

*Approved for tabling,*

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KENYA NATIONAL ASSEMBLY

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12 MAR 2015

ELEVENTH PARLIAMENT

*12/3/15*

(THIRD SESSION-2015)

*Paper laid on the Table of the House by the Hon. Adau Nooru, MP Chairman, Dept/Committee on Agric, Livestock & Co-operatives.*

REPORT OF THE

DEPARTMENTAL COMMITTEE ON AGRICULTURE,

*on 12.03.2015.*

LIVESTOCK AND CO-OPERATIVES

*M/W*

ON THE

**THE CRISIS FACING THE SUGAR INDUSTRY IN KENYA**

12 MAR 2015

CLERKS CHAMBERS  
PARLIAMENT BUILDINGS,  
NAIROBI

MARCH, 2015

*Jokom* *BS* *Mungu*

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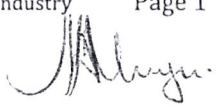
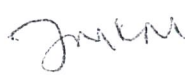

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## CONTENTS

ACRONYMS.....	3
Terms of Reference for the Committee .....	5
INTRODUCTION.....	5
Membership .....	7
CHAPTER 1 .....	11
1.0 OVERVIEW OF THE SUGAR INDUSTRY IN KENYA.....	11
Historical Perspective.....	11
Cane Production, Quality and Supply.....	11
Mills Performance and Contribution to GDP .....	12
Sugarcane and Sugar Prices.....	12
Cost of Production .....	13
National Sugar Consumption.....	13
Sugar Imports and exports .....	13
COMESA Safeguards .....	14
Privatization.....	14
Divesture.....	14
Farmers Problems .....	15
2.0 EVIDENCE AND SUBMISSIONS FROM SUGAR COMPANIES AND OTHER WITNESSES	
16	
2.1 Submissions by Western Development Initiative Association (WEDIA).....	16
2.2 Submissions by Management of Mumias Sugar Company (MSC) .....	17
2.3 Submissions by Nzoia Sugar Company (NSC).....	18
2.4 Submissions from Butali Sugar Mills (BSM).....	20
2.6 Submission by West Kenya Sugar Factory (WKSF) .....	22
2.7 Submission by the Former Managing Director MSC Dr. Evans Kidero .....	23
2.8 Submission by the Director General – National Environment Management Authority (NEMA)	
.....	23
2.9 Submission by Commissioner General – Kenya Revenue Authority (KRA) .....	24
2.10 Submissions by Kenya Ports Authority (KPA).....	26
2.11 Submissions by the Inspector General of Police (IG) .....	26
2.12 Submissions by Kenya Bureau of Standards (KEBS) .....	28

2.13	Submissions by Management and Board of Directors for Mumias Sugar Company .....	29
2.14	Submissions by the Director General of the National Intelligence Services (NIS) .....	31
2.16	Submissions by the Cabinet Secretary Ministry of Agriculture, Livestock and Fisheries ...	33
3.0	FINDINGS OF THE COMMITTEE .....	39
	Cane Poaching .....	40
3.3	OBSERVATIONS .....	46
CHAPTER 4	.....	50
4.0	RECOMMENDATIONS OF THE COMMITTEE .....	50
ANNEXTURES	.....	53

## ACRONYMS

WEDIA	-	Western Development Initiative Association
DCALC	-	Departmental Committee on Agriculture, Livestock and Co-operatives
MSC	-	Mumias Sugar Company
NSC	-	Nzoia Sugar Company
BSC	-	Busia Sugar Company
BSM	-	Butali Sugar Mills
WKSF	-	West Kenya Sugar Factory
KRA	-	Kenya Revenue Authority
NIS	-	National Intelligence Service
IG	-	Inspector-General
DG	-	Director-General
CG	-	Commissioner-General
CS	-	Cabinet Secretary
NEMA	-	National Environment Management Authority
EMCA	-	Environmental Management and Coordination Act
KPA	-	Kenya Ports Authority
KSB	-	Kenya Sugar Board
KEBS	-	Kenya Bureau of Standards
COMESA	-	Common Market for Eastern and Southern Africa
KeRRA	-	Kenya Rural Roads Authority
IDB	-	Industrial Development Bank
RSCL	-	Rising Star Commodities Limited

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DRC	-	Democratic Republic of Congo
EU	-	European Union
UK	-	United Kingdom
DPL	-	Dantes Peak Limited
GK	-	Government of Kenya
AFFA	-	Agriculture Fisheries and Food Authority
EACCMA	-	East African Community Customs Management Act
SDF	-	Sugar Development Fund
LATF	-	Local Authorities Trust Fund
CDF	-	Constituencies Development Fund
VAT	-	Value added Tax
NSE	-	Nairobi Stock Exchange
MT	-	Metric Tones
TCD	-	Tones Crushed Daily;
FCB	-	Fives Call Babcock
SCT	-	Single Customs Territory
KPMG	-	A merger leading audit firm between <i>Klynveld Main Goerdeler</i> <i>And Peat Marwick</i>
MW	-	Mega Watts
MSS	-	Mauritius Sugar Syndicate

## PREFACE

Mr. Speaker Sir,

01. Arising from a petition by Western Development Initiative Association on the imminent collapse of sugar industry in Western Kenya, the Committee while investigating into the issues raised in the petition, undertook to sample investigations into the status of sugar industry in Kenya with a view to finding a lasting solution and making recommendations to salvage the industry and save the loss to be incurred by over six million sugarcane farmers across the country if the industry was to collapse.
  
02. Terms of Reference for the Committee
  - (i) Investigate and inquire into the current state of the sugar industry in the country;
  - (ii) Investigate and inquire into the issue of cheap sugar imports and smuggling;
  - (iii) Investigate and inquire into the alleged exports by Mumias Sugar Company between 2006 and 2012;
  - (iv) Look into the glut in the sugar market, which has, among other causes, contributed to the current crisis in the industry; and
  - (v) Report on the findings of the Committee's inquiry.

## INTRODUCTION

03. The Departmental Committee on Agriculture, Livestock and Co operatives is established pursuant to provisions of Standing Order 216 (5). Under the provisions of Standing Order 216 (5) the Committee is mandated to:-
  - (a) *investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;*
  - (b) *study the Programme and policy objectives of the Ministries and departments and the effectiveness of the implementation;*
  - (c) *study and review all legislation referred to it;*

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- (d) study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
- (e) investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
- (f) to vet and report on all appointments where the Constitution or any other law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and*
- (g) make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.*

04. The Committee is also mandated to scrutinize the budget of line Ministries and Departments as provided under Standing Order No. 235 states which that:-

*(i) Upon being laid before the House, the Estimates shall be deemed to have been committed to each Departmental Committee without question put, for each such committee to deliberate upon according to their respective mandates.*

*(ii) Each Departmental Committee shall consider, discuss and review the Estimates according to its mandate and submit its report and recommendations to the Budget and Appropriations Committee within twenty-one days, after being laid before the House.*

*(iii) The Budget and Appropriations Committee shall discuss and review the Estimates and make recommendations to the National Assembly, taking into account the recommendations of the Departmental Committees, the views of the Cabinet Secretary and the public.*

05. Section 124 of the Constitution (2010) also provide for the establishment of the Committees by Parliament.

06. The Committee oversees the performance of the following Ministries and Government departments:-

- (i) Agriculture,
- (ii) Livestock,
- (iii) Irrigation,

- (iv) Fisheries development,
- (v) Co-operatives development, and
- (vi) Production and marketing.

07. Under the above Ministries, the Committee covers the following subjects;

- (i) Agriculture policy;
- (ii) Veterinary policy
- (iii) Fisheries policy
- (iv) Cooperative societies

### Membership

08. The Committee comprises the following Members:-

1. The Hon. Adan Mohamed Nooru, M.P. - Chairman
2. The Hon. Japhet M. Kareke Mbiuki, M.P. - Vice Chairman
3. The Hon. Kabando Wa Kabando, M.P.
4. The Hon. Raphael Letimalo, M.P.
5. The Hon. Patrick Wangamati, M.P.
6. The Hon. Francis Munyua Waititu, M.P.
7. The Hon. Mary Wambui Munene, M. P.
8. The Hon. Peter Njuguna Gitau, M.P.
9. The Hon. Maison Leshoomo, M.P.
10. The Hon. Anthony Kimani Ichung'wah, M.P.
11. The Hon. Alfred Kiptoo Keter, M.P.
12. The Hon. Ayub Savula Angatia, M.P.
13. The Hon. Justice Kemei, M.P.
14. The Hon. Philip L. R. Rotino, M.P.
15. The Hon. Korei Ole Lemein, M.P.
16. The Hon. Silas Tiren, M.P.
17. The Hon. Benjamin Jomo Washiali, M.P.
18. The Hon. (Dr.) Victor Kioko Munyaka, M.P.

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19. The Hon. John Bomett Serut, M.P.
20. The Hon. Millie Odhiambo, M.P.
21. The Hon. Fredrick Outa, M.P.
22. The Hon. Maanzo, Daniel Kitonga, M.P.
23. The Hon. James Opiyo Wandayi, M.P.
24. The Hon. Ferdinand Kevin Wanyonyi, M.P.
25. The Hon. Paul Simba Arati, M.P.
26. The Hon. Florence Mwikali Mutua, M.P.
27. The Hon. Hezron Bollo Awiti, M.P.
28. The Hon. John Owour Kobado, M.P.
29. The Hon. Zuleikha Hassan Juma, M.P.

**Mr. Speaker,**

0.9 This Report was considered at length by the Committee in a retreat at Windsor Golf and Country Club in Nairobi in 6<sup>th</sup> and 7<sup>th</sup> March , 2015 and the resolution to adopt this Report was reached unanimously in a meeting attended by a majority of the Members of the Committee Members. It is our hope that this Report will guide and inform the House on the status of sugar industry.

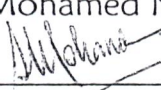
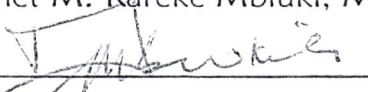
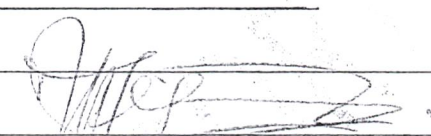

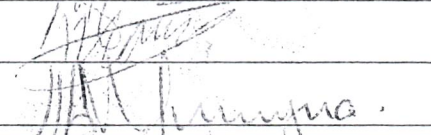
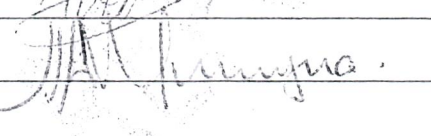
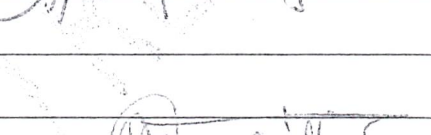
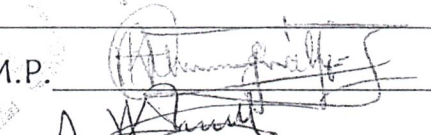
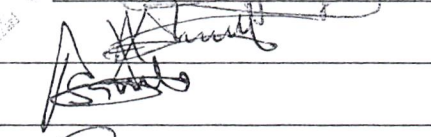
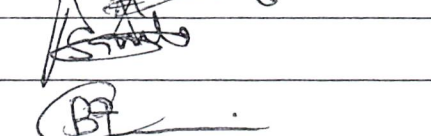
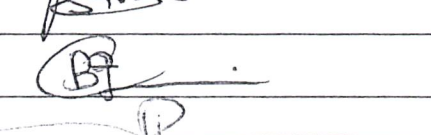
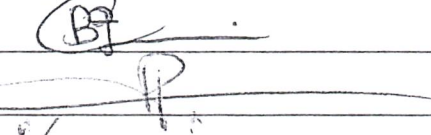
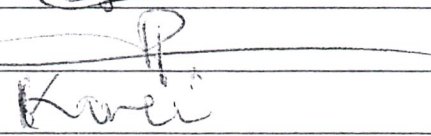
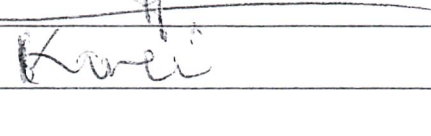
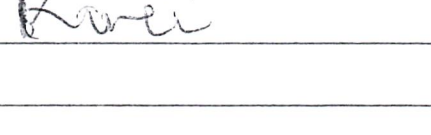
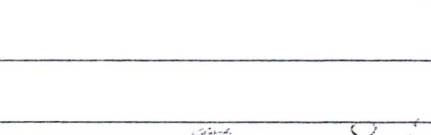
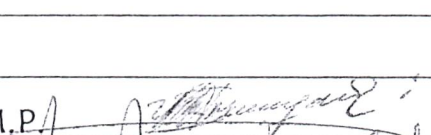
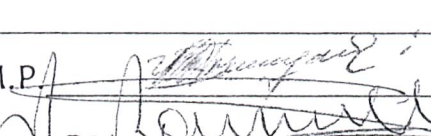
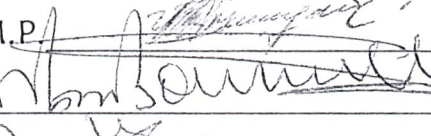
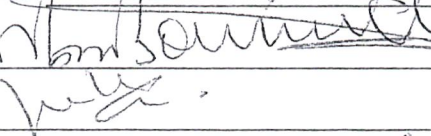
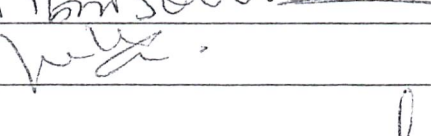
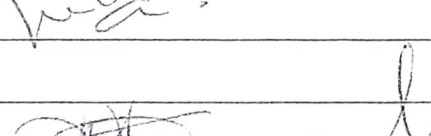
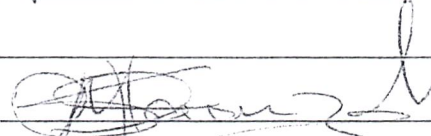
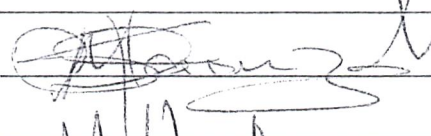
The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the support and services extended to the Members to enable the Committee complete this report smoothly.

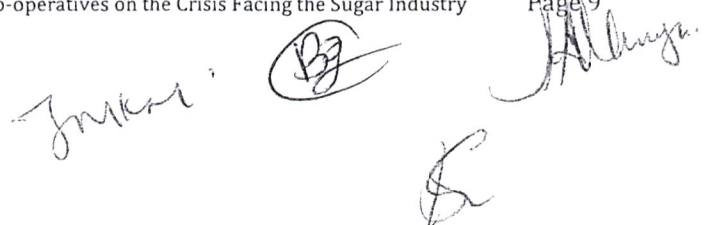
I am grateful for the Members of the Committee whose support enabled the Committee to accomplish this task. Special thanks to the secretariat for their support at all times.

On behalf of the Committee, I now have the honour and pleasure to present this Report to House for consideration and adoption.

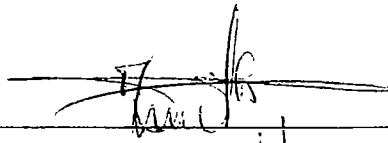
Thank You

We the undersigned

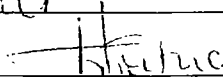
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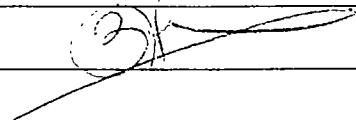


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## CHAPTER 1

### 1.0 OVERVIEW OF THE SUGAR INDUSTRY IN KENYA

#### Historical Perspective

10. Sugar cane was first introduced in Kenya in 1902 with the first sugar factory being set up at Miwani near Kisumu in 1922. Later in 1927, another sugar factory was set up at Ramisi in the coast province, the area where the current Kwale International Sugar is located.
11. After independence, the Government of Kenya moved to expand sugar through investments in sugar cane growing schemes and establishment of more new sugar factories. These include Muhoroni Sugar Factory (MSF) in 1966, Chemelil Sugar Factory (CSF) in 1968, Mumias Sugar Company (MSC) in 1973, Nzoia Sugar Company (NSC) in 1978 and South Nyanza Sugar Company (SONY)-Awendo in 1979.

#### Cane Production, Quality and Supply

12. The total area under cane in the country presently is 203,730 Ha, comprising 189,390 Ha belonging to out-growers and 14,340 Ha Nucleus Estates (land owned/leased by mills to grow cane). There are 300,000 cane farmers, 4,500 of which are large scale.
13. The quality of cane as measured by pol % cane averages 12 compared 13.5% in the region. Pol % of cane dropped from a weighted average of 11.16 in 2012 to 11.08 in 2013, due to cane harvested below 13 months. However, there was an improvement in fibre % cane, from 17.18 to 17.01 during the period.
14. The average yield per Ha in Kenya is 60.5MT compared to the global average of 63MT. Columbia produces 115 MT per Ha. Total cane supplied for processing by mills in 2013 was 6,764,200 MT compared to 5,842,830 MT in 2012, representing a 15.77% increase.

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## Mills Performance and Contribution to GDP

15. Today, Kenya has eleven (11) operational sugar mills in the country, 1 to be commissioned in Kwale (Kwale International Sugar Company) while 2 mills (Muhoroni and Miwani) are under receivership. The 11 sugar factories have an annual production capacity of about **600,000MT** of sugar against the annual domestic requirements of **800,000MT**, running a deficit of **200,000MT**.
16. The estimated 200,000 metric tons shortfall is offset by sugar imports which has created a lot of instability in the local domestic market. Kenya has only managed to achieve significant production of the commodity in 1980 and 1981 to meet domestic demand.
18. The combined installed current crushing capacity of operational mills is about **29,990 MT** of cane per day. The current capacity is sufficient to produce about **1 million tons** of sugar per annum. This is not sufficient to meet the domestic consumption capacity of sugar. The target is to expand the daily capacity to approximately **50,000 MT per day** in order to produce **1,350,000 MT** to make Kenya a sugar surplus producer.
19. The sugar industry in Kenya supports directly or indirectly six million Kenyans, which represents about 16% of the entire national population. The sugar industry contributes about 7.5% of the country's Gross Domestic Product (GDP) and has a major impact on the economies of Western Kenya and Nyanza regions and, to a lesser extent, Rift Valley. The sugar sub-sector is expected to equally have a major impact on the economy of Coast region once the mill being built in Kwale becomes operational.
20. Sugar production increased from 503,210 MT in 2012 to 599,070 MT in 2013 as a result of increased cane supply and better recoveries. Recoveries improved from Tonnes Cane/Tonnes Sugar (TC/TS) of 11.61 in 2012 to 11.29 in 2013. The Factory Time Efficiency (FTE) improved from 76.65% in 2012 to 79.98% in 2013. The Overall Time Efficiency (OTE) also rose from 60.27% to 64.13%. (*Annex VI*)

## Sugarcane and Sugar Prices

21. Sugarcane prices dropped from an average of Ksh 3,755/MT at the beginning of 2013 to Ksh 3,476/MT at the end of the year. In 2013, ex-mill

sugar prices averaged Ksh 4,499 compared to Ksh 4,911 in 2012. Wholesale sugar prices ranged from Ksh 4,100 to Ksh 5,800 (mean Ksh 4,754) per 50-kg bag in 2013 compared to Ksh 4,200 to Ksh 7,800 (mean Ksh 5160) per 50-kg bag in 2012.

### Cost of Production

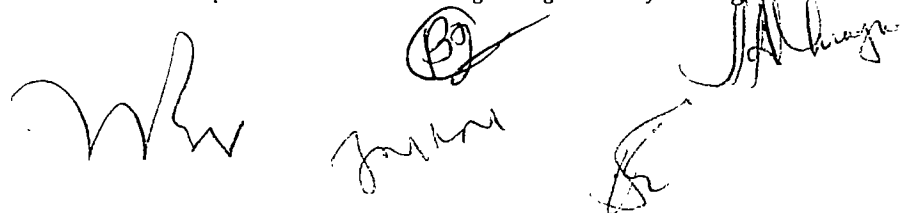
22. The average cost of producing one ton of cane in Kenya is USD 22.5 while that of the regions is as low as USD 13 per ton. The average cost of producing a ton of sugar in Kenya is USD 870 (or USD 700 exclusive of finance charges) compared to USD 350 in Malawi and USD 400 in Zambia, Swaziland and Egypt and in USD 450 in Sudan. The cost of production in Brazil is USD 300, up from USD 270 three years ago.

### National Sugar Consumption

23. The average annual consumption of sugar in Kenya, in the last six years (between 2008 and 2013), is approximately 787,320 metric tons. During that period local sugar production amounted to 3,173,850 MT while imports amounted to 1,277,020 MT. Kenya exported a total of 63,585MT during the period.

### Sugar Imports and exports

24. In 2013, a total of 237,640 metric tons of sugar were imported into the country, which compares closely with 238,590 MT imported in 2012. Out of the total imports, 44% constituted Brown/Mill White for direct consumption while the balance was refined white sugar meant for manufacturing. Imports from the COMESA region were 106,810 MT, which represents 45% of total imports. The EAC supplied only 4,820 MT, which represents 2% of total imports. The Average CIF Mombasa landed price for sugar in 2013 was Ksh. 63,675/MT, which is about Ksh 3,950 per 50-kg bag.
25. Between the years **2006 and 2012**, Mumias Sugar Company is said to have exported unknown quantity of sugar to a number of countries in Africa among them Democratic Republic of Congo, Ethiopia, Rwanda, Southern Sudan, Uganda and in Europe exports were made to Italy and the UK. The

The bottom of the page features several handwritten signatures and initials. On the left, there is a large, stylized signature that appears to be 'Wkw'. In the center, there is a signature that looks like 'John' with a circled 'B' above it. On the right, there is a signature that appears to be 'J. M. Mwangi'.

amount of sugar is unknown due to the fact that records availed to the Committee by MSC and KRA vary in Tonnage. **(Annex II & III)**

### COMESA Safeguards

26. Kenya has since 2002 been on COMESA safeguards to enable it take measures to improve competitiveness of its sugar industry. The initial safeguard period of one year was extended by another year before a four-year extension was granted in 2004. This was followed by another three years extension in 2008 and two years in 2012. The latest extension of one year ends in February 2015. During this period, the allowable quota of sugar to be imported into Kenya has been raised from 340,000MT to 350,000MT and any additional imports above the quota will be subject to a 5% tariff.

### Privatization

27. All the 5 Government owned sugar factories are earmarked for privatization program. The Program received Cabinet approval in **2008** and debt writes offs has been approved by parliament as a precursor to Government divesture. This aims at transforming the industry towards commercial orientation and injection of the required fresh capital from the private sector. However, the Parliamentary Departmental Committee on Finance, Planning and Trade passed a resolution on **9th January, 2013** "that the privatization of the public Sector Sugar Companies should be postponed until such a time when all legislation affecting the Agriculture Sector (sugar) and the County Governments have been put in place". In order to kick start the privatization process, the approval of the Parliamentary Committee on Finance, Planning and Trade is required.

### Divesture

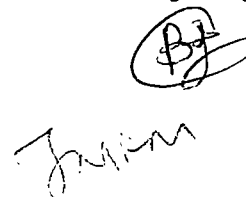
28. The Kenya Sugar Industry has the potential to generate up to **120 MW** of electricity for export to the National grid without major investments. However, it is only **Mumias Sugar Company** that has divested into energy production and is currently generating **38MW** out of which **26 MW** is exported to the national grid. The rest of the factories generate electricity for their own use but do not export to the national grid.

## Farmers Problems

29. The problems facing cane farmers are acute and need a multitude of mitigation measures to institute a radical shift in respect of industry policy and legislative action to tame the trend of farming cane from collapse.
30. The scenario is two-pronged with the cane farmer, on one hand producing the raw material and on the other hand, the sugar millers who have tended to hold the view that sugar farming is a business on their part and not to the farmers. At the same time reforms in the sugar sub-sector have been very slow. This has given room for scrupulous businessmen/women engaging into imports and exports that ruin the local farmer at the end.
31. The problems of sugar sector reflect serious policy flaws and inadequacies in the relevant legislations governing the sugar sub-sector. It is a pointer of a selective implementation and lack of enforcement of the existing legislation, that is, the Sugar Act (2001).

## Mr. Speaker, Sir,

32. Between the months of September 2013 and August 2014, the Committee collected and collated views from the Sugarcane Millers and other stakeholders deliberating on the issues raised in committee sittings both within and outside Parliament. The Committee also received memoranda from associations of Sugarcane farmers. Some of the Millers, interest parties and other stakeholders the Committee met include the industry regulator - Kenya Sugar Board (KSB), Mumias Sugar Company (MSC), Nzoia Sugar Company (NSC), West Kenya Sugar Factory (WKSF), Butali Sugar Mills (BSM), National Environment Management Authority (NEMA), the Inspector-General of Police, (IG) the Kenya Ports Authority (KPA), the Commissioner-General (CG) of the Kenya Revenue Authority (KRA), Kenya Bureau of Standards (KEBS), the Director General (DG) of the National Intelligence Service (NIS), former Managing Director (MD) Mumias Sugar Company, the Cabinet Secretary National Treasury, Cabinet Secretary for Agriculture, Livestock and Fisheries, and, Western Development Initiative Association (WEDIA).



## CHAPTER 2

### 2.0 EVIDENCE AND SUBMISSIONS FROM SUGAR COMPANIES AND OTHER WITNESSES

#### 2.1 Submissions by Western Development Initiative Association (WEDIA)

33. Appearing before the Committee on 16th October, 2013, WEDIA made the following submissions: -

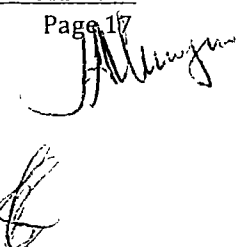
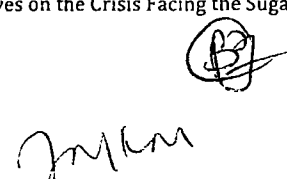
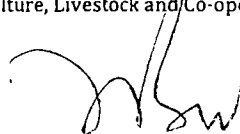
- (a) WEDIA was registered as an association in 2010 and that it represents development interests of sugarcane farmers and other sectors in Western Kenya;
- (b) It was among the first entities to raise the issue of cane poaching and was also at the fore-front in stopping the attempted disposal of land belonging to defunct Busia Sugar Company (BSC);
- (c) Sugarcane poaching started about the year 2000 after the establishment of Butali Sugar Mills in Kakamega County.
- (d) Sugar factories in Western Kenya, including Mumias Sugar Company, Nzoia Sugar Company and Butali Sugar Mills, have signed contracts with their cane farmers except West Kenya Sugar Factory;
- (e) To-date, West Kenya Sugar Factory does not have any single contracted sugarcane farmer but has since inception been buying cane from farmers contracted by other millers, hence promoting poaching;
- (f) West Kenya Sugar Factory does not have cane development programmes for farmers but harvests cane from farmers in Western Kenya. The factory has continued to buy cane from Busia Sugar Zone (*contracted by Mumias Sugar Company*), Nzoia Sugar Zone and Butali Sugar Mills farmers even when they (West Kenya) have no contracted farmers in those zones;
- (g) West Kenya has gone ahead to construct a weighbridge at Tangakona area in Busia County where all the poached cane is collected for transportation to the factory in Kakamega County;

- (h) The presence of the weighbridge has led to disputes and conflicts among the surrounding local communities/millers and at one point a tractor transporting sugarcane for Nzoia Sugar Company was burnt and six tractors belonging to West Kenya impounded by Nzoia Sugar Company;
- (i) Kenya Sugar Board has allowed West Kenya to operate in Western Kenya despite the company failing to honour the licence issued to it to construct a factory in Kimilili area of Bungoma County way back in 2008;
- (j) Kenya Sugar Board gave West Kenya a two-year reprieve under questionable circumstances even after failing to construct a factory in Kimilili and continued harvesting cane from farmers contracted by other factories;
- (k) In some cases, cane is harvested by agents of West Kenya Sugar Factory without the consent of the owners.

## 2.2 Submissions by Management of Mumias Sugar Company (MSC)

34. Appearing before the Committee on 29<sup>th</sup> October, 2013 the then Managing Director of Mumias Sugar Company, Mr. Peter Kebati, submitted as follows;

- (a) MSC was established 40 years ago and is the largest sugar producer in Kenya and is currently an integrated factory with installed capacity of 270,000 MT sugar plant, 38MW Co-generation Plant, 22 million - litre Ethanol Distillery and 15 million - litre Water Bottling Plant;
- (b) The Company is listed on the Nairobi Stock Exchange and there are over 145,000 shareholders including Kenyan investors and the Government of Kenya which holds a 20% stake in the Company, pays approximately Kshs. 2.5 billion in taxes and remits Kshs. 500,000 million to the Sugar Development Fund (SDF) annually;

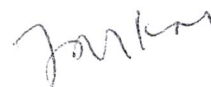
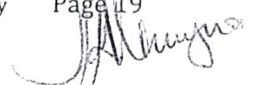
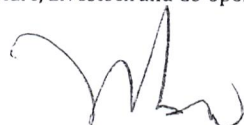


- (c) MSC supports a population of 2 million people directly and over 5 million indirectly and the Company has a workforce of 1,896 permanent employees and 40,000 seasonal and contracted workers;
- (d) The Company operates an Outgrowers Cane Development Scheme within Kakamega, Bungoma, Busia and Siaya counties and spends over Kshs 2.8 billion to provide services for land preparation, fertilizer/input supply, extension support, harvesting and transport to over 110,000 farmers;
- (e) MSC signs cane farming contracts with the farmers committing them to supply their cane to MSC to enable recovery of what the Company has invested in cane development expenses to contracted farmers;
- (f) MSC appreciates fair competition in the sector and wants emerging issues to be addressed as a policy intervention to restore sanity and fair practices in the industry;
- (g) There is no fair competition in the sugar sector and unless the emerging issues are addressed from both policy and legislative fronts, then the industry is headed for collapse as rightfully observed by the Petitioners. There is urgent need to restore sanity and the rule of law in the industry.

### **2.3 Submissions by Nzoia Sugar Company (NSC)**

- 35. Appearing before the Committee on 5<sup>th</sup> November 2013, the Managing Director for Nzoia Sugar Company made the following submissions;

- (a) NSC was established in 1975 under the Company's Act Cap 486 of the Laws of Kenya with the Government as the majority shareholder owning 98% shares while Fives Call Babcock (FCB) and Industrial Development Bank owning the remaining;
- (b) NSC serves over 67,000 farmers in the larger Bungoma, Kakamega, Lugari, and Malava Districts;
- (c) NSC produces sugar and supports cane production through the provision of extension services to farmers through extensive Company Nucleus Estate covering 3600ha;
- (d) NSC provides cane development services including supply of fertilizers and provision of extension services to out-grower cane farmers contracted by it;
- (e) West Kenya was poaching cane from farmers contracted by Nzoia Sugar, Mumias Sugar and Butali Sugar factories;
- (f) There were individuals acting as cane poaching brokers based at various points within Bungoma and Busia Counties;
- (g) NSC sensitizes farmers on obligations of signed contracts with them and other millers and campaigns against cane poaching;
- (h) In 2008, NSC set an anti-poaching unit comprising of NSC and the Kenya Police Officers that used to monitor cane poaching and later in 2010 an *ad hoc* committee of the Board was set up to help manage cane poaching which was at an all time high;
- (i) NSC had instituted Court proceedings against West Kenya Sugar Factories (WKSF) in 2012 on the matter of cane poaching; and
- (j) NSC has not been able to pay farmers in good time due to low sales as a result of a depressed sugar market;
- (k) NSC has lobbied the government not to allow cheap sugar into the Country as it negatively affects sales, payment to farmers and other obligations.



## 2.4 Submissions from Butali Sugar Mills (BSM)

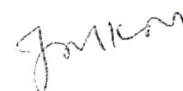
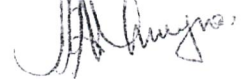
36. Appearing before the Committee on 5<sup>th</sup> November 2013, the Managing Director for BSM submitted as follows:-

- (a) BSM was founded in 2010 by Sugarpower Consulting which is a consultancy firm in engineering after securing a license to build a sugar mill from Kenya Sugar Board (KSB). The firm has branches in India, Syria, Mauritius, Kenya, Tanzania and Uganda was not aware of any poaching of cane and no legal action had been instituted against it in regard to cane poaching;
- (b) Kenya Sugar Board should come up with regulations in respect contractual obligations on the parts of contracted farmers and respective millers;
- (c) The creation of too many weighbridges had contributed to cane poaching;
- (d) West Kenya Sugar Company pays farmers after seven days.
- (e) BSC received funding from Kenya Sugar Board for construction of weigh bridges and cane development.

### (f) 2.5 Submissions by Kenya Sugar Board (KSB)

- (g) Appearing before the Committee on 7<sup>th</sup> November, 2013 and 28<sup>th</sup> March 2014, the Kenya Sugar Board made the following submissions:
- (h) KSB was established by an Act of Parliament, the Sugar Act of 2001, with the main function of regulating and facilitating growth of the sugar industry in the country. The Sugar Act 2001 is subject for repeal with the commencement of the Crops Act, 2013 and the implementation of the AFFA Act, 2013;
- (i) KSB is charged with the role of developing regulations to guide the sugar sub-sector and the issuance of licences to import or export sugar and sugar by-products and manages jointly with the KRA any restrictions on imports and exports of sugar and sugar by-products;
- (j) KSB also licences the establishment of sugar mills and defines zones with which they operate;

- (k) KSB identified West Kenya Sugar Factory as the main sugarcane poacher in Western Kenya and had received complaints from neighbouring millers;
- (l) KSB identified **Kenafic Industries** as one of the manufacturers that repackage imported industrial sugar in locally manufactured branded sugar packages for sale as table sugar;
- (m) KSB issues licenses for importation and the role of verifying quality, quantities and values as specified in the KSB permit rests with KEBs and KRA before the consignments are released into the market;
- (n) That KSB issued the licence to import 10,000 MTs of sugar in 2012 to MSC and it was unprocedural for the Permit to have been used by a Third Party, Dantes Peak Ltd since the permit was non transferable; (**Annex II**)
- (o) While it was the resolution of the Ministries of Agriculture and Finance to allow millers to import sugar, there were no justifiable reasons for Mumias Sugar Company to import the 10,000 MTs from Kenana Sugar Company from Sudan in 2012;
- (p) KSB was tracking some 14 containers of imported sugar that had been traced to Nairobi, a consignment of sugar where no documents for its release could be traced in KRA and KPA yet KSB had not licenced its importations. Each container carries 21-25 tones totalling to 301,000 metric tons for the 14 containers which translates into 6020 (50kg) bags worth of Kshs. 24 million;
- (q) That KSB needs to be empowered with investigatory and prosecutorial powers independent of Kenya Police and KRA in terms of sugar imports and transit sugar;
- (r) If there was sugar from India being traded in the Kenyan market, KSB submitted that it had not licenced the importation of table sugar from India in the last five years; and
- (s) KSB has weak surveillance capacity and therefore it cannot effectively handle the issue of sugar smuggling through our porous borders; and KSB had been informed that Rising Star Commodities Ltd was repackaging imported sugar in its go-downs in Mombasa in Mumias Sugar Company branded bags and selling it as locally manufactured sugar.



## 2.6 Submission by West Kenya Sugar Factory (WKSF)

36. Appearing before the Committee on 5<sup>th</sup> November 2013, the Managing Director for West Kenya Sugar Factory submitted as follows:-

- (a) West Kenya Sugar Factory was the second largest Miller in Kenya and had grown from 500 Tons Crushed Daily (TCD) in 1979 to its current crushing capacity of 5000 TCD and employs 2000 workers apart from indirect employment to harvesters, loaders and transporters;
- (b) Until 2005 when the Kenya Sugar Board licensed Butali Sugar Mill Limited in controversial circumstances, the then existing millers sourced cane from their clearly demarcated zones and each miller was able to invest in cane development within their respective zones;
- (c) When Kenya Sugar Board licensed Butali Sugar Mill Limited and supported its commissioning in the name of free competition in a liberalized market, cane zones were hitherto respected;
- (d) A miller who buys cane from a farmer in an area presumed to belong to another miller cannot be deemed as either stealing or poaching cane;
- (e) The Cane farmer has the right to sell his or her cane to a miller of his or her choice as guaranteed by article 40 of the Constitution and the Sugar Act 2001, which specifies that the farmer is the owner of the cane on his farm;
- (f) West Kenya Sugar denied it was engaged in cane poaching activities and had taken legal action against the Ministry of Agriculture and the Kenya Sugar Board and Butali Sugar Mills Limited on the licensing of the mill against existing laws and regulations;
- (g) The sugarcane crisis in western Kenya was occasioned by the licensing of Butali Sugar Mills Limited and the commencement of its operation in 2011, which has increased the number of millers competing for decreasing cane;

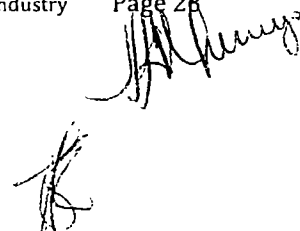
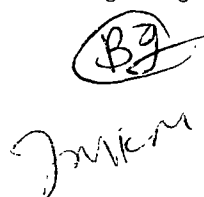
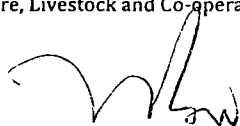
- (h) West Kenya Sugar Company pays farmers after seven days with competitive prices and it charges them a flat rate of Kshs.390 per ton irrespective of the distance with the option of the farmer using own transport; and
- (i) West Kenya Sugar Company operated with the involvement of local communities, the provincial and County administration and champions the rights of farmers as regards correct tonnage, better prices, prompt payments and efficient extension services.

## 2.7 Submission by the Former Managing Director MSC Dr. Evans Kidero

37. Appearing before the Committee on 19<sup>th</sup> May 2014, the Former Managing Director for Mumias Sugar Company made the following submissions:-
- (a) That between the years 2006 and 2012 MSC exported sugar to Ethiopia, Uganda, Sudan, Democratic Republic of Congo (DRC) and Rwanda and the EU especially Italy and United Kingdom;
  - (b) That he did not have any documents to corroborate his submissions but that he believed the current management should furnish the Committee with the necessary documents available on the exports;
  - (c) That during his tenure at MSC, the company was making good profits, paying farmers in good time and even the value of its shares at the Nairobi Stock Exchange was reasonable

## 2.8 Submission by the Director General – National Environment Management Authority (NEMA)

38. Appearing before the Committee on 7th November, 2013, the Director General for NEMA made the following submissions:
- (a) That National Environment Management Authority (NEMA), was established under the Environmental Management and Co-ordination Act No. 8 of 1999 (EMCA) as the principal instrument of



Government for the implementation of all policies relating to environment;

- (b) That the was mandated Authority to exercise general supervision and coordination over all matters relating to the environment and to be the principal instrument of the Government of Kenya in the implementation of all policies relating to the environment;
- (c) That the role of NEMA in the establishment of a weighbridge at Tangakona in Busia County was to coordinate the various environmental management activities undertaken by the lead agency, West Kenya Sugar Factory (WKSF);
- (d) That due diligence environmental assessment test was done on the land at Tangakona in Busia County and a report issued to West Kenya Sugar Factory to go ahead with the intended development on the said land;
- (e) That NEMA is not involved in the issuance of Permits or Licences for trade;
- (f) NEMA also establishes and reviews land use guidelines, examines land use patterns to determine their impact on the quality and quantity of natural resources and carries out surveys, which assist in the proper management and conservation of the environment.

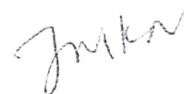
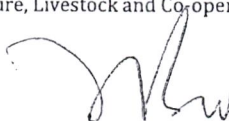
## **2.9 Submission by Commissioner General – Kenya Revenue Authority (KRA)**

38. Appearing before the Committee on 24<sup>th</sup> April, 2014, the Commissioner General of KRA made the following submissions:

- (a) KRA was established by an Act of Parliament, Chapter 469 of the Laws of Kenya, which became effective on 1<sup>st</sup> July 1995. was aware of the presence of contraband sugar in the country, which had seriously affected the local industry;
- (b) KRA was aware Mumias Sugar Company imported 10,000 MT of sugar in 2012 through a third party called Dantes Peak Limited and

that Mumias paid all the duty for the consignment which was cleared in 2013; (Annex IV)

- (c) The Commissioner-General admitted that KRA did not have the capacity to verify all containers of commodities imported but does random verification and scanning of the Cargo before release;
- (d) The Commissioner-General was aware Mumias Sugar Company exported sugar to various countries between 2006 and 2012 but was not in a position to confirm if the sugar had indeed left the country as that would require confirmation from border officers and counterparts in countries of destinations;
- (e) The Commissioner-General said if indeed the sugar never left the country then Mumias Sugar Company is duty bound to pay the equivalent of Value Added Tax (VAT) exempted;
- (f) KRA does not have infrastructure at all borders of our country especially in Eastern and North Eastern where smuggling is rampant but they have formed a joint team with the Kenya Police Service and the Kenya Sugar Board to address the issue of illegal sugar entering the Country unregulated and untaxed;
- (g) Sugar imports into Kenya is restricted under the 2<sup>nd</sup> Schedule Part B (1) of the East African Community Customs Management Act of 2004 where any import into Kenya must therefore first get approval from Kenya Sugar Board through a non-transferable Permit containing details of the importer, tonnage, origin of sugar and other relevant details, information which is used during clearance;
- (h) The revenue or duty collected and paid is determined by the type of sugar whether it is industrial or table sugar and also the origin of the sugar. Sugar from COMESA region are exempted from duty while non-COMESA sugar attracts 100% duty;
- (i) KRA has created special units to address non-compliance with KSB sugar import regulations and it was through such a unit that the case



of non-compliance of the Mumias Sugar Company sugar import of 10,000 MT of 2012 was detected leading to a delay in clearance;

- (j) In 2011 KRA noted increased importation of Industrial sugar from Egypt as a result of which joint investigations were conducted that revealed most of the said sugars were trans-shipments from Brazil. Thereafter, KRA in consultation with KSB implemented restrictions on Industrial Sugar imports from Egypt by imposing 10% duty as is the case with non-COMESA imports;
- (k) KRA has made several sugar seizures leading to several court cases, one in point is that of **Matt International** who have since challenged KRA's decision to impose 10% duty on industrial sugar imported from Egypt (*the matter was still pending in Court*).

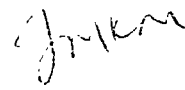
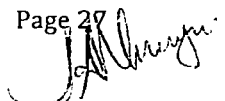
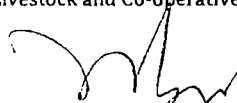
## 2.10 Submissions by Kenya Ports Authority (KPA)

39. Appearing before the Committee on 28th March, 2014, Managing Director for Kenya Ports Authority informed the Committee that: -
- (a) KPA's mandate was to handle inbound and outbound cargo once they have been cleared by relevant authorities;
  - (b) KPA handled 40x20ft containers of sugar belonging to Mumias Sugar Company but imported through Dantes Peak Ltd;
  - (c) KPA waived a total of 15 million shillings in demurrage charges that accrued following delay of clearance the cargo after anomalies were detected by KRA and the interventions of Mumias Sugar Company accepted;
  - (d) KPA works in collaboration with KRA and KSB in monitoring the flow of sugar through the port.

## 2.11 Submissions by the Inspector General of Police (IG)

40. Appearing before the Committee on 29th April 2014, the Inspector General of Police made the following submissions: -

- (a) National Police Service was established by Act of Parliament and mandated to enforce the law which includes surveillance of all goods, including sugar, entering or being traded within but some borders are extensive, porous and some areas may not be manned;
- (b) The Kenya Police Service, Immigration Department, Kenya Revenue Authority, Kenya Ports Authority and Kenya Airports Authority work together in manning the borders and to ensure that the necessary taxes and duties are paid;
- (c) The Kenya Police escorts all the transit goods including sugar and ensure that KRA's main interest (tax) is paid and all other laws are adhered to;
- (d) The Kenya police has managed to arrest and prosecute suspects in sugar smuggling although often courts release the suspects, especially cases concerning sugar through Kismayu and Kenya's border with Somalia;
- (e) Legislation regulating the sugar industry is very weak and there is need for strengthening it;
- (f) The National Police Service does not protect criminals and is not aware of a ware-house in Mombasa that is protected by police where even Kenya Sugar Board personnel denied access to the premises but promised to investigate the matter following complaints from the Principal Secretary Department of Agriculture and report to this Committee;
- (g) The IG acknowledged that some police Officers had lost their lives while tackling contraband sugar which somehow abets insecurity terrorism in the country since all entries are not ascertained that it is Sugar;
- (h) The IG acknowledged that the capacity in terms of resources is lacking at our borders and that there is need to develop a policy where a



particular Officer can serve at a station for only three years per station;

- (i) Officers are regularly appraised on the required documentation for importation of any goods in to the country, however the Service was dealing with isolated cases of integrity among the Officers as and when they arise;
- (j) The Kenya Police Service had signed agreement memorandum with Kenya Sugar Board and Kenya Revenue Authority to establish anti-smuggling unit to deal with cases of smuggling;
- (k) The Kenya Police Service has been underfunded for a long time but there is noted improvement in the allocation of resources to the Police Service;
- (l) Police Officers are routinely seconded to the Kenya Revenue Authority to oversee operational matters including revenue collection and compliance to statutory requirements; and
- (m) The various government agencies at the border points need to appreciate security as a cross-cutting issues and an important aspect of our national development.

## 2.12 Submissions by Kenya Bureau of Standards (KEBS)

41. Appearing before the Committee on 14<sup>th</sup> May, 2014 the Managing Director for Kenya Bureau of Standards submitted as follow: -

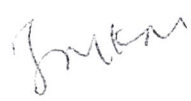
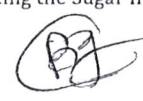
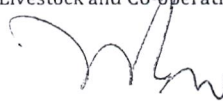
- (a) Kenya Bureau of Standards (KEBS) was established in July 1974 under CAP 496 of the laws of Kenya. It offers several services including Standards development and harmonization, Testing, Measurement (Calibration), Enforcement of standards, Product inspection, Education and training in Standardization, Metrology and Conformity Assessment, Management Systems Certification and Product Certification;

- (b) KEBS analyses sugar imports coming into the country on request and notification of arrival of the same by Kenya Ports Authority and Kenya Revenue Authority;
- (c) Since 2012, seven consignments of sugar had been recommended for destruction by KEBS and other government agencies for non-conformance to quality specifications and KEBS is among the state agencies charged with destruction of goods that do not conform to the standards;
- (d) KEBS was aware of the impounding of a consignment of sugar that had been imported by Mumias Sugar Company although the IDF was reading Dantes Peak Limited;
- (e) KEBS was facing the challenge of determining the importers of industrial sugar meant for manufacturing but which was being repacked for domestic consumption against the regulations;
- (f) KEBS does not have up-to-date equipments and infrastructure for analysis of various commodities imported and exported. KEBS also lacks capacity for enforcement of standards and market surveillance and therefore cannot cope with demands like single window and 24 hour operations at the port of clearance or entry/exit.

### 2.13 Submissions by Management and Board of Directors for Mumias Sugar Company

42. Appearing before the Committee on 27<sup>th</sup> May, 12<sup>th</sup> June, 10<sup>th</sup> July and 17<sup>th</sup> July, 2014, the Board of Directors of Mumias Sugar Company submitted as follows:

- (a) The Board and management were aware that the Company exported sugar to several European and African countries between 2006 and 2012 and concerns that the sugar may not have left the country and that revenue in the form of VAT payable could have been lost;
- (b) The Board and management were also aware that certain information regarding the exports was missing from the Company's records and promised to institute forensic audit of all MSC exports in view of the



fact that some of the key managers had since left the Company and would report the findings to this Committee;

- (c) The Company was in a crisis as a result of serious management short fallings and the company was unable to meet its obligations including payment to farmers;
- (d) The Company was on a restructuring process to address serious management bottlenecks and disciplinary measures had been taken against some managers following the findings of the forensic audit on sugar imports and other management shortfalls;
- (e) The Board and management were not involved in the decision to import the consignment of the 10,000 MT of sugar in 2012 and there was an on-going Board investigation on the same and undertook to submit the outcome of the investigations to the Committee within two months. The Board had asked KPMG to investigate into whose accounts money from the imports went. The final KPMG report would also shed light on exactly how much monetary loss MSC incurred through fraudulent activities.
- (f) The preliminary report of the Forensic Audit by KPMG on sugar imports by the Company could not be released to the Committee at that stage because there were certain transaction details that had not been captured in the report and the Board undertook to submit the report in two months when those aspects had been addressed;
- (g) The Board admitted that it was having challenges from neighbouring Companies that had taken advantage of delay in payments for sugarcane by MSC to poach cane from its contracted farmers.
- (h) The Board admitted that there was massive corruption and lack of clear management direction in MSC in the past, to this effect some officers had been sent home pending investigation; and
- (i) The Board also affirmed that there were reforms going on at MSC to clean the mess and also to recover the money lost. The company did not have an Internal Audit Department and the Chairman promised to have a new department reconstituted;

## 2.14 Submissions by the Director General of the National Intelligence Services (NIS)

43. Appearing before the Committee on 10<sup>th</sup> July, 2014, the Director General of NIS made the following submissions: -

(a) That the function of NIS was to gather intelligence and compile reports on the same for action by the relevant authorities;

(b) That NIS has no prosecutorial powers;

(c) The sugar industry was crippled by among other issues, high cost of production and obsolete technology hence Kenya was a very lucrative market for the commodity and that has been a catalyst for sugar smuggling in the Country.

44. *The Committee expressed disappointment over the information presented by the Director General and informed him that Kenyans had very high expectations of his office. The DG expressed his appreciation of the Committee's need to deal with the sugar issue and requested that the Committee details out the information they required from him and he would respond within two weeks.*

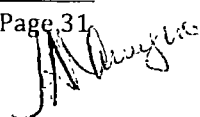
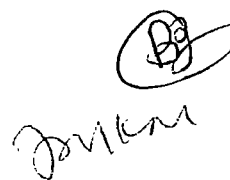
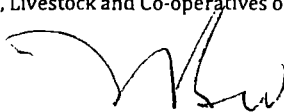
45. *The Committee acceded to his request and outlined the required information as follows:-*

*(a) Provide information on illegal sugar importation, exportation and smuggling;*

*(b) Provide the name of the illegal importers and smugglers and their local partners within and outside government Institutions;*

*(c) Provide information in the custody of National Intelligence Service if any concerning smuggling of sugar into the Country through Kismayu and along Kenya's border with Somalia;*

*(d) The names of companies, traders, dealers, transporters and any other persons involved in the alleged sugar exports by Mumias Sugar Company to regional countries and in particular owners of*



*the trucks that ferried the sugar for export from Mumias Sugar Warehouses; and*

*(e) The circumstances under which sugar meant for industrial use ended up being used as table sugar and the persons involved in the repackaging of the sugar for domestic consumption.*

*A letter detailing the above was sent for action however this has not been done to date*

## **2.15 Submissions by the Cabinet Secretary, National Treasury**

46. Appearing before the Committee on Friday 29<sup>th</sup> August, 2014, accompanied by a KRA official, the Cabinet Secretary made the following submissions regarding sugar Imports by Mumias Sugar Company:
- a) The CS confirmed that the import of sugar by MSC was done by a third party.
  - b) In 2013, 10,000 metric tonnes of sugar was imported on behalf of MSC by a third party. The consignment took 46 days to be cleared by KPA due to clarification issues and attracted a penalty of 8.8 million payable to KRA and undisclosed amount of millions to KPA.
  - c) The Committee finally concluded that the permit transfer to a third party was done unprocedurally.
  - d) The KRA official clarified to the members that the import license issued to MSC cannot be used more than once as it shuts down when the system captures the consignment name and code.
  - e) The CS confirmed that Mumias Sugar exports were done from 2006 to 2012 and that there were no exports done in the year 2013.
  - f) The CS assured the members of his commitment to brief them on the privatization of sugar sector and proposed for a joint meeting for the Committee on Agriculture and Finance.

## 2.16 Submissions by the Cabinet Secretary Ministry of Agriculture, Livestock and Fisheries

47. Appearing before the Committee on Tuesday 9<sup>th</sup> September, 2014, the Cabinet Secretary made the following submissions on the status of the sugar sector in the country and other matters affecting the industry:

48. On the Status of the Sugar Sector in Kenya the Cabinet Secretary informed that: -

(a) The sugar subsector plays a major role in the Kenyan economy and was a source of income for millions of citizens. The Country was producing about **600,000 MT** of sugar against the annual domestic requirements of **800,000 MT**, running a deficit of about **200,000 MT**.

(b) There were **11 operational sugar mills** in the country, **1 additional new mill** was to be commissioned in Kwale while **2 other mills** (Muhoroni/Miwani) were under receivership.

(c) The combined installed crushing capacity of operational mills was about **29,990 MT** of cane per day. The current capacity was sufficient to produce about **1 million tonnes** of sugar per annum. The target was to expand this capacity to approximately **50,000 MT** in order to produce **1,350,000 MT** to make Kenya a sugar surplus producer.

(d) The sugar closing stocks held by the factories at the start of the year **2013/14** was at **27,392 MT** up from **19,205 MT** at the end of **2012/13**. The stock level increased to a high of **42,845 MT** in **February, 2014** against optimal level of **9,000 MT**.

(e) The Ministry embarked on a strategy to decrease the sugar stock to an acceptable level of **8,478 MT**, which was achieved by **20th August 2014**.

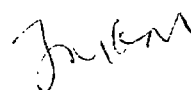
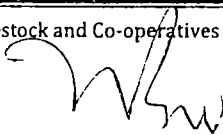
(f) The increased sugar stock was attributed to;

(g) Sustained high sugar production;

(h) Carrying forward huge stocks from the previous year;

(i) Surplus balances in the world market and depressed prices; and

(j) Increased presence of uncustomed sugar in the country attracted by our high cost of production.



- (k) The Kenya Sugar Industry has the potential to generate up to **120 MW** of electricity for export to the National grid without major investments. However, it is only **Mumias Sugar Company** that is currently generating **38MW** out of which **26 MW** is exported to the National grid. The rest of the factories generate electricity for their own use but do not export to the national grid.
- (l) All 5 Government owned sugar factories are earmarked for privatization program. The Program received Cabinet approval in **2008** and debt writes off has been approved by parliament as a precursor to Government divestiture. This aims at;
  - (m) Transforming the industry towards commercial orientation; and
  - (n) Injection of the required fresh capital.
- (o) The Parliamentary Departmental Committee on Finance, Planning and Trade passed a resolution on **9th January, 2013** "that the privatization of the public Sector Sugar Companies should be postponed until such a time when all legislation affecting the Agriculture Sector (sugar) and the County Governments have been put in place". In order to kick start the privatization process, the Parliamentary Committee on Finance, Planning and Trade approval is required.

49. On the Challenges faced in the Industry the CS submitted as follows: -

(a) **Low productivity and high cost of sugar production**

These had been caused by a number of factors that include the following among others;

- Deteriorating soil fertility;
- Low adoption of high yielding sugar cane varieties;
- Poor agronomic practices;
- Land subdivision into uneconomic sizes;
- Intermittent moisture stresses due to drought spells;

- Low quality seed cane materials;
- Insufficient and unsustainable technical support to out-growers;
- Frequent cane shortages which lead to immature cane;
- The high and rising cost of inputs such as diesel, imported fertilizers and machinery;
- High harvesting and transport costs;
- Sugarcane is grown by small holder farmers under rain-fed conditions;
- Poor roads within the cane catchment areas;
- Lack of sufficient finance for Government owned sugar factories to rehabilitate the machineries;
- Length of cane harvesting and milling time; and
- Lack of capacity to utilize the by-products for ethanol and power generation.

**(b) Illegal sugar imports**

That the high presence of illegal imports earlier in the year saw the industry continue to experience stock piles and declining ex-factory prices of sugar. The **Un-customed sugar** imports were re-packaged into local bags to conceal identity and evade the surveillance network. In the period **January to July 2014** the market had experienced declining sugar prices to a low of **Kshs.3, 200** for a **50 kg** bag against an average industry break-even of **Kshs.3, 800** pushing down cane prices to lows of **Kshs.3,000** per ton.

**(c) Intra Regional Trade**

That this was especially for **net deficit sugar countries** that exported substantial amounts of sugar to partner states with disregard and /or compromise or laxity in the enforcement of the Rules of Origin. Egypt for example, despite being a net importer, is a significant supplier of sugar to Kenya.

### 2.16.3 The CS gave the following recommendations on how to streamline the Sugar Industry

50. The Cabinet Secretary told the Committee that to mitigate these challenges, the following strategies were recommended and the Ministry had initiated a number of them with a view to streamlining the Kenyan sugar sector as follows:

#### (a) Cost Reduction and Increased Productivity Measures

##### Diversified product base

51. All new investments for setting up sugar factories must demonstrate a revenue stream beyond sugar when applying for registration. The existing mills will be required to provide a road map towards expanding their product base beyond sugar within **the next 5 years**. This will provide a transition from the single revenue stream which contributes heavily to the industries un-competitiveness.

##### Bulk procurement of inputs and machinery

52. The cost of inputs will be reduced through bulk procurement of high spend items such as fertilizer and farm machinery (tractors); a process that has already been put in motion. This will be implemented within the **next 2 months**.

##### Modernization of factory technology

53. Fresh injection of capital for the poorly performing Government owned mills was urgent hence the recommendation for speedy exploitation of viable options that can see Ministry **fast track the stalled Privatization of the 5 Public Sector owned sugar mills**. This will contribute quite significantly to the long term revitalization of the industry by way of injection of much needed capital estimated at **Kshs 58billion** to address the industry productivity challenge which may include Public Private Partnerships, auctions or private treaties with willing investors. This should be done **by March, 2015**.

##### Diminishing Land sizes

54. There is need to roll out of a land policy that introduces mandatory block farming to preserve economical land sizes that will enable the industry

benefit from economies of scale, planned cane development/harvesting and mechanization in the future. This should be done by **December 2016**

### Payment System

55. The industry must shift from the payment system based on weight to one based on quality. Remuneration that rewards efficiency and penalizes inefficiency to be adopted by the entire industry by **December 2016**. The system will improve efficiency as it will remunerate based on quality

### Development of a seed cane policy

56. This will guide the industry in the development and adoption of high yielding, early maturing and disease resistant certified seed cane of relevant varieties. This policy is targeted to be in place by **June 2015**.

### Sugar production and consumption

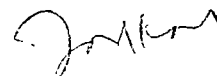
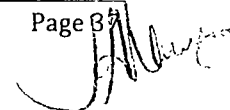
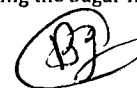
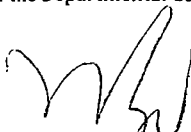
57. In order to validate our statistics on the national sugar demand and supply, an independent study will be undertaken by **30th December 2014** to confirm the updated status based on changed fundamentals such as population and production growth.

### Improvement/ Management of roads infrastructure

58. This will be done to encourage collaborative management of infrastructure in the sugar belt that will enhance the impact of the available pool of funds to the sugar value chain within the various agencies in the sugar belt.

### (b) Intra Regional Trade and Rules of Origin

59. There is an urgent need for verification missions to deficit countries which have high export history to satisfy authenticity and the harmonization of regulatory/administrative processes within the trading blocks. A case should be put forward for the establishment of competent authorities in respective partner states for purposes of liaison on sugar matters. This specifically applies to Uganda and Rwanda who do not have regulatory bodies' specific to the sugar sector. Kenya and Tanzania have in place such authorities making collaboration and administration smoother. This should be done by **30th October 2014**.



### (c) Single Customs Territory

60. On the impact of the Single Customs Territory (SCT), a position paper seeking an amendment to exclude sugar based on its unique challenges will be submitted immediately.
61. In the meantime Agriculture, Fisheries and Food Authority (AFFA) will in collaboration with Kenya Revenue Authority station officers within the partner states and in Mombasa to ensure the sectors' interests are protected.

### (d) Un-customed Sugar Imports

#### Ban on Sugar Auctions

62. It is recommended that instead of auctioning impounded un-customed sugar imports, it should be destroyed publicly and, to avoid conflict of interest, Sugar Millers/Manufacturers should not be allowed to import sugar from now on given the Mumias and Chemelil experience. This should be implemented **immediately**.

#### Single Desk Marketing and Distribution of Sugar

63. Replacement of dedicated factory distribution networks with a Single Desk Marketing arrangement that will minimize costs of marketing and unfair trade practices particularly among the poorly performing state owned mills should be done. This will mitigate the duplication on high individual publicity and marketing budgets and also allow the Companies to focus on milling of sugar and related activities such as ethanol production and manufacturing of specialty value added products. This should be done with immediate effect.

#### Establishment of permanent inter-agency surveillance and enforcement unit.

64. The Gazettement of a permanent inter-agency surveillance and enforcement unit on sugar trade that reports directly to the Director General of AFFA made up of the Sugar Directorate, KEBS, Public Health, Kenya Revenue Authority and the Police. This should be done **immediately**.

## CHAPTER 3

### 3.0 FINDINGS OF THE COMMITTEE

Mr. Speaker,

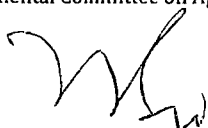
65. The committee investigations which, included site visits to the various areas of interest to the Sub-Committee terms of reference came up with the following findings.

#### 3.1 Presence of Cheap and Unregulated Sugar in the Local Market

66. The Committee's investigations established that a huge quantity of sugar enters the Kenya market unregulated and untaxed. In the last six years, the country has consumed approximately 335,000 MT (*KSB statistics*) of sugar, either illegal or meant for industrial manufacturing. The sugar is re-packaged by unscrupulous business people in packages similar to those used by local millers which, is against regulations governing food products. Apart from such sugar not meeting the Kenya Bureau of Standards (KEBS) specifications for domestic consumption, the government loses in terms of taxes.
67. The illegal importation of sugar has led to the flooding of sugar in the local market which has caused market distortions resulting in unfair price competition to the disadvantage of local sugar millers and cane farmers. The unfair competition has led to low sales by the millers hence farmers cannot promptly be paid for their cane deliveries.
68. It is good to note that, despite Parliament in 2001 passing the Sugar Act number 10 of 2001 which outlined well the requirements for licensing of sugar millers and the functions of the Kenya Sugar Board, illegal and unregulated sugar imports still poses a major threat to the Sugar sector.

#### 3.2 INDUSTRY CHALLENGES

69. Mr. Speaker, the Sugar Sector in Kenya is faced with many challenges namely:



- (a) Poaching of sugarcane among sugar millers;
- (b) High cost of production;
- (c) Field and factory inefficiencies,
- (d) Corruption and impunity;
- (e) Lack of capital to modernise and automate the mills;
- (f) Fast decreasing land sizes and loss of soil fertilities; and
- (g) Failure by the regulator to properly manage and regulate the sector.

#### **Cane Poaching**

70. Traditionally, the Kenyan cane growing model has operated on an out-growers model whereby farmers are supported to grow cane on their farms and in turn they are expected to supply the cane to the millers who have provided cane development which include land preparation, supply of seed cane, supply of fertilizer, farmer extension services, harvesting and transport of the cane to the millers where the cost will be recovered.
71. In practice, development of own cane by millers, commonly known as Nucleus Estate as well as contracted farmers was a precondition for licensing of cane millers. This precondition is no longer adhered to, thereby creating the current wrangles in the cane zones as the new millers who have been licensed do not have enough cane to run their factory capacities. Further, these millers have encroached on contracted cane already established by existing millers.
72. Cane poaching has led to conflicts among surrounding local communities/millers, a case in point is the incident in Tangakona weighbridge where tractors transporting cane to Nzoia Sugar Company were burnt down.


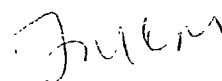
73. The genesis of cane poaching is attributed to weak regulations regarding licensing of new factories and failure to honour contractual agreements by both the millers and farmers.

### High Cost of Production

74. Kenya is ranked among the countries with the highest cost of Sugar production in the world, which makes it an attractive destination for both legal and illegal imports. While the cost of production in the region is about USD 415 per metric tonne of sugar, the cost of production in Kenya is well in excess of USD 550 per MT. This high cost of production is attributed to the following;
- (a) Poor agronomic practices in the sugar growing zones;
  - (b) High cost of inputs and old machinery at farm and factory levels;
  - (c) Deteriorating soil fertility;
  - (d) Use low-yielding sugarcane varieties;
  - (e) Reliance on rain-fed farming;
  - (f) Small and uneconomic land sizes;
  - (g) Unsustainable technical support to out-growers;
  - (h) Poor road infrastructure and high transport costs; and
  - (i) Low by-product utilization.

### Heavy Indebtedness

75. All public-owned mills are heavily indebted and lack the capital required to expand, modernise and automate the factories for the required efficiencies and economies of scale. At the moment, five public-owned mills are indebted to the tune of over Shs 100 billion with Nzoia Sugar Company



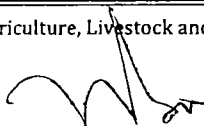
having a debt of Shs 37 billion, Miwani Sugar Company (in receivership) Ksh 28 billion, Muhoroni Sugar Company (in receivership) Ksh 27 billion, Chemelil Sugar Company Ksh 5 billion and South Nyanza Sugar Company Ksh 3 billion. The money is owed to the Government of Kenya, suppliers, banks, Kenya Sugar Board and farmers for cane deliveries.

### **Imprudent business decision, Corruption, Impunity and Fraud**

76. The mills have engaged in a number of projects and programmes that have turned out to be either misadventures or ones with low rates of returns. Mumias Sugar Company's investment in ethanol and co-generation plants and Nzoia Sugar Company's purchase of trailers that could not be used on Kenyan roads are cases in point in which huge sums of money have been lost in the process.
77. Sugar sales and exports and imports in particular have turned out to be avenues through which monies are siphoned out of the companies. While the concept of distributorship in sugar sales has become a major case of corruption and impunity, the engagement of mills in regional sugar exports between 2006 and 2012 is suspect.

*For instance examining the KRA Report (Annex V) on the sugar exports by MSC, there is glaring discrepancies on the volumes on actual exported sugar as provided in the Simba System entries and the summary of exports entries submitted to the Committee by MSC in the detailed submissions on company (Exporter) basis (Annex II & III).*

*Another case in point is where one Nesredin Mohamed (an Ethiopian importer) wrote to MSC requesting to be allowed export of 5,000MT of sugar to Ethiopia. Information received from MSC*



*indicates that 5,882MT were exported by Nesredin Mohamed. There are no clear records to ascertain this. (Annex II& III)*

78. That notwithstanding, a total summary all exports by MSC for the period 2006 to 2012 are given as 52,284MT while the detailed itemised list to individual companies total to 30,204.37 MT. However figures from KRA indicated that MSC had export entries amounting 71,272.58MT (Annex V), Further, KRA confirmed that only 8,133 MT were exported as per entries in Simba System and therefore there is no evidence of exports of the reminder sugar volumes estimated at 63,139.58 MT which translates to Kshs. 2,886, 681,516.70 (Annex V),
79. Further, the registration certificates provided by MSC have varied information. For instance, Mid Africa Commodities and Mega Laser are importer from South Sudan when the certificates indicate the firms are registered to operate in Kakamega and Malaba Border respectively (Annex II)
80. The Board of Directors of MSC instituted a forensic audit on the sugar exports and imports. This audit was undertaken by KPMG audit firm and the Committee received the "Draft Factual Finding Report" from KPMG on 19th December, 2014 (Annex VI).

### **Low Productivity**

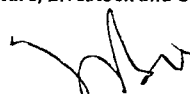
81. The total area under cane in the country presently is 203,730 Ha, comprising 189,390 Ha belonging to out-growers and 14,340 Ha Nucleus Estates (land owned/leased by mills to grow cane). There are 300,000 cane farmers, 4,500 of which are large scale.
82. The average yield per Ha in Kenya is 60.5MT compared to the global average of 63MT. For instance Columbia produces 115 MT per Ha. Total cane supplied for processing by mills in 2013 was 6,764,200 MT compared

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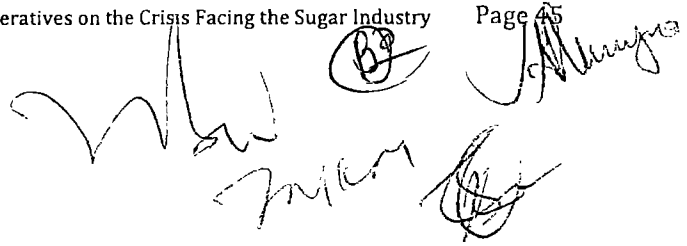
to 5,842,830 MT in 2012, representing a 15.77% increase. However, Sugarcane yield in the industry has seen a steady decline in the last ten years hitting a low of 51 tonnes of cane per hectare per year. This decline is attributed mainly to:

- (a) high cost of fertilizer
- (b) application of inappropriate fertilizer combinations leading to acidic soils
- (c) use of inappropriate heavy machinery leading to destruction of cane stools and compromising the viability of the ratoon crops;
- (d) exhausted soils due to many years of sugarcane cultivation, and;
- (e) cane husbandry practices that do not support the newer cane varieties.

83. Harvesting techniques in concomitant with poor harvesting programmes, poor transport arrangements through spillage, heavy wear and tear on transportation units and fewer than optimal trips per day.
84. At present, there are 11 working sugar mills in the country, four of which are Government-owned. The combined installed capacity of the operational mills is 29,990 Metric Tonnes of Cane per day (TCD), with an underutilized capacity of 60% due to technical, financial and management limitations. The sugar industry in Kenya supports directly or indirectly six million Kenyans, which represents about 16% of the entire national population. The sugar industry contributes about 7.5% of the country's Gross Domestic Product (GDP) and has a major impact on the economies of Western Kenya and Nyanza regions and, to a lesser extent, Rift Valley. The sugar sub-sector is expected to equally have a major impact on the economy of Coast region once the mill being built in Kwale becomes operational.
85. The Factory Time Efficiency (FTE) in 2013 improved from 76.65% in the 2012 to 79.98% in 2013 while the Overall Time Efficiency (OTE) also rose from 60.27% to 64.13% in the same period, which very low compared to the industry standards of 92% for FTE and 82% for (OTE) respectively.



86. Sugar production increased from 503,210 MT in 2012 to 599,070 MT in 2013 as a result of increased cane supply and better recoveries. Recoveries improved from Tonnes Cane/Tonnes Sugar (TC/TS) of 11.61 in 2012 to 11.29 in 2013. **(Annex VI)**
87. During the investigations the Committee found that Mumias Sugar Company and Dantes Peak were involved in fraudulent activities where the latter used the Former's PIN and import licence when clearing imported sugar with both KRA and KPA
88. As regards the importation of 10000MT of sugar from Sudan by MSC, the committee found that Import Permit from KSB was issued to MSC which unprocedurally transferred to a third party (**Dantes Peak Ltd**). KRA admitted having noted the anomaly but still went ahead to release the consignment



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### 3.3 OBSERVATIONS

The Committee's observations are as follows;

#### Repackaging of contraband sugar

89. That, substantial amounts of illegal sugar imports is repackaged into local branded bags to conceal identity and evade the surveillance network. Industrial sugars have been found repackaged and end up on the market to compete with table sugar that has been subjected to full duty, hence evading taxation. (Annex KSB VII)

*It was established that Ms. Rising Star Commodities repackages imported sugar into bags with Mumias brand details. The company denied officers from the then Kenya Sugar Board from entry into its warehouse for verification.*

#### Flouting sugar Import license conditions

90. Rising Star Commodities Ltd, a licensed sugar importer, brought in sugar beyond licensed quantities and needs to be further investigated too over claims that it denied Kenya Sugar Board entry into its go-downs for verification. The Committee also observed that in 2013/2014, KRA allowed into the country 15,140.40MT without permits from KSB. The companies involved are;

- (a) Hydrey (P) (3000MT)
- (b) Krish Commodities Ltd (1,140.40MT)
- (c) Reeswood Enterprises Ltd (4,000MT)
- (d) Shake Distributors Ltd (6,000MT) and
- (e) Shree Sai Industries Ltd (1000MT). (Annex IV)

#### Compromised consumer safety

91. Sugar auctioned by Kenya Revenue Authority is allowed back into the local market without KBS verifying if it is suitable for direct consumption or manufacturing. This also contravenes the Kenya Bureau of Standards regulations.

