PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Wednesday, 12th March, 2025

Morning Sitting

The House met at the Senate Chamber, Parliament Buildings, at 9.30 a.m.

[The Speaker (Hon. Kingi) in the Chair]

PRAYER

DETERMINATION OF QUORUM AT COMMENCEMENT OF SITTING

The Speaker (Hon. Kingi): Clerk, do we have quorum? Serjeant-at-Arms, kindly, ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

(Several Senators stood in their places)

Hon. Senators, kindly, take your seats; we now have quorum. Clerk, you may proceed to call the first Order.

QUESTIONS AND STATEMENTS

QUESTIONS

The Speaker (Hon. Kingi): Now, hon. Senators, for today's session, we have two Cabinet Secretaries; the Cabinet Secretary in charge of Water, Sanitation and Irrigation, and the Cabinet Secretary in charge of Agriculture, Fisheries and Livestock Development.

The Cabinet Secretary in charge of Defence will not be with us today. Having explained herself to the satisfaction of the Senate Business Committee (SBC), she will appear before the Senate next Wednesday, God willing.

Therefore, today, we have four Questions directed to the two Cabinet Secretaries. We are going to start with the Cabinet Secretary in charge of Water, Sanitation and

Irrigation. To make the most of our time, we will interact with the Cabinet Secretary in charge of water from now until 11.00 a.m.

Thereafter, we are going to usher in the Cabinet Secretary in charge of agriculture until 1.00 p.m., or when business is concluded for the morning. The Senators from Migori County and Makueni County, who I can see are present, have Questions directed to the Cabinet Secretary in charge of water.

(The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa) was ushered into the Chamber)

Clerk, can you confirm that the Cabinet Secretary in charge of water is in the Chamber? Thank you.

Cabinet Secretary in charge of water, welcome to the Senate. You have two Questions to respond to; one from the Senator of Migori County and another from the Senator of Makueni County.

Now, Cabinet Secretary, I will guide you on how we conduct business here. I will call upon the Senator of Migori to ask the Question, thereafter, you will have an opportunity to respond. The Senator who asked the Question after you have responded, will have an opportunity to ask one or two supplementary questions arising from your response. Thereafter, any Senator wishing to ask a supplementary question will have an opportunity to do so. So, that is how we are going to conduct this session. Welcome, hon. Cabinet Secretary.

Senator of Migori County, you may proceed to ask your Question.

Question No.008

STATUS OF COMPENSATION TO LANDOWNERS WHO GRANTED WAYLEAVE FOR LOWER KUJA IRRIGATION DEVELOPMENT PROJECT

Sen. Oketch Gicheru: Thank you, Mr. Speaker, Sir. Good morning, Cabinet Secretary.

I beg to ask the Cabinet Secretary the following Question-

- (a) Could the Cabinet Secretary provide a list of landowners who granted way leave for the Lower Kuja Irrigation Development Project in Nyatike Sub-County, Migori County, and indicate the respective amounts due to each as compensation?
- (b) Could the Cabinet Secretary help us understand why the Government has not paid out compensation to them, years after the project commenced, and further indicate the timelines for the said compensations?
- (c) Could the Cabinet Secretary also explain the inordinate delay in completing the project of the Lower Kuja Irrigation Development Project in Nyatike Sub-County?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may now proceed to respond.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Thank you, Mr. Speaker, Sir. I also thank Sen. Oketch. I will start by

apologising for the last summons that I missed because I had an engagement with His Excellency the President. I will proceed to answer the Question.

As a background, the Lower Kuja Irrigation Development Project is located in Nyatike Sub-County, Migori County within the Lower Kuja Basin, close to the shores of Lake Victoria.

The project is situated around 400 kilometres west of Nairobi's capital city, almost 110 kilometres south of Kisumu County, 45 kilometres northwest of Migori Town and 15 kilometres west of Macalder Township, Nyatike Sub-County Headquarters. Upon completion, the project covers six locations and 13 sub-locations in Nyatike and Karungu Divisions.

In the year 2009, the National Irrigation Board (NIB), as it was called then, now known as the National Irrigation Authority (NIA), commenced a feasibility study, detailed design and the preparation of tender documents for the project, including a pre-feasibility study for a water storage facility, upstream of the project area. This was done by Gibb Africa Limited to carry out the studies, which were completed in 2011. The study found that 7,717 hectares, which is approximately 19,240 acres, could be irrigated using river water at an estimated cost of around Kshs5 billion. Additionally, an extra 22,800 hectares, which is approximately 55,000 acres, could be irrigated by constructing a dam upstream of the project area. The 7,717 hectares that could be irrigated without a dam were fully designed, and because of the physical space, they were divided into six lots for each implementation.

The area was divided into blocks with net irrigation areas, as summarised, where we had Sub-Area 1, Sub-Area A, B, C, and D blocks at different levels. Also, the net irrigation area in hectares is given. The total is 7,717 hectares.

The land acquisition process for Phase I began in 2012 when Gibb Africa Ltd., was contracted by the National Irrigation Authority to develop a composition for a wayleave acquisition plan for the Lower Kuja Irrigation Development Project. According to the final Resettlement Action Plan (RAP) Report that was submitted by the consultants, Phase I of the project required approximately 710 acres for wayleave to facilitate construction of the necessary irrigation, drainage infrastructure and littered facilities. The valuation exercise determined that approximately 2,233 individuals currently owning the required land needed to be compensated in order to surrender their land to the project. The total amount compensation value was Kshs116,751,225.

In addition, Phase II, in the year 2014, a consultant by the name Gedo Associates was contracted to offer consultancy services specifically for canal wayleave acquisition plan for the Lower Kuja Irrigation Development Project. The scope of the assignment was to identify the gaps in land acquisition which had not been addressed by the GIBB Africa Limited Report, due to succession issues.

The consultants submitted the final report to the Board on 16th December, 2015, with a total of 873 Project Affected Persons (PAPs), with a valuation cost of Kshs87,934,731 for a total number of 534 and 76 acres which were to be acquired for canals.

Further, in the year 2020, the National Irrigation Authority (NIA) requested the Ministry of Lands and Physical Planning, that is in Migori County, to carry out survey and

valuation of canal way-leaves in different Blocks; Block 3, Block 1-1, Block M and Block 21, that were either not conducted by the previous consultants or had land ownership issues while also taking care of livelihood restoration.

The exercise was done and the report was submitted on 14th June, 2021, with a valuation amount of Kshs28,237,632 for a total number of 175 affected persons. The composition cost that was required in that case was Kshs232,923,588. A summary has been given for the three valuation processes, 2011, 2014 and 2020. The total number of affected persons was 3,281, and the total valuation cost was Kshs232,923,587.78.

Mr. Speaker, Sir, in July 2024, the Authority, appointed a committee to review the composition status for the project to enable the management to finalize the process. It was established that Kshs77,313,863.82 out of the total composition amount of Kshs232,923,587.78 had been paid to a total number of 981 persons that were affected out of the cumulative total number so far enumerated of 3,281 PAPs. The outstanding composition currently stands at Kshs155,609,724 as summarized in the table.

Table No.3 gives a breakdown of valuation per timelines, the compensation amount in the outstanding pending bill where we have established that the total remaining is Kshs155 million.

Table No.4 gives a breakdown of the total number of PAPs, the number compensated so far, and the number of those yet to be compensated. The remaining is 2,300 persons. The Authority secured a budgetary allocation of the Kshs68 million to settle part of the outstanding compensation under this financial year. The compensation process is ongoing and is planned to be completed by 1st August 2025.

We now have Kshs68 million. If you subtract that from Kshs155 million, the balance will be Kshs87 million, which will be settled in the next Financial Year, 2025/2026.

Mr. Speaker, Sir, after review of the compensation status, the management of the Authority engaged the National Land Commission (NLC) for guidance on how to proceed with the exercise since it is within their mandate. This resulted in the visit to Lower Kuja Irrigation Project by the Commission and subsequent engagements with PAPs between 18th to 22nd November 2024.

On 5th February, 2025, the Commission gave guidance on the process for finalization of compensation for the project. In its communication, the NLC, gave the following guidelines-

- (1) Immediate payment of the available composition fund amounting to Kshs68 million by the NIA.
- (2) Wayleave acquisition for all title holders and project affected persons who formally declined the offers issued by the authority be addressed by the Commission.
- (3) The Authority established a Grievance Dissolution Mechanism, as that is expected in every valuation, involving key stakeholders the National Government Administration Officers (NGAO), NIA, NLC, scheme leadership, and the PAPs.
- (4) The Authority, in liaison with the Commission, plan for final survey, and vesting all the titles acquired in order to secure its interest.
- On 11th February, 2025 the Authority formed a committee to spearhead the compensation payments. The committee is currently on the ground and is preparing the

required payment documents for the available funds of Kshs68 million in collaboration with relevant stakeholders.

The table below highlights the process or the roadmap and the timelines for composition of payments. As on the roadmap, by 15th March 2025, which is this Friday, the verification of PAPs Phase 1 is supposed to be complete. Step number two is payment of verified PAPs under Phase 1, which will be done by 25th March, 2025 amounting to Kshs24 million.

Then we have the third step to address the grievances redress for disputed Phase 1 PAPs. The committee is made up of NGAO, NIA, scheme leaders and the PAPs themselves will be handled by 10th April 2025.

The fourth step is verification of Phase 2 PAPs, which will be done by NIA or the scheme leaders. That is supposed to be completed by 1st May 2025. Upon verification of these PAPs, they will be paid an amount amounting to Kshs23 million by 15th May 2025.

Mr. Speaker, Sir, the sixth step would be verification of Phase 3 PAPs because their documentation was done in phases. That will be done by 1st June 2025. Payment of these PAPS will be done by 15th July 2025, with a total amount of Kshs21 million. The final survey and vesting of all the titles will be completed by the 1st August 2025. The total amount to be paid as per this roadmap by 1st August 2025, will be Kshs68 million.

As I have stated, the remaining Kshs87 million will be loaded into the coming financial year.

I submit.

The Speaker (Hon. Kingi): Sen. Eddy?

Sen. Oketch Gicheru: Mr. Speaker, Sir, I am grateful for the responses from the Cabinet Secretary. However, with all due respect, I did not know that my Question was that difficult to understand and answer. I will take you back to the Question-

Could the Cabinet Secretary provide a list of landowners who granted way leave for the Lower Kuja Irrigation Development Project in Nyatike Sub-County, Migori County, and indicate the respective amounts due to each as compensation?

There is no list provided to this House of individuals who are called up on this project. My only conclusion is that perhaps the Cabinet Secretary is hiding from this House the fact that there are people who are displaced.

The Speaker (Hon. Kingi): Before you conclude, Sen. Eddy, just take your seat. You will come back to the microphone.

Hon. Cabinet Secretary, that question was couched in plain English - to provide a list. Why has your Ministry not provided a list?

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Thank you, Mr. Speaker, Sir. The Question that came to the Ministry did not capture the list, Hon. Senator. However, the Question that came to the Ministry is Question No.008 by Sen. Eddy Oketch, I read - on status of compensation of landowners who granted way-leave for the lower Kuja Irrigation Development Project.

Hon. Senator, I will provide a list as requested.

I submit.

The Speaker (Hon. Kingi): If I get you correctly, Hon. Cabinet Secretary is that, the Question that was sent to you did not request for a list to be provided. Is that your position?

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Yes, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): We will come back to that because I have requested the Clerk to retrieve the original Question that was dispatched to your office, so that we get to know exactly where the problem lies.

(The Clerk-at-the-Table consulted with the Speaker)

The Speaker (Hon. Kingi): So, Hon. Cabinet Secretary, has the Clerk assisted you in seeing the proforma that came from the Senate?

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Yes.

The Speaker (Hon. Kingi): What is the Question?

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Mr. Speaker, Sir, my apologies to the Hon. Senator and the House. Sorry, I am new to the House.

Question No.008 on the status of implementation of landowners who granted way-leave for the lower Kuja Irrigation Development Project. There was an attachment, as I have been guided by the Clerk, that, "Could the Cabinet Secretary provide a list of landowners who granted---" That is noted. We can submit that as required.

On Question No.008(b) - why has the Government not paid out compensation to them---

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, let me just guide you. You have not responded to the first limb of the Question by the Senator for Migori. So, you will have to come back before this House to respond adequately to that Question.

The Hon. Senator cannot interrogate you on the first limb of that Question. Therefore, let us move to interrogate (b), and then we will give guidance on when the first limb of that Question will be responded to. Certainly not today.

Sen. (Dr.) Khalwale: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Yes, Sen. Boni.

Sen. (**Dr.**) **Khalwale**): Mr. Speaker, Sir, I noted that the Cabinet Secretary has acknowledged that he is new. Limb (a) is the foundation of the Question. Therefore, the fairest you can give him is for him to go back and come up with a proper answer on a different day. Otherwise, we will give him the impression that he can come to the House and answer his question. He can only answer the questions of the House. I request.

The Speaker (Hon. Kingi): Very well, Hon. Cabinet Secretary, are you in a position to respond adequately to Limb two without providing a comprehensive response to limb one of the question? If your answer is, yes, I will allow you to proceed. If your answer is, no, let us not waste time but just defer this Question until such a time that you are adequately prepared to respond to it.

Sen. Wambua: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Just a moment.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Yes, Mr. Speaker, Sir. The first Question was a list. The second Question was why the Government has not paid out, which is what I have responded to. The third Question was that the Cabinet Secretary explains the inordinate delay in completing the project.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you know the substratum of this Question is that list. So, everything else flows from that list.

Sen. Wambua: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Yes, Hon. Senator for Kitui.

Sen. Wambua: Mr. Speaker, Sir, it is a very sad day that a Cabinet Secretary has gone on record on the Floor of the House that he actually received Questions from the Senate, but just read the covering letter. That is what he has said. He just read the cover letter. He did not read the Annexure that contains the Questions. Then he went ahead to answer Questions based on the cover letter. This is a demonstration of how casually this Cabinet Secretary and this Ministry treat this House.

I want to implore you, and I said this before; restore the dignity of this House by requiring the Cabinet Secretary to forthwith cease from addressing this House on that matter, to go back and read the Question, respond to our questions, then we can engage him.

I thank you.

The Speaker (Hon. Kingi): Senator for Nairobi?

Sen. Sifuna: Mr. Speaker, Sir, let us not forget that this Question was supposed to be responded to a while back. You remember when the Cabinet Secretary failed to appear in the House and I was saying that he is an individual that I do not know at all.

It is good that he has shown up today, but you can see the frustration of the people of this country with the sort of leadership that we have. First of all, even when the Cabinet Secretary claims that he can respond adequately to the second Question; look at the response you have supplied to this House, hon. Cabinet Secretary.

