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THE NATIONAL ASSEMBLY



TWELFTH PARLIAMENT-THIRD SESSION 2019

DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

REPORT ON THE CROPS AMENDMENT (NO. 2) BILL, 2019

DIRECTORATE OF COMMITTEE SERVICES  
THE NATIONAL ASSEMBLY  
PARLIAMENT BUILDINGS  
NAIROBI

NOVEMBER, 2019

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 NOV 2019	
DAY: TUESDAY	
TABLED BY:	CHAIRPERSON, AGRICULTURE AND LIVESTOCK COMMITTEE
CLERK AT THE TABLE:	

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## **CHAIRPERSONS FOREWORD**

This report contains the Committee's proceedings of the Departmental Committee on Agriculture and Livestock on its consideration of the Crops amendment (No. 2 Bill, 2019 which was read a first time on Thursday 2<sup>nd</sup> May, 2019 pursuant to Standing Order 127.

In processing the Bill, the Committee invited comments from the public by placing advertisements in the print media on **Monday 17<sup>th</sup> June, 2019** pursuant to Article 118 of the Constitution. By the time the Committee was considering the Bill, a total of twenty stakeholders had submitted memoranda on the Bill.

The Committee put all the stakeholders' comments into consideration while preparing its report. Some of the proposals were adopted and therefore formed part of the proposed Committee's amendments.

On behalf of the Departmental Committee on Agriculture and Livestock and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Crops amendment (No. 2 Bill, 2019.

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee wishes to thank the all the stakeholders especially members of the public who took keen interest and even participated in scrutinizing the proposed amendments.

Finally, I wish to express my appreciation to the Honourable Members of the Committee who made useful contributions towards the preparation and production of this report.

On behalf of the Departmental Committee on Agriculture and Livestock and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Crops amendment (No. 2 Bill, 2019.

**HON. ADAN HAJI ALI SHEIKH, MP – CHAIRPERSON**

**DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK**

## EXECUTIVE SUMMARY

The Crops amendment (No. 2 Bill, 2019 was published on **15<sup>th</sup> April, 2019** and read a first time on **Thursday , 2<sup>nd</sup> May, 2019** and thereafter committed to the Departmental Committee on Agriculture and Livestock for consideration pursuant to Standing Order 127. The Crops amendment (No. 2 Bill, 2019 is a Private Members Bill sponsored by the Hon. Moses Kuria, MP .

The Principal objective of the Bill is to ensure that the purposes of a favourable balance of trade and balance of payment, coffee shall not be exported from Kenya in its raw form.

The Bill takes cognizance of the fact that several counties to which Kenya exports its raw coffee for purposes of processing, some of which countries re- export back to Kenya its coffee in processed form, occasion an unfavourable balance of trade and balance of payment, which is in turn visited on our hard working coffee farmers who therefore do not reap the maximum benefits from their produce

**Clause 2** of the Bill seeks to amend section 40 of the Crops Act, 2913 to compel the Cabinet Secretary in consultation with the Authority and County Governments while making regulations, to ensure that coffee exported only in processed form having been roasted, milled, packed, branded and clearly labeled with “*a made in Kenya*” inscription and further to prohibit the raw export of coffee in any form whatsoever or, at all. \

## 1.0 PREFACE

### 1.1 Establishment and Mandate of the Committee

- 1) The Departmental Committee on Agriculture and Livestock is one of the Fifteen Departmental Committees of the National Assembly established by Standing Order 216 and mandated to: -
  - (a) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
  - (b) study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;
  - (c) study and review all legislation referred to it;
  - (d) study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
  - (e) investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary and as may be referred to them by the House;
  - (f) vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (*Committee on Appointments*); and
  - (g) make reports and recommendations to the House as often as possible, including recommendation of proposed legislation

- 2) The subject matter of the Committee is stated in the Second Schedule of the National Assembly Standing Orders No. 216 (f) as follows: Agriculture, Livestock, Irrigation, Fisheries, Development, Production and Marketing. In discharge of its mandate, the Committee oversees the following.

## 1.2 Oversight

- 3) In executing its mandate, the Committee oversees the following state Departments, namely: The State Department for Crop Development and Agricultural Research, State Department for Livestock, State Department for Fisheries, Aquaculture and the Blue Economy and State Department for Irrigation.

## 1.3 Committee Membership

- 4) The Committee on Agriculture and Livestock was constituted by the House in December, 2017 and comprises of the following Members:-

Hon. Adan Haji Ali, MP. (**Chairperson**)  
**Mandera South Constituency – Jubilee Party**

Hon Emmanuel Wangwe, MP. (**Vice-Chairperson**)  
**Navakholo Constituency – Jubilee Party**

Hon. Maison Leshoomo, MP.  
**Samburu County – Jubilee Party**

Hon. Ferdinard Wanyonyi, MP.  
**Kwanza Constituency – Ford Kenya**

Hon. Florence Mutua, MP.  
**Busia County – Orange Democratic Movement**

Hon. Simba Arati, MP.  
**Dagoretti Constituency – Orange Democratic Movement**

Hon. Francis Munyua Waititu, MP.  
**Juja Constituency – Jubilee Party**

Hon. Silas Kipkoech Tiren, MP.  
**Moiben Constituency – Jubilee Party**

Hon. Yegon Brighton Leonard, MP.  
**Konoin Constituency – Jubilee Party**

Hon. Gabriel Kago Mukuha, MP.  
**Githunguri Constituency – Jubilee Party**

Hon. John Paul Mwirigi, MP.  
**Igembe South – Independent Member**

Hon. Dr. John Kanyuithia Mutunga, MP.  
Tigania West Constituency – Jubilee Party

Hon. Adan Haji Yussuf, MP.  
Mandera West Constituency – Economic Freedom Party

Hon. Janet Jepkemboi Sitienei, MP.  
Turbo Constituency – Independent Party

Hon. Dr. Daniel Kamuren Tuitoek, MP.  
Mogotio Constituency – Jubilee Party

Hon. Fred Ouda, MP.  
Kisumu Central Constituency – Orange Democratic Movement

Hon. Joyce Kamene, MP.  
Machakos County – Wiper Democratic Party

Hon. Justus Makokha Murunga, MP.  
Matungu Constituency - Amani National Congress

Hon. Silvanus Osoro Onyiego, MP.  
South Mungirango Constituency – Kenya National Congress

#### **1.4 Committee Secretariat**

The Committee secretariat comprises of:

**Mr. Ahmad Kadhi**

**First Clerk Assistant – Head of Secretariat**

Mr. Nicodemus Maluki  
**Third Clerk Assistant**

Mr. Alex Mutuku  
**Sergeant At Arms I**

Mr. Salem Lorot  
**Legal Counsel II**

Ms. Faith Makena  
**Sergeant At Arms II**

Mr. John Ngugi  
**Audio Officer III**

Mr. Robert Ngetich  
**Fiscal Analyst III**

Mr. Eric Kariuki  
**Research Officer III**

Ms. Deborah Ghati  
**Media Relations Officer**

Signed \_\_\_\_\_

**HON. ADAN HAJI ALI SHEIKH, MP**  
**(CHAIRPERSON)**  
**DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK**

Date \_\_\_\_\_

## **2.0 The Crops (Amendment) (No 2) Bill, 2019**

### **2.1 Public Participation – Memoranda**

5) The Committee is required, pursuant to Standing Order 127(3), to facilitate public participation on the Bill through an appropriate mechanism including-

- (a) Inviting submission of memoranda;
- (b) Holding public hearings;
- (c) Consulting relevant stakeholders in the sector;
- (d) Consulting experts on technical subjects.

