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REPUBLIC OF KENYA



THE SENATE

THIRTEENTH PARLIAMENT | FIFTH SESSION



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DSS.

STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES

REPORT ON THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED
RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

Clerk's Chambers,
The Senate,
First Floor, Parliament Buildings,
NAIROBI.

PAPERS LAID	
DATE	04-08-2026
TABLED BY	Sen. David Wakoli
COMMITTEE	Agriculture
CLERK AT THE TABLE	Cherop

JULY, 2026

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LIST OF ABBREVIATIONS/ACRONYMS

AFREDEC: Africa Regional Development and Economic Cooperation

ADC: Agricultural Development Corporation

CAP: Chapter (Laws of Kenya)

CoG: Council of Governors

CECM: County Executive Committee Member

CS: Cabinet Secretary

GDP: Gross Domestic Product

MOALF: Ministry of Agriculture, Livestock and Fisheries

CAF: County Assembly Forum

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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.

The Committee also oversees the following State Agencies among others-

1. Agriculture and Food Authority (AFA);
2. Agricultural Finance Corporation (AFC);
3. Agricultural Development Corporation (ADC);
4. Kenya Veterinary Vaccine Production Board (KVVPB);
5. Kenya Veterinary Board (KVB);
6. Kenya Meat Commission (KMC);
7. Kenya Dairy Board (KDB);
8. Kenya Leather Development Council (KLDC);
9. Kenya Fisheries Service (KFS);
10. Kenya Fish Marketing Authority (KFMA);
11. Kenya Marine and Fisheries Research Institute (KEMFRI);
12. Kenya Fishing Industries Corporation; and
13. National Irrigation Board (NIB).

The Committee also works closely with the Council of Governors (CoG), and the County Committees 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, MP -	Chairperson
2. Sen. Alexander Munyi Mundigi, MP -	Vice-Chairperson
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 Agriculture Produce (Minimum Guaranteed Returns) Bill (Senate Bills No.17 of 2025) was introduced in the Senate by way of First Reading on 28th October, 2025, and thereafter stood committed to the Standing Committee on Agriculture, Livestock and Fisheries.

The Bill seeks to address long-standing concern by establishing a structured framework through which county governments can guarantee farmers a minimum return on their agricultural produce. This intervention is intended to cushion farmers against price volatility, enhance income predictability and incentivise sustained agricultural production.

Honourable Speaker,

The agricultural sector remains the backbone of Kenya's economy, sustaining livelihoods, ensuring food security and contributing significantly to national development. However, farmers across the country continue to face persistent challenges, chief among them unpredictable market fluctuations that often result in unstable and inadequate returns for their produce.

Honourable Speaker,

Historically, Kenya has implemented various mechanisms aimed at stabilising agricultural incomes, including guaranteed return schemes under the repealed Agriculture Act. While these initiatives were discontinued due to sustainability challenges, the need for a responsive and well-structured system remains evident. This Bill builds on past experiences and current policy frameworks, including the Commodities Fund under the Crops Act, 2013, while introducing a devolved approach that places implementation responsibility at the county level.

The Bill proposes the establishment of County Agricultural Produce Minimum Guarantees Committees to oversee the determination, administration, and disbursement of guaranteed returns. It further provides a methodology for calculating these returns, anchored on the difference between average market prices and the comprehensive cost of production.

Honourable Speaker,

While the Committee appreciates the intent of the Bill, it has identified critical concerns. The Bill, as drafted, places the entire burden of implementation and financing on county governments. Counties are already overstretched, heavily reliant on the Equitable Share of National Revenue and vulnerable to delayed disbursements. Assigning them sole responsibility for Minimum Guaranteed Returns without a national co-financing mechanism with the National Government risks creating an unfunded and ultimately unimplemented mandate.

The Committee observes that counties lack the institutional and technical capacity to administer the scheme alone. Weak data systems, limited extension services and inadequate monitoring frameworks will expose the scheme to inefficiency, inequity, and fraud. In addition, the Bill's reliance on acreage as the eligibility measure under Clause 7(d) is an imprecise measure that ignores yield differences, efficiency and quality. Acreage-based guarantees risk rewarding under-utilized land and penalizing high-productivity farmers. Production volume is a more reasonable and equitable basis for determining eligibility and payouts.

The Committee further observes that the rigid 20 percent profit margin across all crops and livestock is fiscally untenable for certain value chains, particularly those with high production costs or volatile markets. Such rigidity undermines sustainability and risks distorting incentives.

Honourable Speaker,

The Committee therefore emphasizes that while the Bill is farmer-centric and politically appealing, the Bill, as currently drafted, is not fiscally sustainable. This concern was also constantly raised by all the stakeholders that sent in their submission. The Committee therefore recommends that the Bill be not be proceeded with.

Honourable Speaker,

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

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 wish to thank the stakeholders who presented their comments on the Bill.

Honourable Speaker,

It is now my pleasant duty, pursuant to standing order 148 (1), to present the Report of the Standing Committee on Agriculture, Livestock and Fisheries on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025.

Signed:  Date: 22nd July, 2026

SEN. DAVID WAFULA WAKOLI, MP

**CHAIRPERSON, STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK
AND FISHERIES**

CHAPTER ONE

INTRODUCTION

1.1. Background

1. The Agriculture Produce (Minimum Guaranteed Returns) Bill (Senate Bills No.17 of 2025) was published in the Kenya Gazette Supplement No. 139 on 8th August, 2025 and read for the first time in the Senate on 28th October, 2025. The Bill was subsequently committed to the Standing Committee on Agriculture, Livestock, and Fisheries for consideration.
2. The principal object of this Bill is to establish a framework through which county governments can guarantee farmers a minimum return on their produce in order to cushion them against unpredictable market fluctuations. The Bill is sponsored by Sen. Senator Veronica Maina.

1.2. History of Agriculture Produce Minimum Guaranteed Return Policy in Kenya

3. Agriculture produce minimum guaranteed returns refer to the lowest definite amount of money paid to a farmer upon meeting some definite requirement of production. The history of guaranteed minimum returns can be traced back to the colonial times. Guaranteed prices and returns per acre, continued marketing control and other policies were introduced to assist settlers and to increase food production for the troops.
4. Subsequently in 1955, the policy was anchored in the Agriculture Act (Chapter 318, Laws of Kenya) (now repealed) (herein referred to as the repealed Act). Section 110 of the repealed Act provided that every person upon whom a production approval or a production order has been served shall be guaranteed by the Government such minimum return of money for every acre of land appropriated for planting with an essential crop.
5. Under Section 166 of the repealed Act, any person who had an approval to produce any essential crop could apply for an advance up to the amount of the guaranteed minimum return estimated to be payable in respect of that crop. The farmer was also required to insure his produce against any risk.
6. Under Section 126, the minimum guarantee returns and advances were paid through the Agricultural Finance Corporation.
7. The repealed Act also established a Fund whose objective was to carry out the business of agriculture.

8. According to the Ministry of Agriculture's Agricultural Policy, 2021, the guaranteed minimum return program was discontinued in 1978 following years of poor performance and unsustainable financial losses. The repealed Act, however, remained in force until 2013 when it was repealed by the Agriculture and Food Authority (CAP 317 Laws of Kenya).
9. Currently, Section 9(1) of the Crops Act, 2013 establishes a fund known as the Commodities Fund. This Fund is intended to provide sustainable affordable credit and advanced to farmers for purposes including farm improvement, farm inputs, farming operations and price stabilization.
10. The Fund has however faced numerous challenges which include lack of autonomy, poor financing and weak regulatory framework.
11. Murang'a County Government is the first county to have a subsidy policy which is anchored in the Public Finance (Murang'a County Agricultural Farm Inputs Subsidy and Incentive Fund) Regulations, 2022 (Legal Notice No. 5 of 2022)
12. The Regulations are intended to cushion farmers and guarantee return on investment. The pilot project targets the dairy and mango industry. Dairy farmers access farm inputs for their milk herd through cash paid on the basis of milk delivered to their cooperative societies. Farmers in the mango value chain receive subsidies based on the number of kilograms delivered to processors.

1.3. Overview of the Bill

13. Part I of the Bill provides for preliminaries. This Part provides for the short title, interpretation of key terms, the objectives of the Act, and the role of county governments.
14. Clause 3 sets out the objectives of the Act, which are to-
 - (a) improve income stability for farmers by providing a guaranteed return to cushion them against market fluctuations;
 - (b) promote food security by incentivizing the carrying out of agriculture; and
 - (c) facilitate equitable agricultural development across counties.
15. Clause 4 places responsibility for the implementation of the Act on county governments. In particular, each county government is required to-

- (a) approve and integrate minimum guarantee payment programmes within its annual county budget;
- (b) mobilise resources necessary for the payment of minimum guarantees;
- (c) ensure timely disbursement of payments to eligible beneficiaries;
- (d) collaborate with other bodies or organisations, within or outside Kenya, as may be considered desirable or appropriate in furtherance of the objectives of the Act; and
- (e) monitor the impact and effectiveness of the minimum guarantee payments in achieving the objectives of the Act.

Part II (Clause 5- 11) - Establishment of the County Minimum Guarantees Committee

16. Clause 5 establishes a County Agricultural Produce Minimum Guarantees Committee in each county, with membership consisting of—

- (a) the county chief officer in charge of agriculture, who shall be the chairperson;
- (b) the county chief officer in charge of finance;
- (c) the county chief officer in charge of trade;
- (d) two persons of opposite gender representing agriculture producer associations registered in the county; and
- (e) two persons of opposite gender representing unregistered agriculture producers.

The members of the committee shall serve for a term of 3 years renewable once.

17. Clause 7 of the Bill sets out the functions of the County Minimum Guarantees Committee. The Committee shall—

- (a) having regard to the dominant crops in the county prepare and publish a schedule of the dominant crops and livestock produce eligible for minimum guaranteed returns;
- (b) determine and recommend the average market price of a product and the comprehensive cost in accordance with section 12;
- (c) review, from time to time, the average market price of a product and the comprehensive cost;

- (d) determine the minimum and maximum acreage under which beneficiaries are eligible for minimum guaranteed returns under this Act;
- (e) collaborate with the county executive committee member in charge of finance to —
 - (i) assess the fiscal sustainability of proposed minimum guaranteed returns;
 - (ii) integrate the funding requirements into the county budget planning cycle;
 - (iii) ensure timely release and disbursement of funds allocated for minimum guaranteed returns; and
 - (iv) develop annual financial reports in accordance with the Public Finance Management Act;
- (f) carry out registration of beneficiaries under this Act; and
- (g) approve payment of minimum guaranteed returns by the county government.

18. Clause 10 establishes a secretariat within the county agriculture department. Clause 11 sets out the functions of the secretariat, including technical support, data analysis, research, maintaining databases, monitoring compliance, and liaising with stakeholders.

Part III (Clauses 12–17) – Minimum Guaranteed Returns

19. Clause 12 provides that the minimum guaranteed returns shall be an amount equivalent to twenty percent of the difference between the average market price and the comprehensive cost.

20. Clause 13 provides that Minimum guaranteed returns shall only be paid—

- (a) where the agricultural produce is consumed locally;
- (b) through direct transfers to the beneficiaries' bank accounts; and
- (c) in instances where the market returns obtained by beneficiaries fall below the recommended minimum guaranteed returns.

21. Clause 14 requires the committee to publish comprehensive costs and average market prices annually in the Gazette, with provision for periodic review taking into account changing market prices.

22. Clause 15 provides for applications by persons entitled to payment of minimum guaranteed returns. An eligible person shall submit an application to the committee in the prescribed form. Upon consideration of the application, the committee may—

- (a) grant the application for payment;
- (b) grant the application subject to conditions necessary for determining the payments due; or
- (c) refuse the application.

Where the committee imposes conditions or refuses an application, it must notify the applicant of its decision within seven days of determination.

23. Clause 16 provides for the suspension or cancellation of payment of minimum guaranteed returns. The committee may suspend or cancel a payment where it was—

- (a) obtained through misrepresentation, deceit, fraud, or failure to disclose material information;
- (b) in excess of the amounts published in the Gazette; or
- (c) approved in error.

Any money paid in error becomes a debt owed to the county government and must be repaid by the recipient, or by their estate if the recipient is deceased. The county government may also charge interest on outstanding amounts at the Central Bank Rate.

24. Clause 17 creates offences for fraud, false information, or obstruction, punishable by fines up to Ksh. 500,000 or imprisonment up to two years, or both.

Part V (Clauses 18–21) — Miscellaneous

25. Clause 18 provides that all letters and instruments made by or on behalf of the committee, other than those required by law to be under seal, shall be signed under the hand of the chairperson or, in their absence, by a person authorised by the committee.
26. Clause 19 protects members of the committee and the secretariat from personal liability for any act or omission done in good faith and without negligence in the execution of their duties under the Act.
27. Clause 20 empowers the Cabinet Secretary to make regulations for the better carrying into effect of the provisions of the Act.
28. Clause 21 allows county assemblies to enact county-specific legislation to provide for—
- (a) the establishment of a minimum guarantees fund;
 - (b) the manner, conditions and forms for registration of beneficiaries;
 - (c) the forms for application for payment of minimum guaranteed returns;
 - (d) the procedure for consideration of applications;
 - (e) the criteria for evaluation of applications;
 - (f) the procedure for disbursement of minimum guaranteed returns; and
 - (g) any other matters necessary for the effective implementation of the Act.
29. The Bill has one Schedule that sets out provisions relating to the conduct of business and affairs of the committee, including frequency of meetings, quorum, decision-making, disclosure of interest, and execution of contracts.

CHAPTER TWO

PUBLIC PARTICIPATION AND STAKEHOLDER SUBMISSIONS

2.1. Overview of Public Participation

30. Pursuant to its mandate, the Committee conducted public participation on the Bill, inviting written and oral submissions from stakeholders. Advertisements were placed in the Daily Nation and the Standard newspapers on Tuesday 11th November, 2026 and notices were posted on the Parliament website and social media platforms.

31. The Committee received and analysed submissions from-

- (a) Joel Maina – Agricultural Economist, AFREDEC Consultants
- (b) Ministry of Agriculture and Livestock Development
- (c) County Assemblies Forum (CAF)
- (d) Kenya Plant Health Inspectorate Service (KEPHIS)
- (e) The Economics of Ecosystems & Biodiversity (TEEB) (Strathmore University)

2.2. Summary of Submissions from Stakeholders and Committee Resolution

Clause 3

The Economics of Ecosystems & Biodiversity (TEEB): Proposed that Clause 3 of the Bill should explicitly integrate ecosystem indicators into county-level assessments and encourage counties to invest in nature-based solutions such as watershed restoration and agroforestry. They argued that linking guaranteed returns to sustainable practices would align the Bill with Kenya's climate commitments and adaptation strategies. Their rationale was that agricultural productivity in Kenya depends heavily on ecosystem services like soil fertility, water regulation, and pollination, which are increasingly threatened by climate change and environmental degradation. TEEB believed that recognizing the role of ecosystem services and embedding sustainable practices into the Bill would strengthen its objective of stabilizing farmer incomes and align it with the National AgroEcology Strategy, including climate-smart agriculture and soil conservation.

Committee recommendation: The Committee’s recommendation on Clause 3 – Objective of the Act was to reject TEEB’s proposal. While acknowledging that ecosystem services and climate adaptation are indeed critical to agricultural productivity, the Committee reasoned that these issues are better addressed through specialized environmental and agricultural policies. They cautioned that incorporating ecosystem indicators, nature-based solutions, and climate commitments into the Bill would risk creating overlaps with existing environmental legislation and frameworks, thereby diluting the Bill’s core focus on stabilizing farmer incomes.

Clause 4

32. County Assemblies Forum (CAF): Proposed an amendment to insert a new subsection requiring the national government to establish and contribute to a National Minimum Guaranteed Returns Stabilisation Fund. This fund would provide matching grants to county governments equivalent to fifty percent of their annual Minimum Guaranteed Return (MGR) expenditure. CAF argued that counties lack the fiscal space to independently manage large-scale price stabilization, and without a national “cushion,” the Bill risks becoming an unfunded mandate that could drive counties into insolvency.

Committee recommendation: The Committee rejected the proposal. While acknowledging that counties cannot sustainably shoulder Minimum Guaranteed Return (MGR) obligations alone and that national government support could, in principle, make the Bill fiscally viable, the Committee emphasized that counties remain institutionally and technically unprepared to operationalize such a function responsibly. They highlighted fiscal fragility, noting that counties are already struggling to finance devolved functions. Adding MGR obligations, even with partial national support, risks crowding out essential services and creating unfunded and unimplemented mandates.

33. The Economics of Ecosystems & Biodiversity (TEEB): Proposed aligning funding with broader food system transformation goals, including value chain development and sustainable markets. They further suggested exploring innovative financing mechanisms such as green financing, payments for ecosystem services (PES), and blended finance approaches. In addition, TEEB emphasized the importance of enhancing transparency mechanisms by requiring public disclosure of payments and beneficiaries, as well as independent audits of the scheme. Their rationale was that since the Bill assigns implementation responsibility to county governments, including budgeting and resource mobilization, these measures would strengthen accountability and ensure sustainable financing.

Committee recommendation: The Committee rejected the financing mechanisms, reasoning that aligning funding with broader food system transformation goals risks shifting focus away from farmer income stabilization and duplicating existing climate and agroecology frameworks. However, the Committee accepted the audit requirement, agreeing that periodic independent audit reports and public disclosure would enhance transparency, accountability, and public trust in the MGR Scheme.

Clause 6

30. **Kenya Plant Health Inspectorate Service (KEPHIS):** Proposed that members of the county fund management committee should be subject to integrity and accountability requirements similar to those applied to other public officers. Their rationale was that this would ensure good administration of the funds and strengthen governance structures around the management of the Minimum Guaranteed Returns scheme.

Committee recommendation: The Committee rejected the proposal, noting that Clause 6 (1)(d)(e) does not relate to the appointment of the county fund management committee. As such, the suggested integrity and accountability requirements were considered misplaced within the context of the clause.

