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THIRTEENTH PARLIAMENT – THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

REPORT ON:

THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 APR 2024	DAY: Thursday
TABLED BY:	Hon. John Mutunga (Chairperson, Agriculture & Livestock Committee)
CLERK-AT THE-TABLE:	Shibuko

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CHAIRPERSON'S FOREWORD

This report contains proceedings of the Departmental Committee on Agriculture and Livestock on its consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*) which was published in the Kenya Gazette Supplement No. 9 of 6th February 2023. The Bill went through the First Reading on 16th August 2023 and was thereafter committed to the Departmental Committee on Agriculture and Livestock for consideration and reporting to the House pursuant to Standing Order 127.

The Bill has fifty-six (56) clauses and one Schedule and seeks to provide for the production, processing, marketing and distribution of cotton and its products in Kenya; establish the Cotton Industry Development Board; provide a framework for cotton farming; and ensure value addition to cotton and its related products.

Following placement of advertisements in the print media on Friday, 25th August 2023 seeking public and stakeholder views on the Bill pursuant to Article 118(1) (b) of the Constitution and Standing Order 127(3), the Committee received memoranda from the State Department for Industry and the Agriculture and Food Authority.

The Committee also invited stakeholders vide letter REF: NA/DDC/A&L/2023/058 dated 26th September 2023 (*annex 3*) for a stakeholders' engagement meeting on the Bill which was held in the Committee Room on Fifth Floor, Continental House, Parliament Buildings on Thursday, 12th October 2023 with four (4) stakeholders making oral presentations before the Committee.

Majority of the stakeholders were in support of the Bill, noting that enactment of the Bill will play a key role in reviving the cotton industry in the country. They observed that disbandment of the Cotton Marketing Board had resulted in underperformance of the cotton industry. Most ginneries had been closed and the few that were still in business had difficulties in getting cotton for processing.

AFA, which was opposed to the establishment of the Cotton Industry Development Board, observed that the Board would negate the policy direction of the Government that informed the merger of various agriculture sector boards into AFA. Additionally, AFA averred that the Crops Act, 2013 and the Agriculture and Food Authority Act, 2013 provide a framework for regulation, development and promotion of the cotton crop and other fibre crops.

The Committee on its part observed that the cotton industry in the country needs to be revived at all costs and that the Cotton Industry Development Bill, 2023 will play a key role in ensuring that there is enough cotton in the country for local use and for export. The Cotton Industry Development Board that will be established through this Bill will play a key role in the marketing, production of good quality and adequate seeds, and regulation of the industry among others.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee also thanks the Agriculture and Food Authority, State Department for Industry, the Council of Governors and the Cotton Ginneries Association for submitting their views on the Bill.

Finally, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made useful contributions towards the preparation and production of this report.

On behalf of the Departmental Committee on Agriculture and Livestock and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*).

It is my pleasure to report that the Committee has considered the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*) and has the honour to report back to the National Assembly with the recommendation that the Bill be **approved with amendments as reported by the Committee**.

Hon. (Dr.) John Kanyuithia Mutunga, MP
Chairperson, Departmental Committee on Agriculture and Livestock

CHAPTER ONE

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Agriculture and Livestock is one of the fifteen Departmental Committees of the National Assembly established under **Standing Order 216** whose mandates pursuant to the **Standing Order 216 (5)** are as follows:
 - i. *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
 - ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
 - iii. **To study and review all the legislation referred to it;**
 - iv. *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;*
 - v. *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
 - vi. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No. 204 (Committee on appointments);*
 - vii. *To examine treaties, agreements and conventions;*
 - viii. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
 - ix. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - x. *To examine any questions raised by Members on a matter within its mandate.*

1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider agriculture, livestock, food production and marketing.
3. In executing its mandate, the Committee oversees the Ministry of Agriculture and Livestock Development.

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Agriculture and Livestock was constituted by the House on 27th October 2022 and comprises of the following Members:

Chairperson

Hon. (Dr.) John Kanyuithia Mutunga, PhD, MP
Tigania West Constituency

UDA Party

Vice-Chairperson

Hon. Brighton Leonard Yegon, MP
Konoin Constituency

UDA Party

Hon. Sabina Wanjiru Chege, CBS, MP
Nominated Member

Jubilee Party

Hon. Ferdinand Kevin Wanyonyi, MP
Kwanza Constituency

Ford Kenya Party

Hon. Geoffrey Makokha Odanga, MP
Matayos Constituency

ODM Party

Hon. Justice Kipsang Kemei, MP
Sigowet/Soi Constituency

UDA Party

Hon. Jared Okello Odoyo, MP
Nyando Constituency

ODM Party

Hon. Lawrence Mpuru Aburi, MP
Tigania East Constituency

JOPEU Party

Hon. David Kiplagat, MP
Soi Constituency

UDA Party

Hon. Gabriel Gathuka Kagombe, MP
Gatundu South Constituency

UDA Party

Hon. Monicah Muthoni Marubu, MP
Lamu County

Independent Member

Hon. Pamela Njoki Njeru, MP
Embu County

UDA Party

Hon. Patrick Kibagendi Osero, MP
Borabu Constituency

ODM Party

Hon. Peter Kalerwa Salasya, MP
Mumias East Constituency

DAP-K Party

Hon. Yussuf Mohamed Farah, MP
Wajir West Constituency

ODM Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following staff:

Ms. Laureen Omusa Wesonga
Clerk Assistant I/Head of Secretariat

Mr. Victor Kanda Kilimo
Clerk Assistant III

Ms. Brigitta Mati
Legal Counsel I

CPA. Robert Ng'etich
Fiscal Analyst II

Mr. David Ng'eno
Research Officer II

Mr. Gerald Kadede
Legal Counsel II

Mr. Muhumed Shillow
Research Officer III

Ms. Zainabu Sora
Serjeant-at-Arms I

Mr. Erastus Lotuk
Public Relations Officer III

Ms. Edith Chepngeno
Media Relations Officer III

Mr. Kelvin Sakani
Audio Recording Officer III

CHAPTER TWO

2 BACKGROUND OF THE COTTON INDUSTRY IN KENYA

2.1 INTRODUCTION

6. Cotton is one of the most important raw materials of the textiles and apparel sectors. The cotton-textile and apparel industry have the potential to absorb skilled, semi-skilled, and non-skilled workers within its chain of production. The cotton sub-sector in Kenya, however, recorded its peak performance in 1984 when cotton production was over 70,000 bales supplying the domestic textile industry, which comprised of 52 textile mills. The textile and clothing industry was at that time the second largest employer after the civil service.
7. Since then, however, domestic spinning and weaving capacities have drastically reduced from approximately 52 textile mills to only 15 main textile mills that are at less than 45 percent of their total capacity.
8. The key reason attributed to the collapse of the industry was the Global Economic Reforms under the Structural Adjustment Programme's (SAP) and Trade Liberalization of the 1980s/90s. Corruption and mismanagement at the defunct Cotton Board of Kenya also contributed to the collapse of the industry.
9. The current production of cotton lint in Kenya is approximately 7,000 tons versus a potential production of 200,000 tons. The production has been volatile for the last few years and has not been sufficient to meet the domestic mill requirement. As a result, Kenyan firms import cotton from neighbouring cotton-producing countries such as Uganda and Tanzania.
10. The existing mills operate using outdated technology and suffer from low levels of skilled labour and low productivity. The cost of electricity is a major cost driver for textile mills, as are the high maintenance and overhead costs due to old equipment. A further cost driver is the need to either use high-cost imported material or low-quality local fiber which requires additional processing.
11. Economic history shows that the clothing and textile industry in Kenya played an important role in the industrialization of today's developed countries. This is because of the industry's unique characteristics of being labour intensive and its links with other sectors of the economy such as agriculture.
12. The cotton, textiles, and apparel (CTA) industry is Kenya's second-largest manufacturing industry after food processing and has been classified as a core industry. Kenya's CTA manufacturing value chain comprises researchers, ginners, farmers, spinners, input suppliers, textile manufacturers, and extension service providers.
13. Under the Government's policy of addressing poverty 'Kenya Vision 2030', cotton has been identified as a key sub-sector with the potential to benefit eight (8) million people in the drier areas of the country.
14. The textiles and apparels sector has the ability to create a large number of employment opportunities within a short duration of time. A fully developed value chain has the capacity to employ about 10% of the country's population. The value chain is also an important driver of inclusivity as it employs women in excess of 60%.

2.2 POLICY AND LEGAL FRAMEWORK IN THE COTTON SUB-SECTOR

15. The AFA, Fibre Crops Directorate is the regulator, developer and promoter of the cotton industry in Kenya. With the enactment of this Bill, the cotton industry shall be under the Cotton Industry Development Board.
16. African Growth and Opportunity Act (AGOA): Since AGOA took effect in 2000, a significant growth in foreign investment and exports were realized.

2.3 COMPARATIVE ANALYSIS

India

17. The Indian textile industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power looms/hosiery and knitting sectors form the largest sections of the textile sector.
18. **Technology Up-gradation Fund Scheme:** This was launched in 1999 to provide firms access to low interest loans for technology up-gradation and setting up new units with state-of-art technology.
19. **Foreign Trade Policy:** Up to 100% foreign direct investment is allowed in textile and apparel manufacturing industry. There is therefore no requirement of any pre-approval by the investor. Companies are free to set up fully-owned sourcing (liaison) offices, as well as marketing operations.
20. **Cluster Approach:** This approach targets the development of 100 additional clusters in textiles Technology Mission on Cotton (TMC), focusing on dissemination of technology to farmers, improvement of market infrastructure and modernisation of ginning and pressing sector.
21. **Technology Mission on Technical Textiles (TMTT):** TMTT aims at establishing new Centres of Excellence (COEs) in the field of technical textiles and providing support for the development of the domestic and export market for technical textiles.

China

22. China has the largest textile and garment industry in the world. The industry has over 55,000 enterprises employing over 11 million workers across the country. Its economy is gearing up to change its growth model from an export driven economy to the one driven by domestic demand by boosting consumption at home.
23. There are hundreds of major textile and apparel clusters and each cluster/region specialises in producing one or more products. Through optimal allocation of resources, industry clusters have achieved a cost-saving and regional-scale effect.
24. The strong competitive advantage comes from the support of an integrated industry chain. The upstream firms offer sufficient production capacity of cotton, hemp, wool, silk and other fabrics, while the downstream companies provide adequate financial and logistics services and information

technology. It remains the largest exporter of cotton products to markets including USA, Japan, Hong Kong.

Turkey

25. Turkey is one of the few countries in the world that can carry out all production stages of textile and apparel sectors from cotton production to apparel production. Clothing and textiles are among the largest and best performing sectors of the Turkish economy.

Tanzania

26. Nearly 500,000 Tanzanian smallholder farmers are involved in the production of cotton, and it is estimated that the crop contributes to the livelihoods of up to 40% of the population, or 16 million people.
27. There is enormous potential to grow the textile and garment industry in Tanzania given the massive quantities of cotton lint produced locally, the ready availability of cheap labour throughout the country, and the current trade preferences.
28. Tanzania currently produces 700,000 bales of cotton annually while the proportion of lint used by domestic textile industries is 30%. As with most countries in Africa, the bulk of Tanzania's cotton production (in excess of 70%) is exported as lint.
29. Investors in EPZ areas have exemption from customs duty, Value Added Tax and other taxes charged on raw materials and goods of a capital nature. Investors are also exempt from the payment of Corporate Tax for an initial period of ten (10) years.

2.4 POLICY IMPLICATIONS

30. **Illicit imports/negative impact of second-hand clothing:** The growing trend of imported second-hand clothing has created a dilemma for the Kenyan economy. The Bill needs to factor in mechanisms to regulate the second-hand clothing sector and prioritize locally manufactured clothing which will automatically spur cotton growth.
31. **Lack of policy coherence and institutional alignment:** The cotton sub-sector under the auspices of the Ministry of Agriculture and Livestock Development, is supported by broad private sector associations and training institutes. No single association exists to represent the apparel and textile sector which is the main product of the cotton sub-sector.
32. **Manufacturing limitations:** The current cotton mills are particularly challenged at this point in time. The defunct Kenya Trade Millers Organization (KTMO) is moribund and needs to be reactivated and strengthened to embrace the Medium and Small-scale Industries (MSEs) in the sector.
33. **Marketing:** The country embraced liberalization policy in the 1990's which led to the withdrawal of the government from performing marketing functions. The private sector was not adequately prepared to perform this task. This created an inefficient marketing chain leading to low producer prices and high production costs.

34. **Low level of value addition:** The textile industry faces an inadequate supply of locally produced cotton, and that which is available is of poor quality. Textile firms must choose between the high-cost of imported material and the low-quality of local fibre which requires additional processing. As a result, the majority of export-quality fabric manufactured in Kenya is made from imported fibres.

2.5 SALIENT ISSUES TO INTERROGATE IN THE BILL

35. **Technological Support:** Equipment and technology are an integral part of the productivity of the cotton sector. Yet, outdated equipment are pervasive across the sector and firms face major difficulties in carrying out the needed upgrades. The Bill needs to highlight the support and proposed intervention areas for outdated processing ginneries and other value chain processes in the apparel sector.
36. **GMO/BT Cotton:** In 2019, the Government allowed the cultivation of *Bacillus Thuringiensis (Bt)* Cotton Hybrids in Kenya; which is a genetically enhanced variety of cotton that is resistant against African Bollworm. There needs to be a public debate before *Bt* cotton can be commercially released. There are important technical steps to be taken, including the development of bio safety assessment procedures and the equipping of laboratories, plus breeding work to incorporate the *Bt* gene into locally adapted cotton varieties.
37. **Stakeholder Organizations:** In order to revitalize the cotton/textile industry, there is need for various stakeholders to form their respective organizations for lobbying purposes, realizing economies of scale and harnessing the synergies within the stakeholders. The stakeholders' organizations will be for farmers, ginners, textile manufacturers, other stakeholders and an apex body for all the organizations.

2.6 CONCLUSION

38. The cotton sub-sector, which was once among the most vibrant in the country, is now a shell of its former self and any newly introduced legislation must consider the history, former key players in the sector and the historical mistakes that were made that led to the collapse of this industry.
39. For the cotton industry to be revamped, the business environment needs a thorough review. Kenya's business environment currently presents a number of operational challenges and is characterized by high electricity prices, old technology, limited access to finance, poor roads, challenging logistics, and for non-EPZ companies, complex regulations.
40. Enactment of this Bill will promote the cotton industry in Kenya locally and internationally and contribute to social and economic development.

CHAPTER THREE

3 OVERVIEW OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

3.1 INTRODUCTION

41. The Cotton Industry Development Bill, 2023 seeks to make provision for the production, processing, marketing and distribution of cotton and its products in Kenya.
42. The Bill seeks to establish the Cotton Industry Development Board, provide a framework for cotton farming and ensure value addition to cotton and its related products and for connected purposes.
43. The Bill further seeks to promote a globally competitive cotton industry, while facilitating the production, value addition and processing of safe and healthy cotton and its products.

3.2 CONTENT OF THE BILL

Objectives of the Bill

44. The objectives of the Bill are to:
 - a) promote a globally competitive cotton industry;
 - b) facilitate the production, value addition and processing of safe and healthy cotton and its products;
 - c) promote the generation of high income for cotton farmers and traders;
 - d) sustain research and extension services for the development of the cotton industry;
 - e) facilitate the introduction of modern cotton farming techniques and general modernization of the cotton industry; and
 - f) provide financial support to the various players in the cotton industry.

Institutional Framework Proposed in the Bill

45. The Bill proposes to establish the Cotton Industry Development Board whose functions are to:
 - a) regulate and promote development of cotton growing and cotton ginning;
 - b) advise the Cabinet Secretary which counties qualify as cotton producing;
 - c) make recommendations to the Cabinet Secretary on the implementation of strategies, plans and policies relating to the cotton sector;
 - d) promote the diversification of cotton products;
 - e) regulate the import and export of cotton lint and cotton seed;
 - f) promote marketing of cotton products and by-products in both local and foreign markets;
 - g) formulate national standards acceptable in the international markets to ensure that the competitiveness and reliability of the country as a producer and suppliers of cotton products is preserved;
 - h) carry out surveillance and inspections to ensure compliance with the standards and legislation on the cotton sector;
 - i) establish linkages with local and international training and research institutions to conduct scientific research and investigations in all areas pertaining to the development of the cotton industry;

- j) undertake technology transfer and provide technical assistance to county governments on matters relating to cotton;
- k) collect, collate and disseminate information on the cotton industry including the appropriate technology and practices to ensure maximisation of yields by cotton farmers;
- l) regulate the marketing and the exportation of cotton products and by-products to conform to the quality or standards recognized in the international market;
- m) capacity-building and training of various players in the sector;
- n) develop and enforce the cotton industry standards and industry code of practice in collaboration with the KEBS; and
- o) carry out such other functions as may be assigned by the Cabinet Secretary or conferred under another law

3.3 CLAUSE BY CLAUSE PROVISIONS OF THE BILL

Part I: Preliminary

46. **Clauses 1 to 3** of the Bill provide for preliminary provisions i.e. the short title, interpretation of terms used in the Bill and objects of the Bill.

PART II: The Cotton Industry Development Board

47. **Clauses 4 to 22** of the Bill establish the Cotton Industry Development Board, headquarters of the Board, powers of the Board, composition of the Board, qualification for appointment as a member, tenure of appointment, functions of the Board, committees of the Board, delegation by the Board, remuneration of members of the Board, qualification for appointment as the CEO, functions of the CEO, removal of the CEO, staff of the Board, protection from personal liability, common seal of the Board, signing authority and meetings of the Board.

Part III: Role of County Governments

48. **Clause 23 and 24** of the Bill outline the role of county governments and establishment of county Cotton Development Committee.

Part IV: Regulatory Provisions

49. **Clauses 25 to 37** provide for registration, licensing of manufacturers or processors, refusal to grant license, revocation of a license, compliance notice, effects of revocation of a license, appeals, designation of collection centres, licensing of importers and exporters and renewal of a license.

Part V: Financial Provisions

50. **Clauses 38 to 43** of the Bill provide for funds of the Board, imposition of levies, annual estimates, accounts and audit, annual report and publication and financial year of the Board.

Part VI: Miscellaneous Provisions

51. **Clauses 44 to 49** provide for incentives, enactment of county specific legislation, penalties, regulations, publication of cotton growing counties and consequential amendment.

Part VII: Transitional Provisions

52. **Clauses 50 to 56** provide for rights and obligations, assets, legal proceedings, reference to written laws, previous authorisation and fate of members of staff of the Agriculture and Food Authority dealing with the cotton sector.

First Schedule

53. Provides for meetings of the Board, quorum, voting, minutes and disclosure of interest.
54. The Bill delegates legislative powers to the Cabinet Secretary responsible for matters relating to Agriculture to make regulations for the purposes of its implementation. The Bill does not limit any fundamental rights or freedoms.
55. The Bill concerns county governments in terms of Article 110(1) of the Constitution as it contains provisions that affect the functions and powers of the county governments as set out in the Fourth Schedule to the Constitution.

CHAPTER FOUR

4 STAKEHOLDERS VIEWS/COMMENTS ON THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

56. Following the call for memoranda from the public through placement of adverts in the print media on 25th August 2023 and vide a letter REF: NA/DDC/A&L/2023/058 dated 26th September 2023 inviting stakeholders for a meeting, the Committee received memoranda from the following stakeholders:

- a) State Department for Agriculture/the Agriculture and Food Authority;
- b) State Department for Industry;
- c) The Council of Governors; and
- d) The Kenya Cotton Ginners Association.

The stakeholders submitted as follows:

4.1 STATE DEPARTMENT FOR AGRICULTURE/THE AGRICULTURE AND FOOD AUTHORITY

57. In a meeting with the Committee held on Wednesday, 1st November 2023, Ms. Grace Kyallo, Ag. Director, Fibre Crops Directorate, AFA informed the Committee that the State Department was not in support of the Bill because establishment of the Cotton Industry Development Board to regulate the cotton industry will negate the policy direction of the Government which informed merger of various agriculture sector boards into AFA; the law already provides a framework for regulation, development and promotion of the cotton crop and other fibre crops; and the traditional approach of handling cotton in the country has always grouped it with other fibre crops due to the similarities in the required regulatory provisions. Ms. Kyallo proposed the following amendments to the Bill:

Purpose

58. Amend the purpose of the Bill to read as follows, "*An Act of Parliament to provide for the regulation, production, value addition, marketing and distribution of cotton in Kenya and its products; establish the Cotton Industry Development Board, provide a framework for cotton farming; ensure value addition to cotton and its related products; and for connected purposes*". This is because the regulatory function of the Bill is missing and also to provide clarity by widening the scope of processing.

Committee's Observation/Recommendation

Members observed that one of the main functions of the Cotton Industry Board will be to regulate the cotton industry and it was important for the long title to reflect that. In addition, the value addition will cover a wider scope. Their proposal was therefore adopted by the Committee.

Clause 2

59. Amend definition of the word '*cotton industry*' to include '*marketing*' because there is need to regulate the marketing of cotton and its products.

Committee's Observation/Recommendation

Members observed that marketing is an important role that will be played by the Board and should therefore be captured in the definition of the word 'cotton industry'. Their proposal was adopted by the Committee.

60. Provide definition for the word 'cotton plant' as '*Gossypium spp and its varieties*' to provide clarity on cotton species and its varieties.

Committee's Observation/Recommendation

The Committee observed that this proposal will add value to the Bill and therefore adopted it.

61. Provide definition for the term 'collection centre' because the word has been used in the Bill and there is need for clarity.

Committee's Observation/Recommendation

The Committee observed that it is important to define the word 'collection centre' because it has been used in the Bill. Their proposal was adopted by the Committee.

62. Amend definition of the word 'cotton seed' as follows, '*cotton seed means cotton seed produced from raw cotton*'. This is to capture all cotton seed to include seed for planting and milling.

Committee's Observation/Recommendation

Members observed that the definition provided in the Bill was more comprehensive. Their proposal was therefore not adopted.

Clause 3

63. Amend sub-clause 3 (a) to read, "*to promote a globally competitive cotton industry through regulation in collaboration with the county governments*". This is to include the regulatory function in collaboration with the county governments.

Committee's Observation/Recommendation

Members observed that their proposal will add value to the Bill and therefore adopted it.

Clause 7

64. Amend sub-clause 7 (1) by including the representation of the Principal Secretary responsible for matters relating to industrialization and the Principal Secretary responsible for the National Treasury because the cotton sub-sector revolves around SMEs at ginning, spinning and weaving levels and the State Corporations Act provides for inclusion of the Principal Secretary responsible for National Treasury.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

65. Amend paragraph 7 (1) (f) to include representation of the spinners. This is because spinners play a critical role as off takers of cotton lint.

