas

	Strategic Issue	Goal	Key Result Area
1	Quality and Safety of dairy produce	Safe and quality marketed dairy produce.	Dairy Industry compliance
2	Production and productivity of the dairy industry.	Adequate dairy produce for local and export market.	Dairy production.
3	Local and international markets access for Kenya's dairy produce.	Expanded market access for Kenyan dairy produce.	Market Access.
4	Climate change and resilience of dairy enterprises.	Profitable dairy businesses that are responsive and adaptive to the environment.	Sustainability of the dairy industry.
5	Service delivery.	Organization's capacity to meet customer expectations.	Institutional Capacity.

CHAPTER FIVE

5. STRATEGIC OBJECTIVES AND STRATEGIES

This chapter contains a tabulation of the outcome's annual projections, and the strategic objectives and strategies for the five-year period. In Table 5.1 each strategic objective has one or two outcomes each of which will have several outcome indicators. This has been projected across the five years for continuous deliverables and summarized for every year. In Table 5.2, two or more strategic objectives have been identified for each key result area. A listing of the strategies to be used to achieve every strategic objective has been tabulated.

5.1. Strategic Objectives

The Strategic Objectives have been guided by the strategic goals and key result area to meet the Specific, Measurable, Attainable, Realistic and Time-bound (SMART) criteria. KDB has adopted the Sustainable Balance Scorecard into its circumstances. Financial performance, customer focus, internal business processes, learning and growth, social justice and environmental performance have been taken into consideration.
A five year projection has been provided for each of the formulated strategic objectives. These was informed by realistic achievements under the prevailing circumstances on a year to year basis. The Key Result Areas will be achieved through the following strategic objectives:

KRA 1: Dairy industry compliance

a) **To create an enabling policy and regulatory environment for the dairy industry.**
This will be achieved through a review of the Dairy Industry policy, legal, regulatory and standardization framework and the implementation of minimum producer prices. These are expected to improve the dairy business environment leading to growth of the formal milk market and utilization of the processing infrastructure.

b) **To enforce quality and safety requirements of dairy produce.**
Enforcement of the Dairy Industry Act and its regulations, consumer education and promotion of self-regulation will be undertaken to ensure full compliance of DBO's to milk quality and safety requirements.

KRA 2: Dairy Production and value addition

a) **To support the dairy industry to achieve 20% annual growth in production and value addition.**
Capacity building of dairy farmers and Dairy Business Operators will be undertaken to enhance productivity and production of dairy produce including high value milk dairy products.

KRA 3: Market Access

a) **To facilitate the dairy industry to grow exports by 200 Million litres annually.**
To promote growth in dairy exports, promotions, trade facilitations and capacity building of Dairy Business Operators on export strategies will be undertaken.

b) **To facilitate growth in domestic consumption of dairy products by 10% annually.**
This will be achieved by implementing measures to sensitize consumers on milk consumption and make the products easily accessible and affordable.

KRA 4: Sustainability of the dairy industry.

a) **To promote climate smart agriculture in the dairy industry to achieve net zero.**
To enhance sustainability of the dairy industry, stakeholders will be sensitized on climate smart agriculture and the use of green energy sources to increase productivity, manage cost and conserve the environment.

b) **To enhance research, innovation and learning in the dairy sector.**
This will be achieved by enhancing research and collection of data to guide the industry in decision making and adoption of appropriate technologies and innovations for improved productivity and production.

KRA 5: Institutional Capacity

a) **To enhance institutional capacity to provide quality and efficient services to the dairy industry stakeholders**.
This will improve the output of human resource, by providing adequate skills, working tools, equipment reagents and increase internally generated revenue to offer quality and efficient services. The Board will promote ethics, national values and good governance to achieve exceptional customer service and improve positive Board's image.

Table 5.1: Outcomes Annual Projections

Strategic Objective	Outcome	Outcome Indicator	Projections Y 1	Y 2	Y 3	Y 4	Y 5
KRA 1: Dairy Industry compliance							
To create an enabling policy and regulatory environment for the dairy industry	A favorable regulatory and policy environment.	% increase in quantity of formally marketed milk.	3%	4%	4%	4%	5%
		% Utilizations of processing capacities	45%	50%	55%	60%	65%
		% increase in the number of new compliant DBOs in the dairy industry.	15%	20%	25%	30%	35%
To enforce quality and safety requirements of dairy produce.	Improved level of compliance to quality and safety requirements for dairy produce.	Full compliance by the Dairy Business Operators.	100%	100%	100%	100%	100%
KRA 2: Dairy Production and value addition							
To support the dairy industry to achieve 20% annual growth in production and value addition.	Increased productivity and production of milk and milk products along the value chain.	% increase in production of processed dairy produce.	20%	20%	20%	20%	20%
		% increase in production of high value dairy products.	5%	5%	5%	5%	5%
KRA 3: Market Access							
To facilitate the dairy industry to grow exports by 200 Million litres annually	Increased access to export markets for Kenyan dairy produce.	Quantity of exported dairy produce (million litres)	50	250	450	650	850
To facilitate growth in domestic consumption of dairy products by 10% annually.	Increased consumption of dairy produce.	Growth in annual per capita consumption of dairy produce (litres)	78	86	94	104	114
KRA 4: Sustainability of the dairy industry.							
To promote climate smart agriculture in the dairy industry to achieve net zero	Growth and sustainability of the dairy industry.	Improved profitability in farm level production of milk (KS per litre)	42	48	50	52	55
	Climate change mitigation.	% increase in adoption of green energy by DBOs.	3%	5%	10%	15%	20%
To enhance research, innovation and learning in the dairy sector.	Knowledge based dairy industry.	Platform for sharing dairy research, information and data.	0%	10%	30%	50%	100%
KRA 5: Institutional Capacity.							
To enhance institutional capacity to provide quality and efficient services to the dairy industry.	Improved quality of service delivery.	Improved levels of customer satisfaction.	100%	100%	100%	100%	100%

5.2. Strategic Choices

KDB made choices of the strategies to be pursued to achieve the strategic objectives. In making the choices, a number of feasible alternatives were listed, evaluated and a specific course of action chosen. One or two strategic objectives were aligned to each of the five key result area. For each strategic objective, several strategies would be pursued to achieve them as depicted in Table 5.2.

Table 5.2 Strategic Objectives and Strategies

KRAs	Strategic Objective(s)	Strategies
KRA 1: **Dairy Industry compliance.**	To create an enabling policy and regulatory environment for the dairy industry.	Strengthen the policy, legal and regulatory framework.
	To enforce quality and safety requirements of dairy produce.	Enforce compliance along the dairy value chain to quality and safety requirements
		Ensure implementation of traceability and recall systems for dairy produce.
		Support programs for quality-based milk payment system across all processing facilities;
		Promote self-regulation in the dairy industry.
		Capacity building of dairy farmer groups to conduct safety tests on dairy produce.
		Enhance consumer awareness and education on dairy produce quality and safety.
KRA 2: **Dairy Production and Value Addition.**	To support the dairy industry to achieve 20% annual growth in production and value addition.	Develop programs to improve production and productivity of quality and safe milk by producers.
		Promote contract farming and supply of milk to dairy business operators.
		Develop programs that support productivity by dairy business operators.
		Organization and formalization of informal dairy business operators.
		Promote diversification, value addition and output of high value products by DBOs.
KRA 3: **Market Access**	To facilitate the dairy industry to grow exports by 200 Million litres annually.	Initiate programs that will make Kenyan dairy produce competitive in the export market.
		Develop capacity for generation of reliable market information to exporters of dairy produce.
		Promote investments in dairy export processing zones to enhance value addition of milk.
		Diversify the exportable dairy based products from cows and other animals including camels and goats.
		Develop mechanisms for resolution of NTB's affecting exports of Kenyan dairy produce.
		Harmonization of regional and international standards.

	To facilitate growth in domestic consumption of dairy products by 10% annually.	Develop programs that will promote consumption of milk and milk products.
		Enhance the affordability and access of milk and milk products to consumers.
KRA 4: Sustainability of the Dairy Industry.	To promote climate smart agriculture in the dairy industry to achieve net zero emissions.	Enhance sustainability in the dairy industry.
		Ensure adherence the principle guaranteed minimum returns for dairy produce.
		Promote climate smart and use of green energy sources in the dairy industry.
	To enhance research, innovation, learning and use of data in the dairy sector.	Strengthen research to generate information for planning and decision making.
		Promote adoption of appropriate technologies and innovations.
		Enhance milk traceability for dairy information.
KRA 5: Institutional Capacity.	To enhance institutional capacity to provide quality and efficient services to the dairy industry.	Improve human resource capacity for optimal performance.
		Improve physical and ICT infrastructure, equipment and working tools.
		Increase internally generated revenue by 9% per annum.
		Enhance corporate image and governance.

