

REPUBLIC OF KENYA



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THIRTEENTH PARLIAMENT | FIFTH SESSION

STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES

REPORT ON STAKEHOLDER FORUM ON THE CHALLENGES FACING THE  
SUGAR SECTOR HELD AT MABANGA AGRICULTURAL TRAINING  
COLLEGE IN BUNGOMA COUNTY ON 26<sup>TH</sup> MAY, 2026

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NAIROBI.

APPROVED  
RT. HON. SEN  
AMASON J. KINGI

July, 2026

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

|                |                                                |
|----------------|------------------------------------------------|
| <b>ADP:</b>    | Annual Development Plan                        |
| <b>ATC:</b>    | Agricultural Training Centre                   |
| <b>BCSF:</b>   | Bungoma Civil Society Forum                    |
| <b>CFSP:</b>   | County Fiscal Strategy Paper                   |
| <b>CS:</b>     | Cabinet Secretary                              |
| <b>CSR:</b>    | Corporate Social Responsibility                |
| <b>DCS:</b>    | Distributed Control System                     |
| <b>DPP:</b>    | Director of Public Prosecutions                |
| <b>EACC:</b>   | Ethics and Anti-Corruption Commission          |
| <b>KEBS:</b>   | Kenya Bureau of Standards                      |
| <b>KENSGU:</b> | National Sugar Cane Growers Union              |
| <b>KESGA:</b>  | Kenya Sugarcane Growers Association            |
| <b>KESREF:</b> | Kenya Sugar Research Foundation                |
| <b>KNFSF:</b>  | Kenya National Federation of Sugarcane Farmers |
| <b>KSB:</b>    | Kenya Sugar Board                              |
| <b>NOCO:</b>   | Nzoia Outgrowers Company                       |
| <b>NTSA:</b>   | National Transport and Safety Authority        |
| <b>TCD:</b>    | Tonnes of Cane per Day                         |
| <b>TC:TS:</b>  | Tonnes Cane to Tonnes Sugar                    |

## **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-

1. Ministry of Agriculture and Livestock Development;
  - i. The State Department for Crops Development; and
  - ii. The State Department for Livestock Development.
2. Ministry of Sanitation, Water and Irrigation;
  - i. State Department for Irrigation.
3. Ministry of Mining, Blue Economy and Fisheries;
  - i. State Department for Blue Economy and Fisheries.
4. The Committee also oversees the following State Agencies among others-
  - i. Agriculture and Food Authority (AFA);
  - ii. Agricultural Finance Corporation (AFC);
  - iii. Agricultural Development Corporation (ADC);
  - iv. Kenya Seed Company (KSC);
  - v. Kenya Plant Health Inspectorate Services (KEPHIS);
  - vi. Kenya Agricultural and Livestock Research Organization (KALRO);
  - vii. Kenya Veterinary Vaccine Production Board (KVVPB);
  - viii. Kenya Veterinary Board (KVB);
  - ix. Kenya Meat Commission (KMC);
  - x. Kenya Dairy Board (KDB);
  - xi. Kenya Leather Development Council (KLDC);
  - xii. Kenya Fisheries Service (KFS);
  - xiii. Kenya Fish Marketing Authority (KFMA);
  - xiv. Kenya Marine and Fisheries Research Institute (KEMFRI);
  - xv. Kenya Fishing Industries Corporation; and
  - xvi. 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-

1. Kenya Private Sector Alliance (KEPSA);
2. Agricultural Council of Kenya (AgCK);
3. Food and Agriculture Organization (FAO);
4. Kenya National Farmers' Federation (KENAFF);



5. Centre for Agriculture and Bioscience International (CABI); and
6. Agricultural Industry Forum (AIF).

## **Membership of the Committee**

- |                                          |                           |
|------------------------------------------|---------------------------|
| 1. Sen. David Wafula Wakoli, CBS, MP     | — <b>Chairperson</b>      |
| 2. Sen. Alexander Munyi Mundigi, MP      | — <b>Vice-Chairperson</b> |
| 3. Sen. Moses Otieno Kajwang', CBS, MP   | — Member                  |
| 4. Sen. Wahome Wamatinga, MP             | — Member                  |
| 5. Sen. Mwenda Gataya (Mo Fire), CBS, MP | — Member                  |
| 6. Sen. Sheikh Mohamed Abbas, CBS, MP    | — Member                  |
| 7. Sen. Catherine Mumma, MP              | — Member                  |
| 8. Sen. (Prof.) Tom Ojienda, SC MP       | — Member                  |
| 9. Sen. Hezena Lemaletian, MP            | — Member                  |

## **CHAIRPERSON'S FOREWORD**

### **Honourable Speaker,**

The Senate Standing Committee on Agriculture, Livestock and Fisheries, pursuant to its mandate under Standing Order 228(3) of the Senate Standing Orders, convened a comprehensive public hearing and multi-stakeholder forum at the Mabanga Agricultural Training Centre (ATC) in Bungoma County on 26<sup>th</sup> May 2026. The purpose of this inquiry was to evaluate the operationalization of the Sugar Act, inspect factory rehabilitation programs, investigate structural blockages in outgrower compensation, and review submissions concerning farmer exploitation, input costs and localized revenue mismanagement.

### **Honourable Speaker,**

The sugar sub-sector supports over 200,000 smallholder families across Kenya and approximately 90,000 households within Bungoma County alone. Despite its critical importance to national food security, rural livelihoods and economic growth, the sector recorded a severe 27.2% decline in domestic sugar production in 2025. This decline was driven by the commercial crushing of immature cane, delayed payments to farmers, weak enforcement of territorial zoning rules, predatory intermediary cartels and persistent infrastructure deficits. The Committee's field inquiries further established that these structural weaknesses compelled seven regional sugar mills to suspend operations for approximately three months, significantly disrupting production and farmer incomes. Smallholder farmers continue to bear the burden of high transport costs arising from poor road infrastructure, limited access to affordable state-backed credit and exploitative market practices. The Committee therefore concludes that revitalising the sector requires legal interventions that clearly define enforceable responsibilities among county governments, commercial millers, national regulatory institutions and farmer organisations to strengthen accountability, restore confidence in the sugar value chain and secure its long-term sustainability.

### **Honourable Speaker,**

In line with Article 118 of the Constitution and Standing Order 145(5) of the Senate Standing Orders, the Committee proceeded to undertake public participation on the matters under inquiry. The Committee received written and oral submissions from a wide array of sector actors, including civil society organizations, farmer associations, statutory county oversight bodies, commercial milling operators and individual farmers.

**Honourable Speaker,**

The Committee observes that while the Sugar Act, 2024, introduced important reforms in enforcement, pricing, payment timelines, import regulation, funding allocation, land use, and stakeholder participation, implementation remains weak and inconsistent. Cane poaching and harvesting of immature cane continue to undermine mill operations, restrictive zoning provisions limit farmer choice and the Sugar Pricing Committee has not adequately safeguarded farmer incomes amidst rising input costs. Payment delays persist, import waivers are granted without clear triggers and the Sugar Development Levy lacks adequate farmer allocation. Overall, the Act's provisions are yet to translate into effective protection of farmer interests or sustainable industry growth.

**Honourable Speaker,**

The Ministry of Agriculture and Livestock Development (MoALD) should within sixty (60) days of adoption of this Report, constitute a multi-agency task force to undertake a comprehensive inquiry into the state of sugar farming in the Nzoia Sugar Belt and submit its findings and recommendations to the Senate for further policy and legislative action. Further, within six (6) months of tabling of this Report, the Ministry, in consultation with the Kenya Sugar Board (KSB) and other relevant stakeholders, shall submit to the Senate a Sugar Act (Amendment) Bill to address the challenges identified during the inquiry.

**Honourable Speaker,**

The Committee acknowledges the efforts of all stakeholders who submitted memoranda and oral testimonies. Their contributions have been invaluable in shaping the Committee's observations and recommendations.

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.

Lastly, I take this opportunity to commend the Members of the Committee for their devotion and commitment to duty, which made the consideration of these matters successful.



**Honourable Speaker**, it is now my pleasant duty, pursuant to standing order 223(6) of the Senate Standing Orders, to present the Report of the Standing Committee on Agriculture, Livestock and Fisheries on the Sugar Sector Reforms, Value Chain Accountability, Smallholder Profitability, and Institutional Governance.

Signed



Date:

28/7/2026

**Sen. David Wafula Wakoli, CBS, M.P,**

*Chairperson,*

*Standing Committee on Agriculture, Livestock and Fisheries*

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1. Background**

Pursuant to Standing Order 228(3) of the Senate Standing Orders, the Senate Standing Committee on Agriculture, Livestock and Fisheries is mandated to investigate, oversee, and report on all matters relating to agricultural production, policy frameworks, livestock development, irrigation, and fisheries infrastructure.

On Tuesday 26<sup>th</sup> May, 2026, the Committee convened extensive public hearings and a multi-stakeholder forum at the Mabanga Agricultural Training Centre (ATC) in Bungoma County. The purpose of these field inquiries was to evaluate the operationalization of the Sugar Act, inspect factory rehabilitation programs, investigate structural blockages in outgrower compensation and review submissions concerning farmer exploitation, input costs and localized revenue mismanagement.

#### **1.2. Stakeholders Representations**

The following stakeholders appeared before the Committee and made their representations on matters relating to the inquiry. The Committee received submissions from the Bungoma Civil Society Forum (BCSF), represented by its Convenor, Mr. Ezekiel Odeoh, and Secretary, Mr. Emmanuel Were, as well as the Alliance for Persons with Disabilities, represented by its Executive Director, Mr. Ignatius Nyukuri Fwamba. The Committee also received technical submissions through an independent agricultural analyst Mr. Franklin Edwins Maguge.

The Committee further heard representations from key smallholder outgrower organisations, including the Nzoia Sugarcane Farmers Association, represented by its Secretary, Mr. Josphat Mabuka Kisika; Bungoma Cane Farmers Association, represented by its Chairman, Mr. Pridgeon Masake Barasa and Secretary, Mr. Bramwel S. Misiko; and the Kenya Sugarcane Growers Association (KESGA) together with the Kenya National Federation of Sugarcane Farmers (KNFSF), represented by Mr. Christopher Sifuna and Mr. Francis M. Waswa, respectively. The Bungoma County Agricultural Produce Cess Committee also appeared before the Committee through its Gazetted Chairman, Mr. David Wafula Lupao.

The Committee also received representations from Nzoia Sugar Company (2025) Limited, represented by its Chief Executive Officer, Mr. Sohan Sharma and Communications Manager, Mr. George Muruli. In addition, the Committee heard oral submissions from individual farmers and community representatives, including Mr. Martin Wangalai, Mr. Bill Wanjala and Mr. Samwel Wakwakubi, whose testimonies provided valuable insights

into the challenges affecting sugarcane farmers within the region. The Committee further took cognizance of the judgment of the High Court of Kenya at Nairobi in Petition No. 237 of 2012 concerning the protection of outgrower savings, which informed its consideration of the legal issues arising from the inquiry.



## **CHAPTER TWO**

### **PUBLIC PARTICIPATION AND STAKEHOLDER SUBMISSIONS**

#### **2.1. Overview of Public Participation**

The Committee conducted public participation on Tuesday 26<sup>th</sup> May, 2026 at the Mabanga Agricultural Training Centre (ATC) in Bungoma County, inviting written and oral submissions from stakeholders. Notices were circulated through official channels and the forum was widely advertised across the region.

The Committee received submissions from several stakeholders, including county government agencies, commercial milling companies, farmer associations, research institutions, civil society organizations and individual farmers.

#### **2.2. Submissions from Stakeholders**

##### **2.2.1 Submissions by the Kenya Sugarcane Growers Association (KESGA) and the Kenya National Federation of Sugarcane Farmers (KNFSF)**

The Kenya Sugarcane Growers Association (KESGA) and the Kenya National Federation of Sugarcane Farmers (KNFSF) informed the Committee that, despite ongoing reforms in the sugar sector, several structural and regulatory challenges continue to undermine the sustainability and profitability of sugarcane farming. The key issues raised included the following-

- i. Although the leasing of government-owned sugar mills to private investors was intended to improve operational efficiency and ensure payment to farmers within seven days of cane delivery, farmers remained concerned about whether these objectives would be consistently achieved during implementation.
- ii. Sugarcane productivity remained below its potential due to inadequate access to subsidised farm inputs. The stakeholders observed that effective implementation of the fertiliser subsidy programme could increase average yields in the Nzoia region from approximately 49.71 tonnes per hectare to between 85 and 100 tonnes per hectare.
- iii. The stakeholders emphasised the need for the prompt operationalisation of the Sugar Development Levy established under the Sugar Act, 2024, noting that delays in implementation had denied the sector critical financing for factory rehabilitation, affordable credit to farmers, infrastructure development, regulation and farmer advocacy.



- iv. Despite Bungoma County having approximately 54,000 hectares under sugarcane cultivation and nearly 100,000 sugarcane farmers, the full economic benefits of the ongoing sugar sector reforms had yet to be realised.
- v. The introduction of sugarcane harvesting permits by private millers had fundamentally altered the traditional harvesting system and was reported to have contributed to cane poaching, brokerage, selective harvesting and non-adherence to approved harvesting schedules, thereby disadvantaging many farmers.
- vi. Selective harvesting practices had created perceptions of discrimination and unequal treatment among farmers while undermining transparency and fairness in the harvesting process.
- vii. Although the Sugar (General) Regulations, 2025 provide for engagement between millers and outgrower institutions, the stakeholders informed the Committee that no functional outgrower institutions currently existed to represent farmers' interests.
- viii. Sugarcane growers lacked meaningful representation in key sector governance and decision-making structures despite statutory provisions recognising grower-miller relationships. This governance gap had weakened farmers' ability to influence policies affecting production, pricing and marketing.
- ix. The current sugarcane pricing formula was reported to be commercially unsustainable, with prices consistently falling below the cost of production. Previous efforts by growers' representatives to review or replace the pricing formula had not yielded meaningful reforms.
- x. The stakeholders estimated that between 2014 and 2024, sugarcane farmers delivered approximately 74 million tonnes of cane while incurring an average loss of KSh 615 per tonne, resulting in cumulative losses estimated at KSh 46 billion.
- xi. Persistent disputes over the sugarcane pricing formula had remained unresolved, prompting the stakeholders to call for the appointment of an independent arbitrator under Section 60 of the Sugar Act, 2024.
- xii. Finally, the stakeholders observed that several pending court cases had delayed the implementation and full operationalisation of the Sugar Act, 2024, thereby slowing the intended reforms within the sugar industry.

The Bungoma County Agricultural Produce CESS Committee informed the Committee that significant governance, institutional and accountability challenges had undermined the effective administration and utilisation of agricultural produce cess within Bungoma County. The key issues requiring the Committee's intervention were as follows:

- i. **Delayed operationalisation of the County CESS Committee.** Although the Committee had been duly appointed, inaugurated and gazetted, it had not been fully operationalised due to inadequate communication, facilitation, financing and institutional support from the County Government, rendering it unable to discharge its statutory mandate effectively.
- ii. **Impending expiry of the Committee's term without meaningful implementation.** The Committee expressed concern that only six months remained before the expiry of its three-year term, yet it had been unable to undertake most of its statutory functions because of prolonged administrative delays.
- iii. **Weak institutional implementation of the Agricultural Produce CESS Act, 2017.** While Bungoma County had enacted the Agricultural Produce CESS Act, 2017, the legal and institutional framework necessary to operationalise the Act remained inadequate, resulting in ineffective governance of cess administration.
- iv. **Lack of oversight over cess collection and utilisation.** Despite sugarcane contributing approximately 93.5 per cent of all agricultural produce cess collected in Bungoma County, the County CESS Committee was excluded from monitoring cess collections, verifying revenue, and overseeing the utilisation of the funds as envisaged under the law.
- v. **Failure to reinvest cess revenues in sugarcane-growing areas.** The Committee observed that although the law requires cess revenues to be reinvested in the areas where they are generated, particularly for the development and maintenance of rural roads and related infrastructure, this statutory obligation had not been effectively implemented.
- vi. **Limited access to cess and production data.** The Committee lacked access to reliable information on cess collections, agricultural production and revenue utilisation, thereby limiting its capacity to undertake evidence-based oversight and provide informed policy advice.
- vii. **Absence of farmer feedback and accountability mechanisms.** There was no structured mechanism through which farmers could receive information or provide feedback regarding the collection, management and utilisation of agricultural produce cess.