31. **Kenya Plant Health Inspectorate Service (KEPHIS):** Proposed that the Bill should provide clarity on the appointing authority for members of the county agricultural produce minimum guarantees committee. Their rationale was that specifying the appointing authority would enhance clarity and strengthen governance in the administration of the Minimum Guaranteed Returns scheme.

Committee recommendation: The Committee rejected the proposal, noting that Clause 6 (1)(d)(e) does not relate to the appointment of the county fund management committee. However, the Committee observed that Clause 5 currently lacks an appointing authority for the person to be in the county agricultural produce minimum guarantees committee, highlighting a gap that may need to be addressed separately.

Clause 7

32. **County Assemblies Forum (CAF):** Proposed inserting a new paragraph (h) requiring the Committee to collaborate with the Kenya Meteorological Department and county agricultural extension services. The purpose was to provide timely early warning data

on weather, pests and market trends for risk mitigation. CAF argued that successful implementation of the Minimum Guaranteed Returns (MGR) scheme requires a holistic approach that goes beyond end-of-cycle payouts, incorporating production-stage risk management and technical advice to reduce farmer vulnerability.

Committee recommendation: The Committee accepted the proposal. They agreed that successful MGR implementation requires not only financial support but also proactive risk management tools to reduce exposure to shocks. Collaboration with the Meteorological Department and county extension services was seen as essential to strengthen resilience, provide timely technical advice, and embed early warning systems into the scheme's functions.

Clause 9

33. **Kenya Plant Health Inspectorate Service (KEPHIS):** Proposed deleting Clause 9(d), arguing that Minimum Guaranteed Returns (MGR) should not be based on acreage planted but rather on produce volume. Their rationale was that acreage is not a reliable parameter to gauge output since yields vary depending on soil fertility, climate, and farming practices. They maintained that produce volume is a more accurate measure of farmer productivity and income stabilization.

Committee recommendation: The Committee rejected the proposal, noting that KEPHIS had referenced the wrong Bill (the MGR Bill, 2024 instead of the 2025 Bill). In the current Bill, the relevant provision is Clause 7(d). The Committee agreed that acreage is indeed a weak measure of output, but clarified that the proposal was misplaced under the cited clause. They emphasized that produce volume provides an accurate and fair basis for determining farmer productivity and stabilizing incomes, but the correction had already been addressed in the updated Bill.

Clause 11

34. **The Economics of Ecosystems & Biodiversity (TEEB):** Proposed that the Secretariat should develop a multi-capital monitoring framework to assess the full impacts of the guaranteed returns scheme. They argued that while the Bill already provides for data collection and monitoring, strengthening data systems through investment in robust agricultural data infrastructure would allow real-time tracking of production costs and market prices. This, in turn, would create an opportunity to embed TEEB AgriFood evaluation metrics, including natural capital indicators (soil health, biodiversity), social indicators (income distribution, employment quality), and nutrition outcomes. Their

rationale was that such a framework would provide a more holistic assessment of the scheme's impacts beyond financial measures.

Committee recommendation: The Committee rejected the proposal. They noted that the Bill already provides for data collection and monitoring, and strengthening these systems should remain focused on production costs and market prices directly tied to farmer income stabilization. Expanding the Secretariat's role to include multi-capital monitoring was considered beyond the scope of the Bill and risked diluting its primary objective.

Clause 12

35. **County Assemblies Forum (CAF):** Proposed amending Clause 12 by inserting a new subsection to allow county assemblies, through legislation, to prescribe a variable profit margin not exceeding twenty percent for specific crops or livestock. Their rationale was that production costs and margins vary significantly across counties and value chains, for example, mung beans versus maize and a rigid 20% margin across all sectors may be fiscally untenable. CAF argued that flexibility would make the scheme more sustainable and adaptable to regional economic conditions.

Committee recommendation: The Committee rejected the proposal. While acknowledging that the idea was sound in principle, they emphasized that counties are already stretched with limited fiscal space and lack the institutional readiness to administer differentiated margins responsibly. They noted that a rigid 20% margin across all crops and livestock may indeed be fiscally untenable, but allowing counties to set variable margins would require robust systems for farmer registration, production cost determination, and market data collection systems that most counties currently lack. Without credible datasets, variable margins risk becoming arbitrary and prone to manipulation, undermining fiscal accountability and sustainability.

Clause 13

36. **County Assemblies Forum (CAF):** Proposed inserting a new paragraph (d) to require that produce eligible for Minimum Guaranteed Returns (MGR) must be delivered to a certified County Aggregation and Industrial Park (CAIP) or an equivalent county-designated aggregation centre. Their rationale was that this measure would ensure produce is captured within the formal value chain, thereby improving traceability, quality control, and market access. CAF emphasized that such a requirement would also

prevent wastage, citing the recent case in Murang'a where mangoes rotted on farms due to lack of market access.

Committee recommendation: The Committee accepted the proposal. It was agreed that requiring delivery to certified aggregation centres would strengthen the formal value chain, enhance traceability and improve quality control. This measure was seen as critical to ensuring that produce entering the MGR scheme is market-ready, thereby reducing wastage and protecting farmer incomes.

Clause 14

37. The Economics of Ecosystems & Biodiversity (TEEB): Proposed that Clause 14 of the Bill should be strengthened by mandating that, over time, the determination of minimum guaranteed returns integrate natural capital and social capital considerations, not just financial production costs. They noted that while the Bill introduces the concept of “comprehensive cost” covering inputs, labour, and operational expenses, this foundation could be expanded toward True Value Accounting (TVA). TEEB suggested incorporating environmental costs (such as soil degradation, water use, biodiversity loss, and greenhouse gas emissions), social costs (including labour conditions, rural inequality, and gender disparities), and health impacts (such as nutrition outcomes and exposure to agrochemicals). Their rationale was that embedding these broader dimensions would provide a more holistic and sustainable framework for determining guaranteed returns.

Committee Recommendation: The Committee rejected the proposal. They emphasized that the Bill’s primary purpose is to stabilize farmer incomes by defining “comprehensive cost” strictly in terms of financial inputs, labour, and operational expenses. Expanding the definition to include natural, social, and health capital was seen as diluting the Bill’s focus and creating overlaps with specialized frameworks. The Committee further noted that environmental, social, and health costs are already addressed under Kenya’s National AgroEcology Strategy, Climate Change Action Plan, and food security frameworks. Embedding them within this Bill would risk duplication and fragmented accountability.

Clause 21

38. County Assemblies Forum (CAF): Proposed amending Clause 21 to require that “a county assembly shall enact county legislation to provide for the following matters...” rather than leaving it optional. They further suggested inserting a new paragraph (h) mandating budgetary allocations for agricultural extension services and the automation

of the farmer registry and database required under section 11(1)(h). CAF argued that using “shall” ensures county assemblies enact important legislation, while mandatory allocations for extension services and registry automation would provide credible data and bridge the gap between research and production, thereby strengthening accurate MGR determination.

Committee Recommendation: The Committee partially accepted the proposal. On the first proposal, they agreed to amend the clause to make it mandatory for counties to enact legislation, ensuring consistency and strengthening implementation of the Bill. However, they rejected the second proposal, noting that the requirement for budgetary allocations to extension services and registry automation is already covered under paragraph (g), which allows county assemblies to legislate on other matters necessary for carrying out the provisions of the Act. The Committee emphasized avoiding over-legislation for counties while still ensuring credible data and extension support remain integral to MGR implementation.

General Comments

39. **Joel Maina, Agricultural Economist, AFREDEC Consultants:** Opposed the proposed Minimum Guaranteed Returns Scheme, arguing that it is financially unsustainable and operationally risky. Key concerns include-

- (a) Production risks (climate shocks, pests, diseases) that make guaranteed payouts unpredictable and costly.
- (b) Weak quality control and market systems, which could reward low-quality produce and increase rejection rates.
- (c) Logistical and structural challenges, such as poor infrastructure, weak cooperatives, and post-harvest losses, likely to inflate government payouts.
- (d) Market distortions, where guaranteed prices may discourage private sector participation and create arbitrage opportunities.
- (e) High fiscal risk, with potential for budget overruns, contingent liabilities, and politically driven price-setting, especially for already constrained counties.
- (f) Moral hazard, including possible abuse through over-reporting, input diversion, or side-selling.
- (g) External and policy risks, such as inflation, trade restrictions, and currency fluctuations.
- (h) Low sustainability, citing failures of similar schemes in other African countries due to debt, corruption, and inefficiencies.

However, the submission acknowledges that if properly designed, the scheme could-

- a) Improve income stability for farmers; and
- b) Support increased production and food security by incentivizing investment in agriculture.

Committee Recommendation: The Committee noted Joel Maina's comments and acknowledged the concerns raised.

- (a) Capacity & climate risks: Agreed that weather shocks, pests, and diseases undermine yields and could destabilize guarantees.
- (b) Quality & compliance: Recognized the risk of rewarding poor-quality produce, but highlighted Clause 13 requiring delivery to certified aggregation centres as a safeguard to strengthen compliance and market linkages.
- (c) Aggregation & logistics bottlenecks: Acknowledged weaknesses in rural infrastructure and cooperatives; counties are encouraged to strengthen aggregation systems under existing provisions.
- (d) Market distortions: Agreed that rigid guarantees could discourage private buyers, underscoring the need for balanced design.
- (e) Fiscal implications: Acknowledged the risk of contingent liabilities, reinforcing the need for national co-financing and fiscal safeguards, which the Bill has not yet addressed.
- (f) Comparative failures: Noted examples of collapse in other African countries, underscoring the importance of reconsideration and caution to avoid similar failures.

40. County Assemblies Forum (CAF): Supported the intent of the Bill to protect smallholder farmers from price volatility and exploitation by middlemen, but raised several concerns. They argued that:

- (a) The Bill places the primary responsibility for implementing and funding MGR on county governments (Clause 4). Many counties are heavily dependent on the Equitable Share of National Revenue, and current national debt pressures often lead to delayed disbursements. Without a national stabilisation fund, the Bill risks becoming an "unfunded mandate" that could lead to county insolvency during major market crashes.
- (b) The mandatory nature of MGR payments could force counties to reallocate funds away from other essential devolved sectors such as health, education, and water infrastructure to bridge price deficits.

- (c) The Bill requires counties to calculate “comprehensive costs” (inputs, labour, rent, postharvest handling) for diverse ecological zones (Clause 2 and Clause 12). Many counties lack the technical capacity and extension services needed for the constant, precise data collection required to manage these payouts fairly and prevent fraud.
- (d) A fixed 20% profit guarantee regardless of produce quality may reduce incentives for farmers to adopt efficient, modern techniques, potentially affecting the competitiveness of key value chains.

41. **Committee Recommendation:** The Committee noted the comments submitted by the County Assemblies Forum (CAF) and took them into consideration.

- (i) The Committee agreed that counties lack fiscal space to independently manage large-scale price stabilization. Without a national cushion, the Bill risks becoming an unfunded mandate. This concern has been addressed.
- (ii) The Committee acknowledged that mandatory MGR payments could force counties to divert funds from essential devolved functions such as health, education, and water. This reinforces the need for national co-financing and fiscal safeguards.
- (iii) The Committee encouraged counties to utilize existing provisions under paragraph (g) to strengthen these areas as needed.
- (iv) The Committee agreed that a rigid 20% profit guarantee may reduce incentives for efficiency and competitiveness.

42. **The Economics of Ecosystems & Biodiversity (TEEB):** Supported the general intent of the Bill to cushion farmers against market volatility and price fluctuations. They highlighted several strengths of the Bill, including-

- (a) Income stability and risk reduction.
- (b) (ii) Clear definition of cost and returns.
- (c) (iii) Institutional framework at county level.
- (d) Direct transfers to farmers.
- (e) Periodic review mechanism.

They also raised key concerns regarding fiscal sustainability, risk of market distortions, targeting and inclusivity, administrative capacity and transparency and accountability.

Committee Recommendation: The Committee noted the comments submitted by TEEB and took them into consideration.

- (a) Fiscal sustainability: The Committee agreed that this is a major risk and confirmed it has been addressed.
- (b) Risk of market distortions: The Committee acknowledged the risk of distorting incentives if MGR is applied rigidly; this concern has been addressed.
- (c) Targeting and inclusivity: The Committee emphasized that eligibility rules requiring delivery to certified aggregation centres will strengthen targeting and ensure produce enters formal value chains.
- (d) Administrative capacity: The Committee acknowledged counties' limited technical capacity and encouraged them to strengthen extension services and registries under existing provisions.
- (e) Transparency and accountability: The Committee accepted proposals for periodic independent audits to ensure transparency, accountability, and public trust in the scheme.

43. **Kenya Plant Health Inspectorate Service (KEPHIS):** Proposed that the Bill should provide a clear role for the Cabinet Secretary (CS) for Agriculture, including oversight responsibilities. Their rationale was that proper administration of the Minimum Guaranteed Returns (MGR) scheme requires national government involvement to ensure coherence, fiscal sustainability, and accountability.

Committee Recommendation: The Committee accepted the proposal. They noted that, as currently drafted, the Bill does not allocate any roles to the national government, leaving implementation entirely to county governments. The Committee emphasized that including the CS Agriculture in the Bill is essential for effective oversight, coordination, and fiscal sustainability. National government involvement will ensure that the scheme is implementable, prevent it from becoming an unfunded mandate, and strengthen accountability mechanisms.

44. **Ministry of Agriculture and Livestock Development:** submitted comments emphasizing fiscal sustainability, institutional capacity, and alignment with national frameworks.

Key Recommendations-

(i) Requisite Modifications:

- a) Limit the scope of the Bill to strategic crops where market volatility is highest, ensuring fiscal sustainability.
- b) Integrate digital platforms for real-time price monitoring and farmer registration to reduce governance risks and improve efficiency.
- c) Align MGR implementation with national cost-of-production data and regional trade policies to prevent distortions and ensure competitiveness.

(ii) Complementary Measures:

- a) Strengthen county and national institutional capacity to manage monitoring, payments, and dispute resolution.
- b) Promote structural reforms such as improved logistics, aggregation systems and agro-processing to address root causes of low farm incomes.
- c) Encourage private sector participation by ensuring that MGR does not crowd out buyers or reduce incentives for value chain investment.

(iii) Periodic Review and Adjustment:

- a) Conduct regular assessments of fiscal impacts, market distortions and beneficiary outcomes to refine the program.
- b) Introduce sunset clauses or adaptive mechanisms to prevent long-term dependency and ensure the program evolves with market conditions.

Committee Recommendations: The Committee noted the comments submitted by the Ministry and took them into consideration as follows-

- (a) Scope limitation: Agreed that limiting the Bill to strategic crops where volatility is highest would enhance fiscal sustainability.
- (b) Digital platforms: Supported integration of digital systems for farmer registration and price monitoring.
- (c) Alignment with national data: Agreed harmonization with national cost-of-production data and trade policies is necessary to prevent distortions.
- (d) Institutional capacity: Acknowledged that county institutions must be strengthened to manage monitoring, payments and dispute resolution, noting this is currently lacking in the Bill as the national government is not involved.
- (e) Private sector participation: Agreed that MGR should not crowd out buyers.
- (f) Periodic review: Supported adaptive mechanisms and sunset clauses to prevent long-term dependency.

CHAPTER THREE

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1. Committee Observations

45. Having considered the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025 (Senate Bills No. 17 of 2025) and submissions from stakeholders, the Committee made the following observations –

1. Fiscal Sustainability

The Committee observed that the Bill imposes direct fiscal obligations on county governments, including programme payments, administrative costs and the potential establishment of dedicated funds. These obligations are likely to increase significantly during periods of market volatility. Counties, already constrained by limited fiscal space and delayed disbursements of the equitable share, risk insolvency and accumulation of pending bills. The absence of a co-financing mechanism renders the Bill fiscally untenable, thus making the scheme an unfunded and unimplementable mandate.

2. Institutional and Technical Capacity

The Committee observed that counties lack the institutional readiness to administer the scheme alone. They do not have robust systems for farmer registration, production cost determination, or credible data collection. Without reliable datasets, variable margins or cost calculations would be arbitrary, prone to manipulation and vulnerable to fraud. Weak extension services and poor dispute resolution mechanisms further undermine implementation.

3. Lack of National Government Involvement

The Committee observed that the Bill fails to allocate any role to the national government. National government involvement is essential to provide policy direction, technical support and build the institutional capacity required for credible implementation. In the absence of such involvement, the framework exposes counties to fiscal collapse, administrative inefficiencies and governance risks, making the Bill both fiscally and institutionally unsustainable.

4. Pricing Mechanism under the Bill

The Committee observed that the pricing mechanism under the Bill is structurally weak and fiscally untenable. It only compensates farmers for a small fraction of the gap between production costs and market prices, leaving them exposed to most of the risk. The Committee further noted that applying a rigid 20% margin across all crops and livestock is financially unrealistic. Value chains with high production costs or volatile markets, such as horticulture and livestock, would require counties to pay out enormous sums. Given the limited fiscal space and tight budgets in the Counties, sustaining such payouts would overwhelm their finances, crowd out essential services and risk insolvency.

5. Weak Data and Institutional Linkages

The Committee observed that while the Bill defines the average market price as a figure published by the Kenya National Bureau of Statistics (KNBS), it does not assign any explicit role, obligation, or institutional linkage to the Bureau in the implementation of the Act. There is no requirement for KNBS to generate or validate data specifically for purposes of the framework, nor is there a mechanism for coordination between the Bureau and the County Minimum Guarantees Committee. This creates a disconnect between the statutory source of price data and the body responsible for applying it, despite the central role of average market prices in the computation of minimum guaranteed returns. The absence of a clear national data mandate undermines credibility, consistency and accountability in the determination of farmer compensation.

6. Existing Agricultural Support Mechanisms

The Committee observed that there exist other support mechanisms. Buffer pricing interventions through the National Cereals and Produce Board (NCPB) already stabilise market prices by purchasing produce during periods of excess supply and releasing stocks during shortages, thereby reducing distress sales and smoothing seasonal fluctuations. At the same time, input subsidies such as fertiliser and seed programmes aim to reduce production costs and improve productivity.