CHAPTER SIX

6. IMPLEMENTATION AND COORDINATION FRAMEWORK

This chapter provides information on the various resources required to implement this strategic plan. This includes the Board's human resource capacity and needs, performance management, coordination framework, and risk management framework.

6.1. Implementation Plan

The implementation of this Strategic Plan will be spearheaded by the Board of Directors. The Board will engage stakeholders in areas that require collaboration. Implementation will be executed through Performance contracts, annual work plans budgets and continuous monitoring and evaluation.

In the pre-implementation stage, the Board shall communicate the plan to all stakeholders, assign roles and responsibilities to different players, mobilize, allocate and utilize resources as identified in the plan. In addition, the Board will align annual departmental and individual work plans to the corporate plan and budget, put in place an appropriate monitoring, evaluation and reporting framework and strengthen staff capacity to deliver on the mandate. The Heads of Departments will be responsible for the day-to-day operationalization of the Plan to ensure that the planned activities are implemented.

6.1.1. Action Plan

To support implementation of the strategic plan, The Board has developed an elaborate action plan that contains Strategic issues, Goals, Key Result Areas, Outcomes, and strategic objective. The action plan is represented in Table 6.1.as implementation matrix.

Table 6.1: Implementation Matrix

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issue:	**Quality and Safety of dairy produce**															
Strategic Goal:	**Safe and quality marketed dairy produce**															
KRA 1:	**Dairy industry compliance**															
Outcomes:	**A favourable regulatory and policy environment.**															
Strategic Objective:1	**To create an enabling policy and regulatory environment for the dairy industry**															
Strengthen the policy, legal and regulatory framework.	Review the Dairy Industry Act Cap 336	A reviewed Dairy Industry Act	Dairy Industry Act Reviewed	100%	60%	40%	-	-	-	7.0	3.0	-	-	-	**DRS**	**MC**
	Review of the National Dairy Development Policy	A reviewed National Dairy Development Policy.	Dairy policy reviewed	100%	50%	50%	-	-	-	10.0	10.0	-	-	-	**DRS**	**MC**
	Sensitize stakeholders on the revised Dairy Industry Act	Sensitized Stakeholders.	No. of counties sensitized	47	-		22	25	-	-		10.00	10.0-	-	**DRS**	**MC**
	Participate in development or review of national, regional and international standards for dairy produce	Reviewed national, regional and international standards for dairy produce	No. of standards developed or reviewed	30	6	6	6	6	6	4.0	4.0	5.0	5.0	6.0	**DRS**	**MC**
	Provide advisory to Government on gazettement of minimum producer prices	Advisory on minimum producer prices	No. of advisories	10	2	2	2	2	2	2.0	2.0	2.0	2.0	2.0	**DRS**	**MC**
	Develop Standard Operating Procedures (SOPs) for enforcement of the Dairy industry regulations	Standard Operating Procedures (SOPs) for enforcement of the Dairy industry regulations	No. of enforcement areas addressed	10	5	5	-	-	-	1.0	1.0	-	-	-	**DRS**	**MC**
	Sub-total									**24**	**20**	**17**	**17.0**	**8**		

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issue:	**Quality and Safety of dairy produce**															
Strategic Goal:	**Safe and quality marketed dairy produce**															
KRA 1:	**Dairy industry compliance**															
Outcomes:	**A favourable regulatory and policy environment.**															
Strategic objective: 2	**To enforce quality and safety requirements of dairy produce**															
Enforce compliance along the dairy value chain to quality and safety requirements	Conduct risk-based surveillance on the quality and safety of marketed dairy produce.	Risk based surveillance on the quality and safety of marketed dairy produce.	Risk monitoring framework	5	1	1	1	1	1						**DRS**	**MC/LM**
			No. of tests conducted	350,000	60,000	65,000	70,000	75,000	80,000							
			Compliance of dairy produce to standards	100%	100%	100%	100%	100%	100%							
			Conduct review of surveillance results and disseminate findings to DBOs	20	4	4	4	4	4	5.0	1.0	1.0	1.0	1.0	**DRS**	**MC/LM**
			Accreditation of the National Dairy Regulatory Laboratory	100%	100%	100%	100%	100%	100%	2.0	1.0	1.0	1.0	0.5	**DRS**	**LM**
	Develop a milk residue monitoring programme to enhance a milk safety and quality.	Milk residue monitoring programme in place.	% Development of a milk residue monitoring programme.	**100%**	100%	100%	100%	100%	100%	5.0	8.0	10	10	10	**DRS**	**MC/LM**
	Enforcement of the Dairy Industry Act and Regulations	Compliance to Dairy Industry Act and Regulations	No. of enforcements programs conducted	1,720	344	344	344	344	344	35.0	35.0	38.0	38.0	40.0	**DRS**	**MC**
			No. of risk-based inspections conducted	36,000	8,000	9,000	9,000	10,000	10,000							

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
			Compliance of Dairy business operators to requirements.	100%	100%	100%	100%	100%	100%							
			Conduct bi annual validation of milk intakes and quality data for processors and mini dairies.	10	2	2	2	2	2	10	2.5	2.5	2.5	2.5	**DRS**	**MC/FM**
	Undertake border and market surveillance to monitor imports of dairy produce.	Compliance to import and export requirements.	No. of surveillance reports	**10**	**2**	**2**	**2**	**2**	**2**	**4.0**	**4.0**	**4.0**	**4.5**	**4.5**	DRS	MC
	Asses the level of compliance to standards and regulatory requirements	100% compliance to standards and regulatory requirements	Compliance Assessment Reports	**100%**	100%	100%	100%	100%	100%	5.0	5.0	5.0	5.0	5.0	**DRS**	**LM**
	Develop risk based corrective and preventive plans for compliance management	Corrective and preventive plans for compliance management developed.	No. Risk based preventive and corrective action plans developed	**10**	2	2	2	2	2	1	1	1	1	1	**DRS**	**LM**
	Develop a contingency plan for management of quality and safety of dairy produce	Contingency plan established and operationalised.	No. Contingency plans developed	**1**	-	1	-	-	-	0	5	10	10	10	**DRS**	**LM**
	Promote and Market the laboratory services	Laboratory promotion and marketing programs implemented.	No. of promotional and marketing programs in place	10	5	5	-	-	-	1.0	0	0	0	0	**DRS**	**DCS**
Enhance traceability and recall systems	Implement and Monitor the	Traceability and recall	% implementation	100%	10%	40%	80%	90%	100%	**2.0**	**3.0**	**4.0**	**5.0**	**5.5**	DRS	MC

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
along the dairy value chain.	traceability and recall mechanisms.	mechanisms in place.	of traceability and recall mechanism.													
Promote quality-based milk payment system.	Advice government on implementation of a quality-based milk payment system.	Implementation of a quality-based milk payment system by dairy business operators	% implementation of a quality-based milk payment system by dairy business operators	**100%**	100%	100%	100%	100%	100%	2.0	2.0	2.5	3.0	3.0	**DRS**	**MC**
Promote self-regulation in the dairy industry	Enhance capacity of milk collection and bulking centres to test raw milk for quality and safety	Milk collection and bulking centres testing raw milk for quality and safety	No. of collection and bulking centres trained	**25**	5	5	5	5	5	5.0	5.0	6.0	6.0	6.5	**DRS**	**MC**
			No. of Dairy Business Operators supported	**50**	10	10	10	10	10							
	Sensitize dairy stakeholders' associations on self-regulation of members	Stakeholders sensitized on self-regulation.	No. of sensitizations forums held	**10**	2	2	2	2	2	1.0	1.0	1.0	1.0	1.0	**DRS**	**MC**
	Technical support for milk processors, mini dairies and cottage industries in implementing quality management systems;	Implementation of quality management systems by milk processors, mini dairies and cottage industries	No. of Dairy Business Operators supported.	**25**	**5**	**5**	**5**	**5**	**5**	5.0	5.0	6.0	6.0	6.5	**DRS**	**MC**
Enhance consumer awareness and education on dairy produce quality and safety	Develop and implement consumer education and awareness strategy	Consumer education and awareness strategy implemented	% of consumer education and awareness strategy implemented	25	5	5	5	5	5	20.0	20.0	25.0	25.0	30.00	**DCS**	**CC**
	Sub-total									**127**	**118.5**	**134**	**136**	**135**	**650.5**	

