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23/2/2012

REPUBLIC OF KENYA

KENYA NATIONAL ASSEMBLY

TENTH PARLIAMENT – FOURTH SESSION

THE DEPARTMENTAL COMMITTEE
ON
AGRICULTURE, LIVESTOCK AND COOPERATIVES

REPORT ON
THE INSPECTION TOUR OF ADC GALANA RANCH, ADC KISIWANI
COMPLEX, BURA AND HOLA IRRIGATION SCHEMES
11-13 AUGUST 2009

PARLIAMENT BUILDING
NAIROBI

JULY 2011

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1.0 PREFACE

Mr. Speaker, Sir,

01. The Departmental Committee on Agriculture, Livestock and Cooperatives is established under Standing Order No. 198. Its mandate pursuant to Standing Order 198(3) is:-

(i) to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;

(ii) to study the programme and policy objectives of the Ministries and departments and the effectiveness of the implementation;

(iii) to study and review all legislation referred to it;

(iv) to study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with its stated objectives;

(v) to investigate and inquire into all matters relating to the assigned Ministries and Departments as they may deem necessary, and as may be referred to them by the House or a Minister; and

(vi) to make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

02. The Committee comprises the following Members:-

1. The Hon. John M. Mututho, MP (Chairperson)
2. The Hon. Lucas Chepkitony, MP (Vice Chairperson)
3. The Hon. Benson Mbai, MP
4. The Hon. (Dr.) Victor Munyaka, MP
5. The Hon. John D. Pesa, MP
6. The Hon. (Dr.) Erastus Mureithi, HSC, MBS, MP
7. The Hon. (Dr.) Robert Monda, MP
8. The Hon. Evan Akula, MP
9. The Hon. Benjamin Washiali, MP
10. The Hon. Frederick Outa, MP
11. The Hon. (Dr.) Mohammud Sirat, MP

Mr. Speaker, Sir,

03. The Committee exercise oversight role on the work and administration of the following six Ministries and their departments:-

- (i) Ministry of Agriculture;
- (ii) Ministry of Co-operative Development and Marketing;
- (iii) Ministry of Regional Development;
- (iv) Ministry of State for Development of Northern Kenya and other Arid Lands;
- (v) Ministry of Livestock Development; and
- (vi) Ministry of Fisheries Development.

04. In accordance with the Second Schedule of the Standing Orders, the Departmental Committee is mandated to cover subject areas relating to:-

- i) Agriculture
- ii) Livestock
- iii) Fisheries development
- iv) Co-operatives Development
- v) Production and Marketing

Mr. Speaker, Sir,

05. At the time of undertaking the study tour, the Committee was constituted of the following members:-

- 1. The Hon. John Mututho, MP – Chairperson
- 2. The Hon. Lucas Chepkitony, MP – Vice Chairperson
- 3. The Hon. Fred Outa, MP
- 4. The Hon. Benson I. Mbai, MP
- 5. The Hon. (Dr.) Erastus Mureithi, MBS, HSC, MP
- 6. The Hon. (Dr.) Victor K. Munyaka, MP
- 7. The Hon. Kambi Kazungu, MP
- 8. The Hon. (Dr.) Robert Monda, MP
- 9. The Hon. Peris Simam Chepchumba, MP
- 10. The Hon. Evans Akula, MP
- 11. The Hon. John D. Pesa, MP

06. The Hon. Kambi Kazungu, MP, and the Hon. Peris Chepchumba Siman, MP, ceased being Members of the Committee following appointments as an Assistant Minister and nomination to the Pan African Parliament (PAP), respectively.

07. On 20th and 27th July, 2009, the Committee held a meeting with the Ministry of Livestock Development. During the ensuing deliberations, the Committee was informed that the Government, in the period between November 2005 and March 2006, disbursed an amount of Kshs 198 million to the Agricultural Development Corporation (ADC) through the Ministry to buy livestock in drought

stricken areas in order to save the livestock and cushion farmers against huge losses as a result of drought.

