

INTERNAL MEMO



TO: The Speaker
THRO: The Clerk
THRO: The Senior Deputy Clerk
THRO: Director Committee Services
DATE: 27th November, 2018

recommended for tabling.

Hon Speaker
You may approve for tabling
Forwarded and recommended for tabling 27/11/18

SUBJECT: REPORT SENATE ADHOC COMMITTEE ON THE MAIZE CRISIS

Mr. Speaker Sir, the *Ad-hoc* Committee on the Maize Crisis was established by a resolution of the Senate on Wednesday, 8th August, 2018 to investigate and come up with solution that will enable farmers overcome challenges related to production, management and sale of maize. The Senate required the Committee to report back within 60 days. The Senate extended the life of the Committee by a further 45 days vide a motion passed on 11th November, 2018.

Mr. Speaker Sir, this is to forward, for your information, and seek your approval for tabling of the said Report in the Senate pursuant to standing order 213 of the Senate Standing Orders.

[Signature]
PETER MUCHIRA

Approved
[Signature]
27/11/2018



REPUBLIC OF KENYA



THE SENATE

TWELFTH PARLIAMENT – SECOND SESSION

AD-HOC COMMITTEE ON THE MAIZE CRISIS IN THE COUNTRY

REPORT ON THE INQUIRY OF THE MAIZE CRISIS IN KENYA

PAPERS LAID	
DATE	27/11/2018
TABLED BY	Sen. Wetangula
COMMITTEE	MAIZE CRISIS
CLERK AT THE TABLE	SUKWETA

Clerk's Chambers
The Senate
Parliament Buildings
NAIROBI

NOVEMBER, 2018

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ABBREVIATIONS AND ACRONYMS

ADC	-	Agricultural Development Corporation
ASALs	-	Arid and Semi-Arid Lands
CAS	-	Chief Administrative Secretary
CS	-	Cabinet Secretary
EAC	-	East African Community
CECM	-	County Executive Committee Member
CoG	-	Council of Governors
COMESA	-	Common Market for Eastern and Southern Africa
DPP	-	Director of Public Prosecution
EACC	-	Ethics and Anti-Corruption Commission
FAW	-	Fall Army Worms
Ha	-	Hectares
JASSCOM	-	Joint Agriculture Sector Steering Committee
KALRO	-	Kenya Agricultural Research Organization
KEPHIS	-	Kenya Plant Health Inspectorate Service
KENAFF	-	Kenya National Farmers Federation
KCEP	-	Kenya Cereal Enhancement Programme
Kgs	-	Kilograms (1000 grams)
KRA	-	Kenya Revenue Authority
LREB	-	Lake Region Economic Bloc
MLND	-	Maize Lethal Necrotic Disease
MOALF &I	-	Ministry of Agriculture, Livestock, Fisheries and Irrigation
MT	-	Metric Tonne (1000 Kilograms)
NCPB	-	National Cereals and Produce Board
NOREB	-	North Rift Economic Bloc
PVoC	-	Pre Verification of Conformity
SFR	-	Strategic Food Reserve
SFRTF	-	Strategic Food Reserve Trust Fund
UGMA	-	United Grain Millers Association
VAT	-	Value Added Tax

PREFACE

Establishment and Mandate of the *Ad-hoc* Committee on the Maize Crisis

The *Ad-hoc* Committee on the Maize Crisis was established by a resolution of the Senate on Wednesday, 8th August, 2018 to investigate and come up with solution that will enable farmers overcome challenges related to production, management and sale of maize. The Senate required the Committee to report back within 60 days. The Senate extended the life of the Committee by a further 45 days vide a motion passed on 11th November, 2018.

The specific Mandate of the Committee is so inquire and report to the Senate on-

- i. Why farmers who have delivered their produce to National Cereals and Produce Board (NCPB) have not been paid to date;
- ii. The quantity of duty-free maize imported into the country during the duty free window which was to end in October, 2017 and why the period was extended;
- iii. The challenges facing the maize farmers and the NCPB and make recommendations on how to resolve the challenges;
- iv. The maize received by the NCPB for the 2017/18 season to establish the suppliers; and
- v. The criteria for identification of millers and business persons involved in the importation of maize to the country.

Membership

The following are the members of the *Ad-hoc* Committee on Maize Crisis.

- | | | |
|---|---|------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | - | Chairperson |
| 2. Sen. Moses Wetangula, EGH, MP | - | Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | - | Member |
| 4. Sen. (Dr.) Michael Malinga Mbiti, MP | - | Member |
| 5. Sen. Boniface Kabaka, MP | - | Member |
| 6. Sen. Erick Okong'o Mogeni, MP | - | Member |
| 7. Sen. Mary Seneta, MP | - | Member |
| 8. Sen. Petronila Were Lokorio, MP | - | Member |
| 9. Sen. Samson Cherarkey, MP | - | Member |

ACKNOWLEDGEMENTS

Mr. Speaker

The *Ad-hoc* Committee on Maize Crisis wishes to take this opportunity to thank the offices of the Speaker and the Clerk of the Senate for the support extended to facilitate the technical and administrative work of the Committee. The Committee is especially grateful for the support during the Committee meetings, site visits and the public hearing. The Committee further thanks different institutions and members of the public who made submissions, both orally and in writing.

Finally, the *Ad-hoc* Committee appreciates the support of the secretariat staff that assisted and facilitated the process of preparing this report.

Mr. Speaker.

It is my pleasant duty, pursuant to Standing Order 213 to table the Report of the *Ad-hoc* Committee on Maize Crisis for consideration by the House.

Signed Wotangula

Date 26/11/18

for SEN. (PROF.) MARGARET KAMAR, EGH, MP
CHAIRPERSON

EXECUTIVE SUMMARY

Mr. Speaker Sir,

The importation of duty-free maize in 2017 was shrouded in mystery, as each Government agency which appeared before the Committee gave conflicting statements and figures. The maize crisis that led to flooding of duty-free maize imported into the country was a ploy by both the public and private sector players to profiteer from distortion of the maize value chain. The Gazette Notices No 3575 dated April 13, 2017, No 6398 dated 3rd July, 2017 and 7248 dated 27th July 2017, were open ended and done without any valid reasons and justification.

The Governments' inconsistent, incoherent policies and pronouncements on maize importation led to massive importation of maize without proper control leading to over importation and massive revenue loss. For instance, the minutes tabled before the Committee by the Ministry of Agriculture, Livestock Fisheries and Irrigation (MOALF&I), indicated that whereas there was an approval for importation of 6 million bags of maize for the Maize Subsidy Programme, 10.5million bags were imported. In yet another instance, the meeting of the Inter-ministerial Committee, erratically authorised the immediate clearance and discharge of maize docked at the port of Mombasa without proper documentation. In the opinion of the Committee, much more maize than was officially reported was imported.

Mr Speaker Sir,

The most shocking revelation to the Committee was that according to KRA, it was established that the maize imported by different importers was sold to the MOALF&I through NCPB' at a profit. Information gathered from the KRA show that the Government imported 1,398,094.58 Metric Tonnes of duty-free white maize from Mexico among many other non EAC/COMESA countries. Indeed these duty free imports led to a loss of revenue of upto Kshs. 13,405,241,241 at a time when the country was in dire need for resources.

Mr. Speaker Sir, other than the loss of revenue, the duty-free maize gave the importers an undue economic benefit of a similar amount making it very difficult for other traders to compete with these importers in the market.

Mr. Speaker Sir, more shocking is the fact that the government bought the maize from Mexico at over Ksh.4,000 per bag yet the same Government insists barely a year later, based on a "scientific formula" to pay local farmers a meagre ksh.2,300 per bag. The Committee totally rejects this price and we strongly urge the Senate to stand with the farmers of this country and reject this price.

Indeed, Mr. Speaker Sir, the Committee insists that only a bare minimum of Kshs. 3,600 per bag would make this business viable and be a begging to the emancipation of the long suffering maize farmer.

Further Mr. Speaker Sir, There was no evidence that there were standards and quality checks by Kenya Bureau of Standards (KeBS) at the ports of entry during the duty-free maize importation period. In light of all this, on 13th September, 2018, the Committee directed KeBS to carry out sampling and testing according to the quality standards for all maize stored in the NCPB silos. Shockingly, KeBS reported to the Committee that 63.3% of maize stored was substandard.

Mr. Speaker Sir,

At the time of writing this report, not all farmers had been paid for the maize delivered to the NCPB during 2017/18 crop season, despite numerous promises made by the Executive to pay them promptly. The Money allocated to pay maize farmers for their supplied crop was diverted to pay traders and merchants causing the delay of payment to genuine farmers who had already delivered their crop to NCPB depots/silos. Indeed, evidence available demonstrated cases of questionable payments made to phoney farmers, traders and brokers.

Mr. Speaker,

Historically, farmers received seamless support by the Government from production to marketing. This was through: inputs from KFA, financial support from AFC and off-take from NCPB. When there was crop failure, farmers were also cushioned through the GMR program. The Government also provided technical service through a well-coordinated extension services program and the maize prices were determined before the onset of planting season.

However, maize farmers continue to suffer unwarranted challenges related to expensive land preparation costs due to lack of support from Agricultural Mechanisation Services (AMS), and county governments, limited availability of suitable high-yielding maize varieties, and inefficient farm inputs and fertiliser subsidy programs. The delay by the Government to decide the prices of the maize delivered to NCPB depots/silos and also allow merchants and traders to flood the depots with imported maize. They are also frustrated by irregular procedures and technicalities during delivery to NCPB depots/silos, or when receiving subsidised farm inputs and fertiliser.

Mr. Speaker Sir,

NCPB is created by an Act of Parliament, to regulate and control the marketing and processing of maize, wheat and scheduled agricultural produce. However, over the period through underfunding, mismanagement, frequent legal amendments to the NCPB Act and corruption; NCPB lost its status and stature and has been reduced to the biggest impediment and frustration to the farmers. NCPB now operates as a storage facility for anybody including millers, traders, individual farmers and brokers who have been leasing space without clear regulations.

Throughout the hearings by the Committee, it is clear that a radical surgery is long overdue to reconstruct NCPB within the context and realignment to the 2010 Constitution and Devolution, in particular, to enable Kenyans continue benefitting from its existence and services.

Mr Speaker Sir,

Despite agriculture being a fully devolved function, the Committee noted that County Governments were at the very least unaware of their role in promoting agriculture in their respective counties, and at the very most looked like helpless bystanders as farmers continued to suffer.

The National Government has continued to hold onto agricultural functions and resources thereto, despite clear constitutional and legal provisions that show that these are devolved functions and fall squarely in the realm of the county governments.

Mr. Speaker Sir,

The county governments have done little to assert their authority in realizing their functions in agricultural sector. The national government has not been helpful either as it has held onto functions and commensurate resources that are clearly devolved.

Despite the country being a signatory of the AU Maputo Declaration on Agriculture which states that 10% of the GDP should be allocated to agriculture, we are still at about 4% despite the fact that Food Security is one of the 'Big Four Agenda' programs.

Mr Speaker Sir,

The Committee recommends that the Government must immediately pay all the farmers who have not been paid forthwith with interests for the delayed payments.

Further, the county governments should construct a database of farmers to ensure proper identification for purposes of maize deliveries, payments, provision of subsidies and other services.

The Government investigative agencies, EACC and DCI, to further investigate, trace and recover any unlawfully acquired wealth from individuals who have committed these crimes and unjustly enriched themselves.

Mr. Speaker Sir,

The Cabinet Secretary, the National Treasury & Planning and the Cabinet Secretary, MOALF&I must take responsibility for the Gazette Notices which led to flooding of maize imports leading to distortion of the local market and disadvantaging the local farmers. The Office of the Director of Public Prosecutions (ODPP) must ensure the investigations in these matters are not open ended, but must be concluded expeditiously and those found culpable prosecuted forthwith.

Further, the Cabinet Secretary, MOALF&I should develop regulations and guidelines on importation of maize and other food crops, and table them before the Senate within 45 days.

The Government agencies should maintain accurate records, without which they must be held responsible and accountable in accordance with the law.

Mr. Speaker sir,

The Kenya Bureau of Standards (KeBS) should ensure that entry points are well staffed and adequately equipped. The Committee strongly recommends that the substandard maize currently being held at NCPB depots and silos be destroyed forthwith.

Mr. Speaker Sir,

The NCPB Act and Public Finance Management (SFR Trust Fund regulations) should be reviewed with a view to realigning and reconciling their mandates to the devolved system of government.

The county governments should immediately take over the NCPB depot/silos domiciled in their jurisdiction and come up with a management and maintenance plan.

Mr. Speaker Sir,

The county governments should forthwith proactively take up their agriculture function in line with the Constitution (Schedule IV), and the Legal Notice by the

Transitional Authority (Transfer of Functions) and ensure among others, market access for farm produce, enhanced accessibility to affordable credit and insurance packages, and availability of farm inputs such as certified seeds and fertilizer.

They should progressively allocate commensurate resources to the agricultural sector to better support farmers in their respective jurisdiction and reduce the cost of production.

The county governments must pass legislations and regulations that will help protect farmers in the whole grain value chain.

Mr. Speaker Sir,

Agriculture sector is the largest platform from which growth could be stimulated, and the good performance of this sector ensures good performance of the entire economy. To achieve food security and meaningful and beneficial agricultural growth, this Committee recommends that the Government honours the Maputo Declaration and through budgetary allocations properly ring-fences these allocations cascading them down to devolved units.

CHAPTER ONE

1.0 INTRODUCTION

On 8th August, 2018, the Senate passed a motion on the establishment of an *Ad-hoc* Committee to investigate the maize situation in the country. In the motion, the Senate resolved to inquire into the maize crisis in the country and specifically on-

- i. why farmers who have delivered their produce to NCPB have not been paid to date;
- ii. the quantity of duty-free maize imported into the country during the duty free window which was to end in October, 2017 and why the period was extended;
- iii. the challenges facing the maize farmers and the NCPB and make recommendations on how to resolve the challenges;
- iv. the maize received by the NCPB for the 2017/18 season to establish the suppliers; and
- v. the criteria for identification of millers and business persons involved in the importation of maize to the country.

The Senate made the resolution owing to the fact that pursuant to Schedule IV of the Constitution, agriculture is a devolved function. The Committee was therefore expected to investigate and come up with solution that will enable farmers overcome challenges related to production, management and sale of maize crop.

In its inquiry, the *Ad-hoc* Committee invited submissions from members of the public through an advertisement in the local dailies, invited various persons in interests and visited various NCPB depots in different counties.

Committee Inquiry; Mode of Operation

The Ad-hoc Committee has conducted an in depth and detailed inquiry into the maize crisis in the country by inviting submissions from different stakeholder involved in the entire maize value chain and persons of interests concerned with the delayed payments to maize farmers.

These include-

- (1) Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation;
- (2) Cabinet Secretary, Ministry of Devolution and ASALs;
- (3) Cabinet Secretary, The National Treasury;
- (4) Cabinet Secretary, The Ministry of Industry, Trade and Cooperative;
- (5) The Council of Governors Committee on Agriculture;
- (6) The Managing Director, National Cereals and Produce Board (NCPB);
- (7) The Managing Director, Kenya Bureau of Standards (KeBS);
- (8) The Chairman, Ethics and Anti-Corruption Commission (EACC);
- (9) The Director General, Kenya Revenue Authority (KRA)
- (10) The Chairman, Kenya Ports Authority (KPA);
- (11) The Chairman, Strategic Grain Reserve Trust Fund (SGRTF);
- (12) The County Executive Committee Members (CECM) in charge of Agriculture;
- (13) Grain Millers Associations; and
- (14) Farmers Representatives.

The Committee also conducted site visits to various NCPB depots and Malaba One Stop Border.

CHAPTER TWO

2.0 SUBMISSIONS AND EVIDENCE

Following the Senate resolution, the *Ad-hoc* committee resolved to engage with stakeholders and state agencies responsible for the sector in order to understand the state of maize crisis in the country. The Committee further embarked on county visits where different NCPB depots are located in order to acquaint itself on the mode of operations and listen to the members of public. This Chapter will enumerate the submissions received from various stakeholders

2.1 THE COUNCIL OF GOVERNORS (CoG)

The Committee invited the Council of Governors (CoG) Technical Committee on Agriculture to a consultative meeting on Wednesday 29th August, 2018. The CoG informed the Committee that the County Governments should be fully supported to implement programs that support the entire Maize Value Chain because Agriculture is a devolved function and therefore maize production falls under the ambit of the County Governments;

2.1.1. The Intergovernmental Initiatives undertaken to improve agriculture

The County Governments in collaboration with the Ministry of Agriculture, Livestock, Fisheries and Irrigation (MOALF&I) have established the Joint Agriculture Sector Committee (JASCOM), as an intergovernmental forum where agriculture related issues are canvassed.

The JASCOM major achievements include:

- i. formation of a Fall Armyworms Sub-Committee to contain the spread of the pest;
- ii. establishment of the Fertilizer Subsidy Sub-Committee to agree on the modalities of procurement and distribution of subsidized fertilizer;
- iii. development of the Draft Agriculture Transformation and Growth Strategy which will address the challenges in the agriculture sector including the maize sub-sector.

In order to improve the intergovernmental relations, the CoG recommended that Parliament should consider amending the Intergovernmental Relations Act to create a provision for direct funding of intergovernmental mechanisms like JASCOM from the exchequer.

2.1.2 The level to which the operations of the NCPB have been devolved

Despite agriculture being a devolved function and the Transition Authority through legal notice No. 137 of 2013 unbundling the crop husbandry function and transferring

construction of grain storage structure to county governments, the operations of the NCPB are still guided by the National Cereals and Produce Board Act, 1985 which was enacted way before devolution.

The CoG therefore proposed that:

- i. NCPB Act should be amended and NCPB restructured to reflect the spirit of devolution;
- ii. NCPB should devolve the role of construction and management of grain storage structures to county governments in line with the legal notice No. 137 of 2013 on unbundling of crop husbandry functions;
- iii. Funds set aside for Economic Stimulus Program on completion of grain storage facilities across the counties should be dispersed to the county governments.

2.1.3 The strategies employed by the county governments to improve maize productivity

The county governments have embarked on a number of strategic interventions in their CIDPs aimed at revamping the Agricultural sector.

These are:

- i. capacity building programs for farmers through extension programs and field days to disseminate extension information;
- ii. soil testing, liming and provision of crop and soil specific fertilizers to farmers;
- iii. equipping of Agriculture Mechanizations Stations to reduce drudgery associated with agriculture and increase efficiency of farm production;
- iv. subsidization of fertilizer, seeds and other farm inputs delivered to farmers to reduce the cost of production;
- v. implementation of strategic interventions to curb the spread of Fall Armyworms and other emerging risks; and
- vi. management of post-harvest losses through construction and maintenance of silos and grain storage structure.

2.1.4 Effects of maize imports on local maize production

Over the years, unregulated importation of maize has led to over flooding of cheap imported maize at the detriment of local producers. This has also provided a conducive environment for the unscrupulous millers and middlemen who have taken advantage of the liberalization of East African Community Market Protocol to import maize from Uganda and hoard the produce to cause artificial shortages resulting in rise of prices.

The CoG therefore proposed that:

- i. National government should increase allocations to counties to enable them implement input subsidy programs to cushion farmers from high production costs;
- ii. National government should review the EAC Protocol to ensure importation of maize from both EAC and external sources is regulated and based on established market deficits; and
- iii. The National government should come up with a policy on revamping maize production in the country in order to ensure that Kenya can compete with her EAC peers.

2.1.5 Possible interventions to improve maize production and storage

Counties are mandated to implement strategic interventions across the maize value chain. To accelerate the growth of maize sector, CoG therefore recommended that:

- i. A clear policy framework should be developed to guide the process of verification of maize farmers for purposes of payments and further measures should be put in place to enhance adoption of contract farming for farmers supplying maize to government grain stores;
- ii. Parliament should fast track the enactment of the Warehouse Receipt Bill to enhance efficiency in the maize input supply chain management;
- iii. Intergovernmental Committee on fertilizer should be strengthened to coordinate and oversee the procurement and distribution of seed and fertilizer subsidies;

- iv. National government should develop a legislation on subdivision of agricultural land to be implemented in line with the National Land Use Policy;
- v. The National (Online) Farmer Registration should be expeditiously rolled out;
- vi. The National government should fast-track the procurement of machineries under the Agriculture Mechanization Program to enhance technology transfer. Further, the mechanization policy should be fast tracked to pave way for implementation of the program;
- vii. The two levels of the government should adopt the E-Voucher system which will be linked to the farmers register to enhance input traceability system with clear delineation of functions between the two levels of governments to enhance efficiency;
- viii. National tax exemption/subsidy program should be considered to reduce the cost of acquiring grain dryers, provision of grain drying services to farmers as well as locally assembled farm machinery;
- ix. Maize Commodity Fund should be established to stabilize maize prices during periods of glut;
- x. The Tax Laws (Amendment) Act, 2018 which imposed VAT on pest control products should be amended to zero rate them;
- xi. The National government should leverage on Regional Economic Blocs to enhance maize productivity and foster trade relations;
- xii. National Soil Mapping exercise should be done to inform fertilizer distributed to counties so that it meets the soil nutrient requirements/agro ecological delineations;
- xiii. The National Government should introduce maize import quotas and measures to safeguard domestic maize market from over-exploitation by the liberalized EAC market protocol.

2.1.6 Committee Observations

The Ad-hoc Committee made the following observations from the submissions made by the CoG

1. Agricultural functions have not been fully devolved despite the provisions of the Constitution. For instance, fertilizer subsidy program is still managed by the national government instead of the county governments. Nevertheless, some county governments are implementing fertilizer subsidy programs but they have insufficient resources to do it. There is need therefore to fully devolve the agricultural functions in order to guarantee efficiency;
2. The County government role in the operations of the NCPB is limited to vetting of farmers only. NCPB should therefore be decentralized further to make it more accessible to farmers and counties should be given resources to finalize the defunct ESP grain storage facilities. Conversely, the county governments should come up with policies at the county level to operationalize the devolved NCPB;
3. There is need to define how the warehouses envisaged in the Warehouse Receipt Bill will be owned and operated;
4. There is need to review the Public Finance Management Act provision on the contingency fund in order to clearly provide for establishment of county emergency fund¹.
5. The cost of production in the country is prohibitively high compared to other EAC member states. Therefore, there is need to lower the cost of production in Kenya to compete favorably with other EAC maize producing countries through offering incentives and subsidies to farmers.

¹ The PFM Act, Section 110 provides that the County Government Executive Committee may establish county government Emergency Fund.

2.2 THE MINISTRY OF DEVOLUTION AND ASALs

The Cabinet Secretary, Ministry of Devolution and ASALs met the Ad-hoc Committee on Thursday 30th August, 2018 for a consultative meeting aimed at providing the committee with information on:

- a. policy governing the Strategic Food Reserve Fund;
- b. the level to which the operations of the NCPB have been devolved;
- c. intergovernmental strategies to improve maize production and management;
- d. the progress of the inter-agency team verifying the status of farmers payment;
and
- e. possible interventions to improve the management of maize production and storage.

2.2.1 Policy Governing the Strategic Food Reserve Fund

Strategic Food Reserve Trust Fund (SFRTF) is established under the Public Finance Management (Strategic Food Reserve) Regulations 2015 under the Legal Notice No. 15 of 2015.

The object and purpose of the Fund is to provide a Strategic Food Reserve in physical stock and cash equivalent and specifically the Fund shall-

- i. stabilize the food supply and prices in the country;
- ii. arrange for procurement, storage and sale of food commodities;
- iii. maintain adequate strategic food reserves in physical stock or cash equivalent at any given time; and
- iv. mobilize resources to support strategic food reserve related activities.

2.2.2 The Level to which the operations of the NCPB have been devolved

The information availed to the Ministry indicates that the NCPB has decentralized its operations to ensure that it provides services to farmers and consumers through a network of 46 of the 47 counties the only county without an NCPB Centre being Tharaka-Nithi.

2.2.3 Intergovernmental strategies to improve maize production and management

The Ministry of Devolution and ASALs has facilitated the establishment of sector committees for all devolved functions. These Sector Committees serve two purposes:

- i. as a platform for the joint planning by National and County Governments on programmes for the sector throughout the country;
- ii. as a forum for capacity building for the development of any given sector.

The National and County Governments have established the Joint Agriculture Sector Steering Committee (JASSCOM), which has in its terms of reference among other things the development of joint strategies for implementation by both levels of government for the development of all agriculture sub sectors. It is anticipated that in due course a joint strategy for the improvement of maize production will be developed and implemented.

2.2.4 Verification and Payment of Farmers

The Ministry of Devolution and ASALs took over the function of administration of the Strategic Food Reserve Fund in accordance with the Executive Order No. 1 of 2018. Following consultations with the Ministry of Agriculture, Livestock and Fisheries and the National Treasury to establish the status of the payment of maize farmers, the Ministry understood that there have been challenges regarding the payment of maize farmers for the 2017/18 crop season. It emerged during those consultations that the earlier process of payments may have disadvantaged genuine farmers in preference of traders.

To address the problem, the government engaged a multi-agency team to look into the matter. The team included the Ministry of Devolution and ASALs, Ministry of Agriculture, Livestock and Fisheries, the National Strategic Food Reserve Fund and the NCPB. The preliminary report of the audit carried out by the multi-agency team has established that some deliveries were made by farmers while others were made by merchants.

The Ministry undertook to complete the process of payment of vetted and verified maize farmers and has worked out the modalities of payment to ensure that it targets the small holder farmers first.

The Ministry has deployed officers to 24 NCPB depots to put in place an efficient and effective system to complete the payment of farmers in the shortest time possible. Special desks have been set up in all depots and these shall be operational until the exercise is completed. It is anticipated that this exercise will be concluded within 21 days effective from 20th August, 2018.

The exercise based on the NCPB records targets to pay a total of 998 farmers a total of Kshs. 1.3 billion. However, the exercise as of 29th August, 2018 had cleared 297 with claims totaling to about Kshs. 1, 359, 162, 338.84. The payments for these farmers were being processed and they should have been able to receive them within seven days.

The verification teams were working with the local NCPB agents and leaders and where necessary even visiting farmers who may be unable for one reason or another to present themselves at the depots to complete the claim forms to be cleared for payments.

2.2.5 Possible interventions to improve the management of maize production

The Ministry of Devolution and ASALs will work in collaboration with the Ministry of Agriculture which holds the policy and technical responsibility of the improvement of maize production through:

- a) Exploration of ways in which the ASAL areas could be put to maize production under irrigation.

The Ministry is facilitating collaboration between the National and County government in the formulation and implementation of joint projects under the “Big

Four Agenda” with respect to food and nutrition security. Indeed the government aims to put approximately 1.0 million acres under irrigation.

Some of the projects include:

Project	Estimated Acreage	Target Product
Galana/Kulalu	400,000	Maize, Rice, Beef
Thiba Dam	80,000	Rice
Thwake Dam	100,000	Rice
Lower Turkwel	60,000	Maize
Kimworor	30,000	Maize
Aror	40,000	Maize
West Kano-Nyando	60,000	Maize, Rice
Tana Delta	300,000	Sugarcane
Bunyala & Nzoia	40,000	Sugarcane, Rice

- b) Building capacities of county governments to implement related programs and facilitate intergovernmental planning, budgeting and implementation of the same.

Such capacities include project investment with the support through the Kenya Devolution Support Program and the EU-IDEAS Program.

2.2.6 Committee Observations

1. The SFR was transferred to the Ministry of Devolution and ASALs while the NCPB remains with the Ministry of Agriculture;
2. The delay by the government to decide the prices of the maize delayed delivery to the NCPB depots/silos which also allowed merchants and traders to flood the depots with imported maize;

3. Payments to genuine farmers have been delayed by verification processes. In future, there is need therefore to register farmers to alleviate such challenges;
4. There is need to restructure the SFRTF and the NCPB to provide for greater roles of the county governments in food security and further to reflect the expectations of devolution;
5. There is need to expand the SFR to go beyond maize.

2.3 THE ETHICS AND ANTI-CORRUPTION COMMISSION (EACC)

The Ad-hoc Committee met the Chairperson of the EACC, Bishop Eliud Wabukala, who was accompanied by Commissioner Mwaniki Gachoka, North-Rift Regional Head Mr. Jackson Mue and Senior Counsel Mr. David Kaboro on Thursday 30th August, 2018. The EACC was invited for a consultative meeting to provide information to the Committee on-

- i. involvement of the Commission on the stoppage of payment to farmers for the supply of maize to the NCPB in the year 2017/18;
- ii. the progress of investigation into the operations of the NCPB; and
- iii. possible interventions to improve the management of maize production and storage.

The commission informed the Committee that they received allegations in May 2018 that officials of the NCPB were purchasing maize from brokers and unregistered farmers who had not been vetted to supply maize.

It was also reported that unscrupulous businessmen who were given preferential treatment were smuggling maize from neighboring country (Uganda) and selling the same to the NCPB and as a result genuine farmers were denied an opportunity to sell their maize since the businessmen were selling in large quantities.

Further, there were outcry by farmers around March 2018 regarding delays and slow queues especially in Eldoret, Moi's Bridge, Kitale and Ziwa Depots. The alleged net loss by NCPB was Kshs. 1.9 Billion.

2.3.1 Involvement of the EACC on the stoppage of payment to farmers for supply of maize to the NCPB in the year 2017/18

The EACC vide a letter dated 17th July, 2018 informed the Cabinet Secretary for Devolution and ASALs that the NCPB had by then committed over Kshs. 11 billion in Strategic Food Reserve (SFR) maize purchases, out of which over Kshs. 7 billion had

been paid to NCPB from the SFR account for payments to farmers, leaving an outstanding balance of Kshs. 4 billion.

The EACC advised that pending conclusion of the investigations, only genuine farmers may be considered for payment, to cushion Government against possible losses that may arise through irregular payments. This advice had also been given to the Ministry of Agriculture, Livestock, Fisheries and irrigation which had hitherto been in charge of the SFR prior to the Executive Order that transferred the function to the Ministry of Devolution and ASAL.

2.3.2 The progress of investigations into the operations of the NCPB

The Principal Secretary, State Department for Agriculture (SDA) instructed the Managing Director NCPB to commence the 2017/18 SFR maize purchase vide a letter dated 17th October, 2017. The purchase price was set at Kshs. 3,000/- per 90kg bag of white maize and a rebate of Kshs. 200/- per bag bringing the total to Kshs. 3,200/-.