- viii. **Unclear institutional mandates.** The Committee highlighted persistent confusion regarding the respective roles of the County Department of Agriculture, the County Finance Department responsible for cess collection, and departments responsible for implementing infrastructure projects financed through cess revenues, resulting in weak accountability.
- ix. **Inadequate institutional capacity.** The Committee lacked the technical capacity, specialised training, benchmarking opportunities and operational resources necessary to effectively execute its statutory responsibilities.
- x. **Need for harmonised policy and legislative frameworks.** The Committee identified the absence of model laws and uniform policy frameworks governing County Agricultural Produce CESS Committees as a major impediment to consistent and effective cess administration across counties.
- xi. **Need to strengthen accountability through independent audit.** The Committee called for an independent audit of agricultural produce cess collections and expenditure within Bungoma County to establish the amount collected, assess compliance with the law, and determine whether the revenues had been utilised for their intended purposes.
- xii. **Need to review the Agricultural Produce CESS Act, 2017.** The Committee submitted that the existing legal framework and accompanying regulations require review to strengthen implementation, clarify institutional mandates, and enhance transparency and oversight in cess administration.
- xiii. **Need for Senate intervention to enforce operationalisation.** The Committee requested the Senate to intervene to ensure that County Agricultural Produce CESS Committees are fully facilitated and operationalised in accordance with the law, enabling them to effectively perform their oversight and advisory functions.
- xiv. **Need for national policy reforms on agricultural taxation.** Finally, the Committee urged the Senate to spearhead broader policy and legislative reforms aimed at harmonising agricultural taxation and cess administration through the development of a coherent national framework for agricultural taxes and levies.

### 2.2.3 Submissions by the National Sugar Cane Growers Union (KENSGU)

The Kenya National Sugar Cane Growers Union (KENSGU) informed the Committee that the long-standing dispute relating to the farmers' retention fund remained unresolved and continued to undermine farmers' confidence in the management of their proceeds. The Union identified the following issues requiring the Committee's intervention:

- i. **Unresolved retention fund deductions.** The Union stated that Nzoia Sugar Company Limited established a farmers' retention fund in 1999 through deductions equivalent to 15 per cent of farmers' gross cane proceeds, with the funds to be held in trust, earn interest at prevailing market rates and subsequently be refunded to the respective farmers. However, the status of these funds remained unresolved.
- ii. **Failure to account for retained farmers' funds.** The Union expressed concern that Nzoia Sugar Company Limited continued to deduct and retain farmers' funds over an extended period, with the total amount retained estimated at approximately KSh 118.14 million, without providing a satisfactory account of the monies collected or their current status.
- iii. **Lack of transparency and access to information.** Since 2011, the Union had persistently sought information relating to the retention fund, including the names of affected farmers, amounts deducted, dates of deduction, legal authority for the deductions, account details where the funds were held, and interest accrued. Despite these requests, the information had not been disclosed.
- iv. **Failure of regulatory and government institutions to resolve the matter.** The Union informed the Committee that previous interventions by the relevant regulatory authorities and government institutions had not resulted in disclosure of records, accountability for the retained funds, or reimbursement of the affected farmers.
- v. **Need for accountability by Nzoia Sugar Company Limited.** The Union maintained that, as the institution that established and administered the retention fund scheme, Nzoia Sugar Company Limited remained the lawful custodian of all records relating to the deductions and was therefore responsible for providing a full account of the retained funds.
- vi. **Prolonged legal dispute without effective resolution.** The Union drew the Committee's attention to High Court Petition No. 237 of 2012, which sought disclosure of records relating to the retention fund and refund of the retained monies. The prolonged nature of the dispute had denied affected farmers access to information and delayed resolution of their claims.
- vii. **Need for protection of farmers' financial rights.** The Union emphasised that the unresolved retention fund continued to raise serious concerns regarding the protection of farmers' savings, transparency in the management of deductions from cane proceeds, and accountability within the sugar sector. The Union therefore urged the Committee to facilitate a comprehensive resolution of the matter, including full disclosure of records and appropriate restitution to affected farmers where applicable.



#### 2.2.4 Submissions by Mr. Jack Mukongo Munialo

Mr. Jack Mukongo Munialo informed the Committee that although the sugar industry remains a key economic driver in Western Kenya, its sustainability is increasingly threatened by structural, operational and governance challenges affecting the entire value chain. The issues requiring the Committee's intervention included the following:

- i. **Market concentration and reduced competition.** Concerns were raised over the increasing dominance of the sugar sector by a single market player, which was reported to have weakened competition, reduced farmers' bargaining power, limited business opportunities for independent transporters and contractors, and created the risk of market manipulation.
- ii. **Rising cost of sugarcane production.** Farmers continue to incur high production costs due to expensive seed cane, rising fuel prices, increasing labour costs and the high cost of agricultural inputs, thereby reducing the profitability of sugarcane farming.
- iii. **Declining productivity.** Inadequate investment in quality seed cane development, limited agricultural extension services, poor soil management and climate-related challenges have contributed to low sugarcane yields, estimated at approximately 20 tonnes per acre.
- iv. **Inadequate farmer support services.** Most farmers lack access to effective agricultural extension services, technical advice and professional support necessary to improve productivity and adopt modern farming practices.
- v. **Unstable pricing and delayed harvesting.** Frequent fluctuations in sugarcane prices, coupled with delays in harvesting and transportation, have reduced farmers' incomes through over-mature cane, weight losses and lower sugar recovery rates.
- vi. **Challenges in cane transportation.** Farmers reported persistent irregularities in cane transportation, including alleged extortion, illegal deductions, cane theft, manipulation of tonnage records and the exclusion of local transport contractors from transport opportunities.
- vii. **Poor labour conditions within the sugar industry.** Concerns were raised regarding the welfare of workers, including reliance on short-term contracts, outsourcing arrangements, low wages, poor working conditions and alleged discriminatory employment practices.
- viii. **Impact of unregulated sugar imports.** Continued importation of sugar without effective regulation was reported to have depressed domestic sugar prices, reduced

the competitiveness of local millers, undermined farmers' incomes and encouraged illegal sugar trade.

- ix. **Weak governance and corruption.** The stakeholder identified corruption in procurement, licensing, payment systems, weighbridge operations and concession fee administration as a major impediment to transparency and accountability within the sector.
- x. **Inadequate legal protection for value chain actors.** The existing legislative and policy framework was considered insufficient to safeguard the interests of farmers, workers, transporters and other local stakeholders participating in the sugar industry.
- xi. **Outstanding financial obligations.** Delayed settlement of arrears owed to farmers, workers and suppliers continued to undermine livelihoods, constrain business operations and weaken confidence in the sugar sector.
- xii. **Need for comprehensive sector reforms.** The stakeholder urged the Committee to promote reforms aimed at strengthening transparency, accountability, fair competition and sustainable growth across the sugar value chain while protecting the interests of all stakeholders.

#### 2.2.5 Submissions by the Alliance for Persons with Disabilities

The Alliance for Persons with Disabilities informed the Committee that sugarcane farmers, particularly vulnerable groups including persons with disabilities, continue to face systemic challenges that undermine productivity, profitability and inclusive participation in the sugar value chain. The key issues requiring the Committee's intervention were as follows:

- i. Persistent exploitation and weak farmer support. Farmers continue to experience delayed payments, exploitation by millers and intermediaries, rising production costs, inadequate agricultural extension services, poor road infrastructure, limited access to affordable farm inputs and weak implementation of agricultural policies.
- ii. Marginalisation of vulnerable farmers. The organisation expressed concern that persons with disabilities and other vulnerable groups remain inadequately supported and insufficiently integrated into sugar sector programmes and decision-making processes.
- iii. Unsustainable sugarcane pricing. The prevailing sugarcane pricing framework was reported to be inadequate to cover the rising costs of production, including fertiliser, labour, land preparation, transportation and farm maintenance, thereby reducing farmers' profitability.

- iv. Delayed harvesting and broker interference. Delays in harvesting mature cane, coupled with the issuance of harvesting permits to brokers instead of farmers, have resulted in over-mature cane, reduced sucrose content, financial losses and diminished confidence in the harvesting process.
- v. Declining farmer support services. Sugar factories have substantially reduced or withdrawn essential farmer support services, including the provision of seed cane, fertilisers, agricultural extension services, land preparation and access to affordable credit.
- vi. Poor utilisation of agricultural cess revenues. Despite substantial cess collections from sugarcane transportation, there was little evidence that these revenues were being reinvested in the maintenance and improvement of roads serving sugarcane-growing areas.
- vii. Negative impact of sugar imports. Continued uncontrolled sugar imports were reported to have depressed returns to local farmers and millers, thereby undermining the competitiveness and sustainability of domestic sugar production.
- viii. Lack of transparency in sector administration. The organisation identified deficiencies in the management of farmer registration, harvesting permits, cane transportation and farmer support programmes, creating opportunities for abuse and disadvantaging genuine farmers.
- ix. Inadequate institutional support to farmers. Limited access to agricultural extension services, affordable credit and other productivity-enhancing support mechanisms continues to constrain sugarcane production and long-term sector sustainability.
- x. Weak accountability in cess management and sector governance. The organisation called for greater transparency, accountability and public participation in the collection, management and utilisation of agricultural cess revenues, together with comprehensive legislative, policy and administrative reforms to strengthen farmer protection, improve infrastructure, enhance productivity and secure the long-term sustainability of the sugar industry.

#### **2.2.6 Submissions by the County Government of Bungoma**

The County Government of Bungoma informed the Committee that although the sugar sub-sector remains the backbone of the County's agricultural economy, there were several production, infrastructure, institutional and policy related challenges that continue to constrain its growth. The key issues requiring the Committee's intervention were as identified as follows:



- i. **Low productivity despite high production potential.** Although Bungoma County has between 65,000 and 75,000 hectares under sugarcane cultivation and the potential to achieve yields of 100–150 tonnes per hectare, most smallholder farmers attain only 20–30 tonnes per acre, resulting in significantly lower production and incomes.
- ii. **Escalating production costs.** Rising prices of fertiliser, fuel and other agricultural inputs continue to increase the cost of sugarcane production, thereby reducing farmers' profitability and discouraging investment in the crop.
- iii. **Poor transport infrastructure.** The deterioration of feeder roads, particularly during rainy seasons, has increased transportation costs, delayed cane delivery to factories and contributed to avoidable losses along the value chain.
- iv. **Limited access to quality planting materials.** Inadequate availability of certified seed cane and other quality planting materials continues to constrain productivity and the adoption of improved sugarcane varieties.
- v. **Delayed and poorly coordinated harvesting.** Inefficient harvesting arrangements continue to result in delayed harvesting of mature cane, reducing cane quality, sugar recovery and farmers' returns.
- vi. **Declining productivity due to ageing ratoon crops.** Many farmers continue to rely on ratoon crops beyond the recommended production cycle, leading to declining yields and reduced farm productivity.
- vii. **Land fragmentation and declining economies of scale.** Continued subdivision of agricultural land has reduced the average size of sugarcane farms, limiting mechanisation, increasing production costs and reducing the commercial viability of sugarcane farming.
- viii. **Post-harvest losses during transportation.** Sugarcane spillage and theft during transportation continue to occasion significant losses to farmers and undermine value chain efficiency.
- ix. **Climate and pest-related challenges.** Climate variability, erratic rainfall, pests and diseases, including sugarcane stalk borer and smut disease, continue to disrupt production, affect harvesting cycles and reduce overall productivity.
- x. **Low awareness of the Sugar Act, 2024.** Limited public awareness and stakeholder sensitisation on the provisions of the Sugar Act, 2024 have slowed implementation of the reforms introduced under the new legal framework.
- xi. **Need to strengthen farmer support programmes.** The County Government emphasised the need to expand fertiliser subsidy programmes, improve access to quality planting materials, strengthen maintenance of roads serving sugarcane-

growing areas, improve harvesting systems and facilitate the transition to a sucrose-based cane payment system.

- xii. **Delayed operationalisation of the Sugar Development Levy.** The County Government expressed concern over delays in operationalising the Sugar Development Levy established under the Sugar Act, 2024, noting that the levy is critical for financing farmer input subsidies, factory rehabilitation and modernisation, outgrower infrastructure, research, extension services, administrative functions of the Kenya Sugar Board and farmer welfare programmes.
- xiii. **Weak farmer institutions and limited access to finance.** The County Government highlighted the need to strengthen farmer organisations and cooperative societies, improve access to affordable credit for smallholder farmers and promote benchmarking and knowledge exchange programmes to enhance adoption of best agricultural practices.

#### **2.2.7 Submissions by the Nzoia Sugarcane Farmers Association**

The Nzoia Sugarcane Farmers Association appeared before the Committee and submitted as follows. That

- i. The Association is a legally registered farmers' organization representing over 1,000 registered sugarcane farmers served by Nzoia Sugar Company. The Association submitted that it is recognized by Nzoia Sugar Company and the Kenya Sugar Board and is committed to promoting the welfare of sugarcane farmers and supporting the revival and sustainability of the sugar sector in Western Kenya.
- ii. Farmers welcomed the leasing and management of Nzoia Sugar Company by Rai Group with the expectation that the arrangement would improve operational efficiency, restore confidence in the sugar industry and enhance farmers' livelihoods. However, farmers continued to experience a number of challenges affecting sugarcane production and marketing.
- iii. Delays in payments to farmers remained a major challenge. The Association submitted that delayed settlement of payments following cane delivery had adversely affected farmers' ability to pay workers, maintain farms, purchase fertilizers and farm inputs, and support their households.
- iv. Irregular and poorly coordinated harvesting schedules had resulted in mature cane overstay in farms, leading to reduced sugar content, loss of tonnage, deterioration in cane quality and financial losses to farmers.
- v. Concerns raised about corruption and unfair practices in the issuance of harvesting and transportation permits. The Association submitted that the permit issuance process had



resulted in favouritism, delays and unequal treatment of farmers, thereby disadvantaging genuine cane growers.

- vi. Transport and logistical challenges continued to affect cane delivery to factories. Delays in transportation were reported to result in harvested cane drying in farms, loss of weight and reduced earnings for farmers.
- vii. Poor road infrastructure in sugarcane-growing areas, particularly feeder roads, remained a major impediment to efficient transportation of sugarcane. The situation was reported to worsen during rainy seasons, increasing transport costs and affecting access to farms and factories.
- viii. Farmers were receiving inadequate support for cane development programmes. Challenges highlighted included limited access to early maturing seed cane varieties, inadequate supply of fertilizers and farm inputs, insufficient agricultural extension services, limited farmer training programmes and low investment in modern farming technologies.
- ix. There was need for structured engagement and formal recognition of registered farmers' associations in decision-making processes affecting the sugar sector to ensure that farmers' views and concerns are adequately represented.
- x. Farmers and factory workers requested the establishment of a medical facility within the factory as part of the company's corporate social responsibility initiatives in order to improve access to healthcare services for workers and surrounding communities.
- xi. The Association proposed the establishment of a retail outlet through which local residents and farmers could access sugar and related products at fair and affordable prices.
- xii. The Association urged that employment opportunities arising within the factory and related operations be prioritized for qualified local youth and residents from sugarcane-growing communities.
- xiii. The Association emphasized the importance of proper utilization of resources generated through the Sugar Development Levy, particularly funds earmarked for cane development and farmer support programmes.
- xiv. The Association submitted that resources from the Sugar Development Levy should support fertilizer and farm input subsidies, seed cane distribution programmes, farmer mobilization initiatives, agricultural extension services and improvement of road infrastructure within sugarcane-growing regions.
- xv. Concerns were raised regarding transparency and accountability in the utilization of Sugar Development Levy resources, with the Association emphasizing the need for prudent management of the funds to restore farmers' confidence and enhance sector development.



- xvi. The Association reiterated its commitment to working with Nzoia Sugar Company, the Rai Group, government institutions and other stakeholders in efforts aimed at revitalizing the sugar sector, improving farmer welfare, increasing cane production and enhancing the contribution of the sector to economic growth and employment creation.

#### 2.2.8 Submissions by Mr. Franklin Edwins Maguge

Mr. Franklin Edwins Maguge informed the Committee that the sugar sector continues to experience deep-rooted structural, regulatory and market failures that have undermined farmer livelihoods, reduced productivity and threatened the long-term sustainability of the industry. The key issues requiring the Committee's intervention were as follows:

- i. **Declining sugar production and cane shortages.** The sector experienced a significant decline in sugar production in 2025 due to widespread harvesting of immature cane, persistent cane shortages, delayed farmer payments and weak enforcement of zoning and cane maturity regulations.
- ii. **Weak implementation of the Sugar Act, 2024.** Although the Sugar Act, 2024 and the Kenya Sugar Board were intended to reform the sector, delays and weaknesses in implementation have continued to undermine farmer confidence, productivity and investment.
- iii. **Poor enforcement of cane harvesting regulations.** Continued harvesting of immature cane, widespread cane poaching and non-compliance with zoning regulations have disrupted orderly cane development, reduced yields and compromised sugar quality.
- iv. **Restrictive market access for farmers.** Existing zoning arrangements were reported to limit farmers' ability to sell cane to competing millers, thereby reducing competition, limiting market choice and weakening farmers' bargaining power.
- v. **Unsustainable sugarcane pricing.** The prevailing cane pricing framework does not adequately reflect the rising cost of production, while frequent price fluctuations continue to erode farmers' incomes and discourage investment in sugarcane farming.
- vi. **Inadequate benefit-sharing from sugar by-products.** Farmers do not adequately benefit from revenues generated through sugar by-products such as bagasse and molasses, despite their contribution to the production process.
- vii. **Persistent delays in farmer payments.** Delayed settlement of payments remains one of the most significant challenges facing farmers, affecting household incomes, farm operations, cash flow and reinvestment in cane development, while the existing legal framework lacks effective enforcement mechanisms to guarantee timely payments.

