

SCHEDULE
[Section 8]
EXPLANATORY MEMORANDUM
TO
THE CROPS (FIBRE CROPS AND CROP FIBRES) REGULATIONS, 2025

PART I

Name of the Statutory Instrument: The Crops (Fibre Crops and Crop Fibres) Regulations, 2025

Name of the Parent Act: The Crops Act, Cap 318 Laws of Kenya

Enacted Under: Section 40 of the Crop Act, Cap 318 Laws of Kenya

Name of the Ministry/Department: Ministry of Agriculture and Livestock Development

Gazetted on:

Tabled on:

PART II

1. Purpose of the Statutory Instrument

The Purpose of the Crops (Fibre Crops and Crop Fibres) Regulations, 2025, is the development and promotion of production, processing, and marketing of fibre crops, fibre produce or fibre products and regulation of fibre crops and crop fibres industry.

2. Legislative Context

The first legal instrument regulating the cotton industry in Kenya was the Cotton Lint and Seed Marketing Act of 1955. This Act established the Cotton Lint and Seed Marketing Board, whose main function was to purchase both lint and seed from the ginner and advise the Minister for Agriculture on the prices to be paid by ginner to grower. The Act was repealed by the Cotton Act, Cap 335 in 1990 which established the Cotton Board of Kenya as a State Corporation under the Ministry of Agriculture. The Cotton Act was amended in 2006 to create the Cotton Development Authority under section 3.

The first legal instrument to govern the production of sisal was the Sisal Industry Act, 1946 (No. 77 of 1946) which established the Sisal Board of Kenya. This Act aimed at promoting and controlling the segment of the sisal industry. In 1951, the Sisal Industry (Sale of Sisal and Collection of Cess) Rules, were made under the Sisal Industry Act Cap 341 to regulate some aspects of the sale of sisal or sisal fibre. These rules stipulated that no sisal or sisal fibre produced within Kenya would be sold except through an agent duly licensed under section 7 of the Act. The Board would, from time to time, prescribe conditions to a licence and determine the prices that should be paid for sisal and sisal fibre. (AFA, 2025)

At the turn of the century, the agriculture sectoral reforms in Kenya gained momentum from 2003 with the Government developing diverse policy documents and strategies. They were aimed at revitalizing, revamping and/or further developing and commercializing key crops in the sector

including fibre crops. The policies included Economic Recovery Strategy for Wealth and Employment Creation (ERS-WEC-2003); the Strategy for Revitalizing Agriculture, 2004-2014; Agriculture Sector Development Strategy 2010-2020; the Vision 2030 in the year 2007; Agricultural Sector Transformation and Growth Strategy 2019-2029; The Government's Big 4 Agenda 2017-2022; and more recently the Bottom-Up Economic Transformation Agenda (BETA).

The Ministry of Agriculture also initiated policy and structural reforms in 2010 which sought to streamline regulatory and research functions. They aimed to reduce the multiplicity of regulatory and research functions, maximize the benefits of economies of scale by merging parastatals with similar or related functions, and strengthen the capacity of parastatals responsible for regulation and research to effectively undertake their core mandates. These reforms culminated in the enactment of the Agriculture and Food Authority Act (AFA), No. 13 of 2013; The Crops Act, Cap 318 and the Kenya Agriculture and Livestock Research Act, 2013 (KALR Act, No. 17 of 2013). Following the operationalization of the Crops Act Cap 318, the Cotton Act, Cap 335 and the Sisal Industry Act, 1946 (No. 77 of 1946) were repealed. The Fibre Crops Directorate was established and assumed the functions of the Sisal Board of Kenya and Cotton Development Authority. Currently, the regulatory, development and promotional mandate of the fibre value chains is under the AFA-Fibre Crops Directorate. (AFA, 2025)

After the merger of former Boards responsible for various value chains to form the Agriculture and Food Authority (AFA), the envisaged efficiency gains were not realized due to challenges. The challenges included a lack of an AFA Board of Directors, inefficiencies in operations and financing challenges following the revocation of crop levies in 2016. These reforms did not achieve the intended objectives leading to a decline in the performance of all the major crop industries. This decline raised concern among stakeholders, many of whom have advocates for the Ministry's reintroduction of the former regulatory boards. (AFA, 2025).

Additionally, efforts to introduce fibre crops regulations in the country, vide the Crops (Fibre Crops) Regulations, failed in 2020. The Crops (Fibre Crops) Regulations, 2020, were gazetted and published on 8 July 2020 vide Legal Notice No.120 of 2020. However, the National Assembly annulled the Regulations due to a lack of satisfactory public participation during their development.

