

Rt. Hon. Speaker

Recommended for approval  
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13/11/2024



REPUBLIC OF KENYA

*Dr.*  
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13/11/2024



THIRTEENTH PARLIAMENT - SECOND SESSION

THE SENATE

STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES

REPORT ON THE CONSIDERATION OF THE NATIONAL ASSEMBLY  
AMENDMENTS TO THE COTTON INDUSTRY DEVELOPMENT BILL, 2023  
(SENATE BILLS NO. 5 OF 2023)



PAPERS LAID	
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TABLED BY	Sen. Wamatiungi
COMMITTEE	-
CLERK AT THE TABLE	Mercy

*Sen. Wamatiungi* *19/11/2024*  
on behalf of the Chair

Clerk's Chambers,  
Parliament Buildings,  
NAIROBI.

NOVEMBER, 2024

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## **PRELIMINARIES**

### **ESTABLISHMENT AND MANDATE OF THE COMMITTEE**

The Standing Committee on Agriculture, Livestock and Fisheries is established under standing order 228(3) of the Senate Standing Orders and is mandated to consider all matters relating to agriculture, irrigation, livestock, fisheries development and veterinary services.

**In undertaking its mandate, the Committee oversees the following State Departments:**

- a. Ministry of Agriculture and Livestock Development;
  - i. State Department for Crops Development and;
  - ii. State Department for Livestock Development
- b. Ministry of Water, Sanitation and Irrigation.
  - i. State Department for Irrigation.
- c. Ministry of Mining, Blue Economy and Fisheries.
  - i. State Department for Blue Economy and Fisheries.

**The Committee also oversees the following State Agencies among others-**

- a. Agriculture and Food Authority (AFA);
- b. Agricultural Finance Corporation (AFC);
- c. Agricultural Development Corporation (ADC);
- d. Kenya Seed Company (KSC);
- e. Kenya Plant Health Inspectorate Services (KEPHIS);
- f. Kenya Agricultural and Livestock Research Organization (KALRO);
- g. Kenya Veterinary Vaccine Production Board (KVVPB);
- h. Kenya Veterinary Board (KVB);
- i. Kenya Meat Commission (KMC);
- j. Kenya Dairy Board (KDB);
- k. Kenya Leather Development Council (KLDC);
- l. Kenya Fisheries Service (KFS);
- m. Kenya Fish Marketing Authority (KFMA);
- n. Kenya Marine and Fisheries Research Institute (KEMFRI);
- o. Kenya Fishing Industries Corporation; and
- p. National Irrigation Board (NIB).

**The Committee also works closely with the Council of Governors (CoG), and the County Assemblies Forum (CAF) and non-state actors including among others-**

- a. Kenya Private Sector Alliance (KEPSA);
- b. Agricultural Council of Kenya (AgCK)
- c. Food and Agriculture Organization (FAO);
- d. Kenya National Farmers' Federation (KENAFF);
- e. Centre for Agriculture and Bioscience International (CABI); and
- f. Agricultural Industry Forum (AIF).

### **MEMBERSHIP OF THE COMMITTEE**

The Committee is comprised of the following Members-

- |                                     |   |                         |
|-------------------------------------|---|-------------------------|
| 1. Sen. James Kamau Murango, MP     | - | <b>Chairperson</b>      |
| 2. Sen. Alexander Munyi Mundigi, MP | - | <b>Vice-Chairperson</b> |
| 3. Sen. Moses Otieno Kajwang', MP   | - | Member                  |
| 4. Sen. Enoch Kiiio Wambua, CBS, MP | - | Member                  |
| 5. Sen. Daniel Kitonga Maanzo, MP   | - | Member                  |
| 6. Sen. Beth Kalunda Syengo, MP     | - | Member                  |
| 7. Sen. Wahome Wamatinga, MP        | - | Member                  |
| 8. Sen. Allan Kiprotich Chesang, MP | - | Member                  |
| 9. Sen. David Wafula Wakoli, MP     | - | Member                  |

## **CHAIRPERSON'S FOREWARD**

**Mr. Speaker Sir,**

The Cotton Industry Development Bill, (Senate Bills No. 5 of 2023) is 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.

**Mr. Speaker Sir,**

The Bill seeks to provide for the policy and institutional framework within which the cotton industry operates. The focus of this Bill is to revamp cotton farming to make it a profitable, sustainable, and development-oriented activity.

**Mr. Speaker Sir,**

The Cotton Industry Development Bill, 2023 (Senate Bills No. 5 of 2023) was published *vide* Kenya Gazette Supplement No. 9 of 6<sup>th</sup> February 2023 and was introduced in the Senate by way of First Reading on 2<sup>nd</sup> March 2023 and thereafter stood committed to the Senate Standing Committee on Agriculture, Livestock and Fisheries for consideration.

The Bill was tabled on 1<sup>st</sup> August, 2023 and passed in the Senate with amendments. Consequently, the Bill was referred to the National Assembly for concurrence in line with Article 110(4) of the Constitution and Standing Order 161 of the Senate Standing Orders. The National Assembly Considered and passed the Bill on 14<sup>th</sup> August, 2024.

**Mr. Speaker Sir,**

The Bill was referred back to the Senate on 9<sup>th</sup> September, 2024 and the Committee considered the National Assembly amendments to the Bill on 22<sup>nd</sup> October, 2024 and acceded to all of them. The Committee thereafter adopted the report on Tuesday, 12<sup>th</sup> November, 2024 for tabling.

## **Summary of Observations and Recommendations by the Committee –**

### **The Committee observed that-**

1. Cotton farming plays a vital role in Kenya's economy, providing a source of income for small-scale farmers who depend on it for their livelihoods. Beyond being a key export crop, cotton also generates employment opportunities across the entire value chain, from planting and processing to marketing. Its social and economic impact on Kenya's economy is significant. Therefore, enacting this law is essential to establish measures that will safeguard and strengthen the cotton sub-sector.
2. The Committee has dedicated substantial financial resources and manpower to conducting extensive public consultations with various stakeholders. As a result, the Committee is prepared to make certain concessions to ensure that these efforts are not wasted and that the valuable input is effectively incorporated.
3. The Committee acknowledges that lawmaking is a continuous process, and there will be opportunities in the future to review and improve the law as needed.

### **The Committee recommends that –**

1. The National Assembly amendments be adopted; and
2. The Bill is approved with the amendments.

### **Mr. Speaker Sir,**

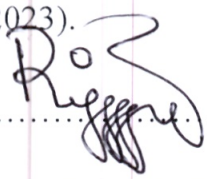
May I take this opportunity to commend the Members of the Committee for their devotion and commitment to duty, which made the consideration of the amendments from the National Assembly on the Cotton Industry Development Bill and production of this report a success. The Committee acknowledges and appreciates the efforts of the Bill's sponsor, Sen. Beth Kalunda Syengo, MP, for her dedication and leadership in successfully guiding the Bill through the National Assembly.


I also wish to thank the Offices of the Speaker and the Clerk of the Senate for the support extended to the Committee in undertaking this important assignment.

### **Mr. Speaker, Sir,**

It is now my pleasant duty, pursuant to standing order 223(6), to present the Report of the Standing Committee on Agriculture, Livestock and Fisheries on the Consideration of

National Assembly amendments to the Cotton Industry Development Bill (Senate Bills No. 5 of 2023).


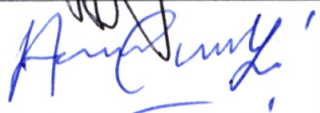
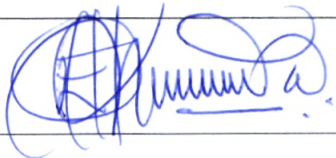

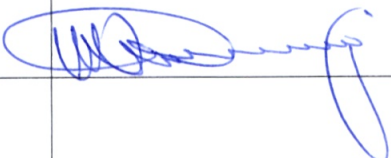

Signed.....

Date.....

**CHAIRPERSON: SEN. JAMES KAMAU MURANGO, MP,  
STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES**

**ADOPTION OF THE REPORT OF THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES ON THE AMENDMENTS FROM THE NATIONAL ASSEMBLY TO THE COTTON INDUSTRY DEVELOPMENT BILL, 2023 (SENATE BILLS NO. 5 OF 2023)**

We, the undersigned Members of the Senate Standing Committee on Agriculture, Livestock, and Fisheries, do hereby append our signatures to adopt this Report –

	<b>Name</b>	<b>Designation</b>	<b>Signature</b>
1.	Sen. James Kamau Murango, MP	Chairperson	
2.	Sen. Alexander Munyi Mundigi, MP	Vice-Chairperson	
3.	Sen. Moses Otieno Kajwang', MP	Member	
4.	Sen. Enoch Kiiio Wambua, CBS, MP	Member	
5.	Sen. Daniel Kitonga Maanzo, MP	Member	
6.	Sen. Beth Kalunda Syengo, MP	Member	
7.	Sen. Wahome Wamatinga, MP	Member	
8.	Sen. Allan Kiprotich Chesang', MP	Member	
9.	Sen. David Wafula Wakoli, MP	Member	

## CHAPTER ONE

### 1.1 Background

The Cotton Industry Development Bill, 2023 (Senate Bills No. 5 of 2023) was published in the Kenya Gazette Supplement No. 9 of 6<sup>th</sup> February, 2023 and was read for the First Time in the Senate on Thursday, 2<sup>nd</sup> March, 2023 and thereafter stood committed to the Senate Standing Committee on Agriculture, Livestock and Fisheries for consideration. The Bill is attached to this Report as *Appendix 2*.

The Bill seeks 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.

The Bill seeks to amend the Crops Act, 2013 so as to unbundle the regulation and management of cotton that falls within the ambit of the Agriculture and Food Authority (AFA) and establish a stand-alone agency for its regulation. The Bill seeks to reorganize the cotton industry by establishing the Cotton Industry Development Board; providing a framework for cotton farming; and ensuring value addition to cotton and its related products.

Kenya currently produces approximately 7,000 tons of cotton lint annually, compared to its potential production capacity of 200,000 tons. Cotton production has been volatile in recent years and remains insufficient to meet domestic demand for cotton mills. Consequently, Kenyan firms rely on imports from neighboring cotton-producing countries such as Uganda and Tanzania.

