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REPORT OF THE

DEPARTMENTAL COMMITTEE

ON

AGRICULTURE, LANDS AND NATURAL RESOURCES

ON

MWEA IRRIGATION SCHEME

National Assembly
Parliament Buildings
NAIROBI

April, 1999



FUNCTIONS OF DEPARTMENTAL COMMITTEES

Departmental Committees of the National Assembly are established under S.O. 151 and their functions are:-

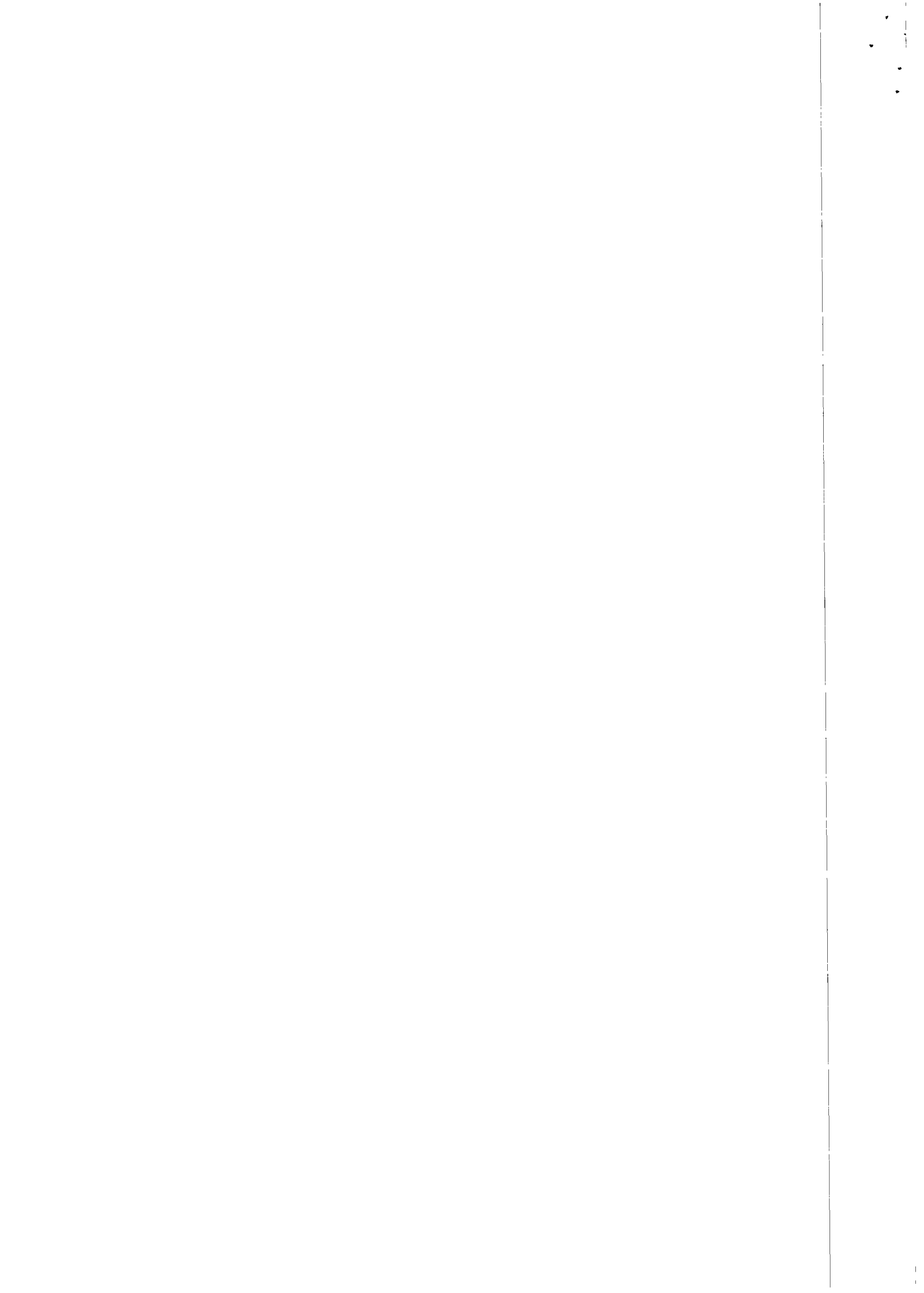
S.O. 151(4)

- (a) to investigate into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and Departments;*
- (b) to study the programme and policy objectives of the Ministries and departments and the effectiveness for the implementation;*
- (c) to study and review all legislation after First Reading, subject to the exemptions under Standing Order 101A(4);*
- (d) 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;*
- (e) 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*
- (f) to make reports and recommendations to the House as often as possible, including recommendations of proposed legislation.*

Matters for enquiry may be referred to the Committee by resolution of the National Assembly, a Minister or by way of relevant reports and petitions.

The Committee has legislative power to:-

1. Summon Witnesses.
2. Make visits of inspection to various projects.
3. Call upon the services of government organisation and their staff.
4. Accept written submission concerning enquiries from any person or organisation.
5. Conduct hearings.