## False declaration

92. In view of the fact that MSC made exports to the regional markets through various companies mentioned above, there is glaring disparities between records from MSC and the respective exporting companies. For example, Nesredin Mohamed of Addis Ababa wrote to MSC to purchase 5000MT for export and the records from MSC indicate a summary total of 5,882MT which still has a bigger variation from the detailed records submitted by MSC indicating a total of 117, 641MT having been traded by Nesredin Mohamed as exports to Ethiopia between 2006 and 2009. Records at MSC indicate a total summary of all exports by MSC for the period 2006 to 2012 as 52,284MT while the detailed itemised list to individual exporting companies total to 30,204.37MT which is a big variation from records held at the KRA indicating 70,431MT as exports of brown sugar by MSC the same period. *(Annex II (a) – (h), IV (a) & V (a))*
93. Although the KRA submitted that it did not have sufficient capacity and equipment to verify all incoming cargo, the Committee after its visit observed that there was lack of proper coordination between KSB, KRA, KEBS and KPA in handling and verifying imports creating loopholes for sugar being imported as other commodities such as rice and fertilizer.
94. That, a total summary all exports by MSC for the period 2006 to 2012 are given as 52,284MT while the detailed itemised list to individual companies total to 30,204.37 MT. However figures from KRA indicated that MSC had export entries amounting 70,610.76MT **Annex V(b)**, Further, KRA confirmed that only 8,133 MT were exported as per entries in Simba System and therefore there is no evidence of exports of the reminder sugar volumes estimated at 62,477.76 MT **Annex V (i)**. *Split them into two Mumias figures and KRA figures i and ii*
95. That, imported low grade rice was being repackaged into superior quality bags by Ms Rising Star Commodities Ltd which led to the Government losing revenue in terms of duty.

*Murphy*

*MW*

*BJ*

*Alingo*

*Smk*

*Q*

## Illegal points of entry

96. The Committee's investigations also found out that there is an illegal point of entry in Shimoni area, which is being used to facilitate illegal entry of sugar with the knowledge of Customs officers and police.
97. The then KSB had issued MSC licence to import sugar even at a time when there was a lot of un-harvested sugar cane in the local farms and plenty of sugar stocks in the local market.
98. The then KSB had been disbursing Sugar Development Levy Funds for cane development to Millers with no cane development schemes
99. That, as at the time of compiling this report, NIS had not provided any documents and/or reports despite several requests by the Committee in relation to all exports and imports of sugar between 2006-2012.
100. That, the Committee also observed that MSC exports and business dealings with the following companies were controversial:-
  - 1) Czarnikow Sugar EA Limited.
  - 2) E D & F Man Sugar Ltd.
  - 3) Rising Star Commodities Ltd,
  - 4) Kambale Nzagale of (DRC),
  - 5) Osman Adan and Nesredin Mohamed of (Ethiopia),
  - 6) S&G General Suppliers,
  - 7) Star General Suppliers and Mugabe Thomas of Rwanda,
  - 8) Mega Laser International,
  - 9) Manyuon Samuel Deng,
  - 10) Mid Africa,
  - 11) Southern Sudan Mudland Co. Ltd,
  - 12) Kapoeta Trading Co. Ltd,
  - 13) International Relief Services of Southern Sudan,
  - 14) Arua Mercantile Co. Ltd,
  - 15) Quick Sellers Uganda,
  - 16) Muru Enterprises,
  - 17) Kasave Trading Co. Ltd,
  - 18) Trident Investment Ltd,

19) Uchumi Commodities (Uganda) Ltd of Uganda.  
(Annex II a-h& VII)

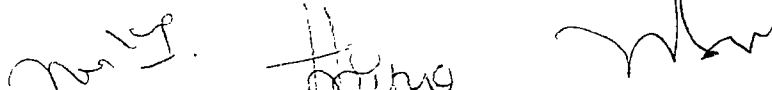
101. In view of the fact that MSC made exports to the regional markets to the companies mentioned in 102 above, there is glaring disparities between records from MSC and the respective importing companies. For example, Nesredin Mohamed of Addis Ababa wrote to MSC to purchase 5000MT for export and the records from MSC indicate a summary total of 5,882MT which still has a bigger variation from the detailed records submitted by MSC indicating a total of 117, 641MT having been traded by Nesredin Mohamed as exports to Ethiopia between 2006 and 2009. Records at MSC indicate a total summary of all exports by MSC for the period 2006 to 2012 as 52,284MT while the detailed itemised list to individual exporting companies total to 30,204.37MT which is a big variation from records held at the KRA indicating 70,431MT as exports of brown sugar by MSC the same period. *(Annex II (a) – (h), IV (a) & V (a))*
102. The Committee observed that despite there being questionable dealings of MSC between 2006-2012, the then MSC Auditors Ms Deloitte and Touché gave MSC a clean bill of health.
103. The Committee observed that, with regard to importation of 10000MT of sugar from Sudan by MSC, the Import Permit from KSB issued to MSC was unprocedurally transferred to a third party (Dantes Peak Ltd). Further, KRA admitted having noted the anomaly but still went ahead to release the consignment
104. That, KPMG has provided a disclaimer to its "Draft Factual Finding Report" as to the accuracy and completeness of the report, noting that any subsequent information may require the findings to be adjusted and qualified accordingly. However the Committee took cognizance of the report, which largely reflects the committee's findings.

## CHAPTER 4

### 4.0 RECOMMENDATIONS OF THE COMMITTEE

The Committee therefore recommends:

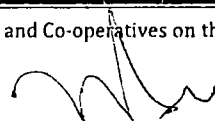
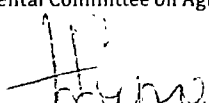
105. THAT, the government establishes a permanent inter-agency enforcement unit on sugar trade which should enhance capacity to verify, scrutinise and monitor cross-border trade and step up border patrols to eradicate sugar smuggling. The unit should draw membership from KPA, Public Health, AFFA, KEBS, the Kenya Police, KRA and any other relevant government agencies.
106. THAT, KRA officer(s) should be investigated and appropriate action taken for clearing sugar without permit from the sugar regulator. Equally any company that imported sugar without a permit from the regulator should be banned from import and export bussines.
107. THAT, the reinforcement of re-packaging regulations to ensure consumer safety and that KEBS be held responsible for failure to prevent abuse of its seal which is supposed to be a standard measure for safety of goods in the country but has consistently been abused.
108. THAT, relevant laws and regulations governing sugar imports and exports should be amended to provide for higher accountability and public health standards for re-packaged sugar and for stiffer penalties for offenders. The Government should cancel import licences for the following companies: - Kenafriic Industries, Czarnikow E. A. Ltd, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.
109. THAT, the government implements the sugar industry strategic agenda for increased competitiveness and reduction in consumer prices. There is need to lower production cost, improve extension services among others to reduce and eventually eliminate the incentive to smuggle sugar into the country



110. **THAT**, the National Government in collaboration with county government should provide mechanism for coordinated infrastructure development to avoid duplication of responsibilities by different bodies mandated to maintain roads.
111. **THAT**, the National Government should implement the National Land Policy to mitigate further land sub-division for improved productivity.
112. **THAT**, the fertilizer subsidy should be complemented by bulk procurement of other farm inputs and capacity utilization which should be done by the Sugar Directorate.
113. **THAT**, Investigations should be carried out on MSC and/or its agents, KRA and all importers and/or their agents who imported sugar from MSC in the period between 2006 - 2012 and appropriate action taken.
114. **THAT**, the KRA should be held responsible for the loss of VAT taxes amounting to Kshs 577 million for fictitious exports of sugar by MSC.
115. **THAT**, any officer from the Board and Management of MSC and KRA responsible for the fictitious exports of sugar between 2006-2012 be held responsible for abuse of procedures and abuse of office.
116. **THAT**, the National Government introduces landing certificates for all transit sugar as a confirmation of physical exit to stop any dumping into the local market,
117. **THAT**, the Government should consider offering tax breaks to encourage new investors into the sugar industry. Additionally, duty waiver for sugar industry farm inputs and farm machinery will go a long way towards reducing the high cost of sugar production.
118. **THAT**, KPMG having provided a disclaimer as to the accuracy of the Draft Factual Finding Report, Mumias Sugar Company avails with immediate effect the final KPMG report to the National Assembly.

*Handwritten signatures and initials:*  
A large, stylized signature on the left.  
A signature in the center, possibly "Mumias".  
A signature on the right, possibly "W. M. Mwangi".  
A signature below it, possibly "C. Mwangi".  
A signature on the far right, possibly "J. Mwangi".  
A signature below it, possibly "J. Mwangi".

119. THAT , officers from MSC/KRA who abused import procedures with regard to Import Permit requirements in the importation of 10,000MT of sugar in 2012 from Sudan be held to account for their misdeeds.
120. THAT, Deloitte and Touché be held responsible for misleading the government, other shareholders and public on the state of affairs in MSC during the period of their engagement as auditors.



5.0

**ANNEX I: Minutes of the Committee deliberations on the Petition by Western Development Initiative Association on the petition of imminent collapse of sugar industry in western province due to rampant sugarcane poaching and smuggling of cheap sugar imports and the PETITION on the Imminent collapse of Sugar Industries in Western Kenya due to rampant sugarcane poaching crisis and smuggling of cheap sugar imports**

**ANNEX II: Documents of Imports and Exports by Mumias Sugar Company**

**ANNEX III ,IV and V: KRA's Report on Mumias Sugar Company Exports**

**ANNEX VI: East Africa Customs Management Act 2005**

**ANNEX VII: Documents by Kenya Sugar Board**

**ANNEX VIII: Draft Factual Findings Report**

MINUTES OF THE THIRTY EIGHTH SITTING OF THE DEPARTMENTAL  
COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON  
WEDNESDAY, 16<sup>TH</sup> OCTOBER, 2013 IN COMMITTEE ROOM 9, MAIN  
PARLIAMENT BUILDINGS AT 9.30AM

PRESENT

- |                                      |   |               |
|--------------------------------------|---|---------------|
| 1. Hon. Adan M. Nooru, M.P           | - | Chairman      |
| 2. Hon. Kareke Mbiuki, M.P           | - | Vice Chairman |
| 3. Hon. Kabando Wa Kabando, M.P.     |   |               |
| 4. Hon. (Dr.) Victor Munyaka, M.P    |   |               |
| 5. Hon. Phillip Rotino, M.P.         |   |               |
| 6. Hon. Millie Odhiambo, M.P.        |   |               |
| 7. Hon. Ayub Savula Angatia, M.P.    |   |               |
| 8. Hon. Waititu Munyua, M.P.         |   |               |
| 9. Hon. Peter N. Gitau, M.P          |   |               |
| 10. Hon. Maison Leshoomo, M.P.       |   |               |
| 11. Hon. Kimani Inchung'wah, M.P.    |   |               |
| 12. Hon. Patrick Wangamati, M.P.     |   |               |
| 13. Hon. Florence Mutua, M.P         |   |               |
| 14. Hon. Silas Tiren, M.P.           |   |               |
| 15. Hon. Ferdinand Wanyonyi, M.P.    |   |               |
| 16. Hon. John B. Serut, M.P.         |   |               |
| 17. Hon. James Opiyo Wandayi, M.P.   |   |               |
| 18. Hon. Maanzo Daniel Gitonga, M.P. |   |               |
| 19. Hon. Mary Wamboi Munene, M.P.    |   |               |
| 20. Hon. Korei Ole Lemein, M.P.      |   |               |
| 21. Hon. Paul Simba Arati, M.P.      |   |               |
| 22. Hon. Hezron Awiti Bollo, M.P.    |   |               |

ABSENT WITH APOLOGY

1. Hon. Benjamin Washiali, M.P.
2. Hon. Fredrick Outa, M.P
3. Hon. Raphael Letimalo, M.P.
4. Hon. Zuleikha Hassan, M.P
5. Hon. John Kobado Kobado, M.P.

6. Hon. Alfred K. Keter, M.P.

7. Hon. Justice Kemei, M.P.

### INATTENDANCE

#### Western Development Initiative Association

- |                              |   |  |
|------------------------------|---|--|
| 1. Mr. Lambert Lwanga Ogochi | - | Director Busia Outgrowers Co   |
| 2. Mr. Joseph Barasa         | - | Vice Chairman Western<br>Development Initiative Association<br>(WEDIA) |
| 3. Venswa Okwara             | - | Area Leader Busia Outgrowers   |

#### Kenya National Assembly

- |                        |   |                        |
|------------------------|---|------------------------|
| 1. Mr. Oscar Namulanda | - | Senior Clerk Assistant |
| 2. Mr. Eric Nyambati   | - | Third Clerk Assistant  |

MIN.NO.125/2013: - PRELIMINARIES

The meeting was called to order at Forty five minutes past Nine O'clock with a word of prayer.

The Chairman welcomed the Committee members and reminded them of the importance of the petition by WEDIA. He reiterated the need to execute the petition within the required times as per standing orders.

MIN.NO.126/2013: - MEETING WITH WESTERN DEVELOPMENT INITIATIVE ASSOCIATION (WEDIA) ON THE PETITION ON THE IMMINENT COLLAPSE OF SUGAR INDUSTRY IN WESTERN KENYA DUE TO RAMPANT POACHING AND SMUGGLING OF CHEAP SUGAR IMPORTS

The Vice Chairperson of WEDIA Mr. Joseph Barasa made the following submissions: -

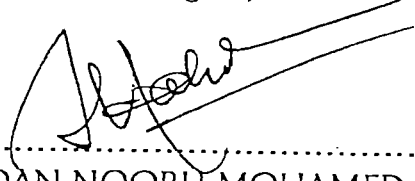
- (a) WEDIA was registered as an association in 2010 and that it represents development interests of sugarcane farmers and other sectors in Western Kenya;
- (b) It was among the first entities to raise the issue of cane poaching and was also at the fore-front in stopping the attempted disposal of land belonging to defunct Busia Sugar Company (BSC);
- (c) Sugarcane poaching started about the year 2000 after the establishment of Butali Sugar Mills in Kakamega County.
- (d) Sugar factories in Western Kenya, including Mumias Sugar Company, Nzoia Sugar Company and Butali Sugar Mills, have signed contracts with their cane farmers except West Kenya Sugar Factory;
- (e) To-date, West Kenya Sugar Factory does not have any single contracted sugarcane farmer but has since inception been buying cane from farmers contracted by other millers, hence promoting poaching;
- (f) West Kenya Sugar Factory does not have cane development programmes for farmers but harvests cane from farmers in Western Kenya. The factory has continued to buy cane from Busia Sugar Zone (*contracted by Mumias Sugar Company*), Nzoia Sugar Zone and Butali Sugar Mills farmers even when they (West Kenya) have no contracted farmers in those zones;
- (g) West Kenya has gone ahead to construct a weighbridge at Tangakona area in Busia County where all the poached cane is collected for transportation to the factory in Kakamega County;
- (h) The presence of the weighbridge has led to disputes and conflicts among the surrounding local communities/millers and at one point a tractor transporting sugarcane for Nzoia Sugar Company was burnt and six tractors belonging to West Kenya impounded by Nzoia Sugar Company;
- (i) Kenya Sugar Board has allowed West Kenya to operate in Western Kenya despite the company failing to honour the licence issued to it to construct a factory in Kimilili area of Bungoma County way back in 2008;
- (j) Kenya Sugar Board gave West Kenya a two-year reprieve under questionable circumstances even after failing to construct a factory in Kimilili and continued harvesting cane from farmers contracted by other factories;

(k) In some cases, cane is harvested by agents of West Kenya Sugar Factory without the consent of the owners (See Annexure in the petition)

MIN.NO.127/2013: - ANY OTHER BUSINESS

There being no any other business, the meeting adjourned at 12.15pm

Signature .....



HON ADAN NOORU MOHAMED, MBS, M.P.

23 (Chairman) 10 2013

Date.....

~~22~~ 10 2013

MINUTES OF THE FOURTY SECOND SITTING OF THE DEPARTMENTAL  
COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON  
TUESDAY, 29<sup>TH</sup> OCTOBER, 2013 IN COMMITTEE ROOM 4<sup>TH</sup> FLOOR,  
CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.00AM

PRESENT

- |                                      |   |               |
|--------------------------------------|---|---------------|
| 1. Hon. Adan M. Nooru, M.P           | - | Chairman      |
| 2. Hon. Kareke Mbiuki, M.P           | - | Vice Chairman |
| 3. Hon. Justice Kemei, M.P.          | - | Chairing      |
| 4. Hon. Benjamin Washiali, M.P.      |   |               |
| 5. Hon. Phillip Rotino, M.P.         |   |               |
| 6. Hon. Fredrick Outa, M.P           |   |               |
| 7. Hon. Kabando Wa Kabando, M.P.     |   |               |
| 8. Hon. (Dr.) Victor Munyaka, M.P    |   |               |
| 9. Hon. Maison Leshoomo, M.P.        |   |               |
| 10. Hon. Waititu Munyua, M.P.        |   |               |
| 11. Hon. Kimani Inchung'wah, M.P.    |   |               |
| 12. Hon. Paul Simba Arati, M.P.      |   |               |
| 13. Hon. Raphael Letimalo, M.P.      |   |               |
| 14. Hon. Silas Tiren, M.P.           |   |               |
| 15. Hon. Ferdinand Wanyonyi, M.P.    |   |               |
| 16. Hon. John B. Serut, M.P.         |   |               |
| 17. Hon. Florence Mutua, M.P         |   |               |
| 18. Hon. Maanzo Daniel Gitonga, M.P. |   |               |
| 19. Hon. Mary Wamboi Munene, M.P.    |   |               |
| 20. Hon. John Kobado Kobado, M.P.    |   |               |
| 21. Hon. Hezron Awiti Bollo, M.P.    |   |               |

ABSENT WITH APOLOGY

1. Hon. James Opiyo Wandayi, M.P.
2. Hon. Patrick Wangamati, M.P.
3. Hon. Peter N. Gitau, M.P
4. Hon. Millie Odhiambo, M.P.
5. Hon. Korei Ole Lemein, M.P.

6. Hon. Alfred K. Keter, M.P.
7. Hon. Ayub Savula Angatia, M.P.
8. Hon. Zuleikha Hassan, M.P

## INATTENDANCE

### Sugar Millers

- |                        |   |                            |
|------------------------|---|----------------------------|
| 1. Mr. Peter Kebati    | - | CEO Mumias Sugar           |
| 2. Mr. Wesley Koech    | - | Director Agriculture - MSC |
| 3. Ms. Emily Otieno    | - | Legal Director - MSC       |
| 4. Mr. Paul Murgor     | - | Commercial Director - MSC  |
| 5. Mr. Joseph Barasa   | - | WEDIA                      |
| 6. Mr. Raymond Olendo  | - | West Kenya Sugar           |
| 7. Ms. Wairimu Gachuhi | - | West Kenya Sugar           |

### Kenya National Assembly

- |                        |   |                        |
|------------------------|---|------------------------|
| 1. Mr. Oscar Namulanda | - | Senior Clerk Assistant |
| 2. Mr. Eric Nyambati   | - | Third Clerk Assistant  |

MIN.NO.143/2013: - PRELIMINARIES

The meeting was called to order at Fifteen minutes past Ten O'clock with a word of prayer.

MIN.NO.144/2013: - MEETING WITH MUMIAS SUGAR COMPANY ON THE PETITION ON THE IMMINENT COLLAPSE OF SUGAR INDUSTRY OIN WESTERN KENYA DUE TO POACHING AND CHEAP SUGAR IMPORTS

The Managing Director Mumias Sugar Company Mr. Peter Kebati informed the Committee that: -

- i. MSC was established 40 years ago and is the largest sugar producer in Kenya and is currently an integrated factory with installed capacity of

270,000 MT sugar plant, 38MW Co-generation Plant, 22 million - litre Ethanol Distillery and 15 million - litre Water Bottling Plant;

- ii. The Company is listed on the Nairobi Stock Exchange and there are over 145,000 shareholders including Kenyan investors and the Government of Kenya which holds a 20% stake in the Company, pays approximately Kshs. 2.5 billion in taxes and remits Kshs. 500,000 million to the Sugar Development Fund (SDF) annually;
- iii. MSC supports a population of 2 million people directly and over 5 million indirectly and the Company has a workforce of 1,896 permanent employees and 40,000 seasonal and contracted workers;
- iv. The Company operates an Outgrowers Cane Development Scheme within Kakamega, Bungoma, Busia and Siaya counties and spends over Kshs 2.8 billion to provide services for land preparation, fertilizer/input supply, extension support, harvesting and transport to over 110,000 farmers;
- v. MSC signs cane farming contracts with the farmers committing them to supply their cane to MSC to enable recovery of what the Company has invested in cane development expenses to contracted farmers;
- vi. MSC appreciates fair competition in the sector and wants emerging issues to be addressed as a policy intervention to restore sanity and fair practices in the industry;
- vii. There is no fair competition in the sugar sector and unless the emerging issues are addressed from both policy and legislative fronts, then the

industry is headed for collapse as rightfully observed by the Petitioners.

There is urgent need to restore sanity and the rule of law in the industry.

On who might be the suspected Smugglers of Sugar Mr. Kebati informed the Committee that: -

- Mumias Sugar Company (MSC) does not have any specific knowledge of the smugglers of sugar. This information would with Kenya Revenue Authority (KRA) and Kenya Sugar Board (KSB) who play surveillance role as far as licensing and monitoring of sugar importation is concerned.

Asked about the effects of cane poaching, smuggling and cheap imports on MSC and the Sugar industry at large the MD outlined as follows: -

#### Effects to MSC

- i. Loss of invested in cane development
- ii. Lack of adequate supply of raw material
- iii. Idle factory capacity
- iv. Inability to meet some covenants e.g. supply of electricity to the national grid due to lack of sufficient raw materials
- v. Poor returns to investor who mainly the wider public in the financial year ending 2013, Mumias Sugar Company a total of 150,000 tons of cane to cane poaching.

Total cane lost	150,000 tons
Total Sugar lost	15,000 tons
Sugar income lost	Kshs. 1,260,000,000.00
Government Revenue lost	Kshs. 215,000,000.00

- vi. Declining margins due to reduced prices
- vii. Counterfeit goods/ look-alike to our brands
- viii. Unfair competition from in-house brands packaged by importers
- ix. Loa cane prices as the formula for payment is based on the prevailing sugar prices

#### Effects to the Sugar Industry

- i. An unsteady and uncompetitive sector
- ii. Inability to meet Kenyan sugar demand in a coordinated manner

- iii. Illegal and uncoordinated imports aimed at bridging the demand deficit thus denying the government revenue
- iv. Disadvantaged consumers due to high sugar prices
- v. Insecurity in the sugar zones due to scramble for the scarce raw materials and lack of subsequent cane crop
- vi. Disregard to the rule of law regarding cane zoning as defined in the Sugar Act, 2001
- vii. Possible loss of jobs due to possible collapse of the sugar industry
- viii. Distortions in the cane harvesting schedules resulting in harvesting of very young cane and increased costs of production
- ix. Depressed sugar prices
- x. An uncompetitive sugar sector
- xi. Late payment to farmers due to inability of the local sugar to compete with imported sugar

Measures taken by Mumias Sugar Company against smugglers of cheap sugar imports

These include the following: -

- 1) Engagement with KRA to enforce importation requirements including collecting due taxes and seizure of illegal imports
- 2) Engagement with GOK security agents on enforcement of border patrols
- 3) Enhancement of market intelligence and reporting of any suspected illegal imports
- 4) Suits against sugar importers who ride MSC brand, and
- 5) Lobbying KSB to enforce regulations on source of origin of imported sugar being sold as house hold brands

Support received from KSB as a regulator

Mumias Sugar Company receives the following support from Kenya Sugar Board

1. Road maintenance grants to build bridges and purchase of equipment, and
2. Cane development loans although not to the required levels.

Arising from submission by the MD MSC, the Committee made the following observations: -

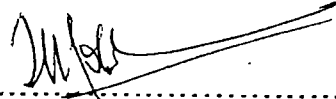
- a) Mumias Sugar Company imports sugar to meet the shortfall in the market during Factory service period.

- b) Sugar sector is messed up with irregularities given that no regulations have been gazetted by the Ministry of Agriculture since the enactment of the Sugar Act in 2001.
- c) West Kenya Sugar Factory (WKSF) has disregarded contracts signed between Mumias Sugar Company and the farmers
- d) Mumias Sugar Company pays over Kshs. 500 million to Kenya Sugar Board (KSB) for sugar development programmes yet it receives less than Kshs. 200 million in return from KSB disbursements
- e) There is need to have a master plan in the industry to help map out land, farmers and designated areas
- f) West Kenya Sugar Factory is able to pay more to farmers because it has not invested in cane development yet it has received over Kshs. 350 million for sugar development thus causing conflict and confusion among farmers in the industry

MIN.NO.145/2013: - ANY OTHER BUSINESS

There being no any other business, the meeting adjourned at 12.55pm

Signature .....



HON ADAN NOORU MOHAMED, M.P.  
(Chairman)

Date.....

31-10-2013

MINUTES OF THE FOURTY FOURTH SITTING OF THE DEPARTMENTAL COMMITTEE  
ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON TUESDAY, 5<sup>TH</sup>  
NOVEMBER, 2013 IN COMMITTEE ROOM 4<sup>TH</sup> FLOOR, CONTINENTAL HOUSE,  
PARLIAMENT BUILDINGS AT 9.30AM

PRESENT

1. Hon. Adan M. Nooru, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P - Vice Chairman (Chairing)
3. Hon. Justice Kemei, M.P.
4. Hon. Phillip Rotino, M.P.
5. Hon. Fredrick Outa, M.P
6. Hon. Kabando Wa Kabando, M.P.
7. Hon. (Dr.) Victor Munyaka, M.P
8. Hon. Benjamin Washiali, M.P.
9. Hon. Maison Leshoomo, M.P.
10. Hon. Raphael Letimalo, M.P.
11. Hon. Silas Tiren, M.P.
12. Hon. Waititu Munyua, M.P.
13. Hon. Kimani Inchung'wah, M.P.
14. Hon. Paul Simba Arati, M.P.
15. Hon. Ferdinand Wanyonyi, M.P.
16. Hon. John B. Serut, M.P.
17. Hon. Ayub Savula Angatia, M.P.
18. Hon. Maanzo Daniel Gitonga, M.P.
19. Hon. Mary Wamboi Munene, M.P.
20. Hon. Korei Ole Lemein, M.P.
21. Hon. John Kobado Kobado, M.P.
22. Hon. Patrick Wangamati, M.P.
23. Hon. James Opiyo Wandayi, M.P.

ABSENT WITH APOLOGY

1. Hon. Peter N. Gitau, M.P
2. Hon. Millie Odhiambo, M.P.
3. Hon. Florence Mutua, M.P
4. Hon. Alfred K. Keter, M.P.
5. Hon. Hezron Awiti Bollo, M.P.
6. Hon. Zuleikha Hassan, M.P

INATTENDANCE

Sugar Millers

1. Mr. Jasmat S. Rai - West Kenya Sugar Company (WKS)

2. Mr. Tejveer S. Rai	-	West Kenya Sugar Company (WKS)
3. Mr. Raymond Olendo	-	WKS
4. Mr. Kibe Mungai	-	WKS
5. Ms. Wairimu Gachuhi	-	WKS
6. Ms. Njeri Ngunju	-	WKS
7. Mr. Daniel Kiyondi	-	Butali Sugar Mills (BSM)
8. Mr. Jayantilal Patel	-	BSM
9. Mr. Miller W. Bwire	-	BSM
10. Mr. Saul S. Wasilwa	-	Nzoia Sugar Company (NSC)
11. Mr. Godfrey S. Wanyonyi	-	NSC
12. Mr. Mcklins Wasike	-	NSC
13. Ms. Rita Mukhangu	-	NSC

#### Kenya National Assembly

1. Mr. Oscar Namulanda	-	Senior Clerk Assistant
2. Mr. Abdullahi Aden	-	First Clerk Assistant

MIN.NO.149/2013: - PRELIMINARIES

The meeting was called to order at Ten O'clock with a word of prayer. The Chairman welcomed the Members to the meeting to deliberate on the challenges facing the Sugar Industry in the Country.

MIN.NO.150/2013: - MEETING WITH WEST KENYA SUGAR COMPANY (WKSCO)

The Chairman West Kenya Sugar Company Mr. Jasmat S. Rai informed the Committee that:

- West Kenya Sugar Company (WKSCO) is the second largest Miller in Kenya whose efficiency and prudent management is underscored by the fact that it has grown from a jiggery in 1979 to miller. It has grown from a miller of 500 TCD (Tonnes Crushed Daily) in 1999 to its current crushing capacity of 5000 TCD. It has employed 2000 workers and offers indirect employment to harvesters, loaders and transporters.

#### Cane Poaching

The Chairpman West Kenya Sugar Company, informed the Committee that;

- Article 40 of the Constitution and the Sugar Act 2001, the farmer is the owner of the cane on his farm. Freedom of contract is an integrated part of the right of ownership. Therefore the Cane farmer has the legal right to sell his or her cane to a miller of his or her choice. Accordingly, a miller who buys cane from a farmer in an area presumed to

belong to another miller cannot technically be deemed as either stealing or poaching cane.

- Until 2005 when the Kenya Sugar Board licensed Butali Sugar Mill Limited in controversial circumstances, the existing millers namely Mumias Sugar Company Limited, Nzoia Sugar Company and West Kenya Sugar Company sourced their cane from clearly demarcated zones. Each miller was able to invest in cane growing within its zone. However the Kenya Sugar Board abandoned the *de facto* zones when it licensed Butali Sugar Mill Limited and supported its commissioning in the name of free competition in a liberalized market.
- West Kenya Sugar Company pays farmers after seven days with competitive prices and it charges them a flat rate of Kshs.390 per ton irrespective of the distance with the option of the farmer using own transport.
- The Chairman further informed the Committee that West Kenya Sugar has been in the fore front to fight the alleged cane poaching activities, it engaged the Ministry of Agriculture, the Kenya Sugar Board and Butali Sugar Mill Limited in a protracted legal battle as the other millers watched, the Company has never participated in cane poaching and hence its operation regarding cane sourcing and harvesting is well coordinated effort that also involves local community and the provincial and County administration.
- West Kenya Sugar Company has been in the forefront championing for the rights of innocent farmers by taking them in as its development partners and empowering them economically by ensuring the farmer get correct tonnage for his cane, better prices that are paid on time coupled with efficient extension services.
- The Sugarcane crisis in western Kenya was worsened and aggravated by the licensing of Butali Sugar Mills Limited and commencement of its operation in 2011. Throughout 2011 to date cane poaching has become a growing menace as cane shortage worsens throughout Western province as too many millers have to share decreasing amount of cane.

MIN.NO.151/2013:

MEETING WITH M.D BUTALI SUGAR MILLS  
COMPANY

The Managing Director Bultali Sugar Mills Mr. Jayantilal Patel informed the Committee that;

- Butali Sugar Mills Limited is not aware of any poaching of cane in the Country and the Company has no case in court with any miller in regard to Cane poaching in the Country.

- The Managing Director further informed the Committee that Kenya Sugar Board to come up with regulations in respect to a contracted farmer supplying cane to another miller.
- The Managing Director also faulted the creation of too many way bridges as contributor to cane poaching.
- West Kenya Sugar Company pays farmers after seven days.
- He further informed the Committee that the Company got support from the Kenya Sugar Board for the construction of bridges and received a loan for cane development.

#### Committee Clarifications

The Committee sought the following clarifications and the Management of Butali Sugar Mills Limited to provide the following information on Tuesday 12<sup>th</sup> November 2013;

- All the documents related to the registration of Butali Sugar Mills Limited.
- Whether the former Chief Executive Officer Kenya Sugar Board was sucked during the registration of Butali Sugar Mills Company.
- Whether the Current Deputy President who was the Agriculture Minister by then was transferred from his docket at the time of registering Butali Sugar Mills Company.
- Whether the former Agriculture Minister Hon. Dr Sally Kosgei, MP skipped the presentation of certificates to Butali Sugar Mills Company by the former Prime Minister Rt. Hon. Raila Odinga, MP.

MIN.NO.152/2013: \_\_\_

#### MEETING WITH NZOIA SUGAR COMPANY LIMITED

The Managing Director for Nzoia Sugar Company made the following submissions;

- i. NSC was established in 1975 under the Company's Act Cap 486 of the Laws of Kenya with the Government as the majority shareholder owning 98% shares while Fives Call Babcock (FCB) and Industrial Development Bank owning the remaining;
- ii. NSC serves over 67,000 farmers in the larger Bungoma, Kakamega, Lugari, and Malava Districts;

- iii. NSC produces sugar and supports cane production through the provision of extension services to farmers through extensive Company Nucleus Estate covering 3600ha;
- iv. NSC provides cane development services including supply of fertilizers and provision of extension services to outgrower cane farmers contracted by it;
- v. West Kenya was poaching cane from farmers contracted by Nzoia Sugar, Mumias Sugar and Butali Sugar factories;
- vi. There were individuals acting as cane poaching brokers based at various points within Bungoma and Busia Counties;
- vii. NSC sensitizes farmers on obligations of signed contracts with them and other millers and campaigns against cane poaching;
- viii. In 2008, NSC set an anti-poaching unit comprising of NSC and the Kenya Police Officers that used to monitor cane poaching and later in 2010 an *ad hoc* committee of the Board was set up to help manage cane poaching which was at an all time high;
- ix. NSC had instituted Court proceedings against West Kenya Sugar Factories (WKSF) in 2012 on the matter of cane poaching; and
- x. NSC has not been able to pay farmers in good time due to low sales as a result of a depressed sugar market;
- xi. NSC has lobbied the government not to allow cheap sugar into the Country as it negatively affects sales, payment to farmers and other obligations.

MIN.NO.153/2013:

- ANY OTHER BUSINESS

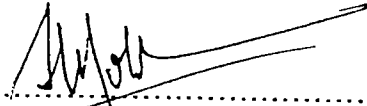
#### Land Grapping in Machakos County

- The Hon. Fred Outa, MP informed the Committee that, the land owned by the Ministry of Agriculture in Machakos County has been grabbed by the Machakos County Governor
- The Committee was further informed that the title deed of the land is there and genuinely belongs to the Ministry of Agriculture in Machakos County.
- The Committee said there was a need to establish the legal ownership of the land, and the name registered in the title deed.

- Further the Committee resolved to engage with the Cabinet Secretary for Agriculture and hold a Joint meeting with the Departmental Committee on Lands to look in to the land menace in Machakos County.

There being no any other business, the meeting adjourned at 1.15pm

Signature .....



HON ADAN NOORU MOHAMED, M.P.  
(Chairman)

Date.....

7-11-2013

MINUTES OF THE SIXTY EIGHTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (with the Commissioner-General - KRA ) HELD ON THURSDAY, 24<sup>TH</sup> APRIL, 2014 IN COMMITTEE ROOM 2<sup>ND</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.30AM

PRESENT

1. Hon. Kareke Mbiuki, M.P - Vice Chairman
2. Hon. Benjamin Washiali, M.P.
3. Hon. Justice Kemei, M.P.
4. Hon. Kabando Wa Kabando, M.P.
5. Hon. John B. Serut, M.P.
6. Hon. (Dr.) Victor Munyaka, M.P
7. Hon. Phillip Rotino, M.P.
8. Hon. Patrick Wangamati, M.P.
9. Hon. James Opiyo Wandayi, M.P.
10. Hon. Florence Mutua, M.P
11. Hon. Maison Leshoomo, M.P.
12. Hon. John Kobado Kobado, M.P.
13. Hon. Paul Simba Arati, M.P.
14. Hon. Silas Tiren, M.P.
15. Hon. Peter N. Gitau, M.P
16. Hon. Alfred K. Keter, M.P.
17. Hon. Ayub Savula Angatia, M.P.
18. Hon. Millie Odhiambo, M.P
19. Hon. Hezron Awiti Bollo, M.P.
20. Hon. Ferdinand Wanyonyi, M.P.
21. Hon. Raphael Letimalo, M.P.
22. Hon. Maanzo Daniel Kitonga, M.P.

ABSENT WITH APOLOGY

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Fredrick Outa, M.P
3. Hon. Waititu Munyua, M.P.
4. Hon. Korei Ole Lemein, M.P.
5. Hon. Kimani Inchung'wah, M.P.
6. Hon. Zuleikha Hassan, M.P

## INATTENDANCE

### Kenya Revenue Authority

1. Mr. John K. Njiraini - Commissioner General
2. Ms. Beatrice Mumo - Commissioner of Customs
3. Ms. Pamela Ahago - Chief Manager Customs

### Kenya National Assembly

1. Mr. Oscar Namulanda - Senior Clerk Assistant
2. Mr. Rodgers Kilungya - Hansard Reporter

## MIN.NO.064/2014: - PRELIMINARIES

The meeting was called to order at Fifty minutes past Ten O'clock with a word of prayer.

The Vice Chairman welcomed the Members who turned up despite their busy schedules during the short recess. He welcome the witnesses for the introductions.

## MIN.NO.065/2014: - SUBMISSIONS BY THE COMMISSIONER-GENERAL KENYA REVENUE AUTHORITY

The Commissioner-General of KRA made the following submissions:

- i. KRA was established by an Act of Parliament, Chapter 469 of the Laws of Kenya, which became effective on 1<sup>st</sup> July 1995. was aware of the presence of contraband sugar in the country, which had seriously affected the local industry;
- ii. KRA was aware Mumias Sugar Company imported 10,000 MT of sugar in 2012 through a third party called Dantes Peak Limited and that Mumias paid all the duty for the consignment which was cleared in 2013;
- iii. The Commissioner-General admitted that KRA did not have the capacity to verify all containers of commodities imported but does random verification and scanning of the Cargo before release;
- iv. The Commissioner-General was aware Mumias Sugar Company exported sugar to various countries between 2006 and 2012 but was not in a

position to confirm if the sugar had indeed left the country as that would require confirmation from border officers and counterparts in countries of destinations;

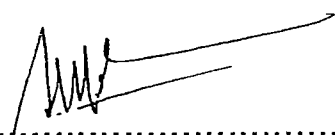
- v. The Commissioner-General said if indeed the sugar never left the country then Mumias Sugar Company is duty bound to pay the equivalent of VAT exempted;
- vi. KRA does not have infrastructure at all borders of our country especially in Eastern and North Eastern where smuggling is rampant but they have formed a joint team with the Kenya Police Service and the Kenya Sugar Board to address the issue of illegal sugar entering the Country unregulated and untaxed;
- vii. Sugar imports into Kenya is restricted under the 2<sup>nd</sup> Schedule Part B (1) of the East African Community Customs Management Act of 2004 where any import into Kenya must therefore first get approval from Kenya Sugar Board through a non-transferable Permit containing details of the importer, tonnage, origin of sugar and other relevant details, information which is used during clearance;
- viii. The revenue or duty collected and paid is determined by the type of sugar whether it is industrial or table sugar and also the origin of the sugar. Sugar from COMESA region are exempted from duty while non-COMESA sugar attracts 100% duty;
- ix. KRA has created special units to address non-compliance with KSB sugar import regulations and it was through such a unit that the case of non-compliance of the Mumias Sugar Company sugar import of 10,000 MT of 2012 was detected leading to a delay in clearance;
- x. In 2011 KRA noted increased importation of Industrial sugar from Egypt as a result of which joint investigations were conducted that revealed most of the said sugars were trans-shipments from Brazil. Thereafter, KRA in consultation with KSB implemented restrictions on Industrial Sugar imports from Egypt by imposing 10% duty as is the case with non-COMESA imports;

KRA has made several sugar seizures leading to several court cases, one in point that of Matt International who have since challenged KRA's decision to impose 10% duty on industrial sugar imported from Egypt (the matter is still pending in Court).

MIN.NO.066/2014: - ANY OTHER BUSINESS

There being no other business, the Chairman adjourned the meeting at 1:25pm.

Signature .....



HON ADAN NOORU MOHAMED, MBS, M.P.  
(Chairman)

Date.....

29-4-2014

MINUTES OF THE SEVENTY SEVENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (with the Former MD – Mumias Sugar Company – Dr. Evans Kidero) HELD ON MONDAY, 19<sup>TH</sup> MAY, 2014 IN COMMITTEE ROOM 7, MAIN PARLIAMENT BUILDINGS AT 2.30PM

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PRESENT

1. The Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P - Vice-Chairman
3. Hon. Peter Njuguna Gitau, M.P
4. Hon. Ferdinand Kevin Wanyonyi, M.P
5. Hon. James Opiyo, M.P
6. Hon. Justice Kemei, M.P.
7. Hon. Benjamin Washiali, M.P.
8. Hon. Phillip Rotino, M.P.
9. Hon. Kabando Wa Kabando, M.P.
10. Hon. Millie Odhiambo, M.P.
11. Hon. Korei Ole Lemein, M.P.
12. Hon. John B. Serut, M.P.
13. Hon. Florence Mutua, M.P
14. Hon. Maanzo Daniel Kitonga, M.P.
15. Hon. Mary Wamboi Munene, M.P.
16. Hon. John Kobado Kobado, M.P.
17. Hon. Paul Simba Arati, M.P.
18. Hon. Kimani Inchung'wah, M.P.

ABSENT WITH APOLOGY

1. Hon. Silas Tiren, M.P
2. Hon. Zuleikha Hassan, M.P
3. Hon. Ayub Savula Angatia, M.P.

Kenya National Assembly

1. Mr. Oscar Namulanda - Senior Clerk Assistant
2. Tracy Chebet Emily Koskei - Clerk Assistant II
3. Ahmad Adan Guliye - Clerk Assisant III
4. Mr. Rodgers Kilungya - Hansard Reporter

MIN.NO.090/2014: - PRELIMINARIES

The meeting was called to order at Forty minutes past Two O'clock with a word of prayer.

The Chairman welcomed the Members and asked them to focus on the investigations before the Committee so as to conclude the report. He reminded Members that the witness appearing was a key witness in the investigations.

The Chairman made introductions for Members and the witness.

MIN.NO.091/2014: - SUBMISSIONS BY THE FORMER MANAGING DIRECTOR – MUMIAS SUGAR COMPANY, DR. EVANS KIDERO.

The Former Managing Director for Mumias Sugar Company DR. Evans Kidero made the following submissions:-

- i. At the time of his retirement from MSC, the Company had initiated the process of importing 10,000MT from Kenana Sugar Factory in Sudan;
- ii. That between the years 2006 and 2012 MSC exported sugar to Ethiopia, Uganda, Sudan, Democratic Republic of Congo (DRC) and Rwanda and the EU especially Italy and United Kingdom;
- iii. That he did not have any documents to corroborate his submissions but that he believed the current management should furnish the Committee with the necessary documents available on the exports;
- iv. That during his tenure at MSC, the company was making good profits, paying

farmers in good time and even the value of its shares at the Nairobi Stock Exchange was reasonable

MIN.NO.092/2014: - ANY OTHER BUSINESS

There being no other business, the Chairman adjourned the meeting at 4.30pm.

Signature .....



HON. ADAN NOORU MOHAMED, MBS, M.P.  
(Chairman)

Date.....

22-05-2014

MINUTES OF THE SEVENTY FIFTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (with the CS –Industrialization and Enterprise Development) HELD ON WEDNESDAY, 14<sup>TH</sup> MAY, 2014 IN COMMITTEE ROOM 7, MAIN PARLIAMENT BUILDINGS AT 2.30PM

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PRESENT

- |                                       |   |               |
|---------------------------------------|---|---------------|
| 1. The Hon. Adan M. Nooru, MBS, M.P   | - | Chairman      |
| 2. Hon. Kareke Mbiuki, M.P            | - | Vice-Chairman |
| 3. Hon. Peter Njuguna Gitau, M.P      |   |               |
| 4. Hon. Ferdinand Kevin Wanyonyi, M.P |   |               |
| 5. Hon. James Opiyo, M.P              |   |               |
| 6. Hon. Justice Kemei, M.P.           |   |               |
| 7. Hon. Benjamin Washiali, M.P.       |   |               |
| 8. Hon. Phillip Rotino, M.P.          |   |               |
| 9. Hon. Kabando Wa Kabando, M.P.      |   |               |
| 10. Hon. Millie Odhiambo, M.P.        |   |               |
| 11. Hon. Korei Ole Lemein, M.P.       |   |               |
| 12. Hon. John B. Serut, M.P.          |   |               |
| 13. Hon. Florence Mutua, M.P          |   |               |
| 14. Hon. Maanzo Daniel Kitonga, M.P.  |   |               |
| 15. Hon. Mary Wamboi Munene, M.P.     |   |               |
| 16. Hon. John Kobado Kobado, M.P.     |   |               |
| 17. Hon. Paul Simba Arati, M.P.       |   |               |
| 18. Hon. Kimani Inchung'wah, M.P.     |   |               |

ABSENT WITH APOLOGY

1. Hon. Silas Tiren, M.P
2. Hon. Zuleikha Hassan, M.P
3. Hon. Ayub Savula Angatia, M.P.

Kenya National Assembly

- |                              |   |                        |
|------------------------------|---|------------------------|
| 1. Mr. Oscar Namulanda       | - | Senior Clerk Assistant |
| 2. Tracy Chebet Emily Koskei | - | Clerk Assistant II     |
| 3. Ahmad Adan Guliye         | - | Clerk Assisant III     |
| 4. Mr. Rodgers Kilungya      | - | Hansard Reporter       |

The meeting was called to order at Thirty minutes past two O'clock with a word of prayer.

The Chairman informed the committee of rescheduling of the appearance of Governor Dr. Evans Kidero and Major General Michael Gichangi. The committee emphasized the importance of summons and it was directed that once letters had been dispatched the Clerk office would follow up with telephone calls to ensure that the summoned individuals were duly informed and the clerk office was asked to notify the committee of any changes two days prior to the scheduled meeting.

The chairman also shared an agreement between Kenya Cooperative Coffee Exporters Ltd and The Commercial Coffee and Marketing Agents Association which the committee had requested the Cabinet Secretary Agriculture to share.

Appearing before the Committee on 14<sup>th</sup> May, 2014 the Managing Director for Kenya Bureau of Standards submitted as follow: -

- i. Kenya Bureau of Standards (KEBS) was established in July 1974 under CAP 496 of the laws of Kenya. It offers several services including Standards development and harmonization, Testing, Measurement (Calibration), Enforcement of standards, Product inspection, Education and training in Standardization, Metrology and Conformity Assessment, Management Systems Certification and Product Certification;
- ii. KEBS analyses sugar imports coming into the country on request and notification of arrival of the same by Kenya Ports Authority and Kenya Revenue Authority;
- iii. Since 2012, seven consignments of sugar had been recommended for destruction by KEBS and other government agencies for non-conformance to quality specifications and KEBS is among the state agencies charged with destruction of goods that do not conform to the standard s;
- iv. KEB was aware of the impounding of a consignment of sugar that had been imported by Mumias Sugar Company although the IDF was reading Dantes Peak Limited;

- v. KEBS was facing the challenge of determining the importers of industrial sugar meant for manufacturing but which was being repacked for domestic consumption against the regulations;
- vi. KEBS does not have up-to-date equipments and infrastructure for analysis of various commodities imported and exported;
- vii. KEBS also lacks capacity for enforcement of standards and market surveillance and therefore cannot cope with demands like single window and 24 hour operations at the port of clearance or entry/exit.

MIN.NO.086/2014:

ANY OTHER BUSINESS

Mumias Sugar Company Management

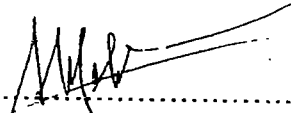
- The Committee agreed that the clerk writes to the Management of Mumias sugar Company requesting them to provide details of trucks that transported sugar across the exit and entry points between 2006 - 2013 during their appearance before the committee.

Coffee

- The trip to Sagana Coffee Mills is still scheduled for Friday 16<sup>th</sup> May 2014.

There being no other business, the Chairman adjourned the meeting at 5.30pm until Monday, 19<sup>th</sup> May, 2014 at 2.30pm.

Signature .....

  
HON. ADAN NOORU MOHAMED, MBS, M.P.  
(Chairman)

Date.....

20 - 05 - 2014

MINUTES OF THE SEVENTY EIGHTH SITTING OF THE  
DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND  
COOPERATIVES HELD ON TUESDAY, 27TH MAY 2014 AT  
CONTINENTAL HOUSE 5TH FLOOR 2.30 PM

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Present

1. Hon. Adan Mohamed Nooru, MBS, M.P - Chairman
2. Hon. Benjamin Washiali, M.P
3. Hon. Victor Munyaka, M.P
4. Hon. Gitau Peter, M.P
5. Hon. Simba Arati, M.P
6. Hon. John Kobado, M.P
7. Hon. Fred Outa, M.P
8. Hon. Millie Odhiambo, M.P
9. Hon. Justice Kemei, M.P
10. Hon. Mary Wamboi, M.P
11. Hon. Ayub Savula Angatia, M.P
12. Hon. Kabando Wa Kabando, M.P
13. Hon. Korei Ole Lemein, M.P

ABSENT WITH APOLOGIES:

1. Hon Kareke Mbiuki, M.P - Vice Chairman
2. Hon. Raphael Letimalo, M.P
3. Hon. Francis Munyua Waititu, M.P
4. Hon. Maison Leshoomo, M.P
5. Hon. Kimani Ichung'wah, M.P
6. Hon. Alfred Keter, M.P
7. Hon. Philip Rotino, M.P
8. Hon. Silas Tiren, M.P
9. Hon. John Serut, M.P
10. Hon. Daniel Maanzo, M.P
11. Hon. James Wandayi, M.P
12. Hon. Patrick Wangamati, M.P
13. Hon. Ferdinand Wanyonyi, M.P
14. Hon. Florence Mwikali, M.P

- 15.Hon. Zuleikha hassan, M.P
- 16.Hon. Hezron Awiti Bollo, M.P

### INATTENDANCE:

#### Mumias Sugar Company Limited

1. Mr. Coutts Ottolo - Ag. Managing Director
2. Mr. John Imbogo - Ag. Finance Director
3. Ms. Emily Otieno - Company Secretary
4. Mr. Peter Honou - Commercial
5. Mr. Stephen Olieka - HR
6. Ms. Diana Barasa - Legal Officer
7. Ms. Pamella Lutta - Marketing & Cooperative Affairs
8. Mr. Eric Khalumi - Finance Management
9. Ms. Godfrey Ouma - Treasury Manager
- 10.Mr. Kidzugane James - Accountant , Agriculture Services
11. Ms. Margaret Makhungu - ICT Director
- 12.Mr. Wesley Koech - Director of Agriculture.

#### Kenya National Assembly

1. Tracy Chebet Emily Koskei - Clerk Assistant II
2. Ahmad Adan Guliye - Clerk Assistant III
3. Mr. Rodgers Kilungya - Hansard Reporter

#### MIN 093/2014:

#### PRELIMINARIES

The meeting was called to order by the chairman at Fifty minutes past Two O'clock with a word of prayer by Hon. Benjamin Washiali, MP followed by introduction by the members and witnesses.

The Chairman reminded members that the committee has a backlog of activities to undertake some of which are time barred and emphasised on members to keep time to enable the Committee achieve its mandate within the stipulated time frame.

The members affirmed their commitment to the committee and their willingness to undertake their roles diligently.

MIN 094/2014:

SUBMISSIONS BY THE MANAGEMENT AND  
BOARD OF MUMIAS SUGAR COMPANY  
LIMITED

The Board of Directors of Mumias Sugar Company submitted as follows:

- i. The Board was aware that the Company exported sugar to several European and African countries between 2006 and 2012 and concerns that the sugar may not have left the country and that revenue in the form of VAT payable could have been lost;
- ii. The Board was also aware that certain information regarding the exports was missing from the Company's records and promised to institute forensic audit of all Mumias sugar exports in view of the fact that some of the key managers had since left the Company and would report the findings to this Committee;
- iii. The Company was in a crisis as a result of serious management short fallings and the company was unable to meet its obligations including payment to farmers;
- iv. The Company was on a restructuring process to address serious management bottlenecks and disciplinary measures had been taken against some managers following the findings of the forensic audit on sugar imports and other management shortfalls;
- v. The Board was not involved in the decision to import the consignment of the 10,000 MT of sugar in 2012 and there was an on-going Board investigation on the same and undertook to submit the outcome of the investigations to the Committee within two months;
- vi. The report of the Forensic Audit by KPMG on sugar imports by the Company could not be released to the Committee at that stage because there were certain transaction details that had not been captured in the report and the Board undertook to submit the report in two months when those aspects had been addressed; and
- vii. The Board admitted that it was having challenges from neighbouring Companies that had taken advantage of delay in in

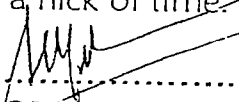
payments for sugarcane by MSC to poach cane from its contracted farmers.

MIN 095/2014:            ANY OTHER BUSINESS

The members realised that for them to adopt a report, they would need a majority of the committee members present of which was not the case.

The members unanimously agreed to raise the necessary numbers tomorrow and adopt the report in a nick of time.

Signature .....

  
HON ADAN NOORU MOHAMED, MBS, M.P.  
(Chairman)

Date..... 29-5-2014

MINUTES OF THE EIGHTY SECOND SITTING OF THE DEPARTMENTAL COMMITTEE  
ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (meeting with Mumias Sugar  
Co.) HELD ON THURSDAY, 12<sup>TH</sup> JUNE, 2014 IN COMMITTEE ROOM 5<sup>TH</sup> FLOOR  
CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.30AM

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PRESENT

- |                                      |   |               |
|--------------------------------------|---|---------------|
| 1. Hon. Adan M. Nooru, MBS, M.P      | - | Chairman      |
| 2. Hon. Kareke Mbiuki, M.P           | - | Vice Chairman |
| 3. Hon. Kabando Wa Kabando, M.P.     |   |               |
| 4. Hon. Phillip Rotino, M.P.         |   |               |
| 5. Hon. James Opiyo Wandayi, M.P.    |   |               |
| 6. Hon. Paul Simba Arati, M.P.       |   |               |
| 7. Hon. Peter N. Gitau, M.P          |   |               |
| 8. Hon. Alfred K. Keter, M.P.        |   |               |
| 9. Hon. Kimani Inchung'wah, M.P.     |   |               |
| 10. Hon. Maanzo Daniel Kitonga, M.P. |   |               |
| 11. Hon. Fredrick Outa, M.P          |   |               |
| 12. Hon. Mary Wambui, M.P            |   |               |
| 13. Hon. Benjamin Washiali, M.P      |   |               |
| 14. Hon. Silas Tiren, M.P.           |   |               |
| 15. Hon. Korei Ole Lemein, M.P       |   |               |
| 16. Hon. Maison Leshoomo, M.P        |   |               |
| 17. Hon. Mary Wambui, M.P            |   |               |
| 18. Hon. Justice Kemei, M.P          |   |               |

ABSENT WITH APOLOGIES:

1. Hon. Millie Odhiambo - Mabona, M.P
2. Hon. Florence Mutua, M.P
3. Hon. Zuleikha Hassan, M.P
4. Hon. Patrick Wangamati, M.P.
5. Hon. John Kobado , M.P
6. Hon. Ayub Savula Angatia, M.P.
7. Hon. Hezron Awiti Bollo
8. Hon. Waititu Munyua, M.P.
9. Hon. (Dr.) Victor Munyaka, M.P
10. Hon. Raphael Letimalo, M.P.
11. Hon. Ferdinand Wanyonyi, M.P.

INATTENDANCE:

## Mumias Sugar Company

- |                      |   |                                |
|----------------------|---|--------------------------------|
| 1. Mr. Coutts Otolo  | - | MD - Mumias Sugar Company Ltd. |
| 2. Mr. John Imbogo   | - | Finance Director               |
| 3. Mr. Eric Khalumi  | - | Finance accountant             |
| 4. Mr. Julius Mamati | - | Supervisor                     |
| 5. Ms. Amuhay Diana  | - | Legal Officer                  |
| 6. Mr. Godfrey Ouma  | - | Technical Manager              |
| 7. Mr. Wesley Koech  | - | Director, ICT                  |
| 8. Ms. Pamella Lutta | - | Commercial Director            |

## Kenya National Assembly

- |                                  |   |                     |
|----------------------------------|---|---------------------|
| 1. Ms. Tracy Chebet Emily Koskei | - | Clerk Assistant II  |
| 2. Mr. Ahmad Adan Guliye         | - | Clerk Assistant III |
| 3. Mr. Rodgers Kilungya          | - | Hansard Reporter    |

### MIN. NO. 104/2014:

#### PRELIMINARIES

- The meeting was called to order by the Vice Chairman at Fifty minutes past Ten O'clock with a word of prayer followed by introductions.
- The chairman reminded the witnesses why they were invited and requested them to respond to matters raised in the previous meetings.

### MIN. NO. 105/2014:

#### SUBMISSIONS BY THE MSC MANAGEMENT

The Ag. Managing Director made submissions as follows: -

- i. He thanked the members for according them another chance and made his submissions through power point presentation which entailed exports made by Mumias Sugar Company Limited to neighboring countries.
- ii. He also presented supporting documents in files.
- iii. He was not in a position to provide details of the companies that have been exporting sugar from Mumias since he did not have details of such companies.
- iv. That before 2006, the company was using WILOW Information Management System which did not have such capacity to capture and store proper information. However, since 2006 the company uses System File Protection (SFP) programme which has the capacity to capture proper and full detailed information.
- v. That it was difficult to show documents for receipt of consignments to from countries Mumias exports sugar since it was difficult to get sales of contract.

- vi. That importation 10,000 metric tons of sugar was necessitated by the closing of the factory for servicing.
- vii. That Mumias Sugar Company factory produces 20 MTC per month and the factory was closed for 3 weeks for servicing.
- viii. That due diligence was followed in the importation of the said consignment and that there was an audit report conducted by KPMG which answers all the queries raised. He was required to table the report before the committee in a week's time.
- ix. That the company was in position to influence the price of the shares and the trend of the company shares at the Nairobi Stock Exchange (NSE) only if it was in the interest of the company.

Committee Observations

The Committee observed that: -

- There was doubt and less credibility in the information given by the Ag. MD and warned that he could be culpable and held responsible should it find the information given as incorrect.
- That, should it find sugar bound for export getting its way into the local market, MSC will be held liable and pay all the VAT to KRA.
- That the Ag. MD could not properly respond to questions raised and that there were possibilities of corruption in the importation of the 10,000 metric tons of sugar.

MIN. NO. 106/2014:

ANY OTHER BUSINESS

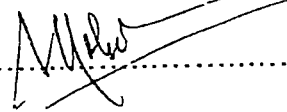
The Committee rescheduled commencement date for a report writing retreat from 30<sup>th</sup> June, 2014 to 22<sup>nd</sup> June 2014 since the financial year was coming to a close on 30<sup>th</sup> June, 2014.

MIN NO.107/2014:

ADJOURNMENT

There being no any other business to the chairman adjourned the meeting at 1.10pm

Signature .....



HON ADAN NOORU MOHAMED, MBS, M.P.  
(Chairman)

Date.....

17-06-2014

MINUTES OF THE NIGHTY FIRST SITTING OF THE DEPARTMENTAL COMMITTEE  
ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (*with Mumias Sugar  
Management (MSC)*) HELD ON THURSDAY 10<sup>TH</sup> JULY, 2014 IN COMMITTEE ROOM  
2<sup>ND</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 2.30PM

---

PRESENT

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P - Vice Chairman
3. Hon. Maanzo Daniel Kitonga, M.P
4. Hon. Fredrick Outa, M.P
5. Hon. Mary Wambui, M.P
6. Hon. Silas Tiren, M.P
7. Hon. Justice Kemei, M.P
8. Hon. Raphael Letimalo, M.P
9. Hon. Kabando Wa Kabando, M.P.
10. Hon. Phillip Rotino, M.P.
11. Hon. James Opiyo Wandayi, M.P.
12. Hon. Maison Leshoomo, M.P
13. Hon. John B. Serut, M.P
14. Hon. Patrick Wangamati, M.P
15. Hon. Benjamin Washiali, M.P .
16. Hon. Alfred K. Keter, M.P.
17. Hon. Paul Simba Arati, M.P.
18. Hon. Florence Mutua, M.P
19. Hon. John Kobado , M.P

ABSENT WITH APOLOGIES:

1. Hon. Kimani Inchung'wah, M.P
2. Hon. Ferdinand Wanyonyi, M.P
3. Hon. Korei Ole Lemein, M.P
4. Hon. Zuleikha Hassan, M.P.
5. Hon. Peter N. Gitau, M.P
6. Hon. Millie Odhiambo - Mabona, M.P

## ABSENT

1. Hon. Ayub Savula Angatia, M.P.
2. Hon. (Dr.) Victor Munyaka, M.
3. Hon. Hezron Awiti Bollo, M.P
4. Hon. Waititu Munyua, M.P

## In attendance:

1. Mr. Coutts Otolo - Acting MD, MSC
2. Mr. John Omogo - Finance Director, MSC
3. Ms. Diana Barasa - Acting Company Secretary

## Kenya National Assembly Secretariat:

1. Mr. Oscar Namulanda - Senior Clerk Assistant
2. Ms. Tracy Chebet Emily Koskei - Clerk Assistant II
3. Mr. Ahmad Adan Guliye - Clerk Assistant III
4. Mr. Rehema Chepkurui - Hansard Reporter

## MIN.NO. 151/2014: PRELIMINARIES

- I. The meeting was called to order at forty minutes past Ten O'clock with a word of prayer from the Vice-Chairman.
- II. The members of the Committee introduced themselves followed by the witnesses
- III. The Chairman welcomed the witnesses for their submissions

## MIN.NO. 152/2014: SUBMISSION BY THE MANAGEMENT OF MUMIAS SUGAR COMPANY (MSC)

The MD informed the Committee that: -

- i. The Audit report was still not ready for submission by the Board of Directors;
- ii. The Company had managed to get few details of those companies that were involved in the alleged export by Mumias Sugar Company between 2006 and 2012;
- iii. Most of the transactions were done in 2010 and that due to Staff turnover and time lapse, retrieval of the some key documents including registration certificates and certificates of incorporation has been a challenge;
- iv. The Management was unable to trace receipts and other sales documents for the alleged exports between 2006 and 2012 except for one Company called Czarnikow Sugar EA Limited;

- v. A list of vehicles used to transport the sugar from the factory to various destinations was available, some of them with vehicle registration numbers. However, the Company did not have documents evidencing the ownership of the vehicles;
- vi. The Committee should request the history of the ownership of the said vehicles from the KRA;
- vii. The Committee may choose to summon directly, the persons who held senior positions in the Company during the period when the exports were executed.

MIN.NO. 153/2014:

ANY OTHER BUSINESS

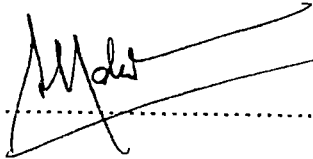
- I. The members of the Committee expressed disappointment over barring of the Media yet nothing sensitive had been disclosed by the DG. Hon. Opiyo Wandayi, MP argued that the Committee had a duty to uphold media freedom.
- II. The Committee resolved that since it had a petition pending, it should go ahead and prepare a petition report but continue investigations of illegal sugar importation which would then make up a much bigger report that would be debated on the floor of the house.

MIN.NO. 154/2014:

ADJOURNMENT

There being no other business the chairman adjourned the meeting at 13.30 hrs.

Signature .....



HON ADAN MOHAMED NOORU, MBS, M.P.

(Chairman)

Date.....

29-15-07-2014

MINUTES OF THE NINETIETH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (*Meeting with Director General, National Intelligence Service (NIS)*) HELD ON THURSDAY 10<sup>TH</sup> JULY, 2014 IN COMMITTEE ROOM 2<sup>ND</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.30AM

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PRESENT

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P - Vice Chairman
3. Hon. Maanzo Daniel Kitonga, M.P
4. Hon. Fredrick Outa, M.P
5. Hon. Mary Wambui, M.P
6. Hon. Silas Tiren, M.P
7. Hon. Justice Kemei, M.P
8. Hon. Raphael Letimalo, M.P
9. Hon. Kabando Wa Kabando, M.P.
10. Hon. Phillip Rotino, M.P.
11. Hon. James Opiyo Wandayi, M.P.
12. Hon. Maison Leshoomo, M.P
13. Hon. John B. Serut, M.P
14. Hon. Patrick Wangamati, M.P
15. Hon. Benjamin Washiali, M.P
16. Hon. Alfred K. Keter, M.P.
17. Hon. Paul Simba Arati, M.P.
18. Hon. Florence Mutua, M.P
19. Hon. John Kobado , M.P

ABSENT WITH APOLOGIES:

1. Hon. Kimani Inchung'wah, M.P
2. Hon. Ferdinand Wanyonyi, M.P
3. Hon. Korei Ole Lemein, M.P
4. Hon. Zuleikha Hassan, M.P.
5. Hon. Peter N. Gitau, M.P
6. Hon. Millie Odhiambo - Mabona, M.P

ABSENT

1. Hon. Ayub Savula Angatia, M.P.
2. Hon. (Dr.) Victor Munyaka, M.
3. Hon. Hezron Awiti Bollo, M.P
4. Hon. Waititu Munyua, M.P

IN ATTENDANCE:

National Intelligence Service

- |                                     |                    |
|-------------------------------------|--------------------|
| 1. Maj. Gen. (Rtd) Michael Gichangi | - Director General |
| 2. Mr. F. K. Mwango                 | - Director NIS     |
| 3. Mr. N. K. Rono                   | - NIS Officer      |
| 4. Mr. E. J. Mafubo                 | - NIS              |
| 5. Mr. M. K. Chirchir               | - NIS              |

Kenya National Assembly Secretariat:

- |                                  |                          |
|----------------------------------|--------------------------|
| 1. Mr. Oscar Namulanda           | - Senior Clerk Assistant |
| 2. Ms. Tracy Chebet Emily Koskei | - Clerk Assistant II     |
| 3. Mr. Ahmad Adan Guliye         | - Clerk Assistant III    |
| 4. Mr. Rehema Koech              | - Audio Officer          |

MIN. NO.146/2014:

PRELIMINARIES

- I. The meeting was called to order at thirty-five minutes past Ten O'clock with a word of prayer from the Vice-Chairman.
- II. The members of the Committee introduced themselves followed by the Director General NIS and his team.

The DG, requested that the media be barred from recording the proceedings of the meeting and instead asked to speak on Camera. The Committee acceded to his request and the meeting proceeded in Camera.

The DG noted that the statement "illegal sugar exportation and importation had been happening under the disguise of intelligence agencies" in the initial letter sent to him had implicated his office as colluding or allowing the illegal sugar importation and requested the chairman if that could be expunged before proceeding with meeting.

Members held varied views and interpretations of the phrase with others upholding that the DG should inform the Committee of what he knows while others supported the withdrawal of it. However, despite the varied opinions the meeting proceeded.

MIN.NO. 147/2014:                      SUSPENSION OF A MEMBER DUE TO GROSSDISORDERLY CONDUCT

The Member for Nyando Constituency Mr. Fred Outa was suspended pursuant to standing order number 107.

MIN.NO. 148/2014:                      SUBMISSION BY THE DIRECTOR GENERAL NATIONAL INTELLIGENCE SERVICE (NIS)

The DG informed the Committee that the sugar industry was crippled by among other issues, high cost of production and lack of proper technology. He stated that Kenyan sugar was more expensive than imported sugar and that given the high demand of the commodity, Kenya is a very lucrative market and this has fueled sugar smuggling.

The Committee expressed disappointment over the information presented by the DG and informed him that Kenyans had very high expectations of his office. The DG expressed his appreciation of the Committee's need to deal with the sugar issue and requested that the Committee details out the information they required from him and he would respond within two weeks. The Committee acceded to his request and outlined the required information as below:

- I. Provide information on illegal sugar importation, exportation and smuggling
- II. Who are the importers and who are they colluding with
- III. How did sugar from Kismayu come into the Country
- IV. Who was exporting sugar from Mumias Sugar Company since the same sugar was dumped back into the country.
- V. The circumstances under which sugar meant for industrial use ended up being used as table sugar

A letter detailing the above was to be sent for action.

MIN. NO.149/2014:                      ANY OTHER BUSINESS

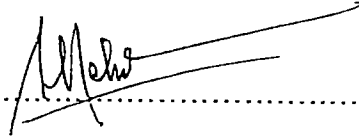
- I. The members of the Committee expressed disappointment over barring of the Media yet nothing sensitive had been disclosed by the DG. Hon. Opiyo Wandayi argued that the Committee had a duty to uphold media freedom.
- II. The Committee resolved that since it had a petition pending, it should go ahead and prepare a petition report but continue investigations of illegal sugar

importation which would then make up a much bigger report that would be debated on the floor of the house.

MIN. NO.150/2014:      ADJOURNMENT

There being no other business the chairman adjourned the meeting at 13.30 hrs.

Signature .....



HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

15-07-2014

MINUTES OF THE NIGHTY FIFTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON THURSDAY 17<sup>TH</sup> JULY, 2014 IN COMMITTEE ROOM 9<sup>TH</sup> FLOOR, HARAMBEE SACCO PLAZA, PARLIAMENT BUILDINGS AT 10.30 AM.

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PRESENT

1. Hon. Adan M. Nooru, MBS, M.P. - Chairman
2. Hon. Kareke Mbiuki, M.P. - Vice Chairman
3. Hon. Maanzo Daniel Kitonga, M.P.
4. Hon. Fredrick Outa, M.P.
5. Hon. Mary Wambui, M.P.
6. Hon. Silas Tiren, M.P.
7. Hon. Justice Kemei, M.P.
8. Hon. Raphael Letimalo, M.P.
9. Hon. Kabando Wa Kabando, M.P.
10. Hon. Phillip Rotino, M.P.
11. Hon. James Opiyo Wandayi, M.P.
12. Hon. John B. Serut, M.P.
13. Hon. Patrick Wangamati, M.P.
14. Hon. Benjamin Washiali, M.P.
15. Hon. Alfred K. Keter, M.P.
16. Hon. Paul Simba Arati, M.P.
17. Hon. John Kobado, M.P.
18. Hon. Ferdinand Wanyonyi, M.P.
19. Hon. Korei Ole Lemein, M.P.
20. Hon. Peter N. Gitau, M.P.
21. Hon. Millie Odhiambo - Mabona, M.P.
22. Hon. Ayub Savula Angatia, M.P.

ABSENT WITH APOLOGIES:

1. Hon. Maison Leshoomo, M.P.
2. Hon. Kimani Inchung'wah, M.P.
3. Hon. Hezron Awiti Bollo, M.P.
4. Hon. Zuleikha Hassan, M.P.

## ABSENT

1. Hon. (Dr.) Victor Munyaka, M.
2. Hon. Waititu Munyua, M.P
3. Hon. Florence Mutua, M.P

## In attendance:

### Mumias Sugar Company

- |                        |   |                          |
|------------------------|---|--------------------------|
| 1. Mr. Dan Ameyo       | - | Chairman, MSC Board      |
| 2. Ms. Nancy Kaminchia | - | Member, MSC Board        |
| 3. Mr. Edwin Mukabanah | - | Member, MSC Board        |
| 4. Mr. Nimrod Namenge  | - | Member, MSC Board        |
| 5. Mr. James Opindi    | - | Member, MSC Board        |
| 6. Ms. Elizabeth Kyago | - | Member, MSC Board        |
| 7. Mr. Coutts Otolo    | - | Acting MD, MSC           |
| 8. Mr. John Omogo      | - | Finance Director, MSC    |
| 9. Ms. Diana Barasa    | - | Acting Company Secretary |

### Kenya National Assembly

- |                                  |   |                        |
|----------------------------------|---|------------------------|
| 1. Mr. Oscar Namulanda           | - | Senior Clerk Assistant |
| 2. Ms. Tracy Chebet Emily Koskei | - | Clerk Assistant II     |
| 3. Mr. Ahmad Adan Guliye         | - | Clerk Assistant III    |
| 4. Mr. Rodgers Kilungya          | - | Hansard Reporter       |

## MIN. NO.170/2014:

### PRELIMINARIES

- I. The meeting was called to order at Thirty eight minutes past Ten O'clock with a word of prayer from the Hon. Opiyo Wandayi, M.P.
- II. The members of the Committee introduced themselves followed by the witnesses from Mumias Sugar Company.