Hon. Cabinet Secretary, you have consultants doing something in 2012 and they are telling you these are the parcels of land that are affected, these are the owners of the land and this is the amount of money that is required to be paid. You send another consultant years later to do the exact same thing and then a third exercise to do the same thing. Consequently, when the Senator for Migori asks why it is taking so long, we are told there is a verification process for the very same thing that was done in 2012.

Mr. Speaker, Sir, you are also being told that completion of payment will take six months to send money to 2,000 known people yet they already have the money. He says the next batch will be paid in the next financial year; August of 2025 is the next financial year. Therefore, what you do---

The Speaker (Hon. Kingi): Hon. Senator, let us agree on the way forward.

Sen. Sifuna: This is where I am coming to.

The Speaker (Hon. Kingi): You are interrogating the response and we have agreed here that we do not interrogate the Cabinet Secretary on this whole Question.

Sen. Sifuna: This is what I am coming to.

The Speaker (Hon. Kingi): Then get there fast, because you are interrogating the response.

Sen. Sifuna: Mr. Speaker, Sir, you put a question to him and I can tell you for a fact, even if he was allowed to go to the second limb, we would be more annoyed than we are right now with that response.

The Cabinet Secretary must be told to take his work and this House seriously, so that when he comes back here, he responds to the questions that have been posed to him. Otherwise, he can also run to be a Senator of Migori, ask his own questions and run back to his Ministry to answer those same questions. Those are not the questions the people of Kuja are looking for answers for.

The Speaker (Hon. Kingi): Hon. Senators, let us make progress on this matter. We have agreed that the question by the Senator for Migori has not been responded to. The Cabinet Secretary has proceeded to answer a question other than the one that has been asked by the Senator for Migori.

That being the case, therefore, we will defer this Question. The Cabinet Secretary will appear before the Senate on Wednesday next week for purposes of responding to this particular Question.

(Question deferred)

We now move to Question No.009 by the Senator for Makueni. I hope it will not suffer the same fate.

(Laughter)

Question No.009

STATUS OF CONSTRUCTION OF THWAKE DAM

Sen. Maanzo: Thank you, Mr. Speaker, Sir. I beg to ask the Cabinet Secretary for Water, Sanitation and Irrigation the following Question-

- (a) Could the Cabinet Secretary provide an update on the status of the construction of Thwake Dam in Makueni County, and explain why construction works have stalled?
- (b) What measures has the Government put in place to ensure the timely completion of the dam, and could the Cabinet Secretary give the timeline?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may now respond.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Thank you, Mr. Speaker, Sir, and the Hon. Members. On the two Questions from the Hon. Member, I will first give a background on Thwake Dam in Makueni.

The Government of Kenya and African Development Bank, through the Ministry of Water, Sanitation and Irrigation, is implementing Thwake multi-purpose dam project. The programme involves Phase I of construction of the 80-meter-high multi-purpose dam, with a storage capacity of 688 million cubic meter and associated preliminary works

needed to enable implementation of Phase I, Phase III and Phase IV of the programme, which involves water supply, hydropower generation and irrigation development, respectively.

The dam is a flagship project under Vision 2030, Medium Term Plan 2023-2027 and the Better Services Delivery Roadmap. The implementation of the programme is geared towards realization of universal access to water and sanitation and food security in accordance with Article 43(b), (c) and (d) of the Constitution.

The completion of Thwake Dam construction and implementation of downstream components is critical in the realization of the Semi-Arid Eastern Region, economic viability through the harnessing of runoff during the rains and the release of water for various uses in Makueni and Kitui counties, among the water supply of around 150,000 cubic meter to 1.3 million people, including water supply to Konza Techno-City in Machakos County, generation of 20 megawatts hydropower to boost water supply and distribution.

The supply of water from the dam for irrigation of around 100,000 acres downstream of the dam. Areas to be served include Wote Town, Mavindeni, Kalawa, Kathonzweni sub-counties, sub-urban centres in Makueni, Kanyangi, Kalulini, Nthongoni, Kisiani, Kwa Vonsa, sub-urban centres in Kitui County, and provide back water supply to Konza Techno City in Machakos County, with a cumulative distribution line of approximately 800 kilometres. The sanitation services will benefit over 10,000 people in towns of Wote and Kibwezi in Makueni County with a trunk sewer line of 445 kilometers.

Mr. Speaker, Sir, to respond to Question No.1 on the status of construction of Thwake Dam in Makueni; the construction of the 80.5 high Thwake Multipurpose Dam with a capacity of 688 storage capacity is ongoing with civil works on dam construction at around 94.2 per cent completion level. The embankment dam filling which is one of key components of the dam, is recorded at 99 per cent, achieving the required elevation of 960 meters above sea level. The last layer was placed on 18th June, 2024.

The spillway progress stands at 94 per cent and the upstream and downstream coffer dams are completed and operational. This being a rock-filled dam structure, a period of six to nine months was required from the last placement on 18th June, 2024 to allow the dam embankment to settle and stabilize before the concrete phase slab works are carried out as recommended by the World Dam Safety Panel of Experts, which was achieved at the end of January 2025. The remaining works are on the concrete phase slab placement, which is the plaster, the spillway bridge and hydromechanical equipment installation.

The construction period was expected to end on 7th December, 2024. The anticipated completion date of the dam could not be realized for the following reasons-

- (a) There were delays in works progress because of an increase in dam height from 77.5 meters to 80.5 meters to increase storage.
- (b) Weak foundation of the dam at the riverbed, which was discovered during construction, necessitating excessive excavation and special treatment.
- (c)There was the COVID-19 pandemic and Ukraine issues that resulted in scaling down of labour force and lack of explosives in the country.
- (d) There was adequate time required to allow the dam embankment to settle before the concrete slab is done.

Mr. Speaker, Sir, the increase in dam height and weak foundation at the riverbed section of the dam necessitated additional works resorting to changes in the cost of the dam construction, which requires additional financing to complete the remaining works. The National Treasury, through the letter reference number TNT/RMD/01237/01/01F8, dated 15th November, 2024, sought for additional financing from Africa Development Bank to enable completion of the remaining works on the dam construction. The African Development Bank is currently undertaking an appraisal to determine the level of additional financing required.

On Question No.2, timelines for completion of the construction works on Thwake Dam -

Mr. Speaker, Sir, the remaining dam construction works are on the concrete phase slab placement, spillway bridge and hydro-mechanical equipment installation. These works were due to commence once the dam embankment settlement rate of 5 mm per month and below has been achieved, as advised and adopted by the Dam Safety Panel of Experts.

The Ministry and the Dam Supervision Consultant, in consultation with the Dam Panel of Experts, has been monitoring the settlement level of embankment over the last seven months; that is, from July 2024 to January 2025, based on the adopted and recommended rate of 5 mm per month and below threshold.

Mr. Speaker, Sir, as of 30th January, 2025, all settlement recordings for the critical section of the dam embankment had reduced to below five millimetres per month threshold and stabilised ready to commence phase slab construction.

The contractor has therefore been instructed vide letter Reference No. 5083077/2024 and NAK/13293 dated 20th February, 2025 to immediately commence execution of the remaining works on the concrete phase slab placement, spillway bridge and hydro mechanical equipment installation.

The contractor is required to ensure all remaining dam construction works are completed by 30th October, 2025. The contractor has submitted a programme of works on the same, which is currently being evaluated to this effect.

Hon. Speaker, I submit.

The Speaker (Hon. Kingi): Hon. Senator for Makueni County, you may now ask your supplementary questions.

Sen. Maanzo: Mr. Speaker, Sir, although there has been an attempt to answer the Question, I have asked in (a) why the construction works have stalled. We have been told about the war in Ukraine, but I have not seen the nexus. I can confirm having been a Member for Makueni Constituency that during the COVID-19 pandemic times, the works never stopped at all.

The people who were working there never left. They were constrained to that place and never interacted with the other people. Therefore, COVID-19 Pandemic, the war in Ukraine and even the so-called explosives did not stall the work. I doubt whether we were exporting any explosives from Ukraine. This dam has stopped completely and everybody sent away in the last one year. Therefore, I have not heard the reason as to why the dam has stalled.

On Question (b), I have asked about timelines. In all the previous years, the other cabinet secretaries have given timelines. They say the dam will be done on such-and-such a date. I have not heard such a day. Although the contractor has been instructed to complete the dam, I would like to ask the Cabinet Secretary whether they have made payments to the contractor up to date. I am aware the contractor having not been paid completely ran out of funds and left the country.

I thank you, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, according to the Hon. Senator, you have not given reasons why the dam has stalled. Secondly, you have not given the way forward as to when this dam will eventually be completed. Can you proceed to respond?

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Hon. Speaker, Thwake Multipurpose Dam is a rock field dam. This will be the biggest dam in this country with a storage capacity of 688 million metre cubic. When you construct such a dam and are done placing the rock fields, you give the embankment time to do settlement.

In that period, when settlement of the wall is taking place, which as I have indicated takes between six and nine months, you reduce the workforce. You do not stop, but reduce the workforce because the remaining works on that dam is the placement of the concrete face.

If you place the concrete face without proper settlement of the dam, the concrete face cracks. When the concrete face cracks, you find yourself with a weak dam that is seeping. The world's dam safety panel of experts recommends a period of six to nine months. That responds to the question on why the workforce had reduced in the works.

Secondly, the question on the way forward. Payments from Africa Development Bank (ADB) require no objection. As of last week, I am informed that we got no objection from the ADB. Payments of the pending certificates are being processed.

Thank you. I submit.

The Speaker (Hon. Kingi): Yes, Senator for Kitui County.

Sen. Wambua: Mr. Speaker, Sir, if you allow me, I will attempt to educate the Cabinet Secretary on this dam. This dam is not just in Makueni County, but both in Makueni and Kitui counties. In your brief, you left that out. Now you are educated.

Secondly, the Cabinet Secretary is saying that it is his first time here, but just relax. You are double speaking. On one hand in your written response you are saying that the ADB is evaluating the financing gap, on the second side of your mouth you are saying that the contractor has been instructed by 25th of February to be back on site.

If my calendar serves me right, we are past the 25th of February. Today is 12th March, 2025. So, I expect that the machines are roaring. If the machines are not roaring in Thwake, then maybe you may again decide that this Question be deferred. This is because in his own submission, on the 25th of February, works should have resumed in Thwake Dam. On the 12th of March, if that has not happened, then he should either revise his response or explain what has happened.

Lastly, at some point I lent my friend some little money. When I followed them up, they started talking about COVID-19 Pandemic. We had conversations until sometimes last year, they started talking about the Ukraine war. What is the connection between the

war in Ukraine and a dam being constructed in the Thwake in Makueni and Kitui counties? The distance from Thwake Dam to Kiev in Ukraine is 9,177 kilometres. What is the connection? What is the nexus?

I submit.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Thank you, Mr. Speaker, Sir and thank you for the question. Yes, the dam will serve Makueni County. It will also serve Machakos and Kitui counties.

The Hon. Member has asked a question about payment and how explosives are related to dam construction in Kenya. During war, our access for explosives that are required to blast the foundations of this rock bed was not very easily accessible. That slows the progress of works.

(Loud consultations)

The Speaker (Hon. Kingi): Order, Hon. Senators. You have asked a question, let the Cabinet Secretary respond.

Hon. Cabinet Secretary, is it your position that the explosives that are meant for this dam were sourced from Ukraine, therefore, because of the war in Ukraine, you could not continue with the works?

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): It is a global market, Hon. Speaker.

(Loud consultations)

The Speaker (Hon. Kingi): Cabinet Secretary, let me help you. The question that has been asked by the Senator for Kitui is about the nexus between the delayed works of this dam and the war in Ukraine. Just explain to the House the nexus between the two.

Secondly, you have indicated in your written response that by 25th February, work ought to have resumed. The question from the Senator is; are the machines now roaring because it is now 12th March? Please, proceed

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Mr. Speaker Sir, allow me to respond on the question of the nexus between the Ukraine war and dam construction. To begin with, the Ukraine war affected global economics and Kenya is part of the global economics.

The question on the letter to instruct the contractor to proceed with the works was in anticipation that we would get no objection from the African Development Bank (AfDB) which we have actually gotten. We have some uncommitted funds that we are processing payments. To finalise that dam, that is where the appraisal comes in.

Engineering projects have what we call project appraisal at different stages of execution because the cost can vary. That explains why we need to do an appraisal. It is a normal contractual implementation requirement for us not only as a Ministry but for any engineering project of this magnitude and size.

I thank you.

The Speaker (Hon. Kingi): Sen. (Dr.) Murango, you may proceed.

Sen. (Dr.) Murango: Bw. Spika, nadhani Waziri anaweza kujibu swali langu kwa sababu ni jambo ambalo limekuwa likisumbua watu wengi.

Mnamo tarehe moja mwaka wa 2023, WRA iliongeza bei ya maji kwa wakulima na watu wengine. Mwezi wa saba mwaka wa 2023, kulikuwa na agizo la mahakama ambalo lilisimamisha watu ambao wanatumia maji kufanya ukulima na kunywa kulipishwa kodi mpaka kesi itakaposikilizwa. Je, kwa nini mpaka sasa hivi wananchi wa Kenya wanaendelea kulipishwa maji ambapo bei iliongezwa kutoka thumuni hadi shilingi tano kwa kila lita elfu moja ilhali kuna agizo la mahakama?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, just note down the question. You will respond to them at a go. Sen. Kavindu, proceed.

Sen. Kavindu Muthama: Mr. Speaker, Sir, my question to the hon. Cabinet Secretary is about Athi River which takes water all the way to Thwake Dam. It has a lot of dirt. I would like to know what the hon. Cabinet Secretary is doing about it. Secondly, how far is the construction of Maruba Dam in Machakos County because it has stalled for so long? The same applies to Mwania and Yatta dams because they have all stalled.

The Speaker (Hon. Kingi): Sen. Sigei Wakili, you have the Floor.

Sen. Wakili Sigei: Mr. Speaker, Sir, I have a question to the hon. Cabinet Secretary, pursuant to the Cabinet release yesterday with regard to Bosto Dam in Bomet County. My question is with regard to the arrangements that the approval was made. Is it a concession that will require further advertisement on the process or is it within the earlier arrangement that had been made?

Mr. Speaker, Sir, the release did not clarify the formation within which that approval was made. I would like to know from the Cabinet Secretary in what formation that approval was made.

The Speaker (Hon. Kingi): Proceed, Sen. Beatrice Akinyi.

Sen. Ogola: Mr. Speaker, Sir, my concern is about development of dams in general and not just Thwake Dam. Why does the Government begin their projects before land owners are compensated?

The Speaker (Hon. Kingi): Sen. Mundigi, proceed.

Sen. Munyi Mundigi: Bw. Spika, leo ni siku ya kwanza kwa Waziri kuja hapa kujibu maswali na ninampa pongezi.