The Committee further noted that rather than compensating farmers at the production level through minimum guaranteed returns, a more effective and sustainable approach would be to make inputs of good quality available, accessible and delivered to farmers on time. Strengthening input delivery systems would directly reduce production costs, enhance productivity and cushion farmers against market volatility without overwhelming county budgets.

7. Historical Price Averaging and Lag Effects

The Committee observed that the Bill's reliance on a twelve-month average market price introduces significant lag effects in reflecting current market conditions. This averaging mechanism may result in under-compensation during sharp price declines, leaving farmers exposed when they most need support and over-compensation during recovery periods, creating fiscal inefficiencies and distorting market signals. By failing to capture real-time price volatility, the framework undermines its stated objective of stabilising farmer incomes and exposes counties to unpredictable payout obligations. The Committee noted that without a more responsive pricing mechanism, the Bill risks becoming both ineffective for farmers and fiscally destabilising for counties.

8. Distortion of Market Equilibrium

The Committee observed that the Bill risks distorting market equilibrium by introducing rigid guaranteed returns that interfere with natural supply and demand dynamics. By compensating farmers irrespective of prevailing market conditions, the framework discourages private buyers, creates arbitrage opportunities and undermines competitive pricing. Producers may shift production decisions based on expected payouts rather than actual market signals, leading to oversupply in some value chains and reduced efficiency overall

3.2. Committee Recommendations

46. Having considered the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025 (Senate Bills No. 17 of 2025) and submissions from stakeholders, the Standing Committee on Agriculture, Livestock and Fisheries recommends to the Senate **that the Bill not be proceeded with.**

LIST OF APPENDICES

- Appendix 1: Minutes of the Committee Meetings
- Appendix 2: Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025
- Appendix 3: Public Participation Advertisements
- Appendix 4: Stakeholder Submissions Matrix
- Appendix 5: Copies of Stakeholder Submissions



**MINUTES OF THE TWO HUNDRED AND ELEVENTH MEETING OF THE
SENATE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND
FISHERIES, HELD ON TUESDAY, 15TH JULY, 2026 IN COMMITTEE ROOM
5, FIRST FLOOR, BUNGE TOWER AT 10:00 A.M.**

PRESENT

- | | | |
|-------------------------------------|---|-------------------------|
| 1. Sen. David Wafula Wakoli, MP | - | Chairperson |
| 2. Sen. Alexander Munyi Mundigi, MP | - | Vice-Chairperson |
| 3. Sen. Abbas Sheikh, CBS, MP | - | Member |
| 4. Sen. Wahome Wamatinga, MP | - | Member |
| 5. Sen. Catherine Mumma, MP | - | Member |

ABSENT WITH APOLOGIES

- | | | |
|--|---|--------|
| 1. Sen. (Prof.) Tom Ojienda, SC, MP | - | Member |
| 2. Sen. Mwenda Gataya (Mo Fire), CBS, MP | - | Member |
| 3. Sen. Hezena Lemaletian, MP | - | Member |
| 4. Sen. Beatrice Akinyi Ogola, MP | - | Member |

SECRETARIAT

- | | | |
|-------------------------|---|-------------------------|
| 1. Mr. Peter Mulesi | - | Clerk Assistant I |
| 2. Ms. Ivy Nyambura | - | Clerk Assistant III |
| 3. Ms. Faith Cheronoh | - | Legal Counsel II |
| 4. Mr. Solomon Alubala | - | Fiscal Analyst |
| 5. Ms. Juliet Masinde | - | Media Relations Officer |
| 6. Ms. Winnie Atieno | - | Audio Officer |
| 7. Ms. Sarah Rukwaro | - | Serjeant At Arms |
| 8. Ms. Daniela Nairita | - | Intern |
| 9. Mr. Jeff Mburu | - | Intern |
| 10. Ms. Tiffany Njoroge | - | Attachee |
| 11. Ms. Hope Nduge | - | Attachee |

MIN/SEN/SCA/1403/2026 -

PRELIMINARIES

The meeting was called to order at 10:21 a.m. followed by a word of prayer and introductions

MIN/SEN/SCA/1404/2026 -

ADOPTION OF THE AGENDA

The agenda was adopted after being proposed by Sen. Alexander Munyi Mundigi, MP and seconded by Sen. Abbas Sheikh, CBS, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes of the 198th, 199th, 200th, 208th, 209th and 210th sittings;
4. Matters arising;
5. Consideration of the Report of the Committee on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025 (*Committee Paper 165*);
6. Consideration of the proposed Committee Work Plan for July to August, 2026 (*Committee Paper 167*);
7. Any Other Business; and
8. Date of the Next Meeting and Adjournment.

MIN/SEN/SCA/1405/2026 -

CONFIRMATION OF MINUTES

The Minutes of the Two hundred and tenth sitting held on Thursday, 11th June, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. Alexander Munyi Mundigi, MP and seconded by Sen. Wahome Wamatinga, MP.

The Minutes of the Two hundred and ninth sitting held on Tuesday, 26th May, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. Catherine Mumma, MP and seconded by Sen. Alexander Munyi Mindigi, MP.

The Minutes of the Two Hundred and eighth sitting held on Tuesday, 19th May, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. Wahome Wamatinga, MP and seconded by Sen. Alexander Munyi Mindigi, MP.

The Minutes of the Two hundred sitting held on Saturday, 14th March, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. Alexander Munyi Mindigi, MP and seconded by Sen. David Wafula Wakoli, MP.

The Minutes of the One Hundred and Ninety ninth sitting held on Friday, 13th March, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. David Wafula Wakoli, MP and seconded by Sen. Alexander Munyi Mindigi, MP.

The Minutes of the the One Hundred and Ninety eighth sitting held on Friday, 13th March, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. David Wafula Wakoli, MP and seconded by Sen. Alexander Munyi Mindigi, MP.

MIN/SEN/SCA/1406/2026 -

MATTERS ARISING

There were no matters arising.

MIN/SEN/SCA/1407/2026 -

**CONSIDERATION OF THE REPORT OF THE
COMMITTEE ON THE AGRICULTURE
PRODUCE (MINIMUM GUARANTEED
RETURNS) BILL, 2025**

The Committee deliberated on the report and noted that while the Bill was well intentioned and sought to address the persistent challenge of unstable farm-gate prices, significant concerns had been raised regarding its implementation. Members observed that the Bill would impose substantial financial obligations on county governments without providing a national co-financing mechanism, thereby creating an unfunded mandate. The Committee also noted the limited institutional and technical capacity of counties to administer the proposed scheme, the absence of a clear role for the national government, weaknesses in the proposed pricing mechanism and data framework, and the likelihood of market distortions and fiscal instability if the Bill were implemented in its current form.

Following deliberations, the Committee concurred with the findings and observations contained in the report and expressed the view that, although the objective of safeguarding farmers' incomes was commendable, the proposed framework was neither fiscally sustainable nor operationally viable in its present form. The Committee therefore resolved to adopt the report with amendments after having been proposed by Sen. Wahome Wamatinga, MP and seconded by Sen. Catherine Mumma, MP. and recommend to the Senate that the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025 (Senate Bills No. 17 of 2025), be not proceeded with.

MIN/SEN/SCA/1408/2026 -

**CONSIDERATION OF THE PROPOSED
COMMITTEE WORK PLAN FOR JULY TO
AUGUST, 2026**

The Secretariat tabled the Committee Work Plan for the period **July to August 2026**, outlining the Committee's proposed legislative, oversight and administrative activities. During deliberations, Members emphasized the need for the Committee to actively discharge its constitutional oversight mandate over county governments and welcomed the inclusion of county oversight engagements as a key component of the work plan.

The Committee further underscored the importance of broadening its oversight activities to adequately cover the irrigation and fisheries sub-sectors, noting that these areas form part of its mandate and require sustained oversight alongside agriculture and livestock. Members supported the proposed inspection visits, engagements with county governments, and project oversight activities, and resolved that the work plan be implemented with due emphasis on oversight across agriculture, irrigation and fisheries. Consequently, the Committee adopted the Work Plan for July to August 2026 as amended.

MIN/SEN/SCA/1409/2026 -

ANY OTHER BUSINESS

The Committee deliberated on the following matters and resolved that the Secretariat—

- a) Engage the Ministry of Water, Sanitation and Irrigation to provide a detailed breakdown of irrigation projects in all counties, similar to the information previously submitted for Tharaka Nithi County.
- b) Invite the relevant stakeholders and petitioners to a meeting to consider the implementation status of the Senate resolutions relating to the West Kano Irrigation Scheme with a view to resolving the outstanding issues.
- c) Circulate the concept note and programme for the Senate Mashinani scheduled for 21st–25th September, 2026 in Kilifi County.
- d) Facilitate public participation on the Crops (Amendment) Bill, 2023 (National Assembly Bill No. 8 of 2023) to ensure receipt of memoranda by the stipulated deadline of 24th July, 2026.
- e) Invite the Cabinet Secretaries for Agriculture and Livestock Development and The National Treasury and Economic Planning, respectively, to apprise the Committee on the status of the gazetted importation of 490,000 metric tonnes of white milled rice by November 2026.
- f) Prepare a paper on the review of county agriculture sector budget allocations for FY 2026/2027 for presentation to the Committee at its meeting scheduled for Thursday, 16th July, 2026.

MIN/SEN/SCA/1410/2026 - ADJOURNMENT

The meeting adjourned at 11:27 a.m. The next meeting will be on notice.

SIGNED:  DATE: ...16/7/2026.....

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



MINUTES OF THE TWO HUNDRED AND SIXTH MEETING OF THE SENATE STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES, HELD ON TUESDAY, 5TH MAY, 2026 IN COMMITTEE ROOM 7, FIRST FLOOR, BUNGE TOWER AT 10:00 A.M.

PRESENT

- | | | |
|--|---|-------------------------|
| 1. Sen. David Wafula Wakoli, MP | - | Chairperson |
| 2. Sen. Alexander Munyi Mundigi, MP | - | Vice-Chairperson |
| 3. Sen. Abbas Sheikh, CBS, MP | - | Member |
| 4. Sen. Mwenda Gataya (Mo Fire), CBS, MP | - | Member |
| 5. Sen. Wahome Wamatinga, MP | - | Member |

ABSENT WITH APOLOGIES

- | | | |
|------------------------------------|---|--------|
| 1. Sen. Moses Kajwang', CBS, MP | - | Member |
| 2. Sen. (Prof.) Tom Ojienda, SC MP | - | Member |
| 3. Sen. Hezema Lemaletian, MP | - | Member |
| 4. Sen. Catherine Mumma, MP | - | Member |

SECRETARIAT

- | | | |
|--------------------------|---|-------------------------|
| 1. Mr. Peter Mulesi | - | Clerk Assistant I |
| 2. Ms. Ivy Nyambura | - | Clerk Assistant III |
| 3. Ms. Faith Cheruto | - | Legal Counsel |
| 4. Mr. Hillary Cheruiyot | - | Research Officer III |
| 5. Ms. Janet Masinde | - | Media Relations Officer |
| 6. Ms. Sarah Rukwaro | - | S-A-A |
| 7. Ms. Winnie Atieno | - | Audio Officer |

MIN/SEN/SCA/1371/2026 -

PRELIMINARIES

The meeting was called to order at 10:19 a.m. followed by a word of prayer and introductions

MIN/SEN/SCA/1372/2026 -

ADOPTION OF THE AGENDA

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

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of the minutes of the 198th, 199th, 200nd, 203rd and 204th sittings;
4. Matters arising;
5. *Consideration of the Committee Brief on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025;*
6. *Consideration of the Stakeholders Matrix on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025;*
7. Any Other Business; and
8. Date of the Next Meeting and Adjournment.

MIN/SEN/SCA/1373/2026 - CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The Minutes of the Two hundred and third sitting held on Tuesday, 24^h March, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. Alexander Munyi Mundigi, MP and seconded by Sen. Wahome Wamatinga, MP.

The Minutes of the Two hundred and fourth sitting held on Thursday, 26th March, 2026 were confirmed as a true record of the proceedings after being proposed by Sen. Wahome Wamatinga, MP and seconded by Sen. Alexander Munyi Mindigi, MP.

MIN/SEN/SCA/1374/2026 - MATTERS ARISING FROM THE PREVIOUS MINUTES

There were no matters arising.

MIN/SEN/SCA/1375/2026 - CONSIDERATION OF THE COMMITTEE BRIEF ON THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

The secretariat tabled an analysis of the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025. The Bill seeks to establish a framework for cushioning farmers against market fluctuations by guaranteeing partial compensation when production costs exceeded market prices. Implementation is placed under the mandate of county governments, who are required to integrate the programme into their budgets and oversee disbursement through County Minimum Guarantees Committees. These Committees, supported by secretariats within county agriculture departments, determine eligible crops and livestock, set pricing parameters, registered beneficiaries, and approved payments.

The pricing mechanism is anchored on three variables: the average market price, the comprehensive cost of production, and the minimum guaranteed return. Compensation

is calculated as twenty percent of the gap between production costs and market prices, thereby offering only partial relief to producers. While this arrangement cushions farmers to some extent, it leaves them exposed to significant market risk.

It was observed that the framework overlapped with existing support mechanisms such as buffer pricing through the National Cereals and Produce Board and input subsidies for fertiliser and seed. This raised concerns about duplication, fiscal strain, and the need for harmonisation. Comparative analysis showed that other jurisdictions, including the United States, India, and the European Union, provided more comprehensive support systems, often absorbing most of the price risk or stabilising incomes directly. By contrast, Kenya's proposed model represents a hybrid approach that introduces elements of income support without fully establishing a subsidy regime.

Budgetary implications were noted as significant. Counties faced recurrent expenditure obligations, cash flow risks, and uneven fiscal burdens, particularly during periods of adverse market conditions. Operational ambiguities were also highlighted, including unclear eligibility criteria, reliance on lagging average price data, and the absence of a national framework for determining costs and prices. These factors undermine consistency, predictability, and administrative feasibility.

In conclusion, while the Bill represents a step toward stabilising farmer incomes, its design raises questions of adequacy, sustainability, and coordination. It was recommended that the Committee consider clarifying the financing structure, harmonising with existing support programmes, and strengthening institutional linkages to ensure effective and equitable implementation across counties.

MIN/SEN/SCA/1376/2026 -

**CONSIDERATION OF THE STAKEHOLDER
MATRIX ON THE AGRICULTURE PRODUCE
(MINIMUM GUARANTEED RETURNS) BILL,
2025 (SENATE BILLS NO. 17 OF 2025)**

The Committee resolved to consider this matter at its next meeting.

MIN/SEN/SCA/1377/2026 -

ANY OTHER BUSINESS

It was resolved that once the Committee had finalized its report on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025, the sponsor of the Bill would be invited to give a brief on its findings prior to the tabling of the Bill in the House.

Further, it was agreed that the Committee would invite stakeholders falling under its purview to attend meetings as part of the agenda while considering Bills. This approach was adopted to strengthen inclusivity, enhance stakeholder participation, and ensure that diverse perspectives were taken into account in the legislative process.

MIN/SEN/SCA/1378/2026 -

ADJOURNMENT

There being no other business, the meeting adjourned at 11:06 a.m. The next meeting will be on notice.

SIGNED:  ... DATE: ...5/5/2026.....

SEN. DAVID WAFULA WAKOLI, MP
(CHAIRPERSON)

REPUBLIC OF KENYA



13TH PARLIAMENT | FIFTH SESSION

THE SENATE

DIRECTORATE OF LEGAL SERVICES

STANDING COMMITTEE ON AGRICULTURE, LIVESTOCK AND FISHERIES

PAPER NO. 153 – CONSIDERATION OF PUBLIC VIEW RECEIVED ON THE AGRICULTURE
PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

Clerk's Chambers,

The Senate,
First Floor, Parliament Buildings,
NAIROBI.

