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REPUBLIC OF KENYA



TWELFTH PARLIAMENT

SIXTH SESSION

THE SENATE

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THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND  
FISHERIES

REPORT ON THE PETITION CONCERNING THE PLIGHT OF SEED  
FARMERS IN TRANS-NZOIA COUNTY

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Clerk's Chambers  
Parliament Buildings,  
NAIROBI

MARCH, 2022

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## ABBREVIATIONS

ADC	-	Agricultural Development Corporation
AFC	-	Agricultural Finance Corporation
COMESA	-	Common Market for eastern and Southern Africa
EAC	-	East African Community
GMOs	-	Genetically Modified Organisms
ICT	-	Information and Communications Technology
KALRO	-	Kenya Agricultural and Livestock Research Organisation
KEPHIS	-	Kenya Plant Health Inspectorate Service
KCC	-	Kenya Co-operative Creameries
KSC	-	Kenya Seed Company
MNL	-	Maize Lethal Necrosis
NCPB	-	National Cereals and Produce Board
UPOV	-	International Union for the Protection of New Varieties of Plants

## **PREFACE**

**Mr. Speaker Sir,**

### **Establishment of the Committee**

The Senate Standing Committee on Agriculture, Livestock and Fisheries was constituted on Wednesday, 24<sup>th</sup> June, 2020 during the Fourth Session of the Twelfth (12<sup>th</sup>) Parliament pursuant to the provisions of standing order 187 (1) of the Standing Orders of the Senate which states:

*“Unless otherwise provided by any written law or these Standing Orders, the Senate Business Committee shall, in consultation with Parliamentary Parties, nominate Senators who shall serve on a Select Committee.”*

### **Mandate of the Committee**

The Standing Committee on Agriculture, Livestock and Fisheries is mandated under the Second Schedule of the Senate Standing Orders to consider all matters relating to agriculture, irrigation, livestock, fisheries development and veterinary services.

### **Oversight**

In executing its mandate, the Committee oversees the following Government Departments and agencies, namely-

- i. The State Department of Crops Development and Agricultural Research;
- ii. The State Department of Livestock;
- iii. The State Department for Fisheries, Aqua-culture and the Blue Economy; and
- iv. The State Department of Irrigation.

### **Membership of the Committee**

The Committee is comprised of the following Members-



1. Sen. Peter Njeru Ndwiga, EGH, MP - **Chairperson**
2. Sen. Enoch Wambua, MP - **Vice-Chairperson**
3. Sen. Kipchumba Murkomen, EGH, MP
4. Sen. (Canon) Naomi Jillo Waqo, MP
5. Sen. (Dr.) Michael Malinga Mbiti, MP
6. Sen. (Eng.) Ephraim Maina, MP
7. Sen. Justice (Rtd.) Madzayo Stewart Mwachiru, MP
8. Sen. Issa Juma Boy, MP

### **Secretariat of the Committee**

The Committee secretariat is comprised of –

1. Ms. Carol Kirorei - Clerk Assistant
2. Mr. David Angwenyi - Clerk Assistant
3. Ms. Regina Munyao - Legal Counsel
4. Mr. Tiyan Joseph - Research Officer
5. Ms. Njeri Manga - Media Relations Officer
6. Ms. Mary Nyawira - Audio Officer
7. Mr. Godana Mamo - Serjeant-At-Arms

### **Acknowledgement**

The Committee wishes to thank the Offices of the Speaker of the Senate and the Clerk of the Senate for the support extended to it in the consideration of the Petition concerning the plight of seed farmers in Trans-Nzoia County.

### **Mr. Speaker Sir,**

It is my pleasant duty, pursuant to Standing Order 232 (2), to present the Report of the Standing Committee on Agriculture, Livestock and Fisheries on the Petition concerning the plight of seed farmers in Trans-Nzoia County.

Signed.....



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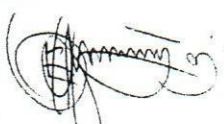

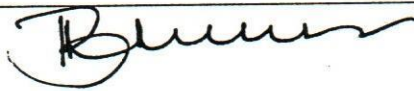

Date.....12/3/2022.....

**SEN. PETER NJERU NDWIGA, EGH, M.P.**

**CHAIRPERSON**

# REPORT ON THE PETITION CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA COUNTY

## MEMBERS' ADOPTION LIST

NO	NAME	SIGNATURE
1.	Sen. Njeru Ndwiga, EGH, MP <b>Chairperson</b>	
2.	Sen. Enoch Wambua, MP <b>Vice-Chairperson</b>	
3.	Sen. (Canon) Naomi Waqo, MP	
4.	Sen. Kipchumba Murkomen, EGH, MP	
5.	Sen. (Dr.) Michael Mbiti, MP	
6.	Sen. Issa Juma Boy, MP	
7.	Sen. Justice (Rtd.) Stewart Madzayo, MP	
8.	Sen. (Eng.) Ephraim Maina, EBS, MP	



## CHAPTER ONE

## INTRODUCTION

### 1.1 Background

A Petition by residents of Trans-Nzoia County representing two hundred (200) seed farmers (hereinafter referred to as the Petitioners) was reported in the Senate and referred to the Committee on Agriculture, Livestock and Fisheries on 22<sup>nd</sup> September, 2020. Pursuant to standing order 232(2) the Committee was required to respond to the Petitioner by way of a report addressed to the petitioner or petitioners and laid on the Table of the Senate not more than sixty calendar days from the time of reading the prayer.

The Petitioners claim that –

- (a) the Kenya Seed Company (KSC) is the main seed producer in East and Central Africa;
- (b) ninety per cent of the seeds sold by KSC are planted by the 200 seed farmers;
- (c) Trans-Nzoia Seed Farmers Association was formed to champion the seed farmers' needs to the KSC and look at how to improve their operations for quality production;
- (d) without seed production in Kenya, there will be no commercial production of maize in East and Central Africa;
- (e) the last comprehensive review of the seed prices by KSC was done more than seven years ago;
- (f) the farm inputs are very expensive and subject the seed farmers to income loss;
- (g) the risk of total crop loss due to diseases, natural disasters, degraded quality control at basic seed production and poor variety selection by KSC is borne by the seed farmers;



- (h) the road networks are in deplorable state, ninety percent of feeder roads are impassable;
- (i) ninety percent of the seed farmers have deficits in various banks;
- (j) seed farmers are getting no incentives and the Government is not supporting them through subsidies and loan waivers;
- (k) local farmers are not represented in agricultural statutory organisations like KSC; National Cereals and Produce Board (NCPB); Agriculture Finance Corporation (AFC); Kenya Co-operative Creameries (KCC); Agriculture Development Corporation (ADC); and the Kenya Agricultural and Livestock Research Organisation (KALRO);
- (l) the staff at the KSC and the above stated agricultural organisations does not represent all the communities in the region;
- (m) the petitioners have sought to have the matters resolved by the relevant authorities to no avail; and
- (n) the matters are not pending before a court of law, constitutional or any other legal body.

In light of the above, the petitioners pray that the Senate—

- (a) intervenes to ensure that there is a specific policy for seed farmers;
- (b) help in instituting a framework to have local farmers represented in all agricultural statutory organizations;
- (c) ensures the reintroduction of the guaranteed minimum returns policy for seed farmers;
- (d) intervenes to enable price increase of seed maize produce delivered to KSC by sixty percent due to inflation, increased cost of production, uncertainty caused by climate change and other risk factors;

- (e) intervenes to ensure a comprehensive review of the crop insurance;
- (f) intervenes to ensure that there is no maize importation until farmers have exhausted their stocks;
- (g) intervenes to ensure that there is a regulatory miller to help in regulation and add value to what farmers are doing;
- (h) intervenes to ensure that farmers are paid promptly by KSC; and
- (i) intervenes to ensure that farmers are promptly identified for the purposes of proper allocation of fertilizer based on the acreage.

## CHAPTER TWO

## SUBMISSIONS ON THE PETITION

### **2.1 Meeting with the Petitioners**

At its 110<sup>th</sup> Sitting held on 13<sup>th</sup> November, 2020, the Committee met with the petitioners. The petitioners presented their Petition and stated that-

1. The cost of a single season of seed maize planting for one acre of seed maize is Kshs. 93,643. In a bad year, one acre produces 600kg of seed 61,156 per acre while in a good year, 1800 kg are produced per acre at 17,518 profit per acre;
2. There have been challenges as follows-
  - a) Poor road networks in the County posing challenges in transportation of the seeds to factories;
  - b) Kenya Seed Company monopoly;
  - c) Others in the market have lower processing capacities;
3. With regard to the relationship with Agricultural Finance Corporation (AFC), a poor relationship exists because of their poor policy on collateral which requires borrowers to have a valid title deed, the loan assessment process at AFC is lengthy, and AFC mandate does not favour specialized farmers like the petitioners;
4. Majority of the farmers are second generation farmers whose fathers benefited from the guaranteed minimum returns and seasonal credit system;
5. Seeds are the foundation of Kenya's food security whose production should be protected;
6. That the farmers wrote to Kenya Seed Company on 10<sup>th</sup> November, 2019 requesting for 65% increase for the minimum price per kilogramme from Kshs. 65, better pricing of low yielding varieties and reform in handling of contracts. The petitioners invited KSC to a meeting but they failed to attend;
7. That the petitioners sought an audience with the Managing Director on 12<sup>th</sup> November, 2020, but were informed by his office that he was unavailable.



## **2.2 Meeting with the Kenya Seed Company**

At its 110<sup>th</sup> Sitting held on 13<sup>th</sup> November, 2020, the Committee met with the Ag. Managing Director of the Kenya Seed Company, Mr. Fred Oloibe, who briefed the Committee on queries raised as follows-

**The price offered to farmers for the purchase of seed maize from the seed farmers for the last five years.**

1. The Company has been reviewing the seed maize purchase price from farmers to respond to the changing macro-economic indicators. The price offered in the last 5 years are as follows-

Financial Years	Number of Growers	Prices in Kshs Per Kilo	Prices Per 90-Kilo Bag	Kilos Bought in Millions
2020/21	329	68	6,120	26.000
2019/20	307	65	5,850	25.287
2018/19	247	65	5,850	27.694
2017/18	210	61	5,490	13.484
2016/17	244	61	5,490	24.500

**Whether the company had met all its obligations in respect payment of farmers and whether the payments had been done on time.**

2. The Company has met all its obligations in respect of payment to farmers and all payments to farmers have been done in time.
3. The obligation of the Company and the farmers is contained in a legal contract stipulating how deliveries and payment of seed is to be done. According to the contract, the first payment is made to the farmer within forty-five (45) days from the end of the month following delivery of the seed crops to the Company and out of this payment's advances will be recovered and the farmer be paid the balance.



The final payment is paid to the farmers on or before the 31<sup>st</sup> day of March and out of this payment the Company will recover the cost of transport.

4. All the payments to farmers had been done before the timeliness stipulated in the contract.
5. For the FY2020/21, the deliveries of seed maize from the farmers are in progress from September 2020. All seeds that were received in the Company before 30<sup>th</sup> September 2020, whose payment falls due on 15<sup>th</sup> November 2020 have been fully paid for as at the date of the meeting. The amount paid to growers in respect of Seed Maize over the period was as follows-

Financial Years	Prices in Kshs Per Kilo.	Kilos Bought in Millions	Total Maize Pay-out in Kshs Millions
2020/21	68	26.000	1,768
2019/20	65	25.287	1,644
2018/19	65	27.694	1,800
2017/18	61	13.484	823
2016/17	61	24.500	1,495

**The measures the company has taken to mitigate the challenges the seed farmers have faced;**

6. The Company's Production is headed by a senior officer titled "Head of Production" reporting directly to the Managing Director. Below the Head of Production are Field Officers who are allocated various farmers. Each farmer has access to the Field Officer who visits the farmer every other few days. The Head of Production and the Managing Director also visit the farmers routinely. The challenges faced by the seed farmers are reported to the Field officers, the Head of Production or the Managing Director during their visits.
7. These challenges are addressed as soon as they are reported and the farmers notified or updated accordingly. The measures include the following-

- a) Establishment of a fully-fledged department of Production handling grower matters. This is headed by the Head of Production who reports to the Managing Director;
- b) Facilitation of access to credit from Financial Institutions. The growers are able to access unsecured credit at the lowest possible interest rate for their seed growing activities;
- c) Offering extension services to the growers. The Company's Field officers offers the best agronomical advice to farmers throughout the year to enable the farmers maximize their yields and hence their profitability at the lowest possible expenses;
- d) Giving advances to growers in need from time to time. The Company pays an advance to those farmers that are in extreme need and are unable to access credit facilities; and
- e) Continuous investment in Research & Development of top-quality certified seed varieties of different attributes. This ensures the continuous improvement of the varieties to make them more yielding and more resistance to drought and diseases, thus increasing the profitability and also ensuring seed and food security of the country.

