

Library

PARLIAMENT
OF KENYA
LIBRARY

Species No. 4	57
Dispatched	Clerk Assets
Clerk N. A.	C. H. Editor
B/Clerk	Proprietor
P. C. A.	Library
	Press

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF KENYA AGRICULTURAL RESEARCH
INSTITUTE FOR THE YEAR ENDED 30 JUNE 2003

KENYA NATIONAL ASSEMBLY LIBRARY

Accession: 10012622

Call No: 657.45 KARI
KMAO



KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

Director's Report

The Director has the pleasure in submitting the Financial Statements of the Institute for the year ended 30th June 2003.

Legal Status

The Kenya Agricultural Research Institute (KARI) is statutory agricultural research organization established under the Science and Technology Act chapter 250 revised edition of 1979. KARI is the country's principal national institution responsible for research and technology generation on crops, livestock, soil and water management and the socioeconomics. It falls under the Ministry of Agriculture.

The KARI vision and mission

The vision of the institute is to be an institution of excellence in agricultural research and technology transfer, contributing to an improved quality of life for all Kenyans. The institute's mandate is to conduct appropriate crop, livestock and factor research programmes that are geared towards the sustainable development of national agricultural sector. Its mission is to develop and disseminates appropriate agricultural technologies in collaboration with stakeholders. In pursuit of this mission, KARI seeks to acquire and contribute knowledge and creative solutions that are participatory and client-oriented; holistic and system-oriented; gender-sensitive and affordable to its stakeholders.

The Institute has a computerized Financial Management Information System, which is operational in all research centres and consolidation of financial data done at Headquarters.

Board of Management

The current Board of Management was appointed in February 2002 and comprised of:

(a) Appointed Members

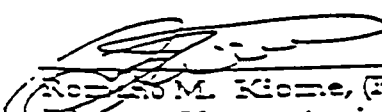
- Prof. Francis J. Gichaga (Chairman – retired on 7th July 2003)
- Dr. Jamleck J.M. Mutungi (Chairman – appointed on 7th July 2003)
- Mr. Nathaniel K. arap Tum (retired on 23rd July 2003)
- Dr. Mohamud A. Jama
- Prof. Julia Gitobu
- Dr. Robert Arunga
- Prof. Adbullahi Aboud
- Prof. Esther M. Kahangi – appointed on 23rd July 2003
- Mrs. Salome C. Korir - appointed on 7th July 2003
- Dr. R.M. Kiome (Secretary)

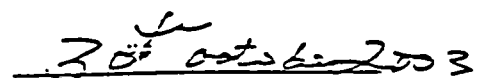


KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

(b) **Ex-Officio Members**

- Ministry of Agriculture
 - Permanent Secretary
 - Director of Veterinary Services
 - Director of Livestock Production
 - Director of Agriculture
- Ministry of Finance
 - Permanent Secretary
- Ministry of Natural Resources
 - Permanent Secretary
- Department of Water Development
 - Director of Water Development
- Office of the President
 - Inspectorate of State Corporations
- National Council for Science and Technology
 - Secretary


Norman M. Kiome, (PhD, SS)
Director, Kenya Agricultural Research Institute


Date



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA AGRICULTURAL RESEARCH INSTITUTE FOR THE YEAR ENDED 30 JUNE 2003

I have examined the financial statements of Kenya Agricultural Research Institute for the year ended 30 June 2003 in accordance with Section 29 of the Exchequer and Audit Act (Cap.412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been kept and the financial statements which have been prepared under the historical cost convention, are in agreement therewith and comply with the National Council for Science and Technology Act, (Cap.250).

1. Financial Position

During the year ended 30 June 2003 the Institute realized a deficit of Kshs.40,439,000 which brought the accumulated deficit to Kshs.534,525,000. Further, the Balance Sheet as at 30 June 2003 reflected a negative working capital of Kshs.34,956,000 an indication that the Institute was technically insolvent. As previously reported the Institute was unable to remit statutory deductions amounting to Kshs.489,657,000 some of which have remained unpaid for several years. The Institute continues to be in breach of statutes governing such deductions and runs the risk of paying penalties. Accordingly the Institute was facing financial difficulties and its continued operation as a going concern is dependent upon support from Government, creditors and donors.