Bw. Waziri, Kaunti ya Embu ina *sub counties* nne. Mabwawa matatu yanafaa kujengwa kwa ajili ya kilimo cha miraa na muguka upande wa Mbeere North na Mbeere South. Thambana Dam inaweza kusaidia kilimo katika eneo la Mbeere. Vile vile, kuna Kamumu Dam kule Mbeere North ambayo inaweza kusaidia watu wa Runyenjes *Sub County* na pia Tharaka Nithi. Waziri, ningependa kujua kazi hiyo itaanza lini ili watu wa Kaunti ya Embu washerehekee kama kaunti zingine 46.

The Speaker (Hon. Kingi): Sen. Eddy, proceed.

Sen. Oketch Gicheru: Mr. Speaker, Sir, allow me to stick to the issues of Thwake Dam because I have heard very interesting comments and answers from the Cabinet Secretary, including that the dam stuck at the explosive stage because of the Ukraine war. It is very interesting because although the war is still continuing, this dam is said to have stuck at the explosive stage and apparently---

Sen. Faki: Point of information!

The Speaker (Hon. Kingi): Sen. Eddy, would you wish to be informed by the Senator for Mombasa?

Sen. Oketch Gicheru: Mr. Speaker, Sir, the Senator for Mombasa---

The Speaker (Hon. Kingi): It is "Yes" or "No."

Sen. Oketch Gicheru: Yes, Mr. Speaker, Sir, because he is a ranking Member.

Sen. Faki: Mr. Speaker, Sir, I just wanted to inform my brother, the Senator for Migori, that the Ukraine war is about to enter into a ceasefire stage. Hopefully, in the next one week, there will be no war

(Laughter)

Sen. Oketch Gicheru: In the meantime, the dam can wait.

Mr. Speaker, Sir, my question, based on that backdrop, is very simple. What component of the Thwake Dam Project was the responsibility of the Kenyan Government squarely in your Ministry and what component of it was for AfDB? Could you share with us the agreement that defines that component and responsibility between the national Government and AfDB, to the extent that you show this House which component is lacking and which one is struggling?

The Speaker (Hon. Kingi): Sen. Mariam Omar, proceed.

Sen. Munyi Mundigi: On a point of order, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Sen. Mundigi, you cannot raise a point of order when no Senator is on their feet. Proceed, Sen. Mariam.

Sen. Mariama Omar: Mr. Speaker, Sir, my question is this. There are a number of mega dams which the Government promised to construct. Out of that, there is Malkamari Dam which is not forthcoming. Hon. Cabinet Secretary, what is the reason for non-implementation?

The Speaker (Hon. Kingi): Sen. Karungo, proceed.

Sen. Thang'wa: Mr. Speaker, Sir, my question to the good Cabinet Secretary is to give us the status update of the Githunguri and Thika Water and Sanitation Projects. We understand that the contractor approved the project under the financing agreement through Danida. So, we would want to know what the status is.

Mr. Speaker, Sir, we also understand that the contractor withdrew or terminated the contract on Ruiru Dam Project. After terminating the contract, the financiers from France withdrew. So, is the Cabinet or Ministry allocating some money for this project; that is, the Ruiru Dam?

The Speaker (Hon. Kingi): Thank you. Sen. Omtatah.

Sen. Okiya Omtatah: Thank you, Mr. Speaker, Sir. First of all, I would like to ask the Hon. Cabinet Secretary about the dams that were to be constructed in Busia County, including the Angololo Dam, which was to control the flooding in Budalangi and other elaborate projects. Why is it that we do not hear of them anymore?

Thank you, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Sen. Methu, please proceed.

Sen. Methu: Thank you, Mr. Speaker, Sir.

(An. hon. Member spoke off record)

The Speaker (Hon. Kingi): I know exactly what you want to raise. Let the Questions be raised, and we will give directions as we move.

Sen. Methu: Thank you, Mr. Speaker, Sir. I welcome my agemate, the Cabinet Secretary (CS) for the Ministry of Water, Sanitation and Irrigation, Hon. (Eng.) Mugaa.

Just like the Senator for Nairobi City, it is also the first time that I am seeing him, yet I was the Chairperson of the Committee of the Senate which oversights him. I wish him well. I hear there is a Cabinet reshuffle coming. I hope you will survive. This is on a light note.

My Question to the CS is more specifically on the issues of Nyandarua County. On the 23rd of August, 2023, President William Ruto was in Nyandarua County. There are two or three dams that have been campaign tools in Nyandarua; the Kinja Dam, Malewa Dam, and Pesi Dam.

On that specific day of 23rd of August, 2023, President William Ruto said, "*Ndani ya miezi miwili, hii dam yetu ya Pesi, itakuwa imeanza*." I would like to know because it is now close to two years since he last promised. What is the status of that particular dam; Pesi Dam, so that he does not come again next year or next election, and he says again, *ndani ya miezi miwili?*

Thank you.

The Speaker (Hon. Kingi): Sen. George Mbugua.

Sen. Mbugua: Thank you, Mr. Speaker, Sir. I would like to ask about Thwake Dam. Under the Fourth Schedule of the Constitution, water is largely a devolved function. Are you in a position to tell this House what engagement you had with the county governments of Makueni and the neighbouring counties on the utilization of this water?

The Speaker (Hon. Kingi): Sen. Chute, please, proceed.

Sen. Chute: Thank you, Hon. Speaker, Sir. I would want the CS to tell us a story about what is happening in Marsabit in terms of the sewerage system, which has delayed for the last five years, and the water system, which is supposed to be completed about five years ago.

The Speaker (Hon. Kingi): Hon. Senators, if you look at our Standing Orders, more particularly Standing Order No.51(C)(7)(B), that gives the power for Senators to ask supplementary questions.

Supplementary questions must be related to the original Question. The original Question, as asked by the Senator for Makueni County is on a particular dam. You honestly do not expect the CS, seated here, to have all the facts on dams across Kenya. He came here prepared to respond to a particular Question, and any supplementary question must flow from the original Question. Therefore, I will allow the Hon. CS to respond to the Supplementary Question by Senator Eddie and Sen. Mbugua. The rest do not qualify to be supplementary questions.

You may proceed, Hon. CS. Respond to the supplementary question by Sen. Eddie, Sen. Mbugua and Sen. Kavindu. Those three Supplementary Questions only.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Hon. Speaker, Sir, thank you for the opportunity. I will start with the question on engagement with counties. The Ministry works together with county governments---

The Speaker (Hon. Kingi): Which Senator asked that Question? I have directed you to start with the one by Sen. Eddy, then respond to the one by Sen. Kavindu, and end with the supplementary questions posed by Sen. Mbugua, in that order.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Thank you, Mr. Speaker, Sir.

The question from Hon. Sen. Eddy is on what are the roles of the Government of Kenya and the African Development Bank.

Thwake Multi-Purpose Dam is funded by the two institutions, the Government has a component, which is less than 10 per cent and African Development Bank (AfDB) has a component that is the larger scale. So, that is the role. The AFDB is just the financier while supervision is done by the Government of Kenya through the Ministry. That is the clear definition of roles. However, in case of any expenditure, we are required to seek concurrence.

The Speaker (Hon. Kingi): Proceed, Hon. CS. Kindly be more specific on the component that is on the shoulders of the Kenyan Government and the component that rests on the shoulders of AFDB. If you heard the Senator correctly, he even requested if you could make available the agreements.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Yes, I will give them out.

The cost is financed through a concessional loan from the African Development Bank at a cost of Kshs35.645 billion. On the other hand, the Government of Kenya was meant to contribute Kshs6.71 billion. Those are the exact values.

There was a question on the Nairobi catchment in regards to the dirt that is in Athi River. First, I will clarify that when designing dams, we consider what we call retention. That is a factor that was considered during design. However, under a different programme, we have Nairobi River's Restoration Programme that will aid in reduction of that retention of the dirt.

Hon. Speaker, Sir, there was the question on our engagement with county governments considering that water is a devolved function. My response is that water being a devolved function, the role of the county is to provide last mile services. However, in our intergovernmental relationships, we have always engaged county governments like Makueni and Machakos, so as to ensure that this is complete and then we will do Phase 2, 3 and 4. These are the other phases that will give water for consumption by doing 150,000 cubic metres treatment and a distribution to the people of those counties. There will also be the last mile and service provision which will automatically go to county governments.

Thank you, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, there is a general feeling and which I associate myself with that this question has not been adequately given due attention. Therefore, Question No. 008 and No. 009 will still appear on Wednesday, next week.

Go and prepare yourself adequately for purposes of responding to these two questions.

The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa): Well advised, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Sen. Wakili?

Sen. Wakili Sigei: Mr. Speaker, Sir, I feel you are releasing the hon. Cabinet Secretary with his response to the other questions we had directed to him. There are other questions that do not qualify pursuant to the provisions of Standing Order No.53. However, I request that in terms of Standing Order No.1 and because Hon. Mugaa is ready to answer those questions which are relevant to the interests of people of Kenya that we represent, please allow him to respond even as he prepares to come back here next Wednesday to respond to the other approved questions. Kenyans will hear from him on the other questions the hon. Members have requested.

The Speaker (Hon. Kingi): Hon. Senator, we only have eight minutes to interact with the hon. Cabinet Secretary and they will not be adequate for purposes of responding to the many supplementary questions even if he is ready to respond. Therefore, the Cabinet Secretary should go back to his Ministry, prepare adequately for these two other questions and to also capture the supplementary questions that had been raised by hon. Senators.

Hon. Cabinet Secretary, you are released to appear before this House, Wednesday, next week.

(The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Murithi Mugaa) was ushered out of the Chamber)

Clerk, you may usher in the next Cabinet Secretary.

(The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe) was ushered into the Chamber)

The Speaker (Hon. Kingi): Hon. Senators, the Cabinet Secretary in charge of Agriculture and Livestock Development is in the Chamber for purposes of responding to Question No. 036 and 038 by the Senator for Kirinyaga County, Sen. (Dr.) James Murango. Hon. Eddy, take your seat. Hon. Boni?

(Sen. Oketch Gicheru walked back to seat)

(Sen. (Dr.) Khalwale consulted with Sen. (Dr.) Murango)

Sen. (Dr.) James Murango, I will ask you to leave the Chamber and you are the one who is supposed to ask these questions.

We will allow the hon. Cabinet Secretary to respond to the two questions and thereafter, we will interrogate the two questions together and in that way, we will be able to manage time. I hope that is agreeable.

Therefore, I call upon the Senator for Kirinyaga County, Sen. (Dr.) James Murango to ask Question No. 036 and it be responded to. Before your supplementary questions on that question, you will proceed to ask Question No. 038, the Cabinet Secretary will respond and then you will ask supplementary questions on both questions. We will then open the Floor to your colleagues to ask supplementary questions. You may proceed.

Question No.036

IMPLEMENTATION OF TEA REFORMS

- **Sen. (Dr.) Murango:** Thank you, Mr. Speaker, Sir. I would like to ask the Cabinet Secretary for Agriculture and Livestock Development the following Question -
- (a) What measures has the Government put in place to prevent the mixing of different qualities of teas before being sold at the Mombasa Tea Auction, which distorts the price to the disadvantage of farmers who produce high-quality tea?
- (b) Could the Cabinet Secretary provide details on the gains attained from the implementation of tea reforms so far, and also provide a commitment towards the continued implementation of the reforms to ensure better returns for tea farmers across the country?

Question No.038

GOVERNMENT POSITION ON EXPORT OF RAW MACADAMIA

- **Sen. (Dr.) Murango:** Mr. Speaker, Sir. I would like to ask the Cabinet Secretary for Agriculture and Livestock Development the following Question-
- (a) Could the Cabinet Secretary explain the current position of the Government on the export of macadamia nuts, that is, in-shell, from the country?
- (b) Are there plans to lift the ban on the export of raw macadamia nuts, that is, inshell, to ensure farmers get competitive prices for the produce from local processors and licenced exporters?
- (c) What strategies is the Government implementing to build the capacity of local processors for macadamia for enhanced value addition to maximise the benefits to farmers and the overall economy?
- The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may now proceed to respond.

[The Speaker (Hon. Kingi) left the Chair]

[The Temporary Speaker (Sen. Abdul Haji) in the Chair]

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you, Mr. Temporary Speaker, Sir. From the outset, let me thank

the Senate for this opportunity, particularly Sen. (Dr.) Murango. I would like to express my response to these two questions.

I would like to express the fact that I feel like I am talking from the wrong place because my seat is over there. I feel like I am talking from the wrong side of the House. It is always nice to be back.

In response to the issue of tea reforms, I will first address the measures that the Government has taken to prevent the mixing of different qualities of tea before being sold at the Mombasa Auction.

The mixing of different qualities of teas does not happen before the teas are sold at the auction. However, after the auction, teas are mixed for blending. Different markets have different tastes and preferences for tea, which they have formed over time. For example, the Turkish market likes very tough teas, while other markets might like lighter teas. The Yemeni market likes tough tea or very concentrated tea, while other markets might want lighter ones.

Blending is undertaken after the sale of tea at the auction because the buyers want to achieve certain product tastes, flavours and attributes that are discerned by the consumers' designs in the respective markets. The Government has put in place several measures to ensure quality control and prevent the mixing of different qualities of tea before selling it at the Mombasa Tea Auction. One is that the Government has developed a standard, KS2128, to guide tea blending. Compliance with the standard ensures compliance with food safety and hygiene standards and requirements. The Government, through the Tea Board of Kenya, undertakes compliance audits of all the country's tea warehouses and blending facilities every quarter.

Thirdly, the Tea Board of Kenya also undertakes surveillance audits of the factories to ascertain compliance with good agricultural and manufacturing practices and the terms and conditions of the manufacturing licences.

Fourthly, in terms of regulatory standards, the Tea Board of Kenya enforces the provisions of the Tea Act, 2020 regarding the grading and classification of tea. Producers are required to adhere to these standards and ensure that only high-quality tea reaches the auction.

Tea manufacturers are subjected to regular quality inspections by regulatory bodies. These inspections assess compliance with quality standards and ensure that different grades are not mixed. There is also the aspect of traceability, which is number six.

The Government encourages the adoption of traceability systems that allow tea to be tracked from the farm to the auction. This helps maintain the integrity of different tea qualities. We also carry out training and capacity building. The Government provides training for tea farmers and processors on quality standards, proper handling and storage practices to prevent contamination or mixing.

There are penalties for non-compliance. High penalties are imposed on tea manufacturers and traders who are found to mix different qualities of tea, which serves as a deterrent against further practice.

In response to the Senator's issue regarding the gains that have been attained from the implementation of the tea reforms so far, as well as the commitment towards the continued implementation of the reforms to ensure better returns for tea farmers across the

country; the overall objective of the tea reforms is to enhance the competitiveness of our tea industry in order to increase the returns of tea growers and other tea value chains. In this respect, we have increased monthly payments as a result of the reforms.