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issue:	**Production and productivity of the dairy industry.**															
Strategic Goal:	**Adequate production of dairy produce for local and export market.**															
KRA 2:	**Dairy production and value addition.**															
Outcomes:	**Increased productivity and production of milk and milk products along the value chain.**															
Strategic Objective:1	**To support the dairy industry to achieve 20% annual growth in production and value addition.**															
Improve production and productivity of quality and safe milk by dairy farmers	Train dairy farmers on good agricultural practices for improved productivity	Enhanced skills of dairy farmers to increase productivity and production of quality and safe milk	No. of dairy farmers trained	**100,0000**	20,000	20,000	20,000	20,000	20,000	5.0	5.0	5.0	6.0	7.0	**DRS**	**MSED**
	Map out dairy farmers producing more than 50 litres of milk per day	Dairy farmers producing mora than 50 litres per day mapped	Annual mapping	**5**	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	**DRS**	**MSED**
	Link dairy farmers with suppliers of fodder and pasture seeds and planting materials	Dairy farmers linked with suppliers of fodder and pasture seeds and planting materials	No. of dairy farmers linked	**100,000**	20,000	20,000	20,000	20,000	20,000	1.0	1.0	1.0	1.5	1.5	**DRS**	**MSED**
	Sensitize dairy farmer groups to invest in commercial production, conservation and distribution of pasture and fodder	Dairy farmer groups sensitized on commercial production of pasture and fodder	No. of groups sensitized	**100**	20	20	20	20	20	1.0	1.0	1.5	2.0	2.0	**DRS**	**MSED**
	Support dairy farmers groups to increase production of protein rich crops for animal feeds processing	Increased production of protein rich crops	No. of dairy farmers groups supported	**100**	20	20	20	20	20	5.0	6.0	7.0	7.0	8.0	**DRS**	**MSED**
	Identify and promote model dairy farms for capacity building of dairy farmers	Mapping of model dairy farms for capacity building of dairy farmers	No. of model dairy farms promoted	**150**	30	30	30	30	390	0.5	0.5	1.0	1.0	1.0	**DRS**	**MSED**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Sensitize dairy farmers groups on contract farming and sale of milk	Enhanced awareness of dairy farmer groups on contract farming	No. of dairy farmer groups sensitized	**100**	20	20	20	20	20	0.5	0.5	1.0	1.0	1.5	**DRS**	**MSED**
Enhance productivity and value addition by dairy business operators.	Undertake inventory of the installed milk processing and value addition capacity	Inventory of the milk processing and value addition capacity	Inventory report	**1**	1	-	-	-	1	0.5	-	-	-	1.0	**DRS**	**MSED**
	Sensitize DBOs on gaps for value addition of dairy produce	DBOs sensitized on areas of investment	No. of DBOs sensitized	**100**	20	20	20	20	20	0.5	0.5	0.5	1.0	1.0	**DRS**	**MSED**
	Sensitize DBOs on co-processing of milk and milk products	DBOs sensitized on co-processing of milk and milk products	No. of DBOs sensitized	**100**	20	20	20	20	20	0.5	0.5	0.5	1.0	1.0	**DRS**	**MSED**
	Train DBOs on milk processing and value addition	DBOs trained on milk processing and value addition	No. of DBOs trained	**500**	100	100	100	100	100	1.5	2.0	2.0	2.5	2.5	**DRS**	**MSED**
	Link DBOs with suppliers of milk processing and value addition technologies	DBOs linked with suppliers of processing and value addition technologies	No. of links established	**200**	40	40	40	40	40	0.5	1.0	1.0	1.5	1.5	**DRS**	**MSED**
Organization and formalization of informal dairy business operators.	Undertake national mapping and profiling of informal DBOs	Informal DBOs mapped out	Mapping report	**2**	1	-	-	1	-	1.0	-	-	1.5	-	**DRS**	**MSED**
	Support Dairy Traders Association (DTA) to register and conduct outreach to informal DBOs	Increased capacity of DTA to register and outreach informal DBOs	No. of support programs	**10**	2	2	2	2	2	1.0	1.5	1.5	2.0	2.0	**DRS**	**MSED**
	Train informal DBOs on dairy compliance	Enhanced capacity of informal DBOs to comply with food safety requirements	No. of informal DBOs trained	**1,000**	200	200	200	200	200	1.0	1.0	1.5	1.5	2.0	**DRS**	**MSED**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Link informal DBOs to co-processors of milk and milk products	Co-processing of milk and milk products by informal DBOs	No. of informal DBOs linked	**100**	20	20	20	20	20	1.0	1.0	1.5	1.5	1.5	**DRS**	**MSED**
Sub-total										**21.0**	**22.0**	**25.5**	**31.5**	**34.0**	**134.0**	
Strategic Issue:	**Local and international markets access for Kenya's dairy produce**															
Strategic Goal:	**Expanded market access for Kenyan dairy produce.**															
KRA 3:	**Market Access**															
Outcomes:	**Increased access to export markets for Kenyan dairy produce.**															
Strategic Objective:1	**To facilitate the dairy industry to grow exports by 200 Million litres annually**															
Enhance competitiveness of Kenyan dairy produce in the export markets	Resolve NTB's affecting exports of Kenyan dairy produce.	NTBs resolved	No of NTBs addressed	**10**	2	2	2	2	2	2.0	2.0	2.0	2.0	2.5	**DRS**	**MSED**
	Contribute to SPS and TBT committees for market penetration and access for Kenyan Dairy Produce.	SPS and TBT dairy related issues addressed.	SPS and TBT meetings attended	**10**	2	2	2	2	2	2.0	2.0	2.0	2.0	2.0	**DRS**	**MSED**
	Lobby Government to implement measures to manage the costs of milk production and processing	Measures implemented to manage costs of milk production and processing	No. of measures implemented	**5**	1	1	1	1	1	1.0	1.0	1.5	1.5	2.0	**DRS**	**MSED**
	Sensitize DBOs on opportunities in the Export Processing zones	DBOs sensitized on EPZ opportunities	No. of DBOs sensitized	**40**	-	20	-	20	-	-	1.0	-	1.0	-	**DRS**	**MSED**
	Capacity built DBOs on dairy export strategies.	DBOs capacity built on dairy export strategies	No. of DBOs capacity built on dairy export strategies	**25**	5	5	5	5	5	-	1.0	1.0	1.5	1.5	**DRS**	**MSED**
	Promote exports of Kenyan dairy produce	No. of promotions held	Kenyan dairy produce promoted in export markets	**15**	3	3	3	3	3	15.0	15.0	15.0	15.0	15.0	**DRS**	**MSED**
	Develop internal capacity to conduct	Capacity of staff strengthened	No. of staff trained	**10**	-	5	5	-	-	-	2.0	2.0	-	-	**DRS**	**MSED**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strengthen dairy export markets intelligence	export market intelligence for dairy produce															
	Conduct market intelligence on export markets and disseminate findings to DBOs	Intelligence on potential export market collected and disseminated	No. of export market intelligence reports conducted	**10**	2	2	2	2	2	5.0	5.0	8.0	10.0	10.0	**DRS**	**MSED**
										25.0	**29.0**	**31.5**	**33**	**33**	**151.5**	
Strategic Issue:	**Local and international markets access for Kenya's dairy produce**															
Strategic Goal:	**Expanded market access for Kenyan dairy produce.**															
KRA 3:	**Market Access**															
Outcomes:	**Increased per capita consumption of dairy produce.**															
Strategic Objective: 2	**To facilitate growth in domestic consumption of dairy products by 10% annually.**															
Improve domestic consumption of milk and milk products.	Sensitize counties on implementation of school milk programs	Counties sensitized on implementation of school milk programs	No. of counties sensitized	**47**	7	10	10	10	10	1.0	1.0	1.0	1.0	1.0	**DRS**	**MSED**
	Sensitize private schools on implementation of school milk programs	Private schools sensitized on school milk programs	No. of schools sensitized	**500**	100	100	100	100	100	1.0	1.0	1.0	1.0	1.0	**DRS**	**MSED**
	Promote consumption of high value dairy products	Consumption of high value products promoted	No. of promotions conducted	**15**	3	3	3	3	3	2.0	2.0	2.5	2.5	3.0	**DRS**	**MSED**
	Promote milk consumption during the June Dairy Month	Milk consumption promotions undertaken during the June dairy month	No. of June dairy months celebrated	**5**	1	1	1	1	1	5.0	5.0	5.5	6.0	6.0	**DRS**	**MSED**
Enhance the affordability and access of milk and milk products to consumers.	Advice Government to implement measures to manage the retail cost of milk and milk products	Measures implemented to manage retail costs of milk and milk products	No. of measures implemented	**5**	1	1	1	1	1	2.0	2.0	2.0	2.0	2.0	**DRS**	**MSED**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Map out the milk distribution network and sensitize DBOs on potential gaps	Milk distribution network mapped	Mapping report	**2**	1	-	-	1	-	-	1.5	-	1.5	-	**DRS**	**MSED**
		DBOS sensitized on distribution gaps	No. of DBOs sensitized	**100**	20	20	20	20	20	-	1.0	-	1.0	-	**DRS**	**MSED**
	Support establishment of new DBOs across the country	New DBOs established	No. of new DBOs established	**250**	50	50	50	50	50	0.5	0.5	0.5	0.5	1.0	**DRS**	**MSED**
Sub-total										**36.5**	**43**	**44**	**48.5**	**47**	**219**	
Strategic Issue:	**Climate change and resilience of dairy enterprises.**															
Strategic Goal:	**Profitable dairy businesses that are responsive and adaptive to the environment.**															
KRA 4:	**Sustainability of the dairy industry.**															
Outcomes:	**Growth and sustainability of the dairy industry** **Climate change mitigation.**															
Strategic Objective: 1	**To promote climate smart agriculture in the dairy industry to achieve net zero**															
Enhance sustainability in the dairy industry.	Sensitize stakeholders on the Dairy Industry Sustainability Framework 2023 -2033	Stakeholders sensitized on dairy industry sustainability framework	No. of sensitizations conducted	**10**	2	2	2	2	2	1.0	-	1.0	-	1.0	**DRS**	**MSED**
	Implement Dairy Quality Awards to promote good performance and practices	Mechanism established to promote good performance and practices	Annual Dairy Quality Awards	**5**	1	1	1	1	1	5.0	6.0	7.0	8.0	8.0	**DRS**	**MSED**
Promote climate smart and use of green energy sources in the dairy industry.	Conduct an assessment on the use of solar technology in cooling and processing facilities	Assessment report	Number of solar technologies installed by cooling and processing establishments	**200**	**20**	**50**	**100**	**150**	**200**	1.0	0	1.0	0	1.0	**DRS**	**MSED**
	Sensitize stakeholders on green gas energy sources and recycling.	Stakeholders sensitized on green energy sources	No. of stakeholders sensitized	**1,000**	**200**	**200**	**200**	**200**	**200**	1.0	1.0	1.0	1.0	1.0	**DRS**	**MSED**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Sensitize stakeholders on climate smart agriculture	Stakeholders sensitized on climate smart agriculture	No. of stakeholders sensitized	**1,000**	**200**	**200**	**200**	**200**	**200**	1.0	1.0	1.0	1.0	1.0	**DRS**	**MSED**
Sub-total										**9.0**	**8.0**	**11.0**	**10.0**	**12**	**50**	
Strategic Issue:	**Climate change and resilience of dairy enterprises.**															
Strategic Goal:	**Profitable dairy businesses that are responsive and adaptive to the environment.**															
KRA 4:	**Sustainability of the dairy industry.**															
Outcomes:	**Knowledge based dairy industry.** **Learning and innovating institution.**															
Strategic Objective: 2	**To enhance research, innovation and learning in the dairy sector.**															
Strengthen research to generate information for planning and decision making.																
	Develop dairy information system	Mechanism for storage and sharing of dairy research and data developed	Research repository	**1**	0.5	0.5	-	-	-	-	2.0	13.0	5.0	-	**DCS**	**MSED**
	Undertake relevant surveys, studies and benchmarking and disseminate findings	Relevant research conducted and disseminated	No. of researches conducted	**10**	2	2	2	2	2	15.0	15.0	17.0	17.0	18.0	**DRS**	**MSED**
Promote adoption of appropriate technologies and innovations.	Identify appropriate and scalable technologies and innovations	Appropriate and scalable technologies and innovations identified	No. of technologies	**10**	2	2	2	2	2	1.0	1.0	1.5	1.5	1.5	**DRS**	**MSED**
	Sensitize stakeholders on identified technologies and innovations	Stakeholders sensitized and linked to scalable technologies and innovations.	No. of stakeholders sensitized	**500**	100	100	100	100	100	1.0	1.0	1.0	1.0	1.0	**DRS**	**MSED**
Sub total										26.0	27.0	43.5	34.5	32.5	**163.5**	