The cotton, textiles, and apparel (CTA) sector is Kenya's second-largest manufacturing industry after food processing and has been identified as a core industry. The CTA manufacturing value chain encompasses various stakeholders, including researchers, ginners, farmers, spinners, input suppliers, textile manufacturers, and extension service providers.

The Government of Kenya has prioritized the textiles and apparel sector, recognizing its strategic importance under Kenya Vision 2030. Cotton, in particular, has been highlighted as a key sub-sector with the potential to improve the livelihoods of approximately 8 million people in the country's arid and semi-arid regions. Its inclusion

in the Kenya Industrial Transformation Program underscores its significance to the industrial sector.

Historically, cotton has been cultivated as a cash crop, yet supply has consistently fallen short of demand. Crop trials conducted in Kwale County indicate that one acre of land can yield 800 to 1,000 kilograms of cotton bolls. Cotton grown on Kenyan farms is often exported for spinning to countries such as Australia and Bangladesh before being re-imported as fabric for further processing.

This fabric is delivered to Export Processing Zones (EPZs), which are dedicated to supporting export-focused investments. Apparel manufactured from these textiles is then exported globally, with major markets including the United States and Canada. Notable companies like Polo and Tommy Hilfiger produce their products in Kenya for export.

Developing local capacity for cotton manufacturing and spinning would significantly reduce the costs associated with exporting raw cotton and importing finished fabrics. With annual exports currently valued at Kshs. 60 billion, representing only 8% of the potential market, Kenya's untapped opportunity is estimated at Kshs. 7.5 trillion.

The textiles and apparel sector holds the potential to create substantial employment opportunities within a short timeframe. A fully developed value chain could provide jobs for approximately 10% of Kenya's population and is a key driver of inclusivity, with women making up more than 60% of the sector's workforce.

## **1.2 Overview of the Bill**

The Cotton Industry Development Bill, 2023 (Senate Bills No. 5 of 2023) was published *vide* Kenya Gazette Supplement No. 9 of 6<sup>th</sup> February 2023 and was introduced in the Senate by way of First Reading on 2<sup>nd</sup> March 2023 and thereafter stood committed to the Senate Standing Committee on Agriculture, Livestock and Fisheries for consideration. The Committee conducted public participation and tabled the report on Tuesday, 13<sup>th</sup> June 2023.

The Bill was passed in the Senate with amendments, **on 1<sup>st</sup> August, 2023**. Thereafter, the Bill was referred to the National Assembly and was passed on Wednesday, 14<sup>th</sup> August, 2024 with amendments.

The Bill was referred back to the Senate on 20<sup>th</sup> August 2024 while Senate was on recess. Consequently, the Speaker directed the Committee to consider the National Assembly amendments and table a report.

## CHAPTER TWO: CONSIDERATION OF AMENDMENTS BY THE NATIONAL ASSEMBLY

### 2.1 The National Assembly proposed the following amendments to the Bill:

#### 1) LONG TITLE

**THAT**, the Bill be amended by deleting the long title 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 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”.

#### 2) CLAUSE 2

**THAT**, Clause 2 of the Bill be amended—

(a) by inserting the following new definitions in their proper alphabetical sequence—  
“collection centre” means centres designated by county governments to serve as buying stations for cotton;

“cotton plant” means *Gossypium* sp and its varieties;

“ginning” means the process of removing cotton seed from the cotton balls;

“processing” means the process of value addition to cotton, cotton seed or cotton by-products and includes cleaning, grading, spinning, weaving or knitting; and

“spinning” means the process of producing yarns from extracted cotton fibre;

(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;

### 3) 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;”.

### 4) CLAUSE 7

THAT, Clause 7 of the Bill be amended—

(a) in subclause (1)—

(i) by deleting paragraph (c) and substituting therefore the following new paragraph—

“(c)The Principal Secretary responsible for matter relating to Industrialization”

(ii) by inserting a new paragraph immediately after paragraph (c)—

“(ca) the Principal Secretary responsible for National Treasury”

(b) by inserting the following new subclause immediately after subclause (3)—

“(4) In making appointments of members to the Board, the appointing authority shall observe the principle of gender balance.”

### 5) CLAUSE 11

THAT, Clause 11 of the Bill be amended in subclause (1)—

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

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

(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;”

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

“(g) 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 of cotton products.”

(d) by deleting paragraph (n);

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

“(o) 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;”

(f) by deleting paragraph (p) and substituting therefor the following new paragraph—  
“(p) liaise with the national agricultural research systems to develop suitable and affordable cotton seeds;”

#### 6) CLAUSE 14

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

#### 7) CLAUSE 17

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

#### 8) CLAUSE 23

**THAT**, Clause 23 of the Bill be amended—

(a) in subclause (1)—

(i) by deleting paragraph (b);

(ii) by deleting paragraph (c);

(iii) by deleting paragraph (d); and

(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;”

(b) in subclause (2)—

(i) by deleting paragraph (b);

(ii) by deleting paragraph (c) and substituting therefor the following new paragraph—  
“(c) promote production and productivity of cotton in the respective county;”

(iii) by deleting paragraph (d) and substituting therefor the following new paragraph—  
“(d) offer extension services on cotton production and processing;”

(iv) by deleting paragraph (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”

(vi) by deleting paragraph (g);

(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;”

(viii) by deleting paragraph (i);

(ix) by deleting paragraph (j);

(x) by deleting paragraph (m) and substituting therefor the following new paragraph—  
“(m) establish cotton collection aggregation centres in collaboration with the national government;”

(xi) by deleting paragraph (n);

(xii) by deleting paragraph (o) and substituting therefor the following new paragraph—  
“(o) link cotton farmers with agricultural mechanization centres for affordable machinery;”

(xiii) by deleting paragraph (p) and substituting therefor the following new paragraph—  
“(p) link the farmers with affordable 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.”

(c) by deleting subclause (3).

## 9) **CLAUSE 24**

**THAT**, Clause 24 of the Bill be amended—

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

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

(c) in subclause (3), by deleting the words “executive committee member” appearing immediately after the word “county”;

(d) by deleting subclause (4);

(e) by deleting subclause (5);

(f) by deleting subclause (6); and

(g) by deleting subclause (7).

## 10) CLAUSE 25

**THAT**, Clause 25 of the Bill be amended—

- (a) by deleting subclause (3);
- (b) by deleting subclause (4), and substituting therefor the following new subclause—
  - “(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 thirty (30) days of a change in membership”;
- (c) in subclause (5), by deleting the words “under subsection (1)” appearing immediately after the word “applicant” and substituting therefor the words “under this section”;
- (d) in subclause (6), by deleting the words “subsection (1)” appearing immediately after the word “under” and substituting therefor the words “this section”;
- (e) in subclause (7)—
  - (i) by deleting the words “subsection (6)” appearing in the opening statement and substituting therefor the words “this section”; and
  - (ii) by deleting the words “or that” appearing immediately after the word “business” in paragraph (b);
- (f) in subclause (8), by deleting the words “under subsection (6)” appearing immediately after the word “register”;
- (g) in subclause (10), by deleting the words “subsection (1)” appearing immediately after the word “under” and substituting therefor the words “this section”;

## 11) CLAUSE 26

**THAT**, Clause 26 of the Bill be amended—

- (a) by deleting the marginal note and substituting the following new marginal note—

“Licensing of ginnerers, spinners and processors.”
- (b) in sub-clause (1) by inserting the word “processing” immediately after the word “spinning”;
- (c) by deleting subclause (2) and substituting the following new subclause—

“(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 that 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) by deleting subclause (5) and substituting therefor the following new subclause —  
“(5) Where the Board refuses to grant an application for a licence, the Board shall specify the reasons for the refusal”
- (f) by deleting sub-clause (6) and substituting therefor the following new subclause—  
“(6) The Board 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 Board may determine.”
- (g) in subclause (7), by deleting the words “county executive committee member” and substituting therefor the word “Board”;
- (h) by deleting subclause (8) and substituting therefor the following new subclause—  
“(8) The Board shall consider any objection and may grant the licence applied for subject to such terms and conditions as the Board may consider appropriate.”; and
- (i) in subclause (10), by deleting the words “of subsection (1)” appearing immediately before the word “commits” and replacing therefor the word “this section”.

## 12) CLAUSE 27

THAT, Clause 27 of the Bill be amended—

- (a) by deleting subclause (1) and substituting therefor the following new subclause—  
“(1) The Board may refuse to grant a licence where the application does not comply with the requirements imposed under this Act.”; and
- (b) by deleting sub-clause (2) and substituting therefor the following new subclause—  
“(2) The Board shall notify the applicant of the decision within fourteen days of such refusal.”

### 13) CLAUSE 28

**THAT**, Clause 28 of the Bill be amended—

(a) by deleting the opening statement in subclause (1) and substituting therefor the following new opening statement—

“(1) The Board may revoke license under this Act if the licensee—”; and

(b) by deleting the opening statement in subclause (2) and substituting therefor the following new opening statement—

“The Board shall not revoke a licence unless the Board— “

### 14) CLAUSE 29

**THAT**, clause 29 of the Bill be amended—

(a) by deleting the opening statement in subclause (1) and substituting therefor the following new opening statement—

“(1)A compliance notice issued under subsection 28(2)(b) shall—”

(b) by deleting subclause in subclause (2) and substituting therefor the following new subclause—

“(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”

### 15) CLAUSE 30

**THAT**, Clause 30 of the Bill be amended—

(a) by deleting the opening statement in subclause (1) and substituting therefor the following new opening statement—

“(1) Where a person who receives compliance notice under section 29 fails to comply with such notice, the Board may—”

(b) by deleting subclause (2) and substituting therefor the following new subclause—

“(2) For purposes of this Act, a revocation of licence takes effect on the date on which the licence is revoked by the Board.”

## 16) CLAUSE 32

THAT, Clause 32 of the Bill be amended—

(a) by deleting subclause (1) and substituting therefor the following new subclause;

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

(b) in subclause (2)—

(i) by deleting the words “county executive committee member” and substituting therefor the words “county government;” appearing in the opening statement; and

(ii) in paragraph (a) by deleting the words “Cabinet Secretary” and substituting therefor the word “Board”.