The NCPB was required to purchase maize from **only registered and vetted farmers**; lists of the registered farmers were circulated to the Depots and Silos before the depots/silos were opened to receive maize.

By 17th May, 2018, NCPB through its various Depots/Silos had allegedly received maize worth **Kshs. 11.3 Billion**. As at the same date, NCPB had paid slightly over **Kshs. 7 Billion** for the maize, leaving an outstanding payment of **Kshs. 4.3 Billion** owed to farmers/suppliers.

The funds from the National Treasury to the State Department of Agriculture were disbursed to NCPB through the SFR Account domiciled at the Central Bank of Kenya, Account number – 1000217189 which was the only account used to disburse SFR funds to NCPB during the financial year 2017/18.

Status of Investigation

The EACC commenced investigations into the allegation towards the end of May, 2018. A phased approach was adopted in the investigation where suspects who were paid huge sums of money were prioritized.

The 1st Investigation File which focused on officials in the Ministry of Agriculture (MoA), NCPB Headquarters, NCPB Eldoret Silo and Traders/Business people who were paid huge sums of money had been completed and submitted to the Director of Public Prosecutions (DPP) for review and direction. On 29th August, 2018, the DPP gave his **consent to charge 16 people** with several offenses and suspects would be arraigned in court as directed.

Investigations focusing on transactions in **Moi's Bridge, Ziwa, Kitale, Bungoma and Kisumu Depots/Silos** were over **85% complete** and the files would be forwarded to the DPP for review and direction. The six Depots/silos prioritized in the investigations allegedly received maize worth over **Kshs. 8.7 Billion** which is about **73%** of the total deliveries.

Facts Established by the Inquiry

That the Strategic Food Reserve Oversight Board is a Board established in line with the Legal Notice Number 15 of 12th February, 2015 under the Public Finance Management Act, 2012.

The SFR Fund is responsible for procurement, storage and sale of food commodities. It is also responsible for resource mobilization to support SFR and related activities among other responsibilities as detailed in the Legal Notice No. 15. The SFR Fund is established to provide Strategic Food Reserve in physical stock and cash equivalent.

The relationship between SFR Oversight Board and NCPB is formalized vide an **Agency Agreement**. During the season 2017/18, the Agency Agreement that was used is the 5th Agency Agreement for the period 1st July, 2015 to 30th June, 2017.

which governs the provision of technical and managerial services. The Agreement was signed on 19th October, 2016 and was to be effective for a period of two (2) years from the date signing.

In the Financial Year 2017/18, the SFR Oversight Board developed an annual work plan of **Kshs. 6 Billion** in which it had purposed to increase maize stock by **2 million bags**.

In the FY 2017/18, SFR was allocated **Kshs. 1.294 Billion**, during the 1st supplementary budget for the FY 2017/18 **Kshs. 6.7 billion** was added to the SFR. While in the 2nd supplementary budget, a further **Kshs. 2 Billion** was added for the purchase of strategic stocks. The total budget available after supplementary I&II was **Kshs. 9.9 Billion** for maize and beans. However, it was established that the total commitment from maize supply to NCPB in the 2017/18 season was over **Kshs. 11.3 Billion** by the end of April 2018 which was already beyond the available budget.

Only genuine local farmers were expected to supply maize to NCPB. The NCPB issued guidelines to the depots and silos Ref. NCPB L/GGI/1/9/2016 on 1st September, 2016. The guidelines were aimed at ensuring that only genuine farmers benefitted from the premium price set by the government. The depots/silos were expected inter alia to:

- a. *Ensure that farmers are verified and quantities of the maize offered for sale circulated to all purchasing silos/depots in the NCPB network are commensurate with the acreage under maize; and*
- b. *Maize is purchased from farmers who are registered with MoA and appear in the register.*

Genuine farmers were supposed to be identified through vetting process which was designed by the Ministry of Agriculture for implementation by the County Government(s) and local vetting committees comprised of Chiefs/Assistant Chief(s)/Agricultural officer(s) among other members.

Upon delivery of maize, before other processes of checking on the quality and quantity, the depot managers were expected to verify the authenticity of the vetting forms, sign and stamp the same to allow intake of maize.

It has been established that, suppliers/traders who were not farmers were facilitated by NCPB officials to supply maize in large quantities using **fake vetting forms**. A classic case was a family comprised of a mother, 2 daughters and a son who according to records in NCPB supplied maize to various depots worth **Kshs. 745Million** using fake vetting forms.

The highest cumulative supplies of SFR white maize to NCPB by one trade was **219,236 bags of 50 Kgs** equivalent of **Kshs. 385 million**. The trader had already been paid **Kshs. 294 million** leaving a balance of **Kshs. 91 million**.

The traders were given **preferential treatment** by NCPB officials to supply large quantities using fake vetting form. They were also prioritized in payments.

The total number of farmers/traders who supplied maize to NCPB during the 2017/18 maize buying season were **10, 636**.

The set guidelines and vetting process was not applied by the NCPB.

The office of the Auditor General and EACC have formed a joint task team to undertake a comprehensive status audit of the grain reserve entailing; stock counts, review of policies and procedures governing the SFR and its relationship with NCPB.

2.3.3 Committee Observations

The ad-hoc Committee made the following observations-

- i. 10, 636 farmers/traders delivered maize worth **Kshs.11.3 Billion** to NCPB in 2017/18 crop season. 146 of these suppliers delivered maize worth **Kshs. 4.5 Billion** out of whom 20 suppliers delivered maize worth **Kshs. 2.1 Billion**. Therefore, there is need for system analysis of the Ministry of Agriculture to highlight challenges that are threatening to compromise food security and also frustrate local farmers;

- ii. The Kshs. 3200/- was for a 90 kg bag of maize. However, maize was repackaged to 50kg bags and they were bought at Kshs. 1700/- by the NCPB. Remarkably, maize was not delivered in bags but in tracks which were weighed on entry and exit and the net weight determined. Further, maize was delivered in various states of quality;
- iii. The vetting committees ignored all members of the vetting committees except the local chief(s) and extension officer(s) during the vetting process which eroded the role of the county governments and the local leaders.

2.4 THE MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND IRRIGATION

The Ministry of Agriculture officials appeared before the *Ad-hoc* Committee on 12th September, 25th October, and 31st October, 2018 following an invitation to provide information to the Committee on-

- i. national policy governing the Strategic Grain Reserve;
- ii. the maize storage capacity of the National Cereals and Produce Board;
- iii. the quantity of duty-free maize imported into the country during the duty-free window which was to end in October, 2017 and why the period was extended;
- iv. the extent to which the Government supports maize farmers in the country including the management of fertilizer and seed subsidy programme;
- v. the criteria for identification of millers and business persons involved in the importation of maize to the country; and
- vi. the maize received by the NCPB for the 2017/18 season and the status of payments to the suppliers.

2.4.1 The national policy governing the Strategic Food Reserve (SFR)

The Strategic Food Reserve Trust Fund (SFRTF) was established under the Public Finance Management (Strategic Food Reserve) Regulations 2015 under the Legal Notice No. 15 of 2015. The object and purpose of the Fund is to provide a Strategic Food Reserve in physical stock and cash equivalent.

Specifically the Fund is to-

- i. stabilize the food supply and prices in the country;
- ii. arrange for procurement, storage and sale of food commodities;
- iii. maintain adequate strategic food reserves in physical stock or cash equivalent at any one given time; and
- iv. mobilize resources to support strategic food reserve related activities.

2.4.2 The maize storage capacities of the National Cereals and Produce Board

NCPB has 110 stores distributed across the country with a storage capacity of 21.52 million bags of 90kilograms. There are silos in the grain basket and Nairobi that store maize in bulk with a capacity of 3,090,000 of 90 kilograms. These exclude Cypress Bins of about 1.5 million 90 kilograms bags.

2.4.3 The quantity of duty-free maize imported into the country during 2017 window

Under the government maize subsidy programme and replenishment of the Strategic Food Reserve in 2017, the Government procured a total of 10, 547, 418 bags (90 kilograms) of maize. This was against the Government's approved quantity of 12,643,300 bags. The Government extended the subsidy period from October to December 2017 as the local grain supply had not stabilized and consumers were still vulnerable to high flour prices.

The SFR maize has been selling since the stoppage of the programme at Kshs. 2,300 per (90Kgs) bag. It has not been moving fast due to availability of maize in the market at lower prices. As at 31st October, 2018 the balance of the imported maize stands at 241,409 (90Kgs) bags.

2.4.4 Procedure on how decision to extend the duty-free was arrived at

The prolonged drought in 2016/17 affected the production of basic staples especially maize. The government commenced the maize subsidy program in May 2017 to cushion the consumers against the rising maize flour price.

The working modality of the program was; the government to buy maize from private agencies and individuals with maize through inter-ministerial negotiation team, government to keep the maize in NCPB stores for monitoring and distribution, and government to sell the maize to registered millers through their associations. The

inter-ministerial team was the overall decision making organ. Members were drawn from; the Presidency, National Treasury, MOALF, NCPB, KRA and KeBS.

A task-force was put in place through gazette notice No. 5216 to provide a framework for coordinating the government food subsidy programme and had the following terms of reference-

- i. coordinate and provide strategic leadership in the implementation of the programme;
- ii. analyze and give up-to-date status of maize grain and such other essential commodities to determine supply and demand;
- iii. ensure implementation of the program is in line with government policy objectives
- iv. identify possible sources of the duty exempted essential commodities and their competitive import prices;
- v. monitor maize and maize products prices in the market and advise accordingly

Based on a survey of prevailing local, regional and international prices, the government was to procure the maize at Kshs. 3,600 and sell it to the millers at Kshs. 2,300 per 90 (Kgs) bag giving a subsidy component of Kshs. 1,300 per bag. With the introduction of the subsidy program the flour prices reduced from Kshs. 150 for 2Kg packet to Kshs. 90.

The taskforce mandate was to monitor the grain availability and prevailing prices in the market and inform the inter-ministerial team on the food situation in the country. In June 2017, the projections of grain supply had not stabilized and the inter-ministerial team approved extension of the duty waiver to 30th September, 2017 in the meeting held on 21st June, 2017 (Annex).

2.4.5 Reasons that necessitated extension of Duty-Free importation window

The main reason for extending the duty free importation window was to cushion consumers against the high maize flour prices. The established taskforce was doing

continuous monitoring of the food situation in the country and advised the government accordingly.

On 13th April, 2017 the government authorized duty free importation of white non GMO maize through gazette notice No. 3575. Extension of the duty free importation of maize to 30th September, 2017 was done through gazette notice No. 6398 published on 4th July, 2017.

By end of September, there was still no sufficient grain to sustain the demand in October, November and December. The harvesting that was expected to start in October was not realized because the season started later due to late onset of rains. This was compounded by rains which began in October, further delaying the drying and expected harvest of the grain.

The extension of duty waiver to 15th October, 2017 was occasioned by the fact that maize in the field had not been harvested and was not yet ready for milling through gazette notice No. 7248 of 27th July, 2017. Any other maize arriving after 15th October, 2017 was to attract duty.

2.4.6 MOALF Guidelines and Regulations on importation of maize

The MOALF follows the World Trade Organization (WTO) regulations and the regional trade protocols in the importation of maize.

Steps followed in the WTO regulations are-

- a. The supplier/importer applies for an import permit from KEPHIS;
- b. Gets imports declaration from KRA;
- c. Gets certificate of Conformity from the country of origin from an agent/company appointed by KeBS;

- d. At the port of discharge, the cargo is inspected by KEPHIS, KeBS and KRA before it can be allowed to discharge and distributed to other parts of the country.

For emergency operations, the government declares a national disaster and zero-rates the imports for a defined period of time.

2.4.7 The extent to which the Government supports maize farmers in the country

The government through the Ministry of Agriculture has been supporting farmers by availing affordable fertilizers through the National Fertilizer Subsidy Programme. The objective of the subsidy programme is to stabilize fertilizer prices. Small scale farmers can access up to 40 bags of 50kilograms through the NCPB depots countrywide at subsidized prices. Large scale farmers who are recommended by the counties are also allowed to receive the subsidized fertilizers.

To meet this objective, the Ministry targets procurement of 30-40% of the national fertilizer requirement of 765,000 Metric Tons. However, due to inadequate funds, the Ministry has so far achieved 15% of the national requirement.

In order to ensure the required fertilizer for the 2018/19 planting season is available, the Ministry intended to procure and distribute 200,000 MT of various fertilizer types including 50,000MT of agricultural lime. The agricultural lime is to be distributed to the areas suspected to have high soil acidity.

However, the Ministry faces challenges related to-

- i. inadequate funds to procure enough fertilizer to cater for all farmers;
- ii. acidic soils in the maize growing zones; and
- iii. unscrupulous merchants who buy subsidy fertilizer and repackage to sell to farmers at high prices.

2.4.8 The maize received by NCPB in the 2017/18 season and the status of payment to suppliers

During 2017/18 Financial Year, the Government had targeted to purchase 2 million (90Kgs) bags of maize at a total budget of Kshs. 6 billion. The NCPB started receiving maize on 16th October, 2017 and by the suspension of maize procurement on 18th April, 2018, they had received a total of 6,523,872 bags of 50 kilograms (3,626,973 bags of 90kgs) worth Kshs.11.63 billion from 12, 287 farmers. Despite the targeted quantity of 2 million bags, there was surplus production which the government decided to absorb for the SFR.

The delays in payment were caused by budgetary exhaustion because the fund had money adequate for the purchase of only 2 million 90 kilograms bags.

Suspension of payment to farmers was occasioned by suspected malpractices in the entire purchasing process. For instance, some traders posing as farmers supplied maize to NCPB and were paid to the disadvantage of genuine farmers. Therefore, the ministry suspended payments to those types of suppliers and prioritized payments to genuine farmers.

In the payout of 18th May, 2018, a total of 3797 small scale farmers were fully paid. To date, a total of Kshs. 8,053,320,000.00 was paid to farmers, while the pending payment is Kshs. 3,575,854,400.00 of which Kshs. 1.4 billion would be paid as soon as multi-agency team working on the issue approves who the real farmers are. However, the SFROB tenure had expired in August 2018 and could not authorize the payments. The new board was gazetted on 27th September, 2018 and convened in early October 2018 to authorize the payments of Kshs. 1.4billion.

As at 25th October, 2018 Kshs. 9.41billion had already been paid leaving a balance of Kshs.2.18billion. Broken down as follows; Kshs. 1.4billion for 152 claims under investigations, Kshs 429million for 74 farmers whose deliveries do not match the authorized quantities by the vetting committee and Kshs 217million for 44 farmers

who collected their verification forms but did not return them to their respective depots.

2.4.9 Action taken by MOALF in regard to contaminated maize in the NCPB Depots

The KeBS carried out the quality analysis of all maize in the NCPB stores as directed by the Senate ad-hoc Committee on maize crisis. The dry maize was graded into three grades based on the following parameters; broken kernels, discoloured grains, filth, foreign matter, immature and shrivelled grain and inorganic matter, pest damage, rotten and diseased. The maize was also tested for mycotoxin contamination.

For the total of 2,854,181 bags sampled, the following are the summary of the results-

a. Complying maize

GRADE	No. of 90 Kgs Bags	% of Total
Grade 1	236,057	8.3
Grade 2	566,626	19.9
Grade 3	251,782	8.8
Total	1,054,465	

b. Maize that did not meet KS.EAS 2:2017 Standard Requirements

Discoloured Maize	No of 90Kgs Bags	% of Total
Discoloured	974,765	34.1
Discoloured plus other defects	669,532	23.4
Total	1,644,297	57.6

The maize in b above has been downgraded for other uses. The discoloured maize that is not contaminated with mycotoxins is fit for human consumption and will be sold for milling; animal feeds manufacturing and other uses. The discoloured maize with other defects and not contaminated with mycotoxins is fit for animal feeds manufacturing

and will be sold to animal feed manufacturers and other uses once approved by the SFROB.

c. Mycotoxin Contaminated maize

Type of Contaminant	No. of 90 Kg Bags	% of Total
Aflatoxin	62,285	2.2
Fumonisin	93,134	3.3
Total	155,419	5.5

Mycotoxin contaminated maize should be condemned. The Ministry has already segregated it and initiated the process of re-confirming the status of this contaminated maize. KARLO and KEPHIS are independently sampling and testing the same consignment for aflatoxin and fumonisins to confirm the status.

2.4.10 Subsidised Fertilizer Purchase and Distribution Model

Fertilizer price stabilization plan started in 2008 as part of Abuja Declaration following the period that fertilizer prices escalated worldwide beyond the farmers reach. The plan was to allow the government procures about 25-30% of the country's conventional fertilizer requirement and selling to farmers at subsidized prices.

The fertilizer subsidy strategic objective was to-

- i. stabilize prices of fertilizer to make it accessible and affordable by most small scale farmers in the country;
- ii. reduce cost of production of agricultural commodities;
- iii. increase productivity of major crops in the country;
- iv. provide capacity and mechanisms towards implementation of the three tiered fertilizer cost reduction strategy;
- v. support uptake of fertilizer use by poor and vulnerable smallholder farmers in the country.

the quantities of fertilizer procured are based on the budgetary allocation and the procedure is as follows-

- before the procurement process commences, the ministry writes to the counties to request them to provide their fertilizer requirements;
- the requirements are then compiled and rationalized according to the available funds;
- the procurement then commences. This has to comply with the recommendation that subsidy fertilizer procured annually should amount to 25-30% of the national requirement;
- as a result, the private sector fertilizer dealers remain vibrant and in business.

The procurement is done twice in a planting season; short rains (30%) and long rains (70%). Tenders for short rains are done in August and procurement process concluded in October while those for long rains are done in October and procurement process completed in December of each year. Due to long procurement process, the Ministry resorted to two year contract frameworks. Currently, there are 8, two-year contract frameworks for supply of subsidy fertilizer which will expire in January, 2019.

All vetted and registered farmers are eligible to access the subsidy fertilizer. The vetting and registration process involves a vetting committee constituted by County Commissioners and comprised of the Chief, County Ward Agricultural Officer, Woman Leader, and a member of clergy at the Ward level which visits farmers to assess their farm lands prepared for planting and recommended quantity of fertilizer. Then a form is filled and signed for the farmer to take to nearest NCPB depot to collect recommended fertilizer after making payments. A small scale farmer can access up to 40 (50Kgs) bags of fertilizer.

Large scale farmers requiring more than 40 (50Kgs) bags are vetted by the county staff and a recommendation letter signed by the CECM in-charge of Agriculture is

sent to the Ministry headquarters for approval. The recommendation is done based on fertilizer given to the county. On receipt of the recommendation, the ministry writes to NCPB to release the fertilizer to the large scale farmers after making the necessary payments.

Fertilizer distribution to counties is mainly through the elaborate NCPB depot network and some Farmers' Cooperative Societies. In areas where depots are far away from the farmers, NCPB opens Satellite Selling depots at strategic points. Fertilizer allocation to various counties is based on intensity of agricultural activities, county uptake trends and season ability at the time of distribution.

To ensure that the right farmers receive the subsidized fertilizers, the ministry together with the NCPB developed guidelines for issuance of the fertilizers. Only farmers in the national data base (vetted and registered farmers can access the fertilizers). Each county is allocated fertilizer according to the areas cultivated for crop production.

2.4.11 How MOALF has aligned its Parastatals to the Devolution

NCPB is present in all counties other than Tharaka-Nithi County which is yet to get a space for locating NCPB store. The county governments together with NCPB decide on the farm input delivery methods especially on fertilizer.

Through NCPB, counties have market for some of their produce such as rice, beans and sorghum. Most of the counties have access to NCPB facilities especially storage, weighing and drying facilities. This relationship is however in a need basis. It is working but need to be well structured. Most counties have developed an arrangement with NCPB on supply of inputs.

During the purchase of SFR maize, the county governments are tasked with the responsibility of vetting of the farmers with support from the ministry. Some of the NCPB stores have been made available for storage of SFR for the counties and special program.

NCPB also has joint activities with counties on environmental conservation, talent development, community assistance and wellness programmes as social corporate responsibility.

The Government is in the process of transforming NCPB as advised following the consultancy report by Earnest & Young. The major recommendations were on separating the commercial and social functions of NCPB and establishment of a Commodity Exchange Market (COMEX) to enhance price discovery, creating a fair price where no one player can influence the price. In addition, the consultancy report recommended the decentralization of responsibilities and authority to regions and divisions to streamline services to farmers at the lower level.

The Executive Order No. 1 of June 2018 moved AFC to the National Treasury and Ministry of Planning.

2.4.12 How MOALF relies on research and soil tests

Agriculture being a devolved function, the MOALF and KARLO is working in collaboration with county governments on soil testing and research. The need to provide information on fertilizer requirements for the different regions/crops of the country prompted a national soil testing exercise in 2013/14 under the MOALF.

The exercise covered 159 sub-counties in 44 counties. It targeted to produce a soil suitability evaluation for maize in all the counties and an additional suitability report for potatoes in Nakuru and Uasin Gishu Counties.

The National and County reports were distributed to all counties sampled and are suitable for use by farmers and agricultural extension providers as a tool for recommending appropriate fertilizers and their rates.

The MOALF is coming up with a master plan on soil testing in collaboration with county governments and other stakeholders in order to have conclusive testing.

2.4.13 Committee Observations

The ad-hoc Committee made the following observations-

- i. NCPB depots/silos were not full when the decision to stop receiving maize was made. Further, the SFR was not able to buy the 4 million bags of maize as required in 2017/18 crop season. The money that was available for the purchase was exhausted earlier. Indeed, the SFR/NCPB has never achieved the 4 million bags target;
- ii. There are 300,000 bags of 90 kilograms of imported maize held under the SFR still maintained at the NCPB Depots/silos;
- iii. There are discrepancies on the figures provided by the MOALF on the quantities of maize imported. The detailed breakdown of the percentage of maize imported by millers and merchants indicates that a total of 10,375,260 (90Kgs) bags were imported while the details on the imported maize allocations indicate that 10,507,814 (90Kgs) bags of maize was imported;
- iv. There is no definite policy on who is supposed to deliver maize to NCPB and how many bags an individual can deliver. The NCPB has been putting in place administrative measures to ensure that genuine farmers deliver maize but these measures have been flouted by local vetting committees;
- v. The minutes of the inter-ministerial team indicates that the government approved duty free importation of 6 million bags of white maize. However, according to the report from the Cabinet Secretary MOALF, 10.5 million bags were imported raising concerns as to where the authority to import the extra 4.5 million bags came from. The MOALF could not provide evidence of such an authority.
- vi. The Inter-Ministerial Taskforce on Government Food Subsidy Programme established vide Gazette Notice No. 5216 dated 2nd May, 2017 was expected to remain in office for a period of four months from 2nd May, 2017 or for such a longer period as the Cabinet Secretary may by notice in the Gazette prescribe. However, the C.S could not provide information on whether the period was

- extended after the expiry despite some evidence that the task force continued to work beyond the expiry of the term;
- vii. The large consignments of maize comes from merchants who buy from local farmers who are unable to transport maize to NCPB depots/silos or those who feel that payments are inordinately delayed for delivered maize;
 - viii. Data related to agriculture is scattered in various agencies and the NCPB does not know who are the real maize farmers and acreage of the land under maize at any one time;
 - ix. The NCPB depots and silos have no capacity to store maize for more than six (6) months because of their quality. The maize that has stayed for more than six months is already yellowing and risks going to waste. NCPB is in the process of removing the maize that has overstayed. However, the SFR Board needs to be constituted to approve the removal of maize from silos and approve payment of the vetted farmers;
 - x. There are some unscrupulous traders who colluded with NCPB depot managers to get more fertilizer than stipulated that they later repackaged and sold to farmers who were unable to acquire it from NCPB. Further, there is a weakness in the committees that oversee fertilizer distribution; and
 - xi. The AFC is owed about Kshs. 134 million by farmers who delivered their maize to NCPB and they have not been paid.

2.5 MEETING WITH THE MINISTRY OF INDUSTRY, TRADE AND COOPERATIVE

The Ad-hoc Committee invited the Ministry of Industry, Trade and Cooperative to apprise the Committee on the-

- i. national policy governing the importation of maize in Kenya;
- ii. the set standards for maize being imported into the country;
- iii. the role of the Kenya Bureau of Standards in the importation of maize in the country;
- iv. the origin of maize imported in Kenya for the period between 2015-2018; and
- v. the safety standards of the maize received by the NCPB for the 2017/18 season.

The Cabinet Secretary, Ministry of Industry, Trade and Cooperative appeared before the Committee on 13th September, 2018 and informed the Committee as follows:

2.5.1 The National Policy governing the importation of maize in Kenya

The role of the Ministry of Industry, Trade and Cooperative through Kenya Bureau of Standards (KeBS) is to inspect and test the maize to ensure that all imported maize meet the requirement of the Kenya Standards.

2.5.2 The set standards for maize being imported into the country

There are several standards that cover maize and maize products as follows-

- a. **KS EAS 2:2017 –Maize grains – Specification**
Specifies requirements, sampling and test methods for maize grains of varieties grown from common maize grains, *Zea mays indentata L.* and/or *Zea mays indurata L.* or their hybrids intended for human consumption
- b. **KS EAS 44:2017 Milled maize (corn) products – Specification**
Specifies requirements, sampling and test methods for whole maize meal, granulated maize meal, sifted maize meal, maize grits and maize flour from the grains of common maize (*Zea mays L.*) intended for human consumption
- c. **KS EAS 230: 2001 Maize bran as livestock feed - Specification**
Prescribes the requirements for maize bran as a livestock feed maize bran

d. **KS EAS 232:2001 – Maize gluten feed – specification**

Prescribes the requirements for maize gluten feed used for livestock feeding maize gluten feed

e. **KS EAS 768: 2012 Fortified milled maize (corn) products – specifications**

Specifies the requirements and methods of sampling and test for fortified milled maize (corn) products namely: maize meal and maize flour from the grains of common maize (*Zea mays L.*) intended for human consumption

f. **KS 1753: 2014 Maize semolina – specification**

Specifies the requirements and the methods of sampling and test for maize semolina

2.5.3 **The role of Kenya Bureau of Standards (KBS) in the importation of maize**

g. Certification of the maize imports under the PVoC Program

Pre- Export Verification of Conformity (PVoC) program is a conformity assessment program applied to products at the respective exporting countries, to ensure their compliance with the applicable Kenyan Technical Regulations and Mandatory Standards or approved specifications. All maize imported into the country is required to undergo inspection under the PVoC program before importation.

h. Legal Basis of the PVoC Program

PVoC program was started on 29th September, 2005 by KeBS through the publication of Legal Notice No. 78 OF 15TH July, 2005 by the Minister of Trade and Industry. The program is also fully compliant with the provisions of Article 5 of WTO TBT Agreement and Legal notice no 127 of 19th June, 2018

i. Objectives of the program

- a. to ensure quality of products, health and safety and environmental protection for consumers;
- b. to facilitate trade by ensuring that compliant goods are given expedited clearance at the port of entry;

- c. to safeguard the country from unfair trade practices and dumping of substandard goods by ensuring that imported products comply with the same requirements to which locally manufactured goods are subjected;
- d. to safeguard the country's national security; and
- e. to prevent deceptive trade practices.

j. Operations of the program

- a. The program is operated by accredited third party inspections companies on behalf of KeBS;
- b. The world is divided into 19 regions based on proximity and trade volumes. In addition, the program provides for multiple partners in majority of the regions to enhance efficiency;
- c. The basis of certification is Kenya standards or approved specifications. In the case of maize and maize products, the basis of certification are the set standards

Maize that has been inspected and tested and confirmed to comply with the standard is issued with a Certificate of Conformity (CoC).

k. **Destination Inspection**

KeBS is positioned at the customs areas within the ports of entry. The role of KeBS at these ports is to:

- a. Undertake inspections in the event some imports arrive at the entry points without undergoing prior inspection. In this instance the products are detained while samples are taken for testing for compliance with the relevant standards;
- b. Surveillance sampling for consignments which arrive with a Certificate of Conformity.

2.5.4 **The origin of maize imported in Kenya between 2015-18**

Maize imported into the country as certified by KeBS for the period 2015-18 originated from the following countries:

	Country of Origin	Quantities			
		2015	2016	2017	2018
1.	Tanzania	2,266,636,260	56,819,990	21,682,500	74,177,100
2.	Uganda	257,001,000	91,400,000	164,830,000	360,717,300
3.	Zambia	7,375	0	22,612,864	150,300
4.	United States	0	0	21,500,000	0
5.	Zimbabwe	0	0	119,164,861	0
6.	Ethiopia	0	0	25,004,800	0
7.	Mozambique	0	0	584,094,780	0
8.	Russia	0	0	8,497,600	0
9.	Ukraine	0	0	37,050,000	0
10.	Mexico	0	0	111,512,005	0

2.5.5 Report on Quality Status of Maize Grain in NCPB depots/silos

During the meeting held on 13th September, 2018, the Committee directed the KeBS to carry out sampling and testing according to the quality standard of all maize stored in NCPB silos in the country and to provide a written report to the Committee.

KeBS reported that in preparation they wrote to the Managing Director, NCPB advising on the directive. NCPB provided a countrywide map of their depots and contacts of the depot managers of the depot managers. KeBS confirmed that testing

was to be done against the requirements of KS EAS 2:2017 –East African Standard Maize Grains – Specifications and Codex Stan 193-1995 Codex General Standard for Contaminants and Toxins in Food and Feed as established by Codex Alimentarius Commission.

Sampling

Two hundred and fifty six samples were drawn from depots/silos in 37 counties across the country as per the list provided by the NCPB. Sampling was done in accordance with KS EAS 900: 2017 East African Standard Cereals and Pulses – Sampling.

Samples were not drawn in the following go-downs for the reasons given-

1. Loitoktok – Under fumigation
2. Butere – under fumigation
3. Kitale – under fumigation
4. Kakamega – under fumigation
5. Eldoret – Empty

Representative samples from each silo were collected and all relevant information captured in the sample collection form. The samples were transported to KeBS laboratories at the headquarters, where they were registered and assigned a special code before they were delivered to the laboratory for testing.

Testing

The following parameters were tested as guided by the Standard EAS 2:2017 and Codex Stan 193-1995 Codex General Standard for Contaminants and Toxins in Food and Feed as established by Codex Alimentarius Commission.