In the 2023-2024 financial year, the Authority, in consultation with the Ministry of Agriculture and Livestock Development (MOALD) and the Council of Governors, initiated the process of developing new Fibre Crops Regulations to address the shortcomings cited by the National Assembly. The draft regulations will be important to support the development, promotion and regulation of the industry. (AFA, 2025)

Further, the Cotton Industry Development Bill 2024, which seeks to establish the Cotton Industry Development Board, is pending before the Senate. According to the draft bill, in addition to establishing the Board, the Act will provide for the regulation, production and value addition, marketing and distribution of cotton products in Kenya, provide a framework for cotton farming, ensuring value addition to cotton and its related products and for connected purposes. (GoK, 2024)

The State Department for Industry in the Ministry of Investments, Trade and Industry is also engaging stakeholders, including county governments, the Council of Governors, the State Department of Cooperatives, the AFA Fibre Crops Directorate, cooperative societies and farmers. These consultations aim at developing the National Cotton Textile and Apparel Policy which will significantly impact the cotton industry and other fibre crops industry. (Ministry of Investments Trade and Industry, 2025).

3. Current Policy and Legal Status

Fibre crops in Kenya are vital for economic growth and social development. Kenya's fibre crops and crop fibres industry, which mainly encompasses sisal and cotton, operates under a framework of laws and regulations designed to promote sustainable development, regulate activities, and ensure enforcement of quality standards. The Crops Act Cap 318 is the primary legislation guiding fibre crops regulation. The Cotton Industry Development Bill 2024, which seeks to establish the Cotton Industry Development Board, is pending before the Senate, while the National Cotton Textile and Apparel Policy is under development. Both are expected to have a further impact on the fibre crops and crop fibres industry.

There are, however, numerous other legislations, government strategies and policies in the agricultural sector and in other related industries that directly or indirectly affect regulation, promotion and development of the fibre crops and crop-fibres industry. These include:

The Constitution of Kenya 2010 (CoK): Article 10 of the Constitution provides for the participation of the people in the enactment of any law. National values and principles bind all state organs, state officers, public officers, and all persons whenever they apply the Constitution and enact any law. The Fourth Schedule of CoK provides for devolution of specific functions in agriculture to the County governments. The National Government retains the executive function of policy making under Part 1 Section 29 of the Fourth Schedule. Counties on the other hand implement policies generated by the National Government. The CoK further stipulates that the two levels of government shall conduct their mutual relations based on consultation and cooperation (Article 6 and Article 189 (1) (b) (c)). Due to the importance of agriculture to economic development and realization of the Constitutional requirements, it is necessary to have a comprehensive Agricultural Policy that guides the development of the entire agricultural sector while clearly defining the national and county governments' functions. The roles of county governments include agriculture (crop husbandry) and implementation of programmes in the agricultural sector to address food security in the county. The county governments are also responsible for developing programmes to intervene on soil and water management and conservation of the natural resource base for agriculture and land development services for horticultural production for food security among others.

In addition, Article 11 (3) (b) of the CoK, provides for Parliament to enact legislation to recognize and protect the ownership of indigenous seeds and plant varieties, their genetic and diverse characteristics, and their use by the communities of Kenya. Moreover, there are initiatives to provide for an Access and Benefit-sharing (ABS) system that will allow for access and exchange of seeds among communities, i.e., recognizing the importance of farmer-managed seed systems.

The Crops Act Cap 318: This is one of the various legislations in the agricultural sector. It was enacted to accelerate the growth and development of agriculture in general, enhance productivity and incomes of farmers and improve the investment climate and efficiency of agribusiness. It also oversees the development of crops as export crops that will augment the foreign exchange earnings of the country through the promotion of production, processing, marketing, and distribution of crops in suitable areas of the country. The draft Crops (Fibre Crops and Crop Fibres) Regulations 2025 are anchored on section 40 of the Crops Act Cap 318, which mandates the Cabinet Secretary in charge of agriculture, in consultation with AFA and County Governments, to make regulations. Under the Act, fibre crops are scheduled crops.

Other relevant legislations to the production, processing and marketing of fibre crops and crop fibres are:

Agriculture and Food Authority Act No. 13 of 2013 is an Act of Parliament to provide for the consolidation of the laws on the regulation and promotion of agriculture generally. It provides for the establishment of the AFA, administration of matters of agriculture and preservation, and making provision for the respective roles of the national and county governments in agriculture, excluding livestock and related matters in furtherance of the relevant provisions of the Fourth Schedule to the Constitution, among others.