08. The Corporation was to buy, transport, maintain, fatten and sell the purchased animals. According to the Ministry, a total of 14,097 heads of cattle were bought, out of which 10,402 were kept in ADC Galana Ranch. By July 2009, a total of 2,060 calves had been born in Galana which should have increased the total number of animals to 12,462.
09. However the Committee was informed that only, 4,478 animals of the 12,462 animals were remaining at the ADC ranch. Additionally, a total of 2,673 animals were sold at a cost of Kshs 45,090,812. No information was however given as to where the money was kept and how it was used thereafter.
10. The Committee noted that the Ministry had requested for money to buy more animals in the 2009/10 budget estimates yet they had not accounted for the allocated Kshs 198 million or showed how the money realized from the sale of animals had been utilized.
11. While noting with concern at the manner in which the livestock off-take programme had been managed, the Committee expressed reservations on the plans by Ministry to dispose of the remaining animals during the 2009/2010 financial year since no economic analysis had been done on the programme and that there was no plan on how money realized from the sale would be applied.
12. The Committee was further concerned over how the disposal of the remaining livestock totaling 5,105 animals valued at Kshs 51,449,160 in all the three (3) ranches where off-take programme were implemented, namely, ADC Galana, ADC Mutara and ADC Lanet. At the end, the Committee concluded that the project recorded a negative return on investment.
13. Subsequently, during its sitting on 3rd August, 2009, the Committee resolved to visit ADC Galana Ranch to gain an insight into the livestock-off take programme with a view to establishing the status of the number of salvaged animals and their condition, and what plans were being put in place to dispose them. The Committee further resolved to visit Bura and Hola irrigation schemes to assess the progress of the on-going revival and rehabilitation plans being facilitated with the use of monies from the Economic Stimulus Funds Package (ESP).
14. The Committee therefore visited the coast province from 11th to 16th August, 2009. The Members (7 No.) in the study tour were:-
 1. The Hon. John Mututho, MP – Chairperson
 2. The Hon. Lucas Chepkitony, MP – Vice Chairperson
 3. The Hon. Fred Outa, MP
 4. The Hon. Benson I. Mbai, MP

5. The Hon. Erastus Mureithi, MBS, HSC, MP
6. The Hon. (Dr.) Victor K. Munyaka, MP
7. The Hon. Kambi Kazungu, MP – who has since appointed an Assistant Minister

15. During the visit, the Committee made the following observations:-

- (i) That, public assets placed under the custody of the Agricultural Development Corporation at Galana Ranch and Kisiwani Complex have not been properly managed, particularly livestock at ADC Galana Ranch which was bought under the off-take programme, and machinery at ADC Kisiwani Complex.
- (ii) That, the Ministry of Livestock Development could not effectively supervise livestock activities at the ADC farms since the corporation was not domiciled under the Ministry of Livestock Development but under the Ministry of Agriculture.
- (iii) The National irrigation Board (NIB) could be lacking the capacity to spearhead operations of irrigation schemes in the country in view of the fact that in the past, most irrigation scheme collapsed while being managed by NIB.

16. While noting the lack of transparency in handling of the first livestock off-take programme, the Committee recommended that the lost animals should be accounted for before monies were provided to buy more animals and that investigations be carried out to ascertain the circumstances under which the animals got lost.

17. The Committee further recommended that ADC should be restructured as a matter of priority in order to ensure its operations were efficient and effective in the delivery of services and prudent management of public resources, and that the Ministry of Livestock Development builds its capacity building in order to ensure adequate supervision and proper management in the sector.

18. In regard to the Bura and Hola irrigation schemes, the Committee observed that the Ministry of Water and Irrigation was not managing irrigation schemes efficiently and effectively due to its lack of capacity. The Committee consequently recommended that the management of irrigation schemes should be reverted to its former Ministry of Agriculture to guard against collapse since most of the competent technical personnel were being deployed in the Ministry.

19. The Committee is grateful for the facilitation provided by the offices of the Speaker and the Clerk that has made it possible for the Committee to execute its mandate and execute study tour smoothly. I thank the Members of the Committee for their patience and sacrifices away from their busy constituency

schedules. I also extend special thanks to the parliamentary staff whose support enabled the Committee to accomplish its tasks.

20. On behalf of the Committee, I now have the pleasure to present this Report for consideration and adoption by the House.

Signed -----
John McManus
(Chairperson)