## 17) CLAUSE 33

THAT, Clause 33 of the Bill be amended—

(a) by deleting sub-clause (3);

(b) by deleting sub-clause (4);

(c) by deleting sub-clause (5);

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

(e) by deleting sub-clause (7);

(f) in clause (9) by deleting the words “subsection (4)” appearing immediately after the word “under” and substituting therefore the words “subsection (6)”;

(g) by deleting subclause (10) and substituting therefore the following new subclause—

“(10) 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.

## 18) CLAUSE 34

THAT, Clause 34 of the Bill be amended—

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

“(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 subclause (2) and substituting therefor the following new subclause—  
“(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 subclause (3) by deleting the words “section 32” and substituting therefor the words “section 33”.

#### **19) CLAUSE 35**

**THAT** clause 35 of the Bill be amended—

- (a) in subclause (1) by deleting the opening statement and substituting therefor the following new opening statement—  
“(1) The Board may revoke a licence issued or renewed under this Act if the licensee—”
- (b) in sub-clause (2) by deleting the opening statement and substituting therefor the following new opening statement—  
“(2) The Board may revoke a licence issued under subsection (1) unless the Board— “.

#### **20) 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)”

#### **21) 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”;
- (b) by deleting subclause (2) and substituting therefor the following new subclause—  
“(2) For purposes of this Act, a revocation of licence takes effect on the date on which the licence is revoked by the Board.”

#### **22) CLAUSE 38**

**THAT**, Clause 38 of the Bill be amended by inserting the following a new subclause immediately after subclause (1)—

- “(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.”

**23) CLAUSE 39**

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

**24) 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”.

**25) CLAUSE 45**

THAT, Clause 45 of the Bill be deleted.

**26) CLAUSE 46**

THAT, Clause 46 of the Bill be amended in subclause (1) by deleting the words “twenty thousand” and substituting therefor the words “one hundred thousand”.

**27) CLAUSE 47**

THAT, Clause 47 of the Bill be amended in subclause (2) by deleting the words “under section 7(1)(c)” appearing in paragraph (a).

**28) CLAUSE 49**

THAT, Clause 49 of the Bill be amended by deleting the word “*Gossypiumaap*” appearing and substituting therefor the words “*Gossypiumssp*”.

**29) CLAUSE 55**

THAT, Clause 55 of the Bill be amended by deleting the word “Authority” appearing immediately after the words “made by the” and substituting therefor the word “Board”.

**30) FIRST SCHEDULE**

THAT, the First Schedule to the Bill be amended—

(a) in paragraph 1 (1)—

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

- (ii) by deleting the word “two” appearing immediately after the word “than” and substituting therefor the word “four”
- (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 headquarters or elsewhere in Kenya”.
- (c) in paragraph (5) by deleting the word “subsection” wherever it occurs and substituting therefor the word “sub-paragraph”

## **2.2 Committee deliberations**

The Committee reviewed the proposed amendments and observed that some of the changes could potentially claw back the functions of County Governments. For example, the amendments transfer the role of licensing, which was previously under the purview of County Governments, to the Board.

However, the Committee also noted that the Board's composition predominantly includes representatives from cooperatives and counties, ensuring that county interests will be considered. While this arrangement may not be ideal, it provides a more balanced and equitable decision-making process by incorporating diverse perspectives and interests.

Additionally, with county interests represented on the Board, there is a higher likelihood that decisions will reflect the specific needs and priorities of each county, leading to more effective and targeted development.

In conclusion, the Committee resolved to adopt all the amendments proposed by the National Assembly.

## **CHAPTER THREE: COMMITTEE OBSERVATIONS AND RECOMMENDATIONS**

### **3.1 COMMITTEE OBSERVATIONS**

#### **The Committee observes as follows:**

1. Cotton farming plays a vital role in Kenya's economy, providing a source of income for small-scale farmers who depend on it for their livelihoods. Beyond being a key export crop, cotton also generates employment opportunities across the entire value chain, from planting and processing to marketing. Its social and economic impact on Kenya's economy is significant. Therefore, enacting this law is essential to establish measures that will safeguard and strengthen the cotton sub-sector;
2. The Committee has dedicated substantial financial resources and manpower to conducting extensive public consultations with various stakeholders. As a result, the Committee is prepared to make certain concessions to ensure that these efforts are not wasted and that the valuable input is effectively incorporated; and
3. The Committee acknowledges that lawmaking is a continuous process, and there will be opportunities in the future to review and improve the law as needed.

### **3.2 COMMITTEE RECOMMENDATIONS**

#### **The Committee recommends:**

1. That the National Assembly amendments be adopted; and
2. That the Bill be approved with the amendments.

## LIST OF APPENDICES

Appendix 1	Minutes of the Standing Committee on Agriculture, Livestock and Fisheries
Appendix 2	The Vellum to Cotton Industry Development Bill, 2023 (Senate Bills No. 5 of 2023)
Appendix 3	Matrix on the amendments by National Assembly with justifications.
Appendix 4	National Assembly Amendments to the Bill

*APPENDIX I: MINUTES*



**MINUTES OF THE HUNDRED AND THIRTY FIRST (131<sup>ST</sup>) SITTING OF THE  
STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES  
HELD ON TUESDAY 12<sup>TH</sup> NOVEMBER, 2024 IN COMMITTEE ROOM 5, MAIN  
PARLIAMENT BUILDINGS) AT 10:00 A.M.**

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**PRESENT**

- |                                     |   |                  |
|-------------------------------------|---|------------------|
| 1. Sen. James Kamau Murango, MP     | - | Chairperson      |
| 2. Sen. Alexander Munyi Mundigi, MP | - | Vice-Chairperson |
| 3. Sen. David Wafula Wakoli, MP     | - | Member           |
| 4. Sen. Beth Kalunda Syengo, MP     | - | Member           |
| 5. Sen. Wahome Wamatinga, MP        | - | Member           |
| 6. Sen. Enoch Kiio Wambua, CBS, MP  | - | Member           |

**ABSENT WITH APOLOGIES**

- |                                     |   |        |
|-------------------------------------|---|--------|
| 1. Sen. Allan Kiprotich Chesang, MP | - | Member |
| 2. Sen. Daniel Kitonga Maanzo, MP   | - | Member |
| 3. Sen. Moses Kajwang, MP           | - | Member |

**SECRETARIAT**

- |                          |   |                         |
|--------------------------|---|-------------------------|
| 1. Ms. Gloria Wawira     | - | Clerk Assistant I       |
| 2. Ms. Caroline Njue     | - | Clerk Assistant II      |
| 3. Ms. Regina Munyao     | - | Legal Counsel I         |
| 4. Ms. Belinda Ogolla    | - | Research Officer III    |
| 5. Ms. Hillary Cheruiyot | - | Research Officer III    |
| 6. Ms. Rose Ometere      | - | Audio Officer           |
| 7. Ms. Juliet Masinde    | - | Media Relations Officer |
| 8. Mr. Benard Sika       | - | SAA                     |

**MIN/SEN/SCA/873/2024-**

**PRELIMINARIES**

The Chairperson called the meeting to order at 9:30 a.m. followed by a word of prayer and introductions.

**MIN/SEN/SCA/878/2024-**

**ADOPTION OF THE AGENDA**

The agenda was adopted after being proposed by Sen. Alexander Mundigi MP and seconded by Sen. Wahome Wamatinga, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. **Confirmation of:**
  - a) *Minutes of the 125<sup>th</sup> sitting held on Thursday, 26<sup>th</sup> September, 2024;*
  - b) *Minutes of the 126<sup>th</sup> sitting held on Tuesday, 8<sup>th</sup> October, 2024;*
  - c) *Minutes of the 127<sup>th</sup> sitting held on Tuesday, 22<sup>nd</sup> October, 2024;*
4. *Matters arising;*
5. *Consideration and adoption of the Report on amendments from National Assembly to the Cotton Industry and Development Bill, 2023 (Senate Bills No. 5 of 2023);*
6. Any Other Business; and
7. Date of the Next Meeting and Adjournment.

**MIN/SEN/SCA/879/2024-**

**CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS**

The Minutes of the Hundred and Twenty Fifth (125<sup>th</sup>) sitting held on Thursday, 26<sup>th</sup> September, 2024 at 10:00 a.m. were confirmed as a true record having been proposed by Sen. Alexander Mundigi, MP and seconded by Sen. David Wakoli, MP.

The Minutes of the Hundred and Twenty Sixth (126<sup>th</sup>) sitting held on Tuesday, 8<sup>th</sup> October, 2024 at 10:00 a.m. were confirmed as a true record having been proposed by Sen. Alexander Mundigi, MP and seconded by Sen. Enoch Wambua, MP.

The Minutes of the Hundred and Twenty Sixth (127<sup>th</sup>) sitting held on Tuesday, 8<sup>th</sup> October, 2024 at 10:00 a.m. were confirmed as a true record having been proposed by Sen. Alexander Mundigi, MP and seconded by Sen. Enoch Wambua, MP.

**MIN/SEN/SCA/880/2024-**

**MATTERS ARISING**

Under Ex. MIN/SEN/SCA/875/2024, the Committee noted the need for an intervention through the Cabinet Secretary and the President in the matter of rescuing KEVEVAPI in terms of PPPs to modernize the institution for the international and local market.

**Committee Resolution**

KEVEVAPI to produce documents on the court cases to ascertain the land issues before the committee engages the stakeholders.

**MIN/SEN/SCA/881/2024-**

**CONSIDERATION AND ADOPTION OF THE REPORT ON THE AMENDMENTS FROM NATIONAL ASSEMBLY TO THE COTTON INDUSTRY AND DEVELOPMENT BILL, 2023 (SENATE BILLS NO. 5 OF 2023)**

The report on the National Assembly amendments to the Cotton Industry and Development Bill, 2023 (Senate Bills No. 5 of 2023) was considered and adopted having been adopted by Sen. David Wakoli and seconded by Sen. Wahome Wamatinga.

