

REPUBLIC OF KENYA



ELEVENTH PARLIAMENT - THIRD SESSION - 2015

THE NATIONAL ASSEMBLY

DEPARTMENTAL COMMITTEE OF AGRICULTURE, LIVESTOCK AND COOPERATIVES

REPORT ON THE INQUIRY INTO THE IMPOUNDMENT OF A CONSIGNMENT OF
FERTILIZER IMPORTED BY THE MINISTRY OF AGRICULTURE ,LIVESTOCK AND
FISHERIES THROUGH THE NATIONAL CEREAL AND PRODUCE BOARD (NCPB)



Directorate of Committee Services,
Clerk's Chambers
Parliament Buildings,
NAIROBI

OCTOBER , 2015

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ABBREVIATIONS /ACRONYMS

MOALF	- Ministry of Agriculture Livestock and Fisheries
NCPB	- National Cereals and Produce Board
KEBS	- Kenya Bureau of Standards
MOALF	- Ministry of Agriculture Livestock and Fisheries
GOK	- Government of Kenya
PPOA	- Public Procurement Oversight Authority
EACC	- Ethics and Anti Corruption Commission

1.0 PREFACE

On behalf of the Departmental Committee on Agriculture ,Livestock and Cooperatives and pursuant to provisions of Standing Order 199. It is my pleasant privilege and honour to present to this House the Report of the Committee on the Inquiry on the impoundment of a consignment of Fertilizers imported by Ministry of Agriculture, Livestock and Fisheries through NCPB.

The Inquiry was occasioned by reports concerning the impoundment of alleged substandard fertilizers at the Port of Mombasa. The matter was reported widely in the leading print media on 26th May 2015

1.1 Mandate of the Committee

The Committee is established pursuant to the provisions of Standing Order No. 216, with the following terms of reference: -

- a) 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;
- b) to study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;
- c) to study and review all legislation referred to it;
- d) to study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their 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;
- f) to vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and
- g) to make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

1.2 *Committee Membership*

The Committee comprise the following Members:-

1. The Hon. Adan Mohamed Nooru, MBS, M.P. - Chairman
2. The Hon. Japhet M. Kareke Mbiuki, M.P. - Vice Chairman
3. The Hon. Kabando Wa Kabando, M.P.
4. The Hon. Raphael Letimalo, M.P.
5. The Hon. Mary Wambui Munene, M.P.
6. The Hon. Francis Munyua Waititu, M.P.
7. The Hon. Peter Njuguna Gitau, M.P.
8. The Hon. Maison Leshoomo, M.P.
9. The Hon. Anthony Kimani Ichung'wah, M.P.
10. The Hon. Alfred Kiptoo Keter, M.P.
11. The Hon. Ayub Savula Angatia, M.P.
12. The Hon. Justice Kemei, M.P.
13. The Hon. Philip L. R. Rotino, M.P.
14. The Hon. Korei Ole Lemein, M.P.
15. The Hon. Silas Tiren, M.P.
16. The Hon. Benjamin Jomo Washiali, M.P.
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24. The Hon. Ferdinand Kevin Wanyonyi, M.P.
25. The Hon. Paul Simba Arati, M.P.
26. The Hon. Florence Mwikali Mutua, M.P.
27. The Hon. John Kobado, M.P.
28. The Hon. Hezron Bollo Awitti, M.P.
29. The Hon. Zuleikha Hassan Juma, M.P.

1.3 *Consideration of the Inquiry*

In undertaking the Inquest, the Committee invited and held meetings with the Principal Secretary State department of Agriculture in the Ministry of Agriculture Livestock and Fisheries; the Managing Director of NCPB; the Managing Director of KEBS; the Kenya

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Ports Authority; M/S Holbud officials; M/S Stuntwave officials and Director General Public Procurement Oversight Authority. The meetings were aimed at responding to issues related to the inquest.

The Committee also undertook a fact finding visit to the Port of Mombasa, NCPB Godowns and M/S Stuntwave Godowns in Changamwe on 26th June,2015.

1.4 Committee Observation

Having held meetings, undertaken the inspection/fact finding visit and considered the submissions presented by various witnesses , the Committee observed that:-

- (a) Ministry of Agriculture Livestock and Fisheries in Financial year 2013 advertised for Supply and Delivery of Assorted Type of Fertilizer under a Long-term Framework Agreement through an Open Tender, Tender Ref No. MOAL& F/SCMD/AGRIB/5/2013-2014 dated 27th September,2013 **(Annex 3)**.
- (b) The three (3) Year Procurement framework was agreed upon by the national government owing to the need to promptly provide farmers with subsidized fertilizer within the Government Budget cycle.
- (c) The volume of fertilizer to be supplied were as follows
- | | |
|---------------------------------------|-----------|
| 1) Diamond Phosphate (DAP 18:46:0) | 20,000 MT |
| 2) Chemically compounded NPK 23:23:0 | 22,000 MT |
| 3) Chemically compounded NPK 17:17:17 | 12,000 MT |
| 4) Calcium Ammonium Nitrate CAN 26%N | 25,000 MT |
| 5) Sulphate of Ammonia (SA) | 10,000 MT |
| 6) Urea 46% N | 11,000 MT |
- (d) The Contract for the supply of the above mentioned Bulk Fertilizer for a three (3) year period was awarded to M/S Holbud Ltd on 1st November ,2013 and the Contract was signed on 22nd November,2013. However the end date for the Contract was not expressly provided in the document.**(Annex 4)**
- (e) The MOAL&F has signed four additional addendums to the main contract signed in 23rd November, 2013. The last addendum was signed on 10th April,2015 for the supply of 21,000 MT of assorted fertilizers
- (f) The Pricing Regime in the Contract is CFR (Cost and Freight). This price shall exclude Insurance and Clearing cost for the consignment. The client in this case NCPB was to incur Insurance and Clearing cost. The M/S Holbud does not bear any liability/cost in case the fertilizer consignment is damaged in the vessel or at the port of Mombasa.

- (g) The Contract provides that the Supplier (M/S Holbud Ltd) shall at all times during the contract term maintain 30% of the contracted volumes of the fertilizer in local warehouse (Ex Warehouse)
- (h) The Prices of the fertilizer shall be negotiated at the time of delivery **Refer Clause 6.3** of the 3 year contract (**Annex 4**). However, the General conditions of the contract allows 10% variations of the original contract price in case of any increase of product prices.
- (i) The MOAL&F through its agents ,NCPB has a duty to inspect and test the fertilizer to confirm its conformity with the specification under **clauses 3.8.1 and 3.8.2** of the contract agreement. Fertilizer specification should comply with KEBS. Clause 3.8.3 of the contract gives NCPB powers to reject the fertilizer if it does not comply with specification.
- (j) MOAL&F through the NCPB entered into a contract with M/S Holbud Limited on 10th April ,2015 (**Addendum No. 4 to Contract**) to the main contract signed between MOAL&F and Holbud Ltd in 3rd December,2013 for supply of 21,000 MT of assorted fertilizer (**Annex 5**)
- (k) MV Locomotion vessel docked in the port of Mombasa on 11th May ,2015 aboard her was 17,062 MT of assorted fertilizers of which 7,260 MT was imported by NCPB and 9.782 MT was imported by M/S Stuntwave Ltd. **See Import Customs entries (Annex 6)**.
- (l) The KEBS authorized the discharge of the Ship after verifying the documentation presented including Certificate of Conformity (CoCs) amongst other documentation.
- (m) After a discharge of approximately 14,000 MT , NCPB reported that the fertilizer at the bottom of the Hatch 3 had shown signs of caking/lumping. Therefore KEBS stopped the discharge. Before the stoppage by KEBS of the discharge, NCPB had offloaded approximately 4000 MT while M/S Stuntwave Ltd had offloaded all its consignment of 9,782 MT.
- (n) Contrary to the submission by the NCPB, discharge of the fertilizer consignment by both M/S Stuntwave Ltd and NCPB commenced on 12th May ,2015. M/S Stuntwave Ltd completed its discharge 14th May ,2015 earlier than NCPB.
- (o) Due to demurrage charges incurred by NCPB and upon request by NCPB to be allowed to discharge the remainder of fertilizer in question. The KEBS granted the request by NCPB and supervised the discharge of approximately 2700 MT of fertilizer to the NCPB godowns located in Changamwe Mombasa and thereby issued a Seizure Notice.**(Annex 7)**.

- (p) KEBS on 29th May ,2015 undertook Test analysis on the Seized fertilizers and results on the sample were released to NCPB on 8th June,2015 with the finding that, the fertilizer met all the requirement and specification except for Caking/Lumping which is against Kenya Standards Specification No. (KS 158). (**Annex 8**)
- (q) Arising from the Test analysis Report, NCPB and M/S Stuntwave Ltd were directed to stop any further distribution of the fertilizer that was discharged from MV Locomotion vessel. (**Annex 8**)
- (r) During the fact finding visit by the Committee to Mombasa Port on 26th June, 2015. The Committee noted that the Seized fertilizer in question belonging to NCPB was in safe custody and intact in the NCPB Warehouse in Changamwe.
- (s) The Committee also noted that the fertilizers that had been discharged by M/S Stuntwave Ltd had been largely distributed whereas the remainder of the fertilizers were generally flowing with exception of a few bags that were caked. M/S Stuntwave Ltd blamed the poor storage facilities as the cause of the caking.
- (t) Regarding the fertilizers that belong to NCPB that had been distributed to various NCPB godowns in the country, KEBS sampled fertilizers from all the NCPB godowns in the country and concluded that approximately 14,000 MT of the fertilizer were fit for application as they were free flowing and were allowed to be sold in the market while approximately 2700 MT of the fertilizer was to be subjected to further inspection. **See KEBS letter (Annex 9)**
- (u) In order to determine the quality of the 2,700 MT fertilizer , KEBS carried out 100% inspection of the 2700 MT of the seized fertilizer in the NCPB Changamwe Godowns between 28th July ,2015 and 3rd August ,2015. A total of 42,272 bags were inspected for caking of which 372 bags were found to have been caked while 41,900 bags of the fertilizer were found to be free flowing. **See KEBS letter (Annex 9)**
- (v) Some of the KEBS staff in Mombasa Port had been in this station for many years hence it would be difficult to disrupt any importation anomalies if its exists.

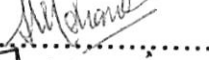
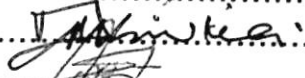
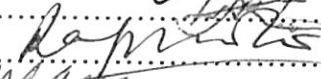
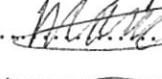
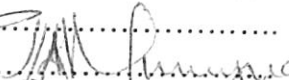

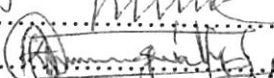


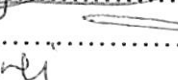
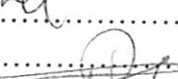
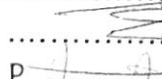
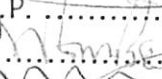

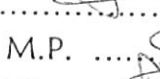
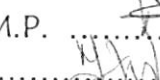
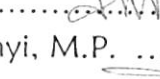
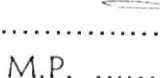
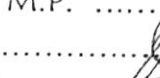
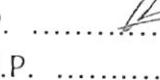









1.5 Recommendations

In view of the observation, the Committee recommends that

1. In view of the Submissions by the Director General of Public Procurement Oversight Authority, the Ministry of Agriculture ,Livestock and Fisheries should continue to execute the current three (3) year Contractual framework for the supply of assorted fertilizers until its expiry in 2016. However the Ministry should in future restrict the contract term period for bulk procurement of fertilizers to one (1) year to ensure competitive sourcing of suppliers.
2. Ministry of Agriculture ,Livestock and Fisheries should institute systems and mechanism that shall ensure timely delivery of subsidized fertilizers to the farmers.
3. The National Cereal and Produce Board or any other entity authorized by an existing law, should be allowed to take up procurement and distribution role of the subsidized fertilizers while the Ministry of Agriculture Livestock and Fisheries should continue to adhere to its supervisory role.
4. The National Government should fast-track the restructuring of NCPB to enable it become a commercial fertilizer player over and above the distribution of subsidized fertilizer.
5. The KEBS should enhance its inspection role from the point of loading to the port of discharge to ensure that the Goods meet recommended international standards. However, in case of issuance of a Seizure notice due to suspected quality issues, KEBS should be able to fully enforce the Seizure Notice to avoid distribution of substandard goods to the market.
6. The KEBS should implement rotational deployment of its staff at all ports of entries and no staff should remain in a station for more than 2 years.

1.7 ADOPTION OF THE REPORT

We the members of the Departmental Committee on Agriculture, Livestock and Cooperatives have pursuant to Standing Order 199 adopted this Report on the Inquiry on Impounded Fertilizer aboard MV Locomotion imported by National Cereal and Produce Board (NCPB) and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today, Tuesday 27th October, 2015 :-

1. The Hon. Adan Mohamed Nooru, MBS, M.P. Chairman..... 
2. The Hon. Japhet M. Kareke Mbiuki, M.P. Vice Chairman..... 
3. The Hon. Kabando Wa Kabando, M.P. 
4. The Hon. Raphael Letimalo, M.P. 
5. The Hon. Mary Wambui Munene, M.P. 
6. The Hon. Francis Munyua Waititu, M.P. 
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1.8 ACKNOWLEDGMENT

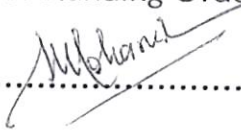
The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the support extended to it in the execution of its mandate.

I take this opportunity to thank all the Members of the Committee for their patience, sacrifice, endurance and hard work during the long sitting hours under tight schedules which enabled us to complete the tasks within the stipulated period.

The Committee wishes to record its appreciation for the services rendered by the staff of the National Assembly attached to the Committee. Their efforts made the work of the Committee and the production of this Report possible.

Finally, it is now my pleasant duty, on behalf of the Departmental Committee Agriculture Livestock and Cooperatives , to present this report to the House pursuant to the provisions of Standing Order 199

SIGNED:



DATE: 28.10.2015

HON. ADAN MOHAMED NOORU, MBS, M.P.

CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES

2.0 BACKGROUND

Agricultural production in Kenya has been hampered by low levels of inputs use. In an effort to make fertilizer affordable, Vision 2030 envisages a three tiered cost reduction strategy. These three tiers include Bulk procurement, Local Fertilizer blending and local manufacturing of fertilizers. In pursuit of the Vision 2030 Fertilizer Cost Reduction Strategy and following escalating international fertilizer prices in the year 2008, the Government intervened by venturing into bulk fertilizer procurement and then selling the same to farmers at subsidized prices. This intervention is known as “**Fertilizer Price Stabilization Programme**” and it entails the Government procuring about 18 to 40% of the Country’s conventional fertilizer requirements and selling to farmers at subsidized prices.

Because of budgetary limitations, the programme did not target all the farmers, however, all other farmers indirectly benefit from reduced price offered by the private sector. The fertilizer subsidy programme was therefore introduced to stabilize the open market prices and make fertilizer readily available and affordable especially to small scale farmers. In the programme the distribution is done through National Cereals and Produce Board (NCPB) depots countrywide.

2.1 TENDER ADVERTISEMENT FOR PROCUREMENT OF FERTILIZER

The tender for the three year framework contract(Bulk Fertilizer) was advertised in the print media on 27th September, 2013 and re-advertised on 4th October, 2013 and for the local advertisement for the local bidders/firms was done 25th November 2014 and was carried in the print media too. The local firms targeted women, youth and persons with disabilities. This was tender No. MOALF/SCMD/AGRIP/12/2014-2015 titled *‘Supply and Delivery of Various Types of Fertilizers by Firms owned by Women, Youth and Persons Living With Disabilities’*

2.2 Shortlisted tenderers

- a) Long term Procurement (Bulk Fertilizer)
 - i. Mekatrade Asia PTE,Singapore,Geneva Branch,Place du Molard & 1204 Geneva Switzerland
 - ii. M/s Agri Commodities & Finance FZE,P.O.BOX10559,RAK IFTZ,Ras Al Khalmah, UAE
 - iii. M/s Export Trading Company Ltd P.O.BOX 57661-00200,Nairobi
 - iv. M/s Serraco Ltd P.O. BOX 70695 Nairobi



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- v. M/s Sambeat Investment P.O.BOX 16 Kutus
- vi. M/s Holbud Ltd,66 Leman Street,London E18EU United Kingdom
- vii. M/s Louis dreyfus Commodities P.O.BOX 34256-80118,Mombasa
- viii. M/s Turbo Highway Eldoret Ltd, P.O. Box 712-30100,Eldoret
- ix. M/s Regency Resources Ltd P.O.BOX2104-00200,Nairobi

M/s Holbud Ltd,66 Leman street, London E18EU United Kingdom won the tender for the three year procurement framework.

3.0 SUBMISSIONS AND EVIDENCE

3.1 Submissions by the Principal Secretary , State Department of Agriculture

Appearing before the Committee, the Principal Secretary Sicily K. Kariuki (Mrs) ,MBS submitted that:-

- 1) The tender was opened on 16th October, 2013 and 9 bidders returned their bid documents;
- 2) The fertilizer subsidy programme was introduced to stabilize the open market prices and make fertilizer readily available and affordable especially to small scale farmers;
- 3) The distribution was done through National Cereals and Produce Board (NCPB) depots countrywide;
- 4) Producers or their appointed agents were to supply fertilizer on the following conditions:-
 - (i) Deferred payment term of 180 days;
 - (ii) Competitive international prices that will make the fertilizer available to small-scale farmers at affordable prices;
 - (iii) Within 45 days as and when required;
 - (iv) Maintain within the country at all times, a minimum stock level of 30,000 MT of assorted fertilizer;
 - (v) Immediately supply an initial requirement of 100,000 MT to be delivered as one lot in the country by 5th December, 2013 for the 2014 long rains season; and
 - (vi) Fertilizer supplied must meet KEBS standards

- 5) Generally the prices of planting fertilizers especially DAP had stabilized at about Kshs. 3,400 from Kshs. 6,500 per 50kg bag and top dressing from Kshs. 3,000 to about Kshs. 2,500 per 50kg bag of CAN
- 6) Since Financial Year 2008/2009, the programme has been allocated a total of Kshs. 23,187,543,280 for procurement of 775,920.50 MT (15,518,410 x 50kg bags) of fertilizers for 2,727,359 beneficiaries.
- 7) In the 2013/2014 Financial Year, the Ministry received Kshs. 4.3 billion for fertilizer subsidy and the amount was able to subsidize 166,166MT (3,323,320 x 50kg bags) out of which 42,750 MT (855,000 x 50 kg) was procured for the 2013 short rains at a cost of Kshs. 2,437,455,000 while 123,416MT (2,450,319 x 50 kg bags) were procured for 2014 long rains;
- 8) During the Financial Year 2014/2015 Financial Year, the Ministry was allocated Kshs 4.0 billion to subsidize 206,955MT of various types of fertilizers
- 9) Due to the reported shortage of the top dressing Fertilizers (CAN) in the country during the Financial Year 2014/2015. The Government procured a total of **41,800 MT (836,000 x 50kg bags)** of CAN fertilizer based on the budgetary allocation which formed 18% of the estimated requirement.
- 10) The total requirement of CAN fertilizers for the 2014/2015 season was estimated at **236,214 MT (4,723,278 x50kg bags)** by the counties and the rest of CAN fertilizer was procured by the private sector except that its price was higher than the subsidized CAN fertilizers (Kshs. 2,500 compared to Kshs. 1,500 per bag);
- 11) The fertilizer subsidy programme has increased farmers awareness on use of fertilizers hence the increased demand which is outstripping the quantities available with the allocated budgetary provisions. The increased fertilizer demand has also led to NCPB opening 13 new depots in the country for improved distribution to farmers;
- 12) Apart from CAN, other top dressing fertilizers recommended by Kenya Agriculture and Livestock Research Organization (KALRO) were also available such as **Urea** and **Mavuno top dressing**;
- 13) The Consignment of Fertilizers Impounded at the Port of Mombasa not **DAP** but **NPK 23:23:0**.
- 14) The reduction in subsidy prices in December, 2014 elicited a lot of demand for subsidized fertilizers by farmers resulting in a shortage of the commodity at the NCPB depots causing a lot of agitation by farmers. Due to this agitation, NCPB did a survey and informed the Ministry that an additional 30,000MT of planting fertilizers was required to address this shortage. As result of this NCPB report, the Ministry wrote to the National Treasury to request for Kshs. 893,200,000 to cover subsidy cost for the 30,000MT of planting fertilizers;

- 15) On 1st April, 2015, Treasury approved an additional Kshs. 700 million for an additional 21,000 MT of subsidy fertilizer. The NCPB was given go ahead on 9th April, 2015 to procure the 21,000MT and subsequently made the order from M/S Holbud Limited. The supplier confirmed immediate availability of 10,000MT of DAP and 4,400MT of NPK 23:23:0 which were availed to farmers immediately;
- 16) The balance of 6,600 MT of NPK 23:23:0 was imported and the vessel MV Locomotion carrying the fertilizer arrived at the port of Mombasa on 11th May, 2015. Upon lodging all the requisite documents and paying the port charges and taxes, the cargo was released to the NCPB on 12th May 2015 by Kenya Bureau of Standards (KEBS) for direct discharge and loading;
- 17) NCPB ordered stoppage of Discharge when 2,261MT (45,220 x 50kg bags) was remaining in the vessel after discovery that the fertilizer was lumpy and not free flowing. The NCPB commissioned their contracted company (M/S Intertek) to analyze the fertilizer and results released on 21st May, 2015 indicated all parameters complied with KEBS standards KS158:2012 except for the excess moisture that caused the lumpiness, as result NCPB then stopped sales of this fertilizer but at that time 14,141 bags had already been sold;
- 18) KEBS officially asked NCPB on 27th May, 2015 to stop the sales of fertilizers already delivered to NCPB depots until test results of collected samples were out. The KEBS on 8th June, 2015 released fertilizer test results indicating that all performance requirements were in compliance except for parameters on appearance ie not free flowing and lumpy.
- 19) NCPB has already launched a claim of USD 3.98 million with their insurers (ICEALION and APA).
- 20) The status of The Three Year Contract Framework on the bulk procurement was done through asking for bids from interested international and national fertilizer dealers on a yearly basis and the lowest evaluated firms were asked to supply the various fertilizers.
- 21) The tendering process up to fertilizer delivery to farmers would normally take up to 7 months ie too late for the fertilizer to make any meaningful impact at farmer level since the season will have long gone. Due to this fact the ministry to send a delegation to Russia in August, 2013 to check on possibility of sourcing fertilizer directly from the manufacturers but the delegation was informed that Kenya need to use the manufactures' agents in the East African region as the quantities involved were too small;
- 22) The Ministry therefore decided to use the legal provisions under the Public Procurement and Disposal Act, 2005, Section 9 (c) i and (v) and PPOA guidelines released in 2010 on framework contracting, to advertise a tender for

framework contract. The tender was for an initial supply and delivery of 100,000MT of various types of fertilizers and subsequent supply and delivery "as and when required" basis.