Committee's Observation/Recommendation

This proposal was rejected because it will be difficult to select spinners that will be members of the Board as a criterion for selection is not provided.

Clause 11

66. Amend paragraph 11 (1) (a) to read, "*regulate and promote the development of the cotton industry*". To ensure all the industry players are regulated.

Committee's Observation/Recommendation

Their proposal will ensure that all players in the cotton sub-sector are regulated and it was therefore adopted by the Committee.

67. Amend paragraph 11 (1) (e) to read, "*regulate and promote import and export of cotton products and by-products*". This is to cater for the regulation and promotion of cotton products and by-products.

Committee's Observation/Recommendation

Members observed that the proposal adds value to the Bill and therefore adopted it.

68. Delete paragraph 11 (1) (p) because the responsibility of the Board is to determine research priorities which is covered under paragraph 11 (1) (i).

Committee's Observation/Recommendation

Members observed that paragraph 11 (1) (p) was not adding any value to the Bill and therefore adopted AFA's proposal to delete it.

Clause 14

69. Amend the clause by deleting the words "*fees*" and "*allowances*" since members of the Board are remunerated as determined by the Salaries and Remuneration Commission.

Committee's Observation/Recommendation

Clause 15

70. Amend paragraph 15 (2) (b) by providing that the chief executive officer should have a master's degree to align with the current trends.

Committee's Observation/Recommendation

Their proposal adds clarity to the Bill and was therefore adopted by the Committee.

Clause 25

71. Amend the clause by listing the minimum requirements e.g. catchment in relation to raw materials source, feasibility study etc. This is because these are heavy investments where there is need for investor comfort and producer offtake guarantee

Committee's Observation/Recommendation

The minimum requirements can be provided in regulations. Their proposal was therefore not adopted by the Committee.

72. Amend sub-clause 25 (1) to include registration of spinners and other cotton value addition Industries to ensure all industry players are registered by the respective County Governments.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 26

73. Amend the entire clause to reflect the role of licensing as a function of the Board. Amend the clause by listing the minimum requirements e.g. catchment in relation to raw materials source, feasibility study e.t.c. Since this are heavy investments where there is need for investor comfort and producer off taker guarantee.

Committee's Observation/Recommendation

This proposal was not adopted because the Bill is not dealing with the licensing of manufacturers and processors of cotton because it is under the Ministry of Trade and Industry.

74. Amend sub-clause 26 (2) to read as follows, "*a person who intends to engage in the business of cotton ginning, spinning or value addition and has been registered by the respective county government for that purpose shall submit an application in the prescribed form to the Board*". Manufacturing and processing impact on standards, quality and international trade hence a function of the National Government in accordance with the Constitution.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 27

75. Amend sub-clause 27 (1) by deleting the words '*the County Executive Committee Member*' and replacing with the word '*Board*' and deleting the words '*or prescribed under the specific county legislation*' this because licensing of manufacturer and processor is a national Government function.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

76. Amend sub-clause 27 (2) by deleting the words '*the County Executive Committee Member*' and replacing with the word '*Board*' and deleting the words '*in accordance with section 25 (3) and (4)*' this because licensing of manufacturer and processor is a national Government function

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 28

77. Amend by deleting the words '*the County Executive Committee Member*' and replacing with the word '*Board*'. Licensing of manufacturer and Processor is a County Government function.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 29

78. There is inconsistency between clauses 27 and 29. Amend the side note by replacing the word '*compliance*' with the word '*refusal*'. The matter referred in clause 27 is refusal to grant a license.

Committee's Observation/Recommendation

The proposal was rejected by the committee because the compliance clause refers to compliance notice under clause 28(2)(b).

79. Amend sub-clause 29 (1) by deleting the word '*compliance*' and replacing with the word '*refusal*' because the matter referred in the sub-clause is refusal to grant a license.

Committee's Observation/Recommendation

The proposal was rejected by the committee because the compliance clause refers to compliance notice under clause 28(2)(b).

80. Amend sub-clause 29 (2) by deleting the words '*the County Executive Committee Member*' and replacing with the word '*Board*' because licensing of manufacturer and processor is a county government function.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 30

81. Review the clause to provide clarity since, there is need to provide clarity and harmonize the side notes and the text.

Committee's Observation/Recommendation

Their proposal was rejected by the Committee because the text in the Bill is clear.

Clause 31

82. Amend by deleting the words '*the County Committee Member Executive*' and replacing with the word '*Board*' and deleting the words '*County Executive Committee*' and replace with the words '*Cabinet Secretary responsible for Agriculture*'. Issuance of manufacturer and processor licenses should be a function of the Board.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 32

83. County Executive Committee Member should designate ginneries, cooperative society stores as collection centres in addition to any other such centres after consultation with growers in the County. Ginneries and cooperative societies are by practice collection centres and should therefore be automatically considered.

Committee's Observation/Recommendation

The proposal was rejected by the committee because ginneries and cooperative societies are by practice collection centres among other designated collection centres. The process of designation of collection centres is a function of the county and should therefore be left to the counties to designate.

84. Amend paragraph 32 (2) (a) by replacing the words '*Cabinet Secretary*' with the word '*Board*' since development of collection stores standards is a function of the Board.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 33

85. Amend by removing the gazettement requirement and providing general condition of import/export license to facilitate ease of doing business.

Committee's Observation/Recommendation

The proposal to remove the requirement for gazettement was adopted by the Committee.

86. Amend sub-clause 33 (9) by deleting the words '*the County Executive Committee Member*' and replacing with the words '*the Board*' since issuance of import/export license is a function of the Board.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

87. Insert a new sub-clause prescribing an offence and applicable penalty, this is to enhance compliance to the provisions of the Act.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 34

88. Amend sub-clause 34 (1) by deleting the words '*section 32*' and replacing with the words '*this Act*'. This is to align the referencing accordingly.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

89. Amend sub-clause 34 (2) to read '*person who intends to renew a license under sub-section (1) shall submit an application to the Board in the prescribed form at least thirty days before the date of expiry of the current license*', so as to specify to whom the application is made.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

90. Amend sub-clause 34 (3) by deleting the words '*section 32*' and replacing with the words '*this Act*', this is to align the referencing accordingly.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 35

91. Amend sub-clause 35 (1) by deleting the words '*section 32*' and replacing with the words '*section 34*'. This is to align the referencing accordingly.

Committee's Observation/Recommendation

The Committee amended the clause by deleting the words '*section 32*' and substituting with the words '*this Act*'.

92. Amend sub-clause 35 (2) by deleting the words '*County Executive Member*' and replacing with the words '*Board*'. This is because licensing is a function of the Board.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

93. Amend paragraph 35 (2) (b) by replacing the word '*compliance*' with the word '*refusal*'. To provide for alignment.

Committee's Observation/Recommendation

The proposal was rejected by the committee because the compliance notice is issued before the revocation of a licence. The marginal note is in accordance with the revocation provisions of clause 35

Clause 36

94. Amend sub-clause 36 (1) to provide clarity and proper sequencing for clarity.

Committee's Observation/Recommendation

This proposal was rejected by the Committee because the wording in the Bill is clear.

Clause 37

95. Amend the side note to be in tandem with the text or consider collapsing the clause to be a sub-clause of clause 35 on revocation of a license in order to provide clarity.

Committee's Observation/Recommendation

The proposal was rejected by the committee. The committee amended clause 37(2) to read ~~revoke~~ instead of cancel to align with the marginal note.

96. Amend by creating substantive clauses in this part prescribing regulatory provisions for the following: production, harvesting, grading, processing, warehousing, packaging and trading; mechanisms for price stabilization; and agreements entered by growers and other value chain players. This is to provide clarity.

Committee's Observation/Recommendation

This proposal was not adopted by the Committee because most of the listed items are provided under clause 47 for provision in regulations.

Clause 38

97. Introduce the following new sub-clause 38 (2) '*the Board shall apply the money received under this section for the furtherance of the objects and performance of the functions of the Board*'. To address the existing gap and clarify how the funds of the Board will be utilized.

Committee's Observation/Recommendation

The committee introduced a new sub-clause to provide for utilization of the funds collected by the Board for accountability.

Clause 39

98. Amend the clause by deleting the words '*the County Governments*'. The levies should be imposed on imports and exports which is a function of the National Government.

Committee's Observation/Recommendation

Import and export taxes are a function of the National Government and not counties.

99. Introduce a sub-clause under clause 39 prescribing the source(s) of levies which should include among others: imported new and used textiles and apparels; and imported cotton products and by-products.

Committee's Observation/Recommendation

This will be provided in regulations.

100. Introduce a sub-clause capping the rate of the levy in order not to burden the industry actors. This provides clarity on the areas where the levies can be imposed to support the development of the industry.

Committee's Observation/Recommendation

This will be provided in regulations. The proposal was therefore not adopted by the Committee.

101. Insert a new clause immediately after clause 39 to provide for: establishment of a Cotton Industry Development Fund; sources of the Fund which should include the levy; application of the Fund which may include credit for cotton production, processing, infrastructure and marketing, price stabilization, cotton research and Board operations; and administration of the fund.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 44

102. Amend to allow the Cabinet Secretary responsible for Agriculture to initiate processes or to consult with the Cabinet Secretary responsible for National Treasury in the creation of incentives for the industry. The Cabinet Secretary responsible for matters relating to Agriculture be part of initiation and implementation of incentives for the cotton industry.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 45

103. Amend to include '*cotton ginner, cotton cooperative society or cotton association, spinners and other cotton value addition industries*' after the word '*cotton grower*'. To align provisions under this clause with the suggested amendments to clause 25 on registration.

Committee's Observation/Recommendation

The committee recommended that clause 45 of the Bill be deleted because enactment of county legislation is an existing function of the county government under the Constitution and therefore amounts to over legislation in the Bill. The Bill should not limit the counties on what to legislate on.

104. Amend paragraphs 45 (c) and (d) by deleting the words '*or issuance of a license*'.

Committee's Observation/Recommendation

The Committee recommended deletion of clause 45 of the Bill.

105. Amend the clause by deleting paragraphs 45 (e), (f) and (g).

Committee's Observation/Recommendation

The Committee recommended deletion of clause 45 of the Bill.

106. Introduce the following new sub-clause 45 (2) '*each county specific legislation enacted pursuant to this section shall not contradict provisions of this Act*' since county legislation on the cotton Industry need to be aligned to National legislation to avoid conflict in regulation of the cotton Industry.

Committee's Observation/Recommendation

The Committee recommended deletion of clause 45 of the Bill.

Clause 46

107. Amend sub-clause 46 (1) to include textiles and apparels to align it with provisions of the Act.

Committee's Observation/Recommendation

The Bill does not deal with textile and apparel. The proposal was therefore not adopted by the Committee.

Clause 47

108. Amend paragraph 47 (2) (a) by deleting the words under section 7 (1) (c). To provide clarity.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 48

109. Amend the Bill by deleting the clause to encourage development of cotton across all suitable agro-ecological areas.

Committee's Observation/Recommendation

The Committee observed that even though there are major cotton growing regions, cotton is grown in several other parts of the country and giving the Cabinet Secretary powers to determine which areas cotton is to be grown may limit or leave out other areas that grow cotton.

Clause 49

110. Amend the typographical error to read '*Gossypium spp*'

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 55

111. Amend the clause by deleting the word '*Authority*' and substituting with the word '*Board*'.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 56

112. Amend the clause to read as follows, '*Upon the commencement of this Act a person who was member of staff of the former Cotton Development Authority before the commencement of the Agriculture and Food Authority Act, 2013 and current staff of the Fibre Crops Directorate not being under any notice of dismissal or resignation shall upon commencement of this Act become staff of the Board on their current or improved terms and conditions of service.*

113. *Staff member who does not intend to be a member of staff of the Board shall within a period of twenty-one days from the appointed day give notice in writing to the Board.*
114. *The pensions of staff of the Agriculture and Food Authority, Fibre Crops Directorate shall on the commencement of the Act vest in the Board.* To provide for flexibility to staff during the transition.

Committee's Observation/Recommendation

Their proposal was not adopted by the Committee because it gives recognition to staff of the Cotton Development Authority which was revoked after enactment of the Agriculture and Food Authority Act, 2013. This introduces mischief in the Bill.

4.2 THE STATE DEPARTMENT FOR INDUSTRY

In a meeting with the Committee held on Wednesday, 1st November 2023, Mr. Nicholas Gakiha, Ag. Director for Industry proposed the following amendments to the Bill:

Clause 2

115. Amend definition of the word '*cotton sector*' to capture value addition.

Committee's Observation/Recommendation

Their proposal was rejected because definition of '*cotton industry*' captures value addition.

Clause 3

116. Amend paragraph 3 (b) to facilitate the production, ginning and processing of safe and healthy cotton and its products.

Committee's Observation/Recommendation

Their proposal was rejected because the word value addition encompasses ginning.

Clause 7

117. Amend paragraph 7 (b) by including the Principal Secretary in charge of the State Department for Industry.

Committee's Observation/Recommendation

Their proposal was adopted by the Committee because most of the cotton sub-sector is under the State Department for Industry.

118. Amend paragraph 7 (c) by reducing the number of farmer representatives and including a representative of textile millers.

Committee's Observation/Recommendation

This proposal was rejected because there is no criterion for selecting miller representatives to the Board.

Clause 23

119. Amend paragraph 23 (2) (i) to read as follows, '*inspect cotton farms, ginneries and by-products value addition industries located within their respective counties*'.

Committee's Observation/Recommendation

The Committee recommended deletion of paragraph 23(2)(i) because it's a regulatory function which is a function of the Board.

120. Insert the following new paragraph 23 (2) (r), '*work with relevant Ministries, Departments and Agencies for local seed multiplication*'.

Committee's Observation/Recommendation

This proposal was rejected because it is a function of the Board.

Clause 26

121. Amend sub-clause 26 (1) to provide clarity because the intention of the Bill is on cotton growing, ginning and value addition of cotton by-products not on textiles and apparels.

Committee's Observation/Recommendation

This proposal was adopted by the Committee.

Clause 32

122. Amend the clause to provide clarity on the cotton products that are being referred to.

Committee's Observation/Recommendation

The committee observed that the cotton products are cotton, cotton seed or cotton by-products which have all been mentioned.

4.3 THE COUNCIL OF GOVERNORS

123. In a meeting with the Committee held on Wednesday, 1st November 2023, Mr. Kizito Wangalwa, a Director in CoG informed the Committee that the Council was in support of the Bill. He proposed the following amendments to the Bill:

Clause 7

124. Amend the clause by introducing the following new sub-clause before sub-clause 7 (2), "*the Cabinet Secretary in consultation with the Council of Governors, shall receive the nominated farmers under sub-section 1 (d) and determine which county to be represented in the Board in each region on a rotational basis to ensure equitable representation*". This is to provide for a consultative process in the determination of the representation of farmers.

Committee's Observation/Recommendation

Their proposal was rejected because cotton farmer associations have their own mechanisms of electing their representatives. This proposal will amount to micromanaging the farmers.

Clause 39

125. Insert the following new sub-clause 39 (2), "*The levy collected under sub-clause (1) shall be apportioned as follows: (a) Fifteen per centum shall be applied by the Board for furtherance or exercise of any function or power of the Board under this Act; and (b) Eighty-five per centum shall be remitted directly to the cotton growing counties on a pro-rata basis to be applied for development of the cotton industry*".

Committee's Observation/Recommendation

The apportionment of the Levy shall be provided in regulations. This proposal was therefore not adopted by the Committee.

4.4 THE KENYA COTTON GINNERS ASSOCIATION

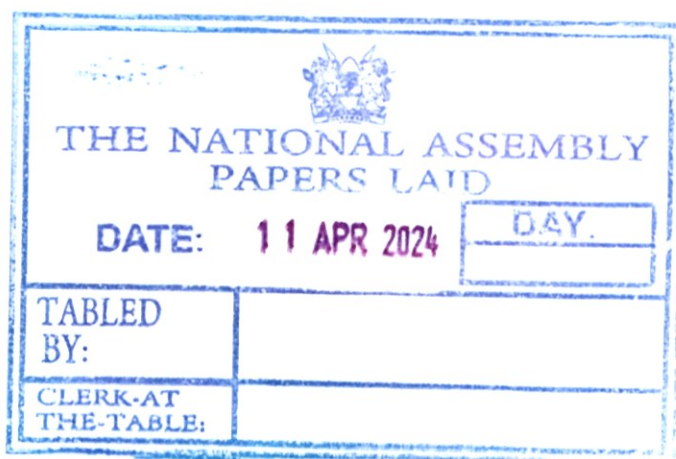
126. The Chairman of the Kenya Cotton GINNERS Association, Mr. David Masika appeared before the Committee on Wednesday, 1st November 2023 and informed the Committee that the Association supported the Bill because it will play a role in reviving the cotton industry in Kenya. He further stated that the disbandment of the Cotton Marketing Board had resulted in underperformance of the cotton industry. Most gINNERS had closed shop and the few that were still in business had difficulties getting cotton.

CHAPTER FIVE

5 COMMITTEE OBSERVATIONS

The Committee observed as follows on the Bill:

1. The Bill will promote generation of high income for cotton farmers and traders and encourage the continuous and sustained research and extension services for development of the cotton industry.
2. The Bill will facilitate the introduction of modern cotton farming techniques and general modernisation of the cotton industry and provide financial support to the various players in the cotton industry.
3. There will be more cotton seeds for production of animal feeds (cotton seedcakes) hence high productivity in the livestock sector and consequently creation of a large number of employment opportunities within a short duration of time along the value chain.
4. Textile industry will be boosted and Kenyans will start wearing new clothing as opposed to second hand garments.



CHAPTER SIX

6 COMMITTEE RECOMMENDATION

5. The Committee having considered the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*) recommends that the House approves the Bill with amendments as proposed in the Schedule in Chapter Seven of this Report.

CHAPTER SEVEN

7 SCHEDULE OF PROPOSED AMENDMENTS

The Committee proposed the following amendments to be considered by the House during the Committee Stage:

LONG TITLE

THAT the long title of the Bill be amended by deleting and substituting therefor the following new long title—

“AN ACT of Parliament to provide for the regulation, production, value addition, marketing and distribution of cotton and its products in Kenya; establish the Cotton Industry Development Board; provide a framework for cotton farming; ensure value addition to cotton and its related products; and for connected purposes”.

Justification

The regulatory function of the Bill is missing. The amendment also provides clarity by widening the scope of processing.

CLAUSE 2

THAT Clause 2 of the Bill be amended—

- (a) by inserting the following definitions in their proper alphabetical sequence—
- (i) “Collection centre” means “centres designated by county governments to serve as buying stations for cotton”
 - (ii) “Cotton plant” means *Gossypium ssp* and its varieties;

- (iii) “*Ginning*” means the process of removing cotton seed from the cotton balls;
- (iv) “*Processing*” means the process of value addition to cotton, cotton seed or cotton by-products and include cleaning, grading, spinning, weaving or knitting; and
- (v) “*spinning*” means the process of producing yarns from extracted cotton fibre;

Justification

The words have been used in the Bill but they haven’t been defined.

- (b) by deleting the definition of “*cotton industry*” and substituting therefor the following new definition—

“*Cotton industry*” includes growers, ginners, spinners, cotton value addition industries and marketers;

Justification

Marketers play a pivotal role in the cotton industry. It is therefore important to include them in the definition.

CLAUSE 3

THAT clause 3 of the Bill be amended by deleting paragraph (a) and substituting therefor the following new paragraph;

“(a) *to promote a globally competitive cotton industry through regulation in collaboration with the County Governments;*”.

Justification

To include the regulatory function in collaboration with county governments.

CLAUSE 7

THAT clause 7 of the Bill be amended—

- (a) in sub-clause (1)—

- (i) in paragraph (c) by deleting the word “*trade*” appearing immediately after the word “*to*” and substituting therefore the word “*industrialization*”; and
- (ii) by inserting a new paragraph (ca) immediately after paragraph (c) to read as follows—
“(ca) *The Principal Secretary responsible for National Treasury*”

Justifications

The cotton industry is under the State Department for Industrialisation. It is therefore important that the PS Industrialisation is a member of the Board.

The State Corporations Act provides for inclusion of the Principal Secretary for National Treasury in all board.

(b) by inserting a new sub-clause (4) immediately after sub-clause (3) to read as follows—

“(4) The composition of the Board shall as practically possible ensure gender balance.”

Justification

To comply with the requirements of the Constitution with regards to gender, the two thirds gender rule.

CLAUSE 11

THAT clause 11 of the Bill be amended in sub-clause (1)—

(a) by deleting paragraph (a) and substituting therefor the following new paragraph—

“(a) regulate and promote the development of the cotton industry;”

Justification

To ensure that all industry players are regulated.

(b) by deleting paragraph (e) and substituting therefor the following new paragraph—

“(e) regulate and promote import and export of cotton products and by-products;”

Justification

To cater for regulation and promotion of cotton products and by-products.

(c) by deleting paragraph (g) and substituting therefor the following new paragraph—

“in consultation with the Kenya Bureau of Standards and other relevant institutions, formulate standards and code of practice acceptable in international markets to ensure the competitiveness and reliability of the country as a producer and cotton products.”

Justification

The paragraph as written in the Bill does not seem to make sense hence the amendment.

(d) by deleting paragraph (n)

Justification

It has been merged with paragraph (g).

(e) by deleting paragraph (o) and substituting therefor the following new paragraph—

“establish linkages with other government agencies and research institutions to enhance quality assurance and research and facilitate flow of research findings to the interested parties;”

Justification

To enrich the paragraph.

(f) by deleting paragraph (p) and substituting therefor the following new paragraph—

“liaise with the national agricultural research system to develop suitable and affordable cotton seeds;”

Justification

There are institutions mandated with carrying out agricultural research. This function can therefore not be given to the Board.

CLAUSE 14

THAT clause 14 of the Bill be amended by deleting the words *“fees or allowance”* appearing immediately after the word *“remuneration”*.

Justification

The word remuneration includes fees and allowances.

CLAUSE 15

THAT clause 15 of the Bill be amended in paragraph 2 (b) by deleting the word *“degree”* and substituting therefor the words *“master’s degree”*.

Justification

The Chief Executive Officer of the Board is a senior person and the academic qualifications should therefore speak to this.

CLAUSE 17

THAT clause 17 of the Bill be amended in paragraph (c) by deleting the inserting the word *“of”* immediately after the word *“contravention”*.

Justification

To correct a grammatical error.

CLAUSE 23

THAT clause 23 of the Bill be amended—

(a) in sub-clause (1)—

(i) by deleting paragraph (b)

Justification

This is a function of the Board.

(ii) by deleting paragraph (c)

Justification

This is a function of the Board.

(iii) by deleting paragraph (d)

Justification

The paragraph has been merged with paragraph (e).