The Chairman of the Committee gave a brief on the reasons leading to summoning the Board of Mumias Sugar Company and reminded the witnesses of the need for full disclosure to the Committee. The Chairman of the Board of MSC expressed his appreciation of the Committee's efforts to streamline the Sugar Industry and promised to be candid with the Committee.

## MIN.NO. 171/2014:

### ADOPTION OF THE AGENDA

The Committee adopted the agenda of the meeting as follows:

1. Prayer
2. Meeting with the Board of Directors Mumias Sugar Company
3. Any other Business

MIN.NO. 172/2014:            SUBMISSION BY THE CHAIRMAN, MUMIAS SUGAR  
COMPANY BOARD

The Chairman informed the Committee that: -

- I. There was massive corruption and lack of clear management direction in MSC in the past, to this effect some officers had been sent home pending investigation.
- II. The KPMG report was only a preliminary report and the Board had asked KPMG to investigate into whose accounts money from the imports went. He asked for three more months so that he could present the final report to the Committee.
- III. The final report would also shed light on exactly how much monetary loss MSC incurred through fraudulent activities.
- IV. There were reforms going on at MSC to clean the mess and also to recover money lost. The company did not have an Internal Audit Department and the chairman promised to have a new department reconstituted.
- V. No Board Resolution had been made allowing MSC to import sugar, and thus the decision and the whole process of importation was flawed.
- VI. Noting the Committee's concern over missing documents, the Chairman promised that those who were in charge of the missing documents will have to produce them.

MIN.NO. 173/2014:            OBSERVATIONS BY THE COMMITTEE

The Committee appreciated the Submissions by the Chairman of the Board of MSC but informed him that three months was too long since the Committee had to table a report on a petition on the Collapse of the Sugar Industry that was long overdue. The committee asked the Chairman to present the documents he had so far, including the preliminary report, immediately and table the final one in two months and not three as he had requested.

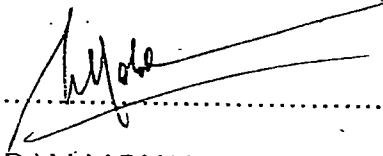
MIN. NO.174/2014:            ANY OTHER BUSINESS

Hon. Kabando Wa Kabando, M.P requested for the visit to KPCU sites to be shelved for now since the president was scheduled to visit the site soon and it would be prudent if the Committee could wait to a time when the visit would be seen as independent.

MIN. NO.175/2014:      ADJOURNMENT

There being no other business the chairman adjourned the meeting at thirty minutes past noon.

Signature .....



HON. ADAN MOHAMED NOORU, MBS, M.P.

(Chairman)

Date.....

22-05-2014

MINUTES OF THE 105<sup>th</sup> SITTING OF DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON 29<sup>TH</sup> AUGUST 2014 AT 10.30 AM IN COMMITTEE ROOM, 5<sup>TH</sup> FLOOR, CONTINENTAL HOUSE.

PRESENT:

1. Hon. Adan Mohamed Nooru, M.P - Chairperson
2. Hon. Kareke Mbiuki, M.P – Vice Chair person
3. Hon. Fred Outa, M.P
4. Hon. Raphael Letimalo, M.P
5. Hon. James Opiyo Wandayi, M.P
6. Hon. Maison Leshoomo, M.P
7. Hon. Mary Wamboi, M.P
8. Hon. Daniel Maanzo, M.P
9. Hon. Philip Rotino, M.P
10. Hon. Patrick Wangamati, M.P
11. Hon. Kimani Ichung'wah, M.P
12. Hon. Korei Ole Lemein, M.P
13. Hon. Silas Tiren, M.P
14. Hon. Simba Arati, M.P
15. Hon. Millie Odhiambo, M.P
16. Hon. John Serut, M.P

APOLOGIES:

17. Hon. Kabando wa Kabando, M.P
18. Hon. Francis Waititu, M.P
19. Hon. Peter Gitau, M.P
20. Hon. Alfred Keter, M.P
21. Hon. Ayub Savula, M.P
22. Hon. Justice Keremei, M.P
23. Hon. Benjamin Washiali, M.P
24. Hon. Dr. Victor Munyaka, M.P
25. Hon. Ferdinand Wanyonyi, M.P
26. Hon. Florence Mutua, M.P
27. Hon. Zuleikha Juma, M.P
28. Hon. John K'Obado, M.P
29. Hon. Hezron Awiti, M.P

## IN ATTENDANCE

1. Hon. Kenneth Okoth, M.P – Friend of the Committee
2. Ms. Hellen Lokwang - Clerk Assistant sitting in for the Committee Clerks

## NATIONAL TREASURY

Mr. Henry Rotich - Cabinet Secretary, National Treasury

## KENYA REVENUE AUTHORITY

Mr. Julius N. Musyoki - Customs, KRA Deputy Commissioner  
Ms. Pamela Ahago - Customs, KRA Chief Manager

MIN. NO. 225 /2014 - PRELIMINARIES

The Chair called the meeting to order at Fifty minutes past Ten O'clock. A prayer was said by Hon. Philip Rotino, M.P. The Chair welcomed the members to the meeting and took them through the agenda of the day. The main objective was to meet with the Cabinet Secretary of National Treasury. He thereafter enlisted the in-house issues of report writing on Sugar, Tea, GMO, Grain Storage and Fisheries Bill on a retreat scheduled to take place in Mombasa, Whitesands Hotel, from Sunday 31 August 2014.

MIN. NO. 226/2014 - CONFIRMATION OF PREVIOUS MINUTES

The minutes of the previous meeting were not confirmed but deferred to the next sitting.

MIN. NO. 227/2014 - MEETING WITH THE CS TREASURY

The CS was accompanied by two officers from Kenya Revenue Authority. He apologized for coming late and highlighted on the issues at hand as follows:

- (i) VAT on Tea
- (ii) Purported import of sugar by Mumias Sugar Company in 2013,
- (iii) Import license issue to Mumias Sugar Company,
- (iv) Mumias Sugar exports in the period between 2006 – 2013,
- (v) Brief on the privatization of the sugar sector and way forward for the Committee.

The CS informed the members that the issues of tea have been concluded exclusively in the previous meeting. He reiterated that the Ministry of National Treasury desire was to

see that there is less tax on tea and the cess issues are handled by the Ministry of Agriculture.

The CS confirmed that the import of sugar by Mumias Sugar Company was done by a third party. In 2013, 10,000 metric tonnes of sugar was imported on behalf of Mumias Sugar Company by a third party, The consignment took 46 days to be cleared by KPA due to clarification issues and attracted a penalty of 8.8 million payable to KRA and undisclosed amount of millions to KPA. The members finally concluded that the permit transfer to a third party was unprocedurally.

The KRA official clarified to the members that the import license issued to MSC cannot be used more than once as it shuts down when the system captures the consignment name and code.

The CS confirmed that Mumias Sugar exports were done from 2006 to 2012 and hence there were no exports done in the year 2013.

The CS assured the members of his commitment to brief them on the privatization of sugar sector and proposed for a joint meeting for the Committee on Agriculture and Finance.

MIN. NO. 228/2014 - ANY OTHER BUSINESS

The members requested the CS to organize a retreat on the privatization of sugar sector for the Committees on Agriculture and Finance. The get-away event will increase attendance and the success of the exercise.

MIN. NO. 229/2014 - ADJOURNMENT

There being no other business to discuss, the meeting adjourned at 12.30 p.m.

~~22~~ 02-09-2014

MINUTES OF THE 106<sup>th</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES (with Cabinet Secretary, MOALF on G.M.O, Sugar and Tea matters) HELD ON TUESDAY 9<sup>th</sup> SEPTEMBER, 2014 AT COMMITTEE ROOM 7, PARLIAMENT BUILDINGS AT 10.30 A.M.

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PRESENT:

1. Hon. Kareke Mbiuki, M.P - Vice Chairman
2. Hon. Maanzo Daniel Kitonga, M.P
3. Hon. John B. Serut, M.P
4. Hon. Justice Kemei, M.P
5. Hon. Korei Ole Lemein, M.P
6. Hon. Kimani Inchung'wah, M.P
7. Hon. Maison Leshoomo, M.P
8. Hon. Florence Mutua, M.P
9. Hon. Patrick Wangamati, M.P
10. Hon. Paul Simba Arati, M.P.
11. Hon. Alfred K. Keter, M.P.
12. Hon. Ayub Savula Angatia, M.P.
13. Hon. (Dr.) Victor Munyaka, M.P
14. Hon. James Opiyo Wandayi, M.P
15. Hon. Millie Odhiambo - Mabona, M.P

ABSENT WITH APOLOGIES:

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Zuleikha Hassan, M.P
3. Hon. Silas Tiren, M.P
4. Hon. Phillip Rotino, M.P.
5. Hon. Raphael Letimalo, M.P
6. Hon. Kabando Wa Kabando, M.P.
7. Hon. Benjamin Washiali, M.P
8. Hon. Ferdinand Wanyonyi, M.P
9. Hon. Munyua Waititu, M.P.
10. Hon. Mary Wambui, M.P
11. Hon. Peter N. Gitau, M.P

ABSENT:

1. Hon. Fredrick Outa, M.P
2. Hon. John Kobado, M.P

3. Hon. Hezron Awiti Bollo, M.P

IN ATTENDANCE:

Ministry of Agriculture, Livestock & Fisheries (MOALF)

- |                            |   |                                       |
|----------------------------|---|---------------------------------------|
| 1. Mr. Felix K. Koskei     | - | Cabinet Secretary,                    |
| 2. Mrs. Sicily K. Kariuki  | - | PS, State Department of Agriculture,  |
| 3. Mr. Willy K. Tonui      | - | C.E.O, National Biosafety Authority   |
| 4. Mr. Cornel K. Nglechey  | - | National Cereals & Produce Board      |
| 5. Ms. Elizabeth Kimenyi   | - | AFFA- Head of Tea Directorate         |
| 6. Ms. Phrasiah W. Mwangi  | - | AFFA – Finance & Admin Manager        |
| 7. Ms. Rosemary Mkok       | - | AFFA – Interim Head Sugar Directorate |
| 8. Mr. Newton Terer        | - | National Cereals & Produce Board      |
| 9. Mr. Timothy Jomo Ogwang | - | MOALF, SDA- Head, Industrial Crops    |
| 10. Mr. Johnson Irungu     | - | Director, Crops- MOALF                |
| 11. Mr. Dominic M. Kitaka  | - | Parliamentary Bureau Unit, MOLAF      |

Kenya National Assembly

- |                                  |   |                        |
|----------------------------------|---|------------------------|
| 1. Mr. Oscar Namulanda           | - | Senior Clerk Assistant |
| 2. Ms. Tracy Chebet Emily Koskei | - | Clerk Assistant II     |
| 3. Mr. Ahmad Adan Guliye         | - | Clerk Assistant III    |
| 4. Mr. David Ngeno               | - | Research Officer       |

MIN. NO.230/2014:

PRELIMINARIES

- I. The meeting was called to order at Fifty minutes past eleven O'clock with a word of prayer by the Vice Chairman.
- II. The Cabinet Secretary expressed concern over the way the security at the Main Parliament gate had handled him and requested the chairman to take up the matter with the leadership of the House.
- III. The Chairman apologized to the Cabinet Secretary and promised to take up the matter with the relevant authorities. He then invited the Members, the CS and his team for introductions.

MIN. NO.231/2014:

SUBMISSIONS BY THE CABINET SECRETARY

- 1) On Sugar:
  - a) The Country produces 600,000 metric tons of sugar while its consumption rate is 800,000 metric tonnes a year;
  - b) High cost of production, expensive input machineries, poor infrastructure and lack of better varieties are some of the problems the industry faces;

- c) The Ministry was planning to undertake the following measures to remedy the situation;
- I. Developing disease resistant and high yielding seeds;
  - II. Shifting from weight payment system to quality payment system based on Sucrose content;
  - III. Extending fertilizer subsidy program to non-food crops such as sugar;
  - IV. Marketing sugar as a single Kenyan brand and not as different specific brands.
- d) Privatization of the sugar industry should be fast tracked so that they take charge of the management and deliver better results;
- e) The bailout is a loan from Kenya Sugar Board which is loaned to the millers at a 5% interest; and
- f) Single custom territory has been passed by Parliament and the Ministry and promised to consult on how it can be handled.

2) On Tea:

- I. Kenya produces one type of tea known as black CTC;
- II. Four (4) kilograms of green leaves constitutes one (1) kilogram of made tea;
- III. The *Ad Valorem* levy is minimal and doesn't have negative impact on the farmers' earnings;
- IV. The Government is expanding markets into new areas such as Poland, India etc; and
- V. The Government is undertaking measures of automating Tea auctions in Mombasa.

3) On Genetically Modified Organisms (GMOs):

The Ministry was waiting for the report on Genetically Modified Organisms (GMOs) to be formally tabled and adopted by the Cabinet. However, the CS would give his written opinion on the same in a weeks time from the date of the meeting.

MIN. NO.232/2014:

ANY OTHER BUSINESS

The Committee nominated the following members to visit tea growing areas in the Country to fact find regarding a petition filed by Hon. Kathuri Murungi, M.P South Imenti Constituency.

a) The following members were nominated to visit the Eastern Region;

- 1) Hon. Kareke Mbiuki, M.P - Vice Chairman and leader of the delegation
- 2) Hon. Francis Waititu, M.P
- 3) Hon. Florence Mutua M.P
- 4) Hon. Peter Gitau, M.P
- 5) Hon. Daniel Maanzo, M.P
- 6) Hon. Mary Wambui, M.P

b) The following members were nominated to visit the Western Region;

- 1) Hon. Justice Kemei, M.P - Leader of the Delegation
- 2) Hon. Korei Ole Lemein, M.P
- 3) Hon. Simba Arati, M.P
- 4) Hon. Silas Tiren, M.P
- 5) Hon. Alfred Keter, M.P
- 6) Hon. Victor Munyaka, M.P

MIN. NO.233/2014:

ADJOURNMENT

There being no other business, the meeting was adjourned at 12.45 hours.

Signature .....

  
HON ADAN MOHAMED NOORU, MBS, M.P.

(Chairman)

Date.....

11-09-2014

MINUTES OF THE FOURTY FIFTH SITTING OF THE DEPARTMENTAL  
COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON  
THURSDAY, 7<sup>TH</sup> NOVEMBER, 2013 IN COMMITTEE ROOM 4<sup>TH</sup> FLOOR,  
CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 9.30AM

PRESENT

1. Hon. Adan M. Nooru, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P - Vice Chairman
3. Hon. Justice Kemei, M.P.
4. Hon. Fredrick Outa, M.P
5. Hon. Kabando Wa Kabando, M.P.
6. Hon. Benjamin Washiali, M.P.
7. Hon. Maison Leshoomo, M.P.
8. Hon. Raphael Letimalo, M.P.
9. Hon. Peter N. Gitau, M.P
10. Hon. Silas Tiren, M.P.
11. Hon. Waititu Munyua, M.P.
12. Hon. Kimani Inchung'wah, M.P.
13. Hon. Paul Simba Arati, M.P.
14. Hon. Ferdinand Wanyonyi, M.P.
15. Hon. John B. Serut, M.P.
16. Hon. Ayub Savula Angatia, M.P.
17. Hon. Florence Mutua, M.P
18. Hon. Maanzo Daniel Gitonga, M.P.
19. Hon. Mary Wamboi Munene, M.P.
20. Hon. Korei Ole Lemein, M.P.
21. Hon. John Kobado Kobado, M.P.
22. Hon. Patrick Wangamati, M.P.
23. Hon. James Opiyo Wandayi, M.P.
24. Hon. Hezron Awiti Bollo, M.P.
25. Hon. Alfred K. Keter, M.P.

ABSENT WITH APOLOGY

1. Hon. (Dr.) Victor Munyaka, M.P
2. Hon. Millie Odhiambo, M.P.
3. Hon. Phillip Rotino, M.P.
4. Hon. Zuleikha Hassan, M.P

## INATTENDANCE

### Kenya Sugar Board

1. Mr. Billy Wanjala - Kenya Sugar Board (KSB)
2. Mr. Ewing Mwoma - Kenya Sugar Board (KSB)
3. Mr. Francis K. Ingara - KSB
4. Ms. Rosemary Mkok - CEO - KSB
5. Eng. Mukhwana Mohammed - KSB – Director
6. Mr. Fredrick K. Kebeney - Head of Admin – KSB

### National Environment Management Authority (NEMA)

7. Mr. Zephania Ouma - NEMA
8. Mr. Benjamin Langwen - NEMA

### Kenya National Assembly

1. Mr. Oscar Namulanda - Senior Clerk Assistant

### MIN.NO.154/2013: - PRELIMINARIES

The meeting was called to order at Forty five minutes past nine O'clock with a word of prayer.

The Vice Chairman welcomed the Members and the witnesses for introductions.

### MIN.NO.155/2013: - SUBMISSIONS BY KENYA SUGAR BOARD (KSB)

The Chief Executive Officer of Kenya Sugar Board made the following submissions, that: -:

- i. KSB was established by an Act of Parliament, the Sugar Act of 2001, with the main function of regulating and facilitating growth of the sugar industry in the country. The Sugar Act 2001 is subject for repeal with the commencement of the Crops Act, 2013 and the implementation of the AFA Act, 2013;
- ii. KSB is charged with the role of developing regulations to guide the sugar sub-sector and the issuance of licences to import or export sugar and sugar by-products and manages jointly with the KRA any restrictions on imports and exports of sugar and sugar by-products;

- iii. KSB also licences the establishment of sugar mills and defines zones with which they operate;
- iv. KSB identified West Kenya Sugar Factory as the main sugarcane poacher in Western Kenya and had received complaints from neighbouring millers;
- v. KSB identified Kenafric Industries as one of the manufactures that repackages imported industrial sugar in locally manufactured branded sugar packages for sale as table sugar;
- vi. KSB issues licenses for importation and the role of verifying quality, quantities and values as specified in the KSB permit rests with KEBs and KRA before the consignments are released into the market;
- vii. That KSB issued the licence to import 10,000 MTs of sugar in 2012 to MSC and it was unprocedural for the Permit to have been used by a Third Party, Dantes Peak Ltd since the permit is non transferable;

#### Committee Observations

Members observed that KSB was weak in the regulation of the sugar sector and could not the ills befalling the industry.

MIN.NO.156/2013:

- SUBMISSIONS BY NATIONAL  
ENVIRONMENT MANAGEMENT  
AUTHORITY (NEMA)

The Director-General for NEMA made the following submissions:

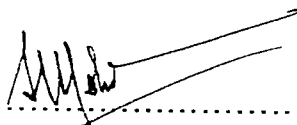
- i. That National Environment Management Authority (NEMA), was established under the Environmental Management and Co-ordination Act No. 8 of 1999 (EMCA) as the principal instrument of Government for the implementation of all policies relating to environment;
- ii. That EMCA 1999 was enacted against a backdrop of 78 sectoral laws dealing with various components of the environment, the deteriorating state of Kenya's environment, as well as increasing social and economic inequalities, the combined effect of which negatively impacted on the environment. The supreme objective underlying the enactment of EMCA 1999 was to bring harmony in the management of the country's environment;

- iii. That the was mandated Authority to exercise general supervision and coordination over all matters relating to the environment and to be the principal instrument of the Government of Kenya in the implementation of all policies relating to the environment;
- iv. That the role of NEMA in the establishment of a weighbridge at Tangakona in Busia County was to coordinate the various environmental management activities undertaken by the lead agency, West Kenya Sugar Factory (WKSF);
- v. That due diligence environmental assessment test was done on the land Tangakona and a report issued to West Kenya Sugar Factory to go ahead with the intended development on the said land;
- vi. That NEMA is not involved in the issuance of Permits or Licences for trade;
- vii. NEMA also establishes and reviews land use guidelines, examines land use patterns to determine their impact on the quality and quantity of natural resources and carries out surveys, which assist in the proper management and conservation of the environment.

MIN.NO.156/2013: \_\_\_\_\_ - ANY OTHER BUSINESS

There being no any other business, the meeting adjourned at 1.15pm

Signature .....



HON ADAN NOORU MOHAMED, M.P.  
(Chairman)

Date..... 12-11-2013 .....

MINUTES OF THE 120<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON THURSDAY 13<sup>TH</sup> NOVEMBER, 2014 AT HARAMBEE SACOO PLAZA 9<sup>TH</sup> FLOOR, PARLIAMENT BUILDINGS AT 11.00 A.M.

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Present

- |  |   |               |
|--|---|---------------|
| 1. Hon. Adan M. Nooru, MBS, M.P        | - | Chairman      |
| 2. Hon. Kareke Mbiuki, M.P             | - | Vice Chairman |
| 3. Hon. James OpiyoWandayi, M.P        |   |               |
| 4. Hon. Silas Tiren, M.P               |   |               |
| 5. Hon. Raphael Letimalo, M.P          |   |               |
| 6. Hon. Phillip Rotino, M.P.           |   |               |
| 7. Hon. Alfred K. Keter, M.P.          |   |               |
| 8. Hon. (Dr.) Victor Munyaka, M.       |   |               |
| 9. Hon. Waititu Munyua, M.P            |   |               |
| 10. Hon. Maison Leshoomo, M.P          |   |               |
| 11. Hon. Kabando Wa Kabando, M.P.      |   |               |
| 12. Hon. Mary Wambui, M.P              |   |               |
| 13. Hon. Korei Ole Lemein, M.P         |   |               |
| 14. Hon. Florence Mutua, M.P           |   |               |
| 15. Hon. Benjamin Washiali, M.P        |   |               |
| 16. Hon. FredrickOuta, M.P             |   |               |
| 17. Hon. Kimani Inchung'wah, M.P       |   |               |
| 18. Hon. Maanzo Daniel Kitonga, M.P    |   |               |
| 19. Hon. Millie Odhiambo - Mabona, M.P |   |               |
| 20. Hon. Peter N. Gitau, M.P           |   |               |
| 21. Hon. Justice Kemei, M.P            |   |               |
| 22. Hon. John B. Serut, M.P            |   |               |
| 23. Hon. Patrick Wangamati, M.P        |   |               |
| 24. Hon. Paul SimbaArati, M.P.         |   |               |
| 25. Hon. John Kobado, M.P              |   |               |
| 26. Hon. Ayub Savula Angatia, M.P      |   |               |

Apologies

1. Hon. Zuleikha Hassan, M.P

Absent

1. Hon. Ferdinand Wanyonyi, M.P
2. Hon. HezronAwiti Bollo, M.P

Kenya National Assembly Secretariat

1. Ms. Tracy Chebet Koskei - Clerk Assistant II
2. Mr. David Ngeno - Research Officer
3. Mr. Elijah Ichwarah - Hansard Officer

Min. No. 302/2014: Preliminaries

- I. The meeting was called to order at 11.20 am and prayer was said by the Vice-chairman.
- II. The chairman informed the Committee that the purpose of the meeting was to consider the recommendations proposed in the draft report of the Crisis in the Sugar Industry.

Min. No. 303/2014: Adoption of the Report- Recommendations

- I. A Member informed the Committee that the recommendations part of the report was very critical, as the Committee had to make clear directions to salvage the Sugar Industry. The Member also impressed on the Committee to add more recommendations if any that they felt had been left out in the draft report.
- II. A Member sought to dispute a statement in the Submission by H.E. Dr. Evans Kidero when he appeared before the Committee on 19<sup>th</sup> May, 2014, the Member informed the meeting that he was present in the said meeting and could not recollect that statement being mentioned by the witness. He also informed the meeting that he had met with Dr. Kidero outside the parliament premises who informed him he had not made the statement in dispute. Dr. Kidero was in possession of the copy of the report.
- III. The Members of the Committee expressed their disappointment that the report which exclusively belonged to the Committee had found its way into the public. The committee resolved to carry on with the report and table its report to the House.
- IV. The Chairman directed that the session chair of that day, Hon. Justice Kemei, M.P to clarify whether the statement in dispute had been made. Hon. Kemei informed the Committee that he had no recollection of the statement being made by Dr. Kidero and directed that the Hansard recording of that day be checked to confirm.
- V. There was concern whether it was appropriate to recommend that Dr. Evans Kidero should be held responsible for fraudulent transactions at Mumias Sugar Company and Ms. Rosemary Mkok responsible for Kenya Sugar Board's failure to regulate the sugar Industry.

Min. No. 305/2014: Committee Resolutions

Upon deliberations the Committee made the following resolutions:

- I. The names of Dr. Evans Kidero and Ms. Rosemary Mkok be removed from the report with a dissenting view by Hon. Fred Outa, M.P who was of the view that the names remain in the report.
- II. The Committee to recommend that Kenya Revenue Authority, Mumias Sugar Company and Sugar exporters mentioned in the report be investigated and the officers found culpable be prosecuted and barred from holding public office.
- III. It should be recorded in the report that Hon. Fred Outa, M.P had a dissenting view.

Min. No. 306/2014: Adjournment

There being no other business to discuss, the meeting was adjourned at 2.46 pm.

Signature .....

  
HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

18/11/2014

MINUTES OF THE 8TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH KRA & KENYA SUGAR BOARD HELD ON MONDAY 16<sup>th</sup> FEBRUARY, 2015 AT CONTINENTAL HOUSE 2<sup>ND</sup> FLOOR, PARLIAMENT BUILDINGS AT 2:30 PM.

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Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P
3. Hon. Benjamin Washiali, M.P
4. Hon. Mary Wambui, M.P
5. Hon. Phillip Rotino, M.P.
6. Hon. Silas Tiren, M.P
7. Hon. Florence Mutua, M.P
8. Hon. Daniel Maanzo, M.P
9. Hon. James Opiyo Wandayi, M.P
10. Hon. Millie Odhiambo - Mabona, M.P
11. Hon. John B. Serut, M.P
12. Hon. (Dr.) Victor Munyaka, M.P
13. Hon. Justice Kemei, M.P
14. Hon. Raphael Letimalo, M.P
15. Hon. Peter N. Gitau, M.P
16. Hon. Korei Ole Lemein, M.P

Apologies

1. Hon. Kimani Ichung'wah, M.P
2. Hon. John Kobado, M.P
3. Hon. Waititu Munyua, M.P
4. Hon. Zuleikha Hassan Juma, M.P
5. Hon. Maison Leshoomo, M.P
6. Hon. Ayub Savula Angatia, M.P
7. Hon. Patrick Wangamati, M.P
8. Hon. Fredrick Outa, M.P
9. Hon. Paul Simba Arati, M.P
10. Hon. Alfred K. Keter, M.P
11. Hon. Hezron Awiti Bollo, M.P
12. Hon. Ferdinand Wanyonyi, M.P
13. Hon. Kabando Wa Kabando, M.P.

**In Attendance:**

**Kenya National Assembly Secretariat**

- |                          |                         |
|--------------------------|-------------------------|
| 1. Mr. Benjamin Magut    | - First Clerk Assistant |
| 2. Mr. Ahmad Adan Guliye | - Third Clerk Assistant |
| 3. Ms. Angeline Naserian | - Third Clerk Assistant |
| 4. Mr. David Ngeno       | - Research Officer      |
| 5. Ms. Mercy Wanyonyi    | - Legal Counsel         |
| 6. Mr. Elijah Ichwarah   | - Audio Officer         |
| 7. Mr. Onesmus Kiragu    | - Sergeant at Arms      |

**Min. 029/2015: Preliminaries**

- I. The meeting was called to order at 14.50 hours and prayer was said by the Vice-Chairman.
- II. The Vice Chairman informed the Committee of the day's agenda and it was adopted as stipulated in the notice of meeting.

**Min. 030/2015: Matters Arising**

- I. The members were reminded that the Fisheries Bill 2014 was pending before the Committee for a long time and were urged to attend meetings regularly so that the Bill can be discussed in depth and necessary amendments submitted to the Ministry.
- II. The Committee was also informed that the Ministry is organizing for a retreat to discuss the Fisheries Bill at the end of the month.

**Min. 031/2015: Presentation by KRA**

That officers from KRA responded to some of the issues that were raised by the committee.

**Custom entries with no reports in the Simba Systems:**

- (a) KRA officers informed the Committee that Simba systems has many modules and some have not been fully implemented. The KRA officers further explained that the biggest challenge is retrieving the documents online. The officers justified by saying that officers at the Border are mostly overwhelmed by work and could not enter information online at that particular time. It was confirmed to the Committee that the information missing is confirmation of goods that had been exported or imported from the Simba system.
- (b) The Committee confirmed from KRA that missing information from the Simba system can be retrieved manually from the Archives and will be presented to the Committee in a week's time.

Whether the Government lost any revenue through the Sugar export transactions by Mumias Sugar Company.

- (a) It was noted that Government had lost a lot of revenue because KRA did not show any record in the meeting on how sugar has been exported in and out of the Country, but promised to submit Mumias sugar exportation Simba Analysis. The analysis shows how sugar moved in and out of the Country.
- (b) The approximate value of revenue lost through KRA is about 3.2 billion Kenya shillings and that is 70.7Metric tones.

**Min. 032/2015: Presentation by Kenya Sugar Board**

- (a) That exportation permit is submitted to Kenya Sugar Board and upon approval a letter is done to KRA, and that is when exportation is granted.
- (b) She added that in 2008 KSB noticed discrepancies on how sugar was being exported. KSB later wrote to KRA but was not able to get any information and further held several joint meetings and no solution was found.
- (c) Kenya sugar board was granted permission by the Government to ban exportation of sugar from the Country.
- (d) The officers from KSB informed the Committee that the ban was triggered by how Mumias Sugar exported sugar and yet there was no enough sugar in the Country. She further explained that the monthly return from KRA compared to the quantities being exported was not valid.
- (e) The committee requested Kenya Sugar Board to submit minutes of the meetings held jointly by the two parties and letters that were submitted to KRA.

**Min. 033/2015: Any Other Business**

Friend to the Committee Hon Ken Okoth M.P Kibra requested the Committee to include Urban Agriculture in the Agriculture policy.

**Min. 034/2015: Adjournment**

The meeting was adjourned at 12.50 hours to 15.00 hours in the afternoon.

Signature .....

HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

MINUTES OF THE 8TH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES MEETING WITH KRA & KENYA SUGAR BOARD HELD ON MONDAY 16<sup>th</sup> FEBRUARY, 2015 AT CONTINENTAL HOUSE 2<sup>ND</sup> FLOOR, PARLIAMENT BUILDINGS AT 2:30 PM.

---

Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P
3. Hon. Benjamin Washiali, M.P
4. Hon. Mary Wambui, M.P
5. Hon. Phillip Rotino, M.P.
6. Hon. Silas Tiren, M.P
7. Hon. Florence Mutua, M.P
8. Hon. Daniel Maanzo, M.P
9. Hon. James Opiyo Wandayi, M.P
10. Hon. Millie Odhiambo - Mabona, M.P
11. Hon. John B. Serut, M.P
12. Hon. (Dr.) Victor Munyaka, M.P
13. Hon. Justice Kemei, M.P
14. Hon. Raphael Letimalo, M.P
15. Hon. Peter N. Gitau, M.P
16. Hon. Korei Ole Lemein, M.P

Apologies

1. Hon. Kimani Ichung'wah, M.P
2. Hon. John Kobado, M.P
3. Hon. Waititu Munyua, M.P
4. Hon. Zuleikha Hassan Juma, M.P
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6. Hon. Ayub Savula Angatia, M.P
7. Hon. Patrick Wangamati, M.P
8. Hon. Fredrick Outa, M.P
9. Hon. Paul Simba Arati, M.P
10. Hon. Alfred K. Keter, M.P
11. Hon. Hezron Awiti Bollo, M.P
12. Hon. Ferdinand Wanyonyi, M.P
13. Hon. Kabando Wa Kabando, M.P.

In Attendance:

**Kenya National Assembly Secretariat**

- |                          |                         |
|--------------------------|-------------------------|
| 1. Mr. Benjamin Magut    | - First Clerk Assistant |
| 2. Mr. Ahmad Adan Guliye | - Third Clerk Assistant |
| 3. Ms. Angeline Naserian | - Third Clerk Assistant |
| 4. Mr. David Ngeno       | - Research Officer      |
| 5. Ms. Mercy Wanyonyi    | - Legal Counsel         |
| 6. Mr. Elijah Ichwarah   | - Audio Officer         |
| 7. Mr. Onesmus Kiragu    | - Sergeant at Arms      |

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**Min. 032/2015: Presentation by Kenya Sugar Board**

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- (b) She added that in 2008 KSB noticed discrepancies on how sugar was being exported. KSB later wrote to KRA but was not able to get any information and further held several joint meetings and no solution was found.
- (c) Kenya sugar board was granted permission by the Government to ban exportation of sugar from the Country.
- (d) The officers from KSB informed the Committee that the ban was triggered by how Mumias Sugar exported sugar and yet there was no enough sugar in the Country. She further explained that the monthly return from KRA compared to the quantities being exported was not valid.
- (e) The committee requested Kenya Sugar Board to submit minutes of the meetings held jointly by the two parties and letters that were submitted to KRA.

**Min. 033/2015: Any Other Business**

Friend to the Committee Hon Ken Okoth M.P Kibra requested the Committee to include Urban Agriculture in the Agriculture policy.

**Min. 034/2015: Adjournment**

The meeting was adjourned at 12.50 hours to 15.00 hours in the afternoon.

Signature .....

HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date..... 02/03/2015.....

MINUTES OF THE OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE,  
LIVESTOCK AND COOPERATIVES (FOR THE ADOPTION OF THE REPORT OF  
PUBLIC PETITION ON THE IMMINENT COLLAPSE OF THE SUGAR INDUSTRY IN  
WESTERN KENYA DUE TO RAMPANT SUGARCANE POACHING AND  
SMUGGLING OF CHEAP SUGAR IMPORTS) HELD ON FRIDAY 6<sup>TH</sup> MARCH, 2015  
AT WINDSOR GOLF HOTEL & COUNTRY CLUB, NAIROBI AT 9.00 A.M.

---

**Present**

1. Hon. Adan M. Nooru, MBS, M.P - **Chairman**
2. Hon. Kareke Mbiuki, M.P - **Vice Chairman**
3. Hon. Mary Wambui, M.P
4. Hon. Phillip Rotino, M.P.
5. Hon. Daniel Maanzo, M.P
6. Hon. Alfred K. Keter, M.P
7. Hon. Maison Leshoomo, M.P
8. Hon. Paul Simba Arati, M.P
9. Hon. James Opiyo Wandayi, M.P
10. Hon. Patrick Wangamati, M.P
11. Hon. Raphael Letimalo, M.P
12. Hon. Silas Tiren, M.P
13. Hon. Justice Kemei, M.P
14. Hon. Korei Ole Lemein, M.P
15. Hon. (Dr.) Victor Munyaka, M.P
16. Hon. John B. Serut, M.P
17. Hon. Kabando Wa Kabando, M.P.
18. Hon. Waititu Munyua, M.P
19. Hon. Kimani Ichung'wah, M.P
20. Hon. Florence Mutua, M.P
21. Hon. Zuleikha Hassan Juma, M.P
22. Hon. Millie Odhiambo - Mabona, M.P
23. Hon. Benjamin Washiali, M.P
24. Hon. Ayub Savula Angatia, M.P.

**Apologies**

1. Hon. Fredrick Outa, M.P
2. Hon. Ferdinand Wanyonyi, M.P
3. Hon. Hezron Awiti Bollo, M.P
4. Hon. Peter N. Gitau, M.P
5. Hon. John Kobado, M.P

### **In Attendance National Assembly Secretariat**

1. Ms. Florence Atenyo – Abonyo - Director, Committee Services
2. Mr. Oscar Namulanda Wesonga, - Senior Clerk Assistant
3. Mr. Benjamin Magut - First Clerk Assistant
4. Ms. Tracy Chebet Koskei - Second Clerk Assistant
5. Mr. Ahmad Adan Guliye - Third Clerk Assistant
6. Ms. Angeline Naserian - Third Clerk Assistant
7. Mr. David Ngeno - Research Officer
8. Ms. Mercy Wanyonyi - Legal Counsel
9. Mr. John Nganga - Audio officer
10. Mr. Onesmus Kiragu - Sergeant at Arms
11. Ms. Lydia Mwangi - Office Secretary
12. Mr. Stephen Omunzi - Office Assistant

### **MIN. 48/2015: PRELIMINARIES**

- I. The meeting was called to order at 9.30 hours and prayers were said by Hon. Francis Waititu, M.P
- II. The Chairman thanked the members for turning up in large numbers for the report writing retreat and reiterated the significance and the importance of the day's agenda.
- III. The Committee resolved to start deliberating on the draft report of the petition before it proceeds to the draft report on the crisis facing the sugar industry.

### **MIN. 49/2015: COMMUNICATION FROM CHAIR**

- I. The Committee was informed that M/S Kenafric through its Advocates Mogeni & Co. Advocates that their client had been allegedly mentioned adversely in a submission submitted to the Committee by Kenya Sugar Board and request that they be heard before the report is finalized.
- II. The Committee deliberated on the issue and resolved that it was not in position to hear more witnesses since the report was long overdue.
- III. If the complainant feels aggrieved, it could seek recourse after the report is tabled in the House.

### **MIN. 49/2015: ADOPTION OF THE REPORT OF PUBLIC PETITION ON THE IMMINENT COLLAPSE OF THE SUGAR INDUSTRY IN WESTERN KENYA DUE TO RAMPANT SUGARCANE POACHING AND SMUGGLING OF CHEAP SUGAR IMPORTS)**

The Committee deliberated at length on the draft report and adopted it with the following recommendations.

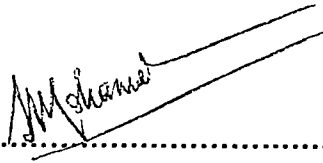
- I. **THAT**, the government establishes a permanent inter-agency enforcement unit on sugar trade which should enhance capacity to verify, scrutinise and monitor cross-border trade and step up border patrols to eradicate sugar smuggling. The unit should draw membership from KPA, Public Health, AFFA, KEBS, the Kenya Police, KRA and any other relevant government agencies.
- II. **THAT**, KRA officer(s) should be investigated and appropriate action taken for clearing sugar without permit from the sugar regulator. Equally any company that imported sugar without a permit from the regulator should be banned from import and export business.
- III. **THAT**, the reinforcement of re-packaging regulations to ensure consumer safety and that KEBS be held responsible for failure to prevent abuse of its seal which is supposed to be a standard measure for safety of goods in the country but has consistently been abused.
- IV. **THAT**, relevant laws and regulations governing sugar imports and exports should be amended to provide for higher accountability and public health standards for re-packaged sugar and for stiffer penalties for offenders. The Government should cancel import licences for the following companies: Kenafic Industries, Czarnikow E. A. Ltd, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.
- V. **THAT**, the Government implements the sugar industry strategic agenda for increased competitiveness and reduction in consumer prices. There is need to lower production cost, improve extension services among others to reduce and eventually eliminate the incentive to smuggle sugar into the country
- VI. **THAT**, the National Government in collaboration with county government should provide mechanism for coordinated infrastructure development to avoid duplication of responsibilities by different bodies mandated to maintain roads.
- VII. **THAT**, the National Government should implement the National Land Policy to mitigate further land sub-division for improved productivity.

- VIII. THAT, the fertilizer subsidy should be complemented by bulk procurement of other farm inputs and capacity utilization which should be done by the Sugar Directorate.
- IX. THAT, Investigations should be carried out on MSC and/or its agents, KRA and all importers and/or their agents who imported sugar from MSC in the period between 2006 - 2012 and appropriate action taken.
- X. THAT, the KRA should be held responsible for the loss of VAT taxes amounting to Kshs 577 million for fictitious exports of sugar by MSC.
- XI. THAT, any officer from the Board and Management of MSC and KRA responsible for the fictitious exports of sugar between 2006-2012 be held responsible for abuse of procedures and abuse of office.
- XII. THAT, the National Government introduces landing certificates for all transit sugar as a confirmation of physical exit to stop any dumping into the local market,
- XIII. THAT, the Government should consider offering tax breaks to encourage new investors into the sugar industry. Additionally, duty waiver for sugar industry farm inputs and farm machinery will go a long way towards reducing the high cost of sugar production.
- XIV. THAT, KPMG having provided a disclaimer as to the accuracy of the Draft Factual Finding Report, Mumias Sugar Company avails with immediate effect the final KPMG report to the National Assembly.
- XV. THAT , officers from MSC/KRA who abused import procedures with regard to Import Permit requirements in the importation of 10,000MT of sugar in 2012 from Sudan be held to account for their misdeeds.
- XVI. THAT, Deloitte and Touché be held responsible for misleading the government, other shareholders and public on the state of affairs in MSC during the period of their engagement as auditors.

MIN. 50/2015: ADJOURNMENT

There being no other business to discuss, the meeting was adjourned at 1.45 P.M.

Signature .....



HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

10<sup>th</sup> March 2015.

MINUTES OF THE 14<sup>th</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD ON TUESDAY 10<sup>TH</sup> MARCH, 2015 AT CONTINENTAL HOUSE 2<sup>ND</sup> FLOOR, PARLIAMENT BUILDINGS AT 10.30 A.M.

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**Present**

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P
3. Hon. Mary Wambui, M.P
4. Hon. Phillip Rotino, M.P.
5. Hon. Daniel Maanzo, M.P
6. Hon. Kimani Ichung'wah, M.P
7. Hon. James Opiyo Wandayi, M.P
8. Hon. Raphael Letimalo, M.P
9. Hon. Korei Ole Lemein, M.P
10. Hon. Patrick Wangamati, M.P
11. Hon. Zuleikha Hassan Juma, M.P
12. Hon. Kabando Wa Kabando, M.P.
13. Hon. Benjamin Washiali, M.P
14. Hon. (Dr.) Victor Munyaka, M.P
15. Hon. John Kobado, M.P
16. Hon. John B. Serut, M.P
17. Hon. Waititu Munyua, M.P
18. Hon. Fredrick Outa, M.P

**Apologies**

1. Hon. Millie Odhiambo - Mabona, M.P
2. Hon. Alfred K. Keter, M.P
3. Hon. Justice Kemei, M.P
4. Hon. Silas Tiren, M.P
5. Hon. Maison Leshoomo, M.P
6. Hon. Florence Mutua, M.P
7. Hon. Paul Simba Arati, M.P
8. Hon. Ayub Savula Angatia, M.P.
9. Hon. Hezron Awiti Bollo, M.P
10. Hon. Peter N. Gitau, M.P
11. Hon. Ferdinand Wanyonyi, M.P

**In Attendance:**

**Kenya National Assembly Secretariat**

1. Mr. Benjamin Magut - First Clerk Assistant

- |                          |                         |
|--------------------------|-------------------------|
| 2. Mr. Ahmad Adan Guliye | - Third Clerk Assistant |
| 3. Ms. Angeline Naserian | - Third Clerk Assistant |
| 4. Ms. Mercy Wanyonyi    | - Legal Counsel         |
| 5. Mr. Elijah Ichwarah   | - Audio Officer         |

#### MIN. 062/2015: PRELIMINARIES

- I. The meeting was called to order at 10.54 hours and prayers were said by Hon. Philip Rotino, M.P
- II. The Chairman informed the Committee that the Cabinet Secretary who was scheduled to appear before the Committee couldn't make it as there was a cabinet meeting on the same day.

#### MIN. 063/2015: ADOPTION OF AGENDA

The Committee adopted the day's agenda as follows after it was proposed and seconded by Hon. Opiyo Wandayi, M.P and Hon. Benjamin Washiali, M.P respectively.

- I. Communication from the Chairman
- II. Confirmation of minutes
- III. Adoption of work plan
- IV. Any other business

#### MIN. 064/2015: COMMUNICATION FROM THE CHAIRMAN

The Chairman informed the members that the Committee has received invitation to the following functions of which the Committee is requested to nominate some members to participate in the said functions

- I. Inspection of offshore-patrol vessel's 50% hull completion milestone in Chittagong, Bangladesh.
- II. 19<sup>th</sup> International Agricultural Exhibition Agritech 2015 in Tel-Aviv, Israel.
- III. National retreat for the National Trade Negotiating Committee from 16<sup>th</sup>- 18<sup>th</sup> March, 2015 in Mombasa.

The Committee nominated the following members to participate in the aforementioned functions

1. Inspection of offshore-patrol vessel's 50% hull completion milestone in Chittagong, Bangladesh.
  - (i) Hon. Opiyo Wandayi, M.P
  - (ii) Hon. Zuleikha Hassan, M.P
2. 19<sup>th</sup> International Agricultural Exhibition-Agritech 2015 in Tel-Aviv, Israel 26th April,2015 to 3rd May ,2015
  - (i) Hon. John Serut, M.P
  - (ii) Hon. Raphael Letimalo, M.P

- (iii) Hon. Mary Wambui, M.P
  - (iv) Hon. Korei Lemein, M.P
  - (v) Hon. Millie Odhiambo, M.P
3. National retreat for the National Trade Negotiating Committee from 16<sup>th</sup>- 18<sup>th</sup> March, 2015.
- (i) Hon. Kabando Wa Kabando, M.P

**MIN.065/2015: CONFIRMATION OF MINUTES**

- I. The minutes of the adoption of the report of the petition on the imminent collapse of the sugar industry in Western Kenya was confirmed as true record of the Committee's deliberation after it was proposed and seconded by Hon. John Serut, M.P and Hon. Kareke Mbiuki, M.P respectively.
- II. The minutes of the adoption of the report on the crisis facing the Sugar industry was confirmed as true record of the Committee's deliberations after it was proposed and seconded by Hon. Kareke Mbiuki, M.P and Hon. Francis Waititu, M.P respectively.

**MIN. 066/2015: MATTERS ARISING**

- I. The Committee noted that the aspect of disregarding "**Draft Factual Findings Report of KPMG**" in the essence that it was a draft report was not captured in the minutes of that day's proceedings.
- II. Hon. Opiyo Wandayi, M.P noted that he did not support Committee's resolution to disregard the use of the "**Draft Factual Findings Report of KPMG**" while deliberating and making its recommendations. Further, he restated that the Committee should have adopted the "**Draft Factual Findings Report of KPMG**"

**MIN. 067/2015: ADOPTION OF COMMITTEE WORK PLAN FOR MARCH 2015**

- I. The Committee adopted work plan for March, 2015 as follows.

**NATIONAL ASSEMBLY**

**DEPARTMENTAL COMMITTEE AGRICULTURE, LIVESTOCK  
AND CO-OPERATIVES & (DC-B-ALC) – PROGRAMME OF  
BUSINESS FOR THE MONTH MARCH 1, 2015**

10<sup>TH</sup> TUESDAY, MARCH, 2015

10:00AM

( Adoption of the programme, planning of Committee Business)  
(Meeting with the Cabinet Secretary on matters related to Livestock Matters)

*Venue: Media Centre , Parliament Buildings*

<i>(Closed)</i>
<b>12<sup>TH</sup> THURSDAY, MARCH, 2015</b>
10.30 A.M. Meeting with- Chairman Kenya Planters Cooperative union -Petitioners on a Petition regarding removal of the Chairman Cooperatives <i>Venue: CONTINENTAL HOUSE SECOND FLOOR</i> <i>(Open)</i>
<b>16<sup>TH</sup> MONDAY MARCH, 2015</b>
Meeting with -Petitioners from Nyeri County Coffee Farmers on Petition regarding the matter of production and marketing of their Coffee and payment of dues owed to them. 2.30 P.M Venue: Continental House 2 <sup>nd</sup> Floor.
<b>17<sup>TH</sup> TUESDAY MARCH, 2015</b>
10:30am MEETING WITH CS AGRICULTURE, LIVESTOCK AND FISHERIES. <i>Venue: 5<sup>th</sup>, floor, Committee Continental House, Parliament Buildings.</i> <i>(closed)</i>
<b>19<sup>TH</sup> -21<sup>ST</sup> THURSDAY, MARCH 2015</b>
Field Visit to Samburu County , Isiolo and Laikipia on Livestock off take by Government
<b>24<sup>TH</sup> TUESDAY ,MARCH , 2015</b>
10:30AM Meeting with -Kenya Cooperatives Coffee Exporters at 10.00am -Coffee Directorate 11.00am on Petition regarding the matter of production and marketing of their Coffee and payment of dues owed to them. Venue: Continental House 2 <sup>nd</sup> Floor.
<b>26<sup>TH</sup> THURSADY- 28<sup>TH</sup> SATURDAY , MARCH 2015</b>
10.30 A.M Field Visit to Voi on Disease Free Zones

- II. Some members raised concerns for scheduled Monday's meetings owing to the fact most members may not have returned from the constituencies hence there is need of not scheduling meetings on Mondays.

- III. The Chairman implored on the members that it is exceptional cases when members are requested to sit on such days due to backlog of work.

**MIN. 068/2015: ANY OTHER BUSINESS**

- I. The Committee raised their concerns with the utterances made by the Cabinet Secretary, Ministry of Agriculture, Livestock & Fisheries during a function in at Chemilil Sugar in which he castigated the Committee on sitting on the sugar report for personal interests.
- II. The Committee resolved to summon the Cabinet Secretary on Tuesday 17<sup>th</sup> March 2015 to substantiate his allegations.

**MIN. 069/2015: ADJOURNMENT**

There being no other business to discuss, the meeting was adjourned at 12.35 hours.

Signature .....

*Adan Mohamed Nooru*  
HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

*11<sup>th</sup> March 2015*

MINUTES OF THE OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE,  
LIVESTOCK AND COOPERATIVES (FOR THE ADOPTION OF THE REPORT ON THE  
CRISIS FACING THE SUGAR INDUSTRY IN KENYA) HELD ON SATURDAY 7<sup>TH</sup>  
MARCH, 2015 AT WINDSOR GOLF HOTEL & COUNTRY CLUB, NAIROBI AT 9.30  
A.M.

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Present

1. Hon. Adan M. Nooru, MBS, M.P - Chairman
2. Hon. Kareke Mbiuki, M.P - Vice Chairman
3. Hon. Mary Wambui, M.P
4. Hon. Phillip Rotino, M.P.
5. Hon. Daniel Maanzo, M.P
6. Hon. Alfred K. Keter, M.P
7. Hon. Maison Leshoomo, M.P
8. Hon. Paul Simba Arati, M.P
9. Hon. James Opiyo Wandayi, M.P
10. Hon. Patrick Wangamati, M.P
11. Hon. Raphael Letimalo, M.P
12. Hon. Silas Tiren, M.P
13. Hon. Justice Kemei, M.P
14. Hon. Korei Ole Lemein, M.P
15. Hon. (Dr.) Victor Munyaka, M.P
16. Hon. John B. Serut, M.P
17. Hon. Kabando Wa Kabando, M.P.
18. Hon. Waititu Munyua, M.P
19. Hon. Kimani Ichung'wah, M.P
20. Hon. Florence Mutua, M.P
21. Hon. Zuleikha Hassan Juma, M.P
22. Hon. Millie Odhiambo - Mabona, M.P
23. Hon. Benjamin Washiali, M.P
24. Hon. Ayub Savula Angatia, M.P.

Apologies

1. Hon. Fredrick Outa, M.P
2. Hon. Ferdinand Wanyonyi, M.P
3. Hon. Hezron Awiti Bollo, M.P
4. Hon. Peter N. Gitau, M.P
5. Hon. John Kobado, M.P

**In Attendance: National Assembly Secretariat**

- |                                 |                                |
|---------------------------------|--------------------------------|
| 1. Ms. Florence Atenyo – Abonyo | - Director, Committee Services |
| 2. Mr. Oscar Namulanda Wesonga, | - Senior Clerk Assistant       |
| 3. Mr. Benjamin Magut           | - First Clerk Assistant        |
| 4. Ms. Tracy Chebet Koskei      | - Second Clerk Assistant       |
| 5. Mr. Ahmad Adan Guliye        | - Third Clerk Assistant        |
| 6. Ms. Angeline Naserian        | - Third Clerk Assistant        |
| 7. Mr. David Ngeno              | - Research Officer             |
| 8. Ms. Mercy Wanyonyi           | - Legal Counsel                |
| 9. Mr. John Nganga              | - Audio officer                |
| 10. Mr. Onesmus Kiragu          | - Sergeant at Arms             |
| 11. Ms. Lydia Mwangi            | - Secretary Committee Service  |
| 12. Mr. Stephen Omunzi          | - Office Assistant             |

**Min. 51/2015: Preliminaries**

- I. The meeting was called to order at 2.30 P.M and prayers were said by Hon. Francis Waititu, M.P
- II. The Chairman thanked the members for turning up in large numbers for the report writing retreat and reiterated the significance and the importance of the day's agenda.

**MIN. 52/2015: ADOPTION OF THE REPORT ON THE CRISIS FACING THE SUGAR**

**INDUSTRY IN KENYA**

The Committee deliberated on the draft report and adopted it with the following recommendations;

- I. **THAT**, the government establishes a permanent inter-agency enforcement unit on sugar trade which should enhance capacity to verify, scrutinise and monitor cross-border trade and step up border patrols to eradicate sugar smuggling. The unit should draw membership from KPA, Public Health, AFFA, KEBS, the Kenya Police, KRA and any other relevant government agencies.
- II. **THAT**, KRA officer(s) should be investigated and appropriate action taken for clearing sugar without permit from the sugar regulator. Equally any company that imported sugar without a permit from the regulator should be banned from import and export business.

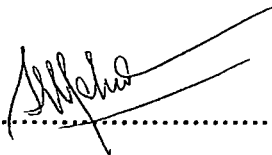
- III. **THAT**, the reinforcement of re-packaging regulations to ensure consumer safety and that KEBS be held responsible for failure to prevent abuse of its seal which is supposed to be a standard measure for safety of goods in the country but has consistently been abused.
- IV. **THAT**, relevant laws and regulations governing sugar imports and exports should be amended to provide for higher accountability and public health standards for re-packaged sugar and for stiffer penalties for offenders. The Government should cancel import licences for the following companies: - Kenafic Industries, Czarnikow E. A. Ltd, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.
- V. **THAT**, the government implements the sugar industry strategic agenda for increased competitiveness and reduction in consumer prices. There is need to lower production cost, improve extension services among others to reduce and eventually eliminate the incentive to smuggle sugar into the country
- VI. **THAT**, the National Government in collaboration with County Government should provide mechanisms for coordinated infrastructure development to avoid duplication of responsibilities by different bodies mandated to maintain roads.
- VII. **THAT**, the National Government should implement the National Land Policy to mitigate further land sub-division for improved productivity.
- VIII. **THAT**, the fertilizer subsidy should be complemented by bulk procurement of other farm inputs and capacity utilization which should be done by the Sugar Directorate.
- IX. **THAT**, Investigations should be carried out on MSC and/or its agents, KRA and all importers and/or their agents who imported sugar from MSC in the period between 2006 - 2012 and appropriate action taken.
- X. **THAT**, the KRA should be held responsible for the loss of VAT taxes amounting to Kshs 577 million for fictitious exports of sugar by MSC.

- XI. THAT, any officer from the Board and Management of MSC and KRA responsible for the fictitious exports of sugar between 2006-2012 be held responsible for abuse of procedures and abuse of office.
- XII. THAT, the National Government introduces landing certificates for all transit sugar as a confirmation of physical exit to stop any dumping into the local market,
- XIII. THAT, the Government should consider offering tax breaks to encourage new investors into the sugar industry. Additionally, duty waiver for sugar industry farm inputs and farm machinery will go a long way towards reducing the high cost of sugar production.
- XIV. THAT, KPMG having provided a disclaimer as to the accuracy of the Draft Factual Finding Report, Mumias Sugar Company avails with immediate effect the final KPMG report to the National Assembly. However the Committee took cognizance of the said Report
- XV. THAT , officers from MSC/KRA who abused import procedures with regard to Import Permit requirements in the importation of 10,000MT of sugar in 2012 from Sudan be held to account for their misdeeds.
- XVI. THAT, Deloitte and Touché be held responsible for misleading the Government, other shareholders and public on the state of affairs in MSC during the period of their engagement as auditors.

**MIN. 53/201: Adjournment**

There being no other business to discuss, the meeting was adjourned at 2.30 P.M.

Signature .....



HON ADAN MOHAMEDNOORU, MBS, M.P.

(Chairman)

Date.....

10<sup>th</sup> March 2015

CFU  
pse process  
Jobar  
28/8/2013

23<sup>rd</sup> AUG 2013

PETITION

28 AUG 2013

ON

IMMINENT COLLAPSE OF THE SUGAR INDUSTRY IN WESTERN KENYA DUE TO RAMPANT SUGARCANE POACHING CRISIS AND SMUGGLING OF CHEAP SUGAR IMPORTS.

FROM

THE WESTERN DEVELOPMENT INITIATIVE ASSOCIATION (WEDIA)

TO

1. PRESIDENT, THE REPUBLIC OF KENYA
2. CABINET SECRETARY, MINISTRY OF AGRICULTURE
- ~~3. THE PARLIAMENTARY COMMITTEE FOR AGRICULTURE~~
4. THE DIRECTOR, ETHICS & ANTI-CORRUPTION COMMISSION
5. THE DIRECTOR, NEMA
6. THE CHIEF EXECUTIVE, KSB

PLEASE PROCESS AS  
DOES NOT INCLUDE  
REMARKS FOR OFFICE

All correspondence to be addressed to jobarasa@gmail.com/wediasociety@yahoo.com/0722126860

## PREAMBLE: PROBLEM STATEMENT

The Western Development Initiative Association (WEDIA) and the sugar industry stakeholders in Western Province wish to state that as we press for a permanent solution to this industry's problems and crisis thus: -

### SUGARCANE POACHING

That there is an urgent need to immediately revoke licenses of the companies, cartels and individual personalities who are implicated or involved (directly or indirectly) in the sugarcane poaching crisis, the smuggling of cheap sugar imports into the country and other malpractices in the sub-sector.

That the rampant sugarcane poaching crisis in the former Western Province has degenerated into a national disaster that is threatening the very survival of the country's sugar industry, but worse still the total destruction of the region's economic backbone.

That to date billions of shillings have been lost and more continues to go down the drain as a result of the ongoing sugarcane poaching crisis that has gripped the former Western province region for more than two years running.

It is estimated that Mumias Sugar Company which has borne the brunt of the poaching crisis has been losing more than Kshs. 3 billion annually over the last two years yet it had invested more than Kshs. 3 billion in sugarcane development per annum of the same period.

That operations of the recently constructed ethanol distillery plant, sugar, electricity and production of other by-products have been adversely reduced due to in-adequate raw materials as a result of sugarcane poaching and the said problems – consequently reduced revenue from these products not only accruing to the companies involved but also the Kenya Revenue Authority (KRA).

That although President Uhuru Kenyatta took issue with the poor performance of the sugar companies, especially the country's leading sugar producer Mumias Sugar Company during a recent meeting with MPs from the region, the genesis and core of the problem is deeply rooted in the sugarcane poaching crisis and the associated challenges that the KSB and the ministry of agriculture have failed to resolve to date.

That the poaching crisis has also resulted into violence between those who are involved or abetting the catastrophe and those who are opposed to it to protect the region's only cash crop and economic backbone in which scores of lives have been lost and injured including police officers as well as destruction of property.

That the worst hit sugar companies by the crisis since 2011 are the country's leading sugar producer, Mumias Sugar Company in Kakamega County, Nzoia Sugar Company in Bungoma County and Butali Sugar Company also of Kakamega County – but the centre of it is Busia County.

That the worst aspect of the whole business is the fact that the most affected sugar producing companies have contracted farmers to supply them with sugarcane while West Kenya which

triggered and remains at the centre of the whole mess has no single contracted farmer to its name especially in Busia County where cane poaching is rife.

### INVESTIGATIONS DEMANDED

That is despite the fact that apart from Nzoia and Mumias, West Kenya is the third oldest sugar company in the region with more than three decades since it was established, yet Butali sugar company which is the youngest established slightly more than ten years ago has contracted farmers within its region of operation – why not West Kenya?

That the role of the Kenya Sugar Board (KSB), the National Environmental Management Authority (NEMA) and West Kenya Sugar Company in triggering and sustaining this crisis should be investigated and remedial action taken immediately.

That NEMA's advertisement in the Daily Nation of August 16, 2013 on page 56 on (*see advert attached*) West Kenya and Olepito proposed 1250 TCD Sugar Plant in an area where West Kenya has no contracted farmers and invested nothing in sugarcane development demands interrogation of West Kenya, KSB and NEMA intentions.

That collusion and complicity of these organizations in the crisis facing the sugar industry in this region demands for immediate government action and NOT hiding behind the legal instruments that they are abusing as per the above mentioned advert.

That how can a license issued for construction of a sugar factory by KSB in a different location and environment - Matayos on Busia – Kisumu highway give NEMA authority as per the above advert state for a totally different location and environment at Olepito on the Busia – Mumias/Kakamega highway on a wetland where construction of a weighbridge authorized by KSB and NEMA is still contested?

That why has NEMA, KSB and the ministry of agriculture failed to interrogate and analyse the history of West Kenya's activities in the sub-sector before giving it credibility where it is NOT deserved as the Companies which deserve that are consigned to doom by their erroneous decisions and actions? (See below for more details on the same)

### CRITICAL

That indeed contracted sugarcane farmers are squarely at the centre of the cane poaching and industry performance crisis since they are the ones who are been duped to sell their crop to buyers with whom they do not have any contractual commitments because of their raw materials' critical role and in the process break their contractual obligations to the sugar companies they signed contracts with to supply sugarcane – in the process risk losing their lands and other properties.

That the end result has been that well established sugar companies in the region led by Mumias Sugar Company, Nzoia and Butali Sugar Companies have been consistently performing poorly because of rampant poaching of sugarcane from their contracted farmers.

That since poaching touches on the backbone of the sugar industry be it in white and brown sugar production, ethanol, molasses, spirits, electricity and other by production that is sugarcane – a permanent solution that would see the performance of the companies return to their original status and even better is total eradication of the cane poaching problem.

That since its inception in 1976 over the decades Mumias Sugar Company proved itself to be the best performing company in the country even when it was a state corporation producing more than half of the country's sugar needs, a fact that highly qualified it for privatization – then why should its performance suddenly drop when it is faced with a sugarcane poaching crisis from its contracted farmers that the KSB and the government have failed to stamp out?

### WHY SMUGGLED SUGAR MUST BE BANNED

That there is an urgent need to immediately ban the smuggling of cheap imported sugar into the country's markets.

That the cartels who are involved in the smuggling process must be broken and if in possession of any import licenses, they should be immediately revoked and the licensing authority put to account.

That because of these imports, stockpiles of unsold sugar in the country's sugar millers is reaching alarming proportions standing at more than 20, 000 tonnes as at the beginning of August and increasing daily.

That unless these cheap smuggled sugar is effectively prevented from flooding the Kenyan market by all government law enforcement agencies, they are a dangerous threat to the survival of the country's sugar industry

That the outlook of the sub-sector threatened with smuggled cheap imports, faced with a wide range of other regular operational challenges, without high sucrose and fast maturing cane, high costs of production and a looming expiry of the COMESA safeguards – the survival of the industry is bleak.

That the smuggled sugar is benefiting profiteering cartels and personalities behind it but also a deadly threat to the government's tax revenue from the sub-sector and the livelihood of millions of Kenyans who depend on it both directly and indirectly.

That the other direct beneficiaries of the smuggled sugar are the economies of the countries' of origin and NOT the Kenyan economy that must be protected at all costs.

### VESTED INTERESTS

That Corporate organizations, personalities and public figures with vested interests should be made to come clean and publicly declare their interests

That they should be forced not to use their positions to adversely influence the smooth operations of the sugar sub-sector for their individual gain or corporate profit.

That licenses issued to such corporate organizations or individual should be immediately revoked and the individuals or corporate organizations indicted for legal action and eventual ban from involvement in any business in the sub-sector.

### BACKGROUND

The Genesis of the cane poaching crisis in Western Kenya region became public in August 2011(*see newspapers cuttings attached*) when the WEDIA blew the whistle that there were secret plans to sell more than 800 acres of land meant for the construction of a sugar factory and a nucleus sugarcane estate in Busia County.

The land was purchased by the government in the 1990s at Nasewa area of Nambale district with the express intention of constructing a sugar factory which so the creation of Busia Sugar Company that was supposed to implement the construction plans but collapsed ten years later, before anything was done.

It emerged that Mumias Sugar Company which took over receiver management of the collapsed Busia Sugar Company wanted to sell the more than 800 acres meant for the Busia Sugar Factory in a bid to recover more than Kshs. 100 million it had loaned to the defunct Busia Sugar Company.

Busia Sugar Company which had spearheaded sugarcane development and production in Busia County but failed to spearhead the construction of a sugar factory and had no option but enter a deal with Mumias Sugar Company to purchase and process sugarcane produced by farmers in Busia County.

That after the collapse of Busia Sugar Company, Mumias took over the contracts of the farmers from Busia and neighbouring Siaya Counties that had been expected to supply their cane to a factory in Busia County had it been constructed.

### KSB COMPLICITY AND DUPLICITY

When attempts to sell the land meant for this factory in Busia was exposed little was it known that the stage was being set that would trigger the ongoing sugarcane poaching crisis. The worst aspect of the whole business is the fact that KSB approved West Kenya to build a sugar factory and sugarcane buying weighbridge in Busia County when it did not qualify out of the five companies that had applied nor did it have any contracted farmers in the county.

Though before this, the poaching had been going on targeting farmers contracted to Butali and Nzoia Sugar Companies, this was the opening for West Kenya to target Busia Sugar belt farmers who were contracted to supply their crop to Mumias Sugar to poach their sugarcane because the company has no contracted farmers and there was no way it can survive without sugarcane.

Other companies which had applied to construct a sugar factory in Busia County included, Africa Polysac Limited, Cherry Sugar Investments Limited/Mundika Sugar Company, Kaplony Limited and Pan African Millers.

According to a KSB letter dated January 5<sup>th</sup>, 2012 (*see letter attached*) Africa Polysac Ltd which was the first applicant on May 27<sup>th</sup>, 2011 had qualified but was instead muscled to construct a sugar factory in Siaya County by powerful politicians with political and business interests, though it had never applied to construct a factory in that county – it meant the company starting all over from square one.

It states that the applications were made in this order: -

1. African Polysac Limited – May 27<sup>th</sup>, 2011
2. Cherry Investments Limited – August 18<sup>th</sup>, 2011
3. West Kenya Sugar Company – August 29<sup>th</sup>, 2011
4. Kaplony Limited – September 2<sup>nd</sup>, 2011
5. Pan African Millers October 3<sup>rd</sup>, 2011

It is in this letter and the accompanying Busia Sugar Zone Miller Registration Applications Appraisal Report (*see copies attached*) that KSB disqualifies West Kenya Sugar Company among others as having failed to meet the Board's requirements to qualify for the above.

Stating that: "The applications by West Kenya and Kaplony were incomplete and did NOT satisfy the requirements for Mill registration. The successful applicant is expected to make quick progress with Environmental impact assessment and other legal requirement before obtaining full registration"

Then why does NEMA in the above mentioned advertisement in the Daily Nation give West Kenya credibility in consideration of the factors stated here to which NEMA and the KSB are completely aware of? Who is fooling who?

### DAMNING QUERIES

The critical questions here are why did the KSB go ahead to act contrary to its own regulations? Why has it failed to act decisively against and to end the sugarcane poaching crisis? Why has the board failed to act against West Kenya when it knows that since inception the company does not have any contracted farmers to supply it with sugarcane for processing as required by the Sugar Act?

Why did the KSB give West Kenya Authority to construct a sugar Mill at Matayos area of Busia County knowing its questionable background in the industry? Why it had to leave the National Environmental Management Authority (NEMA) to intervene to save the situation? Why the Board and NEMA are still entertaining the same company for consideration to secure license to "allegedly" construct a factory at Olepito where it has a weighbridge that is constructed on a natural wetland?

### LICENSE NULLIFICATION CALL

That the government's recent move to ban the issuing of fresh licenses in the sugar industry is welcome, but it must be sustained and some old existing licenses issued by the KSB and the ministry of agriculture cancelled with immediate effect.

That for instance, there is the thorny equation of the KSB approving/registering three companies to construct sugar factories in Busia County – with an open ended option as to who builds one first contrary to the Sugar sector regulations. This brings into question the Board's competence as such a move only adds fire to a critical situation that desperately needs to be salvaged.

This must be immediately nullified and new applicants called for from which only those impeccably qualified must be short-listed and the KSB recommend a single applicant to do the job, and NOT leave the option wide open as to who puts up the mill first.

The issue here is that stakeholders in the Sugar industry not only in Busia County, but also throughout the region want investors who have highly substantial investment portfolios and commitment to invest in the business as a serious entity that can survive the COMESA imports after the expiry of the safeguards.

That a company like West Kenya Sugar, despite having NO contracted sugarcane farmers to its name in Bungoma and Busia Counties it acquired three licenses for sugar factory construction in Kiminini, Matayos and now looking for the third for Olepito all in Western Kenya under

questionable means and one for weighbridge construction to purchase sugarcane in Busia County from sugarcane farmers contracted to Mumias Sugar.

It is also paramount that stakeholders on the ground must be involved in these processes to ensure transparency, accountability and ownership since without their commitment to supply the required raw material – there is not factory that will survive.

### WHY LICENSES MUST BE CANCELLED

That apart from the licensed West Kenya Sugar factory at Kabras in Kakamega County, the license to construct a factory at Kiminini in Bungoma County has not been honoured more than five years after it was issued – therefore it becomes null and void

That the third license issued for construction of a sugar factory at Matayos area and NOW Olepito area in Busia County the company completely failed the minimum standard requirements including those of the National Environmental Management Authority (NEMA) on environmental impact assessment and resettlement programmes

That the license for weighbridge construction must also be cancelled for it is constructed on an important natural wetland in a County where Mumias Sugar has had contracted farmers for more than 20 years whereas West Kenya has none to date even in Kabras area of Kakamega County where its parent plant is located.

That any sugar company without contracted farmers to supply it with raw materials for processing and production including investment commitments in sugarcane development of/for its envisaged sugar plant(s) must have its licenses revoked for lack of commitment to do business in the sub-sector

That any company that has completely failed to invest in sugarcane development programmes in the country does NOT qualify to operate in the sub-sector, therefore its licenses must be immediately revoked

That what business does any company have to be involved in the sugar industry if it does not have any contracted farmers to supply it with the pre-requisite raw material to survive or commit any investments in the development and production of the said raw material?

That what business does any company have to hoard operating licenses which are Not being put to productive use, when deserving companies are denied the same?

That despite a standing High Court Orders issued to some of the companies to immediately stop poaching sugarcane from farmers contracted to competitors, the problem continues to spiral with underage sugarcane of less than 7 months being targeted – hence destruction of the core backbone of the sub-sector.

## ESCALATING DEGENERATION

As things continue to degenerate, West Kenya was awarded license by the KSB to construct a sugarcane weigh bridge at Olepito near Tangakona on the Busia – Kakamega high way that became and remains the nucleus for handling poached sugarcane on transit to West Kenya's factory in Kabras in Kakamega County more than 100 kms away.

The situation has become so bad that has violence erupted repeatedly in which several people have lost their lives and others injured including policemen in Kakamega, Busia and Bungoma Counties as the battle for high stakes in the country's sugar sub-sector takes centre stage.

Brokers have not been left out of the fray and indeed they were quick to jump onto the gravy bandwagon to make a quick killing by buying sugarcane at throw away prices from the farmers and selling it out at a profit – thus leaving the farmers straddled with loans they secured to produce the crop begging to be paid.

By July 31, 2013 the poaching crisis had degenerated to the extent that poachers are targeting under-age sugarcane of less than seven months after the apparent depletion of mature cane of 18 months and above. This clearly spells doom to the sugar industry in the region since there will be completely no mature sugarcane for processing since under-age cane is being destroyed at the moment.

Ironically despite the obvious threats that could lead to the total collapse of the sub-sector rage on, the KSB which is supposed to assert its authority in maintaining sanity in this area has remained silent.

Also on the spot are leaders from Kakamega, Busia and Bungoma Counties whose residents' only major economic backbone and cash crop is sugarcane with farmers warning that as the poaching threatens the sub-sector with collapse their future as leaders is also at peril for failing to protect the industry.