**MIN/SEN/SCA/882/2024-**

**ANY OTHER BUSINESS**

The Committee was informed of the upcoming retreat with the Ministry of Agriculture and Livestock Development from Thursday, 15<sup>th</sup> November, 2024 to Monday, 18<sup>th</sup> November, 2024.

**MIN/SEN/SCA/883/2024-**

**DATE OF NEXT MEETING AND ADJOURNMENT**

The meeting was adjourned at 11:45 a.m. and the next meeting will be by notice.

**SIGNED: .....DATE: .....**

**SEN. JAMES KAMAU MURANGO, MP  
(CHAIRPERSON)**



**MINUTES OF THE HUNDRED AND TWENTY SEVENTH (127<sup>TH</sup>) SITTING OF THE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES HELD ON TUESDAY, 22<sup>ND</sup> OCTOBER, 2024 IN COMMITTEE ROOM 5, MAIN PARLIAMENT BUILDINGS AT 10:00 A.M.**

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**PRESENT**

- |                                     |   |                           |
|-------------------------------------|---|---------------------------|
| 1. Sen. Wahome Wamatinga, MP        | - | Member (Chairing)         |
| 2. Sen. Alexander Munyi Mundigi, MP | - | Vice-Chairperson (Online) |
| 3. Sen. David Wafula Wakoli, MP     | - | Member                    |
| 4. Sen. Allan Kiprotich Chesang, MP | - | Member                    |
| 5. Sen. Beth Kalunda Syengo, MP     | - | Member                    |

**ABSENT WITH APOLOGIES**

- |                                    |   |             |
|------------------------------------|---|-------------|
| 1. Sen. James Kamau Murango, MP    | - | Chairperson |
| 2. Sen. Enoch Kiio Wambua, CBS, MP | - | Member      |
| 3. Sen. Daniel Kitonga Maanzo, MP  | - | Member      |
| 4. Sen. Moses Kajwang, MP          | - | Member      |

**SECRETARIAT**

- |                          |   |                         |
|--------------------------|---|-------------------------|
| 1. Ms. Gloria Wawira     | - | Clerk Assistant I       |
| 2. Ms. Caroline Njue     | - | Clerk Assistant II      |
| 3. Ms. Regina Munyao     | - | Legal Counsel I         |
| 4. Mr. Hillary Cheruiyot | - | Research Officer III    |
| 5. Ms. Belinda Munyao    | - | Research Officer III    |
| 6. Ms. Rose Ometere      | - | Audio Officer           |
| 7. Ms. Juliet Masinde    | - | Media Relations Officer |
| 8. Mr. Benard Sika       | - | SAA                     |
| 9. Ms. Osikol Louwise    | - | Pupil                   |

**MIN/SEN/SCA/848/2024-**

**PRELIMINARIES**

The Chairperson called the meeting to order at 10:38 a.m. followed by a word of prayer and introductions.

**MIN/SEN/SCA/849/2024-**

**ADOPTION OF THE AGENDA**

The agenda was adopted after being proposed by Sen. Beth Syengo MP and seconded by Sen. David Wakoli, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. *Confirmation of the Minutes of the Hundred and Twenty Fifth (125th) sitting held on Tuesday, 26<sup>th</sup> September, 2024 at 10:00 a.m.*
4. *Confirmation of the Minutes of the Hundred and Twenty Sixth (126th) sitting held on Tuesday, 28<sup>th</sup> October, 2024 at 10:00 a.m.*
5. *Matters arising;*
6. *Consideration and adoption of the amendments from the National Assembly on the Cotton Bill, 2023 (Senate Bills No., 5 of 2023);*
7. Any Other Business; and
8. Date of the Next Meeting and Adjournment.

**MIN/SEN/SCA/850/2024-**

**CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING**

The confirmation of minutes was deferred to a later date.

**MIN/SEN/SCA/851/2024-**

**MATTERS ARISING**

There were no matters arising.

**MIN/SEN/SCA/852/2024-**

**CONSIDERATION AND ADOPTION OF THE AMENDMENTS FROM THE NATIONAL ASSEMBLY ON THE COTTON BILL, 2023 (SENATE BILLS NO. 5 OF 2023)**

The Committee considered amendments to the Cotton Bill from the National Assembly and subsequently adopted all of them. The amendments were proposed by Sen. David Wakoli, MP, and seconded by Sen. Beth Syengo, MP.

MIN/SEN/SCA/853/2024-

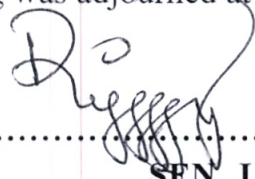
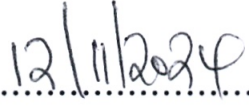
ANY OTHER BUSINESS

The Committee was informed that the Senate Business Committee (SBC) had resolved to suspend all Bills related to Agriculture. However, the Committee expressed the view that the SBC should not dictate legislative matters by suspending these Bills. It opined that SBC's role is limited to managing the Order Paper.

MIN/SEN/SCA/854/2024-

DATE OF NEXT MEETING AND  
ADJOURNMENT

The meeting was adjourned at 11:30 a.m. and the next meeting will be by notice.

SIGNED: .......... DATE: .....  
SEN. JAMES KAMAU MURANGO, MP  
(CHAIRPERSON)

*APPENDIX II: VELLUM TO  
THE COTTON INDUSTRY  
DEVELOPMENT BILL, 2023*



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REPUBLIC OF KENYA

PARLIAMENT

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SENATE BILLS

(Bill No. 5 of 2023)

**THE COTTON INDUSTRY DEVELOPMENT BILL, 2023**

**(A Bill published in the Kenya Gazette Supplement No. 9 of 6<sup>th</sup> February, 2023 and passed by the Senate, with amendments, on 1<sup>st</sup> 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 —

<b>PART I—PRELIMINARY</b>	
Short title.	<b>1.</b> This Act may be cited as the Cotton Industry Development Act, 2023.
Interpretation.	<b>2.</b> 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><b>3.</b> The objects of this Act is to provide a framework —</p> <ul style="list-style-type: none"> <li>(a) to promote a globally competitive cotton industry;</li> <li>(b) to facilitate the production, value addition and processing of safe and healthy cotton and its products;</li> <li>(c) to promote the generation of high income for cotton farmers and traders;</li> <li>(d) for the continuous and sustained research and extension services for the development of the cotton industry;</li> <li>(e) to facilitate the introduction of modern cotton farming techniques and general modernisation of the cotton industry; and</li> <li>(f) for the provision of financial support to the various players in the cotton industry.</li> </ul>
	<p><b>PART II – THE COTTON INDUSTRY DEVELOPMENT BOARD</b></p>
Establishment of the Board.	<p><b>4.</b> (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"> <li>(a) suing and being sued;</li> <li>(b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable or immovable property;</li> <li>(c) entering into contracts;</li> <li>(d) borrowing and lending money; and</li> </ul>

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> <p>(a) enter into contracts;</p> <p>(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;</p> <p>(c) receive gifts, grants, donations or endowments made to the Board and make disbursement therefrom in accordance with the provisions of this Act;</p> <p>(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</p> <p>(e) open such bank accounts for its funds as may be necessary.</p> <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> <p>(a) a chairperson appointed by the President by notice in the <i>Gazette</i>;</p>

<p>Act No. 2 of 2012.</p>	<ul style="list-style-type: none"> <li>(b) the Principal Secretary responsible for agriculture;</li> <li>(c) the Principal Secretary responsible for matters relating to trade;</li> <li>(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;</li> <li>(e) one person with knowledge of the cotton industry nominated by the Council of County governors;</li> <li>(f) one person representing ginners nominated by the apex association of ginners; and</li> <li>(g) the chief executive officer.</li> </ul> <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><b>8.</b> (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> <ul style="list-style-type: none"> <li>(a) is a citizen of Kenya;</li> <li>(b) holds, in the case of a person appointed – <ul style="list-style-type: none"> <li>(i) section 7(1)(a) (e) and (f), a degree from a university recognized in Kenya; and</li> <li>(ii) section 7(1)(d), a certificate in secondary school education.;</li> </ul> </li> <li>(c) has at least three years' experience in management; and</li> <li>(d) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.</li> </ul> <p>(2) A person is not qualified for appointment if that person—</p> <ul style="list-style-type: none"> <li>(a) is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months;</li> </ul>

	<p>(b) is a member of Parliament or county assembly; or</p> <p>(c) is adjudged bankrupt.</p>
Tenure of appointment.	<p><b>9.</b> 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><b>10.</b> A person shall cease to be a member of the Board if that person —</p> <p>(a) is absent, without reasonable cause, for three consecutive meetings of the Board;</p> <p>(b) becomes an officer, agent or member of staff of the Board;</p> <p>(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;</p> <p>(d) is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months;</p> <p>(e) is declared bankrupt;</p> <p>(g) is unable to perform the functions of office by reason of mental or physical infirmity; or</p> <p>(h) dies.</p>
Functions of the Board.	<p><b>11.</b> (1) The functions of the Board shall be to —</p> <p>(a) regulate and promote the development of the cotton growing and cotton ginning;</p> <p>(b) advise the Cabinet Secretary which counties qualify as cotton producing;</p> <p>(c) make recommendations to the Cabinet Secretary on the implementation of strategies, plans and policies relating to the cotton sector;</p> <p>(d) promote the diversification of cotton products;</p> <p>(e) regulate the import and export of cotton lint and cotton seed;</p> <p>(f) promote the marketing of cotton products and by-products in both local and foreign markets;</p>

	<ul style="list-style-type: none"><li>(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;</li><li>(h) carry out surveillance and inspections to ensure compliance with the standards and legislation on the cotton sector;</li><li>(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;</li><li>(j) undertake technology transfer and provide technical assistance to county governments on matters relating to cotton;</li><li>(k) collect, collate and disseminate information on the cotton industry including the appropriate technology and practices to ensure maximisation of yields by cotton farmers;</li><li>(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;</li><li>(m) put in place a framework for capacity building and training of various players in the cotton sector;</li><li>(n) develop and enforce the cotton industry standards and industry code of practice in collaboration with the Kenya Bureau of Standards;</li><li>(o) carry out periodic research to determine and make recommendation on fair prices for cotton;</li><li>(p) undertake research and develop suitable affordable cotton seeds in consultation with the National Biosafety Authority and other research institutions;</li><li>(q) in collaboration with the Agricultural Development Corporation and other relevant government agencies<ul style="list-style-type: none"><li>(i) provide affordable equipment, farm inputs including seeds, fertilizers and pesticides to the growers; and</li></ul></li></ul>
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	<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><b>12.</b> (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><b>13.</b> 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><b>14.</b> 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><b>15.</b> (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"> <li>(a) is a citizen of Kenya;</li> <li>(b) holds a degree from a university recognized in Kenya;</li> <li>(c) has at least ten years' experience in senior management; and</li> </ul>