(iv) by deleting paragraph (e) and substituting therefor the following new paragraph—

“(e) promote the organisation of cotton farmers cooperatives, associations and link them with credit and financing support;”

Justification

The role of county governments is to link farmers with financiers.

(b) in sub-clause (2)—

(i) by deleting paragraph (b).

Justification

The paragraph adds no value to the Bill.

(ii) by deleting paragraph (c) and substituting therefor the following new paragraph—

“(c) Promote production and productivity of cotton in the respective county;”

Justification

To make the sentence clear.

(iii) by deleting paragraph (d) and substituting therefore the following new paragraph—

“(d) offer extension services on cotton production and processing;”

Justification

For clarity.

(iv) by deleting paragraph (e).

Justification

Already covered under paragraph (1) (e).

(v) by deleting paragraph (f) and substituting therefor the following new paragraph—

“(f) provide training and dissemination of information to cotton farmers and processors on technologies, innovations and management practices”.

Justification

To make the sentence clear.

(vi) by deleting paragraph (g).

Justification

Already covered under paragraph (1) (e).

(vii) by deleting paragraph (h) and substituting therefor the following new paragraph—

“(h) promote farm productivity through suitable seed varieties and integrated cotton farming systems;”

Justification

To make the sentence clear.

(viii) by deleting paragraph (i)

Justification

It is a function of the Board.

(ix) by deleting paragraph (j).

Justification

This paragraph does not add any value to the Bill.

(x) by deleting paragraph (m) and substituting therefor the following new paragraph—

“(m) establish cotton collection and aggregation centres in collaboration with the national government;”

Justification

Provide for the cotton collection centres.

(xi) By deleting paragraph (n).

Justification

Catered for under paragraph (n).

(xii) By deleting paragraph (o) and substituting therefor the following new paragraph—

“(o) Link cotton farmers with agricultural mechanisation centres for affordable machinery;”

Justification

County governments can only link farmers to the agricultural mechanisation centres.

(xiii) by deleting paragraph (p) and substituting therefor the following new paragraph—

“(p) link farmers with affordable farm inputs;”

Justification

County governments can only link farmers to farm inputs.

(xiv) by deleting paragraph (q) and substituting therefor the following new paragraph—

“(q) carry out other functions as may be conferred upon by this law or any other written law.”

Justification

For clarity.

(c) By deleting sub-clause (3).

Justification

This can be provided in the county legislation.

CLAUSE 24

THAT clause 24 of the Bill be amended—

- (a) in sub-clause (1) by deleting the words “*for the better carrying out of the functions under this Act,*” appearing immediately before the word “*committee*”;

Justification

The words do not add any value to the Bill.

- (b) in sub-clause (2) by deleting the words “*that the county executive committee member shall deem fit*” appearing immediately after the word “*county*”;

Justification

The words do not add any value to the Bill.

- (c) in sub-clause (3) by deleting the words “*executive committee member*” appearing immediately after the word “*county*”;

Justification

The words do not add any value to the Bill.

- (d) by deleting subclause (4);
- (e) by deleting subclause (5);
- (f) by deleting subclause (6); and
- (g) by deleting subclause (7)

Justification

The above provisions should be provided in the county legislation.

CLAUSE 25

THAT clause 25 of the Bill be amended—

- (a) by deleting subclause (3);

Justification

It is already covered under sub-clause (1).

- (b) by deleting sub-clause (4) and substituting therefor the following new sub-clause—
“*(4) A registered cooperative society or cotton association shall submit a register of its members to the respective county government and shall furnish the county government with information on any changes of its membership within 30 days of a change in membership*”;

Justification

For clarity.

- (c) in sub-clause (5) by deleting the words “*under subsection (1)*” appearing immediately after the word “*applicant*” and substituting therefor the words “*in this section*”;
- (d) in sub-clause (6) by deleting the words “*subsection (1)*” appearing immediately after the word “*under*” and substituting therefor the words “*this section*”;
- (e) In sub-clause (7) by deleting the words “*subsection (6)*” appearing immediately after the word “*under*” and substituting therefore the words “*this section*”.

Justification

To correct the cross referencing.

- (f) in sub-clause (7) paragraph (b) by deleting the words “*or that*” appearing immediately after the word “*business*”;

Justification

To correct a grammatical error.

- (g) in sub-clause (8) by deleting the words “*under subsection (6)*” appearing immediately after the word “*register*”;

Justification

The words add no value to the Bill.

- (h) in sub-clause (10) by deleting the words “*subsection (1)*” appearing immediately after the word “*under*” and substituting therefor the words “*this section*”;

Justification

To correct the cross referencing.

CLAUSE 26

THAT clause 26 of the Bill be amended—

- (a) by deleting the marginal notes and substituting the following new words—
“*Licensing of ginners, spinners and processors.*”

Justification

To increase the scope and remove manufacturers because the Bill does not regulate manufacturers.

- (b) in sub-clause (1) by adding the following new word "*processing*" immediately after the word "*spinning*" and inserting the word "*a*" immediately after the word "*such*";

Justification

To include processing in the list and to correct a typographical error.

- (c) by deleting sub-clause (2) and substituting the following new sub-clause—

"(2) A person who intends to engage in the business of cotton ginning, spinning, processing or value addition and has been registered by the respective County Government for the purpose shall submit an application in the prescribed form to the Board together with—

- (a) such documents and information as the Board may prescribe; and*
(b) the prescribed fees;"

- (d) in sub-clause (3) by deleting the words "*a county executive committee member*" and substituting therefore the word "*The Board*";

- (e) in sub-clause (5) —

- (i) by deleting the words "*county executive committee member*" appearing immediately before the word "*refuses*" and substituting therefor the word "*Board*";
- (ii) by deleting the words "*county executive committee member*" appearing immediately before the word "*shall*" and substituting therefor the word "*Board*"; and
- (iii) by deleting the words "*in its notification under subsection (3)*" appearing immediately before the word "*specify*";

Justification

Licensing is a function of the Board and not the county executive committee member.

- (f) in sub-clause (6) —

- (i) by deleting the words "*A county executive committee member*" appearing immediately before the word "*shall*" and substituting therefore the words "*The Board*"; and
- (ii) by deleting the words "*county executive committee member*" appearing immediately before the word "*may*" and substituting therefor the word "*Board*"

Justification

Licensing is a function of the Board and not the county executive committee member.

- (g) in subclause (7) by deleting the words "*county executive committee member*" and substituting therefor the word "*Board*";

- (h) in sub-clause (8)—

- (i) by deleting the words “*county executive committee member*” appearing immediately before the word “*shall*” and replacing therefor the word “*Board*”; and

Justification

Licensing is a function of the Board and not the county executive committee member.

- (ii) by deleting the words “*under sub-section (6)*” appearing immediately after the word “*objection*”; and
- (i) in sub-clause (10) by deleting the words “*of sub-section (1)*” appearing immediately before the word “*commits*” and replacing therefor the word “*under this section*”.

Justification

Correct the cross referencing.

CLAUSE 27

THAT clause 27 of the Bill be amended—

- (a) in sub-clause (1)—
 - (i) by deleting the words “*county executive committee member*” appearing immediately before the word “*may*” and substituting therefor the word “*Board*”; and
 - (ii) by deleting the words “*or prescribed under the specific county legislation*” appearing immediately after the word “*Act*”.

Justification

Licensing is a function of the Board. There is no need to refer to county legislation.

- (b) In sub-clause (2)—
 - (i) by deleting the words “*county executive committee member*” appearing immediately before the word “*shall*” and substituting therefor the word “*Board*”; and
 - (ii) by deleting the words “*in accordance with section 25(3) and (4)*” appearing immediately after the word “*refusal*”.

Justification

Licensing is a function of the Board. It is not necessary to refer to section 25(3) and (4).

CLAUSE 28

THAT clause 28 of the Bill be amended—

- (a) in sub-clause (1) by deleting the words “*county executive committee member*” appearing immediately before the word “*may*” and substituting therefor the word “*Board*”;
- (b) in sub-clause (2)—
 - (i) by deleting the words “*county executive committee member*” appearing immediately after the word “*the*” and substituting therefor the word “*Board*”;
 - (ii) by deleting the words “*under subsection (1) unless*” appearing immediately after the word “*licence*”;
 - (iii) by deleting the word “*the*” appearing immediately after the word “*revoke*” and substituting therefor the word “*a*”; and

Justification

Licensing is a function of the Board, correct the cross referencing and to correct a grammatical error.

CLAUSE 29

THAT clause 29 of the Bill be amended—

- (a) in sub-clause (1) by deleting the words “*section 27(2)*” appearing immediately before the word shall and replacing therefor the words “*section 28(2)(b)*” and
- (b) in sub-clause (2) by deleting the words “*county executive committee member*” and substituting therefor the word “*Board*”.

Justification

For proper cross referencing and the Board is responsible for licensing.

CLAUSE 30

THAT clause 30 of the Bill be amended—

- (a) in sub-clause (1)—
 - (i) by deleting the words “*section 28*” appearing immediately before the word “*fails*” and substitute therefor the words “*section 29*”;
 - (ii) by deleting the words “*county executive committee member*” appearing immediately after the word “*the*” and substituting therefor the word “*Board*” and
 - (iii) By deleting the word “*shall*” appearing immediately after the word “*member*” and substituting therefor the word “*may*”.

Justification

For proper cross referencing and the Board is responsible for licensing and revocation of such licenses.

(b) in sub-clause (2)—

- (i) by deleting the word “*cancellation*” appearing immediately before the word “*of*” and substituting therefor the word “*revocation*”;
- (ii) by deleting the word “*cancel*” appearing immediately after the word “*is*” and substituting therefor the word “*revoked*”; and
- (iii) by deleting the words “*county executive committee member*” appearing immediately after the word “*the*” and substituting therefor the word “*Board*”.

Justification

To be consistent with the Marginal Note and it is the Board’s responsibility to revoke a license and not the county executive committee member.

CLAUSE 31

THAT clause 31 of the Bill be deleted and substituted therefor with the following new clause—

“31 (1) *There is hereby established a Tribunal to be known as the Cotton Industry Arbitration Tribunal.*

(2) *The Tribunal shall consist of—*

- (a) *a chairperson appointed by the Chief Justice who shall be a person qualified to be appointed as a judge of the High Court; and*
- (b) *four other members, being persons with expert knowledge in economics, trade, law, agriculture, research and engineering with at least five years’ experience in arbitration, all of who shall be appointed by the Chief Justice through a competitive recruitment process.*

(3) *The Chairperson and members of the Tribunal shall serve on a part-time basis.*

(4) *The members of the Tribunal appointed under sub-section (2) shall hold office for such period, not exceeding three years, on such terms and conditions as shall be specified in the instrument of appointment but shall be eligible for re- appointment for one further term of a period not exceeding three years.*

(5) *A person shall not be qualified to be appointed as a member of the Tribunal if that person is a public servant or takes an active part in the activities of a political party.*

(6) *A person shall not qualify for appointment under this section unless the person has met the requirement of Chapter Six of the Constitution.*

(7) *The Tribunal shall regulate its own procedure as to the conduct of meetings.*

(8) (1) *The Tribunal shall determine—*

- (a) *disputes between cotton crop farmers;*
- (b) *disputes between cotton farmers and the following—*
 - (i) *cooperative societies;*
 - (ii) *cotton associations;*
 - (iii) *other interested parties;*
- (c) *disputes relating to cotton pricing;*
- (d) *disputes relating to contract farming;*
- (e) *disputes between ginners and processors; and*
- (f) *disputes between any other interested parties.*

10.(1) *The Tribunal shall expeditiously determine any dispute before, but in any case, shall determine a dispute within a period of three months from the date the dispute is lodged.*

(2) *An Appeal shall lie from the decision of the Tribunal to the High Court within thirty days on points of law and facts and on points of law to the Court of Appeal.*

(3) *A decision of the Tribunal shall be enforced in the same manner as a decision of a Magistrates Court.*

(4) *The Tribunal shall apply the rules of evidence and procedure under the Evidence Act (Cap. 80) and the Civil Procedure Act (Cap. 21), with the necessary modifications, while ensuring that its proceedings do not give undue regard to procedural technicalities.*

11. *The Tribunal shall have the powers of the High Court—*

- (a) *to administer oaths to the parties and witnesses to the proceedings;*
- (b) *to summon witnesses and to require the production of documents;*
- (c) *to order the payment of costs; and*
- (d) *to order that the provisions of the law relating to Commissions of Inquiry in Kenya with respect to—*
 - (i) *the protection of the members of the Tribunal from suit;*
 - (ii) *the form of summonses to witnesses;*
 - (iii) *to giving or fabricating of false evidence;*
 - (iv) *the duty and indemnity of witnesses, and the penalty for contumacy, insult or interruption of proceedings; and*
 - (v) *the appearance of advocates;*

shall with any necessary adaptations or modifications, apply to the members of, the witnesses before, and the proceedings before, the Tribunal in like manner as they apply to Commissions of Inquiry.

12. *A member of the Tribunal may be removed if the member—*

- (a) *becomes an undischarged bankrupt;*
- (b) *is convicted of a criminal offence and sentenced to imprisonment for a period exceeding six months without the option of a fine;*

- (c) is incapacitated by reason of prolonged physical or mental illness from performing the duties of the office;
- (d) violates the Constitution; or
- (e) is otherwise unable or unfit to discharge the functions of the office.
13. Where the office of any member becomes vacant, whether by death or otherwise, the Chief Justice may appoint another person to be a member of the Tribunal and such member shall serve for his or her full term.
14. The Chief Justice shall appoint a Secretary and such other staff of the Tribunal necessary for the proper functioning of the Tribunal.
15. (1) The remuneration of the staff of the Tribunal and the expenses of the Tribunal shall be paid out of monies allocated by the National Assembly to the Judiciary Fund.
- (2) The Chairperson and members of the Tribunal shall be paid such allowances and be reimbursed such expenses as shall be determined by the Judicial Service Commission on the recommendation of the Salaries and Remuneration Commission".

Justification

Clause 31 is putting in place a Tribunal.

CLAUSE 32

THAT clause 32 of the Bill be amended—

- (a) By deleting sub-clause (1) and substituting therefor the following new sub-clause;

"(1) The county government shall designate collection centres in consultation with cotton growers and other stakeholders."

- (b) in sub-clause (2) by deleting the words "county executive committee member" appearing immediately after the word "the" and substituting therefor the words "county government".
- (c) in sub-clause (2) paragraph (a) by deleting the words "Cabinet Secretary" appearing immediately after the word "the" and substituting therefor the word "Board".

Justifications

It is the responsibility of county governments to designate the collection centres. The county government can assign the county executive committee member to do the designation.

The Board is responsible for ensuring that a collection centre meets the required standards and not the Cabinet Secretary.

CLAUSE 33

THAT clause 33 of the Bill be amended—

- (a) in sub-clause (2) by deleting the word “*from*” appearing immediately after the word “*prescribed*” and substituting therefor the word “*form*”.

Justification

Correct a typographical error.

- (b) by deleting sub-clause (3);
(c) by deleting sub-clause (4);
(d) by deleting sub-clause (5);

Justification

Should be provided in regulations.

- (e) in sub-clause (7) by deleting the word “*subsection (2)*” appearing immediately after the word “*under*” and substituting therefor the words “*subsection (6)*”;

Justification

For proper cross-referencing.

- (f) by deleting subclause (8);

Justification

The provision is not necessary.

- (g) in clause (10) by deleting the words “*subsection (4)*” appearing immediately after the word “*under*” and substituting therefor the words “*subsection (6)*”;

Justification

The penalty is too high in comparison with the offense hence the amendment.

- (h) by deleting subclause (11) and substituting therefor the following new subclause—

“(11) A person who is not satisfied with the decision of the Board may appeal to the Cabinet Secretary; and where such a person is not satisfied with the decision of the Cabinet Secretary, shall appeal to the High Court.”

Justification

To give applicants room to appeal if they are not satisfied with the Board’s decision to not give them a license.

- (i) by renumbering subclauses (6)(7)(8)(9) and (10) to subclauses (7),(8),(9)(10) and (11)

Justification

To correct a typographical error.

CLAUSE 34

THAT clause 34 of the Bill be amended—

(a) By deleting sub-clause (1) and substituting therefor the following new sub-clause—

“(1) A license issued under this Act shall be valid for a period of one year from the date it was issued.”;

(b) by deleting sub-clause (2) and substituting therefor the following new sub-clause—

“(2) A person who intends to renew a license under sub-section (1) shall submit an application to the Board in the prescribed form at least thirty days before the date of expiry of the current license”.

(c) in sub-clause (3) by deleting the words “section 32” appearing immediately after the word “under” and substituting therefor the words “section 33”.

Justification

Clean-up of the Bill.

CLAUSE 35

THAT clause 35 of the Bill be amended—

(a) by deleting subclause (1) and substituting therefor the following new sub-clause—

“(1) The Board may revoke a licence issued or renewed under this Act if the licensee—”

(b) by deleting sub-clause (2) and substituting therefor the following new sub-clause—

“(2) The Board may revoke a licence issued under subsection (1) unless the Board—”.

Justifications

Provisions for the issuance and renewal of a license are provided in the Act and not just under section 32.

Licensing is a responsibility of the Board and not the county executive committee member.

CLAUSE 36

THAT clause 36 of the Bill be amended in subclause (1) by deleting the words “*section 34(2)*” appearing immediately after the word “under” and substituting therefor the words “*section 35(2)(b)*”.

Justification

For correct cross-referencing.

CLAUSE 37

THAT clause 37 of the Bill be amended—

- (a) in subclause (1) by deleting the words “*section 34*” appearing immediately after the word “*under*” and substituting therefor the words “*section 36*”;

Justification

To refer to the correct section.

- (b) in sub-clause (2)—
 - (i) by deleting the word “*cancellation*” appearing immediately after the letter “*a*” and substituting therefor the word “*revocation*”; and
 - (ii) by deleting the word “*cancelled*” appearing immediately after the word “*is*” and substituting therefor the word “*revoked*”.

Justification

For consistency with the word used in the marginal note.

CLAUSE 38

THAT clause 38 of the Bill be amended by introducing a new sub-clause (2) to read as follows—
“(2) The Board shall apply the money received under this section for the furtherance of the objects and performance of the functions of the Board.”

Justification

To provide clarity on how the money of the Board shall be utilised.

CLAUSE 39

THAT clause 39 of the Bill be amended by deleting the words “*the county government*” appearing immediately after the word “*Board*”.

Justification

Imposition of the Levy is a function of the National Government.

CLAUSE 42

THAT clause 42 of the Bill be amended in subclause (3) by deleting the words "*the National Assembly and the Senate*" appearing before the word "to" and substituting therefor the word "*Parliament*".

Justification

Parliament comprises of both the National Assembly and the Senate.

CLAUSE 44

THAT clause 44 of the Bill be amended by deleting the clause and substituting therefor the following new clause—

"44. The Cabinet Secretary responsible for Agriculture may in consultation with the Cabinet Secretary for Treasury initiate implementation of such measures, including tax incentives in order to promote the development of the cotton industry.

Justification

It is important for the CS responsible for matters relating to agriculture to be part of the initiation and implementation of incentives for the cotton industry.

CLAUSE 45

THAT clause 45 of the Bill be deleted.

Justification

The clause is not necessary

CLAUSE 46

THAT clause 46 of the Bill be amended in sub-clause (1) by deleting the words "*twenty thousand*" appearing immediately after the word "than" and substituting therefor the words "*one hundred thousand*".

Justification

To match the penalty to the offence.

CLAUSE 47

THAT clause 47 of the Bill be amended in clause (2) paragraph (a) by deleting the words "*under section 7(1)(c)*" appearing immediately after the word "*farmer*".

Justification

Reference to section 7 (1) (c) is not necessary.

CLAUSE 49

THAT clause 49 of the Bill be amended by deleting the word “*aap*” appearing immediately after the word “*Gossypium*” and substituting therefor the word “*ssp*”.

Justification

Correct a typographical error

CLAUSE 55

THAT clause 55 of the Bill be amended by deleting the word Authority appearing immediately after the word “the” and substitute therefore the word “Board”.

Justification

Wrongful reference to the Authority instead of the Board.

FIRST SCHEDULE

That the First Schedule to the Bill be amended—

(a) in paragraph 1 sub-paragraph (1)—

- (i) by deleting the word “*ten*” appearing immediately after the word “*least*” and substituting therefor the word “*four*”;

Justification

Ten meetings in a financial year are too many hence the amendment to four meetings.

- (ii) by deleting the word “*two*” appearing immediately after the word “*than*” and substituting therefor the word “*four*”.

Justification

To provide that four months shall not lapse before a meeting of the Board is held as opposed to the provision in the Bill of two months.

- (b) in sub-paragraph (2) by deleting the words “*and such places*” appearing immediately before the word “*as*” and substituting therefor the words “*at the Board headquarters or other places in Kenya*”.

Justification

To ensure that Board meetings are held within the country.

(c) in paragraph (5)—

- (i) sub-paragraph (2) by deleting the words “*subsection*” appearing immediately after the word “*under*” and substituting therefor the word “*sub-paragraph*”;
- (ii) sub-paragraph (3) by deleting the word “*subsection*” appearing immediately after the word “*under*” and substituting therefor the word “*sub-paragraph*”;
- (iii) in sub-paragraph (4) by deleting the word “*subsection*” appearing immediately after the word “*contravenes*” and substituting therefor the word “*sub-paragraph*”;

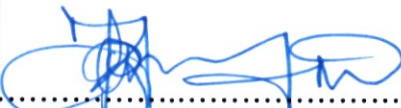
Justification

The above amendments are clean-ups of the Bill.

- (iv) in sub-paragraph (4) by deleting the words “*five hundred thousand*” appearing immediately after the word “*exceeding*” and substituting therefor the words “*fifty thousand*”; and
- (v) in sub-paragraph (4) by deleting the words “*seven years*” appearing immediately before the word “*or*” and substituting therefor the words “*six months*”.

Justification

The penalty is too high in comparison with the offense hence the amendment.