COMMITTEE MEMBERSHIP

The Committee in Agriculture, Lands and Natural Resources has the following Members:-

Hon. Wycliffe W. Osundwa, M.P.(Chairman)
The Hon. Joseph Lotodo, M.P.
(Ceased to be a member on February 02, 1999)
Hon. Ali I. Shaaban, M.P.
Hon. Mohammed Shidiye, M.P.
Hon. Abdi M. Galgalo, M.P.
Hon. Molu G. Shambaro, M.P.
Hon. John K. Sambu, M.P.
Hon. Peter N. Ndwiga, M.P.
Hon. Joseph Munyao, M.P.
Dr. the Hon. Odongo Omamo, M.P
Hon. Daniel L. Khamasi, M.P
Dr. the Hon. Richard Leakey, M.P.
(ceased to be a member on October 21, 1998)

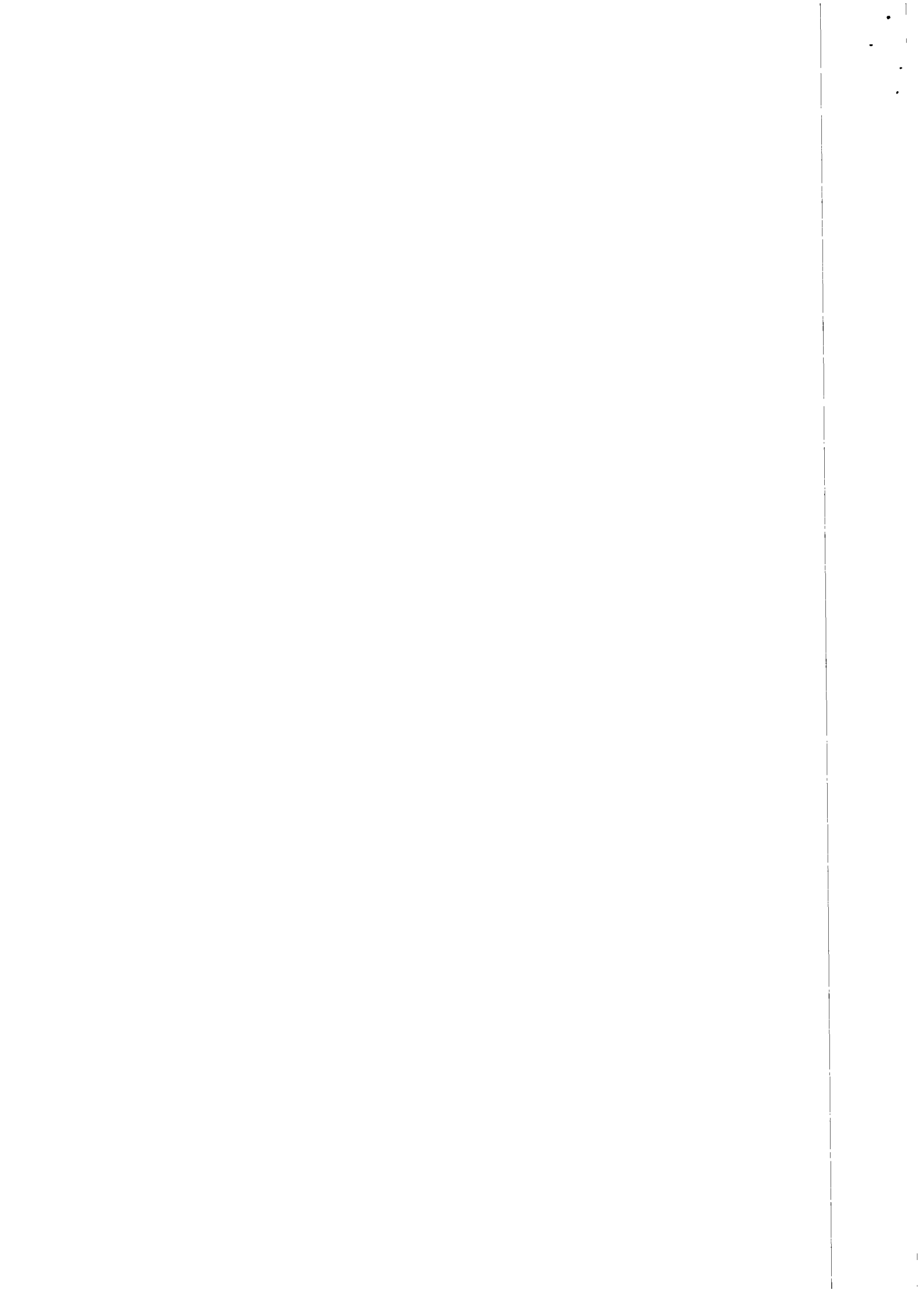
Scope and Mandate of the Committee on Agriculture, Lands and Natural Resources

Pursuant to S.O. 151. the Committee on Agriculture, Lands and Natural Resources is mandated by the House to investigate, inquire into and report on all matters relating to:-

Crop and livestock production and marketing,
Lands and Settlement,
Water Resources,
Land Reclamation and Irrigation,
Co-operative Development,
Natural Resources.