- viii. **Adverse effects of sugar importation.** Importation practices, including the issuance of duty waivers and import permits, were reported to depress domestic sugar demand, weaken local millers and reduce returns to Kenyan sugarcane farmers.
- ix. **Limited accountability in the utilisation of the Sugar Development Levy.** Concerns were raised regarding inadequate transparency, accountability and farmer participation in the management of Sugar Development Levy resources, with an insufficient proportion of the funds directly supporting cane development and farmer productivity programmes.
- x. **Declining land under sugarcane cultivation.** Continued conversion of agricultural land to alternative uses has reduced the acreage under sugarcane, threatening the long-term sustainability of cane supply to local factories.
- xi. **Limited farmer participation in sector governance.** Farmers remain inadequately represented in policy formulation, regulatory processes and sector decision-making, limiting their influence over reforms affecting their livelihoods.
- xii. **Weak governance and institutional coordination.** Governance gaps, inadequate stakeholder participation, outdated farming practices, milling inefficiencies and poor institutional coordination continue to undermine the competitiveness and sustainability of the sugar industry.
- xiii. **Need for comprehensive sector reforms.** The stakeholder urged the Committee to strengthen enforcement of the Sugar Act, 2024, protect sugarcane-growing land, improve farmer representation, enhance accountability in the management of the Sugar Development Levy, promote technology adoption and modern agronomic practices, and implement farmer-centred reforms to restore the competitiveness and sustainability of Kenya's sugar sector.

#### **2.2.9 Submissions by the Bungoma Civil Society Forum (BCSF)**

The Bungoma Civil Society Forum (BCSF) informed the Committee that although the Sugar Act, 2024 provides a sound legal framework for reforming the sugar sector, its benefits have yet to be realised due to persistent governance, institutional and market challenges affecting sugarcane farmers. The key issues requiring the Committee's intervention were as follows:

- i. **Declining farmer incomes and profitability.** Farmers continue to earn low and unpredictable returns due to cane prices that do not adequately reflect production costs, labour, transport expenses, delayed harvesting losses and debt obligations.



ii. **Delayed harvesting and weak harvesting management.** Inefficient harvesting systems, poor adherence to harvesting schedules and interference by brokers in the issuance of harvesting and transportation permits continue to cause over-mature cane, reduced sucrose content, loss of tonnage and lower farmer incomes.

iii. **Declining farmer support services.** Millers have progressively reduced support previously provided to outgrower farmers, including agricultural extension services, land preparation, input supply, farmer training and cane testing services, thereby affecting productivity.

iv. **Poor Road infrastructure and high transport costs.** Inadequate farm-to-mill roads continue to increase transportation costs, delay cane delivery and reduce farmers' returns.

v. **Limited access to affordable agricultural finance.** High borrowing costs, debt burdens and limited access to affordable credit continue to constrain investment in sugarcane production and farm development.

vi. **Weak implementation of the Sugar Act, 2024.** The transition from legislative reforms to effective implementation has been slow due to inadequate regulations, weak enforcement mechanisms, limited accountability and fragmented institutional responsibilities.

vii. **Weak governance and accountability.** The Forum highlighted inadequate transparency in the collection and utilisation of agricultural cess and Sugar Development Levy resources, and called for greater public disclosure, independent audits and stronger accountability mechanisms.

viii. **Unfair sugar importation practices.** Continued importation of cheap and illegal sugar was reported to depress domestic sugar prices, undermine local production and reduce returns to farmers and millers.

ix. **Limited farmer participation in sector governance.** Farmers remain inadequately represented in pricing decisions, policy formulation and implementation of sector reforms, limiting their influence over decisions affecting their livelihoods.

x. **Need for coordinated institutional reforms.** The Forum emphasised the need for clearly defined responsibilities among the Kenya Sugar Board, County Governments, millers, the Ministry responsible for Agriculture, financial institutions and other



stakeholders to strengthen coordination, improve service delivery and reduce risks borne by farmers.

xi. **Need for transparent and farmer-centred reforms.** The Forum urged that sugar sector reforms be evaluated based on their ability to improve the welfare and net incomes of smallholder farmers, supported by transparent pricing systems, accountable management of public resources, affordable agricultural financing, strengthened public participation and continuous stakeholder engagement in sector governance.

#### **2.2.10 Submissions by the Kenya Sugar Board (KSB)**

The Kenya Sugar Board informed the Committee of the progress made in implementing the Sugar Act, 2024 while highlighting several outstanding challenges requiring legislative and policy intervention. The key issues were as follows:

- i. **Progress in implementing grower representation under the Sugar Act, 2024.** The Board reported that it had substantially completed preparations for the election of grower representatives through farmer registration, deployment of the *MkulimaOnBoard* digital platform, verification of farmer records, mapping of polling centres and extensive public participation. However, legal challenges, stakeholder concerns regarding exclusion of some wards and suspension of the registration exercise delayed the implementation of the electoral process, underscoring the need for a credible, inclusive and transparent grower representation framework.
- ii. **Recovery efforts amid declining sugar production.** The Board reported that although sugar production showed signs of recovery following improvements in cane availability, factory operations and favourable weather conditions, national production declined from 815,454 metric tonnes in 2024 to 611,576 metric tonnes in 2025. The decline was attributed to cane shortages, premature harvesting of immature cane, adverse weather conditions and disruptions arising from the restructuring and leasing of state-owned sugar factories.
- iii. **Persistent national sugar deficit.** While domestic production is projected to improve during the 2026/27 marketing year, the Board indicated that annual national demand of 1.1–1.2 million metric tonnes continues to exceed local production, leaving a deficit of 300,000–400,000 metric tonnes that must be met through imports.
- iv. **Balancing sugar imports with farmer protection.** The Board acknowledged that sugar imports remain necessary to bridge the domestic supply gap. However, it

cautioned that unrestricted duty-free imports could suppress cane prices, discourage investment in sugarcane production and undermine the competitiveness of local farmers if not properly regulated.

- v. **Relative stability in cane prices amid market pressures.** The Board reported that the cane purchase price had been maintained at K.sh 5,500 per tonne despite fluctuations in retail sugar prices. Nevertheless, concerns remained that sustained import pressure and declining domestic production could adversely affect future cane prices and farmer returns.
- vi. **Outstanding financial obligations to farmers and workers.** The Board informed the Committee that Government had released K.sh 500 million towards settlement of farmers' arrears and K.sh 1 billion towards salary arrears in state-owned sugar factories. However, outstanding obligations remained substantial, with approximately K.sh 212 million owed to farmers and K.sh 9.89 billion in unpaid salaries, pensions and related employee benefits, continuing to undermine confidence and stability within the sector.

## **CHAPTER THREE**

### **COMMITTEE OBSERVATIONS**

#### **3.1. County Government Failures: Cess Mismanagement and Infrastructure Deficits**

The Committee observed that-

- i. Whereas Bungoma County Agricultural Produce Cess Committee had been duly appointed and gazetted, it had not been adequately facilitated to discharge its statutory mandate. Evidence presented indicated that the Committee had received limited administrative support, budgetary allocation and institutional engagement, significantly constraining its oversight and advisory functions despite being established under the Bungoma County Agricultural Produce Cess Act, 2017.
- ii. The Bungoma County Agricultural Produce Cess Act, 2017 required that 90% of all sugarcane cess revenue be ring-fenced and reinvested in the respective areas of collection to maintain rural farm-to-mill access roads. However, field inspections revealed no evidence of systematic reinvestment of cess revenue into road infrastructure, contrary to the provisions of the Act.
- iii. Rural feeder roads deteriorated significantly during the rainy season, rendering them impassable and delaying the transportation of harvested sugarcane. Consequently, harvested cane remained in the fields, resulting in weight loss, deterioration of sucrose content and reduced payments to farmers, who bore the entire financial burden since payments were based on the net weight recorded at factory weighbridges.

#### **3.2. Miller Operations: Harvesting, Weighbridge and Compliance Concerns**

The Committee observed that-

- i. Increasing corporate dominance and market concentration by large private millers had weakened competition, suppressed independent local transport contractors and eroded the collective bargaining power of smallholder outgrower organisations.
- ii. The transition from structured outgrower management systems to an unregulated commercial harvesting permit regime had created a network of middlemen who exploited farmers through the practice commonly referred to as "Helicopter Harvesting." Evidence presented indicated that farmers were required to pay illegal levies or bribes before being permitted to harvest mature cane, contrary to the law and principles of fair trade.



- iii. There was credible evidence of widespread irregularities at miller-controlled weighbridges, including manipulation of cane tonnage, unlawful deductions from farmers' deliveries and other practices that undermined transparency and fairness in the determination of farmers' earnings.
- iv. The transportation of sugarcane, particularly during night hours, posed significant public safety risks along public roads. Evidence indicated that several fatal road accidents involving cane haulage vehicles had occurred, with affected families receiving little or no compensation.
- v. Following the privatisation of public sugar assets, many millers had significantly reduced or discontinued corporate social responsibility programmes that previously supported youth initiatives, educational institutions, community infrastructure and other social development projects within sugar-growing areas.

### **3.3. Value Chain Liabilities: Arrears, Pensions, and the Farmers Retention Fund**

The Committee observed that-

- i. As at 31 October, 2025, unremitted statutory and administrative deductions relating to permanent employees, casual workers and savings and credit cooperative societies amounted to K.sh 2,811,606,782.18, while the total amount required to fully settle all outstanding liabilities was estimated at K.sh 3,619,759,129.96.
- ii. One of the most significant financial irregularities uncovered during the inquiry was the continued withholding of the Farmers Retention Fund. Certified records of the High Court of Kenya at Nairobi in Petition No. 237 of 2012 confirmed that, in 1999, Nzoia Sugar Company Limited introduced a mandatory 15% deduction from the gross proceeds payable to every delivering smallholder farmer without the requisite administrative approval. The principal amount withheld totalled K.sh 118,141,008.00 and, with accrued interest over more than two decades, the outstanding liability had exceeded K.sh 500 million. The Committee further observed that this liability had not been adequately reflected in recent public audit reports.
- iv. Outgrowers reported the disappearance of twelve (12) agricultural tractors that had been provided by the National Government to the Nzoia Outgrowers Company (NOCO) to support land preparation and cane transportation services, raising serious concerns regarding accountability and the management of public assets.

### **3.4. Production Agronomics and Geographic Disconnects**

The Committee observed that-

- i. Rapid population growth and continued subdivision of ancestral agricultural land across Western Kenya had resulted in increasing land fragmentation, forcing many smallholder farmers to cultivate sugarcane on holdings of less than two acres, thereby limiting economies of scale and reducing the commercial viability of sugar production.
- ii. The principal regulatory and research institutions for the sugar sector, namely the Kenya Sugar Board (KSB) and the Kenya Sugar Research Foundation (KESREF), were headquartered away from the country's major sugar-producing regions, limiting their responsiveness to the operational needs and challenges faced by sugarcane farmers.

### **3.5. Regulatory Deficits and Import Controls**

The Committee observed that-

- i. Smallholder sugarcane farmers had not been adequately represented in the governance of the Kenya Sugar Board (KSB) owing to incomplete farmer registration records, which had limited their effective participation in the election of farmer representatives to the Board.
- ii. Uncontrolled sugar smuggling and periodic surges in duty-free sugar imports had distorted the domestic sugar market, depressed local sugar prices and undermined the competitiveness of local millers and farmers. The Committee further observed that, in 2025, domestic sugar production declined by 27.2 per cent, resulting in the temporary closure of seven regional sugar mills for approximately three months.



## **CHAPTER FOUR**

### **COMMITTEE RECOMMENDATIONS**

Having considered the submissions by stakeholders, the Standing Committee on Agriculture, Livestock and Fisheries recommends that-

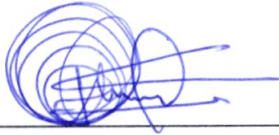
- i. The Ministry of Agriculture and Livestock Development should, within sixty (60) days of the adoption of this Report, constitute a multi-agency task force to undertake a comprehensive inquiry into the state of sugar farming and the sugar industry within the Nzoia Sugar Belt and submit to the Senate recommendations for sustainable policy, administrative and legislative reforms.
- ii. The National Government, through the Ministry of Agriculture and Livestock Development and other relevant agencies, should immediately suspend the importation of sugar except where justified by demonstrated domestic supply deficits and strengthen enforcement measures to curb illegal sugar imports, protect domestic sugar production, improve farmer incomes and promote national sugar self-sufficiency.
- iii. The Ministry of Agriculture and Livestock Development, in collaboration with the National Treasury, should, within sixty (60) days of the adoption of this Report, establish and implement a time-bound framework for the verification and settlement of all outstanding farmer arrears, retirees' pension benefits and other verified liabilities within the sugar sector.
- iv. The Ministry of Agriculture and Livestock Development should, within one hundred and twenty (120) days of the adoption of this Report, develop and implement a framework for the relocation of the headquarters of the Kenya Sugar Board (KSB) and the Kenya Sugar Research Foundation (KESREF) to Western Kenya in order to strengthen sector governance, research, innovation, stakeholder engagement and service delivery within Kenya's sugar-growing regions.
- v. The Kenya Sugar Board (KSB), in collaboration with the Kenya Bureau of Standards (KEBS), should, within ninety (90) days of the adoption of this Report, operationalise a nationally standardised framework for sugarcane weighbridge certification, cane grading, harvest scheduling, permit issuance and cane traceability systems to enhance transparency, fairness, accountability and efficiency in cane procurement and farmer payments.
- vi. The County Government of Bungoma should, within sixty (60) days of the adoption of this Report, fully operationalise the Bungoma County Agricultural Produce Cess Committee and ensure that agricultural produce cess revenues are transparently



collected, accounted for and reinvested in sugarcane-growing areas in accordance with the Bungoma County Agricultural Produce Cess Act, 2017.

- vii. The Ministry of Agriculture and Livestock Development, recognising that agriculture is a devolved function under the Fourth Schedule to the Constitution of Kenya, 2010, should, within six (6) months of the tabling of this Report and in consultation with county governments, sugarcane farmers, farmer organisations, millers, civil society organisations and other relevant stakeholders, initiate amendments to the Sugar Act, 2024 and submit the proposed legislation to the Senate for consideration.

Signed: \_\_\_\_\_



Date \_\_\_\_\_

28/7/2026

**Sen. David Wafula Wakoli, CBS, M.P.**

Chairperson,

Standing Committee on Agriculture, Livestock and Fisheries

## **LIST OF APPENDICES**

**Appendix 1:** Minutes of the Committee Meetings and Public Hearings

**Appendix 2:** List of Registered Stakeholders and Submitting Entities

**Appendix 3:** Certified Copy of High Court Petition No. 237 of 2012

**Appendix 4:** Letter by Nzoia Sugarcane Farmers Association

**Appendix 5:** Bungoma County Agricultural Produce Cess Act, 2017

**Appendix 6:** Farmers Submission

**Appendix 7:** Nzoia Sugar Company (2025) Ltd MOU

**Appendix 8:** County Government of Bungoma Submission

**Appendix 9:** Alliance For Persons with Disabilities Association

**Appendix 10:** Bungoma Civil Society Forum Submission



**MINUTES OF THE TWO HUNDRED AND NINTH MEETING OF THE  
SENATE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND  
FISHERIES, HELD ON TUESDAY, 26<sup>TH</sup> MAY, 2026 IN MABANGA ATC,  
BUNGOMA COUNTY AT 11:00 A.M.**

**PRESENT**

- |                                          |   |                         |
|------------------------------------------|---|-------------------------|
| 1. Sen. David Wafula Wakoli, MP          | - | <b>Chairperson</b>      |
| 2. Sen. Alexander Munyi Mundigi, MP      | - | <b>Vice-Chairperson</b> |
| 3. Sen. Mwenda Gataya (Mo Fire), CBS, MP | - | Member                  |
| 4. Sen. Catherine Mumma, MP              | - | Member                  |

**ABSENT WITH APOLOGIES**

- |                                     |   |        |
|-------------------------------------|---|--------|
| 1. Sen. Moses Kajwang', CBS, MP     | - | Member |
| 2. Sen. (Prof.) Tom Ojienda, SC, MP | - | Member |
| 3. Sen. Abbas Sheikh, CBS, MP       | - | Member |
| 4. Sen. Wahome Wamatinga, MP        | - | Member |
| 5. Sen. Hezena Lemaletian, MP       | - | Member |

**IN ATTENDANCE**

**FRIENDS OF THE COMMITTEE**

- |                                 |                               |
|---------------------------------|-------------------------------|
| 1. Hon. John Makali , MP        | -MP, Kanduyi Constituency     |
| 2. Hon. Martin Pepela, MP       | -MP, Webuye East Constituency |
| 3. Hon. Consolata Wakwabubi, MP | - Nominated Senator           |

**COUNTY GOVERNMENT OF BUNGOMA**

- |                              |                  |
|------------------------------|------------------|
| 1. Ms. Jeninipher Mbatiany   | -Deputy Governor |
| 2. Hon. George Kwemoi Tendet | -MCA, Elgon Ward |

**FARMERS**

1. Mr. Andrew Simiyu
2. Mr. Elias Wangila



3. Ms. Jane Kilel
4. Mr. Webala Khaoya
5. Ms. Abigael Masinde

### SECRETARIAT

- |                          |                           |
|--------------------------|---------------------------|
| 1. Mr. Peter Mulesi      | - Clerk Assistant 1       |
| 2. Ms. Ivy Nyambura      | - Clerk Assistant III     |
| 3. Ms. Faith Cheruto     | - Legal Counsel           |
| 4. Mr. Solomon Alubala   | - Fiscal Analyst          |
| 5. Mr. Hillary Cheruiyot | - Research Officer III    |
| 6. Ms. Juliet Masinde    | - Media Relations Officer |
| 7. Ms. Sarah Rukwaro     | - S-A-A                   |
| 8. Ms. Carol Mukami      | - Secretary               |

### MIN/SEN/SCA/1392/2026 -

### PRELIMINARIES

The sugar sector forum brought together farmers, millers, government representatives, and other stakeholders to deliberate on pressing challenges facing the industry. The meeting opened with a word of prayer, followed by the Chairperson's outline of objectives, setting the stage for an open dialogue on the future of the sugar sector.