Smallholder tea factories have increased the monthly payment of tea to tea farmers from Kshs16 to Kshs21 per kilo in the east of the rift and Kshs20 in the west of the rift.

Smallholder tea farmers' earnings are gradually rising, which will reduce their overreliance on expensive loans from SACCOS and the proliferation of green leaf hawking to meet their socio-economic needs.

In line with the reform agenda on payment to farmers at a rate of 50 per cent of the proceeds of sale on a monthly basis, total payments have increased from Kshs50 per kilogramme of green leaf in 2022 to Kshs59 in 2023 and Kshs64 in 2024. Total payments have also increased from Kshs34.7 per kilogramme of green leaf in 2021 to Kshs59 in 2023 and Kshs64 in 2024. This is, of course, with keeping up with the Government's efforts to transform.

The total payment to smallholder tea farmers increased from Kshs44.1 billion in 2021 to Kshs67.7 billion in 2023 and Kshs90.5 billion in 2024. In response to the issue of indicating good corporate governance practices, we have enhanced the participation of smallholder tea farmers in the management of tea factories. The farmers have elected their directors through elections conducted by the Independent Electoral and Boundaries Commission (IEBC) and oversighted by the Tea Board of Kenya in June and July, 2024.

Good corporate governance among smallholder tea factories has also improved. As part of the reform process, we have also reviewed factory management agreements. All smallholder tea factories signed new management agreements with the Kenya Tea Development Agency, Management Services Limited, and implementation began in July, 2024.

The main objective of reviewing the management agreements was to remove skewed and exploitative clauses in the management agreements against smallholder tea factories and to reduce operational costs for smallholder tea factories by reducing the management agency fee, among other costs.

The agreements provided for evaluating the management agent's performance prior to contract renewal, setting small tea factories' annual performance targets, and paying the cost of staff seconded by the factory, the management agent, and the agent.

In terms of the development of tea regulations under the Tea Act 2020 and to operationalize it, regulations and guidelines have been finalized and subjected to public participation in line with the Constitution and Statutory Instructions Instruments Act.

These regulations are the Tea Levy Regulations 2024, the Tea Registration and Licensing Regulations 2024, the Corporate Governance Guidelines and Code of Conduct for the tea sector, and guidelines on the quality of green leaves for processing by tea factories.

After consulting with the counties and holding the National Validation Forum, the regulations will be forwarded to the relevant committees of the Senate and the National Assembly.

Mr. Temporary Speaker, Sir, the Tea (Amendment) Bill (Senate Bills No.10 of 2023) was passed by the Senate on the 8th October, 2024 and is endorsed for presentation

to the National Assembly. The Ministry has forwarded further amendments to the National Assembly for consideration in order to address the current challenges facing the industry and enhance the competitiveness of the subsector.

Mr. Temporary Speaker, Sir, export earnings from tea have increased from Kshs136.5 billion in 2021 to Kshs180.57 billion in 2023 and Kshs181.69 billion in 2024. The number of export markets have increased from 82 in 2022 to 97 in 2024. This has been attributed to the enhanced market expansion activities including trade missions and promotions undertaken in Russia, Iran, Saudi Arabia, United Arab Emirates (UAE), China, Hong Kong, Egypt, Pakistan, Kazakhstan, Germany, Canada, the United States of America (USA) and Ghana.

Exports of value-added tea have also increased from 20.3 million kilogrammes in 2022 to 28.89 million kilogrammes in 2024. The value-added teas have increased from Kshs3.5 billion in 2021 to Kshs20.08 billion in 2024. This achievement is attributed to the various government incentives such as the removal of Value Added Tax (VAT) on tea purchase directory from the factory for export and tax exemptions on imported inputs of tea export operating under the special processing zones.

Mr. Temporary Speaker, Sir, in terms of enhancing diversification into orthodox and specialty teas; the production of high specialty teas has increased from 3.7 million kilogrammes in 2023 to 7.2 million kilogrammes in 2024 through licensing of orthodox processing capacity and specialty tea manufacturers. Thirty-four cottage factories processing orthodox tea have been established by 2024. It is envisaged that production of orthodox and specialty teas will increase annually to over 60 million kilogrammes in the next three years and over 100 million kilogrammes in the next six years.

The Government has also provided capacity building to the factories on manufacture of orthodox and specialty teas in accordance with the product requirements of the markets. As a result, earnings per kilogramme is expected to increase with over 85 per cent from the current average of \$2.7 to approximately \$5.

Specialty teas fetch high prices compared to Black Crush, Tear and Curl (CTC) teas. Diversification into orthodox tea manufacturing is also expected to reduce the volume of Black CTC teas being supplied into the world market. In terms of cushioning the tea farmers against rising costs of inputs such as high cost of fertilizer; the Government has for the last two years subsidized some 194,000 metric tons of fertilizer distributed to farmers at a price of Kshs2,500 per bag from the Kshs3,500 per bag. That is a cost reduction of 40 per cent.

Due to accessibility of subsidized fertilizers coupled with the good weather conditions, tea production for the year 2024 surpassed the 2023 production by 28.21 million kilogrammes a growth of about 4.95 per cent, to stand at 598.47 million kilogrammes against 570.26 million kilogrammes for the year 2023. It is also significantly higher compared to the 535.04 million kilogrammes of 2022.

Mr. Temporary Speaker, Sir, the Government is committed to the following-

(1) Undertake periodic monitoring of the implementation of management agreements by the tea factories and the management agent.

(2) It is our intention to curb tea hawking malpractices which lead to processing of low-quality tea leaves. This will be achieved by enforcing the Tea Registration and Licensing Regulations 2025.

I emphasize there that our tea quality has been compromised to an extent that there are people who are hawking it. They do not have any tea of their own and essentially get it from the gates of tea factories. That is why you hear of tea theft in parts of Rift Valley.

Effective this week or today, the hawking of tea across the country will be stopped so that farmers can deliver their tea themselves and ensure that the quality standards are met. We have also instructed that the Tea Board takes effective action to control this issue and to ensure that independent processors of tea also buy from registered farmers so that the hawking business can be put to an end.

- (3) We intend to gazette the Green Leaf Quality standard guidelines to curb harvesting and processing of low-quality tea.
 - (4) We intend to gazette of tea regulations to operationalize the Tea Act 2020.
- (5) Working with both Houses of Parliament, we intend to make necessary amendments to the Tea Act 2020 in order to address all challenges facing the subsector and-
- (6) Supporting value addition to Kenyan tea by funding two value addition hubs in Ketepa in Kericho County, and Nairobi City County to enhance value addition.
- (7) In addition, we intend to undertake capacity building of tea factories to manufacture specialty tea, including orthodox based on the market requirements to enhance diversification.
- (8) We intend to support the small holder tea factories in establishment of more orthodox tea and manufacturing lines.
- (9) We intend to facilitate allocation of land for establishment of a common user facility at Dongo Kundu Special Economic Zone and facilitate joint ventures and Public-Private Partnerships (PPP)s in value addition of tea within the Special Economic Zones.
- (10) We intend to establish a tea testing centre in Mombasa County. Sourcing of equipment is ongoing to ascertain the quality of tea. I emphasize here, about the importance of us keeping the quality of tea because that is what Kenya is known for.
- (11) Establishing and enforcing guidelines on Green Tea Leaf Quality standards in order to address the declining quality of Kenya tea.
- (12) Export coaching on packaging and branding targets in terms of the Small and Medium Enterprises (SMEs) along the value chain and continuous sensitization on market requirements, market linkages to the exporters and undertaking promotion activities.
- (13) Enhancing market access of Kenyan tea by undertaking trade missions and promotion activities in the global markets that is traditional as well as the emerging ones. And finally-
- (14) Establishment of export warehousing hubs as we have in places like Ghana, the Democratic Republic of Congo (DRC), Congo and Dubai and bilateral trade agreements to facilitate market access and expansion.

Question No.038

GOVERNMENT POSITION ON EXPORT OF RAW MACADAMIA

Mr. Temporary Speaker, Sir, on the issue of the macadamia, this was a quick one by the Hon. Senator. My response is as follows. The current position of the Government on the export of raw macadamia nuts in-shell; will not be allowed.

This position is provided for in Section 43 of the Agriculture and Food Authority (AFA) Act 2013 which prohibits export of raw macadamia among other agricultural products except with the written authority of the Cabinet Secretary. In this case, as the Cabinet Secretary, I see no reason why I should remove the prohibition.

The implication of continued lifting of the ban on exporting raw macadamia nuts would be inconsistent with the Government policy on the promotion of processing and value addition of agricultural produce.

I have just referred about the value chain in tea. Indeed, all products that we are dealing with because it is the only way we will create jobs for our young people. So, the processing of macadamia nuts locally creates jobs in the manufacturing sector and boosts the economy through enhanced foreign exchange earnings.

The macadamia industry in Kenya has created approximately 200,000 jobs across the value chain. Continued exports of in-shell macadamia benefits only foreign buyers who use it as a raw material in their manufacturing, which eventually competes with Kenya, particularly for the USA. and other markets.

This results to loss of jobs in Kenya's manufacturing sector and reduces export earnings since the in-shell macadamia nuts fetch much lower prices compared to the kernels.

Mr. Temporary Speaker, Sir, from July, 2023 to February 2025, for example, the country earned Kshs8.7 billion by exporting some 10,670 tonnes of macadamia kernels against Kshs2.3 billion from exporting 14,384.36 tonnes of in-shell, that is unprocessed macadamias. This translates to an average price of Kshs161 for in-shell macadamia against an export price of Kshs816 for kernels. I have given a table there which establishes what I have just read. I am sure the hon. Senators will see it. So, the country earns a lot more by exporting processed macadamia nuts than by exporting in-shell, raw, unprocessed macadamia.

Do we have any plans to lift the ban on the export of raw macadamia nuts to ensure that farmers get competitive prices for their produce from local processors and licensing exporters? It is in the Ministry's interest that macadamia farmers are kept happy and that we ensure that their protection is the only way we can grow the processors because there is no processing of macadamia nuts if there is no growth of macadamia nuts.

Some of the strategies that will ensure that farmers get competitive prices for macadamia nuts are that they be assisted to form cooperatives within their counties or even across counties. Through the cooperatives, they can negotiate with their local processors and exporters.

Towards this end, about two weeks ago or so, we had a meeting in my office with macadamia farmers. We agreed on the way forward as far as that process is concerned

because certain middlemen are taking advantage of the farmers who are not reaching the processors.

The way to reach the processor is to ensure that they are working together in cooperatives or SACCOs. Processors and exporters will enter into contractual agreements with the farmers directly and witnessed by both the county and national governments.

The farmers have been requested to also register. I request farmers to register in the Kenya Integrated Agricultural Management Information Systems (KIAMIS) to ensure they benefit from the Government subsidy programmes that exist and which are now only accessed through KIAMIS.

Fourthly, is the formation of a Multi-Stakeholder Macadamia Nut Standing Committee to deliberate on farm gate prices and develop a mechanism to determine farm gate prices to avoid farmers' exploitation. This may be achieved through cooperation with the county governments as well as the key value chain players.

This Multi-Stakeholder Macadamia Nut Standing Committee is under the Agricultural and Food Authority (AFA). This is a new body to deal with those issues I have alluded to.

Mr. Temporary Speaker, Sir, the Government is working with its agencies and the processors in an endeavour to implement a guaranteed minimum price of Kshs100. I emphasise that is the minimum price because if you note, some two years ago, in fact, in 2019, those prices went all the way to over Kshs200 per kilogramme. That is a minimum price to protect and make sure that farmers do not make losses. However, if we expand the market, hopefully, the farmers will continue to earn a lot more than that.

In terms of the strategies, the Government is implementing to build a capacity of local processors of macadamia for enhanced value addition. That will maximise the benefits to farmers and the overall economy. The Government will strengthen its policies and ensure that there is implementation and enforce them to protect processors from unfair trade practices.

Further, the Ministry will collaborate with other Government agencies and the private sector to develop and provide training programmes and resources that will improve production techniques and maintain quality standards. We will also facilitate access to markets by supporting initiatives that will allow processors to compete effectively in the international markets.

Finally, is to develop a harvesting calendar for the opening and closing of the harvesting window of macadamia to ensure improvement of the quality of the Kenyan produce.

Thank you, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Thank you, Cabinet Secretary. Senator, do you have a supplementary question?

Sen. (Dr) Murango: Mstahiki Spika wa Muda, niko na maswali mawili. Swali langu la kwanza ni kuhusiana na Taasisi ya Kenya Tea Development Agency (KTDA). Juzi kumekuwa na malumbano yaliyomtoa aliyekuwa Mwenyekiti wa KTDA. Wale wanaokaa katika bodi ya KTDA walipofanya hivyo, walitupilia mbali zabuni iliyofanywa ya ununuzi wa mbolea inayoenda kwa wakulima.

Mwaka jana, malumbano kama hayo yaliwacha wakulima majani chai kuchelewa kuleta mbolea. Kwa hivyo, ningetaka kujua, unafanya nini kumaliza malumbano yaliyoko katika taasisi ya KTDA.

Swali langu la pili na la mwisho kuhusu macadamia. Nimeisoma tafsida yako uliyoileta siku ya leo. Kuna mahali ambapo hatutakubaliana nayo. Ninasema hivyo kwa sababu-

Mwanzo, hii sheria iliyoletwa na AFA mwaka wa 2013 na ninamwona Mkurungenzi Mkuu wa AFA, Bruno Nyiru, yuko hapa. Kila mara tukiongea mambo ya makadamia, huwa najihisi kama tumealika mbu katika kongamano la kutafuta dawa za malaria. Walioleta sheria gandamizi katika Bunge la Kitaifa ni AFA. Na ndio maana hii sheria inaitwa AFA.

Bw. Waziri, inakuwaje mkulima wa mahindi hashurutishwi na Serikali kwamba ili auze unga, lazima asiage mahindi? Inakuwaje mkulima wa kahawa anapopeleka kahawa sokoni yeye haambiwi aende akaushe, apike ile kahawa?

Mpaka saa hii ukienda Bandari ya Lamu, wafugaji bado wanaruhusiwa kuuza ng'ombe wakiwa hai na bado tunahitaji ngozi. Iweje wakulima wa makadamia, korosho, Bixa, na wa pareto ndio waliwekewa sheria hususan ya kuwafinya?

Mimi ni mkulima. Nimemsikia Bw. Waziri akisema ulikuwa na kikao na wakulima. Niliopa picha za watu wakiwa na makoti marefu na wengine wasio na nywele. Kama kuna mtu aliye mkulima wa makadamia ni mimi. Ninapoongea siku ya leo, naongea kwa niaba ya mkulima wa makadamia Tongaren ambaye hawezi kufika kwa kikao hiki akajieleza, mkulima wa Trans Nzoia anayeumia kwa sababu ya makadamia, mkulima wa Nyeri ambako umetoka, waliokutunuku nafasi kukaa katika Seneti yetu tukufu. Lakini ningependa kukuambia ya kwamba siku ya leo wanaumia. Mliokaa nao si wakulima.