**Any challenges the company is facing in respect to carrying out its function**

8. The Company has numerous challenges in respect to carrying out its functions, ranging from economic to social. Some of the challenges and their mitigation are analyzed in the following table-

No.	Challenge	Way Forward/Strategy
1.	Climatic changes	<ul style="list-style-type: none"> <li>• Expand irrigation facilities in the company owned farms.</li> <li>• Exploiting plant genetic resource by developing drought resistant crop varieties.</li> </ul>



		<ul style="list-style-type: none"> <li>• Encourage contracted farmers to invest in Irrigation facilities</li> </ul>
2.	Emerging pests and diseases e.g. locusts	<ul style="list-style-type: none"> <li>• Variety improvement through breeding of disease resistant varieties by Research &amp; Development.</li> <li>• Use of cost-effective pesticides and nutrients</li> </ul>
3.	Escalating cost of inputs and production	<ul style="list-style-type: none"> <li>• Crop financing through partnerships with financial institutions</li> <li>• Focus on increasing Yields per unit area by adopting modern agronomic practices.</li> <li>• Screen for cost effective pesticides and nutrients.</li> <li>• Lobby with Government for subsidized fertilizer</li> </ul>
4.	Diminishing land resource	<ul style="list-style-type: none"> <li>• Explore new areas for seed production locally and regionally</li> <li>• Optimize seed yield per unit area (acre) through the use of proper agronomic practices and modern technologies</li> <li>• Introducing better land utilization policies</li> <li>• Encouraging land consolidation policies.</li> </ul>
5.	Poor infrastructure	<ul style="list-style-type: none"> <li>• Liaise with the County Government's Roads Department on the need to improve road status in regions where seed is grown</li> <li>• Modernize Plant and Equipment at the factories.</li> </ul>
6.	Inadequate storage facilities	<ul style="list-style-type: none"> <li>• Build new storage facilities - Lease storage facilities</li> </ul>
7.	High cost of finance	<ul style="list-style-type: none"> <li>• Negotiate for competitive lending rates</li> <li>• Avoid overdrafts and opt for long term loans</li> </ul>
8.	Over reliance on	<ul style="list-style-type: none"> <li>• Encourage diversification to other products such as</li> </ul>

	maize	<p>Chemical and Milling.</p> <ul style="list-style-type: none"> <li>• Sensitize Kenyans on changing eating habits and preferences away from maize as the staple food</li> </ul>
9.	Unethical Business practices in Counties Governments.	<ul style="list-style-type: none"> <li>• Uphold proper business practices</li> <li>• Push for business negotiations with County Governments.</li> </ul>
10.	Fall Army worms	<ul style="list-style-type: none"> <li>• Farmers' sensitization on emergency of the worms.</li> <li>• Use of chemicals to control the worms.</li> </ul>
11.	Unpaid Debt from the Government (Ministry of Agriculture)	<p>The Company is owed Kshs. 740 Million by the Government (Ministry of Agriculture) from 2013 to date. This amount if paid will improve the Company's cash position and enable the Company to undertake key investments which will enhance efficiency and service delivery.</p>

### **2.3 Meeting with the Ministry of Agriculture, Livestock, Fisheries & Cooperatives**

The Committee received written submissions from the Ministry of Agriculture, Livestock, Fisheries and Cooperatives in response to the Petition. The Ministry submitted as follows-

#### **The National Seed Policy, 2010**

1. The policy framework governing the seed industry in Kenya comprises of the National Seed Policy of 2010, Seed and Plant Varieties Act, CAP 326, the Seeds and Plant Varieties (Seeds) Regulations, 2016, Seeds and Plant Varieties (Plant



Variety Evaluation and Release), 2016 and Seeds and Plant Varieties (Plant Breeders' Rights) Regulations, 2016.

2. The objectives and purpose of the National Seed Policy of 2010 were-

- a) To create an enabling environment, through legal and policy reforms, for effective participation of both public and private sectors in the production of cost effective and quality planting material;
- b) To establish an effective regulation, coordination and management of all activities within the seed industry in order to tap synergies and maximize resources for enhanced efficiency including eradication of prevalence of adulterated seed;
- c) To build capacity and infrastructure within the seed industry to handle research and development, quality control, technology transfer, and other emerging technologies such as GMOs and ICT;
- d) To harmonize regional seed policies and regulations to enhance cross border trade in seed;
- e) To monitor seed supply situation in order to ensure adequate strategic seed reserves; and
- f) Provision of a sustainable financing system for research and development, germplasm conservation, extension, quality control and capacity building to fully exploit the potential of improved varieties and technologies for increased agricultural and forestry productivity;

3. Policy interventions outlined in the National Seed Policy and achievements to date-

No.	Policy objective	Policy interventions realized
1.	Create an enabling through legal and policy reforms	The Seed Act; the Seed Certification and the Plant Variety Evaluation and Release Regulations were reviewed in

		<p>2010 and 2016 to –</p> <ul style="list-style-type: none"> <li>• Strengthen penalties to provide deterrence on malpractices such as seed adulteration</li> <li>• Authorization of private seed inspectors to strengthen compliance</li> <li>• Harmonize with regional EAC and COMESA seed laws</li> <li>• Align intellectual property rights on seed to the provisions of UPOV 1972 Convention</li> <li>• Provide anchorage for establishment of plant genetic resources institute</li> </ul>
2.	Establish an effective regulation, coordination and management of all activities within the seed industry	Strengthening of seed traders' and plant breeders' associations and representation of the same in the Seed Regulations Committee and Variety Release Committee established in the Regulations under the Act.
3.	Build capacity and infrastructure within the seed industry	ISTA accredited seed certification lab at KEPHIS Muguga
4.	Harmonize regional seed policies and regulations to enhance cross border trade in seed	<p>The following were harmonized with regional seed system legal framework-</p> <ul style="list-style-type: none"> <li>• Period of release of new varieties in partner states reduced to 2</li> </ul>



		years with Distinctness, Uniformity and Stability (DUS) (variety release) dossier <ul style="list-style-type: none"> <li>• Harmonized regional pest lists for 16 crops (for phytosanitary and quarantine measures)</li> </ul>
5.	Monitor seed supply situation in order to ensure adequate seed reserved	Digitization of seed certification procedures is on-going
6.	Provision of a sustainable financing system for research and development, germplasm conservation, extension, quality control and capacity building	Public research on breeding and other seed technologies largely undertaken by KALRO and universities  Private sector research on breeding and other seed technologies undertaken by seed companies and private breeders

### **Challenges faced in implementing the National Seed Policy**

#### **4. The challenges include-**

- i. Development of an integrated seed system that synergizes the benefits from both the formal and informal seed systems remains a challenge;
- ii. Strengthening of capacity of KEPHIS and county governments for collaborative enforcement of seed law and regulations;
- iii. Funding for and development of the informal seed system; and
- iv. Reduced capacity for research in seed, especially human resource numbers, for breeders in the public research institutions.

### **Mitigation measures taken to address the challenges**

5. Plans are underway to develop a Seed Sector Masterplan Investment to address some of the implementation gaps in the seed subsector.

**Whether the Ministry is considering reviewing the policy interventions in respect to seed farming**

6. Considerations are always there to review any policy but the Ministry is always cognizant of ensuring stability in the industry.

**Measures put in place to relieve seed farmers of the costs associated with expensive input**

7. The following measures have been effected by government and have resulted into the cost of seed for the major crop commodities being the most competitive and lower than most other inputs such as fertilizer and agrochemicals-
  - i. The Government removed value added tax (VAT) on seed especially for seed for all major crops such as cereals and pulses;
  - ii. Regulating prices for seed produced and sold by Kenya Seed Company which has had the effect of applying downward pressure on seed from other private companies. The average seed price for a 2 Kg bag of maize seed charged by private companies is Kshs. 500 while KSC prices are below the Kshs. 500;
  - iii. Introduction of "Standard Seed" certification class in the seed certification regulations of 2016 which relaxed the stringent and costly certification required for exported seed for certain seed categories such as potatoes and beans; and
  - iv. Opening up the seed trade to regional market to increase competition and the range of seeds on the farmers' table through harmonizing and shortening variety release procedures within EAC and COMESA.

**Status of the National Crop Insurance Programme**



8. Recognizing the need for a long-term solution to numerous risks and hazards that affect farmers especially majority small-holders, the Government of Kenya in 2015 collaborated with relevant stakeholders to develop a comprehensive agricultural and risk management program for the crop sub-sector. The insurance is being implemented under a Public Private Partnership that is a sustainable approach to availing agriculture insurance to the smallholder farmers.
9. The insurance project is currently being implemented 37 counties including Migori, Homa Bay, Kisii, Kisumu, Nyamira, Siaya, Kakamega, Vihiga, Busia, Bungoma, Trans Nzoia, Uasin Gishu, Elgeyo Marakwet, Nandi, Nakuru, Laikipia, Samburu, Meru, Tharaka Nithi, Embu, Machakos, Nyeri, Kirinyaga, Muranga, Kiambu, Makueni, Kitui, Taita Taveta, Kwale, Kilifi, Bomet and Narok. The program during the long rains of 2021 is being introduced in West Pokot, Kericho, Kajiado and Baringo Counties.
10. The Government pays 50% premium support for farmers who have procured the insurance cover from 0.5 to 20 acres maximum of insured crop. The program in its initial phases focused mostly on maize being the staple food in the country, however, the programme has expanded to other crops which include green grams, sorghum, Irish potatoes. The programme is designed mostly for smallholder farmers growing commercial grain and not seed crop;
11. Farmers reached by December, 2020 were 1,356,000, a total 50% premium paid by the last year Kshs. 200 million; Total farmer compensation by 2020 was Kshs. 161 million;

#### **Status of National Fertilizer Subsidy Program**

12. The Ministry has reformed the National Fertilizer Subsidy Programme into an electronic based input management system which is more efficient and effective. Through the National Value Chain Support Programme (NVSP) the Ministry

targets to provide high needs farming households with access to a wide range of inputs through a nationwide e-voucher input subsidy management system as envisaged in the Agricultural Sector Transformation and Growth Strategy (ASTGS);

13. In the expansion stage, the Ministry is implementing the National Government Post Covid-19 Economic Stimulus Program (PC-ESP) on subsidizing supply of farm inputs through the e-voucher system to reach more small-scale farmers. Under this, it intends to roll out the e-voucher input subsidy during the long rains 2021. As a preliminary towards this, a total of 230,867 farmers have been registered and are targeted for consideration of the e-voucher input benefits.

**Measures taken to alleviate the suffering of the seed farmers including but not limited to the subsidy and waiver programme employed**

14. In Trans-Nzoia County, 7,519 farmers were registered during the pilot phase currently on-going. A total of Kshs, 71 million enough to support 15,787 acres of maize crop was allocated for subsidized inputs which includes certified seeds, fertilizers, lime and agro-chemicals.

**Guaranteed minimum returns in respect to the price of seeds delivered to the Kenya Seed Company**

15. The Kenya Seed Company is a commercial entity that does not receive any exchequer from the government. The Ministry of Agriculture, Livestock, Fisheries & Cooperatives ensures that the seed prices offered by the KSC is affordable to farmers for food security considerations.

**Status of maize importation**

16. In the month of January, 2021, a total of 545,850 bags (90 Kilogrammes) were imported mainly from Uganda and Tanzania. The quantities increased in February



to 637,489 bags and decreased to 146,707 bags in early March. The rapid decrease in March is attributed to the stoppage of importation of maize due to contamination with high levels of aflatoxin.

17. Currently there is no inflow from the borders except at porous points. However, surveillance has been intensified leading to several arrests.

At its 141<sup>st</sup> Sitting held on Wednesday, 14<sup>th</sup> July, 2021, the Committee met with the Cabinet Secretary and raised the following queries-

Members raised the following queries-

1. The measures put in place to protect the welfare of seeds producers especially against exploitation by seed buyers;
2. Why the Crops Insurance Programme does not cover seed farmers; and
3. Whether the Committee established by the Seeds and Plants Regulations, 2016 had been operationalized.

In response, the Cabinet Secretary stated as follows-

1. The Ministry had challenges in expansion of crop insurance due to budgetary allocation. He urged the Senate through the Committee to push for more funds to the Ministry to enable the Ministry to expand crop insurance to include seed producers;
2. The Ministry ensures that prices that are offered by Kenya Seed Company are favorable to the farmers for food security considerations;
3. The Ministry ensures that there is a specific policy for seed farmers, such as National Seed Policy of 2010, the National Seeds and Plant Varieties Act, Cap 326. The objectives of the seed policy are to-



- ✓ Regulate seed industry for proper management and maximize quality production of seeds;
- ✓ To build capacity and infrastructure through research, quality control technology;
- ✓ Harmonize regional seed policies to enhance cross border trade;
- ✓ Ensure adequate strategic seed reserves; and
- ✓ Provide sustainable financing for research and development.

4. The Ministry would fast track the operationalization of the Regulation Committee established by the Seeds and Plant Varieties (Seeds) Regulations, 2016.