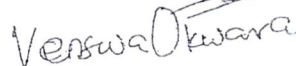
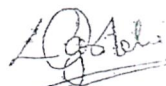
It is from this background, knowledge and the ongoing escalating activities on the ground that WEDIA and sugar industry stakeholders from the region are appealing through this petition to the highest authorities of the land in the Republic of Kenya to intervene and save this very critical and highly important sector of the country's economy from total collapse because of just a few errant institutions and organizations.

Hereby officially signed by,

1. MR. JOSEPH BARASA-VICE CHAIRMAN (WEDIA) 0722126860

2. MR. LAMBART OGOCHI-BUSIA OUTGROWERS DIRECTOR 0721892472

3. MR. VENSWA OKWARA- BUSIA FARMERS REP 0723088215



CC:

1. DEPUTY PRESIDENT

2. THE CLERK, THE SENATE

~~3. THE CLERK, THE NATIONAL ASSEMBLY~~

4. THE INSPECTOR GENERAL, KENYA POLICE

5. THE GOVERNORS, BUSIA, BUNGOMA, KAKAMEGA & VIHIGA COUNTIES

6. THE DIRECTOR GENERAL, KRA

7. ALL MEDIA HOUSES

8. TO ALL MEMBERS OF PARLIAMENTARY COMMITTEE FOR AGRICULTURE

7<sup>th</sup> February, 2013

NEMA

## PRESS STATEMENT

### WEST KENYA SUGAR COMPANY

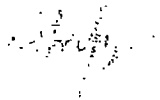
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I wish to correct some reports appearing in our local dailies that NEMA has rejected the proposal by West Kenya Sugar Company to set up a sugar factory in Busia County as totally false and misleading. The facts are as follows:-

1. That West Kenya Sugar Company is in the process of preparing full study report as requested by NEMA.
2. That the Mr. Joseph Musiele who is purported to have made the remarks in stakeholder forum (Busende) as the county director was not me ( Ezekiel Moseri ) since I was attending a different forum in Kisumu on water hyacinth

From the foregoing, I wish the information be treated with the contempt it deserves and also urge the media houses to authenticate their sources of information stories before they are published.

Thanks



EZEKIEL MWANJAMA MOSERI  
COUNTY DIRECTOR OF ENVIRONMENT,  
BUSIA COUNTY

## APPLICATION FOR REGISTRATION OF ADDITIONAL WHITE SUGAR MILLS IN WESTERN PROVINCE

## 1.0 BACKGROUND

The Kenya Sugar Board has received an unprecedented five (5) new applications for registration of white sugar mills in Western, Nyanza and Central Provinces since our last registration in 2010. If approved this would bring the total number of registered white sugar mills in the country to sixteen (16) in addition to many existing jaggeries.

Directors will also recall that there is an ongoing court case between Butali Sugar Mills and West Kenya Sugar Company on the capacity for the area to support the two milling operations. Registration of additional mills must therefore be carefully considered in the widest context to ensure sustainability in the long term period and to avoid unhealthy competition for cane in the short term period.

## 2.0 NATURE OF APPLICATIONS

Applications for registration as white sugar miller have been received as follows:

NO.	APPLICANT	INTENDED MILL CAPACITY	LOCATION & CATCHMENT	REMARKS
1.	Pall Mall Holdings Ltd	1250 TCD	Yala; to serve Siaya & Bureti Districts.	Part of catchment serving Mumias sugar Co.
2.	Africa Polysack Ltd	3000 TCD	Busia; to serve Busia District & environs.	Catchment services Mumias Sugar Co. which derives 40% of its cane from Busia
3.	West Kenya Sugar Co. (2 <sup>nd</sup> factory)	2500 TCD	Bilpili to serve Sungoma North District.	Area partly serves Nzoia & Butali Sugar Cos.
4.	Kilabu industries Ltd. (Rafimbapu Group of Industries)	Not confirmed	Not confirmed	Investor undertaking scoping studies.
	Capacity of Mumias, Nzoia, W. Kenya and Butali already operational in these zones.	17,150 TCD		There is intense competition for cane between existing mills including jaggery mills
	Total demand if new applications are approved	**23,900 TCD	Mainly Western Province but also parts of Nyanza and Nandi	Need to establish cane production potential for whole zone.

5	Nyandarua Sugar Company Ltd	3000 TBD	Kirimba, Nyandarua District, Central province	This is the first expression of interest in Tropical Beet. There is need to establish the potential in Nyandarua and elsewhere in the country.
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- \* Does not include jaggery mills cane demand
- \*\* May increase if investor 4 makes an application

### 3.0 KEY FACTORS THAT DETERMINE ISSUANCE OF REGISTRATION APPROVAL FOR NEW SUGAR MILLS.

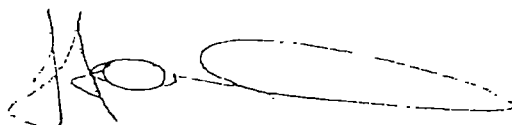
- i. Demonstrated Human Resource and financing capacity by the applicants.
- ii. Availability of adequate potential for cane production to support intended investment.
- iii. Approval for the project by District Development Committee at the minimum.
- iv. A positive Environmental Impact Assessment Study and accompanying licensing.
- v. General concurrence with the MoA that the proposed growing of cane in the target area is in harmony with the agriculture land use policy for the area. Such concurrence is obtained through a joint review of the application on cane production matters.
- vi. Capacity and potential of existing sugar millers in a given area already registered by the Board

### 4.0 WORK DONE

The Board has initiated consultations with the MoA with a view to preparing a joint detailed report on the cane production potential of Western, Nyanza and Central Provinces (and the suitable adjoining areas) to support additional capacity for sugar milling. The joint report is expected to inform Board decision on the applications to set up new sugar mills in the area. The study will be conducted during April 2011.

### 5.0 REQUEST TO THE BOARD

To note the ongoing efforts by Management to address the unprecedented interest by investors to set up new sugar mills in Western, Nyanza and Central Province and have the following guidelines on the matter.



S O ODERA  
AG. CHIEF EXECUTIVE OFFICER

# BUSIA SUGAR ZONE MILLER REGISTRATION APPLICATIONS

## APPRAISAL REPORT

### 1.0 PREAMBLE

The Busia sugarcane zone covers the entire Busia district, parts of Siaya, Teso and lower Bungoma districts. The zone can provide for 25,000ha of cane out of which the area developed under the original Busia Sugar Company and now annexed to Mumias Sugar Company zone is estimated at 9,946 Ha, and is only 40% of the potential area for sugarcane production. Approximately 14,851 Ha is still available for immediate exploitation. This cane zone is about 40 km away from Mumias Sugar Factory.

An evaluation team composed of officers from the Ministry of Agriculture and the Kenya Sugar Board revisited the proposed project area in May, 2011. Meetings to confirm the current status of this cane zone were held with representatives of the Provincial Director of Agriculture in Western Province and Agricultural Officers from Busia, Butula, Bunyala, Teso North, Teso South & Nambale. It was confirmed that the estimated available cane potential on the balance of land in this zone is only 2,750 TCD out of the initial potential of 4,600 TCD. The status of arable land was established as shown below.

Table 1: Status of arable land in the area.

ITEM / DISTRICT	TOTAL AREA(HA)	ARABLE LAND(HA)	AGRIC LAND(HA)	MAX ACHIEVABLE AREA FOR CANE(1/3 RULE) (HA)	CURRENT AREA UNDER CANE(HA)	POTENTIAL FOR EXPANSION TO MEET 1/3 RULE(HA)
				X	Y	X - Y
Busia	19,600	16,400	14,100	4,700	2,000	2,700
Butula	24,000	23,600	17,350	5,750	3,500	2,250
Nambale	23,780	21,200	14,100	4,700	3,788	912
Teso south	15,990	11,857	8,851	2,947	1,171	1,776
Teso north	26,300	21,563	20,600	6,700	10	6,690
<b>TOTAL</b>	<b>109,670</b>	<b>94,620</b>	<b>75,001</b>	<b>24,797</b>	<b>10,469</b>	<b>14,328</b>

The failure of Busia Sugar Company limited (1990) to take off led to other failed initiatives that have resulted into a debt of over ksh.500 million.

#### 4.1 Africa Polysack Limited(APL)

This was the earliest applicant entity among the four. Africa Polysack Limited is a private limited liability company, which was incorporated on 11<sup>th</sup> Dec, 2003. The principle activities of the company were to carry out the business of growing cane, manufacturing and refining of sugar and processing of residues of sugar and sugarcane. The Company was to also be involved in the wholesale and retail of such products. The Company was incorporated with a share capital of Kshs. 100,000 divided into 1,000 shares of Kshs 100 each. The current shareholders are Ms. Ali Ahmed Taib and Abubakar Salim who each hold 50% shares.

##### 4.1.1 APL's Tentative Development

The company has submitted a copy of their Feasibility study report and a year 2000 Busia sugar company development plan drawn by Booker Tate in which they expect to start producing sugar in the second half of 2013 at a crushing rate of 2,500 TCD at a conversion ratio of 9 tonnes of cane for a tonne of sugar which is better than the industry target of 10. The amount of sugar produced is expected to be 90,000 tonnes per year. This development plan is based on the following assumptions:

- Government will approve and issue necessary approvals by December 2011;
- Although the Company will provide about Kshs. 1,000,000 million to farmers for cane development, cane development shall be left in the hands of outgrowers who will be expected to gradually increase cane supply in response to the factory's capacity.

#### 4.2 Mundika Sugar Company Limited - Ownership and Management

The second applicant, Mundika Sugar Company Limited, is promoted and sponsored by Cherry Sugar Investment Limited who claim to have their origin in Mauritius. The applicant's shareholders are Cherry Sugar Investment Limited (99.9%) and Mr. Elka Motanya (0.1%). The principle activity of the company will be to carry out the business of growing cane, manufacturing and refining of sugar, generation of power and production of Kraft paper, from bagasse.

purchasing from MSC the land LP No. Bukhayo/Nasewa/1500, belonging to Busia Sugar Company Limited.

## 5.0 SUGAR BUSINESS OPPORTUNITY RATIONALE

The applicants have seen an opportunity for a new sugar mill in the target area based on its favourable weather and available land for cane growing, farmers willingness to support their own cane growing, current long haulage distances to existing mills and the future positive prospects for the Sugar Industry.

The promoters of the first 2 applicant entities believe that the new sugar mill if approved will provide better and more cost-effective services to the farmers and manufacture sugar competitively to sustain the new business resulting in the overall improvement of the local economy.

## 6.0 EVALUATION OF APPLICATIONS

This is the first of a series of evaluations to ensure that the approved applicant entities are legally entitled to carry out business in Kenya and that they have access to resources and sufficient capacity to implement the Busia Sugar Project as demonstrated in their respective feasibility studies.

### 6.1 APL's Busia Project Feasibility

It was confirmed that the applicant entity is a Company incorporated in Kenya with local share holding and whose feasibility study report projects the following tentative outcomes for the project:

- Conversion of cane to sugar at a ratio of 10% over 300 days in a year.
- The Company has a positive Internal Rate of Return (IRR) of 15% under the worst-case scenario. This IRR is acceptable to the investors because their average cost of funds is 11%.
- Pay-back period is 5 years.

These results shall be expected after investing ksh. 5,761,407,842 over a 2 year period. The investment is broken down as shown below.

Total financing required: (including initial working capital requirements) on a 60:40 basis between owner's equity and debt. It is noted that the project costing and availability of funding has not been conclusively demonstrated in Draft Feasibility Report.

### 6.3 West Kenya Sugar Company Limited

This applicant has yet to submit a formal application.

### 6.4 Kaplony limited

This applicant has yet to submit a formal application; moreover the transactions on the land identified for this project are under legal objection. Indeed attempts were made to irregularly transfer the land to the applicant.

## 7.0 CONCLUSIONS

### AFRICA POLYSACK LIMITED

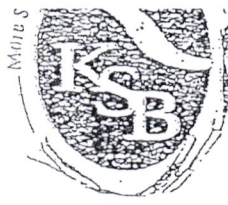
- The feasibility study presented by APL to produce mill white sugar demonstrates the viability of the Busia Sugar Project.
- The sourcing of raw materials may have an effect on the operations of Mumias Sugar Factory given their (APL) expansion plans.
- The project if implemented will deliver on the objectives of the failed BSCL and will uplift the economic standards of the farming community in the zone by providing a ready and nearby market for their cane crop while creating additional employment.

### MUNDIKA SUGAR COMPANY LIMITED

- The Draft business plan presented by CSIL for Mundika Sugar Company to produce mill white sugar demonstrates viability of the project has not been finalised.
- The sourcing of raw materials may affect on the operations of Mumias Sugar Factory.
- The project if implemented will uplift the economic standards of the farming community in the zone by providing a ready and nearby market for their cane crop while creating additional employment.

### WEST KENYA SUGAR COMPANY LIMITED AND KAPLONY LIMITED

The applications by West Kenya and Kaplony were incomplete did not satisfy the requirements for Mill registration.



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KSB/ST/CPPS/Vol.1/23

5th January 2012

Romano Kiome, PhD, CBS  
Permanent Secretary  
Ministry of Agriculture  
Kilimo House  
NAIROBI

Dear *Sir,*

RE: APPLICATIONS FOR SETTING UP A SUGAR MILL AT BUSIA

The Board is in possession of five current applications to set up a sugar mill at Busia near Nambale. Four applications are by local investors while the fifth is by a Mauritian Company, Cherry Sugar Investment Ltd. The local investors are African Polysack Ltd (APL), Kaplony Ltd, Pan African Millers and West Kenya Sugar Company Ltd.

The applications were received in the following order: -

1. African Polysack Limited - 27th May 2011
2. Cherry Sugar Investments Limited - 18th August 2011
3. West Kenya Sugar Company - 29th August 2011
4. Kaplony Limited - 2nd September 2011
5. Pan African Millers - 3rd October 2011

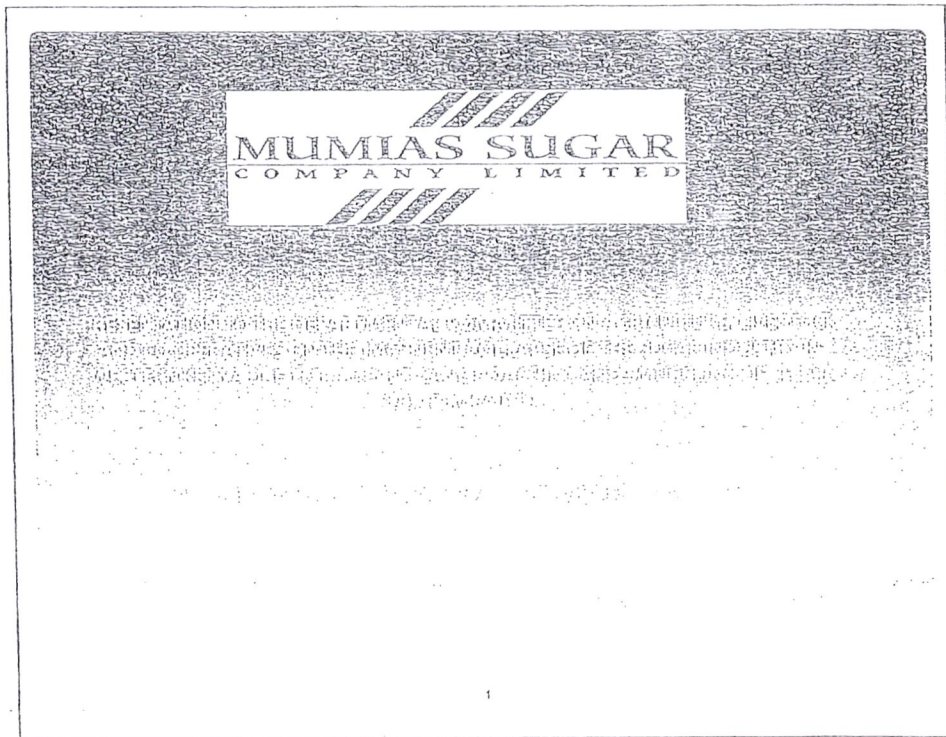
A technical team comprising officers from the Board and the Ministry of Agriculture reviewed the potential for Busia zone to support a sugar milling operation and established that a 2500-3000 TCD factory is viable.

All inferences at this stage are based on a desk top review of the documents presented. Given the number of applicants, it is advisable that detailed review including independent verification of information be conducted on each party to ensure the greatest good for the industry.

The tables overleaf summarize the key highlights of each application.

*3 mills  
for Busia  
County*

<p>Pan African Millers Limited          Locally incorporated Company owned by Rishi &amp; Kaushik Ramiklal Panchmatia on 50/50 basis.</p>	<p>3<sup>rd</sup> October 2011.</p>	<p>the project would be renamed Nasewa Sugar Mills Limited.          Formal KSB application forms submitted supported with:          Brief Feasibility Report.          Certificate of incorporation.          Indicated site (Bukhoyo/Matayos/287 /3071/3070/2812/289 not supported by title copies but about 7km from Nasewa on Tarmac Road.</p>	<p>3000 TCD Sugar Company expandable to 5000 TCD. Total investment placed at Ksh.7.4 billion.          Cane development programme not clearly spelt out.</p>	<p>Was the latest applicant to show interest for Busid.</p>
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## BACKGROUND

- \* This presentation is prepared in response to your summons dated 15<sup>th</sup> May, 2014 inviting us on matters relating to the situation of the sugar industry in Kenya and Mumias Sugar in particular.
- \* we appeared before this Honourable Committee on the 29<sup>th</sup> October, 2013 and 6<sup>th</sup> November, 2013 where we submitted a written memorandum to your Committee and tabled documents

The table below presents a summary of mineral exports from the DRC Congo.

Country	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
DRC Congo	-	50	-	-	-	-
Ethiopia	-	2,582	9,519	-	-	-
EU	-	-	3,226	1,794	-	15,051
Rwanda	-	78	-2,751	-	-	-
Sudan	195	1,314	9,494	-	-	-
Uganda	470	5,710	50	-	-	-
TOTAL	665	9,734	25,040	1,794	-	15,051

The table below presents a summary of mineral exports from the DRC Congo.

Country	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
Kambale Nzagale	50	30,000	-	-	50	30,000
TOTAL	50	30,000	-	-	50	30,000

The table below presents a summary of our exports

TO SUDAN

CUSTOMER	2013		2012		2011		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
MEGA LASER INTERNATIONAL	160	96,000	90	54,000	-	-	250	150,000
MANYUON SAMUEL DENG	35	23,400	87	42,900	-	-	122	66,300
Mid Africa	-	-	300	180,000	-	-	300	180,000
Southern Sudan Mudland Co. Ltd.	-	-	53	30,700	590	393,438	643	424,138
KAPOETA TRADING COMPANY	-	-	785	325,000	7,504	4,941,830	8,289	5,266,830
INTERNATIONAL RELIEF SERVICES	-	-	-	-	1,400	910,000	1,400	910,000
TOTAL	195	119,400	1,315	632,600	9,494	6,245,268	11,004	6,997,268

The table below presents a summary of our exports

TO UGANDA

CUSTOMER	2013		2012		2011		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
Arua Mercantile Co Ltd	470	465,958	1,260	246,970	-	-	1,730	712,928
QUICK SALERS UGANDA	-	-	2,475	1,352,500	-	-	2,475	1,412,500
MURU ENTERPRISES	-	-	450	260,930	-	-	450	260,930
KASAVE TRADING COMPANY LIMITED	-	-	725	420,420	50	28,995	775	449,415
Trident Investment Limited	-	-	130	75,400	-	-	130	75,400
Uchumi Commodities (Uganda) Limited	-	-	670	464,000	-	-	670	464,000
TOTAL	470	465,958	5,610	2,820,220	50	28,995	6,230	3,375,173

## CONGO Customer Transactions

Kambale Nzagase.xlsx

## ETHIOPIA Customer Transactions

Osman Adan.xlsx

Nesredin Mohamed.xlsx

them why they are keeping quiet when the economic backbone of the entire region is deliberately being killed like what happened to the cotton industry in these same regions," says Mr. Okwara.

He says the situation has been worsened by the same leaders' failure to enact legislation, policies and programmes that could have drastically reduced the high costs of sugarcane production in the country despite having severally been granted safeguard periods by COMESA where member countries' production costs are extremely low.

The farmers' spokesman says that the other nightmare plaguing sugarcane farmers is the recent announcement by the government that it would not seek any more extension for COMESA safeguards which will render the Kenyan farmers' expensively produced sugarcane irrelevant.

He says that the situation is so bad on the ground that the cartel involved in sugarcane poaching are now poaching under-age sugarcane that is below 7 months instead of the mature one which is supposed to be 17 months and above, this implies that the region is rapidly running out of sugarcane which may force the closure of factories.

AROUND THE WEB

Pastor Reveals 7 Shocking Biblical Truths on Investing

Don't Get Alzheimer's: Here's What May Cause It

Both Men and Women Lie About Their Relationship Histories

10 Skateboard Brands We Wish Were Still Around

ALSO ON WEST FM

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Bungoma County governor urges election losers to support him

German Investors tour Vihiga County

The new marriage bill likely to corrode cultural practices on marriage in Kenya

Who are going to be the watchdogs against county government financial and

0 comments

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to fulfill," he said.

The WEDIA boss says that it is because of this failure, compounded failure to put in place sound policies, legislation and programmes with effective implementation that has led to the adverse consequences that the sugar industry is facing in the country.

He gave an example of the recent meeting where a section of MPs from Western province met President Uhuru Kenyatta who expressed his concerns about the performance of the country's giant sugar company, Mumias Sugar Company among other millers, but none of the MPs raised any tangible issue concerning the sector.

Mr. Barasa says: "Yet these very same MPs, Senators, Governors, Women Representatives and even County Representatives know very well that sugarcane farming is the economic backbone and the only cash crop of the very people who elected them into office. They also know that there are extremely serious problems plaguing the sector like the more than two years sugarcane poaching crisis that has brought the industry to its knees."

"Does it mean that these elected leaders want sugarcane production, the milling of sugar including the production of other related by-products to collapse meaning the economic collapse of the region to take place so that their voters are consigned to permanent poverty?," he posed.

The other sugar companies which are threatened by a conglomeration of challenges in Kenya include, Nzoia, Butali and West Kenya Sugar Company which in collaboration with the KSB is at the centre of the sugarcane poaching crisis in Western province.

The others located in the former Nyanza province sugarcane belt include, Sony, Kibos, Chemilil, Muhoroni and the country's oldest sugar company Miwani which collapsed more than a decade ago and is yet to be brought back to its feet.

Of all the sugar companies in the country, Mumias Sugar Company is the only company which has consistently since its inception in 1976 posted sterling performance and profits before and after its privatization.

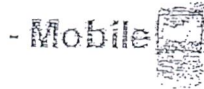
Mumias Sugar which produces half of the country's annual sugar supplies is also the first to embrace diffuser technology in sugar production, electricity production sold to the national electric grid with diversification into ethanol and bottled water production – yet its operations and performance has been adversely hit by the ongoing rampant sugarcane poaching from its contracted farmers both in Busia and Kakamega Counties.



Though the company had invested more than Sh. 3 billion in sugarcane development, since the eruption of the poaching crisis triggered off by KSB and West Kenya which has no contracted farmers nor ever invested in sugarcane development programmes, it has been losing more than Sh. 3.5 billion annually as a result of the poaching crisis.

The Busia County farmers' Spokesman, Venswa Okwara accused some of the elected leaders from the region of being compromised by the cartel behind the sugarcane poaching crisis to turn a deaf ear and blind eye to the problem as the entire sugar industry is compromised to its demise.

"We demand that these elected leaders should explain to the electorate who are sugarcane farmers who elected



Perspective of the World from Western Kenya



Home

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## Elected leaders to blame for the sugar industry crisis

Written by Joseph Manyasa [jmanyasa@westfm.co.ke](mailto:jmanyasa@westfm.co.ke)

2013-08-14 10:45:00

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The former and current elected leaders from the country's sugarcane belts are to blame for the crisis that is currently plaguing and threatening the survival of the country's sugar industry with total collapse.

The leaders totally failed to lobby for, craft and enact legislation that protects sugarcane millers and farmers including support from the government like that enjoyed by tea and coffee farmers throughout the country.

The Western Development Initiative Association (WEDIA) has declared that the worst aspect of this crop of elected leaders is that instead of fighting for the interests of the farmers and the millers turned out to be predators that preyed on the millers to satisfy their personal interests.



Nzoia sugar company. [PHOTO | West Fm | File]

The WEDIA boss, Joseph Barasa says: "There are no former and current Members of Parliament (MPs), Senators, Governors, Women Representatives or even County Representatives from the country's sugarcane growing belts in the former Nyanza and Western province who have come out with tangible steps that could save the sugar sub-sector that is threatened with collapse."

Mr. Barasa argues that the tea and coffee sub-sectors' farmers and processors have time and again been bailed out of persistent problems by the government to keep them going while the sugar industry which has been grappling with a wide range of challenges has been abandoned to predators.

"The Sugarcane Development Fund which is under the Kenya Sugar Board (KSB) gets its revenue directly from the sugar industry to try and shore it from adverse challenges, but this is not enough. The government and the elected leaders from the sugar belts have an obligation and responsibility to the sugar sector that they have failed

PAYMENT » GROWERS CLAIM THEY HAVE WAITED FOR ABOUT THREE TO FOUR MONTHS FOR THEIR DUES

# Farmers to get pay for cane deliveries

Leaders say the sugar sub-sector should be given support similar to that accorded tea and coffee

BY JOHN SHILITSA  
jshil\_2008@yahoo.com

Millions of shillings owed to sugarcane farmers by Mumias Sugar Company will be paid in two weeks.

The firm's managing director, Mr Peter Kebati, told Smart Company that part of the money amounting to Sh325 million had already been paid out to a section of the growers in Mumias and Busia sugar zones.

"Farmers have no reason to get worried since we shall be able to pay them all their dues soon," he said adding that the company had put structures in place to ensure prompt payment in future.

Mr Kebati said some farmers end up getting debts of thousands (KSh) even after making huge expenses leading to the crop in 15 months before harvesting.

"It is something we are addressing at the managerial level and we shall engage growers as well to reach a lasting solution," he said.

The MD explained that the company was doing everything possible to address the plight of farmers in the area arguing that cane growers remain an integral part of the factory operations.

"We are happy that they have continuously supplied us with cane and we urge them to continue as we try to help them get the best deal cane and subsidised inputs for them to realise high yields," said Mr Kebati.

He cautioned farmers

against falling prey to individuals out to cause confusion and chaos in the sugar sector in the area.

"You must refuse to be incited and support our efforts to assist you expand sugarcane acreage for your own good," he told the farmers.

A section of growers had called upon the company to pay them without further delay having waited for at least three to four months.

"I have not been paid for my crop delivered at the factory early March," said Mr Patrick Ogutu Alitwa from Kholera village in Matungu district.

Mr Kebati attributed the delay to minor hitches at the sugar miller which according to him, had already been addressed.

"We want farmers to enjoy fruit of their labour and as a

35

billions of shillings which has been paid to cane farmers in Mumias and Busia sugar zones

company, we shall work to ensure attaining that goal."

He said he had recognised the agriculture function to focus on farmer service deliveries.

Meanwhile, the Western Development Initiative Association (WEDIA) said elected leaders must fight for the interests of local farmers.

"There are no former and current Members of Parliament, Senators, Governors, Women Representatives or even County Representatives from the country's sugarcane growing belts in the former Nyanza and Western provinces who have come out with tangible plans that could save the sugar sub-sector that is teetering and about to collapse," said vice-chairman Joseph Barasa.

He said unlike the tea and coffee sub-sectors, the farmers and processors of the crops have time and again been bailed out of persistent problems by the government to keep them going while the sugar industry which has

been grappling with a wide range of challenges has been abandoned to predators.

Mr Barasa said measures must be put in place to ensure that sugarcane poaching menace is eradicated.

Bishop Beneah Salela

of the Anglican Church of Kenya said farmers continue to suffer due to the government indifference towards sugarcane farming.

"It is a cash crop just like others and must be promoted so that farmers can realise

profits," said the cleric. He said sugarcane just like coffee and tea must be categorised as a food crop since the sugar industry supports many livelihoods in Kenya.

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Harish Bhandari  
Director, Atlas Pumps and Builders

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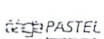
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BUSINESS DAILY



# Mumias cries foul over increased cane poaching

BY JAMES ANYANZWA

Mumias Sugar Company (MSC) says it stands to lose about 72,000 tonnes of white sugar annually due to cane poaching from contracted farmers.

"We are talking of a serious problem that is threatening to escalate into a crisis unless it is firmed immediately," said Moses Nyongesa, the company's director-in-charge of agriculture, adding that the problem was hurting the industry.

In a statement, yesterday, the country's largest sugar miller said it was losing more than 500 tonnes of sugarcane daily due to poaching by its competitors in western Kenya.

It accused the competitors of unfair business practices.

MSC expressed concerns that the company, government and cane farmers stand to lose millions of shillings in annual revenues unless the Government intervenes.

"We want the Government to in-

tervene because it is getting out of hand," said Jacob Mwirimo Makokha, cane farmers' spokesman.

Nyongesa singled out Busia County as the most affected. "I am appealing to farmers contracted to us to resist selling their sugarcane to companies to which they are not contracted to," he said.

## SIMMERING ROW

Last month MSC moved to quell a simmering row between private

farmers growing sugarcane within its zone and the company's anti-cane poaching unit, which deals with cases of sugarcane theft from contracted farmers.

Chief executive Peter Kebati said MSC would not tolerate jaggies and other rival millers who are preying on sugarcane developed by Mumias.

"We have invested a lot of money in cane development and that is why we are safeguarding what be-

longs to us. We do not intend to harass any private cane developer though," he said.

Kebati said MSC incurs huge costs on inputs and ploughing and that the company risks losing huge investments if a contracted farmer sold the produce to another miller.

"The seedlings and fertiliser are given to farmers on credit to be recovered during harvesting. We will lose a lot of money if our farmers sold to other millers," he said.

...the ... ..



# Sugarcane wars turn nasty as farmers threaten rival miller

By STANDARD REPORTER

Kakamega and Busia counties farmers have given State an ultimatum to set sugarcane-poching firms on their side or stop sugar production in the region.

Sugar Company. They say cane poaching has adversely affected sugar development and production. They threatened to call for demonstrations and block links roads in the region.

senior politician is involved in the activities of the offending firm and want a presidential intervention.

### FIRM'S DENIAL

Recently West Kenya argued that it gets cane from independent farmers who grow the crop. It also rubbished cane-poching claims and asked rival millers to prove. "There are private cane farmers in Busia and Bungoma Counties who are not contracted

to any mill and are free to sell their crop to a miller of their choice," said Michael Mwachumi, the human resource manager at West Kenya. Mwachumi added that the millers should not force private farmers to sell cane to them.

Last week, MSC announced it is set to lose about 72,000 tonnes of sugar a year due to cane poaching from its contracted farmers.

The farmers are concerned that cane poaching is likely to af-

fect sugar firms operating in the region.

"We are not prepared and we are not going to let a single private company play a leading role in the collapse of the country's leading sugar producer in which we also invested millions like we witnessed it happening to Pan Paper Mills Ltd," said Mwachumi.

They want West Kenya to invest in its own cane instead of poaching from rival millers.

## As villagers block road

### Environmental concerns

Residents of Kapkiam village in Ainamoi in the company contracted to rebuild a portion of the road had to sprinkle water to prevent dust

County branch chairman, who was stranded, said the 5km.

Now what to do we will spend the this stretch," he

ho District Published a notice to company to sprinkle km diversion.

The health official said the dust was a public health nuisance that should be addressed.

Residents of Chagaik, Kapsaos and Teridwet have suffered air pollution since the construction works began on the road.

The notice was issued after the local community threatened to hold demonstrations against the company.

It was copied to all public health officials in the affected areas, OCS Kericho Police Station, National Environmental Management Authority and the Kericho Law Courts.

The construction of the 140km road funded by the World Bank at Sh14.8 billion is behind schedule by more than one year.

The construction of the Kericho-Mau Summit section was expected to take 24 months while the Kericho-Nyamasaria section was to take 30 months.

## Court stops construction of weighbridge

By ALLAN KISIA

A magistrate has stopped the construction of a weighbridge in Busia County by a sugarcane miller.

Cane farmers from Busia moved to court to stop the project by West Kenya Sugar Company under a certificate of urgency.

Busia Principal Magistrate EH Keago issued a temporary injunction stopping the construction, operation or commissioning of the weighbridge at Olepito area along Busia-Mumias Road.

"Failure to obey, you will be in court for contempt and liable to punishment either by your personal arrest and committal to a civil jail for not less than six months or by attachment and sale of your movable property," the court order read in part.

Three farmers—Venswa Okwara Mutoka, Emmanuel Wandera Ombworo and Alfred Okiring Juma filed the application. The application will be heard inter partes on January 26.

STANDARD SPECIAL REPORT  
**SUGAR WOES**

# Civil society protests over plan to sell 841-acre farm

Threats to paralyse operations at Mumias Sugar factory in order to stop sale of the public land in Busia

BY PETER ORENGO

Civil society groups have joined cane farmers from Busia to fight off the planned sale of an 841-acre public land by Mumias Sugar Company. Western Development Initiative Association (Wedia), Kenyans for Justice and Development (Kejudel) Trust, the National Civil Society Congress and the farmers yesterday threatened to paralyse operations at the factory if Mumias Sugar Company fails to vacate Nasewa Farm.

Addressing journalists in Nairobi, the group warned people against buying the controversial piece of land until all the legal issues are resolved. "The Government used public money to compulsorily acquire the land and from the local people to establish the defunct Busia Sugar Company.

**FIVE YEARS**

"A private entity cannot purport to own Nasewa Farm which is public," said Mr John Barasa, Wedia vice chairman.

He argued that Mumias has only been using the Nasewa land following an agreement between the two companies for a duration of five years, which ended on the June 30.

"We are surprised that Mumias Sugar Company claims ownership of the land and is in the process of selling it off to third parties without following the due process of disposing public assets," said Barasa.

The civil society members claimed those behind the sale of the land are individuals closely associated with the top management of Mumias Sugar, senior civil servants and influential politicians.

"This is prime land for Busia County and yet they want to sell it for a paltry Sh100 million.

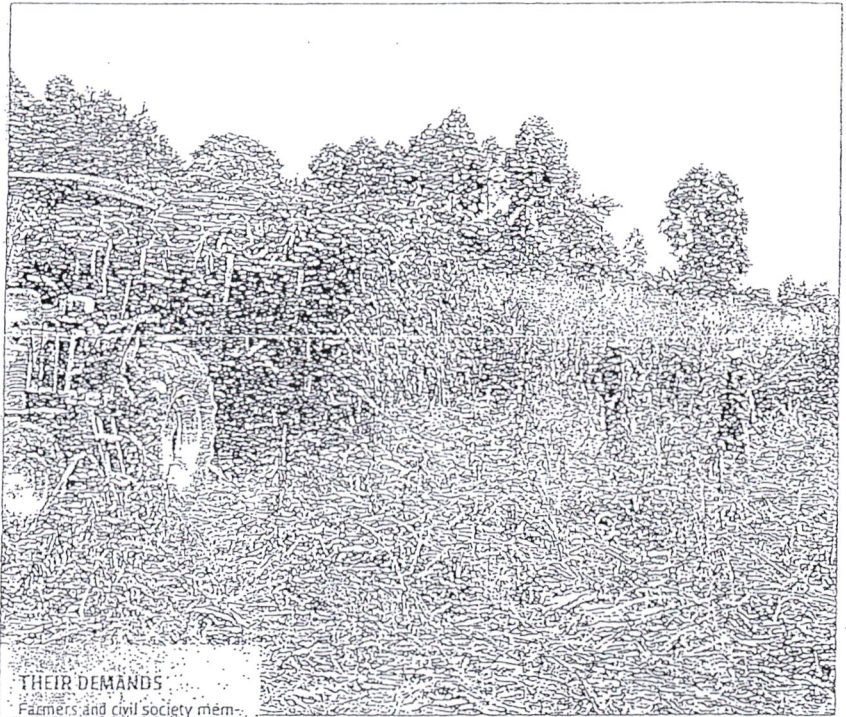
"We promise to resort to all legal means to force them out including mobilising farmers to paralyse their operations in the area," said Okiya Omtata of Kejudel.

**GOVERNMENT**

The Busia Sugar Company was formed and allocated the land by the Government with the directorship granted to Japheth Lijodi and Richard Kemoli of Booker Tate who held 33 per cent shareholding and the Government the remaining 67 per cent.

Booker Tate withdrew prompting the Government to relinquish its ownership to Busia Sugar Company.

But it soon encountered fiscal and operational problems before the Ke-



**THEIR DEMANDS**

Farmers and civil society members warned people against buying the controversial piece of land until all the legal issues are resolved.

They claimed those behind the sale of the land are individuals closely associated with top management of Mumias Sugar, senior civil servants and influential politicians.

They said the land in question is prime and important for Busia County and should not be sold for a paltry Sh100 million.

Mumias Sugar Company says the decision to sell the land was arrived at by the board to recover over Sh100 million loaned to Busia Sugar Company. (PHOTO: FILE/STANDARD)

a commissioned search last month at the Busia Lands Office confirmed that the ownership had been registered under Kaplong Company Limited.

A second search later revealed that the land was still the property of Busia Sugar Company.

The farmers then commissioned an investigation that further deepened their suspicion and prompted them to take the matter to KACC.

In July after going to court, the farmers lost a civil case at the Bungoma High Court which granted leave to Mumias Sugar Company to sell the land to recover its money.

**BUYER**

When reached by phone, the Mumias Sugar Company CEO Evans

Kidero said the decision to sell the land was arrived at by the board to recover over Sh100 million loaned to Busia Sugar Company.

He said they were in the process of selling the land although they are yet to get a buyer.

"We are exercising our statutory right to recover the money we loaned to the sugar company.

"If anyone gives us that much we will walk away," said Kidero who also denied that there was corruption involved.

He claimed that during the four years Mumias Sugar was in charge of the land, farmers in the area had resorted to burning the sugar cane before maturity and so the factory never managed to recover its money.

nya Sugar Board appointed Mumias Sugar to manage it. Farmers became suspicious when

## Lawyer speaks out on controversy-ridden sale of defunct Busia Sugar Company land

BY ROBERT WANYONYI

The saga surrounding the controversial sale of Busia Sugar Company land has taken a new twist.

A law firm representing Mumias Sugar Company maintained that the sale followed due process and is still on course after all.

Wetang'ula, Adlan and Makokha Advocates Company emerged in state its side of the story, accusing political leaders from Western Province of "commenting on an issue that they have little knowledge about."

In an exclusive interview with *The Standard* at the firm's offices in Bungoma town, lawyer Amos Makokha stressed that the firm acted on orders from its client.

Mumias Sugar Company was seeking buyers for the land (Shukhaga Nasewa/1500) measuring 841 acres after its owners, Busia Sugar Company

defaulted to repay a loan. "Between the years 2005 and 2006, Busia Sugar Company which we still believe is a purely private company was unable to pay its farmers payment for cane deliveries totalling to Sh100 million. The company approached Mumias Sugar Company to be given a loan totalling the same amount and placed the land as its only security.

"Now, almost six years down the line, the borrower has failed to repay the amount and we are simply following the legal process to recover our client's money from the sale of the listed security," explained Makokha.

He added that as at February 25 this year, the money loaned to Busia Sugar Company had accrued some interest and the total stood at Sh119, 606, 839. On claims that Mumias had recovered almost all its loan after harvesting cane on the land for the past six years, Makokha claimed that nothing

had been recovered from the land since arsonists have been burning down the cane every time it neared maturity.

"Mumias has instead been incurring heavy losses from the whole deal because after preparing the land and applying all the requisite input over the years, arsonists have been coming in at the last stage to set the cane on fire. So, anyone saying that we've recovered anything from the land is not getting facts right here," said the lawyer.

**INSTRUCTIONS**

Makokha insisted that Mumias approached his firm with instructions to seek a buyer for the land after a company board meeting resolved that Busia Sugar Company was unable to repay the debt.

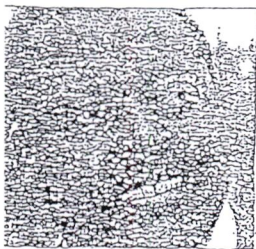
"Four companies bid for the purchase but Kaplong Company Limited

emerged as the highest bidder after bidding for the land for Sh100, 500, 000," said Makokha.

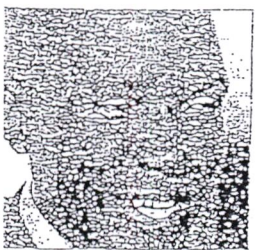
He threatened to take legal action against political leaders who have accused his firm of acting improperly in the matter. Lugari MP Cyrus Irongo and his Ikolomani counterpart Bonny Khalvale over the weekend castigated the firm, associated with suspended Foreign Affairs Minister and Sirisira MP Moses Wetang'ula for allegedly trying to take away the land in controversial circumstances.

The MPs called for investigations into the matter and tough action against those behind the deal that was brought to the fore by *The Standard*.

But Makokha claimed that Wetang'ula resigned from the law firm after he was appointed as the assistant Minister in the Ministry of Foreign Affairs in 2006 and that currently the MP has no stake in the firm.



Mr Cyrus Irongo



Mr Bonny Khalvale

New factory

# Battle lines drawn as investors jostle to build sugar factory

Four firms are vying for the right to put up the facility in Busia

By PATRICK GITHINJI

The Busia sugar zone in Western Kenya has become a battleground, as investors jostle for the right to construct a sugar factory.

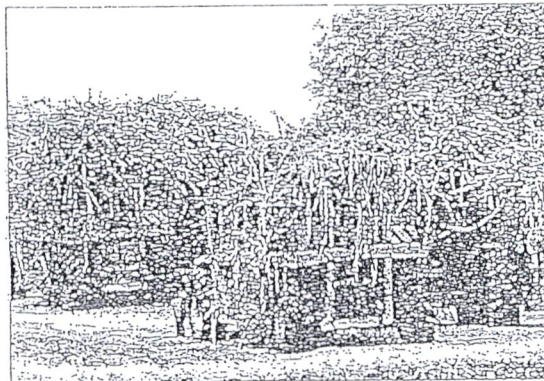
The scramble, which is pitting four companies against each other, has already attracted Sh5 billion investments from one of the companies that is determined to construct the factory at Nasewa in Nambale constituency. The Government bought the land more than 20 years ago for that purpose.

The Managing Director of Kaplony Enterprises, which is the highest bidder, Birey Singh, says his company has already secured necessary funds to invest in the multi-billion shilling facility.

"We are only waiting for clearance from the Kenya Sugar Board (KSB) then we move into action," says Singh.

Other companies vying for a chance to construct the long-awaited sugar factory in Busia county include, West Kenya that has a factory in Kakamega county, Chetny Sugar of Mauritius and Africa Polysac. All these firms are yet to declare the amount of cash they have set aside to invest in the proposed facility.

The Western Development Initia-



The scramble for Busia's fertile soils comes amid fears the country's sugar sector could collapse with the expiry of Comesa safeguards.

Association Vice Chair Joseph Barasa hailed the competition, saying it was good for the Busia economy.

OWNERSHIP OF LAND

Barasa, however, called for caution in dealing with investors, saying there are bound to be numerous court cases over the ownership of land and the manner in which any investor is cleared to commit their investment in the area.

The scramble for Busia's fertile soils comes amid fears that country's sugar sector could collapse with the expiry of Comesa safeguards. The tariffs were scheduled to fall to zero next year, opening up the Kenyan

market to sugar from regional producers, some of whom are far more efficient and therefore make cheaper sugar.

Some of the countries in the Comesa region with cheaper and more sugar output include Sudan, Mozambique, and Uganda.

Currently, the country continues to experience a sugar deficit of more

**“We are only waiting for clearance from the Kenya Sugar Board (KSB) then we move into action.”**

THE COMESA ISSUE

- Government plans to seek a two-year extension of the commodity import safeguards.
- Agriculture Permanent Secretary Rotiano Kiome said reforms aimed at making its sugar industry competitive failed to move fast enough.
- Kenya is expected to fully open up its market to imports from the Comesa states after years of an arrangement that allowed it to charge steep tariffs to protect its sugar farmers.

than 300,000 tonnes annually.

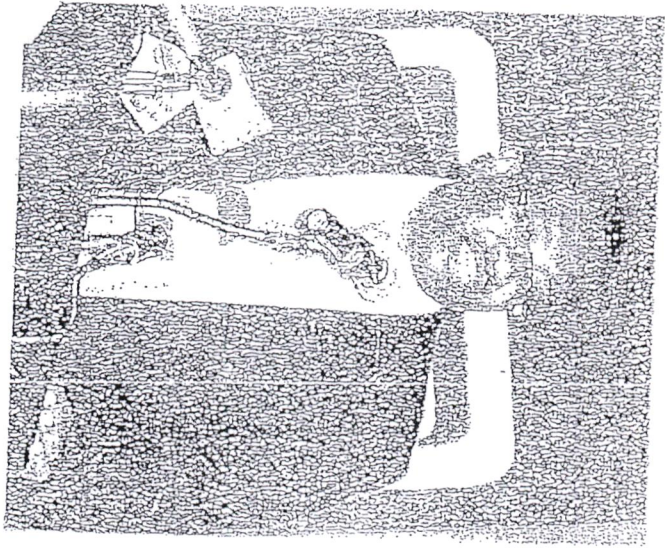
SEEKS EXTENSION

This has complicated matters for the sector, even as Government seeks a two-year extension of sugar import safeguards from the Comesa region to give more room for the country's millers to boost their capacity to compete effectively.

Previous attempts by the Government to make the sector more competitive, including the stalled privatisation of state-owned sugar millers have fallen short.

To cope with the growing competition and costs of production, some sugar millers have started investing in other related businesses including production of ethanol, electricity, bogsse, alcohol, spirits, fertiliser and bottled water.

**GOOD NEWS:** Co-operative Bank of Kenya Managing Director Gideon Mutiriki addressing the press on the firm's profitable performance for the first six months of the year.



**PROTEST:** Civil Rights activist Okiva Omtatah (left) flanked by the Vice-Chairman of the Western Development Initiative Association Joseph Barasa address the press at the National theatre where they objected the sale of Busia Sugar Company land by Murnias Sugar Company claiming that it was public land.



Wednesday, September 7, 2011 / The Standard

## QuickStop

**Appetite for Rwandan share offers rise**

Investors are expected to keep supporting initial public offerings of Rwandan firms by the government due to cheap valuations, economic fundamentals and political stability. The landlocked central African nation of 11 million people has been gripped by IPO fever this year, with offerings from brewer Bralirwa and Bank of Kigali, the country's biggest by assets, drawing subscribers for almost three times the shares on offer. The government plans to sell a 20 per cent stake in the country's biggest insurer Sonarwa (Société Nouvelle d'Assurance du Rwanda), in which Nigerian firm IGI owns a 35 per cent stake. It will also sell a stake in telecom operator MTN Rwanda, a unit of South Africa's MTN Group, as well as shares in an unidentified cement firm. "Being a government exit, the government is able to offer a discount which will attract (investors)," said Nkoregamba Mwebesa, managing director of CFC Stanbic Financial Services in Kenya.

**LG targets 20 per cent of global 3-D TV sales**

An executive of LG Electronics said Sunday that it aims to take 20 per cent of global 3-D TV sales by the end of this year. In a press conference with the Korean media on the sidelines of the global trade show IFA 2011, Kyong Hee-won, the company's TV chief, said it was aiming for more than 20 per cent of the world's 3-D TV market, with the firm's Cinema 3D TV based on "passive glasses" technology. "As of now, the share of the 3-D TVs in the world's liquid-crystal display TV industry has soared 7-10 percent and the portion is rising," he said. "LG's market share is on the increase every day and we believe the situation will even get better by mid-October."

**Kenya may issue power linked securities in 2012**

Kenya Electricity Generation Co. is considering issuing asset-backed securities to finance geothermal exploration, as the country aims to install 700 megawatts of steam-driven power over the next two decades. KenGen may be ready to offer the bonds linked to geothermal resources as early as next year should the authorities allow it. Managing Director Eddy Njoroge said last week. "We are considering asset-back securities, they would trade on the Nairobi Stock Exchange," Njoroge said. "We can use steam as an asset to raise funds for drilling. The idea is in the development stage, but we could be ready in six months, a year." Kenya's state-run Geothermal Development Co. estimates the extent of its unexploited resources ranges from 7,000 to 10,000 megawatts.

STANDARD

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# Business

Controversy

## Mumias on the spot as State denounces sale of land

The sugar miller sold the 841-acre piece of land earmarked for Busia Sugar Factory to recover a debt

BY JOEL OKWAYO

The sale of land at Nasewa in Busia County by Mumias Sugar Company is illegal, the Ministry of Agriculture has said.

The ministry said the 841-acre piece of land in Nambale is Government property.

The State is now working with the Kenya Sugar Board (KSB) to find an investor to build a sugar factory on the disputed land.

"We do not understand how the land was sold as the ministry was kept in the dark," said the Western Provincial Director of Agriculture, John Cheruiyot.

Mr Cheruiyot said the Ministry of Lands should explain the controversial sale.

The sugar miller sold the piece of land to recover a Sh100 million debt owed by Busia Sugar Company.

But the residents have since disputed the amount and the eventual sale, arguing the land did not belong to the defunct Busia Sugar Company, but Government, which acquired it in 1990s at Sh90 million from residents as part of its percentage with investors.

Led by the Western Development Initiative Association vice-chair Joseph Barasa, the residents have peti-



Mumias Sugar Company sold the piece of land to recover a Sh100 million debt owed by Busia Sugar Company. (PHOTO: FILE/STANDARD)

tioned the Government and the Kenya Anti-Corruption Commission, to help repossess the land under dispute.

Mumias MP Ben Washiali has also called on the Parliamentary Committee on Natural Resources and that of Agriculture to probe the matter, saying it was illegal for MSC to sell public land without getting relevant authorisation from Government.

Sugar board directors Billy Wanjala and Mohammed Mukhwana have termed the sale illegal, saying Mumias bypassed the board in the sale.

They also said the miller had exaggerated the debt owed, adding that MSC was only required to recover Sh69 million and not Sh100 million.

"Audits show that Mumias recovered its money from the cane it cultivated on the farm," said Wanjala.

### LAND TUSSELE

Civil society groups have joined cane farmers from Busia to fight off the sale of an 841-acre public land by Mumias Sugar Company

The group has warned anyone against buying the controversial piece of land until all the legal hurdles are resolved

They claimed those behind the sale of the land are individuals closely associated with top management of Mumias Sugar

He urged the Minister for Agriculture Sally Kosgey to call an urgent KSB meeting to discuss the matter.

West Kenya is willing to relocate to Busia to put up a factory if the board clears it.

### PRIVATE INVESTMENT

This, the management of West Kenya says, will enable it serve over 40,000 cane farmers in the zone.

"We are aware that there is a public land which was earmarked for a sugar miller around Nasewa region.

"We are willing to abide by legislations and policies that are in place regarding acquisition of such land for private investment purposes," read part of the letter to KSB acting Chief Executive Officer Solomon Odera.

But Barasa has asked on Government to make an advertisement inviting investors on the said land without any political interference.

## Kenya interbank, discount window rates extend fall

Kenya's weighted average interbank lending rate and the Central Bank's discount window rate extended their fall, while the shilling eased on improved liquidity.

The weighted average interbank lending rate fell to 12.1424 per cent from 14.0887 per cent on Monday, while the discount window rate fell to 12.58 per cent from 13.71 per cent previously.

The new discount window rate is what commercial banks borrowing from the Central Bank yesterday will be charged.

The rates have been falling after the bank started using a moving average of interbank rates over an unspecified period to compute its discount window rate, in a move aimed at boosting shilling liquidity, after a sharp squeeze.

In a rare intervention last month, Finance Minister Uhuru Kenyatta challenged the central bank to restore monetary stability after interbank rates rocketed. The central bank said on Monday it would hold an unscheduled Monetary Policy Committee meeting on September

14, which analysts said could be used to push up benchmark rates and give the shilling some respite.

At 0642 GMT, leading commercial banks quoted the shilling at 94.75/95, weaker than 94.70/80 it closed at on Monday.

"There is not much activity at the moment. But we expect it to be range bound with a bias to weakening," said Peter Mutuku, head of corporate trading at Bank of Africa.

Improving liquidity was seen weighing on the shilling, with charts showing it could target 97.00 and

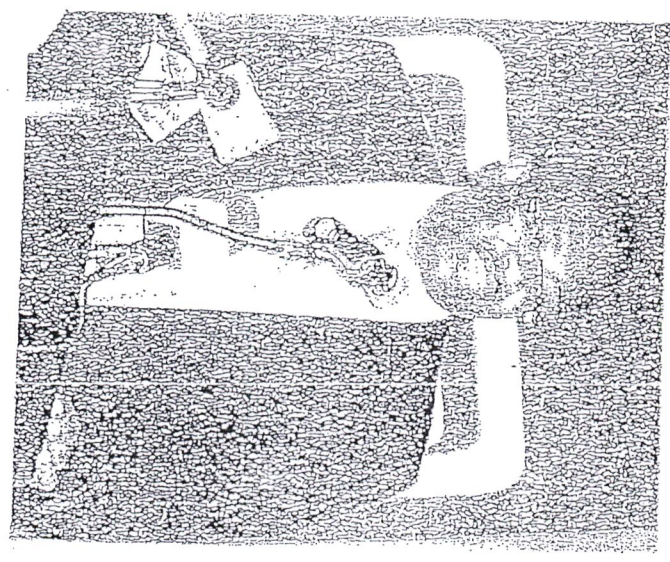
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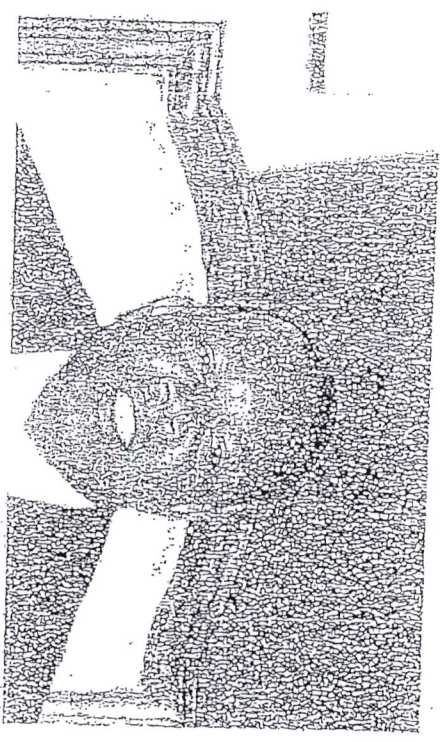
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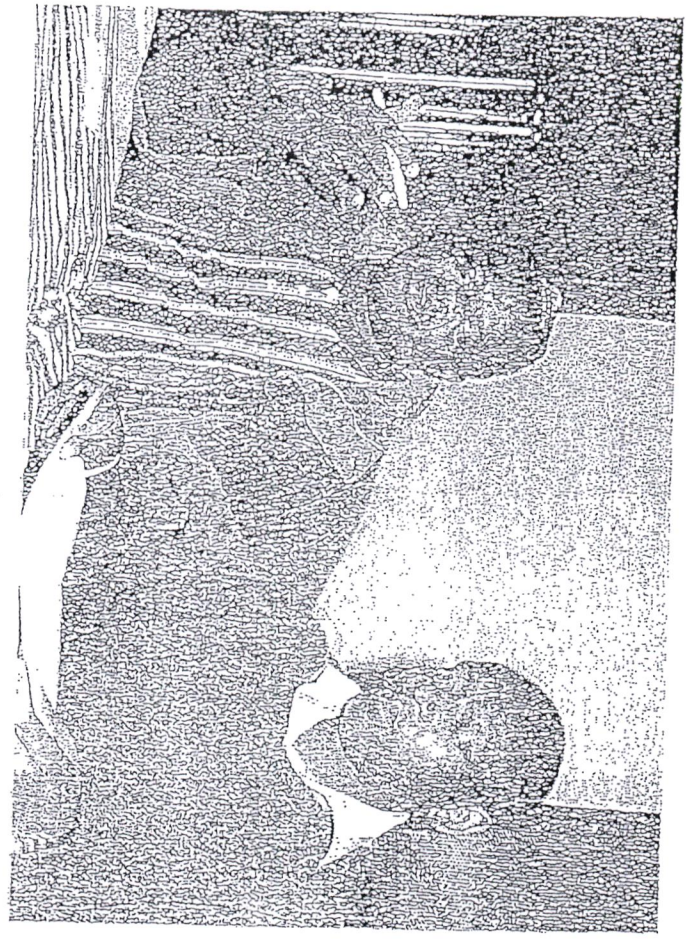
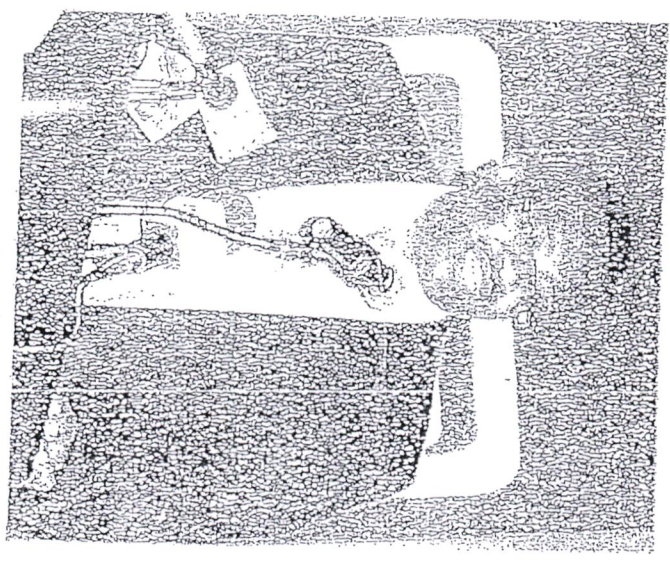
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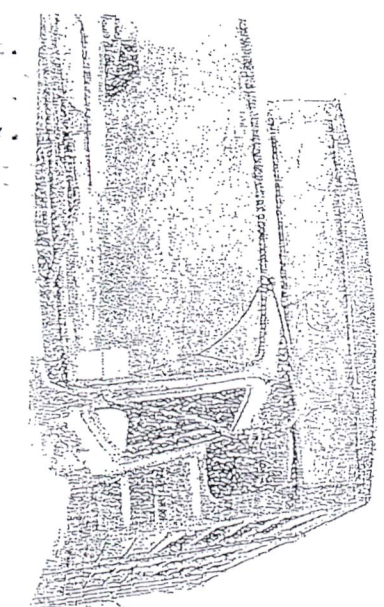
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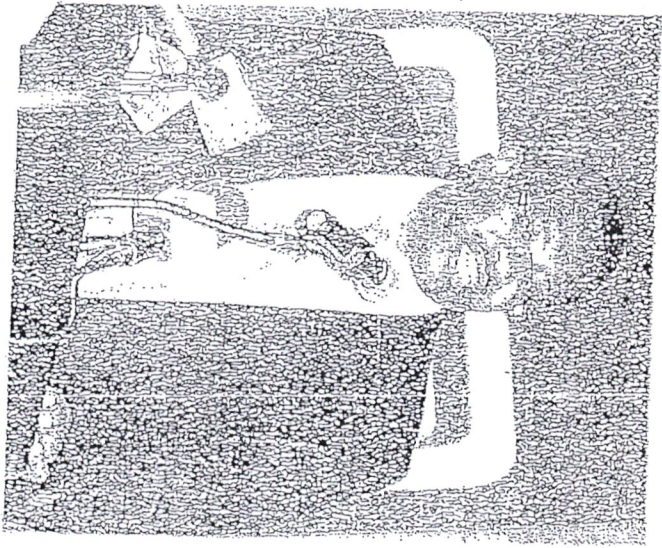
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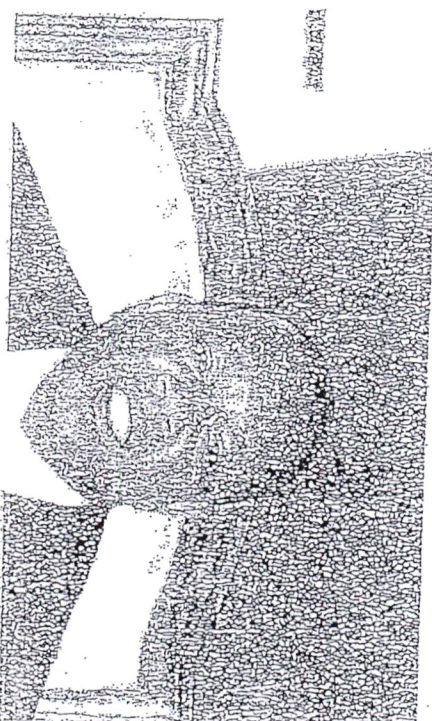
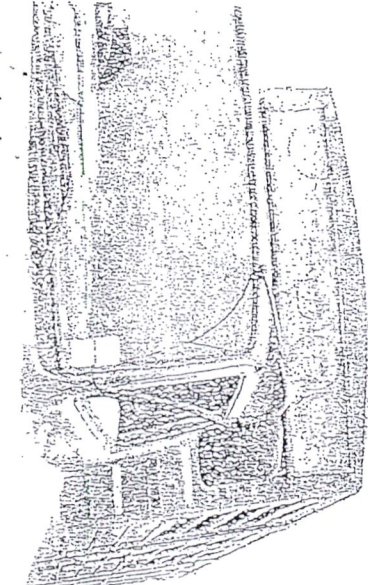
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# Shughuli za kawaida zimejolewa kanda hii

## Na MASHRIKA

SHUGHULI katika bunda-  
ti ya Kisumu, Somalia,  
zilitunza kurudi katika  
hali ya kawaida baada  
ya wanaishi wa Kenya  
kuteleka maji huo kutoka  
kwa Al Shabab mhimna  
mawili yaliyopita.  
Wanafishi wa Kenya  
wamesema kuwa lena  
amant-Idasi katika eneo

Hilo ambalo lilikuwa  
ngome ya mgaidi hao  
hufu wakazi wakionba  
marufuku ya makani  
hiyowe kwa ha Umoja wa  
Mataifa Jondolewe.

"Shughuli katika bunda-  
ri zilitunza kurudi lena  
kawaida hukur marufuku  
ya biashara ya makaa-  
jondolewe," ahsa wa KDF  
alisesema.

Kulingana na Umoja  
wa Mataifa, biashara hiyo  
ya makaa ndio alitumika  
zaidi na Al Shabab kujif-  
pata mapato.

# Mwanafunzi aaga dunia kabla ya kufanya mihani

## Na TITUS OMINDE

HALI ya huzuni ilitanda katika  
shule ya upili ya Friends Bity-  
enye waliyami Likuvani baada  
ya mshahidi wa klabu cha  
mte shuleni humo kuziwa na  
kufatika.

Mwanafunzi huyo alifika  
siku moja tu kabla ya kuanza  
mihani wake wa kitalifa wa  
KSCE.

funzi huyo amekuwa akiyuna  
ugoniwa wa moyo na huenda  
kipanda kwa mskumo wa  
dani kutokana na maandalizi  
ya mihani kulichangia mariti  
yake.

Kilingana na mwalimu  
wa somo la Kiswahili shuleni  
humo Bw Walter Omulokoleo  
ni kwamba kifo cha mshahidi  
kiliwanafishi wanafunzi wengi  
kitalokoleo.

Bw Omulokoleo alisesema  
habidi wanafunzi haswa wa-  
tabiriwa wa khalo cha mte  
kufanywa ushauri masaba.

# Visa vya wizizi wa miwa vyakithiri



Na JOHN SHILITSA

WAKUZAJI miwa katika Kaunti ya  
Kakamega wanapata hasara kubwa  
kutokana na wizi wa mazao yao yakiva  
mashambani.

Uchunguzi uliofanjwa na *Taifa Leo*  
ulionyesha kuwa wezi hao wanawalaghai  
wakulima kwa kujifanya kuwa maajenti wa  
kiwanda kimoja cha sukari eneo hilo.

Kimoja wa wakulima hao Bw Bernard  
Wanzala Obila kutoka kijiji cha Lwanyange,  
Wilaya ya Nambale alisesema aliwadunania  
wezi hao wakikata miwa shambani mwake.

"Nilifahamishwa na firani alifiji Juma-  
tano kwamba kulikuwa na watu waliokwaa  
wakivua miwa shambani mwanangu.  
Nilipofika huko nilipata wamkata kasi  
likubwa cha zao hilo. Nilikimbia polisi ku-  
piga ripoti na ndipo wezi hao wakatoroka,"  
alisesema.

Kufanua wizi hao, Bw Obila na wakulima  
wengine wanateleza hofu ya kushindwa  
kupata mlikopo wanayodaiwa na kampuni  
ya sukari ya Mumias na hivyo mali yao  
kutwaliwa.

"Kumius walihitinika shamba na baadaye



MKULIMA wa miwa, Bernard Wanzala Obila kutoka kijiji cha Lwanyange,  
Nambale akiongea na wanahabari katika shamba lake ambako miwa ili-  
jibwa. *Picha/JOHN SHILITSA*

wakanipa mbevu na mbolea, gharamba am-  
bayo ningelipa baada ya kuwazi miwa ambayo  
imebwa," alisesema Bw Obila.

Naye Bw Phillip Atukuka Ochileng pia kuto-  
ka kijiji cha Lwanyange alishangira baada ya  
watu waliokwaa wamemkata awuzie miwa  
yake kulivamia shamba lake  
na kukata miwa hiyo bila  
kumjulisha tena.

"Nilishangira kupata miwa  
imekatawa na tayari imoweleva  
kwenye lori kubwa la karibu

tini 30, na nijiporibu kubishana walihitu-  
pia Sh8,000 na wakiondoko," alisesema Mzee  
Ochileng.

Alisesema alitarajia kupata Sh12,000 ikiwa  
anguza miwa hiyo kwa kampuni ya Mu-  
mias.

Wakazi hao sasa wanayafika  
mabasa wa polisi kuchukua hakuy-  
za kizuizi wizi zaidi wa miwa.  
Walisesema hingatia wakilazimika  
kuacha kukaza miwa wanpo visa  
hivyo vitandelea.

### DOMINIC ODIPPO'S WAY FORWARD

# Busia, Mumias sugar wars misplaced, unnecessary

When you combine limited policy options, managerial myopia, indifferent and inconsistent regulatory supervision and generous doses of high-level corruption in one economic sector or zone, the effect can be devastating.

Official policies or directives are abandoned mid-stream, court rulings are ignored in broad daylight and sugar milling outfits with limited manifest capacity to produce sugar on a large scale and at the lowest costs, are given the green light to operate in zones in which they have not developed or planted any sugarcane of their own.

That is exactly what is happening in the sugar sector in Western Kenya, especially in Busia County, West Kenya, a miller almost 100km away from the zone, has been mysteriously given the green light to operate in the county even though almost all the sugarcane in that county has been planted by the farmers contracted to Mumias Sugar Company.

The results, predictably, have been chaotic. Lawless boons are being hired to transport uncontracted sugar cane all the way to the West Kenya mill in Malava, Kakamega County while the industry regulator, the Kenya Sugar Board, and the police stand by the sidelines.

Last week, when the High Court in Kakamega finally moved to put a temporary halt to this managerial nonsense, markets predictably came to a head. Open physical classes occurred on border, fully loaded with

sugar cane were set on fire and one of the controversial sugar cane weighbridges forcefully removed. As a result, scores of youth were injured and millions of shillings worth of sugar cane lost.

What exactly is going on behind the scenes in the sugar sector in Busia County? Why has a sugar miller based 100km away been allowed to operate in the county when Mumias, the largest and most efficient sugar miller in the country, has already contracted most of the sugar farmers in this county? Is it just basic economics at play here or do we smell impunity and high-level corruption in this disagreeable mix?

What within the county now is that there are at least two very senior government officials who are pushing the West Kenya agenda for their own personal interests at the expense of Mumias Sugar and all the other prospective millers. It is apparently because of the backing of these influential individuals that West Kenya has continued to operate with such impunity in this region.

Speaking at a function in Busia County last month, Prime Minister Ralia Odunga promised to identify an investor who would put a sugar factory in the county. Did he have a particular investor or company in mind that could come in and put an end to this escalating chaos, especially now as the country's sugar industry prepares for the end of the Comresa protective tariffs in 2014?

According to the relevant documents from the Kenya Sugar Board, the main question now facing the Board is: "Why is a 100km away sugar miller based in Busia when Mumias, the largest and most efficient miller, has already contracted most of the farmers here? Is it just basic economics at play here or impunity and high-level corruption?"

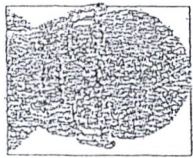
#### MANIFEST CAPACITY

The two companies recommended by the Board were African Polysack and Munda Sugar. West Kenya was apparently dropped at this stage because it was not proposing to set up a state-of-the-art sugar mill in Busia. It was merely proposing to transfer one of its old, already decommissioned plants from Malava to the county.

So, then, given these recommendations by the industry regulator itself, where is West Kenya's newly reloaded impunity in Busia County coming from?

The Busia sugar cane zone which covers Busia District, parts of Siaya, Teso and the lower Bungoma areas, can provide for about 25,000 hectares of cane, out of which about 40 per cent or about 9,000 hectares have already been developed by Mumias Sugar Company.

Almost 15,000 hectares are still available for exploitation. The main question now facing the Board is: "Why is a 100km away sugar miller based in Busia when Mumias, the largest and most efficient miller, has already contracted most of the farmers here? Is it just basic economics at play here or impunity and high-level corruption?"



Given the very urgent need for the sugar industry in this country to streamline its operations in preparation for the removal of the protective Comresa tariffs in 2014, what should be the best way forward here?

Should we take a risk with new, untested companies, or should we go with the one which we already know can produce large quantities of sugar while benefiting from its in-built economies of scale?

It would appear that, given Mumias Sugar's manifest productive, financial and general managerial capacity, it is the miller which both the Ministry of Agriculture and the Kenya Sugar Board should be encouraging and facilitating to set up a new, modern sugar mill in Busia County. Since the firm already has the know-how, experience, the required land and has already developed 40 per cent of the sugar zone, wouldn't it be logical for it to be given the first priority to set up a factory in this county if it wishes to do so?

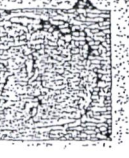
If we propose to deal with the looming Comresa tariff realities most effectively, we need to go with a company that can produce the largest quantities of sugar at the lowest price per tonne. And that is where Mumias Sugar fits the bill and all the others already on the table do not. That way, we shall also end the chaos now bedeviling the sugar industry in Busia County overnight. ■

The writer is a lecturer and consultant in Nairobi.

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### Pallaver

Can presidential seat hopefuls decide once and for all whether or not there is a creature by the name G7 Alliance. Some have dismissed it as a creation of media that makes life easier for editors to write headlines and spin conspiracy theories, but one major league contender swears that it is intact even though he is busy raising funds for his own party. Meanwhile, opponents like ODM's Ralia Odunga have given it a December 2012 deadline to disintegrate from G7 to G4. And even before we recover, someone is pushing for an alliance within an alliance, known as the Alliance National Coalition, but frankly, even a fleeing acquaintance with the psychology of egos, do you, dear reader, see the National Alliance Party of Action, New Force Kenya, United Republican Party, Wiper Democratic Movement, Alliance Party of Kenya and United Democratic Forum working together?



All right, Dakota, in the US, the only state without voter registration, voters are not required to register. Disincentive is a known thing. Like when your name is being bulldozed, or a road is built out from your street, called BVR?

Here, another, hold you, so, senator, justice minister, Eugene Wamalwa, is dismissing the case. Churu, attack!

DOMINIC ODIPOJ'S SECTOR CHAOS

Unmask shadowy face(s) behind sugar woes

"Take notice that the National Environment Tribunal (NET) has received an appeal from Mumias Sugar Company Ltd., Mutsa Wajhero, Colimbus Shikundu and John Were against your decision to operate a weighbridge at Clepito without the benefit of an EIA licence from NEMA."

"Take further notice that Section 129(4) of EMCA states that upon any appeal to the Tribunal under this section, the status quo of any matter or activity which is the subject of the appeal, shall be maintained until the appeal is determined."

"The purpose of this letter; therefore, is to direct that all activities relating to the appeal in question must be stopped until the appeal is heard and determined by the Tribunal."