- i. Mycotoxins
 - a. Aflatoxins
 - b. Fumonisin
- ii. Grading
 - a. Broken Kernels

- b. Discolored maize grains
- c. Filth in maize grain
- d. Foreign matter
- e. Immature and Shriveled grains
- f. Inorganic matter in maize grains
- g. Pest damaged maize grains
- h. Rotten and diseases maize grains
- i. Total defective maize grains
- j. Rotten and diseased maize grains
- k. Total defective maize grains
- iii. Moisture content
- iv. Arsenic
- v. Cadmium
- vi. Copper
- vii. Lead

Results

Out of 256 samples, 94 samples complied with the requirements of KS EAS 2:2017 as follows-

Grade 1:25

Grade 2:44

Grade 3:24

Mycotoxins was detected in 18 samples with the highest being 8.73ppm for Fumonisin and 26ppb for aflatoxins.

Conclusion by KeBS

The overall compliance to the quality standards for the maize sampled was 36.7%. This accounts for approximately 80,147,330kg of maize out of the total of 260,436,320 kg. There was mycotoxin contamination found in 14 out of the 37

counties from which samples were drawn. In addition the majority of the non-compliances were on discolored grain.

KeBS therefore opined that maize grain that is mycotoxin contaminated should be condemned as unfit for human consumption.

Report from the Ministry

The MOALF reported to the Committee that, discolored maize that is not contaminated with mycotoxins is fit for human consumption and will be sold for milling; animal feeds manufacturing and other uses. The discolored maize with other defects and not contaminated with mycotoxins is fit for animal feeds manufacturing and will be sold to animal feed manufacturers and other uses once approved by the SFROB.

The Ministry however, disagreed with the KeBS findings and had already segregated maize said to contain aflatoxin and mycotoxins and initiated the process of re-confirming its status. KARLO and KEPHIS were independently sampling and testing the same consignment for aflatoxin and fumonisins to confirm the status. The CS further informed the Committee that he would give the position of the government after studying the reports and getting the opinion of the other agencies.

2.5.6 Committee Observations

The ad-hoc Committee made the following observations-

- i. The NCPB imported maize from Ethiopia and all of it came through Moyale border point;
- ii. The KeBS knows all the importers of maize, however importers do not necessarily declare the destination of their maize;
- iii. There is a gap on who tests the standards of warehouses and who tests the quality of what is stored in those warehouses.

2.6 THE KENYA REVENUE AUTHORITY (KRA)

The *Ad-hoc* Committee invited the Commissioner General, Kenya Revenue Authority (KRA) to provide information on:

- i. the role of the KRA in maize importation in the country;
- ii. the quantity of duty-free maize imported into the country during the duty-free window which was to end in October, 2017 and why the period was extended;
- iii. the tax value forfeited as a result of the waiver; and
- iv. possible policy and legislative interventions to improve the management of maize importation.

Background

The declaration of a national disaster by the President of Kenya necessitated the exemption of white maize and yellow maize of all duty chargeable through the Kenya Gazette Notice No. 3575 dated 13th April, 2017. The provision for importation of white maize gave no restrictions as to those who were eligible to import and therefore any person qualified for remission. There was no quota on the amount of maize that an individual person or company could import during this period.

To operationalize the importation under Duty free Status, KRA updated the Tariff code number 1005.90.00 in the Simba Declaration system to effect zero charge on import duty during the duty free period (May 2017 and 15th October, 2017).

2.6.1 The role of KRA in maize importation in the country

The role of KRA is to administer and to enforce laws pertaining to assessment, collection and accounting for all revenues in accordance with the law. Specifically to maize importation, KRA's role is to ensure that:

- i. Maize that meets the standards is allowed into the country. This is done through PVoC programme in conjunction with KeBS;
- ii. Qualified persons or entities and quantities stated in relation to yellow maize importation are strictly adhered to in line with the provisions of the Gazette Notice No. 3575;
- iii. Correct values and volumes are declared for purposes of capturing trade data;

- iv. Where maize comes from the countries with preferential treatment such as EAC and COMESA, KRA ensures that compliance of Rules of Origin criteria is met before any preferential treatment is accorded.

2.6.2 The quantity of duty-free imported into the country during duty-free window

Yellow and White maize importations

During the period between May 2017 and October 2017, a total of 1, 093,092.27 metric tonnes with a duty implication of Kshs. 16,755,079, 433.75 was imported. This maize was both white and yellow, and originated from EAC/COMESA region as well as other countries outside the region.

This is summarized as follows:

Type of maize	Quantity Imported (MT)	Duty Remitted (Kshs.)
White	944,530.26	15,143,179,107
Yellow	148,562.01	1,611,900,326.75
Totals	1,093,092.27	16,755,079,433.75

Normally imports originating from EAC/COMESA member countries do not attract import duties by way of treaties establishing these trading blocks. It therefore means that even in the absence of gazette notices granting duty free status to importation of maize, consignments originating from these countries enjoy duty free status.

In order to reflect the actual quantities imported because of the introduction of the gazette notices, the data was further refined to exclude maize originated from the EAC/COMESA region. This did not affect yellow maize because all the importations originated from regions outside EAC/COMESA region. The quantity of white maize

reduced to 844,217.64 metric tonnes with duty remission of Kshs. 13,405,241,241 as shown below.

Type of maize	Quantity Imported (MT)	Duty Remitted (Kshs.)
White	844,217.64	13,405,241,241
Yellow	148,562.01	1,611,900,326.75
Totals	992,779.65	15,017,141,567.75

Duty-free white maize

The importation of white maize was not restricted to particular companies or individuals. Below is a list of the companies and individuals that imported duty free maize and the amount of import duties waived

	Importer	Net Quantity Imported (MT)	CIF Value (Kshs.)	Taxes remitted (Kshs.)
1	African Service Maintenance Ltd	7,714.84	183,484,899	91,742,450
2	Alpha Grain Millers Limited	7,700.00	214,255,487	107,127,744
3	Capwell Industries Limited	15,000.00	423,225,281	211,612,641
4	Export Trading Co. Limited	164,243.65	5,205,809,786	2,602,904,893
5	Fahd Commodities Group	969.55	39,239,911	19,619,956
6	Gold Leaf Kenya Limited	7,000.00	199,498,996	99,749,498
7	Green Build and General Suppliers Ltd	230.00	1,624,350	812,175
8	Kabansora Millers Ltd	23,001.54	693,118,488	346,559,244
9	Kitui Flour Mills Ltd	20,000.00	570,666,222	285,333,111
10	Hydery (P) Limited	270,953.33	8,991,868,926	4,495,934,463
11	Mahindra and Mahindra South Africa	5,196.70	144,539,102	72,269,551
12	Ministry of Agriculture	72,120.91	2,696,321,506	1,348,160,753
13	Mombasa Maize Millers	67,934.23	1,830,842,322	915,421,161
14	Pembe Flour Mills Ltd	23,792.02	673,316,387	336,658,194

15	Seaboard Overseas Kenya Limited	6,300.00	148,505,087	74,252,543
16	Sharan Simiyu	900.00	16,000,000	74,252,543
17	Stunwave Limited	112,613.49	3,840,628,078	1,920,314,039
18	The Commodity House Limited	90,260.00	3,082,953,198	1,541,476,599
19	Trust Feeds Ltd	2,700.00	36,000,000	18,000,000
20	Unga Ltd	44,000.00	1,126,111,802	563,055,901
21	Yara East Africa Ltd	900.00	16,000,000	8,000,000
22	YH Wholesalers	1,000.00	19,843,296	9,921,648
	Totals	944,530.26	30,153,853,124	15,143,179,107

2.6.3 White maize imported under duty-free status from non EAC/COMESA region

The summaries of the maize imported outside the EAC/COMESA region by companies/individuals between May 2017 and October 2017 are as indicated in the table below.

Importer	Quantity Imported (MT)	CIF Value	Taxes Remitted
African Service Maintenance Ltd	7,166.00	1,723,221,377	88,610,689
Alpha Grain Millers Limited	6,700.00	194,419,199	97,209,600
Capwell Industries Limited	15,000.00	423,225,281	211,612,641
Export Trading Co. Limited	108,588.12	3,420,544,986	1,710,272,493
Gold Leaf Kenya Limited	7,000.00	199,498,996	99,749,498
Kabansora Millers Limited	23,001.54	693,118,488	346,559,244
Kitui Flour Mills Ltd	20,000.00	570,666,222	285,333,111
Hydery (P) Limited	270,953.33	8,991,868,926	4,495,934,463

Ministry of Agriculture	40,908.91	1,437,562,129	718,781,065
Mombasa Maize Millers	67,934.23	1,830,842,322	915,421,161
Pembe Flour Mills Ltd	23,792.02	673,316,387	336,658,194
Seaboard Overseas Kenya Ltd	6,300.00	148,505,087	74,252,543
Stuntwave Limited	112,613.49	3,840,628,078	1,920,314,039
The Commodity House Limited	90,260.00	3,082,953,198	1,541,476,599
Unga Ltd	44,000.00	1,126,111,802	563,055,901
TOTALS	844,217.64	28,356,482,478	13,405,241,24
			1

The table below summarizes the quantities of maize imported by different companies/individuals from the EAC region and the COMESA region and which would still have enjoyed the duty free status because of the rules of origin.

Importer	Quantity Imported (MT)	Taxes Remitted (Kshs.)
Yara East Africa Ltd	900.00	8,000,000.00
Trust Feeds Ltd	2,700.00	18,000,000.00
Sharan Simiyu	900.00	74,252,543.00
Export Trading	55,655.53	892,632,400.00
African Service Maintenance Limited	548.84	3,131,761.00
Alpha Grain Millers Limited	1,000.00	9,918,144.00
Fahd Commodities Group	969.55	19,619,956.00

Green Build and General Suppliers Ltd	230.00	812,175.00
YH Wholesalers	1,000.00	9,921,648.00
Mahindra and Mahindra South Africa	5,196.70	72,269,551
Ministry of Agriculture	31,212.00	629,379,689
Totals	100,312.62	1,737,937,867

From KRA's correspondence with the different importers and the NCPB, it was established that most of the maize that was imported by the different importers was sold to the Ministry of Agriculture through NCPB. NCPB directly imported 72,000 metric tonnes of white maize.

QTY Imported/Brought from other importers (MT)	Quantity Accounted (Sold to Millers) (MT)	Balance at their Stores as at Oct, 2017 (MT)
650,190.59	610,328.30	39,862.29

Analysis of the data provided showed that most of the duty free maize imported originated from Mexico followed by South Africa.

Country	Quantity Imported (MT)	Type of maize
Mexico	1,398,094.58	WHITE
South Africa	248,956.74	WHITE
Russia	37,050	YELLOW
Ethiopia	31,212	WHITE

United States	7,166	WHITE
Mozambique	5,196.7	WHITE
Tanzania	2,700	WHITE
Zambia	2,199.55	WHITE
Uganda	1,800	WHITE
Ukraine	111,512	YELLOW

KRA analysis revealed that 98% of the maize which was imported on duty free basis was cleared through the Port of Mombasa, while 2% was cleared through Moyale, Malaba and Namanga.

The quantities of maize imported duty free from different source countries and the stations of clearance during the period May 2017 and October 15, 2017

Country	Quantity Imported (MT)	Station
Mexico	1,398,094.58	MOMBASA
Zambia	2,199.55	MOMBASA
Mozambique	5,196.7	MOMBASA
Ukraine	111,512	MOMBASA
Russia	37,050	MOMBASA
South Africa	248,956.74	MOMBASA
United States	7,166	MOMBASA
Ethiopia	31,212	MOYALE
Tanzania	2,700	NAMANGA
Uganda	1,800	MALABA

2.6.4 KRA's Recommendations

The government should consider importation of maize from partner states because importation from partner states does not attract import duty, Import Declaration Fee (IDF) and Railway Development Levy (RDL). Further, there will be no distortion in the market in terms of pricing since the price of maize is almost similar in the region;

- i. the government can allow importation through a quota system restricting the quantities to be imported into the country. Additionally, importation should be restricted to only gazetted and registered millers;
- ii. the window period for importation should be fixed and should be informed by production and consumption data; and
- iii. the government should consider appointing the NCPB, a relief agency or any other government agency to be the sole importer of maize.

2.6.5 Committee Observations

The committee made the following observations-

- i. some importers, imported similar quantities of maize but remitted different amounts of tax which raised a question of how taxes were computed;
- ii. the data provided by the KRA on the white maize imports between May 2017 and October 2017 by companies and individuals did not include which importers imported maize from which country of origin;
- iii. it is not clear from the presentations when the PVoC of maize imported during the duty-free window was done, when the maize was loaded into the ships enroute to Kenya and how long it took the ships before docking at the Port of Mombasa; and
- iv. the government should have specified the quantum of white maize required during the duty-free window to avoid flooding of the local market and NCPB depots/silos.

2.7 THE NATIONAL TREASURY

The Committee invited the Cabinet Secretary, the National Treasury to give the Committee information about-

- i. the national policy governing the importation of maize in Kenya;
- ii. the role of the National Treasury in maize importation in the country;
- iii. the quantity of duty-free maize imported into the country during the duty-free window which was to end in October 2017 and why was the period extended;
- iv. the tax value forfeited as a result of the waiver; and
- v. possible interventions to improve the management of maize importation

The National Treasury Chief Administrative Secretary Hon. Nelson Gaichuhie met the Committee and informed members that under the Free Trade Agreements, maize imported from EAC/COMESA countries does not attract taxes, if the threshold for the rules of origin is met. Any maize imported from countries outside the EAC/COMESA region attracts 50% duty, Railway Development Levy and Import Declaration Fee. However, maize does not attract VAT.

The Role of the National Treasury is to collect the relevant taxes through the KRA. In addition, the National Treasury prepares the relevant legal instruments, through the office of the Attorney General relating to duty-free importation.

According to the information provided by the KRA, the quantity of maize imported into the country during the duty-free window is as follows:

Type of Maize	Quantity Imported (MT)	Duty Remitted (Kshs.)
White	944,530.26	15,143,179,107
Yellow	148,562.01	1,611,900,326.75
Totals	1,093,092.27	16,755,079,433.75

The total maize imports between May 2017 and October 2017 from non EAC/COMESA region.

Type of Maize	Quantity Imported (MT)	Duty Remitted (Kshs)
White	844,217.64	13,405,241,241
Yellow	148,562.01	1,611,900,326.75
Totals	992,779.65	15,017,141,567.75

The extension to duty-free maize importation was provided following recommendations from the Ministry of Agriculture vide their letter Ref. MOALF/SDA/CRO/6A dated 15th June, 2017 and Ref. MOALF/CS.CRO/1 dated 27th July, 2017.

The CAS informed the Committee that there is need for the Ministry of Agriculture to establish the shortfalls in terms of production, consumption and the strategic reserves so that the importation does not cause market distortion or affect the local farmers adversely. It is also important for the State Department of Agriculture to develop guidelines and regulations on importation of maize.

2.8 THE KENYA PORTS AUTHORITY

The Ad-hoc Committee invited the Chairman Kenya Ports Authority (KPA) to provide information on-

- a. The role of the authority in maize importation in the country;
- b. The quantity of duty-free maize imported into the country during the duty-free window which was to end in October 2017 and why the period was extended;
- c. Possible policy and legislative interventions to improve the management of maize importation

The Committee was informed that the mandate of the Kenya Ports Authority (KPA) is to manage and operate the port of Mombasa and all scheduled sea ports along Kenya's coastline and also to maintain, operate, improve and regulate all sea and inland waterway ports in Kenya. The KPA's role during the importation of maize is to ensure that imports to the country by the NCPB or any authorized millers are granted approval by relevant government agencies led by the KRA, KeBS, KEPHIS, and Port Health among others before being offloaded.

The main role of the KPA in maize importation was to offer pilotage, stevedoring, and shore handling services to vessels that bring maize. There are dedicated berths for handling grains at the port, berth No.3 and 4 operated by the Grain Bulk Handling Limited. During the duty-free period window granted for maize importation KPA allocated more berths for offloading maize which included berth No. 7 and 13 for maize imports.

The total quantity of maize imported into the country during the duty-free window was 1,143,875MT and the numbers of vessels handled were 32.

KPA proposed that the government agency responsible for maintaining SGR, the NCPB ought to be the sole government agencies importing maize into the country as opposed to the millers. This will ensure unscrupulous businesspeople and merchants are cut-off. Maize farmers should also be assisted to come up with better maize varieties that are high yielding and pest and disease resistant.

2.9 THE MILLERS ASSOCIATION

The Committee invited the Chairperson of the United Grain Millers Association to provide information on-

- a. The mandate and membership of the Association;
- b. The quantity of duty free maize imported into the country during the duty-free window by the association; and
- c. Possible policy and legislative interventions to improve the management of maize importation

The chairperson of the association met the Committee on 22nd October, 2018 and informed the members that the United Grain Millers Association (UGMA) is a corporate body of most of the small and medium scale millers spread across the country. They handle about 60% of the maize meal consumed in the country. UGMA's mandate is to lobby for liberalized maize market and place more emphasis on the provision of safe and affordable food for all consumers.

The members of the UGMA bought maize from the Government through NCPB during the duty free window in 2017. Out of the maize imported, the members received less than 50% of their milling capacity.

On possible policy and legal interventions to improve the management of maize, UGMA proposed that NCPB should be restructured into a dynamic commercial viable profitable outfit for maize and other grains for farmers, importers and transporters for onward sale to millers, consumers and other users. NCPB should be restructured into a self-sustaining partner and be made a transition station of maize from farmers to millers.

UGMA proposed that the government should release the maize at NCPB directly to the millers. The government should also fast track the release of blending crops to mitigate reliance of population on only one crop.

Committee Observations

The Committee observed that some unscrupulous millers colluded with traders and imported maize that they sold to the Government through the NCPB and later bought at a subsidized price.

2.10 NOREB AND LREB CECM FOR AGRICULTURE

The Ad-hoc Committee invited the CECM from North Rift Economic Bloc (NOREB) and the Lake Region Economic Bloc (LREB) to provide the Committee with information on-

- i. the level of engagement between their respective government and the NCPB in the management of maize;
- ii. the average annual maize production in their respective counties;
- iii. the level of support that their governments extend to maize farmers, including fertilizer and seeds subsidies;
- iv. the number of registered maize farmers in their respective counties;
- v. the extent to which the National Government supports maize farming in their counties;
- vi. any policy, legal and institutional framework proposals on the improvement of maize farming in Kenya.

The LREB consists of the 14 counties around Lake Victoria and its environs namely Siaya, Homa Bay, Migori, Kakamega, Bungoma, Busia, Vihiga, Trans Nzoia, Kisii, Nyamira, Bomet, Nandi, Kisumu and Kericho. NOREB consists of Turkana, West-Pokot, Trans Nzoia, Uasin Gishu, Elgeyo-Marakwet, Nandi, Baringo and Samburu. Trans Nzoia and Nandi are in LREB and NOREB

During the meeting held on 26th September, 2018 at the Uasin Gishu County Assembly the following Eight (8) counties were represented by their respective CECM responsible for matter related to agriculture. These are, Nyamira, Uasin-Gishu, Elgeyo-Marakwet, Trans Nzoia, Homabay, Bungoma, Baringo and Nandi.

2.9.1 Presentation by CECM, Baringo County

The County Government of Baringo CECM in charge of Agriculture, Livestock Development and Fisheries, Mr. Richard K. Rotich, informed the Committee that farmers in Baringo County face numerous challenges in trying to upscale productivity including expensive farm inputs such as adequate and affordable fertilizer, seeds,

insufficient extension services, over dependence on rain fed agriculture and unstable market prices.

The County produces maize in the highlands through irrigation and especially the seed maize for Kenya Seed Company. Currently there are about 45,000ha under maize production with an estimated production of 1.2 million bags of maize.

The County faces challenges of storage since there are only three (3) NCPB depots in the county and they are not accessible to farmers due to impassable roads. Further, the storage fee charged by the NCPB is unaffordable to majority of small scale farmers. However, the county government is working on storage and is assisting farmers by distributing hermetic bags and storage bins.

There are insufficient extension services in the county because of the ageing staff with average age of the staff being 56 years. Further, there are insufficient resources available to enhance extension services. There is limited access to subsidized fertilizer.

2.9.2 Presentation by CECM, Homabay County

The Homabay County Government CECM in-charge of Agriculture, Livestock, Fisheries and Food Security, Mr. Aguko Juma informed the Committee that farmers are reluctant to sell their maize to the NCPB due to prices that they feel are too low. Secondly, the NCPB claims that maize grown in Homabay is not from certified seeds and therefore not acceptable to millers. The NCPB depot therefore receives maize from other areas and stores in in the depots. Currently, there are 7,380 (50kgs) bags of maize at the NCPB depot at Homabay.

The Average annual maize production from 2013 to 2017 is as follows-

Year	Area (ha)	Quantity (MT)
2013	56,371	
2014	72,990	
2015	74,960	
2016	82,076	
2017	85,955	

The average production for the past five years is 93,772 MT under an average land size of 74, 470ha giving an average yield of 14 bags per hectare (5.6/acre).

The county government has been supporting maize farmers through-

- i. establishment of model farms and learning sites for agricultural technology transfer on maize husbandry and production;
- ii. provision of tractors for hire at subsidized rates to assist farmers prepare their land for maize production;
- iii. distribution of seeds to farmers;
- iv. provision of extension services to farmers

The National Government has been supporting farmers in the county through provision of subsidized fertilizer and training on Fall Army Worm by the crop protection unit.

The CECM proposed that there is need to advocate and enforce the sale of maize using standardized weights and measures, for an AFC outlet to be established in Homabay town to serve more farmers, and to moderate the prices of hybrid seeds to ensure they are accessible to low income farmers.

2.9.3 Presentation by CECM, Uasin Gishu County

The Uasin Gishu County Government CECM in-charge of Agriculture, Livestock and Fisheries Mr. Samuel Yego informed the Committee that the county government relates to the NCPB during the vetting of farmers to access subsidized fertilizer and farmers to deliver maize to the NCPB depots. Indeed, the signatories to these forms are Ward Agricultural Officers, Ward Administrators and the local chiefs.

The average annual production of maize is about 4 million 90kgs bag of maize as illustrated below-

Year	2015	2016	2017	2018
Quantity	4,190,000	4,271,545	4,151,664	4,500,000

The County Government of Uasin Gishu supports maize farmers through-

- a. promotion of good agricultural practices through extension services and field days;
- b. management of post-harvest losses through construction and renovation of cereals stores;
- c. offering subsidized fertilizer to farmers (for the last two Financial Years)
- d. soil testing;
- e. equipping of Agricultural Mechanization Stations to increase efficiency;
- f. fighting pest and diseases such as FAW and Maize Lethal Necrotic Disease (MLND) and other emerging risks

According to the 2009 Census, there are about 176,000 farming families in the County. However, the exact number of maize farmers cannot be ascertained since no farmer census has been done.

The National Government supports maize farmers in the county through providing fertilizer subsidy for planting and top dressing at subsidized prices and offering storage and drying facilities (30,000MT stores at Moiben and Soy.

The CECM recommended that-

- a. farmers should be expeditiously paid for maize delivered to the NCPB;
- b. NCPB should pay with interests the money owed to farmers;
- c. NCPB depots/silos should be opened immediately the harvesting begins;
- d. the 16% VAT charged on agro-chemicals should be waived;
- e. grain collection centres should be decentralized to grain producing areas

2.9.4 Presentation by CECM, Nandi County

The Nandi County Government CECM in-charge of Agriculture and Cooperative Development, Dr. Kiplimo Arap Lagat informed the Committee that only registered and vetted farmers access subsidized fertilizer from the NCPB. A registered small scale farmer receives up to 40 bags of subsidized fertilizer.

A registered large scale farmer who wishes to receive more than 40 bags is required to apply and get a recommendation from the CECM before the application is forwarded to the National Government, Ministry of Agriculture for approval. CECM also approves applications by the Farmers' Cooperative Societies intending to acquire fertilizer on behalf of its members provided the members are registered and no individual member is collecting more than 40 bags.

To deliver maize to the NCPB depots, a farmer is supposed to be vetted by Agricultural Officers and the total amount of maize delivered must be equivalent to the size of maize farm indicated in the register. Indeed, there are regular consultations between the Department of Agriculture and NCPB depots on the availability of fertilizer, purchase of maize and filling or revision of information in the forms. Currently, the total area under maize in the county is approximately 67,500ha with an estimated annual production of about 2 million bags.

The County Government of Nandi extends support to maize farmers through provision of pesticides to control FAW, soil testing to guide on types of fertilizer to apply to their farms and extension services, farmers' registration and training on the best

agronomic maize production. Maize seeds and fertilizer subsidy programme is on the pipeline and the county government is organizing farmers to develop maize milling plant.

The total number of registered maize farmers in the county is 40, 184 and the list is shared with the National Government Ministry of Agriculture and the NCPB. Currently the farmers are being registered through an online platform for easy management of data.

Maize farmers in the county faces numerous challenges related to low production due to declining soil fertility, pests and disease infestation, poor marketing channels and low prices, high cost of production and high post-harvest losses.

The National Government supports maize farmers in the county through provision of subsidized fertilizer for both planting and top dressing through NCPB depots. An average of about 120,000 bags of subsidized fertilizer is brought to the county annually. However, fertilizer is not distributed on a timely basis and in most cases the distributed fertilizer is not compatible with the soil types and PH.

The National Government buys maize through NCPB and supports farmers with seeds through Kenya Cereal Enhancement Programme (KCEP) in addition to providing pesticides to fight FAW.

The CECM therefore proposed that-

- a. there is need for mandatory and comprehensive farmer registration in order to have data to be used during subsidized fertilizer distribution, maize purchases and extension of agricultural based credit facilities;
- b. farmers should be organized into cooperatives where they can self-regulate, own maize drying and storage facilities, negotiate fertilizer subsidies and do value addition to their products.

2.9.5 Presentation by CECM, Bungoma County

The Bungoma County Government CECM Mr. Mathew Wanjala Makanda in a report submitted by the Director of Agriculture, Bungoma County, the Committee was informed that, in 2017, the land under maize was 101,623ha which was able to produce 5,933,144 bags of maize (90kgs). In 2018 long rain season achieved 94,423ha with an expected production of 3,866,982 bags, against consumption of 2,714,827 bags per year.

The reduction in the yield is associated with leaching due to too much rainfall and attack by Fall Army Worms (FAW). Approximately 13,500ha was attacked by the FAW which translates to 14% loss.

Harvesting of maize is complete in Bumula, Sirisia, Kanduyi and Kabuchai while it is on-going in Webuye East, Webuye West and Kimilili. So far, 1,429,497 bags of maize have been harvested across all sub counties.

Farmers in Bungoma County face the following challenges-

- a. high cost of production; fertilizer, labor, pest and disease control;
- b. erratic climatic conditions because of relying on rain-fed agriculture;
- c. pests and diseases;
- d. low and fluctuating market prices;
- e. inadequate capital and credit facilities;
- f. inadequate storage facilities occasioning post-harvest losses;
- g. limited mechanization

The department therefore made the following recommendations-

- a. decentralization of the subsidized fertilizer to outlets near small scale farmer;
- b. introduction of crop insurance;
- c. diversification of crop production;
- d. investment in medium mobile dryers;
- e. establishment of maize milling plant for value addition;

- f. investment in pest and disease control program;
- g. establishment of a fund to support farmers in agricultural development.

The department informed the Committee that although NCPB is not devolved, they collaborate to vet farmers because only vetted farmers are allowed to deliver maize to the NCPB depots/silos. The depots in the county received 556,000 (50kgs) bags of maize, out of which 41,280 have been transferred to SGR stores in Nairobi.

The quantity of maize delivered to NCPB for the last four years-

2014/15	360,180 (50kgs Bags)
2015/16	15,000 (50Kgs Bags)
2016/17	0
2017/18	556,000 (50Kgs Bags)

However farmers face numerous challenges with the NCPB. These challenges include-

- a. delayed payments to farmers;
- b. delayed opening of the NCPB depots and receiving centres
- c. unscrupulous traders taking advantage of farmers due to distances
- d. failure to use farmers register from the department of agriculture
- e. inadequate and late delivery of the subsidized fertilizer
- f. supply of unsuitable fertilizer (fertilizer not compatible with the soil PH)
- g. prohibitive and cumbersome criteria used to receive maize at the depot
- h. receiving maize from any origin and filling the depots before harvests
- i. low storage capacity for Kapsokwony depot in highly productive region
- j. lack of maize driers

The department therefore recommended that-

- a. the government should pay farmers promptly;

- b. the NCPB depot should start receiving maize as early as August when harvesting commence
- c. NCPB should put up new depots and silos in Tongaren, Kimilili and Cheptais;
- d. the government should supply suitable and adequate amount of fertilizer on timely basis;
- e. NCPB should utilize the farmers data from the department of agriculture during distribution of the subsidized fertilizer and while receiving the maize from farmers
- f. vetting of farmers by NCPB should be more consultative and should be carried out at the lowest possible level, the wards
- g. implement the use of GPS in farmer registration for accuracy purposes
- h. increase farmers pay points to serve more farmers
- i. depot managers should be capacitated to buy excess maize after buying for SGR

In order to improve maize production in Bungoma County, the county government has employed the following strategies-

- a. Issuing fertilizer and seeds to vulnerable farmers. Since 2014 to 2018, a total of 10,675 MT of fertilizer and 1067.5 MT of hybrid maize seeds have been issued;
- b. providing mobile soil testing and analysis laboratories; so far approximately 5,000 farmers have had their farms/soils tested;
- c. provision of tractor for hire;
- d. provision of mobile maize dryers to assist in reduction of post-harvest losses;
- e. provision of extension services and especially on the whole maize value chain;
- f. developing draft policies to improve crop production

2.9.6 Presentation by CECM, Nyamira County

The County Government of Nyamira CECM in-charge of Agriculture, Livestock and Fisheries Ms. Peris Mong'are informed the Committee that in Nyamira County over 80% of the population is dependent on agriculture. The sector plays an important role

in county's socio-economic development and contributes towards household food, income and nutritional security. Maize is mainly produced by small scale farmers for subsistence and any surplus is sold to the local maize traders.

However, maize production is faced with a number of challenges. These are-

- a. declining soil fertility (Acidic soils)
- b. diminishing land sizes due to subdivision
- c. pests and diseases (MLND and FAW)
- d. unpredictable weather patterns and climate change

Nyamira County has only one NCPB depot located at Nyansiongo in Borabu. The depot mainly stocks the subsidized fertilizer and in the last few days it has not been receiving any maize because of decline in production partly because of the effects of MLNDs and FAW and because many maize producers are subsistence farmers. Indeed, the annual average production is 70,000MT from an average of 45,000ha.