3.2 Submissions by Managing Director NCPB

Appearing before the Committee, the Managing Director NCPB Mr. Newton Terer submitted that:-

- 1) The National Cereals and Produce Board administered a framework contract for the Ministry of Agriculture Livestock and Fisheries. The contract was entered by the Ministry and Hollbud Ltd.
- 2) The NCPB was assigned by the Ministry to effect the contract for adoption, execution and implementation. The ministry provides distribution plan.
- 3) The National Cereals and Produce Board used to tender for its supplies annually and competitively before the Ministry entered into a three year contract with M/S Hollbud ltd.
- 4) The Ministry procured fertilizer in the last three years in the following dimensions:
 - (a) 3rd December 2013 – 100,000 MT
 - (b) 16th December 2013 – 102,000 MT
 - (c) 10th April 2014 – 21,000 MT
- 5) The procurement of 21,000 MT in April 2014 was occasioned by shortage of fertilizer in Western and North Rift regions.
- 6) The Ministry imported 6,600 MT of NPK 23:23:0 and procured the balance of 4,400 MT of NPK 23:23:0 and 10,000 MT of DAP locally.
- 7) On 25th May, it was noted that fertilizer was lumpy and not free flowing. This necessitated for the intervention of KEBS.
- 8) The result of the tests undertaken by KEBS indicated compliance to performance requirement except for the aspect of caking which is as a result of excess moisture.
- 9) The consignment was offloaded to warehouses in Mombasa awaiting further directions from KEBS.

3.3 Submissions from Managing Director of Kenya Bureau of Standards(KEBS)

The Managing Director , Kenya Bureau of Standards ,Mr. Ongwae while appearing before the Committee, submitted that:-

- 1) Fertilizers are among products which are covered under the Pre-Inspection and Certification program in accordance to legal notice No. 78. Under the program

- products are supposed to be inspected and tested in the country of origin against Kenyan Standards or other relevant standards by KEBS appointed inspection agencies;
- 2) If found complying, the products are issued with Certificates of Conformity (CoC) and exported to Kenya and if not complying they are rejected at source and a non-conformity report issued;
 - 3) Retesting goods with certificates of conformity (CoCs) is not mandatory but samples can be taken from time to time;
 - 4) Chronology of Events with Regard to the Impounded Fertilizer were as follows:
 - a) On 14th May 2015, a consignment of imported fertilizer by Stuntwave and NCPB was received at the port of Mombasa. The consignment was accompanied by a certificate of conformity issued by SGS and on that basis discharge process was started.
 - b) On 25th May 2015, the discharge was stopped upon detection that the fertilizer had caked at the lower part of the hatch.
 - c) KEBS seized the consignment on 26th May, 2015 and M/S Stuntwave was informed through a letter on 27th May 2015 to stop disposal of the fertilizer.
 - d) Results were received on 26th May from KEBS laboratories showing compliance to performance requirements except caking. Caking is an application convenience requirement rather than performance.
 - e) The test results were communicated to the Managing Director of NCPB. The Managing Director of NCPB was informed that due to failure on caking, the fertilizer cannot be distributed to farmers in that condition. The quantity of caked fertilizer that is caked with NCPB is approximately 2,700 metric tons.
 - f) Testing of Samples from Stuntwave warehouses across the country is in progress. However physical examinations revealed that fertilizer was not caked.
 - g) The Managing director of NCPB requested KEBS to allow the impounded fertilizer to be offloaded to a warehouse as the ship was incurring demurrages.
 - h) The Managing Director of NCPB also informed KEBS that he will get a bankers guarantee and arrest the ship once it has been offloaded.
 - 5) The Managing Director submitted the following documents to the Committee upon the Committee's requests;
 - a) Contract documents between KEBS and SGS
 - b) Sample collection form

- c) Sample submission form
- d) Test reports of the fertilizer
- e) The Certificates of Conformity (CoC)
- f) Correspondences to master MV Locomotion stopping the discharge
- g) Letter to KRA notifying of seizure
- h) Copies of correspondences with SGS
- i) Copies of correspondence with Stuntwave Ltd
- j) The Managing Director promised to avail the following documents;
 - i. Copies of correspondences with NCPB
 - ii. Import Declaration Forms (IDF)

3.4 Submissions by with Directors of M/S Holbud

While appearing before the Committee, Mr. Kalyan Yawer one of the Agent of M/S Holbud submitted that:-

- (i) He was an agent of M/S Holbud but not a Director of the said Company.
- (ii) He received an email from Holbud limited based in London which authorized him to sign the contract on behalf of the owners and that the same email had been copied to the Ministry of Agriculture, Livestock and Fisheries.

3.5 Submissions by Managing Director, Holbud Ltd

Appearing before the Committee, the Managing Director M/S Holbud Ltd Mr. Naushiid Merrali submitted that:-

- a) He has family relations with Mr. Merali of Sameer Africa and business and family relations with Mr. Merali of Stuntwave Ltd.
- b) The tender that they were awarded to supply fertilizer was an international competitive tender.
- c) He signed the main contract while the addendums were signed by representatives of Hydery (P) Ltd which acts as local agents for Holbud Ltd.
- d) M/S Holbud Ltd had supplied fertilizer before to the Government on several occasions
- e) Mr. Mujtaba Walji, and Mr. Mohamed Yawer Kalyan were authorized by Holbud Ltd. to sign addendums on its behalf.

- f) There was a formula used in determining prices upon delivery based on prevailing international markets.
- g) Before the year 2013, they used to sign annual contracts with the Ministry to supply fertilizer.

4.0 COMMITTEE OBSERVATIONS

Having held meetings, undertaken the inspection/fact finding visit and considered the submissions presented by various witnesses, the Committee observed that:-

(a) Ministry of Agriculture Livestock and Fisheries in Financial year 2013 advertised for Supply and Delivery of Assorted Type of Fertilizer under a Long-term Framework Agreement through an Open Tender, Tender Ref No. MOAL&F/SCMD/AGRIB/5/2013-2014 dated 27th September, 2013 (**Annex 3**).

(b) The three (3) Year Procurement framework was agreed upon by the national government owing to the need to promptly provide farmers with subsidized fertilizer within the Government Budget cycle.

(c) The volume of fertilizer to be supplied were as follows

7) Diamond Phosphate (DAP 18:46:0)	20,000 MT
8) Chemically compounded NPK 23:23:0	22,000 MT
9) Chemically compounded NPK 17:17:17	12,000 MT
10) Calcium Ammonium Nitrate CAN 26%N	25,000 MT
11) Sulphate of Ammonia (SA)	10,000 MT
12) Urea 46% N	11,000 MT

(d) The Contract for the supply of the above mentioned Bulk Fertilizer for a three (3) year period was awarded to M/S Holbud Ltd on 1st November, 2013 and the Contract was signed on 22nd November, 2013. However the end date for the Contract was not expressly provided in the document. (**Annex 4**)

(e) The MOAL&F has signed four additional addendums to the main contract signed in 23rd November, 2013. The last addendum was signed on 10th April, 2015 for the supply of 21,000 MT of assorted fertilizers

(f) The Pricing Regime in the Contract is CFR (Cost and Freight). This price shall exclude Insurance and Clearing cost for the consignment. The client in this case

NCPB was to incur Insurance and Clearing cost. The M/S Holbud does not bear any liability/cost in case the fertilizer consignment is damaged in the vessel or at the port of Mombasa.

- (g) The Contract provides that the Supplier (M/S Holbud Ltd) shall at all times during the contract term maintain 30% of the contracted volumes of the fertilizer in local warehouse (Ex Warehouse)
- (h) The Prices of the fertilizer shall be negotiated at the time of delivery **Refer Clause 6.3** of the 3 year contract (**Annex 4**). However, the General conditions of the contract allows 10% variations of the original contract price in case of any increase of product prices.
- (i) The MOAL&F through its agents ,NCPB has a duty to inspect and test the fertilizer to confirm its conformity with the specification under **clauses 3.8.1 and 3.8.2** of the contract agreement. Fertilizer specification should comply with KEBS. Clause 3.8.3 of the contract gives NCPB powers to reject the fertilizer if it does not comply with specification.
- (j) MOAL&F through the NCPB entered into a contract with M/S Holbud Limited on 10th April ,2015 (**Addendum No. 4 to Contract**) to the main contract signed between MOAL&F and Holbud Ltd in 3rd December,2013 for supply of 21,000 MT of assorted fertilizer (**Annex 5**)
- (k) MV Locomotion vessel docked in the port of Mombasa on 11th May ,2015 aboard her was 17,062 MT of assorted fertilizers of which 7,260 MT was imported by NCPB and 9.782 MT was imported by M/S Stuntwave Ltd. **See Import Customs entries (Annex 6)**.
- (l) The KEBS authorized the discharge of the Ship after verifying the documentation presented including Certificate of Conformity (CoCs) amongst other documentation.

- (m) After a discharge of approximately 14,000 MT , NCPB reported that the fertilizer at the bottom of the Hatch 3 had shown signs of caking/lumping. Therefore KEBS stopped the discharge. Before the stoppage by KEBS of the discharge, NCPB had offloaded approximately 4000 MT while M/S Stuntwave Ltd had offloaded all its consignment of 9,782 MT.
- (n) Contrary to the submission by the NCPB, discharge of the fertilizer consignment by both M/S Stuntwave Ltd and NCPB commenced on 12th May ,2015. M/S Stuntwave Ltd completed its discharge 14th May ,2015 earlier than NCPB.
- (o) Due to demurrage charges incurred by NCPB and upon request by NCPB to be allowed to discharge the remainder of fertilizer in question. The KEBS granted the request by NCPB and supervised the discharge of approximately 2700 MT of fertilizer to the NCPB godowns located in Changamwe Mombasa and thereby issued a Seizure Notice. **(Annex 7)**.
- (p) KEBS on 29th May ,2015 undertook Test analysis on the Seized fertilizers and results on the sample were released to NCPB on 8th June,2015 with the finding that, the fertilizer met all the requirement and specification except for Caking/Lumping which is against Kenya Standards Specification No. (KS 158). (**Annex 8**)
- (q) Arising from the Test analysis Report, NCPB and M/S Stuntwave Ltd were directed to stop any further distribution of the fertilizer that was discharged from MV Locomotion vessel. **(Annex 8)**
- (r) During the fact finding visit by the Committee to Mombasa Port on 26th June, 2015. The Committee noted that the Seized fertilizer in question belonging to NCPB was in safe custody and intact in the NCPB Warehouse in Changamwe.
- (s) The Committee also noted that the fertilizers that had been discharged by M/S Stuntwave Ltd had been largely distributed whereas the remainder of the fertilizers were generally flowing with exception of a few bags that were caked. M/S Stuntwave Ltd blamed the poor storage facilities as the cause of the caking.

(t) Regarding the fertilizers that belong to NCPB that had been distributed to various NCPB godowns in the country, KEBS sampled fertilizers from all the NCPB godowns in the country and concluded that approximately 14,000 MT of the fertilizer were fit for application as they were free flowing and were allowed to be sold in the market while approximately 2700 MT of the fertilizer was to be subjected to further inspection. **See KEBS letter (Annex 9)**

(u) In order to determine the quality of the 2,700 MT fertilizer , KEBS carried out 100% inspection of the 2700 MT of the seized fertilizer in the NCPB Changamwe Godowns between 28th July ,2015 and 3rd August ,2015. A total of 42,272 bags were inspected for caking of which 372 bags were found to have been caked while 41,900 bags of the fertilizer were found to be free flowing. **See KEBS letter (Annex 9)**

5.0 COMMITTEE RECOMMENDATIONS

In view of the observation, the Committee recommends that

1. In view of the Submissions by the Director General of Public Procurement Oversight Authority, the Ministry of Agriculture ,Livestock and Fisheries should continue to execute the current three (3) year Contractual framework for the supply of assorted fertilizers until its expiry in 2016. However the Ministry should in future restrict the contract term period for bulk procurement of fertilizers to one (1) year to ensure competitive sourcing of suppliers.
2. Ministry of Agriculture ,Livestock and Fisheries should institute systems and mechanism that shall ensure timely delivery of subsidized fertilizers to the farmers.
3. The National Cereal and Produce Board or any other entity authorized by an existing law, should be allowed to take up procurement and distribution role of the subsidized fertilizers while the Ministry of Agriculture Livestock and Fisheries should continue to adhere to its supervisory role.
4. The National Government should fast-track the restructuring of NCPB to enable it become a commercial fertilizer player over and above the distribution of subsidized fertilizer.

5. The KEBS should enhance its inspection role from the point of loading to the port of discharge to ensure that the Goods meet recommended international standards. However, in case of issuance of a Seizure notice due to suspected quality issues, KEBS should be able to fully enforce the Seizure Notice to avoid distribution of substandard goods to the market.

6. The KEBS should implement rotational deployment of its staff at all ports of entries and no staff should remain in a station for more than 2 years.

MINUTES OF THE 62ND SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON TUESDAY 27TH OCTOBER, 2015 AT 2ND FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10:30 A.M.

Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairperson
2. Hon. Kareke Mbiuki, M.P
3. Hon. Francis Waititu Munyua, M.P
4. Hon. Benjamin Washiali, M.P
5. Hon. Daniel Maanzo, M.P
6. Hon. (Dr.) Victor Munyaka, M.P
7. Hon. Justice Kemei, M.P
8. Hon. Phillip Rotino, M.P.
9. Hon. Mary Wambui, M.P
10. Hon. James Opiyo Wandayi, M.P
11. Hon. Alfred K. Keter, M.P
12. Hon. Ferdinand Wanyonyi, M.P
13. Hon. Florence Mutua, M.P
14. Hon. John B. Serut, M.P
15. Hon. Fredrick Outa, M.P
16. Hon. Kabando Wa Kabando, M.P
17. Hon. Raphael Letimalo, M.P
18. Hon. Maison Leshoomo, M.P
19. Hon. John Kobado, M.P
20. Hon. Peter N. Gitau, M.P
21. Hon. Korei Ole Lemein, M.P
22. Hon. Silas Tiren, M.P

Apologies

1. Hon. Hezron Awiti Bollo, M.P
2. Hon. Patrick Wangamati, M.P
3. Hon. Kimani Ichung'wah, M.P
4. Hon. Zuleikha Hassan Juma, M.P
5. Hon. Paul Simba Arati, M.P
6. Hon. Millie Odhiambo - Mabona, M.P
7. Hon. Ayub Savula Angatia, M.P

Min. 269/2015: Preliminaries

- I. The meeting was called to order at 10.50 a.m and prayers were said by Hon. Benjamin Washiali, M.P
- II. The Agenda was adopted as stipulated in notice.

Min. 270/2015: Adoption of Committee Reports

Brazil Visit Report

The Committee considered the report of the Eighth Session of the Sub-Committee (SCA) of the FAO Committee on Fisheries (COFI) Conference held in Brasilia, Brazil from 5th to 9th October, 2015 and adopted it with the following recommendations after it was proposed and seconded by Hon. Benjamin Washiali, M.P and Hon. Kabando Wa Kabando, M.P respectively

- I. Aquaculture should be adequately addressed in the Fisheries Management and Development Bill 2015 so that the benefits associated to it are realized
- II. Traceability schemes in the fisheries sector should be clear but should not compromise health
- III. Kenya should explore various ways to market its Fish products in order to tap the big market in Brazil

The delegation commended the Kenya Embassy in Brazil for being active and welcoming to the National Assembly delegation.

The Committee was inform of the need to inquire on the status of the Tractor project that the government of Kenya was pursuing with assistance of Brazilian government.

The delegation noted the need of the government to fast-track the execution of some of the bilateral agreement with its friendly countries so that Kenya investors do not lose the potential investment opportunities to its competitors.

Min. 271 /2015 Adoption of the Report on the Inquiry of the impounded fertilizer imported by the Ministry of Agriculture, Livestock and Fisheries through the National Cereals and Produce Board (NCPB)

The Committee considered the draft report and adopted it with the following recommendations after it was proposed by Hon. Kareke Mbiuki, M.P and Hon. Korei Lemein, M.P respectively.

1. In view of the opinion by the Director General of Public Procurement Oversight Authority, the Ministry of Agriculture ,Livestock and Fisheries should continue to execute the current three (3) year Contractual framework for the supply of assorted fertilizers until its expiry in 2016. However the Ministry of Agriculture , Livestock and Fisheries should in future restrict the contract term period for bulk procurement of fertilizers to one (1) year to ensure competitive sourcing of suppliers.
2. Ministry of Agriculture ,Livestock and Fisheries should institute systems and mechanism that shall ensure timely delivery of subsidized fertilizers to the farmers.
3. The National Cereal and Produce Board or any other entity authorized by an existing law, should be allowed to take up procurement and distribution role of the subsidized fertilizers while the Ministry of Agriculture Livestock and Fisheries should continue to adhere to its supervisory role.
4. The National Government should fast-track the restructuring of NCPB to enable it become a commercial fertilizer player over and above the distribution of subsidized fertilizer.
5. The KEBS should enhance its inspection role from the point of loading to the port of discharge to ensure that the Goods meets recommended international standards. However, in case of issuance of a Seizure notice due to suspected quality issues, KEBS should be able to fully enforce the Seizure Notice to avoid distribution of substandard goods to the market.

The Secretariat was requested make the corrections as highlighted by the Members and expedite the process of tabling the Committee report.

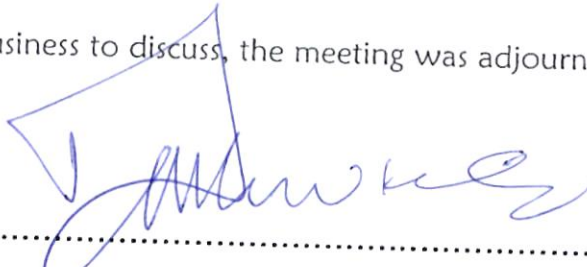
Min. 272/2015: Any Other Business (A.O.B)

- I. The Committee was informed that a retreat will be organized the following week to consider all the pending Bills before the Committee.
- II. The Secretariat was asked to summon the Board of Mumias Sugar Company Ltd to appear before the Committee to explain why the final KPMG report cannot be availed to the Committee.

Min. 273/2015: Adjournment

Since no other business to discuss, the meeting was adjourned at 12.59 p.m.

Signature



HON. ADAN MOHAMEDNOORU, MBS, M.P.

(Chairperson)

Date.....

29/10/2015

MINUTES OF THE 39th SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH C.E.O, HOLBULD LTD WITH REGARD TO THE IMPOUNDMENT OF SUBSTANDARD FERTILIZER AT MOMBASA PORT HELD ON THURSDAY 23rd JULY, 2015 AT CONTINENTAL HOUSE, 2nd FLOOR, PARLIAMENT BUILDINGS AT 10.30 A.M.

Present

1. Hon. Adan M. Nooru, MBS, M.P - **Chairperson**
2. Hon. Kareke Mbiuki, M.P - **Vice Chairperson**
3. Hon. Daniel Maanzo, M.P
4. Hon. (Dr.) Victor Munyaka, M.P
5. Hon. Korei Ole Lemein, M.P
6. Hon. Paul Simba Arati, M.P
7. Hon. Alfred K. Keter, M.P
8. Hon. Florence Mutua, M.P
9. Hon. Benjamin Washiali, M.P
10. Hon. Patrick Wangamati, M.P
11. Hon. Phillip Rotino, M.P
12. Hon. Raphael Letimalo, M.P
13. Hon. James Opiyo Wandayi, M.P
14. Hon. Millie Odhiambo - Mabona, M.P
15. Hon. Kimani Ichung'wah, M.P
16. Hon. Fredrick Outa, M.P
17. Hon. Ferdinand Wanyonyi, M.P
18. Hon. Kabando Wa Kabando, M.P

Absent with Apologies

1. Hon. Silas Tiren, M.P
2. Hon. Maison Leshoomo, M.P
3. Hon. Mary Wambui, M.P
4. Hon. Zuleikha Hassan Juma, M.P
5. Hon. Peter N. Gitau, M.P
6. Hon. John Kobado, M.P
7. Hon. John B. Serut, M.P
8. Hon. Ayub Savula Angatia, M.P.
9. Hon. Justice Kemei, M.P
10. Hon. Waititu Munyua, M.P
11. Hon. Hezron Awiti Bollo, M.P

In Attendance:

Kenya National Assembly Secretariat

1. Mr. Ahmad Adan Guliye - Third Clerk Assistant
2. Mr. David Ngeno - Research Officer
3. Mr. John Mungai - Audio Officer

Holbud Ltd

1. Mr. Hassnain R. MeraliDewji - C.E.O

MIN. 194/2015: PRELIMINARIES

- I. The meeting was called to order at 10.38 a.m and prayers were said by Hon. Benjamin Washiali, M.P
- II. The Chairman welcomed the members to the meeting and thereafter, introductions were made.

MIN. 195/2015: PRESENTATION BY THE C.E.O, HOLBUD LTD

The C.E.O and Director of Holbud Ltd informed the Committee of the following, that;

- i. They have family relations with Mr. Merali of Sameer Africa and business and family relations with Mr. Merali of Stuntwave Ltd.
- ii. The tender that they were awarded to supply fertilizer was an international competitive tender.
- iii. The C.E.O of Holbud Ltd, signed the main contract while the addendums were signed by representatives of Hydery(P) Ltd which acts as local agents for Holbud Ltd.
- iv. Holbud Ltd had supplied fertilizer before to the government on several occasions. (Will submit documents indicating number of times Holbud was contracted to supply).
- v. Mr. MujtabaWalji, and Mr. Mohamed YawerKalyan were authorized by Holbud Ltd. To sign addendums on its behalf.
- vi. There was a formula used in determining prices upon delivery based on prevailing international markets.
- vii. Before the year 2013, they used to sign annual contracts with the ministry to supply fertilizer.