	<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><b>16.</b> 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><b>17.</b> 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>

Staff of the Board.	<p><b>18.</b> (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><b>19.</b> 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><b>20.</b> (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><b>21.</b> 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><b>22.</b> (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.
	<b>PART III – ROLE OF COUNTY GOVERNMENTS</b>
Role of county governments.	<p><b>23.</b> (1) Each county government shall—</p> <ul style="list-style-type: none"> <li>(a) implement the National Government policy relating to the cotton sector;</li> <li>(b) regulate and promote the development of the cotton industry within the respective county;</li> <li>(c) consider applications for the certificates, permits and licences;</li> <li>(d) coordinate the activities of persons, organisations and any other associations within the cotton industry in the respective county; and</li> <li>(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.</li> </ul> <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"> <li>(a) maintain an up to date register of cotton growers, cotton cooperative societies and other associations as it considers appropriate in that county;</li> <li>(b) implement the policies, standards and strategies by the National Government and guidelines on corporate governance in cotton growers' institutions;</li> <li>(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;</li> <li>(d) offer extension services on cotton production and primary processing;</li> </ul>

	<ul style="list-style-type: none"><li>(e) promote the organisation of cotton farmers cooperatives, associations, and organizations and provide them with credit and financing support;</li><li>(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;</li><li>(g) collaborate with relevant institutions so as to promote access to credit and other financial services;</li><li>(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;</li><li>(i) inspect cotton farms, ginneries and value addition industries located within their respective counties;</li><li>(j) in collaboration with law enforcement agencies, enhance security in cotton growing areas;</li><li>(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;</li><li>(l) monitor and provide technical support for the eradication of noxious and invasive weeds and report any incidences to the Board;</li><li>(m) establish cotton aggregation centres in collaboration with the national government;</li><li>(n) establish cotton collection centres and storage facilities;</li><li>(o) put in place programs for provision of farm machinery;</li><li>(p) provide affordable farm-inputs including quality seeds, fertilizer and other planting materials; and</li></ul>
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	<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><b>24.</b> (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, ginner 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>
	<b>PART IV – REGULATORY PROVISIONS</b>
Registration.	<p><b>25.</b> (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> <p>(a) submit a register of its members to the respective county government at the beginning of each calendar year; and</p> <p>(b) furnish the county government with information on any change of membership within 14 days of a change of membership.</p> <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> <p>(a) the name of the cotton grower, ginner, cooperative society or cotton association;</p> <p>(b) the location, size and parcel number of the land on which the business or that of its members is located; and</p> <p>(c) such other particulars as may be prescribed by county legislation.</p> <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>
<p>Licensing of manufacturer or processor.</p>	<p><b>26.</b> (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>

	<p>(a) such documents and information as the county executive committee member may prescribe; and</p> <p>(b) the prescribed fees.</p> <p>(3) A county executive committee member shall consider an application within fourteen days, and may –</p> <p>(a) grant a licence unconditionally;</p> <p>(b) grant a licence subject to satisfying such conditions as the county may specify; or</p> <p>(c) with sufficient cause, refuse to issue or renew the licence.</p> <p>(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.</p> <p>(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.</p> <p>(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 <i>Gazette</i> and in such other manner as the county executive committee member may determine.</p> <p>(7) The county executive committee member shall, in publishing the notice under subsection (6)—</p> <p>(a) specify the name or other particulars of the person or class of persons to whom the licence is to be granted;</p> <p>(b) state the purpose and the date for which the licence is proposed to be issued; and</p> <p>(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.</p> <p>(8) The county executive committee member shall consider any objection submitted to it under subsection (6) and may grant the</p>
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	<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><b>27.</b> (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><b>28.</b> (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><b>29.</b> (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><b>30.</b> (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><b>31.</b> (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><b>32.</b> (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><b>33.</b> (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><b>34.</b> (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><b>35.</b> (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>
Compliance notice.	<p><b>36.</b> (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>
Effect of revocation of a licence.	<p><b>37.</b> (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>
	<b>PART V – FINANCIAL PROVISIONS</b>

<p>Funds of the Board..</p>	<p><b>38.</b> (1) The funds of the Board shall consist of—</p> <ul style="list-style-type: none"> <li>(a) monies appropriated by Parliament for the purposes of the Board;</li> <li>(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;</li> <li>(c) monies received in respect of the levies and fees; and</li> <li>(d) donations, grants, loans or gifts made to the Board and approved by the Cabinet Secretary for finance.</li> </ul>
<p>Imposition of levy.</p>	<p><b>39.</b> 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>
<p>Annual Estimates.</p>	<p><b>40.</b> (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>
<p>Accounts and Audit.</p>	<p><b>41.</b> (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"> <li>(a) a balance sheet showing in detail the assets and liabilities of the Board; and</li> <li>(b) such other statements of accounts as the Cabinet Secretary may approve.</li> </ul>

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><b>42.</b> (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><b>43.</b> The financial year of the Board shall be the period of twelve months ending on the thirtieth of June in each year.</p>
<b>PART VI - MISCELLANEOUS PROVISIONS</b>	
Incentives.	<p><b>44.</b> 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><b>45.</b> Each county government may enact county specific legislation setting out –</p>

	<ul style="list-style-type: none"> <li>(a) the criteria for the registration of a cotton grower within the respective county;</li> <li>(b) criteria for the issuance of a licence to an applicant within the respective county;</li> <li>(c) information required to be submitted by an applicant for registration or issuance of a licence;</li> <li>(d) process of determination of an application for registration or issuance of a licence;</li> <li>(e) the conditions for the issuance or renewal of a licence under this Act;</li> <li>(f) process of application for the renewal of licences and revocation of a licence issued to an applicant under this Act.</li> <li>(g) the grounds for the rejection of an application or cancellation of a licence issued under this Act; and</li> <li>(h) process of application for the renewal of registration and de-registration.</li> </ul>
<p>Penalties.</p>	<p><b>46.</b> (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"> <li>(a) was director, partner or officer;</li> <li>(b) had knowledge or should have had knowledge of the commission of the offence; and</li> <li>(c) did not exercise due diligence to ensure compliance with this Act,</li> </ul> <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><b>47.</b> (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"><li>(a) nomination of the persons representing cotton farmers under section 7(1)(c); and</li><li>(b) regulation of the processing, importation and exportation of cotton and cotton product.</li><li>(c) conditions for the issuance of certificates, licenses and permits under this Act;</li><li>(d) forms, certificates and manner of application for registration and licensing under this Act;</li><li>(e) manner in which cotton may be produced, harvested, graded, processed, warehoused, packaged and traded;</li><li>(f) charges for services rendered under this Act by the Board;</li><li>(g) forms and procedure for appeals under this Act;</li><li>(h) establishment of a cotton price stabilization mechanism:</li><li>(i) contracts entered by growers and processors and;</li><li>(j) apportionment of any levy imposed under this Act.</li></ul>

Publication of cotton growing counties.	<p><b>48.</b> (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><b>49.</b> Part 1 of the First Schedule to the Crops Act is amended by deleting the following item —</p> <p style="padding-left: 40px;">Cotton.....<i>Gossypium app.</i></p>
<b>PART VII— TRANSITIONAL PROVISIONS.</b>	
Interpretation.	<p><b>50.</b> In this Part—</p> <p style="padding-left: 40px;">“appointed day” means the day this Act comes into force</p>
Rights and obligations.	<p><b>51.</b> 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><b>52.</b> 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><b>53.</b> 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>

Reference to written laws.	<b>54.</b> 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.	<b>55.</b> 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.	<b>56.</b> 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.

	<b>FIRST SCHEDULE</b>	<b>(s. 22(2))</b>
	<b>PROVISIONS RELATING TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD</b>	
Meetings.	<p><b>1.</b> (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><b>2.</b> The quorum of a meeting of the Board is half of the total number of members.</p>	
Voting.	<p><b>3.</b> 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><b>4.</b> Minutes of all meetings shall be kept and entered in records kept for that purpose.</p>	
Disclosure of interest.	<p><b>5.</b> (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*

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I certify that this printed impression is a true copy of the Bill as passed by the Senate on  
Tuesday, 1<sup>st</sup> 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*

*APPENDIX III: MATRIX ON  
THE AMENDMENTS BY THE  
NATIONAL ASSEMBLY*

THE COTTON INDUSTRY DEVELOPMENT BILL (SENATE BILL  
NO. 5 OF 2023) AS PASSED BY THE NATIONAL ASSEMBLY  
ON WEDNESDAY, 31 ST JULY, 2024 AND WEDNESDAY, 14  
TH AUGUST, 2024. SCHEDULE OF AMENDMENTS MADE TO  
THE BILL BY THE NATIONAL ASSEMBLY

DIRECTORATE OF LEGAL SERVICES- SENATE

NO	CLAUSE	PROVISION OF THE CLAUSE	PROPOSED AMENDMENT	JUSTIFICATION
1	Long Title	<b>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.</b>	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.	<b>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.</b>
2	Clause 2	“Cotton industry” includes growers, ginners, spinners and cotton value addition industries	Amend definition of the word ‘ <i>cotton industry</i> ’ to include ‘ <i>marketing</i> ’ because there is need to regulate the marketing of cotton and its products	<b>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 ‘<i>cotton industry</i>’. Their proposal was adopted by the Committee.</b>