6) The requirement for the Committee to conduct public participation on the Bill is a constitutional imperative flowing from Article 118 of the Constitution which provides that Parliament shall-

- (a) conduct its business in an open manner, and its sittings and those of its committees shall be open to the public; and*
- (b) facilitate public participation and involvement in the legislative and other business of Parliament and its committees.*

7) The Committee called for invitation of Memoranda through the Print Media on Monday 17<sup>th</sup> June, 2019 pursuant to article 118 of the Constitution. Further, there were public hearings to receive comments on the bill from stakeholders on Friday 28<sup>th</sup> June, 2019 in Machakos County. The Committee received comments on the proposed amendment from the following; Coffee Directorate, Kenya Coffee Producers Association, Sasini Holdings, Alliance of Women in Coffee, Thika Coffee Mills, Young Coffee Farmers and Kenya Planters Cooperative Union

### **3.0 STAKEHOLDERS SUBMISSIONS**

8) The Committee engaged the following stakeholders regarding the proposed amendment on the Crops Amendment) (No. 2) Bill, 2019 by the Honourable Moses Kuria, MP. Their submissions are recorded hereunder:

#### **3.1.1 Coffee Directorate**

The Coffee Directorate submitted that:

9. The concept being legislated is not in its entirety a bad idea but can be attained through producer - roaster partnerships on a trial basis, first through bilateral trade agreements which are carefully negotiated and supported by political good will from both sides.



10) More resources should be invested in aggressive campaigns to promote domestic coffee consumption. This will be meaningful given that value added coffee attracts certain percentage of tax in importing countries and this will affect the farmers' profits.

11) The most important factor which may not work well for Kenyan value-added coffee is the non-tariff issues. Value added coffee can easily attract non-tariff barriers. These are stringent non documented rules, regulations and policies issues that can be arbitrarily imposed on a product of an importing country. A case in case is the purported an herbicide chemical known as 2,4D lodged by Japan which was purported found in the exported green coffee from Kenya. Therefore, there is need to embark of market requirement sensitization before the legislation of the amendment of Crops Act 2013 which intends to prohibit of green coffee.

### **3.1.2 Kenya Coffee Producers Association**

11. The Kenya Coffee Producers Association submitted that the proposed amendment was coming at a time when there were major reforms in the Coffee Industry. However, the association noted that:

- i. Feasibility study to show that roasting at origin for export market will work or has worked elsewhere in the world had not been done
- ii. Adequate value chain analysis had not been carried out to determine whether there is significant gains in exporting roasted coffee and market need for roasted Coffee
- iii. Selling of roasted coffee or green beans within the current marketing and trade system will not make price difference to the farmer since the marketers and traders are the same players.
- iv. The shelf life of roasted coffee is relatively shorter than raw beans while coffee should go to the market while fresh.
- v. There is window for local roasting of coffee for local/ regional market. This should be encouraged and create incentives to promote domestic consumption
- vi. Facilitation for farmers to meet the strict requirements to export roasted coffee into identified markets should gradually be rolled out.
- vii. County governments have been unable to support coffee farmers with extension services. It will however not be viable to set up coffee roasters in every county, yet production was just 39,000 metric tonnes currently.

### **3.1.3 Sasini Holdings**

12) Sasini holdings together with its subsidiaries opposed the proposed amendment and stated that, Kenyan coffee was marketed in main stream and most buyers buy it for blending. Starting to process coffee would disrupt the current market trends while the cost of adding value would be transferred to the farmers. Globally there was no single country has prohibited the exportation of coffee in its raw form. Countries such as Brazil and Ethiopia which are the

leaders in domestic coffee consumption estimated at 40 to 50% of their national productions allow exportation of coffee both in its raw form and in its fully roasted and packaged form.

### **3.1.5 Alliance of Women in Coffee**

13) The organization supports the idea that Kenya coffee shall be grown, processed and packaged in the counties of production and will be marked and distributed in labels marked Kenya coffee. This will promote and widely popularize the Kenyan coffee brand. However, the organization did not support legalizing the mandatory exportation of coffee from Kenya in its fully roasted status. They proposed deletion of the Clause indicating that the international coffee market is basically on green beans which are in its raw form, the country's coffee consumption was below 2% therefore denying exportation of raw beans will result into over storage of coffee which may cause woodiness. A condition that degrades the coffee quality.

### **3.1.6 Thika Coffee Mills**

14) Thika Coffee Mills opposed the proposed amendment indicating that the amendment was not practicable, there was no milling capacity in the country, value addition should be made progressively, the farmers were not getting the value of their coffee because of the cartels in the industry, Kenyan coffee was specialty and should be sold at specialty markets and Governance and support by the government is key in success of the coffee industry in the Country.

### **3.1.7 Young Coffee Farmers**

15) The Young Coffee Farmers opposed the proposed amendment and sited that, there was need to motivate young Kenyan to get into coffee production in the country to increase current production. They also indicated that, the country lacked ready market for the roasted coffee. The low consumption rate of coffee in the market was a worrying challenge which should be looked at.

### **3.1.8 Kenya Planters Co-operative Union**

16) The union welcomed the spirit of the proposed amendment but indicated that it will be difficult for the country get the real price of roasted coffee. Roasted coffee attracts taxes, duties and advertisements and the extra cost will be transferred to the farmer. The long value chain in Kenyan coffee was also posting a challenge in the industry.

### 3.2 PROVISIONS OF THE BILL

17) The Crops amendment (No. 2 Bill, 2019 was published on 15<sup>th</sup> April, 2019 and read a first time on Thursday , 2<sup>nd</sup> May, 2019 and thereafter committed to the Departmental Committee on Agriculture and Livestock for consideration pursuant to Standing Order 127. The Crops amendment (No. 2 Bill, 2019 is a Private Members Bill sponsored by the Hon. Moses Kuria, MP .

The Principal objective of the Bill is to ensure that the purposes of a favourable balance of trade and balance of payment, coffee shall not be exported from Kenya in its raw form.

18) The Bill takes cognizance of the fact that several counties to which Kenya exports its raw coffee for purposes of processing, some of which countries re- export back to Kenya its coffee in processed form, occasion an unfavourable balance of trade and balance of payment, which is in turn visited on our hard working coffee farmers who therefore do not reap the maximum benefits from their produce.

19) Clause 2 of the Bill seeks to amend section 40 of the Crops Act, 2013 to compel the Cabinet Secretary in consultation with the Authority and County Governments while making regulations, to ensure that coffee exported only in processed form having been roasted, milled, packed, branded and clearly labeled with “*a made in Kenya*” inscription and further to prohibit the raw export of coffee in any form whatsoever or, at all.

### 4.0 COMMITTEE OBSERVATIONS

The Committee noted as follows:

20) The Crops (Amendment) (No. 2) Bill, 2019 proposes that all coffee shall be processed in the country and clearly labelled as a Kenyan product before it leaves the country.

21) Clause 2 of the Bill seeks to amend section 40 of the Crops Act, 2013 to compel the Cabinet Secretary in consultation with the Authority and County Governments while making regulations, to ensure that coffee exported only in processed form having been roasted, milled, packed, branded and clearly labeled with “*a made in Kenya*” inscription and further to prohibit the raw export of coffee in any form whatsoever or, at all.