Strategic Issue:	**Service delivery**
Strategic Goal:	**Board's capacity to meet customer expectations**
KRA 5:	**Institutional Capacity**
Outcomes:	**Improved quality of service delivery**
Strategic Objective:	**To enhance institutional capacity to provide quality and efficient services to the dairy industry stakeholders**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Improve human resource capacity for optimal performance	Maintain optimal staff levels with requisite competence	Staff recruited	No. of staff recruited.	33	9	8	8	4	4	286	297	301	310	322	**DCS**	**PHRM**
	Conduct training and development	Training on staff conducted	% of staff trained as per training plan.	100%	100%	100%	100%	100%	100%	15	15.7	16.5	17.4	18.2	**DCS**	**PHRM**
	Implement staff performance management system	Performance	Annual Performance report	100%	100%	100%	100%	100%	100%	4	4.2	4.2	4.5	4.5	**DCS**	**PHRM**
	Implement Quality Management Systems (QMS)	Improved Boards operational management	Valid QMS certification in place	100%	0	50%	100%	100%	100%	0	3	5	2	2	**DCS**	**PHRM**
	Enhance staff welfare scheme.	Enhanced welfare schemes in place	No. of staff schemes implemented and maintained	2	1	0	0	0	1	2.8	2.4	2.4	2.4	2.4	**DCS**	**PHRM**
	Carry out employee satisfaction survey and implement recommendations of the survey	Employee Satisfaction survey conducted	Employee satisfaction index	x+5%	x	-	-	x+5%	-	2	0	0	0	2	**DCS**	**PHRM**
Improve physical infrastructure, equipment and working tools	Provide and maintain office working space.	Offices refurbished	No. of offices refurbished.	17	5	4	4	2	2	2.7	3.7	2.8	1.8	1.8	**DCS**	**AO**
		New offices acquired	No. of new offices acquired	5	2	2	1	0	0	2.5	2.5	1.7	0	0	**DCS**	**AO**
		New branch office buildings constructed	No. of new buildings constructed for branch offices.	3	0	1	1	1	-	0	3	0	0	0	**DCS**	**AO**
		Office maintained and managed	Office maintenance and management	100%	100%	100%	100%	100%	100%	49.7	40.1	40.8	42.2	43.8	**DCS**	**AO**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 5 Years	Annual Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Improve physical infrastructure, equipment and working tools	Provide and maintain working tools and equipment	New vehicles acquired	No. of new vehicles acquired	22	3	4	5	5	5	15	19	23	23	24	**DCS**	**AO**
		offices Furniture, fittings Procured	No. of offices Furniture, fittings procured	33	5	7	7	7	6	30	3	3.5	3.5	3.5	**DCS**	**AO**
		Lab Equipment procured	Number of Lab Equipment	5	1	3	1	0	0	5	10	10	5	5	**DCS**	**DRS**
		Reagents and Consumables procured	Number of Reagents and Consumables	100%	100%	100%	100%	100%	100%	15.0	16.0	17.0	18.0	19.0	**DCS**	**DRS**
		Protective attire acquired	Protective attire	100%	100%	100%	100%	100%	100%	4	4.5	5.0	5.5	6.0	**DCS**	**DRS**
		Computers and accessories procured	No. of Computers and accessories procured	150	30	30	30	30	30	8	8	8	8	8	**DCS**	**PICTO**
		Parking Car Shade installed	Installation of Parking Car Shade	1	1	0	0	0	0	8	0	0	0	0	**DCS**	**AO**
		Borehole drilled	Construction of boreholes	1	1	0	0	0	0	0	4	0	0	0	**DCS**	**AO**
		Solar power commissioned	Solar power installed	1	0	1	-	-	-	0	20	0	0	0	**DCS**	**AO**
	Provide necessary measures to safeguard the Board's assets.	General insurance in place.	General insurance acquired.	100%	100%	100%	100%	100%	100%	2.8	5	5.5	6	6	**DCS**	**AO**
		Security services providers contracted	Security services providers engaged	5	1	1	1	1	1	2.7	3.5	3.5	3.7	3.7	**DCS**	**AO**
		Unified Security surveillance systems installed	CCTV system installed installed	28	5	7	7	7	7	0.7	1	1	1	1	**DCS**	**PICTO**
			Installed Access control systems	28	1	7	7	7	7	1	0.7	0.7	0.7	0.7	**DCS**	**PICTO**
		Secured ICT infrastructure, systems and information assets	Installed security measures for ICT infrastructure, systems, information assets. (Firewalls, Antivirus and Back-up systems)	100%	100%	100%	100%	100%	100%	2	8	5	3	3	**DCS**	**ICT**