### MIN/SEN/SCA/1393/2026 -

### STAKEHOLDER ENGAGEMENT IN THE SUGAR SECTOR, BUNGOMA COUNTY

Farmers began by raising deep concerns about **delayed payments**, particularly at Nzoia Sugar Company. They explained that prolonged delays in receiving their dues have destabilized household incomes and eroded trust in millers. Comparisons were drawn with other companies in the region that have more efficient payment systems, underscoring the need for reforms.

The issue of **helicopter farming** was raised, attributed to poor harvesting schedules by millers. This practice leads to uneven harvesting, reduces yields, and creates inefficiencies that ultimately disadvantage farmers.

Logistical challenges were also highlighted, with farmers pointing to poor road maintenance as a major obstacle. They argued that the County Government, which collects CESS funds, has a responsibility to invest in road infrastructure to facilitate smooth transportation of sugarcane.

Another major concern was the **Sugar Development Fund**, established under the Sugar Act No. 11 of 2024. Farmers expressed frustration at the restrictions placed on accessing the fund, despite its intended purpose of supporting the industry through a 4% levy on locally produced and imported sugar.

Farmers and workers of Nzoia Sugar Company also raised concerns about **arrears** owed by the National Government. The delays in clearing these long-standing debts have created financial strain and uncertainty.

The fairness of weighbridges was questioned, as they are currently owned and managed by millers. Farmers argued that this arrangement compromises impartiality and called for the Kenya Sugar Board to establish neutral, independently managed weighbridges.

The issue of **fluctuating sugar prices** was also discussed. Farmers lamented that while production costs remain constant, unstable sugar prices erode their earnings, sometimes leaving them with losses. They proposed greater inclusion of youth and local farmers in leadership positions to ensure accountability and representation.

Farmers criticized the decline in **corporate social responsibility** since privatization. They recalled that Nzoia Sugar Company previously supported schools, medical facilities, and sports grounds, but such initiatives have since been neglected.

Licensing and permits were identified as another challenge, with corruption fueled by brokers and contractors complicating the process. Farmers argued that digitization could help eliminate these intermediaries and streamline operations.

Employment concerns were raised, particularly regarding high youth unemployment in Bungoma. Farmers noted that the company often imports labor from other regions, even for non-technical roles, leaving local youth marginalized. Women farmers expressed frustration at being unable to access locally produced sugar, forcing them to import from Uganda. Persons with Disabilities (PWDs) requested specialized tendering processes to ensure fair opportunities in the sector.

### **Responses and Commitments**

Members responded by emphasizing the need for a **whole-sector approach**, where farmers, millers, county government, and parliament each take responsibility for reforms. They committed to amending the Sugar Development Fund to improve access to loans, digitizing licenses and permits to eliminate brokers, and establishing independent weighing systems to ensure fairness.

Members also pledged to strengthen regulations to counter governance challenges, including the use of fake inputs such as fertilizers, which pose health risks. They highlighted the importance of training and capacity building for farmers to enhance skills, improve productivity, and ensure sustainability in the sector.

### **Conclusion**

The Bungoma sugar sector forum underscored the urgency of reforms to stabilize and grow the industry. By addressing payment delays, governance issues, logistical challenges, and inclusivity concerns, stakeholders aim to restore confidence and ensure sustainable livelihoods for farmers. The meeting concluded with a strong commitment

to collective responsibility and sector-wide collaboration, signaling a renewed effort to revitalize Bungoma's sugar industry.

**MIN/SEN/SCA/1394/2026 - ANY OTHER BUSINESS**

There was no other business discussed.

**MIN/SEN/SCA/1395/2026 - ADJOURNMENT**

The meeting adjourned at 3:28 p.m. The next meeting will be on notice.

SIGNED: .....  ..... DATE: ...14/7/2026.....

**SEN. DAVID WAFULA WAKOLI, MP  
(CHAIRPERSON)**



10

Bungoma  
26/5/2026  
pm-6022

**PRESENTATION TO THE SENATE COMMITTEE OF  
AGRICULTURE, LIVESTOCK AND FISHERIES AT MABANGA ATC  
ON 26TH MAY, 2026.**

**"CHALLENGES FACING SUGARCANE FARMERS AND WAY  
FORWARD."**

**BY**

**FRANKLIN EDWINS MAGUGE-0725118104**

**[franklinemaguge@gmail.com](mailto:franklinemaguge@gmail.com)**



## **1.0 Introduction.**

Hon. Chairperson and Members of the Committee,

Kenya's sugar sub-sector is a strategic agricultural industry supporting over 200,000 smallholder cane farmers and contributing directly to rural livelihoods, employment, and foreign exchange savings. Despite its potential, the sector remains constrained by structural inefficiencies, declining cane acreage, and inconsistent regulatory enforcement.

The Sugar Act, 2022 was enacted to revitalize the industry through the re-establishment of the Kenya Sugar Board, the introduction of the Sugar Development Levy, and the creation of a regulatory framework for pricing, imports, and cane development. However, the implementation of the Act has revealed critical gaps that continue to undermine cane farmers' productivity and income security.

In 2025, the sector recorded a 27.2% decline in domestic sugar production, attributed to harvesting of immature cane, delayed farmer payments, and weak enforcement of zoning and maturity regulations. These challenges have eroded farmer confidence, increased reliance on costly imports, and sustained high retail sugar prices.

This brief presents an analysis of the shortfalls in the current Sugar Act as they pertain to cane farming and proposes six targeted amendments for the Committee's consideration. The proposed amendments aim to strengthen farmer protection, ensure fair market participation, and improve accountability in the use of levy funds, in line with the Committee's mandate to oversee agricultural policy and legislation.

The objective is to provide the Committee with actionable legislative proposals that will restore farmer trust, stabilize cane supply, and align the sugar sector with the national goal of achieving self-sufficiency in sugar production by 2028.

## **2.0 OBSERVED SHORTFALLS IN THE KENYA'S SUGAR ACT 2022 AS RELATES TO. CANE FARMING.**

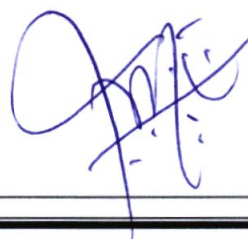
The Sugar Act 2022 was assented to in Oct 2024 and re-established the Kenya Sugar Board. It aimed to fix regulation, pricing, imports, and cane development. But farmers, millers and stakeholders have flagged several gaps affecting cane farming directly:

### **2.1 Weak enforcement of cane maturity and zoning**

**2.1.1** The Act gives KSB powers to appoint crop inspectors and enforce compliance, but cane poaching and harvesting of immature 10-13 month cane continued in 2025, forcing 7 mills to close for 3 months.

**2.1.2** Shortfall: The law provides for zoning but farmers say it should allow independent farmers to supply 3-4 mills within a region, not be locked to one mill. The current zoning provisions are seen as restrictive and prone to abuse by millers.

### **2.2.Pricing mechanism is not farmer-friendly**







**2.2.1** The Act provides for a Sugarcane Pricing Committee with farmer reps.

**2.2.2** Shortfall: Farmers report cane prices dropped from Ksh 5,900/tonne in March to Ksh 4,950/tonne in August 2025, while input costs stayed high. The Committee has not been reconstituted consistently, so prices don't reflect production costs.

**2.2.3** Also, the Act does not mandate payment for by-products like bagasse and molasses, which farmers argue should compensate for low cane prices.

### **2.3** Payment delays and contract enforcement

**2.3.1** The Act strengthens KSB's role in farmer advisory and dispute resolution through an arbitration tribunal.

**2.3.2** Shortfall: Delayed payments to farmers persist, and there are no strong penalties or timelines enforced in the Act. Farmers say this fuels cane poaching and loss of trust.

### **2.4** Import regulation loopholes

**2.4.1** The Act gives the Agriculture Minister and KSB power over importation to protect farmers.

**2.4.2** Shortfall: Duty-free imports and waivers were ramped up in 2025 to cover shortages, but farmers argue the Act lacks clear triggers for when imports are allowed. This leads to sudden import surges that depress local cane demand and prices to the benefits of cartels and mills.

### **2.5** Funding allocation and accountability

**2.5.1** The Act introduces a 4% Sugar Development Levy, with 40% for cane productivity.

**2.5.2** Shortfall: There are concerns the levy increases consumer prices and that SDL disbursement lacks transparent farmer oversight. Farmers' organizations get only 5% of the levy, which many say is too low for meaningful support.

### **2.6** Land use and declining acreage

**2.6.1** The Act addresses declining land acreage under sugar, but does not have strong provisions to stop encroachment of cane farms for housing and other uses. This remains a key driver of reduced cane supply.

### **2.7** Stakeholder participation

**2.7.1** During the 2025 KSB strategy validation, farmers walked out citing exclusion from the process.

**2.7.2** Shortfall: The Act mandates farmer representation on the 14-member KSB board, but does not guarantee meaningful consultation on policies affecting cane farming.





## **B. WHAT FARMERS ARE ASKING FOR.:**

1. Amend the Act to protect farmers on payment periods, price stabilization, and payment for by-products.
2. Reconstitute the Sugarcane Pricing Committee immediately and make its decisions binding.
3. Allow farmers choice of millers within a zone to reduce monopoly and cane poaching.
4. Increase farmer allocation from SDL beyond 5% and create a transparent disbursement mechanism.
5. Gazette cane zones and strengthen penalties for harvesting immature cane.

## **NOTE**

The Act fixed the regulatory structure by bringing back KSB and the levy, but implementation gaps on pricing, enforcement, and farmer participation are undermining cane farming. Without amendments and strict enforcement, the cane shortage cycle will repeat.

## **SUGAR ACT 2022, FOR CANE FARMERS' ISSUES AT HAND**

### **Key Issues**

The Sugar Act 2022 re-established the Kenya Sugar Board and created tools for reform, but implementation gaps continue to hurt cane farmers. Key issues: late payments, low prices, cane poaching, restricted market access, and low farmer benefit from the 4% Sugar Development Levy (SDL).

## **PROPOSED AMENDMENTS FOR CANE FARMERS.**

### **1.0 Guarantee Timely Payment & Fair Pricing**

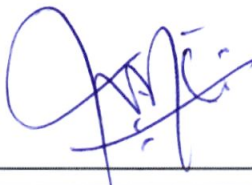
#### **Amendments**

**1.1** Insert a binding 30-day payment rule. Mills failing to pay within 30 days face fines of 2% per week on outstanding amounts.

**1.2. :** Make the Sugarcane Pricing Committee's decisions binding. Pricing formula must include cost of production + 20% margin, and factor in revenue from by-products like bagasse and molasses.

### **2. Give Farmers Mill Choice Within Zones**

: Revise zoning to allow independent farmers to supply any of 3-4 licensed mills within their region, provided no active contract exists. This reduces monopoly, stops poaching, and improves bargaining power.





### **3. Strengthen Enforcement on Cane Maturity**

: Increase penalties for mills and agents buying immature cane. Cancel milling license on 2nd offense. Mandate KSB to publish monthly compliance reports per zone.

### **4. Increase Farmer Benefit from SDL**

: Raise farmer allocation from 5% to 20% of the Sugar Development Levy. Ring-fence funds for fertilizer subsidy, irrigation, and input credit. Require KSB to publish quarterly SDL disbursement reports with farmer oversight.

### **5. Protect Cane Land & Secure Contracts**

: Gazette cane-growing zones to stop conversion to housing. Make written contracts mandatory for all contracted farmers. Establish fast-track arbitration at county level for disputes.

### **6. Share Revenue from By-Products**

: Require mills to share 30% of net revenue from electricity, ethanol, and other by-products with contracted farmers. This diversifies farmer income without raising consumer sugar prices.

### **Expected Impact**

1. For farmers: Higher, predictable income, faster payments, and more market options.
2. For industry: Reduced cane poaching, stable cane supply, and higher mill utilization from late 2026.
3. For consumers: Lower long-term sugar prices as local production recovers.

### **Call to Action:**

Parliament's Agriculture Committee should table these amendments in Q1 2027 as part of the Sugar Act review. KSB and Ministry of Agriculture must prioritize gazettment of regulations to make the Act operational for farmers.

Thank you!!

Signature .....



26/05/2026





## ANNEXURE

Report: Kenya Sugar Board. Sugar Industry Innovation Symposium & Expo 2025

- Held Dec 2-4, 2025, Kisumu. Theme: "Towards a Globally Competitive Sugar Industry"

### 1. Key Challenges in Sugarcane Production Identified at the Symposium

#### 1. Cane Shortage & Poor Agronomy

- Severe shortage of mature cane due to prior overharvesting and reduced cultivation.
- Cane poaching and harvesting of immature 10-13 month cane instead of the optimal 16-18 months reduced sucrose content. 3bdd
- Dry spells in late 2025 and early 2026 slowed cane development and reduced tonnage per hectare. 5df0

#### 2. Low Productivity & Outdated Practices:

- Overreliance on rain-fed, smallholder farming with ~1 ha plots.
- Manual sugar census was cited as tedious and a barrier to effective planning. 3bdd

#### 3. Milling Inefficiency & Energy Constraints

- Outdated mills with low capacity utilization.
- Punitive electricity tariffs and unfavourable PPAs make cogeneration uneconomical. Mills generate power at 3 cents but are offered 2 cents by Kenya Power.
- 20-40 km distance of mills from the grid raises connection costs. 9

#### 4. Value Chain & Governance Gaps

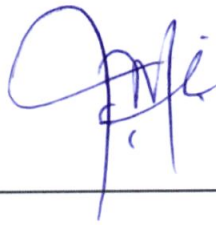
- Lack of traceability, transparency, and accountability in the value chain.
- Stakeholder exclusion in policy processes. Farmers halted a strategy forum citing rushed, non-participatory validation.

### 2. Mitigation Measures & Recommendations from the Symposium

#### A. Technology & Agronomy Interventions

- Data-driven farming: Transition to AI, soil-monitoring systems, and smart mechanization to boost productivity and cut costs.
- Drone technology: Pilot drone-based sugar census for accurate acreage and yield planning.
- Early-maturing varieties: Introduce varieties from Sugar Research Institute and expand cultivation areas under SDL-funded programs. 5df0
- Sustainable practices: Promote precision agriculture, soil health, conservation agriculture, and climate-smart farming.

#### B. Value Addition & Diversification







- Move beyond sucrose to unlock economic potential through ethanol, compressed biogas from press-mud, feed, and industrial products.
- Train farmers on making briquettes and paper from bagasse to build a climate-resilient economy and lower cane production costs. 3bdd

#### C. Energy & Mill Modernization

- Treat cogeneration as a core part of the industry, not ancillary.
- Revise PPAs to reflect cost of production and investment needed for modernization.
- Upgrade mills using 30% of the Sugar Development Levy allocated for infrastructure.

#### D. Digitalization & Traceability

- Adopt innovations like \*SugarTrace – the winning youth innovation using IoT and block chain for real-time data capture from farm to factory to reduce fraud and improve monitoring.
- Strengthen traceability, transparency, and accountability across the value chain.

#### E. Stakeholder Engagement & Governance

- Ensure participatory and inclusive processes for any policy affecting farmers.
- Focus on stakeholder communication, relationship management, and capacity building to improve mill performance.
- Enforce cane maturity timelines and respect court rulings to rebuild trust.

### 3. Strategic Direction Outlined by KSB Chairman Eng. Nicholas Gumbo

1. Move from importer to self-sufficient and net exporter by prioritizing sustainable cane development.
2. Treat the industry as a bio-economy: Focus on value addition and by-products to improve farmer returns and lower sugar costs.
3. Support youth innovation: Recognize and fund solutions that address traceability, sustainability, and commercialization gaps.

#### 4. Expected Outcomes

- Short term: Respect cane maturity timelines and use SDL funds to accelerate cane development in 2026.
- Medium term: Resume strong milling from Oct–Nov 2026 as planted cane matures.
- Long term: Reposition the industry for long-term growth through technology, diversification, and modernization.

