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REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

NATIONAL ASSEMBLY BILLS, 2026

NAIROBI, 5th June, 2026

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REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

NATIONAL ASSEMBLY BILL, 2020

NO. 134 OF 2020

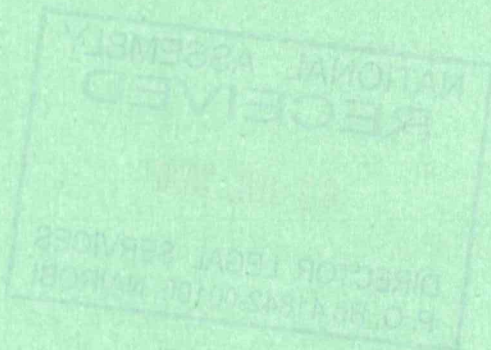
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THE CROPS LAWS (AMENDMENT) BILL, 2026

A Bill for

AN ACT of Parliament to amend the Kenya Agricultural and Livestock Research Act, Cap.319, the Tea Act Cap. 343 and the Sugar Act, No.11 of 2024 and for connected purposes

ENACTED by the Parliament of Kenya, as follows—

- | | |
|--|--|
| 1. This Act may be cited as the Crops Laws (Amendment) Act, 2026. | Short title |
| 2. The Kenya Agricultural and Livestock Research Act is amended in section 3 by deleting the words "and lending" appearing in subsection (2)(c). | Amendment of section 3 of Cap. 319. |
| 3. The Tea Act is amended in section 3 by deleting the words " and lending" appearing in subsection (2)(c). | Amendment of section 3 of Cap. 343. |
| 4. The Tea Act is amended in section 55 by deleting the words " and lending " appearing in subsection (2)(c). | Amendment of section 55 of Cap. 343. |
| 5. The Sugar Act is amended in section 2 by inserting the following definition in its proper alphabetical sequence—

"Kenya Agribusiness Development Corporation Limited" means the Kenya Agribusiness Development Corporation Limited duly registered under the Companies Act in accordance with the Government Owned Enterprises Act, 2025." | Amendment of section 2 of No. 11 of 2024. |
| 6. The Sugar Act is amended in section 3 by deleting the words "or lending " appearing in subsection (2)(c). | Amendment of section 3 of No. 11 of 2024. |
| 7. The Sugar Act is amended in section 29 by deleting the words "and lending " appearing in subsection (2)(c). | Amendment of section 29 of No. 11 of 2024. |
| 8. Section 40 of the Sugar Act is amended in subsection 6, by inserting the words "and apportioned to the Kenya Agribusiness Development Corporation Limited for lending" immediately after the word "enhancement" appearing in paragraph (c). | Amendment of section 40 of No. 11 of 2024. |

MEMORANDUM OF OBJECTS AND REASONS**Statement of objects and reasons of the Bill**

The principal object of this Bill is to amend the Kenya Agricultural and Livestock Research Act (Cap. 319), the Tea Act (Cap. 343), and the Sugar Act (No. 11 of 2024) to remove lending functions from sector-specific agricultural bodies and to direct the relevant funds to the Kenya Agribusiness Development Corporation Limited (KADCO) for the purpose of agricultural lending.

Kenya's agricultural lending has historically been carried out by the Agricultural Finance Corporation and the Commodities Fund. The Government Owned Entities Act, 2025 dissolved both entities and provided for the incorporation of KADCO under the Companies Act to take over and consolidate their agricultural lending functions. However, the three Acts amended by this Bill continue to assign lending mandates to sector-specific bodies — namely the Kenya Agricultural and Livestock Research Organisation, the Tea Board of Kenya, and the Sugar Board — that will no longer perform those functions. This Bill removes those mandates and ensures that the relevant funds under the Sugar Act are channelled to KADCO for lending, completing the alignment of existing agricultural laws with the new institutional framework.

Clause 1 of the Bill provides for the short title.

Clause 2 of the Bill amends section 3 of the Kenya Agricultural and Livestock Research Act (Cap. 319) by deleting the words "and lending" from the functions of the Kenya Agricultural and Livestock Research Organisation.

Clause 3 of the Bill amends section 3 of the Tea Act (Cap. 343) by deleting the words "and lending" from the functions of the body established under that section.

Clause 4 of the Bill amends section 55 of the Tea Act (Cap. 343) by making a corresponding deletion of the words "and lending" from that section, which contains a parallel provision to section 3.