This letter from the National Environment Tribunal (NET), dated October 19, 2012 was addressed to the managing director, West Kenya Sugar Company Ltd of Shanbhere, South Kabira, Kakamega. Its contents are, as you can see, self-explanatory.

Yet, by yesterday morning, anyone who passed by Clepito near Tanga Kora on the Busia-Mumias road, will have noticed that the weighbridge, which is the subject of this stop order, was fully operational. None of the activities relating to the appeal in question had been stopped pending the hearing and determina-

tion of the appeal by the Tribunal.

Four other related questions arise here: First, how was West Kenya Sugar a company based almost 100 kilometers from this spot, allowed to set up a weighbridge for the collection of sugar cane here?

Two, how did this company which was originally disqualified by the Kenya Sugar Board from setting up a sugar factory in Busia County later mysteriously allowed to set up a weighbridge here, without even the mandatory licence from the National Environment Tribunal?

Three, why has this sugar company been openly and publicly defying orders duly issued by this tribunal?

And last but probably most important: If West Kenya Sugar Company can openly and publicly defy the orders of this tribunal at this stage, what guarantee can anyone have that, should the situation arise, it will obey any orders handed down by the High Court or any other court or tribunal?

Impunity in this country manifests itself in many different ways. Most of the time when we here the word, we quickly begin thinking of its political dimensions. Yet what is now happening in the sugar sector in western Kenya is undoubtedly unbridled economic impunity of the worst and most dangerous kind. Unless our courts move in as

quickly as possible to stamp it out, other companies within or outside the sugar sector, will take a leaf from West Kenya's book and take off on their own rogue tangents.

Since we wrote about this matter in this column at the beginning of September, at least one person has been killed and scores seriously injured as rowdy youths pushing the West Kenya agenda battle with all and sundry to forcefully transport sugar cane, which they never developed, all the way from Busia to the West Kenya mill in Malava.

ORDINARY FARMER

At least 30 tractors transporting sugar cane have been destroyed or impounded in this region and millions of shillings worth of sugar cane lost as the Kenya Sugar Board, the industry regulator, either helplessly or strategically, watches from the sidelines. Only our courts, it now appears, stand any chance of bringing back any semblance of order and sanity in this sector.

To so openly defy a lawful stop order such as the one issued by the National Environment Tribunal, one needs to have some very powerful people in the background pulling and shoving for him.

Over the eight months during which the Clepito weighbridge has been operational, it has become clear that there are, indeed, a num-



"Only courts, it now appears, stand any chance of bringing back any semblance of order, sanity. To openly defy a lawful stop order such as the one issued by the Tribunal, one needs to have some very powerful people in background."

ber of heavy hitters, both at the local and national levels, who are playing on West Kenya's side of the court in its sugar warfare with both Mumias and Nzola sugar companies.

Who are these people and why are they being allowed to directly or indirectly push West Kenya into openly defying lawful orders?

What is their real interest in this unfolding sugar sector chaos? Do they stand to make millions of shillings for themselves as the ordinary sugar cane farmer in western Kenya, especially Busia County, is crucified at the cross of a few brokers and intermediaries working in cahoots with West Kenya?

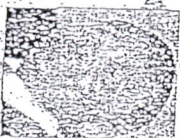
As we wrote in our last piece on this subject, COMESA protective sugar tariffs will be abolished in 2014, only slightly more a year away. Instead of streamlining and rationalising our sugar sector's production costs so that we can compete with the likes of Zambia and Mozambique, we are letting chaos rule in the sector, thus driving up production costs and making Kenyan sugar uncompetitive in the region.

Since no one else appears to be acting, let our courts step in and sort out this mess as the Constitution mandates them to do. ■

The writer is a lecturer and consultant in Nairobi.

Player

Politics and politicians utterances provide fodder that make columns such as this one thrive. Remember Kalonzo Musyoka who blanded at JICA only to find a storm over someone or other Imaginary sore throat? He then vehemently denied having lost his voice and wondered why he had a new 'spokesman' defending a real or imagined 'mour' then coming fellow presidential aspirant Peter Kenneth who has always sought to chart his own political course, away from the euphoric-taden mainstream. Hear him: "Why is a certain unnamed fellow offering me jobs, I have not applied for? Read my lips: Kenneth For Prezozo!" Hope the headhunters hear him clearly this time round.



Pst, apparently there is no longer a so-called Luo Nation. They now prefer to be referred to as Luopeans and posit that a gor Mahla win in the Kenya Premier League broadcast by SuperSport will be closely followed by a Nyangoma Kogelo triumph in the JLS balloting tomorrow. Then only one more win will be awaited in March next year, ridged Joppy mist knows no bounds.

Good morning Mr. Wamaliwa. I have read with consternation

# Controversy stalks licensing of new

## as raised: There are fears that decision fuel the current lern of cane poaching

BY CONTINUER FROM P. 3

late in 1991 and covers the entire thick County, edging into parts of the districts of Sereya and Kumbungu.

According to a letter in April, 2012, Dr. Mwangi said that the land was found to have the best soil and can be used for growing cane. According to an official from African Polysac Ltd, they were pleased based on a license agreement — An area they were interested in.

**FEASIBILITY STUDY**  
On July 9, 2012, Mwangi said that KESU was going to issue a license to construct and operate a sugar factory in Sereya, said the study, decided the after because we had not done any feasibility study concerning the viability of such a project in Sereya. The study was done by the Ministry of Agriculture and Livestock Development.

A survey conducted by the Ministry of Agriculture and Livestock Development in 2008 and 2009, showed that the area has a potential to produce between 2,000 and 3,000 tonnes of sugar.

Land under crop in the County is about 15 per cent, while the area under forest is about 22 per cent. Land that is available for agriculture is about 13 per cent, but not yet under cane.

There have been concerns expressed that the decision is very risky and that the government should be cautious in licensing the area.



The distance will make it difficult for the government to monitor the cane fields in the area.



While a KESU report shows that the area is suitable for sugarcane, there are concerns about the viability of such a project in Sereya.

**Source of livelihood**  
The introduction of sugarcane in the area will have a significant impact on the livelihoods of the people living there. Many of the people in the area are engaged in agriculture, and the introduction of sugarcane will provide them with a new source of income.

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# sugar millers in Busia County

## Mumias ordered to release tractor

BY JAMES MUKI

A court has ordered a tractor to be released to the sugar sector in Mumias. The tractor was seized by the police after it was found in the possession of a person who was not licensed to drive it. The court ruled that the tractor should be released to the sugar sector as it is a necessary piece of equipment for the industry.

The ruling comes in the wake of a long-running legal battle between the sugar sector and the police. The sugar sector had argued that the tractor was essential for its operations and that the police should release it. The police had argued that the tractor was a stolen vehicle and should be seized.

The court's decision is a victory for the sugar sector and is expected to encourage other farmers to invest in modern agricultural equipment. It also sends a message to the police that they should be more cooperative with the agricultural sector.

The ruling is a significant step towards resolving the legal issues surrounding the tractor. It is hoped that it will lead to a more harmonious relationship between the sugar sector and the police.

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FAIRPLAY

# Turf wars expose Sugar Board as incompetent

## Caught out: The wrangles between Mumias and West Kenya exposed weaknesses of the KSB to manage the sector

By LUKE ANAMI

Turf wars between West Kenya Sugar Company and Mumias Sugar Company Ltd over who should harvest cane in Busia Zone has exposed the inadequacy of the Sugar Act. It has also unearthed the weaknesses hampering the Kenya Sugar Board from governing and addressing issues affecting the sub-sector, even as the farmers pay the ultimate price.

The debacle began when High Court overturned a Sugar Arbitration Tribunal ruling allowing West Kenya to harvest cane in Busia — a ruling that favoured Mumias. On September 11, High Court issued a temporary injunction restraining West Kenya, their agents and employees from soliciting for sugarcane, posing with lorries for purposes of purchasing sugarcane and ferrying any such sugarcane from Busia Zone to West Kenya mills.

In the ruling, West Kenya was also warned against running, operating and activating any weighbridge of sugarcane within the Mumias Outgrowers Zone. But in what looks like a shifting of goalposts, West Kenya has trashed the High Court Order restraining its operations in Busia. In paid up media reports, West Kenya contends that only the Sugar Arbitration Tribunal had the exclusive jurisdic-

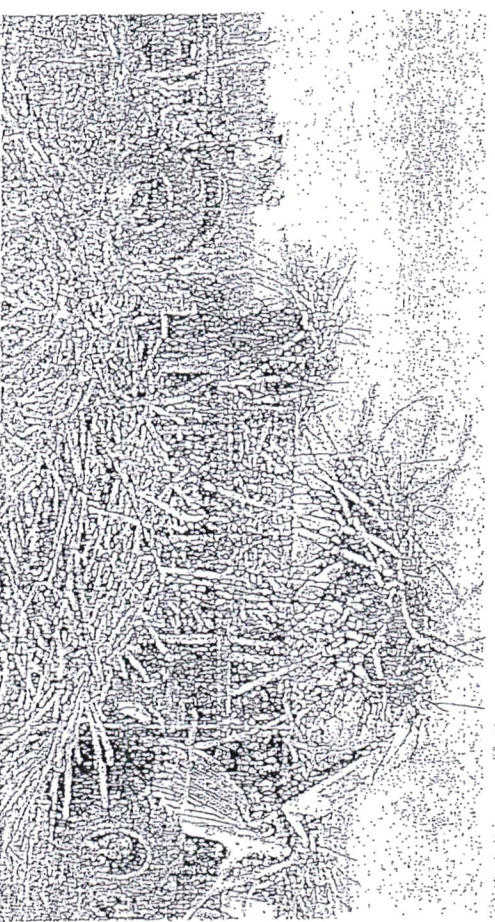
tions to hear and determine such cases.

The tribunal had earlier on July 20 made a ruling that granted West Kenya a blank check to continue operations in Busia without necessarily seeking to address the underlying issues of unease between the two millers.

### NOT EXIST

West Kenya insists it operates on the basis of the position of the regulator (KSB) that zones do not exist.

"Accordingly, there is neither a Mumias Outgrower zone nor a Busia Sugar zone and according to that position by the High Court and the KSB. The sugar industry has been liberalised... allowing millers to compete with each other for cane supply," reads an ad-



vertisement announcement West Kenya placed in *The Standard* on October 11.

### Stategate

Mumias insists they are the rightful millers to harvest cane in the Busia zone as per an agreement reached in 2006. Farmers recruited by Mumias in the Busia zone as per an agree-

ment reached at in 2006. According to the affidavit, the arrangement was necessitated by failure to construct a milling plant in the region as had been planned. This left farmers in the region with no market for their crop.

As Mumias says it filled the gap in the interim, by recruiting more than 20,000 farmers, who have active and running contracts with the miller to date. While all this drama plays out, the Kenya Sugar Board (KSB) has been seen as incompetent and somewhat at odds with the Sugar Act. Specifically, the Board is on the spot for not following the guidelines about the distance between open miller from the other.

# 20,000

In a sworn affidavit, Mumias insists they are the rightful millers to harvest cane in the Busia zone as per an agree-

INVESTOR PROFILE-LOOKING AT THE RIGHT INDICATORS

Indicator	West Kenya Sugar Company	Kibos Sugar & Allied	Unknown	Gunny Bag Manufacturing	Not Known	Not Known	Not Known	All Ahmed Taib/Salim Said	3000TCD	Sugar, Molasses, Cogen, Paper 7th March, 2011	Sugar, Molasses	14th November, 2011
Experience-Current Business	West Kenya Sugar Company	Kibos Sugar & Allied	Unknown	Gunny Bag Manufacturing	Not Known	Not Known	Not Known	All Ahmed Taib/Salim Said	3000TCD	Sugar, Molasses, Cogen, Paper 7th March, 2011	Sugar, Molasses	14th November, 2011
Stakeholders-Farmers	Unhappy	Unhappy	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known
Prior Commitment-Cane Devt	Unfulfilled	Unfulfilled	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known
Current Performance	Below 60% Capacity-Lack of Cane	Below 60% Capacity-Lack of Cane	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known	Not Known
Directors	Below 60% Capacity-Lack of Cane	Harminder Saini/Sukhwinder Chatte	Unknown	All Ahmed Taib/Salim Said	3000TCD	1250TCD	2500TCD	1500TCD	1500TCD	1500TCD	1500TCD	1500TCD
Proposed Initial Inv Capacity												
Products												
Date of Introduction letter to KSB												
Date of Formal Application to KSB												
Bukhaya/Nasewa 1500 Land												

TO PURCHASE

TO LEASE

TO PURCHASE

TO PURCHASE



nema

National Environment Management Authority

Popo Road, off Mombasa Road, P.O. Box 57839-00200, Nairobi, Kenya, Tel: (254 020) 505522, 501944, Fax: (254 020) 508997  
E-mail: [dnema@nema.go.ke](mailto:dnema@nema.go.ke), Website: [www.nema.go.ke](http://www.nema.go.ke)

**NOTICE TO THE PUBLIC TO SUBMIT COMMENTS ON AN ENVIRONMENTAL IMPACT ASSESSMENT STUDY REPORT FOR PROPOSED 1250 TCD SUGAR PLANT AT OLEPITO VILLAGE, TANGANYIKA AREA, BUSIA COUNTY**

Pursuant to Regulation 21 of the Environmental Management and Coordination (Impact Assessment and Audit) Regulations, 2003, the National Environment Management Authority (NEMA) has received Environmental Impact Assessment Study Report for the above proposed project.

The Proponent, (West Kenya Sugar Company Limited), is proposing to construct a sugar factory comprising of the following: Mill House, Boiling House, Clarification House, IG Hall, Boiler area, Workshop, Store, Spray pond/Cooling Tower, Sugar Go-down, Generator Room, Molasses Tank, HR office, Sales office, Engineering office, MFG office/Lab, AC/Cooling, Auto Workshop/Auto store, Switch Board, Bagasse store, Fire Station, Medical Centre, Car Parking, Time office, Agricultural office, Administrative office, Cane Yard, Canteen, Distillery, Water Treatment Plant, Raw Water Tank for Sugar Plant, Raw Water Plant for Co-gen, Weighbridge/Transport office, Diesel Tank, and an Effluent Treatment Plant.

The following are the anticipated impacts and proposed mitigation measures:

Possible Impacts	Mitigation Measures
Noise pollution & vibrations	<ul style="list-style-type: none"> <li>Adherence to manufacturer's specifications and use of modern technology machines.</li> <li>Provide ear protection devices for the workers operating the machines.</li> </ul>
Off-site impacts when transporting machinery	<ul style="list-style-type: none"> <li>Transport the machinery in serviced vehicles.</li> <li>Pour water continuously to reduce the dust levels on the road heading to the factory or make a more permanent road.</li> <li>Transport where possible off-peak to avoid traffic inconveniences and possible high risk accidents.</li> <li>Use of qualified and experienced driver to transport the machinery to the factory</li> </ul>
Dust pollution	<ul style="list-style-type: none"> <li>Provide and enforce the use of dust masks by workers at the site.</li> </ul>
Occupational health and safety hazards	<ul style="list-style-type: none"> <li>Observe occupational health and safety measures.</li> <li>Train workers on Occupational Health and Safety and enforce use of Personal Protective Equipment (PPE)</li> <li>Install First Aid kits at the premises</li> <li>Maintain data-base for material safety data sheets for all inputs. Make it available to key personnel</li> <li>Install emergency showers.</li> </ul>
Fire hazards	<ul style="list-style-type: none"> <li>Install fire extinguishers and fire hydrants at high risk zones at the factory premises.</li> <li>Formulate fire evacuation procedures</li> <li>Come up with a fire assembly point</li> <li>Conduct regular fire drills</li> </ul>
Solid waste generation	<ul style="list-style-type: none"> <li>Segregate the wastes</li> <li>Use bagasse from the cane as fuel for steam and power generation</li> <li>Use filter and dry lime from the juice clarification processes to make a soil conditioning product for agricultural land.</li> <li>Use compost organic solids from press mud to make high quality organic manure for agricultural production.</li> <li>Come up with proper waste management strategies such as incineration of waste papers, recycling of waste water and composting of vegetative wastes.</li> <li>Convert boat pulp into cattle feed</li> </ul>
Accidents and insecurity	<ul style="list-style-type: none"> <li>Employ day and night security guards; install security lights, alarms and a strong perimeter fence (preferably electric).</li> <li>Build capacity on safe working procedures</li> <li>Have first Aid kits</li> </ul>
Dust generation and particulate matter	<ul style="list-style-type: none"> <li>Determine inventory of cane mill dust generation to determine surplus dust available.</li> <li>Use wet scrubbers to remove dust from drying and cooling of sugar</li> <li>Reduce fugitive dust from roads and areas by cleaning and maintaining a sufficient level of humidity</li> <li>Install ventilation systems with filters on transport systems for dry sugar and on sugar packaging equipment.</li> </ul>
Noise pollution	<ul style="list-style-type: none"> <li>Conduct noise mapping</li> <li>Provide workers with noise protection gear</li> <li>Observe the frequency of the sound, time of the day and time duration especially if it affects the areas surrounding the factory.</li> </ul>
Poor house keeping	<ul style="list-style-type: none"> <li>Ensure the floors dry at all times and proper drains are made for the waste water after cleaning or even in case of a spill during operation.</li> <li>Areas should be well labeled and designated to give direction to the visitors and even serve as a reminder to the workers and even storage areas</li> <li>There needs to be proper lighting in the work area to avoid accidents due to poor visibility of the room.</li> </ul>
Air pollution	<ul style="list-style-type: none"> <li>Undertake fuel gas analysis for the boilers</li> <li>Increase number of trees on the site as carbon sequestrers</li> <li>Conduct continuous stack gas analysis</li> <li>Undertake volatile organic carbon (VOC) measurement</li> </ul>
Waste water discharge	<ul style="list-style-type: none"> <li>Apply for effluent discharge license from NEMA</li> <li>Install a waste water pre-treatment facility</li> <li>Treat and reuse the waste water generated</li> <li>Construct a proper wetland</li> <li>Protection of swiflers and the water table from ingress of pollutants.</li> </ul>
Oil spills	<ul style="list-style-type: none"> <li>Provide oil interceptors along the drains from probable sources of oil contaminants</li> <li>Ensure all machinery is in top condition to avoid leakage</li> <li>Bund and roof all hazardous chemical storage areas</li> <li>Install central waste oil collection system for safe disposal</li> <li>Keep records for waste oil disposal</li> <li>Install oil interceptors.</li> <li>Bund all oil containers and store them away in a safe room</li> </ul>
Energy consumption	<ul style="list-style-type: none"> <li>Conduct an energy audit to yield an efficiency enhancement program</li> <li>Develop performance indicator for energy consumption</li> <li>Use waste fiber from the cane as fuel for steam and power generation.</li> <li>Ensure that the bagasse moisture level is below 50% before is used as boiler fuel</li> <li>Reuse vapor from vacuum pans for heating water and juice</li> <li>Ensure even energy consumption by management of batch processes (e.g. centrifuges, vacuum pans) to schedule energy demand and equalize steam demand on the boilers.</li> </ul>

The full report of the proposed project is available for inspection during working hours at:

- Permanent Secretary, Ministry of Environment, Water and Natural Resources, NHIF Building, Community Area, P. O. Box 30126 - 00100, NAIROBI
- Director General, NEMA, Popo Road, off Mombasa Road, P. O. Box 57839-00200, NAIROBI
- County Director of Environment, KAKAMEGA COUNTY

A copy of the EIA report can be downloaded from [www.nema.go.ke](http://www.nema.go.ke)

NEMA invites members of the public to submit oral or written comments within thirty (30) days from the date of publication of this notice to the Director General, NEMA, to assist the Authority in the decision-making process for this project. Kindly quote Ref. No. NEMA/EIAS/2/1015

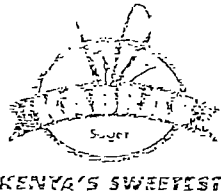
Comments can also be e-mailed to [dnema@nema.go.ke](mailto:dnema@nema.go.ke)

Signature .....

B.M. Langwen  
FOR: DIRECTOR GENERAL

(Seal)

\* This advertisement is sponsored by the proponent.



# WEST KENYA SUGAR COMPANY LTD.

P. O. Box 1101, KAKAMEGA, KENYA

Telephone : +254 - (0)20 - 2036320 / 30 / 40 Fax: +254 - (0)20 2036370 / 80

Mobile : +254 - (0)722 - 786084 / 786404 E-mail: info@wksugar.com

Factory:- South Kabras, Kakamega North District

Ref: WKS/MD/KSB/08/299.

25<sup>th</sup> August 2011.

The Ag. Chief Executive Officer  
Kenya Sugar Board  
Sukari Plaza, Waiyaki Way  
P.O. Box 51500  
NAIROBI

Dear Sir

RE: APPLICATION FOR A SITE FOR A NEW SUGAR MILL & AN OPERATING  
MILLER LICENCE

We are interested in investing in a Sugar Mill in Busia County.

We are aware of the potential in the Busia County and its environs and the plight of the people who have been yearning for a Sugar Factory for a very long time.

We are also aware that there is public land which was earmarked for a Sugar Mill around Masewa Area. We are willing to abide by the Legislations and Policies that are in place regarding acquisition of such land for private investment purposes.

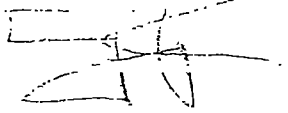
Initially we would start with a capacity of 1500 TCD which would start operation within one year of approval. Essentially we require an area that could support a 5000 TCD factory and above.

If approved, we are ready to commence the necessary formalities.

We look forward to receiving your positive response.

Yours faithfully

For: WEST KENYA SUGAR COMPANY LTD

  
Tejveer S. Rai  
MANAGING DIRECTOR

Copies to: ✓ Busia County Community  
BUSIA

Busia County Council  
BUSIA

<p>West Kenya Sugar Company.</p> <p>Local Sugar Company owned by the Rai family running a 2500-3500 TCD factory in West Kenya.</p>	<p>29/08/2011</p>	<p>costed at Ksh. 407 million.</p> <ul style="list-style-type: none"> <li>Feasibility Report</li> </ul>	<p>Single page letter as at 29/8/2011. Subsequently on request of KSB the following documents were submitted on 14/11/2011:</p> <ul style="list-style-type: none"> <li>Formal application documentation.</li> <li>Feasibility Report</li> </ul>	<p>or nominee lawyers for the land purchase.</p> <p>West Kenya Sugar Company has 2500-3500 plant in west Kenya at Malava.</p>
<p>Kaplonny Limited</p> <p>Locally incorporated company owned by Harinidar S Saini and Sukhwinder S Chatthe who are associated with Kibos Sugar &amp; Allied Industries in Kisumu.</p>	<p>02/09/2011</p>	<p>Formal KSB application forms, supported with brief, Feasibility report, Certificate of Incorporation, Articles of Association, Draft EIA Study, Land Sale Agreement with MSC for Bukhoyo/Nasewa/1500</p>	<p>2500 TCD Sugar Company. Products stated as sugar fortified sugar and molasses. Land identified LR Bukhoyo/Nasewa/1500 upon sale from Muhtias Sugar Company.</p> <p>*It is noted that the land has since been reverted back to old Busid Sugar Company and title now held by Sugar Board.</p>	<p>Kaplonny Ltd has been at the centre of false sale of Bukhoyo/Nasewa/1500 entrusted to MSC but is deemed Government Land.</p>

APPLICATION BY	DATE APPLICATION RECEIVED	DOCUMENTS SUPPORTING APPLICATION	BRIEF DESCRIPTION OF PROJECT	ADDITIONAL REMARKS
<p>Africa Polysack Limited, Local company involved in the making of polypropylene bags wishing to diversify into the sugar business.</p> <p>Owners: Ali Ahmed Taid &amp; Abu-Baker Salim</p>	<p>27/05/2011</p>	<p>KSB application form supported with Feasibility Report, Certificate of Incorporation, periodic company returns and details of Directors:</p>	<p>3000 TCD sugar mill using conventional milling technology and vacuum, pan system. Products to include sugar ethanol and cogeneration on full expansion. Land identified as LR Bukhoyo/Nasewo/714</p> <p><i>FORMS</i> 4/27</p>	<p>Although the applicant to KSB their application has been followed by a flurry of others which is unusual and unprecedented.</p>
<p>Cherry Sugar Investment Ltd. Mauritlion Company with an address cyber city -Ebene Mauritius. Working with PKF consulting Ltd. Of Kenya. Intends to set up a fully owned local subsidiary "Mundika Sugar Company Ltd" as the investment vehicle.</p>	<p>18/08/2011</p>	<p>Application letter and draft Feasibility report by PKF Consulting. Formal application forms not included initially. Additional documentation submitted on 21<sup>st</sup> November 2011.</p> <p>Including:</p> <ul style="list-style-type: none"> <li>Sale agreement of 12 Ha land LR. Bhukayo/Maloyos/262.</li> <li>Tentative cane development plan for 10,000 Ha</li> </ul>	<p>1250, TCD expandable to 2500 TCD sugar mill using conventional milling and vacuum pan technology.</p>	<p>Company has also written to MoA and the PM's office about their intentions vide their letters dated 30/06/2011, 20<sup>th</sup>, 27<sup>th</sup> and 31<sup>st</sup> May 2011.</p> <p>As at 16<sup>th</sup> December 2011 no formal application forms had been submitted to reveal actual directors of Cherry Sugar investment or its subsidiary Mundika Sugar Company Ltd. Documentation is b PKK</p>

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TABLE 5 SUGAR AND SUGAR BY PRODUCT EXPORTS FOR THE PERIOD JANUARY- SEPTEMBER 2013 BY TYPE AND DESTINATION

COUNTRY OF DESTINATION	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	TOTAL	
									JANUARY- SEPTEMBER 2013	TOTAL JANUARY- SEPTEMBER 2012
DR CONGO	0	0	0	0	0	0	0	0	27.99	27.99
EGYPT	0	0	0	0	0	0	0	0.01	0.01	0.01
ETHIOPIA	0	0	0	0	0	0	0	0.03	0.03	0.03
FRANCE	0	0	0	0	0	0	0	0.01	0.01	0.01
GERMANY	0	0	0	0	0	0	0	0.01	0.01	0.01
GHANA	0	0	0	0	0	0	0	0.06	0.06	0.06
INDIA	0	0	0	0	0	0	0	0.05	0.05	0.05
NETHERLANDS	0	0	0	0	0	0	0	0.06	0.06	0.06
NIGERIA	0	0	0	0	0	0	0	0.02	0.02	0.02
SOUTH AFRICA	0	0	0	0	0	0	0	0.05	0.05	0.05
THAILAND	0	0	0	0	0	0	0	0.10	0.10	0.10
UGANDA	0	0	0	0	0	0	0	0.01	0.01	0.01
UNITED ARAB EMIRATES	0	0	0	0	0	0	0	0.06	0.06	0.06
SERBIA	0	0	0	0	0	0	0	0.07	0.07	0.07
SUDAN	0	0	0	0	0	0	0	0.35	0.35	0.42
TOTAL	0	0	0	0	0.06	0.002	0.01	28.34	0.452	28.94

COUNTRY OF DESTINATION	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	TOTAL	
									JANUARY- SEPTEMBER 2013	TOTAL JANUARY- SEPTEMBER 2012
DR CONGO	0	0	0	0	0	0	0	0	0.41	0.41
ARGENT & SHIP STORES	0	0	0	0.06	0	0.01	0	0	0.07	0.07
RWANDA	0	0	0.695	0	0	0	0	0	3.095	3.095
SERBIA	0	0	0	0	0	0	0	0	180.702	180.702
DR CONGO	0	0	0	0	0	0	0	0	0.800	0.800
UGANDA	0	0	0	5.5	0	0	0	0	36.600	36.600
SUDAN	0	0	0	0	2.1	3.5	0.056	1.75	7.906	50.000
CANADA	0	0	0	0	0.002	0	0	0	0.002	-
GERMANY	0	0	0	0	0	0	0	0	0.505	0.505
TANZANIA	0	0	0	0	0	0	0	0	45.000	45.000
SOMALIA	0	0	0	0	0.001	0.1	0.02	0	0.754	0.754
ETHIOPIA	0	0	0	0	0	0	0	0	0.001	0.001
1 HELIENA	0	0	0	0	0	0	0	0	0.090	0.090
TOTAL	0.155	0.05	0.835	5.58	2.157	3.69	0.886	1.816	1.0525	318.582

COUNTRY OF DESTINATION	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	TOTAL	
									JANUARY- SEPTEMBER 2013	TOTAL JANUARY- SEPTEMBER 2012
SOUTH SUDAN	0	4.25	0	10.75	0	0	0	0	15.51	-
SUDAN	0	0	0	0	0	0	0	0	3.400	3.400
TANZANIA	0	0	0	0	0	0	0	0	0.260	0.260
UGANDA	0	0	0	0	0	0	0	0	1.250	1.250
SERBIA	0	0	0	0	0	0	0	0	96.341	96.341
ETHI	20	0	0	0	0	0	0	0	20.00	20.00
OMALIA	0	0	0	0	0	0	0	0.001	0.50	11.089
TANDA	20	4.25	0	10.75	0	0	0	0	38.91	117.48
SUGAR EXPORTS (iii)	20.155	4.25	0.835	16.430	2.157	3.690	0.886	1.816	4.324	52.605

(iii) REFINED WHITE SUGAR (MT)

(ii) BROWN / MILL WHITE SUGAR (MT)

(i) SUGAR BY PRODUCTS 1E JAGGERY & MOLASSES(MT)

IV) SUGAR IMPORTS FOR THE PERIOD JANUARY- SEPTEMBER 2013 BY COUNTRY OF ORIGIN (TONNES)

Country of origin	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	TOTAL JANUARY- SEPTEMBER 2013	TOTAL JANUARY- SEPTEMBER 2012
Egypt	6,391.00	9,837.08	9,400.00	1,850.00	1,525.00	5,541.00	6,168.00	9,875.00	3,300.00	53,887.08	65,732.00
Malawi	-	-	-	-	-	-	-	21.50	-	21.50	4,258.20
Zimbabwe	-	-	-	-	-	-	-	249.75	-	249.75	-
Sudan	-	5,000.00	-	-	10,000.00	-	-	-	-	15,000.00	-
Zambia	336.00	224.00	56.00	2,634.00	306.00	575.95	7,500.00	1,050.00	-	13,381.95	1,857.00
Mozambique	963.79	1,279.20	-	-	1,750.58	462.32	1,758.94	209.96	0.01	6,424.80	4,945.00
Sub-total	7,690.79	16,340.28	9,456.00	4,484.00	13,581.58	6,579.27	20,426.94	11,056.21	7,780.01	97,395.08	77,270.82
Sub-total	-	-	-	-	-	-	-	-	-	-	-
3) EAST AFRICA COMMUNITY											
Uganda	275.00	461.50	-	-	-	73.00	96.00	-	-	1,730.50	26,879.81
Tanzania	-	-	-	-	825.00	73.00	3,006.00	-	-	-	-
Sub-total	275.00	461.50	-	-	825.00	157.00	3,102.00	-	-	3,090.00	-
4) THE REST OF THE WORLD											
South Africa	1,275.00	250.00	800.00	1,125.00	1,500.00	500.00	3,035.50	3,010.59	3,291.50	14,787.59	8,100.78
United Arab Emirates	0.32	0.87	0.06	1.55	-	0.03	0.47	0.88	0.27	4.45	2,590.11
Italy	0.08	-	-	-	-	184.00	-	-	-	414.00	2,001.02
Belgium	161.03	-	-	299.00	92.00	-	-	-	-	0.08	8.82
Denmark	-	-	-	-	-	-	-	-	0.07	552.11	621.04
Spain	-	-	-	-	0.002	-	-	-	-	0.002	-
United States of America	-	-	-	-	-	-	-	-	-	-	5,000.00
Brazil	-	832.00	-	-	-	-	-	-	-	-	0.27
Thailand	375.00	3,425.00	3,625.00	7,050.00	4,750.00	5,200.00	6,650.00	3,550.00	6,850.00	41,475.00	14,350.00
Czech Republic	250.00	300.00	500.00	0.00	-	1.00	-	-	-	1,094.00	0.45
Hong Kong	-	-	-	-	250.00	-	180.00	43.00	-	430.00	-
Cuba	100.00	-	-	-	-	-	-	-	-	-	-
Netherlands	-	-	-	-	-	0.06	-	-	-	-	199.51
France	3,675.00	4,293.00	6,213.50	2,600.00	6,097.00	3,825.00	3,133.50	1,904.50	-	31,741.50	38,361.50
India	260.00	520.00	260.00	-	-	-	-	-	-	20.70	-
Lebanon	20.70	-	-	-	-	-	-	-	-	1,560.83	12,267.00
Switzerland	-	-	-	-	-	0.01	-	-	-	-	-
Sub-total	6,017.13	9,620.87	11,398.56	17,075.55	12,689.00	9,526.03	13,183.54	8,769.81	10,631.84	92,972.34	74,613.26
TOTAL SUGAR IMPORTS (1+2+3+4)											
	13,982.92	26,422.65	20,854.56	15,559.55	27,095.58	16,262.30	36,712.48	19,826.02	18,411.85	195,127.92	178,763.89

TABLE 4 SUGAR AND SUGAR BY PRODUCT IMPORTS FOR THE PERIOD JANUARY-SEPTEMBER 2013 BY TYPE AND COUNTRY OF ORIGIN

1) Sugar by product (Molasses and Jaggery)

COUNTRY OF ORIGIN	TOTAL JANUARY-SEPTEMBER 2012			TOTAL JANUARY-SEPTEMBER 2013		
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
India	6.95	3.1	0.73	1	4.41	0.06
United States of America	0	0	0	0	0	1.09
United Arab Emirates	0	0	0	0	0.87	1.73
TOTAL	6.95	3.1	0.73	1	5.28	1.79

ii) Mill/Brown Sugar (Tonnes)

Country	TOTAL JANUARY-SEPTEMBER 2012			TOTAL JANUARY-SEPTEMBER 2013		
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Egypt	2,375.00	8,125.00	8,500.00	1,500.00	1,500.00	5,516.00
United Arab Emirates	0.20	0.06	-	-	-	0.47
United Kingdom	199.51	-	-	-	-	-
Cuba	0.27	-	-	-	-	-
United States of America	8.82	-	-	-	-	-
Italy	4,945.00	5,000.00	10,000.00	-	-	-
Sweden	-	-	-	-	-	5,000.00
Madagascar	0.03	-	-	-	-	3,006.00
Tanzania	1.60	-	-	-	-	-
Belgium	478.61	-	-	-	-	1,758.94
India	26,879.81	1,730.50	-	-	-	209.96
Mauritius	1,817.00	13,381.95	1,050.00	700.00	7,500.00	96.00
Uganda	1,817.00	249.75	-	-	-	249.75
Zambia	4,258.20	-	-	-	-	-
Zimbabwe	-	0.06	-	-	-	0.06
Malawi	-	0.01	-	-	-	0.01
Netherlands	67,989.16	-	-	-	-	-
Switzerland	3,749.82	15,089.76	8,556.00	4,134.00	14,381.58	6,711.26
Sub-total	3,749.82	15,089.76	8,556.00	4,134.00	14,381.58	23,361.48

iii) White Refined Sugar (Tonnes)

Country	TOTAL JANUARY-SEPTEMBER 2012			TOTAL JANUARY-SEPTEMBER 2013		
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Egypt	8,100.78	4,016.00	1,712.08	900.00	1,125.00	500.00
South Africa	28,361.50	1,275.00	2,500.00	800.00	1,125.00	1,500.00
South Africa	28,361.50	1,275.00	2,500.00	800.00	1,125.00	1,500.00
Netherlands	2,590.00	3.26	0.16	0.33	-	-
United Arab Emirates	2,001.02	414.00	230.00	-	-	184.00
Germany	0.01	0.02	0.01	-	-	0.01
Mauritius	-	832.00	-	-	-	0.002
Dominica	621.01	552.08	-	-	-	-
Spain	161.00	837.00	-	-	-	-
United Kingdom	250.00	300.00	500.00	0.00	-	1.00
Czech Republic	430.00	-	-	-	-	180.00
Pakistan	1,012.00	375.00	3,425.00	7,050.00	4,750.00	5,200.00
Thailand	100.00	-	-	-	-	-
France	0.51	-	-	-	-	-
Hong Kong	12,265.40	21.50	260.83	-	-	-
China	-	260.00	260.83	-	-	-
Malawi	40.00	-	-	-	-	-
India	20.70	-	-	-	-	-
Zambia	0.08	-	-	-	-	-
Lebanon	0.09	-	-	-	-	-
Iran	110,774.73	100,553.65	-	-	-	-
Sub-total	13,982.92	10,033.10	17,332.89	12,299.56	11,425.55	12,714.00
TOTAL SUGAR IMPORTS (i-iii)	178,753.89	195,127.92	184,118.5	19,826.02	19,267.90	34,712.48

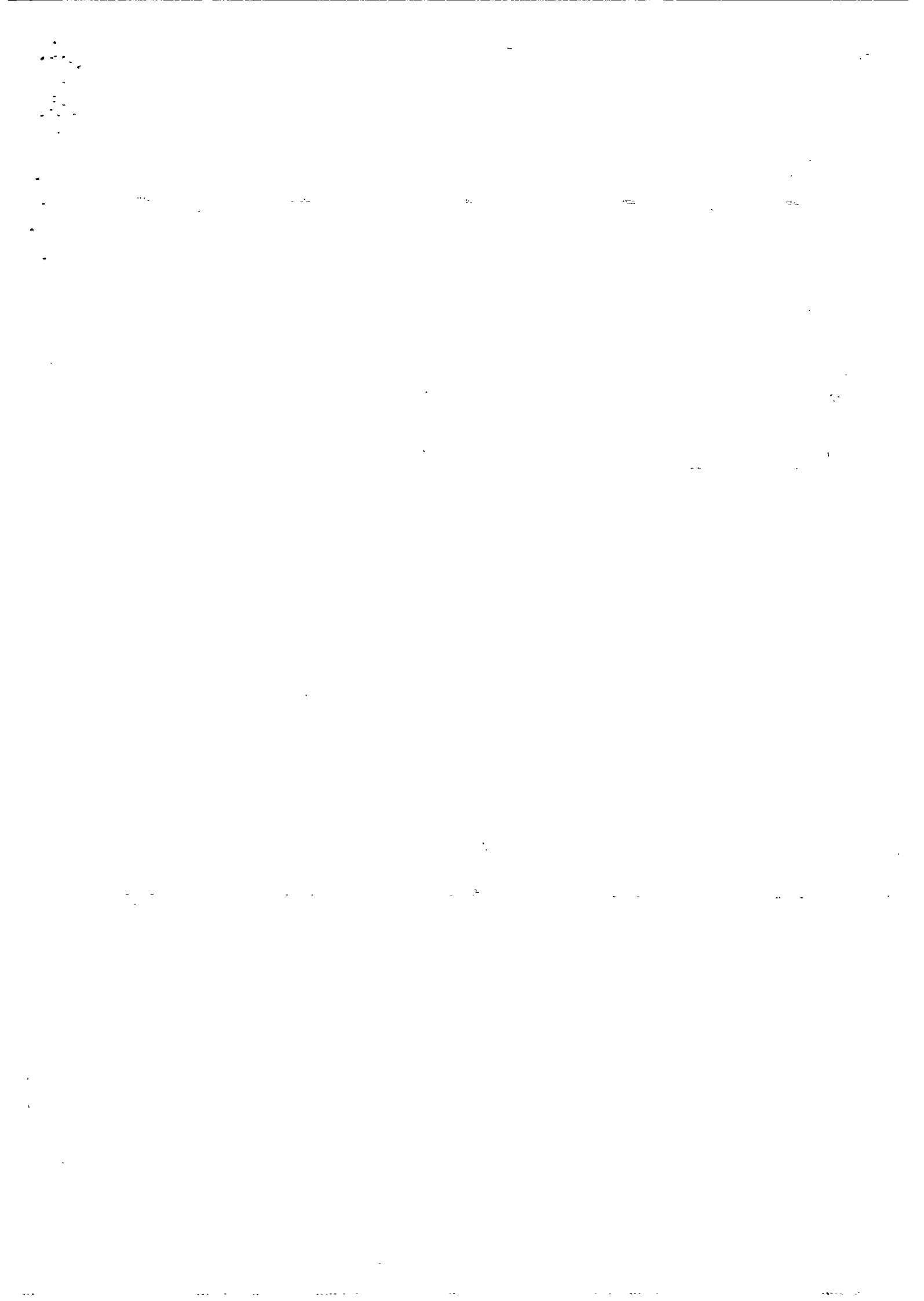


TABLE 3: MONTHLY SUGAR PRICES FOR JANUARY - SEPTEMBER 2012 AND 2013

MONTH	EX-FACTORY SUGAR PRICES(KSHS./50KG. BAG)		MEAN*		WHOLESALE SUGAR PRICE (KSHS/50-KG BAG)				RETAIL SUGAR PRICE (KSHS/KG)			
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
January	4800-7750	4700-5500	5,890	5,248	5800-7800	5100-5800	5,920	5,426	130-190	110-150	151.11	127.00
February	3900-6050	4200-4800	4,482	4,642	4250-6200	4950-5400	4,544	5,120	110-150	100-140	121.44	125.00
March	4050-6050	4200-5300	4,736	4,820	4200-6200	4900-5800	4,810	5,330	100-130	94-145	120.00	127.00
April	3920-5200	4500-5100	4,458	4,800	4300-5400	4950-5800	5,225	5,350	94-130	100-150	122.50	130.00
May	4150-4800	4600-6100	4,615	5,436	4600-5520	4800-5250	5,140	4,960	99-160	100-135	125.30	125.80
June	4450-4800	4300-5300	4,569	4,577	4750-5000	4600-5100	4,822	4,840	106-122	100-150	115.94	123.63
July	4400-4750	4200-4700	4,659	4,425	4740-5150	4500-4800	4,891	4,680	100-141	95-150	114.00	122.70
August	4200-4750	3900-4350	4,571	4,084	4350-5600	4100-4800	4,827	4,321	95-160	90-150	112.00	115.50
September	4200-5400	3850-4250	5,140	4,078	4750-5600	4100-4350	5,250	4,241	98-140	94-130	114.70	118.00
Total	3900-7750	3850-6100	4,791	4,679	4200-7800	4100-5800	5,048	4,919	94-190	90-150	121.89	123.85

\* Weighted average

The table below presents a summary of our exports  
to DRC Congo

CUSTOMER	2007		2008		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
Kambale Nzagale	50	30,000	-	-	50	30,000
TOTAL	50	30,000	-	-	50	30,000

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The table below presents a summary of our exports in Tons on annual basis since 2006 per country

COUNTRY	2006	2007	2008	2009	2010	2011
DRC Congo	-	50	-	-	-	-
Ethiopia	-	2,582	9,519	-	-	-
EU	-	-	3,226	1,794	-	15,051
Rwanda	-	78	2,751	-	-	-
Sudan	195	1,314	9,494	-	-	-
Uganda	470	5,710	50	-	-	-
TOTAL	665	9,734	25,040	1,794	-	15,051

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Summary of total exports indicate only 52,284MT while detailed records show a total of 757,431MT as total exports between 2006 and 2012 by Minerals Sygen Company.

## EAST AFRICA CUSTOMS AND MANAGEMENT ACT 2005

86. The Commissioner, may in the public interest or for the protection of public morality, safety, health or hygiene, or animal or plant health prohibit, restrict or otherwise control the entry of certain goods or means of transport from entering a Partner State.

87. Transit may be terminated by presenting the goods and the relevant entries at the office of destination within the time limit specified by the Commissioner, without the goods having undergone any change and without having been used, and with the Customs seals, fastenings and identification marks intact.

### PART VI

#### DEPARTURE AND CLEARANCE OF AIRCRAFT AND VESSELS

88.-(1) An aircraft or vessel, whether laden or in ballast, shall not depart from any port or place in a Partner State to any foreign port unless a certificate of clearance has been granted in respect of such aircraft or vessel.

(2) The master or agent of any aircraft or vessel which departs from any port or place within a Partner State in contravention of subsection (1) commits an offence.

89.-(1) The master or agent of every aircraft or vessel, whether laden or in ballast, proposing to depart to any foreign port shall apply to the proper officer for a certificate of clearance.

(2) Where application for a certificate of clearance is made, then the proper officer shall not grant such certificate of clearance until he or she is satisfied that all the provisions of this Act in relation to the aircraft or vessel, its cargo, stores, baggage, crew, and passengers, have been complied with:

Provided that the proper officer may, by reason of the provisions of any other law, refuse to grant such certificate of clearance notwithstanding that he or she may be satisfied that this Act has been complied with.

(3) Where the master or agent of any aircraft, or of any vessel of less than two hundred and fifty tons register, makes application for a certificate of clearance, then he or she shall at the same time-

SUMMARY OF REVENUE LIKELY TO HAVE BEEN LOST FROM SUGAR EXPORT BY NUMIAS SUGAR COMPANY 2006 TO 2012

YEAR	EXPORT ENTRIES DECLARED	TOTAL QUANTITY DECLARED(KG)	QUANTITY CONFIRMED EXPORTED	QUANTITY NOT ACTED UPON	QUANTITY NOT YET CONFIRMED	TOTAL VALUE OF THE QUANTITY NOT YET CONFIRMED	VAT	SDL	REVENUE LOST
2006	55	12,449,070.00	-	0	12,449,070.00	464,209,630.53	74,273,540.88	18,568,385.22	92,841,926.11
2007	60	16,377,990.00	3,165,000.00	1,980,000.00	11,232,990.00	444,568,759.48	71,131,001.52	17,782,750.38	88,913,751.90
2008	101	25,407,800.00	2,853,000.00	-	22,554,800.00	899,346,830.59	143,895,492.91	35,973,873.23	179,869,366.14
2009	9	1,831,120.00	-	-	1,831,120.00	89,001,961.00	14,240,313.76	3,560,078.44	17,800,392.20
2010	2	54,600.00	27,000.00	-	27,600.00	37,835.00	6,053.60	1,513.40	7,567.00
2011	19	15,122,000.00	108,000	-	15,014,000.00	989,431,500	158,309,040.00	39,577,260.00	197,886,300.00
2012	2	30,000.00	-	-	30,000.00	85,000.00	13,600.00	3,400.00	17,000.00
TOTAL	248	71,272,580.00	6,153,000.00	1,980,000.00	63,139,580.00	2,886,681,516.70	461,869,042.67	115,467,260.67	577,336,303.34

FOOT NOTES:

- i) In 2006 there were three entries containing molasses with a quantity of 63,000 kg.
- ii) In 2009 there was One entry containing molasses with a quantity of 50,000 kg.
- iii) In 2010 both the entries declared were for molasses with a quantity of 54,600kg
- iii) In 2011 molasses with a quantity of 122,000kg were declared out of which 108,000 kg were exported.
- iv) The balance of 63,170,580kg which is still undergoing confirmation at the border stations to ascertain whether or not they were exported.

III. KAMBALE NZAGASE

Billing Document	Outbound Delivery	Name of the payer	Description	Billed quantity	Billing Date	Truck Reg. No.
90007482	80008245	Kambale Nzagase	White Sugar 50 kg	1,000	5/28/2007	
				1000		

The table below presents a summary of our exports to Ethiopia

CUSTOMER	2007		2008		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
Osman Adan	1,468	946,650	4,751	2,932,537	6,219	3,879,187
Nesredin Mohamed	1,114	851,967	4,768	2,755,682	5,882	3,607,649
Total	2,582	1,798,617	9,519	5,688,219	12,101	7,486,836

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14

X. OSMAN ADAN

Document	Outbound	Deliver	Payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90026479	80031388	OSMAN ADAN	Brown Sugar 50 kg	500	5/17/2008	KAE 415Y	
90026478	80031387	OSMAN ADAN	Brown Sugar 50 kg	270	5/17/2008	KAX 086Z	
90026477	80031386	OSMAN ADAN	Brown Sugar 50 kg	500	5/17/2008	KAR 688H	
90026476	80031385	OSMAN ADAN	Brown Sugar 50 kg	500	5/17/2008	KAG 243Q	
90026475	80031384	OSMAN ADAN	Brown Sugar 50 kg	450	5/17/2008	KAG 243Q	
90026474	80031380	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAU 689K	
90026473	80031378	OSMAN ADAN	Brown Sugar 50 kg	780	5/17/2008	KAQ 611M	
90026472	80031377	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAP 216G	
90026471	80031376	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAW 991L	
90026470	80031375	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAV 390X	
90026469	80031374	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAV 313S	
90026468	80031373	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAV 316S	
90026467	80031372	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAV 318S	
90026466	80031371	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAW 174V	
90026465	80031379	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAR 011R	
90026464	80031381	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAX 074C	
90026463	80031383	OSMAN ADAN	Brown Sugar 50 kg	500	5/17/2008	KAW 830D	
90026462	80031382	OSMAN ADAN	Brown Sugar 50 kg	500	5/17/2008	KAX 795C	
90026461	80031370	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/17/2008	KAW 990L	
90026418	80031302	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/16/2008	KAW 580M	
90026417	80031300	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/16/2008	KAN 600M	
90026416	80031298	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/16/2008	KAW 382X	
90026415	80031296	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/16/2008	KAU 697K	
90026414	80031294	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/16/2008	KAW 321Z	
90026360	80031181	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAX 580M	
90026359	80031180	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAX 600M	
90026358	80031179	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KBA 570M	

90026357	80031178	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KBB 600M
90026356	80031177	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAQ 204E
90026350	80031189	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAX 222Y
90026349	80031188	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAH 056T
90026348	80031187	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KBA 099C
90026347	80031185	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAV 696K
90026346	80031183	OSMAN ADAN	Brown Sugar 50 kg	1,000	5/14/2008	KAW 382X
90025042	80029164	OSMAN ADAN	Brown Sugar 50 kg	151	4/14/2008	KAM 597L
90025041	80029163	OSMAN ADAN	Brown Sugar 50 kg	1,000	4/14/2008	KAX 074C
90025040	80029152	OSMAN ADAN	Brown Sugar 50 kg	500	4/12/2008	KAE 415Y
90024993	80029161	OSMAN ADAN	Brown Sugar 50 kg	1,000	4/12/2008	KAX 827G
90024992	80029160	OSMAN ADAN	Brown Sugar 50 kg	1,000	4/12/2008	KAU 689K
90024991	80029159	OSMAN ADAN	Brown Sugar 50 kg	1,000	4/12/2008	KAX 555U
90024989	80029157	OSMAN ADAN	Brown Sugar 50 kg	400	4/12/2008	KAU 664Q
90024988	80029156	OSMAN ADAN	Brown Sugar 50 kg	500	4/12/2008	KAG 243Q
90024987	80029155	OSMAN ADAN	Brown Sugar 50 kg	1,000	4/12/2008	KAW 671C
90024986	80029154	OSMAN ADAN	Brown Sugar 50 kg	1,000	4/12/2008	KAH 055T
90024985	80029153	OSMAN ADAN	Brown Sugar 50 kg	335	4/12/2008	KAH 581V
90024984	80029152	OSMAN ADAN	Brown Sugar 50 kg	840	4/12/2008	KAW 222Y
90024983	80029151	OSMAN ADAN	Brown Sugar 50 kg	274	4/12/2008	KAY 225F
90024982	80029150	OSMAN ADAN	Brown Sugar 50 kg	726	4/12/2008	KAY 225F
90024931	80029077	OSMAN ADAN	White Sugar 50 kg	73	4/11/2008	KAW 601Z
90024930	80029076	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KAW 601Z
90024929	80029075	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KBA 222X
90024927	80029074	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KAY 430B
90024926	80029073	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KAX 600M
90024925	80029072	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KAY 222L
90024924	80029070	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KAX 333L

90024923	80029069	OSMAN ADAN	White Sugar 50 kg	1,000	4/11/2008	KAW 194R
90024589	80028675	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KBA 335T
90024588	80028674	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAZ 066L
90024587	80028673	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAW 196Q
90024586	80028672	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAY 388X
90024585	80028671	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAQ 611M
90024584	80028670	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAY 225F
90024583	80028669	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KBA 987A
90024582	80028667	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KBA 325T
90024581	80028666	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAY 226F
90024580	80028665	OSMAN ADAN	White Sugar 50 kg	720	4/5/2008	KAZ 068L
90023562	80027135	OSMAN ADAN	Brown Sugar 50 kg	220	3/13/2008	KAW 604V
90023465	80026987	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAV 388X
90023463	80026985	OSMAN ADAN	Brown Sugar 50 kg	840	3/11/2008	KAV 316S
90023462	80026984	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAV 318S
90023461	80026983	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAV 600M
90023460	80026982	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAR 028Y
90023459	80026981	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAP 214G
90023458	80026980	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAV 580M
90023457	80026979	OSMAN ADAN	Brown Sugar 50 kg	1,000	3/11/2008	KAX 997L
90023455	80026978	OSMAN ADAN	Brown Sugar 50 kg	960	3/11/2008	KAW 717L
90023101	80026315	OSMAN ADAN	White Sugar 50 kg	720	3/3/2008	KAT 230W
90023084	80026307	OSMAN ADAN	White Sugar 50 kg	21	3/2/2008	KAY 226F
90023109	80026319	OSMAN ADAN	White Sugar 50 kg	699	3/2/2008	KAY 225F
90023107	80026318	OSMAN ADAN	White Sugar 50 kg	720	3/2/2008	KAS 205B
90023106	80026317	OSMAN ADAN	White Sugar 50 kg	900	3/2/2008	KAQ 203E
90023105	80026316	OSMAN ADAN	White Sugar 50 kg	800	3/2/2008	KAU 819Z
90023094	80026314	OSMAN ADAN	White Sugar 50 kg	900	3/2/2008	KAW 222Y

90023091	80026312	OSMAN ADAN	White Sugar 50 kg	800	3/2/2008	KAX 074C
90023090	80026311	OSMAN ADAN	White Sugar 50 kg	800	3/2/2008	KAW 204B
90023089	80026310	OSMAN ADAN	White Sugar 50 kg	800	3/2/2008	KAV 382X
90023088	80026309	OSMAN ADAN	White Sugar 50 kg	800	3/2/2008	KAU 691Y
90023087	80026308	OSMAN ADAN	White Sugar 50 kg	720	3/2/2008	KAY 717L
90022687	80025881	OSMAN ADAN	White Sugar 50 kg	148	2/22/2008	KAU 689K
90022686	80025883	OSMAN ADAN	White Sugar 50 kg	378	2/22/2008	KAU 689K
90022685	80025882	OSMAN ADAN	White Sugar 50 kg	474	2/22/2008	KAU 689K
90022138	80025225	OSMAN ADAN	White Sugar 50 kg	500	2/13/2008	KAR 688H
90022136	80025222	OSMAN ADAN	White Sugar 50 kg	800	2/13/2008	KAU 691Y
90021701	80024649	OSMAN ADAN	White Sugar 50 kg	1,001	2/5/2008	KAR 011R
90021700	80024647	OSMAN ADAN	White Sugar 50 kg	900	2/5/2008	KAW 094R
90021699	80024654	OSMAN ADAN	White Sugar 50 kg	1,000	2/5/2008	KAU 819Z
90021698	80024653	OSMAN ADAN	White Sugar 50 kg	1,000	2/5/2008	KAQ 203E
90021697	80024652	OSMAN ADAN	White Sugar 50 kg	1,000	2/5/2008	KAU 689K
90021690	80024650	OSMAN ADAN	White Sugar 50 kg	230	2/5/2008	KAU 986Z
90021689	80024645	OSMAN ADAN	White Sugar 50 kg	850	2/5/2008	KAX 074C
90021688	80024646	OSMAN ADAN	White Sugar 50 kg	900	2/5/2008	KAW 671C
90021687	80024644	OSMAN ADAN	White Sugar 50 kg	1,009	2/5/2008	KAX 555U
90021686	80024643	OSMAN ADAN	White Sugar 50 kg	800	2/5/2008	KAH 055T
90021674	80024642	OSMAN ADAN	White Sugar 50 kg	10	2/5/2008	KAX 832N
90021391	80024337	OSMAN ADAN	Brown Sugar 50 kg	400	1/31/2008	KAV 313S
90021390	80024338	OSMAN ADAN	Brown Sugar 50 kg	40	1/31/2008	KAV 313S
90021388	80024335	OSMAN ADAN	White Sugar 50 kg	720	1/31/2008	KAX 727S
90021322	80024260	OSMAN ADAN	Brown Sugar 50 kg	500	1/30/2008	KAU 519G
90021321	80024259	OSMAN ADAN	Brown Sugar 50 kg	500	1/30/2008	KAY 648Y
90021122	80024019	OSMAN ADAN	White Sugar 50 kg	720	1/28/2008	KAZ 115V
90021121	80024018	OSMAN ADAN	White Sugar 50 kg	720	1/28/2008	KAX 729S
90021076	80023983	OSMAN ADAN	Brown Sugar 50 kg	720	1/27/2008	KAZ056L

90021037	80023975	OSMAN ADAN	White Sugar 50 kg	720	1/26/2008	KAY 226F
90021022	80023951	OSMAN ADAN	White Sugar 50 kg	800	1/26/2008	KAN 141Z
90021021	80023952	OSMAN ADAN	White Sugar 50 kg	720	1/26/2008	KAV 388X
90020998	80023918	OSMAN ADAN	White Sugar 50 kg	800	1/25/2008	KAU 819Z
90020941	80023817	OSMAN ADAN	Brown Sugar 50 kg	720	1/24/2008	KAW 175V
90020923	80023810	OSMAN ADAN	White Sugar 50 kg	800	1/23/2008	KAX 555V
90020901	80023691	OSMAN ADAN	White Sugar 50 kg	800	1/23/2008	KAW 222Y
90020896	80023691	OSMAN ADAN	White Sugar 50 kg	720	1/23/2008	KAW 222Y
90020285	80022984	OSMAN ADAN	White Sugar 50 kg	140	1/11/2008	KAR 011R
90020284	80022985	OSMAN ADAN	White Sugar 50 kg	50	1/11/2008	KAR 011R
90019798	80022586	OSMAN ADAN	White Sugar 50 kg	600	12/22/2007	KAU 689K
90019795	80022584	OSMAN ADAN	White Sugar 50 kg	700	12/22/2007	KAH 055T
90019794	80022583	OSMAN ADAN	White Sugar 50 kg	800	12/22/2007	KAW 209B
90019787	80022571	OSMAN ADAN	White Sugar 50 kg	400	12/22/2007	KAJ 664Q
90019772	80022546	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAU 691Y
90019770	80022548	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAX 074C
90019769	80022547	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAR 011R
90019767	80022539	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAW 222Y
90019766	80022538	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAV 382X
90019765	80022537	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAW 671C
90019763	80022536	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAN 141Z
90019762	80022535	OSMAN ADAN	White Sugar 50 kg	900	12/21/2007	KAX 555U
90019759	80022234	OSMAN ADAN	White Sugar 50 kg	800	12/21/2007	KAQ 357U
90018872	80021481	OSMAN ADAN	White Sugar 50 kg	760	12/3/2007	KAW 387R
90018824	80021445	OSMAN ADAN	White Sugar 50 kg	400	12/2/2007	
90018823	80021444	OSMAN ADAN	White Sugar 50 kg	800	12/2/2007	KAW194R
90018802	80021411	OSMAN ADAN	White Sugar 50 kg	650	12/1/2007	KAU 689V
90018730	80021280	OSMAN ADAN	Brown Sugar 50 kg	800	11/30/2007	KAW 671C
90018729	80021279	OSMAN ADAN	Brown Sugar 50 kg	800	11/30/2007	KAR 011R

90018667	80021243	OSMAN ADAN	Brown Sugar 50 kg	450	11/29/2007	KAX 795C
90018666	80021280	OSMAN ADAN	Brown Sugar 50 kg	800	11/29/2007	KAU 819Z
90018665	80021229	OSMAN ADAN	Brown Sugar 50 kg	800	11/29/2007	KAW 222Y
90018664	80021227	OSMAN ADAN	Brown Sugar 50 kg	600	11/29/2007	KAH 055T
90018662	80021226	OSMAN ADAN	Brown Sugar 50 kg	500	11/29/2007	KAM 597L
90018661	80021245	OSMAN ADAN	Brown Sugar 50 kg	100	11/29/2007	KAH 055T
90018632	80021199	OSMAN ADAN	Brown Sugar 50 kg	800	11/28/2007	KAW 204B
90018631	80021200	OSMAN ADAN	Brown Sugar 50 kg	800	11/28/2007	KAX 074C
90018630	80021202	OSMAN ADAN	Brown Sugar 50 kg	900	11/28/2007	KAX 555U
90017332	80019428	OSMAN ADAN	Brown Sugar 50 kg	400	10/27/2007	
90017332	80019428	OSMAN ADAN	Brown Sugar 50 kg	200	10/27/2007	
90017325	80019426	OSMAN ADAN	Brown Sugar 50 kg	800	10/27/2007	
90017311	80019394	OSMAN ADAN	Brown Sugar 50 kg	900	10/26/2007	
90017288	80019385	OSMAN ADAN	Brown Sugar 50 kg	900	10/26/2007	
90017282	80019378	OSMAN ADAN	Brown Sugar 50 kg	800	10/26/2007	
90017221	80019293	OSMAN ADAN	White Sugar 50 kg	800	10/23/2007	
90015499	80017251	OSMAN ADAN	White Sugar 50 kg	800	9/19/2007	
90015210	80016942	OSMAN ADAN	White Sugar 50 kg	800	9/12/2007	
90015209	80016941	OSMAN ADAN	White Sugar 50 kg	800	9/12/2007	
90015208	80016938	OSMAN ADAN	White Sugar 50 kg	800	9/12/2007	
90015216	80016951	OSMAN ADAN	White Sugar 50 kg	800	8/27/2007	
90015215	80016936	OSMAN ADAN	White Sugar 50 kg	800	8/27/2007	
TOTAL MTC				124,379		

## IX. NESREDIN MOHAMED

Document	Outbound ID	Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90026355	80031176		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/14/2008	KAU 691Y
90026330	80031141		NESREDIN MOHAMED	Brown Sugar 50 kg	77	5/14/2008	KAV 282X
90026329	80031140		NESREDIN MOHAMED	Brown Sugar 50 kg	923	5/14/2008	KAV 282X
90026327	80031138		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/14/2008	KAV 389M
90026326	80031139		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/14/2008	KAX 999L
90026119	80030823		NESREDIN MOHAMED	White Sugar 50 kg	1,000	5/9/2008	KAW 661M
90026118	80030818		NESREDIN MOHAMED	White Sugar 50 kg	1,000	5/9/2008	KAV 580N
90026117	80030821		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/9/2008	KAW 204B
90026116	80030820		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/9/2008	KAX 999N
90026115	80030819		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/9/2008	KAQ 203M
90026114	80030814		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	5/9/2008	KAV 600M
90024997	80029168		NESREDIN MOHAMED	Brown Sugar 50 kg	260	4/12/2008	KAU 986Z
90024996	80029167		NESREDIN MOHAMED	Brown Sugar 50 kg	264	4/12/2008	KAX 087Z
90024995	80029166		NESREDIN MOHAMED	Brown Sugar 50 kg	400	4/12/2008	KAR 688H
90024994	80029165		NESREDIN MOHAMED	Brown Sugar 50 kg	349	4/12/2008	KAM 597L
90024981	80029149		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAV 318S
90024980	80029148		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAV 318S
90024979	80029147		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAV 313S
90024978	80029146		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAV 716L
90024977	80029145		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAY 226F
90024976	80029144		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KBA 987A
90024975	80029143		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAX 321Z
90024974	80029142		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAZ 113V
90024973	80029141		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAY 717L
90024972	80029140		NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	4/12/2008	KAY 224F
90024932	80029079		NESREDIN MOHAMED	White Sugar 50 kg	727	4/11/2008	KAW 601Z
90024771	80028915		NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAW 173V

90024770	80028914	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAX 174V
90024769	80028913	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAV 382X
90024768	80028912	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAV 355B
90024767	80028910	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAQ 203E
90024766	80028907	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	
90024765	80028906	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAS 205B
90024764	80028905	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	
90024763	80028904	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	
90024762	80028902	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAX 600L
90024761	80028900	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAX 997L
90024750	80028898	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAV 570M
90024759	80028897	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAU 580M
90023765	80027410	NESREDIN MOHAMED	White Sugar 50 kg	1,000	4/9/2008	KAV 600N
90023743	80027350	NESREDIN MOHAMED	Brown Sugar 50 kg	1,100	3/17/2008	KAR 011R
90023634	80027192	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	3/17/2008	KAX 074C
90023633	80027191	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAV 398X
90023632	80027190	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAV 390X
90023631	80027189	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAP 214G
90023620	80027212	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	3/14/2008	KAU 691Y
90023619	80027211	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	3/14/2008	KAX 827G
90023618	80027210	NESREDIN MOHAMED	Brown Sugar 50 kg	500	3/14/2008	KAW 204B
90023616	80027208	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAM 597L
90023614	80027207	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAX 555U
90023613	80027206	NESREDIN MOHAMED	White Sugar 50 kg	500	3/14/2008	KAW 222Y
90023612	80027205	NESREDIN MOHAMED	White Sugar 50 kg	400	3/14/2008	KAE 415Y
90023611	80027204	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAR 688H
90023610	80027203	NESREDIN MOHAMED	White Sugar 50 kg	500	3/14/2008	KAX 795C
90023609	80027202	NESREDIN MOHAMED	White Sugar 50 kg	1,000	3/14/2008	KAU 819Z
90023608	80027209	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	3/14/2008	KAH 055T

90023563	80027136	NESREDIN MOHAMED	Brown Sugar 50 kg	504	3/13/2008	KAU 623D
90023469	80026998	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	3/11/2008	KAW 33Y
90023467	80026990	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	3/11/2008	KAR 878E
90023464	80026986	NESREDIN MOHAMED	Brown Sugar 50 kg	160	3/11/2008	KAV 316S
90023367	80026903	NESREDIN MOHAMED	White Sugar 50 kg	900	3/8/2008	KAY 222Y
90023366	80026902	NESREDIN MOHAMED	White Sugar 50 kg	900	3/8/2008	KAV 390X
90023351	80026887	NESREDIN MOHAMED	Brown Sugar 50 kg	720	3/8/2008	KAV 390X
90023350	80026886	NESREDIN MOHAMED	Brown Sugar 50 kg	720	3/8/2008	KAZ 115V
90023339	80026871	NESREDIN MOHAMED	Brown Sugar 50 kg	720	3/7/2008	KAV 316S
90023338	80026873	NESREDIN MOHAMED	Brown Sugar 50 kg	800	3/7/2008	KAU 691Y
90023336	80026874	NESREDIN MOHAMED	Brown Sugar 50 kg	800	3/7/2008	KAN 141Z
90023335	80026875	NESREDIN MOHAMED	Brown Sugar 50 kg	720	3/7/2008	KAY 225F
90023334	80026876	NESREDIN MOHAMED	Brown Sugar 50 kg	720	3/7/2008	KAY 224F
90022339	80025488	NESREDIN MOHAMED	Brown Sugar 50 kg	647	2/16/2008	KAS 205B
90022324	80025459	NESREDIN MOHAMED	White Sugar 50 kg	800	2/15/2008	KAY 648Y
90022264	80025392	NESREDIN MOHAMED	White Sugar 50 kg	720	2/14/2008	KAW 174V
90022263	80025393	NESREDIN MOHAMED	White Sugar 50 kg	600	2/14/2008	KAX 321Z
90022238	80025355	NESREDIN MOHAMED	White Sugar 50 kg	400	2/14/2008	KAX 698L
90022212	80025337	NESREDIN MOHAMED	White Sugar 50 kg	346	2/14/2008	KAX 727S
90022211	80025338	NESREDIN MOHAMED	White Sugar 50 kg	374	2/14/2008	KAX 727S
90022205	80025321	NESREDIN MOHAMED	White Sugar 50 kg	720	2/14/2008	KAZ 068L
90022174	80025265	NESREDIN MOHAMED	White Sugar 50 kg	980	2/13/2008	KAW 222Y
90022173	80025263	NESREDIN MOHAMED	White Sugar 50 kg	800	2/13/2008	KAN 141Z
90022172	80025261	NESREDIN MOHAMED	White Sugar 50 kg	1,000	2/13/2008	KAW 204B
90022171	80025253	NESREDIN MOHAMED	White Sugar 50 kg	1,000	2/13/2008	KAX 852N
90022169	80025246	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAW 442V
90022166	80025252	NESREDIN MOHAMED	White Sugar 50 kg	1,000	2/13/2008	KAV 570N
90022164	80025251	NESREDIN MOHAMED	White Sugar 50 kg	1,000	2/13/2008	KAU 580M
90022163	80025250	NESREDIN MOHAMED	White Sugar 50 kg	1,000	2/13/2008	KAV 600M

90022152	80025249	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAV 3165
90022151	80025248	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAV 3135
90022160	80025247	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAZ 066L
90022157	80025245	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAY 716L
90022156	80025244	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAY 225F
90022155	80025242	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAV 3185
90022154	80025269	NESREDIN MOHAMED	White Sugar 50 kg	40	2/13/2008	KAW 442V
90022153	80025240	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAY 226F
90022152	80025268	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAV 389X
90022151	80025264	NESREDIN MOHAMED	White Sugar 50 kg	560	2/13/2008	KAW 442V
90022150	80025262	NESREDIN MOHAMED	White Sugar 50 kg	120	2/13/2008	KAW 442V
90022148	80025266	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAY 716L
90022145	80025238	NESREDIN MOHAMED	White Sugar 50 kg	700	2/13/2008	KAV 388X
90022140	80025237	NESREDIN MOHAMED	White Sugar 50 kg	400	2/13/2008	KAJ 664Q
90022109	80025202	NESREDIN MOHAMED	White Sugar 50 kg	720	2/13/2008	KAV 313S
90021685	80024632	NESREDIN MOHAMED	White Sugar 50 kg	500	2/5/2008	KAM 597L
90021684	80024633	NESREDIN MOHAMED	White Sugar 50 kg	450	2/5/2008	KAX 795C
90021682	80024634	NESREDIN MOHAMED	White Sugar 50 kg	270	2/5/2008	KAH 581V
90021680	80024635	NESREDIN MOHAMED	White Sugar 50 kg	860	2/5/2008	KAW 555X
90021679	80024639	NESREDIN MOHAMED	White Sugar 50 kg	720	2/5/2008	KAW 387R
90021677	80024637	NESREDIN MOHAMED	White Sugar 50 kg	720	2/5/2008	KAH 055T
90021676	80024640	NESREDIN MOHAMED	White Sugar 50 kg	720	2/5/2008	KAX 332X
90021675	80024641	NESREDIN MOHAMED	White Sugar 50 kg	790	2/5/2008	KAX 832N
90021461	80024447	NESREDIN MOHAMED	Brown Sugar 50 kg	720	2/4/2008	KAZ 113V
90021460	80024446	NESREDIN MOHAMED	Brown Sugar 50 kg	720	2/4/2008	KAY 224F
90021440	80024426	NESREDIN MOHAMED	Brown Sugar 50 kg	720	2/2/2008	
90021402	80024354	NESREDIN MOHAMED	Brown Sugar 50 kg	720	2/1/2008	KAP 214G
90021400	80024352	NESREDIN MOHAMED	Brown Sugar 50 kg	720	1/31/2008	KAZ 068L
90021389	80024334	NESREDIN MOHAMED	Brown Sugar 50 kg	280	1/31/2008	KAV 313S

