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REPUBLIC OF KENYA



NATIONAL ASSEMBLY

Tenth Parliament – Fourth Session

**DEPARTMENTAL COMMITTEE ON AGRICULTURE,
LIVESTOCK AND COOPERATIVES**

**REPORT OF THE COMMITTEE'S DELEGATION VISIT
TO THE PEOPLES REPUBLIC OF CHINA**

26th May – 04th June, 2010

**National Assembly,
Parliament Buildings,
NAIROBI**

July, 2010

PREFACE

Mr. Speaker, Sir

The Committee on Agriculture, Livestock and Cooperatives draws its mandate from the National Assembly Standing Order 198 (3) which outlines the functions of a Departmental Committee, as follows:-

- (a) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
- (b) To study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;
- (c) To study and review all legislation referred to it;
- (d) To study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
- (e) To investigate and inquire into all matters relating to the assigned Ministries and departments **as they may deem necessary**, and as may be referred to them by the House or a Minister; and
- (f) To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

The Second Schedule of the Standing Orders outlines scope and coverage for the Committee to cover subjects that relate to agriculture, livestock, fisheries development, co-operatives development, production and marketing.

It is in pursuit of the above mandate and the sustained efforts by the National Assembly to expose the Members of committees and staff to other jurisdictions that a delegation of the Departmental Committee on Agriculture, Lands and Natural Resources, visited the Peoples Republic of China. The Parliamentary delegation comprised of the following:

1. The Hon. John Mututho, MP - Chairman and Leader of Delegation
2. The Hon. Benson I. Mbai, MP
3. The Hon. Dr. Victor K. Munyaka, MP
4. Mr. Bonnie M. Mathooko, Senior Research Officer and Secretary to the delegation

Executive Summary

Food security serves as the central feature on which the productivity of the human capital and hence economic growth of a country can derive from. In a manner similar to Kenya, agriculture and food security has continued to dominate policy making in China as global non-tariff barriers to free market continue unfold.

Agricultural reforms have therefore formed a key part of China's economic reforms undertaken by the country since 1978. This effort has seen a gradual transition from a centrally planned economy towards a socialist-market economy.

Although China's agricultural output is the largest in the world, only about 15 percent of its total land area can be cultivated. The limited space for farming has been a problem throughout China's history, leading to chronic food shortage. Since the 1950s, farm space has also been pressured by the increasing land needs of industry and cities. Today however, China's arable land, which represents 10 percent of the total arable land in the world, supports over 20 percent of the world's population. This has been made possible through technological advancement and growth in the production efficiency of farmland over time aided by targeted research.

Kenya's agricultural policy can benefit from China's experience in critical areas such as managing of the country's food security for an expanding population, value addition, agricultural research and technological advancement. The report therefore outlines and suggests some intervention measures that can be pursued to include the following: development of efficient marketing systems; developing irrigation infrastructure; improved post harvest handling, technology and value addition; land policy; comprehensive harmonized agricultural legislation, alignment of agriculture related departments, and formulation of a nationwide agro forestry policy.

not contravene the laws' basic principles. The Standing Committee also has the power to interpret the Constitution and other laws.

1.3 Functions and Powers of the Standing Committee

7. The Standing Committee of NPC is vested with supervisory power. It has the power to oversee the enforcement of the Constitution. It further has the power to revoke the administrative regulations, decisions and decrees of the State Council that contravene the Constitution and other laws, and to repeal the local statutes and resolutions of organs of state power of provinces, autonomous regions, and municipalities directly under the Central Government that contravene the Constitution, other laws or administrative regulations.

7. The Standing Committee also has some oversight role. The basic forms of oversight by the Standing Committee cut across the following aspects:

- (a) Addressing inquiries and investigating into specific issues, and examining work reports made by the State Council and its departments, the Supreme People's Court and the Supreme People's Procuratorate;
- (b) Inspecting the enforcement of laws; and
- (c) Putting on record and reviewing the administrative regulations of the State Council and such regulatory documents of local people's congresses as local statutes and regulations concerning autonomy and local needs.

8. When the NPC is not in session, the Standing Committee examines and approves proposals for making partial adjustments to the plan for national economic and social development or to the central budget that become necessary in the course of their implementation. The Standing Committee decides whether to ratify or abrogate treaties and important agreements concluded with foreign states.

- (b) To supervise the government – oversight role.
- (c) Supervisory rights over agriculture – supervise government sectors towards reaching the rural areas.
- (d) Investigate and research on issues related to agriculture in implementation of laws and policies.
- (e) Initiate agricultural reforms.

14. The committee has since 1998 enacted six laws based on the basic law which is the binding law on agriculture. The six laws drafted and sponsored by the committee are:

- (i) Rural land contracting law;
- (ii) Seed law;
- (iii) Mechanization law;
- (iv) Animal husbandry law;
- (v) Farmers cooperative law; and
- (vi) Arbitration law.