22) There is need to undertake further research on the challenges affecting the marketing of other agricultural products such as tea, pyrethrum and cotton in Kenya to allow for a holistic look of challenges affecting marketing of agricultural products in Kenya since the marketing of each product employs a different strategic approach.

23) There is need to reduce the cost of certification thus farmers should be encouraged to adopt product differentiation into specialty coffees that can achieve premium prices in the specialty coffee markets.

24) The coffee marketing firms should look for more market opportunities in the emerging coffee markets as opposed to the traditional coffee markets.

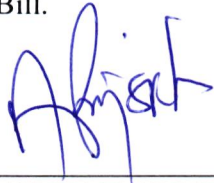
25) Coffee quality should be improved to adapt to the changing consumer tastes and preferences.

26. Direct marketing of coffee without using intermediaries should be encouraged.

27. There should be increased access to marketing information while the government should increase funding of farmers and improvement of infrastructure to facilitate coffee transportation to the factories.

## 5.0 COMMITTEE RECOMENDATIONS

28. Having considered the Crops amendment (No. 2 Bill, 2019 and the views of the stakeholders who were opposed to the Bill, the Committee therefore recommends that the House rejects the Bill.



Signed \_\_\_\_\_

**HON. ADAN HAJI ALI SHEIKH, MP**

**(CHAIRPERSON)**

**DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK**

Date

26/11/2019

**ANNEX ONE**

**THE BILL**

**ANNEX TWO**

**MINUTES**

**ANNEX THREE**

**INVITATION OF MEMORANDA**



**ANNEX FOUR**

**ADOPTION LIST**

**MINUTES OF THE 17<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD ON SATURDAY 28<sup>TH</sup> JUNE , 2019 IN HILTON GARDEN INN, HOTEL MACHAKOS COUNTY AT 10.00AM**

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**PRESENT**

1. Hon. Adan Haji Ali, MP. **Chairperson**
2. Hon. Adan Haji Yussuf, MP
3. Hon. Dr. Daniel Kamuren Tuitoek, MP.
4. Hon. Dr. John Kanyuithia Mutunga, MP.
5. Hon. Joyce Kamene, MP.
6. Hon. Janet Jepkemboi Sitienei, MP.
7. Hon. John Paul Mwirigi, MP.
8. Hon. Silvanus Osoro Onyiego,MP
9. Hon. Fred Ouda, MP.

**APOLOGIES**

1. Hon. Emmanuel Wangwe, MP. **Vice- Chairperson**
2. Hon. Ferdinard Wanyonyi, MP.
3. Hon. Silas Kipkoech Tiren, MP
4. Hon. Francis Munyua Waititu, MP.
5. Hon. Yegon Brighton Leonard, MP.
6. Hon. Justus Makokha Murunga, MP
7. Hon. Simba Arati, MP.
8. Hon. Maison Leshoomo, MP.
9. Hon. Gabriel Kago Mukuha, MP
10. Hon. Florence Mutua, MP.

**IN- ATTENDANCE**

**COMMITTEE SECRETARIAT**

1. Mr. Ahmad Kadhi - First Clerk Assistant
2. Mr. Nicodemus Maluki - Third Clerk Assistant
3. Mr. Dick Salem Lorot - Legal Counsel
4. Mr. Robert Ngetich - Fiscal Analyst
5. Ms. Debra Ghati - Media Relation Officer
6. Mr. Stephen Nyangudi - Audio Officer

**MINISTRY OF AGRICULTURE - COFFEE DIRECTORATE**

1. Mr. Badu Katelo - Director of Administration
2. Dr. Paul Apuyo - Interim Head Coffee Directorate
3. Ms. Grace Agili - Director, Parliamentary Liaison
4. Mr. Collin. M. Maranga - Deputy Director, State Department of Crops

**MIN.NO. DC/A&L/ 060/2019: PRELIMINARIES**

The Chairperson called the meeting to order at thirty minutes past ten o'clock and prayed. He welcomed all present and requested everyone to make self-introduction.

**MIN.NO. DC/A&L/061/2019: COMMENTS BY COFFEE DIRECTORATE ON PROPOSED CROPS (AMMENDMENT) (NO. 2) BILL, 2019**

The Coffee Directorate on behalf of the Ministry of Agriculture and Livestock appeared before the Committee and informed on the proposed amendment that: -

Globally no single country has prohibited the exportation of coffee in its raw form. Countries such as Brazil and Ethiopia which are the leaders in domestic coffee consumption estimated at 40 to 50% of their national productions allow exportation of coffee both in its raw form and in its fully roasted and packaged form.

**1. Justification in the Exportation of coffee in its raw Form**

- 1.1 Kenya coffee was used for the blending of coffees from other origins and therefore constitutes major global brands. Roasting of all Kenya coffee shall therefore deny such leading brands our coffee in their mixing ratio.
- 1.2 Roasted, packaged and branded Kenya coffee will attract both tariff and non-tariff barriers at our traditional and emerging markets. This will render our coffee less competitive by being highly priced. None-tariff barriers include challenges in accessing shelf space at leading retail outlets such as coffee stores and supermarkets. Preference is usually given to fast moving goods.
- 1.3 Existing global coffee brands such as Starbucks and Nestle have established strong brand loyalty and switching of customers for Kenya brands may not occur overnight. Moreover, branded Kenya coffee is most likely to face resistance and unethical competition from the globally leading coffee houses and coffee brands with long presence in the markets.
- 1.4 Globally the practice was that coffee is roasted at the market or consumption end. Therefore, roasting of coffee in Kenya shall mean that dates of roasting/manufacture shall expire before arrival or use. This is because it takes between three to six months to ship a container from the port of Mombasa to the ports of importing countries depending on the distance and the countries clearance procedures. In the process, the coffee consignment might become stale as roasted coffee shelf life is 6 months and the shelf life of roasted and ground coffee is a maximum of three months. In coffee consuming countries, roasted

and ground coffee is consumed at the point of purchase. That is green coffee is roasted, ground and a cup is prepared as the customer waits. With that, the aroma, cup flavour and body are able to maintain coffee cup quality. These attributes which make consumers to buy coffee will be lost and these will expose Kenyan coffee to both market financial risks. Losses will be inevitably incurred, and it was not clear who will meet costs of these losses; the farmer or the government. Either party will have to meet the costs of losses. If losses are not met, then there is highly likely that no farmer will produce coffee the following season if payments in case losses are borne by the farmers. Coffee was at its very best when consumed just after roasting.

- 1.5 Finally, Kenya coffee was expensive which is attributed to the high cost of production. The cost of farm inputs, the cost of electricity for processing, the cost of irrigation, the cost of labour, the cost of diesel, the cost of processing all combined, are in most cases over and above those of Kenyan competitors such as Brazil, Colombia, Guatemala, Peru, Vietnam and even Ethiopia. Thus, because of the high fixed and variable costs, Kenya coffee is highly priced. Roasters, therefore, buy Kenyan coffee to blend coffees from other origins. Processing the single origin coffee is possible but it will be very expensive and may not attract sales.

## **2. Comparative Analysis using statistics**

The analysis encompasses two categories, the quantities of value-added coffee consumed in the domestic market and international market.