Jambo la pili ukipenda unaweza nitafuta ili nikupeleke kwa maghala. Hii ni kwa sababu soko ni mbili. Soko ya nchini na wale ambao wanaongeza thamana katika makadamia.

The Temporary Speaker (Sen. Abdul Haji): Seneta, bado nasubiri uulize swali lako.

Sen. (Dr.) Murango: Bw. Spika wa Muda, naelekea hapo. Nilikuwa naweka msingi thabithi ndiyo niweze kuuliza swali langu. Najenga hoja.

Swali ambalo ningetaka kuuliza ni moja, katika takwimu ambazo umeleta hapa ukasema kwamba makadamia ilipouzwa ikiwa na maganda ilikuwa inaleta takriban shilingi 121 na ikiongezewa thamana ilikuwa inatoka shilingi 816. Ilikuwaje basi wakati ilikuwa inatoka shilingi 816 wakulima walikuwa wanapata shilingi 30 pekee? Wakati huo ilibidi Waziri aliyeondoka, Bw. Linturi, kuondoa makataa ile yaliyokuwepo ndiyo wakulima wauze makadamia ikiwa na maganda?

Soko ni mbili, kuna makadamia iliyowekwa thamana na ambayo haijawekwa thamana. Hii ni kusema ya kwamba tuuwe ile soko ambayo inanunua makadamia ambayo iko na maganda kwa ajili ya ile ambayo iko nchini. Je, bei ikiteremka, itakuwaje? Hii ndio maana nilikuwa naomwomba Bw. Waziri uweze kutafuta wakati tuzungumze. Wakati mlitoa makataa, mimi mwenyewe nilikuwa nimeuza makadamia yangu katika bei ya shilingi 150.

(Sen. Chute consulted loudly)

Bw. Naibu Spika wa Muda, naomba ulinzi wako kwa sababu ya Seneta Chute.

Hebu nijenge hoja. Kuna maana niliuliza hii swali. Wewe unaharibu mtiririko wa mawazo wakati nauliza maswali yangu. Ningeomba ulinzi, Bw. Spika wa Muda.

The Temporary Speaker (Sen. Abdul Haji): You are protected. Sen. Chute, stop interrupting his thoughts.

Sen. (Dr.) Murango: Bw. Waziri, utafute wakaazi kwa sababu wakati mlitoa makataa, tayari kuna wale ambao walikuwa wamenunua makadamia na kuyaweka ikiwa na maganda ya kuuza nje. Tuweze kuondoa wale na kama ni AFA waende wadhamini. Tuondoe ile makadamia zote ziende kwa sababu niliporudi tena niliambiwa hata shilingi 80 yangu siwezi nunuliwa.

Bw. Waziri, shamba langu la makadamia ni zaidi ya ekari 70. Kwa hivyo, nikiongea tilia jambo hili mkazo, fuatilia, fungua soko kwa wale wako na makadamia ambayo tayari zilikuwa zimetengenezwa kuweka kwa magunia ya kuuzwa kwa soko iliyo na maganda. Kisha tena, hiyo nyingine ufungie hata kama ni asilimia 20 iende nje na 80 ibaki tuweze pia kukuza upande zote.

Asante sana, Bw. Spika wa Muda.

The Temporary Speaker (Sen. Abdul Haji): Proceed, Cabinet Secretary.

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you very much, Mr. Temporary Speaker, Sir---

(Loud consultations)

The Temporary Speaker (Sen. Abdul Haji): Order, Senators! Sen. Gataya Mo Fire, order!

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you very much, Mr. Temporary Speaker, Sir. Let me start with KTDA, which the hon. Senator has rightly pointed out has been facing some conflicts. As you know, the matter of the conflicts in KTDA went to the courts in this country and a court ruling was made about a couple of days ago. I think it was last week or the week before, when the court held that there is now a substantive Chairman at the KTDA.

As you know, KTDA is a private outfit which corresponds with the Government very closely because of its importance to this nation. Therefore, I concur with the hon. Senator that I will be engaging them very closely to ensure stability within KTDA because it is in our interest and that of the tea sector.

In my discussions with the new chairman, including my visit with them to Dubai Multi Commodities Centre (DMCC), where our tea is being blended, I can say with confidence that I can see unity within the directors of the tea sector at the moment. My prayer and hope is that it will continue flourishing. I will engage them to ensure that good working order is maintained for the benefit of our farmers in the tea sector.

Mr. Temporary Speaker, Sir, as far as the macadamia is concerned, I sympathize with the Senator. This is not just as an hon. Senator, but also as a farmer. I can feel the

agonising issues he has to deal with, not just for himself, but also for the county he represents.

What as a nation we want and the policy framework on which we are operating under is not just to value-add macadamia. It is to value-add everything that we can. The production of macadamia in this country is about 45,000 metric tonnes. The processing capacity is about 120,000 metric tonnes. What the Senator, this honourable House and I can agree on is this, that if indeed we were to go all kernel and start earning the amount of money that we can see of over Kshs800 per kilogramme, it is important that ability also be seen in the price of macadamia to the farmers. It has been established that that can be the case. If we process it, the price can go up at the farming units or the farm gate.

Mr. Temporary Speaker, Sir, let us also not forget that we are dealing with an international market. The people who are importing these nuts, especially the Chinese, are the second largest producers of macadamia in the world. In addition to their macadamia, they buy our macadamia.

When we process our macadamia, we export directly to the USA market and create jobs for our youths. It is not just macadamia, I emphasize, every other crop that we are pushing towards the value chain improvement we are ensuring that we are creating jobs, not just in tea and coffee, but in everything else. Even in wheat, we are insisting that we grow our wheat here. We are in the process of establishing the policy that can help us to do so.

I concur with the hon. Senator that we engage in the discussions on this matter. I will be happy to engage the hon. Senator to unravel any issues that affect the farmer. I came into this Ministry with a policy of enhancing the farming business, especially putting more money in the farmer's pocket. Therefore, I undertake to engage with the industry to see what we can do, but the policy framework does not change. It remains that we want to process everything in our agricultural production chains here in the country and create jobs for our children.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Asante, Bw. Waziri. Sen. (Dr.) Murango, uko na swali lingine? Unajua umesema wewe ni mkulima wa makadamia. Umekuwa mkali sana na unaona Waziri amekubaliana nawe kwa kila jambo. Ukiwa mkulima wa makadamia na unafuatilia maneno ya makadamia, kune mgongano wa kimaslahi hapo.

Sen. (**Dr.**) **Murango**: Nadhani Bw. Waziri amekazana kujibu maswali yote. Hata hivyo, amesema tunafaa tuendelee na mazungumzo.

Bw. Waziri, mimi ningesema hivi kwa ufupi, uchukue nafasi uweze kutembelea wale watu ambao wanauza makadamia kutoka nje ili uangalie hata kama ni *quota system* kama inaweza enda.

Pia nikuambie kama mkulima, bei tayari imeshuka. Niliuza makadamia kwa shilingi 150 na ninaongea kwa niaba ya wakulima wote wa makadamia. Saa hii hata nikipeleka na ninahitaji shilingi 80 siwezi kununuliwa. Wakulima wamejaza maghala yao na makadamia kwa sababu marufuku ya kuja wakati wanavuna. Itakuwa ni vizuri zaidi ikiwa huo msongamano utaondolewa ili makadamia ambayo ilikuwa imenunuliwa halafu tuendelee na hiyo nyingine.

Sen. Wakili Sigei: On a point of order, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order, Sen. Hillary?

Sen. Wakili Sigei: Thank you, Mr. Temporary Speaker. Sir. In your intervention and directives to the hon. Sen. Murango, I understood you to inquire from him as to whether there was a possibility of conflict of interest.

He has instead talked to the hon. Cabinet Secretary instead of responding to the Chair. Is he in order?

The Temporary Speaker (Sen. Abdul Haji): Sen. Wakili, thank you very much for reminding Sen. Murango that before he even explains his matters to the Cabinet Secretary, he needs to address the Chair. You cannot be addressing the Cabinet Secretary directly. Can you please respond to what Sen. Hillary has raised?

Sen. (Dr.) Murango: Asante Sana Spika wa Muda. Sijui kwa nini Seneta wa Kaunti ya Bomet hanipendi. Nitajarabu sana kujibu swali lake. Hata kama mimi ni mkulima, nimepewa nafasi muhimu sana kukaa katika Bunge hili ambapo naweza kuongea na Waziri ambaye wakulima nchini hawawezi kumfikia. Kwa hivyo, uchungu nilio nao ni uchungu wa mkulima. Akaaye kwenye shina la mti ndiye anayejua wadudu wanaokaa pale wanakula nini.

The Temporary Speaker (Sen. Abdul Haji): Sen. Murango, ungependa kufahamishwa na Seneta wa Kaunti ya Busia?

Sen. (**Dr.**) **Murango:** Seneta wa Busia ni rafiki yangu lakini wakati mwingine ana cheche. Kwa hivyo, nitamruhusu kidogo aniambe anachotaka kusema.

The Temporary Speaker (Sen. Abdul Haji): Sawa. Sen. Omtatah.

Sen. Okiya Omtatah: Jambo la *conflict of interest* haliwezi kutokea kwa sababu Seneta alijipigia kura kama mwakilishi wa watu wa eneo analowakilisha siku ya kupiga kura. Kwa kujipia ile kura, inamaanisha kwamba yeye anajiwakilisha akiwa hapa kwa sababu alikuwa anachagua mwakilishi na alijichagua kuwakilisha hoja zake Bungeni. Sioni kama kuna mgongano wowote.

Sen. Murango, nadhani wanakusumbua bure. Ulijipigia kura.

Sen. Wambua: On a point of order, Mr. Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order, Sen. Enoch Wambua.

Sen. Wambua: Mr. Temporary Speaker, Sir, for purposes of order in this House so that we do not stifle debate, I have heard the Senator for Bomet County insisting that the Senator for Kirinyaga County to clarify whether there is a conflict of interest because he is a farmer of macadamia.

That reminds me that a few days ago, no other than the President of the Republic mentioned the fact that people that do not keep livestock cannot talk about livestock. That we should stick to *dengu* because we are *dengu* farmers.

That line of thought is very dangerous for this country; that if a Senator keeps a a single goat and there is a matter that is discussing goats, he is barred from bringing issues to do with goats.

Let us allow debate to flow. In fact, we should be very happy that we have one among us who is a serious macadamia farmer, raising issues for and on behalf of his colleagues in the macadamia sector.

Mr. Temporary Speaker, Sir, I wish that you would warn the Senator for Bomet County to desist from stifling debate.

Sen. Wakili Sigei: On a point of order, Mr. Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order, Sen. Hillary?

Sen. Wakili Sigei: Mr. Temporary Speaker, Sir, my intention was not to stifle debate in any way or impute some conflict of interest. It was an inquiry to the concern raised by the hon. Temporary Speaker to the Member, who is Sen. Murango, as to whether or not there would exist conflict of interest.

Otherwise, I fully associate myself with the fact that it is indeed, a better option when a participant in farming is the person asking the question. This is because he has the knowledge and experience and he will be able to support the agricultural business that he is engaged in.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Very well. What is your point of order, Sen. Paul Thangw'a?

Sen. Thangw'a: Asante sana, Bw. Spika wa Muda. Nilitaka kukuomba umuadhibu mwenzetu hapa lakini amejitetea. Ni vizuri ijulikane katika Bunge hili kwamba wakati mwingine mawakili wako na madharau. Kila wakati wakili anaposimama anasema yeye ni wakili na anajua anachokisema. Lakini wakulima wakipewa nafasi waongee wanaambiwa wanyamaze.

Sen. (**Prof.**) **Tom Odhiambo Ojienda:** On a point of order, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order, Sen. Ojienda?

Sen. (**Prof.**) **Tom Odhiambo Ojienda:** The Senator for Kiambu County cannot impute bad faith on lawyers. No, it is incorrect.

The Temporary Speaker (Sen. Abdul Haji): Sen. Thangw'a, proceed.

Sen. Thangw'a: Asante sana, Bw. Spika wa Muda. Sina mengi ya kuongeza. Umeona vile wakili mwingine amesimama. Hawatupi nafasi sisi ambao sio mawakili tuongee. Lakini kwa sababu yeye ameomba msamaha, tukwamie hapo ili mkulima aendelee kuongea.

The Temporary Speaker (Sen. Abdul Haji): Now, Hon. Senators---

(Sen. (Dr.) Murang'o spoke off the record)

Sen. Murango, nitakupa nafasi uendelee kuongea.

Hon. Senators, I asked the question of conflict of interest. It was not Sen. Wakili who raised it. If you followed the supplementary question by Sen. Murango, he mentioned that he has some quantities of macadamia. He was asking the Cabinet Secretary to open the market so that he can sell it.

(Loud consultations)

Very well. We will proceed with the supplementary questions. Sen. Murango, proceed but this time go straight to the question. Do not lament too much.

Sen. (Dr.) Murang'o: Asante sana, Bw. Spika wa Muda. Ni vizuri ijulikane kwamba pia Sen. Wakili Sigei ni mkulima wa majani chai na ndiye amedhamini Mswada ulioko mbele yetu wa kudhibiti majani chai. Sijui kama yake ni kama yangu ama ni namna gani?

Bw. Spika wa Muda, mambo tunayosema ya kufungua soko ni magumu, lakini nyoka angeficha sumu yake, watu wengi wangemtumia kamba. Kwa hivyo, toa sumu kidogo ili wakulima waweze kufaidika. Wakulima wamebaki kula makombo kwa sababu ya wakiritimba na wale wanajiita waongeza thamani waliopo katikati.

Kwa hivyo, siuzi makadamia katika soko ya nje, bali mahali wakulima wanauza. Nimeuza tani hamsini ya makadamia juzi. Kwa hivyo, ninapoongea naongea kwa niaba ya yule mkulima mdogo ambaye yuko na miti mitatu ambaye hawezi fika hapa akajitetea mbele ya Bw. Waziri. Naongea kwa niaba ya wakulima wanaoishi katika milima ya Nyambene kule Meru ambao hawawezi kuteremka mlima kuja mpaka Nairobi kujiwakilisha. Kwa hivyo, ninaposimama hapa, nitatetea wavuvi, wakulima, wafugaji na wote kwa sababu sisi sote ni Wakenya. Tunapoondoa ukabila, tuondoe na ubaguzi wa wakulima. Kama sheria ipo, inafaa iwe kwa mkulima wa mahindi, korosho na makadamia. Ibara 53 inayosema makadamia iuziwe bwenyenye ili iongezwe thamana ni kandamizi mkulima wa kawaida. Sheria siyo nzuri kwa watu wetu.