The county government supports maize farmers in the county through the provision of extension services to farmers. The county government has availed extension officer to the Ward level to provide services to farmers through different approaches ranging from individual farm visits to group approach, farmers' demonstrations and field days. The government also provides subsidized farms inputs targeting vulnerable farmers.

In 2015/16 the County Government conducted a comprehensive soil testing and analysis and formulated a special fertilizer blend that is used alongside liming material (Calciphil). This has seen farmers record an increased production from an average of as low as 5 bags per acre to 15 bags per acre. The County Government is also collaborating with other government agencies, research institutions and private sector actors to reach out to more maize farmers with appropriate technologies to increase production.

The total number of registered maize farmers in Nyamira County is 7,036. Registration is done to those farmers who benefit from the subsidized fertilizer from the NCPB depot. Its noteworthy, that Nyansiongo NCPB depot is far for most farmers and some farmers opt to procure services from the NCPB Kisii County depot. The distances between the two depots and the bureaucracies of acquiring subsidized fertilizers discourages majority of farmers from procuring subsidized fertilizer.

The National Government has been a key partner in provision of fertilizer subsidy which has seen the number of farmers increase over time. It has also see the cost of production reduce significantly. Extension officer have also been trained by the National Government agencies in bid to build their capacities which in turn has been passed over to farmers. The County Government has also incorporated the National Government Big 4 Agenda on Food Security into the County Integrated Development Plan (CIDP).

2.9.8 Presentation by CECM, Trans Nzoia County

The Trans Nzoia County Government CECM in-charge of Agriculture, Livestock, Fisheries and Crop Management, Ms. Mary Nzomo informed the Committee that the county is endowed with good natural conditions that favour food production including maize.

Maize is the most important staple food and forms dietary component for majority of households in the country and as such it is synonymous to food security. Trans Nzoia County is the leading maize producer in the country. It produces about 5 million (90kgs) bags of maize annually with a total value of over Kshs. 10billion. However, the county is capable of producing over 7 million bags with proper incentives.

The operations of the NCPB are still at the national level, they purchase maize for SGR as per their requirements. The county government only comes in through the department of agriculture during the vetting of farmers to benefit from the subsidized

fertilizer distributed through the NCPB. Therefore funds initially released and returned to the Treasury under the Economic Stimulus Program should be disbursed for completion of grain storage facilities across the counties.

The average annual maize production in Trans Nzoia County since 2013 is as follows-

Year	2013	2014	2015	2016	2017	2018 Projected
Area (ha)	105,305	105,000	106,900	107,000	106,951	106,800
Production (90kgs Bag)	4,700,000	5,400,000	5,000,000	4,700,000	4,850,000	5,300,000
Value (Blns- Kshs)	10.9	13	12.5	11.75	12.13	15

The County Government extends support to farmers through-

- a. capacity building of farmers through extension programs and field days. Approximately 110,000 farmers are reached annually;
- b. soil sampling and testing, in 2017, 1875 soil samples were tested while in 2018 is it estimated that 2000 samples will be tested;
- c. equipping of Agricultural Mechanization Stations with specialized machinery and equipment to demonstrate on new farming technologies;
- d. distribution of subsidized fertilizer for planting and top dressing;
- e. implementation of strategic interventions to curb the spread of FAW and other emerging risks, the government has distributed 22,000 litres of assorted chemicals, knapsacks and protective gears;
- f. management of post-harvest losses through construction and maintenance of grain storage structures and distribution of metal silos;

- g. development of farmer's database at the county level to ensure that farmer's data is captured for provision of fertilizer and for maize purchases. The total number of registered farmers in the county is 29,000.
- h. intensive public awareness and sensitization campaigns on control and management in the fight against FAW.

The National Government has been supporting farmers in the county through fertilizer subsidies which have increased access to fertilizer at reduced prices. Further, the National Government has supported with FAW pesticides and spraying equipment. The county received 2000 litres of assorted pesticides and 250 knapsack sprayers to the county.

In conclusion, the CECM informed the Committee that in order to improve maize farming in Kenya-

- a. invest in maize research, crops variety, crop management practices etc;
- b. strengthen research-extension linkage for adoption of improved technologies
- c. reduce the cost of inputs, fertilizer, pesticides and machinery, introduce smart subsidies, competitive input markets and quality assurance regulations and enforcement mechanism
- d. revitalize farmer support institutions for extension services, credit facilities, irrigation infrastructure, storage infrastructure;
- e. use appropriate inorganic fertilizer based on soil testing results, develop and update soil maps
- f. support women and youth in Agriculture with targeted interventions to enable them have increased access to land, credit, extension services, markets
- g. strengthen farmer organizations for efficient collection of goods, input and output markets, quality control, bulking of produce;
- h. increase budgetary allocation to Agriculture which is currently below Maputo/Malabo declarations which Kenya signed;

- i. review the NCPB Act in its entirety in order to restructure it and devolve functions of construction and management of strategic grain reserves to counties;
- j. National Government should consider developing and implementing a long-term maize revamping strategy to ensure Kenya can compete with her peers in the EAC.

2.10 SUBMISSIONS DURING PUBLIC HEARING

2.10.1 Public Hearing, Trans Nzoia County

The *Ad-hoc* Committee met members of public from Trans Nzoia County for a public hearing at Kitale Hall on 22nd September, 2018. The members of public were drawn from Saboti, Kiminini, Cherangany, Kwanza and Endebess sub counties. Further there were officials from Agricultural Development Corporation (ADC), Kenya Seed Company, Kenya National Farmers Federation (KENAFF), Kenya Plant Health Inspectorate Service (KEPHIS), Members of the Trans Nzoia County Assembly and the County Government Department of Agriculture.

The CECM informed the Committee that the Agriculture, Livestock, Fisheries and cooperatives department is responsible for promoting crop farming and supporting plant disease control and management. Agriculture sector is the major source of employment for over 80% of the rural population directly. The total acreage under food crops is 143,807.5 Hectares. About 17,000 maize farmers have been registered this year by the County Government and it is expected that they will produce about 5,000,000 bags (90kgs) of maize.

Summary of the challenges facing farmers in Trans Nzoia County

“Kilimo biashara imekuwa kilimo hasara”

- i. High cost of production, farmers incur an average of Kshs. 30,000 to produce maize from one acre piece of land that produces about 25 (90kgs) bags of maize;

- ii. Maize farmers do not have adequate resources for maize production, majority of the farmers were not able to prepare their lands for 2018/19 crop season
- iii. Low returns from maize production, partly because it is marketed in raw form without any value addition
- iv. Pests and disease infestations like FAW
- v. Inadequate maize drying and storage facilities. NCPB depots and silos are said to be still full
- vi. Corruption at the NCPB depots/silos where some maize is delivered without fulfilling requisite conditions like moisture content;
- vii. Non-payment of maize delivered to NCPB, vetted farmers who have even produced title deeds to prove landownership have not been paid yet
- viii. NCPB depots/silos are sparsely located in far flung areas making it difficult for farmers to access subsidized fertilizer and to deliver their maize;
- ix. Subsidized fertilizer is not adequately available to all farmers and it arrives late after farmers have already planted. It is alleged that some unscrupulous traders take advantage of such situations to buy the subsidized fertilizer, repackage it and sell later during another planting season
- x. Insufficient extension services;
- xi. Lack of access roads to deliver farm inputs or to market the maize;
- xii. Sugarcane production has shrunk the area under maize production and has also led to emergence of new pests and diseases that are affecting maize
- xiii. Outdated agricultural policies

Summary of recommendations by maize farmers in Trans Nzoia County

- a) There is need to protect Kenyan farmers to ensure that there is food security and secure family livelihoods;
- b) The farmers should be assured of the expected buying price for their maize before they embark on production;
- c) The County Government should assist farmers with agricultural inputs, subsidized fertilizer, extension services and capacity building programs;
- d) The County Government should consider adding value to produced maize, maybe by considering to establishing a County maize mill;

- e) Fertilizer distribution should be decentralized to Sub-counties and Ward level where farmers know each other to avoid infiltration by brokers;
- f) Vetting of farmers to benefit from subsidies and to deliver maize to NCPB should be coordinated, harmonized and shared between different agencies concerned;
- g) The government should consider expanding subsidy programs beyond fertilizer and provide maize drying services to farmers at a subsidized fees;
- h) The tax that has been recently imposed on pesticides and farm inputs should be abolished to reduce the cost of production;
- i) The Government should consider waiving debts owned by maize farmers to various agricultural financial institution due to high cost of production and low maize prices;
- j) There is need to consider utilizing the whole maize products and to have a circular economy through value addition;
- k) Millers should not be allowed to buy maize directly from farmers to ensure better returns and proper utilization of the NCPB depots and silos;
- l) There is need for an agricultural insurance cover for maize farmers to cover them in case of risks related to natural calamities, pests and disease attacks and lack of market;

2.10.2 Public Hearing, Bungoma County

The *Ad-hoc* Committee met members of public from Bungoma County for a public hearing at Mabanga Agricultural Training Centre on 23rd September, 2018. The members of public were drawn from Kanduyi, Bumula, Sirisia, Kabuchai, Webuye East, Webuye West, Tongaren, Mount Elgon and Kimilili sub-counties. Further there were officials from the NCPB, a Member of the National Assembly, Members of the Bungoma County Assembly Committee on Agriculture and the County Government Department of Agriculture.

The CECM in charge of Agriculture informed the Committee that there are four (4) NCPB depots/silos in Bungoma County. The NCPB official informed the Committee that there is a farmer register available from the Ministry of Agriculture that is normally used by NCPB to receive maize.

The Governor informed the Committee that the County Government is undertaking programs to manage post-harvest losses which are currently about 30-40%. The county government is planning to set-up farmers fund to be buying maize from farmers during glut and selling the maize later during the shortages.

Summary of the challenges facing maize farmer in Bungoma County

- i. High cost of maize production;
- ii. Delayed payment by NCPB;
- iii. Criteria used to receive maize at the NCPB is prohibitive and frustrating to small scale maize producers;
- iv. Lack of capital for land preparation and maize production;
- v. Lack of quality seeds and other farm inputs like pesticides;
- vi. High cost of farm inputs like seeds and fertilizer;
- vii. Low quality seeds;
- viii. Cumbersome process of acquiring subsidized fertilizer;
- ix. Late and delayed distribution of fertilizer
- x. Lack of extension services;
- xi. Post-harvest losses especially because maize is harvested during wet seasons;

- xii. Poor road and infrastructure network that hinders movement of farm inputs and farm products;
- xiii. Pests and Diseases;
- xiv. Lack of adequate market for maize
- xv. Exploitation by middlemen and maize brokers;

Summary of recommendations by farmers

- a. The County Government should support farmers with more farm machinery like tractors to assist in maize production;
- b. The County Government should conduct a comprehensive soil sampling and testing to ascertain the PH levels and to recommend the best fertilizer to apply for maize production;
- c. County Government should consider availing portable maize dryers to farmers to reduce post-harvest losses;
- d. The County Government should consider upgrading feeder roads to ensure small scale maize producers have access to the markets;
- e. The County government should consider establishing maize milling plants for maize processing and value addition;
- f. The County Government and the National Government should combine efforts to fight the FAW and other maize pests and diseases;
- g. The County Government should employ more extension officers to sensitize farmers on pest and disease control and methods to alleviate post-harvest losses;
- h. The Council of Governors (COG) should consider establishing County Strategic Grain Reserve to allow inter-county trade;
- i. The supply of subsidized fertilizer should be decentralized to the Ward /Locational level to be more accessible;
- j. NCPB depots and collection centres should be opened immediately farmers start maize harvesting and should prioritize receiving maize from local farmers first;
- k. KEPHIS should undertake periodic and intensive inspection of maize seeds available in the market to ascertain their quality;

1. Illegal importation and flooding of the local NCPB depots with maize should be arrested to protect local producers

2.10.3 Public Hearing, Uasin Gishu County

The Ad-hoc Committee met members of public from Uasin-Gishu County for a public hearing at the Town Hall (County Executive), Eldoret on 26th September, 2018. The members of public were drawn from local farmers, opinion leaders and local leaders from North Rift Region.

Summary of the challenges facing maize producers in the County

- i. Delayed settlement/clearance of balance of estimated at about K.shs. 3.5Billion 2017/18 crop season for deliveries made to NCPB. Some farmers were subjected to double vetting while others were required to undergo vetting even after receiving partial payments.
- ii. Lack of storage facilities for harvested maize. It is estimated that farmers in the county are still holding about 500,000 (90Kgs) bags of maize from 2017/18 crop season. Millers too are said to be having huge stocks following excessive importation;
- iii. Slow intake of maize delivered by farmers to the NCPB depots which results in long queues stretching a number of kilometers and meting unwarranted post-harvest losses to farmers;
- iv. Corruption and selective preference during delivery of maize to the NCPB depots where some farmers were allowed to deliver their maize without following the queues;
- v. Insufficient budgetary allocation to purchase 2018/19 crop season from maize farmers;
- vi. The subsidized fertilizer arrives late and in small quantities and is of poor quality leading to poor yields;
- vii. Expensive farm inputs and especially the pesticides;
- viii. Inadequate extension services;
- ix. Pests and diseases attack;
- x. Poor rural access roads and other key physical infrastructure leading to high transportation costs for agricultural inputs;

Summary of recommendations by farmers

- a. The NCPB Act should be amended to align its operations to the provision of the Constitution and especially devolution functions so that county governments and farmers can have greater role in management and operations of NCPB;
- b. The National Treasury should expeditiously provide resources to facilitate payments of all maize farmers who delivered their maize to NCPB during 2017/18 crop season;
- c. Maize purchases at the NCPB should be done through the use of a revolving fund to protect farmers from unscrupulous merchants and traders;
- d. The NCPB depots and silos should be opened immediately maize farmers start harvesting maize to avail an opportunity for them to deliver;
- e. The National Government should waive interest on delayed repayment of Agricultural Finance Corporation (ADC) by farmers;
- f. farmers data should be collected and periodically updated and shared between the two levels of the government;
- g. The existing infrastructure of the NCPB should be urgently rehabilitated and equipped and dilapidated and worn out machinery should be replaced;
- h. Guaranteed Minimum Returns (GMR) crop insurance should be re-introduced to cushion maize farmers from risks related to crop failure and other natural disasters;
- i. Parliament should consider amending the tax (amendment) Act 2018 that introduced VAT to pesticides;
- j. Soil specific fertilizers should be blended and provided to farmers through the subsidy program to farmers directly from the stores to avoid adulteration at the NCPB depots;
- k. Value addition should be promoted through co-operatives in the counties which should be encouraged and supported to establish own mills for maize;
- l. Maize farmers should be constantly updated on modern farming technologies to bring down the cost of production and develop new frontiers for diversification;

- m. The National and the County governments should support the revival of the Kenya Farmers Association (KFA) and mandate it to import and distribute farm inputs;
- n. The Kenya Agricultural Research Organization (KARLO) should be adequately resourced to come up with pesticides that can contain FAW and other pests to reduce farmers losses;
- o. Furfural Factory in Eldoret should be revived to add value to maize by-products and alleviate the unemployment amongst the youth;

2.10.4 Public Hearing, Nandi County

The Ad-hoc Committee met members of public from Nandi County for a public hearing at Kabiyet in Mosop Sub-county and Mosoriot NCPB grounds on 28th September, 2018. The public hearing was attended by members of public who are predominantly maize farmers, local leaders led by the Members of the Nandi County Assembly and the County Governor, Hon. Stephen Sang.

Summary of the challenges facing maize farmers in Nandi County

- i. Delayed payment by the NCPB;
- ii. Extremely high cost of production;
- iii. Insufficient extension services;
- iv. Incomplete farmers database and cumbersome registration processes;
- v. Cumbersome requirements and conditions to access subsidised fertilizer;
- vi. Expansive farm inputs and fertilizers;
- vii. Insufficient and inaccessible maize drying and collection/marketing centres;
- viii. Impassable access roads;

Summary of recommendations by farmers

- a. All delayed farmers payments should be released expeditiously to alleviate further suffering;
- b. NCPB Act should be amended to create management boards at the local level and allow farmers representation to the Board;
- c. NCPB should be open continuously throughout the harvest season to allow farmers deliver their maize immediately they commence harvesting;
- d. The government should consider waiving tax on pesticides;
- e. The government at all levels should consider contract farming;

2.10.5 Public Hearing, Nyamira County

The Ad-hoc Committee held a public hearing with the members of public at Uhuru Gardens and Nyansiongo NCPB grounds at Nyamira County on 15th October, 2018. The public hearings were attended by members of public who are predominantly small scale maize farmers and were attended by the Governor Nyamira County, Borabu Member of the National Assembly, Members of the County Assembly and the County CECMs.

Meeting with Governor, Hon. John Nyangarama

The Committee paid a courtesy call to the Nyamira County Governor who informed the Committee that Nyamira County is largely an Agriculture based County with over 80% of the population dependent on agriculture.

The agricultural sector contributes about 90% of Nyamira's GDP and employs a substantive labour force in addition to playing an important role in county's socio-economic development.

Agricultural sector has the potential to provide adequate supply of products and by-products to meet domestic and industrial needs and generate surplus for export. High percentage of the farm holdings lie mainly in high potential areas. The number of holdings is increasing fast due to the continued sub-division of both small and large scale farm holdings. The acreage under food crops is 58,394ha.

Maize is the major staple cereal crop in the County produced mainly on small scale; it is a major contributor to food security. The climatic conditions in Nyamira County favour the growing of maize and the crop is grown twice in a year. However, maize production has been going down for the last five years and is lately faced with a number of challenges which include:

- i. declining soil fertility (Acidic soils);
- ii. diminishing land sizes due to sub division;
- iii. pests and diseases (MLND and FAW); and
- iv. unpredictable weather patterns

Maize farmers do not deliver their maize to NCPB but instead it is sold to local traders or consumed within the households. The county also imports maize from Migori and Trans Nzoia Counties. Indeed, the NCPB depot at Nyansiongo is used for storage and distribution of subsidised fertiliser and seeds.

The CECM in-charge of Agriculture, Livestock and Fisheries who was present informed the Committee that the National Government undertook training of the County Government officials to fight the FAW and provided about 500 litres of pesticides. The county government also works closely with KARLO and other research institutions in the region. The Nyamira County Government inherited about 150 extension officers from the National Government. However, there were no resources to support the officers.

The CECM proposed that there is need to have a parallel system of distributing farm inputs and fertiliser to farmers in the county because the current system through NCPB was frustrating farmers.

The Committee observed that the CoG can petition the Senate to lobby for conditional grants to construct grain storage facilities in the counties.

Public hearing, Uhuru Gardens

During the public hearing at Uhuru Gardens in Borabu, the Committee was informed that low maize productivity is caused by-

- i. small land holding; the land size for maize production is small;
- ii. irregular supply of farm inputs and fertiliser;
- iii. poor quality seeds and uncontrolled seed market;
- iv. poor quality and inadequate fertiliser;
- v. insufficient resources (money/capital) for maize/agricultural production;
- vi. unpredictable weather and changing seasons;
- vii. maize pests and diseases (FAW and MLND)

To mitigate these challenges, the members of the public proposed-

- i. introduction of appropriate technologies applicable to small scale maize producers;
- ii. availing farm inputs closer to the farmers to reduce the cost of transportation;
- iii. monitoring of the quality of agricultural inputs and especially seeds;
- iv. market assurance for maize and other farm produce by price stabilisation;
- v. control of maize imports in the country;
- vi. soil testing, analysis and mapping to identify soil specific fertiliser;
- vii. NCPB to set the maize prices before the onset of planting season;
- viii. ware house receipting to reduce post-harvest losses;
- ix. more funds to agricultural research and extension;
- x. zero rating tax on agricultural inputs;
- xi. early warning systems on production and marketing;
- xii. climate change vulnerability tests
- xiii. agribusiness financing and creation of revolving funds for youth and women;
- xiv. special funding for coffee production

Public Hearing at Nyansiongo NCPB Grounds

During the Public hearing, the Committee was informed that-

- i. Majority of maize/crop farmers are not aware of the availability of fertiliser or any other farm inputs at the depot. Further, the process of accessing and acquiring fertiliser, for the few who know, is tedious, expensive, bureaucratic and long therefore frustrating majority of the people seeking such services;
- ii. Maize production is hampered by presence of sub-standard and low quality seeds that are distributed and sold to unsuspecting farmers;
- iii. The available farm inputs (seeds and fertiliser) are not soil specific;
- iv. Insufficient information sharing between maize farmers, the County Department of Agriculture and the NCPB;

The farmers proposed that-

- i. There is need to put in place legal framework to address pests and disease outbreak and allocate the responsibility to either level of government;

- ii. The NCPB depot at Nyansiongo should be well resourced and equipped appropriately to handle maize and other agricultural produce;
- iii. There should be mechanisms to incorporate farmers in the management of the NCPB;
- iv. The Nyamira County Government should consider establishing soil analysis laboratories and put in place modalities for value addition of Avocadoes, Bananas and Sweet Potatoes;
- v. The Nyamira County Government should consider establishing Agricultural Training Centres to train farmers on crop production;
- vi. The farmer registration should be done once and for all and not annually/seasonally as it is the case currently;
- vii. Distribution of fertiliser and other farm inputs should be decentralised to the lowest administrative unit, preferably location or Ward level.

2.11 SITE VISITS

2.11.1 Visit to Malaba Border

The Ad-hoc Committee visited the Malaba Border on 23rd September, 2018 and held a meeting with KRA Regional Coordinator, Mr. John Gathakwa, KeBS Peter Kirwa.

KeBS Inspection Officer, Mr. Peter Kirwa, based at the Border informed the committee that they randomly checks moisture content of bags of maize arriving into the country only. They also undertake physical inspection of weevils, broken maize and discoloration. However, they do not have laboratories at the border and samples that require further analysis have to be transported to Nairobi to testing.

The KRA, informed the Committee that they do not check to confirm the quality of imported maize. Their role is to approve them once they get confirmation that the quality has been checked by KeBS. They further informed the Committee that all the maize imported through Malaba was 12,425,000Kgs between March and October 15th, 2017 and was all cleared.

KEPHIS officials informed the Committee that they conduct visual verification to check the presence of live pests like weevils and discoloration and thereafter issue a certificate. They do not have laboratories at the border and for the last few months no testing has been conducted on the imported maize entering through the border.

The Committee observed that-

- i. There are very minimal mechanisms used to check and confirm that the imported maize coming through the Namanga One Stop Border meet the quality standards. Indeed, the reports on the quality of maize imported through the border between March 2017 and October 2017 were not availed to the Committee;
- ii. There were/are no procedures to send samples of maize to Nairobi for testing. Further, the KeBS officials have never detained any products while samples are being tested for compliance with the relevant standards;

- iii. There are discrepancies in the data provided by KRA and KeBS about the quantity of maize imported from Uganda through Malaba Border;
- iv. From the data provided by KRA at Malaba Border, majority of the imported Maize was destined for Nairobi and was all imported by one importer named '*Habib*'.

2.11.2 Visit to NCPB Eldoret Depot/silo

The Ad-hoc Committee visited the NCPB Eldoret depot/Silo on 28th September, 2018 and held a meeting with NCPB regional Manager, Depot Manager and Silo Manager. The Committee was informed that the North Rift Region NCPB depots/silos receive maize from registered farmers. However, the NCPB depot/silos in North Rift Region received about 1.2million bags of imported maize which was meant to be distributed to millers.

Maize farmers are subjected to vetting by a vetting committee that also approves the issuance of subsidized fertilizer. The vetting forms issued show particulars of the farmer; the size of the farms and the expected quantities. The local Chief and Ward Agricultural Officers are expected to approve the forms. The Depot Managers are supposed to confirm if the form is genuine before receiving maize and endorse it. The endorsed form is presented to NCPB grader/produce inspector who takes a representative sample of the delivered maize for grading analysis. If any maize is rejected, a farmer is issued with a rejection certificate. If the maize is accepted the farmer is allowed to deliver.

The NCPB accepts maize from the farmers if the moisture content is below 13.5 %. In an event that the moisture is high, farmers are required to procure drying services at their own costs. The NCPB receives maize on behalf of the SGR and pays farmers after receiving money from SGR.

The aging infrastructure and members of staff hinder service delivery at the NCPB depots and silos in the North Rift Region.

2.11.3 Visit to the Nyansiongo NCPB Depot

The Ad-hoc Committee toured the Nyansiongo NCPB depot where they observed that there were so many fertiliser bags some of which had a dust-like fertiliser while in other bags the contents had solidified into some rock-like substance. The Committee

was informed by the depot manager that NCPB do not know the quality of fertiliser in their stores. The NCPB does not undertake any test to ascertain the quality despite receiving numerous complaints from the maize farmers.

The Committee observed that there are 28,125 (2Kgs) packets of bean seeds at the depot that have expired and can no longer germinate. The NCPB depot manager informed the Committee that the seeds were delivered over five years ago and very few farmers have inquired about them. However, the farmers argued that they did not know of existence of such seeds and they kept their own bean seeds for germination and beans production.

Committee Observations

The Committee observed that-

- i. The NCPB owes farmers in the North Rift Region about Kshs. 1.7billion despite assurance from the National government through the Cabinet Secretaries in the Ministry of Devolution and ASALs and Ministry of Agriculture that farmers would be paid for the delivered maize;
- ii. From the records, some farmers delivered maize to NCPB once and have not been paid while there are farmers who have been paid over fifteen (15) times;
- iii. The farmers who had been vetted to receive subsidized fertilizer and to deliver maize to NCPB are still being subjected to another vetting process to receive payments;
- iv. The NCPB North Rift Regional Manager could not confirm if the farmers who delivered maize were vetted farmers. Indeed, the vetting committees do not sit continuously to vet farmers. The provided forms are signed by the Ward Administrators while the requirement is for the forms to be signed by the Ward Agricultural Officers;
- v. The NCPB does not have capacity to verify if the information provided by vetted farmers is authentic and relies on the data provided by the Ministry of Agriculture;

- vi. The NCPB leases out the storage facilities to millers, maize importers and other third parties for use for periods ranging between 3 months and one year. However, there are instances when local managers are instructed to lease out the facilities for longer period by the national headquarters or the Ministry of Agriculture. Currently a space for 1.245m bags is leased out while the available space can accommodate 2.520 (90Kgs) bags of maize

CHAPTER THREE

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 Committee Observations

In light of the foregoing the Committee made the following observations:

- 1) At the time of writing this report, not all farmers had been paid for the maize delivered to the NCPB depots/silos during 2017/18 crop season despite numerous promises made by the Executive to pay them promptly.

- 2) The money allocated to pay maize farmers for their supplied crop was diverted to pay traders, brokers and ghost farmers causing the delay of payment to genuine farmers whom had already delivered their crop to NCPB depots/silos.
 - i. The actions of the *Ad-hoc* Committee, led to a chain reaction by the Executive in attempt to pay and settle arrears which however were marred with delays and purported vetting of farmers. Even with this the farmers continue to voice dissatisfaction and frustration in receiving their dues.

 - ii. The Committee noted from EACC investigation report that Kshs. 4.5billion was paid to only 146 individuals with 20 out of them receiving Kshs. 2.1billion. One of the glaring cases out of this is a family comprised of a mother, 2 daughters and a son who from NCPB records supplied maize worth Kshs. 745m using fake vetting forms. In a report from the MOALF&I there is a case in Bungoma County where 21 phony/fake farmers received Kshs.

563million. All these were paid by NCPB at the expense of genuine farmers in the County.

- 3) There was endemic corruption during the purchase and payment of maize supplied by farmers during the 2017/18 crop season resulting in very long queues during delivery of maize. Consequently many farmers were forced to offload their stocks to traders and brokers. Indeed, evidence available demonstrated cases of how questionable payments made to phony farmers, traders and brokers.
- 4) There was gross mismanagement of the process of maize purchase and payments by the NCPB leading to preferential payments to undeserving persons.
- 5) The Strategic Food Reserve Oversight Board (SFROB) term had expired during the maize crisis and could not authorize payments to farmers during the period.
- 6) The erratic movement of SFR during the maize crisis from the MOAFL&I to the Ministry of Devolution and ASALs and back to the MOALF&I further delayed the processing of payment to the maize farmers.
- 7) The importation of duty-free maize in 2017 was shrouded in mystery as each Government Agency which appeared before the Committee gave conflicting statements and figures. For instance according to Kenya Revenue Authority (KRA) 1.6 million MT of maize was imported from non EAC/COMESA regions while according to MOALF&I 10,547,418 (90Kgs) bags (949,267.62MT) was imported.

- i. The Committee therefore could not establish the exact quantity of duty free maize imported during the period. In the opinion of the Committee much more maize than what was officially reported was imported.
 - ii. Data availed at border points was also not consistent as KRA provided 1,800MT as maize being imported through Malaba One Stop Border Point (OSBP) during the period yet during the Committee visit to Malaba OSBP it was discovered that 12,400MT was received and a further 43,100 at Busia.
 - iii. These figures did not include other entry points from Uganda namely Kisumu, Sio-port, Karungu Bay, Muhuru Bay, Suam, Lukhaka and Chepkube. This is despite the well-known fact that Uganda is not a major maize producer leading to the possibility that the maize could have been from non EAC/COMESA region. Further, the Committee noted that Kenya's partners in the EAC had protested the gazette notice on duty-free maize importation.
- 8) The Gazette Notice No. 3575 dated 13th April, 2017, was open ended, and subsequent extensions were done without any valid reasons and justification.
- i. Lack of consistency and coherence in Government policy and pronouncement on maize importation during this period, partly through the Gazette Notices and Inter-ministerial Committee minutes led to massive importation of maize without proper control leading to over importation and massive revenue lose.

- ii. For instance, the minutes tabled before the Committee indicated that whereas there was an approval for importation of 6 million bags of maize for the maize subsidy programme, in fact 10, 507, 814 bags were imported. In another instance, the meeting of the Inter-ministerial Committee, held on 21st June, 2017, erratically authorized the immediate clearance and discharge of maize docked at the port of Mombasa without proper documentation (no evidence of quantum, quality, value, inspection report were tabled) contrary to the outlines in the Gazette Notice No. 3575 of 13th April, 2017.
- iii. In yet another instance, in the minutes of 14th November, 2017, (outside the gazetted period which had ended on 15th October, 2017) the Inter-ministerial Committee directed that the Government should immediately buy 4 million bags of maize (physical stocks) from Mexico and the same committee authorized purchases of only 1.5 million bags from local farmers despite it been the peak of the harvest period in the maize growing areas.
- iv. Evidence received from the CECs in-charge of Agriculture from the region indicated that the region produces over 10 million bags of maize and the queues were already building up at the NCPB depots in the region in November when these decisions were being made. The actual production data in the region for 2017/18 crop season indicate Uasin Gishu produced 4.1million bags, Bungoma 3.8 million bags and Trans Nzoia 4.8 million bags.