Clause 5 of the Bill amends section 2 of the Sugar Act (No. 11 of 2024) by inserting a definition of the Kenya Agribusiness Development Corporation Limited, being the entity incorporated under the Companies Act in accordance with the Government Owned Entities Act, 2025, to which agricultural lending functions are transferred.

Clause 6 of the Bill amends section 3 of the Sugar Act (No. 11 of 2024) by deleting the words "or lending" from the functions of the Sugar Board.

Clause 7 of the Bill amends section 29 of the Sugar Act (No. 11 of 2024) by deleting the words "and lending" from the corresponding provision in that section.

Clause 8 of the Bill amends section 40 of the Sugar Act (No. 11 of 2024) by providing that funds apportioned under that section for the purpose of cane development shall also be apportioned to KADCO for lending. This ensures that KADCO has a clear statutory basis for receiving and deploying funds for agricultural lending purposes under the Sugar Act.

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

The Bill does not delegate any legislative powers to any person or authority. The Bill does not limit any fundamental rights and freedoms.

Statement on how the Bill concerns county governments

The Bill is not a Bill concerning county governments within the meaning of Article 110(1)(a) of the Constitution.

Statement as to whether the Bill is a money Bill within the meaning of Article 114 of the Constitution

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

Dated the 14th May, 2026.

KIMANI ICHUNG'WAH,
Leader of Majority.

Section 3 of Cap.319 which it is proposed to amend –

3. Establishment of the Organisation

(1) There is established an organisation known as the Kenya Agricultural and Livestock Research Organization.

(2) The Organisation shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;
- (c) borrowing and lending money;
- (d) entering into contracts; and
- (e) doing or performing all other things or acts necessary for the proper performance of its functions under this Act, which may lawfully be done or performed by a body corporate.

Section 3 of Cap.343 which it is proposed to amend –

3. Establishment of the Board

(1) There is established a Board, to be known as the Tea Board of Kenya.

(2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;
- (c) borrowing and lending money; and
- (d) doing or performing all other things or acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

Section 55 of Cap.343 which it is proposed to amend –

Establishment of the Tea Research Foundation.

55. (1) There is hereby established a body to be known as the Tea Research Foundation.

(2) The Foundation is a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property.
- (c) borrowing and lending money;
- (d) entering into contracts; and
- (e) doing or performing all other things or acts necessary for the proper performance of its functions under this Act, which may lawfully be done or performed by a body corporate.

Section 3 of No. 11 of 2024 which it is proposed to amend –

3. Establishment and incorporation of the Board

(1) There is established a board to be known as the Kenya Sugar Board.

(2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
- (c) borrowing or lending money; and
- (d) doing or performing all such other acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

Section 29 of No. 11 of 2024 which it is proposed to amend –

29. Establishment of the Kenya Sugar Research and Training Institute

(1) There is hereby established a body to be known as the Kenya Sugar Research and Training Institute.

(2) The Institute is a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;
- (c) borrowing and lending money;
- (d) entering into contracts; and

- (e) doing or performing all other things or acts necessary for the proper performance of its functions under this Act, which may lawfully be done or performed by a body corporate.

Section 40 of No. 11 of 2024 which it is proposed to amend –

40. Sugar Development Levy

(1) The Cabinet Secretary shall in consultation with the Board, by order in the gazette, impose a levy on domestic sugar not exceeding four per centum of the value and a four per centum of CIF value on imported sugar to be known as the Sugar Development Levy.

(2) The levy shall be payable at such rate as may be specified in the order.

(3) An order under this section may contain provisions as to the time at which any amount payable by way of the levy shall become due.

(4) All moneys received in respect of the levy shall be paid to the Board and if not paid on or before the date prescribed by the order, the amount due and any sum payable under subsection (5) shall be a civil debt recoverable summarily by the Board.

(5) If a person fails to pay any amount payable by him or her by way of the levy on or before the date prescribed by the order, a sum equal to three per centum of the amount shall be added to the amount due for each month or part thereof during which the amount due remains unpaid.

(6) The Sugar Development Levy collected under subsection (2) shall be appropriated as follows—

- (a) fifteen per centum shall be applied for factory development and rehabilitation;
- (b) fifteen per centum shall be applied for research and training allocated to the Kenya Sugar Research and Training Institute;
- (c) forty per centum shall be applied for cane development and productivity enhancement;
- (d) fifteen per centum shall be allocated to sugarcane producing regions on pro-rata basis based on production capacity for infrastructural development and maintenance and shall be managed by the Board;
- (e) ten per centum shall be applied for the administration of the Board; and
- (f) five per centum shall be applied for the furtherance and exercise of the functions of sugarcane farmers