In accordance with the presidential circular No.1/99 on the organisation of the Government of the Republic of Kenya as at February 24, 1999 and in order to cover all subjects allocated, the Committee is required to deal with the following Ministries

1. Ministry of Agriculture,
2. Ministry of Environmental Conservation,
3. Ministry of Natural Resources,
4. Ministry of Co-operative Development,
5. Ministry of Lands and Settlement.
6. Ministry of Water Development.



The Enquiry Process

The Committee held their first meeting on June 24, 1998 where the Members resolved to invite all ministers responsible to the Committee to appear and explain their ministry's policies, functions and emphasis in their operation. Before the Minister and his principal officers appeared he was required to furnish the Committee with written briefs on the policies of the Ministry three day before the meeting with the Committee.

All Ministries responsible to the Committee discussed their Ministries policies and main functions with the Committee. In total the Committee held sixteen meetings and during the meetings the committee focused on specific issues requiring further discussion with the Minister and familiarization tours to the various areas Ministers of the meetings are attached. All the Ministers appeared before the Committee once other than the Minister for Agriculture who appeared three times. Of immediate concern to the Committee include the following areas:

1. **Ministry of Agriculture:-**

Irrigation Schemes,
The Sugar Industry,
Coffee and Tea Sectors,
Livestock Development.

2. **Ministry of Environmental Conservation:-**

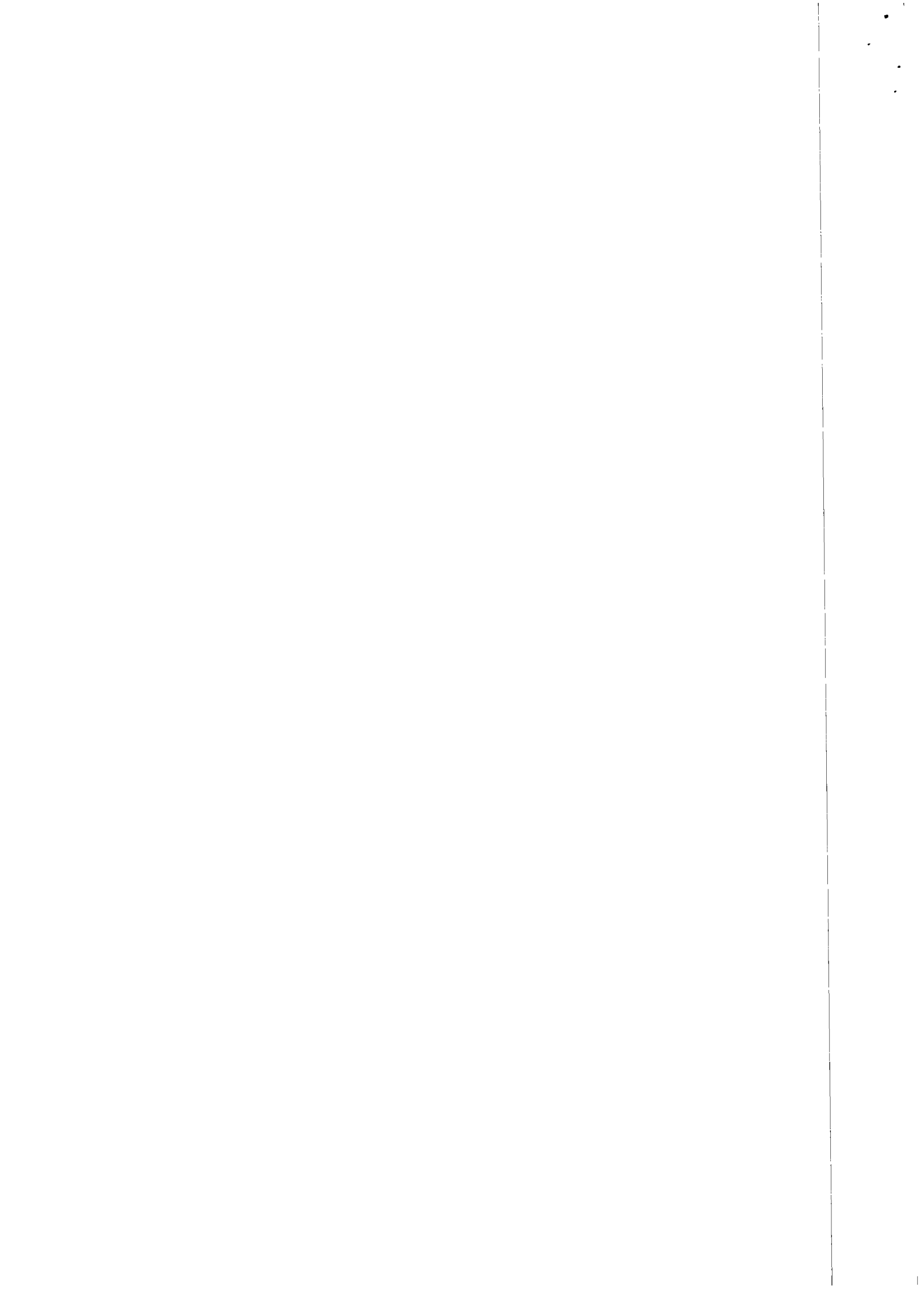
Management of Wetlands - Particularly the Naivasha Wetland Basin,
pollution in the urban centres,
Environmental Conservation Bill.