Asante sana, Bw. Spika wa Muda.

The Temporary Speaker (Sen. Abdul Haji): Asante, Sen. Murango. Bado hujauliza suali kwa hiyo tutachukua masuali mengine kutoka kwa Maseneta wengine.

Sen. Omtatah, do you have a supplementary question?

Sen. Okiya Omtatah: Yes, I have a supplementary question for the Hon. Cabinet Secretary. Kenya is not a communist state such that private property be determined by the State. Article 40 of the Constitution prohibits the arbitrary denial of property rights. A macadamia farmer is a property rights owner. That property is his.

If the state believes that it is a public purpose to be earned by banning export of raw or unprocessed macadamia, then the state has an obligation, under Article 40 of the Constitution, to compensate the farmers the value that they lose by not exporting their macadamia. They cannot be used as sacrificial lambs to give people employment.

When farmers grow macadamia, they do so to make money. They do not do it to have some Otieno, Alhaji or Sen. (Prof.) Ojienda here to be employed. They grow macadamia to make money because macadamia is their property. The state has absolutely no right to deny them maximum benefit of their property.

If it is a public purpose that the Government has in terms of creating jobs by retaining raw materials locally, then it has a duty and an obligation to make sure that it compensates the farmers for what they lose by being denied the global market. I do not think the Government has any right to do what the Cabinet Secretary has said.

The Cabinet Secretary needs to apologise to this House by saying' "I will not." Who are you? You will not do so as who? This is a Government of law and not a government of men.

The Temporary Speaker (Sen. Abdul Haji): Sen. Okiya Omtatah.

Sen. Okiya Omtatah: Thank you, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Hon. Senators, let us take another supplementary question from Sen. Chute.

Sen. Chute: Mr. Temporary Speaker, Sir, let me take this opportunity to congratulate our Cabinet Secretary for Agriculture and Livestock Development.

I have a similar issue about macadamia, but this one is related to farming in Northern Kenya and Upper Eastern regions. I had a conversation with the Cabinet Secretary earlier regarding something very important.

The Government normally gives debt reliefs to farmers of coffee, tea, maize, beans, sugarcane and many other crops. However, the Government has neglected Northern Kenya, Upper Eastern region and other parts of this country which are dependent on livestock farming. Does he even recognise that livestock is also part of farming that contributes a lot in this country?

Having said that, some farmers borrowed money through the AFC loan and many lost their livestock almost up to 80 per cent. A farmer in Marsabit cannot afford to pay the AFC loan.

Mr. Temporary Speaker, Sir, could the Cabinet Secretary help the farmers who are unable to pay AFC loans, just like what happens to farmers in other parts of this country, where, for example, farmers are given subsidies on fertiliser and many other subsidies? Could he tell us how he will help farmers who have not paid AFC loans in terms of some kind of debt relief?

The temporary Speaker (Sen. Abdul Haji): Cabinet Secretary, you may respond to those two questions.

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you, Mr. Temporary Speaker, Sir. On the issue raised by the Senator for Kirinyaga, yes, we had agreed. I take what he has said very seriously about visiting macadamia farmers to see and talk to them about their plight. It is our intention as a Government that, indeed, we protect the farmer and make sure that they benefit to the widest extent possible. We will do so. I will take up the issue raised by the hon. Senator.

On the issue of public purpose raised by my friend, Sen. Okiya Omtatah, first and foremost, laws are made in this House and the National Assembly. The only position I would humbly submit is that I can stand here to speak as a Cabinet Secretary in a position that is created by the Constitution and this House. That is indeed the position on which I am speaking.

The regulatory framework to which the Senator referred to is anchored in law, which is Section 43 of the AFA Act of 2013. It is the one that allows the Cabinet Secretary for Agriculture and Livestock Development, not Mutahi Kagwe, to make pronouncements that I have made. That is the position that made the pronouncements and not as the man from Nyeri.

On Sen. Chute's question, I would like to assure him beyond any doubt whatsoever, that we consider the livestock industry not just as important, but crucial for Kenya's development. Unless we deal with it and give it the appropriate attention that livestock farming demands across the country, then we will not develop or we will leave large chunks of our country undeveloped.

A nation's strength is measured not by the strongest, but the weakest part of a rope. That is how you measure the success or otherwise of a nation. I want to assure him that we have taken serious steps towards livestock farming. We are in the process of building a livestock industrial park that cannot succeed unless we address the issue of livestock farming.

By addressing livestock farming, we are referring to a livestock herder; a person who looks after a cow. That is how far we have to go to protect this industry. So, I want to assure the Senator that livestock farming is part and parcel of the issues we consider seriously in the Ministry.

Mr. Temporary Speaker, Sir, the second part of the question regards the AFC loans. Again, the Senator was honest to say that we had a meeting before my address here and we agreed to meet in another two weeks after he has gotten certain information. I also need to get some information, so that we see what we can do to help the farming communities and people who are suffering because of the AFC loans. They are as important as any other farmer in this Republic.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Faki, proceed.

Sen. Faki: Mr. Temporary Speaker, Sir, mine is with regard to tea blending in Mombasa. Packaging papers, which contribute to about 75 per cent of the cost, are subjected to import duty of 35 per cent, 25 per cent excise duty and 16 per cent VAT, which makes the cost higher for our teas blended and packed in the country than in other jurisdictions. What is the Government doing in order to lower those taxes so that our teas are competitive?

Secondly---

The Temporary Speaker (Sen. Abdul Haji): Sen. Faki, I only allowed one supplementary question.

Sen. Faki: Mr. Temporary Speaker, Sir, my county hosts the tea auction market, which is one of the biggest auctions in Eastern Africa and Africa as a whole and---

The Temporary Speaker (Sen. Abdul Haji): So, counties that do not host tea auctions should not ask questions?

Sen. Faki: Mr. Temporary Speaker, Sir, we are the biggest in the value chain.

The Temporary Speaker (Sen. Abdul Haji): Very well. You can ask your question.

Sen. Faki: Mr. Speaker, Sir, my second question is---

Sen. Wambua: On a point of order, Mr. Temporary Speaker, Sir. The Senator for Mombasa is inviting you to act in a discriminatory manner. There are countries in this country that do not host anything. When it comes to being given the privilege to ask a second question, what will you do with those Senators from those counties?

Mr. Temporary Speaker, Sir, please, rule the Senator of Mombasa County out of order. Let him stick to the provisions of Standing Order No.51(c) so that we also make time available for other Senators to ask questions.

Sen. Faki: I did not insinuate that counties that do not grow tea are useless. As the person who contributes a lot on the value chain of tea, I be allowed to ask the second question because it is equally important.

The Export Processing Zones (EPZ) Act Part VIII exempts---

(Sen. Onyonka and Sen. Okiya Omtatah consulted loudly)

Sen. Onyonka, please, you can invite Senator for Busia County for tea.

The EPZ Act in Part VIII exempts the EPZ factories from restrictions on import quotas, except for a trade in firearms or military equipment and other illegal activities. This enables the factory operator to import inside an EPZ to have flexibility in the importation of, for instance, tea that is not locally available, but which they will use to blend with the teas that are available in Kenya.

Under the Tea Act, 2020, it places the EPZ factories which are doing tea blending and packing under the Tea Board of Kenya (TBK) jurisdiction. Such teas are subjected to very stringent importation rules. For instance, you can only import if it is not available locally. When you import, it is subjected to analysis on 39 parameters at the cost of the importer.

Mr. Temporary Speaker, Sir, this makes the imported tea for blending very unattractive to our local packers yet we need to do value addition here and blend it with other teas, so that our tea can be competitive and we sell it to the niche markets. So, what is the Ministry doing in order to cure this anomaly so that the EPZs that are doing tea blending are at par with the other EPZs?

Thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Mundigi, please proceed.

Sen. Munyi Mundigi: Asante, Bw. Spika wa Muda. Bw. Waziri, pongezi kwa sababu ulikuwa Waziri wa Afya katika Serikali iliyopita na ukafanya kazi nzuri. Vile vile, katika Serikali ya muungano ya Kenya Kwanza, umekuwa Waziri wa Kilimo. Mimi ni Naibu Mwenyekiti wa Kamati ya Agriculture and Livestock Development.

Mkishirikiana na AFA, kazi na mipango na mliyo nayo kwa mkulima wa makadamia sio mbaya. AFA ya zamani haikuwa ifanya kazi vile inafaa lakini siku hizi inafanya kazi nzuri.

Tunajua makadamia ilikuwa inatoka shilingi 200 kwa kilo moja hapo awali. Wakati Serikali hii ilipoingia ikawa inauzwa kwa shilingi 30. Hata hivyo, Serikali ilisikia kilio na ikaongezea muda wa barua mwaka moja ili makadamia ikauzwa kwa shilingi 120. Muda huo ulipoisha, mwezi wa Novemba, tuliongea na Bw. Waziri aliyekuwapo ambaye alitemwa, aongezee miezi sita ili kamati ya Agriculture and Livestock Development na kaunti zile zingine wakae chini tuone vile mkulima na manufacturers watafaidka kwa sababu mnasema kwa muda wa miaka mitatu makadamia ya Kenya haitaenda nchi za ng'ambo.

Sasa tunaona mnafuatilia sheria kama ilivyotakakina. Agenda yetu, Bw. Waziri, ni kuomba mkulima apatiwe barua ya muda wa miezi sita ili mjiandae na kumfunza vile *value addition* inafanywa. Hakuna mambo mingi. Kwa hivyo, ni wewe useme kama mkulima anaweza kupata miezi sita ili mmfunze vile makadamia itakuwa inatengenezwa hapa Kenya ikienda nchi za ng'ambo. Hakuna mambo mengi, Bw. Waziri.

The Temporary Speaker (Sen. Abdul Haji): Third question from Sen. Ojienda.

Sen. (**Prof.**) **Tom Odhiambo Ojienda, SC:** Thank you, Mr. Temporary Speaker, Sir. My follow up question is specific to AFA. When the Cabinet Secretary (CS) was addressing the question of macadamia, he indicated the preparedness of his Ministry to deal with several questions, including opening up markets and so on.

The AFA Act deals with scheduled crops under the Crops Act. We know that, recently, and the CS will address this, the Sugar Act, 2024 was enacted. We are now dealing with regulations under the Act. We have two statutes underway. We have the Rice Bill and the Cotton Bill under consideration.

Could the Minister explain whether it is the intention or the policy of his Ministry to take away scheduled crops and make them independent and take them away from the administration by AFA under the Act? Is it the Ministry's policy position to consolidate and how does this impact on the administration and the structure of AFA when crops are taken away and their specific directors elected to represent certain scheduled crops?

Thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Onyonka, do you have a point of order? Okay, let us allow the CS to reply to those three questions. Then we will take some more supplementary questions.

Cabinet Secretary, please, proceed.

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you, Mr. Temporary Speaker, Sir. First and foremost, the issue related to the packing that the hon. Senator from Mombasa County raised in terms of the sheer cost. I could not agree with him more. This is a matter that we have raised with the National Treasury. I also raised the matter in my presentation to the Budget Policy Statement (BPS) in the National Assembly. If indeed we want to develop the value chain and we want to pack tea and take it out of the country as packed tea and, therefore creating jobs, just like we are trying to do with macadamia, then it follows without saying that the approach of the entire value chain has to be multifaceted and from a no-government approach. That is to say, that you cannot give with one hand and take with the other.

Mr. Temporary Speaker, Sir, if we want to develop the packing, because once you pack tea from Kenya, it will be three times as expensive as packed tea, for example, in Dubai. This is as a result of the increased taxes related to packaging paper. Therefore, we have engaged the National Treasury to ensure that this and other measures that are a hindrance to the value chain development are removed.

This is a matter that I have written to and raised. In reference to supporting and discussing budgets, I would appeal to this House and the National Assembly to also look at the budgeting process as a holistic approach to resolving the many areas and growth areas that we are looking at as a nation.

On the issue of EPZ and the blending of tea, it is indeed true that countries across the world kind of protect what they have first to ensure that the local industry is not affected and people do not come and say that they are blending when as a matter of fact they want us to come and utilize it locally.

So, I agree with him that it is necessary to do anything possible. If it means importing and then blending it, creating more jobs in our nation. Whether it is coffee or tea, if it means that we are importing and blending it here the way they do it, for example, at the Dubai Multi Commodities Centre (DMCC), then it makes sense to us because again, we will be creating more job.

We have done that before, with the teas from across the world to create specific teas for buyers overseas. We have imported teas to blend them here. We would like to blend them here as much as possible, not to blend them out there because the minute you blend them out there, you export jobs. If we blend them here, we create jobs. So, I would like to assure the Senator that, the TBK is looking at the entire policy framework because for me, the sing song is jobs, jobs, jobs!

Mr. Temporary Speaker, Sir, as long as we can create jobs and increase our exports, whatever needs to be done, we will proceed to do so. I wish to thank the hon. Senator for hosting both the coffee and tea auctions in Mombasa. That is where we are heading straight after this discussion in order to deal with some of those things.

On the issue of macadamia, the hon. Senator raised the issue of the solution that lies in terms of the eliminating or getting rid of the current bulk. If I understand him correctly, the Senator was saying that the bulk and the oversupply that currently exists is as a result of us stopping the one that was leaving.

As I said earlier, the best way is to engage together and we discussed this matter because there are two solutions to it. One solution is what the hon. Senator is proposing. The other solution is to ensure that the persons processing and since they are saying they have got 120,000 metric tonnes capacity to process and the market is wide open and there is demand, then, just like we did with the wheat farmers, they should just say that they are the processors and uptake everything we have at once. This is so that we do not have bulk oversupply that is creating a downward spiral in terms of the pricing.

Mr. Temporary Speaker, Sir, whether it is downwards or otherwise, the price set is a minimum of Kshs100. That is the price set, and that is the price agreed upon. Therefore, it is illegal for a processor to come and propose to buy at less than Kshs100. However, I suspect that what could be happening is that some middlemen could be buying from the farmer, suppressing the farmer's price, and then going and getting their normal price at the processing.

One of the reasons we want to engage the farmers directly is because of this issue. It would have been easy to deal with those issues if we had a farmers' cooperative society or farmers Savings and Credit Cooperative Organization (SACCO) engaging directly with the nut association. We would have then said that nobody is going to pay less than the agreed amount, and we would like to get there.

I urge the hon. Senators and those in leadership that the important thing is for us to help us to get these farmers together, so that they can benefit. There will be resistance because people in that business are not going to sit back and watch the farmers getting

together and eliminating them. However, the end here justifies the means and we have to do what it takes.

Mr. Temporary Speaker, Sir, on the issue raised by the hon. Senator regarding the Sugar Act and regulations thereof, the policy of the Government is to consolidate as much as we can because it makes it easier. It is cheaper for the taxpayer when we consolidate many of the shared crops as we can.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order?