### **(i) Value added of Kenyan coffee consumed in the domestic market**

Value added coffee was intended for use both locally and internationally. There is no legislation which makes it illegal for domestic consumption of Kenyan grown coffee. According to ICO Resolution, coffee producing countries were encouraged to undertake inward looking approach in their bid to promote healthy competition to stabilize deepening global coffee prices. Kenya since the year 2010 had undertaken aggressive domestic coffee consumption. In the year 2010, statistics indicate that the domestic consumption of Kenyan coffee was less than 1% of her national production of green coffee. It showed an increase of 209.2% from 509.90 MT in 2009.2010 to 1576.70 MT in 2017/2018. This is attributed to successful domestic coffee consumption campaigns by the Directorate targeting the youth in local universities and other institutions of higher learning.

Table 1: The quantity of roasted coffee consumed within the country in the past nine coffee years

Year	Local consumption-MT (GBE)
2009/10	509.90
2010/11	566.60
2011/12	629.50
2012/13	716.00
2013/14	744.00
2014/15	756.00
2015/16	771.00
2016/17	1051.20
2017/18	1576.70

From the table above, there is need to promote domestic coffee consumption within the country. The volumes consumed locally are still very low to trigger more meaningful investments in value addition.

From previous study conducted in 2016/17 it was observed that Kenya imported value added coffee from Denmark, Italy, Netherlands, South Africa, Spain, Germany, United Arab Emirates and China. Some of which could be imported green coffee from Kenya. Majority of these sources are also large buyers of Kenyan coffee.

Comparison of exports of green coffee and roasted coffee from Kenya

**(ii) Value added of Kenyan coffee consumed in international market**

Quite a number of licensed coffee dealers have ventured into roasting, branding, packaging and exporting of Kenyan valued added coffee. The same dealers also exported green coffee. However, statistical analysis doesn't show a significant increase in volume of value-added coffee compared to green coffee. Actually, in some years there are decline in quantity of roasted coffee exported compared to green coffee as indicated in table 2 below. A significant increase is realized in the year 2016/2017 and this is attributable to the setting up of a roasting company by

the name African Coffee Roasters located in the Export Processing Zone (EPZ) in Athi River. They are given trade preferences which did not attract certain taxes.

Table 2: Export volume for both green and roasted coffee

COFFEE YEAR	FORM		TOTAL WEIGHT (KG)	TOTAL VALUE (USD)
	GREEN(KG)	ROASTED (KG)		
2012/13	49,014,242.95	17,218.36	49,031,461.31	217,018,127.60
2013/14	47,159,436.10	12,464.50	47,175,294.11	228,426,961.60
2014/15	44,020,925.78	42,525.00	44,064,026.78	223,385,715.00
2015/16	44,302,701.60	39,768.41	44,342,470.01	205,674,854.90
2016/17	43,209,804.60	168,920.18	43,378,724.78	227,827,991.10
2017/18	43,287,712.80	1,902.51	43,289,615.31	229,514,404.50

The proportion of roasted coffee export is significantly lowering throughout the six export years hitting below 0.5% in the year 2017/2018.

Table 3: Proportion of Value-Added Coffee in Total Export and names of Exporters of Value-Added Coffee

COFFEE YEAR	NAME OF EXPORTER	GREEN (KG)	ROASTED(KG)	PROPORTION OF VALUE ADDED	TOTAL WEIGHT(KG)
	DORMANS COFFEE LIMITED	4,112,577.20	17,048.36	0.41%	4,129,625.56
	KENRUSS LTD		170.00	100.00%	170.00
<b>2012/13 Total</b>		<b>49,014,242.95</b>	<b>17,218.36</b>	<b>0.04%</b>	<b>49,031,461.31</b>
	DORMANS COFFEE LIMITED KCCD	3,752,522.00	6,963.20	0.19% 0.03%	3,762,878.71

		641,298.30	167.50		641,465.80
	SUPER GIBS LTD	17,715.30	4,493.80	20.23%	22,209.10
<b>2013/14 Total</b>		<b>47,159,436.10</b>	<b>12,464.50</b>	<b>0.03%</b>	<b>47,175,294.11</b>
	DORMANS COFFEE LIMITED	3,316,897.00	15.00	0.00%	3,317,488.00
	COFFEE MANAGEMENT SERVICES LIMITED	2,757,772.00	32,160.00	1.15%	2,789,932.00
	INTERNATIONAL BEVERAGES LIMITED		1,170.00	100.00%	1,170.00
<b>2014/15 Total</b>		<b>44,020,925.78</b>	<b>42,525.00</b>	<b>0.10%</b>	<b>44,064,026.78</b>
2015/16	AFRICA GOLD COFFEE LIMITED	74,160.00	200.00	0.27%	74,360.00
	DORMANS COFFEE LIMITED	2,285,870.00	28,776.97	1.24%	2,314,646.97
	COFFEE MANAGEMENT SERVICES LIMITED	3,393,950.00	9,090.00	0.27%	3,403,040.00
	INTERNATIONAL BEVERAGES LIMITED		1,701.44	100.00%	1,701.44
<b>2015/16 Total</b>		<b>44,302,701.60</b>	<b>39,768.41</b>	<b>0.09%</b>	<b>44,342,470.01</b>
	AFRICAN COFFEE ROASTERS EPZ LTD		167,818.58	100.00%	167,818.58
	DORMANS COFFEE LIMITED		1,101.60	100.00%	1,101.60
<b>2016/17 Total</b>		<b>43,209,804.60</b>	<b>168,920.18</b>	<b>0.39%</b>	<b>43,378,724.78</b>
	DORMANS COFFEE LIMITED		486.51	100.00%	486.51
	KCCD ROCKBERN COFFEE GROUP LTD	498,177.00	416.00	0.08%	498,593.00
		10,309.00	700.00	6.36%	11,009.00
	SUPER GIBS LTD	13,500.00	300.00	2.17%	13,800.00

2017/18 Total	43,287,712 .80	1,902.51	0.00%	43,289,615.31
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Other than the exporters who have specialized in value added coffee the contribution of value-added coffee to total coffee export is nearly negligible and is often below 7% as can be seen in table above.

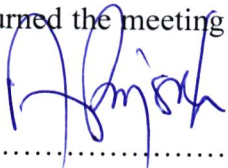
**3. Recommendation**

**In conclusion, the Coffee Directorate proposed that:-**

- (i) The concept being legislated is not in its entirety a bad idea but can be attained through producer - roaster partnerships on a trial basis, first through bilateral trade agreements which are carefully negotiated and supported by political good will from both sides.
- (ii) More resources should be invested in aggressive campaigns to promote domestic coffee consumption. This will be meaningful given that value added coffee attracts certain percentage of tax in importing countries and this will affect the farmers' profits.
- (iii) The most important factor which may not work well for Kenyan value-added coffee is the non-tariff issues. Value added coffee can easily attract non-tariff barriers. These are stringent non documented rules, regulations and policies issues that can be arbitrarily imposed on a product of an importing country. A case in case is the purported an herbicide chemical known as 2,4D lodged by Japan which was purported found in the exported green coffee from Kenya. Therefore, there is need to embark of market requirement sensitization before the legislation of the amendment of Crops Act 2013 which intends to prohibit of green coffee.

**MIN.NO. DC/A&L/062 /2019:      ADJOURNMENT**

The Chairperson adjourned the meeting at fifty minutes past one O' Clock to Saturday 28<sup>th</sup> July, 2019 at 3.00pm

Signed.....  


(Chairperson)

Date.....  