3. **Ministry of Natural Resources**

Forest Management and Exploitation of Forest Resources,
Mines and Geology,
Eradication of hyacinth in our water masses.

4. **Ministry of Lands and Settlement**

KMC holding grounds,
Allocation of Karura Forest land and other forests.



5. **Ministry of Co-operative Development**

Privatisation of ginneries,
Sand harvesting Co-operative Society.

6. **Ministry of Water Resources**

Effects of Sand harvesting on the Watersheds and water Basins,
Irrigation programmes.

IRRIGATION

During the appearance of the Minister for Agriculture before the Committee, Members were of the view that the Ministry was not doing enough in promoting irrigated agriculture considering that rainfed cultivation was no longer dependable. It was the general view of the Members, that the Country could only develop sustainably if irrigated agriculture was developed aggressively. The country would no longer waste so much resources importing and distributing relief foods that would be produced cheaply locally.

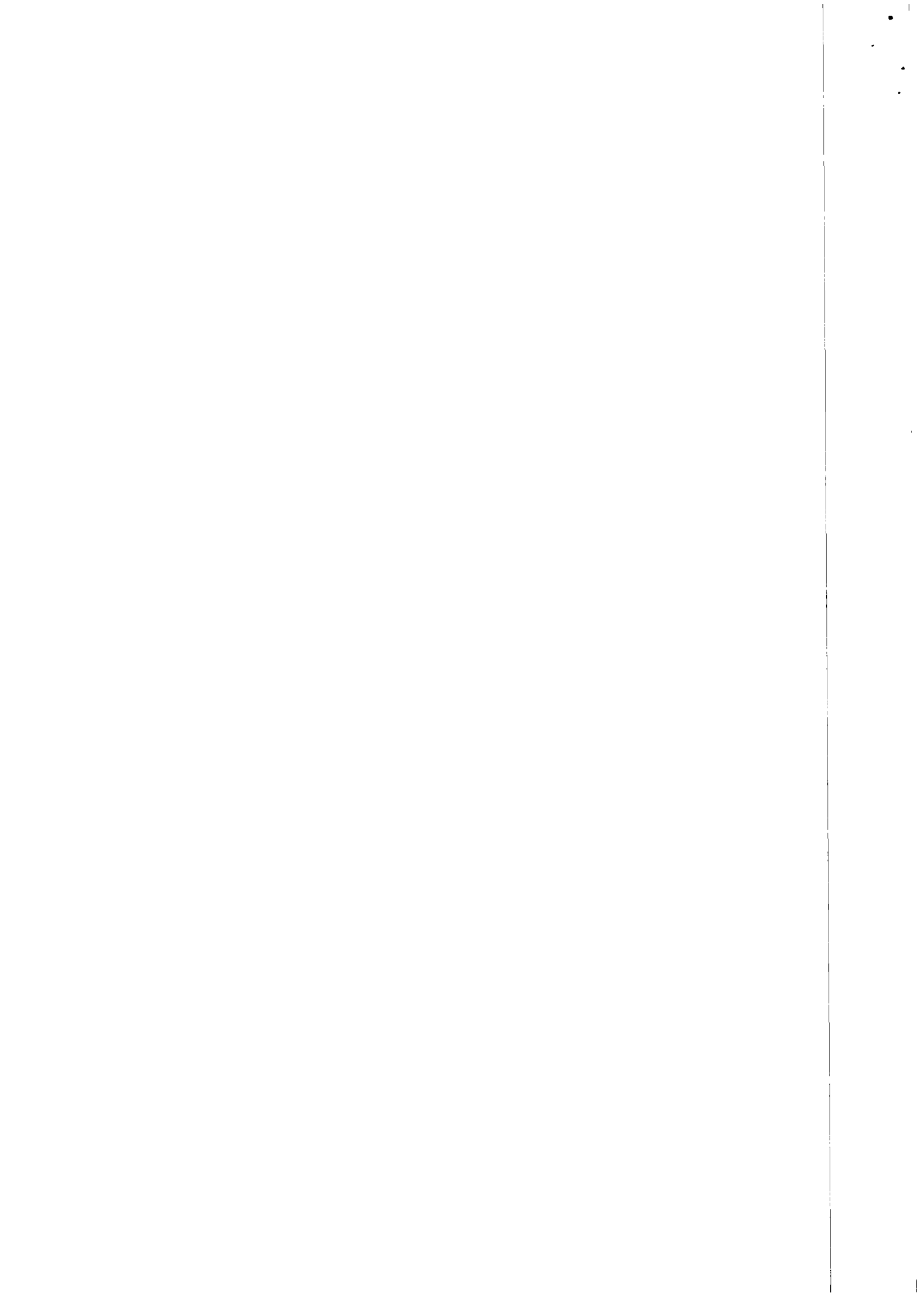
During their meeting with the Minister, Members learnt that at the Mwea Irrigation Scheme there was a long standing dispute between the Ministry and rice growers where the farmers were no longer delivering rice to the National Irrigation Board as required by the Irrigation Act. The crisis was so intense that property and life were lost. It is from these reports by the Minister, the press and representations from the area Member of Parliament and leaders that the Committee decided to focus their attention on the Mwea Irrigation Scheme.