15. To ensure that people get engaged with the legislative process, the legislation making is usually a participatory process with the Standing Committee making visits to the rural areas and opening website pages to publicize the intended law and receive feedback. While not mandatory, sometimes the law initiation begins with policy formulation. To date, there have been more than twenty laws related to agriculture that have been passed by the NPC.

2.1.1 Agriculture Policy

16. China has for the last 30 years adopted a conscious policy towards capitalism with a scientific approach to economic development. The agriculture industry accounts for 13 per cent of the Gross Domestic Product (GDP).

17. To enhance food production and still have surplus, China has pursued a policy that encourages rural population to shift from rural to urban dwellings constructed by the government. This aims to release more land for agriculture and has since worked very well for the country. Over the years, a sustained and targeted agricultural production policy has seen the country boost production to seal all output gaps for the various staple foods in the country.

21. Remarkable achievements have been made in horticultural science in the past 20 years. A long history in the cultivation and abundant germplasm resources of horticultural crops has helped lay the solid foundations for the development of modern horticulture in China. Research in the field of genetics and breeding of horticultural crops has seen a substantial gains being made. So far, the institute has achieved considerable technologies in breeding of horticultural crops that are especially applicable to developing countries.

22. The visit to the various areas of the research institute and interactive discussion with the deputy chief of the institute, Professor Liu Guangshu, was very enlightening. Some of the ongoing programmes and activities the delegation got exposure into included: Aspects of vegetable germplasm; Origins and development of vegetables; Biotechnology; vegetable cultivation physiology; Induced resistance mechanism; collection, development and evaluation of domestic and exotic floral germplasm; Vegetable seed production, processing and marketing.

23. Other ongoing research cover areas include introduction of late maturity gene into the tomato. Preliminary impact of this has been its effect on the taste of the tomato which is not appealing to the consumer. Attention has also been paid to tomato vitamins and soluble solids.

24. China possesses abundant genetic resources in horticultural crops. According the statistics, several species of fruit trees, vegetable crops and ornamental plants are native to China. In the past 20 years, 35,580 accessions of vegetable germplasm, 11,000 accessions of fruit trees and 2527 accessions of tea trees have been collected, evaluated and conserved. Disease resistance, stress tolerance and superior quality in some of the genetic materials have been characterized. Some notable progress has also been made in biotechnology research on horticultural crops.

2.2.1 Technology Transfer

25. Technology transfer plays a crucial role in ensuring that farmers benefit from research innovations. The institute has used this avenue and been instrumental in technology transfer especially to the developing countries through:

2.3 Agro-Industrial Machinery and Value Addition

29. Value adding for agricultural produce is the main component for local farm produce to achieve competitiveness and fetch premium price in the world market. Value addition for farm produce in China has been given impetus by sustained efforts by the private sector develop new, appropriate and affordable farm and agro-processing equipment that have stimulated a shift to specialty high value products at farm gate. This has had the impact to stimulate high productivity at farm level and competition. Some of the private sector concerns visited are based in Shadong Province, and the cities of Tianjin and Lang Fang.

2.3.1 Shifeng Group

30. The objective here was to expose the delegation to the affordable and appropriate agricultural equipment manufactured by the group. The Shifeng Group was established in 1993 and to date has five ventures – vehicle (tractor and accessories, combine harvesters, lorry and saloon cars) and tyre manufacture. The group products are now available in more than 50 countries in Asia and also different other parts of the world. To cut on production and operational costs, the Group generates its own thermal power.

2.3.2 Lang Fang Yili Dairy Company

31. The spectacular expansion of China's urban market for dairy products is driven by a combination of technology adoption, changes in retail supply chains, consumer trends, income growth, and government policies. To boost the ever rising households' consumption of dairy products, the Yili Dairy Company has expanded its product line from fresh fluid milk to yoghurt, milk powder, cheese, chocolate and ice cream. These products' demand has been growing rapidly, and away-from-home consumption has risen with the tide of investment by western-style restaurant chains.

32. The value addition processes is comprehensive and carried under aseptic conditions/techniques. Owing to increased efficiency and minimal production costs, the price of milk to the farmer is favourable ranging between Kshs 32 – 38 per liter. The delivery system of milk is highly specialized and efficient leaving no room for wastage or spoilage of milk

3.0 SUMMARY AND SUGGESTED RECOMMENDATIONS

34. Kenya's agriculture sector is in dire need of reforms in the sphere of policy interventions and measures to put in check the dwindling food production and be able to feed its growing population. As a starting point and drawing from the Committee delegation visit to China, Kenya must invest more in technology, legislation and the environment to ensure food security in the face of rapid urbanization.