#### **2.4 Meeting with the seed farmers in Trans-Nzoia County**

The Committee undertook a county visit to Trans-Nzoia County between 18<sup>th</sup> and 21<sup>st</sup> November, 2021. During the visit, the Committee made a courtesy call on the County Commissioner, Trans-Nzoia County and met the seed farmers on the Petition. The following issues emerged from the meeting with the seed farmers held on Friday, 19<sup>th</sup> November, 2021-

1. That there were research issues at Kenya Seed Company on strains of seeds as the seeds given to farmers were poorly performing and in some cases diseased. In addition, there were different characteristics on seeds given by the Company, there was more seed rotting currently than in previous years;

2. That the increment in price from Kshs. 68 to Kshs. 74 was not sufficient to the farmers. There was need for the establishment of a framework on the cost of production to support the farmer so as to realise his returns;
3. That current governance at Kenya Seed Company has been a challenge and the farmers do not reap any dividends from shares in the Company;
4. That there was a lack of framework at Kenya Seed Company to follow up on issues affecting seed farmers and complaints made by farmers in this respect;
5. That the burden of providing seed was on farmer as opposed to the Kenya Seed Company;
6. That maize seed has recently been having MNL disease (maize lethal necrosis) which has no cure and the farmer bears the loss on his own with no reprieve from the Kenya Seed Company;
7. That an increase in the cost of fertilisers by 100 percent was gravely affecting the farmers returns. As such the 8 percent increment by the KSC was inconsequential;
8. That the seed farmers are likely to abandon the farming of maize altogether as they make no profits and are unable to support their families from it;
9. That the AFC does not extend services to seed maize farmers so the KSC prefers to use banks for provision of loans to farmers;
10. That there was need for investment in new technologies e.g. drones and for these to be subsidised for the farmers; and
11. That the farmers have not been paid as maize was being tested for diseases. Deductions are regularly made from farmers' pay to KEPHIS for disease research, but this seems to be neglected.



## **CHAPTER THREE      LEGAL PROVISIONS TOUCHING ON THE PETITION**

### **3.1      Right to Petition Parliament**

The right to petition Parliament is provided for under Article 119 of the Constitution, which provides as follows-

*“Every person has a right to petition Parliament to consider any matter within its authority, including enacting, amending or repealing any legislation. Parliament shall make provision for the procedure for the exercise of this right.”*

The Petition therefore falls under the Committee’s mandate under Senate Standing Order 218. In addition, standing orders 232 of the Senate Standing Orders outlines the procedure for committal of a Petition to a Committee and transmission of its decision to the Petitioner. Further, the Petition to Parliament (Procedure) Act, 2012 and the Standing Orders of the Senate provide for the procedure to be followed in the submission, processing and consideration of a Petition.

Articles 94 as read together with Article 96 of the Constitution further provides for the role and by extension the authority of Parliament in general and the Senate in particular. Generally, the Houses of Parliament exercise the legislative mandate of the people, deliberate on matters of national interest and oversight the exercise of power by other arms of government.

### **3.2      Guaranteed Minimum Returns Policy**

#### **Agriculture Act (Now repealed)**

Section 4 of that Act provided

#### **4. Provisions for securing efficient agricultural production**

*This Part shall have effect for the purpose of promoting and maintaining, by the provision of guaranteed prices and assured markets for scheduled*



*crops and scheduled animal products, a stable and efficient agricultural industry capable of producing such part of Kenya's food and other agricultural produce as in the interest of Kenya it is desirable to produce therein, and of producing it at minimum prices due regard being had to the interests of all persons engaged or employed, or having capital invested, in the industry*

Section 7 of the abovementioned Act further provided that

#### **7. Fixing of prices for scheduled crops**

*The Minister shall, in the light of his conclusions from the annual review held by him under section 5, after consultation with the Minister for the time being responsible for Finance, before the 1st February in each year, by order published in the Gazette, fix the prices for scheduled crops to be paid (whether by agents constituted or appointed under section 14 or by any person authorised or required by or under any enactment to purchase any such crops) to producers of such of those crops as may be planted in the calendar year in which the order is made: Provided that, in the case of any particular scheduled crop which is not an essential crop, the price therefor may be fixed at any time before the general beginning of harvesting thereof in Kenya, and may be fixed in the light of the conditions then prevailing.*

Section 9 further provided that agents were to buy the schedule crops at the fixed prices. It also provided that the farmers could only sell to the agency appointed by the Minister and made it an offence to sell elsewhere

#### **Price Control (Essential Goods) Act, 2011**

Section 2 of the Act provides

## **2. Declaration of essential commodities**

(1) The Minister may, from time to time, by order in the Gazette, declare any goods to be essential commodities for the purposes of this Act and determine the maximum prices of the commodities in consultation with the industry.

(2) In making a declaration under subsection (1), the Minister shall take into account any relevant treaty or convention ratified by Kenya.

## **Competition Act**

Section 5 of the Competition Act provides

### **5.Application**

*(1) This Act shall apply to all persons including the Government, state corporations and local authorities in so far as they engage in trade.*

*(2) Where there is a conflict between the provisions of this Act and the provisions of any other written law with regard to matters concerning competition, consumer welfare and the powers or functions of the Authority under this Act, the provisions of this Act shall prevail.*

Section 21 of the Competition Act further provides

### **21. Restrictive trade practices**

*(1) Agreements between undertakings, decisions by associations of undertakings, decisions by undertakings or concerted practices by undertakings which have as their object or effect the prevention, distortion or lessening of competition in trade in any goods or services in Kenya, or a*

*part of Kenya, are prohibited, unless they are exempt in accordance with the provisions of Section D of this Part.*

*(2) Agreements, decisions and concerted practices contemplated in subsection (1), include agreements concluded between—*

*(a) parties in a horizontal relationship, being undertakings trading in competition; or*

*(b) parties in a vertical relationship, being an undertaking and its suppliers or customers or both.*

*(3) Without prejudice to the generality of the provisions of subsection (1), that subsection applies in particular to any agreement, decision or concerted practice which—*

*(a) directly or indirectly fixes purchase or selling prices or any other trading conditions;*

*(b) divides markets by allocating customers, suppliers, areas or specific types of goods or services;*

*(c) involves collusive tendering;*

*(d) involves a practice of minimum resale price maintenance;*

*(e) limits or controls production, market outlets or access, technical development or investment;*

*(f) applies dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;*



*(g) makes the conclusion of contracts subject to acceptance by other parties of supplementary conditions which by their nature or according to commercial usage have no connection with the subject of the contracts;*

*(h) amounts to the use of an intellectual property right in a manner that goes beyond the limits of fair, reasonable and non-discriminatory use;*

*(i) otherwise prevents, distorts or restricts competition...*

### The Public Procurement and Asset Disposal Act

Article 227 of the Constitution provides

#### **227. Procurement of public goods and services**

(1) When a State organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

Section 2 of the Public Procurement and Asset Disposal Act, 2015 provides

**"procurement"** means the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any combination and includes advisory, planning and processing in the supply chain system;

**"procuring entity"** means a public entity making a procurement or asset disposal to which this Act applies;

**"public entity"** includes—

(a) the *national* government or any organ or department of the national government;...

- (k) a company owned by a public entity;

## **(1) Crop Insurance Programme**

Section 34 of the Crops Act provides-

### **34. Power to recommend establishment of subsidiary bodies**

(1) The Authority may recommend the establishment of subsidiary bodies to discharge specific aspects, in particular—

- (a) food security;
- (b) value addition, marketing and export;
- (c) offer extension services for irrigation farming;
- (d) pest and disease control;
- (e) crop insurance;
- (f) marketing; and
- (g) any other aspect relating to crop development.

(2) Deleted by L.N. 57/2013, Sch.

### **Observations**

From the foregoing we observe that crop insurance was to be established as a subsidiary body. However, due to lack of sufficient information and unavailability of policy documents in this regard we are unable to establish whether the subsidiary body contemplated under the Crops Act was established.

## **(2) Representation of farmers in agricultural statutory organisations**

National Cereals and Produce Board (NCPB)

Section 3 of the National Cereals and Produce Board Act, 1985 provides

### **3. Establishment and constitution of the Board**

(1) There is hereby established a Board to be known as the National Cereals and Produce Board.

(2) The Board shall consist of—

(a) a Chairman who shall be appointed by the President;

**(b) two persons who are maize growers appointed by the Minister;**

**(c) one person who is a wheat grower appointed by the Minister;**

(d) two persons appointed by the Minister of whom one shall represent consumers' interests and the other millers' interests;

(da) the Permanent Secretary of the Ministry for the time being responsible for matters relating to the Board, or a person deputed by him in writing either generally or for a particular purpose or meeting;

(e) the Permanent Secretary of the Ministry for the time being responsible for Agriculture, or a person deputed by him in writing either generally or for a particular purpose or meeting;

(f) the Permanent Secretary of the Ministry for the time being responsible for Finance, or a person deputed by him in writing either generally or for a particular purpose or meeting;

(g) the Permanent Secretary in the Office of the President, or a person deputed by him in writing either generally or for a particular purpose or meeting;



- (h) a person nominated by the Kenya Grain Growers Co-operative Union Limited and appointed by the Minister;
- (i) the managing director appointed under section 8(1). (3) The Chairman, or, in his absence, a member elected to act as Chairman at a particular meeting of the Board, shall preside at each meeting of the Board and the person presiding at a meeting shall have a casting as well as a deliberative vote.

#### Agriculture Finance Corporation (AFC)

Section 4 of the Agricultural Finance Corporation Act, 1969 provides

#### **4. Board of directors**

(1) There shall be a Board of Directors of the Corporation, which shall, subject to this Act, be responsible for determining the policy of the Corporation and for controlling its operations.

(2) The Board shall consist of—

- (a) not less than four and not more than six persons appointed by the Minister of whom at least two shall be appointed by reason of their knowledge of banking or financial matters;
- (b) the Permanent Secretary of the Ministry, or a person deputed by him in writing to take his place as a director of the Board; and
- (c) the Permanent Secretary of the Ministry for the time being responsible for finance, or a person deputed by him in writing to take his place as a Director of the Board.

#### Agriculture Development Corporation (ADC)

Section 5 of the Agriculture Development Corporation Act provides

### **5. Membership of Corporation**

(1) The Corporation shall consist of—

- (a) a chairman appointed by the President;
- (b) not more than ten members appointed by the Minister in consultation with the President, who, in his opinion, possess qualities likely to be of benefit to the corporation and of whom—
  - (i) at least one shall be an accountant registered under the Accountants Act (Cap. 531);
  - (ii) at least one shall be appointed by reason of his knowledge of international finance;
  - (iii) at least one shall be appointed by reason of his knowledge of the processing and marketing of agricultural produce;
  - (iv) at least one shall be appointed to represent the interests of lenders of funds to the corporation;
- (c) two members appointed by the Minister, in consultation with the President, from a panel of not less than five names submitted by the Central Agricultural Board established under the Agriculture Act (Cap. 318);
- (d) the Permanent Secretary to the Ministry responsible for the functions of the Corporation or a person deputed by him in writing for the purposes of this Act;

- (e) the Permanent Secretary to the Ministry for the time being responsible for Agriculture or a person deputed by him in writing for the purposes of this Act;
- (f) the Permanent Secretary to the Ministry for the time being responsible for livestock development or a person deputed by him in writing for the purposes of this Act;
- (g) the Permanent Secretary to the Ministry for the time being responsible for finance or a person deputed by him in writing for the purposes of this Act;
- (h) the managing director appointed under section 14 of this Act.

Kenya Agriculture Livestock and Research Organisation (KALRO)

Section 6 of Kenya Agriculture Livestock Research Act, 2013 provides

**6. Board of the Organisation**

- (1) The management of the Organisation shall vest in a Board which shall consist of—
  - (a) a Chairperson appointed by the President;
  - (b) the Principal Secretary in the Ministry for the time being responsible for agriculture;
  - (c) the Principal Secretary in the Ministry for the time being responsible for finance;
  - (d) deleted by Act No. 7 of 2016, Sch.;
  - (e) deleted by Act No. 7 of 2016, Sch.;



- (f) the Principal Secretary for the time being responsible for livestock;
- (g) the Secretary to the Science Council appointed under paragraph 6 of the Second Schedule to the Science and Technology Act;
- (h) deleted by Act No. 7 of 2016, Sch.;
- (i) five persons appointed by the Cabinet Secretary, of whom—
  - (i) one shall represent the interests of farmers;**
  - (ii) one shall represent the interest of the general public;
  - (iii) one shall be a representative of an institution of higher learning;
  - (iv) two persons co-opted by the Board, who may be non-citizen scientists in the field of agriculture and who possess such knowledge and experience as may be necessary for the better carrying out of the functions of the Board; and
  - (v) the Director-General appointed in accordance with section 14.

(2) Members appointed under sections 6(a), (g) and (h) shall serve on a part time basis.