SIGNED.......... DATE.....11-04-2024.....
HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON,
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

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THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

ADOPTION SCHEDULE FOR THE REPORT ON THE COTTON INDUSTRY BILL
(SENATE BILL NO. 5 OF 2023)

DATE:

VENUE:

S/NO.	NAME	SIGNATURE
1.	HON. (DR.) JOHN KANYUITHIA MUTUNGA, MP - CHAIRPERSON	
2.	HON. BRIGHTON LEONARD YEGON, MP - VICE- CHAIRPERSON	
3.	HON. SABINA WANJIRU CHEGE, CBS, MP	
4.	HON. FERDINAND KEVIN WANYONYI, MP	
5.	HON. GEOFFREY MAKOKHA ODANGA, MP	
6.	HON. JUSTICE KIPSANG KEMEI, MP	
7.	HON. JARED ODOYO OKELO, MP	
8.	HON. LAWRENCE MPURU ABURI, MP	
9.	HON. DAVID KIPLAGAT, MP	
10.	HON. GABRIEL GATHUKA KAGOMBE, MP	
11.	HON. MONICAH MUTHONI MARUBU, MP	
12.	HON. PAMELA NJOKI NJERU, MP	
13.	HON. PATRICK KIBAGENDI OSERO, MP	
14.	HON. PETER KALERWA SALASYA, MP	
15.	HON. YUSSUF MOHAMED FARAH, MP	

ANNEX TWO:
MINUTES OF THE
COMMITTEE'S
SITTINGS



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 12TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN PELICAN CONFERENCE ROOM AT PRIDE INN FLAMINGO HOTEL, MOMBASA COUNTY ON FRIDAY, 29TH MARCH 2024 AT 2.30 PM

PRESENT

- | | | |
|------------------------------------------------|---|------------------|
| 1. Hon. (Dr.) John Kanyurthia Mutunga, PhD, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Justice Kipsang Kemei, MP | | |
| 4. Hon. Geoffrey Makokha Odanga, MP | | |
| 5. Hon. Jared Oduyo Okelo, MP | | |
| 6. Hon. David Kiplagat, MP | | |
| 7. Hon. Pamela Njoki Njeru, MP | | |
| 8. Hon. Patrick Kibagendi Osero, MP | | |
| 9. Hon. Peter Kalerwa Salasya, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Lawrence Mpuru Aburi, MP
4. Hon. Gabriel Gathuka Kagombe, MP
5. Hon. Monicah Muthoni Marubu, MP
6. Hon. Yussuf Mohamed Farah, MP

INATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|---------------------|
| 1. Ms. Lauren O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. Mr. Gerald Kadede | - | Legal Counsel II |
| 4. Ms. Zainabu Sora | - | Serjeant-at-Arms I |
| 5. Ms. Lydia Nyagol | - | Secretary |

AGENDA

1. Prayers
2. Preliminaries/Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson

3. Confirmation of Minutes/Matters Arising
4. Clause by clause consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)
5. Adoption of the Report on the Consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)
6. Any other Business
7. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/048: PRELIMINARIES

The meeting was called to order at thirty-four minutes past two O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. Patrick Osero, MP and seconded by Hon. Pamela Njeru, MP.

MIN. NO. NA/A&L/2024/049: CONFIRMATION OF MINUTES

Minutes of the following Sittings were confirmed as a true reflection of the proceedings:

1. 6th Sitting held on Wednesday, 20th March 2024 having been proposed by Hon. Jared Okello, MP and seconded by Hon. Geoffrey Odanga, MP;
2. 7th Sitting held on Wednesday, 27th March 2024 at half past eight O'clock having been proposed by Hon. Peter Salasya, MP and seconded by Hon. Jared Okello, MP;
3. 8th Sitting held on Wednesday, 27th March 2024 at half past two O'clock having been proposed by Hon. David Kiplagat, MP and seconded by Hon. Pamela Njeru, MP;
4. 9th Sitting held on Thursday, 28th March 2024 at half past eight O'clock having been proposed by Hon. Pamela Njeru, MP and seconded by Hon. Geoffrey Odanga, MP;
5. 10th Sitting held on Thursday, 28th March 2024 at two O'clock having been proposed by Hon. Patrick Osero, MP and seconded by Hon. Peter Salasya, MP; and
6. 11th Sitting held on Friday, 29th March 2024 at half past eight O'clock having been proposed by Hon. David Kiplagat, MP and seconded by Hon. Jared Okello, MP.

MIN. NO. NA/A&L/2024/050: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

First Schedule

- a. Amend paragraph 1 (1) to read as follows, "*The Board shall have at least four meetings in every financial year and not more than four months shall lapse between the date of one meeting and the date of the next meeting*".
- b. Amend paragraph 1 (2) to read as follows, "*Meetings shall be convened by the chief executive officer in consultation with the chairperson and shall be held at such times at the Board headquarters or at such other places within Kenya*".
- c. Amend paragraph 5(4) to read as follows, "*A person who contravenes sub-section (1), commits an offence and upon conviction is liable to a fine not exceeding fifty thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment*".

MIN. NO. NA/A&L/2024/051:

ADOPTION OF THE REPORT ON THE
CONSIDERATION OF THE COTTON
INDUSTRY DEVELOPMENT BILL
(*SENATE BILL NO. 5 OF 2023*)

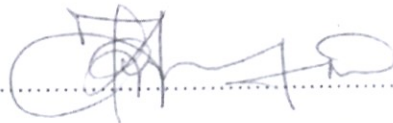
The report on the consideration of the Cotton Industry Development Bill (Senate Bill No. 5 of 2023) was adopted having been proposed by Hon. Justice Kemei, MP and seconded by Hon. Geoffrey Odanga, MP.

MIN. NO. NA/A&L/2023/052:

ADJOURNMENT/DATE OF THE NEXT
MEETING

There being no other business, the meeting was adjourned at ten minutes to four O'clock. The next meeting will be held on Monday, 8th April 2024 at ten O'clock.

SIGNED:



DATE:

08/04/2024

HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK





THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 11TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN PELICAN CONFERENCE ROOM AT PRIDE INN FLAMINGO HOTEL, MOMBASA COUNTY ON FRIDAY, 29TH MARCH 2024 AT 8.30 AM

PRESENT

- | | | |
|------------------------------------------------|---|------------------|
| 1. Hon. (Dr.) John Kanyuithia Mutunga, PhD, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Justice Kipsang Kemei, MP | | |
| 4. Hon. Geoffrey Makokha Odanga, MP | | |
| 5. Hon. Jared Odoyo Okelo, MP | | |
| 6. Hon. David Kiplagat, MP | | |
| 7. Hon. Pamela Njoki Njeru, MP | | |
| 8. Hon. Patrick Kibagendi Osero, MP | | |
| 9. Hon. Peter Kalerwa Salasya, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Lawrence Mpuru Aburi, MP
4. Hon. Gabriel Gathuka Kagombe, MP
5. Hon. Monicah Muthoni Marubu, MP
6. Hon. Yussuf Mohamed Farah, MP

INATTENDANCE

SECRETARIAT

- | | | |
|---------------------------|---|---------------------|
| 1. Ms. Laureen O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. Mr. Gerald Kadete | - | Legal Counsel II |
| 4. Ms. Zainabu Sora | - | Serjeant-at-Arms I |
| 5. Ms. Lydia Nyagol | - | Secretary |

AGENDA

1. Prayers
2. Preliminaries/ Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson

3. Confirmation of Minutes/Matters Arising
4. **Clause by clause consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/044: PRELIMINARIES

The meeting was called to order at twenty minutes to nine O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. Geoffrey Olanga, MP and seconded by Hon. Justice Kemei, MP.

MIN. NO. NA/A&L/2024/045: CONFIRMATION OF MINUTES

The agenda was deferred to a later date.

MIN. NO. NA/A&L/2024/046: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

Clause 46

Amend the last sentence of the clause for clarity.

Clause 47

Amend sub-clause (2) (a) to read as follows, "*nomination of the persons representing cotton farmers;*"

Clause 48: Agreed to

Clause 49

Amend to read as follows, "*Gossypium sp?*"

Clause 50: Agreed to

Clause 51: Agreed to

Clause 52: Agreed to

Clause 53: Agreed to

Clause 54: Agreed to

Clause 55

Amend the clause by deleting the word "*Authority*" and substituting with the word "*Board*".

Clause 56: Agreed to

MIN. NO. NA/A&L/2023/047:

ADJOURNMENT/DATE OF THE NEXT
MEETING

There being no other business, the meeting was adjourned at half past noon. The next meeting will be held at half past two O'clock.

SIGNED:  DATE: 27/3/2024

HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK

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THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 10TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN PELICAN CONFERENCE ROOM AT PRIDE INN FLAMINGO HOTEL, MOMBASA COUNTY ON THURSDAY, 28TH MARCH 2024 AT 2.00 PM

PRESENT

- | | | |
|------------------------------------------------|---|------------------|
| 1. Hon. (Dr.) John Kanyuithia Mutunga, PhD, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Justice Kipsang Kemei, MP | | |
| 4. Hon. Geoffrey Makokha Odanga, MP | | |
| 5. Hon. Jared Oduyo Okelo, MP | | |
| 6. Hon. David Kiplagat, MP | | |
| 7. Hon. Pamela Njoki Njeru, MP | | |
| 8. Hon. Patrick Kibagendi Osero, MP | | |
| 9. Hon. Peter Kalerwa Salasya, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Lawrence Mpuru Aburi, MP
4. Hon. Gabriel Gathuka Kagombe, MP
5. Hon. Monicah Muthoni Marubu, MP
6. Hon. Yussuf Mohamed Farah, MP

INATTENDANCE

SECRETARIAT

- | | | |
|---------------------------|---|---------------------|
| 1. Ms. Laureen O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. Mr. Gerald Kadede | - | Legal Counsel II |
| 4. Ms. Zainabu Sora | - | Sergeant-at-Arms I |
| 5. Ms. Lydia Nyagol | - | Secretary |

AGENDA

1. Prayers
2. Preliminaries/ Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson

3. Confirmation of Minutes/ Matters Arising
4. **Clause by clause consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/040: PRELIMINARIES

The meeting was called to order at fourteen minutes past two O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. Jared Okello, MP and seconded by Hon. David Kiplagat, MP.

MIN. NO. NA/A&L/2024/041: CONFIRMATION OF MINUTES

The agenda was deferred to a later date.

MIN. NO. NA/A&L/2024/042: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

Clause 36: Agreed to

Clause 37: Agreed to

Clause 38: Agreed to

Clause 39

The Legal Counsel was directed to introduce the Cotton Industry Development Levy under this clause.

Clause 40: Agreed to

Clause 41: Agreed to

Clause 42

Amend subclause (3) by deleting the words "*the National Assembly and Senate*" and substituting with the word "*Parliament*".

Clause 43: Agreed to

Clause 44

Amend as proposed by MFA.

Clause 45


Delete the clause.

MIN. NO. NA/A&L/2023/043:

ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty-six minutes to four O'clock. The next meeting will be held on 29th March 2024 at half past eight O'clock.

SIGNED:



DATE:

29/03/2024

HON. (DR.) JOHN KANYUITHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 9TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN PELICAN CONFERENCE ROOM AT PRIDE INN FLAMINGO HOTEL, MOMBASA COUNTY ON THURSDAY, 28TH MARCH 2024 AT 8.30 AM

PRESENT

- | | | |
|-----------------------------------------------|---|------------------|
| 1. Hon. (Dr.) John Kanyuthia Mutunga, PhD, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Justice Kipsang Kemei, MP | | |
| 4. Hon. Geoffrey Makokha Odanga, MP | | |
| 5. Hon. Jared Odoyo Okelo, MP | | |
| 6. Hon. David Kiplagat, MP | | |
| 7. Hon. Pamela Njoki Njeru, MP | | |
| 8. Hon. Patrick Kibagendi Osero, MP | | |
| 9. Hon. Peter Kalerwa Salasya, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Lawrence Mpiru Aburi, MP
4. Hon. Gabriel Gathuka Kagombe, MP
5. Hon. Monicah Muthoni Marubu, MP
6. Hon. Yussuf Mohamed Farah, MP

INATTENDANCE

SECRETARIAT

- | | | |
|---------------------------|---|---------------------|
| 1. Ms. Laureen O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. Mr. Gerald Kadede | - | Legal Counsel II |
| 4. Ms. Zanabu Sora | - | Serjeant-at-Arms I |
| 5. Ms. Lydia Nyagol | - | Secretary |

AGENDA

1. Prayers
2. Preliminaries/ Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson

3. Confirmation of Minutes/Matters Arising
4. **Clause by Clause Consideration of the Cotton Industry Development Bill (Senate Bill No. 5 of 2023)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/037: PRELIMINARIES

The meeting was called to order at thirty-three minutes past eight O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The Agenda of the meeting was adopted having been proposed by Hon. Pamela Njeru, MP and seconded by Hon. Jared Okello, MP

MIN. NO. NA/A&L/2024/037: CONFIRMATION OF MINUTES

The agenda was deferred to a later date.

MIN. NO. NA/A&L/2024/038: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (SENATE BILL NO. 5 OF 2023)

Clause 31

Re-draft the clause to introduce a tribunal

Justification

A tribunal will be best suited to handle disputes in the cotton sector.

Clause 32

- a. Amend sub-clause (1) by deleting the words "*executive committee member*" and substituting with the word "*government*".
- b. Amend paragraph 2 (a) by deleting the words "*Cabinet Secretary*" and substituting with the word "*Board*".

Clause 33

- a. Amend sub-clause (2) by deleting the word "*from*" and substituting with the word "*form*".
- b. Amend paragraph (3) by deleting the words "*publish a notice of the proposed grant in the Gazette*".
- c. Delete sub-clauses (4) and (5).

- d. Renumber sub-clauses (7), (8), (9), (10) and (11).
- e. Amend sub-clause (7) by deleting "(2)" and substituting with "(6)".
- f. Delete sub-clause (8).
- g. Amend sub-clause (10) to read as follows, "*If here the Board refuses to grant an application for license under sub-section (6), the Board shall specify the reasons for the refusal.*"

Clause 34

- a. Amend sub-clause (1) by deleting the words "*this section*" and substituting with the words "*this Act*".
- b. Amend sub-clause (2) to read as follows, "*A person who intends to renew a license under sub-section (1) shall submit an application to the Board in the prescribed form at least thirty days before the date of expiry of the current license.*"
- c. Amend sub-clause (3) to read as follows, "*The procedure for application of a license under this Act shall apply to the application for the renewal of a license.*"

Clause 35

- a. Amend sub-clause (1) to read as follows, "*The Board may revoke or renew a license issued under this Act if the licensee-*"
- b. Amend sub-clause (2) by deleting the words "*county executive member*" and substituting with the word "*Board*".

MIN. NO. NA/A&L/2023/039: ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty minutes to one O'clock. The next meeting will be held at two O'clock.

SIGNED:  DATE: 29/03/2024

HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024
DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 8TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
AGRICULTURE AND LIVESTOCK HELD IN PELICAN CONFERENCE ROOM AT
PRIDE INN FLAMINGO HOTEL, MOMBASA COUNTY ON WEDNESDAY, 27TH
MARCH 2024 AT 2:30 PM

PRESENT

- | | | | |
|----|------------------------------------------|---|------------------|
| 1. | Hon. (Dr.) John Kanyutha Mwangi, PHD, MP | - | Chairperson |
| 2. | Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. | Hon. Justice Kipsang Kemel, MP | - | |
| 4. | Hon. Geoffrey Makoha Odanga, MP | - | |
| 5. | Hon. Jared Oduo Ordo, MP | - | |
| 6. | Hon. David Kiplangat, MP | - | |
| 7. | Hon. Pamela Njoki Njeru, MP | - | |
| 8. | Hon. Patrick Ribagendi Osero, MP | - | |
| 9. | Hon. Peter Kalerwa Salasya, MP | - | |

ABSENT WITH APOLOGY

- | | |
|----|------------------------------------|
| 1. | Hon. Sabina Wanjiru Chege, CBS, MP |
| 2. | Hon. Ferdinand Kevin Wanyonyi, MP |
| 3. | Hon. Lawrence Mpanu Aburu, MP |
| 4. | Hon. Gabriel Gathuka Kagembe, MP |
| 5. | Hon. Mwangi Mathon Marubo, MP |
| 6. | Hon. Yussuf Mohamed Farah, MP |

INNATTENDANCE

SECRETARIAT

- | | | | |
|----|---------------------------|---|---------------------|
| 1. | Mrs. Laurence O. Wesoinga | - | Clerk Assistant I |
| 2. | Mr. Victor Kihino | - | Clerk Assistant III |
| 3. | Mr. Gerald Kadele | - | Legal Counsel II |
| 4. | Mrs. Zambui Sora | - | Serjeant-at-Arms I |
| 5. | Mrs. Lydia Nyagol | - | Secretary |

AGENDA

1. Prayers
2. Preliminaries- Introductions
3. Adoption of the Agenda
4. Remarks by the Chairperson

3. Confirmation of Minutes/Matters Arising
4. **Clause by Clause Consideration of the Cotton Industry Development Bill (Senate Bill No. 5 of 2023)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/033: PRELIMINARIES

The meeting was called to order at twenty-two minutes to three O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. David Kiplagat, MP, and seconded by Hon. Peter Salasya, MP.

MIN. NO. NA/A&L/2024/034: CONFIRMATION OF MINUTES

The agenda was deferred to a later date.

MIN. NO. NA/A&L/2024/035: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (SENATE BILL NO. 5 OF 2023)

Clause 25

- a. Amend sub-clause (1) as proposed by AFA.
- b. delete sub-clause (3);
- c. Amend paragraph 4 (a) to read as follows, "*submit a register of its membership to the respective county government at the beginning of each calendar year; and*"
- d. Amend paragraph 4 (b) to read as follows, "*furnish the county government with information on any change of membership within 30 days of change in membership*".
- e. Amend sub-clause (5) by deleting the words "*sub-section (1)*" appearing immediately after the word "*under*" and substituting with the words "*this section*".
- f. Amend sub-clause (6) by deleting the words "*subsection (1)*" appearing immediately after the word "*under*" and substituting with the words "*this section*".
- g. Amend sub-clause (7) by deleting the words "*sub-section (6)*" appearing immediately after the word "*under*" and substituting with the words "*this section*".
- h. Amend paragraph 7 (b) by deleting the words "*or that*" appearing immediately after the word "*business*".
- i. Amend sub-clause (8) by deleting the words "*under subsection (6)*" appearing immediately after the word "*register*".

j. Amend sub-clause (10) to read as follows, "*the respective county executive committee member shall prescribe the form and procedure for application for registration*"

Clause 26

- a. Amend sub-clause (1) by inserting the word "a" between the words "such" and "person".
- b. Amend the clause by deleting the words "county executive committee member" wherever they appear and substituting with the word "Board".

Justification

Licensing is a function of the National Government and this will be done through the Board.

Clauses 27-30

Amend by deleting the words "county executive committee member" wherever they appear and substituting with the word "Board".

Justification

Licensing is a function of the National Government and this will be done through the Board.

MIN. NO. NA/A&L/2023/036:

ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty minutes past five O'clock. The next meeting will be held on Thursday, 28th March 2024 at half past eight O'clock.

SIGNED:



DATE:

29/3/2024

HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 7TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN PELICAN CONFERENCE ROOM AT PRIDE INN FLAMINGO HOTEL, MOMBASA COUNTY ON WEDNESDAY, 27TH MARCH 2024 AT 8.30 AM

PRESENT

- | | | |
|-----------------------------------------------|---|------------------|
| 1. Hon. (Dr.) John Kanyũthia Mutunga, PhD, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Justice Kipsang Kemei, MP | | |
| 4. Hon. Geoffrey Makokha Odanga, MP | | |
| 5. Hon. Jared Odoyo Okelo, MP | | |
| 6. Hon. David Kiplagat, MP | | |
| 7. Hon. Pamela Njoki Njeru, MP | | |
| 8. Hon. Patrick Kibagendi Osero, MP | | |
| 9. Hon. Peter Kalerwa Salasya, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Lawrence Mpuru Aburi, MP
4. Hon. Gabriel Gathuka Kagombe, MP
5. Hon. Monicah Muthoni Marubu, MP
6. Hon. Yussuf Mohamed Farah, MP

NON-ATTENDANCE

SECRETARIAT

- | | | |
|---------------------------|---|---------------------|
| 1. Ms. Laureen O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. Mr. Gerald Kadede | - | Legal Counsel II |
| 4. Ms. Zainabu Sora | - | Serjeant-at-Arms I |
| 5. Ms. Lydia Nyagol | - | Secretary |

AGENDA

1. Prayers
2. Preliminaries/Introductions

- i. Adoption of the Agenda
- ii. Remarks by the Chairperson
3. Confirmation of Minutes/Matters Arising
4. **Clause by Clause Consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/029: PRELIMINARIES

The meeting was called to order at twenty-nine minutes past eight o'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. Justice Kipsang Kemei, MP and seconded by Hon. Pamela Njoki Njeru, MP.

MIN. NO. NA/A&L/2024/030: CONFIRMATION OF MINUTES

Agenda deferred to a later date.

MIN. NO. NA/A&L/2024/031: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

The meeting deliberated and agreed as follows on the clauses of the Bill.

Clause 11

- a. Amend the clause by merging paragraphs (g) and (n) to read as follows, "*formulate national standards acceptable in the international markets to ensure that the competitiveness and reliability of the country as a producer and supplier of cotton and cotton products is preserved in consultation with KEBS and other relevant government institutions*".
- b. Amend paragraph (p) to read as follows, "*haise with the national agricultural research system and develop suitable affordable cotton seeds in consultation with the National Biosafety Authority*".
- c. Amend paragraph (q) by deleting the words "*the Agricultural Development Corporation*".

Clause 23

- a. Delete paragraph 2 (b).
- b. Amend paragraph 2 (c) to read as follows, "*promote production and productivity of cotton in respective county*".
- c. Amend paragraph 2 (m) to read as follows, "*establish cotton collection and aggregation centres in collaboration with the national government*".
- d. Delete paragraph 2 (n).

d. Amend paragraph 2 (a) to read as follows, *"link cotton farmers with agricultural mechanization centres for affordable machinery."*


f. Delete sub-clause 3.

Clause 24

Amend by deleting sub-clauses (4), (5), (6) and (7).

MIN. NO. NA/A&L/2023/032: ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty-four minutes past one O'clock. The next meeting will be held at half past two O'clock.

SIGNED:  DATE: 29/3/2024
HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 5TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN THE COMMITTEE ROOM ON FOURTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON THURSDAY, 7TH MARCH 2024 AT NOON

PRESENT

- | | | |
|------------------------------------------------|---|------------------|
| 1. Hon. (Dr.) John Kanyuithia Mutunga, PhD, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Justice Kipsang Kemei, MP | | |
| 4. Hon. Lawrence Mpuru Aburi, MP | | |
| 5. Hon. David Kiplagat, MP | | |
| 6. Hon. Patrick Kibagendi Osero, MP | | |
| 7. Hon. Peter Kalerwa Salasya, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Geoffrey Makokha Odanga, MP
4. Hon. Jared Odoyo Okelo, MP
5. Hon. Gabriel Gathuka Kagombe, MP
6. Hon. Monicah Muthoni Marubu, MP
7. Hon. Pamela Njoki Njeru, MP
8. Hon. Yussuf Mohamed Farah, MP

SECRETARIAT

- | | | |
|--------------------------|---|---------------------|
| 1. Ms. Lauren O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. Mr. Gerald Kadede | - | Legal Counsel II |
| 4. Ms. Zainabu Sora | - | Serjeant-at-Arms I |
| 5. Ms. Mercyline Kerubo | - | Audio Assistant |

AGENDA

1. Prayers
2. Preliminaries/Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson

3. Confirmation of Minutes/Matters Arising
4. **Clause by Clause Consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/020: PRELIMINARIES

The meeting was called to order at twenty-nine minutes past noon with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. David Kiplagat, MP and seconded by Hon. Brighton Leonard Yegon, MP.