MIN. 196/2015: COMMITTEE OBSERVATIONS

The Committee observed the following;

- i. There were discrepancies of figures in the letter of offer and the actual contract signed with respect to Chemically Compounded NPK 23:23:0. The figures were different.
- ii. The C.E.O informed the Committee that, that was as a result of typo error which has since been corrected. He could avail correspondences that corrected the error in that regard.
- iii. The Committee also noted discrepancy in the letter that had authorized Mr. YawerKalyan to sign on behalf of Holbud Ltd. The letter was issued on 6th May 2015 while Mr. Kalyan signed on 8th April 2015.
- iv. The letter authorizing Mr.Kalyan had only two instead of three names.
- v. The Committee questioned how a contract can be entered for three years without indicating a particular price.
- vi. The Committee requested the C.E.O to submit the following documents:
 - a) Correspondences rectifying the typo error with regard to the letter of offer and the actual contract.
 - b) Proper letter of authorization of Mr. Kalyan.
 - c) The number of times Holbud Ltd. Supplied fertilizer to the Ministry.

MIN. 197/2015: ADJOURNMENT

There being no other business to discuss, the meeting was adjourned at 1.30 p.m

Signature

HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairperson)

Date..... 28 17 / 20 15

MINUTES OF THE 38TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH THE DIRECTORS HOLBUD AND STUNTWAVE LTD HELD ON WEDNESDAY 8TH JULY, 2015 2ND FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 2:30PM.

Present

1. Hon. Adan M. Nooru, MBS, M.P
 2. Hon. KarekeMbiuki, M.P
 3. Hon. Daniel Maanzo, M.P
 4. Hon. (Dr.) Victor Munyaka, M.P
 5. Hon. Zuleikha Hassan Juma, M.P
 6. Hon. Paul SimbaArati, M.P
 7. Hon. John B. Serut, M.P
 8. Hon. Florence Mutua, M.P
 9. Hon. Mary Wambui, M.P
 10. Hon. MaisonLeshoomo, M.P
 11. Hon. Korei Ole Lemein, M.P
 12. Hon. Patrick Wangamati M.P
 13. Hon. Fredrick Outa, M.P
 14. Hon. Benjamin Washiali, M.P
 15. Hon. James Opiyo Wandayi, M.P
 16. Hon. Silas Tiren, M.P
 17. Hon. John Kobado, M.P
 18. Hon. Ferdinand Wanyonyi, M.P
 19. Hon. Peter N. Gitau, M.P
 20. Hon. Phillip Rotino, M.P.
 21. Hon. Alfred K. Keter, M.P
 22. Hon. Waititu Munyua, M.P
 23. Hon. Kabando Wa Kabando, M.P
 24. Hon. Millie Odhiambo - Mabona, M.P
- Chairman
-Vice Chairperson

Apologies

1. Hon. Kimani Ichung`wah, M.P
2. Hon. Raphael Letimalo, M.P
3. Hon. AyubSavulaAngatia, M.P
4. Hon. HezronAwitiBollo, M.P
5. Hon. Justice Kemei, M.P

In Attendance:

Kenya National Assembly Secretariat

1. Mr. Benjamin Magut - First Clerk Assistant
2. Mr. Ahmad Adan Guliye - Third Clerk Assistant
3. Ms. Angeline Naserian - Third Clerk Assistant
4. Mr. David Ngeno - Research Officer
5. Ms. Rose Ometere- Hansard officer

M/S Stuntwave Ltd

1. Mr. YawerKalyan - Operations Manager
2. Mr. MustabaWalji - Logistics Manager

Min. 186/2015: Preliminaries

- I. The meeting was called to order at 10.50am and prayer was said by Hon. James Wandayi M.P.
- II. The Chairman informed the Committee of the day's agenda and it was adopted as stipulated in the notice of meeting.

MIN. 187/2015: MEETING WITH MR. KALYAN YAWER (HOLBUD LIMITED)

- There was a brief self-introduction by the Members of the Committee, Secretariat and Mr. Kalyan Yawer.
- The Chairperson explained to Mr. Kalyan Yawer that he is before the committee to shed light on the following issues:
 - a) Status of the Consignment of 9.782 MT of NPK fertilizer supplied by Ms. Holbud Limited to NCPB that was impounded at the port of Mombasa on 14th May 2015.
 - b) The three year contract signed between the Ministry Agriculture, Livestock and fisheries and Holbud Limited.
- The Chairperson requested Mr. Kalyan Yawer to inform the Committee, his designation and relationship to Holbud Limited.
- Mr. Kalyan Yawer told the committee that, he is an agent of Holbud but not the Director of the said Company.
- There was concern that Mr. Kalyan Yawer signed the Contract with the Ministry and at what capacity was he appending his signature on the contract agreements.
- Mr. Kalyan Yawer explained that he received an email from Holbud limited based in London which authorized him to sign the contract on behalf of the



owners. He said that the email he had received was also copied to the Ministry of Agriculture, Livestock and Fisheries.

- The committee decided to step down the Witness because the legality of summoning an agent to prosecute issues was contested.
- It was therefore decided that the Ministry should provide documents that authorized Mr.KalyanYawer to sign the contract on behalf of Holbud Limited.

MIN. 188/2015 MEETING WITH MR MUSTABA WALJI

- Mr. MustabaWalji introduced himself and stated that he is representing the Managing Director,Stunt wave Limited in the capacity of Logistics Manager.
- It was alluded that the letter invited the Managing Director and not the logistics manager, therefore it was decided to let go the witness because of incapacity to respond to issues ofFertilizer.
- The Committee resolved that the Ministry should appear before the committee to respond to issues of Contract signing and in general the issues of sub-standard fertilizer that was impounded at the Mombasa Port.

MIN. 189/2015: ADJOURNMENT

There being no other businessto transact, the meeting was adjourned at 1:30pm.

Signature

HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date..... 9/7/2015

MINUTES OF THE 38TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH THE DIRECTORS HOLBUD AND STUNTWAVE LTD HELD ON WEDNESDAY 8TH JULY, 2015 2ND FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10:30AM.

Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. KarekeMbiuki, M.P -Vice Chairperson
3. Hon. Daniel Maanzo, M.P
4. Hon. (Dr.) Victor Munyaka, M.P
5. Hon. Zuleikha Hassan Juma, M.P
6. Hon. Paul SimbaArati, M.P
7. Hon. John B. Serut, M.P
8. Hon. Florence Mutua, M.P
9. Hon. Mary Wambui, M.P
10. Hon. MaisonLeshoomo, M.P
11. Hon. Korei Ole Lemein, M.P
12. Hon. Patrick Wangamati M.P
13. Hon. Fredrick Outa, M.P
14. Hon. Benjamin Washiali, M.P
15. Hon. James Opiyo Wandayi, M.P
16. Hon. Silas Tiren, M.P
17. Hon. John Kobado, M.P
18. Hon. Ferdinand Wanyonyi, M.P
19. Hon. Peter N. Gitau, M.P
20. Hon. Phillip Rotino, M.P.
21. Hon. Alfred K. Keter, M.P
22. Hon. Waititu Munyua, M.P
23. Hon. Kabando Wa Kabando, M.P
24. Hon. Millie Odhiambo - Mabona, M.P

Apologies

1. Hon. Kimani Ichung'wah, M.P
2. Hon. Raphael Letimalo, M.P
3. Hon. AyubSavulaAngatia, M.P
4. Hon. HezronAwitiBollo, M.P
5. Hon. Justice Kemei, M.P



In Attendance:

Kenya National Assembly Secretariat

1. Mr. Benjamin Magut - First Clerk Assistant
2. Mr. Ahmad Adan Guliye - Third Clerk Assistant
3. Ms. Angeline Naserian - Third Clerk Assistant
4. Mr. David Ngeno - Research Officer
5. Ms. Rose Ometere- Hansard officer

M/S Stuntwave Ltd

1. Mr. YawerKalyan - Operations Manager
2. Mr. MustabaWalji - Logistics Manager

Min. 186/2015: Preliminaries

- I. The meeting was called to order at 10.50am and prayer was said by Hon. James Wandayi M.P.
- II. The Chairman informed the Committee of the day's agenda and it was adopted as stipulated in the notice of meeting.

MIN. 187/2015: MEETING WITH MR. KALYAN YAWER (HOLBUD LIMITED)

- There was a brief self-introduction by the Members of the Committee, Secretariat and Mr. Kalyan Yawer.
- The Chairperson explained to Mr. Kalyan Yawer that he is before the committee to shed light on the following issues:
 - a) Status of the Consignment of 9.782 MT of NPK fertilizer supplied by Ms. Holbud Limited to NCPB that was impounded at the port of Mombasa on 14th May 2015.
 - b) The three year contract signed between the Ministry Agriculture, Livestock and fisheries and Holbud Limited.
- The Chairperson requested Mr. Kalyan Yawer to inform the Committee, his designation and relationship to Holbud Limited.
- Mr. Kalyan Yawer told the committee that, he is an agent of Holbud but not the Director of the said Company.
- There was concern that Mr. Kalyan Yawer signed the Contract with the Ministry and at what capacity was he appending his signature on the contract agreements.
- Mr. Kalyan Yawer explained that he received an email from Holbud limited based in London which authorized him to sign the contract on behalf of the



owners. He said that the email he had received was also copied to the Ministry of Agriculture, Livestock and Fisheries.

- The committee decided to step down the Witness because the legality of summoning an agent to prosecute issues was contested.
- It was therefore decided that the Ministry should provide documents that authorized Mr.KalyanYawer to sign the contract on behalf of Holbud Limited.

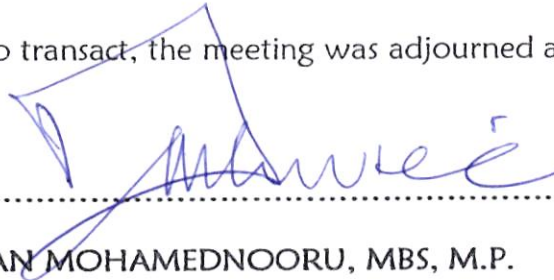
MIN. 188/2015 MEETING WITH MR MUSTABA WALJI

- Mr. MustabaWalji introduced himself and stated that he is representing the Managing Director,Stunt wave Limited in the capacity of Logistics Manager.
- It was alluded that the letter invited the Managing Director and not the logistics manager, therefore it was decided to let go the witness because of incapacity to respond to issues ofFertilizer.
- The Committee resolved that the Ministry should appear before the committee to respond to issues of Contract signing and in general the issues of sub-standard fertilizer that was impounded at the Mombasa Port.

MIN. 189/2015: ADJOURNMENT

There being no other businessto transact, the meeting was adjourned at 1:30pm.

Signature



HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

9 / 7 / 2015



MINUTES OF THE 37th SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH PRINCIPAL SECRETARY AGRICULTURE WITH REGARDS TO IMPOUNDMENT OF FERTILIZER IN MOMBASA PORT HELD ON TUESDAY 7th JULY 2015 AT 11th FLOOR PROTECTION HOUSE, PARLIAMENT BUILDINGS AT 10:30AM.

Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. KarekeMbiuki, M.P -Vice Chairperson
3. Hon. Daniel Maanzo, M.P
4. Hon. (Dr.) Victor Munyaka, M.P
5. Hon. Paul SimbaArati, M.P
6. Hon. John B. Serut, M.P
7. Hon. Florence Mutua, M.P
8. Hon. Phillip Rotino, M.P.
9. Hon. Patrick Wangamati M.P
10. Hon. Fredrick Outa, M.P
11. Hon. Benjamin Washiali, M.P
12. Hon. Mary Wambui, M.P
13. Hon. James Opiyo Wandayi, M.P
14. Hon. Raphael Letimalo, M.P
15. Hon. Peter N. Gitau, M.P
16. Hon. MaisonLeshoomo, M.P
17. Hon. Korei Ole Lemein, M.P
18. Hon. Alfred K. Keter, M.P
19. Hon. Waititu Munyua, M.P
20. Hon. Silas Tiren, M.P
21. Hon. AyubSavulaAngatia, M.P
22. Hon. John Kobado, M.P
23. Hon. Ferdinand Wanyonyi, M.P
24. Hon. Kabando Wa Kabando, M.P
25. Hon. HezronAwitiBollo, M.P

Apologies

1. Hon. Zuleikha Hassan Juma, M.P
2. Hon. Millie Odhiambo - Mabona, M.P
3. Hon. Kimani Ichung'wah, M.P
4. Hon. Justice Kemei, M.P



In Attendance:

Kenya National Assembly Secretariat

1. Mr. Benjamin Magut - First Clerk Assistant
2. Mr. Ahmad Adan Guliye - Third Clerk Assistant
3. Ms. Angeline Naserian - Third Clerk Assistant
4. Mr. David Ngeno - Research Officer
5. Mr. Elijah Ichwara - Audio Officer

Ministry of Agriculture, Livestock and Fisheries

1. Mrs. SiciliyK Kariuki, - Principal Secretary, State Department of Agriculture
2. Ms. Philomena Koech - Director, Administration
3. John Mwaniki - D/Director, Administration
4. Peter Odundo - Chief Finance Officer
5. Tom Nyongesa - Parliamentary Business Unit

MIN. 178/2015: PRELIMINARIES

- I. The meeting was called to order at 10.40am and the prayer was said by Hon. John Serut, M.P.
- II. The Chairman informed the Committee of the day's agenda and it was adopted as stipulated in the notice of meeting.

MIN. 179/2015: PRESENTATION BY THE PRINCIPAL SECRETARY ON ISSUES FERTILIZER THAT WAS IMPOUNDED AT THE PORT OF MOMBASA.

The Principal Secretary appeared before the committee and provided clarification on the following matters regarding the fertilizer subsidy program:

- 1) Implementation of the fertilizer subsidy program in the country
- 2) The reported shortage of the Top dressing (CAN) fertilizer in the country
- 3) Status of the consignment of DAP fertilizers that was impounded at the Port of Mombasa
- 4) The status of the three year contract signed between the Ministry of Agriculture Livestock and Fisheries with Ms Holbud Limited for the supply of Fertilizers

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Implementation of the Fertilizer Subsidy Program in the Country

The Principal Secretary informed the Committee of the following:

- Agricultural production in Kenya has been hampered by low levels of inputs use.
- To make fertilizer affordable, Vision 2030 envisages a three tiered cost reduction strategy. These three tiers include Bulk procurement, Local Fertilizer blending and local manufacturing of fertilizers.
- In pursuit of the Vision 2030 Fertilizer Cost Reduction Strategy and following escalating international fertilizer prices in the year 2008, the government intervened by venturing into bulk fertilizer procurement and then selling the same to farmers at subsidized prices.
- This intervention is known as “Fertilizer Price Stabilization Programme” and it entails the Government procuring about 18 to 40% of the Country’s conventional fertilizer requirements and sell to farmers at subsidized prices.
- Because of budgetary limitations, the programme does not target all the farmers.
- However, all other farmers indirectly benefit from reduced price offered by the private sector.
- The fertilizer subsidy programme was therefore introduced to stabilize the open market prices and make fertilizer readily available and affordable especially to smallscale farmers
- In this programme the distribution is done through National Cereals and Produce Board (NCPB) depots countrywide.
- Generally the prices of planting fertilizers especially DAP has stabilized at about Kshs. 3,400 from Kshs. 6,500 per 50kg bag and top dressing from Kshs. 3,000 to about Kshs. 2,500 per 50kg bag of CAN

Since 2008/2009, the programme has been allocated a total of Kshs. 23,187,543,280 for procurement of 775,920.50 MT (15,518,410 x 50kg bags) of fertilizers for 2,727,359 beneficiaries in 2013/2014 Financial Year

- In the 2013/2014 Financial Year, the Ministry received Kshs. 4.3 billion for fertilizer subsidy.
- This amount was able to subsidize 166,166MT (3,323,320 x 50kg bags) out of which 42,750 MT (855,000 x 50 kg) was procured for the 2013 short rains at a cost of Kshs. 2,437,455,000 while 123,416MT (2,450,319 x 50 kg bags) were procured for 2014 long rains.
- During 2014/2015 Financial Year, the Ministry was allocated Kshs 4.0 billion to subsidize 206,955MT of various types of fertilizers.



Reported Shortage of the Top Dressing (CAN) Fertilizers in the Country

- During the 2014/2015 Financial Year, a total of 41,800 MT (836,000 x 50kg bags) of CAN fertilizer was procured based on the budgetary allocation which forms 18% of the estimated requirement and thus the shortage of subsidized of this type of fertilizer.
- The total requirement of CAN fertilizers for the 2014/2015 season was estimated at 236,214 MT (4,723,278 x50kg bags) by the counties.
- The rest of CAN fertilizer was procured by the private sector except that its price was higher than the subsidized CAN fertilizers (Kshs. 2,500 compared to Kshs. 1,500 per bag).
- The fertilizer subsidy programme has increased farmers awareness on use of fertilizers hence the increased demand which is outstripping the quantities available with the allocated budgetary provisions.
- The increased fertilizer demand has also led to NCPB opening 13 new depots in the country for improved distribution to farmers.
- Apart from CAN, other top dressing fertilizers recommended by Kenya Agriculture and Livestock Research Organization (KALRO) were also available such as Urea and Mavuno top dressing.

Status Of The Consignment Of NPK 23:23:0 Fertilizers That Was Impounded At The Port Of Mombasa.

- The impounded at the Port of Mombasa was not DAP but NPK 23:23:0.
- The reduction in subsidy prices in December 2014 elicited a lot of demand for subsidized fertilizers by farmers resulting in a shortage of the commodity at the NCPB depots causing a lot of agitation by farmers
- Due to this agitation, NCPB did a survey and informed the Ministry that an additional 30,000MT of planting fertilizers was required to address this shortage
- Following the NCPB report, the Ministry wrote to the National Treasury to request for Kshs. 893,200,000 to cover subsidy cost for the 30,000MT of planting fertilizers.
- On 1st April 2015, Treasury approved an additional Kshs. 700 million for an additional 21,000 MT of subsidy fertilizer.
- Following this approval, NCPB was given go ahead on 9th April 2015 to procure the 21,000MT and subsequently made the order from M/S Holbud Limited.
- The supplier confirmed availability of 10,000MT of DAP and 4,400MT of NPK 23:23:0 which were availed to farmers immediately
- The balance of 6,600 MT of NPK 23:23:0 was imported and the vessel MV Locomotion carrying the fertilizer arrived at the port of Mombasa on 11th May 2015.



- Upon lodging all the requisite documents and paying the port charges and taxes, the cargo was released to the NCPB on 12th May 2015 by Kenya Bureau of Standards (KEBS) for direct discharge and loading.
- NCPB ordered stoppage of Discharge when 2,261MT (45,220 x 50kg bags) was remaining in the vessel after discovery that the fertilizer was lumpy and not free flowing.
- NCPB commissioned their contracted company (M/S Intertek) to analyze the fertilizer and results released on 21st May 2015 indicated all parameters complied with KEBS standards KS158:2012 except for the excess moisture that caused the lumpiness.
- NCPB then stopped sales of this fertilizer but 14,141 bags had already been sold.
- KEBS officially asked NCPB on 27th May 2015 to stop the sales of fertilizers already delivered to NCPB depots until test results of collected samples were out.
- KEBS on 8th June 2015 released fertilizer test results indicating that all performance requirements were in compliance except for parameters on appearance ie not free flowing and lumpy.
- NCPB has already launched a claim of USD 3.98 million with their insurers (ICEALION and APA).

The Status of the Three Year Contract Framework

- Up to 2012/2013 Financial Year, the bulk procurement was normally done through asking for bids from interested international and national fertilizer dealers on a yearly basis and the lowest evaluated firms were asked to supply the various fertilizers.
- That this tendering process up to fertilizer delivery to farmers would normally take up to 7 months ie too late for the fertilizer to make any meaningful impact at farmer level since the season will have long gone.
- This necessitated the ministry to send a delegation to Russia in August 2013 to check on possibility of sourcing fertilizer directly to manufacturers but the delegation was informed that Kenya need to use the manufactures' agents in the East African region as the quantities involved were too small.
- That the Ministry therefore decided to use the legal provisions under the Public Procurement and Disposal Act, 2005, Section 9 (c) i and (v) and PPOA guidelines released in 2010 on framework contracting, to advertise a tender for framework contract.
- The tender was for an initial supply and delivery of 100,000MT of various types of fertilizers and subsequent supply and delivery "as and when required" basis.

Procurement Process

- The tender for the three year framework contract was advertised in the print media on 27 September 2013 and re-advertised on 4th October 2013.

- Producers or their appointed agents were to supply fertilizer on the following conditions:-

- a) Deferred payment term of 180 days
- b) Competitive international prices that will make the fertilizer available to small-scale farmers at affordable prices.
- c) Within 45 days as and when required.
- d) Maintain within the country at all times, a minimum stock level of 30,000 MT of assorted fertilizer.
- e) Immediately supply an initial requirement of 100,000 MT to be delivered as one lot in the country by 5th December, 2013 for the 2014 long rains season
- f) Fertilizer supplied must meet KEBS standards

- The tender was opened on 16th October, 2013 and 9 bidders returned their bid documents.

Min. 180/2015: Committee Observation

- The Committee observed that it should not interrogate the Principal Secretary at this juncture but analyze the documents tabled and liaise with her at later should further clarifications be required.
- The Committee requested the Principal Secretary to submit the following documents:

- a) Advertisements that were made for the tender
- b) The list of contractors who applied
- c) Evaluation analysis of the tender committee
- d) Terms and conditions of the Contract
- e) Addendum of variation of contract
- f) list of applicants for special group i.e. people with disability , youth andwomen

Min 181/2015 ADJOURNMENT

There been no other business to transact, the meeting was adjourned at 12:40 p.m.