MWEA IRRIGATION SCHEME

Introduction

Mwea Irrigation Scheme is situated in Kirinyaga District of Central Province. The Scheme has a total acreage of 6000 hectares and about 4000 families benefit from it. The Scheme, like many other rice growing Schemes is governed under the Irrigation Act Cap.347 of the Laws of Kenya which mandates the National Irrigation Board (NIB) to manage the Scheme.

In the Scheme individual farmers who are registered and licensed by the National Irrigation Board own about 9 acres where they grow rice only under the supervision and management of the Board. The rice farmers are housed in villages within the Scheme and all the rice that they produce is delivered to the Board, apart from a small quantity which the farmers are allowed to retain for domestic consumption.



The Board provides all services and inputs to the farmers. They maintain the water supply, the canals, the roads and passages etc. The Board also provides rice seeds for planting, fertilizers, pesticides, transportation for rice, gunny bags and packaging paper. The Board is also responsible for research on the best rice varieties. In addition the Board processes the rice into various grades and sells it. After selling the rice, the Board deducts all the costs and pays the balance to the farmers through their Co-operative Society, the Mwea Rice Growers Multipurpose Co-operative Society Ltd. This arrangement has caused a lot of disputes with the farmers claiming they are over charged and at times charged for no services. The details will be discussed in the subsequent page.

The Board and the Co-operative Society own jointly the Mwea Rice Mills and every end of year the Board is required to declare dividends. The Board has 55% shares while the Co-operative owns 45%. The Mwea Rice Mills is managed by a Board of directors. Two from the Society, three from the National Irrigation Board and one from the Ministry of Agriculture. The ownership of the Mills is a centre of controversy, with the Society alleging that the Board did not contribute for the purchase of the Mills but only went to buy and installed them. The Board on their part deny this claim that they acquired it jointly.

The Enquiry Process

The Committee was overwhelmed at the losses the farmers may incur if the conflict with the National irrigation Board was not resolved before the rains started. Of immediate concern to the Committee was the processing and marketing of the rice stored in the makeshift shelter constructed by the society so as to avoid wastage through rot and pilferage. The farmers were also not able to meet their basic obligations such as school fees, health, food etc because they depended on the rice for everything and failure to sell the rice was turning all the farmers into destitutes.

To gain insight into the Mwea saga, the committee held three meetings with the Minister and his officials. Fourth and last meeting was a tripartite meeting between the committee, the Minister and representatives of the Mwea rice farmers. The committee also made a one day tour of the Mwea rice scheme to familiarise itself with the issues on the ground. During their tour of Mwea, the members of the committee held discussions with the farmers and the National irrigation Board officials.

Even after meeting the Minister, the relationship between the Board and farmers did not improve. It was for this reason that a tripartite meeting was held which appointed a Joint Committee between the farmers and the Government under the chairmanship of Mr. Ng'ethe Mbugua, Deputy Secretary, Ministry of Agriculture. The committee is waiting for a report from this joint committee. The committee was mandated to break the stalemate and make recommendations on the immediate and the long term solutions.



Summary of findings and recommendations

The main area of conflict between the rice farmers and National Irrigation Board was that the Board was exploiting farmers for overcharging the cost of inputs and services leaving the farmers with very little income from their produce. The other area of dispute was ownership of the Mwea rice mills and the payment of dividends to the Mwea Rice Multipurpose Cooperative Society Ltd.

1. The Irrigation Act Cap.347

The Irrigation Act in its present form is not compatible with the recent trends in the liberalisation of the economy. It is oppressive and enslaves the farmer. Members were of the view that it should be reviewed urgently so that it does not impede development in Mwea and other rice growing scheme. During their discussions with the committee, the Minister indicated that an amended Irrigation Act would be tabled in the National Assembly by June, 1999. The Committee impresses on the Minister to ensure that the Act is reviewed as promised so that rice growing is encouraged.

2. Mwea Rice Mills

Records at the National Irrigation Board indicate that the Mwea Rice Mills (MRM) is jointly owned by the board who own 55% shares while the Mwea rice multipurpose Society own 45% shares. The latter claim that there is no proof that the Board contributed any money in the purchase of the Mills and construction of the stores. There is also dispute on the value of the Mwea Rice Mills where each party does not trust the other.

The Committee finds this mistrust on the ownership and valuation of assets very unhealthy and urges the Joint Committee to approach the issue with understanding and care and ensure the matter is resolved once and for all without any further delay.

3. Land Preparation

The Committee was of the view that although there is a stand off between the Board and the farmers, the government should ensure that the Board does not abandon Mwea Scheme because the Society cannot effectively replace the Board in the near future since at present the society has no capacity. Since the Board uses the proceeds from the sale of rice to provide inputs and services, the Joint Committee should operate as a team and ensure that all decisions particularly prices are agreed upon jointly in order to reduce suspicion and enhance cooperation and good faith.



On eviction from the scheme by the Board for non-payment for services, the Board should suspend this until the Joint Committee concludes their operations.

4. Annual Accounts and payments of Dividends

To streamline the operations in the scheme and to promote understanding and a good working relationship, the Committee would like the government to present the annual accounts of the National Irrigation Board that have not yet been submitted to the National Assembly.