9) According to the National Treasury, the CS MOALF&I ought to have promulgated regulations to guide the process of duty free maize importation. However the CS MOALF&I did not submit any evidence of the existence of such regulations to the Committee. This is an act of gross negligence by the CS.

10) There was no evidence that there were standards and quality checks by Kenya Bureau of Standards (KeBS) at the ports of entry during the duty-free maize importation period. This was noted during the Committee hearing at Malaba OSBP where the Committee found there was only one member of staff and there was no laboratory.

i. In the light of all this on 13th September, 2018, the Committee directed KeBS to carry out sampling and testing according to the quality standards for all maize stored in the NCPB silos. Shockingly, KeBS reported to the Committee that 63.3% of maize stored was substandard.

ii. So deep and crude is this scandal that at Malaba OSBP the Committee observed that several traders had delivered several MT of maize using saloon cars. For instance, KBB 644W, a saloon car is recorded to have carried 10,000kilograms of maize through Malaba OSBP on 17th October, 2017 for delivery in Nairobi. In other instances KRA quoted pickups KCC 433Q and KBX 279W towing trailers carrying 28,000kilograms each.

- 11) Historically farmers were supported in production through seamless support by the government through; Inputs from KFA, Financial support from AFC and off-take from NCPB. When there was crop failure, farmers were compensated through GMR. The government also provided technical service through a well-coordinated extension services program. The maize prices were determined before the onset of planting season.

- 12) Expensive land preparation costs due to lack of support from Agricultural Mechanization Services (AMS) and county governments. Farm machineries being acquired by county governments are of cheap quality, unknown brands with poor and no service back-up.

- 13) **Poor quality seeds availed to farmers;** there are challenges related to limited availability of suitable high-yielding maize varieties, sparsely located NCPB depots, related high transport costs, and inadequate credit facilities to the farmers.

- 14) **Inefficient fertilizer subsidies;** subsidized fertilizer is always inadequate during the planting seasons, it is not soil specific, is of poor quality and it is not delivered on time to maize farmers. In fact, in some places farmers complained that top dressing fertilizer arrived before planting fertilizer. Farmers also complained that subsidized fertilizer found its way to traders who would later sell it to farmers at exorbitant prices. The distribution points are sparsely located that it is not cost effective.

- 15) The delay by the government to decide the prices of the maize delayed delivery to the NCPB depots/silos and also allowed merchants and traders to flood the depots with imported maize.
- 16) **Corruption at the weigh bridges and NCPB depots regarding quality and quantity;** In 2017/18 crop season it was established by the EACC that suppliers and traders who were not farmers were facilitated by NCPB officials to supply maize in large quantities using fake vetting forms.
- 17) **Irregular procedures and technicalities to frustrate the farmers when delivering maize to NCPB depots or releasing fertilizer;** NCPB creates road blocks and quality requirements marred with corruption especially during bumper harvests and when releasing inputs.
- i. Farmers informed the committee that there were instances where their produce was rejected by NCPB but upon handing the same to traders it was promptly received. Further they were apprehensive that the digitalization of records was manipulated to their disadvantage.
- 18) Farmers face challenges of long and tedious queues during maize delivery as a result of poor management of the NCPB depots and collection centers;
- 19) Farmers undergo unwarranted challenges due to delayed payments and preferential treatment and prompt payments to traders by NCPB.

Although the NCPB is required to purchase maize from only registered and vetted farmers, there is no clear policy of identifying farmers.

20)NCPB is created by an Act of Parliament, The National Cereals and Produce Board Act (Cap 338) of the laws of Kenya, to regulate and control the marketing and processing of maize, wheat and scheduled agricultural produce; to establish a National Cereals and Produce Board and for connected purposes.

- i. However, over the period through underfunding, mismanagement, frequent legal amendments to the principal Act and corruption, NCPB lost its status and stature and has been reduced to the biggest impediment and frustration to the farmers. In fact, it has been reduced to operate as a storage facility by anybody including millers, traders, individual farmers and brokers who have been leasing space without clear regulations.
- ii. Throughout the hearings by the Committee, it came out clearly that a radical surgery is long overdue to reconstruct NCPB within the context and realignment to the 2010 Constitution and Devolution in particular to enable Kenyans continue benefitting from its existence and services.
- iii. It was clear from our hearings, that NCPB silos and depots as currently constituted and managed cannot meet the expectations of farmers with agriculture being fully devolved except for policy.

21)The Committee found that there are NCPB depot/silos in 46 out of 47 Counties. the Senate had resolved in 2015 that these depots/silos be

transferred to the counties where they are domiciled in line with transfer of functions program between the National Government the defunct councils and the counties. That notwithstanding, the committee regrettably learnt that devolved governments are completely excluded from the operations of the NCPB.

22)The Committee received evidence that NCPB depot/silos are poorly maintained and cannot hold maize for more than six (6) months without the risk of going to waste. Furthermore, there is a gap on who tests the standards of NCPB silos/depots/warehouses and who tests the quality of what is stored in them.

23)There is unavailability of drying facilities to farmers which increases the costs of production and inconveniences them in addition to occasioning them post-harvest losses.

24)During the hearings, the Committee heard from different stakeholders on the amounts of maize and the suppliers to NCPB as follows:

2. MOALF&I - 3,626,973 (90 Kgs) bags was received from 12,287 farmers
3. EACC indicated that from their investigations 10,636 farmers supplied maize worth Kshs. 11.3billion.
4. KRA further indicated that most of the maize that was imported by the different importers including millers was bought by the NCPB.
 - i. Shockingly, the Committee noted that some suppliers who were not farmers were facilitated by NCPB officials to supply maize in large quantities using fake vetting forms.

- ii. Consequently because of the varied figures received from the various agencies, the Committee was not able to ascertain the actual total amount of maize received by the NCPB for the 2017/18 season and the suppliers.
 - iii. There is poor documentation and record keeping which the committee adversely infers as a deliberate attempt to conceal wrong doing;
- 2) According to Gazette notice of 13th April 2017, the importation of white maize gave no restriction as to those who were eligible to import and therefore any person qualified for remission as long as the maize met the following conditions:
- i. The maize shall not be genetically modified;
 - ii. The maize would have a moisture content not exceeding 14.5 %;
 - iii. Its aflatoxin levels shall exceed 10 parts per million;
 - iv. It shall be accompanied by a certificate of conformity issued by a company appointed by the KeBS
 - v. Throughout the inquiry, the Committee did not find any other criteria for identification of importers either from the Inter-ministerial Committee or from the Taskforce on Food Subsidy. As we have indicated elsewhere in this report, the same Gazette Notice that set out the importation of this white maize contained detailed conditions and limitations on the importation of yellow maize and milk powder.
- 3) Despite agriculture being a fully devolved function (Schedule IV of the Constitution), the Committee noted that County Governments were at the very least unaware of their role in promoting agriculture in their

respective counties and at the very most looked like helpless bystanders as farmers continued to suffer.

- i. Even after inviting the CoG Committee of Agriculture to appear before the Committee and help in dealing with this absurd situation, the CoG sent one Deputy Governor and three CECM in-charge of agriculture whose presentation was limited and confirmed our worst fears that they neither know nor appreciate their role in managing agriculture.
- 4) The Committee observed that the National Government has continued to hold onto agricultural functions and resources thereto despite clear constitutional and legal provisions that show that these are devolved functions and fall squarely in the realm of the county governments.
- 5) The county governments' role in the operations of the NCPB is non-existent and even where they were invited to participate in vetting of farmers; they only co-sign the vetting forms.
 - i. This laid-back conduct of the county governments led to the MOA and the NCPB dealing with farmers in total disregard of their existence and their legal role. For instance, in many counties they ignored all county members of the vetting committees and dealt only with the local chief(s) and extension officer(s) during the vetting process further eroding the role of the county governments in a fully devolved function.
- 6) Despite the Legal Notice No 141/2013 that clearly spelt devolved function in the realm of agriculture, county governments have done little

to assert their authority in realizing the functions set out in the Gazette Notice. The national government has not been helpful either as it has held onto functions and commensurate resources that are clearly devolved and gazetted as such. For instance, the national government continues maintaining a strangle hold on handling subsidized programs such as fertilizers and seeds and the resources that go with them, which they have nothing to do with.

- 7) Despite the country being a signatory of the AU Maputo Declaration on Agriculture which states that 10% of the GDP should be allocated to agriculture, we are still at about 4% despite the fact that Food Security is one of the 'Big Four Agenda' programs.

3.2 Committee Recommendations

Based on its observations, the Committee recommends the following:

RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
The Government must immediately pay all the farmers who have not been paid with interest for the delayed period	immediate	The National Government	The Standing Committee Agriculture
That county governments should construct a database of farmers to ensure proper identification for purposes of maize deliveries, payments, provision of subsidies and other services	Within 6 months	County Governments	Standing Committee on Agriculture
That the Government investigative agencies, EACC and DCI to further investigate, trace and recover any unlawfully acquired wealth from individuals who committed these crimes and unjustly enriched themselves.	Immediate	EACC, DCI	Justice, Legal Affairs and Human Rights

RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
<p>That the Office of the Auditor General conducts a systems audit on the processes of the NCPB</p> <p>The investigatory agencies (DCI, EACC) should thoroughly investigate and bring to book the perpetrators these crimes. Further, investigation must be carried out on the leasing of depots/ Silos in NCPB with a view to unearth why the facilities have remained full and whether the NCPB got value. Further whether leasing to large scale millers had resulted in rotten maize being resold to NCPB.</p> <p>Review the NCPB Act and Public Finance Management (SFR Trust Fund regulations) with a view to realigning and reconciling their mandates to the devolved system of government.</p>	1 year	OAG, EACC and DCI	Standing Committee on Agriculture
<p>The CS agriculture should ensure continuity in the operations of the Board</p> <p>The SFR should be anchored in an Act of Parliament.</p>	Continuous	CS Agriculture	Standing Committee on Agriculture

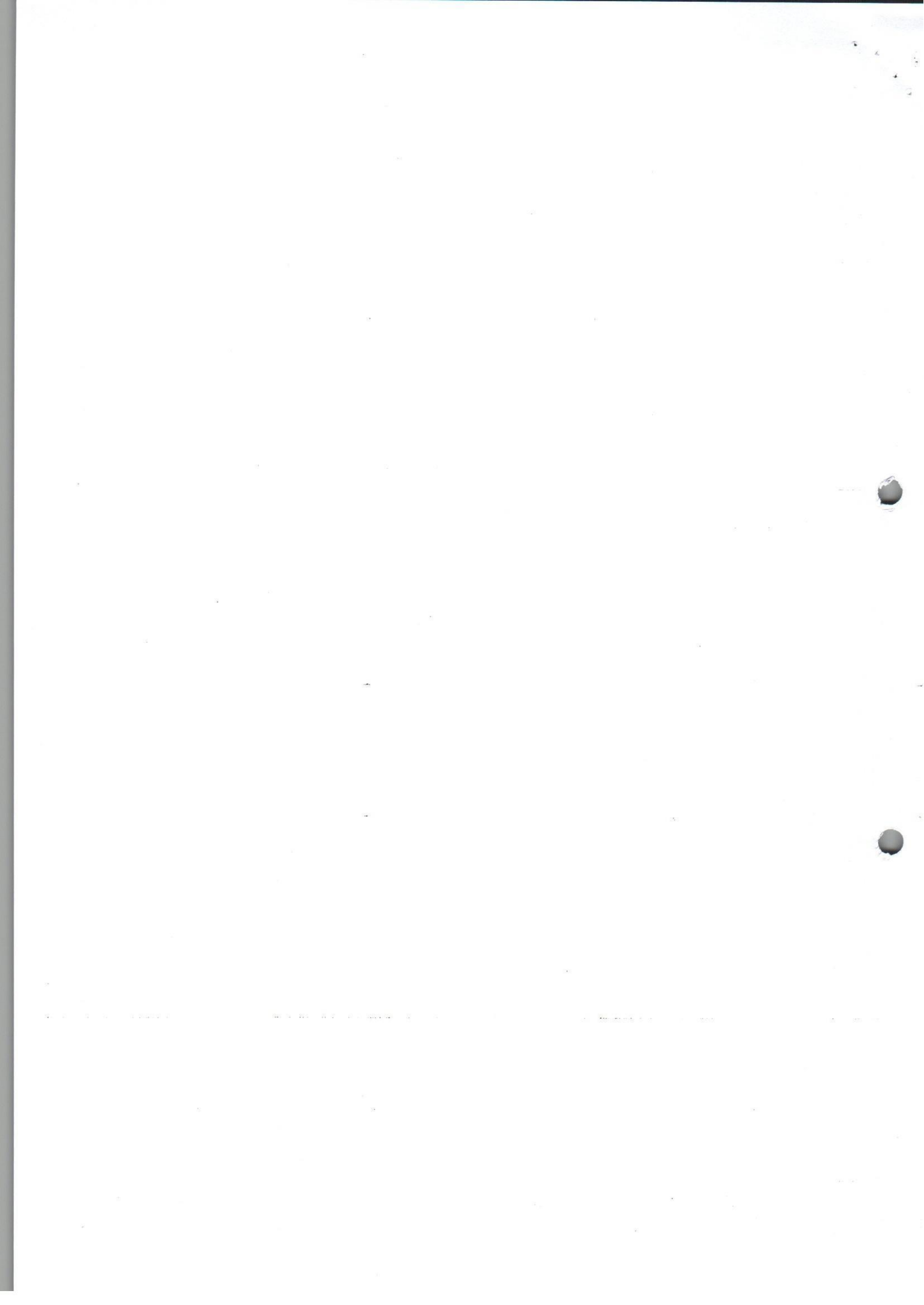
RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
The CS MOALF&I should expeditiously promulgate guidelines and regulations on maize importation.	6 months	CS Agriculture	Standing Committee on Agriculture
<p>The CS National Treasury and the CS MOALF&I must take responsibility for these gazette notices which led to flooding of maize imports leading to distortion of the local market and disadvantaging the local farmers</p> <p>Further the EACC and DCI who are already investigating this matter must widen the scope to cover this issue and bring those culpable to book</p> <p>The ODPP must ensure these investigations are not open ended but must be concluded expeditiously and those found culpable prosecuted forthwith.</p>	Immediate	CS, National Treasury, CS, Agriculture, EACC DCI	Justice, Legal Affairs and Human Rights
The CS should develop regulations and guidelines on importation of maize and other food crops and table them before the Senate within 45 days.	1 year	CS Agriculture	Standing Committee on Agriculture
The KeBS should ensure that all entry ports are well staffed and	6 months	KeBS, NCPB	Justice, Legal Affairs and

RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
<p>equipped.</p> <p>The Committee strongly recommends that the substandard maize currently held in NCPB Silos and stores be destroyed forthwith</p>			Human Rights
<p>The county governments should proactively take up their agriculture function in line with the Constitution (Schedule IV) and the Legal Notice by the Transitional Authority (Transfer of Functions) and ensure among others, market access for farm produce, enhance accessibility to affordable credit and insurance packages and avail farm inputs such as certified seeds and fertilizer.</p>	Immediate	Council of Governors	Standing Committee on Agriculture
<p>Aggregation centers, for maize collection, should be set up by County Governments at least at the ward level and come up with guidelines on the management of these aggregation centers</p>	1 year	County Government	Standing Committee on Agriculture
<p>The National Government should transfer fully AMS services to county governments with attendant budgetary provisions.</p> <p>County governments should ensure the acquisition of quality</p>	Immediate	County Governments, Ministry of Agriculture	Standing Committee on Agriculture

RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
and durable farm machinery to guarantee provision of services whenever required			
<p>County Governments should take up their agricultural function in line with the Constitution and progressively allocate commensurate resources to the function to enable them better support their farmers and reduce the cost of production.</p> <p>KEPHIS must play its statutory role of regulating seed quality including those entering from EAC and COMESA region. They should also continuously monitor the suppliers and distributors of seed to ensure high standards of quality.</p>	Immediate	County Governments, KEPHIS	Standing Committee on Agriculture
<p>The county governments must ensure timely availability of fertilizer in the right quality and quantity and the Committee recommends that the distribution centers be devolved to at least ward levels. County governments must ensure accountability at distribution centers to avoid unscrupulous traders from accessing the fertilizer</p>	Continuous	County Governments	Standing Committee on Agriculture

RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
Cap 338 of 1985 to be repealed and be replaced with a new law that is aligned with with the Constitution 2010 and with the devolved system of government		The Senate	Standing Committee on Agriculture
County governments should immediately take over NCPB Silos and stores in their jurisdiction and come up with a management and maintenance plan	Immediate	County Government s NCPB	Standing Committee on Agriculture
County governments must provide drying facilities for farmers	Immediate	County Government s	Standing Committee on Agriculture
That Government agencies should maintain accurate records without which they must be held responsible and accountable in accordance with the law	Immediate	County and National Government s Agencies	
County government must pass legislations and regulations that will help protect farmers in the whole grain value chain.	Continuous	County Assemblies	Standing Committee on Agriculture
All agricultural devolved functions and attendant resources must be immediately devolved to counties.	immediate	Parliament, The national Treasury, Council of Governors	Standing Committee on Agriculture Standing Committee on Finance

RECOMMENDATION	TIMELINE	ACTORS	SENATE OVERSIGHT COMMITTEE
<p>To achieve food security and meaningful and beneficial agricultural growth this committee recommends that the government honours the Maputo Declaration and through budgetary allocations properly ringfences these allocations cascading them down to devolved units</p>	<p>Immediate</p>	<p>Parliament, The national Treasury, Council of Governors</p>	<p>Standing Committee on Agriculture Standing Committee on Finance</p>



THE SENATE




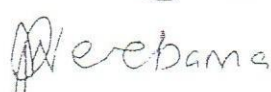
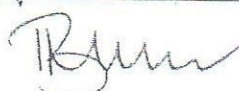
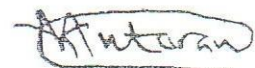
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DATE: 25/11/2018

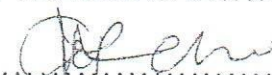
TIME: 2.00 PM

VENUE: NAIVASIA - EXECUTIVE BOARD ROOM

COMMITTEE MEMBERS

NAME	DESIGNATION	SIGNATURE
Sen. (Prof.) Margaret Kamar, EGH, MP	Chairperson	
Sen. Moses Wetang'ula, EGH, MP	Vice-Chairperson	
Sen. Samson Cherargei, MP	Member	
Sen. (Dr.) Christopher Langat, MP	Member	
Sen. Petronila Were Lokorio, MP	Member	
Sen. (Dr.) Michael Mbito, MP	Member	
Sen. Boniface Kabaka, MP	Member	
Sen. Mary Seneta, MP	Member	
Sen. Okongo Mogeni, MP	Member	

Committee Clerk: PETER MUCHIRA

Signature: 

**MINUTES OF THE FIRST MEETING OF THE SELECT COMMITTEE ON
MAIZE CRISIS, HELD ON MONDAY 13TH AUGUST, 2018 AT 11.00 A.M., AT
THE MAIN PARLIAMENT BUILDINGS, FIRST FLOOR, SENATE SPEAKERS
BOARDROOM**

PRESENT

- | | |
|---|---------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Member |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |
| 4. Sen. (Dr.) Michael Mbito, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|---------|
| 1. Sen. (Dr.) Christopher Langat, MP | -Member |
| 2. Sen. Petronila Were Lokorio, MP | -Member |
| 3. Sen. Boniface Kabaka, MP | -Member |
| 4. Sen. Mary Seneta, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|---------------------------------------|
| 1. Ms. Mary Chesire | - Deputy Director, Committee Services |
| 2. Mr. Peter Muchira | - Clerk Assistant |
| 3. Ms. Rose Mudibo | - Clerk Assistant |
| 4. Ms. Colleta Sigilai | - Legal Counsel |
| 5. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/001:

PRELIMINARIES

The Deputy Director, Committee Services called the meeting to order at 12.08 p.m. The Deputy Director conveyed apologies of the Clerk of the Senate and informed the Committee that she had been directed to preside over the elections of the Chairperson and Vice Chairperson.

The Deputy Director conveyed apologies of Senators absent, explaining that they were engaged in other official duties.

The Deputy Director introduced the secretariat attached to the Committee and pledged the support of the office of the Clerk of the Senate to the operations of the Committee.

MINUTE SEN/SCMC/002:

ADOPTION OF THE AGENDA

The Agenda for the meeting was adopted after being proposed by Sen. (Dr.) Michael Mbito, MP, and seconded by Sen. Okong'o Mogeni, MP.

MINUTE SEN/SCMC/003:

ELECTION OF THE CHAIRPERSON

The Deputy Director of Committee Services and presiding officer, called for nominations of Senators for the election of the Chairperson.

Sen. (Prof.) Margaret Kamar, EGH, MP, was nominated by Sen. Moses Wetang'ula, EGH, MP and seconded by Sen. Samson Cherargey, MP.

There being no other nomination, the presiding officer declared Sen. (Prof.) Margaret Kamar, EGH, MP as the duly elected chairperson.

In her remarks, the chairperson thanked the Members of the Committee for according her the opportunity to chair the Committee and noted that the agenda before them was very important and required commitment.

MINUTE SEN/SCMC/004: ELECTION OF THE VICE-CHAIRPERSON

The presiding officer called for nominations of Senators for the election of the Vice-Chairperson.

Sen. Moses Wetang'ula, EGH, MP, was nominated by Sen. Okong'o Omogeni, MP and seconded by Sen. (Prof.) Margaret Kamar, MP.

There being no other nomination, the presiding officer declared Sen. Moses Wetang'ula, MP, as the duly elected chairperson.

In his remarks, the Vice Chairperson thanked the Members for according him the opportunity to serve as the Vice Chairperson of the Committee and pledged to support the Chairperson in steering the Committee's agenda.

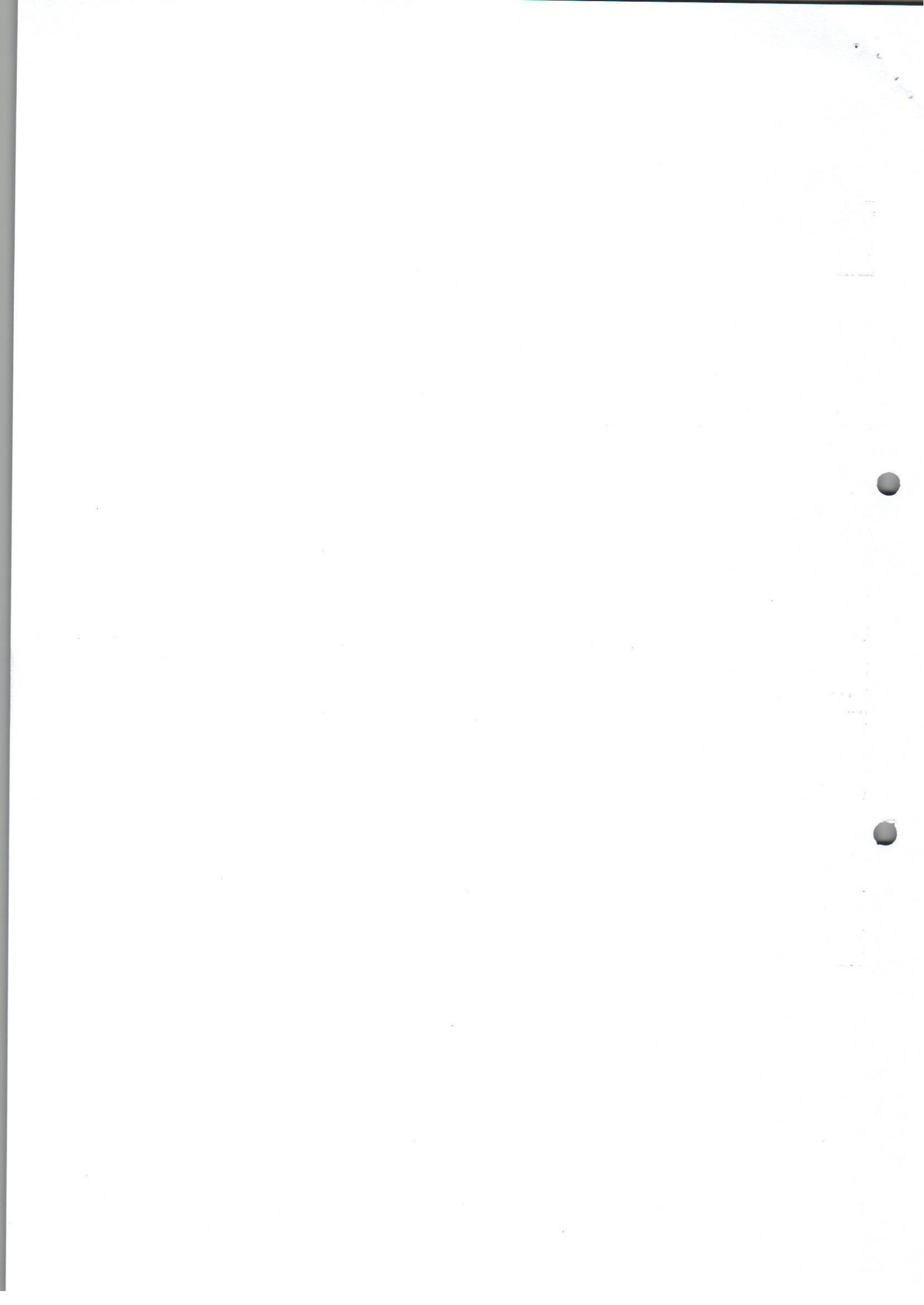
MINUTE SEN/SCMC/005 COMMITTEE WORK PLAN

The secretariat was tasked to draft a work plan for adoption by the Committee and mapped out the following stakeholders;

1. Cabinet Secretary – Ministry of Agriculture
2. National Cereal and Produce Board (NCPB)
3. Agricultural Finance Cooperation (AFC)
4. Cabinet Secretary - Ministry of Trade and Industrialization
5. Kenya Bureau of Standards
6. National Treasury
7. Kenya Revenue Authority
8. Kenya Ports Authority
9. Council of Governors (Committee on Agriculture)
10. Ethics and Anti-Corruption Commission
11. Millers Association

The Committee further resolved to visit the following counties;

1. Nyamira
2. Bomet



3. Uasin Gishu
4. Trans Nzoia
5. Bungoma
6. Busia Border Point

MINUTE SEN/SCMC/006:

ANY OTHER BUSINESS

The secretariat was tasked to develop a tentative programme of activities and work plan and present it to the Committee during the next meeting for consideration.

MINUTE SEN/SCMC/007:

ADJOURNMENT

The Chairperson adjourned the meeting at 12.50 p.m. and set the date of the next meeting to be held on Tuesday 14th August, 2018 at 2.00 p.m.

SIGNATURE.....



(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

14 / 08 / 2018

MINUTES OF THE SECOND MEETING OF THE SELECT COMMITTEE ON
MAIZE CRISIS, HELD ON TUESDAY 14TH AUGUST, 2018 AT 2.00 P.M., AT
THE MAIN PARLIAMENT BUILDINGS, FIRST FLOOR, SENATE SPEAKERS
BOARDROOM

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Michael Mbito, MP | -Member |
| 4. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|---------|
| 1. Sen. (Dr.) Christopher Langat, MP | -Member |
| 2. Sen. Petronila Were Lokorio, MP | -Member |
| 3. Sen. Boniface Kabaka, MP | -Member |
| 4. Sen. Mary Seneta, MP | -Member |
| 5. Sen. Samson Cherargei, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Rose Mudibo | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humpyre Ringera | - Research Officer |

MINUTE SEN/SCMC/008:

PRELIMINARIES

The Chairperson called the meeting to order at 2.10 p.m., followed by a word of prayer.

MINUTE SEN/SCMC/009:

ADOPTION OF THE AGENDA

The agenda for the meeting was adopted after being proposed by Sen. (Dr.) Michael Mbito, MP, and seconded by Sen. Moses Wetang'ula, EGH, MP, as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Confirmation of Minutes of the 1st Sitting;
4. Consideration of Committees Work Plan;
5. Any other Business; and,
6. Date of the next meeting.

MINUTE SEN/SCMC/010:

**CONFIRMATION OF MINUTES OF THE
1ST SITTING**

Minutes of the Committee's first sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. (Dr.) Michael Mbito, MP, respectively.

Matters Arising

Under Min.005

The Committee noted that the Ministry of Devolution and ASAI Areas had made an announcement to pay the maize farmers and resolved to invite the Ministry to appear before the Committee.

MINUTE SEN/SCMC/011: CONSIDERATION OF COMMITTEE WORK-PLAN

The Committee considered a draft work-plan and adopted it after making the following changes;

1. To invite the Ministry of Devolution and ASAL Areas to appear before the Committee on Thursday 30th August, 2018 together with the EACC.
2. To hold a public hearing in Eldoret during the Senate Sitting in Uasin Gishu County in September 2018.
3. To include the visit to Malaba border in the week of 10th – 14th September, 2018.
4. To amend and meet with the Lake Basin and North Rift in the meeting during the Senate Sitting in Uasin Gishu County in September, 2018.

MINUTE SEN/SCMC/012: ANY OTHER BUSINESS

- The Committee proposed to hold a press briefing on Wednesday 15th August, 2018 at 9.00 a.m. The secretariat was tasked to organize the venue of the press briefing.
- The secretariat was tasked to inform all the area Members of Parliament and Senators for the counties to be visited by the Committee.

MINUTE SEN/SCMC/013: ADJOURNMENT

The Chairperson adjourned the meeting at 3.15 p.m. and set the date of the next meeting to be held on Thursday 23rd August, 2018 at 9.00 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....24/11/2018

MINUTES OF THE THIRD MEETING OF THE ADHOC COMMITTEE ON
MAIZE CRISIS, HELD ON TUESDAY 28TH AUGUST, 2018 AT 10.00 A.M., AT
COMMITTEE ROOM 10, MAIN PARLIAMENT BUILDINGS

PRESENT

- | | |
|---|--------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. (Dr.) Michael Mbiti, MP | -Member |
| 3. Sen. Mary Seneta, MP | -Member |
| 4. Sen. Petronila Were Lokorio, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|-------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 2. Sen. Samson Cheragei, MP | -Member |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Mr. Ibrahim Leruk | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humpy Ringera | - Research Officer |

MINUTE SEN/SCMC/014: PRELIMINARIES

The Chairperson called the meeting to order at 10.30 a.m., followed by a word of prayer.