Signature

HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date..... 31/7/2015

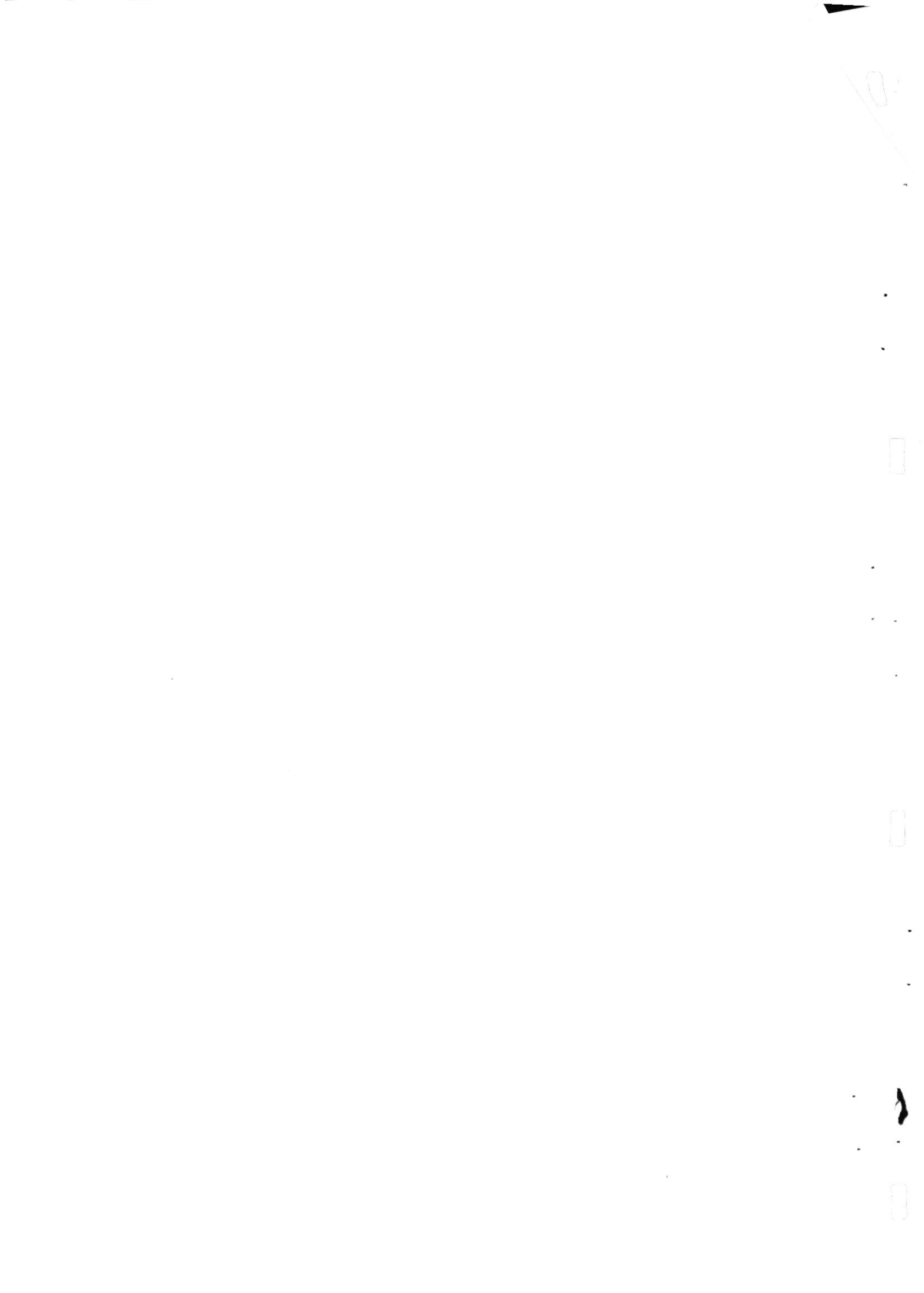
MINUTES OF THE 30th SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH MD, NCPB WITH REGARD TO THE IMPOUNDMENT OF SUB-STANDARD FERTILIZER AT MOMBASA PORT HELD ON TUESDAY 7TH JULY, 2015 AT CONTINENTAL HOUSE, 2ND FLOOR, PARLIAMENT BUILDINGS AT 3.00 P.M.

Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairperson
2. Hon. Kareke Mbiuki, M.P - Vice Chairperson
3. Hon. Daniel Maanzo, M.P
4. Hon. Silas Tiren, M.P
5. Hon. Maison Leshoomo, M.P
6. Hon. Mary Wambui, M.P
7. Hon. (Dr.) Victor Munyaka, M.P
8. Hon. Korei Ole Lemein, M.P
9. Hon. John B. Serut, M.P
10. Hon. Peter N. Gitau, M.P
11. Hon. Florence Mutua, M.P
12. Hon. John Kobado, M.P
13. Hon. Benjamin Washiali, M.P
14. Hon. Patrick Wangamati, M.P
15. Hon. Phillip Rotino, M.P
16. Hon. Raphael Letimalo, M.P
17. Hon. Ayub Savula Angatia, M.P.
18. Hon. Waititu Munyua, M.P
19. Hon. Kimani Ichung'wah, M.P
20. Hon. Ferdinand Wanyonyi, M.P
21. Hon. Kabando Wa Kabando, M.P

Absent with Apologies

1. Hon. Justice Kemei, M.P
2. Hon. James Opiyo Wandayi, M.P
3. Hon. Millie Odhiambo - Mabona, M.P
4. Hon. Hezron Awiti Bollo, M.P
5. Hon. Fredrick Outa, M.P



6. Hon. Paul SimbaArati, M.P
7. Hon. Zuleikha Hassan Juma, M.P
8. Hon. Alfred K. Keter, M.P

In Attendance:

Kenya National Assembly Secretariat

1. Mr. Benjamin Magut - First Clerk Assistant
2. Mr. Ahmad Adan Guliye - Third Clerk Assistant
3. Ms. Angeline Naserian - Third Clerk Assistant
4. Mr. David Ngeno - Research Officer
5. Mr. Collins Mahama - Audio Officer
6. Mr. Onesmus Kiragu - Serjeant At Arms

National Cereals and Produce Board (NCPB)

1. Mr. Newton Terer - Managing Director
2. Mr. Cornel K. Ngelechey - General Manager, F&P
3. Mr. John K. Ngetich - Acting Board Secretary
4. Mr. Philip Kato - Shipping Officer

MIN. 182/2015: PRELIMINARIES

- i. The meeting was called to order at 3.30 p.m. and prayers were said by Hon. John Serut, M.P.
- ii. The Chairman welcomed the members to the meeting and requested for introductions.

MIN. 183/2015: PRESENTATION BY THE MANAGING DIRECTOR, NATIONAL CEREAL AND PRODUCE BOARD (NCPB)

The Managing Director apologized to the committee for not having a written submission as he thought he was just to accompany the PS in the morning as a backup and not as a presenter.

The Managing Director informed the Committee of the following;

- i. The National Cereals and Produce Board administered a framework contract of the ministry. The contract was entered by the Ministry and Hollbud Ltd.

- ii. The NCPB was assigned by the Ministry to effect the contract for adoption, execution and implementation, then the Ministry provides distribution plan.
- iii. The National Cereals and Produce Board used to tender for its supplies annually and competitively before the ministry entered into a three year contract with Holbud Ltd.
- iv. The Ministry procured fertilizer in the last three years in the following dimensions;
 - a. 3rd December 2013 – 100,000 MT
 - b. 16th December 2013 – 102,000 MT
 - c. 10th April 2014 – 21,000 MT
- v. The procurement of 21,000 MT in April 2014 was occasioned by shortage of fertilizer in Western and North Rift regions.
- vi. The Ministry imported 6,600 MT of NPK 23:23:0 and procured the balance of 4,400 MT of NPK 23:23:0 and 10,000 MT of DAP locally.
- vii. On 25th May, it was noted the fertilizer was lumpy and not free flowing. This necessitated for the intervention of KEBS.
- viii. The result of the tests undertaken by KEBS indicated compliance to performance requirement except for the aspect of caking which is as a result of excess moisture.
- ix. The consignment was offloaded to warehouses in Mombasa awaiting further directions from KEBS.

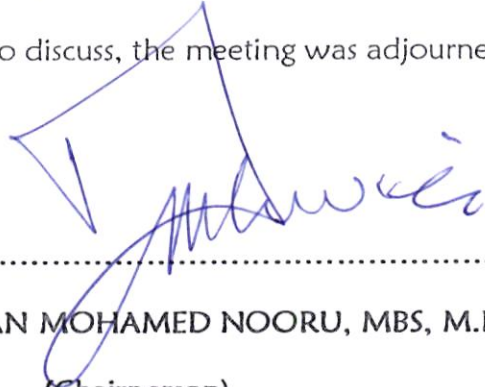
MIN. 184/2015: COMMITTEE OBSERVATIONS

- i. The Committee observed that the Managing Director was unable to explain the role of NCPB in the procurement Exercise and at what juncture; NCPB comes in with regard to the contract with Ms. Holbud Ltd.
- ii. The Managing Director could not inform the Committee the entities they were dealing with in respect to Ms. Holbud Ltd.
- iii. The Committee resolved to allow the Managing Director to re-appear before it with concise information on the nitty-gritty that involves the tendering process.
- iv. The Committee requested the Managing Director to avail the following documents in his next appearance before the Committee;
 - a. Final invoices
 - b. Import Declaration Forms (IDF)
 - c. Bill of landing
 - d. Results of M/S Intertek that analyzed the fertilize

MIN. 185/2015: ADJOURNMENT

There being no other business to discuss, the meeting was adjourned at 5.30 p.m.

Signature



HON ADAN MOHAMED NOORU, MBS, M.P.

(Chairperson)

Date.....

8 / 7 / 2015 .



Excellence is our Passion

EXPRESSION OF INTEREST**PROVISION OF CATERING SERVICES FOR STAFF CANTEEN:**

Henkel Kenya Limited is inviting interested professional caterers with experience in providing full management service to staff canteens and offering a variety of menus including African, Continental etc to approximately 100 people.

Viewing and further details can be obtained on appointment as from 30th September and 4th October between 11.00am – 3.00p.m and final proposals should be received at Henkel reception desk by 11th October 2013.

Henkel Kenya Ltd
Off Outer Ring road, Ruaraka
Nairobi.
Tel +254 20 2451638/9

COUNTY GOVERNMENT OF ELGEYO MARAKWET



ELGEYO MARAKWET COUNTY ASSEMBLY

INVITATION FOR VETTING BY COMMITTEE ON APPOINTMENT

Pursuant to the provision of the Constitution of Kenya 2010, the County Government Act, 2012 Sec. 8(a) and the Public Appointment Act 2011, the Elgeyo Marakwet County Assembly has received name of One (1) nominee Ms. ROTICH JEPTUM MONICA to the position of EXECUTIVE OF ICT COMMUNICATION AND PUBLIC SERVICE.

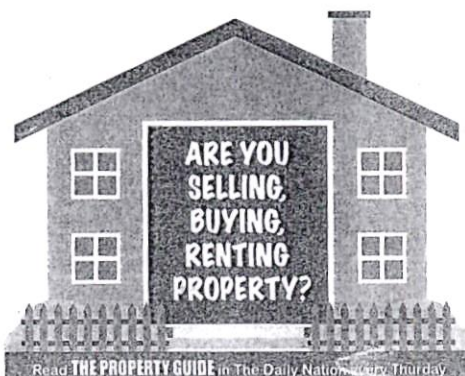
The County Assembly invites the appointee for vetting by the Committee on Appointment at County Assembly Iten on Friday 4th October, 2013 at 10.00 am.

By copy of this NOTICE, members of the Public with any representation regarding the above nominee can make written submission under oath and hand deliver to the office of the Clerk or submit to:-

The Clerk,
Elgeyo Marakwet County Assembly,
P.O. BOX 53,
ITEN-30700.

The nominee is advised to bring the originals of the ID, all academic and professional certificates and testimonials, integrity documents and any other supporting documents.

CLERK
ELGEYO MARAKWET COUNTY ASSEMBLY



ARE YOU SELLING, BUYING, RENTING PROPERTY?

Read **THE PROPERTY GUIDE** in The Daily Nation every Thursday

KILIMO

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

TENDER NOTICE**OPEN COMPETITIVE BIDDING****TENDER REF No.: MOAL& F/SCMD/AGRIB/5/2013-2014****TENDERNAME : SUPPLY AND DELIVERY OF ASSORTED TYPES OF FERTILIZER UNDER LONGTERM FRAMEWORK AGREEMENT**

- The Government of Kenya through the Ministry of Agriculture, Livestock and Fisheries invites sealed bids from producers of fertilizers or their appointed agents for supply and delivery of assorted types of fertilizer (CFR Mombasa) under a framework agreement for three years.
- Under this agreement the Ministry through its agencies shall:
 - Offer Confirmed Letter of Credit payable in 180 days
 - Offer a national distribution network of warehouses which have a capacity of holding up to 500,000 MT at any given time.
 - Provide logistical support at the port of Mombasa that has a discharge capacity of 2500 MT per day on a 24 hour shift.
 - Guarantee minimum annual usage of 150,000 MT.
 Under this agreement, the producers or the appointed agents MUST enter into a 3 year framework agreement to supply fertilizer on:
 - Deferred payment term of 180 days
 - Competitive international prices that will make the fertilizer available to small-scale farmers at affordable prices.
 - Within 45 days as and when required.
 - Maintain within the country at all times, a minimum stock level of 30,000 MT of assorted fertilizer.
 - Immediately supply an initial requirement of 100,000 NIT to be delivered as one lot in the country by 5th December, 2013 for the 2014 long rains season as indicated below

Type of Fertilizer	Quantity in MT by 5 th December 2013
Diammonium Phosphate (DA P 18:46:0)	20,000
chemically compounded NPK 23:23:0	22,000
chemically compounded NPK 17:17:17	12,000
Calcium Ammonium Nitrate (CAN 26%N)	25,000
Sulphate of Ammonia (SA)	10,000
Urea 46% N	11,000
TOTAL	100,000

- Interested eligible bidders may obtain further information from Ministry of Agriculture, Livestock and Fisheries at the office of Head, Supply Chain Management, Kilimo House 4th floor Room No.4-2B during official working hours, East African Time(except on Saturdays, Sundays and public holidays).
- Bids must be accompanied by a bid security denominated in the currency of the buyer or in another freely convertible currency, and must be in a form of a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in Kenya. The bid security will be equivalent to 2 % of the tender sum for 100,000 MT.
- A complete set of Bidding Documents with detailed specifications in English may be obtained from the ministry's website www.kilimo.go.ke free of charge.
- Completed tender documents are to be enclosed in plain sealed envelopes clearly marked with the Tender No. MOAL2014 and DO NOT OPEN BEFORE 11.00 am on 9th October, 2013. The &F/SCMD/AGRIB/5/2013- completed tender documents should be posted to reach the address shown below on or before 9th October, 2013 at 11.00a.m East African time or placed in the Tender Box situated at the Main Reception, Kilimo House on or before the said date and time.
- Bids will be opened in the presence of Bidders' representatives who choose to attend at 11.00 a.m. East African time on 9th October, 2013 at the Ministry of Agriculture, Livestock and Fisheries Conference Room, Kilimo House 7th floor, Cathedral Road, NAIROBI whose address is shown below.

The Accounting Officer
Ministry of Agriculture, Livestock and Fisheries
P. O. Box 30028-00100
NAIROBI
ZIP Code; 254;
Country: Kenya
Tel: 254-02-2718870
City Code: 00100
Fax 254-02-4271149/2710808
Email: psagriculture@kilimo.go.ke, cabinetsecretary@kilimo.go.ke and procurement@kilimo.go.ke

- Bulky or large bid documents which cannot go through the slot of the Tender Box must be delivered to the Head, Supply Chain Management, Kilimo House 4th floor Room No.4-2B on or before 11.00 a.m. East African time on 9th October, 2013.
- Late bids shall be rejected and returned to the bidders unopened
- Canvassing will lead to automatic disqualification from the tendering process.

Head, Supply Chain Management
For: ACCOUNTING OFFICER

Handwritten signature and date: 27/10/13

07/21/20

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ANNEX 4.

**MINISTRY OF AGRICULTURE, LIVESTOCK &
FISHERIES**

CONTRACT AGREEMENT

BETWEEN

**MINISTRY OF AGRICULTURE, LIVESTOCK &
FISHERIES**

AND

**M/S HOLBUD LTD
66 LEMAN STREET
LONDON E18EU, UNITED KINGDOM**

CONTRACT FOR PROCUREMENT OF BULK FERTILIZER

TENDER NO. MOAL&F/SCMD/AGRIB/05/2013-2014

[Handwritten signature]
05/07/15

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This agreement made the 22nd day of Nov 2013 between **Ministry of Agriculture, Livestock & Fisheries of P.O. Box 30028-00100, Nairobi** (hereinafter called "the Procuring entity") of the one part and **M/s Holbud Ltd of 66 Lemam Street London E18EU, United Kindgom** (hereinafter called "the tenderer") of the other part.

WHEREAS the procuring entity invited tenders for certain services Viz **Provision of Bulk fertilizer for 2014 under Tender No. MOAL&F/SCMD/AGRIB/05/2013-2014**, and has accepted a tender by the tenderer for the supply and delivery of bulk fertilizer "as and when" required on a three year framework contract.

The offer for the supply initial 100,000(+/-10%)MT of various types fertilizer has been accepted by the tenderer as detailed below:

ITEM	QTY	PRICE (CFR MOMBASA)	
		KENYA SHILLINGS	US DOLLARS (\$)
Diammonium Phosphate (DAP 18:46:0)	20,000	792,696,133.80	9,327,000.00
Chemically compounded NPK 23:23:0	22,000	806,841,769.54	9,493,440.00
Chemically compounded NPK 17:17:17	12,000	437,484,636.29	5,147,520.00
Calcium Ammonium Nitrate (CAN 26%N)	25,000	716,503,136.70	8,430,500.00
Sulphate of Ammonia (SA)	10,000	184,214,524.50	2,167,500.00
Urea 46% N	11,000	357,424,621.49	4,205,520.00
TOTAL	100,000 (+/-10%)	3,295,164,822.31	38,771,480.00

The prices for the subsequently deliveries "as and when" required shall be based on the above rates. Any price variation where applicable will be negotiated based on verifiable international prices quoted in the fertilizer industry publications (e.g. Fertecon, Argus FMB, Fertilizer week) and your quoted price adjustment formula indicated herebelow:

Price/MT = Prevailing Fertecon or Argus FMB FOB price Index before bill of lading date + Freight charges (based on prevailing Fertecon or Argus FMB Rates + Insurance + handling charges at port of loading + 9% owners mark up, to give CIF free out price, all to be mutually agreed.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:

- (a) The Tender Form and the Price Schedule submitted by the tenderer
- (b) The Schedule of Requirements
- (c) The Technical Specifications
- (d) The General Conditions of Contract
- (e) The Special Conditions of Contract; and
- (f) The Procuring entity's Notification of Award, duly accepted by the tenderer.

3. In consideration of the payments to be made by the Procuring entity to the tenderer as hereinafter mentioned, the tenderer hereby covenants with the Procuring entity to provide the materials remedy defects therein in conformity in all respects with the provisions of the Contract

4. The Procuring entity hereby covenants to pay the tenderer through a confirmed irrevocable Letter of Credit payable 180 days from the date of the Bill of Lading.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed By: Name Sicily K Kariuki (Mrs), MBS

Signature

Principal Secretary/Accounting Officer

Ministry of Agriculture, Livestock and Fisheries

Witnessed by: Name

Mua Mudi

Designation

Deputy Director Agriculture

Signature



Signed By

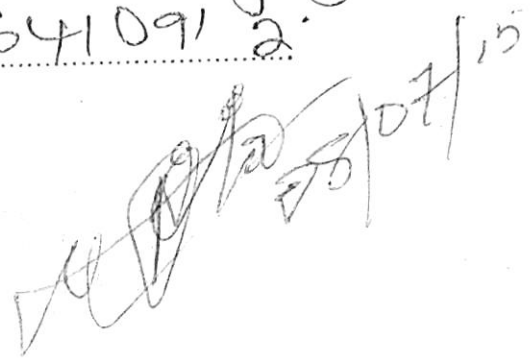
HOLBUD LTD.

Witnessed by: Name

Muhammed Ali Mugojo

Signature

CS. ID 6641091 2


07/15

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE, LIVESTOCK & FISHERIES
(STATE DEPARTMENT OF AGRICULTURE)

Telegraphic Address "MINAG" NAIROBI
Telephone: 716665/719013
Fax : 720586

KILIMO HOUSE
CATHEDRAL ROAD. P.O. Box 30028
NAIROBI

RE: MOAL&F/SCMD/MTC/VOL.1(12),

Date: 1st November, 2013

The Manager
M/s Holbud Ltd, 66 Leman Street
London E18EU
UNITED KINGDOM

**PROCUREMENT OF BULK FERTILIZER FOR 2014 LONG RAINS –UNDER
TENDER NO. MOAL&F/SCMD/AGRIB/05/2013-2014**

We are pleased to inform you that your offer on the above mentioned tender for the supply of various types of fertilizer "as and when required" on a three year framework contract has been accepted.

Your offer for the supply of the initial 100,000MT of various types fertilizer has been accepted as detailed below:-

ITEM	QTY	M/s Holbud Ltd	
		PRICE(KES)	US DOLLARS (\$)
Diammonium Phosphate (DAP 18:46:0)	20,000	792,696,133.80	9,327,000.00
Chemically compounded NPK 23:23:0	22,000	806,841,769.54	5,147,520.00
Chemically compounded NPK 17:17:17	12,000	437,484,636.29	9,493,440.00
Calcium Ammonium Nitrate (CAN 26%N)	25,000	716,503,136.70	8,430,500.00
Sulphate of Ammonia (SA)	10,000	184,214,524.50	2,167,500.00
Urea 46% N	11,000	357,424,621.49	4,205,520.00
TOTAL	100,000	3,295,164,822.31	38,771,480.00

The prices for the subsequently deliveries "as and when" required shall be based on the above rates. Any price variation where applicable will be negotiated based on verifiable international prices quoted in the fertilizer industry publications.(e.g. Fertecon, Argus FMB, Fertilizer week) and your quoted price adjustment formula indicated herebelow:

Price/MT = Prevailing Fertecon or Argus FMB FOB price Index before bill of lading date Freight charges (based on prevailing Fertecon or Argus FMB Rates + Insurance+ handling charges at port of loading + 9% owners mark up, to give CIF free out price, all to be mutually agreed.

Please acknowledge receipt of this letter and confirm your acceptance within 14 days. The contract documents are in the course of preparation and you will be called upon to sign them subject to there being no appeal against the award in the ensuing Fourteen (14) days from this date.