35. Agricultural production in Kenya has for long been held back by sometimes misdirected government policies, low investment in agricultural science and low uptake of technology (high quality seeds development, training and research), and dysfunctional inputs and produce markets. Declining government spending on agriculture has consistently denied the country realizing its potential to raise crop yields.

36. The above necessitates the following suggested recommendations:

(i) Development of an efficient marketing systems

Among the six key sectors with the greatest potential to drive growth in the Kenyan economy identified under Kenya Vision 2030 is agribusiness. This is achievable through targeted policies to drive the necessary reforms in the sector. Among the most crucial is development of efficient marketing systems capable of cushioning both special and temporal fluctuations common in agriculture.

Despite market liberalization, the Government still has a major role to play in the development of an efficient marketing system for agricultural produce. In this regard, the Committee recommends that the government should to restructure the existing inefficient marketing systems which are characterized by excessive overhead and price distortions resulting in low returns to producers.

(ii) Development of Irrigation Infrastructure

China's is one of the most expansively irrigated countries in the world, affording the country surplus production. In contrast, Kenya's irrigation infrastructure is barely developed and the existing infrastructure is largely obsolete leaving the country unable to exploit its full irrigation potential. China can therefore be a good training destination for Kenya's irrigation

While noting that land in Kenya is a very sensitive issue, the Committee recommends that the laws governing land needs to be reviewed and the relevant provisions in law implemented. As outlined in the Kenya Vision 2030 some of the reform targeted at agriculture sector include having a land registry and a land use master plan, the Committee further recommends that Kenya can borrow form the experiences of China's land policy as it moves forward to deliver on its land policy and land related legislations.

(v) Comprehensive Harmonized Agricultural legislation, and Alignment of agriculture related departments

A large number of agricultural legislations, some obsolete, govern the agricultural sector in Kenya. This has for long been a source of concern as they tend to be counterproductive and an impediment to the development of the entire sector. China's agriculture, despite being a massive sector of the economy has very few, but effective regulating legislations. The Committee therefore recommends that Parliament needs to expedite the longstanding process towards harmonized agricultural legislation to facilitate growth.

Additionally, the main thrust in management of agricultural resources is the consolidation of relevant government departments and sectors under one government ministry. China's agriculture sectors fall under a single ministry making policy implementation more efficient.

In contrast, virtually every agricultural related sub-sector is a stand alone ministry in Kenya. This is not good for policy formulation and implementation and also encourages a thin spread of resource allocations mostly taken up by administrative costs. It also encourages duplicity of efforts and overlaps that result in wastage of public resources. Faced with this situation, the Committee therefore recommends that Parliament engages with the executive on the need to fast track and consolidate the agricultural resource ministries into one as the number of ministries are reduced in line with the Constitution.

(vi) Formulate a nationwide agro forestry policy

The uptake of agro forestry in Kenya has been slow since it has not been given the thrust it deserves. A properly coordinated and enforced national agro forestry drive backed by the relevant policy is critical for

MINUTES OF THE ONE HUNDRED AND FIFTIETH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD AT MAIN PARLIAMENT BUILDING, COMMITTEE ROOM 9, ON 31ST MAY, 2011, AT 6.15 PM

PRESENT

Hon. John Mututho, MP - Chairperson
Hon. Lucas Chepkitony, MP - Vice Chairperson
Hon. John D. Pesa, MP.
Hon. (Dr.) Robert O. Monda, MP
Hon. Fredrick Outa, MP
Hon. (Dr.) Victor Kioko Munyaka, MP
Hon. Benson Mbai, MP

APOLOGIES

Hon. Benjamin Washiali, MP
Hon. Evans Akula, MP
Hon. Mohammud Sirat, MP
Hon. (Dr.) Erastus Mureithi, MBS, HSC, MP

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Paul Ngetich - Senior Research Officer

MIN.NO. 129/2011

PRELIMINARY

The meeting started with a word of prayer.

MIN.NO. 130/2011

ADOPTION OF THE REPORT ON SEED MAIZE SHORTAGE

The Committee studied the report on its investigation on the seed shortage and adopted with minor amendments in the recommendations, as follows:-

- i) That, the Ministry be held accountable for the seed shortage since it was part of the decision to clear the stocks and to reduce production, be included on the recommendations.
- ii) That, the Board of the Company showed incompetence in adopting the management paper without much deliberation on it based on the then prevailing factors that were already working against seed production, be included on the observations.

MIN.NO 131/2011:

ADOPTION OF THE REPORT ON THE COMMITTEE'S VISIT TO THE PEOPLE'S REPUBLIC OF CHINA

The Report of the Visit to China by a delegation of the Members of the Committee on 26 May – 04 June, 2010, was adopted without amendment.