## CHAPTER FOUR

## COMMITTEE OBSERVATIONS

The Committee made the following observations-

1. Growers, particularly small-scale farmers, are facing huge financial constraints that have harmed their farming operations. They have restricted access to unsecured loans with the lowest possible interest rate for their seed-growing activities. In addition, seed transportation from growers to factories is hampered by poor road infrastructure leading to destruction of farmers' produce. Further, the cost of agricultural inputs has risen. Growers, particularly those in the informal and small-scale sectors, are unable to acquire inputs such as pesticides;
2. Assertions were made by the petitioners that the Kenya Seed Company had failed to give the seed farmers audience on their grievances. Further assertions were made that the Ag. Managing Director had failed to attend a meeting to which he had been invited by the farmers vide a letter dated 10<sup>th</sup> November, 2019. At the meeting with the Ag. Managing Director, Kenya Seed Company, it was evident that the Ag. Managing Director knew the petitioners, and even referred to some by their names, which indicated that the Managing Director was indeed aware of the petitioners and their plight. He further asserted that his office maintained an open door policy and that the petitioners were welcome to visit his office to discuss any issues of concern;
3. The Kenya Seed Company is owed Kshs. 740 Million by the Government i.e. the Ministry of Agriculture, Livestock, Fisheries and Cooperatives from 2013 to date. This amount is excessive and greatly affects the Company's cash position thus affecting its efficiency and service delivery;
4. There is indeed representation of local farmers in agricultural statutory organisations. The fact that the petitioners assert that there is no representation from their region does not negate the representation. There is however, need for



diversification of the representation perhaps on a rotational basis for increased sense of inclusion for the seed farmers;

5. The Kenya Seed Company had demonstrated slight review of the seed maize purchase price from farmers in the last 5 years. In the FY 2015/2016 the price per 90-kilogram bag of maize was Kshs. 5,490, in the FY 2016/2017 the price was Kshs. 5,490, in the FY 2017/2018 the price was Kshs. 5,850, in the FY 2019/2020 the price was Kshs. 5,850 and during the FY 2020/2021 the price increased to Kshs. 6,120;
6. According to the contract between the Kenya Seed Company and the farmers, the first payment was made to the farmer within forty-five (45) days from the end of the month following delivery of the seed crops to the Company and out of this payment's advances are recovered and the farmer is paid the balance. The final payment is paid to the farmers on or before the 31<sup>st</sup> day of March and out of this payment the Company would recover the cost of transport. There is indeed privity of contract between the KSC and the farmers, however, a review of the payment procedures may be necessary in the interest of the farmers;
7. There exists a policy framework governing the seed industry in Kenya comprising of the National Seed Policy of 2010, Seed and Plant Varieties Act, CAP 326, the Seeds and Plant Varieties (Seeds) Regulations, 2016, Seeds and Plant Varieties (Plant Variety Evaluation and Release), 2016 and Seeds and Plant Varieties (Plant Breeders' Rights) Regulations, 2016;
12. There exists a comprehensive agricultural and risk management program for the crop sub-sector established in 2015. The insurance is being implemented under a Public Private Partnership where the Government pays 50% premium support for farmers who have procured the insurance cover from 0.5 to 20 acres maximum of insured crop. The program is in its initial phases, however, the programme has expanded to other crops which include green grams, sorghum and Irish potatoes.



The programme is designed mostly for smallholder farmers growing commercial grain and not seed crop. The Ministry has had challenges in the expansion of crop insurance to include seed producers due to inadequate budgetary allocation;

8. There exists a National Fertilizer Subsidy Programme under the Ministry of Agriculture, Livestock, Fisheries and Cooperatives which has been reformed into an electronic based input management system which is more efficient and effective. Through the National Value Chain Support Programme (NVSP) the Ministry targets to provide high needs farming households with access to a wide range of inputs through a nationwide e-voucher input subsidy management system as envisaged in the Agricultural Sector Transformation and Growth Strategy (ASTGS). There is, however, need to ensure that farmers are promptly identified for the purposes of proper allocation of fertilizer based on the acreage.

## CHAPTER FIVE

## COMMITTEE RECOMMENDATIONS

In light of the observations made, the Committee recommends that-

1. The Kenya Seed Company should comprehensively review prices of seed maize to reflect current economic conditions and other factors such as inflation, increasing production costs and uncertainties resulting from recent climate changes;
2. County governments in collaboration with the Ministry of Transportation, Infrastructure, Housing, Urban Development and Public Works to strengthen the informal sector's infrastructure to ensure that seeds are delivered to companies and factories in a timely manner;
3. The Ministry of Agriculture, Livestock, Fisheries and Cooperatives fast tracks the operationalization of the Regulation Committee established by the Seeds and Plants Regulations, 2016;
4. The Ministry of Agriculture, Livestock, Fisheries and Cooperatives should pay the Kenya Seed Company the Kshs. 740 million it owes it since 2013 as soon as possible to allow the Company to make critical investments that would improve efficiency and service performance;
5. The Ministry of Agriculture, Livestock, Fisheries and Cooperatives in consultation and cooperation with other relevant agencies should produce a framework to help growers, particularly small-scale farmers, to have unlimited access to unsecured loans with the lowest possible interest rate for their seed-growing activities; and
6. More funds be allocated to the Ministry of Agriculture, Livestock, Fisheries & Cooperatives by the National Treasury to enable the Ministry to expand crop insurance to include seed producers.

## **APPENDICES**

APPENDIX I	Minutes of the Committee deliberations
APPENDIX II	The Petition
APPENDIX III	Response from the Kenya Seed Company
APPENDIX IV	Response from the Ministry of Agriculture, Livestock, Fisheries and Cooperatives



# **APPENDIX I**

## **Minutes of the Committee Deliberations**

**MINUTES OF THE 110<sup>TH</sup> SITTING OF THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES HELD ON FRIDAY, 13<sup>TH</sup> NOVEMBER, 2020 AT 10.00 A.M. ON THE ZOOM ONLINE MEETING PLATFORM**

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**PRESENT**

- |   |   |                  |
|---|---|------------------|
| 1. Sen. Peter Njeru Ndwiga, EGH, MP     | - | Chairperson      |
| 2. Sen. Enoch Wambua, MP                | - | Vice-Chairperson |
| 3. Sen. (Canon) Naomi Jillo Waqo, MP    |   |                  |
| 4. Sen. Issa Juma Boy, MP               |   |                  |
| 5. Sen. (Dr.) Michael Malinga Mbiti, MP |   |                  |

**ABSENT WITH APOLOGY**

1. Sen. Kipchumba Murkomen, EGH, MP
2. Sen. Boniface Kabaka, MP
3. Sen. (Eng.) Ephraim Maina, MP
4. Sen. Justice (Rtd.) Stewart Madzayo, MP

**IN ATTENDANCE**

1. Mr. Joseph Mikolela
2. Mr. Tom Nyairo
3. Mr. Arnold Barasa
4. Mr. Davies Mbwaga
5. Mr. Michael Lugalila
6. Ms. Karen Khaoya

**PETITIONERS**

**IN ATTENDANCE**

1. Mr. Francis Oloibe
2. Mr. Patrick Thuo

**KENYA SEED COMPANY**

- |   |                   |
|---|-------------------|
| - | Managing Director |
| - | Head of Finance   |

**IN ATTENDANCE**

1. Ms. Carol Kirorei
2. Ms. Sombe Toona
3. Ms. Caroline Njue
4. Ms. Njeri Manga
5. Ms. Mary Nyawira

**SENATE**

- Clerk Assistant
- Legal Counsel
- Research Officer
- Media Relations Officer
- Audio Officer

**MIN. NO. 249/2020      PRELIMINARIES**

The Chairperson called the meeting to order at 10.05 a.m. followed by a word of prayer. He then led in a self-introductory session of Members present.

**MIN. NO. 250/2020      ADOPTION OF THE AGENDA**

Members adopted the agenda of the meeting as presented after being proposed by Sen. Issa Juma Boy, MP and seconded by Sen. (Canon) Naomi Waqo, MP.

**MIN. NO. 251/2020      MEETING WITH THE PETITIONERS IN THE  
PETITION CONCERNING THE PLIGHT OF SEED  
FARMERS IN TRANS-NZOIA COUNTY**

Sen. (Dr.) Michael Mbiti, MP informed the meeting that he had submitted the Petition concerning the plight of seed farmers in Trans-Nzoia County to the Senate on behalf of the Petitioners noting that the Petitioners were key contributors to the economy of the county but they faced numerous challenges and made great losses. He requested to the Committee to undertake a visit Trans-Nzoia County to apprise itself on the challenges faced by the farmers and have a better understanding of the issues raised in the Petition.

Upon invitation by the Chairperson, Mr. John Mikolela on behalf of the Petitioners responded to the queries raised by the Committee as follows-

1. The cost of a single season of seed maize planting for one acre of seed maize is Kshs. 93,643. In a bad year, one acre produces 600kg of seed



61,156 per acre while in a good year, 1800 kg are produced per acre at 17,518 profit per acre;

2. There have been challenges as follows-

- a) Poor road networks in the County posing challenges in transportation of the seeds to factories;
- b) Kenya Seed Company monopoly;
- c) Others in the market have lower processing capacities;

3. With regard to the relationship with AFC, a poor relationship exists because of their poor policy on collateral which requires borrowers to have a valid title deed, the loan assessment process at AFC is lengthy, and AFC mandate does not favour specialized farmers like the Petitioners;

4. Majority of the farmers are second generation farmers whose fathers benefited from the GMR and seasonal credit system;

5. Seeds are the foundation of Kenya's food security whose production should be protected;

6. That in the farmers wrote to Kenya Seed Company on 10<sup>th</sup> November, 2019 requested for 65% increase for the minimum price per kilogramme from Kshs. 65, better pricing of low yielding varieties and reform in handling of contracts. The petitioners invited them to a meeting but they failed to attend;

7. That the petitioners sought audience of the Managing Director on 12<sup>th</sup> November, 2020, but were informed by his office that he was unavailable.

The Senators raised the following queries-

- 1. Whether there were only 200 seed farmers in the entire country;
- 2. Whether there were plans to diversify the maize seed varieties in various regions of the country;
- 3. How long it takes for the farmers to be paid after delivery of their produce;

In response it was clarified that-

1. The petitioners were only a representative number of all the seed farmers in the country; and
2. Payment to farmers was made forty-five (45) days after the day of the end of the month after the date of delivery.

**MIN. NO. 252/2020**      **MEETING WITH THE KENYA SEED COMPANY ON**  
**THE PETITION CONCERNING THE PLIGHT OF**  
**SEED FARMERS IN TRANS NZOIA COUNTY**

Upon invitation by the Chairperson, the Managing Director, Kenya Seed Company briefed the Committee as follows-

1. On pricing, the KSC proposes to the Board and passes new pricing based on the fluctuating prices. Last year's price was Kshs. 61, this year farmers are enjoying Kshs. 65 the highest cost ever;
2. KSC has no Board currently which has posed a challenge, but proposal has been made to the Ministry to increase the cost to Kshs. 73;
3. Payment was made forty-five (45) days after delivery, and the second payment was paid on or before 31<sup>st</sup> March. There were no delays to any farmers, all payments had been effected;
4. The Company has a fully-fledged production department assigned to various regions to provide support to the farmers and has fora to air their grievances;
5. The Company facilitates access to credit for farmers from financial institutions and negotiates for the best interest rates for them. It also offers extension services to the farmers through KSC extension officers;
6. The Company met with the petitioners and addressed some of the issues that have been presented in the Petition and maintain an open door policy;
7. The Company continually invests in research for improvement of seeds;
8. Most growers don't need storage because they are brought in cobs therefore have low storage costs;



9. The Company enters into contracts with farmers therefore, there is price stability for the farmers;

The following queries were raised-

1. What kind of extension services were offered to farmers by KSC;
2. Whether evidence of payment and advances to farmers could be provided as there was a discrepancy in responses from the farmers and KSC in this regard;

The Kenya Seed Company responded as follows-

1. It is not the mandate of KSC to offer extension services but KSC has a team dedicated to assisting farmers across the country;
2. Evidence of advance payments would be provided to the Committee;
3. Letters of undertaking were issued promptly to farmers who requested for financing; and
4. Cash position of the KSC is excellent, in the next 6 months the company shall not have any challenges in meeting its obligations.

The Chairperson thanked the petitioners and the Kenya Seed Company for the meeting and informed them that the Committee would visit Kitale, Trans Nzoia County to have a better appreciation of the issues raised in the Petition in due course.

**MIN. NO. 253/2020**      **DATE OF NEXT MEETING**

The next meeting would be held on Monday, 16<sup>th</sup> November, at 11.00 a.m.

**MIN. NO. 254/2020**      **ADJOURNMENT**

There being no other business the Sitting was adjourned at 11.37 a.m.





**SIGNED:**.....

**(CHAIRPERSON)**

**DATE:**.....20/11/2020.....



**MINUTES OF THE 128<sup>TH</sup> SITTING OF THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK & FISHERIES HELD ON FRIDAY, 30<sup>TH</sup> APRIL, 2021, AT 11.00 A.M. ON THE ZOOM ONLINE MEETING PLATFORM.**

**PRESENT**

- |                                      |   |                  |
|--------------------------------------|---|------------------|
| 1. Sen. Enoch Wambua, MP             | - | Vice-Chairperson |
| 2. Sen. (Canon) Naomi Jillo Waqo, MP | - | Ag. Chairperson  |
| 3. Sen. Kipchumba Murkomen, EGH, MP  |   |                  |
| 4. Sen. Issa Juma Boy, MP            |   |                  |

**ABSENT WITH APOLOGY**

- |  |   |             |
|--|---|-------------|
| 1. Sen. Peter Njeru Ndwiga, EGH, MP        | - | Chairperson |
| 2. Sen. (Eng.) Ephraim Maina, MP           |   |             |
| 3. Sen. (Dr.) Michael Mbiti, MP            |   |             |
| 4. Sen. Justice (Rtd.) Stewart Madzayo, MP |   |             |

**SECRETARIAT**

- |                      |   |   |
|----------------------|---|---|
| 1. Ms. Carol Kiorei  | - | Clerk Assistant ( <i>Taking Minutes</i> ) |
| 2. Ms. Regina Munyao | - | Legal Counsel                             |
| 3. Ms. Mary Nyawira  | - | Audio Officer                             |

**MIN. NO. 76/2021**

**PRELIMINARIES**

The Vice-Chairperson called the meeting to order at 11.10 a.m. followed by a word of prayer.