5. Importation of Rice

The Committee was concerned that a lot of cheap rice was being dumped in the country, most of it under the pretext of transit rice to neighbouring countries or for refugees. This leaves the rice growers at a disadvantage because they have no market for the rice which discourages the farmers from concentrating on the crop because it cannot earn him money to meet his obligations.

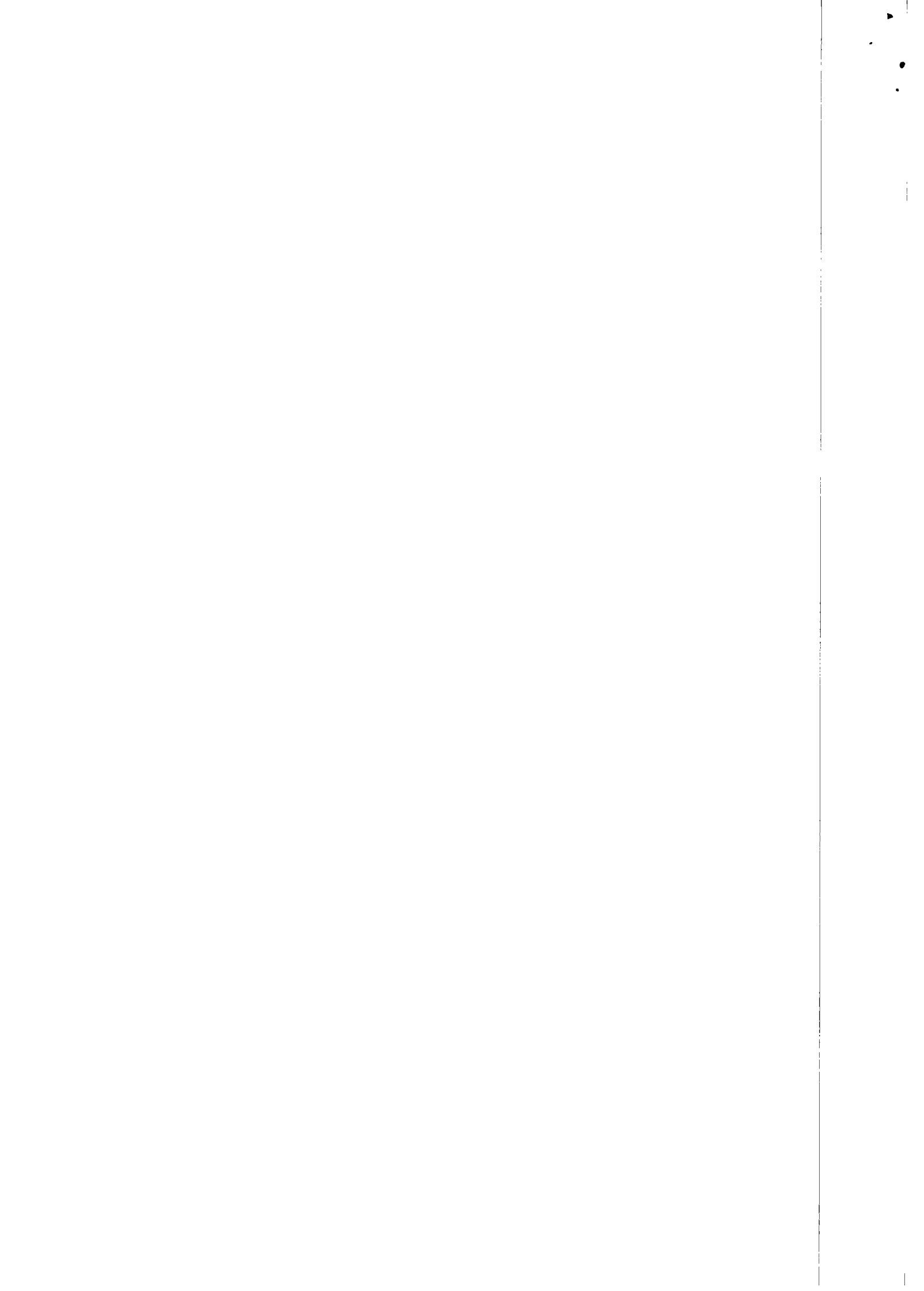
Conclusions

The solution to the problems of the rice farmers in the Mwea Irrigation Scheme will require a comprehensive review of the irrigation Act in order to make it realistic and relevant to the liberalised socio-economic and political environment. The Mwea Rice Multipurpose Co-operative Society Ltd. is ambitiously set to take over the duties of National Irrigation Board but they require to build their financial, technical and managerial capability. In addition to reviewing the Irrigation Act, the government has therefore to take more responsibility to make the society strong and able to handle the affairs of the farmers. It will therefore take time before the Board leaves Mwea but

we hope in the meantime, the Joint Committee comprising of the farmers and Ministry will break the stand-off and allow the farmers to sell the rice in the stores and prepare land in readiness to plant the next crop.