Date -----
14 / 09 / 2011

2.0 MEETING WITH ADC COAST REGION DIRECTOR AND ADC GALANA RANCH MANAGEMENT

21. The Committee visited ADC Galana Ranch on 11th August, 2009 and was briefed on the activities of the Ranch by the ADC Head of the Technical Division, Dr. Tuimur and Mr. Mohammed Bulle, the ADC Regional Manager, Coast Region. The Committee was informed that out of the 10,402 head of cattle bought by ADC and kept at the ADC Galana Ranch, 2,067 new births had been realized bringing the total number to 12, 469 animals. Of these, 222 animals with a book value of Kshs 2,801,630 got lost. In addition, 4861 animals with a book value of Kshs 56,920,567 died due to diseases and a further 426 animals with a book value of Kshs 4,722,111 were eaten by predators. The details presented at annex 1 reflect part of the scenario which occurred at ADC Galana.
22. According to the information made available by the ADC's Ranch Management, there were 4,285 heads of cattle valued at Kshs 43,155,574 remaining of the 12,469 as at July 2009 (see annex 2). This contradicted the report by the Ministry that there were 4,478 heads of cattle as at July 2009. The estimated value of the 4,478 animals was Kshs 31,950,271.
23. The Committee was concerned by the manner in which the Emergency Livestock off-take Programme had been managed noting that an amount of Kshs 198,000,000 had been invested in the programme but what was being reported was that there were only 5,105 animals with a book value of Kshs. 51,449,160 remaining in all the three (3) ranches where off-take animals were kept at the ADC Galana, ADC Mutara and ADC Lanet. It is therefore clear that the project realized a negative return on investment.
24. The Committee was gravely concerned that although the Ministry of Livestock Development had given ADC authority to dispose the remaining animals and that the exercise was estimated to be completed by the end of August 2009 there was no indication how this had been done and how the money had been used or accounted. The Committee observed that since 2006 when the off-take animals were purchased, thousands of them had died due to poor management.
25. The Management of ADC Galana Ranch also informed the Committee that besides the 4285 off-take cattle, the ranch had other 2000 head of cattle, 771 sheep and 600 goats belonging to ADC.
26. In addition, the Ranch hosts wildlife which allows the Ranch to undertake eco-tourism activities. Due to the tourism activity, ADC had constructed seven (7) tourist lodges which it was subletting at Kshs 25,000 per month with an additional bed-night charge of 20 US dollars for the last 3 years. The Ranch had introduced a gate fee of 30 US dollars effective from 1st August, 2009.

27. The Committee expressed concern that the Ranch was undertaking a number of income generating activities whose proceeds were not reflected as appropriations in aid (AIA) and could not be accounted. It noted that that ADC Galana Ranch as indeed all other ADC were placed under the Ministry of Agriculture yet the Ranch was predominantly undertaking livestock-related activities. This created conflict in as far as management of the Ranch was concerned, and therefore making it hard for the Ministry of Livestock Development to monitor activities at the Ranch.
28. The Committee therefore recommended that:-
- (i) The Ministry of livestock Development should establish a Fund to cater for the deposits accruing from the sale of the take-off animals and that whenever the animals are sold off, the proceeds should be deposited in the Fund.
 - (ii) All livestock related activities should be managed by the Ministry of Livestock Development and not by the Ministry of Agriculture in order to avoid conflict of interest.
 - (iii) The ADC should ensure that all revenues generated by the Ranch is reflected as appropriation in aid (AIA) and properly accounted.
 - (iv) The management of ADC should be restructured to enable the Corporation function efficiently and effectively.

3.0 INSPECTION TOUR OF ADC KISIWANI, COMPLEX. MALINDI

29. The Committee accompanied by the area Member of Parliament visited ADC Kisiwani on 12th August 2009. At ADC Kisiwani, the Committee found that 12 tractors which the Management of the farm admitted they could not be used since they lacked the necessary farm implements such as planters and harrows.
30. The Committee resolved to visit the ADC farm at a later date to investigate into issues relating to the purchase of the tractors and establish the underlying reasons behind the continued idling of the tractors.

4.0 INSPECTION TOUR OF BURA IRRIGATION SCHEME

31. The Committee accompanied by the Member of Parliament for Galole, Hon. Dhadho Godana, MP, visited Bura Irrigation Scheme on 12th August, 2009 and was briefed on the operations of the scheme by the Scheme Manager, Mr. B. Massawe who was accompanied by Mr. J. K. Kirigia, Irrigation Officer and Mr. J. G. Mburu, Irrigation Engineer.