**MINUTES OF THE 18<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD ON SATURDAY 28<sup>TH</sup> JUNE , 2019 IN HILTON GARDEN INN, HOTEL MACHAKOS COUNTY AT 3.00PM**

---

**PRESENT**

- |  |                    |
|--|--------------------|
| 1. Hon. Adan Haji Ali, MP.               | <b>Chairperson</b> |
| 2. Hon. Adan Haji Yussuf, MP             |                    |
| 3. Hon. Dr. Daniel Kamuren Tuitoek, MP.  |                    |
| 4. Hon. Dr. John Kanyuithia Mutunga, MP. |                    |
| 5. Hon. Joyce Kamene, MP.                |                    |
| 6. Hon. Janet Jepkemboi Sitienei, MP.    |                    |
| 7. Hon. John Paul Mwirigi, MP.           |                    |
| 8. Hon. Silvanus Osoro Onyiego,MP        |                    |
| 9. Hon. Fred Ouda, MP.                   |                    |

**APOLOGIES**

- |                                     |                          |
|-------------------------------------|--------------------------|
| 1. Hon. Emmanuel Wangwe, MP.        | <b>Vice- Chairperson</b> |
| 2. Hon. Ferdinard Wanyonyi, MP.     |                          |
| 3. Hon. Silas Kipkoech Tiren, MP    |                          |
| 4. Hon. Francis Munyua Waititu, MP. |                          |
| 5. Hon. Yegon Brighton Leonard, MP. |                          |
| 6. Hon. Justus Makokha Murunga, MP  |                          |
| 7. Hon. Simba Arati, MP.            |                          |
| 8. Hon. Maison Leshoomo, MP.        |                          |
| 9. Hon. Gabriel Kago Mukuha, MP     |                          |
| 10. Hon. Florence Mutua, MP.        |                          |

**IN- ATTENDANCE**

**COMMITTEE SECRETARIAT**

- |                         |   |                        |
|-------------------------|---|------------------------|
| 1. Mr. Ahmad Kadhi      | - | First Clerk Assistant  |
| 2. Mr. Nicodemus Maluki | - | Third Clerk Assistant  |
| 3. Mr. Dick Salem Lorot | - | Legal Counsel          |
| 4. Mr. Robert Ngetich   | - | Fiscal Analyst         |
| 5. Ms. Debra Ghati      | - | Media Relation Officer |
| 6. Mr. Stephen Nyangudi | - | Audio Officer          |

**STAKEHOLDERS**

- |                       |   |                              |
|-----------------------|---|------------------------------|
| 1) Mr. Martin Stevens | - | Director Ibero Kenya         |
| 2) Mr. Kennedy Keya   | - | Dorman's Ltd                 |
| 3) Mr. Ephantus Musau | - | NACCU                        |
| 4) Mr. Martin Ngare   | - | General Manager, CMS         |
| 5) Mr. Kavinda Carlo  | - | Kahawa Bora                  |
| 6) Mr. Edgar Dawai    | - | Alliance of Women for Coffee |

7) Mr. Peter Githinji	-	Tropical Farm
8) Ms. Immaculate Rachido	-	Kenya Coffee Ltd
9) Mr. David J. Mutunga	-	Sasini
10) Mr. Peter K. Githongo	-	Chair New Gaturi FCCS
11) Ms. Faith Karimi	-	KOFINAF/ OCMZ
12) Mr. John Maina Githinji	-	Chairperson, Gitaru Mills
13) Mr. James N. Ndeto	-	Machakos Cooperative Union
14) Dr. David Muge	-	Great Rift Coffee
15) Mr. Justus Kiago	-	KPCU LTD
16) Mr. Stephen Macharia	-	MCE
17) Mr. David Kithomo	-	Thika Coffee Mills
18) Mr. Pius Ngugi	-	Thika Coffee Mills
19) Col. Tom Wanambisi	-	KCPA
20) Ms. Sarah Nyaga	-	Kenya Coffee producers Ass.
21) Ms. Phillis Nyaga	-	Kenya Coffee Exporters
22) Ms. Mary Maina	-	IWCA- Kenya
23) Ms. Margret Mithamo	-	IWCA- Kenya
24) Ms. Sophie Mukwa	-	FTOK

**MIN.NO. DC/A&L/ 063/2019: PRELIMINARIES**

The Chairperson called the meeting to order at ten Minutes past three O'clock and prayed. He welcomed all presented and requested everyone to make self –introduction. He reminded the stakeholders that they had been invited by the Committee to make their submissions on the proposed Crops Amendments to the Crops (Amendments) (No. 2) Bill, 2019 by the Honourable Moses Kuria, MP.

**1. KENYA COFFEE PRODUCERS ASSOCIATION**

The Chief Executive Officer, Ms. Sarah Nyagah on behalf of the association presented on the proposed amendment as follows: -

The proposed amendment was coming at a time when there are major reforms in the Coffee Industry. However, the association noted that: -

- a) The proposed amendment do not help coffee industry because it's not well researched. There is no feasibility study to show that roasting at origin for export market will work or has worked elsewhere in the world.
- b) Adequate value chain analysis had not been carried out to determine whether there is significant gains in exporting roasted coffee and market need for roasted.

- c) Selling of roasted coffee or green beans within the current marketing and trade system will not make price difference to the farmer since the marketers and traders are the same players.
- d) The shelf life of roasted coffee is relatively shorter than raw beans. The coffee must go to the market while fresh.
- e) There is window for local roasting of coffee for local/ regional market. This should be encouraged and create incentives to promote domestic consumption
- f) Facilitation for farmers to meet the strict requirements to export roasted coffee into identified markets should gradually be rolled out.
- g) County governments have been unable to support coffee farmers with extension services. It will however not be viable to set up coffee roasters in every county, yet production was just 39,000 metric tonnes currently.

## **2. SASINI HOLDINGS**

Sasini holdings together with its subsidiaries appeared before the Committee and presented on the proposed amendment as follows: -

While the organization opposed the proposed amendment, they confirmed that, their operations included coffee growing, coffee milling, coffee trading, provision of warehouses, and marketing. They further informed the Committee that Kenya produces 10,000 metric tonnes of coffee which is equivalent to 0.4 % globally. Currently Sasini holdings is producing 25% of Kenyan coffee and the cost of producing each kilogram cost 4 dollars. Sasini was spending 4 billion each year on production

### **Justifications**

- Kenyan coffee was marketed in main stream and most buyers buy it for blending
- Starting to process coffee would disrupt the current market trends
- The cost of adding value would be transferred to the farmers
- No other country has legislated on such law in the whole world
- It would shut out doors for selling Kenyan coffee
- There need to undertake feasibility study on the market need

### **3. ALLIANCE OF WOMEN IN COFFEE**

Alliance of women in coffee is an NGO registered in Kenya by NGO council of Kenya. It is affiliated to the International Women in Coffee Association and therefore recognized as the IWCA county chapter, hence, IWCA – Kenya.

Regarding the Crops (Amendment) No 2 Bill, 2019 AWIC presented as follows: -

The organization supports the idea that Kenya coffee shall be grown, processed and packaged in the counties of production and will be marked and distributed in labels marked Kenya coffee. This will promote and widely popularize the Kenyan coffee brand. However, the organization did not support legalizing the mandatory exportation of coffee from Kenya in its fully roasted status.