MIN. NO. NA/A&L/2024/021: CONFIRMATION OF MINUTES

Minutes of the 4th Sitting held on Tuesday, 27th February 2024 were confirmed as a true reflection of the proceedings having been proposed by Hon. Brighton Leonard Yegon, MP and seconded by Hon. Patrick Kibagendi Osero, MP

MIN. NO. NA/A&L/2024/022: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

The meeting deliberated and agreed as follows on the clauses of the Bill:

1. **Clause 16:** Agreed to
2. **Clause 17:** Agreed to
3. **Clause 18:** Agreed to
4. **Clause 19:** Agreed to
5. **Clause 20:** Agreed to
6. **Clause 21:** Agreed to
7. **Clause 22:** Agreed to

8. **Clause 23**

- a. Delete paragraphs 23 (1) (a) and (b).

Justification

They are functions of the Board.

- b. Amend paragraphs under sub-clause 23 (2) as follows:
 - i. Amend paragraph 23 (2) (d) to read as follows, "*offer extension services on cotton production and processing*".
 - ii. Amend paragraph 23 (2) (e) to read as follows, "*promote the organisation of cotton farmers cooperatives, associations and organisations, promote access to credit and other financial services and link them to credit and financing service providers*".

- iii. Amend paragraph 23 (2) (f) to read as follows, "*provide training and dissemination of information on technology and management systems to cotton farmers and processors*".
- iv. Delete paragraph 23 (2) (g).

Justification

It has been linked to paragraph (e).

- v. Amend paragraph 23 (2) (h) to read as follows, "*promote farm productivity through suitable seed varieties and integrated cotton farming systems*".
- vi. Delete paragraph 23 (2) (i).

Justification

It is a function of the Board.

- vii. Amend paragraph 23 (2) (p) to read as follows, "*link farmers with affordable farm inputs including quality seeds, fertilizer and other planting materials; and*".
- viii. Amend paragraph 23 (2) (q) to read as follows, "*carry out other functions as may be confirmed upon by this or any other written law*".

The Legal Counsel was tasked to look at the functions assigned to county governments and Boards in other crops bills e.g. the Sugar Bill and replicate the same in this Bill. This is because Members observed that some of the functions assigned to the county governments in the Cotton Industry Development Bill are roles of the Board and this will pose a challenge in the implementation of the Act once enacted.

9. Clause 24

Delete sub-clause 24(7)

Justification

This should be provided for in respective county regulations.

Resolution

The Committee observed that the Bill was long and required a lot of time and concentration to be considered and resolved to conclude clause by clause consideration of the Bill in a retreat.

MIN. NO. NA/A&L/2023/023: ANY OTHER BUSINESS

The Chairperson informed the meeting that the Committee had received a letter inviting Members for a Trade, Food Security and Nutrition Summit that was scheduled to take place from 27th to 29th March 2024 in Johannesburg, South Africa.

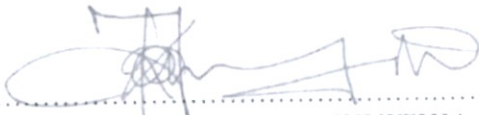
He stated that priority will be given to Members who regularly attended Committee meetings but had not been sponsored by the Committee for a trip out of the country.

MIN. NO. NA/A&L/2023/024:

ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty-four minutes to two O'clock. The next meeting will be held on notice.

SIGNED:



DATE:

20/03/2024

HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 4TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN THE MAIN CHAMBER, PARLIAMENT BUILDING ON TUESDAY, 27TH FEBRUARY 2024 AT 10.00 A.M.

PRESENT

1. Hon. (Dr.) John Kanyũthia Mutunga, PhD, MP - Chairperson
2. Hon. Ferdinand Kevin Wanyonyi, MP
3. Hon. Geoffrey Makokha Odanga, MP
4. Hon. Jared Odoyo Okelo, MP
5. Hon. Lawrence Mpuru Aburi, MP
6. Hon. David Kiplagat, MP
7. Hon. Gabriel Gathuka Ragombe, MP
8. Hon. Monicah Muthoni Marubu, MP
9. Hon. Pamela Njoki Njeru, MP
10. Hon. Patrick Kiligendi Osero, MP
11. Hon. Peter Kalerwa Salasya, MP
12. Hon. Yussuf Mohamed Farah, MP

ABSENT WITH APOLOGY

1. Hon. Brighton Leonard Yegon, MP - Vice-Chairperson
2. Hon. Sabina Wanjiru Chege, CBS, MP
3. Hon. Justice Kipsang Kemei, MP

SECRETARIAT

1. Ms. Laureen O. Wesonga - Clerk Assistant I
2. Mr. Victor Kilimo - Clerk Assistant III
3. Mr. Gerald Kadede - Legal Counsel II
4. Ms. Edith Chepungo - Media Relations Officer III

AGENDA

1. Prayers
2. Preliminaries/Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson
3. Confirmation of Minutes/Matters Arising

4. **Clause by Clause Consideration of the Cotton Industry Development Bill (*Senate Bill No. 5 of 2023*)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/016: PRELIMINARIES

The meeting was called to order at half past ten O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. Monicah Marubu, MP and seconded by Hon. Patrick Osero, MP.

MIN. NO. NA/A&L/2024/017: CONFIRMATION OF MINUTES

Minutes of the 3rd Sitting held on Thursday, 22nd February 2024 were confirmed as a true reflection of the proceedings having been proposed by Hon. Yussuf Farah, MP and seconded by Hon. Geoffrey Odanga, MP.

MIN. NO. NA/A&L/2024/018: CLAUSE BY CLAUSE CONSIDERATION OF THE COTTON INDUSTRY DEVELOPMENT BILL (*SENATE BILL NO. 5 OF 2023*)

The meeting deliberated and agreed as follows on the clauses of the Bill:

1. **Long title:** Amend as proposed by the Agriculture and Food Authority.

Justification

The title provided in the Bill does not provide for the regulatory function. The new amendment also widens the scope of processing.

2. **Clause 2**

- a. Amend definition of the word "*cotton industry*" as proposed by AFA.

Justification

It is important to regulate the marketing of cotton and its products.

- b. Insert definition of the word "*cotton plant*" as proposed by the State Department for Industry.

Justification

To provide clarity on the cotton species and its varieties.

- c. Insert definition of the word "*collection centre*" as proposed by the State Department for Industry.

Justification

The word has been used severally in the Bill but it has not been defined.

3. **Clause 3**

Clause 3 (a) be amended as proposed by AFA.

Justification

To include the regulation function in collaboration with county governments.

4. **Clause 4:** Agreed to

5. **Clause 5:** Agreed to

6. **Clause 6:** Agreed to

7. **Clause 7**

a. Amend sub-clause (1) (c) by deleting the word "trade" and substituting with the word "*industrialization*".

Justification

The cotton sub-sector revolves around SMEs

b. Amend sub-clause (1) by including the Principal Secretary responsible for the National Treasury in the membership of the Board.

Justification

This is to comply with the requirement of the State Corporations Act.

8. **Clause 8:** Agreed to

9. **Clause 9:** Agreed to

10. **Clause 10:** Agreed to

11. **Clause 11:**

a. Amend sub-clause (1) (a) as proposed by AFA.

Justification

To provide for regulation of all industry players

b. Amend sub-clause (1) (e) as proposed by AFA

Justification

To provide for regulation and promotion of cotton products and by-products.

c. Amend the clause by deleting sub-clause (1) (p).

Justification

Research institutions are responsible for conducting research. This can therefore not be a function of the Board.

12. **Clause 12:** Agreed to

13. **Clause 13:** Agreed to

14. **Clause 14:** amend as proposed by AFA.

Justification

All payment to members of the Board is remuneration. It is therefore not necessary to mention each specific payment.

15. **Clause 15**

Amend sub-clause (2) (b) as proposed by AFA.

Justification

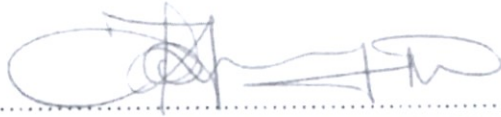
The Chief Executive Officer should have higher qualification hence the requirement of a master's degree.

MIN. NO. NA/A&L/2023/019:

ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at fourteen minutes to noon. The next meeting will be held on Thursday, 29th February 2024 at ten O'clock.

SIGNED:



DATE:

7/3/2024

HON. (DR.) JOHN KANYUTHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - SECOND SESSION - 2023

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 45TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN THE COMMITTEE ROOM ON SECOND FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON WEDNESDAY, 1ST NOVEMBER 2023 AT 10.00 A.M.

PRESENT

- | | | |
|-------------------------------------|---|------------------|
| 1. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 2. Hon. Geoffrey Makokha Odanga, MP | | |
| 3. Hon. David Kiplagat, MP | | |
| 4. Hon. Patrick Kibagendi Osero, MP | | |
| 5. Hon. Peter Kalerwa Salasya, MP | | |
| 6. Hon. Yussuf Mohamed Farah, MP | | |

ABSENT WITH APOLOGY

- | | | |
|-------------------------------------------|---|-------------|
| 1. Hon. (Dr.) John Kanyuithia Mutunga, MP | - | Chairperson |
| 2. Hon. Sabina Wanjiru Chege, CBS, MP | | |
| 3. Hon. Ferdinand Kevin Wanyonyi, MP | | |
| 4. Hon. Justice Kipsang Kemei, MP | | |
| 5. Hon. Jared Okello Odoyo, MP | | |
| 6. Hon. Lawrence Mpuru Aburi, MP | | |
| 7. Hon. Gabriel Gathuka Kagombe, MP | | |
| 8. Hon. Monicah Muthoni Marubu, MP | | |
| 9. Hon. Pamela Njoki Njeru, MP | | |

INATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|----------------------------|
| 1. Ms. Lauren O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor K. Kilimo | - | Clerk Assistant III |
| 3. Ms. Brigitta Mati | - | Legal Counsel I |
| 4. Ms. Noelle Chelagat | - | Media Relations Officer II |
| 5. Mr. Muhamed Shillow | - | Research Officer III |
| 6. Mr. Richard Sang | - | Serjeant-at-Arms |
| 7. Mr. Kelvin Sekani | - | Audio Recording Officer |

STATE DEPARTMENT FOR CROP DEVELOPMENT

- | | | |
|------------------------|---|---------------------------------------|
| 1. Ms. Terry Gathagu | - | Chief State Counsel, MOALD |
| 2. Ms. Grace Kyallo | - | Ag. Director, Fibre Crops, AFA |
| 3. Mr. Fanuel Lubanga | - | Deputy Director, Fibre Crops, AFA |
| 4. Mr. Adhola John | - | Deputy Director, Fibre Crops, AFA |
| 5. Ms. Wanjiku Muriuki | - | Legal Office, AFA |
| 6. Mr. David Kithale | - | Parliamentary Affairs Liaison Officer |

COUNSEL OF GOVERNORS

- | | | |
|------------------------|---|-------------------------|
| 1. Mr. Kizito Wangalwa | - | Director |
| 2. Mr. Robert Kiteme | - | Senior Programs Officer |

STATE DEPARTMENT FOR INDUSTRY

- | | | |
|------------------------|---|--------------------------------------|
| 1. Mr. Nicholas Gakiha | - | Ag. Director of Industry |
| 2. Ms. Anne Wamae | - | Advisor Cotton Textiles and Apparels |

KENYA COTTON GINNERS ASSOCIATION

- | | | |
|--------------|---|----------|
| David Masika | - | Chairman |
|--------------|---|----------|

AGENDA

1. Prayers
2. Preliminaries/Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson
3. Confirmation of Minutes/Matters Arising
4. **Stakeholder Engagement on the Cotton Industry Development Bill (Senate Bill No. 5 of 2023)**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2023/187: PRELIMINARIES

The meeting was called to order at twenty-five minutes past ten o'clock with a word of prayer by the Chairperson.

The Agenda of the meeting was adopted having been proposed by Hon. Peter Kalerwa Salasya, MP and seconded by Hon. Patrick Kibagendi Osero, MP

MIN. NO. NA/A&L/2023/188: CONFIRMATION OF MINUTES

Minutes of the 44th Sitting held on 26th October 2023 were confirmed as a true reflection of the proceedings having been proposed by Hon. Geoffrey Odanga, MP and seconded by Hon. David Kiplagat, MP.

The chairperson requested those present in the meeting to introduce themselves before inviting the stakeholders to make their submissions.

State Department for Crop Development

Ms. Grace Kyallo, Ag. Director, Fibre Crops, AFA informed the meeting that the State Department was opposed to the Bill because:

1. Establishment of the proposed Cotton Industry Development Board to regulate cotton Industry shall negate the policy direction of Government that informed the merger of various agriculture sector bodies into AFA;
2. Both, the Agriculture and Food Authority Act, 2013 and the Crops Act, 2013 provide a framework for regulation, development and promotion of the cotton crop and other fibre crops; and
3. The traditional approach to handling cotton in the country has always grouped it with other fibre crops such as sisal and other potential fibre crops due to the similarities in the required regulatory provisions.

Ms. Kyallo proposed a number of amendments to the Bill in the event that the Committee proceeds with its consideration. Some of the amendments include providing for inspection and inspectors, transition of staff working in the Fibre Crops Directorate, clarification of the provisions on quality management among other.

State Department for Industry

Mr. Nicholas Gakiha, Ag. Director, Industry proposed a number of amendments to the Bill including: defining the word cotton sector needs; including PS Industry and a representative of textile millers in the composition of the Board; providing for inspection of by-products; among others.

Council of Governors

Mr. Kizito Wangalwa, Director, submitted that the Council of Governors was in support of the Bill. The proposed changes that touched on the composition of the Board and Imposition of Levy.

Kenya Cotton Gimmers Association

The Chairman, Mr. David Masika, stated that the Association supported the Bill because it will play a role in reviving the cotton industry in Kenya. He further stated that the disbandment of the Cotton Marketing Board had resulted in underperformance of the cotton industry. Most gimmers had closed shop and the few who were still in business had difficulties in getting cotton.

MIN. NO. NA/A&L/2023/190:

ADJOURNMENT/DATE OF THE NEXT
MEETING

There being no other business, the meeting was adjourned at two minutes past noon. The next meeting will be held on Monday, 6th November 2023.

SIGNED:  DATE: 8/11/2023
HON. (DR.) JOHN KANYUTHIA MUTUNGA, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK

ANNEX THREE:
COPY OF THE
COTTON INDUSTRY
DEVELOPMENT BILL
(SENATE BILL NO. 5 OF
2023)



REPUBLIC OF KENYA

PARLIAMENT

SENATE BILLS

(Bill No. 5 of 2023)



THE COTTON INDUSTRY DEVELOPMENT BILL, 2023

(A Bill published in the Kenya Gazette Supplement No. 9 of 6th February, 2023 and passed by the Senate, with amendments, on 1st August, 2023.)

THE COTTON INDUSTRY DEVELOPMENT BILL, 2023

ARRANGEMENT OF CLAUSES

Clause

PART I – PRELIMINARY

- 1 —Short title.
- 2 —Interpretation.
- 3 —Objects.

PART II – COTTON INDUSTRY DEVELOPMENT BOARD

- 4 —Establishment of the Board.
- 5 —Headquarters of the Board.
- 6 —Powers of the Board.
- 7 —Composition of the Board.
- 8 —Qualifications for appointment as a member.
- 9 —Tenure of appointment.
- 10 —Vacation of office.
- 11 —Functions of the Board.
- 12 —Committees of the Board.
- 13 —Delegation by the Board.
- 14 —Remuneration of members of the Board.
- 15 —Chief executive officer.
- 16 —Functions of the chief executive officer.
- 17 —Removal of the chief executive officer.
- 18 —Staff of the Board.
- 19 —Protection from personal liability.
- 20 —Common seal of the Board.
- 21 —Signing authority.
- 22 —Meetings of the Board.

PART III — ROLE OF COUNTY GOVERNMENTS

- 23 — Role of county governments.
- 24 — County Cotton Development Committee

PART IV – REGULATORY PROVISIONS

- 25 — Registration.
- 26 — Licensing of manufacturers or processors.
- 27 — Refusal to grant licence.
- 28 — Revocation of licence.
- 29 — Compliance notice.
- 30 — Effect of cancellation of licence.
- 31 — Appeals.
- 32 — Designation of collection centres.
- 33 — Licencing of importers and exporters.
- 34 — Renewal of a Licence,
- 35 — Revocation of a licence.
- 36 — Compliance notice.
- 37 — Effect of revocation of a licence.

PART V – FINANCIAL PROVISIONS

- 38 — Funds of the Board.
- 39 — Imposition of levy.
- 40 — Annual estimates.
- 41 — Accounts and Audit.
- 42 — Annual Report and Publication.
- 43 — Financial year of the Board.

PART VI – MISCELLANEOUS PROVISIONS

- 44 — Incentives.
- 45 — Enactment of county specific legislation.

- 46 —Penalties.
- 47 —Regulations.
- 48 —Publication of cotton growing counties.
- 49 —Consequential amendments.

PART VII- TRANSITIONAL PROVISIONS

- 50 —Interpretation
- 51 —Rights and obligations
- 52 —Assets
- 53 —Legal proceedings
- 54 —Reference to written Laws
- 55 —Previous authorisations
- 56 —Staff

**FIRST SCHEDULE — PROVISIONS RELATING TO THE CONDUCT OF
BUSINESS AND AFFAIRS OF THE BOARD.**

SECOND SCHEDULE — COUNTIES.

THE COTTON INDUSTRY DEVELOPMENT BILL, 2023

A Bill for

AN ACT of Parliament to provide for the production, processing, marketing and distribution of cotton in Kenya and its products; establish the Cotton Industry Development Board; provide a framework for cotton farming; ensure value addition to cotton and its related products; and for connected purposes.

ENACTED by the Parliament of Kenya, as follows —

PART I—PRELIMINARY	
Short title.	1. This Act may be cited as the Cotton Industry Development Act, 2023.
Interpretation.	2. In this Act, unless the context otherwise requires — “Board” means the Cotton Industry Development Board established under section 4; “Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to agriculture; “chief executive officer” means the person appointed as the chief executive officer to the Board under section 15; “Cotton industry” includes growers, ginners, spinners and cotton value addition industries; “cotton product” means any product, extract or substance obtained or derived from cotton by any treatment or process; “cotton seed” means cotton seed, including planting seed, produced from raw cotton; “Council of County Governors” means the Council of County Governors established under section 19 of the Intergovernmental Relations Act; and

	<p>“county executive committee member” means the county executive committee member responsible for matters relating to agriculture.</p>
Objects.	<p>3. The objects of this Act is to provide a framework —</p> <ul style="list-style-type: none"> (a) to promote a globally competitive cotton industry; (b) to facilitate the production, value addition and processing of safe and healthy cotton and its products; (c) to promote the generation of high income for cotton farmers and traders; (d) for the continuous and sustained research and extension services for the development of the cotton industry; (e) to facilitate the introduction of modern cotton farming techniques and general modernisation of the cotton industry; and (f) for the provision of financial support to the various players in the cotton industry.
	<p>PART II – THE COTTON INDUSTRY DEVELOPMENT BOARD</p>
Establishment of the Board.	<p>4. (1) There is established a Board to be known as the Cotton Industry Development Board.</p> <p>(2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—</p> <ul style="list-style-type: none"> (a) suing and being sued; (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable or immovable property; (c) entering into contracts; (d) borrowing and lending money; and

Headquarters of the Board.	<p>(e) doing or performing all such other things or acts as may be necessary for the proper discharge of its functions under this Act, which may be lawfully done or performed by a body corporate.</p> <p>5. (1) The headquarters of the Board shall be in Nairobi.</p> <p>(2) The Board may establish such other offices anywhere in Kenya as it may consider necessary for the effective performance of its functions under this Act.</p>
Powers of the Board.	<p>6. (1) The Board shall have all the powers necessary for the proper performance of its functions under this Act.</p> <p>(2) Without prejudice to the generality of the foregoing, the Board shall have power to—</p> <ul style="list-style-type: none">(a) enter into contracts;(b) manage, control and administer the assets of the Board in such manner and for such purposes as best promote the purpose for which the Board is established;(c) receive gifts, grants, donations or endowments made to the Board and make disbursement therefrom in accordance with the provisions of this Act;(d) subject to the approval of the Cabinet Secretary for the time being responsible for matters relating to finance, invest any of the Board's funds not immediately required for the purposes of this Act, as it may determine; and(e) open such bank accounts for its funds as may be necessary. <p>(3) The Board may, if it considers it necessary, create or take part in reation of, become a member of, or associate with a body or ration designed to assist or promote the cotton industry.</p>
Composition of the Board.	<p>7. (1) The Board shall consist —</p> <ul style="list-style-type: none">(a) a chairperson appointed by the President by notice in the <i>Gazette</i>;

<p>Act No. 2 of 2012.</p>	<p>(b) the Principal Secretary responsible for agriculture;</p> <p>(c) the Principal Secretary responsible for matters relating to trade;</p> <p>(d) six persons representing cotton farmers, one from each region specified in the second schedule, nominated by the farmers' cooperative societies with the largest membership in the respective counties;</p> <p>(e) one person with knowledge of the cotton industry nominated by the Council of County governors;</p> <p>(f) one person representing ginners nominated by the apex association of ginners; and</p> <p>(g) the chief executive officer.</p> <p>(2) The Cabinet Secretary shall appoint the members under subsection (1)(d) (e) and (f) by notice in the <i>Gazette</i>.</p> <p>(3) The chief executive officer shall be an ex officio member and secretary to the Board and shall have no right to vote at any meeting of the Board.</p>
<p>Qualifications for appointment as a member.</p>	<p>8. (1) A person is qualified for appointment as a member of the Board under section 7(1)(a), (d) (e) and (f) if that person—</p> <p>(a) is a citizen of Kenya;</p> <p>(b) holds, in the case of a person appointed –</p> <p>(i) section 7(1)(a) (e) and (f), a degree from a university recognized in Kenya; and</p> <p>(ii) section 7(1)(d), a certificate in secondary school education.;</p> <p>(c) has at least three years' experience in management; and</p> <p>(d) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.</p> <p>(2) A person is not qualified for appointment if that person—</p> <p>(a) is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months;</p>