**MIN. NO. 77/2021**

**ADOPTION OF THE AGENDA**

The Committee adopted the agenda of the Sitting, as set out below, having been proposed by Sen. Kipchumba Murkomen, EGH, MP and seconded by Sen. Kipchumba Murkomen, EGH, MP-

1. Preliminaries
  - a) Prayer
  - b) Adoption of the Agenda
2. Confirmation of previous Minutes
3. Matters arising from previous Minutes

4. Brief on response from the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives on the Petition concerning the plight of seed farmers in Trans-Nzoia County
5. Any other business.
6. Date of Next Meeting
7. Adjournment.

**MIN. NO. 78/2021**

**CONFIRMATION OF PREVIOUS MINUTES**

This agenda item was deferred to the next meeting.

**MIN. NO. 79/2021**

**BRIEF ON RESPONSE FROM THE MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES ON THE PETITION CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA COUNTY**

The Legal Counsel briefed the Committee on the Petition concerning the plight of seed farmers in Trans Nzoia County and the Ministry's response to the Petition. It was agreed that the following queries be made to the Cabinet Secretary during the upcoming meeting-

- (a) The Seeds and Plants Varieties(Seeds) Regulations, 2016 establishes a Regulation Committee whose mandate includes-
  - I. advise the Cabinet secretary on matters relation to seed industry.
  - II. consider cases of gross malpractices and advise the service on action to be taken
  - III. hear appeals by aggrieved persons

Has this committee been established and is it operational?
- (b) What measures are the ministry putting in place to protect the welfare of the seeds producers? Especially against exploitation by seed buyers?
- (c) The Ministry has indicated that Crops insurance programme does not cover seed famers, explain why and if there are plan to extend it to seeds farmers?
- (d) Whether there are any specific measures put in place to protect local seed produces against flooding of seed imports?
- (e) Whether the voucher system been rolled out and whether the inputs subsidy been extended to the seeds farmers?
- (f) What is the Ministry doing to ensure competitiveness of the country for sale of seeds in the region?



Following deliberations, the Committee resolved as follows-

1. The Committee would visit the Kenya Seed Company in Kitale and the seed farmers on the ground so as to inform the final Committee Report; and
2. There is need to unbundle cereals from the Crops Act, 2013 for specialization of seeds and seed protection. The secretariat was tasked to begin the drafting of the Bill.

**MIN. NO. 80/2021**

**DATE OF NEXT MEETING**

The next meeting would be held on Friday, 30<sup>th</sup> April, 2021 at 11.00 a.m.

**MIN. NO. 81/2021**

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 11.45 a.m.



SIGNED:.....

(CHAIRPERSON)

DATE:.....18/6/2021.....



**MINUTES OF THE 141<sup>ST</sup> SITTING OF THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK & FISHERIES HELD ON WEDNESDAY, 14<sup>TH</sup> JULY, 2021, AT 10.00 A.M. ON THE ZOOM ONLINE MEETING PLATFORM**

**PRESENT**

- |   |   |                  |
|---|---|------------------|
| 1. Sen. Peter Njeru Ndwiga, EGH, MP       | - | Chairperson      |
| 2. Sen. Enoch Wambua, MP                  | - | Vice-Chairperson |
| 3. Sen. (Canon) Naomi Jillo Waqo, MP      |   |                  |
| 4. Sen. Kipchumba Murkomen, EGH, MP       |   |                  |
| 5. Sen. Issa Juma Boy, MP                 |   |                  |
| 6. Sen. Justice (Rtd) Stewart Madzayo, MP |   |                  |

**ABSENT WITH APOLOGY**

1. Sen. (Eng.) Ephraim Maina, MP
2. Sen. (Dr.) Michael Mbiti, MP

**SECRETARIAT**

- |                       |   |   |
|-----------------------|---|---|
| 1. Ms. Carol Kirorei  | - | Clerk Assistant                           |
| 2. Mr. David Angwenyi | - | Clerk Assistant ( <i>Taking Minutes</i> ) |
| 3. Ms. Regina Munyao  | - | Legal Counsel                             |
| 4. Ms. Njeri Manga    | - | Audio Officer                             |
| 5. Ms. Mary Nyawira   | - | Hansard officer                           |

**IN ATTENDANCE**

- |                           |   |   |
|---------------------------|---|---|
| 1. Hon. Peter Munya (EGH) | - | Cabinet Secretary for the Ministry of Agriculture, Livestock, Fisheries and Cooperatives. |
| 2. Mr. David Kithale      | - | Ministry of Agriculture   |
| 3. Mr. Erick Tegei        | - | Ministry of Agriculture   |
| 4. Mr. Fred Foloibe       | - | Ministry of Agriculture   |

**MIN. NO. 151/2021**

**PRELIMINARIES**

The Chairperson called the meeting to order at 10.12 a.m. followed by a word of prayer.

**MIN. NO. 152/2021**

**ADOPTION OF THE AGENDA**



The Committee adopted the agenda of the Sitting, as set out below, having been proposed by Sen. (Canon) Naomi Jillo Waqo, MP and seconded by Sen. Kipchumba Murkomen, EGH, MP-

1. Preliminaries
  - a) *Prayer*
  - b) *Adoption of the Agenda*
2. Meeting with the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives on the Petition concerning the plight of seed farmers in Trans Nzoia County.
3. Any other business.
4. Date of Next Meeting
5. Adjournment.

**MIN. NO. 153/2021**

**MEETING WITH THE CABINET SECRETARY,  
MINISTRY OF AGRICULTURE, LIVESTOCK,  
FISHERIES AND COOPERATIVES ON THE  
PETITION CONCERNING THE PLIGHT OF SEED  
FARMERS IN TRANS NZOIA COUNTY**

The Chairperson welcomed the Cabinet Secretary to the meeting. Noting that the Ministry's response had previously been received by the Committee and its contents were familiar with the Members, he invited Members to seek clarification on various issues resulting from the response.

Members raised the following queries-

1. The measures put in place to protect the welfare of seeds producers especially against exploitation by seed buyers;
2. Why the Crops insurance programme does not cover seed farmers; and
3. Whether the Committee established by the Seeds and Plants Regulations, 2016 had been operationalized.

In response, the Cabinet Secretary stated that:

1. The Ministry had challenges in expansion of crop insurance due to budgetary allocation. He urged the Senate through the Committee to push for more funds to the Ministry to enable the Ministry to expand crop insurance to include seed producers;
2. The Ministry ensures that prices that are offered by Kenya Seed Company are favorable to the farmers for food security considerations;
3. The Ministry ensures that there is a specific policy for seed farmers, such as National Seed Policy of 2010, the National Seeds and Plant Varieties Act, Cap 326, whose objectives of the seed policy is to-



- ✓ Regulate seed industry for proper management and maximize quality production of seeds;
  - ✓ To build capacity and infrastructure through research, quality control technology;
  - ✓ Harmonize regional seed policies to enhance cross border trade;
  - ✓ Ensure adequate strategic seed reserves; and
  - ✓ Provide sustainable financing for research and development.
4. The Ministry would fast track the operationalization of the Committee established by the Seeds and Plants Regulations, 2016.

Following deliberations, it was agreed that area Members of Parliament be included in the launching of the various agricultural projects by the Cabinet Secretary.

**MIN. NO. 154/2021**

**ANY OTHER BUSINESS**

**Report Writing Retreat on the Coffee Bill (Senate Bills No. 22 of 2020)**

Members were requested to confirm their attendance for the Report Writing Retreat scheduled to take place between 15<sup>th</sup> and 18<sup>th</sup> July, 2021 in Naivasha, Nakuru County. It was noted that three Members had confirmed their attendance; however, the secretariat was tasked to follow up on further confirmations.

**MIN. NO. 155/2021**

**DATE OF NEXT MEETING**

The next meeting would be held on Monday, 19<sup>th</sup> July, 2021 at 11.00 a.m.

**MIN. NO. 156/2021**

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 10.48 a.m.

SIGNED:.....



(CHAIRPERSON)

DATE:.....30/7/2021.....



**MINUTES OF THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK & FISHERIES WITH SEED FARMERS ON THE PETITION CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA COUNTY HELD ON FRIDAY, 19<sup>TH</sup> NOVEMBER, 2021, AT 11.00 A.M. AT THE ATURUKAN HOTEL, KITALE**

**PRESENT**

- |                                      |   |                 |
|--------------------------------------|---|-----------------|
| 1. Sen. Peter Njeru Ndwiga, EGH, MP  | - | Chairperson     |
| 2. Sen. Enoch Wambua, MP             | - | Ag. Chairperson |
| 3. Sen. (Dr.) Michael Mbiti, MP      |   |                 |
| 4. Sen. Issa Juma Boy, MP            |   |                 |
| 5. Sen. Kipchumba Murkomen, MP       |   |                 |
| 6. Sen. (Canon) Naomi Jillo Waqo, MP |   |                 |

**ABSENT WITH APOLOGY**

1. Sen. (Eng.) Ephraim Maina, MP
2. Sen. Justice (Rtd) Stewart Madzayo, MP

**IN ATTENDANCE**

Seed Farmers (Annexed to the Minutes)

**SECRETARIAT**

- |                      |   |   |
|----------------------|---|---|
| 1. Ms. Carol Kiorei  | - | Clerk Assistant ( <i>Taking Minutes</i> ) |
| 2. Ms. Regina Munyao | - | Legal Counsel                             |
| 3. Ms. Njeri Manga   | - | Media Relations Officer                   |
| 4. Ms. Mary Nyawira  | - | Audio officer                             |
| 5. Mr. Alex Mutuku   | - | Sargent at arms                           |

**MIN. NO. 01/2022**

**PRELIMINARIES**

The Chairperson called the meeting to order at 11.10 a.m. followed by a word of prayer.

**MIN. NO. 02/2022**

**ADOPTION OF THE AGENDA**



The Committee adopted the agenda of the Sitting, as set out below, having been proposed by Sen. (Dr.) Michael Mbiti, MP and seconded by Sen. (Canon) Naomi Waqo, MP-

1. Preliminaries
  - a) *Prayer*
  - b) *Adoption of the Agenda*
2. Meeting with seed farmers on the Petition concerning the plight of seed farmers in Trans-Nzoia County
3. Any other business.
4. Date of Next Meeting
5. Adjournment.

**MIN. NO. 03/2022**

**MEETING WITH SEED FARMERS**

The following issues emerged from the meeting with the seed farmers-

1. That there was a research issue at Kenya Seed Company on strains of seeds as the seeds given to farmers were poorly performing and in some cases diseased. In addition, there were different characteristics on seeds given by the Company, there was more seed rotting currently than in previous years;
2. That the increment in price from Kshs. 68 to Kshs. 74 was not sufficient to the farmers. There was need for the establishment of a framework on the cost of production to support the farmer so as to realise his returns;
3. That current governance at Kenya Seed Company has been a challenge and the farmers do not reap any dividends from shares in the Company;
4. That there was a lack of framework at Kenya Seed Company to follow up on issues affecting seed farmers and complaints made by farmers in this respect;
5. That the burden of providing seed was on farmer as opposed to the Kenya Seed Company;
6. That maize seed has recently been having NMLD disease which has no cure and the farmer bears the loss on his own with no reprieve from the Kenya Seed Company;
7. That an increase in the cost of fertilisers by 100 percent was gravely affecting the farmers returns. As such the 8 percent increment by the KSC was inconsequential;
8. That the seed farmers are likely to abandon the farming of maize altogether as they make no profits and are unable to support their families from it;
9. That the AFC does not extend services to seed maize farmers so the KSC prefers to use banks for provision of loans to farmers;
10. That there was need for investment in new technologies e.g. drones and for these to be subsidised for the farmers; and
11. That the farmers have not been paid as maize was being tested for diseases. Deductions are regularly made from farmers' pay to KEPHIS for disease research, but this seems to be neglected.



Following deliberations, it was resolved that the Committee would meet with the Managing Director, Kenya Seed Company to discuss the issues raised by the seed farmers and come up with a way forward.

**MIN. NO. 03/2022**

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 1.37 p.m.