#### Conclusion

The 2025 Symposium framed the crisis as an opportunity to modernize. The consensus was that Kenya's sugar industry will only recover if it shifts from bailouts to technology-led cane development, efficient mil







Received  
Bungoma  
26/5/2026  
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## BUNGOMA CIVIL SOCIETY FORUM (BCSF)

### MEMORANDUM TO THE SENATE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES

*On Sugar Sector Reforms, Farmer Profitability, Sugarcane Pricing, Harvesting, Credit, Cess Utilization and Import Management*

|                     |                                                                                                                     |
|---------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Date</b>         | 26 May 2026                                                                                                         |
| <b>Submitted by</b> | Bungoma Civil Society Forum (BCSF)                                                                                  |
| <b>Submitted to</b> | The Chairperson, Senate Standing Committee on Agriculture, Livestock and Fisheries                                  |
| <b>Venue</b>        | Mabanga Agricultural Training Centre (ATC), Bungoma County                                                          |
| <b>Subject</b>      | Farmer-centred sugar reforms and implementation priorities for the Kenya sugar sector                               |
| <b>Purpose</b>      | To present concise technical recommendations emerging from farmer and stakeholder concerns on sugar sector reforms. |

#### 1. Executive Summary

BCSF welcomes the Senate Committee sitting at Mabanga ATC to listen to farmers and stakeholders on sugar reform issues. The consultations are timely because sugarcane farmers in Bungoma and the wider Western Kenya sugar belt continue to face low and uncertain cane prices, delayed harvesting, broker interference in permits, declining miller support, weak extension services, poor farm-to-mill roads, high credit costs, debt distress, and market pressure from cheap and illegal sugar imports.



The Sugar Act, 2024 provides an important reform platform through the Kenya Sugar Board, the Sugarcane Pricing Committee, licensing controls, levy mechanisms and county responsibilities for extension and cane-zone infrastructure. However, the value of the law will be realized only if implementation is farmer-centred, transparent, well-funded and enforceable. BCSF therefore requests the Senate Committee to prioritize practical implementation measures that protect farmer incomes, reduce production and transport costs, strengthen accountability over levies and cess, and restore confidence in the sugar value chain.

## **2. Context and Problem Statement**

Sugarcane remains a major livelihood crop for households in Bungoma County and the surrounding sugar belt. Despite recent sector reforms and the reported floor price of KSh 5,500 per tonne, many farmers report that the price does not adequately respond to input costs, labour, transport, delayed harvesting losses and household debt obligations. Farmers further report that cane proceeds are weakened by opaque harvesting systems, middlemen, high cost of credit, and poor road infrastructure that increases transport costs and post-maturity losses.

The reform challenge is therefore not only about setting a price; it is about rebuilding a complete farmer-support system. This requires fair pricing, timely harvesting, accountable licensing of millers and transporters, reliable extension and input support, affordable finance, clear use of sugar development levy and cess resources, and protection of the local market from unlawful imports.

## **3. BCSF Position**

- Sugar reforms must be judged by whether they improve the net income of smallholder cane farmers, not only by whether factories remain operational.
- The Sugar Act, 2024 should move from legal text to measurable implementation through regulations, licensing conditions, public reporting and sanctions for non-compliance.
- County governments, KSB, millers, the Ministry of Agriculture, lenders and Parliament must each have clear obligations, because the current fragmented approach leaves farmers bearing the risk.
- Sugar cess and development levy resources should be ring-fenced, audited and publicly reported, especially where they are intended to support roads, cane development, research, extension, and farmer services.
- Sugar import management should protect consumers without destroying local cane farming; imports must be transparent, lawful, needs-based and timed to avoid depressing cane prices.

#### 4. Priority Farmer Issues and Technical Recommendations

| Issue                                | BCSF Technical Recommendation                                                                                                                                                                                                                               | Legal/Policy Entry Point                                                                | Priority |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
| Low and uncertain cane prices        | Implement a transparent cane pricing formula linked to sugar market prices, production cost, sugar recovery/quality and farmer margin. The Pricing Committee should publish the formula, review it regularly, and include meaningful farmer representation. | Sugar Act, 2024 - Pricing Committee and price review functions; KSB regulatory mandate. | High     |
| Harvest delays and denied harvesting | Require millers to maintain enforceable                                                                                                                                                                                                                     | KSB licensing powers; cane supply contracts;                                            | High     |

|                                                        |                                                                                                                                                                                                      |                                                                                                        |             |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-------------|
|                                                        | harvest schedules based on cane maturity, with digital queueing, farmer notification, and penalties where delay causes loss of weight, sucrose or income.                                            | Sugar Act implementation regulations.                                                                  |             |
| Permit-broker interference                             | Digitize cane transport permits and tie them to registered farmers, farms, cooperatives and verified cane acreage. Brokers should not receive permits that displace the farmer from the value chain. | KSB licensing and transport regulation mandate; anti-corruption and market fairness principles.        | High        |
| Decline of miller support to outgrowers                | Make extension, input support, land preparation support, farmer training and transparent cane testing part of miller licensing obligations, with annual compliance reporting.                        | Sugar Act licensing powers; county extension mandate; agriculture sector service delivery obligations. | Medium-High |
| Misuse or weak accountability of sugar cess and levies | Institute independent audits of sugar cess and levy collections and expenditures. Ring-fence resources for cane roads, field development, research, extension and farmer services.                   | Sugar Act, 2024; county infrastructure obligations; public finance accountability principles.          | High        |



|                                  |                                                                                                                                                                                                                                              |                                                                                      |             |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------|
| Poor farm-to-mill roads          | Prioritize cane-zone rural access roads, bridges, drainage, and loading points. Road investments should be mapped against high-production cane catchments and farmer delivery routes.                                                        | County government road functions; Sugar Act county role in cane-zone infrastructure. | High        |
| Illegal and cheap sugar imports  | Strengthen border surveillance, import licensing transparency, quota discipline and traceability of imported sugar. Imports should not be released in a manner that collapses local demand for cane.                                         | Trade, customs and Sugar Act import oversight frameworks.                            | Medium-High |
| Expensive credit and debt stress | Expand affordable farmer credit through the Commodities Fund, AFC and structured guarantees. Simplify collateral requirements, restructure old debts where appropriate, and publish accessible credit products for small-scale cane farmers. | Crops Act, 2013 - Commodities Fund; AFC Act; agricultural finance policy.            | High        |

## 5. Specific Requests to the Senate Committee

1. Require the Kenya Sugar Board to operationalize and publish the cane pricing formula, including the variables used to determine the floor price and the process for farmer participation.
2. Direct KSB to develop enforceable regulations on harvesting schedules, cane permits, digital registration and transporter licensing to reduce broker capture and harvest delays.
3. Recommend that miller licensing conditions include minimum farmer-service obligations, including extension, input support, transparent weighbridge operations, cane testing, and timely payment.
4. Call for a public audit of sugar cess and sugar development levy collections and expenditure, with a clearing-fencing mechanism for cane roads, farmer support, research and field development.
5. Require county governments in sugar-growing zones to publish annual cane-zone road priorities, budgets, implementation status and community monitoring reports.
6. Recommend a farmer credit framework that uses the Commodities Fund, AFC, cooperatives and credit guarantees to provide affordable loans at terms suitable for smallholder cane production cycles.
7. Strengthen import governance by requiring transparent publication of import volumes, timing, beneficiaries, licensing basis, and safeguards to ensure imports do not undermine local cane prices.
8. Ensure that farmers and farmer organizations have meaningful representation in the Sugarcane Pricing Committee, KSB processes and county-level sugar-sector planning structures.

## 6. Proposed Questions for the Committee to Put to Stakeholders

- Do current cane prices cover actual farmer production costs, including labour, inputs, transport, interest and delayed-harvest losses?
- How are harvest schedules determined, and what remedy exists where a miller delays harvesting mature cane?
- Who receives cane transport permits, and how can the system be digitized to prevent brokers from displacing registered farmers?
- What farmer-support obligations should be mandatory before a miller is licensed or allowed to expand crushing capacity?
- How much sugar cess or levy has been collected from cane farmers in Bungoma and neighbouring cane zones, and what proportion has gone directly to roads and farmer support?

- What specific credit terms would make cane farming viable for smallholders, and how can state-backed facilities reduce reliance on expensive commercial and digital credit?
- What import controls are needed to balance consumer needs with protection of local cane farmers and local factories?

## 7. Implementation and Accountability Framework

| Action Area                     | Lead Institution                       | Supporting Actors                                     | Suggested Timeline    | Accountability Output                                   |
|---------------------------------|----------------------------------------|-------------------------------------------------------|-----------------------|---------------------------------------------------------|
| Pricing formula                 | KSB/Pricing Committee                  | Farmers, millers, Ministry, Senate                    | Immediate to 3 months | Published formula and review calendar                   |
| Harvest and permit digitization | KSB                                    | Millers, counties, cooperatives                       | 3-6 months            | Digital register, permit audit and complaint channel    |
| Cess/levy audit                 | County Governments/KSB                 | Auditor-General, Senate, civil society                | 3-6 months            | Public report on collections and expenditure            |
| Cane roads                      | County Governments                     | KERRA/KURA where applicable, farmers, ward structures | Annual budget cycle   | Prioritized road list and implementation tracker        |
| Farmer credit                   | Commodities Fund/AFC                   | Treasury, CBK, cooperatives, SACCOs                   | 6-12 months           | Affordable credit window and debt restructuring options |
| Import controls                 | Ministry of Agriculture/Trade agencies | KSB, customs, security agencies, Parliament           | Continuous            | Published import data and enforcement reports           |



## 8. Conclusion

BCSF respectfully submits that the Senate Committee sitting at Mabanga ATC has an opportunity to move sugar reform from broad policy commitments to farmer-centred implementation. The urgent priority is to protect farmer profitability through fair pricing, timely harvesting, accountable permits, affordable credit, restored extension and input support, ring-fenced use of cess and levy funds, better cane roads, and lawful import governance.

BCSF remains ready to support public participation, farmer documentation, budget tracking, social accountability and follow-up engagement to ensure that the reforms agreed through this process produce measurable benefits for sugarcane farmers and communities in Bungoma County and the wider sugar belt.

### Submitted by

Bungoma Civil Society Forum (BCSF)

For and on behalf of farmers, community voices and civil society stakeholders engaging on sugar sector reforms in Bungoma County.

Ezekiel Odeoh

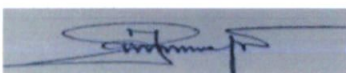
Signature:



Designation: Convenor

Secretary: Emmanuel Were

Sign:



*References and Supporting Documents*





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Received  
Bungoma  
26/5/26

## **BUNGOMA COUNTY AGRICULTURAL PRODUCE CESS COMMITTEE**

### **MEMORANDUM TO THE SENATE STANDING COMMITTEE ON AGRICULTURE LIVESTOCK AND FISHERIES**

**DATE:** 26/05/2026

**SUBMITTED BY:** the chairman Bungoma county CESS committee

**Venue:** Mabanga ATC

**Subject:** Operationalization of CESS committee in the sugar sector

**Purpose:** to enable CESS committee deliver on its mandate as per the 2017 CESS act and gazettment of the CESS committee

The Bungoma county CESS committee wish to warmly welcome the senate committee on agriculture livestock and fisheries to Bungoma County.

- The CESS committee was appointed by his excellency the governor of Bungoma County on 13<sup>th</sup> of December 2023
- Letters of appointment were given out to the committee members on 4<sup>th</sup> April 2024 at the governor's residence venue
- The committee was gazetted on 30<sup>th</sup> April 2025 and backdated to 2<sup>nd</sup> January 2024
- The committee was invited to a one day inauguration session on 20<sup>th</sup> September 2024 in Kisumu where they elected the chairperson.
- The CESS committee was invited to the county assembly for interrogation by the AD HOC committee on 24<sup>th</sup> May 2025.
- The committee held its first meeting on 15<sup>th</sup> December 2025 to establish CESS sub committees
- Up to date there is no communication, no facilitation, no support, no engagement even to finance bill, ADP, CFSP etc.
- The committee's term is three years in office and its remaining 6 months to end of contract without meaningful engagement

#### **SUGARCANE**

Levies from sugarcane form 93.5% CESS collection to the county as cooperate CESS.

We have seven sugar factories crashing cane in Bungoma County. Proceeds from sugarcane farmers is taxed at 1% of produced tonnage from every farmer and is paid through county revenue account as CESS levies

Bungoma county enacted agriculture produce CESS act in 2017 and this is the only law/policy that addresses CESS issues in the county.

#### **CHALLENGES**

1. There is lack of requisite legal framework to govern CESS issues in the county
2. County CESS committee has never been operationalized nor facilitated to carry out its mandate as per the CESS act of 2017
3. 93.5% is cooperate CESS (sugarcane) and the committee is never involved in monitoring, accounting and service delivery measures are never taken into consideration to assist a common farmer to fix infrastructure(the act states that 90% should go back where it has been collected to fix infrastructure).

5. CESS committee can't access data on collections and production  
6. Lack of feedback mechanism with farmers on the collections

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7. There is serious confusion in counties between CESS mobilizer (Agri. Dept), CESS collector (Finance) and CESS utilizer (Dep of roads).

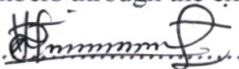
4. CESS committee lack capacity support and benchmark on CESS revenue

#### RECOMMENDATIONS

8. SENATE to increase farmer deductions for CESS from 1% to 5%.
1. There is need for senate to draft model laws /policies to support county CESS committees
  2. There is need for capacity and benchmark support both to CESS committee, revenue technical officers and sugar board
  3. Senate to do a special audit to county's revenue on CESS and its utilisation
  4. Need to review the existing act of 2017 CESS act and draft general regulation and CESS regulation
  5. Senate to enforce operationalization of county committees
  6. Senate to enforce bungoma county government to pay CESS committee 3% of the total CESS collected during their term in office as per the 2017 CESS act.

7. SENATE TO DIGITALIZE ALL REVENUE COLLECTION TO COUNTIES

SUBMITTED BY: The Bungoma County CESS Committee 2024-2026 on behalf of the gazetted CESS members through the chairman:

Signature:  .....

Name: David Wafula Lupao

Designation: Chairman CESS committee

Email: [bungomacesscommittee@gmail.com](mailto:bungomacesscommittee@gmail.com)/[davidlupao@gmail.com](mailto:davidlupao@gmail.com)

Phone number: 0713903455/0738110553

#### REQUEST TO SENATE

1. SENATE TO ACTUALIZE THE FORTH COMING REQUEST FOR NATIONAL FORUM ON TAX AND AGRICULTURE.



W.

REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

PETITION NO. 237 OF 2012

MATTER OF: ARTICLES 22, 23(3), 35(1) 40, 47(1) OF THE  
CONSTITUTION 2010

AND

MATTER OF: VIOLATION AND/OR INFRINGEMENT ON THE INFORMATION  
AND PROPERTY RIGHTS OF THE PETITIONERS' MEMBERS

AND

MATTER OF: ESTABLISHMENT OF FARMERS RETENTION FUND DEDUCTIONS  
THEREOF AT 15% BY NZOIA SUGAR CO. LTD

AND

MATTER OF: INFORMATION DATA RECORDS AND REFUND OF THE  
RETENTION FUNDS HELD BY NZOIA SUGAR CO. LTD  
1999 TO 2012.

AND

MATTER OF: THE CONSTITUTION OF KENYA (SUPERVISORY JURISDICTION  
AND PROTECTION OF FUNDAMENTAL RIGHTS & FREEDOMS OF  
THE INDIVIDUAL) HIGH COURT PRACTICE AND PROCEDURE  
RULES 2006.

AND

MATTER OF: SECTION 19 (SIXTH SCHEDULE) OF THE CONSTITUTION 2010

BETWEEN

NATIONAL SUGAR CANE GROWERS UNION (KENSUGU)  
*all of sugar cane farmers & growers in Nzoia Sugar*

PETITIONER

AND

NZ SUGAR CO. LTD  
NZ SUGAR BOARD  
ATTORNEY GENERAL  
*Ministry of Agriculture*

RESPONDENTS

JUDGE  
COURT OF KENYA  
LAW COURTS

JILB  
Josephat Khayemle Kinyo  
23.4  
April 2013  
F. Shum





PETITION

THE PETITION OF THE KENYA NATIONAL SUGAR CANE FARMERS' UNION, a  
petitioner representing sugar cane farmers in the Nzara sugar cane growing zone  
Post Office Box 6410, KISUMU, in the Republic of Kenya is as follows:

1. The petitioner is an outright institution within the meaning of section 2 of Sugar  
Act 2001 and duly registered under the Trade Unions Act Cap 233 Laws of Kenya.

2. The petitioner represents sugar cane farmers and growers in the Nzara sugar  
cane growing zone and it has also signed a Recognition Agreement with the 1<sup>st</sup> respondent.

3. The 1<sup>st</sup> respondent is a public corporation duly owned and controlled by the  
Government of Kenya, through the Ministry of Agriculture.