The Cotton Industry Development Bill, 2023

	<p>(b) is a member of Parliament or county assembly; or</p> <p>(c) is adjudged bankrupt.</p>
Tenure of appointment.	<p>9. A person who is appointed under section 7 shall serve for a term of three years renewable for one further term.</p>
Vacation of office.	<p>10. A person shall cease to be a member of the Board if that person —</p> <ul style="list-style-type: none">(a) is absent, without reasonable cause, for three consecutive meetings of the Board;(b) becomes an officer, agent or member of staff of the Board;(c) resigns in writing addressed, in the case of the chairperson, to the President, and in the case of any other member, to the Cabinet Secretary;(d) is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months;(e) is declared bankrupt;(g) is unable to perform the functions of office by reason of mental or physical infirmity; or(h) dies.
Functions of the Board.	<p>11. (1) The functions of the Board shall be to —</p> <ul style="list-style-type: none">(a) regulate and promote the development of the cotton growing and cotton ginning;(b) advise the Cabinet Secretary which counties qualify as cotton producing;(c) make recommendations to the Cabinet Secretary on the implementation of strategies, plans and policies relating to the cotton sector;(d) promote the diversification of cotton products;(e) regulate the import and export of cotton lint and cotton seed;(f) promote the marketing of cotton products and by-products in both local and foreign markets;

	<ul style="list-style-type: none">(g) formulate national standards acceptable in the international markets to ensure that the competitiveness and reliability of the country as a producer and suppliers of cotton products is preserved;(h) carry out surveillance and inspections to ensure compliance with the standards and legislation on the cotton sector;(i) establish linkages with local and international training and research institutions to conduct scientific research and investigations in all areas pertaining to the development of the cotton industry;(j) undertake technology transfer and provide technical assistance to county governments on matters relating to cotton;(k) collect, collate and disseminate information on the cotton industry including the appropriate technology and practices to ensure maximisation of yields by cotton farmers;(l) regulate the marketing and the exportation of cotton products and by-products to conform to the quality or standards recognized in the international market;(m) put in place a framework for capacity building and training of various players in the cotton sector;(n) develop and enforce the cotton industry standards and industry code of practice in collaboration with the Kenya Bureau of Standards;(o) carry out periodic research to determine and make recommendation on fair prices for cotton;(p) undertake research and develop suitable affordable cotton seeds in consultation with the National Biosafety Authority and other research institutions;(q) in collaboration with the Agricultural Development Corporation and other relevant government agencies<ul style="list-style-type: none">(i) provide affordable equipment, farm inputs including seeds, fertilizers and pesticides to the growers; and
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The Cotton Industry Development Bill, 2023

	<p>(ii) design affordable crop insurance models; and</p> <p>(r) carry out such other functions as may be assigned by the Cabinet Secretary or conferred under any other law.</p> <p>(2) The Board shall consult and collaborate with the county executive committee members in the development, promotion and regulation of the cotton industry in the respective counties.</p>
Committees of the Board	<p>12. (1) The Board may establish such committees as it may consider necessary for the efficient performance of its functions and the exercise of its powers under this Act.</p> <p>(2) The Board may co-opt any person to sit in a committee established under subsection (1) such persons whose knowledge and skills are found necessary for the performance of the functions of the Board.</p>
Delegation by the Board.	<p>13. The Board may, by resolution either generally or in any particular case, delegate to any committee, member, officer, employee or agent of the Board, the exercise of any of the powers or the performance of any of the functions of the Board under this Act or under any other written law.</p>
Remuneration of members of the Board.	<p>14. The members of the Board shall be paid such remuneration, fees or allowances as the Cabinet Secretary shall, in consultation with the Salaries and Remuneration Commission, determine.</p>
Chief executive officer.	<p>15. (1) There shall be a chief executive officer of the Board who shall be competitively recruited and appointed by the Board on such terms and conditions as the Board shall determine.</p> <p>(2) A person is qualified for appointment as the chief executive officer if that person—</p> <ul style="list-style-type: none">(a) is a citizen of Kenya;(b) holds a degree from a university recognized in Kenya;(c) has at least ten years' experience in senior management; and

	<p>(d) meets the requirements of leadership and integrity set out in chapter six of the Constitution.</p> <p>(3) The chief executive officer shall hold office for a term of five years and is eligible for re-appointment for one further term.</p>
<p>Functions of the chief executive officer</p>	<p>16. The chief executive officer shall be the secretary to the Board and shall, subject to the direction of the Board —</p> <p>(a) be responsible for the day to day management of the affairs of the Board;</p> <p>(b) manage the funds, property and affairs of the Board;</p> <p>(c) be responsible for the management of the staff of the Board;</p> <p>(d) oversee and coordinate the implementation of the policies, programmes and objectives of the Board;</p> <p>(e) cause to be prepared for the approval of the Board—</p> <p>(i) the strategic plan and annual plan of the Board; and</p> <p>(ii) the annual budget and audited accounts of the Board; and</p> <p>(f) perform such other duties as may be assigned by the Board.</p>
<p>Removal of the chief executive officer.</p>	<p>17. The chief executive officer shall cease to hold office if that person—</p> <p>(a) resigns in writing, addressed to the Board;</p> <p>(b) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;</p> <p>(c) is found liable for gross misconduct or abuse of office in contravention any written law;</p> <p>(d) is declared bankrupt;</p> <p>(e) is unable to perform the functions of office by reason of mental or physical infirmity; or</p> <p>(f) dies.</p>

The Cotton Industry Development Bill, 2023

Staff of the Board.	<p>18. (1) The Board may employ such officers, agents and staff as are necessary for the proper and efficient discharge of the functions of the Board under this Act and upon such terms and conditions of service as the Board may determine.</p> <p>(2) The persons appointed under subsection (1) shall be competitively recruited and appointed by the Board and shall serve on such terms and conditions as the Board may, in consultation with the Salaries and Remuneration Commission determine.</p> <p>(3) The staff appointed under subsection (1) shall possess such knowledge and experience as shall be determined by the Board.</p>
Protection from personal liability.	<p>19. Liability shall not attach to the Board or to any of its members, officers, agents or staff for loss or damage incurred by a person as a result of an act or omission done or made in good faith and without negligence in the performance or exercise or the intended performance or exercise of any duty or power imposed by or conferred under this Act.</p>
Common seal of the Board.	<p>20. (1) The common seal of the Board shall be kept in the custody of the chief executive officer or such other person as the Board may direct, and shall not be used except upon the order of the Board.</p> <p>(2) The seal of the Board shall be authenticated by the signature of the chief executive officer and the chairperson or a person designated by the Board for that purpose on behalf of the chairperson.</p>
Signing authority.	<p>21. All letters and instruments written or made by or on behalf of the Board, other than those required by law to be under seal, and all decisions of the Board, shall be signed under the hand of the chief executive officer or in the absence of the chief executive officer, a person authorized by the Board.</p>
Meetings of Board.	<p>22. (1) The business and affairs of the Board shall be conducted in accordance with the provisions set out in the First Schedule.</p> <p>(2) Except as otherwise provided in the First Schedule, the Board may regulate its own procedure.</p>

	(3) The Board may invite any person to attend any of its meetings and to participate in its deliberations, but such person shall not be entitled to vote on any of the Board's decisions.
	PART III – ROLE OF COUNTY GOVERNMENTS
Role of county governments.	<p>23. (1) Each county government shall—</p> <ul style="list-style-type: none"> (a) implement the National Government policy relating to the cotton sector; (b) regulate and promote the development of the cotton industry within the respective county; (c) consider applications for the certificates, permits and licences; (d) coordinate the activities of persons, organisations and any other associations within the cotton industry in the respective county; and (e) facilitate access by players in the cotton industry to such resources and financial support as may be necessary to promote the development of the cotton industry in the respective county. <p>(2) Each county executive committee member shall, in ensuring that the county government fulfils its obligations under subsection (1) –</p> <ul style="list-style-type: none"> (a) maintain an up to date register of cotton growers, cotton cooperative societies and other associations as it considers appropriate in that county; (b) implement the policies, standards and strategies by the National Government and guidelines on corporate governance in cotton growers' institutions; (c) facilitate the production of cotton in the respective county by implementing and expanding the planting and replanting program of cotton in strategic areas identified as having the most potential and facilitate the rehabilitation and fertilization of existing cotton; (d) offer extension services on cotton production and primary processing;

- (e) promote the organisation of cotton farmers cooperatives, associations, and organizations and provide them with credit and financing support;
- (f) provide training, extension service programs and disseminate information to cotton farmers, farm workers and processors relative to production technology, market systems, farm workers, entrepreneurial and other technical skills and values, attitude formation and socio-economic development strategies;
- (g) collaborate with relevant institutions so as to promote access to credit and other financial services;
- (h) formulate and adopt a general program of development geared towards increased farm productivity, through planting of suitable seeds of varieties, rehabilitation and fertilization of cotton, integrated cotton farming systems and product processing;
- (i) inspect cotton farms, ginneries and value addition industries located within their respective counties;
- (j) in collaboration with law enforcement agencies, enhance security in cotton growing areas;
- (k) monitor and report incidences of pests and disease outbreaks to the Board and take action in collaboration with the Board and other relevant government agencies;
- (l) monitor and provide technical support for the eradication of noxious and invasive weeds and report any incidences to the Board;
- (m) establish cotton aggregation centres in collaboration with the national government;
- (n) establish cotton collection centres and storage facilities;
- (o) put in place programs for provision of farm machinery;
- (p) provide affordable farm-inputs including quality seeds, fertilizer and other planting materials; and

	<p>(q) carry out such other functions as may be conferred upon by any law.</p> <p>(3) The county executive committee member responsible for finance may from time to time implement such measures, including incentives in order to promote the development of the cotton industry.</p>
County Cotton Development Committee.	<p>24. (1) Each county executive committee member in the cotton growing counties listed in the Second Schedule shall establish a Cotton Development Committee for the better carrying out of the functions under this Act.</p> <p>(2) The committee shall comprise representatives of the county government, growers, ginners and any other relevant stakeholder from the county that the county executive committee member shall deem fit.</p> <p>(3) The function of the committee shall be to advise the county executive committee member on matters affecting the cotton industry.</p> <p>(4) The committee shall comprise not more than nine (9) members.</p> <p>(5) The respective county executive committee member shall appoint chairperson and members to the committee.</p> <p>(6) The term of service of the members shall be 3 years renewable once.</p> <p>(7) The respective county executive committee member shall prescribe, in regulations, the conduct of business and affairs of the committee.</p>
	PART IV – REGULATORY PROVISIONS
Registration	<p>25. (1) A person or entity shall not carry out the business of a cotton grower, cotton ginner, cotton cooperative society or cotton association unless such person is registered by the respective county government in which the business is to be undertaken.</p> <p>(2) Notwithstanding subsection (1), a grower who is a registered member of a cooperative society or cotton association which is registered by a county government, shall be exempted from registration by that county government.</p>

	<p>(3) Subsection (2) shall apply to a grower on condition that the cooperative society or cotton association is registered in the same county as that which the grower is carrying out business.</p> <p>(4) A registered cooperative society or cotton association shall-</p> <ul style="list-style-type: none">(a) submit a register of its members to the respective county government at the beginning of each calendar year; and(b) furnish the county government with information on any change of membership within 14 days of a change of membership. <p>(5) A county government shall not charge a fee for the registration of an applicant under subsection (1).</p> <p>(6) Each county government shall keep and maintain a register of persons registered under subsection (1).</p> <p>(7) A register under subsection (6), shall include—</p> <ul style="list-style-type: none">(a) the name of the cotton grower, ginner, cooperative society or cotton association;(b) the location, size and parcel number of the land on which the business or that of its members is located; and(c) such other particulars as may be prescribed by county legislation. <p>(8) A county government shall annually submit to the Board a copy of the register under subsection (6).</p> <p>(9) Any person may inspect the register and obtain a copy of an extract from the register, on payment of a prescribed fee.</p> <p>(10) The respective county executive committee members shall prescribe, in county legislation, the form and procedure for the application for registration under subsection (1).</p>
Licensing of manufacturer or processor.	<p>26. (1) A person shall not engage in the business of cotton ginning, spinning or value addition unless such person has applied for, and obtained, a licence in accordance with this Act.</p> <p>(2) A person who intends to engage in the business of cotton ginning, spinning or value addition shall submit an application in the form prescribed in county legislation to the county executive committee member together with —</p>

(a) such documents and information as the county executive committee member may prescribe; and

(b) the prescribed fees.

(3) A county executive committee member shall consider an application within fourteen days, and may –

(a) grant a licence unconditionally;

(b) grant a licence subject to satisfying such conditions as the county may specify; or

(c) with sufficient cause, refuse to issue or renew the licence.

(2) A decision made under subsection (3) on an application for a licence shall be communicated to the applicant by the respective county executive committee member, in writing within, fourteen days from the date of the decision.

(5) Where the county executive committee member refuses to grant an application for a licence, the county executive committee member shall, in its notification under subsection (3), specify the reasons for the refusal.

(6) A county executive committee member shall, at least thirty days before granting a new licence under this Act, publish a notice of the proposed grant by notice in the *Gazette* and in such other manner as the county executive committee member may determine.

(7) The county executive committee member shall, in publishing the notice under subsection (6)—

(a) specify the name or other particulars of the person or class of persons to whom the licence is to be granted;

(b) state the purpose and the date for which the licence is proposed to be issued; and

(c) invite objections to the proposed grant of licence and direct that such objections be lodged with the county executive committee member within fourteen days from the date of the notice.

(8) The county executive committee member shall consider any objection submitted to it under subsection (6) and may grant the

	<p>licence applied for subject to such terms and conditions as the county executive committee member shall consider appropriate.</p> <p>(9) A licence issued under this Act shall not be transferable.</p> <p>(10) A person who contravenes the provisions of subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding one million shillings or twice the value of the cotton or cotton products, whichever is great, or to imprisonment for a term not exceeding two years or both.</p>
<p>Refusal to grant a licence.</p>	<p>27. (1) The county executive committee member may refuse to grant a licence where the application does not comply with the requirements imposed under this Act or prescribed under the specific county legislation.</p> <p>(2) The county executive committee member shall notify the applicant of the decision within fourteen days of such refusal in accordance with section 25(3) and (4).</p>
<p>Revocation of a licence.</p>	<p>28. (1) The county executive committee member may revoke a licence under this Act if the licensee —</p> <p>(a) fails to meet any condition imposed by this Act or county legislation; or</p> <p>(b) surrenders the licence together with a notice setting out a request that the licence be revoked.</p> <p>(2) The county executive committee member shall not revoke the licence under subsection (1) unless the committee executive member—</p> <p>(a) issues to the person, a notice of at least fourteen days of the intention to revoke the licence;</p> <p>(b) issues to that person a compliance notice in the prescribed form; and</p> <p>(a) grants the person, an opportunity to be heard on the revocation.</p>
<p>Compliance notice.</p>	<p>29. (1) A compliance notice issued under section 27(2) shall—</p>

	<p>(a) be in writing;</p> <p>(b) set out the areas of non-compliance and the steps required to be undertaken in order to comply; and</p> <p>(c) specify the period within which the person is required to comply with the notice.</p> <p>(2) The county executive committee member may, upon request by the licensee and, where there are sufficient grounds shown by the licensee, extend the period of compliance for such period as the committee member may consider necessary to ensure compliance.</p>
<p>Effect of revocation of a licence.</p>	<p>30. (1) Where a person who receives a compliance notice under section 28 fails to comply with such notice, the county executive committee member shall —</p> <p>(a) revoke the licence of that person;</p> <p>(b) notify the person in writing of—</p> <p>(i) the revocation and the reasons thereof; and</p> <p>(ii) indicate the date of revocation.</p> <p>(2) For purposes of this Act, a cancellation of licence takes effect on the date on which the licence is cancelled by the county executive committee member.</p>
<p>Appeals.</p>	<p>31. (1) An applicant who is aggrieved by the decision of the county executive committee member not to issue a licence under this Act may appeal to the county executive committee against the decision within thirty days of the receipt of the decision.</p> <p>(2) An applicant who is aggrieved by the decision of the county executive committee under subsection (1) may appeal to the High Court against the decision within fourteen days of receipt of the decision.</p>

Designation of collection centres	<p>32. (1) The county executive committee member shall designate such collection centres as the member shall, in consultation with the cotton growers in the county, determine.</p> <p>(2) The county executive committee member shall, in designating a collection centre, –</p> <p>(a) ensure that a centre meets such standards as may be prescribed by the Cabinet Secretary; and</p> <p>(b) take into account such codes of practice and standards as may be applicable to cotton collection centres.</p>
Licensing of importers and exporters.	<p>33. (1) A person shall not import or export cotton, cotton seed or cotton by-products unless such person has applied for, and obtained a licence for the said import or export.</p> <p>(2) A person who intends to import or export cotton, cotton seed or cotton by-products shall submit an application, in the prescribed, form to the Board.</p> <p>(3) The Board shall, at least thirty days before granting a new licence under this section, publish a notice of the proposed grant in the Gazette and in such other manner as the Board may determine.</p> <p>(4) The Board shall, in publishing the notice under subsection (2)—</p> <p>(a) specify the name or other particulars of the person or class of persons to whom the license is to be granted;</p> <p>(b) specify the purpose and the date on which the license is proposed to be issued; and</p> <p>(c) invite comments on the proposed grant of license and direct that such comments be lodged with the Board within fourteen days from the date of the notice.</p> <p>(5) The Board shall consider any objection submitted to it under paragraph (c) and may grant or deny the license applied for subject to such terms and conditions as the Board shall consider appropriate.</p> <p>(6) The Board shall consider an application within thirty days, and may –</p>

	<p>(a) grant a licence unconditionally;</p> <p>(b) grant a licence subject to satisfying such conditions as the Board may specify; or</p> <p>(c) with sufficient cause, refuse to issue or renew the licence.</p> <p>(6) A decision made under subsection (2) shall be communicated to the applicant, in writing within, seven days from the date of the decision.</p> <p>(7) The licence granted to an applicant under subsection (3) shall be in the prescribed form.</p> <p>(8) A licence issued under this section shall not be transferable.</p> <p>(9) Where the Board refuses to grant an application for a licence under subsection (4), the county executive committee member shall, specify the reasons for the refusal.</p> <p>(10) A person who is dissatisfied with the decision of the Board may appeal to the Cabinet Secretary.</p>
<p>Renewal of a licence.</p>	<p>34. (1) A licence issued under section 32 shall be valid for a. period of one year from the date it was issued.</p> <p>(2) A person who intends to renew a licence under subsection (1) shall submit an application in the prescribed form at least thirty days before the date of expiry of the licence.</p> <p>(3) The procedure for the application of a licence under section 32 shall apply to the application for the renewal of a licence</p>
<p>Revocation of a licence</p>	<p>35. (1) The Board may revoke a licence issued under section 32 or renewed under section 33 if the licensee —</p> <p>(a) fails to meet any condition prescribed under this Act; or</p> <p>(b) surrenders the licence together with a notice setting out a request that the licence be revoked.</p> <p>(2) The Board shall not revoke the licence under subsection (1) unless the committee executive member—</p>

	<p>(a) issues to the licensee, a notice of at least fourteen days of the intention to revoke the licence;</p> <p>(b) issues to that person a compliance notice in the prescribed form; and</p> <p>(b) grants the person, an opportunity to be heard on the revocation.</p>
<p>Compliance notice.</p>	<p>36. (1) A compliance notice issued under section 34(2) shall—</p> <p>(a) be in writing;</p> <p>(b) set out the areas of non-compliance and the steps required to be undertaken in order to comply; and</p> <p>(c) specify the period within which the person is required to comply with the notice.</p> <p>(2) The Board may, upon request by the licensee and, where there are sufficient grounds shown by the licensee, extend the period of compliance for such period as the Board may consider necessary to ensure compliance.</p>
<p>Effect of revocation of a licence.</p>	<p>37. (1) Where a person who receives a notice under section 34 fails to comply with such notice, the Board shall —</p> <p>(a) revoke the licence of that person;</p> <p>(b) notify the person in writing of—</p> <p>(i) the revocation and the reasons thereof; and</p> <p>(ii) indicate the date of revocation.</p> <p>(2) For purposes of this Act, a cancellation of licence takes effect on the date on which the licence is cancelled by the Board.</p>
<p>PART V – FINANCIAL PROVISIONS</p>	

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Funds of the Board.	<p>38. (1) The funds of the Board shall consist of—</p> <ul style="list-style-type: none">(a) monies appropriated by Parliament for the purposes of the Board;(b) such monies or assets as may accrue to or vest in the Board in the course of the exercise of its powers or the performance of its functions under this Act or any other written law;(c) monies received in respect of the levies and fees; and(d) donations, grants, loans or gifts made to the Board and approved by the Cabinet Secretary for finance.
Imposition of levy.	<p>39. The Cabinet Secretary may, in consultation with the Board, the county governments and the Cabinet Secretary responsible for the National Treasury, and by notice in the Gazette, impose a levy payable to the Board for the development of the cotton industry.</p>
Annual Estimates.	<p>40. (1) At least three months before the commencement of each financial year, the Board shall cause to be prepared estimates of the revenue and expenditure of the Board for that year.</p> <p>(2) The annual estimates shall make provision for all estimated expenditure of the Board for the financial year concerned.</p> <p>(3) The annual estimates prepared by the Board under subsection (2) shall be submitted to the Cabinet Secretary for tabling in the National Assembly and the Senate.</p>
Accounts and Audit.	<p>41. (1) The Board shall cause to be kept such books of accounts and other books in relation thereto of all its undertakings, funds, activities and property as the Cabinet Secretary may from time to time approve and shall, within a period of three months after the end of the financial year, cause to be prepared, signed and forwarded to the Auditor-General—</p> <ul style="list-style-type: none">(a) a balance sheet showing in detail the assets and liabilities of the Board; and(b) such other statements of accounts as the Cabinet Secretary may approve.