Sen. (Prof.) Tom Ojienda, SC: I am Sen. (Prof.) Tom Ojienda, Senior Counsel.

The Temporary Speaker (Sen. Abdul Haji): That is quite mouthful. So, in this House you can be referred to as Sen. Ojienda.

Proceed, Cabinet Secretary.

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Mr. Temporary Speaker, Sir, I am very conversant with the titles of Sen. Ojienda because he is a friend of mine. However, I concur that indeed he is a professor of Law.

Regarding the question that the hon. Senator asked about the regulation, I will repeat that the idea is to consolidate because it makes more sense and is easier to manage. For example, in the Sugar Act, I apologise to the House because I am supposed to have sent the regulations by now. It takes a few public hearings, which take time. Nonetheless, I will ensure that I bring the regulations as soon as possible.

We are in the process of entering into a Private-Public Partnership (PPP) with various organisations to streamline the sugar industry and ensure that sugar farmers benefit from farming sugar cane and, more importantly, get paid for it.

We are working closely with the leadership of the sugar-growing areas to license people who will work with the farmers in those areas. Therefore, at that juncture, the duty of the Agriculture Food Authority (AFA) is dramatically reduced. Hence, it is not necessary to engage as much as we want to engage with other crops.

Thank you, Mr. Temporary Speaker, Sir.

Sen. Munyi Mundigi: Mr. Temporary Speaker, Sir, on a point of order.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order? The Cabinet Secretary has already sat down.

Sen. Munyi Mundigi: Bw. Spika wa Muda, mkulima amekubali kuelimishwa kuhusu vile makadamia itauzwa. Kuna ugumu gani wa kuwakubalia wakulima miezi sita ili sisi kama Kamati ya Kilimo, Mifugo na Uvuvi tuwaelimishe?

Tunataka makadamia ifanyiwe *value addition* kama majani chai na kahawa. Kwa nini barua ya maelekezo isitolewe na Wizara hii ili wakulima wapate kuelimishwa kwa muda wa miezi sita?

The Temporary Speaker (Sen. Abdul Haji): Okay. Cabinet Secretary, proceed.

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Bw. Spika wa Muda, tumekubaliana kuwa tutakutana ili tusuluhishe jambo hili. Hivi sasa nikiwa hapa, siwezi toa amri. Ni lazima nishauriane na Wabunge na wakulima ili tusuluhishe suala hili.

Asante.

The Temporary Speaker (Sen. Abdul Haji): Sen. Okenyuri, proceed.

Sen. Okenyuri: Thank you, Mr. Temporary Speaker, Sir. Allow me to congratulate the new Cabinet Secretary in that Ministry.

Farmers in both Kisii and Nyamira counties have tried to deal with the issues of low prices, low quality, and consequently low bonuses. Last month, they held a meeting that brought together the Nyansiongo Tea Factory, Ogembo Tea Factory, Eberege Tea Factory and Nyamache Tea Factory, which are on the west of the rift.

Tea on the east of the rift is termed high quality, and farmers in those areas get quite a wholesome bonus. Why is it that in our regions, even after farmers have tried to implement all that has been suggested to them, we are still reaping little in terms of bonuses? I see there is an issue of testing.

Do we have to have someone who is testing by their tongue? Are there any other scientific means we would employ so that we give a fair chance to tea farmers on the west of the rift and also to feel they are part of this process? There is value in tea farming that they are engaging in so that we do not feel like our efforts go in vain.

Thank you, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Sen. Onyonka, proceed.

Sen. Onyonka: Thank you, Mr. Temporary Speaker, Sir. I would like to congratulate Hon. Mutahi Kagwe. He is somebody that I know well and have worked with before. Waziri, I welcome you to these murky waters.

Secondly, I have listened carefully to what the Cabinet Secretary has said and I wanted to bring him up to speed on something called Pyrethrum. Pyrethrum is one of the products that have been historically very useful in terms of upgrading the income levels and economic activities in the area that I represent, that is Kisii County.

The Temporary Speaker (Sen. Abdul Haji): Sen. Onyonka, you know you are a veteran in this House. You know very well that you are supposed to ask a supplementary question in reference to the main Question that was asked in this House.

Sen. Onyonka: I was going to bring it with macadamia also. I am just---

The Temporary Speaker (Sen. Abdul Haji): Is there a relationship between pyrethrum and macadamia nuts?

Sen. Onyonka: Yes, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Interesting. I would like to hear this. **Sen. Onyonka:** The relationship is that these two products are of high value. They

also have got a huge international market and their prices are extremely well taken care of. Cabinet Secretary, if you remember, at one time, pyrethrum after tea was the largest product that Kenya was exporting because pyrethrin is natural, and it is even used in aeroplanes. Why is it that we have got success in macadamia and to a large extent the industry is growing, and yet, our pyrethrum has just died? That is the link I wanted to bring.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Veronica Maina, proceed.

Sen. Veronica Maina: Thank you, Mr. Temporary Speaker, Sir. I have been looking for the attention to ask for this Question. First of all, let me congratulate our Hon. Cabinet Secretary and assure him that we are expecting a lot from him, especially because

he comes from one of the farming communities. The agricultural counties across the whole country are expecting a lot from you.

Having said that, I have travelled to the USA on several occasions and I have walked through the largest supply chain store-Walmart. Hon. Cabinet Secretary, I hope your officers can stop distracting you because this is an important question.

Our tea and coffee products are not in the USA market. Some of the questions being asked here, are about the price of tea or coffee commodities and the amount of money that is getting into the farmers' pockets. They have a problem. The price that is being paid for tea per kilogramme is not commensurate to the cost of living and the inputs in the farms.

What is the Ministry doing to ensure that we access better markets and achieve better prices for our coffee and tea products? How do we ensure that those prices, once they are paid, get into the farmers' pockets? How do we reduce the middlemen, who are cutting away money from the bonuses and payments that are due to tea, especially the banks which are taking very high interest rates?

Is there anything the Ministry can do to ensure that farmers receiving finance from any bank, based on the guarantee of their bonus for the tea price, are not wiped away by interest rates? What is the Ministry doing to mitigate that?

The Temporary Speaker (Sen. Abdul Haji): Let us take one more question from Sen. Thang'wa.

Sen. Thang'wa: Thank you, Mr. Temporary Speaker, Sir. I want to congratulate the Cabinet Secretary in his role. We understand when this macadamia ban was imposed, Hon. Mutahi Kagwe was not the Cabinet Secretary then. I want to urge him, please, do not defend this ban.

We have information that some cartels infiltrated the Ministry to have this ban effected so that they can be the sole supplier or purchaser of macadamia. Since they understand that the farmers do not have very nice storage facilities, they will sell to them at a throwaway price. So, *Bw*. Cabinet Secretary, this is my question, because you have said you cannot announce it here today.

I remind you that if you treat Kenyans abnormally, they will treat you abnormally. I urge you to give us a timeline, when you are going to consult with Kenyans. Just lift this ban with the citation that it never went through public participation, so that farmers can sell their macadamia wherever they want to sell.

What timelines are you going to consult the farmers, so that you can remove this ban?

The Temporary Speaker (Sen. Abdul Haji): One more question from Sen. Wafula.

Sen. Wafula: Thank you for this opportunity once more to appreciate and congratulate the Cabinet Secretary of Agriculture and Livestock Development for the appointment and the good job being done currently.

My question is in tandem with what my friend, Sen. Onyonka, had just put down. On the tea industry, I can see here the stakeholders are clearly comparing notes and exuding confidence on the contents about tea.

Waziri, I request that this similar engagement that is being seen on the tea sector can be extended to the coffee sector in the western part of the Republic of Kenya. Most

coffee farmers in the Western circuits and North Rift are not getting anything above Ksh80, as the prices ought to be.

I will be glad, as a Member and the Chairperson of the Standing Committee on Agriculture, Livestock and Fisheries, to organise sessions and platforms in the Western belt to articulate that matter. As you all know, Hon. *Waziri*, the good production of coffee, tea, maize, and all that goes in line with fertiliser. I request that that part of the country should be addressed. Specifically, my concern is in the Mt. Elgon region because they do not have the last-mile connectivity of fertilizer to the Cheptais-Kapsokwony zone. I am looking forward to that engagement.

Finally, what is your Ministry doing to prop up macadamia farming in Bungoma County, the western region, and in particular Tongaren Constituency, where macadamia is farmed, but we have never seen the foot of the Government on the ground?

Sen. Faki: On a point of order, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): What is your point of order, Sen. Faki?

Sen. Faki: Kuna suala la malimbikizi ya majani chai katika mnada wa Mombasa kwa sababu ya bei ilioko juu ya majani chai hayo. Je, Waziri atafanya nini kuhusiana na suala hilo?

Vile vile, Serikali ilitoa mwongozo kwamba, kunywa chai ofisini kumesitishwa kwa sababu za kukaza mshipi. Je, kuna mipango ya kuondoa agizo hilo ili chai iweze kununuliwa kwa wingi na watu waweze kunywa chai ofisini?

Asante.

The Temporary Speaker (Sen. Abdul Haji): Cabinet Secretary?

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you very much, Mr. Temporary Speaker, Sir. From the outset, on the last question. Tungetaka sana watu wanywe chai ofisini na nyumbani, lakini wajua saa zingine pesa huleta shida siyo tu nyumbani hata kwa Serikali.

Tukinywa sana tunaletwa hapa tuzungumzie hayo maneno pale hizo fedha zilitoka. Na pia, tunapoteza pesa namna gani kwa kunywa chai. Kwa hivyo, Bw. Seneta, hiyo inapatikana kwa njia mbili lakini sana sana, we would like to encourage people to have as much tea as possible.

I will not go by any particular order, because there are quite a number of issues to respond to. However, I will try and put some system into it. First and foremost, Sen. Onyonka's issue regarding pyrethrum. You are right I had not prepared myself to speak on the issue of pyrethrum, because I was coming to speak on tea and macadamia.

Hon. Senator, it is true that there needs to be some attention given to the area of pyrethrum. The Government, through AFA, is looking at pyrethrum. I have got some letters from pyrethrum farmers who want me to go and see them to discuss various things, including payment that they have not received for a while.

I am alive to the fact that there are issues regarding both pyrethrum and cotton. We need to visit the areas and address. I undertake to do so. However, having said that, the prices of pyrethrum through the Agriculture and Food Authority (AFA) office have been going up over the last three years. If you recall, the pyrethrum issue started deteriorating

because of inconsistencies of production. The markets that we were serving in the United States (US) started looking elsewhere.

Consequently, if we go into this, one of the issues that we will have to address very carefully is consistency in production, that once we introduce ourselves to a market, we must consistently supply that market. What happens is that once you break the supply, then the markets look elsewhere and it becomes very difficult to reintroduce them back to ourselves. We need to look at both growing as well as the stability in the market. However, AFA is, in fact, providing dryers, among other inputs, to try and help the pyrethrum sector and also working on the markets that we have. As I said, it is not something I was quite ready to respond to, but I agree with the attention that it deserves.

On the issue of the quality of tea, again, in response to the quality which I had alluded to in the discussion that I had, tasting has got nothing to do with the quality. The tasting cannot improve the quality. What is going to improve the quality is the crop husbandry and what we do all the way from how we plant, treat the tree and how we, especially, harvest the tea. Therefore, because of what has been happening in some of those areas, as I had earlier stated, made us to ban hawking.

Mr. Temporary Speaker, Sir, we have even heard about theft of tea leaves in Kericho and other areas. We have cases of people plucking tea at night and that is one of the reasons we banned hawking. Thus, when that tea comes, because you are unable to tell which tea is which, what happens is, so to speak, as the song is sung, "one apple spoils a whole bunch of apples."

If we get one or two errant traders or hawkers bringing in tea that is not good, it messes with the whole crop. We have directed the Kenya Tea Board to ensure that there is restriction in the issue of harvesting and harvesting should be done properly. This is in the interest of the leadership and the farmers in this country. If that is done, there should be no difference in terms of the quality of tea.

Let us not forget that the buyer of these teas is not ourselves. Kenya is a very small market for our tea. The larger part of our tea market is overseas, and they determine the teas that they want to buy, not us. The KTDA does not determine who is going to buy the tea from Egypt. They will simply come and choose their own tea and take it. That is the market. The issue of the quality is something for us to address, both as farmers and even as a security. Currently, it is even a security issue where people are stealing tea leaves from the farms.

I agree with the hon. Senator that there is some work to be done there. Nonetheless, the policy framework that we have introduced, some of which I have earlier announced today, is what is going to be the answer to some of those differences in the tea quality, East, West, North, South and particularly in the West. However, the gap is not that big. We just need to be a bit stricter and firmer. What happens is that when you ban hawking, then somebody somewhere who has got that kind of business has to put political pressure, so that we open hawking, we go back to Square A.

I would also like to get the support of the House to ensure that when we take those measures, we stick to them. When we tell the independent tea processors that they must buy from farmers and not hawkers, then again, we would like the support of the leadership

and the House in that area, so that we stick to that and we do not cave in to political pressure that comes in by those who practise whatever practices that mess up with our tea.

Mr. Thangw'a, I thank you. On the issue of the ban, first and foremost, let me explain that sometime back, the ban on exportation was lifted for a year. The agreement was that within that year, it would not be necessary to extend it again. Following that discussion, the ban was extended for another one month. We are now at a place where months and the year has passes, but we are still discussing the ban.

That is why making a pronouncement and decision on that issue is not a singular decision. It is a decision full of consultancy, including the nut people. If they are able to take up everything we have, then it will not be necessary to open up the market. They would have to take it up. So, give me the next three weeks so that I am able to engage on those issues because they are profound and important.

Again, the Chairperson of Standing Committee on Agriculture, Livestock and Fisheries raised the issue of the coffee sector and the control and quality in the Western, North-Rift and the others. In my view, the future of the coffee sector is largely going to be in those areas that large farms still exist. We know that West-Rift, Bungoma and places like Narok and Kericho now have big farmers who are starting to grow coffee in those sectors and we want to support them. We want to make sure that we support that sector as much as we can.

Again, the quality of the tea or coffee goes to husbandry. The taste of the coffee is what determines who buys that coffee. Therefore, it is very difficult to enforce purchase that does not discuss the qualities. The quality determines the price. I would like to see, and we are working on engaging the farmers through the Agriculture and Food Authority (AFA). As you say, some of those areas are very new coffee farming areas. However, we are ensuring that our presence is felt.

As late as last week, I was engaging Governor Sang in Nandi County, who wants me to go and open coffee factories in Nandi, and I have agreed to do so. In those engagements is when we address the issue of quality and determine how we will deal with it. The only response to quality and price is that when you discuss price, you discuss quality. You never discuss price leaving out the word quality and you never discuss quality without discussing price. One follows the other. That is the way the market is.