MINUTE SEN/SCMC/015: ADOPTION OF THE AGENDA

The agenda for the meeting was unanimously adopted as presented.

MINUTE SEN/SCMC/016: BRIEFING BY THE COMMITTEE SECRETARIAT

The Committee Research Officer briefed the Committee on the status of maize and fertilizer in the country.

The Committee Legal Counsel briefed the Committee on Legal issues and Gazette Notices of interest to the terms of reference of the Committee.

Matters arising from the briefs of the Secretariat

- i. NCPB history and its importance to farmers – issues raised was the amendment to the Act in 1995 and 1997, which unperfected most of its functions by the restructuring;

- ii. 7Billion budgeted for the Grain Reserves is a borne of contention and 1.4Billion bailout by the Treasury;
- iii. Provision made on the Gazette Notice dated 10th February opened the window for imports that was later abused, the issues of concern to the committee was reason for rapid changes in the gazette notices;
- iv. The Committee also noted the importance of perusing the submission made by the Ministry of Agriculture to the Senate Standing Committee for purposes of clarity and consistency;
- v. The Committee also informed on the late opening of NCPB Stores, which is a concern for farmers who don't have storage silos;
- vi. Price variation at the NCPB was also raised as concern to the farmers;
- vii. There was a contradiction and duplicity of roles and function of the NCPB and the National Food Reserve Board in fixing prices etc, the Committee noted the need to delink the two government institution;
- viii. The need to align the NCPB and the County Structures and the Constitution;
- ix. The Committee was also concern on the late deliveries and clearance at the port on the imported fertilizers, disburse after plantation;

Committee way forward

- i. The Committee resolved to meet the Cabinet Secretary Ministry of Agriculture on Thursday 30th August 2018 at 11am and he should be accompanied by the Director of Crops;
- ii. The Committee also resolved to meet the Cabinet Secretary Treasury on 5th September 2018;
- iii. The Committee gave the following directives to the secretariat;
 - Research on the provision of State Corporation Act in relation to the FSR and NCPB;
 - a) Galana and Kulalo Irrigation;
 - b) Roles of NCPB viz-viz County Government;
 - c) Famine Relief Policy;
 - d) Existence of Secretariat the FSR
 - e) Procedure and regulation on Disbursement of Fertilizers and list of beneficiaries;
 - f) Policy on Importation especially in East Africa;
 - g) Status of Kenya Farmers Association

MINUTE SEN/SCMC/017:

ADJOURNMENT

The meeting was adjourned at 11.15 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....24/11/2018

MINUTES OF THE FOURTH MEETING OF THE ADHOC COMMITTEE ON MAIZE HELD ON WEDNESDAY, 29TH AUGUST, 2018 IN COMMITTEE ROOM 10, FIRST FLOOR MAIN PARLIAMENT BUILDINGS, AT 2:00 P.M

PRESENT

- | | |
|----------------------------------|--------------|
| 1. Sen. (Prof.) Margaret Kamar | -Chairperson |
| 2. Sen. Mary Seneta | -Member |
| 3. Sen. (Dr.) Christopher Langat | -Member |
| 4. Sen. Samson Cherarkey | - Member |
| 5. Sen. Petronilla Were | -Member |

ABSENT WITH APOLOGY

- | | |
|-----------------------------------|--------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | - Vice-Chairperson |
| 2. Sen. (Dr.) Michael Mbiti, MP | - Member |
| 3. Sen. Okong'o Omogeni, MP | - Member |
| 4. Sen. Boniface Kabaka, MP | - Member |

IN ATTENDANCE

COUNCIL OF GOVERNORS

1. Deputy Governor, Uasin Gishu County

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Gloria Wawira | -Committee Clerk |
| 2. Ms. Colleta Sigilai | -Legal Counsel |
| 3. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/018:

PRELIMINARIES

The Chairperson called the meeting to order at 2.20pm. and started with a word of prayer and a round of introductions.

MINUTE SEN/SCMC/019:

ADOPTION OF THE AGENDA

The agenda of the meeting was adopted as presented having been proposed by Sen. Mary Seneta, MP, and seconded by Sen. (Dr.) Christopher Langat, MP.

MINUTE SEN/SCMC/020:

CONSULTAIVE MEETING EITH THE COUCIL OF GOVERNOE ON THE MAIZE CRISIS

The Chairperson welcomed the delegation from the Council of Governors to the meeting and thanked them for honoring the invitation. She began by explaining that the Adhoc Committee on Maize had been constituted to address the challenges facing maize farmers

in the country and that the Committee was seeking to address the challenges of the maize farmers.

The Deputy Governor, Uasin Gishu began by thanking the Committee for the initiative to address the challenges facing maize framers in Kenya for the initiative by the Senate on behalf of farmers. He apologized that the Chairperson of the Council of Governor Committee on Agriculture could not attend the meeting but committed to representing him. He submitted that the Council of Governors is in consensus that the maize sector has been perennially marred by a myriad of challenges. Implementation programmes to enhance maize production as well promote local trade falls under the ambit of County Governments as the same are devolved function. This in essence means that County Governments should be fully supported in implementing this mandate across the entire Maize Value Chain. He then went on to address the queries raised by the Committee-

i. Intergovernmental initiatives taken to improve agriculture.

The County Governments in collaboration with the Ministry of Agriculture and Irrigation have established the Joint Agriculture Sector Committee (JASCOM), an intergovernmental forum where agriculture related issues that are intergovernmental in nature are considered. The major achievements of the committee include-

1. Formation of a Fall Armyworms subcommittee to contain the spread of the pest.
2. Establishment of the Fertilizer Subsidy subcommittee to agree on the modalities of procurement and distribution of subsidized fertilizer.
3. Development of the draft Agriculture Transformation and Growth Strategy which will address the challenges in the agriculture sector including the maize sub sector.

In order to improve intergovernmental relations, we therefore urge the Committee to consider the following recommendations-

- **THAT** the Senate works closely with the National Assembly and Ministry of Devolution to amend Intergovernmental Relations Act to create a provision for direct funding of intergovernmental mechanisms like JASSCOM from the exchequer.

ii. The level which the operations of the NCPB has been devolved.

Part 2 of the Fourth Schedule of the Constitution devolved agriculture functions to County Governments. Some of the key functions devolved include crop husbandry. Further, the Transition Authority through Legal Notice No. 137 of 2013 unbundled the crop husbandry function and transferred construction of grain storage structures to County Governments.

Despite this Constitutional development, it is sad to report that the operations of the National Cereals and Produce Board (NCPB) are still guided by the National Cereals and Produce Board Act Cap 338 Laws of Kenya, a law which was enacted before the advent of devolution which decentralized most of the Board's functions. In line with these, the Council makes the following recommendations

- **THAT** the NCPB Act Cap 338 should be urgently reviewed and NCPB restructured to reflect the spirit of devolution
- **THAT** NCPB should immediately devolve the role of construction and management of Grain Storage Structures to County Governments in line with the Legal Notice No.137 of 23 on unbundling of Crop husbandry functions
- **THAT** funds initially released and returned to Treasury under the Economic Stimulus Program should be disbursed for completion of grain storage facilities across the Counties.

iii. The strategies that County Governments have put in place to improve maize productivity

Crop husbandry being a devolved function, County Governments have put in place strategic interventions in their CIDPs aimed at revamping the sector. The major strategies in place include-

- Capacity building of farmers through the extension programs and field days to disseminate extension information;
- Soil testing, liming and provision of Crop and Soil specific fertilizers;
- Equipping of Agriculture Mechanizations Stations to reduce drudgery associated with agriculture and increase efficiency of farm production;
- Subsidization of fertilizer, seeds and other farm inputs delivered to farmers to reduce the cost of production;
- Implementation of strategic interventions to curb the spread of Fall Armyworms and other emerging risks; and
- Management of post-harvest losses through construction and maintenance of silos and grain storage structures.

iv. Effects of maize imports on local maize production

Maize importation has both negative and positive effects on local maize production. Over the years, unregulated importation of maize has led to over flooding of cheap imported maize at the detriment of our local producers.

This has provided a conducive environment for the unscrupulous millers and middlemen who have taken advantage of the liberalization of East African Community market protocol to import maize from Uganda and hoard the produce to cause artificial shortages resulting in rise of prices. In line with this, the Council makes the following recommendations:

- **THAT** the National Government should increase allocations to Counties to enable them implement input subsidy programs to cushion farmers from high production costs;
- **THAT** the National Government should review the EAC protocol to ensure importation of maize from both EAC and external markets is regulated and based on established market deficits; and
- **THAT** the Government should develop an elaborate and pragmatic long term maize revamping strategy to ensure Kenya can compete with her EAC peers.

v. **APossible interventions to improve maize production and storage**

It is important to note that agriculture being a devolved function, Counties are mandated to implement strategic interventions across the Maize Value Chain, and this includes but is not limited to production and storage. To accelerate the growth of the Maize sector, the Council therefore makes the following recommendations;

- **THAT** an intergovernmental committee should be established to co-ordinate the verification and payment of maize farmers. In addition, a clear policy framework should be developed to guide the process and measures put in place to enhance adoption of Contract farming for farmers supplying maize to Government grain stores.
- **THAT** Parliament should fast track the enactment of the Warehouse Receipt Bill to enhance efficiency in the Maize input supply chain management
- **THAT** an intergovernmental committee of fertilizer should be strengthened to coordinate and oversee the procurement and distribution of seed and fertilizer subsidies.
- **THAT** the National Government should develop incentives or legislation on subdivision of agricultural land for cultivation of maize. This should be implemented in line with the National Land Use Policy.
- **THAT** the National Farmer Registration exercise should be expeditiously rolled out. To achieve this, the National Treasury should allocate a fund as a conditional grant to Counties for farmer registration.

- **THAT** the National Government should fast track the procurement of machineries under the Agriculture Mechanization Program to enhance technology transfer (Case in point can be the Chinese model of Green Revolution technology intensification). Further, the Mechanization Policy should be fast tracked to pave way for implementation
- **THAT** the Two level of Government should adopt the E-voucher systems which will be linked to the Farmers register to enhance input traceability system with clear delineation of functions between the two levels of Government to enhance efficiency
- **THAT** a national tax exemption/subsidy program should be considered to reduce the cost of acquiring grain dryers, provision of grain drying services to farmers as well as locally assembled farm machinery.
- **THAT** the Maize Commodity fund should be established to stabilize maize prices during periods of glut
- **THAT** the Tax amendment Act 2018 imposing VAT on Pest Control Products should be repealed to zero rate VAT on pest control products
- **THAT** the Government should leverage on Regional Economic Blocks to enhance maize productivity and foster trade relations
- **THAT** a National Soil mapping exercise should be done to inform fertilizer distributed to Counties so that it meets the soil nutrient requirements/agro-ecological delineations
- **THAT** the National Government should introduce maize import quotas and measures to safeguard domestic maize market from over-exploitation by the liberalized EAC market protocol.

Conclusion

In conclusion, the Deputy Governor, reaffirmed the County Governments commitment towards transforming and growing the agriculture sector and urged the Senate to consider our recommendations especially on the need to restructure the National Cereals and Produce Board to devolve the storage functions to County Governments as recommended in the Transition Authority Report. This will go a long way in resolving the perennial issue of maize shortages & gluts and price fluctuations.

MINUTE/SEN/SCMC/021:

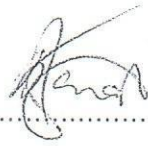
DATE OF THE NEXT MEETING

The next meeting would be on notice

MINUTE/SEN/SCMC/022:

ADJOURNMENT

There being no other business, the meeting was adjourned the meeting at 5.30 pm.



SEN (PROF.) MARGARET KAMAR, EGH, MP

CHAIRPERSON

DATE:

24/11/2028

MINUTES OF THE FIFTH MEETING OF THE SELECT COMMITTEE ON
MAIZE CRISIS, HELD ON THURSDAY 30TH AUGUST, 2018 AT 11.00 A.M., AT
COMMITTEE ROOM 10, MAIN PARLIAMENT BUILDINGS

PRESENT

- | | |
|---|--------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. (Dr.) Michael Mbito, MP | -Member |
| 3. Sen. Mary Seneta, MP | -Member |
| 4. Sen. Petronila Were Lokorio, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|-------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 2. Sen. Samson Cherargei, MP | -Member |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE

MINISTRY OF DEVOLUTION AND ASALS

- | | |
|------------------------------|---------------------|
| 1. Hon. Eugene Wamalwa, EGH, | - Cabinet Secretary |
| 2. Mr. Charles Sunkuli | - PS, Devolution |
| 3. Mr. Albin Ruto Sang | - Ag. MD, NCPB |

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Kavata Musyoka | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/023:

PRELIMINARIES

The Chairperson called the meeting to order at 9.15 a.m., followed by a word of prayer. The Chairperson welcomed Members and the team from the Ministry of Devolution and ASALs, and there after called for a round of introductions.

MINUTE SEN/SCMC/024:

ADOPTION OF THE AGENDA

The agenda for the meeting was unanimously adopted as presented.

MINUTE SEN/SCMC/025:

**MEETING WITH THE MINISTRY OF
DEVOLUTION AND ASALS**

The Chairperson invited the Cabinet Secretary, Ministry of Devolution and ASALs to make a presentation on the following;

- a. Policy governing the Strategic Food Reserve Fund;
- b. The level to which the operations of the NCPB have been devolved;

- c. intergovernmental strategies to improve maize production and management;
- d. the progress of the inter-agency team verifying the status of farmers payment; and
- e. possible interventions to improve the management of maize production and storage.

The Cabinet Secretary thanked the Committee for the invitation and presented as follows;

1. Policy Governing the Strategic Food Reserve Fund

Strategic Food Reserve Trust Fund (SFRTF) was established under the Public Finance Management (Strategic Food Reserve) Regulations 2015 under the Legal Notice No. 15 of 2015.

The object and purpose of the Fund is to provide a Strategic Food Reserve in physical stock and cash equivalent and specifically the Fund shall-

- i. stabilize the food supply and prices in the country;
- ii. arrange for procurement, storage and sale of food commodities;
- iii. maintain adequate strategic food reserves in physical stock or cash equivalent at any given time; and
- iv. mobilize resources to support strategic food reserve related activities.

2. The Level to which the operations of the NCPB have been devolved

The information availed to the Ministry indicates that the NCPB has decentralized its operations to ensure that it provides services to farmers and consumers through a network of 46 of the 47 counties the only county without and NCPB Centre being Tharaka-Nithi.

3. Intergovernmental strategies to improve maize production and management

The Ministry of Devolution and ASALs has facilitated the establishment of sector committees for all devolved functions. These Sector Committees serve two purposes:

- i. as a platform for the joint planning by National and County Governments on programmes for the sector throughout the country;
- ii. as a forum for capacity building for the development of any given sector.

The National and County Governments have established the Joint Agriculture Sector Steering Committee (JASSCOM), which has in its terms of reference among other things the development of joint strategies for implementation by both levels of government for the development of all agriculture sub sectors. It is

anticipated that in due course a joint strategy for the improvement of maize production will be developed and implemented.

4. Verification and Payment of Farmers

The Ministry of Devolution and ASALs took over the function of administration of the Strategic Food Reserve Fund in accordance with the Executive Order No. 1 of 2018. Following consultations with the Ministry of Agriculture, Livestock and Fisheries and the National Treasury to establish the status of the payment of maize farmers, the Ministry understood that there have been challenges regarding the payment of maize farmers for the 2017/18 crop season. It emerged during those consultations that the earlier process of payments may have disadvantaged genuine farmers in preference of traders.

To address the problem, the government engaged a multi-agency team to look into the matter. The team included the Ministry of Devolution and ASALs, Ministry of Agriculture, Livestock and Fisheries, the National Strategic Food Reserve Fund and the NCPB. The preliminary report of the audit carried out by the multi-agency team has established that some deliveries were made by farmers while others were made by merchants.

The Ministry undertook to complete the process of payment of vetted and verified maize farmers and has worked out the modalities of payment to ensure that it targets the small holder farmers first.

The Ministry has deployed officers to 24 NCPB depots to put in place an efficient and effective system to complete the payment of farmers in the shortest time possible. Special desks have been set up in all depots and these shall be operational until the exercise is completed. It is anticipated that this exercise will be concluded within 21 days effective from 20th August, 2018.

The exercise based on the NCPB records targets to pay a total of 998 farmers a total of Kshs. 1.3 billion. However, the exercise as of 29th August, 2018 had cleared 297 with claims totaling to about Kshs. 1, 359, 162, 338.84. The payments for these farmers were being processed and they should have been able to receive them within seven days.

The verification teams were working with the local NCPB agents and leaders and where necessary even visiting farmers who may be unable for one reason or another to present themselves at the depots to complete the claim forms to be cleared for payments.

6. Possible interventions to improve the management of maize production

The Ministry of Devolution and ASALs will work in collaboration with the Ministry of Agriculture which holds the policy and technical responsibility of the improvement of maize production through:

a) Exploration of ways in which the ASAL areas could be put to maize production under irrigation.

The Ministry is facilitating collaboration between the National and County government in the formulation and implementation of joint projects under the “Big Four Agenda” with respect to food and nutrition security. Indeed the government aims to put approximately 1.0 million acres under irrigation.

Some of the projects include:

Project	Estimated Acreage	Target Product
Galana/Kulalu	400,000	Maize, Rice, Beef
Thiba Dam	80,000	Rice
Thwake Dam	100,000	Rice
Lower Turkwel	60,000	Maize
Kimworor	30,000	Maize
Aror	40,000	Maize
West Kano-Nyando	60,000	Maize, Rice
Tana Delta	300,000	Sugarcane
Bunyala & Nzoia	40,000	Sugarcane, Rice

b) Building capacities of county governments to implement related programs and facilitate intergovernmental planning, budgeting and implementation of the same.

Such capacities include project investment with the support through the Kenya Devolution Support Program and the EU-IDEAS Program.

Committee Observations

1. The SFR was transferred to the Ministry of Devolution and ASALs while the NCPB remains with the Ministry of Agriculture;
2. The delay by the government to decide the prices of the maize delayed delivery to the NCPB depots/silos which also allowed merchants and traders to flood the depots with imported maize;
3. Payments to genuine farmers have been delayed by verification processes. In future, there is need therefore to register farmers to alleviate such challenges;
4. There is need to restructure the SFRTF and the NCPB to provide for greater roles of the county governments in food security and further to reflect the expectations of devolution;
5. There is need to expand the SFR to go beyond maize.

MINUTE SEN/SCMC/026:

ADJOURNMENT

The meeting was adjourned at 12.55 p.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE..... 24/11/18

MINUTES OF THE SIXTH MEETING OF THE ADHOC COMMITTEE ON
MAIZE CRISIS, HELD ON THURSDAY 30TH AUGUST, 2018 AT 11.00 A.M., AT
COMMITTEE ROOM 10, MAIN PARLIAMENT BUILDINGS

PRESENT

- | | |
|---|--------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. (Dr.) Michael Mbiti, MP | -Member |
| 3. Sen. Mary Seneta, MP | -Member |
| 4. Sen. Petronila Were Lokorio, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|-------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 2. Sen. Samson Cherargei, MP | -Member |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE

ETHICS AND ANTI-CORRUPTION COMMISSION (EACC)

- | | |
|------------------------|---------------------|
| 1. Rev. Eliud Wabukala | - Chairperson EACC |
| 2. Mr. Mwaniki Gachoki | - Commissioner EACC |
| 3. Mr. Jacson Mue | - D/Director |
| 4. Mr. David Kaboro | - A/Director |

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Kavata Musyoka | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/027:

PRELIMINARIES

The Chairperson called the meeting to order at 9.15 a.m., followed by a word of prayer. The Chairperson welcomed Members and the team from the EACC, and there after called for a round of introductions.

MINUTE SEN/SCMC/028:

ADOPTION OF THE AGENDA

The agenda for the meeting was unanimously adopted as presented.

MINUTE SEN/SCMC/029:

MEETING WITH THE ETHICS AND
ANTI-CORRUPTION COMMISSION
(EACC)

The Committee met the Chairperson of the EACC, Bishop Eliud Wabukala, who was accompanied by Commissioner Mwaniki Gachoka, North-Rift Regional Head Mr. Jackson Mue and Senior Counsel Mr. David Kaboro on Thursday 30th August, 2018. The EACC was invited for a consultative meeting to provide information to the Committee on-

- i. involvement of the Commission on the stoppage of payment to farmers for the supply of maize to the NCPB in the year 2017/18;
- ii. the progress of investigation into the operations of the NCPB; and
- iii. possible interventions to improve the management of maize production and storage.

The Commission informed the Committee that they received allegations in May 2018 that officials of the NCPB were purchasing maize from brokers and unregistered farmers who had not been vetted to supply maize.

It was also reported that unscrupulous businessmen who were given preferential treatment were smuggling maize from neighbouring country (Uganda) and selling the same to the NCPB and as a result genuine farmers were denied an opportunity to sell their maize since the businessmen were selling in large quantities.

Further, there were outcry by farmers around March 2018 regarding delays and slow queues especially in Eldoret, Moi's Bridge, Kitale and Ziwa Depots. The alleged net loss by NCPB was Kshs. 1.9 Billion.

1. Involvement of the EACC on the stoppage of payment to farmers for supply of maize to the NCPB in the year 2017/18

The EACC vide a letter dated 17th July, 2018 informed the Cabinet Secretary for Devolution and ASALs that the NCPB had by then committed over Kshs. 11 billion in Strategic Food Reserve (SFR) maize purchases, out of which over Kshs. 7 billion had been paid to NCPB from the SFR account for payments to farmers, leaving an outstanding balance of Kshs. 4 billion.

The EACC advised that pending conclusion of the investigations, only genuine farmers may be considered for payment, to cushion Government against possible losses that may arise through irregular payments. This advice had also been given to the Ministry of Agriculture, Livestock,

Fisheries and irrigation which had hitherto been in charge of the SFR prior to the Executive Order that transferred the function to the Ministry of Devolution and ASAL.

2. The progress of investigations into the operations of the NCPB

The Principal Secretary, State Department for Agriculture (SDA) instructed the Managing Director NCPB to commence the 2017/18 SFR maize purchase vide a letter dated 17th October, 2017. The purchase price was set at Kshs. 3,000/- per 90kg bag of white maize and a rebate of Kshs. 200/- per bag bringing the total to Kshs. 3,200/-.

The NCPB was required to purchase maize from **only registered and vetted farmers**; lists of the registered farmers were circulated to the Depots and Silos before the depots/silos were opened to receive maize.

By 17th May, 2018, NCPB through its various Depots/Silos had allegedly received maize worth **Kshs. 11.3 Billion**. As at the same date, NCPB had paid slightly over **Kshs. 7 Billion** for the maize, leaving an outstanding payment of **Kshs. 4.3 Billion** owed to farmers/suppliers.

The funds from the National Treasury to the State Department of Agriculture were disbursed to NCPB through the SFR Account domiciled at the Central Bank of Kenya, **Account number – 1000217189** which was the only account used to disburse SFR funds to NCPB during the financial year 2017/18.

3. Status of Investigation

The EACC commenced investigations into the allegation towards the end of May, 2018. A phased approach was adopted in the investigation where suspects who were paid huge sums of money were prioritized.

The 1st Investigation File which focused on officials in the Ministry of Agriculture (MoA), NCPB Headquarters, NCPB Eldoret Silo and Traders/Business people who were paid huge sums of money had been **COMPLETED** and submitted to the Director of Public Prosecutions (DPP) for review and direction. On **29th August, 2018**, the DPP gave his **consent to charge 16 people** with several offenses and suspects would be arraigned in court as directed.

Investigations focusing on transactions in **Moi's Bridge, Ziwa, Kitale, Bungoma and Kisumu** Depots/Silos were over **85% complete** and the files would be forwarded to the DPP for review

and direction. The six Depots/silos prioritized in the investigations allegedly received maize worth over **Kshs. 8.7 Billion** which is about **73%** of the total deliveries.

Facts Established by the Inquiry

That the Strategic Food Reserve Oversight Board is a Board established in line with the Legal Notice Number 15 of 12th February, 2015 under the Public Finance Management Act, 2012.

The SFR Fund is responsible for procurement, storage and sale of food commodities. It is also responsible for resource mobilization to support SFR and related activities among other responsibilities as detailed in the Legal Notice No. 15. The SFR Fund is established to provide Strategic Food Reserve in physical stock and cash equivalent.

The relationship between SFR Oversight Board and NCPB is formalized vide an **Agency Agreement**. During the season 2017/18, the Agency Agreement that was used is the 5th Agency Agreement for the period 1st July, 2015 to 30th June, 2017 which governs the provision of technical and managerial services. The Agreement was signed on **19th October, 2016** and was to be effective for a period of two (2) years from the date signing.

In the Financial Year 2017/18, the SFR Oversight Board developed an annual work plan of **Kshs. 6 Billion** in which it had purposed to increase maize stock by **2 million bags**.

In the FY 2017/18, SFR was allocated **Kshs. 1.294 Billion**, during the 1st supplementary budget for the FY 2017/18 **Kshs. 6.7 billion** was added to the SFR. While in the 2nd supplementary budget, a further **Kshs. 2 Billion** was added for the purchase of strategic stocks. The total budget available after supplementary I&II was **Kshs. 9.9 Billion** for maize and beans. However, it was established that the total commitment from maize supply to NCPB in the 2017/18 season was over **Kshs. 11.3 Billion** by the end of April 2018 which was already beyond the available budget.

Only **genuine local farmers** were expected to supply maize to NCPB. The NCPB issued guidelines to the depots and silos Ref. NCPB L/GGI/1/9/2016 on 1st September, 2016. The guidelines were aimed at ensuring that only genuine farmers benefitted from the premium price set by the government. The depots/silos were expected inter alia to:

- a. *Ensure that farmers are verified and quantities of the maize offered for sale circulated to all purchasing silos/depots in the NCPB network are commensurate with the acreage under maize; and*
- b. *Maize is purchased from farmers who are registered with MoA and appear in the register.*

Genuine farmers were supposed to be identified through **vetting process** which was designed by the Ministry of Agriculture for implementation by the County Government(s) and local vetting committees comprised of Chiefs/Assistant Chief(s)/Agricultural officer(s) among other members.

Upon delivery of maize, before other processes of checking on the quality and quantity, the depot managers were expected to verify the authenticity of the vetting forms, sign and stamp the same to allow intake of maize.

It has been established that, suppliers/traders who were not farmers were facilitated by NCPB officials to supply maize in large quantities using **fake vetting forms**. A classic case was a family comprised of a mother, 2 daughters and a son who according to records in NCPB supplied maize to various depots worth **Kshs. 745Million** using fake vetting forms.

The highest cumulative supplies of SFR white maize to NCPB by one trade was **219,236 bags of 50 Kgs** equivalent of **Kshs. 385 million**. The trader had already been paid **Kshs. 294 million** leaving a balance of Kshs. 91 million.

The traders were given **preferential treatment** by NCPB officials to supply large quantities using fake vetting form. They were also prioritized in payments.

The total number of farmers/traders who supplied maize to NCPB during the 2017/18 maize buying season were **10, 636**.

The set guidelines and vetting process was not applied by the NCPB.

The office of the Auditor General and EACC have formed a joint task team to undertake a comprehensive status audit of the grain reserve entailing; stock counts, review of policies and procedures governing the SFR and its relationship with NCPB.

2. Committee Observations

The ad-hoc Committee made the following observations-

- i. 10, 636 farmers/traders delivered maize worth Kshs.11.3 Billion to NCPB in 2017/18 crop season. 146 of these suppliers delivered maize worth Kshs. 4.5 Billion out of whom 20 suppliers delivered maize worth Kshs. 2.1 Billion. Therefore, there is need for system analysis of the Ministry of Agriculture to highlight challenges that are threatening to compromise food security and also frustrate local farmers;
- ii. The Kshs. 3200/- was for a 90 kg bag of maize. However, maize was repackaged to 50kg bags and they were bought at Kshs. 1700/- by the NCPB. Remarkably, maize was not delivered in bags but in tracks which were weighed on entry and exit and the net weight determined. Further, maize was delivered in various states of quality;
- iii. The vetting committees ignored all members of the vetting committees except the local chief(s) and extension officer(s) during the vetting process which eroded the role of the county governments and the local leaders.

MINUTE SEN/SCMC/030:

ADJOURNMENT

The meeting was adjourned at 10.45 a.m.

SIGNATURE.....



(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

24/11/2018

**MINUTES OF THE SEVENTH MEETING OF THE SELECT COMMITTEE ON
MAIZE CRISIS, HELD ON WEDNESDAY 12TH SEPTEMBER, 2018 AT 9.00
A.M., AT THE SPEAKERS BOARDROOM**

PRESENT

- | | |
|---|--------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. (Dr.) Michael Mbito, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |
| 4. Sen. Mary Seneta, MP | -Member |
| 5. Sen. Petronila Were Lokorio, MP | -Member |
| 6. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|-------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 2. Sen. (Dr.) Christopher Langat, MP | -Member |
| 3. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE

MINISTRY OF AGRICULTURE

- | | |
|--------------------------|---------------------------------|
| 1. Prof. Hamadi Boga | - PS, Agriculture Research |
| 2. Mr. Kello Harsame | - Administrative Secretary |
| 3. Mr. John Waiweki | - Principal Agriculture Officer |
| 4. Ms. Millicent Omukaga | - Head of Operations |
| 5. Mr. Johnson Irungu | - Director |
| 6. Mr. Albi Sang | - Ag. MD |

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Rose Mudibo | - Clerk Assistant |
| 2. Mr. Peter Muchira | - Clerk Assistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/031:

PRELIMINARIES

The Chairperson called the meeting to order at 9.10 a.m., followed by a word of prayer. She welcomed members and the team from the Ministry of Agriculture, and there after called for a round of introductions.

MINUTE SEN/SCMC/032:

ADOPTION OF THE AGENDA

The agenda for the meeting was adopted after being proposed by Sen. Petronila Were Lokorio, MP, and seconded by Sen. Mary Seneta, MP, as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Meeting with the Cabinet Secretary Agriculture, Livestock, Fisheries and Irrigation;

4. Any other Business; and,
5. Date of the next meeting.

MINUTE SEN/SCMC/033:

**MEETING WITH THE CABINET
SECRETARY AGRICULTURE, LIVESTOCK,
FISHERIES AND IRRIGATION**

The Chairperson referred to the letter inviting the CS to the meeting and the deliberations and noted that the CS was not part of the delegation and demanded an explanation.