2. Land and Buildings

The Institute did not manage to acquire any title deed during the year under review leaving the number of titles so far obtained for its land properties to sixteen (16). Meanwhile, thirty nine (39) of its parcels of land remained unsurveyed while allotment letters were held for twenty five (25) parcels and held deed plans for ten (10) other parcels, while Survey was on going in fourteen (14) parcels of land. As previously reported the Institute's portion of land reference No.LR.5212 which was under use by the Naivasha Heifer Research Centre, was allocated to private developers even though the Institute had been issued with a letter of allotment in July, 1997 for the property. Further, the Balance Sheet Net Fixed Assets figure of Kshs.5,666,405,000 as at 30 June 2003 has been overstated by Kshs.53,386,480 being the value of buildings and Kshs.27,263,600 being the value of site works both of which were transferred to Kenya Plant Health Inspectorate Service. In view of the above, it has not been possible to confirm the correctness of the Balance Sheet Net Fixed Assets balance of Kshs.5,666,405,000 as at 30 June 2003 or to confirm the ownership of land properties for which the Institute does not hold title documents.

3. Debtors

The Debtors balance of Kshs.234,037,000 as at 30 June 2003 includes a debt of Kshs.183,380,000 in respect of breeder's rights arising from a Memorandum of Understanding signed on 14 August 1995 between KARI and Kenya Seed Company to the effect that Kenya Seed Company would pay to KARI 2.5% of its gross sale of commercial seeds grown from crop varieties developed by KARI, which has been outstanding since 1997 against the Kenya Seed Company. Although the Institute accrued the debt of Kshs.183,380,000 in its books, the Kenya Seed Company has repudiated the debt on the ground that the levy was to be passed on to the consumer and therefore, needed the approval of Parliament.

Except for the reservations set out in the foregoing paragraphs in my opinion the Accounts when read together with the Notes thereon present fairly the financial state of affairs of the Institute as at 30 June 2003 and of its deficit and cash flow for the year then ended.



E.N. MWAI
CONTROLLER AND AUDITOR GENERAL

NAIROBI

12 July, 2004

KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

RESEARCH PROGRAMMES ACHIEVEMENTS 2002/2003

Introduction

KARI implemented more than 500 research projects in the financial year 2002/2003. The highlights on achievements during the same year reflected tangible outputs from project activities completed before July 2003. The achievements were realised in several programmes viz; Food Crops, Horticulture and Industrial Crops, Animal Production, Animal Health, Soil and Land Management, KARI Seed Unit and Information and Documentation Services.

Food Crops

Table 1. Improved Food Crop varieties released during the period AD 2002-2003.

Crop	Variety released	Yield (acre) No. of 90-kg bags)	Recommended ecozone	Colour
Bread Wheat	Njoro-BW1	8-15	Semi-arid regions of eastern Kenya	Red brown
	Njoro-BW2	15-30	High potential highlands	Red
Hybrid maize	Muguga-1	28-32	Medium and high altitude	White
	KH600-15A	32-40	High altitude	White
	KH600-16A	35-47	High altitude	White
	KH633A	16-28	Medium -high altitude	White
Sweet potato	Waniugu	80-140	All ecozones	
	Kak/SPK-4	60-100 bags	Western Kenya	
	KEMB1 10	80	All ecozones	
	KEMB-23	70-90	All ecozones	
	Muguga	60-80	All ecozones	

Table 2. New Crop Varieties (to be) presented to the National Variety Released Committee (NVRC) for Official Release.

Crop	Variety	Grain Yield (Bags/Acre)	Altitude/Agro-ecozone	Centre (Type)
OPV Maize	EMCO-92	16-20	Medium altitude	Embu
	KKSyn-1	16-20	Med-High	Kakamega
	KKSyn-2	18-22	Med-High	Kakamega
	KVC-0	14-18	Semi-arid/Med	Katamani
	KVC-H	18-24	Semi-Arid/Med	Katamani
	KAPT941	18-22	Semi-arid/Med	Katamani
Hybrid Maize	KH600-17A	36-50	Moist highlands	
	Muguga-2 (MU-99232)	24-28	Highland Transitional	Muguga
	Muguga-3	26-30	-do-	-do-
	Muguga-4	24-28	-do-	-do-
	Muguga-5	28-32	-do-	-do-



KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

Sorghum	KARI/Mtama-2 KARI/Mtama-3	10-18 12-18	Sub-humid AEZ Sub-humid AEZ	Katamani Katamani
Dry Beans	Kat-x-16 Kat-x-56 Kat-x-69		Semi-arid areas -do- -do-	Katamani Katamani Katamani
Finger-millet	Kak/FM-2 Nak/FM-1	5-7 3-5	Humid AEZ Cold dry areas	Kakamega Lanet-Seef
Pearl Millet	Kat/PM-2	9-13	Dry land	
Cowpeas	KVU-419	4-6	Semi-arid areas	Katamani
Yellow Gram (Mung Beans)	Kat/Dengu-26	4-6	Semi-arid areas	Katamani
Pigeon peas	Kat/Mbaazi-2	8-12	Semi-arid areas	Katamani
Cassava	KME-1 KME-61 Mucericeri Kak/Muhogo-1 Kak/Muhogo-2	8-9 T/Acre 10-15 8-12 12-16 14-18	Semi-arid areas -do- -do- Humid Humid	Katamani Katamani Katamani Kakamega Kakamega