N O Omune
For: PERMANENT SECRETARY



THIS ADDENDUM dated this ^{2nd} Day of ^{December} in the year Two Thousand and thirteen (2013) is made further to the contract dated 3rd December 2013 (hereinafter referred to as the main Contract) between **MINISTRY OF AGRICULTURE LIVESTOCK AND FISHERIES** of Post Office number 30028, Nairobi (hereinafter called "the procuring entity") of the one part and **HOLBUD LIMITED** of 66 LEMAN STREET LONDON E 1 8EU (Hereinafter called "the tenderer") of the other part;

NOW THE PARTIES of the above stated contract for the supply and delivery of 100,000 metric tons +/- 10% at the seller's option of various fertilizers as detailed below (herein after referred to as the "goods") **DO TH HERE BY** agree that the following amendment be made to the main contract.

1. The parties hereto have mutually agreed to purge the Kenya shillings currency column from the main contract.
2. The delivery period contained in Section VI schedule of requirements is amended to be as follows:-

No.	Item	Quantity	price US \$	Delivery at Mombasa port.
i.	Diammonium Phosphate (DAP 18:46:0)	20,000	466.35	Not later than forty (40) days from the date of LC
ii.	Chemically compound NPK 23:23:0	22,000	431.52	Not later than forty (40) days from the date of LC
iii.	Chemically compound NPK 17:17:17	12,000	428.96	Not later than forty (40) days from the date of LC
iv.	Calcium Ammonium Nitrate (CAN 26%N)	25,000	337.22	Not later than forty (40) days from the date of LC
v.	Sulphate of Ammonia (SA)	10,000	216.75	Not later than forty (40) days from the date of LC
vi.	Urea 46%N	11,000	382.32	Not later than forty (40) days from the date of LC

3. The term granular shall apply to the physical character for all fertilizer as detailed in fertilizer specifications except Urea which must be prilled. The fertilizers should be anti caking treated.

4. QUANTITY, UNIT PRICE, CURRENCY AND SHIPPMENT DATES

No.	Item	Quantity	price US \$	Total cost in US \$
a.	Diammonium Phosphate (DAP 18:46:0)	20,000 (+/- 10%)	466.35	9,327,000.00
b.	Chemically compound NPK 23:23:0	22,000 (+/- 10%)	431.52	9,493,440.00
c.	Chemically compound NPK 17:17:17	12,000 (+/- 10%)	428.96	5,147,520.00
d.	Calcium Ammonium Nitrate (CAN 26%N)	25,000 (+/- 10%)	337.22	8,430,500.00
e.	Sulphate of Ammonia (SA)	10,000 (+/- 10%)	216.75	2,167,500.00
f.	Urea 46%N	11,000 (+/- 10%)	382.32	4,205,520.00
	TOTAL	100,000 (+/- 10%)		38, 771,480

5. SHIPMENT TERMS

- 5.1 The tenderer shall deliver the consignment of one hundred thousand (100,000) metric tonnes (+/- 10%) at tenderer's option in bulk, of the goods Mombasa port. The tenderer must include the following details in the notification:-
- The name of the marine Vessel
 - The flag
 - The age of the marine Vessel
 - The cubic capacity of each hold
 - The quantity of each type of fertilizer loaded in each hold
 - The expected time of arrival (ETA) of the marine Vessel offloading.
- 5.2 The Vessel must be capable of entering and berthing alongside quay at the port of Mombasa and have a maximum of 610 feet LOA and Draft of 33 feet (SWAD). The nominated Vessel must be a bulk carrier with fully bleeding wing tanks, self trimming, geared or gearless and must have at least two (2) units of in-built off-loading cranes which shall be used for offloading the product at no cost to the Buyer. The vessel age shall not be more than 25 (twenty five) years.

6. TERMS OF PAYMENT

- 6.1 Payment for the various fertilizers as detailed in clause 2 above shall be made by an Irrevocable Confirmed L/C (Letter of Credit) payable one hundred and eighty (180) days from the date of presentation of documents under the LC through the Board's bankers, and channelled through the relevant Correspondent Banker(s), Standard Chartered Bank - London, in favour of Holbud Limited, at tenderers cost.
- 6.2 The procuring entity shall open a Letter of Credit for each type of fertilizer or for any combination of different types of fertilizer provided that the combination is for the full quantities for each fertilizer type.
- 6.3 All charges relating to the opening of the Letter of Credit shall be for the account of the procuring entity. All charges for the handling of the L/C incurred outside Kenya including L/C confirmation charges shall be for the account of the tenderer.
- 6.4 If the procuring entity opens an operative Letter of Credit (L/C) in favour of the tenderer and the tenderer is unable to perform the contract for whatever reasons, the seller shall be liable to pay all charges for the establishment and handling of the Letter of Credit within procuring entity's Bank and where the procuring entity has paid any of the charges, the tenderer shall fully reimburse the procuring entity.
- 6.5 All export documentation and pre-shipment inspection costs shall be for the account of the tenderer.
- 6.6 For each shipment the tenderer shall provide the following documents:-
- 3/3 sets of negotiation Bill of Lading in original, clean on board, marked "Freight Prepaid" and issued to the order of Kenya Commercial Bank, Moi Avenue Branch, Kencom House, the account to be advised.
 - Signed Commercial invoices in three (3) originals, which should not include tenderer's Agency or buying commission and any other handling charges.

- c) Certificate of Origin issued by the Chamber of Commerce of country of origin of the product.
- d) Pre-export verification of Conformity (PVoC) – Certificate of Conformity issued by Kenya Bureau of Standards (KEBS) appointed inspection agent in the country of origin or country of shipment of the goods.
- e) Packaging list in duplicate
- f) Copy of Charter party.

The above documents must reach the procuring entity's bank not later than five days prior to arrival of the marine vessel at Mombasa port.

7. Lay time Counting

Sunday, Saturdays and Public holidays (SSHEx) are excepted from laytime even if used (EIU)

8. Discharge

Discharging Conditions

Discharge rate is 2500 metric tonnes per weather working day of 2400hours (PWWD) SSHEx. Laytime to commence 6 hours after Notice of berthing is tendered. Vessel may tender Notice of berthing by radio on arrival off the port of Mombasa.

Demurrage/Despatch as per Charter Party subject to a maximum of USD 20,000/10,000 per day pro-rata to be settled directly between buyer and seller, forty five (45) days after completion of discharge. The seller shall prior to berthing of the vessel avail to the Buyer a copy of the Charter party agreement between the seller and the shipping company. The seller shall endeavour to ensure the ship is not unduly delayed.

9. Marine insurance

The Buyer shall insure the various fertilizers from the moment they are loaded into the Marine Vessel(s) at the port of loading until it is fully discharged at the port of Mombasa.

Other terms and conditions remain as agreed in the main contract.

IN WITNESS WHEREOF the parties hereto have caused this addendum to be signed by their authorised representatives on the date herein above stated.

SIGNED BY: NAME Sicily K. Kariuki (Mrs.), MBS

Signature [Handwritten Signature]
PRINCIPAL SECRETARY/ACCOUNTING OFFICER

MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

Witnesses By: Name

Edwin Oseko

Designation

Principal Agricultural officer - Agribusiness

Signature

[Handwritten Signature]

Signed By:

[Handwritten Signature]
HOLBUD LIMITED

Holbud Limited

Witnessed By Name

DAVID KIBURA

Signature

[Handwritten Signature]

[Handwritten Signature]
06/07/15

ASSIGNMENT OF CONTRACT

(21)

FOR VALUE RECEIVED the **MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES (MOALF)** ("Assignor") hereby assigns and otherwise transfers ("assigns") to **NATIONAL CEREALS AND PRODUCE BOARD** ("Assignee") all rights, title and interest held hereby by assignor in and to the contract described as follows;

The Contract dated 22th November, 2013, between MOALF and Holbud Limited and concerning the supply and delivery and limited to the following various types of fertilizers.

Fertilizer Type	Quantity in MT from 15th January 2015	Unit price (USD/MT)
NPK 23:23:0	29,550	512.50 CFR ,Mombasa
NPK 17:17:17	15,000	485.00 CFR, Mombasa
UREA	12,500	516.72 Ex warehouse, Mombasa
DAP	12,500	540.00 CFR, Mombasa
CAN	33,000	392.50 CFR, Mombasa
Sub Total	102,550	

The Assignor warrants and represents that the said contract is in full force and effect and is fully assignable. Assignor further warrants that is has the full right and authority to transfer the said contract and for the aforementioned amount and that contract rights herein transferred are free of lien, encumbrance or adverse claim. The said contract remains on the terms contained therein.

The Assignee hereby assumes and agrees to perform all remaining and obligations of assignor under the contract and agrees to indemnify and hold Assignor harmless from any claim or demand resulting from non-performance by Assignee. Assignee shall be entitled to all monies remaining to be paid under the contract, which rights are also assigned hereunder.

This assignment shall become effective as of the date last executed and shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Signed by: Sicily K. Kariuki, (Mrs.), MBS


Signature: 

Date: 16 December 2014

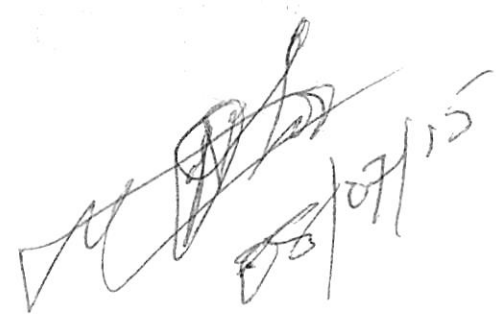
Designation: PRINCIPAL SECRETARY/ACCOUNTING OFFICER
Ministry of Agriculture, Livestock & Fisheries ("Assignor")

Witnessed by: HENRY NDEGE

Designation: DEPUTY DIRECTOR OF AGRICULTURE

Signature: 

Date: 16/12/2014



Signed by: Newton K. Terer

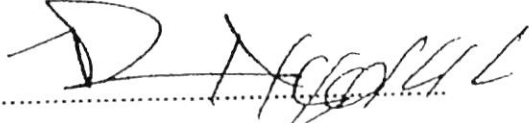
Signature: 

Date: 16/12/2014

Designation: Managing Director
National Cereals and Produce Board (Assignee)

Witnessed by: JOHN IC. NGETICH

Designation: Ag. Board Secretary

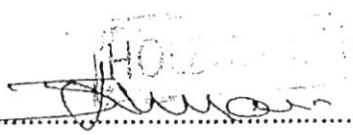

Signature: 

Date: 16 December 2014

CONSENT

I hereby consent to this assignment of contract affirming that no modification of the contract is made or intended, except that assignee is now and hereafter substituted for Assignor.

Signed by: YAVUZ KALYAN

Signature: 


Date: 16/12/2014

Designation: NOMINATED

HOLBUD LTD (Third Party)

Witnessed by: Mr HENRY KUNSU

Designation: _____

Signature: 

Date: 16/12/2014

ASSIGNMENT OF CONTRACT

FOR VALUE RECEIVED the MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES (MOALF) ("Assignor") hereby assigns and otherwise transfers ("assigns") to NATIONAL CEREALS AND PRODUCE BOARD ("Assignee") all rights, title and interest held hereby by assignor in and to the contract described as follows;

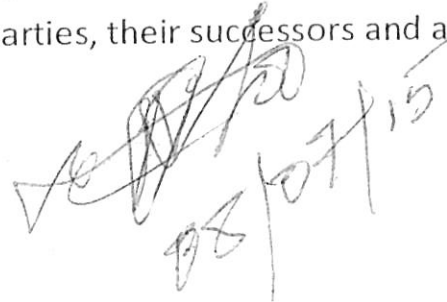
The Contract dated 22th November, 2013, between MOALF and Holbud Limited and concerning the supply and delivery and limited to the following various types of fertilizers.

ITEM	QTY (MT)	PRICE(CFR MOMBASA)	
		KENYA SHILLINGS	US DOLLARS (\$)
Diammonium Phosphate (DAP 18:46:0)	20,000	792,696,133.80	9,327,000.00
Chemically compounded NPK 23:23:0	22,000	806,841,769.54	9,493,440.00
Chemically compounded NPK 17:17:17	12,000	437,484,636.29	5,147,520.00
Calcium Ammonium Nitrate (CAN 26%N)	25,000	716,503,136.70	8,430,500.00
Sulphate of Ammonia (SA)	10,000	184,214,524.50	2,167,500.00
Urea 46%N	11,000	357,424,621.49	4,205,520.00
TOTAL	100,000(+/-10%)	3,295,164,822.31	38,771,480.00

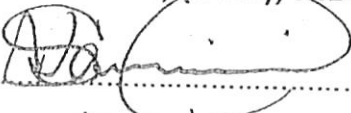
The Assignor warrants and represents that the said contract is in full force and effect and is fully assignable. Assignor further warrants that it has the full right and authority to transfer the said contract and for the aforementioned amount and that contract rights herein transferred are free of lien, encumbrance or adverse claim. The said contract remains on the terms contained therein.

The Assignee hereby assumes and agrees to perform all remaining obligations of assignor under the contract and agrees to indemnify and hold Assignor harmless from any claim or demand resulting from non-performance by Assignee. Assignee shall be entitled to all monies remaining to be paid under the contract, which rights are also assigned hereunder.

This assignment shall become effective as of the date last executed and shall be binding upon and inure to the benefit of the parties, their successors and assigns.


Handwritten signature and date: 08/07/15

Signed by: Sicily K. Kariuki, (Mrs.), MBS


Signature: 

Date: 3/12/2013

Designation: PRINCIPAL SECRETARY/ACCOUNTING OFFICER
Ministry of Agriculture, Livestock & Fisheries ("Assignor")

Witnessed by: Mula Mundi

Designation: Deputy Director Agriculture

Signature: 

Date: 03/12/13

Signed by: Cornel K. Ngelechey


Signature: 

Date: 5/12/2013

Designation: Ag. Managing Director
National Cereals and Produce Board (Assignee)

Witnessed by: JOHN K. NGETICH

Designation: CHIEF LEGAL OFFICER

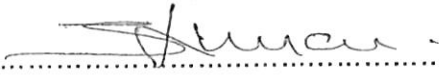
Signature: 

Date: 5/12/2013

CONSENT

I hereby consent to this assignment of contract affirming that the assignee is now and hereafter substituted for Assignor.

Signed by: TAUWER KALIAN

Signature: 

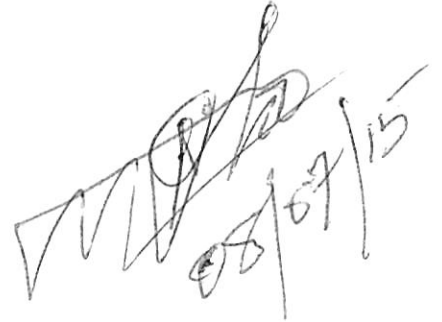
Dated: 3/12/2013

HOLBUD LTD (Third Party)

Witnessed by: DAVID KIBURI

Signature: 

Date: 3/12/2013


08/07/15

**SUPPLY/DELIVERY OF 102,550 MT (+/- 10%) OF
VARIOUS TYPES OF FERTILIZERS**

BETWEEN

NATIONAL CEREALS AND PRODUCE BOARD

AND

HOLBUD LIMITED

[Handwritten signature]
08/07/15

APRIL 2015

THIS ADDENDUM dated this 10 Day of April in the year Two Thousand and fifteen (2015) is made further to the contract dated 3rd December 2013 (hereinafter referred to as the main Contract), the addendum dated 2nd December 2013, the addendum dated 27th March 2015 and the assignment of contract dated 10th April 2015 between **NATIONAL CEREALS AND PRODUCE BOARD** of Post Office number 30586-00100, Nairobi (hereinafter called "the Board ") of the one part and **HOLBUD LIMITED** of 66 LEMAN STREET LONDON E 1 8EU (Hereinafter called "the supplier") of the other part;

NOW THE PARTIES of the above stated contract for the supply and delivery of additional 21,000 metric tons +/- 10% at the supplier's option of various fertilizers as detailed below (herein after referred to as the "goods") **contract DOTH HEREBY** agree that the following amendment be made to the main contract.

1. QUANTITY, UNIT PRICE AND CURRENCY

Item description	Quantity MT (+/- 10%)	CNFFO unit price (USD/MT)	Ex-ware Mombasa unit price (USD/MT)	House unit price
Chemically compound NPK 23:230	6,600	512.50		
Chemically compound NPK 23:230	4,400		575	
Diammonium Phosphate (DAP 18:46:0)	10,000		602.5	
TOTAL	21,000 (+/-10)			

2. TERMS OF PAYMENT

- 2.1 Payment for the various fertilizers supplied on CNFFO as detailed in clause 1 above shall be made by an Irrevocable Confirmed L/C (Letter of Credit). However the consignment which shall be availed ex-warehouse shall be paid locally.
- 2.2 For each ex-warehouse consignment the following shall apply:-
- a) Payment shall be made to the supplier's bank account in Units of America Dollars within thirty (30) days of presentation of documents specified in 2.2 (c) as per the details availed by the supplier;

- b) The supplier shall invoice for the quantities lifted ex-warehouse by the Board's contracted transporters in lots of up to 500 metric tons and delivered to the various designated depots as advised by the Board;
- c) Payment shall be made upon presentation of the following documents:-
- i) Suppliers commercial invoice for the actual quantity of the fertilizer physically delivered;
 - ii) Suppliers delivery order;
 - iii) Board's goods intake receipt;
 - iv) Copy of the Pre-export verification of conformity (PVoC) issued by KEBS appointed inspection agent in the country of origin and shipment of goods;
 - v) Inspection certificate confirming acceptance of the fertilizer as meeting the specified quality parameters.

Other terms and conditions remain as agreed in the main contract and the addendum dated 2nd December 2013, 27th March 2015 and assignment of contract dated 8th April 2015.

IN WITNESS WHEREOF the parties hereto have caused this addendum to be signed by their authorised representatives on the date herein above stated.

Signed for and on behalf of
NATIONAL CEREALS AND PRODUCE BOARD

In the presence of



 John K. Ngetich
 AG. BOARD SECRETARY

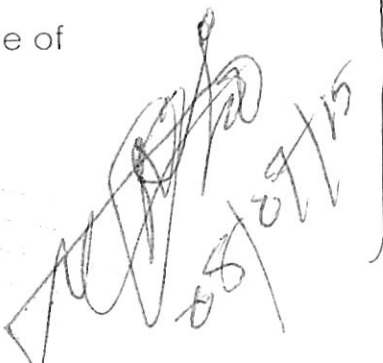
NATIONAL CEREALS & PRODUCE BOARD
 P. O. Box 30586
 NAIROBI



Newton S.K. Terer
 MANAGING DIRECTOR


Signed for and on behalf of
HOLBUD LIMITED

In the presence of


 05/09/15

Name: Zuheir Khatao
 Authorised representative





 Name: Henry Kungu
 WITNESS





ASSIGNMENT OF CONTRACT

FOR VALUE RECEIVED the **MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES (MOALF)** ("Assignor") hereby assigns and otherwise transfers ("assigns") to **NATIONAL CEREALS AND PRODUCE BOARD** ("Assignee") all rights, title and interest held hereby by assignor in and to the contract described as follows;

The Contract addendum dated 27th March, 2015 between MOALF and Holbud Limited and concerning the supply and delivery and limited to the following various types of fertilizers.


Fertilizer Type	QTY (MT)	CNFFO		EX WARE HOUSE MOMBASA	
		USD/MT	KSHS/50KG BAG	USD/MT	KSHS/50KG BAG
NPK 23:23:0	6,600	512.50	2,358		
NPK 23:23:0	4,400			575	2,645
DAP	10,000			602.5	2,772

The Assignor warrants and represents that the said contract is in full force and effect and is fully assignable. Assignor further warrants that is has the full right and authority to transfer the said contract and for the aforementioned amount and that contract rights herein transferred are free of lien, encumbrance or adverse claim. The said contract remains on the terms contained therein.

The Assignee hereby assumes and agrees to perform all remaining and obligations of assignor under the contract and agrees to indemnify and hold Assignor harmless from any claim or demand resulting from non-performance by Assignee. Assignee shall be entitled to all monies remaining to be paid under the contract, which rights are also assigned hereunder.

This assignment shall become effective as of the date last executed and shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Signed by: Sicily K. Kariuki, (Mrs.), MBS

Signature: 

Date: 08/04/2015

Designation: PRINCIPAL SECRETARY/ACCOUNTING OFFICER
Ministry of Agriculture, Livestock & Fisheries ("Assignor")
State Department of Agriculture

Witnessed by: John M. Mwaniki

Designation: Deputy Director

Signature: 

Date: 08/04/2015

Signed by: Newton K. Terer

Signature: 


Date: 10/04/2015

Designation: Managing Director

National Cereals and Produce Board (Assignee)

Witnessed by: John I. Ngetich

Designation: Asst. Board Secretary

Signature: 

Date: 10/04/2015


08/07/15

CONSENT

I hereby consent to this assignment of contract affirming that no modification of the contract is made or intended, except that assignee is now and hereafter substituted for Assignor.

Signed by: MUJIBAH WAZI
Signature: Mujibah Wazi
Date: 18/04/2015
Designation: OPERATIONS MANAGER



HOLBUD LTD (Third Party)

Witnessed by: DAVID KIBURI
Designation: WAREHOUSE MANAGER

Signature: [Signature]
Date: 10/04/2015

[Signature]
08/07/15

30

THE SECOND (2) ADDENDUM TO THE MAIN CONTRACT DATED
3RD DECEMBER 2013

SUPPLY/DELIVERY OF 102,550MT (+/- 10%) OF VARIOUS
TYPES OF FERTILIZERS

BETWEEN

MINISTRY OF AGRICULTURE LIVESTOCK & FISHERIES

AND

HOLBUD LIMITED

[Handwritten signature]
08/07/13



15th December 2014

THIS SECOND (2) ADDENDUM dated this 15th Day of December in the year Two Thousand and fourteen (2014) is made further to the contract dated 3rd December 2013 (hereinafter referred to as the main Contract) and the addendum dated 2nd December 2013 between **MINISTRY OF AGRICULTURE LIVESTOCK AND FISHERIES** of Post Office number 30028, Nairobi (hereinafter called "the procuring entity") of the one part and **HOLBUD LIMITED** of 66 LEMAN STREET LONDON E 1 8EU (Hereinafter called "the tenderer") of the other part;

NOW THE PARTIES of the above stated contract for the supply and delivery of 102,550 metric tons +/- 10% at the tenderer's option of various fertilizers as detailed below (herein after referred to as the "goods"), **contract IDOTH HEREBY** agree that the following amendment be made to the main contract.