		Availability of Board's Services and Systems	Implement Business Continuity Strategies, (Disaster Recovery Plan, Backups and Storage Strategy).	100%	10%	40%	40%	5%	5%	1	10	10	2	2	**DCS**	**ICT**
		Board vehicle managed	Installation and implementation of fleet management system in all vehicles.	100%	100%	100%	100%	100%	100%	0	1.5	0.7	0.7	0.7	**DCS**	**AO**
		Assets well managed	All assets identified and tagged.	100%	100%	100%	100%	100%	100%	1.8	0.2	0.2	0.2	0.2	**DCS**	**AO**
	Acquire and implement ICT systems to improve service delivery	Improved access to Board's Services	Digitalize and Onboard of all Board services	100%	100%	100%	100%	100%	100%	2	8	5	3	3	**DCS**	**ICT**
			Implemented ICT Systems- • e-board system • Mobile client service application • Electronic data management system.	4	1	2	1	0	0	5	10	15	3	2	**DCS**	**ICT**
	Acquire laboratory accreditation and maintenance.	National Dairy Laboratory Accredited	Valid ISO 17025 accreditation	1	1	1	1	1	1	0.5	1.0	0.6	1.0	0	**DRS**	
Increase internally generated revenue by 9% per annum	Commercialization of laboratory services	Increased revenue generated	Amount of revenue generated (Kshs. M)	21	0	0	3	6	12	3	3	3	3	3	**DRS**	**FM**
	Data validation and reconciliation to optimise levy collection		Levies collected (Kshs. M)	3389	574	623	674	730	788	8	8	8	8	8	**DRS/FM**	**FM**
	Timely issuance of permits to new and existing clients		Revenue generated from the issuance of permits and licenses (Kshs. M)	87.7	15	16.2	17.5	18.6	20.4	0	0	0	0	0	**FM**	**DRS**
	Establish partnerships and collaborations		Grants received (Kshs M)	76	10	12	15	18	21	2	2	2	2	2	**FM**	**DRS**
	Investment of excess liquidity to generate interest revenue		Interest revenue generated (Kshs. M)	32.2	3.6	4.8	6.4	7.8	9.6	0	0	0	0	0	**FM**	**MD**
Enhance corporate governance and image	Execute of Board affairs	Board affairs well-coordinated	No. of Board and related committee meetings conducted.	120	24	24	24	24	24	13.4	12.0	14.5	13.5	13.5	**MD**	**DCS**
			No. of trainings conducted	10	2	2	2	2	2	1	1	1	1	1	**MD**	**DCS**

	Review and implement communication strategy	(i) Enhanced awareness in compliance to quality and safety requirements of milk and milk products (ii) Increased consumption of dairy products (iii) Enhanced image profile (v) Better understanding of the Board's mandate and functions	Implemented communication strategy	100%	100%	100%	100%	100%	100%	25.5	30	35.6	40	45	**DCS**	**PCCO**
	Review and implement Bribery and corruption prevention policy	bribery and corruption prevention policy Implemented	Implement bribery and corruption prevention policy	100%	100%	100%	100%	100%	100%	0.1	0.1	0.1	0.1	0.1	**MIA**	
	Develop and implement enterprise risk management framework		% of activities conducted in implementation enterprise risk management	100%	100%	100%	100%	100%	100%	0	2	1	1	1	**MIA**	
	Implement National cohesion and values commitments		Annual presidential report scores on activities conducted and reported.	100%	100%	100%	100%	100%	100%	0.5	0.5	0.5	0.5	0.5	**DCS**	**HOD**
	Review and improve Board's customer perception.	(i)Improved image profile of the Board and dairy industry. (ii) Enhanced support from our stakeholders (iii) Improved relationship with our stakeholders	% of activities conducted on improving Board's customer perception	100%	100%	100%	100%	100%	100%	10	10	10	10	10	**DCS**	**PCCO**
			% of activities conducted on rebranding of Board image	100%	100%	100%	100%	100%	100%	0	30	30	0	0	**DCS**	**PCCO**
			No. of engagements on CSR activities	100%	100%	100%	100%	100%	100%	2	2.5	3	3.5	4	**DCS**	**PCCO**
	Conduct consumer satisfaction survey	Survey	Report on consumer satisfaction survey	**2**	1	0	0	1	0	5	0	0	0	5	**DCS**	**PCCO**

	Mainstreaming of national concerns: • HIV and AIDS and UHC mainstreaming. • Disability and gender mainstreaming • Alcohol and substance abuse • Road safety mainstreaming • Environmental conservation • Access to Government Procurement Opportunities (AGPO)	National concerned mainstreamed	% Score attained on national concerns	100%	100%	100%	100%	100%	100%	4	4	4	4	4	**DCS**	**HOD**
										543.7	**610.1**	**600.8**	**554.2**	**581.6**	**2,890.4**	

6.1.2. Annual Workplan and Budget

During implementation of the strategic plan, The Board will develop workplan informed by the strategies highlighted in the strategic plan. The workplan will be developed annually picking activities from the strategies formulated. The annual work plan will contribute toward the achievement of overall strategic goals. The development of annual budget will be informed by the costed activities in the annual workplan.

6.1.3. Performance Contracting

The Board will Develop annual performance contract which will derive its activities from costed annual work plan. The performance contract will assist in implementing of strategic plan and will form part of performance management tool.

6.2. Coordination Framework

The Strategic Plan will be implemented within the Board's organizational structure. The implementation requires the full involvement, effort, commitment and leadership from the Board, management, staff and all stakeholders. The Board will have the major task of addressing structural issues, capacity building gaps in order to support the effective implementation of the Strategic Plan. The coordination framework includes roles of the Board and also outlining the organizational structure and the optimal staffing levels required.

6.2.1. Institution Framework

Kenya Dairy Board is managed by the Board of Directors that is responsible for policy and strategic guidance. The chairperson and other members of the Board are appointed in accordance with Section 5 (1) and (2) of the Dairy Industry Act Cap 336. To facilitate effective and efficient execution of the Strategic Plan the Board will adopt the following structure and functions:

i. The Board of Directors

The responsibilities of the Board of Directors are as follows;

a) Oversee implementation of the provisions of the KDB mandate as spelt in the Dairy Industry Act Cap 336;
b) Provide policy direction for the implementation of the KDB mandate as spelt in the Dairy Industry Act Cap 336;
c) Approve annual work-plans, procurement plans, training plans and budgets;
d) Submit reports on any particular issues as may be required by the Cabinet Secretary;

e) Publish and publicise every report required of the Board;
f) Approve quarterly as well as annual reports and financial statements; and
g) Ensure effective functioning of the Board through provision of required resources.

ii. **Office of the Managing Director**

The office of the Managing Director has the responsibility of:

a) Coordinating the implementation, monitoring and evaluation of the Strategic Plan;
b) Ensuring effective and efficient service delivery, performance management, staff development and resource mobilization;
c) Ensure development and implementation of Business Continuity Plan; and
d) Day-to-day management of the affairs of the Board.

iii. **Departments and Divisions**

The Board will have five (5) departments and three (3) divisions that report directly to the Managing Director as follows:

a) Regulatory Services Department

This department will be responsible for discharging the core function of the Board by enforcing the Dairy Industry Act, Cap 336 of the laws of Kenya. It undertakes dairy premises inspection and licensing, surveillance of product quality, ensuring compliance to dairy standards and safety requirements for consumer protection.

b) Standards and Enterprise Development Department

The Department will be responsible for provision of a broad strategic focus for research, trade, innovation and support the development of dairy enterprises.

c) Corporate Services Department

The Department will be responsible for the functional areas of Human Resource, Administration, ICT and Corporate Communications.

d) Finance and Accounting Department

The Department will be responsible for the functional areas of revenue, debtors' management, budgetary control, accounting, reporting, treasury and working capital management.

e) Internal Audit Department

The Department will be responsible for the development and implementation of a systematic disciplined approach, to evaluate and improve the effectiveness of risk management, controls and governance process

f) Supply Chain Management Division

The Division will be responsible for timely procurement of goods and services in compliance with the Procurement and Asset Disposal Act, 2015. It also ensures that procured goods meet the required specifications and properly recorded, stored and issued

g) Strategy and Planning Division

The Division will be responsible for corporate planning, implementation, monitoring, evaluation, reporting and learning. The Division will also provide guidance in the implementation of quality management systems and risk management.