The PS explained that the CS was part of the delegation but was called to statehouse on his way to Parliament that morning. On the basis of that mitigation, the Chairperson allowed him to make the presentation on behalf of the CS.

The Principal Secretary presented as follows:

On the issue of the National Policy governing the Strategic Food Reserve, the PS presented as follows;

That the strategic Food Reserve Trust Fund (SFRTF) was established under the strategic food reserve regulations 2015, under legal notice No 15. Of 2015.

On the maize storage capacities of the National Cereals and Produce Board the PS presented as follows:

That NCPB has 110 stores distributed across the country with a total storage capacity of 21.52 million bags by 90 kgs bags.

On the issue the duty free maize imported during the duty free window which was to end in October 2017, and why the period was extended, the PS presented as follows;

That the Government procured a total 10,547,418.44x90kg bags of maize, against the Governments approved quantity of 12,643,300x 90 kg bags.

He further presented that subsidy period was extended from October to December 2017 as the local grain supply had not stabilized and consumers were still vulnerable to high flour prices.

On the issue of the extent to which the Government supports maize farmers in the country, the PS presented;

That the Government has been supporting farmers by providing subsidized fertilizer and financing of farmers.

On the issue of the criteria for the identification of millers and business persons involved in the importation of maize in the Country, the PS presented as follows;

That the Ministry floated the open tender for the supply of the maize with those winning the tenders being awarded the contracts.

Upon completion of the presentation the Senators interrogated the information presented and raised the following concerns:

1. That the Ministry had failed to adequately respond to the issues raised;
2. That the Ministry seemed oblivious of the suffering of the farmers who had supplied maize and had not been paid; and,
3. That the PS present in the meeting was not well equipped to respond to the supplementary questions raised by Senators.

Deliberations ensued and the Committee resolved to allow the PS and his team to leave the meeting with the instructions that the Cabinet Secretary appears before the Committee during the next meeting at the date which will be communicated by the Committee.

MINUTE SEN/SCMC/034: ADJOURNMENT

The Chairperson adjourned the meeting at 11.15 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

MINUTES OF THE EIGHITH MEETING OF THE ADHOC COMMITTEE ON
MAIZE CRISIS, HELD ON WEDNESDAY 12TH SEPTEMBER, 2018 AT 11.00
A.M., AT THE SPEAKERS BOARDROOM

PRESENT

- | | |
|---|--------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. (Dr.) Michael Mbito, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |
| 4. Sen. Mary Seneta, MP | -Member |
| 5. Sen. Petronila Were Lokorio, MP | -Member |
| 6. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|-------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 2. Sen. (Dr.) Christopher Langat, MP | -Member |
| 3. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE

MINISTRY OF TRADE AND INDUSTRIALIZATION

- | | |
|--------------------|-------------|
| 1. Ms. Betty Maina | - PS, Trade |
|--------------------|-------------|

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Rose Mudibo | - Clerk Assistant |
| 2. Mr. Peter Muchira | - Clerk Assistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/035:

PRELIMINARIES

The Chairperson called the meeting to order at 11.29 a.m., followed by a word of prayer. She welcomed members and the team from the Ministry of Trade and Industrialization and thereafter called for a round of introductions.

MINUTE SEN/SCMC/036:

ADOPTION OF THE AGENDA

The agenda for the meeting was adopted after being proposed by Sen. Samson Cherargei, MP, and seconded by Sen. Mary Seneta, MP, as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Meeting with the Cabinet Secretary Trade and Industrialization;



4. Any other Business; and,
5. Adjournment.

MINUTE SEN/SCMC/037:

MEETING WITH THE CABINET
SECRETARY TRADE AND
INDUSTRILIZATION

The Chairperson referred to the letter inviting the CS to the meeting and the deliberations and noted that the CS was not present and demanded an explanation from the principal Secretary.

The PS explained that the CS was not able to attend the session as he was involved in other official matters and had delegated the appearance before the Committee to herself.

The Senators were not satisfied with the explanation of the PS and rejected to attempt by the PS to make the presentation on behalf of the CS as the CS was in the Country and should have prioritized the business of the Committee.

Consequently, the Committee resolved not to give audience to the PS on the matters at hand and to invite the CS at a date to be determined by the Committee.

Deliberations ensued and the Committee directed the PS to leave the meeting with the instructions that the Cabinet Secretary must appear before the Committee during the next meeting at the date which will communicated by the Committee.

MINUTE SEN/SCMC/038:

ADJOURNMENT

The Chairperson adjourned the meeting at 12.25 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE..... 24/11/2018

MINUTES OF THE NINETH MEETING OF THE ADHOC COMMITTEE ON
MAIZE CRISIS, HELD ON WEDNESDAY 19TH SEPTEMBER, 2018 AT 9.00
A.M., AT THE MAIN PARLIAMENT BUILDINGS, COMMITTEE ROOM 10

PRESENT

- | | |
|-----------------------------------|-------------------|
| 1. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 2. Sen. (Dr.) Michael Mbiti, MP | -Member |
| 3. Sen. Mary Seneta, MP | -Member |
| 4. Sen. Okong'o Mogeni, MP | -Member |
| 5. Sen. Samson Cheragei, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|---|--------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. (Dr.) Christopher Langat, MP | -Member |
| 3. Sen. Petronila Were Lokorio, MP | -Member |
| 4. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE

KENYA REVENUE AUTHORITY

- | | |
|-----------------------|---|
| 1. Mr. Julius Musyoki | - Commissioner for Customs & Border Control |
|-----------------------|---|

SENATE SECRETARIAT

- | | |
|--------------------------|---------------------------|
| 1. Ms. Rose Mudibo | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humprey Ringera | - Research Officer |
| 4. Mr. Washington Otiato | - Media Relations Officer |
| 5. Ms. Farhiya Mohamed | - Serjeant At Arms |

MINUTE SEN/SCMC/039:

PRELIMINARIES

The Chairperson called the meeting to order at 9.15 a.m., followed by a word of prayer and introductions.

MINUTE SEN/SCMC040:

ADOPTION OF THE AGENDA

The agenda for the meeting was adopted after being proposed by Sen. (Dr.) Michael Mbiti, MP, and seconded by Sen. Okong'o Omogeni, EGH, MP, respectively as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Meeting with the Kenya Revenue Authority
4. Any other Business

MINUTE SEN/SCMC/041:

**MEETING WITH KENYA REVENUE
AUTHORITY**

The Committee expressed its reservations and noted that under the Constitution 2010, the Commissioner General's primary duty is to Parliament and should honour invitations extended by Parliamentary Committees.

The Vice-Chairperson invited the KRA representative to apprise the Committee on the following;

- a) The role of KRA in maize importation in the country;
- b) The quantity of duty-free maize imported into the country during the duty-free window which was to end in October, 2017 and why the period was extended;
- c) The tax value forfeited as a result of the waiver; and,
- d) Possible policy and legislative intervention to improve the management of maize importation.

In his response, Mr. Julius Musyoka, the Commissioner for Customs & Border Control, thanked the Committee for the invitation, presented a written report (copy attached) and responded to the issues raised as follows:

1. The declaration by the President of Kenya through Executive Order No. 1 of 2017 of a national disaster leading to the exemption of white maize and yellow maize of all duty chargeable through the Kenya Gazette Notice No. 3575 in volume CXIX No. 47b dated 13th April 2017.
2. No restrictions were provided to those eligible to import and therefore any person within the Republic of Kenya qualified for this type of remission.
3. There was no quota on the amount of maize that an individual person or company could import during the period.
4. The Kenya Gazette No. 3575 prescribed the deadlines for the importation of yellow and white maize on duty free status (31st August 2017 and 31st July, 2017 for yellow and white maize respectively).
5. A further Kenya Gazette Notice No.6398 contained in volume CXIX No. 87 was issued on 4th July, 2017 extending the importation of both white maize and yellow maize to 30th September 2017 and 30th June 2018 respectively.
6. A further extension was granted vide Gazette Notice No. 7248 Vol. CXIX No. 104 extending the period up to 15th October 2017.
7. The role of KRA in the economy to administer and to enforce written laws or specified provisions of written laws pertaining to assessment, collection and accounting for all revenues in accordance with the laws provided.
8. On the importation of maize, KRA's role is to ensure that;
 - a) Maize that meets the standards is allowed into the country by pre-verification of conformity (PVoC) programme in conjunction with Kenya Bureau of Standards (KEBS).
 - b) Qualified persons or entities and quantities stated in relation to yellow maize importation or strictly adhered to in line with the provisions of the Gazette notice.

- c) Correct values and volumes are declared for purposes of capturing trade data.
 - d) Where maize comes from ensuring compliance of Rules of Origin criteria before any preferential treatment is accorded.
-
9. That a total of 1,093,092.27 metric tons of maize with a duty implication on 16,755,079,433.75 was imported between May 2017 to October 2017.
 10. The total maize imports between May 2017 and October 2017 from non EAC/COMESA region was 992,779.65 remitting 15,017,141,567.75.
 11. The total white maize imports by 22 companies/individuals between May 2017 and October was a net quantity of 944,530.26, CIF value of 30,153,853,124 and amount of taxes remitted was 15,143,179,107.
 12. White maize imports between May 2017 and October 2017 by companies/individuals for countries outside EAC/COMESA region were 844,217.64 metric tones with remitted taxes of 13,405,241,241.
 13. White maize imported from EAC and COMESA regions by different companies/individuals was 100,312.62 with remitted taxes of 1,737,937,867.
 14. The National Cereals and Produce Board (NCPB) directly imported 72,000 metric tones of white maize.
 15. From KRA's correspondence with different and the NCPB, it was established that most of the maize that was imported was sold to the Ministry of Agriculture through NCPB.
 16. The gazette notice allowing the importation of yellow maize by gazette millers specified the quantities that each miller was granted. Out of the 22 companies which were granted quotas to import yellow maize for animal feeds formulation. Only two companies managed to utilize part of their entire quota with one company exceeding the quota. Unga Farmcare Limited, the only company that exceeded the allocated quoota that resulted in a revenue liability of Kshs.216697,481.90 to be recovered by KRA.
 17. 98% of the maize imported during the duty free period was cleared through the Port of Mombasa, while 2% was cleared through Moyale and Namanga.
 18. That KRA recommends the following to the Committee;

- The Government should consider importation of maize from partner states to avoid loss of tax as importation from partner states does not attract import duty.
- The Government should restrict the quantity of maize to be imported.
- Importation of maize should be restricted to only gazetted and registered millers.
- The period for importation should be fixed and should be informed by production and consumption data.
- The Government should consider appointing NCPB, a relief agency or any other Government agency to be the sole importer of maize.

Committee Intervention

Following the presentation, the Committee raised the following;

1. The Committee noted with concern the discrepancy of the taxes remitted by importers in table 5 of the presentation by KRA.
2. To confirm whether NCPB is bound to pay duty.
3. Give reasons that led to the extension in the gazette notice for the duty free window.
4. To confirm the destination of the white maize imported during the duty free period.
5. Provide information of PVoC tests done in Mexico
6. Give details of how much maize had been received by 31st July 2018 before the extension of the duty free window.
7. Confirm if there was an authorized quantity of maize to be imported during the window period.
8. Inform the Committee how long it takes to import maize from Mexico to Kenya and the process involved.
9. Provide information of the ports of origin of all the maize imported during the duty free period.
10. Confirm knowledge of importers sold the maize to NCPB.
11. Confirm whether KRA has the capacity at inspection points and comment on the available policies.

Response from KRA

In his response, Mr. Musyoki undertook to provide the information requested by the Committee and further responded as follows;

1. That NCPB pays duty in cases where express duty free window is not provided for.
2. KRA is involved in the maize importation at the operations level by coordinating other government agencies to ensure fast movement in the distribution chain.
3. KRA got feedback that some areas in the country did not get maize which triggered the extension of the duty free window.
4. That there is no quota provided for the importation of the white maize.

5. That it takes approximately 2 months to import maize from Mexico from the date of vessel sailing.
6. That KRA has enough capacity and infrastructure to deal with bulk imports at all border points.

Committee Way forward

Following the deliberations, the Committee resolved to analyze the information provided and pronounce itself on the matter during the next meeting.

MINUTE SEN/SCMC042: ADJOURNMENT

The Chairperson adjourned the meeting at 11.20 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....*24/11/2018*

MINUTES OF THE TENTH MEETING OF THE SENATE ADHOC COMMITTEE ON MAIZE CRISIS HELD ON THURSDAY, 4th OCTOBER, 2018 AT COMMITTEE ROOM 5, MAIN PARLIAMENT BUILDING AT 10:00 A.M.

PRESENT

- | | |
|--------------------------------|-------------------|
| 1) Sen. (Prof.) Margaret Kamar | - Chairperson |
| 2) Sen. Moses Wetangula | -Vice-Chairperson |
| 3) Sen. Mary Seneta | -Member |

ABSENT WITH APOLOGY

- | | |
|-------------------------------------|----------|
| 1) Sen. Boniface Kabaka, MP | - Member |
| 2) Sen.(Dr.) Christopher Langat, MP | - Member |
| 3) Sen. Okong'o Omogeni, MP | - Member |
| 4) Sen. (Dr.) Michael Mbito, MP | - Member |
| 5) Sen. Samson Cheragei, MP | - Member |
| 6) Sen. Petronila Were Lokorio, MP | - Member |

IN ATTENDANCE

- 1) Ms. Colleta Sigilai
- 2) Mr. Humphrey Ringera
- 3) Mr. Washington Otiato

THE SENATE SECRETARIAT

- Legal Counsel
- Research Officer
- Media Relations Officer

MIN SEN/SCMC/043:

PRELIMINARIES

The Chairperson Sen. (Prof.)Margaret Kamar called the meeting to order at 10:15 a.m and the meeting started with a word of prayer.

MIN SEN/SCMC/044:

ADOPTION OF AGENDA

The agenda of the meeting was adopted having been proposed by Sen. Moses Wetangula and seconded by Sen. Mary Seneta as follows-

1. Preliminaries
2. Adoption of agenda
3. Review of the Committee Work plan
4. Any other Business
5. Date of the next meeting
6. Adjournment

MIN SEN/SCMC/045:

REVIEW OF THE COMMITTEE WORKPLAN

The Members reviewed the Committee Work plan and made the following resolutions-

- i) The Committee to seek an extension for a period of 30 days in order to finalise all the activities that have been scheduled. The Clerk to draft a motion that should be tabled by the Vice-chairperson on the week starting on 8th October, 2018;
- ii) The Committee should schedule to hold all the pending meetings to receive submission between Tuesday 16th October and Thursday 25th October, 2018
- iii) The Committee should invite the following to provide further information
 - a. Cabinet Secretary Ministry of Agriculture;
 - b. The Managing Director, NCPB;
 - c. The Managing Director, KeBS;
 - d. The Commissioner General, KRA
 - e. The Chairman, Kenya Port Authority (KPA)
- iv) The Committee should invite the Cabinet Secretary, the National Treasury and the Millers Association;
- v) The County/site visits to Nyamira and Bomet Counties should be scheduled for Thursday 11th October, 2018;
- vi) The Committee should request the Office of the Speaker for leave to conduct at least two visits to African States (Ethiopia, South Africa) to appraise itself on food security strategies, quality management and grains value chain;
- vii) A meeting with the Council of Governors (CoG) should be scheduled towards the tail end so that the Committee can share some of the findings with them;
- viii) Report writing should be rescheduled to the first week of November, 2018

MIN SEN/SCMS/046: ANY OTHER BUSINESS

The Chairperson thanked the Members for attending the meeting.

MIN SEN/SCMC/047: ADJOURNMENT AND DATE OF NEXT MEETING

There being no any other business, the Chairperson adjourned the meeting at 11:00 am
The next meeting was to be called by notice.

SIGNATURE.....
(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....24/11/2018.....

MINUTES OF THE ELEVENTH MEETING OF THE ADHOC COMMITTEE ON
MAIZE CRISIS, HELD ON MONDAY 15TH OCTOBER, 2018 AT 10.30 A.M., AT
THE GOVERNORS OFFICE, NYAMIRA COUNTY

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Michael Mbiti, MP | -Member |
| 4. Sen. (Dr.) Christopher Langat, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|------------------------------------|---------|
| 1. Sen. Mary Seneta, MP | -Member |
| 2. Sen. Samson Chergei, MP | -Member |
| 3. Sen. Petronila Were Lokorio, MP | -Member |
| 4. Sen. Boniface Kabaka, MP | -Member |

IN ATTENDANCE –COUNTY GOVERNMENT OF NYAMIRA

- | | |
|--|---|
| 1. Gov. Nyangarama | - Governor |
| 2. Mr. Benard Osumo | - CEC, Gender, Culture and Social Services |
| 3. Mr. Samwel Maiko
Natural Resources | - CEC, Environment, Water, Energy, Mining and |
| 4. Mr. Zablon Onchiri | - CEC, Land, Housing and Urban Development |
| 5. Mr. Peter Muga | - CEC, Trade, Co-operative & Tourism |
| 6. Ms. Peris Mong'are | - CEC, Agriculture, Livestock & Fisheries |
| 7. Mr. Douglas Bosire | - CEC, Health |
| 8. Mr. Peter Nyakundi | - Chairman, Public Service Board |
| 9. Mr. Johnson Obike | - CEC, Public Service Management |
| 10. Mr. Eric Onchana | - County Secretary |
| 11. Monicah Kangethe | - Assistant County Commissioner |
| 12. Mr. Charles Barongo | - MCA, Bomwagamo Ward |
| 13. Mr. David Munyi | - Director, Extension Services |

SENATE SECRETARIAT

- | | |
|--------------------------|---------------------------|
| 1. Mr. Peter Muchira | - Clerk Assistant |
| 2. Ms. Rose Mudibo | - Clerk Assistant |
| 3. Ms. Beatrice Kapei | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |
| 5. Mr. Washington Otiato | - Media Relations Officer |
| 6. Ms. Farida Ngasura | - Audio Recording Officer |

MINUTE SEN/SCMC/045:

PRELIMINARIES

The meeting to order at 10.35 a.m., followed with introductions.

MINUTE SEN/SCMC/046:

MEETING WITH GOVERNOR,
NYAMIRA COUNTY

Briefing by the Committee Chairperson

The Chairperson briefed the Governor on the mandate of the Committee on Maize Crisis, and the objectives of the visit to Nyamira County.

The Chairperson noted that Agriculture being a fully devolved function, the Committee was committed to go beyond the current maize crisis situation in the country. The Committee acknowledged that Nyamira County was not a large scale maize growing County, and that it was also interested in small scale farmers and consumers of the maize product.

The Committee further sought to understand why Nyamira as a county was not doing well in the maize growing sector.

The Chairperson informed the Governor that one of the main intentions of the visit was to hold a public hearing to collect views from the farmers and Nyamira residents in general with an aim of understanding the issues affecting the maize sector.

Remarks by the Governor, Nyamira County

The Governor, Nyamira County welcomed the Committee to Nyamira appreciating the initiative by the Committee to visit his County. The Governor noted that this showed the interest the Senate has to protect devolution at large.

The Governor informed the Committee that;

1. The County of Nyamira does not grow maize due to a strange disease (maize lethal necrotic disease) that affected the maize.
2. Due to the low maize produce, the Cereals Board no longer buys maize, but instead stores fertilizer for distribution to the farmers.
3. The County of Nyamira survives on maize imported from other counties.
4. Research needs to be carried out to establish the failure of maize growth in Nyamira County.
5. The county of Nyamira is constrained by the huge wage bill of 70%.
6. The county lacks support in funding to provide pesticides to farmers.
7. The County has 76 Extension officers but most of them are due to retire.
8. Each ward in Nyamira has an assigned extension officer.
9. At the inception of devolution, the County Government received agricultural officers without resources for the same.
10. The County Government needs depots in every sub-county for ease of distribution of farm inputs.

11. NCPB stores in Nyansiongo receive fertilizer but have faced challenges of distribution.

Remarks by MCA, Bomwagamo Ward

Mr. Charles Barongo, MCA Bomwagamo Ward was invited and gave the following remarks;

1. That Nyamira County grows a lot of tea and request that the Adhoc Committee on Tea visits the area to listen to the farmers.
2. That Fertilizer does not reach his ward.

Committee Intervention

Following the presentations, the Committee raised the following;

1. Noting the high price of maize in Nyamira County, the Committee noted that there is need to have linkage between counties to help in reducing the cost.
2. The Committee sought to know the data on maize production and how much is imported from other counties.
3. The County should contemplate to petition the Senate for conditional grants to enable it run the agricultural sector more efficiently.
4. Counties should push for the Cereals Boards to become properties of the county for effective management.
5. Confirm whether there existed a KFA in Kisii before devolution.

Response from the Governor

In his response, the Governor noted that;

1. The County produces 70,000 metric tonnes of maize which is locally consumed.
2. Officers have been trained on the maize lethal necrotic disease that have attacked maize to provide support to the farmers.

Way forward

After deliberations the Committee and Office of the Governor resolved;


1. To hold a follow up meeting with the Council of Governors.
2. To ensure that legislation is put in place to improve the agricultural sector in the country.
3. To meet and hold a meeting with the public at the Uhuru Gardens, Nyamira County and proceed to Cereal Board Stores in Nyansiongo, Nyamira County.

The CEC, Agriculture, Livestock and Fisheries undertook to provide information on the data of maize sector in Nyamira to the Committee.

MINUTE SEN/SCMC047:

ADJOURNMENT

The meeting was adjourned at 11.20 a.m.

SIGNATURE..........

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE..........

MINUTES OF THE TWELVETH MEETING OF THE ADHOC COMMITTEE
ON MAIZE CRISIS, HELD ON TUESDAY 23RD OCTOBER, 2018 AT 9.00 A.M.,
IN COMMITTEE ROOM, COUNTY HALL BUILDINGS

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. Petronila Were Lokorio, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|---------------------------------|---------|
| 1. Sen. Boniface Kabaka, MP | -Member |
| 2. Sen. Okong'o Mogeni, MP | -Member |
| 3. Sen. Samson Cheragei, MP | -Member |
| 4. Sen. (Dr.) Michael Mbito, MP | -Member |
| 5. Sen. Mary Seneta, MP | -Member |

IN ATTENDANCE

- | | |
|---------------|-------------------------------------|
| Peter Kuguru | - United Grains Millers Association |
| Jane Nyambura | - United Grains Millers Association |

SENATE SECRETARIAT

- | | |
|--------------------------|---------------------------|
| 1. Ms. Rose Mudibo | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humprey Ringera | - Research Officer |
| 4. Mr. Washington Otiato | - Media Relations Officer |
| 5. Ms. Farhiya Mohamed | - Serjeant At Arms |

MINUTE SEN/SCMC/051:

PRELIMINARIES

The Chairperson called the meeting to order at 9.15 a.m., followed by a word of prayer and introductions.

MINUTE SEN/SCMC052:

ADOPTION OF THE AGENDA

The agenda for the meeting was adopted after being proposed by Sen. Petronilla Were Lokorio, MP, and seconded by Sen. Moses Wetang'ula, EGH, MP, respectively as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Meeting with the United Grain Millers Association; and,
4. Any other Business.

The Chairperson welcomed representatives of United Grain Millers Association to the meeting, led by Mr. Peter Kuguru and invited the representative to make his presentation on the following;

- a) The mandate and membership of the Association;
- b) The quantity of duty free maize imported into the country during duty free window which was to end in October, 2017 by the United Millers Association; and,
- c) Possible policy and legislative interventions to improve the management of maize intervention.

In his response, Mr. Peter Kuguru, thanked the Committee for the invitation, and responded as follows;

1. That United Grain Millers Association is a corporate body of most of the small and medium scale millers spread across the country with a total capacity of 60% of maize mill consumed in the country.
2. That the mandate of UGMA is to deal with policy issues in relation to the Government, to lobby for a liberalized maize market and place more emphasis on the provision of safe and affordable food for consumers.
3. That during the duty free window, the Members of the Association bought maize from the Government through NCPB (allocations attached to the minutes).
4. That out of the total maize imported, the members of the association received less than 50% of its milling capacity.
5. That the Association recommends the following;
 - NCPB should be restructured into a dynamic commercial viable profitable outfit
 - NCPB should be restructured into a self-sustaining partner and be made a transition station of maize from farmers to millers.
 - The Government should release the maize at NCPB directly to millers.
 - That the Government should set a price of approximately Kshs.1400/- per bag to harmonize and stabilize the market situation where maize is not always freely available in the market.
 - The Government should fast track the release of blending crops to mitigate reliance of population on only one crop. Farmers should be encouraged to blend with other crops e.g. sorghum, millet.
 - The Government should contract farmers.
 - The Government should support the farmer with all the farm input.
6. That during the duty free importation period;
 - Millers were selling a bag of maize at 3600.

- The Government subsidized the prize of maize at Kshs.2600/= and sold to millers at Kshs.2300/=.
- The small millers suffered during the period hardly getting enough grain for milling.
- The big millers were left with huge stocks.
- The small millers did not receive the bags of maize as promised by the Ministry of Agriculture.
- Maize was allocated and distributed before ships docked.
- The big millers were given priority against the small millers causing the disadvantage.
- Contract – no miller was allowed to buy from any other source apart from Government.
- Some millers were forced to shut because of lack of maize due to the strict engagement with the Government not to buy maize from any other source.
- The Government move brought some sanity in the market especially in prices and avoiding artificial shortage of maize.
- Propose to have the NCPB to offload the maize in the stores to the millers at 1400/= because the maize is going bad.
- Small millers are at the mercy of the big millers in the country.

Committee reaction

After lengthy deliberations, the Committee appreciated the contribution by the United Grains Millers Association and undertook to intervene to ensure that the sector is streamlined in the future.

MINUTE SEN/SCMC054:

ADJOURNMENT

The Chairperson adjourned the meeting at 11.20 a.m.

SIGNATURE.....



(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

24/11/2018

MINUTES OF THE THIRTEENTH ADHOC COMMITTEE ON MAIZE
CRISIS HELD ON 24TH OCTOBER 2018 IN COMMITTEE ROOM, COUNTY
HALL BUILDINGS AT 9.30 A.M.

PRESENT

1. Sen. (Prof.) Margaret Kamar, EGH, MP - Chairperson
2. Sen. Moses Wetang'ula, EGH, MP -Member
3. Sen. (Dr.) Michael Mbito, MP
3. Sen. Petronilla Lokorio Were, MP

ABSENT WITH APOLOGY

1. Sen. Samson Cherargei, MP -Member
2. Sen. Okong'o Mogeni, MP -Member
3. Sen. (Dr.) Christopher Langat, MP -Member
4. Sen. Boniface Kabaka, MP -Member
5. Sen. Mary Seneta, MP -Member

IN ATTENDANCE

MINISTRY OF NATIONAL TREASURY AND PLANNING

1. Hon. Nelson Gaichuhie - Chief Administration Secretary, Ministry of
National Treasury and Planning

SECRETARIAT

1. Rose Mudibo - Clerk Assistant
2. Humprey Ringera - Legal Counsel

MINUTE SEN/SCMC/055: PRELIMINARIES

The meeting was called to order at 9.30 a.m., followed with a word of prayer and introductions.

The agenda of the meeting was proposed and seconded by Sen. (Dr.) Michael Mbito, MP, and Sen. Petronilla Lokorio Were, MP.

MINUTE SEN/SCMC/056:

**MEETING WITH THE MINISTRY
OF NATIONAL TREASURY AND
PLANNING**

The Chairperson briefed the meeting on the agenda of the day, and invited the Chief Administrative Secretary, Ministry of National Treasury and Planning to make his presentation on the following;

1. The National Policy Governing importation of maize in Kenya;
2. The role of National Treasury in maize importation in the country;
3. The quantity of the duty free maize imported into the country during the duty-free window which as to end in October, 2017, and why the period was extended; and,
4. Possible interventions to improve the management of maize importation.

The Chief Administrative Secretary gave apologies of the Cabinet Secretary, Ministry of National Treasury and Planning, noting that he was engaged in other official duties. The CAS then presented as follows;

1. That the importation of maize into Kenya is based on;
 - a) Rule of origin – Under the Free Trade Agreements, maize imported from COMESA countries and the African Community Partner States does not attract taxes, if the threshold for the rules of origin is met.
 - b) Any maize imported from countries outside COMESA and EAC attracts 50% duty, Railway Development Levy and Import Declaration and that maize does not attract VAT.
2. The role of the National Treasury is to collect the relevant taxes through the Kenya Revenue Authority. The National Treasury prepares the relevant legal instruments, through the office of the Attorney General relating to duty free importation.
3. The quantity of the duty free maize imported into the country during the Duty-Free window which was to end in October, 2017 was 16,755,079,433.75 of white and yellow maize.
4. The extension of the duty free window was extended following recommendations from the Ministry of Agriculture, Livestock and Fisheries vide a letter (MOALF/SDA/CRO/6A dated 15th June, 2017.
5. The Ministry of Agriculture should establish the shortfalls in terms of production consumption and the Strategic Reserves to ensure that the importation does not cause market distortion or affect the local farmers adversely.

Committee's intervention

After the presentation of the CAS, the Committee raised the following concerns;

1. Who approves and makes payments of the imports?
2. How much money was allocated for maize importation during the duty free importation period?
3. How did the Ministry of Devolution get involved in the importation of maize?
4. Why did the Ministry of Agriculture buy grains on behalf of the Ministry of Devolution?
5. Who initiates the process of importation of maize?
6. Who gazettes the duty free importation?
7. Was there a particular quantity of maize required for importation?
8. Does the Ministry of Treasury and Planning verify if there is need for duty free importation?
9. Does the Ministry of National Treasury and Planning get to know the importers?
10. Did the extension specify the quantity of maize required?

In his response the CAS stated as follows;


1. The Ministry of National Treasury and Planning gets a request from Ministry of Agriculture and gives an ex-chequer.
2. 10 billion Kenya shillings was given for maize importation and transferred to Ministry of Agriculture.
3. During the current financial year there was a revised executive order.

4. No payment of maize importation was done by the Ministry of Devolution.
5. The gazettment for the duty free importation is requested by the Ministry of Agriculture.
6. Procedure – the gazette notice was initiated by Cabinet following a request by the Ministry of Agriculture.
7. Treasury is not involved in the importation of maize but only when it is on a duty free window.
8. There was a multi-agency consultation before the duty free importation window.
9. Ministry of Agriculture analyzed the situation before the extension of the window.
10. The role of the Ministry of Treasury is to provide funds to the parent ministry within its budget.
11. The quantities were open during the extension.
12. Acknowledges that the Ministry of Agriculture was careless on the importation of maize.
13. Acknowledges that the Ministry of Agriculture was careless on the importation of maize.