MARCH, 2026

STAKEHOLDERS

1. Joel Maina – Agricultural Economist, AFREDEC Consultants
2. Ministry of Agriculture and Livestock Development
3. County Assemblies Forum – CAF
4. Kenya Plant Health Inspectorate Service – KEPHIS
5. The Economics of Ecosystems & Biodiversity – TEEB (Strathmore University)

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
	Clause 3 – Objective of the Act	The Economics of Ecosystems & Biodiversity (TEEB)	- Integrate ecosystem indicators into county-level assessments. - Encourage counties to invest in nature-based solutions, such as watershed restoration and agroforestry by linking guaranteed returns to sustainable practices. - Align the Bill with Kenya's	- Agricultural productivity in Kenya is highly dependent on ecosystem services such as soil fertility, water regulation, and pollination. These are increasingly threatened by climate change and environmental degradation. - The Bill's objective of stabilizing farmer incomes can be further strengthened by explicitly recognizing the role of ecosystem services in sustaining agricultural productivity and by linking guaranteed returns to sustainable practices again in line with the National AgroEcology Strategy, involving climate smart agriculture, soil conservation.	Reject the proposal. Ecosystem services and climate adaptation are critical, but they are better addressed through specialized environmental and agricultural policies. Incorporating them into this Bill risks creating overlaps with existing environmental legislation and policies.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			climate commitments and adaptation strategies.		
	Clause 4 – Role of County Government	CAF	Amend by inserting a new subsection (3) as follows: <i>“(3) The national government shall establish and contribute to a National Minimum Guaranteed Returns Stabilisation Fund that shall provide matching grants to county governments equivalent to fifty percent of the county’s annual MGR expenditure.”</i>	Counties lack the fiscal space to independently manage large-scale price stabilisation; a national “cushion” is necessary to prevent county insolvency and ensure the Bill does not become an unfunded mandate.	Reject the proposal. The Committee acknowledges that counties cannot sustainably shoulder Minimum Guaranteed Returns (MGR) alone and that national government support could, in principle, make the Bill fiscally viable. However, the Committee finds that counties remain institutionally and technically unprepared to operationalize such a function in a fiscally responsible and accountable manner. Specifically: Fiscal fragility: Counties are already struggling to finance devolved functions. Adding MGR obligations, even with partial national support, risks

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
					crowding out essential services and creating unfunded and unimplemented mandates.
		The Economics of Ecosystems & Biodiversity (TEEB)	- Align funding with broader food system transformation goals, including value chain development and sustainable markets - Explore innovative financing mechanisms, such as: (i) Green financing (ii) Payments for ecosystem services (PES) (iii) Blended finance approaches	- The Bill assigns implementation responsibility to county governments, including budgeting and resource mobilization. Enhancing Transparency Mechanisms will also be important to enable: (i) Public disclosure of payments and beneficiaries, and (ii) Independent audits of the scheme.	Reject financing mechanisms Aligning funding with broader food system transformation goals risks shifting focus away from farmer income stabilization and duplicating existing climate and agroecology frameworks. Accept audit requirement to ensure periodic independent audit reports and public disclosure, thereby enhancing transparency and accountability in the MGR Scheme.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
	Clause 6 (1) (d) (e) - Appointment of County fund management committee	KEPHIS	Fund management committee members should be subject to integrity and accountability requirements as for other public officers.	To ensure good administration of the funds.	Reject the proposal Clause 6 (1) (d) (e) doesn't relate to appointment of County fund management committee.
	Clause 6 - Appointment of County fund management committee	KEPHIS	Provide appointing authority.	For clarity.	Reject the proposal Clause 6 (1) (d) (e) doesn't relate to appointment of County fund management committee. However, clause 5 has no appointing authority of the person to be in the county agricultural produce minimum guarantees committee.
	Clause 7 – Functions of the Committee	CAF	Insert a new paragraph (h) as follows: <i>“(h) collaborate with the Kenya Meteorological Department and county</i>	Successful MGR implementation requires a holistic approach that includes production-stage risk management and technical advice, not just end-of-cycle payouts.	Accept the proposal. Successful MGR implementation requires not only financial support but also risk management tools to reduce exposure to shocks.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			<i>agricultural extension services to provide timely early warning data on weather, pests and market trends for risk mitigation."</i>		
	Clause 9 (d) – Functions of the committee	KEPHIS	• Delete 9 (d)	• MGR should not be based on acreage planted but rather on produce volume.	Reject proposal KEPHIS used the wrong Bill to send in their proposal. They were looking at the MGR Bill, 2024 instead of the 2025 Bill. In the new Bill it is clause 7 (d) Acreage is not a good parameter to gauge output due to soil fertility, climate, or farming practices. Produce volume is a more accurate measure of farmer productivity and income stabilization.
	Clause 11 (c) – Functions of the Secretariat	The Economics of Ecosystems & Biodiversity (TEEB)	• Develop a multi-capital monitoring framework to assess the full impacts of the	• The Bill provides for data collection and monitoring through the secretariats. Strengthening Data Systems by investing in robust agricultural data	Reject proposal The Bill already provides for data collection and monitoring. Strengthening these systems should remain within the scope of

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			guaranteed returns scheme.	systems for real-time tracking of production costs and market prices will also create an opportunity to embed TEEB AgriFood evaluation metrics, including: (i) Natural capital indicators (soil health, biodiversity) (ii) Social indicators (income distribution, employment quality) (iii) Nutrition outcome.	production costs and market prices, directly tied to farmer income stabilization.
	Clause 12 - Assessment of MGR	CAF	• Amend by inserting the following new subsection: <i>“(2) Notwithstanding subsection (1), a county assembly may, by legislation, prescribe a variable profit margin not exceeding twenty percent for specific crops or livestock based on county</i>	• Production costs and margins for different crops (e.g., mung beans versus maize) vary significantly across counties; a rigid 20% across all sectors may be fiscally untenable for some value chains.	Reject the proposal The Committee acknowledges that the proposal is sound. However, counties are already stretched with limited fiscal space, and the institutional readiness to administer differentiated margins is lacking. A rigid 20% margin across all crops and livestock may be fiscally untenable for certain value chains,

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			<i>specific research, production costs and regional economic conditions."</i>		especially those with high production costs or volatile markets. Allowing counties to prescribe a variable profit margin (up to 20%) based on county-specific research and conditions appears adaptable in theory, but in practice the concern is that Counties lack robust systems for farmer registration, production cost determination, and market data collection. Without credible datasets, variable margins would be arbitrary and prone to manipulation.
	Clause 13 – Produce eligible for minimum guaranteed returns	CAF	• Insert a new paragraph (d) as follows: <i>“(d) only where the producer has delivered the produce to a certified County Aggregation and Industrial Park (CAIP) or an equivalent county designated aggregation centre.”</i>	• This ensures produce is captured in the formal value chain and prevents wastage, such as the recent case in Murang’a where mangoes rotted in farms due to lack of market access.	Accept the proposal Requiring delivery to certified aggregation centres ensures produce enters the formal value chain, improving traceability, quality control, and market access.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
	Clause 14 – Publication of comprehensive cost	The Economics of Ecosystems & Biodiversity (TEEB)	The Bill could be strengthened by mandating that, over time, the determination of minimum guaranteed returns integrate natural capital and social capital considerations, not only financial production costs.	- The Bill introduces the concept of “comprehensive cost” in determining minimum guaranteed returns, including inputs, labour, and operational expenses. This is a strong foundation, but could be further enhanced by expanding it toward True Value Accounting (TVA) by incorporating: (i) Environmental costs (soil degradation, water use, biodiversity loss, greenhouse gas emissions) (ii) Social costs (labour conditions, rural inequality, gender disparities) (iii) Health impacts (nutrition outcomes, exposure to agrochemicals)	Reject the proposal The Bill’s purpose is to stabilize farmer incomes by defining “comprehensive cost” in terms of financial inputs, labour, and operational expenses. Expanding this to include natural, social, and health capital risks diluting the Bill’s focus and creating overlaps with specialized frameworks. Environmental, social, and health costs are already addressed under Kenya’s National AgroEcology Strategy, Climate Change Action Plan, and food security frameworks. Embedding them here risks duplication and fragmented accountability.
	Clause 21 – County Legislation	CAF	Amend the paragraph to state:-	“Shall” ensures County Assemblies enact on the important legislation.	Partially accept the proposal On the first proposal, accept. This will make it mandatory

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			<i>"A county assembly shall enact county legislation to provide for the following matters..."</i> • Further, amend by inserting a new paragraph (h) as follows: <i>"(h) mandatory budgetary allocations for agricultural extension services and the automation of the farmer registry and database required under section 11(1)(h)."</i>	• Accurate MGR determination relies on credible data and extension support to bridge the gap between research and production.	for counties to enact legislation that is important for implementation of this Bill rather than making it optional for them. On the second proposal, reject. This is included in (g) other matters as the respective county assembly may consider necessary for the better carrying out of the provisions of this Act. To avoid over legislating for counties.
	General comment	CAF	• Supports the intent to protect smallholder farmers from price volatility and exploitation by middlemen but with various concerns.	• The concerns are as follows: a) The Bill places the primary responsibility for implementing and funding MGR on county governments (Clause 4). However, many counties are heavily dependent on the Equitable Share of National Revenue, and current national	• The Committee notes the comments submitted by the Council of African Farmers (CAF) and has taken them into consideration. (i) The Committee agrees that counties lack fiscal space to independently manage large-

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
				debt pressures often lead to delayed disbursements. Without a national stabilisation fund, the Bill risks becoming an “unfunded mandate” that could lead to county insolvency during major market crashes. b) The mandatory nature of MGR payments could force counties to reallocate funds away from other essential devolved sectors such as health, education, and water infrastructure to bridge price deficits. c) The Bill requires counties to calculate “comprehensive costs” (inputs, labour, rent, postharvest handling) for diverse ecological zones (Clause 2 and Clause 12). Many counties	scale price stabilization. Without a national cushion, the Bill risks becoming an unfunded mandate. This concern has been addressed. (ii) The Committee acknowledges that mandatory MGR payments could force counties to divert funds from essential devolved functions such as health, education, and water. This reinforces the need for national co-financing and fiscal safeguards. (iii) The committee encourages counties to utilize existing provisions under

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
				lack the technical capacity and extension services needed for the constant, precise data collection required to manage these payouts fairly and prevent fraud. d) A fixed 20% profit guarantee regardless of produce quality may reduce incentives for farmers to adopt efficient, modern techniques, potentially affecting the competitiveness of key value chains.	paragraph (g) to strengthen these areas as needed. (iv) The Committee agrees that a rigid 20% profit guarantee may reduce incentives for efficiency and competitiveness. This concern has been addressed.
	General Comment	The Economics of Ecosystems & Biodiversity (TEEB)	Supports the general intent of the Bill to cushion farmers against market volatility and price fluctuations.	- Strengths of the Bill: (i) Income stability and Risk Reduction. (ii) Clear definition of Cost and returns (iii) Institutional Framework at County Level (iv) Direct Transfers to Farmers (v) Periodic Review Mechanism - Key concerns:	The Committee notes the comments submitted by The Economics of Ecosystems & Biodiversity (TEEB) and has taken them into consideration. Comments on the risks. (i) Fiscal sustainability: The Committee agrees this is a major risk. It has been addressed.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
				(i) Fiscal Sustainability (ii) Risk of Market distortions (iii) Targeting and inclusivity (iv) Administrative capacity (v) Transparency and accountability	(ii) Risk market distortions: The Committee notes the risk of distorting incentives if MGR is applied rigidly. This concern has been addressed. (iii) Targeting and inclusivity: The Committee emphasizes that eligibility rules (Clause 13) requiring delivery to certified aggregation centres will strengthen targeting and ensure produce enters formal value chains. (iv) Administrative capacity: The Committee acknowledges counties' limited technical capacity. counties are encouraged to strengthen extension services and registries under existing provisions.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
					(v) Transparency and accountability: The Committee has accepted proposals for periodic independent audits (Clauses 3, 11, and 14) to ensure transparency, accountability, and public trust in the scheme.
			• The current Bill guarantees returns based on production and market conditions. However, without sustainability safeguards, this may unintentionally incentivize: • Unsustainable input use (e.g., excessive fertilizers or pesticides) • Expansion into ecologically sensitive areas.	• Link eligibility for guaranteed returns to sustainable agricultural practices, such as: • Climate-smart agriculture • Agroecology and regenerative practices • Soil conservation and water efficiency • Introduce tiered incentives, where farmers adopting sustainable practices receive enhanced guarantees or priority access.	The committee acknowledges the comments. However, adding too many restrictions into Clause 15 would frustrate farmers and undermine the Bill's intent. The general eligibility criteria already established should guide implementation without layering sustainability conditions that counties may struggle to enforce.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			• Monocropping systems that reduce biodiversity • Alignment with the National AgroEcology Strategy and use of the TEEB-informed approach would align financial incentives with sustainable land use and ecosystem stewardship		
	General Comment	KEPHIS	• Provide clear role for CS Agriculture and for his oversight.	• Proper administration.	Accept the proposal As it is now, the Bill does not allocate any roles to the national government. It is important to include national government in the Bill for it to be implementable and fiscally sustainable.
	General Comment	Joel Maina	• Opposes Minimum Guarantee Scheme	Opposes the Minimum Guarantee Scheme for the following reasons:	The Committee notes the comments submitted by Joel Maina and has taken them into consideration. The

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
				i. Capacity & Climate Risks: Weather shocks, pests, and diseases undermine yields, making guarantees unsustainable. ii. Quality & Compliance Issues: Lack of standards risks rewarding poor-quality produce; weak market linkages worsen rejection rates. iii. Aggregation & Logistics Bottlenecks: High post-harvest losses, poor rural roads, weak cooperatives. iv. Market Distortions: Guaranteed prices discourage private buyers, create arbitrage risks, and distort local markets. v. Price Volatility: Global shocks (fertilizer, grain) and local distortions raise payout obligations. vi. Moral Hazard & Side-Selling: Farmers may divert inputs, over-report acreage, or sell outside designated channels.	Committee acknowledges the concerns raised. • Capacity and climate risks: The Committee agrees that weather shocks, pests, and diseases undermine yields and could destabilize guarantees. • Quality and compliance: The Committee notes the risk of rewarding poor-quality produce. This concern has been addressed by requiring delivery to certified aggregation centres under Clause 13, which strengthens compliance and market linkages. • Aggregation and logistics bottlenecks: The Committee acknowledges the

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
				vii. Policy & External Risks: Trade bans, inflation, and currency risks destabilise schemes. viii. Fiscal Implications: Risk of contingent liabilities and overruns for debt-ridden counties; political price-setting worsens risks. ix. Low Sustainability: Past failures in Zambia, Malawi, Nigeria, Ghana, Tanzania show collapse due to debt, corruption, delayed payments, and withdrawal of private sector. If well designed he says the potential could be: i. Income stabilization: predictable returns could help farmers plan financially, reduce poverty cycles, and encourage investment in productivity. ii. Boost to production and food security: Strategic price guarantees may incentivize production of	weaknesses in rural infrastructure and cooperatives. Counties are encouraged to strengthen aggregation systems under existing provisions. • Market distortions: The Committee agrees that rigid guarantees could discourage private buyers. • Fiscal implications: The Committee acknowledges the risk of contingent liabilities. This reinforces the need for national co-financing and fiscal safeguards which the Bill has not addressed. • Comparative failures: The Committee notes the examples of

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
				key commodities and adoption of improved inputs.	collapse in other African countries. This underscores the importance of reconsideration of the Bill to avoid failures.
	General Comments	Ministry of Agriculture and Livestock Development	i. Requisite Modifications: - Limit the scope of the Bill to strategic crops where market volatility is highest, ensuring fiscal sustainability. - Integrate digital platforms for real-time price monitoring and farmer registration to reduce governance risks and improve efficiency. - Align MGR implementation with national cost-of-production data and regional trade policies to prevent distortions and ensure competitiveness.	The Bill is clearly farmer-centric and politically appealing, as it directly addresses the real challenge of income instability in agriculture. Key Risk: Its effectiveness, however, hinges critically on fiscal sustainability and the strength of institutional capacity to manage payments, monitor prices, and ensure transparent implementation. Without these, the intended benefits may be undermined.	The Committee notes the comments submitted by the Ministry of Agriculture and Livestock Development and has taken them into consideration. The Committee acknowledges the Ministry's emphasis on fiscal sustainability, institutional capacity, and alignment with national frameworks. Scope limitation: The Committee agrees that limiting the Bill to strategic crops where volatility is highest would enhance fiscal sustainability. Digital platforms: The Committee supports the integration of digital

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			ii. Complementary Measures: - Strengthen county and national institutional capacity to manage monitoring, payments, and dispute resolution. - Promote structural reforms such as improved logistics, aggregation systems, and agro-processing to address root causes of low farm incomes. - Encourage private sector participation by ensuring that MGR does not crowd out buyers or reduce incentives for value chain investment. iii. Periodic Review and Adjustment: - Conduct regular assessments of fiscal impacts, market distortions, and beneficiary outcomes to refine the program. - Introduce sunset clauses or adaptive		systems for farmer registration and price monitoring. Alignment with national data: The Committee agrees that harmonization with national cost-of-production data and trade policies is necessary to prevent distortions. Institutional capacity: The Committee acknowledges that county institutions must be strengthened to manage monitoring, payments, and dispute resolution which is currently lacking in the Bill as the national government is not involved in the Bill as designed. Private sector participation: The Committee agrees that MGR should not crowd out buyers.

No.	CLAUSE	STAKEHOLDER	PROPOSAL	RATIONALE	COMMITTEE
			mechanisms to prevent long-term dependency and ensure the program evolves with market conditions.		• Periodic review: The Committee supports adaptive mechanisms and sunset clauses to prevent long-term dependency.

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KENYA GAZETTE SUPPLEMENT

SENATE BILLS, 2024

NAIROBI, 26th September, 2024

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**THE AGRICULTURE PRODUCE (MINIMUM
GUARANTEED RETURNS) BILL, 2024**

A Bill for

AN ACT of Parliament to support agriculture production by providing for the establishment of the minimum guaranteed returns fund in counties; and for connected purposes.

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Agriculture Produce (Minimum Guaranteed Returns) Act, 2024. Short title.

2. In this Act, unless the context otherwise requires—
“Cabinet Secretary” means the Cabinet Secretary in charge of agriculture; Interpretation.

“Fund” means the Agriculture Produce Minimum Guaranteed Returns Fund established in section 3;

“minimum guaranteed returns” means the minimum return of money guaranteed by the Government for agricultural produce in accordance with this Act.

“comprehensive cost” means the total cost of production.

PART II — ESTABLISHMENT OF THE FUND

3. (1) There is established in each county a fund to be known as the Agriculture Produce Minimum Guaranteed Returns Fund. Establishment of the Fund.

(2) The objects and purposes of the Fund shall be to—

- (a) provide a minimum guaranteed returns for agricultural produce to ensure that farmers have a secure income;
- (b) accelerate growth and development of agriculture by ensuring that with guaranteed incomes, production levels are consistent; and
- (c) to improve food security.

4. (1) The Fund shall consist of—

- (a) monies appropriated by the county assembly for purposes of the Fund;

Sources of the Fund.

- (b) grants, donations or gifts to the Fund;
- (c) monies allocated for that purpose from investments, fees, or levies administered by the County;
- (d) monies earned or arising from investment of the Fund; and
- (e) any money that may be payable or vested in the Fund.

5. The Fund shall be applied for the following purposes—

Purposes of the Fund.

- (a) general administration expenses of the Fund which in each financial year shall not exceed one percent of the monies in the Fund;
- (b) payment of minimum guaranteed returns in accordance with the Act;
- (c) any other purpose that would enhance the development of fair agricultural returns.

6. (1) The management of the Fund shall vest in a Committee comprising of—

Management of the Fund.

- (a) the county chief officer in charge of agriculture who shall be the chairperson;
- (b) the county chief officer in charge of finance;
- (c) the county chief officer in charge of trade;
- (d) two persons of opposite gender representing agriculture producer associations registered in the county; and
- (e) two persons of opposite gender representing unregistered agriculture producers.

(2) The appointment of persons in subsection (1) (e) by a by a notice in the *Gazette* following a competitive process.

7. (1) A member of the Committee appointed under section 6(1) (d) and (e)—

Tenure and vacation of office.