32. The Committee was informed that since its inception in 1978, the Bura Irrigation Scheme whose target was to put 11,700 hectares of land under irrigation had only managed 2,500 hectares of land to date. The Committee was also informed that the number of farmers originally settled in the scheme was 2,245, but currently there were 1,592 farmers in 10 villages. Each farmer had 2 plots of 1.25 hectares and crops grown included maize, cotton and vegetables.
33. The Committee heard that in the year 2008/09, a total of 1,572 acres and 230.5 acres were planted with maize and watermelon, respectively. The Committee was further informed that Kshs 250 million had been injected into the schemes since 2005, and that 2 new pumps were installed in 2008 with a capacity of watering about 8,000 acres per planting season. The Committee was also informed that 2 more generators with similar pumping capacity would be installed by December 2009 to enable the scheme cover 16,000 acres.
34. The Committee further heard that work was in progress to enable irrigation for the entire scheme and that the scheme had engaged youth under 'Kazi Kwa Vijana' (KKV) programme to clear the land in readiness for irrigation. As at the beginning of July 2009, 2367 youth had been engaged in phases to clear bushes.
35. The Committee was informed that the maize production was carried out in the scheme between 1982 and 1993 after which the project collapsed until it was revived in 2003. Cotton was also planted in the scheme between 1982 and 1991. The Management explained that the scheme collapsed between 1993 and 2003 due to lack of irrigation water as a result of frequent break-downs of the Nanighi pumping stations and lack of adequate funds to operate the pumping units. The Committee heard that one-third of the farmers left the scheme after 1993.
36. The Committee heard that since 2003, the management of the scheme had been placed in the hands of the National Irrigation Board, (NIB) and that crop planting had been revived in the scheme, and that Equity Bank was providing credit to farmers for maize production, but that many of them were not going for the loans for fear of inability to repay.
37. The Committee was told that the Government intended to pump Kshs 315,942,500 of the Economic Stimulus funds into the scheme for maize growing between July 2009 and January 2010 with an expected output of 125,000 bags, each 90 kg of maize.
38. The Committee noted with concern that often the proceeds to the farmers from the scheme had been meager, leading to farmers' apathy and causing many of them to abandon farming in the scheme. The Committee observed that farmers had invested a lot and gain little return on their investment and hence their reason for shunning loans from Equity Bank.

39. The Committee was concerned that mismanagement of the scheme by NIB had led to the collapse in agricultural production between 1993 and 2002. The Committee questioned the rationale behind reverting management of the scheme back to NIB.
40. The Committee therefore recommended that the irrigation scheme should be placed under the Ministry of Agriculture and managed by the agricultural officers with expertise in Agronomy and crop production for it to be successful and to avoid it being run down by the same NIB with history of poor performance as already demonstrated in the cases which have led to collapse of the earlier projects between 1982 and 1993.

5.0 INSPECTION TOUR OF HOLA IRRIGATION SCHEME

41. The Committee accompanied by the Area Member of Parliament, Hon. Dhadho Godhana, MP, visited Hola irrigation scheme on 12th August 2009, and was briefed on the activities of the firm by the scheme manager Eng. Alexander Kuria.
42. The Manager informed the Committee that the settlement scheme which is the oldest was started in 1953 but stopped agricultural activities in 1989 following a diversion of of the course of Tana River which left the scheme without water for irrigation purposes. The Manager further informed the Committee that since the collapse of irrigation farming activities, the government had made several attempts to revive the scheme without success due to lack of adequate funds.
43. However, in 2000, the Government with the support from the Arab Bank for Economic Development in Africa (BADEA) conducted feasibility and BEDEA pledged to commit Kshs 500 million towards rehabilitation of the scheme in 2004 with the rehabilitation being carried out in phases.
44. The Committee was informed that, as from August 2009, land acreage amounting to 1,200 acres would be cropped and involving 555 farmers being allocated 2 acres each and a further 71 farmers being allocated 1 acre each while 19 acres would be reserved for research activities.
45. The 1200 acres were expected to yield 30,000 bags of 90kgs each of produce valued at Kshs 75 million at a production cost of Kshs 36 million in 4 months period. It was projected that by May, 2010, land area amounting to 2500 acres yielding 63,000 bags valued at Kshs 156 million and benefiting 20,000 people would be realized. The production was planned to be carried out through furrow irrigation and envisaged that the development would contribute to addressing food relief in Tana River District.
46. To address the challenges of water shortage, the Committee was informed that drip irrigation would be used not only in Hola but also in other schemes including Bura, Perkerra and upcoming schemes in Kibwezi and Kayatta by 2010. The

Committee was further informed that, in order to ensure supply of water to the scheme, a consultant had been hired to determine whether to enhance water supply through Bura Irrigation Scheme or get an independent source for Hola.