1. The term granular shall apply to the physical character for all fertilizer as detailed in fertilizer specifications except Urea which must be prilled. The fertilizers should be anti-caking treated.

2. QUANTITY, UNIT PRICE AND CURRENCY

No.	Item	Quantity	price US \$	Total cost in US \$
a.	Chemically compound NPK 23:23:0	29,550 (+/- 10%)	512.50(CFR Mombasa)	15,144,375.00(+/- 10%)
b.	Chemically compound NPK 17:17:17	15,000 (+/- 10%)	485.00(CFR Mombasa)	7,275,000.00(+/- 10%)
c.	Calcium Ammonium Nitrate (CAN 26%N)	33,000 (+/- 10%)	392.50(CFR Mombasa)	12,952,500.00(+/- 10%)
d.	Diammonium Phosphate (DAP 18:46:0)	12,500 (+/- 10%)	216.75(CFR Mombasa)	6,750,000.00(+/- 10%)
e.	Urea 46%N	12,000 (+/- 10%)	516.72 (Ex- warehouse Mombasa)	6,200,640(+/- 10%)
	TOTAL	102,550 (+/- 10%)		48,322,515 (+/- 10%)

3. SHIPMENT TERMS

- 3.1 The tenderer shall deliver the consignment of one hundred and two thousand five hundred and fifty(102,550)metric tonnes (+/- 10%) at tenderer's option in bulk, of the goods Mombasa port. The tenderer must include the following details in the notification:-

- a) The name of the marine Vessel
- b) The flag
- c) The age of the marine Vessel
- d) The cubic capacity of each hold
- e) The quantity of each type of fertilizer loaded in each hold

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- f) The expected time of arrival (ETA) of the marine Vessel offloading.
- 3.2 The Vessel must be capable of entering and berthing alongside quay at the port of Mombasa and have a maximum of 610 feet LOA and Draft of 33 feet (SWAD). The nominated Vessel must be a bulk carrier with fully bleeding wing tanks, self trimming, geared or gearless and must have at least two (2) units of in-built off-loading cranes which shall be used for offloading the product at no cost to the Buyer. The vessel age shall not be more than 25 (twenty five) years.

4. TERMS OF PAYMENT

- 4.1 Payment for the various fertilizers as detailed in clause 2 above shall be made by an Irrevocable Confirmed L/C (Letter of Credit) payable one hundred and eighty (180) days from the date of presentation of documents under the LC through the Procuring entity's bankers, and channelled through the relevant Correspondent Banker(s), Standard Chartered Bank - London, in favour of Holbud Limited, at tenderers cost.
- 4.2 The procuring entity shall open a Letter of Credit for each type of fertilizer or for any combination of different types of fertilizer provided that the combination is for the full quantities for each fertilizer type.
- 4.3 All charges relating to the opening of the Letter of Credit shall be for the account of the procuring entity. All charges for the handling of the L/C incurred outside Kenya including L/C confirmation charges shall be for the account of the tenderer.
- 4.4 If the procuring entity opens an operative Letter of Credit (L/C) in favour of the tenderer and the tenderer is unable to perform the contract for whatever reasons, the seller shall be liable to pay all charges for the establishment and handling of the Letter of Credit within procuring entity's Bank and where the procuring entity has paid any of the charges, the tenderer shall fully reimburse the procuring entity.
- 4.5 All export documentation and pre-shipment inspection costs shall be for the account of the tenderer.
- 4.6 For each shipment the tenderer shall provide the following documents:-
- a) 3/3 sets of negotiation Bill of Lading in original, clean on board, marked "Freight Prepaid" and issued to the order of Kenya Commercial Bank, Moi Avenue Branch, Kencom House, the account to be advised.



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- b) Signed Commercial invoices in three (3) originals, which should not include tenderer's Agency or buying commission and any other handling charges.
- c) Certificate of Origin issued by the Chamber of Commerce of country of origin of the product.
- d) Pre-export verification of Conformity (PVoC) - Certificate of Conformity issued by Kenya Bureau of Standards (KEBS) appointed inspection agent in the country of origin or country of shipment of the goods.
- e) Packaging list in duplicate
- f) Copy of Charter party.

The above documents must reach the procuring entity's bank not later than five days prior to arrival of the marine vessel at Mombasa port.

5. Lay time Counting

Sunday, Saturdays and Public holidays (SSHEX) are excepted from laytime even if used (FIU)

6. DISCHARGE

Discharging Conditions

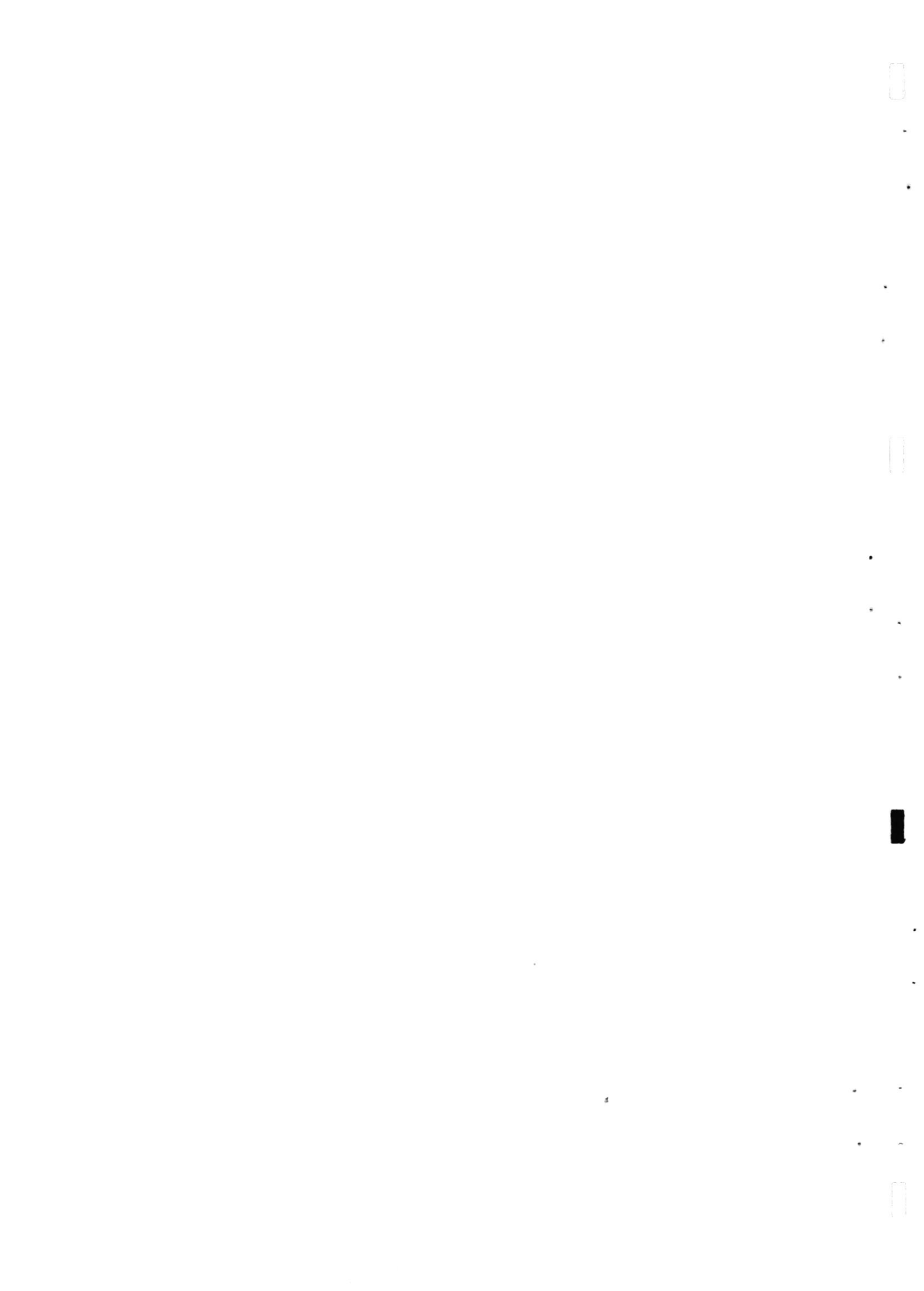
Discharge rate is 2500 metric tonnes per weather working day of 2400hours(PWWD) SSHEX. Laytime to commence six (6) hours after Notice of berthing is tendered. Vessel may tender Notice of berthing by radio on arrival off the port of Mombasa.

Demurrage/Despatch as per Charter Party subject to a maximum of USD 20,000/10,000 per day pro-rata to be settled directly between Procuring entity and tenderer, forty five (45) days after completion of discharge. The tenderer shall prior to berthing of the vessel avail to the Procuring entity a copy of the Charter party agreement between the tenderer and the shipping company. The seller shall endeavour to ensure the ship is not unduly delayed.

7. MARINE INSURANCE

The Procuring entity shall insure the various fertilizers from the moment they are loaded into the Marine Vessel(s) at the port of loading until it is fully discharged at the port of Mombasa.

8. PRODUCT SPECIFICATIONS



- 8.1 The various types of fertilizers to be supplied shall be suitable for cereal crops such as maize, wheat and other crops and shall comply to the product specification of the Contract as detailed by the Kenya bureau of standards
- 8.2 The test method for heavy metals is AOAC/AAS.
- 8.3 The quality and weight of the fertilizer shall be determined by an internationally recognised inspection company (e.g. SGS, Intertek etc) who shall be engaged by the tenderer at its cost to carry out the physical inspection of the fertilizers prior to loading whose results shall be final.
- 8.4 The inspection company at the port of loading shall issue the weight and quality certificates confirming that the quality is as per KBS Standards.
- 8.5 The tenderer shall ensure that the imported fertilizers meet the required specifications as per the KBS Standards.

Other terms and conditions remain as agreed in the main contract and the addendum dated 2nd December 2013.

IN WITNESS WHEREOF the parties hereto have caused this addendum to be signed by their authorised representatives on the date herein above stated.

SGNED BY: NAME Sicily K. Kariuki (Mrs.), MBS
 Signature [Handwritten Signature]
 Principal Secretary/Accounting Officer
 Ministry Of Agriculture, Livestock and Fisheries
 State Department of Agriculture

Witnesses By: Name HENRY NDEGE
 Designation DEPUTY DIRECTOR OF AGRICULTURE

Signature [Handwritten Signature]
 Signed By: [Handwritten Signature]
 Holbud Limited

Witnessed By Name HENRY KUNGA
 Signature [Handwritten Signature]

[Handwritten Signature]
08/07/15





ANNEX 5

**MINISTRY OF AGRICULTURE, LIVESTOCK &
FISHERIES**

**CONTRACT AGREEMENT BETWEEN MINISTRY OF AGRICULTURE,
LIVESTOCK & FISHERIES AND M/S HOLBUD LTD 66 LEMAN STREET
LONDON E18EU, UNITED KINGDOM CONTRACT FOR PROCUREMENT
OF BULK FERTILIZER TENDER NO. MOAL&F/SCMD/AGRIB/05/2013-
2014**

ADDENDUM No. 4:

SUPPLY OF 21,000MT OF VARIOUS TYPES OF FERTILIZERS

CTD
[Handwritten signature]
05/07/15

[Faint, illegible text]

Handwritten text, possibly a signature or name, located in the top left corner.

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ADDENDUM TO THE CONTRACT

ADDENDUM No. 1 TO THE CONTRACT AGREEMENT

BETWEEN

MINISTRY OF AGRICULTURE, LIVESTOCK & FISHERIES

AND

**M/S HOLBUD LTD, 66 LEMAN STREET LONDON E18EU, UNITED
KINDGOM**

CONTRACT FOR PROCUREMENT OF BULK FERTILIZER

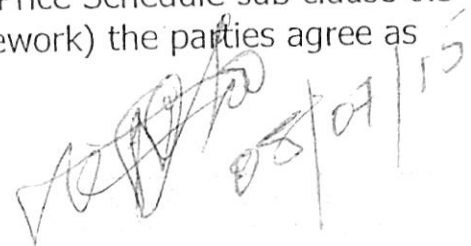
TENDER NO. MOAL&F/SCMD/AGRIB/05/2013-2014

This CONTRACT ADDENDUM (herewith called the Addendum No. 1) is made the 8th day of April 2015 between **Ministry of Agriculture, Livestock & Fisheries of P.O. Box 30028-00100, Nairobi** (hereinafter called "the Procuring entity") of the one part and **M/s Holbud Ltd of 66 Lemman Street London E18EU, United Kindgom** (hereinafter called "the tenderer") of the other part.

WHEREAS the procuring entity and the Tenderer entered into a contract on the **22 November 2013** for the supply and delivery of bulk fertilizer "as and when" required on a three year framework contract.

and

NOW THEREFORE, in accordance to section VII of Price Schedule sub clause 6.3 (fertilizer requirement under a three contract framework) the parties agree as follows:-

Handwritten signature and date: 05/07/15

The offer for the supply 30,000 MT of various types fertilizer has been accepted by the tenderer as detailed below:

FERTILIZER TYPE	QTY (MT)	CNFFO	EX WARE HOUSE MOMBASA
		USD/MT	USD/MT
NPK 23:23:0	6,600	512.50	
NPK 23:23:0	4,400		
DAP	10,000		575
Total	21,000		602.5

Note:

Payments for the fertilizer to be effected in two ways:

1. The first 6,600MT of NPK 23:23:0 to be made through a 180 days letter of credit to be raised by National Cereals and Produce Board (NCPB) of P. O Box 30586, Nairobi Kenya
2. Payments for the 4,400MT of NPK 23:23:0 and 10,000MT of DAP to be made immediately in USA Dollars.

Consequently, the parties have caused this addendum to be signed in their respective names the day and year first above written.

Signed By: Name Sicily K Kariuki (Mrs), MBS

Signature



Principal Secretary/Accounting Officer

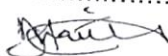
Ministry of Agriculture, Livestock and Fisheries

Witnessed by: Name Johnson Irungu

Designation

DIRECTOR

Signature



Signed By

MUHAMMAD YAKUB KALANJOLU
HOLBUD LTD

M/s Holbud Ltd

Witnessed by:

Name

DAVID KIBURI

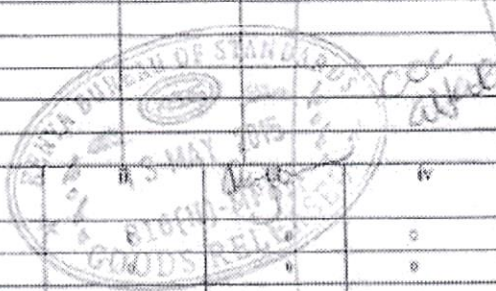
Signature



QUADRUPPLICATE

SINGLE ADMINISTRATIVE DOCUMENT (SAD) - SIMBA

1. Exporter / Consignor DORRIG TRADING LIMITED ROOM 4601 10 46P OFFICE TOWER WANCHAI 4601 HONG KONG		2. Processing Office MBA		3. Frontier office		4. Regime code C4		FOR OFFICIAL USE Entry Number and Date 3015M5A 5418604 08/05/2015	
10. Importer / Consignee NATIONAL CEREALS 10556		5. Voyage/Flight/Vehicle No. 01		6. Date of arrival/departure 8/05/2015		7. Manifest Number 2015M5A120717		8. AWB/BL/RCN No. N2753003CNTS004	
23. Declarant / Agent NATIONAL CEREALS & PRODUCE BOARD NAIROBI		11. City of last Origin / 1 st Dest. CN		12. Country of final Destination		13. Port of Destination		9. Country of Origin CN	
24. Location of Goods		25. Warehouse code No Description		26. Period in Warehouse/Transit		27. Valuation method ACV		28. Total F.O.B Value	
29. Terms of Delivery DDU		30. Terms of Payment		31. Account Number		32. Bank / Branch Reference		33. Bond Security Number N/A	
34. Bond/Cash Amount 0		35. Total Freight		36. Total Insurance		37. Total Other Charges		38. Total Customs Value 1250436.564	
39. Other information		40. (a) Shipping Marks & Nos./Container Nos. TO BAGGED AT PORT		(c) Commodity code 310230 00		(d) C.P.C C403		(e) Gross Weight 660000	
(b) Goods Description 660 MT OF NPK3330 FERTILIZER IN BULK		(g) 1 st Supp. Qty. 660000		(h) Units 1 st Supp. Qty. kg		(i) 2nd Supp. Qty.		(j) Units 2 nd Supp. Qty.	
(k) License Number 2015 E1504033781		(l) License Value / Qty		(m) Value/Qty Deducted		(n) FOB Value 301950		(o) Freight 3437207.87	
(p) Other Charges 0		(q) Currency Code USD		(r) Exchange Rate 84.639		(s) CIF Value		(t) Customs Value 3280983.384	
41. REVENUE INFORMATION						43. Attached documents		44. Preceding Documents Ref.	
(aa) Tax Type		(bb) Tax Base / Value		(cc) Rate		(dd) Tax Due		45a. Code 45b. Number	
I									
II									
III									
IV									
V									
(ee) Total Tax due on this item						47. Other Charges		48. Grand Totals (Duties, Taxes and Other charges) 1250436 (Net To Pay)	
46. SUMMARY TOTALS		I		II		III		IV	
This Page		0		0		0		710 33451	
Other Pages		0		0		0		745 31350	
Totals		0		0		0		743 48701	
49. Declaration I/We NATIONAL CEREALS & PRODUCE BOARD the undersigned of (Company name) Being the Agent/Principal of (Importer/Exporter) do hereby declare that the information and particulars declared herein are true and complete. Signature and Stamp: [Signature] Place: N/A Tel/Fax: 2491261						FOR OFFICIAL USE PROPER OFFICER 00585 Passed On: 13/05/2015		CASH/CHEQUE Amount Paid Receipt Number and Date Cashier's Signature and Sta	



S.215105105940



KENYA BUREAU OF STANDARDS



PRE-EXPORT VERIFICATION OF CONFORMITY (PVoC)

CERTIFICATE OF CONFORMITY

UCR Number N/A
 IDF No E1504035781
 RFC date 18.04.2015
 Reference No 3839835511
 Coc No S-2015/05/269673
 Issuance Date 12.05.2015
 Page 1/1

Importer NATIONAL CEREALS & PRODUCE BOARD P.O BOX 30535-00100 Nairobi - Kenya Phone # 722950552 E-Mail CNGELECHEY@NCPB.CO.KE		Exporter HOLBUD LIMITED 56 LEMAN STREET E1 8EU - London - United Kingdom Phone # 442074864901 E-Mail holbud@holbud.co.uk	
Date of Inspection 18.04.2015		Place of Inspection Jingjiang, CN	
Shipment Mode SEA		Port of Destination Mombasa - KE	
Seal #		Country of Supply CN	
FOB value 3,321,450.00 USD		Quantity Delivered (Full/Part): PARTIAL	
Invoice No. 308715, 308715		Invoice Date 18.04.2015	
Declared HS Code 3105590000	Quantity 7260 Metric Tons	Product CHEMICALLY COMPOUNDED FERTILIZER - NPK 23-23-0	Route Used A
Gross Weight 7260000 KG		Standard / Normative REF KS 156:2012	Registration / licence Ref. NA
Remarks SGS TEST REPORTS; INSPECTION REPORT DATED 18.04.2015; IDF NO. E1504035781 L/C REFERENCE NO. TF-15120-00002			

[Signature]
 Provided and authenticated by SGS Nairobi Liaison Office on Date 12.05.2015
 Issuing Office SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. - Tianjin - China
 Cyril Liu

This document is valid for three months from the date of issuance
 This document is issued under the authority of the Pre-Export Verification of Conformity Programme, for and on behalf of the Kenya Bureau of Standards, KENYA

This certificate is issued according to the requirements of KEBS (Kenya Bureau of Standards) and is subject to the applicable SGS General Conditions for Product Conformity Assessment Services which can be found at <http://www.sgs.com/en/Terms-and-Conditions.aspx>. The SGS General Conditions of Service printed on the back of this certificate are not applicable.

This Certificate cancels and supersedes the Certificate No. T-2015-05-139673 dated 12.05.2015 issued by SGS Tianjin - China - SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD.

The weight of the goods under this Lot, has been provided by third parties, such as the exporter, supplier or manufacturer, is given here for reference only and by no means provide perfect figure; SGS cannot be held responsible for any consequences of using this weight in commercial transactions, or by government agencies for any purposes.

This document does not discharge exporters from their contractual obligations in relation to quality and quantity of the goods referred to herein, nor does it discharge the importer or the importer from exercising all their rights and discharging all their liabilities under the Contract of Sale. Specifications to the contrary are not binding on SGS. This document does not evidence shipment. KEBS may reject the consignment covered by this CoC if found to be non-conforming on verification at the port of entry.



File No: 26017054411
 Any other...
 The...
 Any other...
 The...
 Any other...
 The...