Discussed and adopted:

~~J. Mwangi~~
Hon. G. K. Ngunjiri
Vice Chairman / DCA



MINUTES OF THE SEVENTY SECOND SITTING OF THE DEPARTMENTAL ON AGRICULTURE, LANDS AND NATURAL RESOURCES HELD IN THE OLD CHAMBER, PARLIAMENT BUILDINGS ON THURSDAY, MARCH 23, 2000, AT 10.00 A.M.

PRESENT

The following Members of the Committee were present:-

The Hon. Wycliffe W. Osundwa, M.P. - **(Chairman)**
The Hon. Joseph Munyao, M.P.
The Hon. Daniel L. Khamasi, M.P.

ABSENT WITH APOLOGY

The Hon. David Murathe, M.P.
The Hon. Mohammed A. Galgalo, M.P.
The Hon. Mohamed M. Shidiye, M.P.
The Hon. Peter N. Ndwiga, M.P.
The Hon. Molu G. Shambaro, M.P.
Dr. the Hon. Odongo Omamo, M.P.

ABSENT

The Hon. John K. Sambu, M.P.
The Hon. Ali I. Shaaban, M.P.

IN ATTENDANCE

Mr. J. G. Wanyoike - Clerk Assistant III

MIN. 412/2000 EVIDENCE

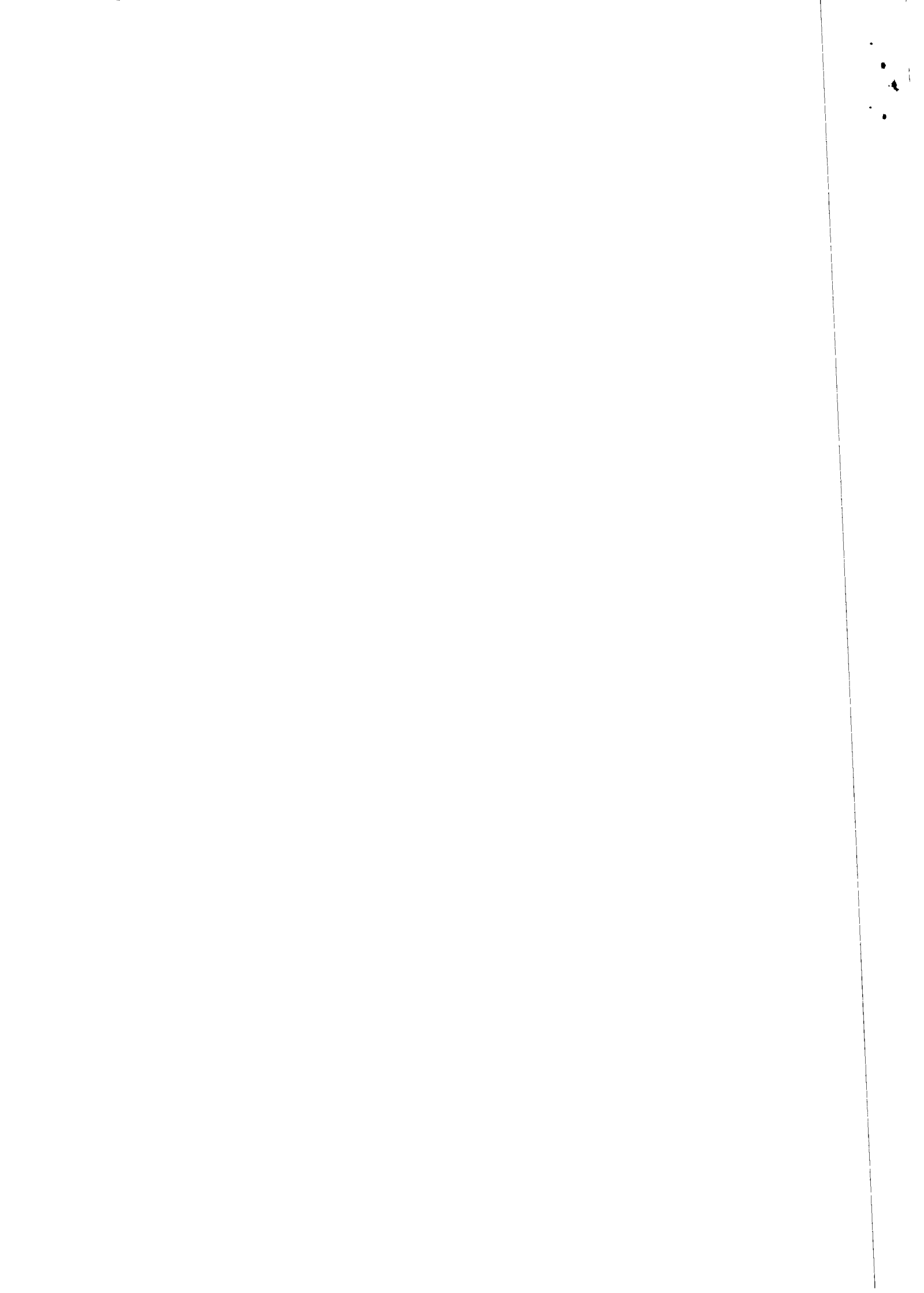
MWEA RICE MULTIPURPOSE CO-OPERATIVE SOCIETY

The Hon. Nderitu, M.P. Mwea Constituency, accompanied by Messers:-

Mr. Jeremiah Kamau - Chairman
Mr. Munene Mureithi - General Manager
Mr. Paul M. Gikonyo - Hon Secretary and
Mr. Joseph Gathuba - Treasurer of Mwea Multi-purpose co-operative Society.

appeared before the Committee and informed the committee that:-

- (i) They are the new Mwea rice Multipurpose Co-Operative Society Management Committee elected in March, 2000 after the former committee members were defeated in the elections when the farmers demanded a special General Meeting and held elections which were supervised by the Ministry Officials.
- (ii) The former committee had failed by not paying advance crop payments to the farmers.



and further failed to negotiate with the government start the mill to the farmers.