No. 34 of 2015.	<p>(2) The accounts of the Board shall be examined, audited and reported upon annually by the Auditor-General in accordance with the Public Audit Act.</p> <p>(3) The Board shall submit to the Auditor-General all books and accounts of the Board, together with all vouchers in support thereof, and all books, papers and writings in its possession or control relating thereto, and the Auditor-General shall be entitled to require from any member, officer, employee or agent of the Board such information and explanation as he may consider necessary for the performance of his duties.</p>
Annual report and publication.	<p>42. (1) The Board shall, within a period of three months after the end of each financial year or within such longer period as the Cabinet Secretary may approve, submit to the Cabinet Secretary a report of the operations of the Board during such year, and the yearly balance sheet and such other statements of account as the Cabinet Secretary shall require, together with the Auditor-General's report.</p> <p>(2) The Board shall, if the Cabinet Secretary so requires, publish the report, balance sheet and statements submitted to him under subsection (1) in such manner as the Cabinet Secretary may specify.</p> <p>(3) The Cabinet Secretary shall submit to the National Assembly and the Senate the reports, balance sheet and statements submitted under subsection (1), within a period of fourteen days of the receipt of the reports and statements.</p>
Financial year of the Board.	<p>43. The financial year of the Board shall be the period of twelve months ending on the thirtieth of June in each year.</p>
PART VI - MISCELLANEOUS PROVISIONS	
Incentives.	<p>44. The Cabinet Secretary responsible for finance may from time to time implement such measures, including tax incentives in order to promote the development of the cotton industry.</p>
Enactment of county specific legislation.	<p>45. Each county government may enact county specific legislation setting out –</p>

	<ul style="list-style-type: none">(a) the criteria for the registration of a cotton grower within the respective county;(b) criteria for the issuance of a licence to an applicant within the respective county;(c) information required to be submitted by an applicant for registration or issuance of a licence;(d) process of determination of an application for registration or issuance of a licence;(e) the conditions for the issuance or renewal of a licence under this Act;(f) process of application for the renewal of licences and revocation of a licence issued to an applicant under this Act;(g) the grounds for the rejection of an application or cancellation of a licence issued under this Act; and(h) process of application for the renewal of registration and de-registration.
Penalties.	<p>46. (1) A person who commits an offence under this Act for which no penalty is provided is liable, on conviction, to a fine of not less than twenty thousand shillings or a fine not exceeding twice the value of the cotton or cotton by products or, to imprisonment for a term not exceeding six months, or to both.</p> <p>(2) Where an offence under this Act is committed by a partnership, company, association or co-operative society, every person who at the time when the offence was committed—</p> <ul style="list-style-type: none">(a) was director, partner or officer;(b) had knowledge or should have had knowledge of the commission of the offence; and(c) did not exercise due diligence to ensure compliance with this Act, <p>commits an offence and is liable for the offence as if they had committed the offence, unless they prove that the act or omission</p>

	<p>constituting the offence took place without their knowledge, consent or connivance and that they exercised diligence to prevent the commission of the offence as they ought to have exercised having regard to the nature of their functions as director, partner or officer concerned as aforesaid and to all the circumstances.</p>
Regulations.	<p>47. (1) The Cabinet Secretary may, in consultation with the Board and the Council of County Governors, make regulations generally for the effective carrying out the provisions of this Act.</p> <p>(2) Without prejudice to the generality of subsection (1), the Cabinet Secretary may make Regulations providing for the –</p> <ul style="list-style-type: none">(a) nomination of the persons representing cotton farmers under section 7(1)(c); and(b) regulation of the processing, importation and exportation of cotton and cotton product.(c) conditions for the issuance of certificates, licenses and permits under this Act;(d) forms, certificates and manner of application for registration and licensing under this Act;(e) manner in which cotton may be produced, harvested, graded, processed, warehoused, packaged and traded;(f) charges for services rendered under this Act by the Board;(g) forms and procedure for appeals under this Act;(h) establishment of a cotton price stabilization mechanism;(i) contracts entered by growers and processors and;(j) apportionment of any levy imposed under this Act.

Publication of cotton growing counties.	<p>48. (1) The Cabinet Secretary may on the advice of the Board review the list of counties that grow cotton under the Second Schedule of this Act.</p> <p>(2) The Cabinet Secretary shall publish annually the list under subsection (1) in the <i>Gazette</i>.</p>
Consequential amendment	<p>49. Part 1 of the First Schedule to the Crops Act is amended by deleting the following item—</p> <p>Cotton.....<i>Gossypium app.</i></p>
PART VII— TRANSITIONAL PROVISIONS.	
Interpretation.	<p>50. In this Part—</p> <p>“appointed day” means the day this Act comes into force</p>
Rights and obligations	<p>51. On the appointed day, all rights, obligations and contracts which, immediately before the coming into operation of this Act, were vested in or imposed on the Agriculture and Food Authority with respect to the cotton sector shall by virtue of this section, be deemed to be the rights, obligations and contracts of the Board as the case may be.</p>
Assets.	<p>52. On the appointed day, all funds, assets, and other property, moveable and immovable which were immediately before the appointed day vested in Agriculture and Food Authority for the carrying out of functions relating to cotton, shall vest in the Board.</p>
Legal proceedings	<p>53. On the appointed day, all actions, suits or legal proceedings pending by or against the Agriculture and Food Authority in relation to the cotton sector shall be carried on or prosecuted by or against the Board, and no action, suit or legal proceedings shall in any manner abate or be prejudicially affected by the enactment of this Act.</p>

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Reference to written laws.	54. Any reference to the Agriculture and Food Authority in any written law or in any contract, document or instrument of whatever nature, in relation to cotton, shall, on the appointed day, be read and construed as a reference to the Board.
Previous authorisations.	55. All directions, orders and authorisations given, or licenses or permits issued, or registrations made by the Agriculture and Food Authority in relation to cotton, and subsisting or valid immediately before the appointed day, shall be deemed to have been given, issued or made by the Authority as the case may be, under this Act.
Staff.	56. Any person who, at the commencement of this Act, is a member of staff of the Agriculture and Food Authority dealing with the cotton sector shall, on the appointed day, become a member of staff of the Board.

FIRST SCHEDULE (s. 22(2))	
PROVISIONS RELATING TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD	
Meetings.	<p>1. (1) The Board shall have at least ten meetings in every financial year and not more than two months shall elapse between the date of one meeting and the date of the next meeting.</p> <p>(2) Meetings shall be convened by the chief executive officer in consultation with the chairperson and shall be held at such times and such places as the chairperson shall determine.</p> <p>(3) The respective Chairpersons shall preside over all meetings and in the absence of the Chairperson, by a person elected by the Board as the case may be at the meeting for that purpose.</p> <p>(4) The Chairperson may at any time convene a special meeting of the Board as the case may be, and shall do so within one month of the receipt by the Chairperson of a written request signed by at least five other members.</p> <p>(5) Unless half of the members of the Board otherwise agree, at least seven days' notice of a meeting shall be given to every member of the Board as the case may be.</p>
Quorum.	<p>2. The quorum of a meeting of the Board is half of the total number of members.</p>
Voting.	<p>3. A decision of the Board shall be by a majority of the members present and voting and, in the case of an equality of votes; the person presiding at the meeting shall have a second or casting vote.</p>
Minutes	<p>4. Minutes of all meetings shall be kept and entered in records kept for that purpose.</p>
Disclosure of interest.	<p>5. (1) If a person is present at a meeting of the Board or respective committee at which any matter is the subject of consideration and in which matter that person is directly or indirectly interested in a private capacity, that person shall as soon as is practicable after the commencement of the meeting, declare such interest.</p> <p>(2) The person making the disclosure of interest under subsection (1) shall not, unless the Board or committee otherwise</p>

directs, take part in any consideration or discussion of, or vote on any question touching on the matter.

(3) A disclosure of interest made under subsection (1) shall be recorded in the minutes of the meeting at which it is made.

(4) A person who contravenes subsection (1) commits an offence and upon conviction is liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding seven years or to both such fine and imprisonment.

(5) A member or employee of the Board shall not transact any business or trade with the Board.

SECOND SCHEDULE

(s 48)

COUNTIES

COAST REGION

Kwale County

Kilifi County

Lamu County

Taita-Taveta County

Tana River County

CENTRAL REGION

Kiambu

Kirinyaga

Muranga

RIFT VALLEY REGION

Baringo

Elgeyo Marakwet

Kajiado-South East

Kericho

Turkana

West Pokot

EASTERN REGION

Embu

Isiolo

Kitui

Machakos

Makueni

Marsabit

Tharaka Nithi

Meru

WESTERN REGION

Bungoma

Busia

Kakamega

NYANZA REGION

Homa Bay

Kisumu

Migori

Siaya

The Cotton Industry Development Bill, 2023

I certify that this printed impression is a true copy of the Bill as passed by the Senate on
Tuesday, 1st August, 2023.



Clerk of the Senate

Endorsed for presentation to the National Assembly in accordance with the provisions of
standing order 161 of the Senate Standing Orders.



Speaker of the Senate

ANNEX FOUR:
MATRIX

THE COTTON INDUSTRY BILL (SENATE BILL NO. 5 OF 2023)

CLAUSE	PROPOSING ENTITY	PROVISION IN THE BILL	PROPOSED AMENDMENT	RATIONALE
LONG TITLE	AGRICULTURE AND FOOD AUTHORITY (AFA)	AN ACT of Parliament to provide for the production, processing, marketing and distribution of cotton in Kenya and its products; establish the Cotton Industry Development Board; provide a framework for cotton; ensure value addition to cotton and its related products; and for connected purposes.	Amend the long title to read as follow— “AN ACT of Parliament to provide for the regulation, production, value addition, marketing and distribution of cotton in Kenya and its products; establish the Cotton Industry Development Board; provide a framework for cotton farming; ensure value addition to cotton and its related products; and for connected purposes.	The regulatory function of the Bill is missing and also provide clarity by widening the scope of processing.
2	AFA	“Cotton industry” includes growers, ginners, spinners and cotton value addition industries;	Amend the definition of the term “Cotton industry” to include the word “marketing”	There is need to regulate the marketing of cotton and its products.
2	SATE DEPARTMENT FOR INDUSTRY (SDI)		We propose an interpretation of cotton sector – does it capture the value addition nodes or not.	
	SDI	(New definition)	Including the following new definition— “Cotton plant” means <i>Gossypium ssp</i> and its varieties.	To provide clarity on cotton species and its varieties.
			Defining the word “Collection centre”	The word has been used in the Bill and there is need for clarity.

		“Cotton seed” means cotton seed, including planting seed, produced from raw cotton;	Amend the interpretation of the term “Cotton seed” to read as follows— “Cotton seed” means cotton seed produced from raw cotton.	This is necessary to capture all cotton seed to include seed for planting and milling.
3(a)	AFA	(a) to promote a globally competitive cotton industry;	Amend clause 3 paragraph (a) to read as follows— “(a)to promote a globally competitive cotton industry through regulation in collaboration with the County Governments”.	To include the regulation function in collaboration with County Governments”.
3(b)	SDI	(b)to facilitate the production, value addition and processing of safe and healthy cotton and its products;	Amend clause 3 paragraph (b) to read as follows— “(b)to facilitate the production, ginning and processing of safe and healthy cotton and its products”.	This is based on the functions of the Board which is; regulate and promote the development of the cotton growing and cotton ginning; section 11(1)(a) or alternatively align 3(b) and 11(1)(a).
7(1)	AFA	Composition of the Board.	Amend clause 7 subclause (1) by including— “Principal Secretary responsible for matters relating to Industrialization”.	The cotton subsector revolves around SMEs at ginning, spinning and weaving levels.
7(1)	AFA		Amend clause 7 subclause (1) by including representation of— “Principal Secretary responsible for National Treasury”.	The State Corporations Act provides for the inclusion of Principal Secretary responsible for National Treasury.
7(1)(b)	SDI	(b)the Principal Secretary responsible for Agriculture;	Amend clause 7 subclause (1) paragraph (b) to include the Principal Secretary in charge of State Department for Industry in the composition of the Board.	

7(1)(d)	SDI	(d)six persons representing cotton farmers, one from each region specified in the second schedule, nominated by farmers' cooperative societies with the largest membership in the respective counties;	Amend clause 7 subclause (1) paragraph (d) by reducing the number of farmer representatives and include a representative from the Textile Millers.	
7(1)(f)	AFA	(f)one person representing ginners nominated by the Council of County Governors;	Amend clause 7 subclause (1) paragraph (f) by including representation of "spinners".	Spinners play a critical role as off takers of cotton lint.
7	COUNCIL OF GOVERNORS (CoG)		Amend clause 7 by introducing a new clause before sub-clause (2) to read as follows— “7(2)The cabinet Secretary in consultation with the Council of County Governors, shall receive the nominated farmers under subsection 1(d) and determine which County to be represented in the Board in each region on a rotational basis to ensure equitable representation. (3)The Cabinet Secretary shall appoint the members under subsection 1(d), (e) and (f) by notice in the Gazette. (4)The chief executive officer shall be an ex-officio member and secretary to the Board and shall	To provide for a consultative process in the determination of the representation of farmers in each of the county of the region on a particular tenure of the office of the Board.

			have no right to vote at any meeting of the Board.”	
11(1)(a)	AFA	(1) The functions of the Board shall be to— (a) regulate the development of the cotton growing and cotton ginning;	Amend clause 11 subclause (1) paragraph (a) to read as follows— “(a) regulate and promote the development of the cotton industry;”	To ensure all industry players are regulated.
11(1)(e)	AFA	(e) regulate the import and export of cotton products and by-products in both local and foreign markets;	Amend clause 11 subclause (1) paragraph (e) to read as follows— “(e) regulate and promote import and export of cotton products and by-products;”	To cater for regulation and promotion of cotton products and by-products.
11(1)(p)	AFA	(p) undertake research and develop suitable affordable cotton seeds in consultation with the National Biosafety Authority and other research institutions;	Amend clause 11 subclause (1) paragraph (p) to read as follows— “(p) the responsibility of the Board is to determine research priorities which is covered under clause 11(1)(i). Alternatively amend by deleting “Delete clause 11(1)(p)”	The responsibility of the research lies with the research institutions.
14	AFA	14. The members of the Board shall be paid such remuneration, fees or allowances as the Cabinet secretary shall, in consultation with the Salaries and Remunerations Commission, determine.	Amend clause 14 by deleting the words “fees” and “allowances” to read as follows— 14. The members of the Board shall be paid such remuneration as the Cabinet secretary shall, in consultation with the Salaries and Remunerations Commission, determine.	Members of the Board are remunerated as determined by Salaries and Remuneration allowances.

15(2)(b)	AFA	(2)A person is qualified for appointment as the chief executive officer if the person— (b)holds a degree from a university recognized in Kenya;	Amend clause 15 subclause (2) paragraph (b) by changing the qualifications of a Chief Executive Officer from degree to master's degree to read as follows— (b)holds a master's degree from a university recognized in Kenya;	To align with the current trends.
23(2)(i)	SDI	(2).Each county executive committee member shall, in ensuring that the county government fulfils its obligation under subsection (1)— (i)inspect cotton farms, ginneries and value addition industries located within their respective counties;	(i)Amend clause 23 subclause (2) paragraph (i) to read as follows— “(i) inspect cotton farms, ginneries and by-products value addition industries located within their respective counties. (ii) by introducing new paragraph (r) to read as follows— “(r) work with relevant ministries, department and agencies for local seed multiplication”.	
25	AFA	Registration	Amend clause 25 to list the minimum requirements e.g. catchment in relation to raw materials source, feasibility study etc.	These are heavy investments where there is need for investor comfort and produce offtake guarantee.
25(1)	AFA	(1) A person or entity shall not carry out the business of a cotton grower, cotton ginner, cotton cooperative society or cotton association unless such person is registered by the respective county government in which the	Amend clause 5 subclause (1) to include registration of spinners and other cotton value addition industries.	To ensure all industry players are registered by the respective County Governments.

		business is to be undertaken.		
26	AFA	Licensing of manufacturer or processor	Amend clause 26 to list the minimum requirements e.g. catchment in relation to raw material source, feasibility study etc.	These are heavy investments where there is need for investor comfort and produce offtake guarantee.
26(1)	AFA	(1) A person shall not engage in the business of cotton ginning, spinning or value addition unless such a person has applied for, and obtained, a licence in accordance with this Act.	Clause 26(1) proposes that licensing of manufacturer or processor is a function of the County Government. The function to be undertaken by the Board.	Manufacturing and processing activities impacts on standards, quality and international trade hence a function of the National Government in accordance with part one of the fourth schedule.
26(1)	SDI	(1) A person shall not engage in the business of cotton ginning, spinning or value addition unless such a person has applied for, and obtained, a licence in accordance with this Act.	This needs to be clarified because the intent of the bill is on cotton growing, ginning and value addition of cotton by-products, not on textile and apparels.	Raw materials for manufacturers and processor are sourced across different countries hence it is not viable for licenses to be issued by every county.
26(2)	AFA	(2) A person who intends to engage in the business of cotton ginning, spinning or value addition shall submit an application in the form prescribed in county legislation to the county executive committee member together with—	Amend clause 26 subclause (2) to read as follows— “(2)A person who intends to engage in the business of cotton ginning, spinning or value addition and has been registered by the respective County Government for the purpose shall submit an	Manufacturing and processing activities impacts on standards, quality and international trade hence a function of National Government in accordance of part one of the fourth schedule of the Constitution of Kenya, 2010.

		(a) such documents and information as the county executive committee member may prescribe; and (b) the prescribed fees	application in the prescribe form to the Board”.	
27(1)	AFA	(1) The county executive committee member may refuse to grant a licence where the application does not comply with the requirements imposed under this Act or prescribed under the specific county legislation	Amend clause 27 subclause (1) by deleting the words “the County Executive Committee Member” and replace with the word “Board” and by deleting the words “or prescribed under the specific legislation” to read as follows— “(1) The Board may refuse to grant a license where the application does not comply with the requirements imposed under this Act”.	Licensing of manufacturer and processor is a National Government function.
27(2)	AFA	(2) The county executive committee member shall notify the applicant of the decision within fourteen days of such refusal in accordance with section 25(3) and (4).	Amend clause 27 subclause (2) by deleting the words “the County Executive Committee Member” and by deleting the words “in accordance with section 25(3) and (4)” to read as followings— “(2) The Board shall notify the applicant of the decision within fourteen days of such refusal.”	Licensing of manufacturer and processor is a National Government function.
28	AFA	Revocation of a licence.	Amend clause 28 by deleting the words “the County Executive Committee Member” and replacing with the word “Board”	Licensing of manufacturer and processor is a National Government function.

29 (MARGINAL NOTES)	AFA	Compliance notice.	Amend the marginal note by deleting the word "compliance" and replacing with the word "refusal" to read as follows— "Refusal notice"	The matter referred in clause 27 is refusal to grant license.
29(1)	AFA	(1)A compliance notice issued under section 27(2) shall—	Amend clause 29 subclause (1) by deleting the word "compliance" and replacing with word "refusal" to read as follows— "(1)A refusal notice issued under section 27(2) shall—	Licensing of manufacturer and processor is a National Government function.
29(2)	AFA	(2)The county executive committee member may, upon request by the licensee, where there are sufficient grounds shown by the licensee, extend the period of compliance for such period as the committee member may consider necessary to ensure compliance.	Amend clause 29 subclause 2 by deleting the words "County Executive Committee Member" and replacing with the word "Board" to read as follow— "(2)The Board may, upon request by the licensee and, where there are sufficient grounds shown by licensee, extend the period of compliance for such period as the Board may consider necessary to ensure compliance."	Licensing of manufacturer and processor is a National Government function.
30(1)	AFA	(1) Where a person who receives a compliance notice under section 28 fails to comply with such notice, the county executive member shall—	(i) This clause is not clear as to the issues being addressed whether it is revocation or cancellation of a license. There is no harmony between the side note and text in the clause.	There is need to provide clarity and harmonise the side notes and the text.

		(a) revoke the licence of that person (b) notify the person in of--	(ii)Review the clause to provide clarity.	
		(1)the revocation and the reasons thereof; and (ii) indicate the date of revocation.		
31	AFA	Appeals	Amend clause 31 by deleting the words “the County Executive Committee Member” and replace with the word “Board” and by deleting the words “County Executive Committee” and replace with the words “Cabinet Secretary responsible for Agriculture”	Issuance of manufacturer and processor should be a function of the Board.
32(1)	AFA	(1)An applicant who is aggrieved by the decision of the county executive committee member not to issue a licence under this Act may appeal to the county executive committee against the decision within thirty days of the receipt of the decision.	County Executive Committee Member should designate gineries, cooperative society stores as collection centres in addition to any other such centres after consulting with growers in the County.	Ginners and cooperative societies are by practice collection centres and should there be automatically considered.
32(2)(a)	AFA	(2)The county executive committee member shall, in designating a collection centre— (a)ensure that a centre meets such standards as may be prescribed	Amend clause 32 subclause 2 paragraph (a) by replacing the word “Cabinet Secretary” with the “Board” to read as follows—	Development of collection stores standards is a function of the Board.

		by the Cabinet Secretary; and	“(a) ensure that a centre meets such standards as may be prescribed by the Board.”	
33(1)	SDI	(1)A person shall not import or export cotton, cotton seed or cotton by products unless such person has applied for, and obtained a licence for the said import or export.	There is need to clarify on which are these cotton products.	
33(3)	AFA	(3)The Board shall, at least thirty days before granting a new licence under this section, publish a notice of proposed grants in the Gazette and in such other manner as the Board may determine	Amend clause 33 subclause 3 as follows— (i)by removing the gazettelement requirement; and (ii)provide general condition of import/export license.	To facilitate ease of doing business.
33(9)	AFA	(9)Where the Board refuses to grant an application for a licence under subsection (4), the county executive member shall, specify the reasons for the refusal.	Amend clause 33 subclause 9 by deleting the words “County Executive Committee Member” and replace with the words “the Board” to read as follow— “(9) Where the Board refuses to grant an application for a licence under subsection (4), the Board shall specify the reasons for the refusal.”	
			Amend by creating a sub-clause to prescribe an offence and applicable penalty.	To enhance compliance to the provisions of this Act.

34(1)	AFA	(1)A licence issued under section 32 shall be valid for a period of one year from the date it was issued.	Amend clause 34 subclause 1 by deleting the words “section 32” and replace with the words “in this Act” to read as follows— “(1) A license issued under this Act shall be valid for a period of one year from the date it was issued”	Wrong referencing to clause 32 to enhance compliance with to the provisions of this Act.
34(2)	AFA	(2)A person who intends to renew a license under sub section (1) shall submit an application in the prescribed form at least thirty days before the date of expiry of the current license	Amend clause 34 subclause (2) by adding the words “to the Board” immediately after the word “application” to read as follows— “(2) A person who intends to renew a license under sub section (1) shall submit an application to the Board in the prescribed for at least thirty days before the date of expiry of the current license”	To specify to whom the application is made.
34(3)	AFA	(3) The procedure for application of a licence under section 32 shall apply to the application for the renewal of a licence	Amend clause 34 subclause (3) by deleting the words “section 32” and replace with the words “this Act” to read as follows— “(3) The procedure for application of a licence under this Act shall apply to the application for the renewal of a licence.”	Wrong referencing to clause. To align the referencing accordingly.
35(1)	AFA	(1)The Board may revoke a licence or renewed under section 32 or renewed under section 33 if the licensee—	Amend clause 35 subclause (1) by deleting the words “section 32” and adding the words “section 34” to read as follows—	Wrong referencing to clause. To align the referencing accordingly

			“(1) The Board may revoke a licence or renewed under section 34 if the licensee—”	
35(2)	AFA		Amend clause 35 subclause (2) by deleting the words “Committee Executive Member” and replace with the words “Board” to read as follows—	Licensing is a function of the Board.
35(2)(b)	AFA	(2)The Board shall not revoke the licence under subsection(1) unless the committee executive member— (b) issues to that person a compliance notice in the prescribed form; and”	“(2)The Board shall revoke the licence under subsection (1) unless the Board—” Amend clause 35 subclause (2) paragraph (b) by replacing the word “compliance” with the word “refusal” to read as follows— “(b) issue to that person a refusal notice in the prescribed form; and”	To provide for alignment.
36(1)	AFA	(1)A compliance notice under section 34(2) shall— (a)be in writing; (b)set out the areas of non-compliance and the steps required to be undertaken in order to comply; and (c)specify the period within which the person is required to comply with the notice.	Amend clause 26 subclause (1) to provide clarity and proper sequencing.	To provide clarity.