Horticulture and Industrial Crops

The following achievements or varieties tested/recommended to growers for each commodity under horticulture and industrial crops

Planned Activities	Results/Outputs	Impact
COTTON		
Breeding	2 varieties released – KSA 81M and HART 89 M	Widely grown in Eastern Kenya
Agronomy	Recommendation on manure application document	Grown in Western Kenya. Used in Western Kenya.
Crop Protection	2 predators for bollworm identified	Increase in cotton production in Eastern Kenya
OIL CROPS		
	- 4 soyabeans varieties recommended - 3 crosses of oil palm selected for commercialization - 2 rosette resistant groundnut varieties identified - 2 sunflower varieties recommended	Area under oil crop increased
FRUITS		
	- banana production technology using drenches recommended in drier areas of KARI and Rongai. - 5 mango varieties recommended for wider dissemination - 2 passion fruit lines tolerant to <i>Fusarium</i> wilt identified - 2 strawberry varieties evaluated and recommended for commercialization - citrus – control of gummosis in Kwale district; -----	



KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

	<p>FFS established to train farmers on citrus and mango management</p> <ul style="list-style-type: none"> - Promotion of avocado growing in Kitale mandate area - Enhanced seed multiplication of papaya variety Solo Sunrise 	
VEGETABLES	<ul style="list-style-type: none"> - one variety of onion commercialized in Perkerra and appropriate agronomic recommendations disseminated to farmers in three irrigation schemes -8 cabbage varieties recommended for commercial cultivation - 12 tomato cultivars recommended for commercialization - 2 carrot cultivars recommended for cultivation - one French bean cultivar recommended for commercialization - runner beans, snap bean, sugar snap. Several cultivars recommended for cultivation; also commercial packages developed and disseminated. - Indigenous vegetables – selection from landraces completed in Kakamega, Kisii, Njoro, Kitale, and Thika; seed bulked for distribution to farmers; ecogeographical surveys completed and databases on the various collections generated by GBK. - four varieties of potato pre-released; two varieties recommended for commercialization; processing technologies developed and disseminated. 	
FLOWERS	<ul style="list-style-type: none"> - 33 lily varieties , 17 gerbera varieties, 12 gladiolus varieties, 5 rose varieties, 4 sunflower varieties, 10 carnation varieties, 3 erygium varieties, 1 ornithogalum variety , 5 lisianthus varieties, 9 alstroemeria varieties, 6 anthurium varieties recommended for commercialization - agronomic technologies for the above flowers developed and disseminated - appropriate control of Erwinia soft rot in arabicum identified - multiplication techniques in lilus developed - 3 wild flowering plants collected for domestication and 1 (Moby Dick) commercialized. 	
Potatoes	<ul style="list-style-type: none"> - 3 varieties (Asante, Tigoni, and Furaha) were released - 4 varieties (Kenya Sifa, Faulu, Kenya Mavuno and Kenya Karibu have been pre-released. 	



KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

Animal Production/Animal Health

Animal improvement

- Over 800 sahiwal bulls availed to farmers.
- Over 500 sahiwal/friesian crossbred bulls availed to farmers
- Over 500 Kenya dual purpose goats produced and sold to farmers

Feeds and feeding

- Improved technologies for reseeded pastures developed and disseminated.
- Improved fodder technologies (e.g. management of napier grass) and improved fodders (e.g. calliandra) developed and disseminated.

Livestock diseases and management

- 15 technologies for diagnosis of priority livestock diseases developed.
- Commercialization of East Coast Fever immunization accomplished, with over 4000 cattle immunized.
- Biotechnology techniques adopted in crop (e.g. tissue bananas) and livestock (e.g. diagnostic kits) research.
- Better management practices for indigenous chicken produced.
- A helminth control strategy using medicated feedblocks validated for adoption

Post harvest management

- Technologies for value adding of dairy products produced and disseminated.

Land and Water Management

Soil fertility and plant nutrition

- A manure module for the Agricultural Production in Simulator Model (APSIM) was developed.
- A new manure and mineral fertilizer package (5 t manure + 20 kg N ha⁻¹) was developed for maize production in the central Kenya highlands.
- A suitable compound fertiliser (10:30:20) that is superior to Triple Super Phosphate (TSP) and Diammonium Phosphate (DAP) fertilizer for areas where potassium is a limiting nutrient was developed.