#### **Justifications**

- i. The international coffee market was basically on green beans which are in its raw form
- ii. The country's coffee consumption was below 2% therefore denying exportation of raw beans will result into over storage of coffee which may cause woodiness. A condition that degrades the coffee quality.
- iii. Kenya did not have necessary skills and infrastructure for the roast coffee

#### **Recommendations**

- i. The organization proposed that, the Bill should explore ways that both the county government and the national government creates mechanism to increase the amount of roasted coffee for both local consumption and export market.
- ii. The policy should allow and encourage coffee trading within the country, such as a local dealer should have a direct access from a local producer.
- iii. Excessive overhead costs associated with local coffee processing and marketing should be waved off such as licensing for hulling

### **4. THIKA COFFEE MILLS**

The Chairman, Mr. David Kimotho on behalf of Thika Coffee Mills appeared before the Committee and raised the following issues on the proposed amendment:

- Practicability of the proposed amendment was wanting
- There was no milling capacity in the country
- Value addition should be made progressively

- The farmers were not getting the value of their coffee because of the cartels in the industry.
- Kenyan coffee was specialty and should be sold at specialty markets
- Governance and support by the government is key in success of the coffee industry in the Country.

### **Recommendations**

The Chairman requested the Committee to consider the following proposals:

- To revert to the earlier ways of operating in the Coffee industry
- There should be tight roles to govern the coffee industry
- Each and every investor to develop his own resources

### **5. YOUNG COFFEE FARMERS**

The Young Coffee Farmers represented by Mr. Moses Mwangi opposed the amendment and sited that, there was need to motivate young Kenyan to get into coffee production in the country to increase current production. He further informed the Committee that, the country lacked ready market for the roasted coffee. The low consumption rate of coffee in the market was a worrying challenge which should be looked at.

### **6. KENYA PLANTERS CO-OPERATIVE UNION**

Though the spirit of the proposed amendment was welcomed by the union the following issues were raised: -

- By roasting coffee, the country may not be able to get the real price of the coffee
- Roasted coffee attracts taxes, duties and advertisements and the extra cost will be transferred to the farmer.
- The long value chain in Kenyan coffee was a challenge.

### **Committee Observations**

Having listened to the stakeholders the Committee observed that:

1. To assist Kenyan coffee farmers, the various players including County Governments should come together and have sober discussions to understand the problem and come up with well-informed recommendations. The bottom line is that so long as Kenyan coffee farmers cannot make regular and sustainable incomes; they may not be interested in continuing with coffee production.

2. Globally no single country has prohibited the exportation of coffee in its raw form. Countries such as Brazil and Ethiopia which are the leaders in domestic coffee consumption estimated at 40 to 50% of their national productions allow exportation of coffee both in its raw form and in its fully roasted and packaged form.

**MIN.NO. DC/A&L/064 /2019:      ADJOURNMENT**

The Chairperson adjourned the meeting at forty minutes past six O' Clock to Tuesday 2nd July, 2019 at 10.00am.

Signed.....  .....

**Hon. Adan Haji Ali Sheikh, MP**  
**(Chairperson)**

Date..... 26/11/2019 .....

**MINUTES OF THE 46<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD ON THURSDAY 21<sup>ST</sup> NOVEMBER 2019 IN THE COMMITTEE ROOM 7, MAIN PARLIAMENT BUILDING AT 11.30AM**

---

**PRESENT**

1. Hon. Emmanuel Wangwe, MP. **Vice- Chairperson**
2. Hon. Ferdinand Wanyonyi, MP.
3. Hon. Simba Arati, MP.
4. Hon. Silas Kipkoech Tiren, MP
5. Hon. Janet Jepkemboi Sitienei, MP
6. Hon. Dr. Daniel Kamuren Tuitoek, MP
7. Hon. Justus Makokha Murunga, MP
8. Hon. Yegon Brighton Leonard, MP
9. Hon. Fred Ouda, MP.
10. Hon. Joyce Kamene, MP.

**APOLOGIES**

1. Hon. Adan Haji Ali, MP. **Chairperson**
2. Hon. Maison Leshoomo, MP.
3. Hon. Florence Mutua, MP.
4. Hon. Adan Haji Yussuf, MP
5. Hon. Silvanus Osoro Onyiego,MP
6. Hon. Francis Munyua Waititu, MP.
7. Hon.Dr. John Kanyuithia Mutunga, MP
8. Hon. John Paul Mwirigi, MP
9. Hon. Gabriel Kago Mukuha, MP

**COMMITTEE SECRETARIAT**

1. Mr. Ahmad Kadhi - Clerk Assistant 1
2. Mr. Robert Ngetich - Fiscal Analyst
3. Mr. John Ng'ang'a - Audio Officer
4. Mr. Alex Mutuku - Sergeant At- Arms
5. Mr. Moses Musembi - Office Assistant

**MIN.NO. DC/A&L/252/2019: PRELIMINARIES**

The Chairperson called the meeting to order at thirty-five minutes past Eleven O'clock. Proceedings began with prayers and thereafter brief introductions.

**MIN.NO. DC/A&L/253/2019: CONSIDERATION & ADOPTION OF THE SUPPLEMENTARY ESTIMATES 1 – FY 2019/20 REPORT**

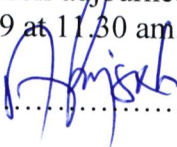
The Members deliberated the Draft Report and thereafter made the following resolutions: -

**MIN.NO. DC/A&L/254/2019: CONSIDERATION & ADOPTION OF THE REPORT ON THE CROPS AMENDMENT (NO. 2 BILL, 2019)**

Having considered the Crops amendment (No. 2 Bill, 2019 and the views of the stakeholders who were opposed to the Bill, the Committee therefore recommended that the House rejects the Bill.

**MIN.NO. DC/A&L/255/2019: ADJOURNEMENT**

The Vice - Chairperson adjourned the meeting at eleven minutes past Two O'Clock to Tuesday 26<sup>th</sup> November, 2019 at 11.30 am.

Signed.....

**HON. ADAN HAJI ALI, MP  
(CHAIRPERSON)**

Date.....

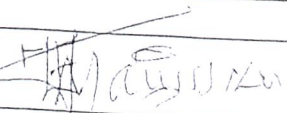
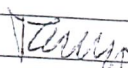


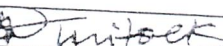

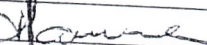
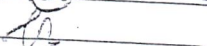




THE NATIONAL ASSEMBLY  
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK  
MEMBERS ATTENDANCE SCHEDULE

DATE: 21/11/2019 START: 10.00AM END: 1.20PM

VENUE: COMMITTEE ROOM 7

AGENDA: ADOPTION OF REPORT - TEA BILL  
ADOPTION OF REPORT ON CROPS AMENDMENT NO 2 BILL, 2019

	NAME	TITLE	SIGNATURE
1	Hon. Adan Haji Ali, MP.	CHAIRPERSON	
2	Hon. Emmanuel Wangwe, MP.	VICE-CHAIRPERSON	
3	Hon. Maison Leshoomo, MP.		
4	Hon. Ferdinard Wanyonyi, MP.	Member	
5	Hon. Florence Mutua, MP.		
6	Hon. Simba Arati, MP.		
7	Hon. Francis Munyua Waititu, MP.		
8	Hon. Silas Kipkoech Tiren, MP.	member	
9	Hon. John Paul Mwirigi, MP.	Member	
10	Hon. Adan Haji Yussuf, MP.		
11	Hon. Janet Jepkemboi Sitienei, MP.		
12	Hon. Gabriel Kago Mukuha, MP.		
13	Hon. Daniel Kamuren Tuitoek, MP.	member	
14	Hon. Fred Ouda, MP.	member	
15	Hon. Joyce Kamene, MP.	Member	
16	Hon. Yegon Brighton Leonard, MP.	member	
17	Hon. Dr. John Kanyuithia Mutunga, MP.		
18	Hon. Silvanus Osoro Onyiego, MP.	member	
19	Hon. Justus Makokha Murunga, MP.	"	

COMMITTEE

CLERK: .....