3	New clause		The new clause provides for the word 'Cotton plant' as 'gossypium spp and its varieties' to clarity on cotton species and its varieties.	The committee observed that this proposal will add value to the bill and therefore adopted it
4	New clause		The new clause provides for the definition for the term 'collection centre' because the word has been used in the Bill and there is need for clarity.	The committee observed that is important to define the word 'collection centre' because it has been used in the Bill. Their proposal was adopted by the committee
5	Clause 3a	The objects of this Act is to provide a framework — to promote a globally competitive cotton industry	Amend sub-clause 3 (a) to read, " <i>to promote a globally competitive cotton industry through regulation in collaboration with the county governments</i> ". This is to include the regulatory function in collaboration with the county governments.	<b>Members observed that their proposal will add value to the Bill and therefore adopted it.</b>
6	Clause 7 a	The Board shall consist — a chairperson appointed by the President by notice in the <i>Gazette</i> ;	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	<b>This proposal was adopted by the Committee.</b>

7	Cause 11 (1)(a)	(1) The functions of the Board shall be to — regulate and promote the development of the cotton growing and cotton ginning	Amend paragraph 11 (1) (a) to read, “ <i>regulate and promote the development of the cotton industry</i> ”. To ensure all the industry players are regulated.	<b>Their proposal will ensure that all players in the cotton sub-sector are regulated and it was therefore adopted by the Committee.</b>
8	Clause 11(1)(e)	(e) regulate the import and export of cotton lint and cotton seed	Amend paragraph 11 (1) (e) to read, “ <i>regulate and promote import and export of cotton products and by-products</i> ”. This is to cater for the regulation and promotion of cotton products and by-products.	<b>Members observed that the proposal adds value to the Bill and therefore adopted it.</b>
9	Clause 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.	Amend the clause by deleting the words “ <i>fees</i> ” and “ <i>allowances</i> ” since members of the Board are remunerated as determined by the Salaries and Remuneration Commission.	<b>Their proposal adds clarity to the Bill and was therefore adopted by the Committee.</b>
	CLAUSE 17		the Bill be amended— (a) in subclause (1)— (i) by deleting paragraph (b); (ii) by deleting paragraph (c); (iii) by deleting paragraph (d); and (iv) by deleting paragraph (e) and substituting the following new paragraph—	<b>The proposal was adopted by the committee</b>

			<p>“(e) promote the organisation of cotton cooperatives, associations and link them to credit and financing support;”</p> <p>(b) in subclause (2)—</p> <p>(i) by deleting paragraph (b);</p> <p>(ii) by deleting paragraph (c) and substituting the following new paragraph—</p> <p>“(c) promote production and productivity in the respective county;”</p> <p>(iii) by deleting paragraph (d) and substituting the following new paragraph—</p> <p>“(d) offer extension services on cotton production and processing;”</p> <p>(iv) by deleting paragraph (e);</p> <p>(v) by deleting paragraph (f) and substituting the following new paragraph—</p> <p>“(f) provide training and disseminate information to cotton farmers and processors on technologies, innovations and management practices”</p> <p>(vi) by deleting paragraph (g);</p>	
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			<p>(vii) by deleting paragraph (h) and substituting the following new paragraph—</p> <p>“(h) promote farm productivity through seed varieties and integrated cotton systems;”</p> <p>(viii) by deleting paragraph (i);</p> <p>(ix) by deleting paragraph (j);</p> <p>(x) by deleting paragraph (m) and substituting the following new paragraph—</p> <p>“(m) establish cotton collection aggregation centres in collaboration with the government;”</p> <p>(xi) by deleting paragraph (n);</p> <p>(xii) by deleting paragraph (o) and substituting the following new paragraph—</p> <p>“(o) link cotton farmers with agricultural mechanization centres for affordable machinery;”</p> <p>(xiii) by deleting paragraph (p) and substituting the following new paragraph—</p> <p>“(p) link the farmers with affordable farm</p>	
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			<p>(xiv) by deleting paragraph (q) and substituting the following new paragraph—</p> <p>“(q) carry out other functions as may be c upon by this law or any other writer</p> <p>(c) by deleting subclause (3).</p>	
10	Clause 23		<p>the Bill be amended—</p> <p>(d) in subclause (1)—</p> <p>(v) by deleting paragraph (b);</p> <p>(vi) by deleting paragraph (c);</p> <p>(vii) by deleting paragraph (d); and</p> <p>(viii) by deleting paragraph (e) and substituting the following new paragraph—</p> <p>“(e) promote the organisation of cotton cooperatives, associations and link ti credit and financing support;”</p> <p>(e) in subclause (2)—</p> <p>(xv) by deleting paragraph (b);</p> <p>(xvi) by deleting paragraph (c) and substituting the following new paragraph—</p>	<p><b>Their proposal adds clarity to the Bill and was therefore adopted by the Committee.</b></p>

			<p>“(c) promote production and productivity in the respective county;”</p> <p>(xvii) by deleting paragraph (d) and substituting the following new paragraph—</p> <p>“(d) offer extension services on cotton production and processing;”</p> <p>(xviii) by deleting paragraph (e);</p> <p>(xix) by deleting paragraph (f) and substituting the following new paragraph—</p> <p>“(f) provide training and disseminate information to cotton farmers and processors on technologies, innovations and management practices”</p> <p>(xx) by deleting paragraph (g);</p> <p>(xxi) by deleting paragraph (h) and substituting the following new paragraph—</p> <p>“(h) promote farm productivity through seed varieties and integrated cotton production systems;”</p> <p>(xxii) by deleting paragraph (i);</p> <p>(xxiii) by deleting paragraph (j);</p>	
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			<p>(xxiv) by deleting paragraph (m) and substituting the following new paragraph—</p> <p>“(m) establish cotton collection aggregation centres in collaboration with the government;”</p> <p>(xxv) by deleting paragraph (n);</p> <p>(xxvi) by deleting paragraph (o) and substituting the following new paragraph—</p> <p>“(o) link cotton farmers with agricultural mechanization centres for affording machinery;”</p> <p>(xxvii) by deleting paragraph (p) and substituting the following new paragraph—</p> <p>“(p) link the farmers with affordable farm machinery;”</p> <p>(xxviii) by deleting paragraph (q) and substituting the following new paragraph—</p> <p>“(q) carry out other functions as may be conferred upon by this law or any other written law;”</p> <p>(f) by deleting subclause (3).</p>	
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11	Clause 24(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	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.	<b>This proposal was adopted by the Committee.</b>
	Clause 25		<p>The Bill be amended—</p> <p>(a) by deleting subclause (3);</p> <p>(b) by deleting subclause (4), and substituting the following new sub-clause—</p> <p style="padding-left: 40px;">“(4) A registered cooperative society or association shall submit a register of its members to the respective county government and shall furnish the county government with information on any change in membership within thirty(30) days of change in membership”;</p> <p>(c) in subclause (5), by deleting the words “under subclause (1)” appearing immediately after the word “applies” and substituting therefor the words “under this section”;</p> <p>(d) in subclause (6), by deleting the words “subclause (1)” appearing immediately after the word “under” and substituting therefor the words “this section”;</p> <p>(e) in subclause (7)—</p>	

			(i) by deleting the words “subsection (6)” and substituting the words “this section”; and	
			(ii) by deleting the words “or that” and substituting the words “and”; and	
			immediately after the word “business” in paragraph (b);	
			(f) in subclause (8), by deleting the words “under subsection (6)” appearing immediately after the word “registered”;	
			(g) in subclause (10), by deleting the words “subsection (6)” appearing immediately after the word “under” and substituting therefor the words “this section”;	
12	Clause 26(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 sub-clause 26 (2) to read as follows, “ <i>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</i> ”. Manufacturing and processing impact on standards, quality and international trade hence a function of the National Government in accordance with the Constitution	<b>This proposal was adopted by the Committee</b>
13	Clause 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	Amend sub-clause 27 (1) by deleting the words ‘ <i>the County Executive Committee Member</i> ’ and replacing with the word ‘ <i>Board</i> ’ and deleting the words ‘ <i>or prescribed under the specific county</i> ’	<b>This proposal was adopted by the Committee.</b>

		prescribed under the specific county legislation	<i>legislation'</i> this because licensing of manufacturer and processor is a national Government function.	
14	Clause 27(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 sub-clause 27 (2) by deleting the words ' <i>the County Executive Committee Member</i> ' and replacing with the word ' <i>Board</i> ' and deleting the words 'in accordance with section 25 (3) and (4) this because licensing of manufacturer and processor is a national Government function	<b>This proposal was adopted by the Committee.</b>
15	Clause 28	The county executive committee member	Amend by deleting the words ' <i>the County Executive Committee Member</i> ' and replacing with the word ' <i>Board</i> '. Licensing of manufacturer and Processor is a County Government function.	<b>This proposal was adopted by the Committee.</b>
16	Clause 29(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.	Amend sub-clause 29 (2) by deleting the words ' <i>the County Executive Committee Member</i> ' and replacing with the word ' <i>Board</i> ' because licensing of manufacturer and processor is a county government function.	<b>This proposal was adopted by the Committee.</b>
17	Clause 30		the Bill be amended—	<b>This proposal was adopted by the Committee.</b>

			<p>(a) by deleting the opening statement in subclause substituting therefor the following new statement—</p> <p>“(1)Where a person who receives con notice under section 29 fails to com such notice, the Board may—”</p> <p>(b) by deleting subclause (2) and substituting the following new subclause—</p> <p>“(2)For purposes of this Act, a revoc licence takes effect on the date on w licence is revoked by the Board.”</p>	
18	Clause 32(2)(a)	The county executive committee member shall, in designating a collection centre, – ensure that a centre meets such standards as may be prescribed by the Cabinet Secretary;	<p>the Bill be amended—(a)by deleting subclause substituting therefor the following new subclause;</p> <p>“(1)The county government shall c collection centres in consultation wit growers and other stakeholders.”</p> <p>(a) in subclause (2)—</p> <p>(i) by deleting the words “county e committee member” and substituting the</p>	<b>This proposal was adopted by the Committee.</b>