- (a) shall hold office for a term of three years and shall be eligible for re-appointment for one further term of three years; and

- (b) may, at any time resign from office by giving notice in writing, addressed to the appointing authority.

(2) The Committee may recommend the removal of a member appointed under section 6(1) (d) or (e) on the basis of non-performance, non-attendance of three consecutive meetings without the chairperson's approval or unethical conduct.

(3) Where a member of the Committee appointed under section 6(1) (d) or (e) is for sufficient cause unable to act as a member, the Chairperson shall determine whether such inability would result in the declaration of a vacancy.

(4) Where there is a vacancy of a member appointed under section 6(1) (d) or (e) as a result of—

- (a) removal under subsection 1(b), (2) or (3);
- (b) declaration of a conflict of interest; or
- (c) death

the appointing authority shall nominate another person to fill the vacancy.

8. The county executive committee member for agriculture shall designate officers from the agriculture department as the secretariat to the Committee.

Secretariat of the Committee.

9. The Committee shall—

Functions of the Committee.

- (a) having regard to the agricultural activities that are undertaken in the county, prepare a list the dominant crops and livestock eligible for minimum guaranteed returns;
- (b) determine and recommend the minimum guaranteed returns in the manner specified in section 13 of this Act;
- (c) review, from time to time, the minimum guaranteed returns;
- (d) determine the minimum and maximum acreage under which beneficiaries are eligible for minimum guaranteed returns under this Act;

- (e) carry out registration of beneficiaries under this Act;
- (f) approve disbursement of minimum guaranteed returns from the Fund account;
- (g) receive, review and approve reports on the performance of the Fund from the Fund Manager;
- (h) cause to be kept all proper books and record of account of the income, expenditure, assets and liabilities of the Fund;
- (i) invest any surplus funds, with the approval of the County Treasury, not immediately required in securities for the purposes of realizing the objects and purpose for which the Fund is established;
- (j) receive any gifts, donations, grants, endowments made to the Fund;
- (k) collaborate with such bodies or organisations within or outside Kenya as it may consider desirable or appropriate and in furtherance of the object and purpose for which the Fund is established; and
- (l) perform any other functions that are ancillary to the objects and purpose for which the Fund is established.

10. The conduct and regulation of the business and affairs of the Committee shall be as set out in the Schedule.

Conduct of
business of the
Committee

11. (1) There shall be a Fund Manager of the Fund who shall be competitively recruited and appointed by the county executive committee member for finance in consultation with the Committee on such terms and conditions as may be specified in the instrument of appointment.

Fund Manager.

(2) The Fund Manager shall be secretary to the Committee and shall, subject to the direction of the Committee—

- (a) be responsible for the day to day management of the affairs of the Fund;
- (b) manage the funds, property and affairs of the Fund;

- (c) be responsible for the management of the staff seconded to the Fund;
- (d) oversee and coordinate the implementation of the policies, programmes and objectives of the Fund;
- (e) cause to be prepared for the approval of the Committee—
 - (i) the strategic plan and annual plan of the Fund;
 - (ii) the annual budget and audited accounts of the Fund; and
- (f) perform any other duties as may be assigned by the Committee

(3) The Fund Manager shall hold office for a term of three years and shall be eligible for re-appointment for a further term of three years.

(4) A person shall not be qualified for appointment as the Fund Manager under subsection (1) unless that person is qualified and competent in financial matters.

Cap. 185B

(5) The Fund Manager shall cease to hold office if he or she—

- (a) resigns in writing, addressed to the Committee;
- (b) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;
- (c) is found liable for gross misconduct or abuse of office in contravention of the Public Officers Ethics Act or any other relevant law;
- (d) is declared bankrupt;
- (e) is unable to perform the functions of office by reason of mental or physical infirmity; or
- (f) dies.

12.(1) A member of the Committee who has an interest in a matter for consideration by the Committee shall disclose, in writing, the nature of that interest and shall not participate in the deliberations in respect of that matter.

Disclosure of interest.

(2) A member of the Committee who fails to disclose interest in a matter in accordance with subsection (1) shall cease to be a member of the Committee.

PART III — MINIMUM GUARANTEED RETURNS

13. (1) The minimum guaranteed returns shall be twenty percent of the profit above the comprehensive cost.

Minimum
Guaranteed
Returns

(2) The comprehensive cost shall take into account data from the Kenya National Bureau of Statistics on the following matters—

(a) expenditure on—

- (i) farm inputs including seeds, herbicides, pesticides, fertilizers;
- (ii) livestock production inputs including animal feeds, drugs;
- (iii) labour;
- (iv) fuel, irrigation, machinery;
- (v) farm rent; and

(b) any other cost as may be prescribed by the Committee.

(3) The Committee shall at the beginning of every financial year publish and publicise the minimum guaranteed returns in the *Gazette*.

(4) The Committee shall review the minimum guaranteed returns in subsection (3) at any time taking into account changing market prices.

(5) Minimum guaranteed returns shall only be paid—

- (a) where the agricultural produce is largely consumed locally;
- (b) through direct transfers to the beneficiaries' bank accounts; and
- (c) in instances where the market returns obtained by beneficiaries fall below the recommended minimum guaranteed returns.

14. A person entitled to payment of minimum guaranteed returns shall apply to the Fund in the prescribed form.

Application for
minimum
guaranteed
returns.

15. (1) The Fund may suspend or cancel payment of minimum guaranteed returns if the payment was —

Suspension of payments.

- (a) obtained through misrepresentation, fraud or failure to disclose any material information;
- (b) in excess of amounts published in the *Gazette*; or
- (c) approved in error.

(2) The amount of money paid in error under subsection (1) shall be a debt due to the Fund and shall be payable by the recipient upon demand by the Fund Manager or, if the recipient is deceased, by their estate.

PART IV — FINANCIAL PROVISIONS

16. (1) The Committee shall cause to be kept such books of accounts and other books in relation thereto of all its undertakings, funds, activities and property as the county executive member for finance may from time to time approve and shall, within a period of three months after the end of the financial year, cause to be prepared, signed and forwarded to the Auditor-General —

Accounts and Audit.

- (a) a balance sheet showing in detail the assets and liabilities of the Fund;
- (b) a statement of income and expenditure during the year and
- (c) such other statements of accounts.

(2) The accounts of the Fund shall be examined, audited and reported upon annually by the Auditor-General in accordance with the Public Audit Act.

Cap 412B

(3) The Fund Manager shall submit to the Auditor-General all books and accounts of the Fund, together with all vouchers in support thereof, and all books, papers and writings in its possession or control relating thereto.

(4) The Auditor-General shall be entitled to require from any member, officer, employee or agent of the Fund such information and explanation as he may consider necessary for the performance of his duties.

17. (1) The Fund Manager shall, within a period of three months after the end of each financial year or within such longer period as the county executive committee

Annual report and publication.

member for finance may approve, submit to the county executive committee member for finance a report of the operations of the Fund during such year, and the yearly balance sheet and such other statements of account as the county executive committee member for finance shall require, together with the Auditor-General's report.

(2) The Fund Manager shall, publish the report, balance sheet and statements submitted to him under subsection (1) in such manner as the county executive committee member for finance may specify.

(3) The county executive committee member for finance shall submit to the county assembly the reports, balance sheet and statements under subsection (1), within a period of fourteen days of the receipt of the reports and statements.

18. The financial year of the Fund shall be the period of twelve months ending on the thirtieth of June in each financial year.

Financial year
of the Fund.

PART V — MISCELLANEOUS

19. All letters and instruments written or made by or on behalf of the Committee, other than those required by law to be under seal, and all decisions of the Committee shall be signed under the hand of the Fund Manager or in the absence of the Fund Manager, by a person authorized by the Committee.

Signing
Authority.

20. Liability shall not attach to a member of the Committee, the Fund Manager or a secretariat of the Fund for loss or damage incurred by a person as a result of an act or omission done or made in good faith and without negligence in the course of executing the functions, powers or duties of the Fund.

Protection from
personal
liability.

21. The Cabinet Secretary may make regulations generally for the better carrying into effect of the provisions of this Act.

Regulations.

22. A County Assembly may enact county legislation to provide for any of the following matters—

County
legislation.

- (a) the manner, conditions and forms for registration of beneficiaries under the Fund;

- (b) the forms for application for payment of minimum guaranteed returns from the Fund; and
- (c) the criteria for evaluation of an application for payment of minimum guaranteed returns.

SCHEDULE**s. 10****CONDUCT OF BUSINESS AND AFFAIRS OF THE COMMITTEE**

1. (1) The Committee shall meet at least once in every three months to conduct the business of the Committee.

Meetings of the Committee.

(2) The chairperson shall convene the ordinary meetings of the Committee at the premises of the Committee.

(3) Despite the provisions of sub-paragraph (1), the chairperson shall, upon a written request by at least five members of the Committee, convene a special meeting of the Committee at any time where he considers it expedient for the transaction of the business of the Committee.

(4) The Secretary to the Committee shall by written notice circulated to every member of the Committee, not less than fourteen days to the appointed date of the meeting invite the members of the Committee to a meeting, unless three quarters of the total number of the members of the Committee otherwise agree to a shorter notice period.

(5) The quorum for the conduct of the business of the Committee shall be five members.

(6) The chairperson shall preside at every meeting of the Committee at which the chairperson is present and in the absence of the chairperson, the members of the Committee present shall elect one person from their number to preside over the meeting of the Committee and that person shall have all the powers of the chairperson.

(7) Unless a unanimous decision is reached, a decision on any matter before the Committee shall be by a majority of the votes of the members present and voting and in the case of an equality of votes, the chairperson or person presiding over the meeting shall have a casting vote.

(8) The proceedings of the Committee shall not be invalidated by reason of a vacancy within its membership.

(9) Subject to provisions of this Schedule, the Committee may determine its own procedure and the procedure for any committee of the respective Committee and for the attendance of other persons at its meetings thereof.

2. (1) If a member of the Committee is directly or indirectly interested in any contract, proposed contract or other matter before the Committee and is present at a meeting of the Committee at which the contract, proposed contract or other matter is the subject of consideration, the member shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the interest of the member in the matter and shall not take part in the deliberations over, or vote on, the matter.

Disclosure of
interest.

(2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.

(3) Any contract or instrument which if entered into or executed by a person not being a body corporate, would not be required to be under seal may be entered into or executed on behalf of Committee by any person generally or specially authorized by the Committee for that purpose.

MEMORANDUM OF OBJECTS AND REASONS

The principal object of the Bill is to establish the Agriculture Produce Minimum Guaranteed Returns Fund. Kenya's Vision 2030 has identified agriculture as one of the key sectors to deliver a 10% annual economic growth rate. This is in recognition of the fact that the agriculture industry has, for many years, formed the backbone of Kenya's economy. The sector contributes to more than 20% of Kenya's gross domestic product (GDP), 60% of the total export earnings and about 45% of government revenue, while providing for most of Kenya's food requirements. The sector is estimated to have a further indirect contribution of nearly 27% of GDP through linkages with manufacturing, distribution, and other service related sectors. The agriculture sector employs over 40% of Kenya's population and more than 70 percent of the rural population.

The agriculture industry faces many challenges that reduce its contribution to the economy and improvement of livelihoods. Some of the challenges relate to limited access to agricultural finances and market uncertainties which affect the incomes of farmers. The proposed Agriculture Produce Minimum Guaranteed Returns Fund is intended to cushion farmers from the uncertainties in the market to ensure stable returns.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill delegates legislative powers to the Cabinet Secretary but does not limit fundamental rights and freedoms.

Statement of how the Bill concerns county governments

Paragraph 1 of Part 2 of the Fourth Schedule to the Constitution designates agriculture as a function of county governments. This Bill therefore affects the economic growth of most counties and the country as a whole and is as such a Bill concerning county governments.

Statement that the Bill is not a money Bill within the meaning of Article 114 of the Constitution.

This Bill is not a money Bill within the meaning of Article 114 of the Constitution.

Dated the 16th April, 2024.

VERONICA MAINA,
Senator.

Ms. Cheruto

Note & deal.

gsk
30/6/26



REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT
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When replying please quote;

Ref: **MOALD/CS/ADM/12Vol.VIII**

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KILIMO HOUSE
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P. O. Box 30028
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22nd June, 2026

SUBMISSION OF MEMORANDA ON THE AGRICULTURE PRODUCE
(MINIMUM GUARANTEED RETURNS) BILL NO. 17 OF 2025

Reference is made to your letter Ref. No. SEN/DSEC/SCA/CORR/02/2026/ (348) dated 6th March, 2026.

Attached herewith is Memoranda on the Agriculture Produce (Minimum Guaranteed Returns) Bill No. 17 of 2025.


SEN. MUTAHI KAGWE, EGH
CABINET SECRETARY

Copy to:

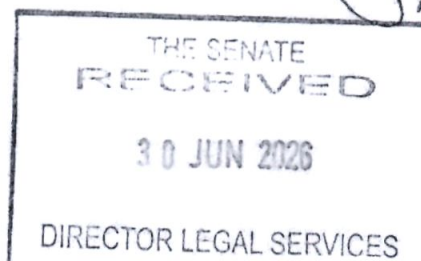
Dr. Kipronoh Ronoh P, CBS,
Principal Secretary,
State Department for Agriculture,
KILIMO HOUSE.

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Kindly deal -


30/06/2026



CPA (Dr.) Aurelia C. Rono, CBS,
Principal Secretary for Parliamentary Affairs,
Office of the Prime Cabinet Secretary,
NAIROBI.



REPUBLIC OF KENYA

MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT

**MEMORANDA ON THE AGRICULTURE PRODUCE (MINIMUM
GUARANTEED RETURNS) BILL NO. 17 OF 2025**

BY

**SEN. MUTAHI KAGWE, EGH
CABINET SECRETARY**

JUNE, 2026

INTRODUCTION

Kenya's agricultural pricing system is largely market-led, driven by market forces, but is also partially supported by targeted government interventions aimed at stabilizing strategic commodities and protecting farmers, as well as institutional pricing mechanisms, and auction systems for export commodities. Whereas the market-led system allows prices to respond to real market conditions, promote efficiency and competitiveness, and enable farmers and traders to benefit from regional and global market opportunities, government support mechanisms help cushion producers against extreme price shocks.

The key pricing mechanisms include:

- (i) **Market-led pricing:** For most agricultural commodities in Kenya, prices are primarily determined by the forces of supply and demand. Thus, prices tend to rise when supply is constrained—such as during drought periods—or when demand increases due to urban consumption or export opportunities. Conversely, prices fall during periods of surplus production, particularly during harvest seasons or when imports increase, expanding market supply. This market-based pricing mechanism applies to a wide range of commodities, including maize, beans, fruits, vegetables, and livestock products that are normally traded in open markets.
- (ii) **Targeted government interventions:** The government plays an active role in stabilizing prices and protecting farmers from extreme market volatility, especially for strategic commodities through policy interventions. This mechanism influences the prices farmers receive and the prices consumers pay for crop products, and is intended to achieve food security and income stabilization. The main policy interventions include: **price floors** (the government sets the minimum support prices to protect the farmer from price collapse), **price ceilings** (the government sets the maximum prices for food items intended to cushion farmers against low market prices, particularly during periods of surplus production), **input subsidies** such as fertilizer, seeds, fuel, irrigation, effectively lowering the cost of production and improving farmer margins without distorting final market prices as severely, **buffer stock schemes** (the government builds strategic commodity reserves by buying when prices are low and selling when prices spike, smoothing price volatility across seasons), and **parastatal buying agencies** (state agencies purchase agricultural produce at set prices, removing the role of private traders). For example, the National Cereals and Produce Board sets a purchase

price for maize that effectively serves as a floor price to support farmers' incomes. However, the interventions do not guarantee determining the ultimate market price, since market prices may still fluctuate above or below the set level depending on prevailing supply and demand conditions.

- (iii) **Regulated/formula-based pricing:** In some agricultural value chains in Kenya, prices are determined through structured, formula-based approaches rather than solely by open market forces. The commodity prices are set using a predetermined calculation, typically factoring in the cost of production, a margin for the farmer, and sometimes market benchmarks or inflation indices. It is aimed at ensuring that the price setting is done in a transparent, predictable, and cost-reflective manner. These structured systems aim to provide greater stability within the value chain, although they still respond to broader market and policy dynamics.

For example, in the dairy sector, prices are largely influenced by large processors such as New Kenya Co-operative Creameries, Brookside, and Githunguri Cooperatives, who negotiate prices with farmer co-operative societies, and the formulae often reference a combination of processing costs, prevailing market demand, and seasonal variations in milk supply. Similarly, in the sugar sector, the Sugar Act establishes the Sugarcane Pricing Committee whose mandate is to come up with the pricing formulae, taking into account the pricing mechanism for all other cane related charges paid by the farmer, the index that takes into consideration delayed harvesting, transportation cost per tonne per kilometre of sugarcane, inflation and adjustment cost of production and the formulae provided by the Sugar Research and Training Institute.

- (iv) **Auction-based pricing:** This mechanism determines commodity value through competitive bidding whereby buyers compete against each other, driving prices toward the true market-clearing level. It is commonly adopted for commodities for the export market aimed at reflecting international market dynamics. For example, coffee, whose prices are determined at the Nairobi Coffee Exchange and are influenced by global coffee prices, quality grades such as AA and AB, and buyer demand. Similarly, tea is sold through auction systems such as those in Mombasa, with prices largely driven by international buyers and prevailing global market conditions. These auction platforms ensure transparency and link Kenyan export commodities directly to global price signals.