**SIGNED:.....**



**(CHAIRPERSON)**

**DATE:.....14/2/2022.....**



# THE SENATE

## STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK & FISHERIES.

### GUEST ATTENDANCE LIST

PURPOSE: COUNTY VISIT ON THE PETITION CONCERNING PLIGHT OF SEED FARMERS: DATE: 19/11/2021

VENUE: ATURKAN HOTEL, KITALE

TIME: \_\_\_\_\_

	NAME	ORGANIZATION	DESIGNATION	CONTACT TELEPHONE & EMAIL	SIGNATURE
1	CLIFFE.W. KITUI	SEED FARMER	-	0723218186 Cliffe@knu.ac.ke	Thugundwa
2	MARIANNE WANDIGA	SEED FARMER	-	0720531147	Marianne
3	KENNETH KAGY	AGRIC. TNAWA COUNTY	Crops officer	0722433699	Kagyuken@kchod.com
4	JAMES KITUI	SEED FARMER		0728874260	Kitui
5	DAVID MBWANGI	FARMER		0722685015	David
6	PAULINE KISIRO	seed farmer	-	0724853053	PKOI
7	MARIAH KIBORE	Seed farmer	-	0723118477	Mariah
8	DAVID MUKOPI	Seed Farmer		0721266903	David
9	HENDRY MUKOPI	SEED FARMER	-	0721843434	Hendry
10	Caroline Jerotia	O.O.P	-	0727011418	Caroline
11	Grace E. Kataro	O.O.P	Ge	0724477586	Grace



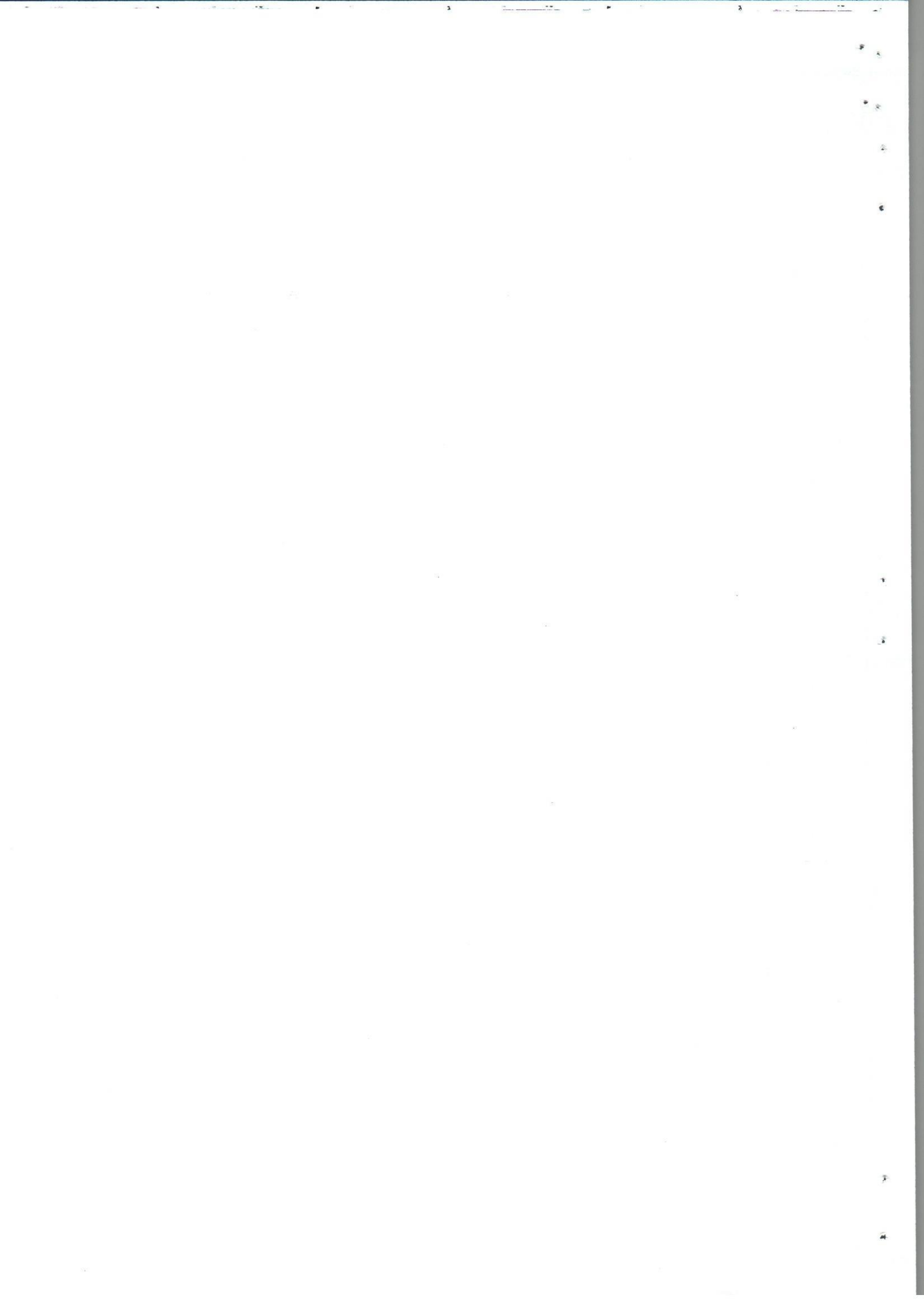


	NAME	ORGANIZATION	DESIGNATION	CONTACT TELEPHONE & EMAIL	SIGNATURE
12	Vincent Sambo	Office of the Governor	T.N C.O.M	0722 364714	Samboir.ve@gmail.com
13	SABIRA CHIRPI	"	T.N P.A	0721 600610	jsabula2002@gmail.com
14	PATRICK NG'ENDO	"	T.N. Researcher	0727 138 712	Patrickngendo20@gmail.com
15	Gerald Bwisa	"	T.N Media	0728 976 515	gbwisa@gmail.com
16	Collins Shikabonyi	Citizen TV	Reporter	0721 650 374	SKShikabonyi@gmail.com
17	CHARLES KEMOSI	NORTH RIFT RADIO	Reporter	0701 257 755	kemosichab@gmail.com
18	OSINDE GBARE	STANDARDS GROUP	REPORTER	0722 646 392	gnyanya@gmail.com
19	KINYUA HAROI	PRESS	Reporter	0707 607 385	KHaroi@gmail.com
20	ABDI OMAR	Kenya News Agency	Reporter	0704 204 784	abdi2775@gmail.com
21	ELVIS NALUA	BK Radio	"	0717 726 644	nalua111@gmail.com
22	Tom Nyairo	Seed Maize Farmer	"	0701 573 592	
23	Joshua Rache	Priso BK Radio	Printer	0729 173 507	
24	John Matero	Mt Kenya Radio	Presenter	0796 491 629	
25	Ngũgũ Wason	S. farmer	Reporter	0717 691 950	
26	OTARO KEPA	Correspondent	Subst	0717 502 760	
27	KENNEDY KIMO	Office of Governor	Security	0711 121 307	
28	CARREN KIMOTA	"	farmer	072 133 4701	





29	Joseph M. Mecca	Farmer - Petitioner		0725261222 joemecko@gmail.com	Joemecko
30	Michael Kugachia	Former-Petitioner		072172187 mike.kugachia@yahoo.com	
31					

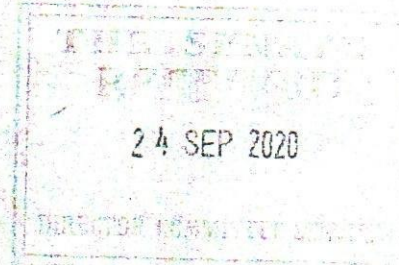


# **APPENDIX II**

## **The Petition**



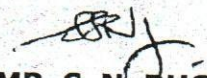


**PARLIAMENT OF KENYA  
INTERNAL MEMO****From:** Director, Legislative and Procedural Services**To:** Director, Committee Services**Date:** 23<sup>rd</sup> September, 2020**RE: PETITIONS**

At the Sitting of the Senate held on Tuesday, 22<sup>nd</sup> September, 2020, the following Petition was presented to the Senate pursuant to Standing Order 230; and referred to the relevant standing committee pursuant to Standing Order 232 (1), as tabulated below-

NO	SUBJECT OF THE PETITION	DATE PRESENTED/ REPORTED	COMMITTEE REFERRED TO	REPORTING DATE
1.	Petition to the Senate by Mr. Joseph Mikolela and others on the plight of seed farmers in Trans-Nzoia County	22/09/2020	Agriculture, Livestock and Fisheries	20/11/2020

Pursuant to Standing Order 232(2), the Standing Committee is required to consider the Petition within sixty (60) calendar days from the time of reading the prayers and respond to the petitioners by way of a report addressed to the petitioners and tabled in the Senate. Kindly bring this matter to the attention of the Standing Committee.

  
**MR. S. N. RUGE.**

Copy to:

Deputy Clerk (**MA**)  
Deputy Clerk (**EG**)

*Clerk Assist - Agriculture.*  
*For the Committee - Please deal*  
*24/09/2020*



The Clerk of the Senate,  
Parliament Buildings,  
P.O. Box 41842-00100,

NAIROBI

Email: [senate.petitions@parliament.go.ke](mailto:senate.petitions@parliament.go.ke)

**RE: PETITION TO THE SENATE CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA COUNTY AND LACK OF SUPPORT BY THE GOVERNMENT RESULTING TO PSYCHOLOGICAL TORTURE DUE TO DEFICITS AND LOSSES THAT FARMERS INCUR EVERY OTHER TIME.**

We, the undersigned,

Citizens of the republic of Kenya, and residents of Trans-Nzoia County, representing 200 seed farmers, draw the attention of the senate to the following:

**1. Kenya Seed Company Limited is the main seed producer in East and central Africa.**

- 1.1 THAT, Ninety percent of those seeds are planted by the 200 seed farmers who then supply to KSC for commercial farmers to buy and plant for consumption and otherwise.
- 1.2 THAT, Trans-Nzoia seed farmers association was formed to champion the seed farmers' needs to the KSC and look at how to improve their operations for quality production.
- 1.3 THAT, without seed production in Kenya, there will be no commercial production of maize in east and central Africa.
- 1.4 THAT, the last comprehensive review of the seed prices by KSC was done in more than seven years ago.

**2. Cost of production and risk involved**

- 2.1 THAT, farm inputs are very expensive and subject the seed farmers to income loss.
- 2.2 THAT, the risk of total crop loss due to diseases, natural disasters, degraded quality control at basic seed production and poor variety selection by KSC is borne by the seed farmers.
- 2.3 THAT, the road networks are in deplorable state, ninety percent of feeder roads are impassable.

**3. Lack of farmer representation.**

- 3.1 THAT, local farmers are never represented on all agricultural statutory organization like KSC, NCPB, AFC, KCC, ADC, KALRO among others.
- 3.2 THAT, there is no seed farmer's participation in the management of the relevant agricultural bodies.



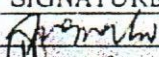
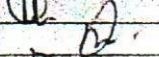

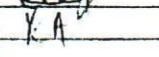


**RE: PETITION TO THE SENATE CONCERNING THE PLIGHT OF  
SEED FARMERS IN TRANS-NZOIA COUNTY AND LACK OF  
SUPPORT BY THE GOVERNMENT RESULTING TO  
PSYCHOLOGICAL TORTURE DUE TO DEFICITS AND LOSSES  
THAT FARMERS INCUR EVERY OTHER TIME**

- 3.3 THAT, the staffing at the agricultural statutory organizations especially KSC is not representative of all the communities in the region.
- 4. Seed farmers have deficits in the bank.**
- 4.1 That, ninety nine percent of the seed farmers have deficits in various banks.
- 4.2 THAT, the government is not supporting them through subsidies and loan waivers.
- 4.3 THAT, seed farmers are getting no incentives.
5. THAT, we have made the best efforts to have these matters addressed by the relevant authorities all of which have failed to give a satisfactory response.
6. THAT, none of these issues raised in this petition is pending in any court of law, constitutional or any other legal body.
- WHEREFORE, your humble petitioners pray that the senate-
- 1) Intervenes to ensure that there is a specific policy for seed farmers.
  - 2) THAT, the senate help in instituting a framework to have local farmers represented in all agricultural statutory organizations.
  - 3) THAT, the senate ensures the reintroduction of the GARANTEED MINIMUM RETURNS policy for seed farmers.
  - 4) THAT, the senate intervenes to ensure a comprehensive review of the crop insurance taken for seed production.
  - 5) THAT, the senate intervenes to ensure that no maize importation until farmers have exhausted their stocks.
  - 6) THAT, the senate intervenes to enable price increase of seed maize produce delivered to KSC by sixty percent due to inflation, increased cost of production, uncertainty caused by climate change and other risk factors.
  - 7) THAT, the senate intervenes to ensure that there is regulatory miller to help in regulation and add value to what farmers are doing.
  - 8) THAT the senate intervenes to ensure that farmers are paid promptly by KSC.
  - 9) THAT, the senate intervenes to ensure that farmers are properly identified for the purposes of proper allocation of fertilizer based on the acreage.