47. The Committee heard that in carrying out irrigation rehabilitation works, the Government would use the National Youth Service for bush clearing, rehabilitation and reconstruction of canals and culverts, reconstruction of gates, land leveling and grading of access roads among others. Other Government agencies to be used would be National Irrigation Board under the Ministry of Water for supervision purposes, ADC for the provision of machinery and the Ministry of Agriculture to provide seeds and fertilizer and experts in crop production. The Ministry of Regional Development Authorities would also be involved since the project falls under TARDA.
48. The Committee noted that under the National Economic Stimulus projects on food production, an amount of 1,375 acres of land in the scheme would be rehabilitated and planted with maize and that the Ministries of Agriculture, Water and Irrigation, Youth and Sports and Regional Development Authorities would be involved in the implementation of the projects.
49. The Ministry of Agriculture besides providing machinery would also provide storage for the grain in the strategic Grain Reserves in National Cereals and produce Board (NCPB), while the Ministry of Youth and Sports would provide service men and officers to implement the project. TARDA under the Ministry of Regional Development Authorities would provide officers to be part of the implementing team while NIB under the Ministry of Water would provide the necessary expertise to carry out the irrigation works.
50. The Committee sought to know what the role of NIB would be in the rehabilitation and production process since the Ministry of Youth and Sports would carry out the necessary clearing and other field preparation activities while the Ministry of Agriculture would supply farm machinery and carry out food production. In view of the Committee, the Ministry of Water and Irrigation could directly undertake irrigation activities and provide water even without NIB the Committee was concerned that NIB was responsible for the collapse of the earlier programmes and could again lead to mismanagement of the current projects.
51. The Committee observed that the scheme had no Cooperatives Officers yet farmers marketed their crops through a central cooperative society. The Committee also questioned the capacity of NIB to apply the latest technology in carrying out irrigation activities.
52. The Committee therefore recommended that Hola Irrigation Scheme like other schemes should be managed under the Ministry of Agriculture since it had the irrigation expertise but that the Ministry of Water focus on its core mandate in the provision of water.

53. The Committee further recommended that the management of the National Irrigation Board be restructured to enable the board operation efficiently and build its capacity to manage the challenges of the irrigation sector.

6.0 CONCLUSION AND RECOMMENDATIONS

54. The Committee concludes that the livestock-off take programme had not worked to achieve its intended purposes due to lack of proper coordination between the Ministry of Livestock and ADC under the Ministry of Agriculture. While ADC was provided with funds to purchase the livestock and keep them in its holding grounds, the Ministry of Livestock failed to ensure that the programme was managed well and monies well accounted.
55. The Committee therefore reprimands the ADC and the Ministry of Livestock for the mismanagement of the Kshs 198 million and the loss of livestock purchased under the off-take programme.
56. The Committee therefore recommends, as follows:-
- 1) That, criminal investigations on the purchase and disposal of animals under the programme be expeditiously undertaken.
 - 2) That, the Minister and the Permanent Secretary, Ministry of Livestock Development, be held accountable for the entire livestock fund and should make a comprehensive report to the Committee following the tabling of this report.
 - 3) That, investigations be launched to ascertain whether the senior management of the Agricultural Development Corporation (ADC) were involved in the procurement and mismanagement of tractors, transfer of assets and procurement of fertilizers.
 - 4) That, the management of Galana ADC be overhauled and recruited professionally by the Ministry of Livestock through competitive recruitment process.
 - 5) That, ADC Galana and Similar raveling ADC owned farms be supervised by Ministry of Livestock Development and not by the Ministry of Agriculture.
 - 6) That, the incompetent technical personnel in the various agencies involved in the management in the Hola and Bura irrigation schemes were responsible for persistent collapse of the schemes.

- 7) That, the collapse of the Hola and Bura schemes has been worsened by the transfer of the irrigation sector to the Ministry of Water which lacks the capacity to deal with irrigation issues.
- 8) That, the irrigation sector be reverted to the Ministry of Agriculture with well trained engineers in the sector, and consequently the National Irrigation Board be brought under the supervision of the Ministry of Agriculture.
- 9) That, the detailed accounts of Kazi Kwa Vijana (KKV) funds, Ministry of Agriculture, National Youth Service (NYS), and Economic Stimulus Programme (ECP) in respect of expenditures for the 2008-2009 with regard to Bura and Hola irrigation schemes, be provided for scrutiny within thirty (30) days of tabling this report; and further, that the Criminal Investigations Department (CID) investigates if there were gross mismanagement of these funds.