There is a big future because there is more land in that area. In the traditional coffee growing and tea growing areas, the land division is a problem. They have become such small sizes that the future is doubtful in some of those areas. Even the productivity per acre is another issue we have to deal with.

Then on the matter of loans, I want to inform you that the green leaf loans given by the Board are at eight per cent interest. We also encourage that our farmers borrow from the Agricultural Finance Corporation (AFC) because their interest is at 10 per cent. Obviously, when you go to the commercial banks as some farmers do, I could not agree with you more that the interest rates are prohibitive. It is difficult to make money borrowing at those kinds of rates. However, the other way of supporting them is not just by borrowing, but through the inputs that the Government has to put in.

Mr. Temporary Speaker, Sir, I would like to seek that we understand as a nation and Parliament that there is no country in the world that runs a successful agricultural sector

without subsidies. We have to be prepared to subsidise the farmers or livestock rearing people. There is no nation that can do it simply on a commercial basis. If there is no subsidised fertiliser or seeds, which is the area I would like to get into now--- Let us subsidise fertiliser even further than we can, as long as our budgetary constraints expand a little bit and the fiscal space allows us. Let us give more money to subsidies in terms of all the inputs that we have. Let us remove any taxes, thereof, for farm inputs. That way, we can compete effectively and our farmers will learn something.

Let us not forget that a French cow is subsidised to the tune of USD2 per day. That is the competition we have from out there. Let us never kid ourselves that if we leave our farmers to the free market, they will survive and expand and grow. That is not going to happen. It is not just small-scale but even large-scale farmers because some crops like wheat are grown on large scale.

Once, again, I urge that they try as much as possible to borrow from the institutions that we have. We are in the process of recapitalizing the AFC to give them a bit more space, so that they can lend more money to farmers than currently because they have also been squeezed.

As you all know, we changed the policy to also look a lot more in terms of providing working capital as opposed to purchasing properties. We did not close it completely, but we did emphasis more on provision of working capital. Hopefully that will mitigate a little bit in that space.

I thank you, Mr Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Sen. Veronica Maina, you may proceed.

Sen. Veronica Maina: Mr. Temporary Speaker, Sir, could the hon. Cabinet Secretary explain how access to affordable loans for farmers is being done? What you will find the AFC doing is that big farmers can access those facilities, but small farmers have even no idea of their existence.

Small-scale tea and coffee farmers have no idea of the existence of cheaper loans from institutions like AFC. You will find them going for loans from commercial banks in the market, who are reaping them off with 15, 16, or even 17 per cent interest. By the time they receive their bonus, all of it is swiped out of their pockets by commercial banks. How do we ensure that access to the AFC loans is information that is available to small-scale farmers who are struggling?

Sen. M. Kajwang': On a point of order, Mr. Temporary Speaker Sir. I wish you could direct the Cabinet Secretary to respond with precision and brevity. He is an old Member of this House and speaks as if he misses the days when he would speak on the Floor.

Looking at the clock, there is little time remaining, but many of us would like to ask questions. He is a good friend of this House, but you should limit him so that he presents candid and quick answers to allow us to field more questions.

The Temporary Speaker (Sen. Abdul Haji): Sen. Veronica, the Cabinet Secretary will respond to your clarification after taking two last questions from the House.

Hon. Cabinet Secretary, you will clarify once you have taken the two questions. Sen. Olekina, what is your supplementary question?

Sen. Olekina: Mr. Temporary Speaker, Sir, I am tempted to ask different questions because I see the line being taken is different. I wanted to understand about the land in Tana River, but I can be guided by you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Olekina, you have to ask a question related to the main question that was asked to the Cabinet Secretary.

Sen. Olekina: Mr. Temporary Speaker, Sir, the reason I did that is because Sen. Veronica Maina sits with me in the Senate Business Committee (SBC) and we had agreed that we remain focused on the questions that we should ask, so that we do not ambush the Cabinet Secretary.

My question to the Cabinet Secretary is very clear. The question that was asked was about measures that the Government has put in place to ensure that the tea grading system is done properly, so that the quality of different teas is sold at the auction. My question is directly related to that. Narok County also produces a lot of tea.

Are there any measures being in place by the Government to ensure that tea is produced in different climates? Narok County has a different climate. It has almost like tropical, highlands and lowlands.

Kiptagich, which is located in Narok County, is sort of like the highlands. However, the quality of tea that is grown in Kilgoris, which is also highland, next to Kisii, is different because the temperatures fluctuate. So, the quality of tea is different from the tea that is being sold in Limuru or Kericho. Is the Ministry only going with *Buy Kenya*, *build Kenya*, or are we going down to the level of counties where we say this tea is from Narok County, the Maasai Mara region, or it is from Kericho, so that when people are buying, we can also be able to price it better?

Finally, on the same question---

The Temporary Speaker (Sen. Abdul Haji): Only one Question, Senator. You know that very well.

Sen. Wamatinga, please, proceeed.

Sen. Wamatinga: Thank you, Mr. Temporary Speaker, Sir, for giving me this opportunity.

Let me kick off by taking this opportunity to congratulate the Cabinet Secretary (CS). Indeed, he has brought in many years of experience into the sector and we are looking forward to bringing the agricultural sector in which I sit in the Committee in the Senate.

Having said that, would the CS tell us whether he is planning, owing to the fact that we have neglected research, and especially on macadamia, to provide seedlings that have been improved, especially in regions like Nyeri that do well, but because of the diversity of the climatic conditions, you find that we need to have almost sub-county-specific seedlings that would do well there.

Would the *Waziri* tell us whether he is planning to introduce these seedlings and work with the institutions of higher learning to provide further research on the seedlings that we provide.

Thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Kajwang', please proceed.

Sen. M. Kajwang': Mr. Temporary Speaker, Sir, I am happy to hear from the CS with whom we have served in this House, and his voice rings in very familiar tones.

He has talked about subsidies, and emphasized that in every economy and sector, subsidies must be there. I would like to ask the CS what our current agricultural policy is. When Mwai Kibaki was President, we had the strategy for revitalization of agriculture, and the CS was in the Cabinet. That strategy talked of consolidation, and we ended up with the Agricultural and Food Authority (AFA). Today AFA is dead. Almost every other crop has divested from AFA, the latest being cotton. Tea has divested, as well as fisheries.

We have not processed in this House a Sessional Paper on agricultural policy. The Foreign Affairs Ministry brought a Sessional Paper on Kenya's foreign policy. Agriculture is so important, contributing to 33 per cent of our Gross domestic product (GDP), that we cannot allow agricultural sector policies to be driven by individual ministers.

Mr. Temporary Speaker, we have almost five ministers in that space in a period of six-seven years, and every one of them comes with a personal passion. It cannot be run by personal passions. It should be run through a coherent policy that has even been processed by Parliament as a Sessional Paper.

Could the CS confirm to this House that he will bring that policy to this House to be considered alongside the other policies that the Executive has brought, because it looks like the agricultural sector is running on autopilot, or running on the whims of the CS and the President.

Thank you, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Cabinet Secretary, please proceed.

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you, Mr. Temporary Speaker, Sir.

Let me start with the last one, and then build up to the other ones. I would like to confirm two things. First, AFA is not dead. My friend, the Senator, Hon. Kajwang' knows well that AFA is not dead. AFA is much alive, and it is holding quite a bit of work that it is currently working. On the issue of consolidation or otherwise, this responsibility of disintegrating this is both the responsibility of the National Government, as well as interest groups.

Mr. Temporary Speaker, Sir, when you look at the Bills that are brought to this House, there are Bills that have been brought on coffee, sugar, cotton, and pyrethrum. In fact, in my Budget Policy Statement (BPS) address to the National Assembly, I asked for protection of the same, to say that let us not disintegrate, because once we go that direction, then you will have so many institutions that are going to exist all over the place, it will be impossible to manage it.

Mr. Temporary Speaker, Sir, one of the policy issues is to ensure that we stay consolidated rather than expanded or disintegrated. I believe Sen. M. Kajwang' knows that in the last one month, we have been trying to do some of the work that he has proposed. The policy aspect is one of the areas that I am looking at. I can confirm to him that it is not an area we are ignoring.

We have to have a framework where whoever is there and sits on that seat, can continue with the work that is there based on a certain framework of work that we are doing. As I said during my interview here, one of the issues that we are concerned about and shifting policy towards is firstly, the issue of value-adding in everything that we have got. It was there also in the years he has referred to because I was there.

There is the issue of ensuring that the farmer is protected and earns more and these are policy issues in framework. They form different decisions including budget decisions when you consolidate them together.

On the issue of the loans, Greenleaf Feather is a SACCO owned by the tea farmers themselves because it is via the Tea Board of Kenya. Greenleaf Feather SACCO is an organization where the tea farmers borrow money at 8 percent. They therefore do not have to go to commercial banks for their inputs and pay as much as 18 percent. However, I agree with the hon. Senator that it is not always that they get opportunities to do so.

Mr. Temporary Speaker, Sir, for my Senator, hon. Wamatinga, it is true that we are looking at macadamia holistically and we are supplying macadamia seedlings. Some people have come around and collected and I can promise the hon. Senator that Nyeri County will not be left behind in the supply of Macadamia seedlings.

For the hon. Sen. Olekina, the Senator of Narok and my friend, I wish to congratulate Narok County for going into serious tea farming. However, what happens is that teas are blended at the auction and they are blended for specific reasons. For example, the tea from Narok might be blended with the tea from somewhere else depending on who wants what and I had answered this question earlier in the session. For example, the Turkish people might come and request for a specific taste of tea. Then we will take the Narok tea and blend it with another tea, so that they can produce the taste required for a specific market.

Mr. Temporary Speaker, Sir, when we sell tea from Kenya, we encourage them to say that this Kenyan tea. However, there are individuals who are now promoting tea as Kenyan tea, but also specific to other areas but we still encourage that brand Kenyan tea be first and foremost the song that you sing.

I thank you, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Sen. Eddy Oketch.

Sen. Oketch Gicheru: Mr. Temporary Speaker, Sir, mine is just a clarification on what the good Senator from Homa Bay has asked. I do not feel like it has been exhaustively answered.

Firstly, what is the basis of the Minister telling the House that AFA is not dead? Can he confirm to this House whether AFA has got a board and whether it has regulations that were established in the last 10 years that are clear to the nation? Lastly, I also do not feel like the issue of a session paper on a proper policy was exhaustively answered as requested by Sen. M. Kajwang' and what are the timelines for that.

The Temporary Speaker (Sen. Abdul Haji): Cabinet Secretary?

The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe): Thank you, Mr. Temporary Speaker, Sir. On the issue of AFA, I can confirm that it has a Board which was announced last year and the Director General (DG) is here with me. I therefore can assure you that AFA is very much alive and it is working.

Mr. Temporary Speaker, Sir, that could be true. However, the fact of the matter is that it is alive and kicking. I can assure you that it is alive and kicking. Soon, you will hear loud things coming from it.

I had spoken about the regulations and apologised that they were delayed. Nonetheless, I undertook to bring them to this house as soon as possible.

You did speak about the issue of Homa Bay. I comprehensively addressed the issue because the question that had been raised was what we are doing about coffee and encouraging coffee farming in that area. We are happy and excited with the progress. As you know, Kenya used to be one of the largest coffee-producing countries in the world. We are now down to number seven, even within the region.

We are excited about the new areas opening up for coffee growth. However, we must also accept the fact that necessary training will accompany it because of the various quality issues that I raised. It is not enough that we plant coffee, tea, or whatever else. There has to be training so that we plant coffee that produces good quality. Everything else around it will be done.

As for the Sessional Paper and the work that is going on, I need time to look at what exists in the Ministry and what has been done. I have the Sessional Paper that Sen. M. Kajwang referred to. The Session Paper was worked on during the previous administration, where I also served and helped craft the same Session Paper that we are talking about.

I have those papers, but I need time to process them and consider what new things ought to be done, given the changes that have also happened globally and how our markets are being involved. There were no serious environmental challenges during the preparation of that sessional paper, but now there are. Information Communication and Technology were not a crucial issue during the making of that sessional paper, but now it is.

Areas that were not growing certain crops are now growing them. So, there is work to be done in terms of developing the paper, and I would like to seek time to do that.

Thank you, Mr. Temporary Speaker, Sir. I also thank the Hon. Senators.

The Temporary Speaker (Sen. Abdul Haji): Thank you, Cabinet Secretary. We have come to the end of your question time. I would like to take this opportunity, on my behalf and behalf of the House, to first and foremost congratulate you on your new appointment as Cabinet Secretary for Agriculture and Livestock Development. I wish you all the best in your duties in serving this country and ensuring that we get agriculture back to the way it was before, Cabinet Secretary.

Thank you, and you may take your leave.

(The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe) was ushered out of the Chamber)

Hon. Senators, we will proceed to the next Order.

MOTION

Noting of Reports on the $63^{\rm RD}$ and $64^{\rm TH}$ Oacps Parliamentary Assembly and the $43^{\rm RD}$ and $1^{\rm ST}$ acp-EU Joint Parliamentary Assembly

THAT, the Senate notes the Reports of the-

(i) 63rd Session of the Organization of African, Caribbean and Pacific States (OACPS) Parliamentary Assembly and the 43rd Session of the African, Caribbean and Pacific-European Union (ACP-EU) Joint

Parliamentary Assembly meetings in held Brussels, Belgium from 19th to 28th June, 2023; and

(ii)64th Session of the Organization of African, Caribbean and Pacific States (OACPS) Parliamentary Assembly and the 1st Session of the African, Caribbean and Pacific-European Union (ACP-EU) Joint Parliamentary Assembly meetings in held in Luanda, Angola from 17th to 21st February, 2024 laid on the table of Senate on Wednesday, 6th December, 2023 and Wednesday, 2nd October, 2024 respectively.

The Temporary Speaker (Sen. Abdul Haji): Order No.9 is a Motion on the report of the 9th Inter-Parliamentary Global Conference of Young Parliamentarians held in Hanoi, Vietnam from 16th to 17th September, 2023.

Sen. Kathuri is not here. We shall defer it.

(Motion deferred)

Next Order.

MOTION

NOTING OF REPORT OF THE 9TH IPU CONFERENCE OF YOUNG PARLIAMENTARIANS HELD IN HANOI

THAT, the Senate notes the Report of the 9th Inter-Parliamentary Union (IPU) Global Conference of Young Parliamentarians held in Hanoi, Vietnam from 15th to 17th September, 2023 laid on the table of Senate on Tuesday, 5th March, 2024.

The Temporary Speaker (Sen. Abdul Haji): This Motion is deferred.

(Motion deferred)

ADJOURNMENT

The Temporary Speaker (Sen. Abdul Haji): Hon. Senators, it is now 1.00 p.m., and it is time to adjourn the Senate. The Senate, therefore, stands adjourned until later today, Wedneday, 12^{th} March, 2025, at 2.30 pm.

The Senate rose at 1.00 p.m.