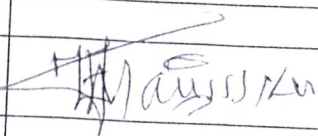
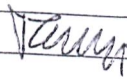

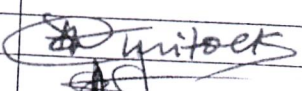

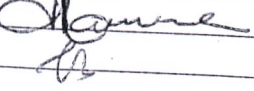



DIRECTOR: .....

**THE NATIONAL ASSEMBLY**  
**DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK**  
**MEMBERS ATTENDANCE SCHEDULE**

DATE: 21/11/2019 START: 10.00AM END: 1.20PM

VENUE: COMMITTEE ROOM 7

AGENDA: ADOPTION OF REPORT - TEA BILL  
 ADOPTION OF REPORT ON CROPS AMENDMENT NO 2 BILL, 2019

	NAME	TITLE	SIGNATURE
1	Hon. Adan Haji Ali, MP.	CHAIRPERSON	
2	Hon. Emmanuel Wangwe, MP.	VICE-CHAIRPERSON	
3	Hon. Maison Leshoomo, MP.		
4	Hon. Ferdinard Wanyonyi, MP.	Member	
5	Hon. Florence Mutua, MP.		
6	Hon. Simba Arati, MP.		
7	Hon. Francis Munyua Waititu, MP.		
8	Hon. Silas Kipkoech Tiren, MP.	member	
9	Hon. John Paul Mwirigi, MP.	Member	
10	Hon. Adan Haji Yussuf, MP.		
11	Hon. Janet Jepkemboi Sitienei, MP.		
12	Hon. Gabriel Kago Mukuha, MP.		
13	Hon. Daniel Kamuren Tuitoek, MP.	member	
14	Hon. Fred Ouda, MP.	member	
15	Hon. Joyce Kamene, MP.	Member	
16	Hon. Yegon Brighton Leonard, MP.	member	
17	Hon. Dr. John Kanyuithia Mutunga, MP.		
18	Hon. Silvanus Osoro Onyiego, MP.	Member	
19	Hon. Justus Makokha Murunga, MP.	"	

**COMMITTEE**

CLERK:.....

DIRECTOR:.....



**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 55 (National Assembly Bills No. 32)*



REPUBLIC OF KENYA

**KENYA GAZETTE SUPPLEMENT**

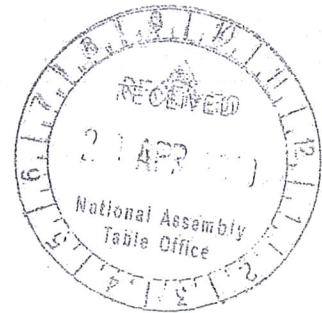
**NATIONAL ASSEMBLY BILLS, 2019**

**NAIROBI, 15th April, 2019**

**CONTENT**

Bill for Introduction into the National Assembly—

	PAGE
The Crops (Amendment) (No. 2) Bill, 2019.....	425



**THE CROPS (AMENDMENT) (NO. 2) BILL, 2019**

**A Bill for**

**AN ACT of Parliament to amend the Crops Act, and for connected purposes**

**ENACTED** by the Parliament of Kenya, as follows—

1. This Act may be cited as the Crops (Amendment) (No. 2) Act, 2019.

Short title.

2. Section 40 of the Crops Act is amended by inserting the following new sub section immediately after sub section (2) —

Amendment of section 40 of No. 16 of 2013.

“(3) For the avoidance of doubt, the regulations made with respect to coffee as a scheduled crop pursuant to subsection (2)(a) shall—

- (a) expressly specify *inter alia* that all coffee grown in any of the counties of Kenya shall undergo processing, production and packaging in Kenya and may only be distributed, marketed or exported in its fully processed form;
- (b) provide that all packages in which processed coffee is exported shall be clearly and conspicuously labelled with the inscription “*made in Kenya*”;
- (c) provide for mechanisms by which county governments may set up parastatals or other bodies to regulate the roasting, milling, packaging and branding of coffee; and
- (d) prohibit any act or conduct of exportation of coffee in its raw form”.

## MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to ensure that for the purposes of a favourable balance of trade and balance of payment coffee shall not be exported from Kenya in its raw form.

The Bill takes cognizance of the fact that several countries to which Kenya exports its raw coffee for purposes of processing, some of which countries re-export back to Kenya its coffee in processed form, occasion an unfavorable balance of trade and balance of payment, which is in turn visited on our hard working coffee farmers who therefore do not reap the maximum benefits from their produce.

The Bill further recognizes that the principal Act provides for coffee in its First Schedule as a scheduled crop which the Agriculture, Fisheries and Food Authority (herein after referred to as "the Authority") is mandated to develop and promote and for which, the Cabinet Secretary is required under section 40 (1)(a) to make regulations to provide for declaration of regulation, including production, distribution and marketing of coffee among others.

Clause 2 of the Bill seeks to amend section 40 of the Act to compel the Cabinet Secretary in consultations with the Authority and County governments while making regulations, to ensure that Coffee is exported only in processed form having been roasted, milled, packed, branded, and clearly labeled with "*a made in Kenya*" inscription and further to prohibit the raw export of coffee in any form whatsoever or, at all.

**Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms**

The Bill does not limit any fundamental rights or freedoms.

**Statement that the Bill concerns county governments**

The Bill concerns county governments in terms of Article 109(3) of the Constitution and affects the functions and powers of county governments recognized in PART II of the Fourth Schedule to the Constitution to the extent that counties are responsible for Agriculture in terms of crop husbandry.

The enactment of this Bill shall not occasion additional expenditure of public funds.

Dated the 7th March, 2019.

MOSES KURIA,  
Member of Parliament.

Stakeholders

- 1) AFA
- 2) CoG
- 3) Auction hse
- 4) Ministry
- 5) Ministry of Trade
- 6) Coffee Sacco
- 7) Millers
- 8) Sellers (body)
- 9) ~~Coffee Task Force~~

Section 40 of the (No. 16 of 2013) which it is proposed to Amend—

**Regulations**

40. (1) The Cabinet Secretary may, in consultation with the Authority and the county governments, make regulations for the better carrying into effect of the provisions of this Act, or for prescribing anything which is to be prescribed under this Act.

(2) Without prejudice to the generality of the foregoing, regulations made under this section may provide for—

- (a) declaration and regulation of a scheduled crop including production, distribution and marketing;
- (b) the areas outside which a scheduled crop may not be cultivated, and regulating and controlling the variety, the cultural conditions, the method of production and grading of a specified crop;
- (c) regulations on the appropriate seeds and planting materials for export and import;
- (d) administration of plant breeder's rights in line with the existing international conventions to which Kenya is a signatory;
- (e) the control of crop pests and diseases;
- (f) standards, testing and certification of seeds and planting materials;
- (g) licensing and regulation of dealers in farm inputs;
- (h) regulation and controlling the method of blending, packaging and labelling of specified crops for purposes of traceability;
- (i) the periods for which licences and registration certificates shall be issued;
- (j) the forms and fees to be paid for anything to be done under this Act;
- (k) rules for ensuring food safety including handling, transportation, processing and market standards of food crops and crop products;
- (l) rules and regulations of any organization dealing with crops and crop products, made by any such organization to be in conformity with the provisions of this Act;
- (m) the submission of returns and reports by the holders of licenses and permits under this Act;
- (n) standards, and the manner of grading and classification of various crop products under this Act;
- (o) measures of maintaining soil fertility including soil testing and regulation of soil salination, chemical degradation and toxic levels in plants;

- (p) developing guidelines for public education on safe use of agrochemicals;
- (q) the procedure for processing of toxic crops;
- (r) the relationship between farmers and other dealers in crops;
- (s) the formula for the pricing of scheduled crops; and
- (t) the regulation of standard industry agreements.