4. The Sugar Act 2001 has established the 2<sup>nd</sup> respondent, as the institution in  
charge of regulation of the Sugar Industry.

5. Sometime in the year 1999, the 1<sup>st</sup> respondent, with knowledge of the 2<sup>nd</sup> and  
3<sup>rd</sup> respondents established a farmers' Retention Fund at 15% of the farmers gross  
needs of sugar cane delivered to the 1<sup>st</sup> respondent.

6. The retention fund was operated by the 1<sup>st</sup> respondent deducting 15% of the  
farmers' money from sugar cane sold to it, retaining the money as a saving and  
paying the retained money together with interests at market rates to the farmer after  
2 months.

7. The 1<sup>st</sup> respondent has been deducting farmers money under the retention  
scheme with the knowledge of the other two respondents since 1999 to date and  
conservative estimates place the retained funds at Ksh.118,141,008/=

8. Since the year 2011, the petitioner has on behalf of farmers been asking the 1<sup>st</sup>  
respondent to furnish it with the complete list of all the farmers whose money was  
deducted under the retention scheme since the year 1999 and the interests earned  
therefrom to date; but the 1<sup>st</sup> respondent has refused to do so.

9. For the avoidance of doubt, and for the purposes of this petition, the  
information being sought from the 1<sup>st</sup> respondent is;

- (a) Farmers' names.
- (b) Farmers' authority to deduct 15% retention fund.
- (c) Account number.
- (d) Amount deducted.
- (e) Date deducted.
- (f) Interests earned to date.

10. The petitioner has sought the intervention of the 2<sup>nd</sup> and 3<sup>rd</sup> respondents on  
the issue of the 15% retention fund, but they have been unable to compel the 1<sup>st</sup>  
respondent to supply the information or indeed refund the retained money to the  
farmers.

11. Considering that the 1<sup>st</sup> respondent was the initiator, promoter and  
administrator of the 15% retention fund, it is the only one which has custody of the  
fund and records thereof.



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## **MEMORANDUM**

### **TO:**

Honourable Senators, Government Representatives, and Relevant Stakeholders

### **DATE:**

26th May 2026

---

## **INTRODUCTION**

Good morning Honourable Senators, Government representatives, and fellow stakeholders.

We, the members of the Nzoia Sugarcane Farmers Association, humbly present this memorandum on behalf of over 1,000 registered sugarcane farmers served by Nzoia Sugar Company.

Our Association is a legally registered farmers' organization recognized by Nzoia Sugar Company and the Kenya Sugar Board. We remain committed to promoting the welfare of sugarcane farmers and supporting the revival and sustainability of the sugar sector in Western Kenya.

Farmers welcomed the takeover and management of Nzoia Sugar Company by the Rai Group with hope that the factory would regain operational efficiency, improve farmers' livelihoods, and restore confidence within the sugar industry. However, despite these expectations,





1911

farmers continue to experience numerous challenges that require urgent intervention.

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## **KEY CHALLENGES AFFECTING FARMERS**

### **1. Delayed Payments to Farmers**

Farmers continue to experience significant delays in receiving payments after cane delivery. These delays negatively affect farmers' ability to:

- Pay workers;
- Maintain farms;
- Purchase fertilizers and farm inputs; and
- Sustain their families economically.

We request the establishment of a clear and transparent payment schedule to ensure timely payments to farmers.

---

### **2. Poor Harvesting Schedules**

Irregular and poorly coordinated harvesting schedules have caused mature cane to overstay in farms, leading to:

- Reduced sugar content;
- Loss of tonnage;
- Poor cane quality; and
- Financial losses to farmers.

We request proper harvesting planning and coordination to ensure cane is harvested at the right maturity stage.

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### **3. Corruption in Permit Issuance**

Farmers have raised concerns regarding corruption and unfair practices in the issuance of harvesting and transport permits. This has resulted in favoritism and delays that disadvantage genuine farmers.

We request:

- Transparency in permit issuance;
  - Digitization of permit systems where possible; and
  - Equal treatment of all farmers.
- 

### **4. Poor Transport Logistics**

Transport challenges continue to affect cane delivery to the factory. Delays in transportation cause cane to dry in farms and lose weight, leading to reduced earnings for farmers.

We recommend:

- Increased availability of transport vehicles;
  - Improved coordination between harvesters and transporters; and
  - Timely collection of harvested cane.
- 

### **5. Poor Road Maintenance**

Most roads in sugarcane-growing zones are in poor condition, especially during rainy seasons, making transportation difficult and expensive.

We request:

- Regular maintenance of feeder roads;
- Collaboration between county governments, the factory, and national government agencies; and
- Allocation of funds specifically for road improvement in cane-growing areas.



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## **6. Lack of Support for Cane Development**

Farmers currently receive minimal support in cane development programs. Key concerns include:

- Lack of early maturing seed cane varieties;
- Inadequate supply of fertilizers and farm inputs;
- Absence of agricultural extension services;
- Limited farmer training programs; and
- Low investment in modern farming technologies.

We urge the factory and government agencies to strengthen cane development programs to increase productivity and improve farmers' incomes.

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## **ADDITIONAL REQUESTS BY FARMERS**

### **1. Recognition of Farmers' Associations**

We request formal recognition and structured engagement between the factory management and registered farmers' organizations to ensure farmers' voices are heard in decision-making processes.

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### **2. Establishment of a Medical Centre**

Farmers and factory workers request the establishment of a medical centre within the factory as part of the company's Corporate Social Responsibility (CSR) program to improve access to healthcare services.

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### **3. Affordable Sugar Retail Outlet**

We request the establishment of a retail outlet where local residents and farmers can purchase sugar and related products at fair and affordable wholesale prices.

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### **4. Employment Opportunities for Local Youth**

We further request the prioritization of local youth and qualified residents in employment opportunities within the factory and related operations.

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## **SUGAR DEVELOPMENT LEVY SUPPORT**

We urge the Government and relevant authorities to ensure proper utilization of the Sugar Development Levy, particularly the 5% allocation meant for cane development.

These funds should directly support:

- Fertilizer and farm input subsidies;
- Seed cane distribution;
- Farmer mobilization programs;
- Agricultural extension services; and
- Road infrastructure improvement in cane-growing regions.

Transparency and accountability in the utilization of these funds are essential to restore farmers' trust and confidence.

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## CONCLUSION

The Nzoia Sugarcane Farmers Association remains committed to working closely with the management of Nzoia Sugar Company, the Rai Group, Government institutions, and all stakeholders to revive the sugar sector and improve the welfare of farmers.

We believe that addressing these challenges will restore confidence among farmers, encourage increased cane production, create employment opportunities, and contribute significantly to the economic growth of the region and the country at large.

We respectfully request urgent consideration and implementation of the issues and recommendations presented in this memorandum.

Thank you.

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**Presented By:**

JOSPHAT MABUKA KISIKA

**Secretary**



0704760328

**NZOIA SUGARCANE FARMERS ASSOCIATION**





4  
NZOIA SUGARCANE FARMERS ASSOCIATION,  
P.O BOX 183, BUNGOMA TEL: 0704760328.

**TO THE LEASING TRANSITION  
COMMITTEE,  
P.O BOX PRIVATE BAG,  
NAIROBI.**

Dear Sir,

**REF: THE DEMAND OF FARMERS RETENTION  
MONEY (FUND)**

On behalf of our farmers whose retention fund was deducted by Nzoia Sugar Company Ltd to go to NOCO from the year 1999-2007 today our farmers have not refunded their money, which was deducted as 15% percent from every farmer, without their consent to the cane every farmer was delivered to Nzoia Sugar Company Ltd. In the year 1999-2007, they deducted wrongly from all the farmers 15% gross pay totaling Kshs.

118,141,008.00 with interest at the market rates to the farmers after 12 months. This money retained as a saving. Nzoia Sugar co.ltd deducted the NOCO,



the farmer was completely in the dark. The tentative estimates place the retained fund at Kshs. 118,114,008.00 since the year 2011 the union has been asking for this fund on behalf of farmers but the company, Nzoia Sugar has over time refused to avail the complete list of all the farmers whose money was deducted under the retention scheme as from the year 1999 and the interest accrued there.

The union as a result was in the year 2012 forced to file a civil case in the high court, Nairobi, case No. 2370 of 2012 and the court ruled with finally on the case. The findings of the Honorable court were that Nzoia Sugar co. ltd and NOCO must pay back deductions from the farmers' money. Total amount being Kshs. 118,141,008.00.

To this date the management of Nzoia Sugar Co. ltd and NOCO has refused to pay the farmers their money.

Yours faithfully,

**SECRETARY**

**JOSEPHAT MABUKA KISIKA**





Received  
Bungoma  
26/5/2026  
Pulley

(5)

**PRESENTATION TO THE SENATE COMMITTEE ON AGRICULTURE AT  
MABANGA FTC ON TUESDAY 26 MAY 2026.**

## **WELCOME**

We, the leaders of sugarcane growers in the County of Bungoma are pleased that you, the agriculture Committee of the Senate are here today to hear our views on various matters that concern our sugar industry and the cane growers in particular.

We are greatly privileged and honored to have this opportunity to welcome you.

## **APPRECIATION AND GRATITUDE**

As matter of priority, we wish to express our appreciation and gratitude to our President. His Excellency William Samoei Ruto PhD, CGH, and CNC of the Defense forces of Kenya for His Excellency's enlightened and far sighted promulgation and execution of bold sugar reforms which include;

~~Complete~~ settlement of farmers long outstanding dues for cane deliveries owed by Government owned sugar mills, with a remaining balance of 63 million for Nzoia sugar farmers  
Write off of the huge debts owed to the Government by its sugar mills.

Divesture of Government from sugar business and lease of 4 of its sugar mills to private investors for more efficient operations and payment of farmers within 7 days of cane delivery.

Subsidized fertilizers to enhance sugarcane production and productivity and more profitable sugarcane cultivation whereby at Nzoia yields could rise from 49.71 tons per hectare to 85-100 tons per hectare.

Prompt assent to the farmer friendly sugar Act 2024.

To the Senate being the upper House of our Parliament, We are pleased for the meticulously prepared farmer- friendly sugar Act 2024 which provides under section 40 the sugar development Levy that will generate essential funding for maintenance of factories, affordable sugarcane production funding to cane growers, regulation, Infrastructure and sugarcane growers advocacy

## **SUGARCANE CULTIVATION MAKES AN IMPRESSIVE CONTRIBUTION TO THE ECONOMY OF BUNGOMA.**

With 54,000 hectares (135,000 acres) of land under sugarcane and 100,000 sugarcane growers in Bungoma and assuming that the sugar reforms are effective including new early maturity sugarcane varieties harvestable at 16 months, with yields now enhanced to 85 tons per hectare as opposed to the current 49.71, sugarcane production will contribute handsomely to the economy in Bungoma as well as raise reasonable funds through 16% value added Tax to the National Treasury and 1% cess money to our County.

## **CHALLENGES**

### **SUGARCANE HARVESTING PERMITS**

Through the last 47 years from the establishment of Nzoia Sugar scheme in 1978 up to last year, our experience is that harvesting of sugarcane was done through HARVESTING PROGRAMMES Compiled according sugarcane as it matured in the various sub-locations. The actual cane cutting was usually done by harvesting gangs hired and supervised by the relative department of Nzoia Sugar Company Ltd.



Complaints are not new. They are many.

Occasionally there were complaints from farmers that the programmes were not adhered to and some farmers may have been skipped.

Sometimes also complaints were raised where harvesting was done selectively ( for whatever reason).

Those irregular and unpopular selective harvesting nick-named HELICOPTER HARVESTING appeared to connect with blood relatives of officers in charge of harvesting, corruption, obedience to social status of the beneficiaries especially politicians.

However, those irregular harvests also occurred in emergencies such as illness, school fees/ University fees, financial distress such as auctions.

Sugarcane harvesting permits is a new phenomenon common with private millers and has the tendency to favour cane poaching and brokers.

Perhaps also there are allegations that on privatization, salaries of officers in charge of harvesting were reduced as for example from ksh 70,000 per month down to ksh 20,000 and so, the corruption came handy or purely by moral decadence simply to make money.

It is not our wish to expose complaining sugarcane growers because of possible unpleasant consequences.

### **SUGARCANE GROWERS REPRESENTATION**

Under the sugar (general) regulations 2025 on page 1960

AGREEMENT BETWEEN AN OUTGROWERS INSTITUTION AND A MILLER  
Section 21 says " The outgrowers institution shall appoint a representative to engage the miller in all matters of advocacy for sugar crop development, financing of sugarcane supply, costs of farm inputs and related services.

Unfortunately there are no outgrower institutions that are functioning, *due to reasons beyond their control.*

Then there is also " AGREEMENT BETWEEN A GROWER AND MILLER".

There is no provision for cane growers representation on pages 1955, 1956 and 1957 of the regulations AND YET THIS IS WHERE ALL THE SUGARCANE GROWERS ARE.

Sugarcane growers have been defranchised . This is unconstitutional.

There is the urgent need for structured mechanism for hands on basis representation.

WE REQUEST THE SENATE TO GUIDE.

### **SUGARCANE PRICING**

Sugarcane growers are in sugarcane cultivation as business and to continue in this business there must be profit.

Unfortunately, for over 20 years prices paid to cane growers have been on average below the cost of sugarcane production.

The formula in use is not fair and is by design openly biased against cane growers

Efforts by representatives of cane growers on the sugarcane pricing Committee to have the formula changed or replaced ( as provided by the sugar Act 2001, crops Act 2013 sugar Act





2024) by an equitable one have been permanently blocked since year 2003 by the leadership of the sugarcane pricing Committee refusal to bring the matter up for discussion, incomplete minutes pertaining to cane growers agenda.

The result is perpetual exploitation of cane growers and drive into object poverty and near – slavery.

For illustration between years 2014 and 2024 cane growers delivered 74 million tons of sugarcane at an average loss of ksh 615 per ton totaling ksh 46 billion. Our desire is to end this exploitation.

As a matter of urgency, we request the appointment of an independent person of high caliber (of the rank of a high court Judge) to arbitrate on this matter.

Our justifications are based on section 60 of the sugar Act 2024.

WE REQUEST THE SENATE GUIDE.

### **COURT CASES**

A number of court cases have complicated and delayed implementation and functioning of the sugar Act 2024

Signed

CHRISTOPHER SIFUNA  
CHAIRMAN  
KENYA SUGARCANE  
GROWERS ASSOCIATION (KESGA)

AND CHAIRMAN  
NOCO  
PHONE. 0705600436

Signed

FRANCIS M. WASWA  
C.E.O

KENYA NATIONAL FEDERATION  
OF  
SUGARCANE FARMERS (KNFSF)  
PHONE: 0726052771





Received  
Bungoma  
26/05/2026  
Pulley

## **PRESENTATION MEMORANDUM**

**TO THE SENATE STANDING COMMITTEE ON AGRICULTURE,  
LIVESTOCK & FISHERIES**

**DURING THE SUGAR INDUSTRY FORUM – MABANGA ATC**

**26<sup>TH</sup> MAY 2026**

**PRESENTED BY: JACK MUKHONGO MUNIALO**

SIGN : 

DATE: 26/05/2026.

### **1. INTRODUCTION**

We wish to thank the Senate Standing Committee on Agriculture, Livestock & Fisheries under the leadership of Wakoli Wafula for convening this important Sugar Industry Forum aimed at addressing the challenges facing sugarcane farmers, transporters, workers, and other stakeholders in the sugar sector.

The sugar industry remains a major economic pillar in Western Kenya and supports thousands of households directly and indirectly through farming, transportation, factory employment, trade, and related businesses. However, the sector continues to face serious operational, economic, and policy challenges that threaten its sustainability.

This memorandum highlights key concerns affecting stakeholders and proposes practical recommendations for consideration by the Senate Committee and relevant government agencies.

### **2. KEY CONCERNS IN THE SUGAR INDUSTRY**

#### **2.1. Monopoly and Dominance by Rai Group**

There are growing concerns regarding the increasing dominance and control of the sugar sector by the Rai Group, which has led to:

- Reduced competition
- Suppression of independent transporters and contractors

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- Limited bargaining power for farmers
- Fear of market manipulation.

### **Recommendations**

- Strengthen anti-monopoly regulations in the sugar sector;
- Enhance oversight by the Competition Authority of Kenya;
- Protect independent millers, transporters, and farmers from unfair business practices.

### **2.2. High Cost of Production**

Farmers continue to face rising production costs due to:

2. Expensive seed cane;
3. High diesel and fuel prices
4. Increasing labour costs
5. Costly farm inputs.

### **Recommendations**

- Introduce subsidized farm inputs and fuel support;
- Establish government-supported mechanization programmes;
- Provide affordable agricultural credit to farmers.

### **2.3. Poor Quality Seed cane**

There is inadequate investment in seed cane development programs resulting in:

- Poor cane quality
- Low disease resistance
- Reduced productivity

### **Recommendations**

- Establish certified regional seed cane canterers;
- Invest in research and development through KALRO and sugar research institutions;
- Promote modern high-yield cane varieties.