90020734	80022983	NESREDIN MOHAMED	White Sugar 50 kg	580	1/11/2008	KAR 011R
90020733	80022981	NESREDIN MOHAMED	White Sugar 50 kg	1,030	1/11/2008	KAQ 203E
90020731	80022982	NESREDIN MOHAMED	White Sugar 50 kg	250	1/11/2008	KAR 011R
90020735	80022933	NESREDIN MOHAMED	White Sugar 50 kg	1,000	1/10/2008	KAH 055T
90020286	80022932	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	1/10/2008	KAX 827G
90020236	80022931	NESREDIN MOHAMED	Brown Sugar 50 kg	1,000	1/10/2008	KAU 689K
90019865	80022683	NESREDIN MOHAMED	White Sugar 50 kg	800	1/4/2008	KAX827G
90019860	80022677	NESREDIN MOHAMED	White Sugar 50 kg	720	12/24/2007	KAV 389X
90019859	80022676	NESREDIN MOHAMED	White Sugar 50 kg	720	12/24/2007	KAX 727S
90019858	80022675	NESREDIN MOHAMED	White Sugar 50 kg	720	12/24/2007	KAW 173V
90019857	80022674	NESREDIN MOHAMED	White Sugar 50 kg	720	12/24/2007	KAZ 113V
90019856	80022673	NESREDIN MOHAMED	White Sugar 50 kg	720	12/24/2007	KAZ066L
90019855	80022671	NESREDIN MOHAMED	White Sugar 50 kg	720	12/24/2007	KAZ122V
90019454	80022171	NESREDIN MOHAMED	White Sugar 50 kg	850	12/17/2007	KAX 074C
90019444	80022173	NESREDIN MOHAMED	White Sugar 50 kg	310	12/15/2007	
90019444	80022173	NESREDIN MOHAMED	White Sugar 50 kg	540	12/15/2007	
90019444	80022173	NESREDIN MOHAMED	White Sugar 50 kg	900	12/15/2007	KAX 555U
90019422	80022170	NESREDIN MOHAMED	White Sugar 50 kg	800	12/13/2007	KAX 827G
90019260	80021984	NESREDIN MOHAMED	White Sugar 50 kg	800	12/13/2007	KAN 141Z
90019259	80021986	NESREDIN MOHAMED	White Sugar 50 kg	800	12/13/2007	KAU 691Y
90019256	80021985	NESREDIN MOHAMED	White Sugar 50 kg	800	12/13/2007	KAW 204B
90019102	80021782	NESREDIN MOHAMED	White Sugar 50 kg	800	12/8/2007	KAX 074C
90019101	80021748	NESREDIN MOHAMED	White Sugar 50 kg	800	12/8/2007	KAU 819Z
90019094	80021732	NESREDIN MOHAMED	White Sugar 50 kg	800	12/8/2007	KAX 555G
90019076	80021733	NESREDIN MOHAMED	White Sugar 50 kg	900	12/8/2007	KAX 555G
90019075	80021734	NESREDIN MOHAMED	White Sugar 50 kg	800	12/8/2007	KAW 222Y
90019073	80021747	NESREDIN MOHAMED	White Sugar 50 kg	900	12/8/2007	KAX 555U
90017883	80019872	NESREDIN MOHAMED	White Sugar 50 kg	800	11/7/2007	
90017838	80020066	NESREDIN MOHAMED	White Sugar 50 kg	800	11/6/2007	
90017782	80019962	NESREDIN MOHAMED	White Sugar 50 kg	760	11/4/2007	

90017768	80019969	NESREDIN MOHAMED	White Sugar 50 kg	800	11/4/2007	
90017754	80019924	NESREDIN MOHAMED	White Sugar 50 kg	800	11/3/2007	
90017887	80019879	NESREDIN MOHAMED	White Sugar 50 kg	800	11/2/2007	
90017781	80019871	NESREDIN MOHAMED	White Sugar 50 kg	800	11/2/2007	
90015501	80017252	NESREDIN MOHAMED	White Sugar 50 kg	800	9/19/2007	
90015484	80017235	NESREDIN MOHAMED	White Sugar 50 kg	800	9/18/2007	
90015227	80016948	NESREDIN MOHAMED	White Sugar 50 kg	800	9/13/2007	
TOTAL MTC				117,641		

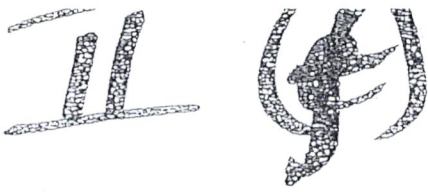
The table below presents a summary of our exports to EU

CUSTOMER	2008		2009		2011		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
CZARNIKOW GROUP LIMITED	3,226	1,630,090	1,794	1,525,621	23	14,459	5,043	3,170,170
ED & F MAN SUGAR LTD					15,028	8,423,983	15,028	8,423,983
TOTAL	3,226	1,630,090	1,794	1,525,621	15,051	14,459	20,071	3,170,170
						8,423,983		8,423,983

(17)

The table below presents a summary of our exports  
to RWANDA

CUSTOMER	2007		2008		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
S & G GENERAL SUPPLIERS	78	51,640	889	681,190	967	732,830
STAR GENERAL SUPPLIERS	-	-	1,612	1,454,340	1,612	1,454,340
MUGABE THOMAS	-	-	250	318,370	250	318,370
TOTAL	78	51,640	2,751	2,453,900	2,829	2,505,540



## XII. S & G GENERAL SUPPLIES

Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Invoic Reg. No.
90028172	80033771	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	499	7/1/2008	UAI 973U
90028144	80033724	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	7/1/2008	UAI 976N
90028010	80033606	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	320	6/27/2008	UAK 583C
90027981	80033587	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/27/2008	UAH 021T
90027941	80033537	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	100	6/26/2008	UAH 089R
90027940	80033538	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	400	6/26/2008	UAH 089R
90027891	80033454	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/25/2008	UAE 912N
90027860	80033391	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	1,160	6/25/2008	UAK 004C
90027836	80033373	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/24/2008	UAI 084R
90027835	80033374	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/24/2008	UAF 470Q
90027538	80032935	S & G GENERAL SUPPLIERS	White Sugar 50 kg	500	6/13/2008	UAA 302V
90027280	80032599	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/7/2008	UAH 415P
90027279	80032598	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	499	6/7/2008	UAF 327Y
90027252	80032568	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/6/2008	UAF 639G
90027171	80032414	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/4/2008	UAH 952Y
90027166	80032413	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/4/2008	UAE 579X
90027165	80032412	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	6/4/2008	UAG 624H
90026454	80031367	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/17/2008	
90026450	80031366	S & G GENERAL SUPPLIERS	White Sugar 50 kg	221	5/17/2008	UAE 579X
90026449	80031365	S & G GENERAL SUPPLIERS	White Sugar 50 kg	118	5/17/2008	UAE 579X
90026448	80031364	S & G GENERAL SUPPLIERS	White Sugar 50 kg	160	5/17/2008	UAE 579X
90026369	80031207	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/15/2008	SK 4994BB
90026344	80031172	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/14/2008	UAK 002C
90026341	80031168	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/14/2008	KV 5376D
90026336	80031162	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/14/2008	UAK 004C
90025603	80030038	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	4/30/2008	UAH 324H
90025572	80030008	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	4/30/2008	UAI 495N

90025493	30029924	S & G GENERAL SUPPLIERS	Brown Sugar 50 kg	500	4/27/2008	UAJ 551B
90024549	80028536	S & G GENERAL SUPPLIERS	White Sugar 50 kg	500	4/5/2008	UAG 719U
90024548	80028535	S & G GENERAL SUPPLIERS	White Sugar 50 kg	1,000	4/5/2008	T 763 ASM
90024547	80028634	S & G GENERAL SUPPLIERS	White Sugar 50 kg	500	4/5/2008	UAG 376P
90010477	80011696	S & G GENERAL SUPPLIERS	White Sugar 50 kg	520	5/26/2007	
90010472	80011697	S & G GENERAL SUPPLIERS	White Sugar 50 kg	520	5/26/2007	
90010302	80011436	S & G GENERAL SUPPLIERS	White Sugar 50 kg	520	5/23/2007	
TOTAL MTC				19,337		

XIV. STAR GENERAL SUPPLIERS

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90024907	80029033	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/10/2008	UAI 188D
90024912	80029051	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/10/2008	UAH 332D
90024913	80029053	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/10/2008	UAK 099A
90024915	80029052	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/10/2008	UAE 478L
90024951	80029115	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/11/2008	RAB 322I
90024954	80029117	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/11/2008	UAG 408Y
90024955	80029116	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	4/11/2008	UAH 952Y
90025186	80029489	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	498	4/17/2008	UAH 408P
90025877	80030481	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	5/5/2008	UAI 188D
90025896	80030503	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/6/2008	UAE 912N
90025903	80030504	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/6/2008	UAD 759B
90025986	80030642	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/7/2008	UAF 327Y
90025987	80030648	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/7/2008	UAE 196B
90026188	80030960	STAR GENERAL SUPPLIERS	White Sugar 50 kg	498	5/12/2008	UAK 993A
90026193	80030948	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/12/2008	UAK 246I
90026199	80030812	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/13/2008	UAI 976N
90026539	80031490	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/19/2008	
90026652	80031702	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	5/22/2008	UAF 768Q
90026653	80031703	STAR GENERAL SUPPLIERS	White Sugar 50 kg	499	5/22/2008	UAH 771B
90026650	80031567	STAR GENERAL SUPPLIERS	White Sugar 50 kg	500	5/20/2008	UAG 719U
90026654	80032075	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/29/2008	
90026973	80032092	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/29/2008	UAI 538K
90027023	80032093	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,160	5/30/2008	SK 4994BB
90027024	80032167	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,160	5/30/2008	UAK 004C
90027071	80032238	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	500	5/31/2008	UAI 024D
90027087	80032258	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	5/31/2008	UAI 246H
90027088	80032260	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	443	5/31/2008	NK 4083BB

90027089	80032259	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	757	5/31/2008	NK 40839
90027090	80032261	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	20	5/31/2008	UAI 024D
90027092	80032263	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,130	5/31/2008	UAB 145Y
90027115	80032338	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,166	6/3/2008	UAK 002C
90027215	80032502	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,100	6/5/2008	UAD 243Q
90027379	80032737	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,160	6/10/2008	UAK 004C
90027380	80032738	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	6/17/2008	
90027600	80032983	STAR GENERAL SUPPLIERS	White Sugar 50 kg	161	6/17/2008	UAI 538K
90027601	80032984	STAR GENERAL SUPPLIERS	White Sugar 50 kg	1,039	6/17/2008	UAI 538K
90027558	80033138	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	6/18/2008	SK 4994 BB
90027655	80033141	STAR GENERAL SUPPLIERS	White Sugar 50 kg	1,200	6/18/2008	SK 3739 BB
90027660	80033139	STAR GENERAL SUPPLIERS	White Sugar 50 kg	199	6/18/2008	SK 2645 BB
90027661	80033140	STAR GENERAL SUPPLIERS	White Sugar 50 kg	1,001	6/19/2008	UAI 024D
90027684	80033164	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	20	6/19/2008	UAI 024D
90027681	80033170	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,160	6/21/2008	UAK 002C
90027766	80033243	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	1,200	6/21/2008	UAI 538K
90027775	80033246	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	943	7/3/2008	NK 40838B
90028213	80033870	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	117	7/4/2008	NK 40838B
90028233	80033868	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	110	7/4/2008	NK 40838B
90028234	80033936	STAR GENERAL SUPPLIERS	Brown Sugar 50 kg	34,441		
TOTAL MTC						

VII. MUGABE THOMAS

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90028195	80033829	MUGABE THOMAS	Brown Sugar 50 kg	1,198	7/3/2008	NK 5241BB
90027728	80033200	MUGABE THOMAS	Brown Sugar 50 kg	1,200	6/20/2008	UAJ 330B
90027703	80033187	MUGABE THOMAS	Brown Sugar 50 kg	201	6/19/2008	UAG 174L
90027556	80032992	MUGABE THOMAS	White Sugar 50 kg	999	6/16/2008	NK 5241BB
90027555	80032993	MUGABE THOMAS	White Sugar 50 kg	1,400	6/16/2008	04 BA 2864
<b>TOTAL MTC</b>				<b>4,998</b>		

VII. MUGABE THOMAS

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90028195	80033829	MUGABE THOMAS	Brown Sugar 50 kg	1,198	7/3/2008	NK 5241B8
90027728	80033200	MUGABE THOMAS	Brown Sugar 50 kg	1,200	6/20/2008	UAI 330B
90027703	80033187	MUGABE THOMAS	Brown Sugar 50 kg	201	6/19/2008	UAG 174L
90027556	80032992	MUGABE THOMAS	White Sugar 50 kg	999	6/16/2008	NK 5241B8
90027555	80032993	MUGABE THOMAS	White Sugar 50 kg	1,400	6/16/2008	04 BA 2864
TOTAL MTC				4,998		

The table below presents a summary of our exports  
to S. SUDAN

CUSTOMER	2006		2007		2008		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
MEGA LASER INTERNATIONAL	160	96,000	90	54,000	-	-	250	150,000
MANYJON SAMUEL DENG	35	23,400	87	42,900	-	-	122	66,300
Mid Africa	-	-	300	180,000	-	-	300	180,000
Southern Sudan Mudland Co. Ltd.	-	-	53	30,700	590	393,438	643	424,138
KAPOETA TRADING COMPANY	-	-	785	325,000	7,504	4,941,830	8,289	5,266,830
INTERNATIONAL RELIEF SERVICES	-	-	-	-	1,400	910,000	1,400	910,000
TOTAL	195	119,400	1,315	632,600	9,494	6,245,268	11,004	6,997,268

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VI. MID AFRICA LIMITED

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No:
90005603	80006005	Mid Africa	Brown Sugar 50 kg	1,000	2/24/2007	
90005602	80006004	Mid Africa	Brown Sugar 50 kg	1,000	2/24/2007	
90005601	80006003	Mid Africa	Brown Sugar 50 kg	1,000	2/24/2007	
90005600	80006002	Mid Africa	Brown Sugar 50 kg	1,000	2/24/2007	
90005599	80006001	Mid Africa	Brown Sugar 50 kg	1,000	2/24/2007	
90005598	80006000	Mid Africa	Brown Sugar 50 kg	1,000	2/24/2007	
TOTAL MTC				6,000		

### XIII. SOUTHERN SUDAN MUDDLAND

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90028255	80033977	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	500	7/5/2008	KAW 817B
90028143	80033737	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	363	7/1/2008	KAU 973J
90028142	80033739	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	37	7/1/2008	KAU 973J
90028086	80033694	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	487	6/30/2008	KAW 817B
90028084	80033692	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	13	6/30/2008	KAW 817B
90027875	80033427	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	400	6/25/2008	KAU 973J
90027874	80033435	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	500	6/25/2008	KAW 817B
90027755	80033228	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	320	6/20/2008	KAW 817B
90027725	80033197	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	500	6/19/2008	KAW 817B
90027304	80032654	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	295	6/9/2008	KAL 566C
90027254	80032594	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	500	6/6/2008	KAW 817B
90027263	80032593	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	400	6/6/2008	KAL 566C
90027194	80032464	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	400	6/5/2008	KAL 566C
90027160	80032400	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	400	6/4/2008	KAL 566C
90026970	80032063	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	350	5/29/2008	KAW 817B
90026961	80032062	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	350	5/29/2008	KAL 566C
90026839	80031997	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	140	5/27/2008	KAW 817B
90026657	80031713	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	500	5/22/2008	KAW 817B
90026198	80030967	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	500	5/12/2008	KAW 817B
90025984	80030647	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	345	5/7/2008	KAW 817B
90025695	80030164	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	434	4/30/2008	KAW 817B
90025399	80029801	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	500	4/23/2008	KAW 817B
90025011	80029211	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	205	4/13/2008	KAW 817B
90024623	80028712	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	455	4/7/2008	KAW 817B
90023937	80027661	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	346	3/20/2008	KAW 817B
90023506	80027063	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	413	3/12/2008	KAW 817B
90023144	80026586	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	353	3/3/2008	KAW 817B
90022884	80026199	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	350	2/27/2008	KAW 817B
90022703	80025928	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	350	2/22/2008	KAW 817B
90022456	80025595	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	350	2/18/2008	KAW 817B

90022065	80025159	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	350	2/12/2008	KAW 817B
90022373	80024314	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	400	1/31/2008	KAW 817B
90019575	80022343	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	300	12/18/2007	KAW 817B
90019574	80022345	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	52	12/18/2007	KAW 817B
90019245	80021971	Southern Sudan Mudland Co. Ltd.	Brown Sugar 50 kg	350	12/11/2007	KAW 817B
90018996	80021622	Southern Sudan Mudland Co. Ltd.	White Sugar 50 kg	350	12/6/2007	KAW 817B
TOTAL MTC				12,858		

### IV. KAPOETA TRADING COMPANY LIMITED

Document	Subround	Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
		Bags					
90019577	80022399		KAPOETA TRADING COMPANY	White Sugar 50 kg	800	12/18/2007	
90019578	80022400		KAPOETA TRADING COMPANY	White Sugar 50 kg	900	12/18/2007	
90019585	80022458		KAPOETA TRADING COMPANY	White Sugar 50 kg	800	12/18/2007	
90020528	80022460		KAPOETA TRADING COMPANY	White Sugar 50 kg	900	12/18/2007	
90020529	80022493		KAPOETA TRADING COMPANY	White Sugar 50 kg	800	12/18/2007	
90020530	80022391		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/18/2007	
90020531	80022391		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90020533	80022392		KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	12/20/2007	
90020534	80022393		KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	12/20/2007	
90020537	80022395		KAPOETA TRADING COMPANY	White Sugar 50 kg	800	12/20/2007	
90020538	80022397		KAPOETA TRADING COMPANY	White Sugar 50 kg	800	12/20/2007	
90020539	80022398		KAPOETA TRADING COMPANY	White Sugar 50 kg	900	12/20/2007	
90020540	80022399		KAPOETA TRADING COMPANY	White Sugar 50 kg	200	12/20/2007	
90020541	80022400		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90020545	80022458		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90020546	80022460		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90020549	80022493		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90020550	80022494		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90019612	80022397		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90019613	80022398		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90019614	80022399		KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	12/20/2007	
90019615	80022400		KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	12/20/2007	
90019624	80022397		KAPOETA TRADING COMPANY	White Sugar 50 kg	400	12/20/2007	
90020526	80022398		KAPOETA TRADING COMPANY	White Sugar 50 kg	800	12/20/2007	
90020721	80023031		KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	1/10/2008	KAY 436U
90020722	80023030		KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	1/10/2008	KAY 481U

90020739	80023028	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	1/10/2008	KAY 438U
90020746	80023027	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	1/10/2008	KAY 479U
90020491	80023298	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	250	1/16/2008	KAU 387S
90020493	80023297	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,030	1/16/2008	KAX 024C
90020495	80023299	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	1/16/2008	KAU 478M
90020497	80023300	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	250	1/16/2008	
90020499	80023296	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,040	1/16/2008	KAV 167M
90020500	80023301	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	1/16/2008	KAT 641H
90020640	80023344	KAPOETA TRADING COMPANY	White Sugar 50 kg	900	1/17/2008	KAZ 196B
90020684	80023385	KAPOETA TRADING COMPANY	White Sugar 50 kg	200	1/17/2008	KAU 389S
90020685	80023384	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	1/17/2008	KAU 143Q
90020740	80023448	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,030	1/18/2008	KAX 917L
90021733	80024711	KAPOETA TRADING COMPANY	White Sugar 50 kg	640	2/6/2008	KAS 626Q
90022188	80025290	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	2/13/2008	KAX 347F
90022189	80025289	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	2/13/2008	KAY 746L
90022190	80025291	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	2/13/2008	KAV 690R
90022246	80025363	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	300	2/14/2008	KAV 496C
90022249	80025362	KAPOETA TRADING COMPANY	White Sugar 50 kg	200	2/14/2008	KAS 133T
90022252	80025371	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	2/14/2008	KAV 753R
90022380	80025550	KAPOETA TRADING COMPANY	White Sugar 50 kg	230	2/18/2008	KAY 619A
90022382	80025549	KAPOETA TRADING COMPANY	White Sugar 50 kg	230	2/18/2008	KAL 364Q
90022497	80025626	KAPOETA TRADING COMPANY	White Sugar 50 kg	420	2/18/2008	KAT 641H
90022498	80025627	KAPOETA TRADING COMPANY	White Sugar 50 kg	440	2/18/2008	KAT 140E
90022499	80025628	KAPOETA TRADING COMPANY	White Sugar 50 kg	900	2/18/2008	KAZ 196B
90022500	80025629	KAPOETA TRADING COMPANY	White Sugar 50 kg	940	2/18/2008	KAX 917L
90022502	80025630	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	2/18/2008	KAT 240E
90022636	80025816	KAPOETA TRADING COMPANY	White Sugar 50 kg	400	2/21/2008	KAS 130T
90022637	80025814	KAPOETA TRADING COMPANY	White Sugar 50 kg	100	2/21/2008	KAS 130T
90022642	80025824	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	2/21/2008	KAU 035A

90022643	80025825	KAPOETA TRADING COMPANY	White Sugar 50 kg	900	2/21/2008	KAV 753R
90022644	80025818	KAPOETA TRADING COMPANY	White Sugar 50 kg	100	2/21/2008	KAS 130T
90022668	80025870	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	2/22/2008	KAY 614X
90022708	80025930	KAPOETA TRADING COMPANY	White Sugar 50 kg	400	2/22/2008	
90022713	80025931	KAPOETA TRADING COMPANY	White Sugar 50 kg	200	2/22/2008	
90022732	80025936	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	400	2/22/2008	
90022733	80025938	KAPOETA TRADING COMPANY	White Sugar 50 kg	420	2/22/2008	
90022734	80025939	KAPOETA TRADING COMPANY	White Sugar 50 kg	720	2/22/2008	
90022735	80025941	KAPOETA TRADING COMPANY	White Sugar 50 kg	420	2/22/2008	
90022736	80025943	KAPOETA TRADING COMPANY	White Sugar 50 kg	620	2/22/2008	
90022738	80025944	KAPOETA TRADING COMPANY	White Sugar 50 kg	420	2/22/2008	
90022739	80025945	KAPOETA TRADING COMPANY	White Sugar 50 kg	600	2/22/2008	
90022750	80025958	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	2/22/2008	KAV 882D
90023013	80026453	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	100	3/1/2008	KAR 807V
90023244	80026750	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	3/5/2008	KAQ 426V
90023246	80026746	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,100	3/5/2008	KAU 035A
90023247	80026744	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	3/5/2008	KAS 130T
90023248	80026743	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	3/5/2008	KAP 714M
90023249	80026774	KAPOETA TRADING COMPANY	White Sugar 50 kg	800	3/6/2008	KAP 714M
90023251	80026776	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	3/6/2008	KAV 753R
90023253	80026770	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	3/6/2008	KAT 463R
90023256	80026767	KAPOETA TRADING COMPANY	White Sugar 50 kg	800	3/6/2008	KBA 965W
90023258	80026766	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	3/6/2008	KAT 136W
90023267	80026792	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	3/6/2008	KAS 130T
90023283	80026810	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,200	3/7/2008	KAV 699R
90023284	80026811	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,100	3/7/2008	KAY 347F
90023450	80026994	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/11/2008	KAB 010G
90023451	80026995	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/11/2008	KAY 614X
90023471	80027011	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/11/2008	KAP 832H

90023472	80027008	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/11/2008	KAX 575Y
90023474	80027006	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/11/2008	KBA 020G
90023525	80027237	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/14/2008	KBA 020H
90023526	80027240	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	3/14/2008	KAR 607H
90023627	80027238	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	3/14/2008	KAX 575Y
90023623	80027235	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	3/14/2008	KAR 607H
90023629	80027241	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	3/14/2008	KAU 047Z
90023630	80027242	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	3/14/2008	KAR 282M
90024554	80028600	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/5/2008	KAR 807V
90024595	80028601	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,200	4/5/2008	KAV 753R
90024596	80028602	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	4/5/2008	KBA 965W
90024597	80028603	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,200	4/5/2008	KAV 982C
90024598	80028604	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,200	4/5/2008	KAV 699R
90024599	80028605	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,200	4/5/2008	KAY 347F
90024600	80028606	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	4/5/2008	KAP 136W
90024601	80028607	KAPOETA TRADING COMPANY	White Sugar 50 kg	220	4/5/2008	KAU 523L
90024602	80028608	KAPOETA TRADING COMPANY	White Sugar 50 kg	200	4/5/2008	KAZ 879R
90024553		KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/5/2008	KAP 714M
90024592	80028598	KAPOETA TRADING COMPANY	White Sugar 50 kg	800	4/6/2008	KAS 130T
90024665	80028760	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/7/2008	KAU 035U
90024667	80028762	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/7/2008	KAP 714M
90024668	80028763	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/7/2008	KAS 130T
90024669	80028764	KAPOETA TRADING COMPANY	White Sugar 50 kg	800	4/7/2008	KAP 714M
90024670	80028765	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/7/2008	KAR 807V
90024671	80028766	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	4/7/2008	KBA 965W
90024687	80028792	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	4/7/2008	KAW 882D
90024688	80028793	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	4/8/2008	KAQ 426V
90024689	80028794	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,200	4/8/2008	KAV 753R
90024773	80028532	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	4/9/2008	KAV 599R
						KAV 753R

90024806	80028940	KAPOETA TRADING COMPANY	White Sugar 50 kg	360	4/9/2008	KAV 992C
90025292	80029649	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	600	4/20/2008	KAV 753R
90025293	80029650	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	208	4/20/2008	KAP 463R
90025294	80029651	KAPOETA TRADING COMPANY	White Sugar 50 kg	600	4/20/2008	KAQ 426V
90025297	80029654	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	4/20/2008	KAW 882D
90025314	80029705	KAPOETA TRADING COMPANY	White Sugar 50 kg	86	4/21/2008	KAS 133T
90025315	80029707	KAPOETA TRADING COMPANY	White Sugar 50 kg	912	4/21/2008	KAT 463R
90025482	80029893	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	4/25/2008	KAW 882D
90025487	80029902	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	4/26/2008	KAZ 810G
90025488	80029903	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	700	4/26/2008	KAR 677B
90025489	80029904	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	4/26/2008	KAY 569A
90025490	80029905	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	4/26/2008	KAW 882D
90025491	80029906	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	220	4/26/2008	KAY 446L
90025512	80029939	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	4/27/2008	KAW 882D
90025517	80029941	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/27/2008	KAY 569A
90025518	80029942	KAPOETA TRADING COMPANY	White Sugar 50 kg	700	4/27/2008	KAR 677W
90025598	80030051	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/28/2008	KAY 569A
90025600	80030054	KAPOETA TRADING COMPANY	White Sugar 50 kg	741	4/28/2008	KAR 677W
90025602	80030055	KAPOETA TRADING COMPANY	White Sugar 50 kg	280	4/28/2008	KAY 446L
90025604	80030052	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/28/2008	KAW 882D
90025654	80030123	KAPOETA TRADING COMPANY	White Sugar 50 kg	520	4/29/2008	KAY 569A
90025655	80030126	KAPOETA TRADING COMPANY	White Sugar 50 kg	539	4/29/2008	KAW 882D
90026097	80030791	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	4/30/2008	KAU 035A
90026958	80032076	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	700	4/30/2008	KAW 331C
90025789	80030337	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	5/2/2008	KAR 677W
90025790	80030333	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/2/2008	KAW 882D
90025791	80030331	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	200	5/2/2008	KAS 133T
90025792	80030329	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	800	5/2/2008	KAT 463R
90025794	80030328	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	5/2/2008	KAV 753R

90026259	80031044	KAPOETA TRADING COMPANY	White Sugar 50 kg	900	5/3/2008	KBA 010G
90025831	80030407	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/5/2008	KAW 882D
90025832	80030408	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	200	5/5/2008	KAS 133T
90025916	80030542	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/6/2008	KAY 569A
90025993	80030539	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/8/2008	KAW 882D
90025994	80030541	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	200	5/8/2008	KAS 133T
90026009	80030672	KAPOETA TRADING COMPANY	White Sugar 50 kg	600	5/8/2008	KAW 882D
90026010	80030673	KAPOETA TRADING COMPANY	White Sugar 50 kg	600	5/8/2008	KAY 569A
90026012	80030676	KAPOETA TRADING COMPANY	White Sugar 50 kg	200	5/8/2008	KAS 133T
90026024	80030685	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/8/2008	KAQ 426V
90026026	80030690	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/8/2008	KBB 175W
90026040	80030711	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	5/8/2008	KAR 807G
90026044	80030715	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	5/8/2008	KAU 035A
90026067	80030748	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,200	5/9/2008	KAV 699R
90026101	80030797	KAPOETA TRADING COMPANY	White Sugar 50 kg	200	5/9/2008	KAV 569A
90026102	80030798	KAPOETA TRADING COMPANY	White Sugar 50 kg	150	5/9/2008	KAS 133T
90026104	80030792	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	5/9/2008	KAR 807G
90026105	80030794	KAPOETA TRADING COMPANY	White Sugar 50 kg	460	5/9/2008	KAW 882D
90026107	80030788	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/9/2008	KBB 175W
90026109	80030787	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/9/2008	KAQ 426V
90026111	80030811	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/9/2008	KBA 010G
90026153	80030889	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	5/10/2008	KAR 807Y
90026253	80031049	KAPOETA TRADING COMPANY	White Sugar 50 kg	210	5/13/2008	KAV 699W
90026254	80031050	KAPOETA TRADING COMPANY	White Sugar 50 kg	990	5/13/2008	KAV 699W
90026255	80031048	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	5/13/2008	KAS 130T
90026256	80031047	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/13/2008	KAP 832M
90026257	80031045	KAPOETA TRADING COMPANY	White Sugar 50 kg	890	5/13/2008	KAW 237I
90026258	80031045	KAPOETA TRADING COMPANY	White Sugar 50 kg	10	5/13/2008	KAW 237I
90026259	80031043	KAPOETA TRADING COMPANY	White Sugar 50 kg	600	5/13/2008	KAP 594H

90026262	80031042	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	5/13/2008	KAL 364Q
90026263	80031041	KAPOETA TRADING COMPANY	White Sugar 50 kg	1,000	5/13/2008	KAV 496C
90026267	80031038	KAPOETA TRADING COMPANY	White Sugar 50 kg	300	5/13/2008	KAY 619A
90026269	80031039	KAPOETA TRADING COMPANY	White Sugar 50 kg	250	5/13/2008	KAY 413J
90026270	80031040	KAPOETA TRADING COMPANY	White Sugar 50 kg	500	5/13/2008	KAV 149M
90026304	80031123	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	5/14/2008	KBA 010G
90026305	80031125	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/14/2008	KAR 607H
90026306	80031125	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/14/2008	KAR 607H
90026307	80031126	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	5/14/2008	KAX 575Y
90026308	80031127	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	1,000	5/14/2008	KAP 832N
90026309	80031129	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	800	5/14/2008	KAS 626Q
90026315	80031147	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	990	5/14/2008	KAW 237J
90026323	80031135	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	300	5/14/2008	KAZ 151B
90026325	80031137	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/14/2008	KAZ 047Z
90026583	80031629	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/21/2008	KBA 039
90026584	80031627	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/21/2008	KAT 909R
90026585	80031624	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/21/2008	
90026586	80031623	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/21/2008	KAU 010H
90026587	80031617	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/21/2008	KAU 135H
90026588	80031614	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	900	5/21/2008	KBA 042T
90026814	80031961	KAPOETA TRADING COMPANY	White Sugar 50 kg	850	5/27/2008	KAU 011H
90026959	80032077	KAPOETA TRADING COMPANY	Brown Sugar 50 kg	500	5/29/2008	KAV 569A
				128,386		
Bags						
90026324	80031136	KAPOETA TRADING COMPANY	White Sugar 1 kg	450	5/14/2008	KAU 382A
90026314	80031134	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	79	5/14/2008	KAS 133T
90026313	80031133	KAPOETA TRADING COMPANY	White Sugar 1 kg	100	5/14/2008	KAS 133T
90026312	80031132	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	2,000	5/14/2008	KAV 165M
90026312	80031132	KAPOETA TRADING COMPANY	White Sugar 1 kg	100	5/14/2008	KAV 165M

90026311	80031131	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,800	5/14/2008	KAE 762P
90026310	80031130	KAPOETA TRADING COMPANY	White Sugar 1 kg	250	5/14/2008	KAW 564Y
90026265	80031037	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	500	5/13/2008	KAY 619A
90026265	80031035	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	5/13/2008	KAS 133T
90026264	80031036	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,000	5/13/2008	KAW 882D
90026158	80030896	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,500	5/10/2008	KRZ 207
90026156	80030897	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,800	5/10/2008	KAJ 762P
90026154	80030888	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,100	5/10/2008	KAZ 810G
90026154	80030888	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	5/10/2008	KAZ 810G
90026151	80030875	KAPOETA TRADING COMPANY	White Sugar 2 kg	25	5/10/2008	KAY 565A
90026130	80030834	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	25	5/10/2008	KAY 569A
90026129	80030833	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	5/9/2008	KAY 569A
90026128	80030832	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	5/9/2008	KAW 882D
90026112	80030813	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	500	5/9/2008	KAS 133T
90026013	80030678	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	300	5/9/2008	KAW 882D
90025914	80030544	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	5/8/2008	KBA 010G
90025833	80030409	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	5/6/2008	KAR 282M
90025827	80030386	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	123	5/5/2008	KAS 133T
90025787	80030338	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,800	5/5/2008	KAW 237I
90025786	80030340	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	2,000	5/2/2008	KBB 175M
90025772	80030308	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	5/2/2008	KAV 035A
90025759	80030276	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	800	5/2/2008	KAL 191S
90025744	80030249	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	5/2/2008	KAW 882D
90025744	80030249	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	500	5/2/2008	KAR 282M
90025492	80028907	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	5/2/2008	KAR 282M
90025516	80028940	KAPOETA TRADING COMPANY	White Sugar 2 kg	247	4/26/2008	KAS 133T
90025519	80028943	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/27/2008	KAS 133T
90025539	80030053	KAPOETA TRADING COMPANY	White Sugar 2 kg	600	4/27/2008	KAY 446L
				500	4/28/2008	KAS 133T

90025721	80030179	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	800	4/30/2008	KAP 594H
90025721	80030179	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	800	4/30/2008	KAP 594H
90025720	80030153	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	500	4/30/2008	KAW 882D
90025720	80030153	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	500	4/30/2008	KAW 882D
90025719	80030155	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	4/30/2008	KAS 626Q
90025719	80030155	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	4/30/2008	KAS 626Q
90025718	80030156	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	4/30/2008	KAW 237J
90025718	80030156	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	4/30/2008	KAW 237J
90025717	80030209	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	400	4/30/2008	KAS 133T
90025717	80030209	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	400	4/30/2008	KAS 133T
90025706	80030154	KAPOETA TRADING COMPANY	White Sugar 1 kg	400	4/30/2008	KAS 133T
90025667	80030133	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,500	4/29/2008	KBA 010H
90025667	80030133	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/29/2008	KBA 010H
90025667	80030133	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/29/2008	KAL 191S
90025659	80030308	KAPOETA TRADING COMPANY	White Sugar 2 kg	800	4/29/2008	KAL 191S
90025658	80030129	KAPOETA TRADING COMPANY	White Sugar 2 kg	2,000	4/29/2008	KAX 575Y
90025657	80030128	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	4/29/2008	KAV 496C
90025657	80030128	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,000	4/29/2008	KAV 496C
90025656	80030127	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/29/2008	KAV 149M
90025656	80030127	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/29/2008	KAV 149M
90025481	80029895	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	600	4/25/2008	KAS 133T
90025420	80029825	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	4/24/2008	KAR 607H
90025418	80029824	KAPOETA TRADING COMPANY	White Sugar 2 kg	200	4/24/2008	KAY 575X
90025418	80029824	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/24/2008	KAY 575X
90025416	80029822	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/24/2008	KAY 575X
90025415	80029822	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	500	4/24/2008	KAU 292D
90025415	80029822	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	1,000	4/24/2008	KAW 237J
90025396	80029791	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	1,000	4/24/2008	KAW 237J
90025395	80029792	KAPOETA TRADING COMPANY	White Sugar 2 kg	2,000	4/23/2008	KAX 578Y
90025395	80029792	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,000	4/23/2008	KAX 578Y
90025395	80029792	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	4/23/2008	KAU 047Z
90025395	80029792	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,000	4/23/2008	KAU 047Z
90025394	80029793	KAPOETA TRADING COMPANY	White Sugar 2 kg	800	4/23/2008	KAL 191S

90025393	80029794	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	4/23/2008	KAR 282M
90025295	80029653	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/20/2008	KAW 882D
90025295	80029652	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/20/2008	KAW 882D
90025295	80029652	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/20/2008	KAR 282M
90024805	80025538	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/20/2008	KAR 282M
90024804	80028937	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,280	4/9/2008	KAR 282M
90024802	80028936	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	4/9/2008	KAV 992C
90024785	80028935	KAPOETA TRADING COMPANY	White Sugar 2 kg	255	4/9/2008	KAR 807V
90024593	80028650	KAPOETA TRADING COMPANY	White Sugar 2 kg	624	4/9/2008	KAU 035A
90024651	80028735	KAPOETA TRADING COMPANY	White Sugar 2 kg	565	4/20/2008	KAW 882D
90024628	80028718	KAPOETA TRADING COMPANY	White Sugar 1 kg	676	4/20/2008	KAP 463R
90024628	80028718	KAPOETA TRADING COMPANY	White Sugar 2 kg	800	4/7/2008	KAW 882D
90024625	80028719	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,200	4/7/2008	KAX 575Y
90024607	80028652	KAPOETA TRADING COMPANY	White Sugar 1 kg	2,000	4/7/2008	KAX 575Y
90024606	80028651	KAPOETA TRADING COMPANY	White Sugar 2 kg	450	4/5/2008	KAW 237J
90024605	80028650	KAPOETA TRADING COMPANY	White Sugar 2 kg	450	4/5/2008	KAW 337J
90024605	80028650	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	4/5/2008	KAW 954Y
90024604	80028610	KAPOETA TRADING COMPANY	White Sugar 1 kg	700	4/5/2008	KAR 677W
90024504	80028610	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/5/2008	KAR 677W
90024503	80028609	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/5/2008	KAY 569A
90024603	80028609	KAPOETA TRADING COMPANY	White Sugar 2 kg	500	4/5/2008	KAY 569A
90023490	80027049	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	4/5/2008	KAW 882D
90023478	80027018	KAPOETA TRADING COMPANY	Brown Sugar 1 kg	500	4/5/2008	KAS 133T
90023417	80026960	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	500	3/11/2008	KAS 133T
90023417	80026960	KAPOETA TRADING COMPANY	Brown Sugar 2 kg	500	3/10/2008	KAY 569A
90023245	80026749	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	3/10/2008	KAY 569A
90023245	80026749	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	3/5/2008	KAV 699R
90023245	80026749	KAPOETA TRADING COMPANY	White Sugar 1 kg	1,000	3/5/2008	KAV 699R
90022385	80025548	KAPOETA TRADING COMPANY	White Sugar 2 kg	400	2/18/2008	KAQ 426V
						KAU 523L

90022302	80025437	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,100	2/15/2008	KAS 130T
90022295	80025417	KAPOETA TRADING COMPANY	White Sugar 2 kg	300	2/15/2008	KAS 133T
90022295	80025417	KAPOETA TRADING COMPANY	White Sugar 1 kg	200	2/15/2008	KAS 133T
90022294	80025422	KAPOETA TRADING COMPANY	White Sugar 2 kg	1,000	2/15/2008	KAL 491Z
90022143	80025257	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	2/13/2008	KAY 569A
90022142	80025254	KAPOETA TRADING COMPANY	White Sugar 2 kg	200	2/13/2008	KAS 133T
90022142	80025254	KAPOETA TRADING COMPANY	White Sugar 1 kg	300	2/13/2008	KAS 133T
90021775	80024753	KAPOETA TRADING COMPANY	White Sugar 1 kg	439	2/6/2008	KAW 882D
90021068	80023861	KAPOETA TRADING COMPANY	White Sugar 2 kg	200	1/26/2008	KAS 133T
90021058	80023925	KAPOETA TRADING COMPANY	White Sugar 2 kg	200	1/26/2008	KAS 133T
90021058	80023925	KAPOETA TRADING COMPANY	White Sugar 1 kg	161	1/26/2008	KAS 133T
90021040	80023827	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	1/26/2008	KAS 133T
90020899	80023766	KAPOETA TRADING COMPANY	White Sugar 1 kg	500	1/23/2008	KAS 133T
TOTAL MTC				284,184		

# I. INTERNATIONAL RELIEF

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No:
90022933	80026273	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	26	2/28/2008	KAU 047Z
90023012	80026461	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	49	3/1/2008	KAW 242B
90021275	80024160	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	90	1/28/2008	
90022929	80026268	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	114	2/28/2008	KAY 614X
90021749	80024719	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	140	2/6/2008	KAY 569A
90021510	80024517	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	160	2/4/2008	KAW 882D
90021750	80024715	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	180	2/6/2008	KAW 882D
90020924	80023808	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	200	1/23/2008	KAU 387S
90022194	80025293	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	225	2/13/2008	
90021271	80024159	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	250	1/28/2008	
90021753	80024723	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	300	2/6/2008	KAU 992C
90021270	80024158	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	300	1/28/2008	
90020910	80023793	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	300	1/23/2008	KAL 491Z
90021752	80024713	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	360	2/6/2008	KAU 992C
90021748	80024718	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	360	2/6/2008	KAY 569A
90020938	80023815	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	400	1/24/2008	KAR 495M
90020936	80023814	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	400	1/23/2008	KAT 240E
90020935	80023813	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	400	1/23/2008	KAT 641H
90022529	80026268	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	406	2/28/2008	KAY 614X
90021511	80024515	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	440	2/4/2008	KAY 569A
90021751	80024714	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	500	2/6/2008	KAS 130T
90020920	80023802	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	500	1/23/2008	KAW 882D
90020516	80023799	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	500	1/23/2008	KAY 569A
90021942	80024914	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	600	2/11/2008	KAZ 520R
90022554	80025027	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	600	2/9/2008	KBA 535P
90022553	80025022	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	600	2/9/2008	KAZ 839C
90022272	80025030	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	600	2/9/2008	KAZ 801C

90022271	80025028	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	600	2/9/2008	KBA 53SP
90022270	80024916	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	600	2/9/2008	KAZ 838C
90022269	80024915	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	600	2/9/2008	KAZ 531R
90021907	80024885	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	600	2/9/2008	KAP 370P
90021905	80024888	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	600	2/9/2008	KAP 370P
90021904	80024901	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	600	2/9/2008	KAW 915W
90020986	80023845	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	600	1/29/2008	KAX 635E
90021184	80024092	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	640	1/29/2008	KAX 635E
90022931	80026271	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	694	2/28/2008	KAU 047Z
90021908	80024886	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	700	2/9/2008	KAS 348N
90021906	80024887	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	700	2/9/2008	KAZ 512R
90020971	80023878	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	700	1/25/2008	KAW249T
90020922	80023811	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	700	1/23/2008	KAY 183J
90020912	80023798	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	700	1/23/2008	KAR 677W
90022930	80026269	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	720	2/28/2008	KBA 010G
90022927	80026264	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	720	2/28/2008	KAW 237J
90021755	80024722	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	720	2/6/2008	KAV 149M
90021754	80024721	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	720	2/6/2008	KAU 035A
90021747	80024720	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	720	2/6/2008	KAR 677W
90021375	80024322	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	800	1/31/2008	KAJ 890
90021094	80023994	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	866	1/27/2008	KAX 024C
90022928	80026265	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	900	2/28/2008	KAW 237J
90021374	80024321	INTERNATIONAL RELIEF SERVICES	Brown Sugar 50 kg	900	1/31/2008	KAV 208J
90021095	80023993	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	900	1/27/2008	KAZ 196B
90020747	80023450	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	1,000	1/18/2008	KAZ 810G
90020741	80023447	INTERNATIONAL RELIEF SERVICES	White Sugar 50 kg	1,000	1/18/2008	KAH 005M
<b>TOTAL MTC</b>				<b>28,000</b>		

The table below presents a summary of our exports to UGANDA

CUSTOMER	2006		2007		2008		TOTAL	
	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)	QTY (Tons)	VALUE (US \$)
Arua Mercantile Co Ltd	470	465,958	1,260	246,970	-	-	1,730	712,928
QUICKSALEERS UGANDA	-	-	2,475	1,352,500	-	-	2,475	1,412,500
MURU ENTERPRISES	-	-	450	260,930	-	-	450	260,930
KASAVE TRADING COMPANY LIMITED	-	-	725	420,420	50	28,995	775	449,415
Trident Investment Limited	-	-	130	75,400	-	-	130	75,400
Uchumi Commodities (Uganda) Limited	-	-	670	464,000	-	-	670	464,000
TOTAL	470	465,958	5,610	2,820,220	50	28,995	6,230	3,375,173

34

II. ARUA MERCANTILE

Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90008394	80009228	Arua Mercantile Co Ltd	White Sugar 50 kg	1,000	4/30/2007	
90008230	80009024	Arua Mercantile Co Ltd	White Sugar 50 kg	1,000	4/30/2007	
90008765	80009625	Arua Mercantile Co Ltd	White Sugar 50 kg	1,000	4/26/2007	
90008764	80009623	Arua Mercantile Co Ltd	White Sugar 50 kg	1,000	4/26/2007	
90008594	80009425	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	4/22/2007	
90007056	80007649	Arua Mercantile Co Ltd	White Sugar 50 kg	1,000	4/2/2007	
90007200	80007819	Arua Mercantile Co Ltd	White Sugar 50 kg	1,000	3/26/2007	
90006269	80006717	Arua Mercantile Co Ltd	White Sugar 50 kg	1,200	3/7/2007	
90005994	80006450	Arua Mercantile Co Ltd	White Sugar 50 kg	1,200	3/3/2007	
90005634	80006097	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,200	2/25/2007	
90005633	80006096	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,200	2/25/2007	
90005632	80006094	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,200	2/25/2007	
90005045	80005532	Arua Mercantile Co Ltd	White Sugar 50 kg	1,200	2/19/2007	
90004884	80005375	Arua Mercantile Co Ltd	White Sugar 50 kg	1,200	2/16/2007	
90004167	80005375	Arua Mercantile Co Ltd	White Sugar 50 kg	1,200	2/2/2007	
90002756	80003060	Arua Mercantile Co Ltd	White Sugar 50 kg	3,360	1/29/2007	
90001336	80001390	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	1/29/2007	
90000450	80000810	Arua Mercantile Co Ltd	White Sugar 50 kg	720	1/29/2007	
90000448	80000809	Arua Mercantile Co Ltd	White Sugar 50 kg	720	1/29/2007	
90001303	80001390	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	12/9/2006	
90001301	80001390	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	12/9/2006	
90001315	80001400	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,200	11/26/2006	
90001313	80001402	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	11/26/2006	
90001311	80001404	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,200	11/26/2006	
90001310	80001405	Arua Mercantile Co Ltd	Brown Sugar 50 kg	400	11/26/2006	
90001308	80001407	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,200	11/26/2006	

90001305	80001394	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	11/26/2006	
90001304	80001393	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	11/26/2006	
90001302	80001392	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	11/26/2006	
90001300	80001390	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	11/26/2006	
90001299	80001391	Arua Mercantile Co Ltd	Brown Sugar 50 kg	200	11/26/2006	
90001298	80001391	Arua Mercantile Co Ltd	Brown Sugar 50 kg	1,000	11/26/2006	
TOTAL MTC				34,600		

### XI. QUICK SALERS UGANDA

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90013548	80014948	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/14/2007	
90013547	80014946	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/14/2007	
90013430	80014786	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/10/2007	
90013406	80014765	QUICK SALERS UGANDA	White Sugar 50 kg	1,000	8/9/2007	
90013380	80014737	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/9/2007	
90013379	80014736	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/9/2007	
90013378	80014738	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/9/2007	
90013377	80014739	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/8/2007	
90013319	80014675	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/7/2007	
90013318	80014676	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/7/2007	
90013266	80014623	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/3/2007	
90013137	80014450	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/3/2007	
90013136	80014449	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/1/2007	
90013017	80014290	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/1/2007	
90013006	80014289	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/1/2007	
90013005	80014291	QUICK SALERS UGANDA	White Sugar 50 kg	500	8/1/2007	
90012992	80014276	QUICK SALERS UGANDA	White Sugar 50 kg	1,000	7/30/2007	
90012838	80014153	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	7/30/2007	
90012473	80013749	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	7/30/2007	
90012472	80013748	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	7/30/2007	
90012836	80014151	QUICK SALERS UGANDA	White Sugar 50 kg	500	7/29/2007	
90012816	80014125	QUICK SALERS UGANDA	Brown Sugar 50 kg	531	7/27/2007	
90012691	80014004	QUICK SALERS UGANDA	Brown Sugar 50 kg	320	7/24/2007	
90012691	80014004	QUICK SALERS UGANDA	White Sugar 50 kg	149	7/24/2007	
90012690	80014003	QUICK SALERS UGANDA	White Sugar 50 kg	500	7/24/2007	
90012618	80013920	QUICK SALERS UGANDA	Brown Sugar 50 kg	572	7/23/2007	
90012618	80013920	QUICK SALERS UGANDA	White Sugar 50 kg	428	7/23/2007	

90012392	80013877	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	7/20/2007	
90012576	80013865	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	7/20/2007	
90012569	80013847	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	7/20/2007	
90011830	80013012	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/18/2007	
90011660	80012833	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/14/2007	
90011656	80012829	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/14/2007	
90011566	80012756	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/13/2007	
90011489	80012691	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/12/2007	
90011404	80012598	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/11/2007	
90011335	80012524	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/9/2007	
90011279	80012480	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/8/2007	
90011137	80012299	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/5/2007	
90011071	80012279	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	6/4/2007	
90010914	80012151	QUICK SALERS UGANDA	Brown Sugar 50 kg	1,000	6/2/2007	
90010843	80012083	QUICK SALERS UGANDA	White Sugar 50 kg	500	5/31/2007	
90010842	80012082	QUICK SALERS UGANDA	White Sugar 50 kg	500	5/31/2007	
90010750	80011948	QUICK SALERS UGANDA	White Sugar 50 kg	1,000	5/29/2007	
90010347	80011483	QUICK SALERS UGANDA	Brown Sugar 50 kg	1,000	5/24/2007	
90010295	80011425	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	5/23/2007	
90010294	80011424	QUICK SALERS UGANDA	White Sugar 50 kg	500	5/23/2007	
90010109	80011267	QUICK SALERS UGANDA	Brown Sugar 50 kg	1,000	5/20/2007	
90010018	80011196	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	5/19/2007	
90010040	80011177	QUICK SALERS UGANDA	White Sugar 50 kg	500	5/18/2007	
90009804	80010916	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	5/12/2007	
90009782	80010891	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	5/12/2007	
90009712	80010844	QUICK SALERS UGANDA	Brown Sugar 50 kg	1,000	5/11/2007	
90009654	80010748	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	5/10/2007	
90009653	80010747	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	5/10/2007	
90008741	80009600	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/30/2007	

90008492	80009327	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/30/2007	
90008474	80009317	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/30/2007	
90008910	80009790	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/29/2007	
90008894	80009771	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/29/2007	
90008663	80009481	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/23/2007	
90008642	80009480	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/23/2007	
90008641	80009479	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/23/2007	
90008640	80009478	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/23/2007	
90008639	80009477	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/23/2007	
90008584	80009414	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/22/2007	
90008581	80009410	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/22/2007	
90008372	80009214	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/17/2007	
90008371	80009213	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/17/2007	
90008175	80008954	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	4/13/2007	
90008174	80008953	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/13/2007	
90007949	80008645	QUICK SALERS UGANDA	White Sugar 50 kg	1,000	4/5/2007	
90007928	80008619	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/4/2007	
90007909	80008591	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/3/2007	
90007551	80008309	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/2/2007	
90007547	80008292	QUICK SALERS UGANDA	White Sugar 50 kg	1,000	4/2/2007	
90005988	80006457	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/2/2007	
90007464	80008272	QUICK SALERS UGANDA	White Sugar 50 kg	500	4/1/2007	
90007201	80007823	QUICK SALERS UGANDA	White Sugar 50 kg	500	3/26/2007	
90007199	80007818	QUICK SALERS UGANDA	White Sugar 50 kg	500	3/26/2007	
90006270	80006718	QUICK SALERS UGANDA	White Sugar 50 kg	500	3/7/2007	
90005719	80006023	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	2/24/2007	
90005595	80006024	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	2/24/2007	
90005594	80006022	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	2/24/2007	
90005593	80006021	QUICK SALERS UGANDA	Brown Sugar 50 kg	500	2/24/2007	

90005300	8005802	QUICK SALEERS UGANDA	Brown Sugar 50 kg	500	2/22/2007	
90005259	80005803	QUICK SALEERS UGANDA	Brown Sugar 50 kg	500	2/22/2007	
90005021	80005530	QUICK SALEERS UGANDA	White Sugar 50 kg	500	2/19/2007	
90004924	80005328	QUICK SALEERS UGANDA	White Sugar 50 kg	500	2/15/2007	
90002820	80003114	QUICK SALEERS UGANDA	White Sugar 50 kg	1,000	1/29/2007	
TOTAL MTC				49,500		

## VIII. MURU ENTERPRISES

Billing Document	Outbound/Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90013615	80015016	MURU ENTERPRISES	White Sugar 50 kg	498	8/15/2007	
90013413	80014781	MURU ENTERPRISES	White Sugar 50 kg	500	8/10/2007	
90013185	80014508	MURU ENTERPRISES	White Sugar 50 kg	500	8/4/2007	
90013163	80014475	MURU ENTERPRISES	White Sugar 50 kg	500	8/4/2007	
90013162	80014474	MURU ENTERPRISES	White Sugar 50 kg	500	8/3/2007	
90013134	80014446	MURU ENTERPRISES	White Sugar 50 kg	500	7/30/2007	
90012884	80014204	MURU ENTERPRISES	White Sugar 50 kg	500	7/30/2007	
90012883	80014203	MURU ENTERPRISES	White Sugar 50 kg	500	7/30/2007	
90012876	80014196	MURU ENTERPRISES	White Sugar 50 kg	500	7/30/2007	
90012873	80014195	MURU ENTERPRISES	White Sugar 50 kg	500	7/27/2007	
90012815	80014124	MURU ENTERPRISES	White Sugar 50 kg	500	7/23/2007	
90012638	80013950	MURU ENTERPRISES	White Sugar 50 kg	500	7/23/2007	
90012609	80013919	MURU ENTERPRISES	White Sugar 50 kg	1,000	6/19/2007	
90011925	80013090	MURU ENTERPRISES	White Sugar 50 kg	500	6/19/2007	
90011898	80013089	MURU ENTERPRISES	White Sugar 50 kg	498	6/19/2007	
90011481	80012684	MURU ENTERPRISES	White Sugar 50 kg	1,000	6/12/2007	
<b>TOTAL MTC</b>				<b>8,996</b>		

V. KASAVE TRADING COMPANY LIMITED

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90027626	80033096	KASAVE TRADING COMPANY	White Sugar 50 kg	500	6/17/2008	UAH 952Y
90026096	80030785	KASAVE TRADING COMPANY	Brown Sugar 50 kg	500	5/9/2008	UAJ 21AN
90018164	80020503	KASAVE TRADING COMPANY	White Sugar 50 kg	500	11/15/2007	
90018030	80020284	KASAVE TRADING COMPANY	White Sugar 50 kg	500	11/12/2007	
90017907	80020135	KASAVE TRADING COMPANY	White Sugar 50 kg	500	11/8/2007	
90017871	80019860	KASAVE TRADING COMPANY	White Sugar 50 kg	500	11/7/2007	
90017872	80019851	KASAVE TRADING COMPANY	White Sugar 50 kg	500	11/2/2007	
90017206	80019281	KASAVE TRADING COMPANY	White Sugar 50 kg	498	10/23/2007	
90017013	80019054	KASAVE TRADING COMPANY	White Sugar 50 kg	500	10/19/2007	
90016877	80018908	KASAVE TRADING COMPANY	Brown Sugar 50 kg	500	10/17/2007	
90016737	80018752	KASAVE TRADING COMPANY	White Sugar 50 kg	500	10/15/2007	
90016305	80018210	KASAVE TRADING COMPANY	White Sugar 50 kg	499	10/3/2007	
90015960	80017352	KASAVE TRADING COMPANY	Brown Sugar 50 kg	500	9/20/2007	
90014588	80016150	KASAVE TRADING COMPANY	White Sugar 50 kg	500	9/3/2007	
90013995	80015445	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/27/2007	
90013892	80015348	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/23/2007	
90013750	80015195	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/23/2007	
90013703	80015130	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/23/2007	
90013805	80015228	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/21/2007	
90013304	80015226	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/21/2007	
90015545	80014945	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/14/2007	
90013491	80014876	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/13/2007	
90013414	80014780	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/10/2007	
90013320	80014674	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/7/2007	
90013257	80014622	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/3/2007	
90013145	80014454	KASAVE TRADING COMPANY	White Sugar 50 kg	500	8/2/2007	
90013078	80014393	KASAVE TRADING COMPANY	White Sugar 50 kg	1,000	8/2/2007	

90012938	80014239	KASAVE TRADING COMPANY	White Sugar 50 kg	500	7/31/2007	
90012807	80014118	KASAVE TRADING COMPANY	White Sugar 50 kg	1,000	7/27/2007	
TOTAL MTC				15,497		

XV. TRIDENT INVESTMENT

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No:
90017297	80019392	Trident Investment Limited	Brown Sugar 50 kg	220	10/26/2007	
90017290	80019383	Trident Investment Limited	Brown Sugar 50 kg	1,080	10/26/2007	
90017225	80019310	Trident Investment Limited	White Sugar 50 kg	220	10/23/2007	
90017218	80019289	Trident Investment Limited	White Sugar 50 kg	1,080	10/23/2007	
TOTAL MTC				2,600		

XVI. UCHUMI

Billing Document	Outbound Delivery	Name of the payer	Description	Billed Quantity	Billing Date	Truck Reg. No.
90018242	80020620	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	220	11/17/2007	
90018239	80020618	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	11/17/2007	
90018208	80020556	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	11/16/2007	
90018207	80020558	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	220	11/16/2007	
90018206	80020557	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	900	11/16/2007	
90018141	80020467	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	220	11/14/2007	
90018140	80020466	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	11/14/2007	
90018086	80020387	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	11/13/2007	
90018077	80020388	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	220	11/13/2007	
90018046	80020328	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	11/2/2007	
90017882	80019868	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	11/2/2007	
90017724	80019869	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	440	11/2/2007	
90017666	80019794	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,020	10/31/2007	
90017664	80019789	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	10/31/2007	
90017660	80019780	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	440	10/31/2007	
90017647	80019770	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	10/31/2007	
90017645	80019767	Uchumi Commodities (Uganda) Limited	White Sugar 50 kg	1,080	10/31/2007	
<b>TOTAL MTC</b>				<b>13,400</b>		

# Annex III (a)

EAST AFRICAN COMMUNITY

## QUADRUPPLICATE SINGLE ADMINISTRATIVE DOCUMENT (SAD) - SIMBA

C.17 B CUSTOMS Regulations 39,39,304,105- PAGE 1 of 1

1. Exporter/Consignor KENANA SUGAR COMPANY LIMITED PO BOX 2632 KHARTOUM SUDAN		2. Processing Office MSA		3. Frontier office		4. Regime code C4		FOR OFFICIAL USE	
10. Importer/Consignee MUMIAS SUGAR COMPANY LTD CO BANTIES PEAK LIMITED 64531 NAIROBI		5. Voyage/Flight/Vehicle No. JH315A		6. Date of arrival/departure 22/05/2013		Entry Number and Date 2013MSA 4050717 16/04/2013		7. Country of Consignment SD	
11. City of last Consign / 1 <sup>st</sup> Dest. SR		12. Country of final Destination		13. Port of Destination		14. Place of discharge/Loading CNTR		15. Mode of transport Sea	
16. Nationality of Transport PA		17. Vehicle owner/Driver		18. Seal Number(s) EU0001641508 see Details		19. Country of Transit		20. Total Number of Items 1	
21. Total Packages 200000		22. Total Gross Weight 10000000		23. Declaration / Agent EMICA LOGISTICS LIMITED NAIROBI CITY WEST		24. Location of Goods		25. Warehouse code No Description	
26. Period in Warehouse/Transit		27. Valuation method ACV		28. Total F.O.B Value		29. Terms of Delivery 100		30. Terms of Payment	
31. Account Number		32. Bank / Branch Reference		33. Bond Security Number N/A		34. Bond/Cash Amount 0		35. Total Freight	
36. Total Insurance		37. Total Other Charges		38. Total Customs Value 613078146.925		39. Other information		40. Total Value	
41. REVENUE INFORMATION		(c) Commodity code 170199.90		(d) C.P.C. C400		(e) Gross Weight 10000000		(f) Net Weight 10000000	
(a) License Number E1303037216		(b) License Value / Qty		(g) 1 <sup>st</sup> Supp. Qty. 10000000		(h) Units 1 <sup>st</sup> Supp Qty kg		(i) 2 <sup>nd</sup> Supp. Qty.	
(j) Units 2 <sup>nd</sup> Supp Qty		(k) Type of packaging BG		(l) No. Packages 200000		(m) Country of Origin SD		(n) Preference code	
(o) Value/Qty Deducted		(p) FOB Value 4645000		(q) Freight 92243368.5		(r) Insurance 69675		(s) Customs Value 613078146.925	
(t) Exchange Rate 110.471		(u) CIF Value		(v) Customs Value		(w) Insurance		(x) Total Tax due on this item 98092504	
(y) Currency Code EUR		(z) Exchange Rate		(aa) Tax Type		(ab) Tax Base / Value		(ac) Rate	
(ad) Tax Type		(ae) Tax Base / Value		(af) Rate		(ag) Tax Type		(ah) Attached documents	
100% Custom Value / 613078146.925		100%		0		0		45a. Code	
16% VAT Value / 613078146.925		16%		98092504		98092504		45b. Number	
SUMMARY TOTALS		120		320		16%		710	
46. Page		47. Other Charges		47a. Code		47b. Amount		732	
Per Pages		710		11789271		732		14525126	
Totals		745		92000		92000		92000	
Grand Totals (Duties, Taxes and Other charges)		136498907 (Not To Pay)		FOR OFFICIAL USE		PROPER OFFICER		CASH/CHEQUE	
Declaration		EMICA LOGISTICS LTD LIMITED NAIROBI (Company name)		00654		Amount Paid		Receipt Number and Date	
I, the Agent/Principals of		NAIROBI		06/05/2013		Passed On		06/05/2013	

KENANA SUGAR COMPANY LIMITED  
 GOODS RELEASED  
 10 MAY 2013  
 SIGN





M (C)

# KENYA SUGAR BOARD

PERMIT NO.: KSB/CRI/012/12(01)  
FORM B

(6/10)

THE SUGAR ACT  
(No. 16 of 2001)

## IMPORT PERMIT

UNDER THE SUGAR (IMPORTS, EXPORTS AND BY-PRODUCTS) REGULATIONS 2008

THIS IS TO CERTIFY THAT: MUMIAS SUGAR COMPANY LIMITED

Company: \_\_\_\_\_

PDI No.: P000599737M

Postal Address: P.O. BOX PRIVATE BAG MUMIAS

Physical Location: MUMIAS TOWN

Telephone No.: 056-441420

Business Permit No.: 2012/1412

66 or Lading: MSCMPS239775

LDU No.: E1303037216

Type of Sugar: MILL WHITE/BROWN

Quantity (MT): 10,000

Source of the Sugar: SUDAN

Destination of the Sugar: KENYA

Port of Entry: MOMBASA, KENYA

CLF Value: US \$ 706.98 PER MT

Vessel Name: MSC TASMANI A OR309R


Shipping Agent: MEDITERRANEAN SHIPPING CO.S.A.

Expected Date of Arrival: 25.03.2013

Issue Date: 22.03.2013

Expiry Date: 22.05.2013

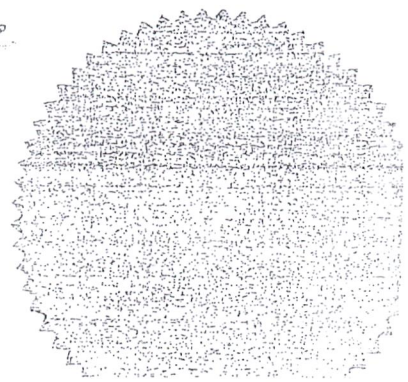
  
 KSB Official  
 For and on Behalf of Kenya Sugar Board

  
 Chief Executive Officer  
 Kenya Sugar Board

# 5. This Permit is subject to conditions set out overleaf

The permit is subject to conditions set out overleaf

Signature / Seal Stamp





III (e)



KENYA BUREAU OF STANDARDS

PRE-EXPORT VERIFICATION OF CONFORMITY (PVOC)

CERTIFICATE OF CONFORMITY

PFC Date: 02/03/2013

DF No: E1303037216

CoC No: KEN 2013 524341 / 0001

Reference No.:

Issuance Date: 28/03/2013

Page 1 of 1

Importer: M/S DANTES PEAK COMPANY LIMITED  
 P.O. BOX. 65521  
 LAVINGTON, HATHERU RD  
 NAIROBI - Kenya

Exporter: KENANA SUGAR COMPANY LIMITED  
 PO BOX 2632  
 KHARTOUM - Sudan  
 Tel: +249 0183224703 Fax: +249 0183220563  
 Email: info@kenana.com

Date of inspection: 09/03/2013 Place of inspection: Sudan Port of destination: MBA-MOMBASA

Transport Mode: Sea Country of Supply: Sudan  
 Container / Seal No.: Quantity Delivered (Full/Part): TOTAL

Invoice value: 4,545,000.00 EUR Invoice No.: SAI100677 Date: 11/03/2013

Declared S. Code	Quantity	Product/Description	Route Used	Standard / Normative REF	Registration / Licence Ref.
1190	10,000.00 MT	WHITE REFINED SUGAR, KENANA GREEN CANE SUGAR SPECIAL, IN 50 KG BAGS.	A	KS 35	

Remarks:

This certificate is issued for and on behalf of the Kenya Bureau of Standards (KEBS) according to the requirements of the PVOC program of Kenya, is valid for a period of three months from its issue date, and is subject to the general terms and conditions of service of Bureau Veritas. The issuance of this certificate does not release the contractual partner from their own responsibilities and the fulfilment of their legal and contractual obligations. This document does not evidence shipment. KEBS may reject the consignment covered by this CoC if found to be non-conforming on verification at the port of entry.

III (A)

**Kenana**

Kenana Sugar Company Limited



شركة سكر كنانة المحدودة

Kenana Sugar Company Limited  
Khartoum, Sudan

HEALTH CERTIFICATE

10,000 METRIC TONS OF WHITE SUGAR BRAND NAME KENANA GREEN CANE SUGAR SPECIAL AS PER SPECIFICATIONS:

POLARIZATION:	99.8 PERCENT.
MOISTURE:	0.06 DEGREES MAX.
COLOUR:	150 ICUMSA UNITS MAXIMUM.
SHIPPER:	KENANA SUGAR COMPANY LIMITED P.O. BOX 2652, KHARTOUM, SUDAN
CONSIGNEE:	TO THE ORDER OF DUBAI BANK KENYA LIMITED/MUMIAS SUGAR COMPANY LIMITED.
NOTIFY:	DANTE'S PEAK LIMITED, LIVINGTON, HATHIKU RD, P.O.B 66521- NAIROBI-KENYA
VESSEL NAME:	EASMANIA
DESCRIPTION OF GOODS:	CANE SUGAR BRAND NAME KENANA GREEN CANE SUGAR SPECIAL IN 50 KGS POLYPROPYLENE BAGS CROP 2012-2013
PORT OF LOADING:	PORT SUDAN.
PORT OF DISCHARGE:	MONBASA, KENYA.
TOTAL NETGROSS WEIGHT:	10,000 MT.

THIS IS TO CERTIFY THAT THE ABOVE MENTIONED CONSIGNMENT IS FREE FROM ALL MICROBIOLOGICAL AND CHEMICAL CONTAMINANTS AND IS THUS FIT FOR HUMAN CONSUMPTION.

EXPORT SALES DEPARTMENT

FOR KENANA SUGAR COMPANY LIMITED  
11.03.2013






COMESA CERTIFICATE OF ORIGIN  
شهادة منشأ السوق المشتركة لشرق وجنوب أفريقيا



Appendix 1

<p>1. Exporter (Name &amp; Office address) (المصدر (الإسم وعنوان المكتب))</p> <p>KENANA SUGAR COMPANY LIMITED P.O. BOX 2632, KHARTOUM SUDAN</p>	<p>رقم الشهادة: Ref. No. ....</p>  <p>COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA CERTIFICATE OF ORIGIN</p> <p>السوق المشتركة لشرق وجنوب أفريقيا شهادة منشأ</p>								
<p>2. Consignee (Name &amp; Office address) (المستورد (الإسم وعنوان))</p> <p>TO ORDER OF DUBAI BANK KENYA LIMITED, MUMIAS SUGAR COMPANY LIMITED NOTIFY PARTY: DANTE PEAK LIMITED P.O. BOX 60521-00600 LAVINGTON, HATHURU RD NAIROBI, KENYA. Ref. IC NUMBER DBKA OFF 107/001 IDP NO. F130057216</p>									
<p>3. Country/ Group of Countries in which the products are considered as originating from (بلد المنشأ / مجموعة من البلدان التي تعتبر منشأ المنتجات)</p> <p>SUDAN</p>									
<p>4. Particulars of Transport (بيانات النقل)</p> <p>VIS: TANZANIA 06300R</p>	<p>5. For official use (لإستخدام الرصد)</p>								
<p>6. Marks and numbers, number and kind of package, description of goods (العلامات والأرقام، العدد ونوع العبوة وصف البضاعة)</p> <p>BEHREME TANI SUGAR BRAND NAME KENANA C/BLA FAKE SUGAR SPECIALIN 50 KGS POLYPROPYLENE BAGS AS PER SPECIFICATIONS: POLARISATION: MINIMUM 99.8 PERCENT MOISTURE: MAXIMUM 0.06 DECIGRAMS C/BLA 150 K GMSA T/NE/S/MAA</p>	<table border="1"> <tr> <td data-bbox="813 1153 957 1456"> <p>7. Customs Tariff No. (الرقم الجمركي)</p> </td> <td data-bbox="957 1153 1117 1456"> <p>8. Origin Criteria (نوع المنشأ)</p> </td> <td data-bbox="1117 1153 1292 1456"> <p>9. Gross weight or other quantity (الوزن الصافي أو الكمية)</p> </td> <td data-bbox="1292 1153 1436 1456"> <p>10. Invoice No. (رقم الفاتورة)</p> </td> </tr> <tr> <td></td> <td>P</td> <td>10,000 MT</td> <td>SAI 100177</td> </tr> </table>	<p>7. Customs Tariff No. (الرقم الجمركي)</p>	<p>8. Origin Criteria (نوع المنشأ)</p>	<p>9. Gross weight or other quantity (الوزن الصافي أو الكمية)</p>	<p>10. Invoice No. (رقم الفاتورة)</p>		P	10,000 MT	SAI 100177
<p>7. Customs Tariff No. (الرقم الجمركي)</p>	<p>8. Origin Criteria (نوع المنشأ)</p>	<p>9. Gross weight or other quantity (الوزن الصافي أو الكمية)</p>	<p>10. Invoice No. (رقم الفاتورة)</p>						
	P	10,000 MT	SAI 100177						
<p>11. Declaration by Exporter/ Producer/ Supplier (إقرار المصدر / المنتج / المور)</p> <p>DECLARATION BY EXPORTER/ PRODUCER/ SUPPLIER</p> <p>I, the undersigned, hereby declare that the above details and statements are correct, that all goods are produced in SUDAN.</p>	<p>12. Certificate of Origin (شهادة منشأ)</p> <p>CERTIFICATE OF ORIGIN</p> <p>I hereby certify that the above-mentioned goods are of SUDAN origin.</p> <p>شهادة منشأ السودان أو أي دولة أخرى</p> <p>Certificate of Customs or other Designated authority</p>								

III (W)

**Kenana**

Kenana Sugar Company Limited



كنا

شركة سكر كنانة المحدودة

Responsibility is from stevedores of board & through  
مسئولية حوزة البضاعة من قبل

**PACKING LIST**

SHIPPER:	KENANA SUGAR COMPANY LIMITED P.O. BOX 2652 KHARTOUM, SUDAN
CONSIGNEE:	TO THE ORDER OF DUBAI BANK KENYA LIMITED/MUMIAS SUGAR COMPANY LIMITED
NOTIFY:	DANTE'S PEAK LIMITED, LAUINGTON, HATHERU RD, P.O. BOX 66521- NAIROBI, KENYA
VESSEL NAME:	TASMANIA
DESCRIPTION OF GOODS:	WHITE REFINED SUGAR KENANA GREEN CANE SPECIAL, CROP YEAR 2012-2013, IN 50KG BAGS POLYPROPYLENE
PORT OF LOADING:	PORT SUDAN
PORT OF DISCHARGE:	MOMBASA- KENYA
IDENTIFICATION:	E1305037216
TOTAL NET WEIGHT:	10,000 MT

WE HEREBY CERTIFY THIS PRODUCT IS IN 50KG GREEN POLYPROPYLENE BAGS WITH INNER PLASTIC LINER WITH KENANA GREEN CANE SPECIAL LOGO, STUFFED IN 20' CONTAINERS.