**RE: PETITION TO THE SENATE CONCERNING THE PLIGHT OF  
SEED FARMERS IN TRANS-NZOIA COUNTY AND LACK OF  
SUPPORT BY THE GOVERNMENT RESULTING TO  
PSYCHOLOGICAL TORTURE DUE TO DEFICITS AND LOSSES  
THAT FARMERS INCUR EVERY OTHER TIME**

Dated this 20<sup>th</sup> day of JULY 2020

NO	NAME	ADDRES	ID. NO	CELL PHONE	SIGNATURE
1	JOSEPH MIKOLELA	18417 KTL	11364409	0725261222	
2	MICHAEL KAUANA	1510 KTL	973038	0721721871	
3	DAVID W MBWANGA	1773 KTL	20106264	0722655015	
4	TOM NYAIRO	2040 KTL	962176	0701573592	
5	ANTHONY BARASA	4526	13159037	0721704139	
6	KAREN KHAOYA	1631 KTL	21512134	0721334701	
7					

Counter signed by Senator (Dr.) Michael Mbito, Mp senator for Trans-Nzoia County



**Senator (Dr) Michael Mbito,  
Senator Trans-Nzoia County**

# **REPUBLIC OF KENYA**



## **MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES**

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### **PUBLIC PETITIONS CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA**

BY

**HON. PETER MUNYA, EGH  
CABINET SECRETARY**

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**APRIL 2021**



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## **INFOTMATION REQUESTED BY THE COMMITTEE**

### **1. Brief on the national seed policy**

#### **Background to the National Seed Policy**

The policy framework governing the seed industry in Kenya comprise the National Seed Policy of 2010, Seed and Plant Varieties Act, Cap 326; the Seeds and Plant Varieties (Seeds) Regulations of 2016; Seeds and Plant Varieties (Plant Variety Evaluation and Release), 2016; and, Seeds and Plant Varieties (Plant Breeders' Rights) Regulations of 2016. The objectives and purpose of the National Seed Policy of 2010 were;

- i. To create an enabling environment, through legal and policy reforms, for effective participation of both public and private sectors in the production of cost effective and quality planting material.
- ii. To establish an effective regulation, coordination and management of all activities within the seed industry in order to tap synergies and maximise resources for enhanced efficiency, including eradication of prevalence of adulterated seed.
- iii. To build capacity and infrastructure within the seed industry to handle research and development, quality control, technology transfer, and other emerging technologies such as GMOs, and (ICT).
- iv. To harmonise regional seed policies and regulations to enhance cross border trade in seed.
- v. To monitor seed supply situation in order to ensure adequate strategic seed reserves.
- vi. Provision of a sustainable financing system for research and development, germplasm conservation, extension, quality control and capacity building to fully exploit the potential of improved varieties and technologies for increased agricultural and forestry productivity

**Policy Interventions outlined in National Seed Policy and achievements to date**

No.	Policy objective	Policy Interventions Realized
1.	Create an enabling environment through legal and policy reforms	<p>The Seed Act; the seed certification and the plant variety evaluation and release regulations were reviewed in 2010 and 2016 to;</p> <ul style="list-style-type: none"> <li>• Strengthen penalties to provide deterrence on malpractices such as seed adulteration</li> <li>• Authorization of private seed inspectors to strengthen compliance</li> <li>• harmonize with regional (EAC and COMESA) seed laws</li> <li>• align IPR on seeds to the provisions of UPOV 1972 convention</li> <li>• provide anchorage for establishment of plant genetic resources institute</li> </ul>
2.	Establish an effective regulation, coordination and management of all activities within the seed industry in order	Strengthening of seed traders' and plant breeders' associations and representation of the same in the Seed Regulations Committee and Variety Release Committee established in the Regulations under the Act.
3.	Build capacity and infrastructure within the seed industry	ISTA accredited seed certification laboratory at KEPHIS Muguga
4.	Harmonize regional seed policies and regulations to enhance cross border trade in seed	<p>The following were harmonized with regional seed system legal framework;</p> <ul style="list-style-type: none"> <li>• Period of release of new varieties in partner states reduced to 2 years with DUS (variety release) dossier</li> <li>• Harmonized regional pest lists for 16 crops ( for phytosanitary and quarantine measures</li> </ul>
5.	Monitor seed supply situation in order to ensure adequate strategic seed reserves	Digitization of seed certification procedures is on-going
6.	Provision of a sustainable financing system for research and development,	Public research on breeding and other seed technologies largely undertaken by KALRO and universities



germplasm conservation, extension, quality control and capacity building	Private sector research on breeding and other seed technologies undertake by seed companies and private breeders
--	--

#### **a) Challenges experienced in implementing of the National Seed Policy**

##### **Response**

- i. Development of an integrated seed system that synergizes the benefits from both the formal and informal seed systems remains a challenge.
- ii. Strengthening of capacity of KEPHIS and County governments for collaborative enforcement of seed law and Regulations.
- iii. Funding for and development the informal seed system.
- iv. Reduced capacity for research in seed, especially the human resource numbers, for breeders in the public research institutions.

#### **b) Mitigation Measures taken to address the challenges**

##### **Response**

Plans are underway to develop a seed sector Masterplan Investment to address some of the implementation gaps in the seed subsector

#### **b) whether the ministry is considering reviewing the policy interventions in respect to seed farming**

##### **Response**

Considerations are always there to review any policy but we are always cognizant of ensuring stability in the industry.

#### **2. Measures put in place to relieve seed farmers of the costs associated with expensive input**

##### **Response**

The following measures have been affected by government and have resulted into the cost of seed for the major crop commodities being the most competitive and lower than most other inputs such as fertilizer and agrochemicals.



- i. The Government removed value added tax (VAT) on seed especially for seed for all major crops such as cereals and pulses;
- ii. Regulating prices for seed produced and sold by Kenya Seed which has had the effect of applying downward pressure on seed from other private companies. The average seed price for a 2 Kg of maize seed charged by private companies is Ksh 500/ while Kenya seed prices are below the Ksh500
- iii. Digitization of seed certification services which have reduced costs and which cost have been passed on to the farmers;
- iv. Introduction of "Standard Seed" certification class in the seed certification regulations of 2016 which has relaxed the stringent and costly certification required for exported seed for certain seed categories such as potatoes and beans; and,
- v. Opening up the seed trade to regional market to increase competition and the range of seeds on the farmers' table through harmonizing and shortening variety release procedures within EAC and COMESA.

### **3. Brief on Status of National Crop Insurance Programme**

#### **Introduction**

The majority of Kenya's population live in rural areas and mostly depend on agriculture as its main source of livelihood. Over 75 percent of Kenyan farmers are smallholder subsistence farmers whose farming systems are highly constrained by factors such as low investment capacity and adoption of modern technology, low access to credit and essential inputs, inadequate value addition and markets infrastructure, and high vulnerability to agricultural risks and hazards. The sector is thus increasingly becoming vulnerable to vagaries of weather-related risks affecting negatively on the sector and general economy. The Vulnerability of the smallholder farmer has been made worse by the increase in vagaries resulting in extreme events such as droughts, floods, increased incidences of pests and diseases. . Such devastating agricultural shocks push better off farmers and pastoralists into poverty, and the already poor into destitution, and can take years to recover. They can also make it more costly or simply impossible for those affected to take out loans, limiting opportunities for agricultural producers to invest in better tools and technologies to increase productivity.

Recognizing the need for a long-term solution to numerous risks and hazards that affect farmers especially majority small-holders, the Government of Kenya in 2015 collaborated with relevant stakeholders to develop a comprehensive agricultural and risk management program for the crops sub-sector. The insurance is being implemented under a public Private Partnership that is a sustainable approach to availing agriculture insurance to the smallholder farmers.

### **Programme Coverage**

The insurance project is currently being implemented in 37 counties of Migori, Homa Bay, Kisii, Nyamira, Kisumu, Siaya, Kakamega, Vihiga, Busia, Bungoma, Trans Nzoia, Uasin Gishu, Elgeyo Marakwet, Nandi, Nakuru, Laikipia, Samburu, Meru, Tharaka Nithi, Embu, Machakos, Nyeri, Kirinyaga, Muranga, Kiambu, Makueni, Kitui, Taita Taveta, Kwale, Kilifi, Bomet and Narok. The program during the long rains of 2021 is being introduced in West Pokot, Kericho, Kajjado and Baringo counties.

### **Programme Approach**

The Government pays 50% premium support for farmers who have procured the insurance cover from 0.5 to 20 acres maximum of the insured crop. The program in its initial phases focused mostly on maize being the staple food in the country, however the programme has expanded to other crops which include, Green Grams, Sorghum, Irish Potatoes. The programme is designed mostly for smallholder farmers growing commercial grain and not Seed crop.

### **Achievements Realized**

- Farmers reached by December 2020 were 1,356,000
- Total 50% premium paid by last year Ksh. 200 Million
- Total farmer compensation by 2020 was Ksh. 161Million



#### **4. a brief in respect to the status of national fertilizer subsidy program**

The Ministry of Agriculture, Livestock, Fisheries and Cooperatives, State Department for Crop Development and Agricultural Research has reformed the National fertilizer subsidy programme into an electronic based input management system which is more efficient and effective. Through the National Value Chain Support Programme (NVSP) the ministry targets to provide high needs farming households with access to a wide range of inputs through a nationwide e-voucher input subsidy management system as envisaged in the Agricultural Sector Transformation and Growth Strategy (ASTGS).

This is expected to contribute towards the national food and nutrition security by increasing production of cereal staples and cash crop value chains namely; Maize, Rice, Irish Potato, Coffee, Green grams and Sorghum. In addition, smallholder farmers in these value chains will be supported to graduate from subsistence to commercial agriculture.

The e-voucher input management system is currently being piloted whereby more than 15,439 farmers have accessed the inputs which include certified seeds, Fertilizer, Lime and Agro-chemicals. Farmer contribution stands at 60% while the government subsidy is 40% of each input item under consideration.

In the expansion stage, the Ministry is implementing the National Government Post Covid-19 Economic Stimulus Program (PC-ESP) on subsidizing supply of farm inputs through the e-voucher system to reach more small-scale farmers. Under this, it intends to roll out the e-voucher input subsidy during the Long rains 2021. As a preliminary towards this, a total of 230,867 farmers have been registered and are targeted for consideration of the e-voucher input benefits.

##### **Pilot counties**

- i. Maize-Nandi, Bungoma, Trans-Nzoia and Uasin Gishu
- ii. Rice-Kisumu and Kirinyaga
- iii. Irish Potato-Nyandarua and E/Marakwet
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##### **Expansion stage counties**

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**5. Measures taken to alleviate the suffering of the seed farmers including but not limited to;**

**a) subsidy and waiver programme employed**

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Signature.....

HON. PETER MUNYA, EGH

Date.....

26/04/2021

# **APPENDIX III**

**Response from the Kenya Seed Company**







# KENYA SEED COMPANY LIMITED.

P.O. Box 553, Kitale, Kenya, 30200  
Tel: 054 - 31909-14  
Fax: 254 - 54 - 31775 / 30385  
E-mail: [info@kenyaseed.co.ke](mailto:info@kenyaseed.co.ke)  
<http://www.kenyaseed.com>

Cell: 0733 623 668  
0722 585 152  
0722 205 144

Our Ref:

KSC/MD/CM/3.2/12/11/2020

Your Ref:

13<sup>th</sup> November, 2020.

The Senate,  
Clerk's Chambers,  
Parliament Building,  
P.O. Box 41482 - 00100,  
**NAIROBI.**

Dear Sir/Madam,

## **RE: PETITION CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA COUNTY**

I acknowledge receipt of your letter reference SEN/SCALF/CORR/2020/33(2) dated 30<sup>th</sup> October, 2020 regarding the above subject and I have noted the contents therein.

I hereby submit to you the requested information which is as follows: -

### **(a) The price offered to farmers for the purchase of seed maize from the seed farmers for the last five years.**

The Company has been reviewing the seed maize purchase price from Farmers to respond to the changing cost of production. The price offered in the last 5 years are as follows: -

Financial Years	Number of Growers	Prices in Kshs Per Kilo	Prices Per 90-Kilo Bag	Kilos Bought in Millions
2020/21	329	68	6,120	26.000
2019/20	307	65	5,850	25.287
2018/19	247	65	5,850	27.694
2017/18	210	61	5,490	13.484
2016/17	244	61	5,490	24.500

Page 1 of 4

*...Growing Seeds for the Future*

We warrant to the extent of the purchase price only that the seeds sold by us are as described with recognised tolerances. We give no other warranty expressed or implied and can in no circumstances be held responsible for the crop. Crop failure or any other force majeure releases us entirely from delivery obligations.

NB - ALL CORRESPONDENCES ARE TO BE ADDRESSED TO THE MANAGING DIRECTOR

**(b) Whether the company has met all its obligations in respect payment of farmers and whether the payments have been done on time.**

I wish to confirm that the company has met all its obligations in respect of payment to farmers and also confirm that all payments to farmers have been done in time.

The obligation of the company and the farmers is contained in a legal contract stipulating how deliveries and payment of seed is to be done. According to the contract, the first payment is made to the farmer within 45 days from the end of the month following delivery of the seed crops to the company and out of this payment's advances will be recovered and the farmer be paid the balance. The final payment is paid to the farmers on or before the 31<sup>st</sup> day of March and out of this payment the company will recover the cost of transport.

I confirm that all the payments to farmers have been done before the timeliness stipulated in the contract.