NEWS GENERAL

RESTORING WATER TOWERS

# Prison warders guard forest

About 24,000 hectares of South Marmamet was under trees before settlers invaded it



KFS deputy conservator Patrick Karluiki, Correctional Services PS Zeinab Hussein and Commissioner General of Prisons Wycliffe Ogallo in Marmamet, Laikipia, on June 14 /COURTESY

MOSES ODHIAMBO  
@TheStarKenya



The government has posted Kenya Prisons Service wardens to Marmamet forest to keep out herders.

The prisons service will also reforest the dilapidated forestland amid pressure by locals to be allowed to in it "to sustain the trees".

Under the Greening Kenya campaign, prisons and the Kenya Forest Service among other partners at the weekend planted about 33,000 indigenous trees on about 100 acres.

The ministries of Interior, Public Works, Environment, and the UN Environment are part of the cause to restore Kenya's threatened water catchments.

An additional 50,000 seedlings, including fruit trees and bamboo,

were distributed to locals during the fairly-attended tree planting drive.

Interior CAS Patrick ole Ntutu, Correctional Services PS Zeinab Hussein, Laikipia Governor Ndiritu Muriithi, and Commissioner General of Prisons Wycliffe Ogallo led the occasion.

PS Hussein asked the Prison wardens, who will work with forest officers, to ensure no animals graze in the forest as they have usually destroyed trees hence defeating restoration efforts.

She said her department is keen on helping the government attain 10 per cent forest cover by 2022 as directed by President Uhuru Kenyatta in May.

"Owing to the cries about animals grazing here, we will fence the forest and have our officers patrol it day and night. Let us work together to conserve this water catchment,"

Hussein said. She said there was urgent need to mitigate cyclic droughts attributed to low acreage of forest cover countrywide, affecting farming.

Kenya Prisons has about 10 million tree seedlings, with 27 other stations expected to help raise 150 million seedlings in two years. The seedlings are being produced in collaboration with the National Youth Service, and other agencies that have also established fuel woodlots.

Security officers say the animals come in droves, "not just 1,000 or 2,000 but herds on top of herds", a

situation CAS Ntutu said has to stop.

About 24,000 hectares of South Marmamet was under trees before it was invaded by settlers whose activities depleted the forest. However, Kwa Maina and Kwa Wanjiku were degazetted for settlement.

Residents want to practice Shamba System citing alleged successes in other areas where farmers were allocated an acre each to conserve.

Clement Gitau, a community forest association chairman, said the move would help end joblessness, hence cut down on activities that lead to deforestation of Marmamet.

"Farmers will conserve the trees as they raise potatoes. That way, even animals will not be allowed in the forest as no one would want their crops trampled on," he said.

Ntutu said the government will hold talks with concerned agencies on how best to engage locals in the conservation efforts in line with their quest for adoption of a Shamba system.

"I agree we need to work together. This is a matter we will discuss as government so that our efforts to restore this forest are not in vain," the CAS said.

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY  
TWELFTH PARLIAMENT – THIRD SESSION

In the matter of consideration by the National Assembly of the Gaming Bill  
(National Assembly Bill No. 38 of 2019)

PUBLIC HEARINGS AND SUBMISSION OF MEMORANDA

Article 118(1)(b) of the Constitution provides that, "Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees." The National Assembly Standing Order 127(3) provides that, "the Departmental Committee to which a Bill is committed shall facilitate public participation and take into account the views and recommendations of the public when the committee makes its report to the House."

The Gaming Bill, 2019 seeks to repeal the Betting, Lotteries and Gaming Act (Cap 131); provide for the control and licensing of betting, casinos and other forms of gaming; authorization of price competitions and public lotteries; provide for the establishment of the National Lottery; for the imposition and recovery of a tax on betting and other forms of gaming and for connected purposes.

The Gaming Bill, 2019 has undergone First Reading pursuant to Standing Order 127(3) and stands committed to the Departmental Committee on Sports, Culture and Tourism for consideration and thereafter report to the House.

Pursuant to the provisions of Article 118(1)(b) of the Constitution and Standing Order 127(3), the Committee invites members of the public to submit representations they may have on the said Bill. The representations may be made orally or by submission of written memoranda in the following manner:-

1. Written Memoranda may be forwarded to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi or emailed to clerk@parliament.go.ke, pbo@parliament.go.ke, to be received on or before Monday, 24th June, 2019.

2. Public Hearings shall be held in the following three (3) counties from 9.00 am to 5.00 pm. Other counties will be notified accordingly of the Public Hearings in due course.

COUNTY	VENUE	DATE
1. Mombasa	Kenya School of Government Hall	Monday 24th June, 2019
2. Kilifi	Makio Kinamai Social Hall	Tuesday 25th June, 2019
3. Kwale	Culture Centre Hall	Wednesday, 26th June, 2019

MICHAEL R. SIALAI, EBS  
CLERK OF THE NATIONAL ASSEMBLY

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY  
TWELFTH PARLIAMENT – THIRD SESSION

In the matters of consideration by the National Assembly:-  
1. The Traffic (Amendment) Bill (National Assembly Bill No. 28 of 2019)  
2. The Crops (Amendment) Bill (National Assembly Bill No.32 of 2019)

SUBMISSION OF MEMORANDA

Article 118(1)(b) of the Constitution provides that "Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees." The National Assembly Standing Order 127(3) provides that, "the Departmental Committee to which a Bill is committed shall facilitate public participation and take into account the views and recommendations of the public when the Committee makes its report to the House."

The Traffic (Amendment) Bill (National Assembly Bill No. 28 of 2019) seeks to amend the Traffic Act to make provision for the standardization of the use of all roads classified as super highways.

The Crops (Amendment) Bill (National Assembly Bill No.32 of 2019) seeks to ensure that coffee shall not be exported from Kenya in its raw form for purposes of favourable balance of trade and payment. The Bill recognizes that the principal Act provides for coffee in its First Schedule as a scheduled crop which the Agriculture, Fisheries and Food Authority is mandated to develop and promote and for which, the Cabinet Secretary is required under section 40(1)(a) to make regulations to provide for declaration of regulation, including production, distribution and marketing of coffee among others.

The above mentioned Bills have undergone First Reading pursuant to Standing Order 127(3) and stands committed to the Departmental Committee on Transport, Public Works & Housing and Departmental Committee on Agriculture & Livestock respectively for consideration and thereafter report to the House.

Pursuant to the provisions of Article 118(1)(b) of the Constitution and Standing Order 127(3), the respective Committees invite members of the Public to submit representations they may have on the said Bills. The representations may be forwarded to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to clerk@parliament.go.ke; to be received on or before Monday, 24th June, 2019 at 5.00 pm.

MICHAEL R. SIALAI, EBS  
CLERK OF THE NATIONAL ASSEMBLY