EXPORT SALES DEPARTMENT  
FOR KENANA SUGAR COMPANY LIMITED  
11.03.2013



1110

See website for large version of this receipt at [www.msc-shiping.com](http://www.msc-shiping.com)

**MEDITERRANEAN SHIPPING COMPANY S.A.**  
 www.msc-shiping.com

**BILL OF LADING No. ORIGINAL** MSCUPS219775  
 "Description of Combined Transport" (see Clause 1)

SHIPPER:  
 KENANA SUGAR COMPANY LIMITED  
 P.O. BOX 2632, KHARTOUM -SUDAN

NO. & SEQUENCE OF ORIGINAL BILLS: 3/TWEE  
 NO. OF RIDER PAGES: 11

CARRIER'S AGENTS ENDORSEMENTS: (Include Agents in POB)  
 Lloyd's/Ino number = 9008574  
 DESTINATION AGENT ADDRESS: MSC MOMBASA REP  
 CAPT. T. CASTELLANO C/O  
 OCEANFREIGHT (EA) LTD.  
 MSC PLAZA, 3rd+4th floor, Moi Avenue  
 P.O. BOX 80637  
 MOMBASA  
 Phone: +254 41 2311 192, Fax: +254 41 2312 626

CONSIGNEE: This Bill is not negotiable unless marked "To Order" or "To Order of" here  
 TO THE ORDER OF DUBAI BANK KENYA LIMITED/  
 KENANA SUGAR COMPANY LTD

TOTAL IS DAYS FREE OF DEMURRAGE AT POB

NOTIFY PARTIES: (No response duly made attach to the Carrier or to the Agent for failure to notify - see Clause 20)  
 /EMICA LOGISTICS LIMITED P.O. BOX 48289- 00100, NAIROBI, KENYA  
 / DANTE PEAK LIMITED P.O. BOX 66521-00600 LAVINGTON, MATHERU RD NAIROBI, KENYA, REF LC NUMBER DBI/LC/FEB07/001

VESSEL & VOYAGE NO. (see Clauses 2 & 3) MSC TASMANIA 08209R	PORT OF LOADING PORT SUDAN	PLACE OF RECEIPT: (Combined Transport ONLY - see Clauses 1 & 5.2) XXXXXXXXXXXXXXXXXXXX
BOOKING REF #00AIXA22084	SHIPPER'S REF. PORT OF DISCHARGE MOMBASA	PLACE OF DELIVERY: (Combined Transport ONLY - see Clauses 1 & 5.2) XXXXXXXXXXXXXXXXXXXX

PARTICULARS FURNISHED BY THE SHIPPER - NOT CHECKED BY CARRIER - CARRIER NOT RESPONSIBLE (see Clause 14)

Container Numbers, Seal Numbers and Marks	Description of Packages and Goods (Continued on attached Bill of Lading Rider papers), if applicable	Gross Cargo Weight	Measurement
	40x20' CNTR(S) S.T.C. CONTAINER DETAILS AS PER ATTACHED LIST 200000 BAGS 10,000 MT CANE SUGAR BRAND NAME KENANA GREEN CANE SUGAR SPECIAL IN 50 KGS POLYPROPYLENE BAGS AS PER SPECIFICATIONS: - POL 99.8 PERCENT - MOISTURE 0.06 DEGREES MAX. - COLOUR: 150 ICUMSA UNITS MAXIMUM  FOCUS CFS LIMITED  FCL/FCL SHIPPER'S LOAD, STOW AND COUNT SHIPPED ON BOARD		
TOTAL TARE: 894,703KGS		TOTALS:	
		G. 10,060,000KGS	N. 10,000,000KGS



FRIGHT & CHARGES: Cargo shall not be delivered unless Freight & Charges are paid (see Clause 16).

AMOUNT PREPAID

RECEIVED by the Carrier in apparent good order and condition pursuant to the invoice stated herein the total number or quantity of Containers or other packages or units indicated in the above-mentioned Carrier's Receipt for carriage subject to all the terms and conditions hereof from the Port of Loading to the Port of Discharge or Place of Delivery, whichever is applicable. IN ACCEPTING THIS BILL OF LADING THE MERCHANT EXPRESSLY ACCEPTS AND AGREES TO ALL THE TERMS AND CONDITIONS, WHETHER PRINTED, STAMPED OR OTHERWISE INCORPORATED ON THIS SIDE AND ON THE REVERSE SIDE OF THIS BILL OF LADING AND THE TERMS AND CONDITIONS OF THE CARRIER'S APPLICABLE TARIFF AS IF THEY WERE ALL SIGNED BY THE MERCHANT.

If this is a negotiable (To Order) Bill of Lading, the signed Bill of Lading, duly endorsed must be surrendered by the Merchant to the Carrier (together with outstanding Freight and charges) or endorsed for the Goods or a Delivery Order. If this is a non-negotiable (straight) Bill of Lading, the Carrier shall deliver the Goods or issue a Delivery Order (after payment of outstanding Freight and charges) against the surrender of the original Bill of Lading or in accordance with the national law of the Port of Discharge or Place of Delivery whichever is applicable.

IN WITNESS WHEREOF the Carrier or their Agent has signed its name to the Bill of Lading stated at the top, all of the same and date and wherever the original Bill of Lading has been surrendered at any Bill of Lading office.

NET VALUE (entire applicable to Valuation) said - see Clause 7.3  
 CARRIER'S RECEIPT (Bill of Lading) Plus paid by Carrier - see Clause 14.1

DATE OF ISSUE: 11/03/2013  
 SHIPPED ON BOARD DATE: 11/03/2013

SIGNED on behalf of the Carrier MSC Mediterranean Shipping Company S.A.  
  
 MSC SHIPPING CO. LTD.  
 AGENTS TO THE CARRIER

A 151240870



THE MEDITERRANEAN SHIPPING COMPANY S.A. (hereinafter referred to as "the Company")

1. THE VESSEL: The vessel named "..." is chartered by the Company to transport the cargo...

Please release to the order of

For DUBAI BANK LTD  
NAIROBI BRANCH

*[Handwritten signature]*  
Authorized Signatory

**THUMFAS SUGAR CO. LTD**  
P.O. BOX 57092  
NAIROBI  
TEL: 31738 Fax: 772816

Report on Mumias Sugar Exports

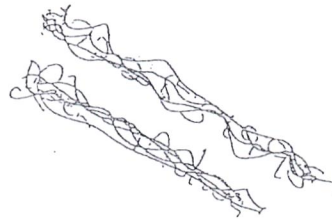
In reference to the request by The Kenya National Assembly regarding the Mumias Sugar Exports, the table below indicates sugar exports from 2006 to 2012. However the CSD S2005 data indicates that there was no exportation done in the year 2013.

SUGAR EXPORT BY MUMIAS COMPANY 2006 TO 2012: KSHS					
YEAR	HS C	PRODUCT DESCRIPTION	QTY (Kg)	FOB VALUE	% QTY PROP
2006	1701	BROWN SUGAR	12,271,730	475,905,161	17%
2006	1703	CANE MOLASSES	63,000	18,900	0%
		Subtotal 2006	12,334,730	475,924,061	17%
2007	1701	BROWN SUGAR	16,467,990	660,990,511	23%
2008	1701	BROWN SUGAR	24,933,120	1,041,664,947	35%
2009	1701	BROWN SUGAR	1,758,120	89,027,068	2%
2009	1703	CANE MOLASSES	50,000	41,177	0%
		SubTotal 2009	1,808,120	89,068,245	3%
2010	1703	CANE MOLASSES	27,000	74,250	0%
2010	1703	CANE MOLASSES	27,600	37,835	0%
		SubTotal 2010	54,600	112,085	0%
2011	1701	BROWN SUGAR	15,000,000	989,294,250	21%
2011	1703	CANE MOLASSES	12,200	153,000	0%
		SubTotal 2011	15,012,200	989,447,250	21%
2012	1703	CANE MOLASSES	40,000	110,000	0%
		Total	70,610,760	3,257,317,098	100%

Source: CSD Statistics S2005 Data

Verification if the said consignment left the country is still ongoing and requires some time before a detailed conclusion is arrived at.

Similarly investigation on reuse of Mumias License by 3rd part as commenced and requires more time.



*Tulipe Akhara Tjitegemee*



*Brown Sugar*

## MUMIAS EXPORTS BY CONSIGNEE - FOB VALUE (2006-2012)

Year	Destination	CONSIGNEE NAME	FOB Value
2006	DR	KAMBALE ZANGALE	2,093,001
	GB	C CZARNKOW SUGAR LTD, BRITAIN	18,313,526
	GB	C CZARNKOW SUGAR LTD, CHISWELL 24	19,277,356
	GB	C CZARNKOW SUGAR LTD	23,602,089
	RW	SANDE FRANCIS	7,750,410
	RW	SOKOMI	53,200
	SD	MEGA LESSA	10,741,318
	SD	MEGA LESSERS	1,561,550
	SD	MID AFRICA	4,186,002
	SD	MUNYOUN NDENG	2,258,118
	SD	MUNYUON NDENG	1,491,210
	SD	SAMUEL NDENG	958,620
	UG	ARUA MERCANTILE	1,520,980
	UG	ABDIRAHAMAN KASSIM	540,817
	UG	ABDUL KADELR HAKIMUDDIN	3,857,398
	UG	AISHA TUMISIMF KINGFAD 4TH FLOOR SITE NO.3 KLA RD	7,768,710
	UG	ARUA MERCANTILE CO LTD	55,208,177
	UG	ARUA MERCANTILE CO LTD	9,714,613
	UG	ENTERPRISIE RWANDISIE E COMMESIS AT INDUSTRIE	5,459,003
	UG	ERCI SARL	694,122
	UG	QUICK SALES LIMITED	5,855,812
	UG	QUICK SALES LTD	159,600
	UG	MOSES WAKOLI	-
2007	ET	NESRUDID MUHAMMED	13,719,061
	ET	NESRUDIN MOHAMED	1,635,342
	ET	NESRUDIN MOHAMMED	34,180,688
	ET	OSMAN ADAN K	1,629,703
	ET	OSMAN ADAN K	18,640,441
	ET	OSMAN ADEN K	20,654,344
	ET	OSMAN ADEN K	38,186,513
	RW	SANDE FRANCIS	3,044,399
	SD	INTERNATIONAL RELIEF SERVICE	78,880,000
	SD	INTERNATIONAL RELIEF SERVICE,	41,732,145
	SD	KAPOETA TRADING COMPANY, PRIVATE BAG	41,732,145
	SD	KAPOETE TRADING CO. LTD	78,880,000
	SD	MID AFRICA	8,369,796
	SD	SOUTHERN SUDAN MUDLAND CO. LTD	1,870,242
	SD	SOUTHERN SUDAN MUDLAND CO LTD	409,934
	UG	ARUA MERCANTILE CO. LTD	5,022,000
	UG	ARUA MERCANTILE	2,010,956
	UG	ARUA MERCANTILE CO. LTD	16,121,807
	UG	ARUA MERCANTILE LTD	5,064,797
	UG	KASAVE ENTERPRISES	11,617,789
	UG	KASAVE ENTERPRISES LTD	10,667,164
	UG	KASAVE TRADING COMPANY	7,787,857
	UG	MURU ENTERPRISE	11,643,691
	UG	MURU ENTERPRISES	5,916,000
	UG	NESRUDIN MOHAMMED	1,630,408
	UG	QUICK SALERS	17,473,666
	UG	QUICK SALERS LIMITED	54,031,471
	UG	QUICK SALERS LTD	24,569,359
	UG	TRIDENT INVESTMENT LIMITED	5,030,183
	UG	UCHUMI COMMODITIES LTD	98,838,611
2008	ET	NERUDIN AHMED	290,000

MUMIAS\_Sugar\_comp\_export\_2006\_2

			20,168,070
ET		NESRUDIN AHMED	21,060,438
ET		NESRUDIN MOHAMED	127,423,945
ET		NESRUDIN MOHAMMED	22,341,330
ET		OSMAN ADAN K.	22,341,330
ET		OSMAN ADAN K.	20,295,157
ET		OSMAN ADEN K	106,923,409
ET		OSMAN ADEN K.	5,625,163
GB		CZAMIKOV GROUP LTD	6,038,572
GB		CZARKINOW GROUP LIMITED	10,103,372
GB		CZARNIKOV GROUP LTD	6,038,572
GB		CZARNIKOW GROUP LIMITED	10,108,045
GB		CZARNIKOW GROUP LIMITED	21,135,003
GB		CZARNIKOW GROUP LIMITED	28,385,462
GB		CZARNIKOW GROUP LIMITED	63,985,666
GB		CZARNIKOW GROUP LTD	10,306,598
RW		MUGABE THOMAS	12,674,469
RW		S AND G GENERAL SUPPLIERS	7,062,902
RW		S AND G GENERAL SUPPLIERS LTD	2,489,867
RW		S AND G. GENERAL SUPPLIERS LTD	8,031,829
RW		S G GENERAL SUPPLIERS	1,913,573
RW		S.G. GENERAL SUPPLIERS	1,009,577
RW		S.G. GENERAL SUPPLIERS LTD	3,654,969
RW		SANDE FRANCIS	2,305,400
RW		STAR GENERAL SUPPLIER	14,454,760
RW		STAR GENERAL SUPPLIERS	20,137,715
RW		STAR GENERAL SUPPLIERS LTD	2,385,792
SD		KAPOETA TRADING COMPANY	83,542,045
SD		KAPOETA TRADING COMPANY PRIVATE BAG	2,385,792
SD		KAPOETA TRADING COMPANY. PRIVATE BAG	194,611,864
SD		KAPOETA TRADING COMPANY	5,747,123
SD		SOUTHERN SUDAN MIDLAND CO.LTD	5,747,123
SD		SOUTHERN SUDAN MIDLAND CO LTD	26,889,031
SD		SOUTHERN SUDAN MIDLAND CO. LTD	18,274,843
SD		SOUTHERN SUDAN MIDLAND COMPANY LTD	9,961,762
SD		SOUTHERN SUDAN MUDLAND CO. LTD	8,406,471
SD		SOUTHERN SUDAN MUDLAND CO.LTD	1,167,987
SD		SOUTHREN SUDAN MUDLAND CO.LTD	1,799,612
	UG	KASAVE TRADING COMPANY	11,381,533
2009	GB	CZARNIKOW GROUP LIMITED	45,592,215
	GB	CZARNIKOW GROUP LIMITED	32,053,320
	GB	CZARNIKOW GROUP LTD	41,177
	UG	JUMA WAKWABUBI	74,250
2010	SD	SULEIMAN GAZANI	37,835
	SD	SULEIMAN YUSUF	989,294,250
2011	IT	STIR RAFFINERA DI BRINDISI SPA	60,000
2012	UG	MOSES MARANGO	50,000
	UG	ONYANGO WYCLIFFE ODUORI	

TV a



**Kenya Sugar Board**  
Sukari Plaza, Off Waiyaki Way,  
P.O. Box 51500 - 00200  
Nairobi, Kenya  
Tel: (254-20) 8018750 /1/2 /3  
Tel: (254-20) 2023316/7/8/9  
Mobile: +254-722 203127/8  
+254-733-333578 /8  
Fax:  
E-mail: info@kenyasugar.co.ke  
Website: www.kenyasugar.co.ke

KSB/PD/SR/VOL. XII/404

22<sup>nd</sup> March, 2013

Commissioner of Customs Services,  
Kenya Revenue Authority,  
P. O. Box 40160,  
**NAIROBI.**

Dear Madam,

**RE: IMPORT PERMITS FOR MILL WHITE/BROWN AND WHITE REFINED SUGAR**

In accordance with paragraph 4 of the Sugar (Imports, Exports and By-products), Regulations 2008, the Kenya Sugar Board has in addition to the letter sent to you vide Ref. KSB/PD/SR/VOL. XII/402 dated 21<sup>st</sup> March 2013, issued import permits to the following importers of white refined and mill white/brown sugar for the specific consignment indicated in the schedule below.

IMPORTER	SUGAR TYPE	COUNTRY OF ORIGIN	IDF/EDF NO.	VESSELS NAME	BILL OF LADING	QTY (MT)
Kenafic Industries Ltd	White Refined	Saudi Arabia	E1211185970	JOLLY MARRON E.V.043	JD318788	1800
Mumias Sugar Co.	Mill White/Brown	Sudan	E1303037216	MSC TASMANI A OR309R	MSCUPS23977 5	10,000
Total						11,800

Yours faithfully,

  
**R. MKOK, MBS**  
**CHIEF EXECUTIVE OFFICER**

CC: The Permanent Secretary  
Ministry of Finance  
The Treasury  
**NAIROBI**

ORIGINAL  
SINGLE ADMINISTRATIVE DOCUMENT (SAD) - SIMBA

C.17 B CUSTOMS  
Regulations 39,39,104,1  
Page 1 of 1

1. Exporter/Consignor KENANA SUGAR COMPANY LIMITED PO BOX 2632 KHARTOUM SUDAN	TIN/PIN P051196415U	2. Processing Office MSA	3. Frontier office	4. Regime code C4	FOR OFFICIAL USE Entry Number and Date 2013MSA 4050717 16/04/2013	
5. Voyage/Flight/Vehicle No. JH315A		6. Date of arrival/departure. 22/05/2013		7. Manifest Number 2013MSA107554		8. AWE/BL/RCN No. MSCUPS239775
9. Country of Consignment SD		10. City of last Consign / 1 <sup>st</sup> Dest. BR		11. Country of final Destination		12. Port of Destination
13. Importer / Consignee EMICA SUGAR COMPANY LTD C/O EMICA PEAK LIMITED PO BOX 10021 NAIROBI		14. Place of discharge/Loading CNT /		15. Mode of transport Sea		16. Nationality of Transporter PA
17. Vehicle owner/Driver		18. Seal Number(s) EU0001641494 see Details		19. Country of Transit		20. Total Number of Items 1
21. Total Gross Weight 10060000		22. Total Packages 200000		23. Total Insurance		24. Location of Goods
25. Warehouse code No Description		26. Period in Warehouse/Transit		27. Valuation method ACV		28. Total F.O.B Value
29. Terms of Delivery 100		30. Terms of Payment		31. Account Number		32. Bank / Branch Reference
33. Bond Security Number N/A		34. Bond/Cash Amount 0		35. Total Freight		36. Declarant Ref. No. 3292
37. Total Other Charges		38. Total Customs Value 613078146.925		39. Other information		

40. (a) Shipping Marks & Nos./Container Nos. 400X20FT CNTRS AS PER MANIFEST DETAILS CNTR		(c) Commodity code 170199 90	(d) C.P.C C400	(e) Gross Weight 10000000	(f) Net Weight
(b) Goods Description 10000 BAGS 10000 MT CANE SUGAR BRAND NAME KENANA GREEN CANE SUGAR SPECIAL POL 99.8 PERCENT MOISTURE 0.06 DEGREES MAX COLOUR 150 KENANA UNITS MAXIMUM IN 50 KG POLYPROPYLENE		(g) 1 <sup>st</sup> Supp. Qty. 10000000	(h) Units 1 <sup>st</sup> Supp Qty kg	(i) 2nd Supp. Qty.	(j) Units 2 <sup>nd</sup> Supp Qty
(k) License Number E1303037216		(l) License Value / Qty	(m) Type of packaging BG	(n) No. Packages 200000	(o) Country of Origin SD
(p) Other Charges 0		(q) Value/Qty Deducted	(r) FOB Value 4645000	(s) Freight 92243368.5	(t) Insurance 69675
(u) Currency Code EUR		(v) Exchange Rate 110.471	(w) CIF Value	(x) Customs Value 613078146.925	(y) Insurance

41. REVENUE INFORMATION					43. Attached documents		44. Preceding Documents Ref.
(aa) Tax Type	(bb) Tax Base. / Value	(cc) Rate	(dd) Tax Due	45a. Code	45b. Number		
I	120 Custom Value / 613078146.925	100%	0				
II	320 VAT Value / 613078146.925	16%	98092504				
III	/						
IV	/						
V	/						
					(cc) Total Tax due on this item		98092504
46. SUMMARY TOTALS		i	ii	iii	iv	v	47. Other Charges
This Page		0	98092504	0	0	0	47a. Code
Other Pages		0	0	0	0	0	47b. Amount
Totals		0	98092504	0	0	-0-	710 13789271
						732	24523126
						745	92000000

48. Grand Totals (Duties, Taxes and Other charges)		136496901 (Net To Pay)		FOR OFFICIAL USE	
49. Declaration		PROPER OFFICER		CASH/CHEQUE	
I/we, EMICA LOGISTICS LIMITED, the undersigned of (Company name)		00654		Amount Paid	
Being the Agent/Principal of (Importer/Exporter) do hereby		Passed On : 06/05/2013		Receipt Number and Date	
declare that the information and particulars declared herein are true and complete.				Cashier's Signature and Stamp	
Signature and Stamp		Place		Tel/Fax	



## SUGAR EXPORT BY MUMIAS COMPANY 2006 TO 2012: KSHS

YEAR	HS_C	PRODUCT DESCRIPTION	QUANTITY (KG)	CIF VALUE	% QTY PROP
2006	17011190	OTHER CANE SUGAR			
			59,050	1,620,980	-
2006	17019990	OTHER SUGAR OF POLARIMETER READING OF 99.8 DEGREES OR MORE.			
			12,212,680	474,284,181	-
2006	17031000	CANE MOLASSES			
			63,000	18,900	-
		Subtotal 2006			
			12,334,730	475,924,061	17%
2007	17011190	OTHER CANE SUGAR			
			5,960,000	241,224,290	-
2007	17019990	OTHER SUGAR OF POLARIMETER READING OF 99.8 DEGREES OR MORE.			
			10,507,990	419,766,221	-
		Subtotal 2007			
			16,467,990	660,990,511	23%
2008	17011190	OTHER CANE SUGAR			
			1,892,000	88,313,629	0%
2008	17019990	OTHER SUGAR OF POLARIMETER READING OF 99.8 DEGREES OR MORE.			
			23,041,120	953,351,318	0%
		Subtotal 2008			
			24,933,120	1,041,664,947	33%
2009	17019990	OTHER SUGAR OF POLARIMETER READING OF 99.8 DEGREES OR MORE.			
			1,758,120	89,027,068	0%
2009	17031000	CANE MOLASSES			
			50,000	41,177	0%
		Subtotal 2009			
			1,808,120	89,068,245	3%
2010	17031000	CANE MOLASSES			
			27,000	74,250	0%
2010	17039000	BET SUGAR MOLASSES AND OTHER MOLASSES (E.G. CORN MOLASSES) RESULTING FROM THE			
			27,600	37,835	0%
		Subtotal 2010			
			54,600	112,085	0.07%
2011	17011190	OTHER CANE SUGAR			
			15,000,000	989,294,250	0%
2011	17031000	CANE MOLASSES			
			122,000	153,000	0%
		Subtotal 2011			
			15,122,000	989,447,250	24%
2012	17031000	CANE MOLASSES			
			40,000	110,000	0.057%
		Grand Total			
			70,720,560	3,257,317,098	100%

Source: CSD Statistics - S2005S data

Annex V a

NESREDIN MOHAMED  
ADISABABA  
ARADA  
BOX 20602

Tel 0911551990

March 27, 2007

MANAGING DIRECTOR  
MUMIAS SUGAR CO.LTD  
P.O BOX  
PRIVATE BAG  
MUMIAS

*Dickson Mubwa*  
*Have you done the price*  
*2/1/07*

Dear Sir,

RE: PURCHASE OF 5000MT OF SUGAR FOR ETHIOPIA MARKET

We are a company based in Ethiopia and would like to purchase sugar from your company. We currently source our sugar from other countries and would like to extend our business to Kenya.

We already import iron sheets, cooking oil and plastic equipments from Kenya which we distribute in Ethiopia.

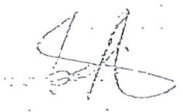
The need for direct purchase from your company is for VAT purposes in our country and for our internal accounting process. Enclosed you will find copies of our Business license and copy of passport of our managing director.

Please advise us on price and terms of trade.

We are willing to submit any additional information/documents that may be required for further consideration. We are looking forward to be granted the opportunity to purchase and thereafter to be considered for an agent of your product in Ethiopia.

Kindly treat this matter as urgent and favor us with an early feedback

Yours Faithfully



NESREDIN MOHAMED  
Manager

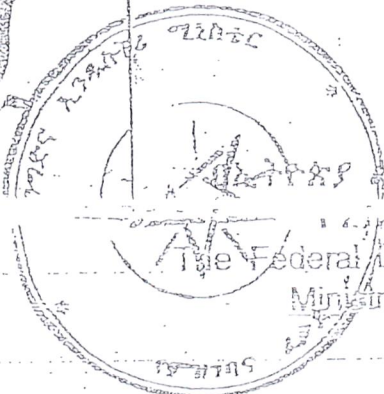
*Dickson Mubwa*  
*(2)*  
*There are 2/1/07*  
*Pls go ahead*  
*30/7/07*



V b

፳፻-11  
Form

የግንባታ ቁጥር 030/11/18589  
ፋይል ቁጥር 13558/98  
የቢዮቢዩ ቁጥር  
ፊደል ተቀመጫ ቁጥር 9-5-98  
Date of issuance



የኢትዮጵያ ፌዴራላዊ ዲሞክራሲያዊ ሪፐብሊክ

The Federal Democratic Republic of Ethiopia  
Ministry of Trade and Industry

የግንባታ ሥራ ሊቀጥጫ  
በግንባታ ሥራ ሊቀጥጫ አዋጅ ቁጥር 67/1989 እና  
በፊደራል ሪገል ፎርም ቁጥር 13/1989 መሠረት የተሰጠ  
ገቢ ስራ ላይ ወሰደ ስራ ላይ

Business Licence  
Issued under commercial registration and business licence  
proc. No. 67/1997 and Federal Regulation No. 13/1997

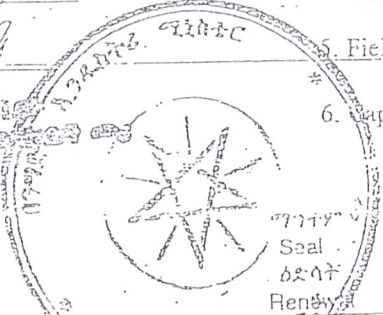
1. ስም አቶ ገብረ ማርያም  
2. የግንባታ ስም ለ/ሰ/ሰ  
3. የጽ/ቤት አድራሻ  
አድራሻ ስ.አ. ከተማ ስ.አ.  
ቀበሌ ወረዳ ስም ስ.አ. ቀበሌ 02 የቤት  
ቁጥር 409 ስልክ ቁ. 0911155995  
ፖ.ሣ.ቁ 20602 ፋ.ስ.ስ

1. Name of Licence holder Nesredin Mohammed Ibrahim  
2. Nationality Ethiopian  
3. Trade Name (if any) \_\_\_\_\_  
4. Address of the firm  
Region A.A City A.A  
Zone \_\_\_\_\_  
Woreda/ sub City Arada  
Kebele 02 House No. 409  
Tel. No. 0911551995 P.O. Box 20602  
Fax \_\_\_\_\_

5. የግንባታ ሥራ መጠን ለ/ሰ/ሰ  
6. ካፒታል ብር 100,000

5. Field of business Gen. Import / Export  
6. Capital birr 100,000

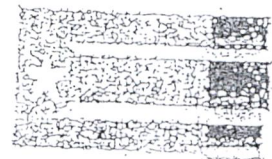
የሥራ ሰጪ ስም  
Name of Official  
ፊርማ  
Signature  
1998



ለ _____ ተደራሽ Renewed for ፊርማ Signature ግንባታ Seal	ለ _____ ተደራሽ Renewed for ፊርማ Signature ግንባታ Seal	ለ _____ ተደራሽ Renewed for ፊርማ Signature ግንባታ Seal	ለ _____ ተደራሽ Renewed for ፊርማ Signature ግንባታ Seal
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ግንባታ 1. ይህ ፊደል በአዋጅ ቁጥር 67/1989 ላይ 25 መሠረት በገበያ ላይ ይሰጣል ለገንዘብ ተሰጥቶ ለገንዘብ ስራ ላይ ይገባል  
N.B.: This Licence shall be Renewed annually in accordance with article 25 of Regulation No. 67/1989 from 1<sup>st</sup> House to Table No. 30 E.C.  
2. ይህ ፊደል ለገንዘብ ስራ ላይ ለገንዘብ ስራ ላይ  
The holder of this Licence is forbidden for Surety ship or debt

# GOVERNMENT OF SOUTHERN SUDAN



The importance of any goods on the licence is for any reason required, please return the licence to the department of Trade in the Ministry of commerce and supply of Southern Sudan.

This licence will be revoked if the holder is found to be in violation of the change of the content laws and the regulation of the government of the South Sudan.

I here by declare that the particulars which I have given are true and accurate to the best of my knowledge and belief.

Date of Issue 4/8/2005

Date of Expiry 1/8/2008

Business Name and Signature of the Proprietor M/S KAPOETA TRAINING COMPANY LIMITED

Date  
Office stamp

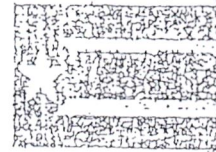
THE GOV. OF SOUTHERN SUDAN  
MINISTRY OF COMMERCE  
Director of Trade

Signature  
Director of Trade

I C



# GOVERNMENT OF SOUTHERN SUDAN



L  
No. 111/48

## MINISTRY OF COMMERCE AND SUPPLY IMPORT LICENCE

This licence AUTHORIZES KAPOFTA TRADING COMPANY LIMITED, this licence is valid for import up to 4/8/2008

To import: GOODS

Shows under heading quantity and description: BROWN

Name and address of supplier: EAST AFRICA COURTESY/WORLD WIDE

Office Stamp: MINISTRY OF COMMERCE AND SUPPLY, DATE: [Signature], DEPT OF LICENSING

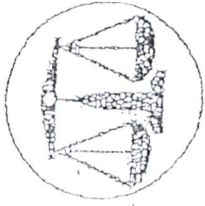
Good to be imported	Description as	Quantity	Value	
OFFICE STATIONERIES				
SPARES PARTS,				
CARS, FUEL,	OPEN	OPEN	OPEN	OPEN
SALT, SUGAR, RICE				

(Importer) KAPOFTA TRADING COMPANY LIMITED

- Notice:
- 1- Goods imported must conform to the description on this licence is not for any other goods.
  - 2- Under no circumstances may the goods imported exceed the supply shown on this licence.



Government of Southern Sudan  
Ministry of Legal Affairs and Constitutional Development



The Registrar of Companies, NGOs, Societies and Associations,  
Office of the Chief Registrar

Reg. No: 087.....

Certificate of Incorporation

I, HEWER GARRETH KOKER

Chief of Registrar of Companies, Societies and Associations, hereby certify that KAPBEA TRADING COMPANY LIMITED is incorporated in accordance with the New (Southern) Sudan Companies Act, 2003.

Given under my hand at Juba, Southern Sudan this 26th day of July 2006.

is this day



Sign

Chief Registrar  
Ministry of Legal Affairs and Constitutional Development

**NY**



GOVERNMENT OF  
SOUTH SUDAN

SECRETARIAT OF COMMERCE AND SUPPLY

Ministry of Commerce and Supply

(Handwritten signature)

S. No:

REGISTRATION NUMBER: 2005. Have/has been duly registered.

This is to certify that the Day of OCT 24<sup>th</sup> 2005.

Private Secretariat of General Director of Registration and Supply

has been registered under number of 508 in the office of Registrar of Commerce and Supply under my hand IN Y.

Registrar of Commerce & Supply

P.T.O (For conditions of registration)

# MID AFRICA COMMODITIES LTD.

P.O. BOX 47938, NAIROBI

Friday 1<sup>st</sup> December 2006

To,  
The sales and marketing manager,  
Export Division  
Mumias sugar company Ltd,  
Mumias

## RE: SUGAR FOR EXPORT

Dear sir,

We the above named company are based in Nairobi and we have had some inquires for sugar southern Sudan namely juba.

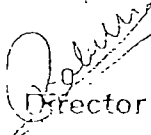
We are in the business of procurement and suppliers in various fields and we had this order for sugar to be delivered to them and as this in our own business it is my belief, you being the largest manufacture of sugar in Kenya at the moment , shall be to assist in.

The quantity required in 500 metric tons, which will be on a continues cycle.

Please advice us on your price and terms of doing the goods from either Nairobi or mumias.

Please contact the resigned at your earliest so as to start the process soonest .

Yours faithfully,

  
Director

V E



No. 6-131903

# CERTIFICATE OF INCORPORATION

I hereby certify that

MIDAFRICA COMMODITIES LIMITED

is this day incorporated under the Companies Act (Cap. 486) and that the Company is LIMITED.

Given under my hand at Nairobi this TWENTY THIRD day of NOVEMBER two Thousand AND SIX.

*Jemgeset*  
By Registrar of Companies



REPUBLIC OF KENYA

THE TRADE LICENSING ACT

(Cap. 497)

927866

LICENCE

licence is hereby granted to MIL AFRICA COMMODITIES LTD  
of P.O. Box 850 KARIAKIPA  
to carry on the business(es) of:

WHOLESALE & RETAIL TRADE

premises situated at KMC  
lot No. \_\_\_\_\_ in \_\_\_\_\_  
street/Market CAROL FAYOZI Town/District KARIAKIPA  
his licence expires on 31-12-2007

fee paid (in words) FREE  
(KSh \_\_\_\_\_)

place of issue KARIAKIPA  
date 22-11-2006

Licensing Officer \_\_\_\_\_

District \_\_\_\_\_

Special authorization/exclusion under section 5 of the Act \_\_\_\_\_

Licensing Officer \_\_\_\_\_

District \_\_\_\_\_





V J

Kenya Revenue Authority

DOMESTIC TAXES DEPARTMENT

PERSONAL IDENTIFICATION NUMBER CERTIFICATE

PIN NO:

P051193430Z

NAME:

MIDAFRICA COMMODITIES LIMITED

DATE OF BIRTH:

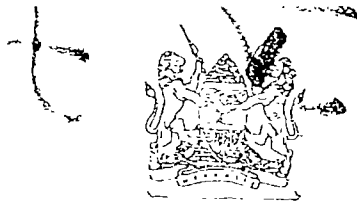
//

PLACE OF BIRTH:

Date: 1/11/2006



FORM PIN 1



REPUBLIC OF KENYA

THE TRADE LICENSING ACT  
(Cap. 497)

327866

LICENCE

Licence is hereby granted to MILAFRICA COMMODITIES LTD  
of P.O. Box 850 KAKAFOIDA  
to carry on the business(es) of:

WHOLESALE & RETAIL TRADE

in premises situated at KMC

Plot No. \_\_\_\_\_ in \_\_\_\_\_

Street/Market CAKAWA ROAD Town/District KAKAFOIDA

This licence expires on 31-12-2007

Fee paid (in words) FREE  
(KSh \_\_\_\_\_)

Place of issue KAKAFOIDA

Date 22-11-2006

Licensing Officer \_\_\_\_\_

District \_\_\_\_\_

Special authorization/exclusion under section 5 of the Act \_\_\_\_\_

Licensing Officer \_\_\_\_\_

District \_\_\_\_\_





VAT 2

Kenya Revenue Authority  
DOMESTIC TAXES DEPARTMENT

Effective Date of

VAT

Registration (EDR)

Registration Number

PIN

24/11/2006

0165353P

P051193430Z

Issued to: MIDAFRICA COMMODITIES LIMITED

Postal Address: P.O. BOX 47938, 00200 NAIROBI

Physical Address: Road/Street: HARAMBEE AVENUE, NAIROBI

Building/Plot No.: SOLAR HOUSE

Date of Issue: 24/11/2006

M.W. KIBUYU

For: COMMISSIONER OF DOMESTIC TAXES



Sukari Plaza, Off Waiyaki Way,  
P.O. Box 51500 - 00200, Nairobi

Tel: (254-020) 631642; 631697;  
631762; 631767; 631880  
Fax: (254-020) 630853/797  
Telegrams: "KENSUGAR"  
E-mail: ksa@africaonline.co.ke

KSB/PD/CRE/MACL/06

29<sup>th</sup> November 20006

The Managing Director  
Mid Africa Commodities Ltd  
P.O. BOX 890  
KAKAMEGA

Dear Sir

RE: SUGAR EXPORTS WITHIN THE GREAT LAKES REGION

Reference is made to your earlier telephone and today's enquiry on the above subject during your visit to our offices.

We hereby confirm that further to the issuance of your Certificate of Registration of Exporters No. KSB/CRE/045/06 (Copy Attached), you are authorized to export mill white sugar from Kenya to any of the East African countries under the East African customs Union, subject to the specified Rules of Origin, quality Standards and payment of Taxes and Levies as deemed appropriate by the respective countries.

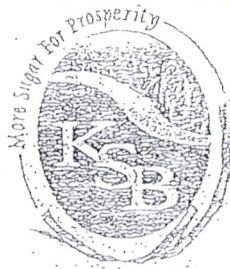
You may proceed and negotiate with any of our sugar mills under the umbrella of the Kenya Sugar Manufacturers' Association, for allocations and export promotion prices, as they deem necessary.

Please Keep us informed of any further developments and ensure submission of your quarterly returns.

Yours Faithfully

ANDREW O. OTIENO

CHIEF EXECUTIVE OFFICER



V N

# KENYA SUGAR BOARD

KSB/CRE/045/06  
FORM D

(r.4(2))

THE SUGAR ACT  
(No. 10 of 2001)

## CERTIFICATE OF REGISTRATION OF EXPORTERS

UNDER THE SUGAR (IMPORTS, EXPORTS AND BY-PRODUCTS) REGULATIONS 2003, AS  
AMENDED BY LEGAL NOTICE NO. 2 OF 2006.

THIS IS TO CERTIFY THAT:

Business License No. 927866

Name: MID AFRICA COMMODITIES LIMITED

Address: P.O. BOX 890, KAKAMEGA

Physical Location: CANON AWORI STREET

Division: KAKAMEGA

District / Province: KAKAMEGA

L.R. No./Nos.: 51 BAMA PLAZA

Name of Building: BAMA PLAZA

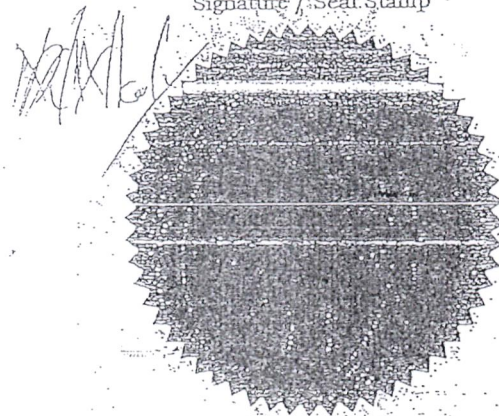
Registration Certificate No. KSB/CRE/045/06

Issue Date: 29th NOVEMBER 2006

Expiry Date: 30th JUNE 2007

Chief Executive Officer  
Kenya Sugar Board

Signature / Seal Stamp



N.B. This Certificate is subject to conditions set out overleaf

N V



Kenya Revenue Authority

DOMESTIC TAXES DEPARTMENT

Date... 29/11/06

Your reference

If you wish for an interview,  
Please make prior appointment  
With.....

Commodities

M/s. Mid Africa Ltd  
P.O. Box 47988  
NBI

Dear Sir(s)

VAT REGISTRATION

Following receipt of your application for registration, we are pleased to inform you that you have been registered under the VAT Act, Cap 476; Laws of Kenya. You should start operating VAT as soon as you receive this Certificate. Monthly VAT returns should be filed on or before 20<sup>th</sup> of the following month, irrespective of whether you have undertaken any activities or not. A 'NIL/CREDIT' Return should always be filed where no activity has taken place or where input tax is more than output tax in any given tax period. Failure to file a return for any particular tax period (one month) carries an automatic penalty of Kshs. 10,000.

The monthly returns Booklet (VAT 3 forms) can be obtained from Central Bank or your nearest VAT office. Note that, a claim for relief of VAT on taxable goods in inventory (stock) at the date of Registration may be made to the Commissioner of VAT, within 30 days after the date of registration.

Your Registration Certificate No 0165353.P is enclosed herewith for your retention.

Your first VAT return is due on, or before 20/12/06

FOR COMMISSIONER OF VALUE ADDED TAX

C.c

West

V (1)

THE REGISTRATION OF BUSINESS NAMES ACT  
(Cap. 499, section 14)

CERTIFICATE OF REGISTRATION

I HEREBY CERTIFY that Hassanali Babu Shabram

carrying on business in the business name of MEGA LASER INTERNATIONAL.

Plot No. 300 Malaba Town Uganda Road, P.O. Box 131 Malaba.

have has been duly registered under Number 424503 pursuant to and in accordance with the provisions of the Registration of Business Names Act and Rule made thereunder.

GIVEN under my hand at Nairobi this Second day of September

Two thousand and five

Snr. Registrar

EPK 6657-50m-12/2004

Kenya Revenue Authority

DOMESTIC TAXES DEPARTMENT

PERSONAL IDENTIFICATION NUMBER CERTIFICATE

PIN NO:

P0511799316

NAME:

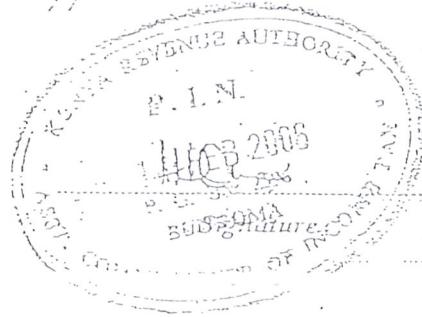
MEBALASER INTERNATIONAL

DATE OF BIRTH:

PLACE OF BIRTH:

Date: 14/02/2006

FORM PIN 1





NO. 63927

THE REPUBLIC OF UGANDA

# Certificate of Incorporation

(Under Section 15 (1) of the Companies Act)

I CERTIFY that QUICK SALES (U) LIMITED

has this day been incorporated with Limited Liability.

Dated at Kampala, this 12TH day

of MAY the year 2004

ASST.

Registrar of Companies.

U. Y.

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FACTORY PERFORMANCE IN THE PERIOD JANUARY TO SEPTEMBER 2013

1.1 General Performance

In the first nine months of 2013, the total sugar made from the 11 factories increased compared to a similar period in 2012. A total of 437,167.99 MT of sugar was made in the nine-month period compared to 402,987.68 MT made in a similar period the previous year. This represents an 8.48% increase. The cane milled also rose from 4,568,126.70 MT in 2012 to 4,946,914.68 MT in the period under review representing an 8.29% rise. Sugar recovery improved very marginally with the TC/TS ratio dropping from 11.34 in 2012 to an average of 11.32 in 2013. This compares unfavourably with the industry target of a TC/TS ratio of 10.

Of all the eleven factories operating, Sonysugar, West Kenya, Kibos, Soin, Sukari and Transmara recorded increased sugar production in the first nine months of 2013. The rest recorded reduced production mainly on account of closure for maintenance.

Cane quality over the period dropped slightly with the industry weighted average pol % cane declining from 11.39 in the previous year to 11.14 in the period under review. Whereas cane availability improved, the maturity was a challenge hence the drop in cane quality.

The Factory Time Efficiency (FTE) over the period improved from 76.06% in the same nine-month period in 2012 to 79.607% while the Overall Time Efficiency (OTE) similarly rose from 62.00% to an average of 64.98%.

There were no activities at the mill, refinery and distillery at Miwani Sugar Company that remained out of operation the entire period.

Table 1 below gives a comparison of cane milled, sugar made and TC/TS in the period January to September 2012 and the same in 2013.

Table 1: Sugar made and cane milled in Jan to Sept 2011 and 2012

Period	Jan – Sept. 2012	Jan – Sept. 2013
Cane milled (MT)	4,568,126.70	4,946,914.68
Sugar made (MT)	402,987.68	437,167.99
TC/TS Ratio	11.34	11.32

1.2 Sugar Production and Recovery by Factory

Table 2 below gives a summary of the cane milled and sugar produced by factory in the first nine months of 2012 while Table 3 shows the same for the 2013 period.

Table 2: Sugar made and cane milled by factory in Jan to Sept 2012

FACTORY	MUMIAS	CHEMELIL	SONY	NZOIA	W/KENYA	MUHORONI	KIBOS	SOIN	BUTALI	SUKARI	TRANSMARA
Cane milled (MT)	1,507,471	2,18,451	486,102	546,125	405,117	338,193	378,473	297,527	322,998	152,601	126,992
Sugar made (MT)	144,043	15,499	48,152	51,853	34,667	22,926	21,178	1,789	34,538	13,635	11,927
TC/IS ratio	10.39	17.97	10.10	10.53	11.61	14.75	16.34	16.30	9.35	11.19	10.81

Table 3: Sugar made and cane milled by factory in Jan to Sept 2013

FACTORY	MUMIAS	CHEMELIL	SONY	NZOIA	W/KENYA	MUHORONI	KIBOS	SOIN	BUTALI	SUKARI	TRANSMARA
Cane milled (MT)	1,332,043	157,621	506,375	477,751	438,635	239,784	457,414	35,534	511,102	232,848	281,535
Sugar made (MT)	125,128	12,615	48,692	46,107	64,517	18,320	34,792	2,086	31,157	23,789	29,964
TC/IS ratio	11.05	12.50	10.40	12.53	11.75	13.09	13.14	17.03	9.98	11.91	9.40

Sugar production dropped at Mumias with 125,128 MT of sugar produced compared to 144,843 MT over the same period last year. There was a drop in cane quality with an average pol % cane of 10.86 compared to the previous 11.82. This led to a drop in sugar recovery with the TC/IS rising from 10.39 previously to an average of 11.05 over the period.

Chemelil remained closed for maintenance from January to April 2013.

Production therefore dropped with 12,615 MT of sugar made compared to 15,499 MT over a similar period last year. Sugar recovery however recorded a marked improvement with the TC/IS ratio dropping from 17.97 in the previous

period to 12.50 in 2013. The rehabilitation undertaken started paying off in terms of improved recoveries.

Sonysugar recorded a slight increase in sugar production with 48,692 MT of sugar made compared to 48,132 MT in a similar period last year. This represents a marginal 1.16% increase. The cane milled rose from 486,132 MT in the first nine months of 2012 to 506,378 MT over a similar period in 2013 representing a 4.16% increase in cane milled. The TC/TS ratio rose from 10.10 to 10.40 indicating lower sugar recovery compared to the previous period.

Whereas more cane was milled at Nzoia in 2013 compared to the previous year, less sugar was made as a result of poor sugar recovery following a drop in cane quality. Only 46,107 MT of sugar was made from 577,751 MT of cane compared to 51,863 MT of sugar made from 546,125 MT of cane in the previous period. Sugar recovery dropped with a TC/TS ratio of 12.53 recorded compared to 10.53 in the previous period. Two extra tonnes of cane was milled for every tonne of sugar made compared to a similar period in 2012.

Production at West Kenya rose dramatically by 86.10% from 34,667 MT of sugar in 2012 to a high of 64,517 MT in the present period making this company the second highest producer after Mumias. Cane milled rose from 402,537 MT in the nine-month period to 758,085 MT in 2013. This represents an 88.33% rise in cane milled.

Muhoroni recorded a drop in sugar production with 18,320 MT of sugar made compared to 22,926 MT of sugar in the previous period. This may however be attributed to the closure of the factory for maintenance in July and August 2013. The cane milled also dropped from 338,195 in the 2012 period to 239,784 MT in the period under review. Sugar recovery however improved to a TC/TS ratio of 13.09 from 14.75.

Production at Kibos rose appreciably with 34,792 MT of sugar made compared to 23,168 MT in the previous period representing a 50.17% increase. Cane milled rose 20.81% from 378,473 MT in 2012 to 457,234 in 2013. Sugar recovery improved with the average TC/TS ratio dropping from 16.34 to 13.14 over the period under comparison.

Soin recorded increased sugar production over the period with 2,086 MT of sugar made from 35,534 MT of cane compared to 1,789 MT of sugar from 29,152 MT of cane in 2012. Sugar recovery however dropped with the TC/TS ratio rising from 16.30 in the 2012 period to 17.03 in 2013.

Butali recorded a drop in both the amount of sugar made and cane milled. A total of 31,157 MT of sugar was produced from 311,102 MT of cane compared to 34,538 MT of sugar from 322,998 MT of cane in the previous period. This may be attributed to the closure of the factory for maintenance from mid-May to mid-June 2013.

Production at Sukari increased appreciably as a result of improved cane availability. A total of 23,789 MT of sugar was made in the period under review compared to 13,635 MT in 2012. Cane deliveries increased from 152,601 MT to 239,848 MT over the period.

Similarly, production at Transmara increased more than two fold with 29,964 MT of sugar made compared to 11,927 MT in 2012 representing a 151.23% increment. Cane deliveries rose by 118.26% from 128,992 MT previously to 281,535 MT in the period under review. Sugar recovery also improved with the average TC/TS ratio dropping from 10.81 to a good 9.40. The cane supply situation in the South Nyanza area appears to have improved appreciably.

### 1.3 Cane Supply

The total cane supplied to the industry rose from 4,568,127 MT in the first nine months of 2012 to 4,946,915 MT in the same period in 2013. Mumias, Chemelil, Muhoroni and Butali recorded a drop in cane supply while the rest received more cane in 2013 than in 2012.

### 1.4 Cane Quality

The quality of cane as measured by the pol % cane dropped with the industry recording a weighted average of 11.14 down from 11.39 in a similar period last year. The fibre % cane however dropped from 17.22 in the corresponding period last year to 16.95 in the first nine months of 2013.

### 1.5 Quality of Sugar Produced

The quality of mill white sugar failed to meet the Kenya Bureau of Standards (KEBS) colour requirement. The weighted average colour was 464.11 ICUMSA units while the standard colour is a maximum of 400 ICUMSA units. The average pol % sugar was 99.59 against the standard of 99.50 while the moisture content was 0.05% against a maximum allowable 0.1%. The white sugar therefore met the requirements for polarisation and moisture content.

The colour for brown sugar was 923.57 ICUMSA units, well within the standard of 1,300 ICUMSA units. The moisture content was 0.07% against a standard of

0.1%. The polarisation was 99.20, which is within the standard. The brown sugar therefore met all the standards as required.

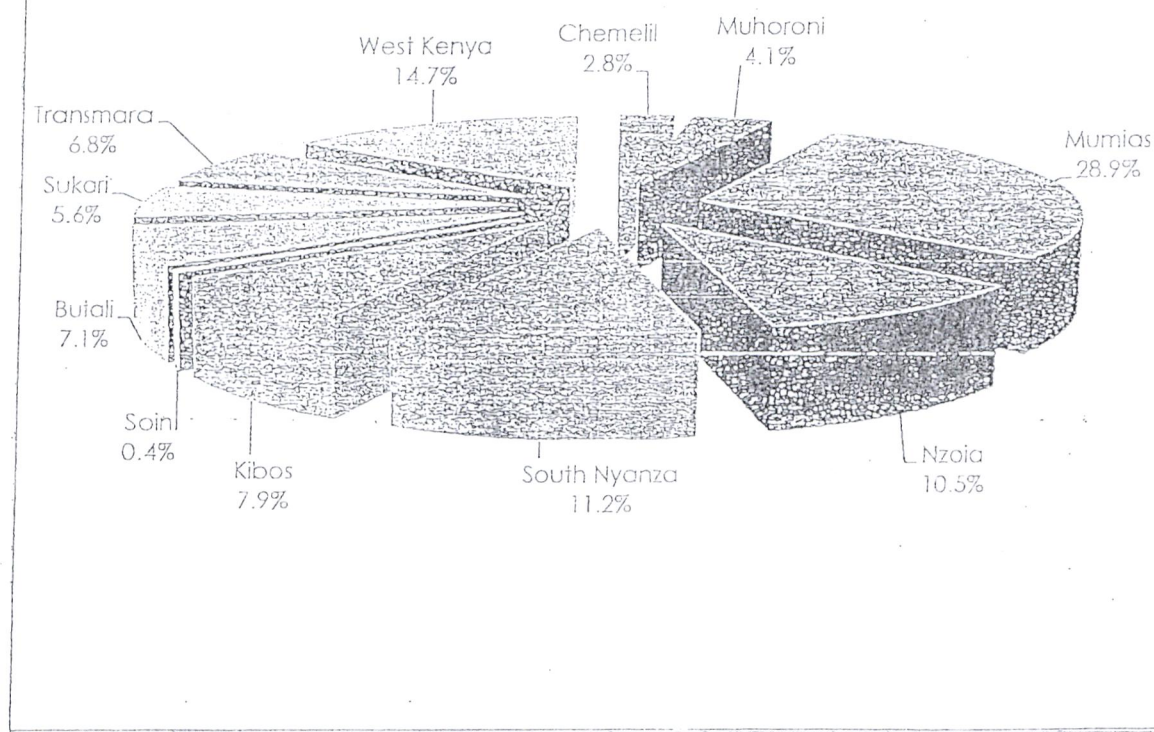
## COMPARATIVE PERFORMANCE OF THE SUGAR INDUSTRY IN JANUARY – SEPTEMBER 2013 AND 2012

### 1. SUGAR PRODUCTION, SALES AND CLOSING STOCKS

#### a) Sugar Production (Bagged)

Total sugar production during the period January – September 2013 was 439,063 tonnes compared to 397,277 tonnes in the same period 2012, giving an increase of 11%. It is observed that Chemelil, Muhoroni, Mumias, Nzoia and Butali sugar mills reported reduction in sugar production in 2013 compared to the previous year's same period. The production decreases were as follows; Muhoroni (26%), Chemelil (20%), Nzoia (13%), Mumias (12%) and Butali (10%). The main reason for decreased production is lower cane supplied for crushing in the year and the lengthy closure of Chemelil factory for a major maintenance. Overall, Mumias Sugar Company was the main sugar producer, contributing 29% of the total sugar production in this year. For more details, refer to Figure 1 below and Table 1 (i) attached.

FIGURE 1: SUGAR PRODUCTION BY FACORY IN JANUARY - SEPTEMBER 2013



## b) Sugar Sales and Closing Stocks

Total sugar sales for January – September 2013 were 402,338 tonnes compared to 393,944 tonnes in the same period last year, a 2.1% increase, mainly attributed to the increased sugar supply and demand.

Closing stocks of sugar held by the factories at the end of August 2013 totaled 26,423 tonnes compared to 9,137 tonnes in the same period last year. The stock pile is attributed to the increasing sugar production and table sugar imports in 2013.

For more details on sugar sales and stocks refer to the Tables 1(ii) and 1(iii) attached.

## 2. LOCAL MARKET

### a) Cane Prices

During the period January –September 2013, sugar cane prices ranged between Kshs. 3,470 and kshs 3,900 per tonne. Cane prices started the year at a monthly average of kshs 3,799 per tonne, dealt on a decreasing trend until June and July when some re-correction was observed, attributed to recovery in ex-factory sugar prices beginning March 2013. The high cane prices were unsustainable as the fundamental determinant, ex-factory sugar price; has

# ANNEX V II (a)



Office: Plaza, off Waiyaki Way,  
P.O. Box 51500-00100 Nairobi - Kenya

Tel: +254 20 90 8150/172/3, 2023316/778

Fax: +254 732-20312/18

+254 733-333378/9

Email: info@kenyasugar.co.ke

Website: www.kenyasugar.co.ke

KSB/PD/CRI/RCL/06/10

3rd February, 2014

The Director,  
Risingstar Commodities Ltd,  
P. O. Box 95819-80106,  
MOMBASA.

Dear Sir/Madam,

RE: SUGAR SOLD TO ALSAFA TRADERS AND CARRON CREATION LTD

This is in reference to the sugar impounded in Mombasa and Nairobi respectively. The above mentioned traders claim that the sugar in question was sold to them by Risingstar Commodities Ltd.

Kindly avail documents to support the same.

Yours faithfully,

R. MKOK, MBS

CHIEF EXECUTIVE OFFICER

2017. 11. 14. 14:00

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# 14 RISINGSTAR COMMODITIES LIMITED

P. O. Box 95819 - 80106, ALI PUNJANI RD., SHIMANZI, MOMBASA - KENYA

TEL: 2222693/ 2226709/ 2226839/ 2316532 / 2230744 / 2222956 / 2227893

FAX: 2313012, MOB: 0722 205326/ 0735 232777/ 0733 774677/0737 205326. E-mail: info@risingstar.co.ke

February 12, 2014.

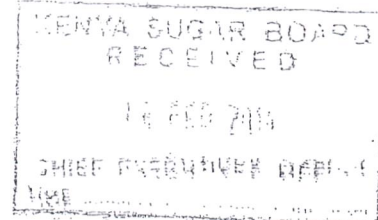
The Chief Executive Officer,

Kenya Sugar Board,

P.O. Box 51500, 00200,

Sukari Plaza, Upper Kabete, Off Waiyaki way

Nairobi.



Dear Sir,

RE: SUGAR SOLD TO AL SAFA TRADERS & CARRON CREATIONS LTD

We refer to our letter dated February 4, 2014 in respect of the captioned matter and the events transpiring yesterday February 11, 2014 at Al Safa/Al Amin Traders premises in Bondeni, Mombasa, whereof in the first instance the issue was Egyptian Sugar and in the latter, Tanzanian Sugar, both imported and traded well within the law and both underscored by Kenya Sugar Board import permits.


We have provided your office with full and complete documentation of the said Egyptian sugar import transaction which so far stands undisputed. However your non-response to our submissions against the issues raised by yourself after over a week of our exchange has left us in the dark and in dismay. Further your officers coupled with others from the Kenya Revenue Authority continue to impound our sugar at our clients' premises, in the latter case of the Tanzanian Kilimbero sugar queried on February 11, 2014, with disdain at the most weirdest of hours after close of business. Upon presenting import documents, the officers had no answers and simply relied on the defence of delegated orders from your office as they melted away. This has not only occasioned us with undue and unfair harassment but has injured our reputation and standing in the market in spite of us having submitted all relevant documents to which your office is yet to respond. This is

not the first time that your officers along with Kenya Revenue Authority officers have visited us in respect of the specified assignment and in all instances have gone satisfied with the legality of the matter.

Kindly do take note that while you take your time in responding to our demands which so far seem possibly inappreciable, the harassment against us and our clients, and consequences thereof occasioned by your officers on the same allegations, which stand baseless and imagined, is unfair, not welcomed and untenable. We, with due respect, urge your office either to present undeniable proof of your allegations once and for all or allow us to conduct business freely and in a peaceful environment which is our right enshrined and protected in section 43 read with section 27(i) of the Constitution of Republic of Kenya.

Continuation of the current state of affairs will only exacerbate the situation and will leave us with no option but to seek legal redress for the direct and indirect effects of your unsubstantiated harassment against yourselves at your cost and peril.

Yours faithfully,

  
Z. M. Ladak

Legal Officer

CC The Officer in Charge, Kenya Sugar Board, Mombasa

Asst. Commissioner, Customs, Kenya Revenue Authority, Mombasa

Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries, Nairobi

Cabinet Secretary, the National Treasury, Nairobi

Office of the Chief Justice, the Judiciary, Nairobi

KSB/PD/CRI/L/06/(16)

26<sup>th</sup> February 2014

Legal Officer

M/S Rising Star Commodities Limited

P. O. Box 95819 – 80106

Mombasa

Dear Sir,

**RE: SUGAR SOLD TO AL SAFA TRADERS & CARRON CREATIONS LIMITED**

We appreciate your response to our enquiry dated 3<sup>rd</sup> February 2014 on imported sugars found in possession of the above two Companies.

Based on your communication dated 4<sup>th</sup> February 2014 confirming the source of part of the consignment, we did carry out a detailed due diligence on the entire process which resulted in the delay in a conclusive response. This has been finalized and part of the consignment impounded at Al Safa is the subject of criminal proceedings before Court on account of counterfeit of Mumias Sugar product. The Kenana and Egyptian consignment has since been released. However re-packaged sugar found along-side this

which is the subject of the matter before Court remains impounded.

Be assured that the discharge of the Board regulatory duties must be within the law and of the highest integrity standards and no officer or agent should be allowed within your premises outside working hours. We regret however that as we intensify the surveillance exercise we may be compelled to revisit your premises to verify information that comes our way.

Your continued co-operation and expeditious response to our queries will be much appreciated. We also undertake to do the same.

Yours faithfully,



R. MKOK, MBS

CHIEF EXECUTIVE OFFICER

CC: Cabinet Secretary, Ministry Of Agriculture, Livestock & Fisheries  
Cabinet Secretary, The National Treasury  
Office of the Chief Justice, The Judiciary, Nairobi  
Asst. Commissioner, Customs, Kenya Revenue Authority



VAT No. 20499

INVOICE  
PIN No. P000626584E

Customer Name  
Customer Address  
Customer City  
Customer State  
Customer Zip

Customer No.  
Invoice No.  
Invoice Date  
Invoice Time  
Invoice Qty  
Invoice Price  
Invoice Total

Product Name  
Product Code  
Product Description  
Product Quantity  
Product Price  
Product Total

Quantity	Description	Unit	Unit Price	Total
100	SUGAR	KG	1000	100000
50	SUGAR	KG	1000	50000
Subtotal				150000
VAT (10%)				15000
Grand Total				165000

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# ANNEX VIII

KSB/C/CE/BSC/VOL.II/(17)

6<sup>th</sup> March, 2012

Romano M. Kiome, PhD (CBS)  
Permanent Secretary,  
Ministry of Agriculture,  
Kilimo House,  
NAIROBI.

Dear *Sir,*

RE: APPLICATIONS FOR SETTING UP A SUGAR MILL AT BUSIA

Your letter dated 26<sup>th</sup> January 2011 and our various consultations on the above matter refers.

From our earlier statistics on the cane potential in the Busia/Teso zone, it was recommended that a 2,500 TCD factory could be established in the catchment.

It is also documented that Land reference No. Bukhayo/Nasewa/1500 covering 341.2 hectares is earmarked for construction of Busia Sugar Factory albeit currently under legal dispute.

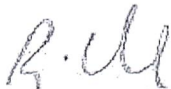
The expressions of interest already received from potential investors indicate an interest to install initial capacities averaging 1,250 TCD – 3,000 TCD with distances ranging between 5 – 8 km of the existing Nasewa.

Having been informed by the issues that arose during the process of registration of an additional mill in the West Kenya zone, we recommend that through your office a technical and financial feasibility specific to this catchment area be undertaken to inform the Board.

Similar expressions have been received for the Siaya catchment. It would be cost effective to conduct the two studies at the same time to guide the way forward.

We await your guidance and comments on the draft report on the greater Western province sugar zone.

Yours *sincerely,*



R. MKOK, MBS,  
CHIEF EXECUTIVE OFFICER.



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REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE  
OFFICE OF THE PERMANENT SECRETARY

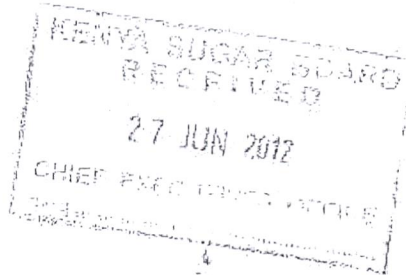
Telephone: 2718870/9  
Fax: 2718318  
When replying please quote

KILIMO HOUSE  
CATHEDRAL ROAD  
P.O.Box 30028  
NAIROBI

Ref: MOA/S.11/25<sup>a</sup>/VOL.VI/(127)

Date: 25<sup>th</sup> June, 2012

Ms Rosemary Mkok  
Chief Executive Officer  
Kenya Sugar Board  
P.O. Box 51500  
NAIROBI



Dear *MS Mkok*

RE: BUSIA SUGAR COMPANY

We have received an appeal from stakeholders in Western Kenya agitating for a Sugar Company in Busia County to mitigate against poverty in the area.

Given the record of West Kenya Sugar Company in sugar factory operations, we advice that their application to establish a factory in the area.be considered alongside other qualified applicants for the same.

Yours

*Sincerely*

*Romano M. Kiome*  
ROMANO M. KIOME, PhD (CBS)  
PERMANENT SECRETARY

Cc. Dr. Mohammed Isahakia, CBS  
Permanent Secretary  
Office of the Prime Minister  
P.O. Box 74434  
NAIROBI

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MOA  
KENYA SUGAR BOARD  
RECEIVED  
15 JUL 2012  
CHIEF EXECUTIVES OFFICE  
TIME

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE  
OFFICE OF THE PERMANENT SECRETARY

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KENYA SUGAR BOARD  
RECEIVED  
15 JUL 2012  
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Telephone: 2718870/9  
Fax: 2711149  
When replying please quote

KILIMO HC  
CATHEDRAL R  
P.O. Box 30  
NAIROBI

Ref: MOA/S.II/25A/ 4VOL. VI/(140)

Rosemary Mkok  
Chief Executive Officer  
Kenya Sugar Board  
P. O. Box 51500 - 00200  
NAIROBI

KENYA SUGAR BOARD  
RECEIVED  
15 JUL 2012  
CHIEF EXECUTIVES OFFICE  
TIME

12<sup>th</sup> July, 20

Dear

*MS MKOK*

RE: REGISTRATION OF NEW SUGAR MILLERS

I refer to the letter Ref. KSB/CS/RL/VOL.I/1 dated 29<sup>th</sup> June, 2012 in which you requested for the Ministry's concurrence on the above mentioned matter.

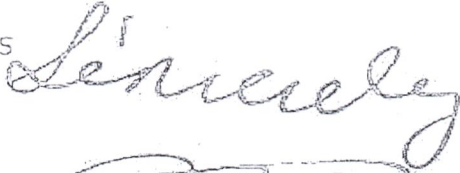
1. The decision of the Board not to approve the application of African Polysack to set up a factory of 3000 TCD, based on the reason that "the location proposed on the application as Bukhayo / Nasewa /714 for the proposed mill is in close proximity with the parcel subject of a court order barring the Board from dealing with Bukhayo / Nasewa 1500 approximately 5 Km" is not in any law or regulation. You are therefore directed to register this Company.
2. The Ministry is in concurrence with the Board's decision to approve the registration of Cherry Sugar Investment for a factory of 1250 – 2500 TCD, West Kenya Company for a mill of 1250 TCD and Pal Mall Holdings for a mill of 1250 TCD subject to vetting of the Companies and their Directors by the relevant Government agencies. The Ministry will assist the Board in this process.
3. We concur with the deferment of application of Kaplony Ltd. for 2500 TCD but the reasons for not approving the application of Pan African Millers should be elaborated.

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4. We concur with the Board's decision on South Gem Sugar Company.

Please submit the details of the Companies the Board has recommended for vetting.

Yours



ROMANO M. KIOME, PhD (CBS)  
PERMANENT SECRETARY



- Sugar from non COMESA origin was being imported disguised as COMESA sugar thereby unfairly enjoying the duty free window;
  - Sugar consignments purported for export to the neighbouring countries were being dumped into the domestic market after enjoying duty and levy waivers for export.
5. In light of the challenges enumerated above, the Board, in which Mumias Sugar Company is represented, resolved unanimously to propose to the Minister for Agriculture, an amendment to the Regulations to provide for more scrutiny of the imports and exports to curb the vices.
  6. Consequently, the Sugar (Imports, Exports and By Products) Regulations 2008 were gazetted on 5<sup>th</sup> September 2008, with the following salient feature: The Board would offer permits on per consignment basis on issuance by the importer/exporter of the following set of documents: the Bill of Lading, IDF/export entry, Supply Contract, Commercial Invoice and Certificate of Origin. This provision addresses the challenges of :
    - mis-declaration of imports;
    - confirming the origin of the consignment; and
    - clearance of export documentation and dumping of tax exempt sugar into the domestic market.
  7. On gazettment of these regulations, some importers moved to court to challenge the legality of implementation of the Regulations and a Court Order was issued on 3<sup>rd</sup> October 2008 staying the implementation of the Sugar (Imports, Exports & By-products) Regulations 2008.
  8. On 17<sup>th</sup> July 2009, a ruling was made in favour of the Board, with the following amendments to the Regulations.
    - 4 (3): to do away with the written approval of the Minister (as the Board was seen to be ceding its mandate to the Minister)
    - 10 (2): Appeal on cancellation of permit to be made through the sugar Arbitration Tribunal and not the Minister.
  9. On 31<sup>st</sup> July 2009, Legal Notice No. 122 was gazetted with the amendments listed above.
  10. In response to concerns raised by our COMESA trading partners that the new importation regime was cumbersome and constituted Non-

Tariff Barriers to Trade, the Minister for Agriculture again amended the Sugar Regulations to provide for a liberalized and non-discriminatory importation regime on a first come, first served basis. The provision for per consignment issuance of import and export permits was however retained as it enabled the Board to better regulate sugar importation/exportation. Legal Notice 23 of 25<sup>th</sup> February 2010 was thus issued to effect the amendment.

From the foregoing and in light of the benefits derived from the per consignment issuance of permits, we wish to recommend that the system is retained. The procedure for permit issuance is simple and transparent and does not in anyway create avenues for rent seeking behavior as suggested.

Yours

*sincerely,*  
*R. M.*

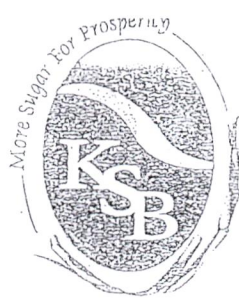
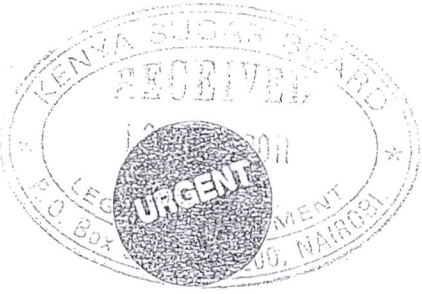
**R. MKOK, MBS**  
**CHIEF EXECUTIVE OFFICER**

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

CERTIFIED TRUE COPY

*R. M. Moko*

Kenya Sugar Board  
Sukari Plaza, Off Waiyaki Way,  
P.O. Box 51500 - 00200, Nairobi  
Tel: (254-20) 8018750/1/2/3  
Tel: (254-20) 2023316/7/8  
Mobile: +254-722-203127/8  
+254-733-333378/9  
Fax: (254-20) 2021266/77/2023319  
Email: info@kenyasugar.co.ke  
Website: www.kenyasugar.co.ke



*CS*  
*This letter is already sent to the addressee. We have agreed to meet next week to sign for joint concrete action.*

REF: KSB/MSA/SU/IMP/33

9th December, 2011

Mr. Joseph Nduati,  
Commissioner of Investigation and enforcement,  
Kenya Revenue Authority,  
Times Towers Building,  
Nairobi.

Dear Sir,

RE: INFLUX OF SMUGGLED SUGAR INTO THE DOMESTIC MARKET

Refer to our telephone conversation of 8th December, 2011.

We have currently noted a huge influx of smuggled or uncustomed sugar into the local market, especially from neighboring Tanzania. The sugar are not presented for import authorization at designated entry points, but instead sneaked into the country through notorious 'PANYA' routes along our border with Tanzania.

The most affected areas include:-

- (i) Migori- Awendo corridor
- (ii) Narok and environs
- (iii) Meru and environs
- (iv) Taveta -Voi and environs

Large parts of the prohibited imports also find their way to places like Eldoret and Kitale and in most cases after rebbaging the same in local or COMESA sugar bags.

SUGAR DIRECTORATE

P. O. Box 51500 - 00200

NAIROBI, KENYA.