For the FY2020/21, I wish to confirm that the deliveries of seed maize from the farmers are in progress from September 2020. All seed that were received in the Company before 30<sup>th</sup> September 2020, whose payment falls due on 15<sup>th</sup> November 2020 have been fully paid for as at today. The amount paid to growers in respect of Seed Maize over the period are as follows: -

Financial Years	Prices in Kshs Per Kilo.	Kilos Bought in Millions	Total Maize Pay-out in Kshs Millions
2020/21	68	26.000	1,768
2019/20	65	25.287	1,644
2018/19	65	27.694	1,800
2017/18	61	13.484	823
2016/17	61	24.500	1,495

**(c) The measures the company has taken to mitigate the challenges the seed farmers have faced include the following: -**

- Establishment of a fully-fledged department of Production handling grower matters. This is headed by the Head of Production who reports to the Managing Director



- Facilitation of access to credit from Financial Institutions. The growers are able to access unsecured credit at the lowest possible interest rate for their seed growing activities
- Offering extension services to the growers. The Company's Field officers offers the best agronomical advice to farmers throughout the year to enable the farmers maximize their yields and hence their profitability at the lowest possible expenses
- Giving advances to growers in need from time to time. The Company pays an advance to those farmers that are in extreme need and are unable to access credit facilities
- Continuous investment in Research & Development of top-quality certified seeds varieties of different attributes. This ensures the continuous improvement of the varieties to make them more yielding and more resistance to drought and diseases, thus increasing the profitability and also ensuring seed and food security of the country.

**(d) Any challenges the company is facing in respect to carrying out its function:**

The company has numerous challenges in respect to carrying out its function, ranging from economic to social. Some of the challenges and their mitigation are analyzed in the following table.

No.	Challenges	Way Forward (Strategies)
1.	Climatic changes	<ul style="list-style-type: none"> <li>- Expand irrigation facilities in the company owned farms.</li> <li>- Exploiting plant genetic resource by developing drought resistant crop varieties.</li> <li>- Encourage contracted farmers to invest in Irrigation facilities</li> </ul>
2.	Emerging pests and diseases e.g. MLND, MSV, locusts	<ul style="list-style-type: none"> <li>- Variety improvement through breeding of disease resistant varieties by Research &amp; Development.</li> <li>- Use of cost-effective pesticides and nutrients.</li> </ul>
3.	Escalating cost of inputs and production	<ul style="list-style-type: none"> <li>- Crop financing through partnerships with financial institutions</li> <li>- Focus on increasing Yields per unit area by adopting modern agronomic practices.</li> <li>- Screen for cost effective pesticides and nutrients.</li> </ul>



No.	Challenges	Way Forward (Strategies)
		<ul style="list-style-type: none"> <li>- Lobby with Government for subsidized fertilizer</li> </ul>
4.	Diminishing land resource	<ul style="list-style-type: none"> <li>- Purchase of land for seed production.</li> <li>- Explore new areas for seed production locally and regionally</li> <li>- Optimize seed yield per unit area (acre) through the use of proper agronomic practices and modern technologies</li> <li>- Introducing better land utilization policies</li> <li>- Encouraging land consolidation policies.</li> </ul>
5.	Poor infrastructure	<ul style="list-style-type: none"> <li>- Liaise with the County Government's Roads Department on the need to improve road status in regions where seed is grown</li> <li>- Modernize Plant and Equipment at the factories.</li> </ul>
6.	Inadequate storage facilities	<ul style="list-style-type: none"> <li>- Build new storage facilities</li> <li>- Lease storage facilities</li> </ul>
7.	High cost of finance	<ul style="list-style-type: none"> <li>- Negotiate for competitive lending rates</li> <li>- Avoid overdrafts and opt for long term loans</li> </ul>
8.	Unpaid Debt from the Government (Ministry of Agriculture)	<ul style="list-style-type: none"> <li>- The Company is owed Kshs 740 Million by the Government (Ministry of Agriculture) from 2013 to date. This amount if paid will improve the Company's cash position and enable the Company to undertake key investments which will enhance efficiency and service delivery.</li> </ul>

Yours faithfully,



Fred Oloibe.  
**Ag. Managing Director.**

# **APPENDIX IV**

**Response from the Ministry of Agriculture, Livestock, Fisheries & Cooperatives**





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# **REPUBLIC OF KENYA**



## **MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES**

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### **PUBLIC PETITIONS CONCERNING THE PLIGHT OF SEED FARMERS IN TRANS-NZOIA**

BY

**HON. PETER MUNYA, EGH  
CABINET SECRETARY**

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**APRIL 2021**

## **INFOTMATION REQUESTED BY THE COMMITTEE**

### **1. Brief on the national seed policy**

#### **Background to the National Seed Policy**

The policy framework governing the seed industry in Kenya comprise the National Seed Policy of 2010, Seed and Plant Varieties Act, Cap 326; the Seeds and Plant Varieties (Seeds) Regulations of 2016; Seeds and Plant Varieties (Plant Variety Evaluation and Release), 2016; and, Seeds and Plant Varieties (Plant Breeders' Rights) Regulations of 2016. The objectives and purpose of the National Seed Policy of 2010 were;

- i. To create an enabling environment, through legal and policy reforms, for effective participation of both public and private sectors in the production of cost effective and quality planting material.
- ii. To establish an effective regulation, coordination and management of all activities within the seed industry in order to tap synergies and maximise resources for enhanced efficiency, including eradication of prevalence of adulterated seed.
- iii. To build capacity and infrastructure within the seed industry to handle research and development, quality control, technology transfer, and other emerging technologies such as GMOs, and (ICT).
- iv. To harmonise regional seed policies and regulations to enhance cross border trade in seed.
- v. To monitor seed supply situation in order to ensure adequate strategic seed reserves.
- vi. Provision of a sustainable financing system for research and development, germplasm conservation, extension, quality control and capacity building to fully exploit the potential of improved varieties and technologies for increased agricultural and forestry productivity



**Policy Interventions outlined in National Seed Policy and achievements to date**

No.	Policy objective	Policy Interventions Realized
1.	Create an enabling environment through legal and policy reforms	<p>The Seed Act; the seed certification and the plant variety evaluation and release regulations were reviewed in 2010 and 2016 to;</p> <ul style="list-style-type: none"> <li>• Strengthen penalties to provide deterrence on malpractices such as seed adulteration</li> <li>• Authorization of private seed inspectors to strengthen compliance</li> <li>• harmonize with regional (EAC and COMESA) seed laws</li> <li>• align IPR on seeds to the provisions of UPOV 1972 convention</li> <li>• provide anchorage for establishment of plant genetic resources institute</li> </ul>
2.	Establish an effective regulation, coordination and management of all activities within the seed industry in order	Strengthening of seed traders' and plant breeders' associations and representation of the same in the Seed Regulations Committee and Variety Release Committee established in the Regulations under the Act.
3.	Build capacity and infrastructure within the seed industry	ISTA accredited seed certification laboratory at KEPHIS Muguga
4.	Harmonize regional seed policies and regulations to enhance cross border trade in seed	<p>The following were harmonized with regional seed system legal framework;</p> <ul style="list-style-type: none"> <li>• Period of release of new varieties in partner states reduced to 2 years with DUS (variety release) dossier</li> <li>• Harmonized regional pest lists for 16 crops ( for phytosanitary and quarantine measures</li> </ul>
5.	Monitor seed supply situation in order to ensure adequate strategic seed reserves	Digitization of seed certification procedures is on-going
6.	Provision of a sustainable financing system for research and development,	Public research on breeding and other seed technologies largely undertaken by KALRO and universities



germplasm conservation, extension, quality control and capacity building	Private sector research on breeding and other seed technologies undertake by seed companies and private breeders
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#### **a) Challenges experienced in implementing of the National Seed Policy**

##### **Response**

- i. Development of an integrated seed system that synergizes the benefits from both the formal and informal seed systems remains a challenge.
- ii. Strengthening of capacity of KEPHIS and County governments for collaborative enforcement of seed law and Regulations.
- iii. Funding for and development the informal seed system.
- iv. Reduced capacity for research in seed, especially the human resource numbers, for breeders in the public research institutions.

#### **b) Mitigation Measures taken to address the challenges**

##### **Response**

Plans are underway to develop a seed sector Masterplan Investment to address some of the implementation gaps in the seed subsector

#### **b) whether the ministry is considering reviewing the policy interventions in respect to seed farming**

##### **Response**

Considerations are always there to review any policy but we are always cognizant of ensuring stability in the industry.

#### **2. Measures put in place to relieve seed farmers of the costs associated with expensive input**

##### **Response**

The following measures have been affected by government and have resulted into the cost of seed for the major crop commodities being the most competitive and lower than most other inputs such as fertilizer and agrochemicals.

- i. The Government removed value added tax (VAT) on seed especially for seed for all major crops such as cereals and pulses;
- ii. Regulating prices for seed produced and sold by Kenya Seed which has had the effect of applying downward pressure on seed from other private companies. The average seed price for a 2 Kg of maize seed charged by private companies is Ksh 500/ while Kenya seed prices are below the Ksh500
- iii. Digitization of seed certification services which have reduced costs and which cost have been passed on to the farmers;
- iv. Introduction of "Standard Seed" certification class in the seed certification regulations of 2016 which has relaxed the stringent and costly certification required for exported seed for certain seed categories such as potatoes and beans; and,
- v. Opening up the seed trade to regional market to increase competition and the range of seeds on the farmers' table through harmonizing and shortening variety release procedures within EAC and COMESA.

### **3. Brief on Status of National Crop Insurance Programme**

#### **Introduction**

The majority of Kenya's population live in rural areas and mostly depend on agriculture as its main source of livelihood. Over 75 percent of Kenyan farmers are smallholder subsistence farmers whose farming systems are highly constrained by factors such as low investment capacity and adoption of modern technology, low access to credit and essential inputs, inadequate value addition and markets infrastructure, and high vulnerability to agricultural risks and hazards. The sector is thus increasingly becoming vulnerable to vagaries of weather-related risks affecting negatively on the sector and general economy. The Vulnerability of the smallholder farmer has been made worse by the increase in vagaries resulting in extreme events such as droughts, floods, increased incidences of pests and diseases. . Such devastating agricultural shocks push better off farmers and pastoralists into poverty, and the already poor into destitution, and can take years to recover. They can also make it more costly or simply impossible for those affected to take out loans, limiting opportunities for agricultural producers to invest in better tools and technologies to increase productivity.



Recognizing the need for a long-term solution to numerous risks and hazards that affect farmers especially majority small-holders, the Government of Kenya in 2015 collaborated with relevant stakeholders to develop a comprehensive agricultural and risk management program for the crops sub-sector. The insurance is being implemented under a public Private Partnership that is a sustainable approach to availing agriculture insurance to the smallholder farmers.

### **Programme Coverage**

The insurance project is currently being implemented in 37 counties of Migori, Homa Bay, Kisii, Nyamira, Kisumu, Siaya, Kakamega, Vihiga, Busia, Bungoma, Trans Nzoia, Uasin Gishu, Elgeyo Marakwet, Nandi, Nakuru, Laikipia, Samburu, Meru, Tharaka Nithi, Embu, Machakos, Nyeri, Kirinyaga, Muranga, Kiambu, Makueni, Kitui, Taita Taveta, Kwale, Kilifi, Bomet and Narok. The program during the long rains of 2021 is being introduced in West Pokot, Kericho, Kajiado and Baringo counties.

### **Programme Approach**

The Government pays 50% premium support for farmers who have procured the insurance cover from 0.5 to 20 acres maximum of the insured crop. The program in its initial phases focused mostly on maize being the staple food in the country, however the programme has expanded to other crops which include, Green Grams, Sorghum, Irish Potatoes. The programme is designed mostly for smallholder farmers growing commercial grain and not Seed crop.

### **Achievements Realized**

- Farmers reached by December 2020 were 1,356,000
- Total 50% premium paid by last year Ksh. 200 Million
- Total farmer compensation by 2020 was Ksh. 161Million



#### **4. a brief in respect to the status of national fertilizer subsidy program**

The Ministry of Agriculture, Livestock, Fisheries and Cooperatives, State Department for Crop Development and Agricultural Research has reformed the National fertilizer subsidy programme into an electronic based input management system which is more efficient and effective. Through the National Value Chain Support Programme (NVSP) the ministry targets to provide high needs farming households with access to a wide range of inputs through a nationwide e-voucher input subsidy management system as envisaged in the Agricultural Sector Transformation and Growth Strategy (ASTGS).

This is expected to contribute towards the national food and nutrition security by increasing production of cereal staples and cash crop value chains namely; Maize, Rice, Irish Potato, Coffee, Green grams and Sorghum. In addition, smallholder farmers in these value chains will be supported to graduate from subsistence to commercial agriculture.

The e-voucher input management system is currently being piloted whereby more than 15,439 farmers have accessed the inputs which include certified seeds, Fertilizer, Lime and Agro-chemicals. Farmer contribution stands at 60% while the government subsidy is 40% of each input item under consideration.

In the expansion stage, the Ministry is implementing the National Government Post Covid-19 Economic Stimulus Program (PC-ESP) on subsidizing supply of farm inputs through the e-voucher system to reach more small-scale farmers. Under this, it intends to roll out the e-voucher input subsidy during the Long rains 2021. As a preliminary towards this, a total of 230,867 farmers have been registered and are targeted for consideration of the e-voucher input benefits.

##### **Pilot counties**

- i. Maize-Nandi, Bungoma, Trans-Nzoia and Uasin Gishu
- ii. Rice-Kisumu and Kirinyaga
- iii. Irish Potato-Nyandarua and E/Marakwet
- iv. Coffee-Kericho, Nyeri, Embu and Meru

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