ADC GALANA RANCHOFFTAKE PROJECT- SUMMARY BOOK VALUES

CATEGORY	NO	BOOK VALUES
Breeding Cows	1210	15,745,730
Cull cows	152	1,977,976
Large Steers	757	9,850,841
Medium Steers	879	11,438,427
Weaner Steers	312	1,123,200
Bull Calves	236	519,200
Yearling Heifers	121	847,000
Weaner Heifers	367	1,101,000
Heifer Calves	251	552,200
Total	4285	43,155,574

Mohamud M. Bu
Regional manager
ADC - Co. F





MINUTES

MINUTES OF THE 172ND SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD AT THE COMMITTEE ROOM, 4TH FLOOR, CONTINENTAL HOUSE, ON WEDNESDAY, 14TH SEPTEMBER, 2011, AT 10:00 AM

PRESENT

Hon. John Mututho, MP	-	Chairperson
Hon. Lucas Chepkitony, MP	-	Vice Chairperson
Hon. (Dr.) Victor Kioko Munyaka, MP		
Hon. Mohammud Sirat, MP		
Hon. John D. Pesa, MP.		
Hon. Benjamin Washiali, MP		
Hon. Evans Akula, MP		
Hon. Fredrick Outa, MP		

ABSENT WITHOUT APOLOGIES

Hon. (Dr.) Robert O. Monda, MP
Hon. Benson Mbai, MP
Hon. (Dr.) Erastus Mureithi, MBS, HSC, MP

INATTENDANCE

KENYA NATIONAL ASSEMBLY

Paul Ngetich	-	Senior Research Officer
Evans Oanda	-	Clerk Assistant
Denis Dindi	-	Office attendant

MIN.NO. 204/2011: PRELIMINARY

The proceedings of the Meeting started with a word of prayer at 10:30am.

MIN.NO. 205/2011: CONSIDERATION AND ADOPTION OF COMMITTEE REPORTS

- 1) **New KCC report;** while adopting it, the Committee further recommended that all former employees of KCC should be recruited and their terms reviewed immediately in consultation with the Ministry of Cooperative Development and Marketing. However, these employees should not be paid for the period they did not work.
- 2) **ADC Galana report;** the Committee studied it and adopted it with amendments. It made further recommendations to include investigations to ascertain whether the Chief Executive Officer of the ADC was involved in the transfer of the ADC land, loss of fertilizer and procurement mismanagement of assets including ADC tractors.
- 3) **KPCU receivership report;** while adopting it, the Committee made further recommendations, as follows:-

- i. KCB should be investigated on money laundering by the CID on the \$772 million entry into the KPCU accounts and entry of KPCU accounts over the weekends and on holidays.
 - ii. The Director, CID should carry out investigation on receivers' (Daniel Ndonge and Harvin Gadock both of Deloitte & Touche) conflict of interest and the whereabouts of the money collected as rent during their tenure as receivers at KPCU premises.
 - iii. Investigation on whether Cooperative Bank was involved in the aftermath of Receivership of KPCU, especially seconding of its officers to Kenya Cooperative Coffee Exporters (KCCE), a rival marketing body of KPCU.
 - iv. No further disposal of the KPCU's assets until the dispute between KPCU and KCB was resolved.
 - v. The role of the Minister for Cooperative Development and Marketing, the Hon. Joseph Nyagah, in the receivership of KPCU through his actions to support for the KCCE in public.
 - vi. The Court protects KPCU from small liabilities for at least 12 months.
 - vii. To improve liquidity, small shareholder farmers to pay Kshs. 1000 each within a period of two (2) months to cushion KPCU from debts owed to KCB.
 - viii. Administration Police should be investigated whether they used excessive force in assisting receivers' entry into the KPCU premises.
 - ix. The Coffee Board of Kenya (CBK) should be investigated immediately on why it withdrew the Milling license of the KPCU at the time of receivership, and that CBK should renew KPCU's milling license for one year pending investigations.
 - x. The Government to pay Kshs. 1.2 billion to rescue KPCU as a matter of urgency to cover part of the debt and rehabilitate KPCU assets.
 - xi. That new accounts of the KPCU should be opened and operated in banks except at KCB until the issues of receivership was sorted out.
 - xii. That out of court settlement should be pursued by the KCB and KPCU to address pending issues in the receivership matter.
 - xiii. Considering that the term of the former board of KPCU had expired, a new Board should be formed and charged with a responsibility of seeking creditor protection for KPCU assets till the debts owing to it are repaid. This board should work under the supervision of the Minister for Cooperative development and marketing
- 4) **National Youth Service (NYS) report;** the Committee recommended that NYS be facilitated to carry out agricultural production using drip irrigation and that it acquire more land across the country for its farming activity; and further recommended that the NYS undertake the proposed study tour to Israel to see how drip irrigation is being implemented. The Committee also proposed that it accompanied the team as discussed during the meeting with the Ministry of Youth Affairs.