### **2.4. Low Yields per Acre**

Average cane production remains low at approximately 20 tons per acre due to:



- Poor seed quality
- Lack of extension services
- Poor soil management
- Climate-related challenges.

### **Recommendations**

- Enhance farmer training programs
- Promote soil testing and modern farming practices
- Increase access to irrigation support systems.

### **2.5. Inadequate Extension Services**

Most farmers lack access to professional agricultural support and guidance.

### **Recommendations**

- Recruit more extension officers;
- Digitize farmer advisory services;
- Strengthen collaboration between county governments and sugar companies.

### **2.6 Frequent Variation in Cane Buying Prices**

Unpredictable cane prices have negatively affected farmer incomes and planning.

### **Recommendations**

- Introduce regulated minimum cane prices;
- Develop transparent pricing formulas linked to sugar market trends;
- Ensure stakeholder participation in pricing decisions.

### **2.7 Delayed Cane Transport**

Farmers experience prolonged delays in cane harvesting and transportation, leading to:

- Over mature cane
- Weight loss
- Reduced sugar recovery rates.

### **Recommendations**

- Improve transport scheduling systems;
- Increase transport capacity;





- Hold transport contractors accountable for delays.

## **2.8 Exclusion of Transport Contractors**

Many local transport contractors have been unfairly locked out of business opportunities.

### **Recommendations**

- Ensure fair and transparent allocation of transport contracts
- Prioritize local contractors
- Eliminate discriminatory procurement practices

## **2.9 Harassment and Fraud by Tractor Drivers and Loaders**

Farmers report:

- Extortion;
- Illegal deductions;
- Cane theft;
- Manipulation of tonnage records.

### **Recommendations**

- Establish strict monitoring mechanisms
- Introduce digital cane tracking systems
- Prosecute individuals involved in fraud.

## **2.10 Staff Welfare Concerns**

Workers in the sugar sector face:

- Short-term contracts
- Outsourcing exploitation
- Poor working conditions
- Low wages
- Discrimination and racism in some workplaces.

### **Recommendations**

- Enforce labour laws and workers' rights
- Regulate outsourcing practices
- Improve occupational safety and welfare standards.



## **2.11 Unregulated Sugar Imports**

Uncontrolled sugar imports continue to:

- Depress local sugar prices;
- Undermine local millers and farmers;
- Encourage illegal sugar trade.

### **Recommendations**

- Strengthen import regulation and quality control;
- Prioritize local sugar and zero imports because the president said we are exporting sugar
- Enhance border surveillance against illegal imports.

## **2.12 Corruption in the Sugar Sector**

Corruption remains a major challenge affecting:

- Procurement;
- Licensing;
- Payments;
- Cane weighbridge operations.
- Concensation fee

### **Recommendations**

- Increase transparency and audits;
- Strengthen anti-corruption enforcement;
- Digitize payment and procurement systems.

## **2.13 Weak Legislation and Policy Framework**

Current policies do not adequately protect farmers, workers, and local stakeholders.

### **Recommendations**

- Review the Sugar Act and related regulations
- Develop farmer-centered policies
- Strengthen oversight of millers and sector regulators.





#### **2.14. Stake holders arrears**

- Farmers
- Suppliers
- workers

#### **Recommendations**

Pay arrears and waive penalties from statutory bodies

#### **3. CONCLUSION**

The sugar industry has immense potential to transform the economy of Western Kenya and improve livelihoods if the existing challenges are urgently addressed. We respectfully urge the Senate Committee and relevant government agencies to prioritize reforms that protect farmers, workers, transporters, and local investors while promoting transparency, fairness, and sustainability in t



Bungoma  
26/5/2026  
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**FROM: BUNGOMA CANE FARMERS ASSOCIATION**

**TO: SENATE COMMITTEE OF AGRICULTURE**

On behalf of the Bungoma cane farmers, the association committee wishes to welcome our esteemed visitors on this auspicious occasion over a sensitive matter of Nzoia sugar 2025.

We wish to bring to your attention that we have always taken time to do representation of our bonafide farmers and workers with the Rai Management over several issues. Up to now we've been able to meet management more than 3 times. On 01/12/2025, through the Chairman of Bungoma cane farmers Association Mr. Pridgeon Barasa and the Communications manager Mr. George mururi, a team of 50 farmers visited Nzoia Sugar Co. 2025.

In attendance were NOCO directors, Bungoma Cane farmers association, federation and the above 50 farmers.

**The following were the highlights:**

**One:** Farmers wanted to know the workers fate especially, those who signed redundancy forms requesting that those ones willing to be retained to be given chance. What criteria was applied to retain others and to dismiss others without explanation?

**Two:** Farmers sought to know, how soon or later their balance of 24% totaling to 63 Million would be paid.

**Three:** Farmers were really opposed to the idea of forming an anti-poaching team and recommended quick payment of farmers cane, swift transport of harvested cane and a reasonable rate of farmer's payment per ton to be maintained at ksh 5,750. Earlier we lost so many of our young men and properties in this anti-poaching battles.

**Four:** Farmers were opposed to the question of acquiring harvest permits which is too cumbersome and recommended the older system where area instructors would list cane farmers whose cane was mature for harvesting.

**Five:** The salaries and related payments as on 31<sup>st</sup> OCT 2025 as per the extracts of approved human resource and administration policies covering permanent staff, casuals and SACCOs reflect a sub total of **Ksh 2,811,606,782.18**, Those ones are un remitted recoveries and provisions.

Required amount to clear all outstanding debts is supposed to be **ksh 3,619,759,129.96**.

The following arrears were not captured on the audit report

1. NOCCO cess 1% amounting to **Ksh 137,639,690**





2. Farmers retention fund from 2012 attracts a total of ksh 118 million but due to accumulated interest it is now well over ksh 500 million
3. Over 12 tractors which were given to NOCCO by government on behalf of cane farmers to do transport and cultural operations are not available anywhere

We are asking the government to intervene and clear this debts

**Bungoma Cane Farmers Association Chairman**

Pridgeon Masake Barasa

Tel 0713032478



**BUNGOMA CANE FARMERS ASSOCIATION**

**Secretary**

**P.O BOX 70 BOKOLI**  
**DATE 25/5/2026**

Bramwel S. Misiko

  
25/05/2026

Tel 0713734570





## NZOIA SUGAR COMPANY (2025) LIMITED

### REPUBLIC OF KENYA

Senate Standing Committee on Agriculture, Livestock and Fisheries

# MEMORANDUM OF UNDERSTANDING (MoU)

Sugar Sector Stakeholders' Forum — Bungoma County

**Reference:**

SEN/DSEC/SCA/CORR/02/2026/402

Date: 26th May 2026

Venue: Bungoma County

**Addressed to:**

**The Honourable Chairperson**

Senate Standing Committee on Agriculture,  
Livestock and Fisheries, Parliament Buildings

## 1. PARTIES TO THIS MEMORANDUM

This Memorandum is presented by and between the parties identified below. It is acknowledged that this is a non-binding Memorandum of Understanding and Petition, setting out shared goals, stated intentions, and mutual roles between the parties in pursuit of a sustainable and equitable sugar sector in Bungoma County and the Western Kenya Region.

### PARTY 1 — THE PETITIONER

**Nzoia Sugar Company (2025) Limited**

*Represented by:*

**Mr. Sohan Sharma**

Chief Executive Officer

Bukembe, Bungoma County

### PARTY 2 — THE RECIPIENT

**Senate Standing Committee on Agriculture, Livestock  
and Fisheries**

*Represented by:*

**The Honourable Chairperson**

Senate Standing Committee on Agriculture, Livestock and Fisheries

Parliament Buildings, Nairobi

## 2. PREAMBLE

WHEREAS Nzoia Sugar Company (2025) Limited (hereinafter "Nzoia" or "the Company") is a licensed sugar manufacturer operating in Bukembe, Bungoma County, having taken over the Nzoia Sugar Mill on 10th May 2025 and resumed milling operations on 3rd January 2026;

WHEREAS the Senate Standing Committee on Agriculture, Livestock and Fisheries (hereinafter "the Committee") 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;

WHEREAS the Committee convened a Sugar Sector Stakeholders' Forum in Bungoma County on 26th May 2026 to examine emerging challenges affecting sugarcane farmers and millers in the region;





## NZOIA SUGAR COMPANY (2025) LIMITED

WHEREAS Nzoia, having invested heavily in factory rehabilitation, cane development, farmer support, and community development, appears before the Committee to present its operations, challenges, and recommendations in furtherance of a sustainable sugar sector;

NOW, THEREFORE, the parties hereby record their shared understanding, mutual intentions, and respective roles as follows:

### 3. BACKGROUND AND CONTEXT

#### 3.1. Company Profile and Current Performance

Since resuming crushing operations in January 2026, Nzoia Sugar Company (2025) Limited has achieved the following key milestones:

- Over 213,055 tonnes of sugarcane crushed, sourced from 10,034 registered outgrower farmers and the company's Nucleus Estate
- Average daily supply of 1,521 tonnes, with an average crush of 1,900 TCD recorded over the last two months
- Over KSh 700 million disbursed directly to farmers' bank accounts since resumption of operations
- A TC:TS ratio of 10 achieved, compared to 17–21 under the previous mill management — a significant efficiency improvement
- Installed milling capacity of 3,000 TCD following a comprehensive factory rehabilitation programme
- A total workforce of 1,447 employees: 887 Core Staff, 235 Cane Haulage Tractor Drivers, and 325 Cane Tractor Loaders

#### 3.2. Nucleus Estate Development

Nzoia manages a Nucleus Estate with a total surface area of 4,629 hectares, of which 3,617 hectares fall within the sugarcane production zone. As at May 2026, 1,397 hectares are under active cane, with 796 hectares ready for harvest (estimated yield of 19,906 tonnes). Major land development works have been completed including bush clearing, ripping, ploughing, drain clearing, and road grading. The Company has invested in a fleet of heavy agricultural machinery including dozers, tractors, excavators, and bed formers to drive estate productivity.

#### 3.3. Factory Rehabilitation Programme

The Company has undertaken an unprecedented rehabilitation programme spanning eight engineering departments: Pre-Mill Area, Mill Area, Boiling House, Boilers (3 units), Turbines, Electrical Installation, Instrumentation, and Civil Works. Key investments include:

- A USD 450,000 Distributed Control System (DCS) installed for full-plant automation
- Smart Weighment System on all weighbridges — digital, tamper-proof, with real-time SMS notifications to farmers upon weighment
- Complete replacement of all major electrical panels, cables, motors, and control systems
- 78 new concrete foundations, full roof replacement, and complete factory flooring
- Two new A-Batch centrifugal machines (1,250-tonne capacity each) and a duplex sugar bagging machine

### 4. CHALLENGES CONFRONTING THE SUGAR SECTOR — NZOIA ZONE

Nzoia Sugar Company (2025) Limited hereby places on record the following structural challenges that continue to undermine the sugar sector in Bungoma County, and which require urgent legislative, regulatory, and policy intervention:

#### 4.1. Harvesting of Immature Cane

Rival millers who do not invest in cane development continue to harvest immature cane contracted to Nzoia, directly lowering yield quality, reducing farmer earnings, and discouraging continued participation in cane farming.

#### 4.2. Weak Enforcement of Miller Licensing Requirements





## NZOIA SUGAR COMPANY (2025) LIMITED

The mandatory requirement for millers to demonstrate sufficient cane development before being licensed to operate is widely disregarded. Allowing millers to self-assess fosters unhealthy competition, cane poaching, and unsustainable milling practices that directly harm Nzoia's supply base and contracted farmers.

### 4.3. Absence of a Joint Cane Census

Millers are left to conduct their own cane availability surveys, enabling those without genuine cane development to manipulate data submitted to the Kenya Sugar Board. This compromises data integrity, distorts Nzoia's competitive position, and undermines national sectoral planning.

### 4.4. Inadequate Extension Services and Capacity Building

Agriculture, though a devolved function, suffers from weak county-level support in Bungoma. Nzoia has been compelled to fund and deploy its own extension officers to fill this gap — an expenditure that should rightfully be borne by the county government.

### 4.5. Deficient Feeder Road Infrastructure

Despite significant CESS remittances by Nzoia over the years, feeder roads within the Bungoma sugar belt remain in poor condition. Farmers' cane dries in the field when roads are inaccessible, inflating transport costs and causing losses that fall squarely on the farming community.

### 4.6. Insufficient Agricultural Financing

Nzoia's outgrower farmers — who grow Bungoma County's primary cash crop — lack access to affordable credit, subsidies, or crop insurance, even as CESS continues to be collected. This financial neglect constrains productivity and discourages investment in cane.

### 4.7. Market Distortions from Illicit Sugar Imports

Smuggled sugar continues to infiltrate the local market, depressing prices and severely weakening the competitiveness of Nzoia and other compliant local producers who bear higher production and tax costs.

### 4.8. Ambiguous Catchment Zone Boundaries

The absence of clearly demarcated boundaries between sugar catchment zones creates operational inequities, allowing some millers to operate across multiple zones while Nzoia is restricted to its defined area. This exposes Nzoia's contracted and developed cane to unlawful poaching.

### 4.9. Recurrent Operational Disruptions and Socio-Economic Impact

Repeated operational disruptions caused by cane poaching and immature harvesting have far-reaching consequences for Bungoma County: abrupt job losses, reduced household incomes, diminished tax revenues, and weakened public service delivery. These ripple effects fuel economic instability and social tension across the Nzoia farming community.

## 5. NZOIA'S UNDERTAKINGS AND INTENDED ROLE

Nzoia Sugar Company (2025) Limited hereby records and reaffirms its commitment to the following, in furtherance of a sustainable sugar sector and in the public interest of Bungoma County and the wider Western Kenya Region:

- Maintaining full and transparent milling operations at the Nzoia factory, continuously working towards achieving full installed capacity of 3,000 TCD
- Ensuring timely and complete payment to all outgrower farmers, with automated SMS confirmation of tonnage and real-time payment statements dispatched to outreach offices
- Continuing investment in the Nucleus Estate, targeting expansion of harvestable cane area and driving down the current 19,000-acre supply shortfall through active farmer recruitment
- Sustaining and expanding farmer support programmes including provision of certified seed cane, fertilizer, and agricultural extension services





## NZOIA SUGAR COMPANY (2025) LIMITED

- Ongoing investment in factory rehabilitation, digital systems, and environmental infrastructure to ensure efficient, safe, and sustainable operations
- Supporting community development through school sponsorships, sports development, road maintenance within the sugar belt, and other Corporate Social Responsibility initiatives
- Full compliance with all applicable statutes including the Sugar Industry Act, County Government Act, and any regulations issued by the Kenya Sugar Board

### 6. SHARED GOALS AND MUTUAL INTENTIONS

Both parties acknowledge the following as shared goals underpinning this Memorandum and the forum process. The table below sets out, in clear terms, what Nzoia commits to doing, and what Nzoia respectfully requests of the Senate Committee and the regulatory and governmental institutions that the Committee oversees:

#### NZOIA COMMITS TO:

- Operate the Nzoia mill at or above current capacity, targeting 3,000 TCD
- Pay all farmers in a timely manner after cane delivery
- Provide certified inputs, extension services and cane development support to outgrowers
- Employ and expand a workforce drawn from Bungoma County and the wider region
- Maintain transparent, digitally-verified weighing and payment systems
- Invest in the Nucleus Estate and close the 19,000-acre cane supply shortfall
- Remit all statutory obligations including County Cess by the 7th of each month
- Engage constructively with county leadership, farmers and all stakeholders

#### NZOIA RESPECTFULLY REQUESTS:

- The Committee to champion strict enforcement of the Sugar Act against cane poaching and immature harvesting
- Kenya Sugar Board to independently verify cane development before granting or renewing any miller's licence
- An annual joint cane census supervised by KSB to produce credible supply data
- Mandatory cane development plans for all millers, financed through the Sugar Development Levy
- Clear demarcation and gazettment of Nzoia's catchment zone by the Ministry of Agriculture
- County government to channel CESS funds exclusively to feeder road rehabilitation in the sugar belt
- National Treasury and CBK to create preferential credit for cane farmers with crop as collateral
- Structured, regular dialogue between Bungoma County leadership and the sugar sector

### 7. SPECIFIC RECOMMENDATIONS AND ASKS

In light of the challenges documented in Section 4 above, Nzoia Sugar Company (2025) Limited respectfully petitions the Senate Standing Committee on Agriculture, Livestock and Fisheries to champion the following specific interventions:

#### 7.1. Mandatory Cane Development Plans

Require all millers to submit annual cane development plans to the Kenya Sugar Board. These plans should be financed through the Sugar Development Levy, and idle public land should be allocated for cane cultivation to increase supply and curb poaching.

#### 7.2. Government Land for Seed Cane Banks

County and national governments should allocate fallow land to sugar factories for the establishment of seed cane banks, forming the foundation for farmer-based multiplication programmes.

#### 7.3. Enhanced Extension Services Framework

Establish a joint framework between Bungoma County and Nzoia for coordinated farmer training, agronomic support, and modern extension programmes focused on productivity and long-term sustainability.