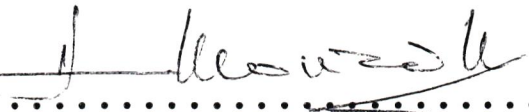
- (iii) The farmers milled their rice and marketed the 1998/99 crop.
- (iv) The National Irrigation Board claimed the farmers own it 350 million shilling while the farmers claims they own it 80 million shillings.
- (v) The skirmishes which occurred recently they alleged that N.I.B. hired thugs to steal rice and the farmers repelled them.
- (vi) The farmers organised themselves with businessmen that prior arrangements have to be made to sell rice as the business men operate independent mills, charging shilling 1.50 unlike N.I.B. which was charging shilling 3.70 per kilo.
- (vii) There are over 360 small scale local rice millers which the farmers use.
- (viii) Over 220 acres is under research and the 1999/2000 year crop is expected to be a bumper harvest as they are able to produce within an acre 30 bags of Basmati rice and 22 bags of Sindano rice, unlike formerly where they used to produce 17 bags of Basmati and 12 bags of Sindano rice in an acre.

MIN.413/2000 **CURRENT STATUS**

- (i) The farmers have built two permanent stores at a cost of 12 million shillings which can hold upto 160 bags and plans are underway to construct two more.
- (ii) There are over 60,000 bags of rice in the open; and farmers would sell it before the rains.
- (iii) The Management is ready to recover N.I.B. debts from the farmers.
- (iv) The N.I.B. owes farmers 15 million shillings in the 1998/99 crop.
- (v) That Mwea Farmers Multipurpose Co-operative Society Limited has been removed from the Parastatal reform programme in 1999.
- (vi) The Management Committee's term of office is three years.

MIN.414/2000 ADJOURNMENT

And the time being Fifteen minutes past one O'clock the Chairman adjourned the Sitting sine die.

CONFIRMED 

(CHAIRMAN)

DATE



MINUTES OF THE SIXTY EIGHTH SITTING OF THE DEPARTMENTAL ON AGRICULTURE, LANDS AND NATURAL RESOURCES HELD IN THE SMALL DINNING HALL, PARLIAMENT BUILDINGS ON THURSDAY, MARCH 16, 2000, AT 10.00 A.M.

PRESENT

The following Members of the Committee were present:-

The Hon. Wycliffe W. Osundwa, M.P. - **(Chairman)**
The Hon. Joseph Munyao, M.P.
Dr.the Hon.Odongo Omamo, M.P.

ABSENT WITH APOLOGY

The Hon. Daniel L. Khamasi, M.P.
The Hon.David Murathe, M.P.
The Hon. Mohammed A. Galgalo, M.P.
The Hon. Mohamed M. Shidiye, M.P.
The Hon. Peter N. Ndwiga, M.P.
The Hon. Molu G. Shambaro, M.P.

ABSENT

The Hon. John K. Sambu, M.P.
The Hon. Ali I. Shaaban, M.P.

IN ATTENDANCE

Mr. J. G. Wanyoike - Clerk Assistant III

MIN.394/2000 TEA, RULES AND REGULATIONS

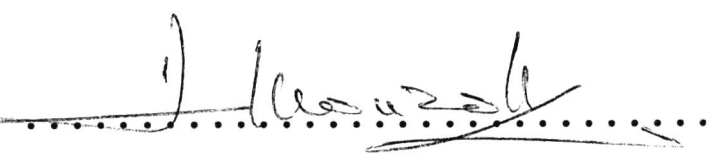
The Members deliberated on the Tea rules and regulations, the Ministry Amendments and resolved that during the Ministers appearance on Tuesday, March 21, 2000 The Minister will explain some few clauses and logistical issues that they may raise.

MIN.395/2000 MWEA RICE ISSUE

The Committee resolved to summon Mr. Stanley Mwaniki, Chairman of Mwea rice growers Multi-purpose Co-operative Society Ltd., the Hon. Nderitu, M.P. Mwea, and Mr. Ngethe Mbugua of the Ministry of Agriculture, on Thursday March 23, 2000 at 10.00 a.m. concerning the reconciliation committee formed by the Ministry of Agriculture, and discuss the current Mwea rice farmers status, problems with a view to solving them, how they may be applied and their implications.

MIN.396/2000 ADJOURNMENT

And the time being thirty minutes past eleven O'clock the Acting Chairman adjourned the Sitting until Monday, March 20, 2000, at 10.00 a.m.

CONFIRMED 

(CHAIRMAN)

DATE