			<p>words “county government;” appearing in the opening statement ; and</p> <p>(ii) in paragraph (a) by deleting the words “Secretary” and substituting therefor the words “Board”.</p>	
19	Clause 33	Licensing of importer and exporters	<p>The Bill be amended—</p> <p>(a) by deleting sub-clause (3);</p> <p>(b) by deleting sub-clause (4);</p> <p>(c) by deleting sub-clause (5);</p> <p>(d) in sub-clause (6) by deleting the word “subsection” appearing immediately after the word “and” and substituting therefor the words “subsection (6)”;</p> <p>(e) by deleting sub-clause (7);</p> <p>(f) in clause (9) by deleting the words “subsection” appearing immediately after the word “and” and substituting therefor the words “subsection (6)”;</p> <p>(g) by deleting subclause (10) and substituting therefor the following new subclause—</p> <p>“(10) A person who is not satisfied with the decision of the Board may appeal to the Cabinet Secretary; and where such a person</p>	<p><b>This proposal was adopted by the Committee.</b></p>

			not satisfied with the decision of the Cabinet Secretary appeal to the High Court.	
20	Clause 33(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.	Amend sub-clause 33 (9) by deleting the words ' <i>the County Executive Committee Member</i> ' and replacing with the words ' <i>the Board</i> ' since issuance of import/export license is a function of the Board.	<b>This proposal was adopted by the Committee.</b>
21	New clause		Insert a new sub-clause prescribing an offence and applicable penalty, this is to enhance compliance to the provisions of the Act.	<b>This proposal was adopted by the Committee.</b>
22	Clause 34(1)	A licence issued under section 32 shall be valid for a. period of one year from the date it was issued.	Amend sub-clause 34 (1) by deleting the words ' <i>section 32</i> ' and replacing with the words ' <i>this Act</i> '. This is to align the referencing accordingly.	<b>This proposal was adopted by the Committee</b>
23	Clause 34(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.	Amend sub-clause 34 (2) to read ' <i>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</i> ', so as to specify to whom the application is made.	<b>This proposal was adopted by the Committee.</b>

24	Clause 34(3)	The procedure for the application of a licence under section 32 shall apply to the application for the renewal of a licence	Amend sub-clause 34 (3) by deleting the words ‘ <i>section 32</i> ’ and replacing with the words ‘ <i>this Act</i> ’, this is to align the referencing accordingly.	<b>This proposal was adopted by the Committee.</b>
25	Clause 35(1)	The Board may revoke a licence issued under section 32 or renewed under section 33 if the licensee —	Amend sub-clause 35 (1) by deleting the words ‘ <i>section 32</i> ’ and replacing with the words ‘ <i>section 34</i> ’. This is to align the referencing accordingly.	<b>The Committee amended the clause by deleting the words ‘<i>section 32</i>’ and substituting with the words ‘<i>this Act</i>’.</b>
26	Clause 35(2)	The Board shall not revoke the licence under subsection (1) unless the committee executive member—	Amend sub-clause 35 (2) by deleting the words ‘ <i>County Executive Member</i> ’ and replacing with the words ‘ <i>Board</i> ’. This is because licensing is a function of the Board.	<b>This proposal was adopted by the Committee.</b>
	Clause 36		the Bill be amended in subclause (1) by deleting the “section 34(2)” appearing immediately after the word and substituting therefor the words “section 35(2)(b)”	<b>This proposal was adopted by the Committee</b>
27	Clause 37		the Bill be amended—(a)in subclause (1) by deleting the “section 34” appearing immediately after the word “un substituting therefor the words “section 36”;by deletings (2) and substituting therefor the following new subclaus	<b>The proposal was adopted by the Committee</b>

			“(2)For purposes of this Act, a revocation of licence tak on the date on which the licence is revoked by the Board	
27	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.”	The Bill be amended by inserting the following a new s immediately after subclause (1)—“(2) The Board shall a money received under this section for the furtheranc objects and performance of the functions of the Board.”	<b>The committee introduced a new sub-clause to provide for utilization of the funds collected by the Board for accountability.</b>
28	Clause 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	The Bill be amended by deleting the words “the county government” appearing immediately after the word “Board”	<b>Import and export taxes are a function of the National Government and not counties.</b>
29	Clause 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 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”.	<b>This proposal was adopted by the Committee.</b>

		<p>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>		
30	Clause 45(c)(d)	<p>Each county government may enact county specific legislation setting out-information required to be submitted by an applicant for registration or issuance of a licence; process of determination of an application for registration or issuance of a licence</p>	Amend paragraphs 45 (c) and (d) by deleting the words ' <i>or issuance of a license</i> '.	<b>The Committee recommended deletion of clause 45 of the Bill.</b>
31	Clause 46	<p>(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>	The Bill be amended in subclause (1) by deleting the "twenty thousand" and substituting therefor the words "hundred thousand".	<b>This proposal was adopted by the Committee</b>

32	Clause 47(2)(a)	Without prejudice to the generality of subsection (1), the Cabinet Secretary may make Regulations providing for the – nomination of the persons representing cotton farmers under section 7(1)(c); and	The Bill be amended in subclause (2) by deleting th “under section 7(1)(c)” appearing in paragraph (a).	<b>This proposal was adopted by the Committee.</b>
34	Clause 49	Part 1 of the First Schedule to the Crops Act is amended by deleting the following item— Cotton..... <i>Gossypiu m app.</i>	The Bill be amended by deleting the word “ <i>Gossypiumaap</i> ” appearing and substituting therefor the words “ <i>Gossypiumssp</i> ”.	<b>This proposal was adopted by the Committee.</b>
35	Clause 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.	The Bill be amended by deleting the word “Authority” appearing immediately after the words “made by the” and substituting therefor the word “Board”.	<b>This proposal was adopted by the Committee</b>

*APPENDIX IV: NATIONAL  
ASSEMBLY AMENDMENTS  
TO THE BILL*

INTERNAL MEMO

FROM : Director, Legislative and Procedural Services

TO : Director, Socio-Economic Committees

DATE : 9<sup>th</sup> September, 2024

SUBJECT : CONSIDERATION OF THE NATIONAL ASSEMBLY AMENDMENTS TO THE COTTON INDUSTRY DEVELOPMENT BILL (SENATE BILLS NO. 5 OF 2023) AND THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL (SENATE BILLS NO. 19 OF 2024)

DDSEC (B2)  
Kindly deal.  
Wobah  
10/09/2024

The Senate will, at an appointed time, consider the National Assembly amendments to the Cotton Industry Development Bill (Senate Bills No. 5 of 2023) and the County Governments Additional Allocations Bill (Senate Bills No. 19 of 2024).

In order to facilitate the Senate in its consideration of the National Assembly amendments, the Speaker directed the following Standing Committees to consider the amendments and table their reports on **Tuesday, 17<sup>th</sup> September, 2024** -

- 1) the Standing Committee on Agriculture, Livestock and Fisheries to consider the National Assembly amendments to the Cotton Industry Development Bill (Senate Bills No. 5 of 2023); and
- 2) the Standing Committee on Finance and Budget to consider the National Assembly amendments to the County Governments Additional Allocations Bill (Senate Bills No. 19 of 2024).

This is, therefore, to bring this matter to your attention for appropriate action.

Copies of the Messages from the National Assembly, the respective schedule of amendments and the letter by the Speaker transmitting the Messages to all Senators are attached herewith for your reference.

  
NJENGA RUGE, OGW

Encls.

- Copies to:
1. Clerk of the Senate
  2. Deputy Clerks
  3. Director, Governance and Accountability Committees

② Mr. Gitonga  
② Ms. Wawira ✓  
Kindly deal.  
Somb.  
11/09/24.



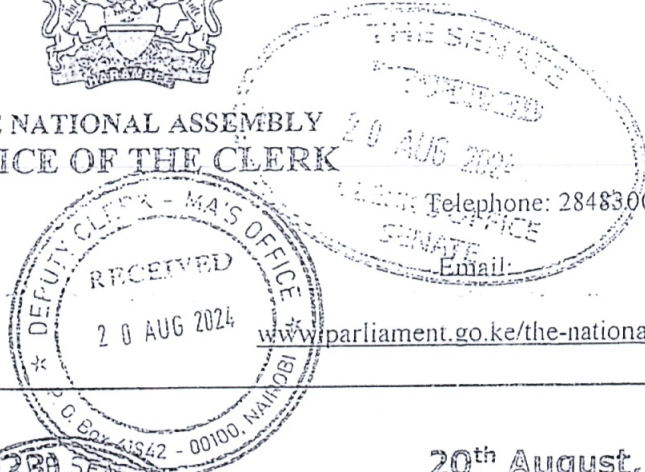


THE NATIONAL ASSEMBLY  
OFFICE OF THE CLERK

P. O. Box 41842-00100  
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Email: [www.parliament.go.ke/the-national-assembly](http://www.parliament.go.ke/the-national-assembly)



When replying please quote:

NA/DLP/TBO/MTS/2024 (023)

20<sup>th</sup> August, 2024

Mr. Jeremiah Nyegenye, CBS  
Clerk of the Senate  
Main Parliament Buildings  
P.O. Box 41842-00100  
**NAIROBI**



① DC (MA)  
Please deal  
2002  
20/08/24

Dear *Jeremiah Nyegenye*

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

The above-mentioned subject matter refers.

Attached herewith, please find a Message in respect of the passage of the Cotton Industry Development Bill (Senate Bill No. 5 of 2023) on Wednesday, 14<sup>th</sup> August 2024 by the National Assembly.

I have also enclosed a copy of the Bill in the form passed by the House, copies of the respective Order Papers, Votes and Proceedings and Hansard Reports for the relevant Sittings for reference.

Yours *Samuel Njoroge*

**Samuel Njoroge, CBS  
CLERK OF THE NATIONAL ASSEMBLY**

Encl.

*ON DLP*  
*These are*  
*MA*



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT - THIRD SESSION

THE NATIONAL ASSEMBLY

MESSAGES

MESSAGE TO THE SENATE

\_\_\_\_\_ (No. 023 of 2024) \_\_\_\_\_

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

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PURSUANT to the provisions of Standing Order 41(1) and 144 of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly—

WHEREAS, the Cotton Industry Development Bill (Senate Bill No. 5 of 2023) was passed by the Senate on Tuesday, 1<sup>st</sup> August 2023, and referred to the National Assembly for consideration pursuant to the provisions of Article 110(4) of the Constitution;

AND WHEREAS, the National Assembly considered the said Bill and passed it with amendments on Wednesday, 14<sup>th</sup> August 2024, in the form attached hereto;

NOW THEREFORE, in accordance with the provisions of Article 112 of the Constitution and Standing Orders 41(1) and 144 of the National Assembly Standing Orders, I hereby convey the said decision of the National Assembly to the Senate.