## NZOIA SUGAR COMPANY (2025) LIMITED

### 7.4. Annual Joint Cane Census

Institute a proper mechanism for an annual joint cane census supervised by the Kenya Sugar Board, ensuring credible and transparent data collection that accurately reflects each miller's genuine development and contracted cane.

### 7.5. Strict Penalties for Immature Cane Harvesting

Enforce stringent penalties, including suspension of milling licences for a minimum of three months, against any miller found harvesting immature cane. Such measures will deter malpractice, protect Nzoia's farmers, and stabilise the industry.

### 7.6. Transparent Management of CESS Funds

Ring-fence CESS revenues exclusively for the rehabilitation of feeder roads, with oversight entrusted to a multi-stakeholder committee comprising county executives, ward representatives, millers, farmers and civil society.

### 7.7. Anti-Smuggling Interventions

Strengthen border controls and enforcement through coordinated efforts by the Kenya Revenue Authority, security agencies and local administration to eliminate illicit sugar imports that distort market prices.

### 7.8. Clear Catchment Boundary Demarcation

The Ministry of Agriculture, in collaboration with the Kenya Sugar Board, should urgently map and gazette boundaries of Nzoia's catchment zone to promote equitable operations and protect contracted and developed cane from unlawful poaching by rival millers.

### 7.9. Preferential Agricultural Credit Facilities

Request the National Treasury and Central Bank of Kenya to create preferential credit facilities for Nzoia outgrower farmers, with crop as collateral and lease terms of not less than six years (three crop cycles), to enable viable financing of cane production.

### 7.10. Farmer Welfare and Incentive Schemes

Guarantee timely cane payments, ensure fair pricing structures, and facilitate access to subsidised farm inputs. Strengthening farmer confidence and income stability is essential to secure a sustainable long-term cane supply chain for Nzoia.

## 8. NATURE AND EFFECT OF THIS MEMORANDUM

8.1 This document constitutes a formal Memorandum and Petition presented by Nzoia Sugar Company (2025) Limited to the Senate Standing Committee on Agriculture, Livestock and Fisheries. It is not a binding legal contract but a good-faith record of shared goals, stated intentions, and mutual roles.

8.2 Nothing in this Memorandum shall be construed as creating legally enforceable obligations on either party. The recommendations herein are presented in the spirit of constructive dialogue and collaborative governance, in service of the farming communities and citizens of Bungoma County.

8.3 The Committee is respectfully requested to note, receive, and act upon the contents of this Memorandum in its own wisdom and in exercise of its constitutional mandate over matters of agriculture, livestock and fisheries.

8.4 Nzoia Sugar Company (2025) Limited pledges its full cooperation with any resolutions, inquiries, or follow-up actions arising from the Forum and from this Memorandum.

## 9. COMMENCEMENT AND REVIEW

This Memorandum takes effect from the date of signing below. The parties may, by mutual written agreement, review or supplement this Memorandum at any subsequent meeting of the Senate Standing Committee or through any other structured stakeholder engagement.



## NZOIA SUGAR COMPANY (2025) LIMITED

### 10. EXECUTION AND SIGNATURES

IN WITNESS WHEREOF, the authorised representatives of the parties have signed this Memorandum on the date indicated below, in Bungoma County, Kenya.

SIGNED BY — PETITIONER

**Mr. Sohan Sharma**

Chief Executive Officer

Nzoia Sugar Company (2025) Limited

Date: \_\_\_\_\_

Stamp/Seal: \_\_\_\_\_

GEORGE  
MURU  
0726225759

RECEIVED & ACKNOWLEDGED BY — COMMITTEE

**The Honourable Chairperson**

Senate Standing Committee on Agriculture,  
Livestock and Fisheries

Date: \_\_\_\_\_

Stamp/Seal: \_\_\_\_\_



## COUNTY GOVERNMENT OF BUNGOMA



### DEPARTMENT OF AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION & COOPERATIVE DEVELOPMENT

#### SUGARCANE PRODUCTION IN BUNGOMA COUNTY

##### 1) INTRODUCTION

- Bungoma County covers a total geographical area of 3,032.2 square Kilometres(303,220Ha) (approx. 758,050 acres).
- Agricultural Land: Out of the total area, approximately 2,880.6 square kilometres is (288,060 Ha/classified as arable (highly fertile) land
- Sugarcane sub sector supports about 90,000 house holds(540,000 persons) in Bungoma County
- Sugarcane is grown in the 9 sub counties though on small scale in mt Elgon because the altitude.

##### 2) AREA UNDER SUGARCANE IN BUNGOMA

- The total area under sugarcane cultivation in Bungoma County stands at approximately 65,000 to 75,000 Hectares (160,000 to 185,000 acres)
- Expected production of approx.. 5,100,000-6,800,000MT <sup>MT</sup>
- Expected returns =Ksh. 2.8 Billions-3.75Billions

##### 3) RECOMMENDED VARIETIES

Summary Comparison Table

| Variety     | Maturity Period | Yield Potential | Key Characteristic / Advantage                                                                     |
|-------------|-----------------|-----------------|----------------------------------------------------------------------------------------------------|
| *KEN 83-737 | 16–18 Months    | 114 – 135 T/Ha  | High sucrose, strong disease resistance, top regional standard.                                    |
| KEN 82-216  | 15–19 Months    | 113 – 124 T/Ha  | Exceptional stalk density and high mill extraction quality. It has an exceptional sucrose profile. |
| KEN 98-530  | 14–16 Months    | ~111 T/Ha       | Early maturing option for faster cash flow turnaround.                                             |



|                     |                 |                   |                                                                                                                                                                                                                      |
|---------------------|-----------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KEN 82-330          | 14-16 months    | 90-120MT/ha       | An improved, early-maturing variety tailored for the Mumias-Nzoia belt. It achieves roughly <b>82.7% of the yield of KEN 83-737</b> but matures much quicker, reducing farm overhead timelines                       |
| KEN 82-808          | 15 to 19 months | 95 to 140MT       | Widely grown for its exceptional ability to maintain heavy crop weights through multiple subsequent ratoon (regrowth) cycles. an early-to-mid maturing variety.                                                      |
| KEN 82-493          | 15-17 Months    | 80 to 115MT       | Early-maturing, high-sucrose sugarcane variety.                                                                                                                                                                      |
| KEN 82-62 (Kensii): | 17 to 20 months | 66 and 135 MT /Ha | Performs exceptionally well in <b>low-rainfall zones</b> and dry-spell prone areas.                                                                                                                                  |
| N14                 | 18-22 Months    | ~100 T/Ha         | Highly recommended for its superior agronomic resilience. It is <b>very highly resistant to smut</b> (smut rating 1) and possesses excellent drought tolerance, making it ideal for fields lacking reliable moisture |
| D 8484              | 16-20 Months    | Up to 126 T/Ha    | Robust multi-disease resistance package                                                                                                                                                                              |
| CO 945**            | 10 - 12 Months  | 95 - 115 t/ha     | Early maturity; highly responsive to top-dressing.                                                                                                                                                                   |
| Co421-NYUNDO**      | 18 - 22+ Months | 70 - 85 t/ha      | High structural resilience                                                                                                                                                                                           |

#### 4) OPTIMAL YIELDS.

- **OPTIMAL of 40 to 60 tonnes per acre (100 to 150 tonnes per hectare),** While local smallholder averages are roughly **20-30 MT/Ha**. *Acre*





| Period                 | Price per Tonne |
|------------------------|-----------------|
| Current (May 2026)     | KSh 5,500       |
| July 2025 – April 2026 | KSh 5,750       |
| May 2025 – July 2025   | KSh 5,500       |
| Early 2025             | KSh 5,300       |

#### 6) GM/ECONOMIC UNIT

##### Cost and Profit Dynamics Breakdown (Per Acre)

- Initial Investment Costs: Preparing land, purchasing seed-cane, and applying fertilizer requires roughly KSh. 90,000 to KSh 110,000 per acre.
- Average Smallholder Yield: Most average smallholders produce around 35 tonnes per acre.
- Gross Income: 35 tonnes × KSh 5,500 = KSh 192,500.
- Net Profit: Approximately KSh 82,500 to KSh 101,500 per production cycle.

#### 7) MILLERS

- NEW NZIOA SUGAR COMPANY 2025
- WEST KENYA SUGAR CO (NAITIRI)
- BUTALI SUGAR CO.
- MUMIAS SUGAR CO.
- OLEPITO SUGAR CO.
- BUSIA SUGAR COMPANY



### **1. High Costs of Agricultural Inputs**

The market price of agricultural inputs is high including fuel.

### **2. Poor Transport and Rural Road Infrastructure.**

The rural feeder road network in Bungoma's sugar belt deteriorates rapidly during the rainy seasons.

### **3. Inadequate quality planting materials-farmers**

### **4. Delayed and uncoordinated Harvesting**

Farmers face recurring logistical delays from milling companies. Harvesting permits are not objectively and timely issued to farmers with mature cane.

### **5. Heavy Reliance on Ratooning**

Many Bungoma farmers rely heavily on **ratooning**—that goes beyond economic limits in terms of years hence compromising on yields.

### **6. Land Fragmentation**

High population growth in Bungoma County has led to the continuous subdivision of ancestral land. Smallholder farmers are increasingly cultivating sugarcane on **plots smaller than two acres**. These tiny parcels make mechanized farming inefficient and eliminate the economies of scale needed for high profitability.

### **7. Sugarcane spillage and sugar can "snatching"**

Because millers only pay for the weight recorded on the factory or regional weighbridge scales, any cane that falls off vehicles/Snatched during transit represents an uncompensated financial loss to farmers.

### **8. Climate Variability and Pests**

Unpredictable rainfall patterns disrupt planting and harvesting schedules. Additionally, farmers face consistent threats from pests like the **sugarcane stalk borer** and diseases such as **smut**, which drastically lower field productivity without expensive chemical interventions.

### **9. Inadequate sensitization of the farmers, stakeholders on the Sugar Act 2024**

## **RECOMMENDATIONS**

1. Strengthening the fertilizer subsidy process to sugarcane subsector.
2. Transition from Cane Weight to a Sucrose-Based Payment System
3. Millers to ensure proper cane loading standards/smart loading practices
4. Routine rural access road maintenance.
5. Fully Operationalize the 4% Sugar Development Levy
6. Improvement of access to planting materials.





- ...ing ... , revenue streams that buffer farmers during periods of low sugar prices
8. Formation of strong farmer cooperative societies.
  9. Provision to access to affordable credit facilities by small holder farmers.
  10. Promotion of exchange/Benchmarking visits by key stakeholder regionally/globally to countries with **Best Practice** in sugarcane management

#### **Legislation ; the sugar Act 2024**

##### **1. Sugar Development Levy (The National Fund)**

Re-introduced under the Sugar Act, this is a specialized national industry levy designed to fund macro-level infrastructure, research, and farmer productivity across Kenya.

Collector: Formally collected by the Kenya Revenue Authority (KRA) on behalf of the Kenya Sugar Board (KSB).

Rate: Capped at 4% of the ex-factory value for locally manufactured sugar, and 4% of the Cost, Insurance, and Freight (CIF) value for imports.

Who Pays: Paid directly by the sugar millers (at the point of production/sale) and sugar importers.

Utilization Profile: The funds are strictly ring-fenced and redistributed by the national board using fixed legal percentages:

40% for cane productivity and direct farmer input subsidies (e.g., subsidized fertilizer).

15% for sugar factory rehabilitation and mechanical upgrades.

15% for outgrower infrastructure and factory-to-farm access roads.

15% to fund the autonomous Kenya Sugar Research and Training Institute (KSRI).

10% for KSB administrative operations and 5% for farmer welfare unions

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Bugoma  
Received 26/5/26  
J. M. M. M.



## **MEMORANDUM TO THE SENATE AGRICULTURE COMMITTEE ON THE STATE OF THE SUGARCANE SUB-SECTOR**

**Presented by: ALLIANCE FOR PERSON WITH DISABILITIES**

**Venue: Mabanga ATC**

**Date: 26<sup>th</sup> May 2026**

### **INTRODUCTION**

We, the Alliance for Persons with Disabilities, a membership-based community organization and an active member of the Bungoma Civil Society Forum, represent persons with disabilities, sugarcane farmers, farmer groups, youth, women, and other stakeholders drawn from the sugarcane-growing regions of Kenya. We appreciate the Senate Agriculture Committee for providing this important opportunity to deliberate on the challenges facing the sugar industry and the welfare of farmers.

The Alliance for Persons with Disabilities is committed to advancing the rights, dignity, inclusion, and socio-economic empowerment of persons with disabilities and vulnerable communities. Over the years, our organization has built strong grassroots networks within rural communities, particularly among small-scale farmers and marginalized households that heavily depend on agriculture for their livelihoods. Through community mobilization, policy advocacy, public participation, civic education, and stakeholder engagement, we work to ensure that the voices of vulnerable and excluded populations are heard in national and county development processes.

Our organization has actively participated in governance, social justice, economic empowerment, and agricultural advocacy initiatives across Bungoma County and neighboring sugarcane-growing regions. We collaborate with farmers' associations, civil society organizations, county governments, community leaders, and development partners to champion fair agricultural policies, accountability within the sugar sector, and protection of farmers' rights. We also support community awareness programs on access to government services, inclusive economic opportunities, disability rights, and sustainable livelihoods.



With a membership and outreach network that cuts across farming communities, our organization has firsthand knowledge and experience regarding the persistent challenges affecting sugarcane farmers. These include delayed payments, exploitation by millers and middlemen, rising production costs, inadequate extension services, poor road infrastructure, lack of access to affordable farm inputs, weak implementation of agricultural policies, and the continued marginalization of vulnerable farmers, including persons with disabilities.

The following are the key issues requiring urgent intervention:

#### **LOW SUGARCANE PRICE PER TONNE**

Farmers are currently receiving low prices per tonne of sugarcane despite the high cost of production, including fertilizer, labour, land preparation, transport, and farm maintenance. The current prices do not guarantee reasonable profit margins to farmers.

##### **Recommendations:**

- Establish a fair and standardized cane pricing formula linked to sugar market prices and production costs.
- Strengthen farmer representation in cane pricing decisions.
- Introduce government subsidies on farm inputs to reduce production costs.

#### **DELAY IN CANE HARVESTING**

Delayed harvesting has resulted in over-mature cane, reduced sucrose content, lower yields, and financial losses to farmers. In many cases, cane remains unharvested for months after maturity.

##### **Recommendations:**

- Enforce strict harvesting schedules by sugar factories.
- Introduce penalties for millers who delay harvesting mature cane.
- Promote transparent digital harvesting programs accessible to farmers.





### **BROKERS BEING ISSUED WITH CANE HARVESTING PERMITS INSTEAD OF FARMERS**

The issuance of harvesting permits to brokers has encouraged exploitation of farmers. Middlemen manipulate harvesting and transport processes, leading to loss of farmer income and increased corruption.

#### **Recommendations:**

- Ensure harvesting permits are issued directly to registered farmers or farmer cooperatives.
- Eliminate broker interference in cane transportation and harvesting arrangements.
- Digitize farmer registration and permit issuance systems for transparency.

### **INADEQUATE SUPPORT FROM SUGAR FACTORIES TO FARMERS**

Most sugar factories have withdrawn essential support services such as provision of seed cane, fertilizers, extension services, land preparation, and credit facilities.

#### **Recommendations:**

- Compel millers to reinstate farmer support programs as part of their licensing conditions.
- Increase government investment in agricultural extension services.
- Facilitate affordable credit facilities for cane farmers through cooperative societies and agricultural banks.

### **MISUSE OF CESS FUNDS BY COUNTY GOVERNMENTS**

Large amounts of cess collected from cane transport are not being reflected in the maintenance and improvement of roads within sugarcane-growing areas. Poor roads increase transport costs and delay cane delivery to factories.

#### **Recommendations:**

- Audit all cess funds collected from the sugar sector by county governments.



- Ring-fence cess funds specifically for road maintenance in cane-growing zones.
- Enhance public participation and transparency in utilization of cess revenue.

### **ILLEGAL IMPORTATION OF SUGAR**

Uncontrolled importation of cheap sugar has destabilized the local sugar industry, leading to low returns for local millers and farmers.

#### **Recommendations:**

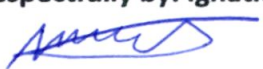
- Strengthen border surveillance and enforcement against illegal sugar imports.
- Protect local farmers through fair trade policies and controlled importation.
- Prioritize local sugar production before approving import quotas.

### **CONCLUSION**

The sugar industry has the potential to significantly contribute to food security, employment creation, industrial development, and economic growth. However, unless urgent reforms are implemented, farmers will continue to suffer losses and abandon sugarcane farming altogether.

We respectfully urge the Senate Agriculture Committee to champion practical legislative, policy, and administrative interventions to revive and protect the sugar sector for the benefit of Kenyan farmers and the national economy.

**Submitted respectfully by: Ignatius Nyukuri Fwamba**

**Signature:** 

**Designation: Budget Champion/ Executive director**

**Tel: 0729298008**

**Email: ignatiusfwamba59@gmail.com**