37 (MARGINAL NOTES)	AFA	Effects of revocation of a licence.	Amend the marginal notes to be in tandem to the text or consider collapsing the clause to be a sub-clause of clause 35 on revocation of a licence.	To provide clarity.
PART (IV)-REGULATORY PROVISIONS	AFA		Amend Part (IV) by creating substantive clauses in this part prescribing regulatory provisions for the following— (i) production, harvesting, grading, processing, warehousing, packaging and trading; (ii) mechanisms for price stabilization; and (iii) agreements entered by growers and other value chain players.	The regulatory provisions to cover stages and actors along the value chain.
38	AFA	Funds of the Board	Amend clause 38 by introducing a new sub clause (2) prescribing how the funds will be utilized as follows— “(2) The Board shall apply the money received under this section for the furtherance of the objects and performance of the functions of the Board.”	To address the existing gaps and clarify how the funds of the Board will be utilized.
39	AFA	39.The Cabinet Secretary may, in consultation with the county governments and the Cabinet Secretary responsible for the National Treasury, and by a notice in the Gazette,	Amend clause 39 by deleting the words “the County Governments” to read as follows— “39.The Cabinet Secretary may, in consultation with the Board and the Cabinet Secretary responsible	The levies should be imposed on import and export which is a function of National Government.

		impose a levy payable to the Board for the development of the cotton industry.	for the National Treasury, and by a notice in the Gazette, impose a levy payable to the Board for the development of the cotton industry.”	
39	AFA		<p>Amen clause 39 by introducing a new sub clause (2) prescribing the source(s) of levies which should include among others;</p> <ul style="list-style-type: none"> (i) imported new and used textile apparels; and (ii) imported cotton products and by-products. <p>Cap the rate of the levy in order not to burden the industry actors.</p>	To provide clarity on the areas where the levies can be imposed to support the development of the industry.
39	AFA		<p>Amend 39 by introducing a new clause after clause 39 to provide for—</p> <ul style="list-style-type: none"> (a) establishment of a Cotton Industry development Fund; (b) sources of the Fund which should include the levy; (c) application of the Fund which may include; <ul style="list-style-type: none"> (i) credit for cotton production, processing, infrastructure and marketing; (ii) price stabilization; (iii) cotton research; and (iv) board operations. (d) administration of the Fund. 	To provide for establishment of a Cotton Industry Development Fund and its management.

39	CoG	<p>39.The Cabinet Secretary may, in consultation with the county governments and the Cabinet Secretary responsible for the National Treasury, and by a notice in the Gazette, impose a levy payable to the Board for the development of the cotton industry.</p>	<p>Amend clause 39 by introducing a new subclause 39 (2) and renumbering the clauses as follows—</p> <p>“39 (1) The Cabinet Secretary may, in consultation with the Board, the County governments and the Cabinet responsible for National Treasury, and by notice in the Gazette, impose a levy payable to the Board for development of the cotton industry.</p> <p>(2) The levy collected under subsection (1) shall be appropriated as follows—</p> <p>(a) Fifteen per centum shall be applied by the Board for furtherance or exercise of any functions or power of the Board under this Act; and</p> <p>(b) Eight Five per centum shall be remitted directly to the cotton growing counties on a pro rata basis to be applied for the development of the cotton industry.”</p>	
44	AFA	<p>44.The Cabinet Secretary responsible for finance may from time to time implement such measures, including tax incentives in order to promote the development of the cotton industry</p>	<p>Amend clause 44 to allow the Cabinet Secretary responsible for Agriculture to initiate processes or to consult with Cabinet Secretary responsible for National Treasury in the creation of incentives for the industry.</p>	<p>The Cabinet Secretary responsible for matters relating to Agriculture be part of initiation and implementation of incentives for the cotton industry.</p>

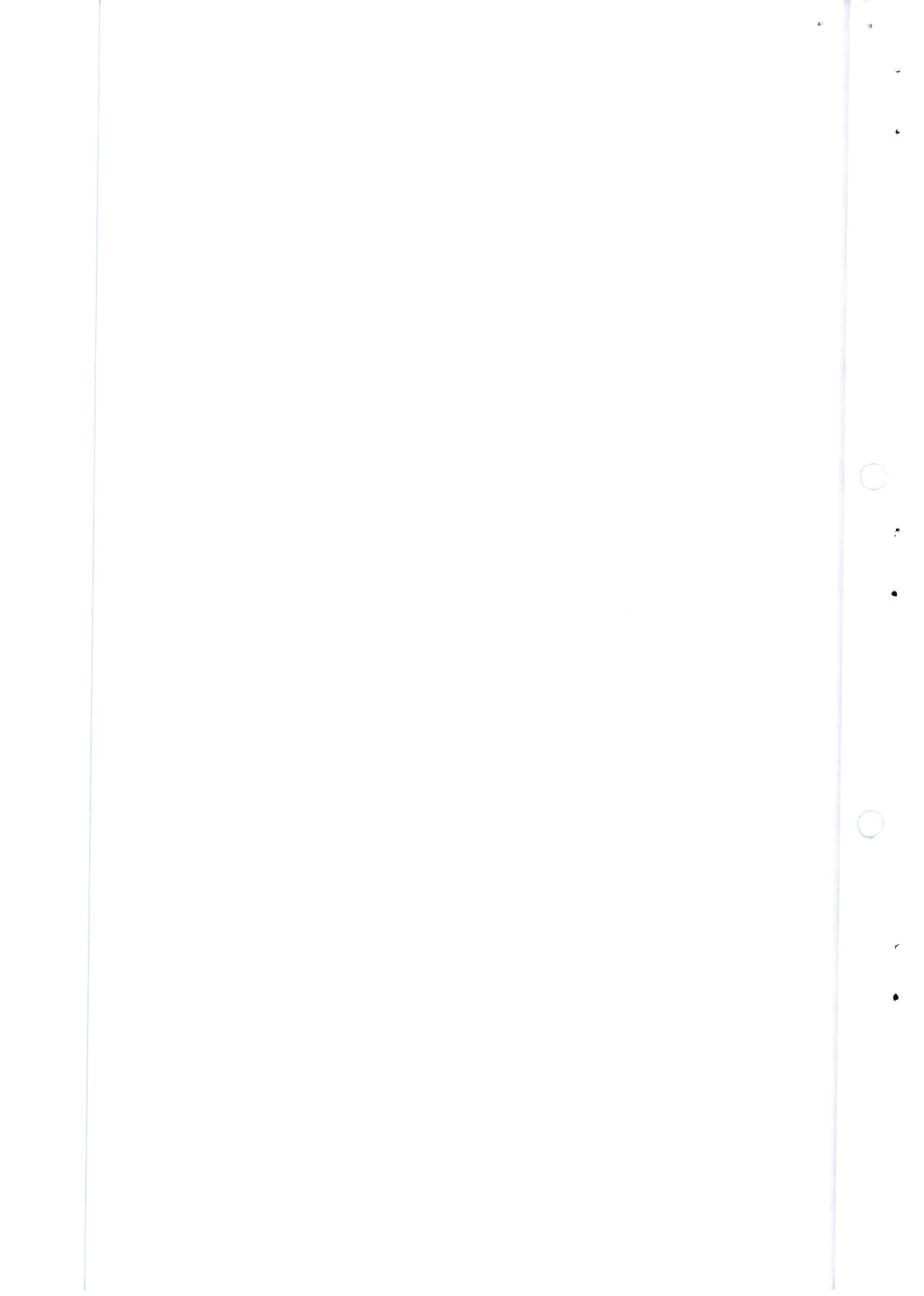
45(a)	AFA	45.Each county government may enact county specific legislation setting out— (a)the criteria of a cotton grower within the respective county.	Amend clause 45 paragraph (a) to include “cotton ginner, cotton cooperative society or cotton association, spinners and other cotton value addition industries” after the word “cotton grower” to read as follows— “(a) the criteria for registration of a cotton grower, cotton ginner, cotton cooperative society or cotton association, spinners and other cotton value addition industries within the respective county;”	To align provisions under this clause with the suggested amendments to clause 25 on registration.
45(c)&(d)	AFA	(c)information required to be submitted by an applicant for registration or issuance of a licence; (d)process of determination of an applicant for registration or issuance of a licence;	Amend clause 45 paragraphs (c) and (d) by deleting the words “or issuance of licenses” to read as follows— “(c)information required to be submitted by an applicant for registration.” “(d) process of determination of an applicant for registration.”	To align provisions under this clause with the suggested amendments to clause 25 on registration.
45 NEW SUB CLAUSE	AFA		Amend clause 45 by introducing a new subclause (2) to read as follows— “(2) Each county specific legislation enacted pursuant to this section shall not contradict provisions of this Act”.	County legislation on cotton need to be aligned to National legislation to avoid conflict of the cotton industry.
46(1)	AFA	(1)A person who commits an offence under this Act	Amend clause 46 subclause (1) to include textile and apparels.	The offence is limited to offence and value relating to cotton and cotton by-

		for which no penalty is liable, on conviction, to a fine not less than twenty thousand shillings or a fine exceeding twice the value of cotton or cotton by products or, to imprisonment for a term not exceeding six months, or to both.		products only which is limited. Amend to align with the provisions of the Act.
47(2)(a)	AFA	(2)Without prejudice to the generality of subsection (1), the Cabinet Secretary may make Regulations providing for the— (a)nomination of the persons representing cotton farmers under section 7(1)(c); and	Amend clause 47 subclause (2) paragraph (a) by deleting the words “under section 7(1)(c)” to read as follows— “(2)Without prejudice to the generality of subsection (1), the Cabinet Secretary may make Regulations providing for the— (a)nomination of the persons representing cotton farmers; and”	wrong cross referencing.
48	AFA	48(1) The Cabinet Secretary may on the advice of the Board review the list of counties that grow cotton under the Second of this Act. (2)The Cabinet Secretary shall publish annually the list under subsection (1) in the <i>Gazette</i> .	Delete clause 48	The clause limits the counties that grow cotton. To encourage development of cotton across all suitable agro ecological areas.
49	AFA	Cotton..... <i>Gossypium app</i>	Amend clause 49 by correcting the typo error to read as follows—	To correct error.

			<i>Cotton..... "Gossypium ssp"</i>	
55	AFA	55.All directions, orders and authorisations given, or licenses or permits issued, or registrations made by the Agriculture and Food Authority in relation to cotton, and subsisting or valid immediately before the appointed date, shall be deemed to have been given, issued or made by the Authority as the case may be, under this act.	Amend clause 55 by deleting the word "Authority" and replacing with the word "Board" to read as follows— "55.All directions, orders and authorisations given, or licenses or permits issued, or registration made by the Agriculture and Food Authority in relation to cotton, and subsisting or valid immediately before the appointed day, shall be deemed to have been given, issued or made by the Board as the case maybe, under this Act.	To provide clarity.
56	AFA	56.Any person who, at the commencement of this Act, is a member of staff of the Agriculture and Food Authority dealing with cotton sector shall, on the appointed day, become a member of staff of the Board.	Upon the commencement of this Act a person who was a member of staff of the former Cotton Development Authority before the commencement of the Agriculture and Food Authority, 2013 and current staff of the Fibre Crops Directorate not being under any notice of dismissal or resignation shall upon commencement of this Act become staff of the Board on their current or improved terms and conditions of service. Staff member who does not intend to be a member of staff of the Board shall within a period of twenty-one	

			days from the appointed date give notice in writing to the Board.	
			The pension of staff of the Agriculture and Food Authority – Fibre Crops Directorate shall on the commencement of the Act vest in the Board.	

ANNEX FIVE:
LETTER
INVITING
STAKEHOLDERS
FOR THE
MEETING TO
DISCUSS THE BILL





THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

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www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/A&L/2023/062

19th October 2023

Dr. Paul K. Ronoh, PhD
Principal Secretary
State Department for Crop Development
Ministry of Agriculture
Livestock Development
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NAIROBI

Mr. Willis Audi
Ag. Director General
Agriculture and Food Authority
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Dr. Juma Mukhwana, PhD, HSC
Principal Secretary,
State Department for Industry
Ministry of Investment, Trade & Industry
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Mr. Anthony Mwangi
Chief Executive Officer
Kenya Manufacturers' Association
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Ms. Mary Mwiti
Chief Executive Officer
Council of Governors
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Chairperson,
Kenya National Commission on
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Dear *Dr. Ronoh*

**RE: STAKEHOLDER ENGAGEMENT ON THE COTTON INDUSTRY
DEVELOPMENT BILL (SENATE BILL NO. 5 OF 2023) BY THE
DEPARTMENTAL COMMITTEE AGRICULTURE AND LIVESTOCK**

Our letter REF: NA/DDC/A&L/2023/058 dated 26th September 2023 on the above subject refers (*copy attached*).

Following cancellation of the meeting that was supposed to take place on 12th October 2023, the Committee has rescheduled the meeting to Wednesday, 1st November 2023. The meeting will take place in the Mini Chamber, County Hall, Parliament Buildings at 10.00 a.m.

The liaison officers for this meeting are Ms. Laureen Omsa Wesonga who may be contacted on Tel. No. 0710820442 or email: laureen.wesonga@parliament.go.ke and Mr. Victor Kilimo, Tel. No. 0724587091 or email: kilimo.simon@parliament.go.ke.

Yours



JEREMIAH NDOMBI, MBS
For: CLERK OF THE NATIONAL ASSEMBLY

Copy to:

Hon. Mithika Linturi
Cabinet Secretary
Ministry of Agriculture and
Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Hon. Moses Kuria
Cabinet Secretary
Ministry of Investment, Trade and Industry
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When replying, please quote

Ref: NA/DDC/A&L/2023/058

26th September 2023

Mr. Phillip Kello Harsama
Principal Secretary
State Department for Crop Development
Ministry of Agriculture
Livestock Development
Kiimo House, Cathedral Road
NAIROBI

Mr. Willis Audi
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Dr. Juma Mukhwana, PhD, HSC
Principal Secretary,
State Department for Industry
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Mr. Anthony Mwangi
Chief Executive Officer
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Ms. Roseline Odhiambo-Odede, HSC
Chairperson,
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Kenya Cotton Ginners Association
NAIROBI
makuenigineries@gmail.com

Dear *Mr Harsama*

RE: STAKEHOLDER ENGAGEMENT ON THE COTTON INDUSTRY
DEVELOPMENT BILL (SENATE BILL NO. 5 OF 2023) BY THE
DEPARTMENTAL COMMITTEE AGRICULTURE AND LIVESTOCK

The Departmental Committee on Agriculture and Livestock is established pursuant to Standing Order 216 and is mandated *inter alia* 'to study and review all legislation referred to it'.

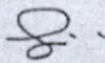
Pursuant to the cited mandate, the Committee is in the process of considering the Cotton Industry Development Bill (Senate Bill No. 5 of 2023) (*copy attached*). The Bill seeks to provide the policy and institutional framework within the cotton industry by among others, establishing the Cotton Industry Development Board. The highlight of the Bill is to revamp cotton farming to make it a profitable, sustainable and development-oriented activity.

In compliance with the provisions of Article 118 (1) (b) of the Constitution, the Committee invites you for a meeting to discuss the Bill. The meeting will be held on **Thursday, 12th October, 2023 at 10.00 am** in the Mini Chamber, County Hall, Parliament Buildings.

You are requested to submit electronic copies of your submissions to the Committee through the email addresses provided in this letter by **Wednesday, 11th October 2023** and appear before the Committee with twenty (20) hard copies.

The liaison officers for this meeting are **Ms. Laureen Omusa Wesonga** who may be contacted on Tel. No. **0710820442** or email: laureen.wesonga@parliament.go.ke and **Mr. Victor Kilimo**, Tel. No. **0724587091** or email: kilimo.simon@parliament.go.ke.

Yours



JEREMIAH NDOMBI, MBS
For: CLERK OF THE NATIONAL ASSEMBLY

Copy to:

Hon. Mithika Linturi
Cabinet Secretary
Ministry of Agriculture and
Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Hon. Moses Kuria, HSC
Cabinet Secretary
Ministry of Investment, Trade and Industry
Social Security House, Block 'A'
Kenyatta Avenue
NAIROBI

ANNEX SIX:
WITNESS
ATTENDANCE
SCHEDULE FOR
THE
STAKEHOLDER
ENGAGEMENT
MEETING





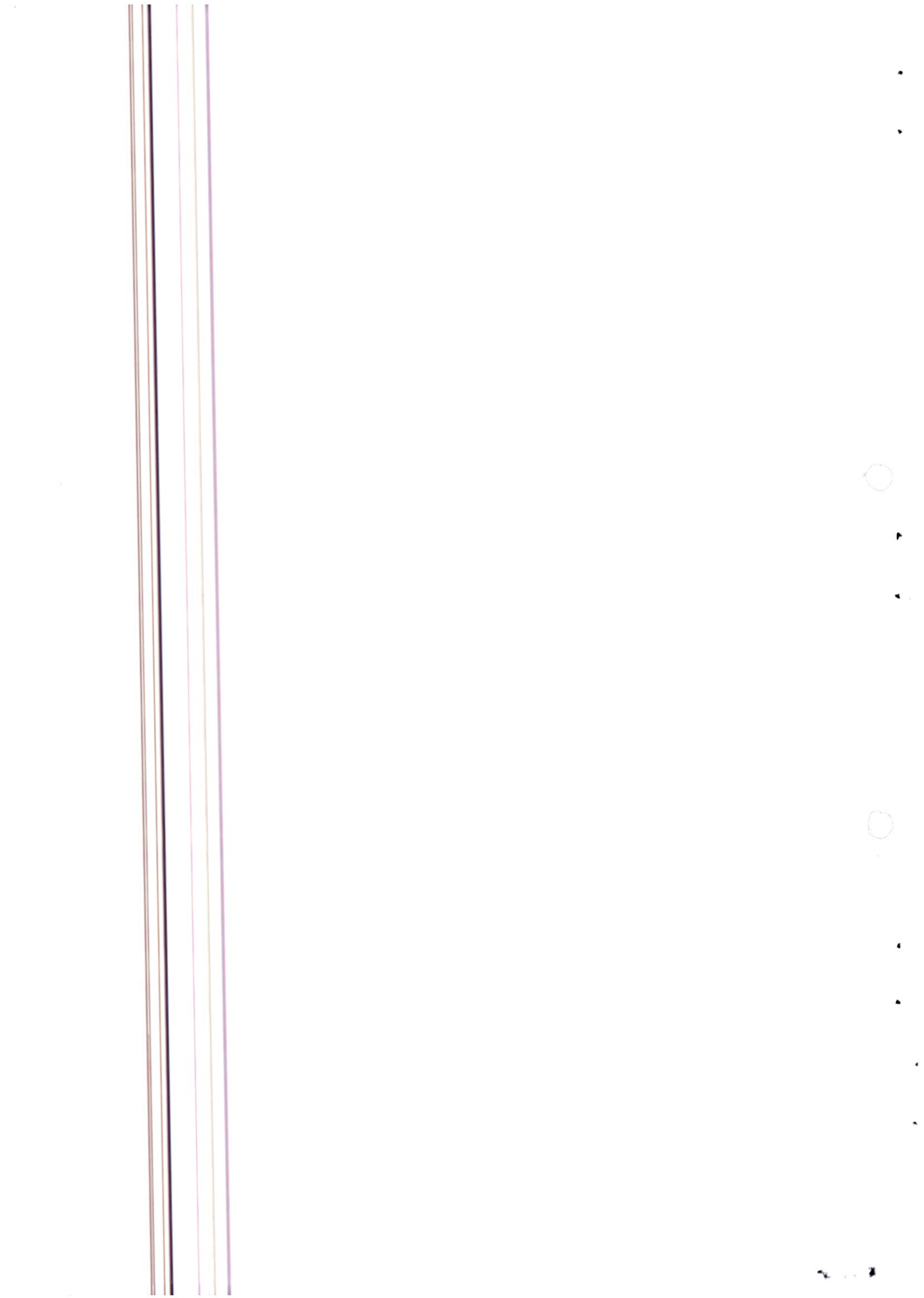
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – SECOND SESSION – 2023
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

WITNESS ATTENDANCE REGISTER

AGENDA: Stakeholder Engagement on the Cotton Industry Development Bill (Senate Bill No. 5 of 2023)
 DATE: 1st November, 2023
 VENUE: Committee Room 2nd Floor, Continental House

NO.	NAME	INSTITUTION	DESIGNATION IN FULL	CELLPHONE	SIGNATURE
1.	Krista Wangalwa	COG	Director	0722338690	<i>[Signature]</i>
2.	Terry Gatwaga	MOALD	Chief State Counsel	0724971310	<i>[Signature]</i>
3.	Grace Kyalo	AFA	Ag. Director - Fibre Crops	0722648431	<i>[Signature]</i>
4.	Faniel Lubanja	AFA	Deputy Director Fibre Crops	0720895719	<i>[Signature]</i>
5.	Adhola John	AFA	Deputy Director FBAE CROPS	0722674238	<i>[Signature]</i>
6.	Anne Wawae	CDI	Director - Cotton, Textile & Apparel	0721314444	<i>[Signature]</i>
7.	Nicolas Gokho	SDI	Ag. Director of Industry	072227073	<i>[Signature]</i>
8.	M. KIANJIKU MURIUKI	AFA	Legal officer	0727229955	<i>[Signature]</i>
9.	DAVID MASIKA	AFA	CHARITAN		<i>[Signature]</i>
10.	Robert Itume	COG	Kenya Cotton Business Assn	0722510649	<i>[Signature]</i>
11.	David Kitale	MOALD	Smi. Program Officer	072336904	<i>[Signature]</i>
			A D A	072621436	<i>[Signature]</i>





ANNEX ONE:
ADOPTION
SCHEDULE