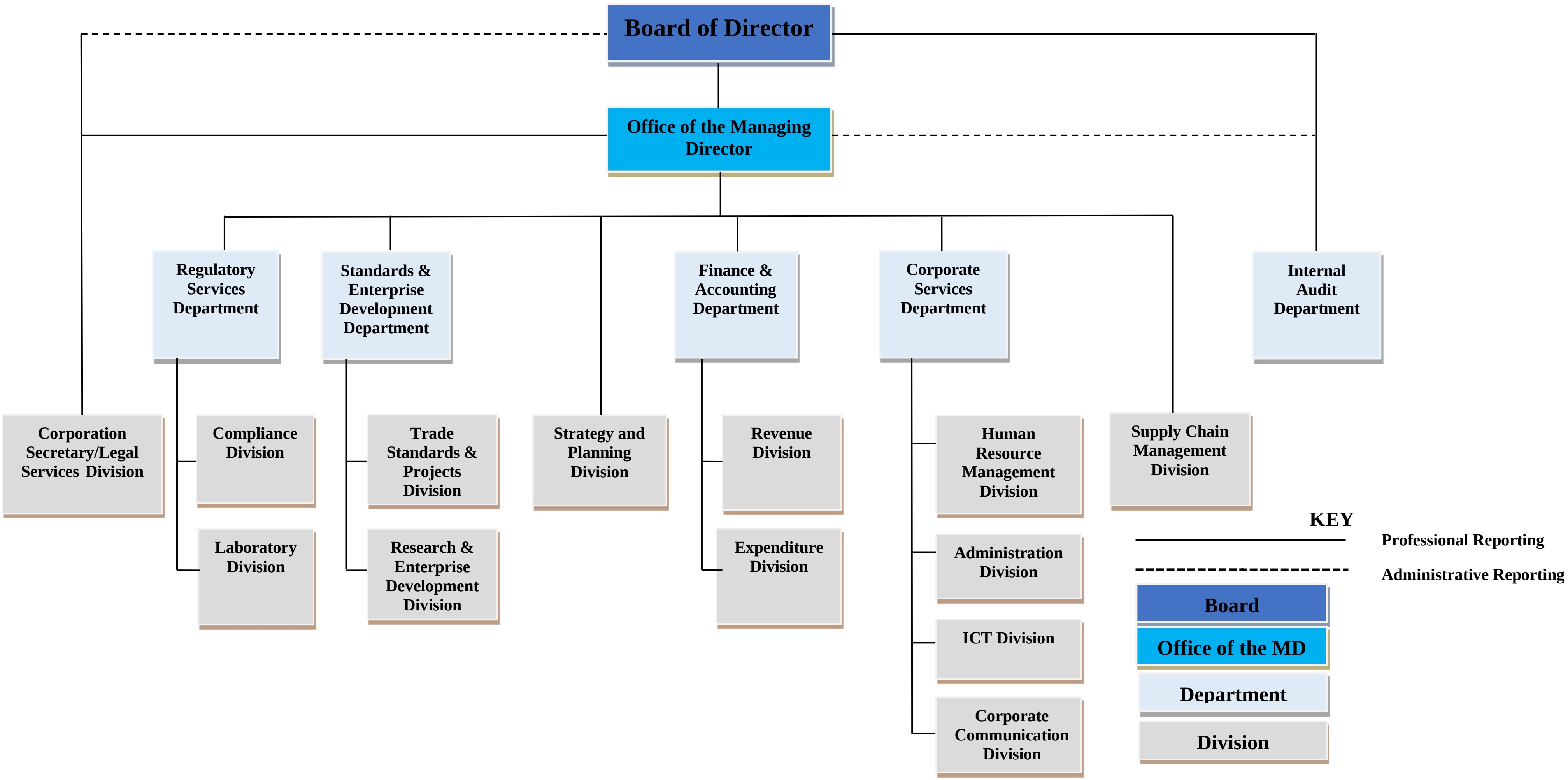
h) Corporation Secretary/Legal Services Division

The Division will be responsible for provision of legal advice and attend to all matters relating to the Board, litigations, regulatory compliance, security documentation and contract compilation.

iv. **Organization Structure**

The Board has developed an organizational structure that seeks to facilitate effective delegation, management processes and information flow. The Kenya Dairy Board Organizational Structure will be as presented in Figure 6.1:

Figure6.1: The Kenya Dairy Board Organizational Structure



6.2.2. Staff Establishment, Skills Set and Competence Development

Currently, the Board has an in post of **166** employees in an approved staff establishment of **253** translating to **66%** of the staff establishment. During the planning period 2023-2027 the Board shall fill all the critical vacant positions with required skills set to ensure optimal human resource capacity to implement the Strategic Plan as provided in table 6.2, this is however, dependent on approval from the National Treasury and Economic Planning. To support implementation of the strategy, the Board will evaluate the existing staff levels, skill set and competence to ascertain the adequacy and relevance as provided in table 6.3. The Board will ensure the staff undergo capacity development to improve their competence where necessary.

Table 6.2 Staff Establishment

Cadre	Approved Establishment	Optimal Staffing Levels (B)	In-Post (C)	Variance D = (B - C)
Managing Director	1	1	1	0
Directors	5	2	5	3
Managers	11	4	11	7
Principal Officers	11	8	11	3
Officer/Senior officers	81	51	81	30
Assistant / Senior Assistants officers	91	60	91	31
Driver/Senior office Assistant/Senior Driver	49	34	49	15
office Assistants	4	2	4	2
Total	**253**	**162**	**253**	**91**

Table 6.3 Skill Set and Competence Development

Cadre	Skills Set	Skill Gap	Competence Development
Directors	• Decision making • Leadership • Administrative • Networking • Analytical • Communication • visionary • Problem Solving • Negotiation		Training

Managers	• Leadership • Administrative • Analytical • Communication • Decision making • Listening • Supervisory • Negotiation • Presentation • Social network and - Management Skills • Problem Solving • Mentorship • -Report writing • policy formulation and implementation skills • -Minutes Writing/ Board papers	-Policy Formulation and report writing -Minutes Writing/ Boardpapers	Training
Principal Officers (including Technical skills and Laboratory services)	• Leadership skills • Supervisory • presentation • Communication • Negotiation • Public Prosecution skills • Analysis and Measurement Skills in testing Laboratory. • Analytical Interpretation, Reporting and Communication. • -Research Formulation, Implementation and Reporting. • Statistical and Data Analysis Techniques. • Good interpersonal skills • Problem Solving	• Public Prosecution skills • Analysis and Measurement Skills in testing Laboratory. • -Analytical Interpretation, Reporting and Communication. • -Research Formulation, Implementation and Reporting • cloud computing computer programming and systems development • Virtualization • Network Management	• Training • Mentorship

	• Leadership • Analytical • Mentorship Counselling • Work Measurement • Data Analysis • Cloud Computing • Computer Programming and Systems Development • Virtualization • Network Management • System Security	• System Security	
Officer/Senior officers. (including Technical skills Laboratory services skills)	• Analysis and Measurement Skills in testing Laboratory. • Analytical Interpretation, Reporting and Communication. • Research Formulation, Implementation and Reporting. • Statistical and Data Analysis Techniques. • Stock and Inventory Management. • Customer Measurements and Satisfaction Analysis. • Performance and - Productivity Measurement. • General Resource Management Skills • Competence Evaluation and Reporting Skills.	• Research Formulation, Implementation and Reporting. • -Statistical and Data Analysis Techniques. • Stock and Inventory Management. • Customer Measurements and Satisfaction Analysis. • Performance and Productivity Measurement. • General Report Writing(Includin g minutes and General reports)	• Training • Mentorship

	• General Report Writing (Including minutes and General reports) • Effective Communication Skills(Scientific and General) • Public Relations • Safety and Hazard - Assessment and Risk Reporting. • Social Network And Management Skill • -Data Analysis • Cloud Computing • Computer Programming And Systems Development • Virtualization • Network Management • -System Security		
Assistant / Senior Assistants officers	• Communication • Customer Service • Sampling And Testing Skills • Premise Inspection Skills • Time Management	• Reporting Skills • Presentation Skills	• Training

6.2.3. Leadership

During Implementation, the Board will provide strategic leadership, be responsible for policy formulation and play an oversight role in the implementation, monitoring and evaluation of the Strategic Plan.

The Managing Director will ensure the overall coordination, implementation, monitoring, and evaluation of the Strategic Plan. The Strategic Theme Team will be appointed aligned to the strategic issues for the purposes of responsibility and accountability in leading and accountability in execution of strategic activities.

6.2.4. Systems and Procedures

The Board will exploit the potential of its systems and infrastructure in the delivery of its functions and the execution of its mandate. It will evaluate the existing internal process and standard operating procedures to ascertain their appropriateness toward support in implementation of strategy. The Board will adopt strategies which include review of business processes; re-engineering of processes, automation of systems; operational processes, digitalization, adoption of quality standards and leverage on technology to improve service delivery.