CERTIFIED TRUE COPY

*fu*

There appear to be a very strong motivation for Tanzanians to sell sugar to Kenya due to a big price differential, even amid sugar export ban by the Tanzanian government, who have recently deployed the military to prevent sugar from leaving the country

The situation is dangerously and consistently taking root and is a big threat to the survival of our local industry. While we appreciate the structural measures and actions you have continued to take against smuggling of goods including sugar, we should suggest that we create a joint coordinated front and strategy to deal with this destructive impunity.

Currently, we are independently identifying specific targets for action and in this regard, we shall require your assistance. We suggest that any action taken against smuggled sugar imports must be adequately deterrent. One of the things that have traditionally encouraged smuggling of sugar in this country is the idea that such sugar, if seized, is subsequently released to the owners upon collection of taxes. The smugglers are aware of this and therefore know that they don't face total loss.

It is our opinion that any uncustomed sugar should be treated as a prohibited import as envisaged under section 18 (2) of the East African Customs Management Act, as read with part B (1) of the second schedule to the same, and that the manner of disposal of the same should be destruction or any other manner that causes total loss to the smuggler.

In this connection, we wish to confirm that we have not issued any permit for Tanzanian sugar this year, just as we have not done for any brown sugar outside COMESA. Consequently, we are requesting that you urgently mobilize your personnel and seize any Tanzanian or non-COMESA brown sugar that may be on local sale or display, and have the culprits prosecuted. We are ready to provide you with necessary intelligent support that you may require during the exercise.

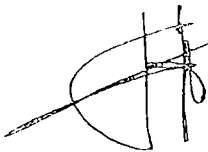
SUGAR DIRECTORATE  
P O Box 51500 - 00200  
NAIROBI, KENYA.

CERTIFIED TRUE COPY

*[Handwritten signature]*

By a copy of this letter, the Commissioner of police and his administration police commandant counterpart are requested to intensify inspection of transport trucks, shops and godowns and impound any foreign sugar whose owners are unable to produce customs and Kenya sugar board documents.

Yours faithfully,



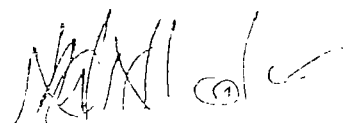
James O. Sirro  
Regional Manager- Coast  
For: Chief Executive Officer

Copy to:

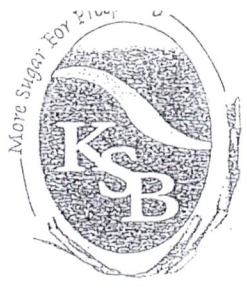
1. Commissioner General,  
Kenya Revenue Authority,  
NAIROBI.
2. Commissioner of Customs Services,  
Kenya Revenue Authority,  
NAIROBI.
3. Commissioner of Police,  
Police Headquarters,  
NAIROBI.
4. Administration Police Commandant,  
NAIROBI.

SUGAR DIRECTORATE  
P O Box 51500 - 00200  
NAIROBI, KENYA

CERTIFIED TRUE COPY



CS  
For your  
attention  
# 21/7



Kenya sugar board  
Sukari Plaza, Off Waiyaki Way,  
P.O. Box 51500 - 00200, Nairobi  
Tel: (254-20) 8018750/1/2/3  
Tel: (254-20) 2023316/7/8  
Mobile: +254-722-203127/8  
+254-733-333378/9  
Fax: (254-20) 2021266/77/2023319  
Email: info@kenyasugar.co.ke  
Website: www.kenyasugar.co.ke

21<sup>ST</sup>, JULY, 2011

THE CHIEF OPERATIONS OFFICER,  
KENYA PORTS AUTHORITY,  
P.O BOX 95009,  
MOMBASA.

file

Dear Sir,

RE: MUMIAS SUGAR EXPORT, ABOARD MV LEO STAR, VOY 2

Kindly, give us a complete out turn report confirming the actual quantity put on board in respect of the above export.

A copy of the corresponding shipping bill of lading is attached for convenient reference.

Yours faithfully,

James sirro.  
REGIONAL MANAGER  
For. Ag. CHIEF EXECUTIVE OFFICER.

Copy to:

MANAGING DIRECTOR,  
KENYA PORTS AUTHORITY,  
MOMBASA.

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

CERTIFIED TRUE COPY

KENYA SUGAR BOARD  
MOMBASA  
INTER OFFICE MEMO

→ small exports  
→ minutes on small imports  
→ circulars  
→ replies

From: Regional Manager  
To: Chief Executive Officer  
Date: 21<sup>st</sup> July, 2011

SUBJECT: MUMIAS SUGAR EXPORT

In a bid to conclusively interrogate the recent 15000 MT sugar export by Mumias Sugar Company Ltd, amid persistent allegations of possible malpractice, I have herewith attached various copies of documents relating to the same for your close scrutiny and perusal.

The documents most importantly include:-

1. Shipping bill of lading- pg 5
2. Customs entry no. 201 IMSA2740954- pg 6
3. Customs entry no. 201 IMSA2754042- pg 7
4. Kenya Ports Authority Service invoice no.320072- pg 9
5. A report from officer in charge of portside- sheds 7/8 – pg11
6. Our own preliminary report –pg 18
7. Portside Freight Terminals warehouse receipt –pg 20

The quantity variance of 41.028MT between the licensed quantity of 15,000MT and the bill of lading quantity of 14,988.972MT is, according to the clearing agents, Inland Africa Logistics Ltd, explained by damage of some bags either during transportation to Mombasa or loading at berth. This is a normal occurrence.

The variance of 699.45MT between the licensed quantity and the Portside Freight Terminals Warehouse receipt quantity-pg20 however remain unexplained.

In view of this, we have requested for comprehensive out turn report of the exporting vessel i.e. MV LEO STAR, VOYAGE NO.2.

We shall communicate to you the same as soon as we receive it.

SUGAR DIRECTORATE

CERTIFIED TRUE COPY

By:

SD

Name:

*[Handwritten signature]*

Kind regards,

J.O.Sirro

Copy to:

1. Company Secretary
2. Head of Planning

*[Handwritten initials and a diagonal line]*

SUGAR DIRECTORATE  
P.O. Box 51504 NAIROBI  
NAIROBI, KENYA

*CELESTINE MUNE*

*[Handwritten signature]*



KENYA REVENUE  
AUTHORITY

ISO 9001:2000 CERTIFIED

CSD/BCS/35

29<sup>th</sup> April, 2011

M/s: Inland Africa Logistics Ltd  
P. O. Box 3457  
MOMBASA.

Dear Sir/ Madam,

**RE: AUTHORITY TO DIRECTLY LOAD 19,000 MT OF MUMIAS  
/KAKIRA'S MILL SUGAR FROM PORTSIDE AND MITCHELL COTTS  
SHEDS TO M.V LEO STAR I ENTRY NO. 2011MSA2740954 &  
2754042.**

We are in receipt of your letter dated 29<sup>th</sup> April, 2011 on the above mentioned subject.

Permission to directly load the above captioned consignment of sugar into MV Leo Star I to be berthed at 7/8 has granted subject to the following conditions:-

1. Permit from sugar Board of Kenya Limited.
2. Loading to be done under the supervision of border control officer.
3. The Authority is specific on the above mentioned entries only.
4. Proper records of the said consignment should be maintained by Customs Officer.

All other procedures and regulations pertaining to customs should be adhered to.

Yours faithfully,

W. K. Nzoka

**Senior Assistant Commissioner – Enforcement, S/R.**

- c.c. Senior Assistant Commissioner – Kilindini  
c.c. **HVO – Sheds**  
c.c. Officer In-Charge – RRT

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

*Tulipe Uhuru Tujitegemeee!*

Times Tower Building  
Haile Selassie Avenue, P.O. Box 48240-00100  
Tel: 310900 Fax 316872



ISO 9001:2000 CERTIFIED

CERTIFIED TRUE  
10/2/11

(2)



KENYA REVENUE AUTHORITY

ISO 9001:2000 CERTIFIED

CSD/BCS/35

11<sup>th</sup> March, 2011

Inland Africa Logistics Ltd.  
P.O. Box 3457- 80100  
Mombasa

Dear Sir/ Madam,

RE: AUTHORITY TO ALLOW DELIVERY OF 12,500 MT OF MUMIAS BROWN SUGAR TO PORTSIDE SHED, MITCHELL COTTS AND REGIONAL LOGISTICS; ENTRY NO. 2011MSA2740954

We are in receipt of your letter referenced 111/11/rm and dated 8<sup>th</sup> March, 2011 on the above mentioned subject.

Permission to deliver 12,500 MT of Mumias Brown Sugar to Portside Shed 7/8, Mitchell Cotts shed and Regional Logistics shed has been granted subject to the following conditions:-

- 1. Goods to be covered by an export entry.
- 2. Permit from Kenya Sugar Board to be sought.
- 3. Goods shall be subject to verification by Kenya Sugar Board.
- 4. Applicant to furnish SAC Enforcement office with quantities and registration numbers of trucks.
- 5. Sugar shall be under customs surveillance for 24 hours within the shed.
- 6. Trucks to be allowed into port under strict customs supervision.

Yours faithfully,

W. K. Nzoka

Shed

Mombasa

W. K. Nzoka  
Senior Assistant Commissioner  
Enforcement-Southern Region

*Tulipe Ushuru Tujitegeme!*

Times Tower Building  
Haile Selassie Avenue, P.O. Box 48240-00100  
Tel: 310900 Fax 316872

SUGAR DIRECTORATE

P.O. Box 51500 - 00200



ISO 9001:2000 CERTIFIED

Nairobi, Kenya.

CERTIFIED TRUE COPY

*[Handwritten signature]*



# KENYA REVENUE AUTHORITY

ISO 9001:2000 CERTIFIED

- Cc: Deputy Commissioner, Southern Region
- Cc: Senior Assistant Commissioner, Kilindini
- Cc: Port Facility Security Officer
- Cc: HVO Portside/ Mitchell Cotts/ Regional Logistics
- Cc: Inland Africa Logistics Ltd.

Cc:  
Cc:  
Cc:  
Cc: M  
Cc: M

Cc:  
Cc:

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

*Tulipe Wiharu Tujitegemee*  
Times Tower Building  
Haile Selassie Avenue, P.O. Box: 48240-00100  
Tel: 310900 Fax 316872



CERTIFIED TRUE COPY

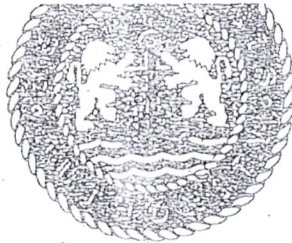
*[Handwritten signature]*

COMM/2/2/05

29<sup>th</sup> April, 2011

Dear Sir

M/s INLAND AFRICA LOGISTICS LTD  
P.O. BOX 3457 - 80100  
MOMBASA



P. O/Box 95009 - 80104 Mombasa, Kenya.  
Tel: +254 - 41 - 2112999  
Mobile: 0720 312211  
0720 202424  
0720 202525  
0735 337941-4  
Fax: +254 - 41 - 2311867  
Website: www.kpa.co.ke

RE: REQUEST FOR DIRECT LOADING 19,000.00MT OF MUMIAS/KAKIRA'S  
MILL SUGAR FROM PORTSIDE AND MITCHEL COTTS SHEDS TO MV LEO  
STAR 1 TO BE BERTHED AT 7/8 ON 29.4.2011, CONSIGNEE SFIR  
RAFFANERIA BDINDISI SPA- ITALY OUR LEDGERACCOUNT 210852

We have received your request through your letter dated 29<sup>th</sup> April, 2011 on the  
above captioned subject matter.

Authority is hereby given to load your cargo direct ex hook subject to the following  
conditions:-

- That you pay wharfage US\$5.00 per m/tons.
- That you must be in a position to have enough lorries to collect all your  
cargo from the outside yards to port.
- That you indemnify KPA from all claims/damages in any eventualities  
should anything happen during inspection and delivery in respect of the  
above.

Yours faithfully

Patrick Makau  
FOR: MANAGING DIRECTOR

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

*CERIFIED TRUE*  
*COPY*

K.P.A. 5023801017

**BILL OF LADING**

MUMIAS SUGAR COMPANY LIMITED  
PRIVATE BAG  
MUMIAS KENYA

TO BE USED WITH CHARTER-PARTIES

Reference No.

Consignee  
TO THE ORDER

**NOT NEGOTIABLE**

Consignee address  
SFIR RAFFINERIA DI BRINDISI SPA  
VIA BENEDETTO CROCE 7  
CESENA (FC) CAP4703 ITALY

Vessel  
M/V LEO-STAR I

Port of loading  
MOMBASA

Place of discharge  
BRINDISI

Shipper's description of goods

Gross weight

14,958.972 METRIC TONNES OF KENYA ORIGIN  
CANE SUGAR IN BULK OF CURRENT CROP  
WITH MINIMUM POLARISATION OF 98  
DEGREES AT TIME OF SHIPMENT.  
CUSTOMS (CN) CODE : 1701.99.10  
WHITE CANE SUGAR FOR REFINING

METRIC TONS

14958.972

(of which \_\_\_\_\_ on deck at Shipper's risk, the Carrier not  
being responsible for loss or damage howsoever arising)

Freight payable as per  
CHARTER-PARTY dated

07 APR 2011

FREIGHT ADVANCE  
Received on account of freight:

Time used for loading \_\_\_\_\_ days \_\_\_\_\_ hours.

SHIPPED at the Port of Loading in apparent good order and  
condition on board the Vessel for carriage to the Port  
of Discharge or so near thereto as she may safely get the goods  
specified above

Weight, measure, quality, quantity, condition, contents and value  
unknown.

IN WITNESS whereof the Master or Agent of the said Vessel has signed  
the number of Bills of Lading indicated below all of this tenor and date,  
any one of which being accomplished the others shall be void

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Freight payable at

Place and date of Issue  
MOMBASA

14 MAY 2011

Number of original Bs/L  
3 Original(s)

Signature  
"FOR AND ON BEHALF OF THE MASTER"

*CESTIFIED TRUE COPY*

SUGAR DIRECTORATE

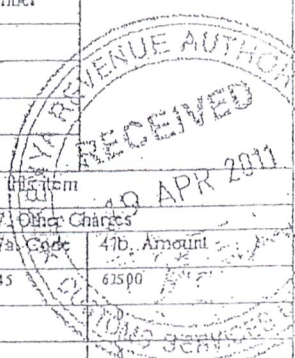
P. O. Box 51500 00200

NAIROBI, KENYA.

*NAIROBI copy*

1. Exporter/Consignator MUMIAS SUGAR COMPANY LTD P/BAG-MUMIAS	TIN/PIN P0006265841	2. Processing Office MSA	3. Frontier office MSA	4. Regime code E1	FOR OFFICIAL USE Entry Number and Date 2011MSA 2740954 09/03/2011
		5. Voyage/Flight/Vehicle No.	6. Date of arrival/departure.		9. Country of Consignment KE
		7. Manifest Number 00000	8. AWB/BL/RCN No.		
10. Importer/Consignee STIR RAFFINERA DI-BRINDISI SPA CROCE CESENA FC - ITALY	TIN/PIN	11. City of last Consign / 1 <sup>st</sup> Dest.	12. Country of final Destination IT		13. Port of Destination MSA
		14. Place of discharge/Loading MEX/	15. Mode of transport Sea		16. Nationality of Transport
		17. Vehicle owner/Driver.	18. Seal Number(s)		19. Country of Transit
		20. Total Number of Items 1	21. Total Packages 250000		22. Total Gross Weight 12500000
23. Declarant / Agent INLAND AFRICA LOGISTICS LIMITED MOMBASA	TIN/PIN P0511766023	24. Location of Goods	25. Warehouse code No Description		26. Period in W/hs/Transit
		27. Valuation method ACV	28. Total F.O.B Value		29. Terms of Delivery 100
		30. Terms of Payment	31. Account Number		32. Bank / Branch Reference
		33. Bond Security Number N/A	34. Bond/Cash Amount 0		35. Total Freight
Declarant Ref. No. 0619		36. Total Insurance		37. Total Other Charges	
		38. Total Customs Value 870307500		39. Other information	

40. (a) Shipping Marks & Nos./Container Nos. NOTIFIED PARTY: EDF MAN SUGAR LTD	(c) Commodity code 170111 90	(e) C.P.C E100	(g) Gross Weight 12500000	(j) Net Weight 12500000
(b) Goods Description 12500 MT OF MUMIAS KENYAN BROWN SUGAR PIER PIER	(g) 1 <sup>st</sup> Supp. Qty. 12500000	(h) Units 1 <sup>st</sup> Supp Qty kg	(i) 2nd Supp. Qty.	(l) Units 2 <sup>nd</sup> Supp Qty
	(k) Type of packaging BG	(m) Country of Origin KE	(n) Preference code	
(o) License Number	(p) License Value / Qty	(q) Value/Qty Deducted	(r) FOB Value 7500000	(s) Insurance 0
(u) Other Charges 0	(v) Currency Code EUR	(w) Exchange Rate 116.041	(x) CIF Value 870307500	(y) Customs Value 870307500

41. REVENUE INFORMATION				43. Attached documents		44. Proceeding Documents Ref.
(aa) Tax Type	(bb) Tax Base / Value	(cc) Rate	(dd) Tax Due	45a. Code	45b. Number	
I	/					
II	/					
III	/					
IV	/					
V	/					
46. SUMMARY TOTALS				47. Other Charges		
				47a. Code	47b. Amount	
This Page	0	0	0	745	62500	
Other Pages	0	0	0			
Totals	0	0	0			

48. Grand Totals (Duties, Taxes and Other charges)	62500 (Net To Pay)	FOR OFFICIAL USE
49. Declaration	PROPER OFFICER	CASH/CHEQUE
INLAND AFRICA LOGISTICS LTD. (Company name)	02093	Amount Paid
Being the Agent/Principal of INLAND AFRICA LOGISTICS LTD. do hereby declare that the information and particulars declared herein are true and complete.	Passed On: 10/03/2011	Receipt Number and Date
Signature and Stamp		Cashier's Signature and Stamp

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

Handwritten signature and initials.

1. Exporter/Consignor MUMIAS SUGAR COMPANY LTD P/BAG MUMIAS		2. Processing Office MSA		3. Frontier office MSA		4. Keqing code E1		FOR OFFICIAL USE Entry Number and Date 2011MSA 2754042 18/03/2011	
10. Importer / Consignee SFR RAFFINERIA DI BRINDISI SPA 7 CESENA - ITALY		11. City of last Consign / 1 <sup>st</sup> Dest.		12. Country of final Destination IT		13. Port of Destination MSA		16. Nationality of Transport	
23. Declarant / Agent INLAND AFRICA LOGISTICS LIMITED MOMBASA		24. Location of Goods		25. Warehouse code No Description		26. Period in Warehouse/Transit		29. Terms of Delivery 100	
27. Valuation method ACV		28. Total F.O.B Value		29. Terms of Delivery 100		32. Bank / Branch Reference		35. Total Freight	
30. Terms of Payment		31. Account Number		32. Bank / Branch Reference		35. Total Freight			
33. Bond Security Number N/A		34. Bank/Cash Amount 0		35. Total Freight					
36. Total Insurance		37. Total Other Charges		38. Total Customs Value 11898000		39. Other information			

Item 01	40. (a) Shipping Marks & Nos./Container Nos. NOTIFIED PARTY : EDF MAN SUGAR LTD		(c) Commodity code 17011191	(d) C.I.C. E100	(e) Gross Weight 2500000	(f) Net Weight 2500000
	(b) Goods Description 2500 MTOF MUMIAS KENYAN BROWN SUGAR MERITER		(g) 1 <sup>st</sup> Supp. Qty. 2500	(h) 2 <sup>nd</sup> Supp. Qty.	(i) Units 2 <sup>nd</sup> Supp Qty	(j) Units 2 <sup>nd</sup> Supp Qty
	(k) License Number		(l) License Value / Qty	(m) Country of Origin KE	(n) Preference code	(o) Insurance 0
	(u) Other Charges 0		(v) Currency Code USD	(w) Exchange Rate 84.75	(x) Customs Value 118989000	(y) Insurance 0
	41. REVENUE INFORMATION		(z) Exchange Rate 84.75	(aa) C.I.E. Value	(ab) Customs Value 118989000	(ac) Insurance 0

41. REVENUE INFORMATION				43. Attached documents		44. Preceding Documents Ref.
(aa) Tax Type	(bb) Tax Base / Value	(cc) Rate	(dd)	43a. Code	43b. Number	
I	/					
II	/					
III	/					
IV	/					
V	/					
46. SUMMARY TOTALS				(ee) Total Tax due on this item		(ff) Other Charges
This Page	0	0	0	0	0	47a. Code 19
Other Pages	0	0	0	0	0	47b. Amount 12500
Totals	0	0	0	0	0	

43. Grand Totals (Duties, Taxes and Other charges)		12500 (Not To Pay)	PROPER OFFICER		CASH/CHEQUE
49. Declaration		INLAND AFRICA LOGISTICS LTD. MOMBASA		04799	Amount Paid
I/we the undersigned of INLAND AFRICA LOGISTICS LIMITED (Company name)		Being the Agent/Principal of INLAND AFRICA LOGISTICS LTD. (Importer/Exporter) do hereby declare that the information and particulars declared herein are true and complete.		Passed On: 18/03/2011	Receipt Number and Date
Signature and Stamp		Place		Cashier's Signature and Stamp	

CERTIFIED TRUE COPY  
SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

*[Signature]*

Name: MV LEO STAR

Ref No: 02

Dated: 16-Apr 11

TO THE COMMANDING OFFICER

To receive the undermentioned goods from:  
SUGAR SUGAR COMPANY LIMITED  
PATE BAG  
MUMIAS KENYA

Forwarding Agent:  
INLAND AFRICA LOGISTICS LTD

Delivered at: BRINDISI

Final Destn: BRINDISI

Container Details	Movement	Weights and Measurements	
	BULK SHIPMENT	Units used:	KILOG
		Measurement:	15000.000
		Gross Weight:	15000000.000

Marks and Numbers:	Description of Goods
	15,000 METRIC TONS OF MUMIAS KENYAN VHP BROWN SUGAR

subject to the Ship's safe arrival, loading berth and subject to cancellation with  
without notice. We reserve the right to modify defer or cancel this booking  
without any liability to steamer owners or their Agents. All quotations of freight or  
rates of space, acceptances of bookings, engagements and contracts are  
subject to the terms and conditions of the Carrier's Bill of Lading

For  
SEAFORTH SHIPPING (KENYA) LTD  
*[Signature]*  
As Agents

For: Seaforth Shipping (Kenya) Ltd  
As Agents

SUGAR CO-OPERATIVE  
P.O. Box 51500 00200  
NAIROBI, KENYA  
*[Signature]*



# KENYA PORTS AUTHORITY

## Invoice

P.O. Box 95009, Nairobi  
 Tel: +254 11 312211  
 Telefax: +254 11 311867  
 Website: www.kenya-ports.com

Bill-to-Party

INLAND AFRICA LOGISTICS LTD  
 PO Box 3457  
 X. MOMBASA  
 KENYA

*MUMIAS SUGAR*

Payment information

Pin No.: P051094522S  
 VAT No.: 0106742J  
 Bill No.: 35297476  
 Date: 29.04.2011  
 Sales Order no./date: 55299988/29.04.2011  
 Shipping Order No.: 2280411XI2801  
 Customer: 210852  
 Currency: USD  
 Exchange rate: 83.70000

Payment: Up to 13.05.2011

Arrival Date: 23.04.2011

Invoice details			Quantity	Unit	Rate	Amount
Item	Service	Description				
10	320072	Wharfage Exports Dry Bulk Cargo	15,000	TOM	5.00	75,000.00
Item total						75,000.00
Invoice amount						75,000.00
Invoice amount (KES)						6,277,500.00

*CERTIFIED TRUE COPY*

PIN NO.: P0510945522S

VAT No.: 0106742J

Serial No 0304573

SUGAR DIRECTORATE  
 P. O. Box 51500 - 00200  
 NAIROBI, KENYA.

*[Signature]*

**KENYA PORTS AUTHORITY  
TICKET FOR CASH PAYMENT**

PRE-ADVICE

REFERENCE NO	SO NO	PAYMENT TYPE	CUSTOMS APPROVAL NO
2280411XI2801	SSK/DOC/FM/005	CREDIT	2011MSA2740954

**CUSTOMER DETAILS**

CUSTOMER	INLAND (210852)
ADDRESS	MOI AVENUE, MOMBASA
REMARK	

**VESSEL DETAILS**

VESSEL SCHEDULE	5831-2011-0462	VESSEL NAME	LEO STAR I
VOYAGE(IN/OUT)	02/02	COMPLETED DISCHARGE DATE	2011-04-28 20:00:00

**CARGO (MARKS & NO) INFORMATION**

No	Marks & No	Package Unit	Quantity	Weight(Kg)	CBM(m <sup>3</sup> )
1	MUMIAS WHITE MILLED SUGAR	Bag	300,000	15,000,000	15,000.000

SUGAR DIRECTORATE  
P. O. Box 51500 - 00100 NAIROBI, KENYA  
WNY

55299988

*[Handwritten Signature]*

DOCUMENT OFFICER SIGNATURE	CUSTOMER SIGNATURE

20<sup>th</sup> April 2011.

PORTSIDE SHED7/8.

REF:PSF11/00065.

Attn:Mr.J.S.Makero

Operations in charge Shed7/8.

Dear Sir,

SUBJECT: BAGGED SUGAR RECEIVING REPORT.

Ex" MUMIAS WAREHOUSE "15,000M/T, 300,000 BAGS OF MUMIAS BROWN SUGAR  
AWAITING EXPORTATION TO EUROPE.

Kindly note that we have carried out inspection,survey, and storage of the above mentioned goods at the time of receiving at Shed7/8.The said cargo was loaded directly into trucks from the manufacturer's warehouse to Portside Shed7/8 for temporary storage,awaiting delivery to the country of final distribution.

Prior to receiving commencement,each truck with sugar was inspected and confirmed to be Clean,Dry and free from infestation.The bags condition were checked throughout the entire operation to ensure that only bags in sound condition were adequately stacked.

The receiving operation was carried out between 13<sup>th</sup> March 2011 & 19<sup>th</sup> APRIL 2011 and Details as follows:-

The Total No. of bags expected:	300,000 Bags
The Total No. of bags received:	286,011 Bags
Total No. of bags received in Slack and Torn Condition:	607 Bags
Total No. of bags received in Wet-Water Stained Condition:	1,467 Bags
Total No. of bags received in Underweight Condition:	106 Bags
The Total Loss after Reconstitution:	17 Bags
The Total Bags Rejected after Reconstitution :	47 Bags
SOUND Cargo/bags after Reconstitution therefore:	285,947 Bags
Cargo Spillages and Dirty Sweepings collected:	10 Bags

PORTSIDE FREIGHT TERMINALS LTD.

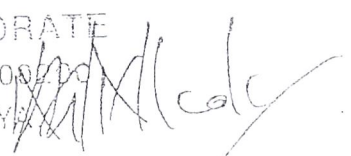
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SUGAR DIRECTORATE

P. O. Box 51500 - 00200

NAIROBI, KENYA

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The table below shows the total number of bags received each day.

DATE RECEIVED	TOTAL RECEIVED	CUMULATIVE TOTALS
12/03/2011.	1580	1580
13/03/2011.	4500	6080
14/13/2011	3240	9320
15/03/2011	9842	19162
16/03/2011.	3240	22402
17/03/2011	4819	27221
18/03/2011.	6640	33861
19/03/2011	3200	37061
20/03/2011	2640	39701
21/03/2011.	3320	43021
22/03/2011	8320	51341
23/03/2011	7619	58960
24/03/2011.	6600	65560
25/03/2011.	6540	72100
26/03/2011.	3739	75839
27/03/2011.	3740	79579
28/03/2011.	9659	89238
29/03/2011.	10797	100,035
30/03/2011.	11440	111,475
31/03/2011.	15080	126,555
01/04/2011.	13758	140,313
02/04/2011.	4581	144,894
03/04/2011.	7100	151,994
04/04/2011.	9760	161,754
05/04/2011.	10740	172,494
06/04/2011.	9400	181,894
07/04/2011.	8745	190,639
08/04/2011.	16177	206,816
09/04/2011.	7640	214,456
10/04/2011.	4240	218,696
11/04/2011.	8040	226,736
12/04/2011.	6620	233,356
13/04/2011.	5800	239,156
14/04/2011.	14560	253,716
15/04/2011.	16,478	270,194
16/04/2011.	6920	277,114
18/04/2011.	6140	283,254
19/04/2011.	2757	286,011

PORTSIDE FREIGHT TERMINALS LTD.

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NAIROBI, KENYA.

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*[Handwritten signature]*

The Damage And Loss Assessment.

1. Slack & Torn Bags.

The s/torn bags were cut open and contents visually examined The sound contents of torn bags were further transferred into new polypropylene bags, Topped up, weighed at 50-10kg per bag, Double machine stitched and stacked. A total loss of 16 Bags realized during the re-constitution.

2. Water Stained bags.

A total number of 1,467 bags were Received in Wet-Water stained condition Re-bagging and Reconstitution was carried out to salvage & recovering sound contents from bags in damaged condition. A total number of 44 Bags were Rejected 3 More bags were rejected as Ex" Warehouse s/Torn as a result of a collapsed storage 30 extra bags achieved as dirty sweepings and 105 bundles stc 20 empty used bags each also noted. The contents of bags rejected noted to be Discoloured, caked, contained foreign particals and/or totally unacceptable to the required export specifications

3. Underweight Bags.

The bags were selected randomly and weighed on an electronic weighing scales. A total number of 106 bags were realized with unacceptable weights. All undershot bags were opened and standardized to 50 Kilos net, machine stitched and stacked. loss of 1 bag was realized.

The Representatives.

The parties present during the exercise:

Portside Shed 7/8 officials.

Inland African Logistics.

Bureau Veritas (K) Limited.

Mumias Sugar Co. Ltd.

Report Prepared By:

Anthony Wandera

Chief Tally Clerk-Portside Shed 7/8

Checked By:

Sadik Jando 26/4/2011  
Supervisor In charge Portside Shed 7/8.

Confirmed By:

JS Makero

Operations in charge &

Head of Internal Security-Portside Shed 7/8.

PORTSIDE FREIGHT TERMINALS LTD  
SHED 7/8  
SUGAR DIRECTORATE  
P.O. Box 51500 - 00200  
NAIROBI, KENYA.

CREATED BY  
copy



RECONSTITUTION / REBAGGING

OPERATION	RE-BAG.	DATE	18 APRIL 2011
REF No.		S.No.	
CLIENT	ED & F MAN LTD	COMMODITY	SUGAR
EX-VESSEL / TRUCKS	EX-TRUCK	WAREHOUSE	S#ED7&8

TORH & SLACK EX-TRUCK.

	QUANTITY PLACED		QUANTITY ACHIEVED		SHORT FALL / REWORK
	PACKAGES	TONNAGE	PACKAGES	TONNAGE	
TOTAL	15	0.75	14	0.70	1 - 0.05
PREVIOUS	592	29.60	581	29.05	11 - 0.55
TODATE	607	30.35	595	29.75	12 - 0.6
BALANCE					

Remarks: -

ACHIEVED ~~14~~ BAGS STANDARDISED @ 50.10  
Kg GROSS ADD 50.0 Kg NET.

Surveyor's Representative: PATRICK Signature:

Warehouse's Representative: ANTHONY WAAKARU Signature:

Client's Representative: ERIK FREIGHT Signature:

ED78

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Nairobi Office:

ABC Place - Waiyaki Way  
P.O. Box 34378, NAIROBI  
Phone: (254) (2) 43891447627/440693  
Fax: (254) (2) 440518740501

Mombasa Office:

Harbour House - Moi Avenue  
P.O. Box 41622, Mombasa  
Tel: (254) (11) 311433/314032  
Fax: (254) (11) 311433

SUGAR DIRECTORATE

P. O. Box 51500 - 00200

NAIROBI, KENYA



RECONSTITUTION / REBAGGING

OPERATION	RE-BAG	DATE	20 APRIL 2011
REF No.		S.I No.	
CLIENT	ED F F MAN LTD	COMMODITY	SUGAR
EX-VESSEL / TRUCKS	EX-TRUCK	WAREHOUSE	CH2078

SALVAGE OF DAMAGED STAINED BAGS EX-TRUCK.

	QUANTITY PLACED		QUANTITY ACHIEVED		SHORT FALL / REJECTS
	PACKAGES	TONNAGE	PACKAGES	TONNAGE	
TOTAL	154	7.70	154	7.70	DIL
PREVIOUS	1313	65.65	1265	63.25	44 REJECT 4 S/FALL
TODATE	1467	73.35	1419	70.95	44 REJECTS 4 S/FALL
BALANCE					

Remarks: -

ACHIEVED BAGS WERE STANDARDISED @  
50.10 KG GROSS & 50.0 KG NET.

Surveyor's Representative: PATRICK

Signature:

Warehouse's Representative: ANTHONY WANJAU

Signature:

Client's Representative: EMORIL

Signature:

PORTSIDE FREIGHT TERMINALS LTD.  
D718

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Head Office:

1st Floor - Waiyaki Way  
Off. No. 10, NAIROBI

2nd Floor - 2nd Floor, 2nd Floor, 2nd Floor

3rd Floor - 3rd Floor, 3rd Floor, 3rd Floor

Mombasa Office

Harbour House - Mombasa

P.O. Box 1024, Mombasa

Tel: (254) 41 510001/2/3/4/5

SUGAR DIRECTORATE

P. O. Box. 51500 - 00200

NAIROBI, KENYA.



RECONSTITUTION / REBAGGING

OPERATION	RE-BAGGING	DATE	9/04/11
REF No.		S.I No.	
CLIENT	RD SF MAN LTD	COMMODITY	SUGAR
EX-VESSEL / TRUCKS	EX-TRUCK	WAREHOUSE	SHED 7 & 8

UNITS WEIGHTS (MOUTH OPENED) EX-TRUCKS.

	QUANTITY PLACED		QUANTITY ACHIEVED		SHORT FALL / DEFICITS
	PACKAGES	TONNAGE	PACKAGES	TONNAGE	
TOTAL	61 <del>57</del>	3.05	61	3.05	Nil
PREVIOUS	45	2.25	44	2.2	1 - 0.05
TODATE	106	5.30	105	5.25	1 - 0.05
BALANCE					

Remarks: -

ACHIEVED IN ACC. STANDARDS BY 50.0 KG PRESS  
50.0 KG NET.

Surveyor's Representative: PATRICK Signature: [Signature]

Warehouse's Representative: ANTHONY Signature: [Signature]

Client's Representative: [Signature] Signature: [Signature]

PORTSIDE FREIGHT TERMINALS LTD  
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RECONSTITUTION / REBAGGING

OPERATION	REBAGGING	DATE	10/11/2011
REF No.		S.I No.	
CLIENT	DAAF TRADING LTD	COMMODITY	SUGAR
EX-VESSEL / TRUCKS	EX - DAF TRADING	WAREHOUSE	CHCS 728

RE-BAG OF 4 TONNAGE LMS (EX-DAF TRADING)

	QUANTITY PLACED		QUANTITY ACHIEVED		SHORT FILL / REJECTS
	PACKAGES	TONNAGE	PACKAGES	TONNAGE	
TOTAL	29	1.454 MT	26	1.321 MT	3 DEFECTS 0.15
PREVIOUS	—	—	—	—	—
TODATE	29	1.454 MT	26	1.321 MT	3 DEFECTS 0.15
BALANCE					

Remarks: -

- (1) ACHIEVED 2 TONNAGE DEFECT STANDARDISED AT 50/1000 GROSS DEFECTS 0.15 KGS
- (2) DEFECTS FOUND WITH IMPURITIES STANDARDISED AT 50/1000 GROSS DEFECTS 0.15 KGS

Surveyor's Representative: PATRICK

Signature: [Signature]

Warehouse's Representative: [Signature]

Signature: [Signature]

Client's Representative: [Signature]

Signature: [Signature]

PORTABLE TRACHT TERMINAL LTD

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Nairobi Office:

Plot 10 - Waiyaki Way  
P.O. Box 34378, NAIROBI

Tel: (254) (11) 410091/410092/410093

Tel: (254) (11) 410094/410095

Mail: BIVAC@bvtv.com

Mombasa Office:

Härboör House - Moi Avenue

P.O. Box 41022, Mombasa

Tel: (254) (11) 236013

Fax: (254) (11) 236013

SUGAR DIRECTORATE  
P.O. Box 51500 - 00200

NAIROBI, KENYA

[Signature]

(18)

**CUSTOMS ENTRY NO 2754042 AND 2740954 MUMIAS BROWN SUGAR  
FOR EXPORT TO ITALY**

COMPILED BY RM/HSU MR.SIRRO & OBAR

**INTRODUCTORY BACKGROUND:**

For the purposes of facilitating the mandate of the Board with respect to control of **imports and exports** of sugar and by products, today we visited both Kilindini portside shed 7/8 and Damco warehouses and observed the following;

- At portside shed 7/8- **11,957.8 MT**
- At Damco warehouse- **739 MT**

**TOTAL= 12,696.8 MT**

**OTHER STAKEHOLDERS:**

Present during the exercise were representatives from Customs and Port, Madam Dorothy, Mr, Paul and Mr.Mamati all from Mumias sugar company. Others present were the transporter Mr. Ketan, clearing agent Mr.Yusuf, the Damco warehouse manager Mr. Hassan Muganda, Mr Adala the portside supervisor and Mr.Obar KSB Surveillance officer.

**EXPECTED TIME OF ARRIVAL OF THE CARRYING VESSEL:**


The vessel is expected to arrive on the- **19/04/2011**

The loading is expected to commence on – **24/04/2011**

The entire exercise is expected to last- **ten days**

*ORIGINAL TRUE COPY*

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.





**SECURITY AT THE WAREHOUSES/PORT**

Port security detail

Tick security services (contracted by portside)

Mumias security detail

Damco warehouse -physical and electronic security including alarm back up and CCTV Cameras 24hrs

**NOTE: - So far there are NO indications of sugar malpractices noted. However, we are constantly monitoring through day and night surveillance until the cargo is loaded in the carrying vessel for Italy.**

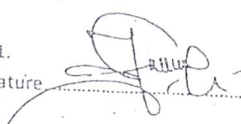
- All documentations shall be captured by our office under transit/transshipment cargo as usually done
- The security details mentioned above are said to have been involved in high profile security service engagements within and outside the port.

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2

SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.

WAREHOUSE RECEIPT  
PORTSIDE-SHED 7/8

Supplier MUMIAS SUGAR COMPANY LIMITED		WAREHOUSE RECEIPT NO. PSF/S/00065/011		
Depositor INLAND LOGISTICS LIMITED MOMBASA		Ex-Wagon/Truck No EXPORT SUGAR		
We hereby certify having received the goods mentioned herein in condition described below.				
Description of Goods	Declared No of Bags	Total No. of Bags Received	Sound Bags In The Warehouse	Total Gross Weight
MUMIAS BROWN SUGAR	300000BAGSX50KGS	286011X50KGS	285947BAGSX50KGS	14300.55TONS
The company shall not in any circumstances be liable for loss or for non-delivery whether on grounds of breach of contract, negligence or otherwise unless the loss, damage, non-delivery occurs whilst the goods were in the actual custody of the company and under its actual control. Further the company shall in no circumstance be liable whether in respect of any type of loss or damage, however arising and whether in respect of or in connection with any goods or any instruction, business advise information or service or otherwise unless it is proved that the loss or damage was caused by gross negligence of the company.				
Remarks: The Release, partial or total, of the goods stored will be done exclusively upon the reception of the written instructions issued by INLAND LOGISTICS LIMITED		Place and date of issue MOMBASA 26 <sup>TH</sup> APRIL, 2011. Authorized Signature 		

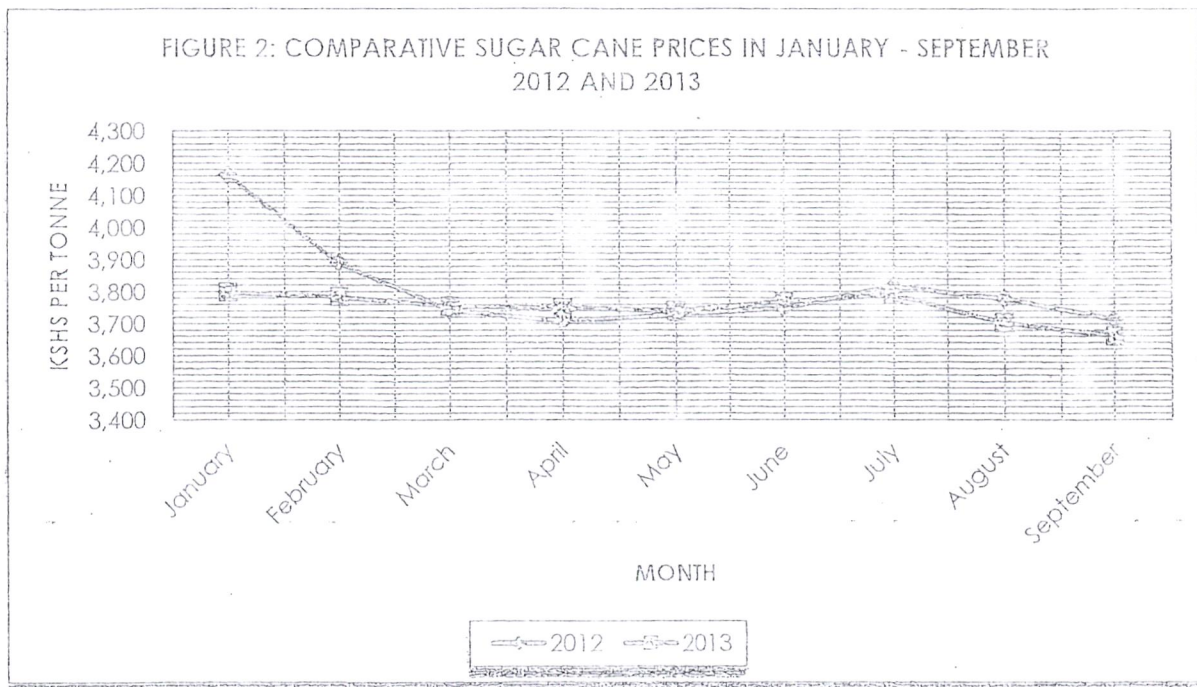
Terms and Conditions insurance

All and any business undertaken, including any advice, information or service provided whether gratuitously or not, is transacted subject to our current Trading conditions (full text on application). Insurances effected by the company are subject to the usual exceptions and conditions of the policies the insurance company or underwriter taking the risk.

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SUGAR DIRECTORATE  
P. O. Box 51500 - 00200  
NAIROBI, KENYA.



been on a steady decrease since May 2013. (See Table 3 and Figure 2 below). September 2013 finished at kshs 3,661 per tonne.

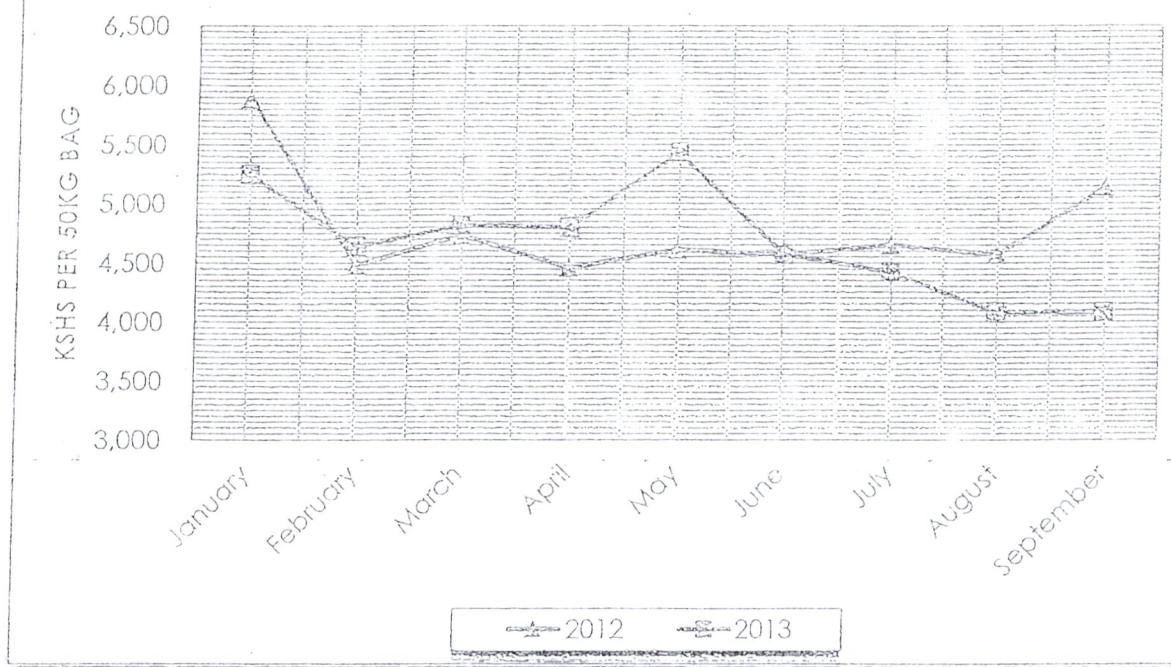


Overall, sugar cane prices for January – September 2013 averaged Kshs. 3,750 per tonne compared with kshs 3,810 per tonne observed in the same period 2012, a decrease of 2%. Mumias Sugar Company offered the best cane prices to the farmers, averaging kshs. 3,825 per tonne. Meanwhile, Soin Sugar Company paid the lowest cane price at kshs 3,470 per tonne. For more details refer to Table 2.

#### b) Ex-factory Sugar Prices

Ex-factory sugar prices started the year 2013 at a monthly average of kshs. 5,248 per 50-bag, dropped to kshs 4,642 in February and then picked on an increasing trend to attain a high of Kshs 5,436 per bag in May 2013. Subsequent months dealt on decreasing prices to finish September 2013 at a monthly average of Kshs 4,078 per 50kg bag (see Figure 3 below). It is observed that the price trend in the two years had a similar behavior in the first 5 months. In each year the prices were highest in January, dropping in February and taking an upward trend in subsequent months. However, after May 2013 the prices failed to maintain the usual pattern due to stiff competition from huge imports of cheap table sugar.

FIGURE 3: COMPARATIVE EX-FACTORY SUGAR PRICES IN JANUARY - SEPTEMBER 2012 AND 2013



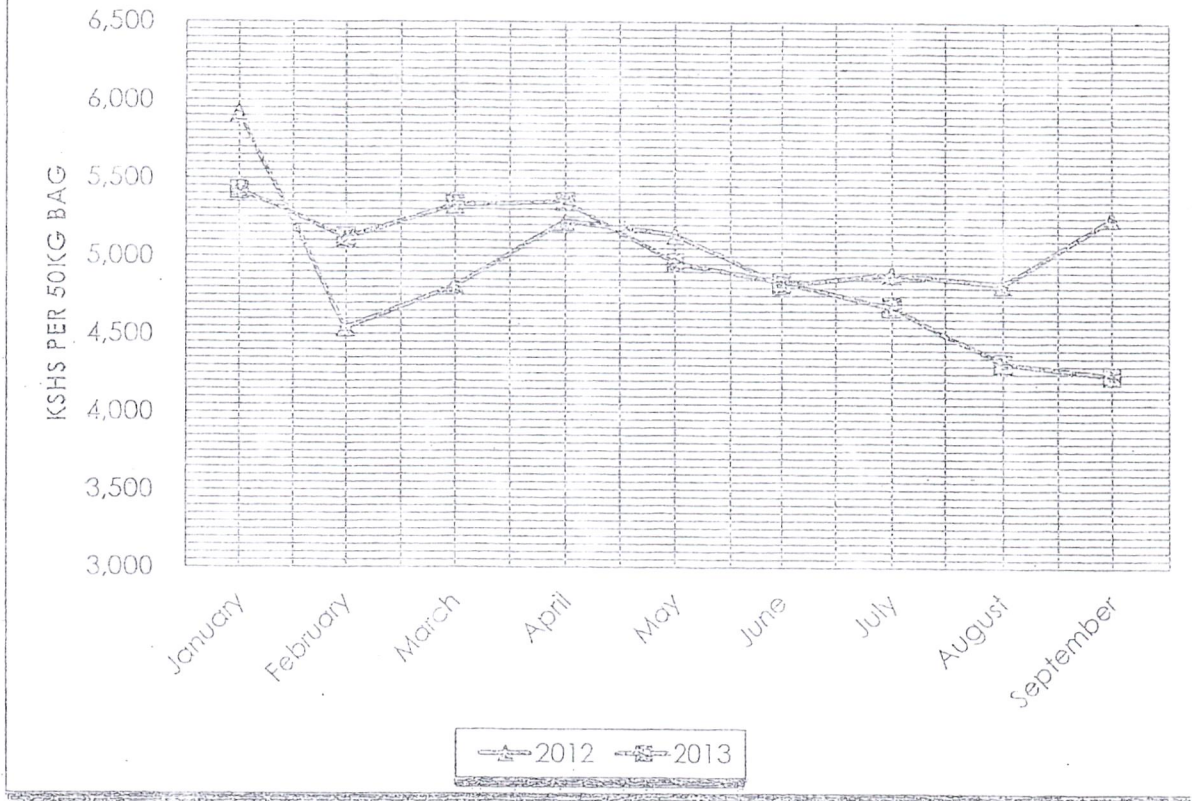
Overall, sugar prices in January – September 2013 ranged between kshs. 3,850 and 6,100, giving an average of Ksh 4,679 per 50kg bag (Kshs 93,580 per tonne) compared to Kshs 4,791 per bag (Kshs 95,820 per tonne) observed in the same period last year, a decrease of 2.3%. For more details refer to Table 3.

### c) Wholesale Sugar Prices

Wholesale sugar prices started the review period, January - September 2013, at a monthly average of Kshs 5,426 per 50kg bag and dropped to kshs 5,120 in February. Subsequent months traded on increasing prices to attain a high of kshs 5,350 per bag in April 2013. The upward trend was however untenable resulting to a steady price drop to kshs 4,241 per bag at the end of September. The downward trend is in tandem with the ex-factory prices and well supported by low priced sugar imports.

Price range for the review period was kshs 4,100 to 5,800, giving an overall average of Kshs 4,919 per 50kg bag compared to kshs 5,048 per bag in the same period last year, a decrease of 2.6%. For more details, refer to Figure 4 below and the attached Table 3.

FIGURE 4: COMPARATIVE WHOLESALE SUGAR PRICES IN JANUARY - SEPTEMBER 2012 AND 2013

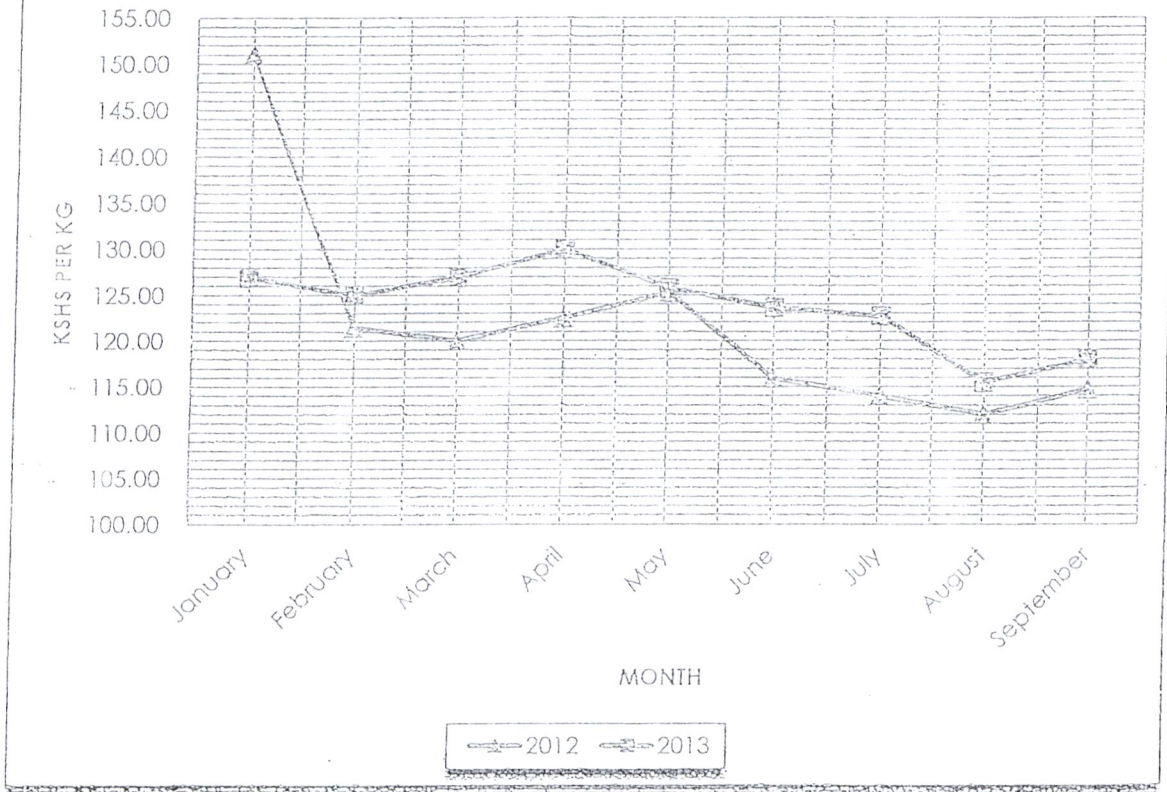


d) Retail Sugar Prices

Retail sugar prices reported a similar trend to that of wholesale prices. The year began at a monthly average of Kshs. 127 per Kg, dropped to kshs 125 in February and then picked an upward path to reach a high of kshs. 130 per kg in April 2013. The subsequent months reported decreasing sugar prices to end September 2013 at a monthly average of kshs 118 per kg (see Figure 5 below).

Overall, retail sugar prices in January – September 2013 traded at a range of kshs 90 to 150 per kg, giving an average of Kshs 123.85 per kg compared to an average of kshs 121.89 per kg observed in the same period last year, an increase of 1.6%. For more details refer to Table 3 (attached).

FIGURE 5: COMPARATIVE RETAIL SUGAR PRICES IN JANUARY - SEPTEMBER 2012 AND 2013



### 3. FOREIGN TRADE

#### a) Sugar Imports

Total sugar imports in January – September 2013 were 195,128 tonnes compared to 178,764 tonnes in the same period last year, an increase of 9%. The imports comprised 52% refined white and 48% brown/mill white sugar. It is worth noting the increased quantity of table sugar imported in 2013 (39% increase), attributed to reducing world sugar prices and improved sugar availability from the COMESA region. For more details refer to Tables 4 (ii) and 4 (iii).

COMESA-FTA countries supplied a total of 97,395 tonnes while the EAC provided 4,821 tonnes of the total imports. The two regions combined gave 52% of the total sugar imports in January – September 2013 compared to 58% realized from this region in the same period last year. Decreased import from neighbouring countries is noteworthy, mainly attributed to improved surveillance to curb illegal imports.

Overall, most of the imported sugar came from Egypt, Thailand and Saudi Arabia with 53,887 tonnes, 41,475 tonnes and 31,741 tonnes, respectively. More details on sugar imports by country-of origin are shown on Table 4(iv).

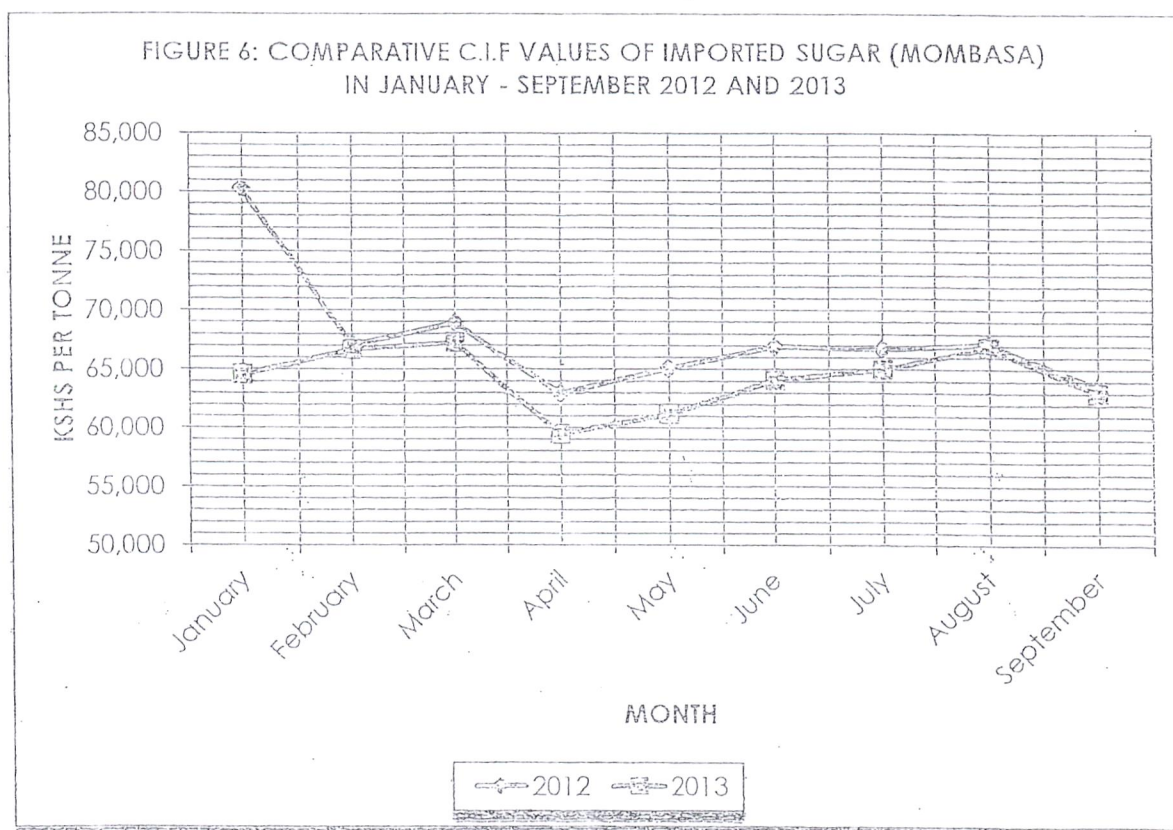
**b) Sugar Exports**

Total sugar exports during the review period were 55 tonnes compared to 431 tonnes reported in January – September 2012. The bulk of the sugar was exported to Southern Sudan (23.4 tonnes) and EPZ (20 tonnes). For more details refer to Table 5.

**c) CIF Value**

CIF Mombasa landed price for imported sugar began the review period, January – September 2013, at monthly average of Kshs. 64,556 per tonne, dealt on an upward path to attain a maximum of kshs. 67,261 in March 2013. Subsequent months embarked on decreasing values, though with some hesitation, to end the review period at Kshs. 62,979 per tonne. The price movement is in tandem with the world sugar market.

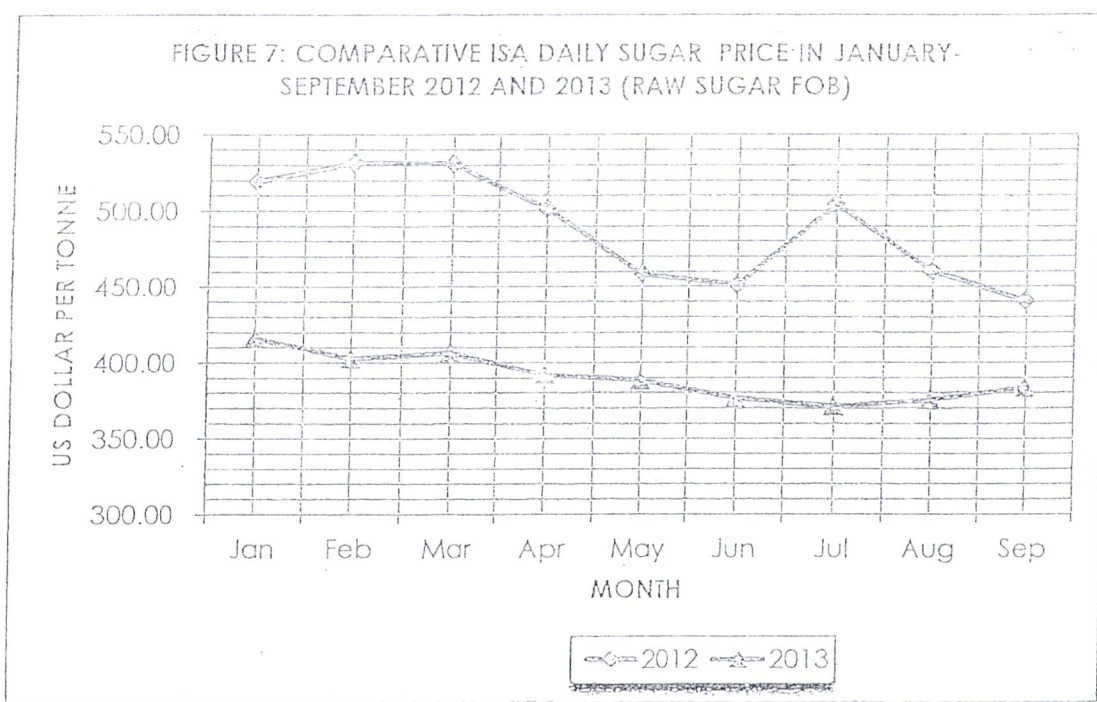
Overall, the average CIF value for the entire period was kshs. 64,222 compared with kshs. 67,609 per tonne in January – September 2012, a 5% price decrease. For more details, refer to the Figure 6 below.



#### 4. WORLD SUGAR HIGHLIGHTS

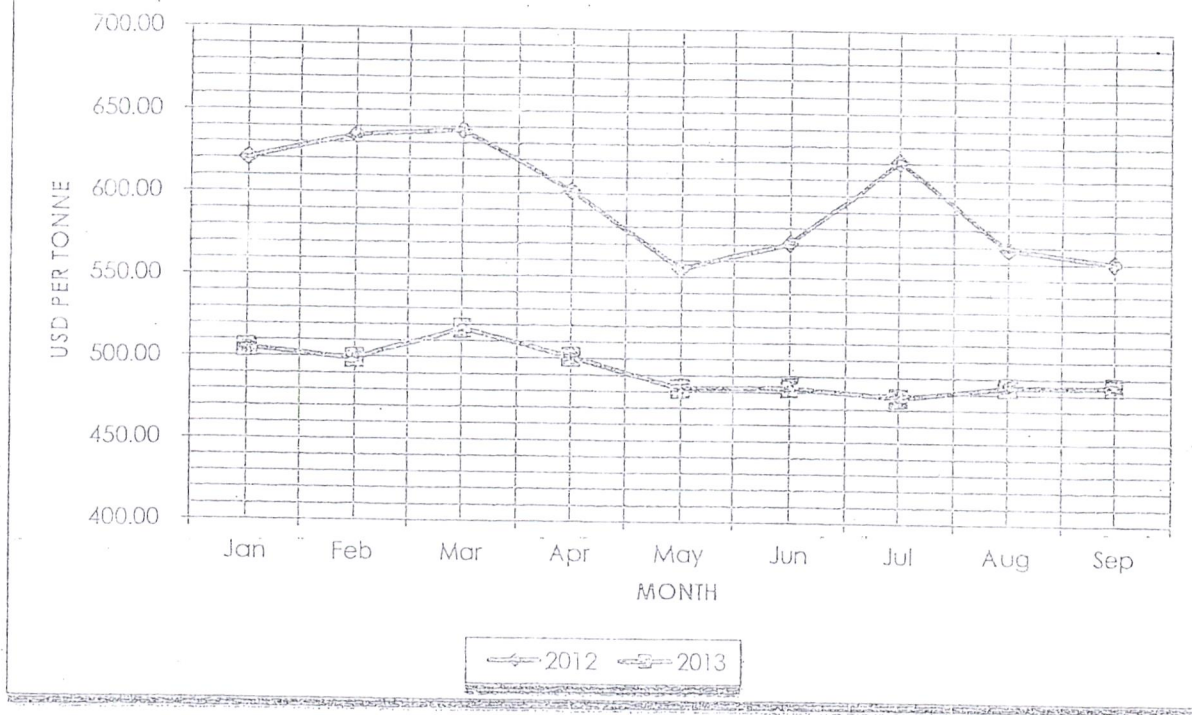
##### i) The Market in September

Despite a widely expected global surplus (as discussed in the Conditions and Prospects section below), world sugar prices strengthened in September. The ISA daily price started the month at 16.81 cents/lb (USD 370.49/tonne equivalent to Kshs 31,492 per tonne) and improved to a four-month high of 17.96 cents/lb (USD 395.83/tonne = Kshs 33,646 per tonne ) quoted on 25<sup>th</sup> September. The monthly average was 17.40 cents/lb (USD 383.50/tonne = Kshs 32,598 per tonne) as against 17.03 cents/lb (USD 375.34/tonne= Kshs 31,904 per tonne) as in August, 2.2% price increase. For more details, refer to Figure 7 below.



White sugar prices (the ISO White Sugar Price Index) followed a slightly different scenario. The index improved from USD 475.10/tonne (Kshs 40,384 per tonne) at the beginning of month to USD 494.50/tonne (Kshs 42,033 per tonne) on 11<sup>th</sup> September but gradually retreated to USD 486.35/tonnes (Kshs 41,340 per tonne) by the end of September. The monthly average was USD 485.20/tonne (kshs 41,242 per tonne), only a modest increase (0.1%) from USD 484.63/tonne (Kshs 41,194 per tonne) in August 2013. For more details, refer to Figure 8 below.

FIGURE 8: COMPARATIVE LONDON DAILY PRICE FOR WHITE SUGAR IN JANUARY - AUGUST 2012 AND 2013



The nominal **white sugar premium** (the differential between the ISO White Sugar Price Index and the ISA daily price) decreased in September to USD101.7/tonne as against USD 109.29/tonne in August. The premium remains lower than the long-term (3-year) average of USD 111.13/tonne.

## ii) Conditions and Prospects

London-based trader **Czarnikow Group Ltd** expects sugar production to be only 2 million tonnes higher than global demand in 2013/14. That is down from a previous forecast for excess supplies of 3.9 mln tonnes. While global output will fall 2.2% from 2012/13 to 181.8 mln tonnes next season, consumption will gain 2.3% this year and another 2% next year.

In September **Kingsman SA** trimmed down its 2013/14 (April/Mach) surplus forecast to 4.45 mln tonnes from 4.59 mln tonnes expected in May. The revised figures reflect lower expectations for CS 'Brazilian' production as well as an upward adjustment in global consumption growth due to improved affordability.

**Deutsche Bank AG** has also reduced its excess supplies forecast by 52% to 2.6 million tonnes. However, **Green Pool Commodity Specialists Pty**, Australia-based researcher, expects that the global sugar surplus will be 40% bigger than previously forecast, as rising output in Asia will more than compensate for a decline in Brazil's main growing region. Supplies will be 4.66 mln tonnes higher than demand in 2013/14. That compares to their August forecast for supplies of 3.33 mln tonnes.

On 22nd August the International Sugar Organisation (ISO) released the first formal assessment of the world sugar balance for the 2013/14 (October/September) crop cycle. This season world sugar production is still expected to exceed consumption in 2013/14 by 4 502 mln tonnes. The first revision of the world sugar balance in 2013/14 will be released in mid-November.

In the Table A below the estimates of world sugar production and consumption in 2013/14, released to date by leading sugar analysts, are summarized.

Table A: World Sugar Production and Consumption 2013/14 (mln mt/y)

Name of sugar Analyst	Estimates date	Production	Consumption	Surplus/deficit
Kingsman (b) #	23-May	177.85	172.95	+4.90
USDA (*)	16-Jun	174.85	158.15	+16.70
APAKI (b)	18-Jun	172.20	176.40	-4.20
ISO (b)	20-Aug	180.84	176.34	+4.50
Cornrow (c)	5-Sept	181.80	179.80	+2.00
Kingsman (b) #	12-Sept	178.80	174.12	+4.68

\* \* \* excluding unrecorded disappearance

\* \* \* \* including 1 mln tonne allowance for unrecorded disappearance

# October/September

(b)=balance; (c)=individual crop years aggregated

R. MKOK, MBS  
CHIEF EXECUTIVE OFFICER





IV  
(L)

INTERIM REPORT

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SUBJECT: MUMIAS SUGAR EXPORTATION SIMBA ANALYSIS

---

1.0 Executive Summary

The Parliamentary Select Committee (PSC) on Agriculture, Livestock and Cooperatives submitted a sugar export data list for Mumias Sugar Company from the year 2006 to 2012. In the submitted list, the PSC listed country of destination of the purported sugar exports, consignee details and free on Board (FOB) value amounts. The PSC requested the Kenya Revenue Authority to ascertain exportation of the goods covered by the FOB values listed in their list.

Export of sugar declaration(s) is made in the Customs Simba 2005 system on form C17B by a licensed Clearing and Forwarding Company after an exporter has acquired an authority and subsequently a license from Kenya Sugar Board. Once Customs Services department has received copy of the licenses from Kenya Sugar board, they are sent to the respective border stations after which the exporter will avail the consignment to the border station for verification and confirmation of exportation.

Upon arrival at the border station, a customs officer will verify the consignment, assign a rotation number and endorse a hard copy of the entry (form C17B) at the back, showing what has been exported. The consignment will then be cleared to exit and the officer will put an electronic examination account (message) of the exportation in the Simba system.

- In the enquiry, it was found out that the FOB value in the PSC list was in fact the Customs Value in the corresponding Customs entries.
- In 2006, we found 55 declared entries containing a total of 12,449.07MT with a Customs value of Kshs 464.209 million. Of the whole quantity, we are still retrieving the hard copy form C17Bs from our archives to find out whether or not there is any quantity which was exported.
- In 2007, Sixty (60) export entries containing a total of 16,377.99MT of sugar were declared by Mumias Sugar Company with a total value of Kshs. 646 million. Out of this, eight (8) entries containing 3,165MT of sugar with a total value of Kshs. 122.56 million were confirmed exported – (see the attached entries and electronic examination account marked E2007). Two entries containing 1,980MT were not utilised. For the balance of 11,232.99MT valued at Kshs. 444.56 million, we are retrieving endorsed hard copies of form C17Bs to check if there are any of them corresponding to these export entries in order to find out whether or not there is any evidence of exportation.

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- In 2008, eighty six (101) export entries were declared by Mumias Sugar Company containing a total quantity of 25,407.8MT of sugar with a value of Kshs 1.016 billion. Two thousand eight hundred and fifty three metric tonnes (2,853MT) worth Kshs. 899 million was exported (see the attached entries and electronic examination account marked E2008). For the balance of 22,554.8MT valued at Kshs. 899.346 million, we are retrieving endorsed hard copies of form C17Bs from our archives to check if there is any of them corresponding to these export entries in order to find out whether or not there is any evidence of exportation.
- In 2009, Nine (9) export entries containing 1,831.12MT of sugar were declared with a value of Kshs 89 million. Out of this, fifty (50MT) metric tonnes with a value of Kshs. 41,177 were for molasses. The balance of 1,781MT valued at Kshs. 88,960.78 million was for sugar. We are still checking our archives for any endorsed form C17B corresponding to any of the entries in order to ascertain whether or not they were exported.
- In 2010, two (2) export entries were declared by the company with a quantity of 54.6MT of sugar having a total value of kshs. 112,084. Both entries were containing molasses, with one being confirmed exported - see the attached entry and electronic examination account marked E2010). We are still going through our archives checking if there is any endorsed form C17B corresponding to the pending entry.
- In 2011, nineteen (19) export entries were declared by the company with a quantity of 15,153MT of sugar having a total value of Kshs. 989,445,500. Out of this 108 MT all being molasses were exported (see the attached entry and electronic examination account marked E2011). For the balance of 15,045MT, we are still going through our archives checking if there is any endorsed copies of form C17B corresponding to the pending entries in order to confirm whether or not they were exported.
- In 2012, two (2) export entries were declared by the company with a quantity of 30 MT of molasses having a total value of Kshs. 85,000. We do not have in our hands evidence of exportation of the two entries but we are going through our archives checking if there is any endorsed form C17B corresponding to the pending entries before we can state with certainty that they were not exported.

Prepared and submitted by;

For Ag Commissioner  
  
Julius Musyoki.