- (v) **Contract farming/outgrower pricing:** Under this model, a pre-harvest agreement is entered into between a farmer (or farmer group) and a buyer/processor, specifying: what will be grown, to what quality standard, in what quantity, and at what price or pricing mechanism. The price is determined before production. It is commonly used in horticulture exports, seed production, tea outgrower/smallholder farmers under KTDA, and sugarcane value chains. While contract farming helps reduce price uncertainty and provides more predictable incomes for farmers, it may also limit their ability to benefit from higher market prices when conditions are favorable.
- (vi) **Import and trade policy:** These include measures such as import duties and, at times, import bans on key commodities like maize, which are used to manage domestic supply and protect local producers. In addition, continental and regional trade arrangements under the African Continental Free Trade Area (AfCFTA), East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) play a significant role in shaping market dynamics. Under these trade arrangements, member states commit to progressively eliminating tariffs on intra-African trade and applying a common tariff on imports from outside the EAC. These policy arrangements affect the availability of commodities in the domestic market and contribute to overall price stability.
- (vii) **Informal market dynamics:** In many rural and urban markets across Kenya, agricultural prices are often determined by informal market dynamics. In such settings, prices are influenced by brokers and middlemen, prevailing transport costs, and localized supply conditions. As a result, pricing can vary significantly by location and season. This system frequently leads to price volatility and, in some cases, exposes farmers to exploitation due to weak bargaining power, limited access to transparent market information, and high intermediation costs that reduce farm-gate earnings.
-

EMERGING POLICY DIRECTION

Recently, there has been a growing policy focus on boosting farmer incomes and ensuring market stability through mechanisms such as cost-of-production-based pricing models, digital market platforms to enhance price transparency, and the Minimum Guaranteed Returns (MGR) proposed

in the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025.

Overview of the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025

The Bill aims, among other goals, to establish income support for farmers through a minimum guaranteed returns (MGR) framework, to be implemented at the county and national levels. It seeks to provide a mechanism for paying farmers when market prices fall below production costs, and cushion farmers against market volatility and income instability.

(a) Benefits

The Agriculture Produce (Minimum Guaranteed Returns) framework proposed under the Bill offers significant benefits, including stabilizing farmers' incomes, boosting production and food security, and strengthening counties' roles in agricultural value chains.

(b) Weaknesses

However, the proposals could pose the following risks:

(i) High fiscal burden on the government: The Bill mandates that counties compensate farmers when market prices fall below the guaranteed level. While this provision aims to protect farmer incomes, it can place considerable strain on already limited county budgets and divert resources from other critical priorities such as health and infrastructure. There is a significant risk that such subsidies may become unsustainable, particularly during poor harvest seasons or prolonged market downturns, potentially undermining fiscal stability at the county level.

(ii) Complexities in the implementation: The effective implementation of the Bill requires accurate cost calculations, continuous price monitoring, and robust farmer registration systems. However, a lack of adequate institutional capacity at both national and county levels could result in delays in payments, disputes over pricing, and overall inefficiencies in the system. Without strong administrative structures and reliable data, the intended protections for farmers may not be fully realized, undermining the policy's objectives.

(iii) Risk of market distortion: Artificial price guarantees under the Bill may inadvertently encourage overproduction of certain crops, reduce overall market efficiency, and crowd out private sector buyers. Such interventions risk distorting competitive markets, potentially leading to surplus production, wasted resources, and long-term dependency on government support rather than fostering a self-sustaining, market-driven agricultural sector.

(iv) Moral hazard and dependency: There is a risk that farmers may become reliant on government compensation, thereby reducing their incentives to improve efficiency, adopt innovative practices, or diversify crops. Over time, this may foster a subsidy-dependent agricultural system, undermining market-driven production and long-term sector resilience.

(v) Potential for corruption and elite capture: There are significant risks in the processes of beneficiary registration and payment approvals, including the possibility of "ghost farmers" being listed and the politicization of beneficiary selection. Such issues could compromise transparency, lead to the misallocation of resources, and undermine the program's credibility and effectiveness.

(vi) Exclusion of export crops: The Bill's focus on produce "largely consumed locally" may inadvertently exclude major export crops such as tea, coffee, and horticultural products. This limitation could reduce its effectiveness in supporting foreign exchange earnings and broader agricultural sector growth, leaving a significant segment of farmers and the economy outside its benefits.

(vii) Weak link to market reforms: The Bill emphasizes price compensation but does not address underlying structural challenges in the agricultural sector, such as inadequate logistics, weak aggregation systems, and limited agro-processing capacity. As a result, it risks treating the symptoms of low farmer incomes rather than tackling the root causes that hinder long-term productivity and value chain development.

(viii) County level variability: The Bill delegates to each county the authority to determine which crops are covered, set prices, and define beneficiary eligibility. While this allows for local customization, it also risks creating inconsistent policies across counties, potentially

leading to internal trade distortions, market fragmentation, and confusion for farmers and buyers operating in multiple regions.

Balancing these merits and demerits will be critical to ensuring that the policy achieves its intended objectives without unintended negative consequences.

Further, the following matrix outlines the Ministry's comments on the particular provisions of the Bill:

Submissions on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
1.	(2) Interpretation	No definition	The provision of the bill has not defined the Cabinet secretary mentioned in the document	The "Cabinet Secretary" to refer to the cabinet secretary in charge of agriculture	The bill refers to produce and products under the mandate of the Ministry of Agriculture and Livestock Development
		"Committee" means a county minimum guarantees committee established under section 5;	The bill has defined only the county committee	To have the definition to include the proposed national Minimum Guarantees Committee.	There needs to be a coordination committee at the national level.
		"Minimum guaranteed returns" means the minimum return of money guaranteed by a county government for agricultural produce in accordance with this Act.	The definition is unclear (Use of the same words in the definition)	Minimum Guaranteed Returns: a mechanism that ensures farmers receive a pre-determined minimum price or income for their crops or livestock, regardless of market fluctuations.	To provide clarity
2.	Clause 4(2)(a)		No provision for the role of the National	Introduce a clause that defines the role of the	The role of the national government is not defined, yet it has a role in the

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
	roles of County Governments	(1), each county government shall- (a) approve and integrate Minimum guarantee payment programs within their annual county budget	Government in the bill • Counties shall integrate the minimum guaranteed payment program in their budgets • Each county shall set GMR for each of their value chains	national government in setting up GMR Centralized setting of GMR	development of policies, guidelines, and standards • Harmonize prices across counties • Avoid price distortions • County-to-county commodity movements because of price disparities
3.	Clause 5	The committee shall consist of the following members appointed by the county executive committee member- (a) the county chief officer in charge of agriculture who shall be the chairperson; (b) the county chief officer in charge of	Not all value chain players have been included in the composition of GMR county Committees	Amend by deleting "two persons of opposite gender, representing unregistered agriculture producers" and replacing with "two persons, of opposite gender, representing different registered manufacturers /processors."	• Unregistered producers are not easily identifiable • The ministry advocates for farmers to belong to registered farmer groups/associations • Processors/manufacturers had not been included yet they are key players in any agricultural value chain

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
		finance; (c) the county chief officer in charge of trade; (d) two persons, of opposite gender, representing agriculture producer associations registered in the county; and (e) two persons, of opposite gender, representing unregistered agriculture producers			
4.	Clause 7	7 (b)determine and recommend the average market price of a product and the comprehensive cost in accordance with section 12;	Under clause 2 (interpretation), the average price is published by the Kenya National Bureau of Statistics (KNBS) based	- Let the determination of average market price be done by KNBS; - The GMR committee be tasked with the determination of	- Have national mandate - Harmonize price - Compressive cost is based on localized data at farm level that is available at county level

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
			on prevailing market forces of supply and demand; The bill tasks the GMR committee to determine average market price	the comprehensive cost (total production cost) based on accurate data	
		7 (d) determine the minimum and maximum acreage under which beneficiaries are eligible for minimum guaranteed returns under this Act	The bill is proposing the determination of the minimum and maximum acreage	Delete 7 (d)	- The clause is discriminatory - We are dealing with different value chains with varied minimum & maximum acreages
5.	Clause 11 (h)	(h) maintain a database setting out information on;	The sentence is verbose	(h) Maintain a database on;	Delete setting out, to enhance clarity and reduce verbosity
		h (ii) the criteria established for the determination of the minimum guaranteed returns;	The provision presumes multiple criteria would be established	Introduce the provision as a standalone sub clause (i) under clause 11 (i) the criteria established for the	- Separate to maintain clarity - There is a single criteria's for establishing a GMR

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
				determination of the minimum guaranteed returns;	
	12	12. The minimum guaranteed returns shall be an amount equivalent to twenty percent of the difference between the average market price of a product and the comprehensive cost.	The proposed compensation of 20% of the difference between average market price and the comprehensive cost would still be below the total cost of production.	The bill should seek to ensure that the farmer is paid at least 100% of the difference between the comprehensive cost and the average market price.	The intent of the GMR is to cover farmers when they make losses.
6.	13	(a) where the agricultural produce is largely consumed locally;	"Largely" creates uncertainty on the destination and final market of the GMR covered produce	Delete "Largely" where the agricultural produce is/has been consumed locally;	Government initiatives are essentially made to promote food security within the country and its citizens. Initiatives are not recommended for export
7.		(b) through direct transfers to the beneficiaries' bank accounts; and	It excludes non-bank payments including mobile transfers	through direct transfers to the beneficiaries' bank/mobile institutions	Other forms of money transfer need to be acknowledged
8.		(c) In instances where the market returns	The compensation wouldn't cover the	Delete the words "market returns" and	The GMR Returns should only be applicable to producers
9.					

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
		obtained by beneficiaries fall below the recommended minimum guaranteed returns.	cost of production if the farmer makes a loss, as it is just 20% of the difference between average market price and comprehensive cost of production.	"minimum guaranteed returns" and replace with the words "average market price" and "average comprehensive cost" respectively.	below the comprehensive cost i.e. those on a loss. Bring clarity on the parameters for consideration to compensate farmers. They should only be compensated when the average market price is below the comprehensive cost.
10.	14	(2) The committee may review the minimum guaranteed returns under subsection (1) periodically as it considers necessary taking into account changing market prices.	The clause has not defined the period/when the review should be done	The Committee shall review the minimum guaranteed returns annually necessary taking into account changing market dynamics.	Periodically is open-ended and maybe abused.
11.	15 (1)	15. (1) A person entitled to payment of minimum guaranteed returns shall submit an application to the committee in the prescribed form.	The bill does not provide for application forms	Amend the clause to read "A person entitled to payment of minimum guaranteed returns shall submit an application to the committee in the prescribed form as	Application forms are usually provided in regulations

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
				provided in the relevant regulations".	
12.	16 (2)	2) The amount of money paid in error under subsection (1) shall be a debt due to the county and shall be payable by the recipient upon demand by the committee or, if the recipient is deceased, by their estate.	The bill attempts to follow up on payment from a deceased person	Amend the clause to read "The amount of money paid in error under subsection (1) shall be a debt due to the county and shall be payable by the recipient upon demand by the committee".	Recovery from deceased persons shall be covered by an insurance scheme.
13.	20	(20) The Cabinet Secretary may make regulations generally for the better carrying into effect of the provisions of this Act.	The word "may" used leaves it to the discretion of the cabinet secretary. The clause does not have timelines for the enactment of the regulations. The clause does not provide for consultation within the internal structures for the	Amend the clause to read "The Cabinet Secretary shall make regulations, within twelve (12) months of the enactment of the bill, in consultation with the National Minimum Guarantees Committee and the Council of Governors, for the better carrying into	The word "may" creates uncertainty to whether regulations will be enacted. The structures provided within the bill have to be involved in the enactment of any regulations.

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
			enactment of the bill	effect of the provisions of this Act".	
			The areas under which regulations are to be provided are not provided	Amend the clause to include an additional sub clause to read as; "Without prejudice to the provision of subsection (1) the cabinet secretary may provide regulations to provide for. 1) Identification of Eligible Agricultural Produce 2) Determination of Comprehensive Cost of Production 3) Determination of Average Market Prices 4) Determination and Publication of Minimum	The areas on which the regulations should cover should be clearly mentioned

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
				Guaranteed Returns 5) Registration of Beneficiaries 6) Application for Minimum Guaranteed Returns 7) Approval and Payment Procedures 8) Monitoring and Verification 9) Prevention of Fraud and Misrepresentation 10) Record Keeping and Data Management 11) Reporting and Accountability	

SN	Clause in the Bill	Provision in the Bill	Observations	Proposal	Justification
				12) Stakeholder Engagement 13) Transitional Provisions 14) Applicable forms"	
14.	21.	21. A county assembly may enact county legislation to provide for the following matters	The clause appears ambiguity on where the regulations on the act should be domiciled	The county assembly may customize and enact county legislation to implement this act.	To separate the powers of the CS and the counties.

15. Does not provide for dispute resolution; and

16. Does not create an entity which can sue and be sued.

RECOMMENDATIONS

The proposed legislative proposals will rely on effective integration with the following requisite modifications, alongside the complementary initiatives, strong institutional capacity, and sustainable fiscal planning. Accordingly, the Ministry makes the following recommendations/proposals:

i. Requisite modifications to the proposed Bill

This includes:

- Limiting the scope of the Bill to strategic crops where market volatility is highest, ensuring fiscal sustainability;
- Integrating digital platforms for real-time price monitoring and farmer registration to reduce governance risks and improve efficiency; and
- Aligning MGR implementation with national cost of production data and regional trade policies to prevent distortions and ensure competitiveness.

ii. Complementary Measures by the Ministry and the County Governments

This includes:

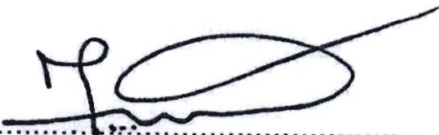
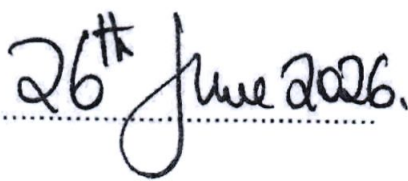
- Strengthening county and national institutional capacity to manage monitoring, payments, and dispute resolution;
- Promoting structural reforms such as improved logistics, aggregation systems, and agro-processing to address root causes of low farm incomes;
- Encouraging private sector participation by ensuring that MGR does not crowd out buyers or reduce incentives for value chain investment;

iii. Periodic Review and Adjustments

This includes:

- Conducting regular assessments of fiscal impacts, market distortions, and beneficiary outcomes to refine the program; and
- Introducing sunset clauses or adaptive mechanisms to prevent

long-term dependency and ensure the program evolves with market conditions.

Signature  Date 
SEN. MUTAHI KAGWE, EGH
CABINET SECRETARY

10

Mr Jeremiah M Nyegenye

The Clerk of the Senate,
Parliament Buildings,
P.O. Box 41842-00100,
Nairobi.

RE: SUBMISSION OF WRITTEN MEMORANDA ON THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

DATE: 02/04/2026

1.0 INTRODUCTION

We, the TEEBAgriFood Project Kenya team, submit this memorandum in response to the invitation to submit our views on the Bill by a way of written memoranda by the Senate Standing Committee on Agriculture, Livestock and Fisheries regarding the AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025) published on 27th March 2026.

We would like to provide our response from the perspective of TEEB (The Economics of Ecosystems and Biodiversity) AgriFood, the UN-led global initiative in which we are involved at Strathmore University. To this end, the Bill represents an important opportunity to transition Kenya's agricultural system towards a more sustainable, resilient, and inclusive agri-food system. TEEB AgriFood emphasizes that agricultural policies should account not only for financial returns, but also for environmental, social, and health externalities across the entire food system

2.0 GENERAL COMMENTS

We support the general intent of the Bill to cushion farmers against market volatility and price fluctuations. The Bill is well aligned with Kenya's development priorities, particularly its recognition of agriculture as a cornerstone of economic growth, food security, and rural livelihoods. As noted in the Memorandum of Objects and Reasons, agriculture contributes over 20% of GDP, employs a large share of the population, and remains central to national development. The proposal to guarantee minimum returns directly addresses persistent challenges facing farmers, including price instability, limited access to finance, and vulnerability to market shocks.

3.0 STRENGTHS OF THE BILL

(a) Income Stability and Risk Reduction

The Bill's core provision—guaranteeing minimum returns—directly enhances income predictability for farmers. By cushioning producers against market fluctuations, it reduces production risks and incentivizes sustained agricultural investment.

(b) Clear Definition of Cost and Returns

The inclusion of a **comprehensive cost framework**—covering inputs, labour, fuel, irrigation, rent, and post-harvest handling—ensures that guarantees are based on realistic production costs.

This is critical for fairness and transparency in determining farmer compensation.

(c) Institutional Framework at County Level

The establishment of **County Minimum Guarantees Committees** provides a decentralized and context-specific governance structure. These committees are mandated to determine eligible crops, assess costs, and ensure implementation, enhancing local accountability.

(d) Direct Transfers to Farmers

The provision for **direct payments to farmers' bank accounts** ensures efficiency, reduces leakages, and enhances transparency in compensation mechanisms.

(e) Periodic Review Mechanism

The requirement to regularly review prices and costs ensures that the system remains responsive to changing market conditions and inflationary pressures.

4.0 KEY CONCERNS AND AREAS OF IMPROVEMENT.

(a) Fiscal Sustainability

While the Bill mandates counties to integrate funding into their budgets, the financial burden could be substantial, especially for resource-constrained counties.

- There is a need for **clear fiscal guidelines**, national co-financing mechanisms, or stabilization funds.
- Without this, implementation risks being uneven across counties.

(b) Risk of Market Distortions

Guaranteed returns may inadvertently distort market signals by:

- Encouraging overproduction of certain crops
- Reducing incentives for efficiency and competitiveness

Safeguards are needed to ensure that guarantees complement rather than replace market dynamics.

(c) Targeting and Inclusivity

The Bill allows committees to determine eligibility criteria, including acreage limits.

- This could unintentionally exclude **smallholder or marginal farmers** if not carefully designed.
- Explicit pro-poor targeting criteria should be incorporated.

(d) Administrative Capacity

Successful implementation depends heavily on county-level capacity for:

- Data collection (costs, prices)
- Farmer registration
- Monitoring and evaluation

Capacity gaps may delay payments or compromise accuracy.