MIN.NO. 206/2011: FOREIGN TRIPS

The Committee expressed frustrations that it has not undertaken foreign travels in the last two years, and therefore resolved to seek clarification from the Deputy Speaker on whether it was part of being victimized on its persistent pursued of investigation of GMO maize importation.

The Committee further resolved to undertake the foreign trips earlier proposed, as follows:

1) Netherlands, USA and Argentina/ brazil

The Members in the delegation to be composed of:-

- i. Hon. Lucas Chepkitony, - leader of the delegation
- ii. Hon. Mohammed Sirat, MP
- iii. Hon. John Pesa, MP
- iv. Hon. Dr. Victor Munyaka, MP
- v. Hon. Fredrick Outa, MP

2) Korea, India and China

The Members in the delegation to be composed of:-

- i. Hon. John Mututho – leader of the delegation
- ii. Hon. Benson Mbai
- iii. Hon. Benjamin Washiali
- iv. Hon. Evans Akula
- v. Hon. Robert Monda

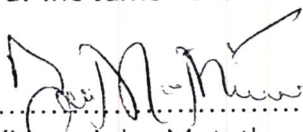
The nominations to the trips were done based on the Members who have not travelled frequently and attendance in the sittings of the Committee.

MIN.NO. 207/2011: SUGAR (AMENDMENT) BILL, 2011

The Committee resolved to invite all the sugar stakeholders to consider this bill before it goes for second reading. The Secretariat was therefore directed to arrange for the logistics to hold the meeting in Kisumu on the second Tuesday when Parliament resumes after recess.

MIN.NO. 208/2011: ADJOURNMENT

There being no any other business, the meeting adjourned at 12:11pm. Next meeting will be at 2:30 pm at the same venue.

Chairperson..........Date

(Hon. John Mututho, MP)

MINUTES OF THE SEVENTEENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD IN COMMITTEE ROOM 4TH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON THURSDAY 27, 2009 AT 11.00A.M.

PRESENT

Hon. John Mututho, M.P. - Chairman
Hon. Lucas Chepkitony, M.P.
Hon. Benson Mbai, M.P.
Hon. Erastus Mureithi, M.P.
Hon. (Dr.) Robert Monda, M.P.
Hon. Fredrick Outa M.P.
Hon. Kambi Kazungu, M.P.

ABSENT WITH APOLOGY

Hon. (Dr.) Victor Munyaka, M.P.
Hon. John Pesa, M.P.
Hon. Peris Chepchumba, M.P.
Hon. Evans Akula, M.P.

KENYA NATIONAL ASSEMBLY

Mrs. Sarah Kioko – First Clerk Assistant
Mr. Peter Kitheka – Parliamentary Intern

MIN. 79/2009

PRAYER

The meeting opened with a word of prayer.

MIN. 80/2009

CONFIRMATION OF MINUTES

Confirmation of the minutes of the sixteenth sitting was deferred to a later date.

MIN. 81/2009

CONSIDERATION OF THE PROGRAMME OF VISIT TO SUGAR CANE GROWING AREAS IN NYANZA AND WESTERN PROVINCES

In considering the programme of activities for the visit to the sugar growing areas in Western and Nyanza provinces Members resolved as follows:-

1. Nyanza Province

- ❖ The Committee would visit Chemilil Sugar Company and Muhoroni Sugar Company in a single day.

- ❖ Kibos Sugar Company and Miwani Sugar Company would be visited in a single day.
- ❖ The Committee wouldl visit SONY Sugar Company in a day.

2. Western Province

- ❖ Nzoia Sugar Company and Western Kenya Sugar Company would be visited in one day.
- ❖ Mumias Sugar Company will be visited in a single day.

3. Strategic Plan

The Committee will undertake the drafting of the strategic plan with AWEPA in a single day upon completion of public hearings.

Stakeholders to be heard by the Committee would include:-

- ❖ Farmers and farmers representatives
- ❖ Provincial administration
- ❖ Farmers Cooperatives
- ❖ Local leaders
- ❖ Field Officers from the Cooperatives and Agriculture ministries
- ❖ Area Members of Parliament

Visit to China and South Korea

The Committee resolved to visit China and South Korea from 1st to 16th November 2009.