6.3. Risk Management Framework.

Possible risks to which the Board may be exposed to during the Strategic Plan implementation have been identified, ranked and suggested mitigation strategies provided. Table 6.4 indicates some of the risks to which the Board may be exposed to.

Table 6.4: Risk Management Framework

No	Risk Identified	Risk Likelihood (L/M/H)	Severity (L/M/H)	Overall Risk Level (L/M/H)	Mitigation
1.	Loss of data and information	High	High	High	Upgrading data and information security platforms
					Establish automatic online backups
					Ensuring physical security of the office and ICT network
					Establishment of a business continuity plan
					Digitize all the records
	Occupational health and safety (HR)	Medium	High	High	Adopt and implement an occupational health and safety policy
					Undertake institutional occupational and health safety audits
	Inadequate office working space and conditions	Low	Medium	Medium	Provide adequate and secure office space and utilities
					Address requirements of staff and clients with disabilities
					Provide adequate furniture and related accessories
	Inadequate office and ICT equipment	Medium	High	Medium	Provide adequate office and ICT equipment
	Loss of assets	Medium	High	Medium	Effective identification and documentation of assets

No	Risk Identified	Risk Likelihood (L/M/H)	Severity (L/M/H)	Overall Risk Level (L/M/H)	Mitigation
					Controlled access of staff, service providers and clients to the Board's premises
					Securing of Board's premises
					Insure the Board's assets
	Breakdown of office and ICT equipment	Medium	High	Medium	Develop service and maintenance plans
	Obsolescence of office and ICT equipment	Medium	Medium	Medium	Develop and implement an asset disposal and replacement plan
	Grounding of vehicles	Low	Low	Low	Prequalification of vehicle servicing and maintenance providers
					Regular maintenance and servicing of vehicles
2.	Insufficient funding	High	High	High	Lobby for increased allocation of funds
					Prudent resource utilization
					Diversify revenue streams
	Accumulation of debts	High	High	High	Enhance debt collection and enforcement strategies
	Under absorption of budget	Low	Medium	Low	Streamlining expenditure approval processes
					Streamline procurement process
					Tracking of budgetary allocations and expenses
	Loss of revenue	Medium	High	High	Automation of payment systems
					Auditing and surveillance of operations
					Promoting financial integrity by staff
3.	Morale of staff	Medium	Medium	Medium	Improve terms and conditions of service
					Strengthen team spirit
					Enhanced Adherence to the set policies and procedures
					Improve internal communications
	Optimal staffing	Medium	Medium	Medium	Implement the approved organizational structure and staff establishment

No	Risk Identified	Risk Likelihood (L/M/H)	Severity (L/M/H)	Overall Risk Level (L/M/H)	Mitigation
	Staff turnover	Low	Low	Low	Develop and implement staff retention strategies
4.	Unrealistic goals and objectives	Medium	Medium	Medium	Involve stakeholders in strategic planning and implementation
					Align goals with Board's mandate and resources
	ownership and commitment to institutional goals and objectives	Medium	Medium	Medium	Create awareness and cascade Strategic Plan to all levels
					Linking Strategic Planning with Performance Management
	Monitoring Evaluation Review and Learning	Low	High	Medium	Strengthen monitoring and evaluation
5.	Cyber-attacks	High	High	High	Develop disaster and business continuity plans
	Rapid technological changes	High	Medium	High	Adapt scalable and appropriate technologies
					Review of policy and legislative framework to address changes in technology
6.	Interference of operations	Medium	Medium	Medium	Promote collaborations and partnerships with political leaders and other stakeholders
7.	Climate change and environmental degradation	Medium	Medium	Medium	Promote appropriate green energy and other sustainable technologies
					Ensure compliance with environmental regulations
					Implement environmental social governance
8.	Failure to comply with statutory requirements	Low	High	Medium	undertake regular legal compliance audits
	Litigation	High	Medium	High	Ensure adherence to provisions of the Dairy Industry Act cap 336 and other applicable laws
					Insure against litigation risks
9.	Un-anticipated interruption of services	High	High	High	Develop disaster and business continuity policies and plans
10.	Negative publicity	Medium	High	High	Establish crisis management and communication strategies

CHAPTER SEVEN

7. RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

7.1. Financial Requirements

The Programmes identified in this Strategic Plan will be accomplished through activities which shall be allocated resources through the Programme-Based Budgeting (PBB) which has been adopted by the Board as required by the Public Finance Management Act.

The resources required for implementing activities under the strategic objectives that the Board has identified is approximately Kshs. 4.06 billion that will be provided under the Medium-Term Expenditure Framework.

Table 7.1 Financial Requirement for Implementing the Strategic Plan

Key Result Area	Strategic Objective	Projected Resource Requirements Estimate (Kshs. millions)					
		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Dairy industry compliance	To create an enabling policy and regulatory environment for the dairy industry	24	20	17	17	8	86
	To enforce quality and safety requirements of dairy produce	103	98.5	117	119	127	564.5
	Sub Total	**127**	**118.5**	**134**	**136**	**135**	**650.5**
Dairy Production and value addition	To support the dairy industry to achieve 20% annual growth in production and value addition.	21	22	25.5	31.5	34	134
	Sub Total	**21**	**22**	**25.5**	**31.5**	**34**	**134**
Market Access	To facilitate the dairy industry to grow exports by 200 Million liters annually	25	29	31.5	33	33	151.5
	To facilitate growth in domestic consumption of dairy products by 10% annually.	11.5	14	12.5	15.5	14	67.5
	Sub Total	**36.5**	**43**	**44**	**48.5**	**47**	**219**
Sustainability of the dairy industry	To promote climate smart agriculture in the dairy industry to achieve net zero	9	8	11	10	12	50
	To enhance research, innovation and learning in the dairy sector	17	19	32.5	24.5	20.5	113.5
	Sub Total	**26**	**27**	**43.5**	**34.5**	**32.5**	**163.5**

Institutional Capacity	To enhance institutional capacity to provide quality and efficient services to the dairy industry stakeholders	543.7	610.1	600.8	554.2	581.6	2890.4
	Sub Total	**543.7**	**610.1**	**600.8**	**554.2**	**581.6**	**2890.4**
Total		**754.2**	**820.6**	**847.8**	**804.7**	**830.1**	**4057.4**

Table 7.2 Resource Gap

Financial Year	Estimated Financial Requirements (Kshs millions)	Estimated Allocated (Kshs Millions)	Variance (Kshs Millions)
Year 1	754.20	662.60	(91.60)
Year 2	820.60	726.00	(94.60)
Year 3	847.80	785.90	(62.00)
Year 4	804.70	830.40	25.70
Year 5	830.10	863.00	32.90
Total	**4,057.40**	**3,867.90**	**(189.50)**

7.2. Resource Mobilization Strategies

Resource mobilization seeks to strengthen the Board's funding through diversification of revenue streams. In this regard, the Board will continue to enhance its revenue base through various sources which include:

a) Upscaling the National Dairy Regulatory Laboratory into a self-reliant centre of excellence for dairy produce testing and research.
b) Seeking for support from development partners and programmes in the implementation of joint initiative in the dairy.
c) Establishment of a business and planning unit for proposal development and Consultancy services.
d) Promoting partnerships and collaborations with institutions of interest for co-funding and synergy in implementation of activities and programmes.
e) Leveraging on technology to optimize efficiency in collection of revenue from the industry.
f) Enhancing formalization of the informal milk sector to increase throughput of milk.
g) Promoting public private partnerships in development of the dairy industry.
h) Lobbying for increased budgetary support by Government to meet the increasing regulatory, developmental, and promotional needs of the industry.

7.3. Resource Management

To promote operational efficiency and effectiveness the Board will put in place the following measures:

a) Adopt ICT in service delivery;
b) Prioritizing core activities;
c) Efficient disposal of idle assets;
d) Effective fleet management;
e) Proper budgeting and procurement of items;
f) Proper servicing of machines, vehicles and equipment;
g) Avoid duplication of functions and activities;
h) Put in place a debt collection strategy;
i) Recruitment of staff in priority areas;
j) Proper use of utilities; and
k) Regular compliance and system audits.

CHAPTER EIGHT

8. MONITORING, EVALUATION AND REPORTING FRAMEWORK

This chapter provides the monitoring, evaluation and reporting framework for the Board that will ensure implementation of the strategic plan. Monitoring, evaluation and reporting framework is vital in ensuring that the activities are implemented within the plan period. The Board will ensure the success of the Strategic Plan by closely monitoring the implementation of the identified strategies. This will be aided by the performance indicators identified in the matrix results and ensure adequate corrective actions.