THE RT. HON. (DR.) MOSES F.M. WETANG'ULA, EGH, MP  
SPEAKER OF THE NATIONAL ASSEMBLY

Tuesday, 20<sup>th</sup> August 2024

THE COTTON INDUSTRY DEVELOPMENT BILL

(SENATE BILL NO. 5 OF 2023)

*The Bill as passed by the National Assembly on Wednesday, 31<sup>st</sup> July, 2024 and  
Wednesday, 14<sup>th</sup> August, 2024.*

SCHEDULE OF AMENDMENTS MADE TO THE BILL BY THE NATIONAL  
ASSEMBLY

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LONG TITLE

THAT, the Bill be amended by deleting the long title 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 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”.

CLAUSE 2

THAT, Clause 2 of the Bill be amended—

(a) by inserting the following new definitions in their proper alphabetical sequence—

“collection centre” means centres designated by county governments to serve as buying stations for cotton;

“cotton plant” means *Gossypium ssp* and its varieties;

“ginning” means the process of removing cotton seed from the cotton balls;

“processing” means the process of value addition to cotton, cotton seed or cotton by-products and includes cleaning, grading, spinning, weaving or knitting; and

“spinning” means the process of producing yarns from extracted cotton fibre;

---

(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;

### 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;"

### CLAUSE 7

THAT, Clause 7 of the Bill be amended—

(a) in subclause (1)—

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

"(c) The Principal Secretary responsible for matter relating to Industrialization"

(ii) by inserting a new paragraph immediately after paragraph (c)—

"(ca) the Principal Secretary responsible for National Treasury"

(b) by inserting the following new subclause immediately after subclause (3)—

"(4) In making appointments of members to the Board, the appointing authority shall observe the principle of gender balance."

### 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;"

(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;"

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

“(g) 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 of cotton products.”

(d) by deleting paragraph (n);

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

“(o) 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;”

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

“(p) liaise with the national agricultural research systems to develop suitable and affordable cotton seeds;”

#### CLAUSE 14

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

#### CLAUSE 17

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

#### CLAUSE 23

THAT, Clause 23 of the Bill be amended—

(a) in subclause (1)—

(i) by deleting paragraph (b);

(ii) by deleting paragraph (c);

(iii) by deleting paragraph (d); and

(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;”

(b) in subclause (2)—

(i) by deleting paragraph (b);

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

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

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

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

(iv) by deleting paragraph (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”

(vi) by deleting paragraph (g);

(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;”

(viii) by deleting paragraph (i);

(ix) by deleting paragraph (j);

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

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

(xi) by deleting paragraph (n);

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

“(o) link cotton farmers with agricultural mechanization centres for affordable machinery;”

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

“(p) link the farmers with affordable 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.”

(c) by deleting subclause (3).

#### CLAUSE 24

THAT, Clause 24 of the Bill be amended—

- (a) in subclause (1), by deleting the words “for the better carrying out of the functions under this Act,” appearing immediately before the word “committee”;
- (b) in subclause (2), by deleting the words “that the county executive committee member shall deem fit” appearing immediately after the word “county”;
- (c) in subclause (3), by deleting the words “executive committee member” appearing immediately after the word “county”;
- (d) by deleting subclause (4);
- (e) by deleting subclause (5);
- (f) by deleting subclause (6); and
- (g) by deleting subclause (7).

#### CLAUSE 25

THAT, Clause 25 of the Bill be amended—

- (a) by deleting subclause (3);
- (b) by deleting subclause (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 thirty(30) days of a change in membership”;
- (c) in subclause (5), by deleting the words “under subsection (1)” appearing immediately after the word “applicant” and substituting therefor the words “under this section”;

(d) in subclause (6), by deleting the words "subsection (1)" appearing immediately after the word "under" and substituting therefor the words "this section";

(e) in subclause (7)—

(i) by deleting the words "subsection (6)" appearing in the opening statement and substituting therefor the words "this section"; and

(ii) by deleting the words "or that" appearing immediately after the word "business" in paragraph (b);

(f) in subclause (8), by deleting the words "under subsection (6)" appearing immediately after the word "register";

(g) in subclause (10), by deleting the words "subsection (1)" appearing immediately after the word "under" and substituting therefor the words "this section";

## CLAUSE 26

THAT, Clause 26 of the Bill be amended—

(a) by deleting the marginal note and substituting the following new marginal note—

"Licensing of ginner, spinners and processors."

(b) in sub-clause (1) by inserting the word "processing" immediately after the word "spinning";

(c) by deleting subclause (2) and substituting the following new subclause—

"(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 that 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 therefor the word "The Board";

(e) by deleting subclause (5) and substituting therefor the following new subclause —

"(5) Where the Board refuses to grant an application for a licence, the Board shall specify the reasons for the refusal"

(f) by deleting sub-clause (6) and substituting therefor the following new subclause—

“(6) The Board 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 Board may determine.”

(g) in subclause (7), by deleting the words “county executive committee member” and substituting therefor the word “Board”;

(h) by deleting subclause (8) and substituting therefor the following new subclause—

“(8) The Board shall consider any objection and may grant the licence applied for subject to such terms and conditions as the Board may consider appropriate.”; and

(i) in subclause (10), by deleting the words “of subsection (1)” appearing immediately before the word “commits” and replacing therefor the word “this section”.

#### CLAUSE 27

THAT, Clause 27 of the Bill be amended—

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

“(1) The Board may refuse to grant a licence where the application does not comply with the requirements imposed under this Act.”; and

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

“(2) The Board shall notify the applicant of the decision within fourteen days of such refusal.”

#### CLAUSE 28

THAT, Clause 28 of the Bill be amended—

(a) by deleting the opening statement in subclause (1) and substituting therefor the following new opening statement—

“(1) The Board may revoke license under this Act if the licensee—”; and

(b) by deleting the opening statement in subclause (2) and substituting therefor the following new opening statement—

“The Board shall not revoke a licence unless the Board—”

#### CLAUSE 29

THAT, clause 29 of the Bill be amended—

(a) by deleting the opening statement in subclause (1) and substituting therefor the following new opening statement—

“(1) A compliance notice issued under subsection 28(2)(b) shall—”

(b) by deleting subclause (2) and substituting therefor the following new subclause—

“(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”

### CLAUSE 30

THAT, Clause 30 of the Bill be amended—

(a) by deleting the opening statement in subclause (1) and substituting therefor the following new opening statement—

“(1) Where a person who receives compliance notice under section 29 fails to comply with such notice, the Board may—”

(b) by deleting subclause (2) and substituting therefor the following new subclause—

“(2) For purposes of this Act, a revocation of licence takes effect on the date on which the licence is revoked by the Board.”

### CLAUSE 32

THAT, Clause 32 of the Bill be amended—

(a) by deleting subclause (1) and substituting therefor the following new subclause;

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

(b) in subclause (2)—

(i) by deleting the words “county executive committee member” and substituting therefor the words “county government;” appearing in the opening statement ; and

(ii) in paragraph (a) by deleting the words “Cabinet Secretary” and substituting therefor the word “Board”.

CLAUSE 33

THAT, Clause 33 of the Bill be amended—

- (a) by deleting sub-clause (3);
- (b) by deleting sub-clause (4);
- (c) by deleting sub-clause (5);
- (d) in sub-clause (6) by deleting the word “subsection (2)” appearing immediately after the word “under” and substituting therefor the words “subsection (6)”;
- (e) by deleting sub-clause (7);
- (f) in clause (9) by deleting the words “subsection (4)” appearing immediately after the word “under” and substituting therefore the words “subsection (6)”;
- (g) by deleting subclause (10) and substituting therefore the following new subclause—
  - “(10) 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.

CLAUSE 34

THAT, Clause 34 of the Bill be amended—

- (a) by deleting subclause (1) and substituting therefor the following new subclause—
  - “(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 subclause (2) and substituting therefor the following new subclause—
  - “(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 subclause (3) by deleting the words “section 32” and substituting therefor the words “section 33” .

CLAUSE 35

THAT clause 35 of the Bill be amended—

- (a) in subclause (1) by deleting the opening statement and substituting therefor the following new opening statement—

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

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

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

#### 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)”

#### 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”;

(b) by deleting subclause (2) and substituting therefor the following new subclause—

“(2) For purposes of this Act, a revocation of licence takes effect on the date on which the licence is revoked by the Board.”

#### CLAUSE 38

THAT, Clause 38 of the Bill be amended by inserting the following a new subclause immediately after subclause (1)—

“(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.”

#### CLAUSE 39

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

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".

CLAUSE 45

THAT, Clause 45 of the Bill be deleted.

CLAUSE 46

THAT, Clause 46 of the Bill be amended in subclause (1) by deleting the words "twenty thousand" and substituting therefor the words "one hundred thousand".

CLAUSE 47

THAT, Clause 47 of the Bill be amended in subclause (2) by deleting the words "under section 7(1)(c)" appearing in paragraph (a).

CLAUSE 49

THAT, Clause 49 of the Bill be amended by deleting the word "*Gossypium aap*" appearing and substituting therefor the words "*Gossypium ssp*".

CLAUSE 55

THAT, Clause 55 of the Bill be amended by deleting the word "Authority" appearing immediately after the words "made by the" and substituting therefor the word "Board".

FIRST SCHEDULE

THAT, the First Schedule to the Bill be amended—

(a) in paragraph 1 (1) —

(1)

- (i) by deleting the word "ten" appearing immediately after the word "least" and substituting therefor the word "four";
  - (ii) by deleting the word "two" appearing immediately after the word "than" and substituting therefor the word "four"
- 
- (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 headquarters or elsewhere in Kenya".
- (c) in paragraph (5) by deleting the word "subsection" wherever it occurs and substituting therefor the word "sub-paragraph"

Certified



Clerk of the National Assembly

This 20<sup>th</sup> day of August, 2024.