SGSPAPER
 15741026



3761

BILL OF LADING
TO BE USED WITH CHARTER PARTIES

Shipper
DOHIGH TRADING LIMITED
ROOM 4601-10, 46/F, OFFICE TOWER
CONVENTION PLAZA 1 HARBOUR ROAD
WANCHAI HONG KONG

CARRIER: CONTINENTAL LINES NV

Consigned
TO THE ORDER BANQUE CANTONALE VAUDOISE

Notify
STUNTWAVE LIMITED
PO BOX 85799-80100
MOMBASA KENYA

1ST ORIGINAL

Vessel: MV LOCOMOTION
Port of loading: JINGJIANG PORT, CHINA

Port of discharge:
MOMBASA PORT KENYA

Shipper's description of goods: 8340 METRIC TONS OF CHEMICALLY COMPOUNDED NPK 20-23-0 WITH THE PRODUCT SPECIFICATIONS AS PER THE KENYA BUREAU OF STANDARDS KS 168:2012
Gross weight: NET WEIGHT: 8340 MT

FREIGHT PREPAID UP TO MOMBASA

SHIPPING COMPANY AGENT IN KENYA
INCHCAPE SHIPPING SERVICES
P.O. BOX 90194
INCHCAPE HOUSE
ARCHBISHOP MAKARIOS CLS, OFF MOI AVENUE
80100 MOMBASA KENYA
TELEPHONE: +254 41 2229286/2227751
FAX: +254 41 223714
EMAIL: DAVID@IBLY@ISS SHIPPING.COM / E.WANAFERIKAI@ISS SHIPPING.COM

*Certified true copy
of the Original*



(in which) NIL (in case) at Shipper's risk the Carrier not being responsible for loss or damage howsoever arising

Freight payable as per CHARTER PARTY dated 08/04/2015	SHIPPED at the Port of loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.	
Received on account of freight	Weight, measure, quality, quantity, condition, contents and value unknown.	
Time used for loading _____ days _____ hours	IN WITNESS whereof the Master or agent of the said vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished, the others shall be void.	
Freight payable at: FREIGHT PREPAID	Place and date of issue: JINGJIANG PORT, CHINA, APR 16 2015	FOR CONDITIONS OF CARRIAGE SEE OVER LEAF
Number of original(s): 3/3	Signature: CHINA MARINE SHIPPING AGENCY, JIANGSU JINGJIANG COMPANY LIMITED AS AGENT FOR AND ON BEHALF OF CARRIER	

靖江中外运船务代理有限公司
CHINA MARINE SHIPPING AGENCY,
JIANGSU JINGJIANG COMPANY LIMITED



CERTIFICATE OF ORIGIN
OF
THE PEOPLE'S REPUBLIC OF CHINA
ISSUED RETROSPECTIVELY

2. Consignee
STUNTWAYE LIMITED
PO BOX 88799-80100
MOMBASA KENYA

3. Means of transport and route
BY SEA
PORT OF LOADING: JINGJIANG PORT, CHINA
PORT OF DISCHARGE: MOMBASA PORT, KENYA

5. For certifying authority use only
CHINA COUNCIL FOR THE
PROMOTION OF INTERNATIONAL
TRADE IS CHINA CHAMBER OF
INTERNATIONAL COMMERCE
VERIFY URL: [HTTP://WWW.CCO-CCPIT.ORG/](http://www.cco-cppt.org/)

4. Country / region of destination
KENYA

6. Marks and numbers	7. Number and kind of packages; description of goods	8. H.S.Code	9. Quantity	10. Number and date of invoices
N/M	8340 METRIC TONS OF CHEMICALLY COMPOUNDED NPK 23:23:0, WITH THE PRODUCT SPECIFICATIONS AS PER THE KENYA BUREAU OF STANDARDS KS 158:2012	31055900	N.WEIGHT 8340MTS	DT115/016E APR.18,2015

11. Declaration by the exporter
The undersigned hereby declares that the above details and statements are correct, that all the goods were produced in China and that they comply with the Rules of Origin of the People's Republic of China.

中化化肥有限公司
SINOCHEM FERTILIZER COMPANY LIMITED

张立来

BEIJING - APR.20.2015

Place and date, signature and stamp of authorized signatory

12. Certification
It is hereby certified that the declaration by the exporter is correct.

中国国际贸易促进委员会
单据证明专用章
CHINA COUNCIL FOR THE PROMOTION
OF INTERNATIONAL TRADE

ADDRESS: NO.24 HUAYIANG FINTONG XICHENG
DISTRICT BEIJING CHINA CCOIC BUILDING FLOOR 3
4,100035
FAX:86-10-82211794 TEL:86-10-82217096

BEIJING APR.20.2015


Place and date, signature and stamp of certifying authority

SINGLE ADMINISTRATIVE DOCUMENT (SAD) - SIMBA

1. Exporter / Consignor HOLBUD LIMITED 66 LEMAN STREET LONDON		TIN/PIN	2. Processing Office MSA	3. Frontier office KLD	4. Regime code C4	FOR OFFICIAL USE Entry Number and Date 2015MSA 5416595 07/05/2015	
10. Importer / Consignee STUNTWAVE LIMITED 82402 MOMBASA		TIN/PIN P051151246J	5. Voyage/Flight/Vehicle No. 11		6. Date of arrival/departure. 8/05/2015		9. Country of Consignment CN
23. Declarant / Agent UNION CLEARING AND FORWARDING LIMITED MOMBASA		TIN/PIN P051139176J	11. Ctry of last Consign/1 st Dest. CN		12. Country of final Destination		13. Port of Destination KLD
36. Total Insurance		37. Total Other Charges		38. Total Customs Value 325410360.6		39. Other information	
30. Terms of Payment		31. Account Number		32. Bank / Branch Reference		35. Total Freight	
33. Bond Security Number N/A		34. Bond/Cash Amount 0		35. Total Freight			

Item 01	40. (a) Shipping Marks & Nos./Container Nos. NIL		(c) Commodity code 310520 00	(d) C.P.C. C403	(e) Gross Weight 8340000	(f) Net Weight 8340000	
	(b) Goods Description CHEMICALLY COMPOUNDED NPK 23:23:0 FERTILIZER IN BULK DIRECT DELIVERY		(g) 1 st Supp. Qty. 8340000	(h) Units 1 st Supp Qty. kg	(i) 2nd Supp. Qty.	(j) Units 2 nd Supp Qty.	
	(o) License Number E1504039763		(p) License Value / Qty	(q) Value/Qty Deducted	(r) FOB Value 3085800	(s) Freight 31588217.04	(t) Insurance 1630794
	(u) Other Charges 0		(v) Currency Code USD	(w) Exchange Rate 94.689	(x) CIF Value	(y) Customs Value 325410360.6	

41. REVENUE INFORMATION					43. Attached documents		44. Preceding Documents Ref.
(aa) Tax Type	(bb) Tax Base. / Value	(cc) Rate	(dd) Tax Due	45a. Code	45b. Number		
I	/						
II	/						
III	/						
IV	/						
					(cc) Total Tax due on this item		
46. SUMMARY TOTALS					47. Other Charges		
	i	ii	iii	iv	v	47a. Code	47b. Amount
This Page	0	0	0	0	0	710	7321725
Other Pages	0	0	0	0	0	745	396150
Totals	0	0	0	0	0	747	4881155

48. Grand Totals (Duties, Taxes and Other charges)		12599030 (Net To Pay)	FOR OFFICIAL USE	
49. Declaration			PROPER OFFICER	CASH/CHEQUE
			05407	Amount Paid
I, the undersigned of (Company name) Being the Agent/Principal of (Importer/Exporter) do hereby Declare that the information and particulars declared herein are true and complete. Tel: 22229777 Email: union@africa.com P. O. Box 82806, MOMBASA, KENYA			Passed On : 09/05/2015	Receipt Number and Date
Signature: _____ Place: _____ Tel/Fax: _____				Cashier's Signature and Stamp



KENYA BUREAU OF STANDARDS



PRE-EXPORT VERIFICATION OF CONFORMITY (PVoC)

CERTIFICATE OF CONFORMITY

UCR Number N/A Coc No S-2015/05/289714
 IDF No E1504039763 Issuance Date 12.05.2015
 RFC date 15.04.2015
 Reference No. 3839536411 Page 1 / 1

Importer STUNTWAVE LIMITED P O BOX 88799-80100 Mombasa - Kenya Phone # 2230169 Fax # 2229622 E-Mail stuntwave@africaonline.co.ke	Exporter HOLBUD LIMITED 66 LEMAN STREET E1-8EU - London - United Kingdom Phone # 442074884901 Fax # 442072650654 E-Mail holbud@holbud.co.uk
-----------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Place of Inspection 16 1.2015	Place of Inspection Jingjiang, CN	Port of Destination Mombasa - KE
Shipment Mode SEA	Country of Supply CN	Quantity Delivered (Full/Part): TOTAL
Seal #	Invoice No. 309717, 309718	Invoice Date 18.04.2015
FOB value 3,619,340.00 USD		

Declared HS Code	Quantity	Product	Route Used	Standard / Norminative REF	Registration / licence Ref.
3105200000	9782 Metric Tons	CHEMICALLY COMPOUNDED NPK 23:23:0 FERTILIZER	A	KS 158:2012	NA

Gross Weight 9782000 KG
Remarks SGS TEST REPORTS; INSPECTION REPORT DATED 18.04.2015.

Provided and authenticated by SGS Nairobi Liaison Office on Date 12.05.2015
 Issuing Office SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. - Tianjin - China
 Cyril Liu
 This document is valid for three months from the date of issuance
 This document is issued under the authority of the Pre-Export Verification of Conformity Programme, for and on behalf of the Kenya Bureau of Standards, KENYA

This certificate is issued according to the requirements of KEBS (Kenya Bureau of Standards) and is subject to the applicable SGS General Conditions for Product Conformity Assessment Services which can be found at <http://www.sgs.com/en/Terms-and-Conditions.aspx>. The SGS General Conditions of Service printed on the back of this certificate are not applicable.

The weight of the goods under this CoC has been provided by third parties, such as the exporter, supplier or manufacturer, is given here for reference only and by no means provides correct figure. SGS cannot be held responsible for any consequences of using this weight in commercial transactions, or by government agencies for any purposes.

This document does not discharge exporters from their contractual obligations in relation to quality and quantity of the goods referred to herein, nor does it discharge the exporter or the importer from exercising all their rights and discharging all their liabilities under the Contract of Sale. Stipulations to the contrary are not binding on SGS. This document does not evidence shipment. KEBS may reject the consignment covered by this CoC if found to be non-conforming on verification at the port of entry.



This document is issued, on the Client's behalf, by the Company under its General Conditions of Service printed overleaf. Client's attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.

16077211 This document is advised that information contained herein reflects the findings and findings in the independent audit and will be made available to the Client upon request. The Company's sole responsibility is to provide the information and services as requested. The Client is responsible for ensuring that the information and services are used for the intended purpose.

SGSPAPER
15745622







16/F, Century YuHui Mansion,
No. 73, Fucheng Road,
Beijing China
100036
Tel: (86-10) 6845 6699
Fax: (86-10) 6845 7979

中国, 北京
阜成路 73 号
世纪裕惠大厦 16 层
邮编: 100036
电话: (86-10) 6845 6699
传真: (86-10) 6845 7979

AFFILIATE CODE: F615001
SGS ORDER NO.: 16063629-A1

Page 1 of 2

CERTIFICATE OF ANALYSIS

PRINCIPAL : DOHIGH TRADING LIMITED
DECLARED COMMODITY : CHEMICALLY COMPOUNDED NPK 23:23:0, WITH THE
PRODUCT SPECIFICATIONS AS PER THE KENYA
BUREAU OF STANDARDS KS 158:2012
DECLARED QUANTITY : 8340 METRIC TONS AS PER B/L OUT OF TOTAL 17,042
MT AS PER DRAFT SURVEY
B/L No. AND DATE : N275003CNTSI01 DATED ON APRIL 18, 2015
PORT OF LOADING : JINGJIANG PORT, CHINA
PORT OF DISCHARGE : MOMBASA PORT, KENYA
VESSEL NAME : MV LOCOMOTION
DATE OF INSPECTION : APRIL 14~18, 2015

In accordance with instruction received from Messrs DOHIGH TRADING LIMITED, we, SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch, carried out sampling, analysis and report our findings as follows:

SAMPLING AND ANALYSIS:

The sampling was performed manually through loading operation for the whole cargo. Total 135 increments per sub-lot were sampled and about 0.5 kilogram per increment.

834

Test results were released from the laboratory as follows:

ITEM	SPECIFICATION	TEST RESULT	STANDARD
TOTAL NITROGEN BY WEIGHT	MINIMUM 23.00 PCT	23.66 PCT	2.4.04 AOAC 970.02(2005)
AMMONIACAL NITROGEN BY WEIGHT	MINIMUM 11.50 PCT	12.07 PCT	2.4.08 AOAC 920.04(2005)
AMIDE NITROGEN BY WEIGHT	MINIMUM 11.50 PCT	11.59 PCT	CALCULATION
NEUTRAL AMMONIUM CITRATE SOLUBLE PHOSPHATES (AS P2O5) BY WEIGHT	MINIMUM 23.00 PCT	23.00 PCT	2.3.13 AOAC 960.03 (2005)
WATER SOLUBLE PHOSPHATES (AS P2O5) BY WEIGHT	MINIMUM 18.50 PCT	19.28 PCT	2.3.06 AOAC 977.01(2005)
MOISTURE BY WEIGHT	MAXIMUM 1.50 PCT	0.47 PCT	AFPC XI. 2. B(1991)
ARSENIC (As)	MAXIMUM 20 MG/KG	1.6 MG/KG	AOAC 2006.03 (2006)
SELENIUM (Se)	MAXIMUM 1 MG/KG	<1 MG/KG	AOAC 2006.03 (2006)
MERCURY (Hg)	MAXIMUM 0.1 MG/KG	<0.1 MG/KG	EPA7473
CADMIUM (Cd)	MAXIMUM 7 MG/KG	<1 MG/KG	AOAC 2006.03 (2006)
LEAD (Pb)	MAXIMUM 30 MG/KG	1.9 MG/KG	AOAC 2006.03 (2006)
PH (10 PCT WATER SOLUTION)	4.5 MINIMUM	6.4	ISO 6353/1-1982
SIZE 1~4MM	MINIMUM 90 PCT	95.7 PCT	TFI IV. A. (1982)



This document is issued, on the Client's behalf, by the Company under its General Conditions of Service printed overleaf. The Client's attention is drawn to the limitation of liability, indemnification and jurisdiction issues detailed therein.

Any other holder of this document is advised that information contained hereon reflects the Company's findings at the time of its intervention only and within the limits of Client's instructions, if any. The Company's sole responsibility is to its Client and this document does not exonerate parties to a transaction from exercising all their rights and obligations under the transaction documents.

Young

SGSPAPER
15595392

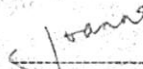




AFFILIATE CODE: F615001
SGS ORDER NO.: 16063629-A1

*The manual sampling method was agreed with the SGS Principal, as sampling by more reliable methods that provide probability samples was not possible or was not selected by the SGS Principal. The Holder of this document is cautioned that collected MANUAL samples of this type do not satisfy the minimum requirements for probability sampling, and as such cannot be used to draw statistical inferences such as precision, standard error, or bias. The suitability of this sampling method is defined by the sampling standard.
This Certificate cancels and supersedes the Certificate No. 15595368, 15595371, 15595375-15595376 and 15595381-15595382, dated April 30, 2015 issued by SGS-CSTC Standards Technical Services Co., Ltd Nanjing Branch.*

May04, 2015
SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch



Authorised Signature



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SGSPAPER
15595391





AFFILIATE CODE: F615001
SGS ORDER NO.: 16063629-Q1

Page 1 of 2

CERTIFICATE OF QUALITY

PRINCIPAL : DOHIGH TRADING LIMITED
DECLARED COMMODITY : CHEMICALLY COMPOUNDED NPK 23:23:0, WITH THE PRODUCT SPECIFICATIONS AS PER THE KENYA BUREAU OF STANDARDS KS 158:2012
DECLARED QUANTITY : 8340 METRIC TONS AS PER B/L OUT OF TOTAL 17,042 MT AS PER DRAFT SURVEY
B/L No. AND DATE : N275003CNTSI01 DATED ON APRIL 18, 2015
PORT OF LOADING : JINGJIANG PORT, CHINA
PORT OF DISCHARGE : MOMBASA PORT, KENYA
VESSEL NAME : MV LOCOMOTION
DATE OF INSPECTION : APRIL 14~18, 2015

In accordance with instruction received from Messrs DOHIGH TRADING LIMITED, we, SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch, carried out sampling, analysis and report our findings as follows:

SAMPLING AND ANALYSIS:

The sampling was performed manually through loading operation for the whole cargo. 5000mt as one sub-lot with 135 increments per sub-lot were sampled, about 0.5 kilograms per increment.

The composite sample has been drawn during loading and was sent to SGS laboratory. The analysis rendered the following results:

ITEM	SPECIFICATION	TEST RESULT	STANDARD
TOTAL NITROGEN BY WEIGHT	MINIMUM 23.00 PCT	23.66 PCT	2.4.04 AOAC 970.02(2005)
AMMONIACAL NITROGEN BY WEIGHT	MINIMUM 11.50 PCT	12.07 PCT	2.4.08 AOAC 920.04(2005)
AMIDE NITROGEN BY WEIGHT	MINIMUM 11.50 PCT	11.59 PCT	CALCULATION
NEUTRAL AMMONIUM CITRATE SOLUBLE PHOSPHATES (AS P2O5) BY WEIGHT	MINIMUM 23.00 PCT	23.00 PCT	2.3.13 AOAC 960.03 (2005)
WATER SOLUBLE PHOSPHATES (AS P2O5) BY WEIGHT	MINIMUM 18.50 PCT	19.28 PCT	2.3.06 AOAC 977.01(2005)
MOISTURE BY WEIGHT	MAXIMUM 1.50 PCT	0.47 PCT	AFPC XI. 2. B(1991)
ARSENIC (As)	MAXIMUM 20 MG/KG	1.6 MG/KG	AOAC 2006.03 (2006)
SELENIUM (Se)	MAXIMUM 1 MG/KG	<1 MG/KG	AOAC 2006.03 (2006)
MERCURY (Hg)	MAXIMUM 0.1 MG/KG	<0.1 MG/KG	EPA7473
CADMIUM (Cd)	MAXIMUM 7 MG/KG	<1 MG/KG	AOAC 2006.03 (2006)
LEAD (Pb)	MAXIMUM 30 MG/KG	1.9 MG/KG	AOAC 2006.03 (2006)
PH (10 PCT WATER SOLUTION)	4.5 MINIMUM	6.4	ISO 6353/1-1982
SIZE 1~4MM	MINIMUM 90 PCT	95.7 PCT	TFI IV. A. (1982)

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Voanna

SGSPAPER
15595388

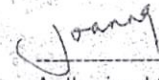




AFFILIATE CODE: F615001
SGS ORDER NO.: 16063629-Q1

The manual sampling method was agreed with the SGS Principal, as sampling by more reliable methods that provide probability samples was not possible or was not selected by the SGS Principal. The Holder of this document is cautioned that collected MANUAL samples of this type do not satisfy the minimum requirements for probability sampling, and as such cannot be used to draw statistical inferences such as precision, standard error, or bias. The suitability of this sampling method is defined by the sampling standard. This Certificate cancels and supersedes the Certificate No. 15595368, 15595371, 15595375-15595376 and 15595381-15595382, dated April 30, 2015 issued by SGS-CSTC Standards Technical Services Co., Ltd Nanjing Branch.

May 04, 2015
SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch



Authorised Signature



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SGSPAPER
15595387





AFFILIATE CODE: F615001
SGS ORDER NO.: 16063629-W1

Page 1 of 1

CERTIFICATE OF WEIGHT

PRINCIPAL : DOHIGH TRADING LIMITED
DECLARED COMMODITY : CHEMICALLY COMPOUNDED NPK 23:23:0, WITH THE
PRODUCT SPECIFICATIONS AS PER THE KENYA
BUREAU OF STANDARDS KS 158:2012
DECLARED QUANTITY : 8340 METRIC TONS AS PER B/L OUT OF TOTAL 17,042 MT
AS PER DRAFT SURVEY
B/L No. AND DATE : N275003CNTSI01 DATED ON APRIL 18, 2015
PORT OF LOADING : JINGJIANG PORT, CHINA
PORT OF DISCHARGE : MOMBASA PORT, KENYA
VESSEL NAME : MV LOCOMOTION
DATE OF INSPECTION : APRIL 14-18, 2015

In accordance with instruction received from Messrs DOHIGH TRADING LIMITED, we, SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch, carried out draft survey and report our findings as follows:

WEIGHT:

The weight of cargo loaded into the M/V "LOCOMOTION" at JINGJIANG port was ascertained on the basis of the vessel's initial and final Draft Survey performed before and after loading the shipment in bulk and the following result was obtained:

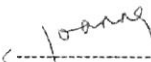
**8,340 METRIC TONS (AS PER B/L NO. N275003CNTSI01)
OUT OF TOTAL 17,042 METRIC TONS (AS PER DRAFT SURVEY)**

All drafts, densities, as well as fresh water, ballast, bilge and fuel oil soundings were ascertained in conjunction with the vessel's Officers. All calculations are based upon the vessel's hydrostatic tables and the vessel's calibrated tank sounding tables, as provided to the Draft Surveyors.

This survey was conducted by using the internationally accepted method of determining vessel's displacement by draft survey. This certificate is not a certificate of seaworthiness and only applies to the cargo loading at this date, time, and place with the master being responsible for the stability and seaworthiness of his vessel at all times.

This Certificate cancels and supersedes the Certificate No. 15595368, 15595371, 15595375-15595376 and 15595381-15595382, dated April 30, 2015 issued by SGS-CSTC Standards Technical Services Co., Ltd Nanjing Branch.

May 05, 2015
SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch



Authorised Signature



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SGSPAPER
15595364





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100036
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Fax: (86-10) 6845 7979

中国, 北京
阜成路 73 号
世纪裕惠大厦 16 层
邮编: 100036
电话: (86-10) 6845 6699
传真: (86-10) 6845 7979

AFFILIATE CODE: F615001
SGS ORDER NO.: 16063629-P1

Page 1 of 1

PACKING LIST

PRINCIPAL : DOHIGH TRADING LIMITED
DECLARED COMMODITY : CHEMICALLY COMPOUNDED NPK 23:23:0, WITH THE
PRODUCT SPECIFICATIONS AS PER THE KENYA
BUREAU OF STANDARDS KS 158:2012
DECLARED QUANTITY : 8340 METRIC TONS AS PER B/L OUT OF TOTAL 17,042
MT AS PER DRAFT SURVEY
B/L No. AND DATE : N275003CNTSI01 DATED ON APRIL 18, 2015
PORT OF LOADING : JINGJIANG PORT, CHINA
PORT OF DISCHARGE : MOMBASA PORT, KENYA
VESSEL NAME : MV LOCOMOTION
DATE OF INSPECTION : APRIL 14~18, 2015

In accordance with instruction received from Messrs DOHIGH TRADING LIMITED, we, SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch, carried out draft survey and report our findings as follows:

QUANTITY:

The total quantity/weight of loaded cargo was determined by initial and final draft survey performed by SGS-CSTC surveyor and Chief Officer of MV LOCOMOTION at JINGJIANG port and we hereby report our findings as follows:

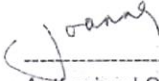
**8,340 METRIC TONS (AS PER B/L NO. N275003CNTSI01)
OUT OF TOTAL 17,042 METRIC TONS (AS PER DRAFT SURVEY)**

All drafts, densities, as well as fresh water, ballast, bilge and fuel oil soundings were ascertained in conjunction with the vessel's Officers. All calculations are based upon the vessel's hydrostatic tables and the vessel's calibrated tank sounding tables, as provided to the Draft Surveyors.