MIN. 82 /2009 CONSIDERATION OF DRAFT REPORT OF INSPECTION TOUR TO ADC GALANA RANCH, ADC KISIWANI, BURA IRRIGATION SCHEME AND HOLA IRRIGATION SCHEME

The Committee considered the above stated draft report and resolved as follows:-

- ❖ The number of animals remaining in the ADC Galana Ranch should be reflected in the preface.
- ❖ Before submitting the report to Parliament the Top management of the ADC should appear before the Committee to provide further insight regarding the management of the management of the off-take livestock programme.
- ❖ The number of animals held in ADC Galana Ranch, Mutara and Lanet should be reflected in the preface.
- ❖ The paragraph on briefing by the Area Member of Parliament should be deleted from the Report.

- ❖ The Committee resolved to schedule a meeting with the Minister for Livestock Development after meeting with the management of ADC in order to obtain further clarification on the management and disposal of the off-take animals.

MIN.83/2009 ANY OTHER BUSINESS

Letter of Invitation to MPs

The Committee resolved that MPs from sugar cane growing areas should be notified in writing about the intended visit by the Committee.

Annual Programme of Activities – Priority Areas

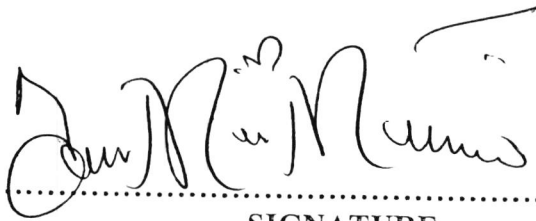
In light of the programme of activities the Committee identified a number of areas as to be given priority as follows:-

- ❖ The ADCs
- ❖ Coffee
- ❖ Pyrethrum
- ❖ Fisheries
- ❖ TARDA
- ❖ Kenya Meat Commission (KMC)
- ❖ KEVEVAPI
- ❖ CIC and various cooperatives
- ❖ KUSCO
- ❖ National Irrigation Board (NIB)
- ❖ Kenya Agricultural Research Institute (KARI)
- ❖ National Cereals and Produce Board (NCPB)

MIN. 84/2009 ADJOURNMENT

There being no other business the Chairman adjourned the sitting at twenty five minutes to two o'clock until Monday September 07 2009.

CHAIRMAN.....



SIGNATURE

DATE.....

28th. Nov. 2011.



ANNEXES

A.D.C. GALANA RANCH**LIVESTOCK WEEKLY REPORT - 20TH JULY TO 2ND AUGUST, 2009****HOME BRED CATTLE**

Opening figure 2,454

Birth	Bull calves	0
	Heifer calves	4
	Totals	4

Rvd. From Illegal Grazers **Category** **No.** **Purpose**

Young Steers 4 ✓ Fine

Death **Category** **No.** **Book Value** **Cause of Death**

Bull Calves	7	15,400.00	Debility
Bull calf	1 ✓	2,200.00	Bloat
Bull calf	1 ✓	2,200.00	Anaplasmosis
Bull calf	1 ✓	2,200.00	Heart water
Heifers Calf	1 ✓	2,200.00	Heart water
Heifers Calves	5 ✓	11,000.00	Debility
Dry cows	2	28,000.00	Debility
Dry cows	1 ✓	14,000.00	Trauma
Dry cows	1	14,000.00	Sudden Death
Bulling Heifer	1 ✓	14,000.00	Trauma
Milk Cow	1 ✓	14,000.00	Elephant
Large Gal. Steers	2 ✓	28,000.00	Heart water
Trading Steer	1 ✓	14,901.00	Tryps
Yearling Heifers	4 ✓	28,000.00	Tryps
Weaner Steers	2 ✓	7,200.00	Heart water
Yearling Heifers	2 ✓	14,000.00	Debility
Weaner Steers	4 ✓	14,400.00	Debility
Weaner Heifers	4 ✓	8,800.00	Debility
New Trading Steer	1 ✓	20,090.00	Debility
Med. Gal. Steer	1 ✓	11,000.00	Debility
Cull Cows	1 ✓	14,000.00	Debility
Serving Bulls	3 ✓	60,000.00	Debility
Totals	47	339,591.00	

Vermin **Category** **No.** **Book Value** **Predator**

Dry cows	2 ✓	28,000.00	Hyena
Bull calves	2 ✓	4,400.00	Hyena
Med. Gal. Steer	1 ✓	11,000.00	Hyena
Weaner Steers	1 ✓	3,600.00	Lion
Totals	6	47,000.00	

Closing figure 2,409

Mohamed M. Bulla
Regional manager - ADC
Coast