(e) Transparency and Accountability

Although the Bill includes provisions on reporting and offences, stronger safeguards may be required to:

- Prevent fraud and misreporting
- Ensure open access to data on payments and beneficiaries

5.0 SPECIFIC RECOMMENDATIONS & PROPOSED AMENDMENTS

Clause/Section	Observation/Challenge	Proposed Amendments/Recommendation
Part III (14) Aligning Guaranteed Returns with True Value Accounting	The Bill introduces the concept of “comprehensive cost” in determining minimum guaranteed returns, including inputs, labour, and operational expenses. This is a strong foundation, but could be further enhanced by expanding it toward True Value Accounting (TVA) by incorporating: • Environmental costs (soil degradation, water use, biodiversity loss, greenhouse gas emissions) • Social costs (labour conditions, rural inequality, gender disparities) • Health impacts (nutrition outcomes, exposure to agrochemicals)	The Bill could be strengthened by mandating that, over time, the determination of minimum guaranteed returns integrate natural capital and social capital considerations, not only financial production costs.
Part I (3) Strengthening Ecosystem Resilience and Climate Adaptation	Agricultural productivity in Kenya is highly dependent on ecosystem services such as soil fertility, water regulation, and pollination. These are increasingly threatened by climate change and environmental degradation. The Bill’s objective of stabilizing farmer incomes can be further strengthened by explicitly recognizing the role of ecosystem services in sustaining agricultural productivity and by linking guaranteed returns to sustainable practices again in line with the National AgroEcology Strategy, involving climate-smart agriculture, soil conservation	• Integrate ecosystem indicators into county-level assessments • Encourage counties to invest in nature-based solutions, such as watershed restoration and agroforestry by linking guaranteed returns to sustainable practices • Align the Bill with Kenya’s climate commitments and adaptation strategies

Part I (4) Fiscal Sustainability and Systemic Transformation	The Bill assigns implementation responsibility to county governments, including budgeting and resource mobilization. Enhancing Transparency Mechanisms will also be important to enable: • Public disclosure of payments and beneficiaries • Independent audits of the scheme	• Align funding with broader food system transformation goals, including value chain development and sustainable markets • Explore innovative financing mechanisms, such as: • Green financing • Payments for ecosystem services (PES) • Blended finance approaches
Part II (11c) Data, Monitoring, and True Value Metrics	The Bill provides for data collection and monitoring through the secretariats. Strengthening Data Systems by investing in robust agricultural data systems for real-time tracking of production costs and market prices will also create an opportunity to embed TEEB AgriFood evaluation metrics, including: • Natural capital indicators (soil health, biodiversity) • Social indicators (income distribution, employment quality) • Nutrition outcomes	Develop a multi-capital monitoring framework to assess the full impacts of the guaranteed returns scheme
Incentivising Sustainable Production Systems	The current Bill guarantees returns based on production and market conditions. However, without sustainability safeguards, this may unintentionally incentivize: • Unsustainable input use (e.g., excessive fertilizers or pesticides) • Expansion into ecologically sensitive areas • Monocropping systems that reduce biodiversity	• Link eligibility for guaranteed returns to sustainable agricultural practices, such as: • Climate-smart agriculture • Agroecology and regenerative practices • Soil conservation and water efficiency • Introduce tiered incentives, where farmers adopting sustainable practices receive

Alignment with the National
AgroEcology Strategy and use of the
TEEB-informed approach would align
financial incentives with sustainable
land use and ecosystem stewardship

enhanced guarantees or priority
access.

6.0 CONCLUSION

The Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025, is a progressive and potentially transformative policy instrument that can significantly improve farmer welfare and agricultural productivity in Kenya. By addressing income instability, it lays the foundation for a more resilient and inclusive agricultural sector.

However, its success will depend on careful implementation, adequate financing, institutional capacity, and strong governance mechanisms. With targeted refinements, the Bill can play a pivotal role in achieving sustainable agricultural transformation under Kenya's broader development agenda.

We would propose that by integrating a UN TEEB AgriFood and sustainability lens, the Bill can go further—transforming Kenya's agriculture into a system that:

- Delivers economic viability for farmers
- Safeguards ecosystems and natural capital
- Promotes social equity and resilience
- Supports long-term food and nutrition security

We urge the Senate to consider these proposals; embedding these principles will ensure that guaranteed returns not only protect farmers today but also secure the sustainability of Kenya's agri-food system for future generations. We are available to make oral submissions if invited.

SUBMITTED BY:



Signature:

Prof Jacqueline McGlade

Principal Investigator-TEEB AgriFood Project Kenya

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**KENYA PLANT HEALTH INSPECTORATE SERVICE (KEPHIS)
HEADQUARTERS**

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OUR REF: KEPHIS/HQ/CS 6 VOL. 2

Date: 7th April 2026

The Senate
Clerk's Chambers
Parliament Buildings
P. O. Box 41842-00100.

NAIROBI

E-mail: clerk.senate@parliament.go.ke/ agriculturelfcommittee.senate@parliament.go.ke/
mulesi.peter@parliament.go.ke

Dear *Sir*,

**RE: SUBMISSION OF MEMORANDA ON THE AGRICULTURE PRODUCE (MINIMUM
GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)**

Reference is made to the above and to your letter ref: SEN/DSEC/SCA/CORR/02/2026/360 dated 27th March, 2026, on the submission of views on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025.

We have reviewed the Bill and commend the Committee's initiative to establish a framework that guarantees minimum returns to farmers, thereby protecting them from unpredictable market fluctuations.

From the Kenya Plant Health Inspectorate Service (KEPHIS) perspective, we emphasize the importance of integrating quality assurance measures alongside the guaranteed returns. Ensuring the quality and safety of agricultural produce will strengthen market competitiveness and safeguard consumer interests.

Our detailed views are attached herewith for the Committee's consideration.

We appreciate your consideration and remain available to provide any additional information required.

Yours *sincerely,*

**PROF. THEOPHILUS M. MUTUI, PHD
MANAGING DIRECTOR
Ends.**

MEMORANDUM BY THE KENYA PLANT HEALTH INSPECTORATE SERVICE ON THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025

1. Introduction

The Kenya Plant Health Inspectorate Service (KEPHIS) is a State Corporation established under the Kenya Plant Health Inspectorate Service Act, 2012 with the mandate to assure the quality of agricultural inputs and produce, prevent the introduction and spread of plant pests, and facilitate agricultural trade while safeguarding food security and the environment.

Pursuant to its mandate within the agricultural sector, KEPHIS submits this memorandum to the Senate Standing Committee on Agriculture, Livestock and Fisheries for consideration during the review of the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025.

Agriculture remains a key pillar of Kenya's economy and has been identified under Kenya's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) as a critical sector for economic growth, food security, and livelihood improvement. However, the sector continues to face several challenges including high costs of agricultural inputs such as fertilizer, certified seed and planting materials, pest and disease pressures, unpredictable weather patterns, and market uncertainties. These challenges often affect agricultural productivity and the stability of incomes earned by farmers.

2. Objective of the Bill

The Bill seeks to establish a framework for the implementation and administration of a Minimum Guaranteed Returns (MGR) for agricultural produce in Kenya.

The Bill is intended to provide a mechanism through which farmers may receive guaranteed minimum returns where market prices fall below the cost of production.

The Bill therefore aims to:

- a) improve income stability for farmers;
- b) cushion farmers against market price fluctuations;
- c) promote food security by encouraging agricultural production; and
- d) facilitate equitable agricultural development across counties.

3. Overview of the Bill

The Bill provides for;

- a) mechanisms for determining the cost of production and minimum guaranteed returns for agricultural produce;
- b) the role of county governments in implementing the fund;
- c) the establishment of structures responsible for administering the Minimum Guaranteed Returns framework;
- d) procedures for the disbursement of guaranteed returns to farmers; and
- e) enforcement measures to ensure compliance with the provisions of the Act.

The Bill also provides for the designation of public officers responsible for the implementation and oversight.

4. KEPHIS Observations on the Bill

4.1 Proposed Additions to Interpretation

KEPHIS recommends that the Bill include clear definitions of “beneficiary”, “county public service board” and “producer” in the interpretation section to avoid ambiguity.

4.2 Clarity of the Objective and Framework of the Bill

While the Bill states that its objective is to improve income stability for farmers through guaranteed returns, the provision does not clearly articulate the institutional or administrative framework through which the Minimum Guaranteed Returns (MGR) will be established and operationalized.

Given that the Bill introduces mechanisms for determining cost of production, administering guaranteed returns, and designating public officers to oversee implementation, it would be useful for the objective clause to expressly indicate that the Bill establishes a framework for the implementation and management of the MGR.

Recommendation

The Bill may be refined to clarify that it establishes a framework for the implementation and administration of a Minimum Guaranteed Returns for agricultural produce in Kenya.

4.3 Linkage Between Guaranteed Returns and Agricultural Quality Standards

While the Bill seeks to guarantee minimum returns for agricultural produce, it does not expressly provide mechanisms to ensure that the produce eligible for such returns meets established agricultural quality and phytosanitary standards.

KEPHIS notes that agricultural produce quality is critical in maintaining productivity, protecting plant health, and safeguarding both domestic and international markets.

Failure to link minimum guaranteed returns to quality standards may inadvertently encourage the production or marketing of produce that does not meet required plant health or certification standards.

Recommendation

The Bill should incorporate provisions requiring that agricultural produce eligible for minimum guaranteed returns comply with applicable quality, certification, and phytosanitary standards as prescribed under relevant agricultural laws and regulatory frameworks.

4.4 Coordination with Existing Agricultural Regulatory Institutions

The Bill provides that the county government may collaborate with other bodies or organizations within or outside Kenya as it considers desirable or appropriate, and that the Secretariat may collaborate with agencies, financial institutions, and other stakeholders in implementing policies, strategies, and programs under the Act. Additionally, the Secretariat is tasked, on behalf of the Committee, with establishing and maintaining relationships with international, national, and local institutions involved in the agriculture sector and related activities.

While these provisions indicate an intention for collaboration, they do not explicitly require coordination with statutory agricultural regulatory institutions, such as KEPHIS or other bodies responsible for standards, certification, and plant health. Without such explicit inclusion, there is a risk that the Bill could be implemented without sufficient oversight on the quality and compliance of agricultural produce.

Recommendation

The Bill should explicitly require collaboration and coordination with existing agricultural regulatory agencies in all aspects of the MGR Bill.

4.5 Determination of Cost of Production and Agricultural Inputs

The Bill provides for the determination of the cost of production and expected returns in establishing minimum guaranteed returns. However, the Bill does not clearly indicate the methodology for determining whether farmers have utilized appropriate or optimal agricultural inputs during production.

This includes the use of certified seeds, fertilizers, pesticides, and other planting materials which significantly influence productivity and production costs.

Additionally, the Bill does not indicate whether complementary policy measures such as input subsidies or other support mechanisms may be provided to enable farmers to access quality agricultural inputs at affordable prices.

Recommendation

The Bill should provide clearer guidance on the parameters for determining cost of production and expected returns, including consideration of the use of certified agricultural inputs and adherence to recommended agronomic practices.

4.6 Role of County Governments

The Bill assigns implementation responsibilities to county governments, including budgeting and disbursement of minimum guaranteed returns.

While the involvement of county governments is consistent with the devolved nature of agriculture under the Constitution, the Bill does not clearly define coordination mechanisms between the national government, county governments, and sector regulatory agencies.

Without clear coordination structures, implementation challenges may arise, particularly in areas relating to verification of produce, quality compliance, and monitoring of beneficiaries.

Recommendation

The Bill should provide clearer coordination mechanisms between national institutions, county governments, and agricultural regulatory bodies to ensure effective implementation and oversight of the initiative.

4.7 Role of the Secretary to the Committee

The Bill provides for the establishment of a Secretariat but does not clearly indicate whether the Director of the Secretariat serves as the Secretary to the Committee.

Recommendation

The Bill should clarify that the Director of the Secretariat serves as the Secretary to the Committee and is responsible for:

- a) issuing notices of meetings;
- b) recording and maintaining minutes of meetings;
- c) maintaining official records of the Committee; and
- d) disseminating minutes and official communications to members.

5. Observations on the Schedule – Conduct of Business and Affairs of the Committee

5.1 Venue of Meetings

The Schedule provides that meetings shall be held at the premises of the Committee. However, the Bill does not specify where such premises are located.

Recommendation

The provision may be revised to state:

A meeting of the Committee shall be held at such time and place as the Committee may determine.

5.2 Notice of Meetings

The Schedule provides that the Secretary shall circulate written notice not less than fourteen days before a meeting unless three-quarters of members agree to a shorter notice period.

The provision is lengthy and may benefit from simplification.

Recommendation

The provision may be revised to state:

The Chairperson or the Secretary shall give written notice of a meeting of the Committee at least fourteen days before the date of the meeting.

5.3 Presiding at Meetings

The current wording regarding presiding at meetings may be simplified.

Recommendation

The provision may be revised to state:

The Chairperson shall preside at all meetings of the Committee, and in the absence of the Chairperson, a member designated by the Committee shall preside.

5.4 Execution of Contracts and Instruments

The Schedule provides that contracts or instruments may be executed by a person specially authorized by the Committee. However, the provision does not clearly define who such a person may be or the circumstances under which such authorization may be granted.

Recommendation

The Bill should clarify the person authorized to execute contracts on behalf of the Committee, including whether such authority rests with the Chairperson or another designated officer.

5.5 Disclosure of Interest

Provisions on disclosure of interest appear both within the Schedule and Section 9 in the Bill, which may create duplication.

Recommendation

The provisions should be harmonized and consolidated to ensure clarity and consistency. The Committee may also maintain a Register of Conflict of Interest in addition to recording declarations in meeting minutes.

5.6 Committee Procedures and Subcommittees

The Bill provides that the Committee may determine its own procedures but does not bring out the principles of transparency, accountability and fairness when conducting its business.

Recommendation

The provision may clarify that:

The Committee may regulate its own procedure subject to the Act and in conducting its business, adhere to the principles of transparency, accountability and fairness.

Where subcommittees are established, the Committee shall determine in writing their composition, mandate, and reporting obligations.

5.7 Code of Conduct

We note that the Minimum Guaranteed Returns Bill, 2025 does not reference or provide for a code of conduct for members of the Committee or officers of the Secretariat.

Recommendation

KEPHIS recommends that the Bill expressly include a code of conduct. This will ensure transparency, integrity, and proper governance in the implementation of the Bill.

6. Conclusion

KEPHIS supports initiatives aimed at improving farmer income stability and promoting food security.

However, the successful implementation of the Minimum Guaranteed Returns framework will require clear institutional coordination, integration of agricultural quality and phytosanitary standards, clarity in governance structures, and alignment with international obligations.

KEPHIS therefore recommends that the Bill be refined to incorporate provisions that ensure alignment with existing agricultural regulatory frameworks and strengthen the institutional and operational clarity of the proposed Bill.



COUNTY ASSEMBLIES FORUM (CAF)

Flamingo Towers, 5th Floor Wing B, Mara Road, Upper Hill P.O. Box 73552-00200 Nairobi Kenya Tel: 0701 046 933
Email: communication@countyassembliesforum.org www.countyassembliesforum.org

CAF MEMORANDUM ON THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

TO: Mr. Jeremiah Nyegenye, CBS
Clerk of the Senate, Parliament of Kenya..

FROM: County Assemblies Forum

DATE: 2nd April 2026

SUBJECT: CAF Memorandum on the Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025



1.0 INTRODUCTION

1. The County Assemblies Forum (CAF) is the coordinating body of the 47 County Assemblies in Kenya. The primary mandate of CAF is to promote networking and synergy among the 47 County Assemblies, coordinate intergovernmental relations and enhance good practice in legislative development. Our Mission is to provide effective leadership and coordination of the 47 County Assemblies and through policy and legislative action, promote a conducive working environment for all its members, and in that way deliver quality services to the people.
2. As one of the pillars of the devolved government system, CAF is committed in ensuring that national legislation is responsive to the fiscal and administrative realities of county governments in the implementation of devolved functions such as agriculture.

2.0. BACKGROUND

- 2.1. The Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025 seeks to provide a statutory framework for ensuring minimum guaranteed returns (MGR) for agricultural produce in counties. The Bill defines MGR as the minimum return of money guaranteed by a county government for agricultural produce.
- 2.2. The primary objectives of the Bill are to:
 - a) improve income stability for farmers by providing a guaranteed return to cushion them against market fluctuations;
 - b) promote food security by incentivising agricultural production; and
 - c) facilitate equitable agricultural development across all 47 counties.
- 2.3. The Bill mandates the establishment of a County Minimum Guarantees Committee responsible for identifying dominant crops and livestock, determining production costs, and approving payments.