MINUTE SEN/SCMC057:

ADJOURNMENT

The Chairperson adjourned the meeting at 11.33 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....24/11/2018.....

MINUTES OF THE 14TH MEETING OF THE ADHOC COMMITTEE ON
MAIZE CRISIS HELD ON 25TH OCTOBER 2018 IN COMMITTEE ROOM
4, MAIN PARLIAMENT BUILDINGS AT 9.00 A.M.

PRESENT

1. Sen. (Prof.) Margaret Kamar, EGH, MP - Chairperson
2. Sen. Moses Wetang'ula, EGH, MP - Vice-Chairperson
3. Sen. (Dr.) Michael Mbito, MP
3. Sen. (Dr.) Christopher Langat, MP

ABSENT WITH APOLOGY

1. Sen. Samson Cherargei, MP
2. Sen. Okong'o Mogeni, MP
3. Sen. Boniface Kabaka, MP
4. Sen. Mary Seneta, MP
5. Sen. Petronilla Lokorio Were, MP

IN ATTENDANCE

MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND IRRIGATION

1. Hon. Mwangi Kiunjuri, EGH - Cabinet Secretary
2. Mr. John Kamweu
3. Mr. Milton Munialo
4. Mr. Dickson Korir

SECRETARIAT

1. Peter Muchira - Clerk Assistant
2. Rose Mudibo - Clerk Assistant
3. Humprey Ringera - Research Officer
4. Colleta Sigilai - Legal Counsel

MINUTE SEN/SCMC/058: PRELIMINARIES

The meeting was called to order at 9.25 a.m., followed with a word of prayer and introductions.

The agenda of the meeting was proposed and seconded by Sen. (Dr.) Michael Mbito, MP, and Sen. Moses Wetang'ula, EGH, MP.

MINUTE SEN/SCMC/059:

**MEETING WITH THE CABINET
SECRETARY, MINISTRY OF
AGRICULTURE, LIVESTOCK,
FISHERIES AND IRRIGATION**

The Chairperson welcomed the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation to the meeting and asked him to brief the Committee on the maize crisis in the country. In particular the Cabinet Secretary was tasked to speak on the following;

1. The current status of the payments made to farmers for the 2017/2018 maize crop;
2. Subsidized fertilizer purchase and distribution mode;
3. The extent to which the Ministry has aligned its parastatals to the devolved system of Government with a specific emphasis on the NCPB and the AFC.
4. Ownership status of the bean seed stocks stored at NCPB Nyansiongo, Nyamira County.
5. The extent to which the Ministry relies on research and soil testing in the purchase and distribution of subsidy fertilizers.
6. The maize received by NCPB for the 2017/18 season, and the status of payments to the suppliers.

In his response the Cabinet Secretary responded as follows;

Current status of the payments made to farmers for the 2017/18 maize crop

1. That, during 2017/18 financial year the Government had targeted to purchase 2 million of 90 kgs of maize at a total budget of Kshs.6 billion which was available.
2. That NCPB started receiving maize from farmers on 16th October 2017 until 18th April, 2018 when the purchase was discontinued due to reported malpractices.
3. That despite the targeted quantity of 2 million bags, there was surplus production with farmers which the Government decided to absorb for the SFR.
4. That by the time of discontinuation in April, 2018 the NCPB had procured a total of 6,523,872 of 50 Kgs worth Kshs.11.63 billion from 12,287 farmers.
5. That a total of Kshs. 8.053 billion had been paid to the suppliers by the time of suspension leaving a balance of Kshs. 3.575 billion and that a total of 3,797 small scale farmers were fully paid by the time of the suspension.
6. That further payments were stopped as recommended by EACC, in July 2018 awaiting their investigation on the malpractices and authentication report of the genuine farmers from traders by a multi-agency team formed.
7. That upon the authentication report by the multi-agency team and investigation by EACC, Kshs. 1.4 billion was released by the National Treasury to settle part of the farmers' debt.
8. That the Strategic Food Reserve Oversight Board tenure had expired in August 2018 and could not authorize the payments. The new board gazzetted on 27th September, 2018 convened in early October, 2018 to authorize the payments of Kshs. 1.4 billion.
9. That NCPB purchased 6.52 million of 50 Kg bags of maize in 2017/18 worth Kshs.11.6 billion from farmers.
10. That currently, Kshs.9.41 billion has been paid leaving a balance of Kshs.2.18 billion.
11. That the Ministry is waiting for further allocation of funds from the National Treasury to clear the farmers.

Subsidized fertilizer purchase and distribution model

1. That the fertilizer price stabilization plan started in 2008 as a part of Abuja Declaration following the period that fertilizer prices escalated worldwide beyond the farmer's reach. This was to allow the Government procure about 25 – 30% of the country's conventional fertilizer requirement and selling to farmers at subsidized prices.

2. That the fertilizer subsidy strategic objectives include;
 - a) To stabilize prices of fertilizers to make it accessible and affordable by most small-scale farmers in the country.
 - b) To reduce cost of production of agricultural commodities.
 - c) To increase productivity of major crops in the country.
 - d) To provide capacity and mechanisms towards implementation of the three tiered fertilizer cost reduction strategy.
 - e) To support uptake of fertilizer use by poor and vulnerable smallholder farmers in the country.
3. That, quantities of fertilizer procured are based on the budgetary allocation and with the following procedure;
 - a) Before the procurement process commences, the Ministry writes to the counties to request them to provide their fertilizer requirements.
 - b) The requirements are compiled and rationalized according to the available funds.
 - c) The procurement then commences.
 - d) Procurement is done twice a year during short and long rains.
4. That all vetted and registered farmers are eligible to access the subsidy fertilizer. The vetting and registration process involves a vetting committee constituted by County Commissioners and comprised of the Chief, County Ward Agricultural Officer, woman leader appointed by the people and a church leader at the ward level which visits the farmer's farm and assesses the acres prepared for planting and recommended quantity of fertilizer.
5. That large scale farmers requiring more than 40 x 50 kg bags are vetted by the county staff and a recommendation letter signed by the CEC Agriculture is sent to the Ministry headquarters for approval.
6. That fertilizer distribution guidelines include;
 - a) To ensure that the right farmers receive the subsidized fertilizers, the Ministry together with NCPB developed guidelines for issuance of the fertilizers.
 - b) Only farmers in the national data base i.e. vetted and registered farmers can access the fertilizers.
 - c) Each county is allocated fertilizer according to the areas cultivated for crop production.

Committee Concerns

Following the presentation the Committee engaged the Cabinet Secretary on the following;

1. To ascertain whether there was a specific amount and period during the duty free window.
2. Explain how the decision to extend the period was arrived at and what necessitated the extension and confirm the amount in the stores at the time.
3. Clarity of gazettelement giving an open quantum by a request by the Ministry of Agriculture.
4. Why did the big millers import maize and sell to the NCPB instead of NCPB importing by itself.

5. Why did the surplus go up from 6 billion to 8 billion?
6. Give details of available guidelines and regulations by the Ministry.
7. Does the Ministry have a database of farmers in the country?
8. Confirm the percentage of maize imported by millers compared with the traders.
9. Why is the Ministry not releasing all the devolved functions?
10. What informs the Ministry on the right fertilizers to be supplied in different areas.
11. What is the working relationship between the Ministry and the County Governments?
12. What has caused the uneven distribution of fertilizer in counties visited?
13. Is there a possibility of going into a contract between the farmers and Ministry?
14. Give details of how many stores have been leased and how many are being used by farmers.
15. Comment on a report from KEBS proposing that all contaminated maize should be destroyed to cushion the citizen. (60%).
16. Confirm whether the maize in the stores is safe for consumption.
17. Are there grains already contaminated and how long more will they stay in the stores.
18. What is the allocation to buy maize this financial year?
19. Comment on plans for repairing and maintaining silos.
20. Regulation on leasing out the stores (space has been leased out for very long periods.)

Cabinet Secretary's Response

1. The amount of maize to be imported was informed by the history prior to 2017.
2. The Government reached the decision to have subsidized maize due to the high cost of maize at the country due to shortage of maize.
3. There are clear guidelines and regulations on quantities and quality.
4. The Ministry advises the Ministry of National Treasury and Planning on the quality and quantity.
5. NCPB did not buy the maize directly because by the time of the gazette notice, there was an urgency to cushion consumers.
6. The Ministry is carrying out a farmer registration country wide from March 2018.
7. The Ministry has carried out an exercise to come up with the data of farmers, given all the information to the Ministry of ICT for implementation.
8. The merging of different directorates in the Ministry has not yielded much.
9. The Ministry is working on structures to stabilize the distribution of fertilizers.
10. The Ministry of Agriculture is working with county governments to assist in distribution of fertilizer.
11. The Ministry proposes to increase distribution points to reduce the burden on the farmer.
12. Information of farmers paid in Bungoma County has been forwarded to the investigating agencies.
13. The Ministry is doing an audit of all the stores leased out.
14. NCPB claims that not all the sampled maize belongs to them.
15. The Ministry will investigate the issue of Nyamira following the Committees information.
16. NCPB is not releasing any maize because of the high price compared to the market. (needs a cabinet memo).
17. The Ministry owes millers 2.5 billion and traders 3.6 billion.

18. The ceiling for the SGR is 4 million bags of maize.
19. The beans will be disposed off immediately.
20. The life shelf of maize is 24 months while in the big cylos is 6 months.
21. The Ministry will carry out an assessment on the leased store and according to the needs of the NCPB, it will be streamlined.
22. Ministry to advertise for persons who are willing to set up maize dryers.
23. Open more stores and access the present situation.

Committee Resolutions

After lengthy deliberations, the Committee resolved;

1. That the Cabinet Secretary provides the Ministry's guidelines and regulations on importation of maize.
2. Provide information on quantities up to each extension giving justification of each extension.
3. Give a percentage of maize imported by millers and traders.
4. That the Cabinet Secretary appears before the Committee on Wednesday 31st October, 2018.

MINUTE SEN/SCMC060:

ADJOURNMENT

The Chairperson adjourned the meeting at 11.33 a.m.

SIGNATURE..........

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....24/11/2018.....

MINUTES OF THE FIFTEENTH MEETING OF THE SELECT COMMITTEE
ON MAIZE CRISIS, HELD ON WEDNESDAY 31ST OCTOBER, 2018 AT 10.00
A.M., AT THE SENATE CHAMBERS

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Michael Mbiti, MP | -Member |
| 4. Sen. Samson Cherargei, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|--------------------------------------|---------|
| 1. Sen. (Dr.) Christopher Langat, MP | -Member |
| 2. Sen. Petronila Were Lokorio, MP | -Member |
| 3. Sen. Boniface Kabaka, MP | -Member |
| 4. Sen. Mary Seneta, MP | -Member |

IN ATTENDANCE

**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND
IRRIGATION**

- | | |
|------------------------|---------------------|
| 1. Mr. Mwangi Kiunjuri | - Cabinet Secretary |
| 2. Mr. Harry Kimtai | - Director |
| 3. Ms. Agripina Ngui | - NCPB |
| 4. Mr. Milton Munialo | - SDC |
| 5. Dr. Eliud Kireger | - KALRO |
| 6. Mr. John Kariuki | - MOLF&I |
| 7. Dr. Henry Rotich | - KEBS |
| 8. Ms. Chemtai Sawe | - KEBS |
| 9. Ms. Keziah Njeri | - MOLF&I |
| 10. Mr. Josiah Syanda | - KEPHIS |
| 11. Dr. Issac Macharia | - KEPHIS |
| 12. Ms. Grace Agili | - MOLF&I |

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Rose Mudibo | - Clerk Assistant |
| 2. Mr. Peter Muchira | - Clerk Assistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/061:**PRELIMINARIES**

The Chairperson called the meeting to order at 10.10 a.m., followed by a word of prayer. She welcomed members and the CS with his team and there after called for a round of introductions.

MINUTE SEN/SCMC/062:**ADOPTION OF THE AGENDA**

The agenda for the meeting was adopted after being proposed by Sen. (Dr.) Michael Mbiti, MP, and seconded by Sen. Moses Wetang'ula, EGH, MP, as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Meeting with the Cabinet Secretary Agriculture, Livestock, Fisheries and Irrigation;
4. Any other Business; and,
5. Date of the next meeting.

MINUTE SEN/SCMC/063:**MEETING WITH THE CABINET
SECRETARY AGRICULTURE,
LIVESTOCK, FISHERIES AND
IRRIGATION**

The Chairperson referred to the letter inviting the CS to the meeting and the deliberations of the previous meeting with him, and welcomed the CS to make his presentation in line with the issues raised in the letter.

The Cabinet Secretary presented as follows:

On the issue of the procedure of how the decision to extend the duty free window was arrived at. The CS presented as follows:

That in June, 2017, the projections of grain supply had not stabilized and the Inter-ministerial team on food security approved the extension of the duty waiver to 30th September, 2017 in the meeting held on 21st June 2017.

On the reasons that necessitated extension of duty free importation window, the CS presented as follows:

That the main reason for extending the duty free importation window was to cushion consumers against the high maize flour prices. The established taskforce was doing continuous monitoring of the food situation in the country and advised the Government accordingly.

The extension of the duty free importation of maize to 30th September, 2017 was done through gazette notice No. 6398 published on 4th July, 2017

He further presented that by the end of September, there was still no sufficient grain to sustain the demand in October, November and December. The harvesting that was expected to start in October was not realized because the season started later due to late onset of rains. The extension of duty waiver to 15th October, 2017 was occasioned by the fact that maize in the field had not been harvested and was not yet ready for milling through gazette notice No. 7248 of 27th July, 2017

On the issue on what the ministry guidelines and regulations on importation of maize were; The CS presented;

That the Ministry follows the World Trade Organization (WTO) regulations and the regional trade protocols in the importation of maize.

He further presented that for Importations from the regional trading blocks, eg COMESA and EAC there is a free trading protocol that allows movement of goods within the countries.

On the issue of a detailed breakdown of the percentage of maize imported by the millers as compared with the general traders, the CS presented that

The total imported by merchants -8,166,278 x 90 Kg bags which translates to 78.7% of the total imported maize; and that the total imported by millers -2,208,982 x 90Kg bags and translates to 21.3% of the total imported maize

On the issue of the action taken by the ministry in regards to the contaminated maize currently in the NCPB stores, the CS presented as follows;

That the Kenya Bureau of Standards (KEBS) carried out the quality analysis of all maize in the NCPB stores as directed by the Senate Ad hoc committee on maize. The dry maize was graded into 3 grades based on the following parameters: broken kernels, discolored grains, filth, foreign matter, immature and shriveled grain, and inorganic matter, pest damage, rotten and diseased. The maize was also tested for mycotoxin contamination. For the total of 2,854,181 bags sampled, the following are the summary of the results:

1. Complying Maize

GRADE	No. of 90 Kg Bags	% of Total
GRADE 1	236,057	8.3
GRADE 2	566,626	19.9
GRADE 3	251,782	8.8
Total	1,054,465	

2. Maize that did not Meet KS EAS 2: 2017 Standard Requirements

Discolored Maize	No. of 90kg Bags	% of Total
Discolored	974,765	34.1
Discolored Plus other Defects	669,532	23.4
Total	1,644,297	57.6

The maize in 2 above has been downgraded for other uses. The discolored maize that is not contaminated with mycotoxins is fit for human consumption and will be sold for milling, animal feeds manufacturing and other uses. The discolored maize with other defects and not contaminated with mycotoxins is fit for animal feeds manufacturing and will be sold for to animal feed manufactures and other uses once approved by the Strategic Food Reserves Oversight Board

3. Mycotoxin Contaminated Maize

Type of Contaminant	No. of 90kg Bags	% of Total
Aflatoxin	62,285	2.2
Fumonisin	93,134	3.3
Total	155,419	5.5

He presented Mycotoxin contaminated maize should be condemned. The Ministry had already segregated it and initiated the process of re-confirming the status of this contaminated maize. The Kenya Agriculture Livestock Research Organization (KALRO) and Kenya Plant Health Inspectorate (KEPHIS) were independently sampling and testing the same consignment for aflatoxin and fumonisins to confirm the status.

Upon completion of the presentation the Senates interrogated the information presented and raised the following concerns:

1. That the Ministry had failed to develop regulations to guide the importation of maize;
2. That the reasons for the extension of the duty free period were not convincing and did not satisfy the Committee;
3. That the attempt by the CS to place doubt in the analysis of the stored maize by KEBS was irregular. Indeed the committee noted that it was a crime for the Ministry to deal with the maize yet it had been declared sub-standard by the KEBS

Deliberations ensued and the Committee resolved that the CS submit all the information requested by the Committee during the deliberations on or before Friday, 9th November, 2018. In his submission, the CS was directed to also submit the following information:

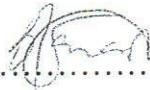
- (1) the minutes of the Inter-Ministerial Committee on food security that varied the authorization to import maize from 6 million bags to over 10 million bags;
- (2) details of the term of the Taskforce on the food subsidy programme and gazette notices of any extension of its term;
- (3) details of the aggregated maize buying model to be rolled out by National Cereals and Produce and Board (NCPB) in November, 2018;
- (4) a statement on which Government Agency the Ministry relies on to determine safety of food in the country; and
- (5) a tabulation of which NCPB stores received maize that was imported during the duty free importation window in 2017.

MINUTE SEN/SCMC/064:

ADJOURNMENT

The Chairperson adjourned the meeting at 12.15 p.m.

SIGNATURE.....



(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

24/11/2018

MINUTES OF THE SIXTEENTH MEETING OF THE ADHOC COMMITTEE
ON MAIZE CRISIS, HELD ON WEDNESDAY 21ST NOVEMBER, 2018 AT 11.00
A.M., AT THE MAIN PARLIAMENT BUILDINGS, FIRST FLOOR, SENATE
SPEAKERS BOARDROOM

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. Petronila Were Lokorio, MP | -Member |
| 5. Sen. Okong'o Mogeni, MP | -Member |

ABSENT WITH APOLOGY

- | | |
|---------------------------------|---------|
| 1. Sen. (Dr.) Michael Mbito, MP | -Member |
| 2. Sen. Boniface Kabaka, MP | -Member |
| 3. Sen. Mary Seneta, MP | -Member |
| 4. Sen. Samson Cherargei, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|-------------------------|--------------------|
| 1. Ms. Peter Muchira | - Clerk Assistant |
| 2. Ms. Colleta Sigilai | - Legal Counsel |
| 3. Mr. Humphrey Ringera | - Research Officer |

MINUTE SEN/SCMC/065:

PRELIMINARIES

The Chairperson called the meeting to order at 11.10 a.m., followed by a word of prayer.

MINUTE SEN/SCMC/066:

ADOPTION OF THE AGENDA

The agenda for the meeting was adopted after being proposed by Sen. (Dr.) Christopher Langat, MP, and seconded by Sen. Okong'o Mogeni, MP, as follows;

1. Preliminaries;
2. Adoption of Agenda;
3. Brief on evidence received since the last meeting;
4. Brief of the Analysis of evidence received by the Committee;
5. Report writing retreat;
6. Any other Business; and,
7. Date of the next meeting.

MINUTE SEN/SCMC/067:

**BRIEF ON EVIDENCE RECEIVED SINCE
THE LAST MEETING**

The Committee was informed that since the last meeting, the following persons had sent additional evidence to the Committee:

1. The Cabinet Secretary, Agriculture, Livestock, Fisheries and Irrigation in response to issues raised during his meeting with the Committee; and
2. The United Grain Millers Association.

The Committee noted that contents of the submissions of the United Grain Millers Association and resolved to consider its contents and include them in their report

The Committee further interrogated the evidence from the Cabinet Secretary and noted he had not adequately responded to the matters that had been raised by the Committee. They noted that among others, the Committee had requested the CS to appraise it and submit the following:

- (1) the minutes of the Inter-Ministerial Committee on food security that varied the authorization to import maize from 6 million bags to over 10 million bags;
- (2) details of the term of the Taskforce on the food subsidy programme and gazette notices of any extension of its term;
- (3) details of the aggregated maize buying model to be rolled out by National Cereals and Produce and Board (NCPB) in November, 2018;
- (4) a statement on which Government Agency the Ministry relies on to determine safety of food in the country; and
- (5) a tabulation of which NCPB stores received maize that was imported during the duty free importation window in 2017.

The Committee specifically noted that the minutes submitted were excerpts and not the full minutes as requested and noted that this amounted to misleading the Committee. The Committee resolved to make relevant recommendations

MINUTE SEN/SCMC/068:

**BRIEF OF THE ANALYSIS OF
EVIDENCE RECEIVED BY THE
COMMITTEE**

The Committee considered a draft work document submitted by the secretariat on the analysis of the evidence received so far.

The Committee considered the analysis under the broad areas as outlined in the mandate of the Adhoc Committee as follows

- i. why farmers who have delivered their produce to National Cereals & Produce Board (NCPB) have not been paid to date;
- ii. the quantity of duty-free maize imported into the country during the duty-free window which was to end in October, 2017 and why the period was extended;
- iii. the challenges facing the maize farmers and the NCPB and make recommendations on how to resolve the challenges;
- iv. the maize received by the NCPB for the 2017/18 season, to establish the suppliers; and

- v. the criteria for identification of millers and business persons involved in the importation of maize to the country;
among other emerging issues.

The Secretariat was directed to make relevant amendments to the analysis in readiness for the Committees report writing.

MINUTE SEN/SCMC/069:

REPORT WRITING RETREAT

- The Committee noted that the Committee had scheduled to hold its retreat between 22nd – 24th November, 2018 but this had been deferred due to the speakers round table with KEPISA which was scheduled for the same period;
- The Committee however noted that the term of the Committee was scheduled to expire on Wednesday 28th November, 2018 and hence there was an urgency to conclude its report;
- The Committee resolved to retreat as scheduled 22nd 24th November, 2018 to Naivasha upon receiving approval from the Speaker in line with the Senate Standing Order.

MINUTE SEN/SCMC/070:

ADJOURNMENT

The Chairperson adjourned the meeting at 1.15 p.m.

SIGNATURE.....



(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

24/11/2018

MINUTES OF THE SEVENTEENTH MEETING OF THE ADHOC
COMMITTEE ON MAIZE CRISIS, HELD ON FRIDAY 23RD NOVEMBER, 2018
AT 10.00 A.M., AT ENASHIPAI LODGE, NAIVASHA

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. (Dr.) Michael Mbito, MP | - Member |
| 5. Sen. Petronila Were Lokorio, MP | -Member |
| 6. Sen. Mary Seneta, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|------------------------------|---------|
| 1. Sen. Okong'o Mogeni, MP | -Member |
| 2. Sen. Boniface Kabaka, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Peter Muchira | - Clerk Assistant |
| 2. Rose Mudibo | - Clerk Asistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/071:

PRELIMINARIES

The Chairperson called the meeting to order at 10.00 a.m., followed by a word of prayer.

MINUTE SEN/SCMC/072:

REPORT WRITING

The Chairperson briefed the Committee that the objective of the meeting was to document its report noting that the term of the Committee was coming to an end.

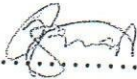
The secretariat presented a draft report to the Committee and a table showing observations and recommendations of the Committee.

The Committee resolved to go through each proposed observation giving recommendation for each observation.

MINUTE SEN/SCMC/073:

ADJOURNMENT

The meeting was adjourned at 1.00 p.m. and resolved to meet at 4.00 p.m.

SIGNATURE..........

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE..........

MINUTES OF THE EIGHTEENTH MEETING OF THE ADHOC COMMITTEE
ON MAIZE CRISIS, HELD ON FRIDAY 23RD NOVEMBER, 2018 AT 5.00 P.M.,
AT ENASHIPAI LODGE, NAIVASHA

PRESENT

- | | |
|---|--------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | - Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | - Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | - Member |
| 4. Sen. (Dr.) Michael Mbiti, MP | - Member |
| 5. Sen. Petronilla Were Lokorio | - Member |
| 6. Sen. Mary Seneta, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|------------------------------|---------|
| 1. Sen. Okong'o Mogeni, MP | -Member |
| 2. Sen. Boniface Kabaka, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Peter Muchira | - Clerk Assistant |
| 2. Rose Mudibo | - Clerk Assistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/074:

PRELIMINARIES

The Chairperson called the meeting to order at 5.00 p.m., followed by a word of prayer.

MINUTE SEN/SCMC/075:

REPORT WRITING

The Committee convened as resolved during the 17th Sitting of the Committee to resume its report writing.

The Committee resumed in considering of the report draft observations and recommendations.

MINUTE SEN/SCMC/076:

ADJOURNMENT

The meeting was adjourned at 7.30 p.m. and resolved to meet on Saturday 24th November 2018 at 9.30 a.m.

SIGNATURE.....

(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

24/11/2018

MINUTES OF THE NINETEENTH MEETING OF THE ADHOC COMMITTEE ON MAIZE CRISIS, HELD ON SATURDAY 24TH NOVEMBER, 2018 AT 9.30 A.M., AT ENASHIPAI LODGE, NAIVASHA

PRESENT

- | | |
|---|--------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | - Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | - Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | - Member |
| 4. Sen. (Dr.) Michael Mbito, MP | - Member |
| 5. Sen. Mary Seneta, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|-------------------------------------|---------|
| 1. Sen. Okong'o Mogeni, MP | -Member |
| 2. Sen. Boniface Kabaka, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |
| 4. Sen. Petronilla Were Lokorio, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Peter Muchira | - Clerk Assistant |
| 2. Rose Mudibo | - Clerk Assistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/077:

PRELIMINARIES

The Chairperson called the meeting to order at 10.00 a.m., followed by a word of prayer.

MINUTE SEN/SCMC/078:

REPORT WRITING

The Committee considered the proposed observations and recommendations of the report.

MINUTE SEN/SCMC/079:

ADJOURNMENT

The meeting was adjourned at 1.00 p.m., and resolved to meet at 2.30 p.m.

SIGNATURE.....



(CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE.....

24/11/2018

MINUTES OF THE TWENTIETH MEETING OF THE ADHOC COMMITTEE
ON MAIZE CRISIS, HELD ON SATURDAY, 24TH NOVEMBER, 2018 AT 2.00
P.M., AT ENASHIPAI LODGE, NAIVASHA

PRESENT

- | | |
|---|-------------------|
| 1. Sen. (Prof.) Margaret Kamar, EGH, MP | -Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | -Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | -Member |
| 4. Sen. (Dr.) Michael Mbiti, MP | - Member |
| 5. Sen. Petronila Were Lokorio, MP | -Member |
| 6. Sen. Mary Seneta, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|------------------------------|---------|
| 1. Sen. Okong'o Mogeni, MP | -Member |
| 2. Sen. Boniface Kabaka, MP | -Member |
| 3. Sen. Samson Cherargei, MP | -Member |

IN ATTENDANCE

SENATE SECRETARIAT

- | | |
|------------------------|--------------------|
| 1. Ms. Peter Muchira | - Clerk Assistant |
| 2. Rose Mudibo | - Clerk Assistant |
| 3. Ms. Colleta Sigilai | - Legal Counsel |
| 4. Mr. Humprey Ringera | - Research Officer |

MINUTE SEN/SCMC/080:

PRELIMINARIES

The Chairperson called the meeting to order at 2.30 p.m., followed by a word of prayer.

MINUTE SEN/SCMC/081:

CONFIRMATION OF MINUTES

Minutes of the 2nd Sitting

Minutes of the 2nd sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. Margaret Kamar, MP.

Minutes of the 3rd sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. (Prof.) Margaret Kamar, MP.

Minutes of the 4th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. (Dr.) Christopher Langat, MP.

Minutes of the 5th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. (Dr.) Michael Mbiti, MP.

Minutes of the 6th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. (Dr.) Michael Mbiti, MP.

Minutes of the 7th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. (Prof.) Margaret Kamar, MP.

Minutes of the 8th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. (Dr.) Michael Mbito, MP.

Minutes of the 9th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. Moses Wetang'ula, EGH, MP.

Minutes of the 10th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. (Dr.) Michael Mbito, MP.

Minutes of the 11th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. (Dr.) Michael Mbito, MP.

Minutes of the 12th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. (Prof.) Margaret Kamar, EGH, MP.

Minutes of the 13th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. (Dr.) Michael Mbito, MP and Sen. Moses Wetang'ula, EGH, MP, with an amendment to include Sen. Mary Seneta, MP, who was present during the meeting.

Minutes of the 14th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. (Dr.) Michael Mbito, MP., with an amendment to include Sen. Samson Cherarkey, MP, who was present during the meeting.

Minutes of the 15th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. (Dr.) Michael Mbito, MP.

Minutes of the 16th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. (Dr.) Christopher Langat, MP and Sen. (Prof.) Margaret Kamar, EGH, MP.

Minutes of the 17th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. Moses Wetang'ula, EGH, MP.

Minutes of the 18th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Mary Seneta, MP and Sen. Moses Wetang'ula, EGH, MP.

Minutes of the 19th sitting were confirmed as a true record of proceedings having been proposed and seconded by Sen. Moses Wetang'ula, EGH, MP and Sen. Mary Seneta, MP.

MINUTE SEN/SCMC/82:

ADOPTION OF COMMITTEE
REPORT

The Committee approved and adopted the Report of the Committee after been proposed by Sen. Mary Seneta, MP and seconded by Sen. Moses Wetang'ula, EGH, MP, with the following Members present as per the attached signed schedule;

- | | |
|--------------------------------------|--------------------|
| 1. Sen. Margaret Kamar, EGH, MP | - Chairperson |
| 2. Sen. Moses Wetang'ula, EGH, MP | - Vice-Chairperson |
| 3. Sen. (Dr.) Christopher Langat, MP | - Member |
| 4. Sen. (Dr.) Michael Mbito, MP | - Member |
| 5. Sen. Mary Seneta, MP | - Member |
| 6. Sen. Petronilla Were Lokorio | - Member |

MINUTE SEN/SCMC/083:

ADJOURNMENT

The Chairperson thanked the membership for their dedication to the course of the Committee and commended the secretariat for the facilitation to achieve the Committees objectives. The meeting was adjourned at 4.30 p.m.

SIGNATURE..... *Wetang'ula*

for (CHAIRPERSON: SEN. (PROF.) MARGARET KAMAR, EGH, MP.)

DATE..... *26/11/18*