8.1. Monitoring Framework

The monitoring, evaluation and reporting framework for this strategic plan will be based on the various Key Result Areas, strategic objectives and specific outputs that the Board envisages to achieve. Specifically, the monitoring, evaluation and reporting framework will consider the objectives of various functional areas to ensure corrective actions are taken to avoid any deviations from the targets. The department will systematically collect data on indicators to monitor the extend of progress and achievement of implementation of the strategic plan.

The Board will determine:

i. Key performance indicators from the implementation matrix for tracking the outputs and outcomes;
ii. Establish baseline data on indicator to be monitored
iii. Plan for continuous improvement on the targeted results for efficiency and effectiveness.

8.2. Performance Standards

Monitoring and evaluation framework is based on internationally accepted norms and standards and include relevance, efficiency, effectiveness, success and sustainability. Tracking performance for the strategic plan will be done through defining all key performance indicators which were identified at the outcome, output and efficiency level.

The Board will define key performance indicators to be identified at outcome, output and efficiency level. The Head of department will be responsible for collection of data for respective key performance indicator to determine the progress of achievement.

8.3. Evaluation Framework

Monitoring and evaluation of the implementation of the plan will act as an early warning system to detect potential bottlenecks and help to make adjustments where necessary. The Managing Director shall ensure that a performance management system is implemented, actual performance is measured against agreed targets at all levels and feedback provided to key actors in the implementation. MERL shall be embedded in each department for the Strategic Plan to be effectively implemented. The Heads of Departments shall ensure that strategies are implemented, performance is measured, progress reports are made, discussed and corrective action taken where necessary. Responsibility for data collection, aggregation, analysis and reporting on the Plan will rest with the Heads of Departments.

Table 8.1: Outcome Performance Matrix

Key Result Area	Outcome	Key Performance Indicator	Baseline		Target	
			Value	Year	Mid-term period target	End of plan period target
KRA 1: Dairy Industry compliance	A favourable regulatory and policy environment.	% increase in quantity of formally marketed milk.	5.4%	2021/2022	8%	20%
		% Utilizations of processing capacities	40.6%	2022	55%	65%
		% increase in the number of new compliant DBOs in the dairy industry.	X%	2023	X+40%	X+80%
	Improved level of compliance to quality and safety requirements for dairy produce	Full compliance by the Dairy Business Operators.	X%	2023	100%	100%
KRA 2: Dairy Production and value addition	Increased productivity and production of milk and milk products along the value chain.	% increase in production of processed dairy produce.	480 M litres	2022/23	829M litres	1.2B litres
		% increase in production of high value dairy products.	408 M litres	2022/23	472 M Litres	520 M Litres
KRA 3: Market Access	Increased access to export markets for Kenyan dairy produce.	Quantity of exported dairy produce (million litres)	18 M litres	2023	450 M Litres	850 M Litres
	Increased consumption of dairy produce.	Growth in annual per capita consumption of dairy produce (litres)	78 litres	2022	94 Litres	114 Litres
KRA 4: Sustainability of the dairy industry.	Growth and sustainability of the dairy industry.	Improved profitability in farm level production of milk (Kshs per litre)	Kshs 42 per litres	2022	Kshs 50 per litres	Kshs 55 per litres
	Climate change mitigation.	% increase in adoption of green energy by DBOs.	X	2023	X+10%	X+20%
	Knowledge based dairy industry.	Platform for sharing dairy research, information and data.	0	2023	30%	100%
KRA 4: Institutional Capacity	Increased revenue generated.	Amount of revenue generated	492.2m	2022/23	620.0m	722.0m
	Positive working capital and adherence to budget provisions	Positive working capital	>0	2022/23	>0	>0
	Improved employee satisfaction.	Employee satisfaction index	x	2022/23	X+3	X+5
	Improved level of automation	Automation level	x	2023	X +3	X+5
	Improved customer satisfaction	Customer satisfaction index	x	2023	X+	X+5
	Improved corruption index	Corruption index score	93%	2022/23	100%	100%
	Realized objectives of national concerns.	National values and cohesion score.	100%	2022/23	100%	100%

8.3.1. Mid –Term Evaluation

A Mid-Term Review will be undertaken at mid-term giving a status report on the implementation of the Plan.

8.3.2. End-Term Evaluation

At the end of the planning period, the final evaluation for this Strategic Plan shall be carried out to determine:

(i) The extent to which the activities undertaken achieved the objectives;
(ii) The achievements realized;
(iii) Challenges faced and mitigation measures;
(iv) Lessons learnt; and
(v) The way forward on the subsequent Plan.

8.3.3. Progress Reports

The Managing Director shall ensure reports are prepared and meetings are held to track progress on implementation of the Plan and resolve issues that may arise during implementation. Scheduled meetings shall be held as follows:

a) Monthly review meetings at the departmental levels shall be convened to ensure implementation is on track;
b) Quarterly review meetings at the Board level shall be convened to receive reports on implementation of the Plan; and
c) A strategy implementation review meeting will be held annually to evaluate the progress made on the implementation of the Plan.

8.3.4. Annual Reports

The Board shall prepare and submit an annual report in accordance with section 30 (4) of the Dairy Industry Act Cap 336.

8.3.5. Reporting Framework and Feedback Mechanism

Actual results will continually be reviewed against budget and any variances investigated. Where necessary, work-plans shall be amended to align with available resources or the budget will be revised to take into account new developments that require action.

Appendix I: Staff Establishment

Listing	Designation	In Post	Proposed	Variance
1	Managing Director	1	1	0
2	Director Corporate Service	1	1	0
3	Manager, Supply Chain Management	0	1	1
4	Director Standards and Enterprise Development	0	1	1
5	Manager, Standards and Enterprise Development	1	1	0
6	Principal Standards and Enterprise Development	1	2	1
7	Manager Administration	0	1	1
8	Principal Administration Officer	0	1	1
9	Senior/Administration Officer	1	1	0
10	Senior/Records Administration Officer	2	2	0
11	Director Regulatory Services	1	1	0
12	Manager Compliance	1	1	0
13	Manager Laboratory Services	1	1	0
14	Senior Compliance Officer	1	1	0
15	Manager, Research, Innovation and Industry Support	0	1	1
16	Senior Standards and Enterprise Development Officer	3	3	0
17	Branch Manager	24	34	10
18	Regional Manager	1	5	4
19	Manager Human Resource	0	1	1
20	Principal Human Resource Officer	1	1	0
21	Senior /Human Resource Assistant	1	1	0
22	Director Finance and Accounts	1	1	0
23	Senior Accountants/Accounts Assistants	4	6	1
24	Principal Accountant	0	1	1
25	Manager ICT	0	1	1
26	Principal ICT Officer	1	1	0
27	Senior I.C.T Officers	3	3	0
28	Manager, Strategy and Planning	0	1	1
29	Manager, Corporation Secretary	0	1	1
30	Manager Corporate Communication	0	1	1
31	Principal Corporate Communications Officer	1	1	0
32	Senior /Corporate Communications Officer	0	1	1
33	Corporate Communications Assistant	2	2	0
34	Office Administrators/Revenue Officers	29	36	7
35	Office Assistant	2	2	0
36	Security Guard	1	1	0
37	Senior/ Supply Chain Officers	1	1	0
38	Supply Chain Management Assistants	2	2	0
39	Director Internal Audit	0	1	1
40	Principal Internal Auditor	0	1	1
41	Senior/Internal Auditor	1	1	0
42	Compliance Officers	25	44	19
43	Driver	26	42	16
44	Laboratory Officer	1	3	2
45	Laboratory Technologist	4	4	0
46	Laboratory Technician	2	3	1
47	**Total**	**147**	**226**	**86**

Appendix II: Strategic Planning Team

S/No.	Name	Designation
1.	Margaret Kibogy	Managing Director
2.	Peter Mutua	Director, Corporate Services
3.	Dr Maritim Kimutai	Director, Regulatory Services
4.	Edward Nyoike	Finance Manager
5.	Evanson Mwangi	Manager Laboratory
6.	Paul Ndungu	Manager, Standard and Enterprise Development
7.	Erastus Mutiso	Manager, Internal Audit
8.	Kituto Kitele	Ag. Manager Compliance
9.	Zablon Mwaura	Principal ICT officer
10.	Beth Wanza	Principal Human Resource Management Officer
11.	Stephen Murimi	Principal Corporate Communication Officer
12.	Dorothy Owino	Principal Supply Chain Management Officer
13.	Monica Ndungú	Administration Officer

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