3.0. GENERAL COMMENTS.

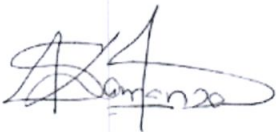
- 3.1. CAF recognises that agriculture is a devolved function under the Fourth Schedule to the Constitution and forms the backbone of the rural economy, supporting over 70% of the population. While CAF supports the intent to protect smallholder farmers from price volatility and exploitation by middlemen, we raise the following concerns from a devolution perspective.
- 3.2. The Bill places the primary responsibility for implementing and funding MGR on county governments (Clause 4). However, many counties are heavily dependent on the Equitable Share of National Revenue, and current national debt pressures often lead to delayed disbursements. Without a national stabilisation fund, the Bill risks becoming an “unfunded mandate” that could lead to county insolvency during major market crashes.
- 3.3. The mandatory nature of MGR payments could force counties to reallocate funds away from other essential devolved sectors such as health, education, and water infrastructure to bridge price deficits.
- 3.4. The Bill requires counties to calculate “comprehensive costs” (inputs, labour, rent, post-harvest handling) for diverse ecological zones (Clause 2 and Clause 12). Many counties lack the technical capacity and extension services needed for the constant, precise data collection required to manage these payouts fairly and prevent fraud.
- 3.5. A fixed 20% profit guarantee regardless of produce quality may reduce incentives for farmers to adopt efficient, modern techniques, potentially affecting the competitiveness of key value chains.
- 3.6. CAF appreciates the opportunity to contribute to this Bill and, based on the foregoing comments, notes the following; -

	(c) ensure timely disbursement of payments to eligible beneficiaries; (d) collaborate with other bodies or organisations within or outside Kenya as it may consider desirable or appropriate and in furtherance of the object and purpose of this Act; and (e) monitor the impact and effectiveness of the minimum guarantee payments in achieving the objectives of this Act.		
2	Clause 7 - Functions of the Committee The committee shall – (a) having regard to the dominant crops in the county prepare and publish a schedule of the dominant	Insert a new paragraph (h) as follows: <i>“(h) collaborate with the Kenya Meteorological Department and county agricultural extension services to provide timely early warning data on weather,</i>	➤ Successful MGR implementation requires a holistic approach that includes production-stage risk management and technical advice, not just end-of-cycle payouts.

	returns; (ii) integrate the funding requirements into the county budget planning cycle;		
3	Clause 12 – Assessment of MGR The minimum guaranteed returns shall be an amount equivalent to twenty percent of the difference between the average market price of a product and the comprehensive cost.	Amend by inserting the following new subsection: <i>“(2) Notwithstanding subsection (1), a county assembly may, by legislation, prescribe a variable profit margin not exceeding twenty percent for specific crops or livestock based on county-specific research, production costs and regional economic conditions.”</i>	➤ Production costs and margins for different crops (e.g., mung beans versus maize) vary significantly across counties; a rigid 20% across all sectors may be fiscally untenable for some value chains.
4	Clause 13 – Produce eligible for minimum guaranteed returns 13. Minimum guaranteed returns shall only be paid – (a) where the agricultural produce is largely consumed locally;	Insert a new paragraph (d) as follows: <i>“(d) only where the producer has delivered the produce to a certified County Aggregation and Industrial Park (CAIP) or an equivalent county-</i>	➤ This ensures produce is captured in the formal value chain and prevents wastage, such as the recent case in Murang’a where mangoes rotted in farms due to lack of

	payment of minimum guarantee returns; (e) the criteria for evaluation of an application for payment of minimum guaranteed returns; (f) the procedure for the disbursement of minimum guarantee returns; and (g) other matters as the respective county assembly may consider necessary for the better carrying out of the provisions of this Act.		
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Yours sincerely,



HON. SETH KAMANZA,
CHAIRPERSON.

	(b) through direct transfers to the beneficiaries' bank accounts; and (c) in instances where the market returns obtained by beneficiaries fall below the recommended minimum guaranteed returns.	<i>designated aggregation centre."</i>	market access.
	Clause 21 – County Legislation 21. A county assembly may enact the following matters – (a) the establishment of a minimum guarantees fund; (b) manner, conditions and forms for registration of beneficiaries; (c) the forms for application for payment of minimum guaranteed returns; (d) the procedure for the consideration of applications for	Amend the paragraph to state:- <i>"A county assembly shall enact county legislation to provide for the following matters....."</i> Further, amend by inserting a new paragraph (h) as follows: <i>"(h) mandatory budgetary allocations for agricultural extension services and the automation of the farmer registry and database required under section 11(1)(h)."</i>	➤ "Shall" ensures County Assemblies enact on the important legislation. ➤ Accurate MGR determination relies on credible data and extension support to bridge the gap between research and production.

crops and livestock produce eligible for minimum guaranteed returns; (b) determine and recommend the average market price of a product and the comprehensive cost in accordance with section 12; (c) review, from time to time, the average market price of a product and the comprehensive cost; (d) determine the minimum and maximum acreage under which beneficiaries are eligible for minimum guaranteed returns under this Act; (e) collaborate with the county executive committee member in charge of finance to – (i) assess the fiscal sustainability of proposed minimum guaranteed	<i>pests and market trends for risk mitigation."</i>	
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4.0 SUMMARY MATRIX OF THE PROPOSED AMENDMENTS.

NO.	CLAUSE	PROPOSED AMENDMENT	JUSTIFICATION
	Clause 4 – Role of County Governments 4. (1) Each county government shall be responsible for the implementation of this Act. (2) Without prejudice to the generality of subsection (1), each county government shall – (a) approve and integrate minimum guarantee payment programmes within their annual county budget; (b) mobilise resources necessary for the payment of minimum guarantees;	Amend by inserting a new subsection (3) as follows: <i>“(3) The national government shall establish and contribute to a National Minimum Guaranteed Returns Stabilisation Fund that shall provide matching grants to county governments equivalent to fifty percent of the county’s annual MGR expenditure.”</i>	➤ Counties lack the fiscal space to independently manage large-scale price stabilisation; a national “cushion” is necessary to prevent county insolvency and ensure the Bill does not become an unfunded mandate.

in middle of turmoil

and a promising career derailed by a horrific accident.

The incident occurred on the evening of July 30, 2024. After a day of marking exams for the Kenya National Examinations Council (KNEC), the teacher was alighting from the school bus when the vehicle ran over his left foot, leaving him helpless on the tarmac.

"By God's grace, I remained conscious and managed to call for help," he recounted.

He was initially rushed to Tumtum PCEA Hospital, where three dislocated toes were reattached and an X-ray revealed fractures. Despite a doctor's recommendation for admission, he sought transfer to Thika to be near his family for care. This was only the beginning of a medical odyssey that continues to this day.

At Medcross Hospital in Thika, daily wound dressings became the norm. A severe burn, discovered under his backslab plaster, and a later blood clot compounded his suffering.

The trauma extended to his right shoulder, where an MRI later confirmed a sub-dislocation and small cysts.

"I continue with physiotherapy while managing the numbness in my foot," he stated, adding that he also undergoes treatment for his shoulder and clinical depression.

"Any time I share this I find myself tearing because I have suffered. I am not able to move on."

From the outset, the teacher says he notified the school's head of Logistics who escalated the matter to the chief principal who initially assured him of the BOM's support, he claims the pledge turned empty.

The situation was made more distressing by a personal crisis. "Before the accident, I had informed the Chief Principal that I would be rushing to Meru to pick up my mother, who was scheduled for surgery in Nairobi," he explained.

"The accident forced me to postpone the trip, delaying her surgery and worsening her condition."

He describes reaching a point of financial desperation, having to pay his mounting medical bills alone.

"I shared this with the chief principal, expecting the need for possible support from colleagues. She promised to initiate something, but nothing was done, adding to my humiliation," he stated.

Karuti contrasts the response to his accident with that of a colleague who sustained minor injuries on a weekend.

He claims the colleague was rushed to hospital in the school van, with the chief principal spending hours at the facility, while staff were mobilised to offer support.

"In contrast, no one from the school visited me after my serious work-related accident," he said.

"I later discovered that staff had been misinformed, told that I had simply injured a toenail, which minimised the severity of my condition."

This sense of isolation was compounded by what he perceived as indirect harassment after his lawyer filed a case against the BOM.

He claims he was initially excluded from,

then abruptly included in, KNEC marking duties despite his medical condition, and was gradually relieved of his administrative duties without formal communication.

After what he describes as repeated humiliations, he sought a transfer. His request was initially denied at the sub-county level, pushing him deeper into despair.

"On the opening day for the third term of 2025, I was ambushed with a transfer to Kiara-gana day school. It was now the last weapon and nail to my coffin," he said, his voice heavy with emotion.

"That day as I drove to Nairobi TSC headquarters I missed three accidents by a whisker."

His journey to TSC headquarters, however, marked a turning point. He was received with empathy and referred to wellness officers.

"I really appreciate the leadership of the TSC at the headquarters," he stated with palpable relief. "They saved my life; they saved my sinking career."

Great leader

In his new school, he has found a supportive principal, whom he credits with helping him heal. "She is a great leader and I appreciate her. May God bless her in her leadership," he said.

Alexina Mayaka is another teacher who faced tribulations to the point of quitting. Her career has been a difficult climb since her first teaching post in 2018.

Before landing a job, she endured numerous interviews, and when eventually given employment forms at TSC headquarters, she was asked for a bribe, which she refused.

Her early postings went well until maternity leave changed everything.

Returning under a new principal, Mayaka requested some duty adjustments to care for her baby. Initial acceptance turned to hostility, with school superiors filing complaints at TSC offices and finding faults where there were none.

The situation worsened when she helped a student who was assaulted by a deputy principal.

Instead of support, Mayaka faced threats from parents and pressure from the school. The deputy principal coached students to lie at disciplinary hearings, but the county education office found her innocent.

In July 2019, a stranger nearly attacked her in class. Though the students protected her, the school failed to guarantee her safety. Her salary was stopped three months later. Mayaka also suffered a leg fracture during this stressful time, spending large sums on treatment with no relief.

Transferred to a new school for health reasons, Mayaka encountered more intimidation when the principal publicly berated her. Her complaints to TSC offices were ignored, and instead, her salary was deducted unjustly.

Eventually forced to leave the school, her story highlights systemic abuse where many principals operate with impunity.

"Who protects rogue principals? Are they above the law? Who will stand up for junior teachers like us?" she asks.

Additional reporting by Lewis Nyaundi
newsdesk@standardmedia.co.ke

"We can't speak for each of these cases. They are various stages of being solved. TSC takes these matters seriously and is always in the forefront when it comes to welfare of teachers."

TSC legal officer

EDUCATION

'We have invested heavily to ensure integrity of exams'

Education Cabinet Secretary Julius Ogamba has reaffirmed the government's unwavering commitment to maintaining the integrity of Kenya's examination process.

The CS maintained that ongoing nationwide multi-agency monitoring campaign is designed to guarantee that the administration of national examinations remains smooth, transparent, and credible.

Speaking at the Starehe Deputy County Commissioner's offices in Nairobi County after inspecting the container where examination papers are stored before being distributed to schools, the CS said every learner, regardless of location or background, sits for their exams under the same fair and just conditions.

"The government has invested heavily in ensuring that every examination paper reaches candidates safely and securely."

"We will not tolerate any malpractice or compromise at any stage," said Ogamba.

He also reassured parents and candidates that the government had taken all necessary measures to ensure examinations proceed without disruption.

"We are confident that every candidate will be able to complete their exams successfully and that their results will reflect their genuine effort," he added.

Ogamba added that the government's reforms in the education sector were anchored on merit

and integrity, emphasising that cheating and corruption in examinations undermine not just the education system but also the nation's future.

The ongoing monitoring exercise, which brings together officials from Kenya National Examinations Council, Teachers Service Commission, Ministry of Education, Directorate of Criminal Investigations, and the Ministry of Interior, aims to ensure that examination materials are handled with utmost accountability.

According to the CS, the multi-agency approach has significantly reduced incidents of examination malpractice witnessed in previous years.

"Through strict supervision, use of technology, and real-time coordination between agencies, we have seen remarkable improvement in how exams are managed across the country," he said.

He commended centre managers and security officers for their dedication, urging them to remain vigilant against attempts to leak or tamper with examination papers.

"Examination centres are secure zones. We expect everyone entrusted with these responsibilities to act professionally" he said.

This is the fourth week of the national examinations where over 900,000 candidates across the country are sitting for their papers.

[Mike Kihaki]

REPUBLIC OF KENYA



THIRTEENTH PARLIAMENT | FOURTH SESSION THE SENATE

INVITATION FOR SUBMISSION OF MEMORANDA

THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

The Agriculture Produce (Minimum Guaranteed Returns) Bill, 2025 (Senate Bills No. 17 of 2025) was read a First Time in the Senate on Wednesday, 28th October, 2025 and thereafter stood committed to the Standing Committee on Agriculture, Livestock and Fisheries for consideration. The Committee is required, under standing order 145(5) of the Senate Standing Orders, to facilitate public participation on the Bill and to take into account the views and recommendations of the public when the Committee makes its report to the Senate.

The Bill seeks to establish a framework through which county governments can guarantee farmers a minimum return on their produce in order to cushion them against unpredictable market fluctuations. The Bill also seeks to promote food security and facilitate equitable agricultural development across counties.

In accordance with the provisions of Article 118 of the Constitution and standing order 145(5) of the Senate Standing Orders, the Standing Committee on Agriculture, Livestock and Fisheries now invites interested members of the public to submit any representations that they may have on the Bill by way of written memoranda.

The memoranda may be submitted to the Clerk of the Senate, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk of the Senate, Main Parliament Buildings, Nairobi or emailed to clerk.senate@parliament.go.ke and copied to agriculturecommittee.senate@parliament.go.ke to be received on or before **Monday, 24th November, 2025 at 5.00 p.m.**

The Bill and a digest that summarizes the contents and context of the Bill may be accessed on the Parliament website at <http://www.parliament.go.ke/the-senate/house-business/bills>.

J. M. NYEGENYE, CBS,
CLERK OF THE SENATE.

JUDICIAL SERVICE COMMISSION REPUBLIC OF KENYA



INTERVIEWS NOTICE

JUDGES OF THE: COURT OF APPEAL, HIGH COURT AND ENVIRONMENT AND LAND COURT

Reference is made to the advertisement on 9th June, 2025 for the following positions:

- Judges of the Court of Appeal (15 posts)
- Judges of the High Court (20 posts)
- Judges of the Environment and Land Court (10 posts)

It is notified for general information that the Judicial Service Commission will be conducting interviews for the three positions from **12th January, 2026 to 23rd March, 2026, at the JSC Boardroom, 12th Floor, CBK Pension Towers, Harambee Avenue, Nairobi.**

The interview schedule indicating the names of the candidates and the specific dates and time of the interview can be accessed from the JSC website: www.jsc.go.ke.

THE JUDICIAL SERVICE COMMISSION IS AN EQUAL OPPORTUNITY EMPLOYER. PLEASE NOTE THAT JSC RECRUITMENT SERVICES ARE FREE OF CHARGE.

Hon. Winfrid B. Mokaya, CBS
SECRETARY
JUDICIAL SERVICE COMMISSION

REPUBLIC OF KENYA



THIRTEENTH PARLIAMENT | FOURTH SESSION
THE SENATE

INVITATION FOR SUBMISSION OF MEMORANDA THE AGRICULTURE PRODUCE (MINIMUM GUARANTEED RETURNS) BILL, 2025 (SENATE BILLS NO. 17 OF 2025)

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J. M. NYEGENYE, CBS,
CLERK OF THE SENATE.



VACANCY ANNOUNCEMENT

CHIEF EXECUTIVE OFFICER

BACKGROUND

Our client, Credit Information Sharing Association of Kenya (CIS Kenya) is the country's leading institution dedicated to advancing a transparent, responsible, and inclusive credit market. Established in 2013, it aims to build a financial system where credit is extended based on data, trust, and fairness.

Over the years, CIS Kenya has evolved from being a compliance platform into a national leader, uniting banks, microfinance institutions, SACCOs, fintechs, and regulators to strengthen Kenya's credit culture and broaden access to finance.

At its core is ValiDa'a, an innovation developed by CIS Kenya to enhance the integrity and accuracy of credit data, enabling lenders to make informed decisions, improving portfolio quality, and supporting efforts to reduce Non-Performing Loans (NPLs) across the financial sector.

Beyond data, CIS Kenya also plays a convening role - shaping discourse on credit reporting, financial literacy, and consumer empowerment, and shifting perceptions of Credit Reference Bureaus (CRBs) from a punitive tool to a resource for risk management and protecting borrowers from over-indebtedness.

Today, CIS Kenya serves as a trusted authority in the credit information sharing industry, promoting innovation and collaboration to ensure a robust, inclusive credit market for the future. It is against this background that CIS Kenya is now seeking to recruit a strong, dynamic and visionary leader to drive change, innovation, and transformation of the Association.

STRATEGIC ROLE OF THE CEO

The Chief Executive Officer of CIS Kenya will position the organization to a new and coveted level as the convener of national discourse on credit market issues across all sectors. To achieve this status the CIS Kenya team, under the CEO's leadership, will ensure to:

- Champion national conversations around enhancing private sector credit particularly to MSMEs, driving down NPLs and lowering credit pricing.
- Drive full and effective implementation of the ValiData across all sectors of the credit market.
- Galvanize public appreciation of CRB scores as an enabler of easier access to credit.
- Lead the development and execution of a new strategic plan for CIS Kenya.
- Work closely with industry experts to achieve organizational objectives.
- Mitigate compliance risk among members by activating the self-regulatory structures that have been put in place.
- Achieve promulgation of a National CIS Policy and associated legal and regulatory reforms.

DUTIES AND RESPONSIBILITIES OF THE CEO

Reporting to the Governing Council, the Chief Executive Officer will be responsible for the implementation of the Council's decisions in a results-oriented and timely manner to achieve CIS Kenya's goals, objectives and performance targets by:

- Providing strategic leadership to CIS Kenya to achieve its renewed mission and guarantee financial sustainability.
- Ensuring efficient running of the affairs of the Governing Council and General Meetings with utmost diligence and efficiency.
- Playing an effective role as spokesperson for CIS Kenya on matters of CIS policy and implementation.
- Promoting efficiency, effectiveness and quality in the CIS Mechanism.
- Leading out in lobby efforts towards a strong policy and legal framework that also provides for growth of the effective ADR mechanism;
- Securing sustainable funding through membership, programs and partnerships to guarantee financial sustainability; and;
- Any other responsibilities that may be necessary to achieve CIS Kenya's objectives.

QUALIFICATIONS AND EXPERIENCE

- Bachelor's degree in Accounting, Economics, Law, Banking, Finance, Financial Economics, Business Administration, or other relevant discipline.
- Master's degree in a relevant discipline.
- Minimum of ten (10) years' experience at a senior level management in the banking or finance sector.
- Be a practicing professional member with relevant professional body;
- Demonstrable expertise in matters relating to non-profit Associations, credit information, banking, governance and related expertise.
- Ability to build and manage complex/delicate relationships, and to build consensus among a diverse range of stakeholders with disparate and sometimes competing interests.
- A results-oriented and self-driven leader with a strong track record in strategy formulation, managing change, organizational growth, and performance management.
- Practical experience in building and managing a team of high performing technical and operational staff.

CONTRACT DETAILS

The successful candidate will be employed on a 5-year contract that is renewable based on performance.

If you believe you possess and can clearly demonstrate your ability in the required relevant criteria for this role, please submit your application, including copies of relevant academic and professional certificates and testimonials, your curriculum vitae, details of current position, current remuneration, as well as email and telephone contacts of three (3) referees who can speak of your competence, character and integrity to lifo@atarahsolutions.co.ke. Applications should be received on or before **24th November 2025**.

Only shortlisted candidates will be contacted.

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