This survey was conducted by using the internationally accepted method of determining vessel's displacement by draft survey. This certificate is not a certificate of seaworthiness and only applies to the cargo loading at this date, time, and place with the master being responsible for the stability and seaworthiness of his vessel at all times.

This Certificate cancels and supersedes the Certificate No. 15595368, 15595371, 15595375-15595376 and 15595381-15595382, dated April 30, 2015 issued by SGS-CSTC Standards Technical Services Co., Ltd Nanjing Branch.

May 04, 2015
SGS-CSTC Standards Technical Services Co., Ltd Nanjing branch



Authorised Signature

SGS

This document is issued, on the Client's behalf, by the Company under its General Conditions of Service printed overleaf. The Client's attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.

Any other holder of this document is advised that information contained herein reflects the Company's findings at the time of its intervention only and within the limits of Client's instructions, if any. The Company's sole responsibility is to its Client and this document does not exonerate parties to a transaction from exercising all their rights and obligations under the transaction documents.

SGSPAPER
15595386



ANNEX 8

KEBS Head Office
P. O. Box 54974, Nairobi 00200
Tel: +254 (0) 20 694 8000
Mobile: 0722 202137/6,
0734 600 471/2
Fax: +254 (0) 20 694 5575
E-Mail: info@kebs.org
Web: http://www.kebs.org

REF: KEBS/COR/KLD/INS/14/6/VOL 16(36)

DATE: 2015-05-25

The Master
MV Locomotion

Dear Sir,

RE: STOPPAGE OF THE DISCHARGE

Physical inspection conducted this afternoon on hatch No 2/4 has found that the fertilizer has hardened and lump.

The goods does not meet the requirements of KS 158: 2012 (Solid Compound Fertilizer Specification).

We are therefore requesting to stop the discharge with immediate effect.

Yours faithfully,

Oteko J. Otieno
FOR: REGIONAL MANAGER - COAST
SB/cmm

CC: MD - KEBS
CC: DIR QA & I
CC: Ag. CHIEF MANAGER - INSPECTION
CC: RM-COR

KEBS Coast Region
P. O. Box 99376, Mombasa 60100
Tel: +254 (0) 41 2317050, 223093932/40
Fax: +254 (0) 41 229 448
E-mail: kebs-mombasa@kebs.org

KEBS Lake Region
P. O. Box 2946, Kisumu 40100
Tel: +254 (0) 51 202 8356, 202 8549
Fax: +254 (0) 51 202 7814
E-mail: kebs-kisumu@kebs.org

KEBS South Rift Region
P. O. Box 2138, Nakuru 20100
Tel: +254 (0) 51 221 0553/5, 221 1206
Fax: +254 (0) 51 221 0076
E-Mail: kebs-nakuru@kebs.org

KEBS North Rift Region
P. O. Box 6111, Eldoret 30100
Tel: +254 (0) 53 2033151
Fax: +254 (0) 53 2033150
E-Mail: kebs-eldoret@kebs.org

KEBS Mt Kenya Region
P. O. Box 1790, Nyeri 10100
Tel: +254 (0) 61 203 3410/1
Fax: +254 (0) 61 203 2038
E-Mail: kebs-nyeri@kebs.org

KEBS North Eastern Region
P. O. Box 978, Garissa 70100
Tel: +254 (0) 45 25111
Fax: +254 (0) 45 3455
E-Mail: kebs-garissa@kebs.org



Kenya Bureau of Standards
Standards for Quality 2010

STA/34B

THE STANDARDS ACT
(Cap 496 of the laws of Kenya)

INSPECTION REPORT FORM

Date 23-05-2015

1. Verification Point BERG 07
2. Importers Name NCPB
STANTANE LTD
3. Container No's verified (where applicable)/ motor vehicle chassis No.....
BULK DIRECT
4. a) Import Entry Number(s)
- b) Description of goods and applicable Kenya standard(s)
NPX 23:23:0
- c) Goods covered by PVoC program?.....CoC/CoR/NCR
No.....
5. Penalty (where applicable) KES.....Receipt
No.....

6. Findings A visit was conducted this afternoon by Martin Kedi & Brenda Benson and made the following findings:
1. The consignment of fertilizer is jumpy and caky thus not free flowing and hence the use of excavator to dig & scoop.
2. This situation has since not improved from the last visit conducted on 23-05-2015.
Due to bumps the application in the farms would be affected cumbersome and almost impossible.

7. Remarks (Inspector's opinion) Based on the above observations we recommend stoppage of the discharge.

Inspectors name KEDI K.M. Signature [Signature]

8. Action taken (Released/Rejection/Retained) Goods affected DUE TO

Action taken by (Name) [Signature] Signature [Signature]

Date 23/05/2015

Goods affected DUE TO
[Signature]
23/05/2015



Kenya Bureau of Standards
Standards for quality life

ANNEX VI - LETTER TO
STUNTWAVE

KEBS Head Office
P.O. Box 54874, Nairobi 00200
Tel: +254 (0) 20 694 8000
Mobile: 0722 252525
0734 600 4715
Fax: +254 (0) 20 694 8575
E-Mail: info@kebs.org
Web: <http://www.kebs.org>

DATE: 2015-05-27

REF: KEBS/COR/KLD/INS/14/6/16/(38)

KEBS Coast Region
P.O. Box 29376, Mombasa 80100
Tel: +254 (0) 41 201 7099, 22 57 0834 90
Fax: +254 (0) 41 201 848
Email: kebs-coast@kebs.org

The Managing Director
Stuntwave Limited
P.O.Box 88799-80100
MOMBASA

Dear Sir,

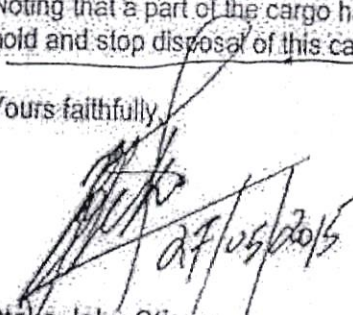
RE: 9782 METRIC TONNES OF NPK FERTILIZER ON BOARD MV LOCOMOTION

Reference is made to the above cargo imported by yourself and released by KEBS for direct loading on 12th May 2015.

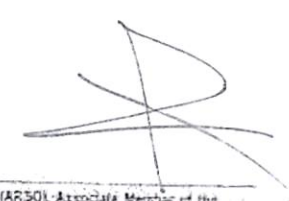
Inspection was conducted on 23rd and 25th May 2015 at Berth No. 7 and it was established that the fertilizer was lumpy and hardened, which is against the requirements of KS 158-2012: Kenya Standard Specification for Solid Compound Fertilizer.

Noting that a part of the cargo had already been released to you, you are hereby required to hold and stop disposal of this cargo into the market.

Yours faithfully,


Oteko John Otieno
FOR ; REGIONAL MANAGER
BB/mak

CC: RM-COAST



1

2

3

4

5



KEBS Head Office
P. O. Box 54974, Nairobi, 00200
Tel: +254 (0) 20 6005490, 6005506,
Mobile: 0722 202137/8,
0734 600 471/2
Fax: +254 (0) 20 6009 660
Direct Dial: +254 (0) 20 694 8000
E-Mail: info@kebs.org
Web: http://www.kebs.org

KEBS Coast Region
P. O. Box 99376, Mombasa 60100
Tel: +254 (0) 41 2317050, 2230939/38/40
Fax: +254 (0) 41 229 448
E-mail: kebs-msa@kebs.org

KEBS Lake Region
P. O. Box 2949, Kisumu 40100
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Fax: +254 (0) 57 202 7814
E-mail: kebs-kisumu@kebs.org

KEBS South Rift Region
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Fax: +254 (0) 51 221 0076
E-Mail: kebs-nakuru@kebs.org

KEBS North Rift Region
P. O. Box 8111, Eldoret 30100
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Fax: +254 (0) 53 2033150
E-Mail: kebs-eldoret@kebs.org

KEBS Mt. Kenya Region
P. O. Box 1790, Nyeri 10100
Tel: +254 (0) 61 203 4410/1
Fax: +254 (0) 61 203 2038
Web: kebs-nyeri@kebs.org

KEBS North Eastern Region
P. O. Box 978, Garissa 70100
Tel: +254 (0) 48 2519
Fax: +254 (0) 46 3455
E-Mail: kebs-garissa@kebs.org

Our Ref: KEBS/OP/21/1/Vol. 4 (54)

Date: 2015-05-27

Andrei Koval
PVoC Contract Manager
SGS
Victoria Towers
Kilimanjaro Avenue
P. O. Box 72118
NAIROBI

Dear Sir,

RE: INSPECTION REPORTS AND CERTIFICATION BASIS OF FERTILIZER

Reference is made to the above captioned subject matter and CoCs listed below.

CoC No	Client	Date of Issue
S-2015/05/289673	National Cereals & Produce Board	12/05/2015
S-2015/05/289714	Stuntwave Ltd	12/05/2015

You are hereby requested to provide us with the certification basis including inspection and test reports used for issuance of the above referenced CoCs for the shipment.

Your quick response to this is highly appreciated.

Yours faithfully,

Eric Chesire

FOR: DIRECTOR – QUALITY ASSURANCE & INSPECTION
JR/sm

Attach: Copies of CoC



33903



IMPORTS SAMPLING FORM

Point of Inspection BEATH NO. 7+

Name of Product NPK FERTILIZER

Labeling Details BULK FERTILIZER ON BOARD - MV. LOCOMOTION

Name and Full Address of Importer NATIONAL CEREALS & PRODUCE BOARD
NAIROBI & STANTWAVE LTD

Tel: _____ Fax: _____

Physical Location _____

Name of Contact Person _____ Tel: _____

Name and Full Address of Supplier DOLHIGH TRADING LTD
Room 4601-10 - MANCHA, HONG KONG

Country of Origin CHINA Quantity 7260

Customs I.E. No. 5418604, 5418595 PRO No. 5415153

Container nos. Bulk cargo CoC No. S-2015/05/289673

Condition of Products Lumpy S-2015/05/289714

Manufacturing Date _____ Expiry Date _____

Sampling Methods Random

Sample Size 4 KGS

Reasons for collecting sample Test for compliance with KS 158:2012

Kenya Standard Referenced KS 158

Mode of release held at the port.

Details of non compliance Lumpy and Hardened.

Remarks _____

KENSON KUNDA S-I-T [Signature] 29/05/2015
 KEBS Inspector Designation Signature Date

 Name of witness Designation Signature Date

Note:
 This form should be filled in duplicate

Laboratory Test Report

Report Ref: KEBS/TES/1560/A/15

Date: 08 June 2015

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| 1. Description of Sample: Fertilizer- NPK | 7. Customers Ref No: KEBS/COR/KLD/INS/22/5/24/5 |
| 2. Sample Submitted by: KEBS COAST REGION-IMPORTS INSP. (KLD) | 8. KEBS Sample Ref.No: BS201516119 |
| 3. Customer Contact: JAPHET RONO | 9. Date of Receipt: 30 May 2015 |
| 4. PRO No: | 10. Date Analysis Started: 30 May 2015 |
| 5. Country of Origin: China | 11. Sample Submission Form No: 54685 |
| 6. Customs Entry Number: 5418604 | |
| 12. Additional information provided by the customer:
H4 | |
| 13. Acceptance criteria-title and number of specification against which it is tested:
KS 158 Kenya Standard Specification for Solid Compound Fertilizers | |
| 14. Parameters tested and Method(s) of test: as listed in the report below: | |

LABORATORY TEST REPORT

No.	Parameters	Results	Requirements	Test Method No
1.	Appearance	Not free flowing and had formed lumps	Shall be homogenous and free-flowing, in the form of granules, pellets, prills or crystals.	KS 158
2.	Arsenic as As ppm	12	20Max	AAS
3.	Cadmium as Cd ppm	0.032	30Max	AAS
4.	Iron % m/m	0.3	0.1Min	AAS
5.	Lead as Pb ppm	0.24	30Max	AAS
6.	Mercury as Hg ppm	Not detected	0.1Max	AAS
7.	Moisture Content % m/m	1.5	1.5Max	TES/06/TM/20
8.	pH	6.2	4.5Min	KS 158
9.	Phosphorous % m/m	23.6	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/24
10.	Potassium as K2O % m/m	0.3	Lower limit of declared value shall not vary by more than 1.1 units	FES

COMMENTS/REMARKS:

The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue



Laboratory Test Report

Report Ref: KEBS/TES/1560/A/15

Page 2 of 2

Date: 08 June 2015

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|---------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------|----------------------------|
| 1. Description of Sample: | Fertilizer- NPK | 7. Customers Ref No: | KEBS/COR/KLD/INS/22/5/24/5 |
| 2. Sample Submitted by: | KEBS COAST REGION-IMPORTS INSP. (KLD) | 8. KEBS Sample Ref.No: | BS201516119 |
| 3. Customer Contact: | JAPHET RONO | 9. Date of Receipt: | 30 May 2015 |
| 4. PRO No: | | 10. Date Analysis Started: | 30 May 2015 |
| 5. Country of Origin: | China | 11. Sample Submission Form No: | 54685 |
| 6. Customs Entry Number: | 5418604 | | |
| 12. Additional information provided by the customer: | H4 | | |
| 13. Acceptance criteria-title and number of specification against which it is tested: | KS 158 Kenya Standard Specification for Solid Compound Fertilizers | | |
| 14. Parameters tested and Method(s) of test: as listed in the report below: | | | |

LABORATORY TEST REPORT

No.	Parameters	Results	Requirements	Test Method No
11.	Sieve Test % m/m	Sample is in cake form & sieve test cannot be done	Not Less than 90% by mass shall be in the particle size range of 1mm to 4mm	KS 158
12.	Sulphur % m/m	4.7	1Min	KS 158
13.	Total Nitrogen as N % m/m	22.41	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/21

$$\frac{23.1}{1.1} = 21.9 \text{ Min}$$
 Failure

COMMENTS/REMARKS:
The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue

Laboratory Test Report

Report Ref: KEBS/TES/1559/A/15

Date: 08 June 2015

- | | |
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| 1. Description of Sample: Fertilizer- NPK | 7. Customers Ref No: KEBS/COR/KLD/INS/22/5/24/5 |
| 2. Sample Submitted by: KEBS COAST REGION-IMPORTS INSP. (KLD) | 8. KEBS Sample Ref.No: BS201516118 |
| 3. Customer Contact: JAPHET RONO | 9. Date of Receipt: 30 May 2015 |
| 4. PRO No: | 10. Date Analysis Started: 30 May 2015 |
| 5. Country of Origin: China | 11. Sample Submission Form No: 54685 |
| 6. Customs Entry Number: 5418604 | |
| 12. Additional information provided by the customer:
H2 | |
| 13. Acceptance criteria-title and number of specification against which it is tested:
KS 158 Kenya Standard Specification for Solid Compound Fertilizers | |
| 14. Parameters tested and Method(s) of test: as listed in the report below: | |

LABORATORY TEST REPORT

No.	Parameters	Results	Requirements	Test Method No
1.	Appearance	Not free flowing and had formed lumps	Shall be homogenous and free-flowing, in the form of granules, pellets, prills or crystals.	KS 158
2.	Arsenic as As ppm	13	20Max	AAS
3.	Cadmium as Cd ppm	0.36	30Max	AAS
4.	Iron % m/m	0.28	0.1Min	AAS
5.	Lead as Pb ppm	0.36	30Max	AAS
6.	Mercury as Hg ppm	0.01	0.1Max	AAS
7.	Moisture Content % m/m	1.4	1.5Max	TES/06/TM/20
8.	pH	6.3	4.5Min	KS 158
9.	Phosphorous % m/m	21.5	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/24
10.	Potassium as K2O % m/m	0.3	Lower limit of declared value shall not vary by more than 1.1 units	FES

COMMENTS/REMARKS:

The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue



Laboratory Test Report

Report Ref: KEBS/TES/1559/A/15

Page 2 of 2

Date: 08 June 2015

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| 1. Description of Sample: Fertilizer- NPK | 7. Customers Ref No: KEBS/COR/KLD/INS/22/5/24/5 |
| 2. Sample Submitted by: KEBS COAST REGION-IMPORTS INSP. (KLD) | 8. KEBS Sample Ref.No: BS201516118 |
| 3. Customer Contact: JAPHET RONO | 9. Date of Receipt: 30 May 2015 |
| 4. PRO No: | 10. Date Analysis Started: 30 May 2015 |
| 5. Country of Origin: China | 11. Sample Submission Form No: 54685 |
| 6. Customs Entry Number: 5418604 | |
| 12. Additional information provided by the customer:
H2 | |
| 13. Acceptance criteria-title and number of specification against which it is tested:
KS 158 Kenya Standard Specification for Solid Compound Fertilizers | |
| 14. Parameters tested and Method(s) of test: as listed in the report below: | |

LABORATORY TEST REPORT

No.	Parameters	Results	Requirements	Test Method No
11.	Sieve Test % m/m	Sample is in cake form & sieve test cannot be done	Not Less than 90% by mass shall be in the particle size range of 1mm to 4mm	KS 158
12.	Sulphur % m/m	4.7	1Min	KS 158
13.	Total Nitrogen as N % m/m	23.22	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/21

COMMENTS/REMARKS:

The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue

REF: KEBS/ HQ/ TES/ 1/ 2/ 44

Date: 2015-06-08

The Managing Director
National Cereals & Produce Board
P. O. Box 30586 -00100
NAIROBI

Dear Sir,

**TEST REPORTS FOR THE FERTILIZER-NPK (23.23.0) SAMPLED
FROM MV LOCOMOTION VESSEL**

Forwarded, please find the test report of the fertilizer samples collected from Mombasa Port on 29th May 2015.

The samples were tested against the requirements of *Kenya Standard Specification for Solid Compound Fertilizer (KS 158: 2012)*. The results indicate that the samples complied with the performance requirements except on the parameter of appearance which was found not free-flowing and had formed lumps against the requirement that the product shall be homogenous and free-flowing, in the form of granules, pellets, prills or crystals.

Yours faithfully,

Dennis Moturi
For: **MANAGING DIRECTOR**





Laboratory Test Report

Report Ref: KEBS/TES/1559/A/15

Date: 08 June 2015

- | | |
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| 2. Sample Submitted by: KEBS COAST REGION-IMPORTS INSP. (KLD) | 8. KEBS Sample Ref.No: BS201516118 |
| 3. Customer Contact: JAPHET RONO | 9. Date of Receipt: 30 May 2015 |
| 4. PRO No: | 10. Date Analysis Started: 30 May 2015 |
| 5. Country of Origin: China | 11. Sample Submission Form No: 54685 |
| 6. Customs Entry Number: 5418604 | |
| 12. Additional information provided by the customer:
H2 | |
| 13. Acceptance criteria-title and number of specification against which it is tested:
KS 158 Kenya Standard Specification for Solid Compound Fertilizers | |
| 14. Parameters tested and Method(s) of test: as listed in the report below: | |

LABORATORY TEST REPORT

No.	Parameters	Results	Requirements	Test Method No
1.	Appearance	Not free flowing and had formed lumps	Shall be homogenous and free-flowing, in the form of granules, pellets, prills or crystals.	KS 158
2.	Arsenic as As ppm	13	20Max	AAS
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5.	Lead as Pb ppm	0.36	30Max	AAS
6.	Mercury as Hg ppm	0.01	0.1Max	AAS
7.	Moisture Content % m/m	1.4	1.5Max	TES/06/TM/20
8.	pH	6.3	4.5Min	KS 158
9.	Phosphorous % m/m	21.5	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/24
10.	Potassium as K2O % m/m	0.3	Lower limit of declared value shall not vary by more than 1.1 units	FES

COMMENTS/REMARKS:

The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue

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Laboratory Test Report

Report Ref: KEBS/TES/1559/A/15

Date: 08 June 2015

1. Description of Sample: Fertilizer- NPK
2. Sample Submitted by: KEBS COAST REGION-IMPORTS INSP. (KLD)
3. Customer Contact: JAPHET RONO
4. PRO No:
5. Country of Origin: China
6. Customs Entry Number: 5418604

7. Customers Ref No: KEBS/COR/KLD/INS/22/5/
24/5
8. KEBS Sample Ref.No: BS201516118
9. Date of Receipt: 30 May 2015
10. Date Analysis Started: 30 May 2015
11. Sample Submission Form No: 54685

12. Additional information provided by the customer:
H2

13. Acceptance criteria-title and number of specification against which it is tested:
KS 158 Kenya Standard Specification for Solid Compound Fertilizers

14. Parameters tested and Method(s) of test: as listed in the report below:

LABORATORY TEST REPORT

No.	Parameters	Results	Requirements	Test Method No
11.	Sieve Test % m/m	Sample is in cake form & sieve test cannot be done	Not Less than 90% by mass shall be in the particle size range of 1mm to 4mm	KS 158
12.	Sulphur % m/m	4.7	1Min	KS 158
13.	Total Nitrogen as N % m/m	23.22	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/21

COMMENTS/REMARKS:

The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue



Laboratory Test Report

Report Ref: KEBS/TES/1560/A/15

Date: 08 June 2015

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| 4. PRO No: | | 10. Date Analysis Started: | 30 May 2015 |
| 5. Country of Origin: | China | 11. Sample Submission Form No: | 54685 |
| 6. Customs Entry Number: | 5418604 | | |
| 12. Additional information provided by the customer: | H4 | | |
| 13. Acceptance criteria-title and number of specification against which it is tested: | KS 158 Kenya Standard Specification for Solid Compound Fertilizers | | |
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5.	Lead as Pb ppm	0.24	30Max	AAS
6.	Mercury as Hg ppm	Not detected	0.1Max	AAS
7.	Moisture Content % m/m	1.5	1.5Max	TES/06/TM/20
8.	pH	6.2	4.5Min	KS 158
9.	Phosphorous % m/m	23.6	Lower limit of declared value shall not vary by more than 1.1 units	TES/06/TM/24
10.	Potassium as K ₂ O % m/m	0.3	Lower limit of declared value shall not vary by more than 1.1 units	FES

COMMENTS/REMARKS:

The sample performed as shown

Anthony Irungu - Manager, Food and Agriculture Laboratory
FOR: MANAGING DIRECTOR

08 June 2015
Date of Issue