Seeds and Plant Varieties (Seeds) Regulations, 2016: The regulations established a Seeds Regulation Committee membership drawn from the directorate responsible for crops in the State Department of Agriculture (chairperson), KALRO, KEPHIS, the Seed Trade Association of Kenya, the AFA, the Council of Governors, the Kenya National Farmers' Federation, the Plant Breeders Association of Kenya, and two members to represent interests that may from time to time be determined. The Seeds Regulation Committee advises the cabinet secretary on matters regarding seed policy and regulations and industry performance; determines seed certification standards and fees; determines actions against cases of malpractice in the seed industry; hears and determines appeals by aggrieved parties; and develops guidelines for authorization.

Trade Description Act (Cap 505) is an Act of Parliament that prohibits misdescriptions of goods, services, accommodation and facilities provided during trade, prohibits false or misleading indications as to the price of goods and confer powers to require information or instructions relating to goods to be marked on or to accompany the goods or to be included in advertisements. Part III of the proposed Regulations on the standards and quality assurance is relevant to the sale of goods as described.

Weights and Measures Act (Cap 513) is an Act of Parliament to amend and consolidate the law relating to the use, manufacture and sale of weights and measures and to provide for the introduction of the International System of Units (SI). This Act would apply to agriculture produce trading regarding their correct weights and labeling for efficient marketing. Regulations 20 and 21 of the proposed Regulations provide for baling, packaging and labeling as well as grading and validation.

Standards Act (Cap 496) is an Act of Parliament to promote the standardization of the specification of commodities, and to provide for the standardization of commodities and codes of

practice; to establish a Kenya Bureau of Standards, to define its functions and provide for its management and control; and for matters incidental to, and connected with, the foregoing.

Pest Control Products Act (Cap 346) is an Act of Parliament to regulate the importation, exportation, manufacture, distribution, and use of products used for the control of pests, the organic function of plants and animals, and related purposes.

County Governments Act No. 17 of 2012 is an Act of Parliament to give effect to Chapter 11 of the Constitution. The various County Integrated Development Plans (CIDPs) and country-specific legislation, policies and strategies: Individual County governments have developed different pieces of country-specific legislation, policies and strategies for the development of agricultural production and marketing in the individual counties. These instruments will affect the fibre crops and crop fibres industry differently in the individual counties.

The Kenya Agricultural and Livestock Research Act No. 17 of 2013 is an Act of Parliament to provide for the establishment and functions of the Kenya Agricultural and Livestock Research Organization, its organs, the coordination of agricultural research activities in Kenya, and related purposes.

The Plant Protection Act (Cap 324) is an Act of Parliament to improve provisions for preventing the introduction and spread of disease-destructive plants. It also provides for the requirements of seeds and plants that are ready for imports and exports, including the accompaniment of the Phytosanitary Certificate. Thus, imports from fibre crops are subject to the provisions of this Act.

Agricultural Sector Transformation and Growth Strategy (ASTGS). The central theme of the ASTGS (2019–2029) is food and nutrition security. The ASTGS aims to enhance food and nutrition security by transforming Kenya's agriculture sector into a vibrant, commercially oriented, and modern industry. It is anchored on three pillars: increasing incomes of small-scale farmers, pastoralists, and fisher folk; increasing agricultural output and value-added; and increasing household food resilience. The ASTGS identified 13 value chains with the highest potential for transformation that will be central to its nine implementation flagships. These value chains include crops such as potatoes, staples such as maize, rice and beans, fruits and vegetables, beef, poultry, sheep/goats, dairy, and camels among livestock, and fish. The ASTGS's inclusion of fibre crops such as cotton and sisal among its priority value chains indicates the critical role of these crops, and the importance of the proper functioning of the fibre crops and crop fibres industry in the agricultural development and transformation of the country.

Vision 2030: Kenya's Vision 2030 is the country's development blueprint document and proposes sustainable management of natural sources, conservation and combating environmental degradation as actions towards fulfilling the social development pillar. It aims to transform Kenya into a newly industrializing, "middle-income country providing a high quality of life to all its citizens in a clean and secure environment by the year 2030", while simultaneously meeting the Sustainable Development Goals for Kenyans by 2030.

Kenya Climate-Smart Agriculture Strategy 2017 – 2026: The Strategy is keen on addressing the gaps in policy implementation and actualization of policies. The broad objective of the Kenya Climate-Smart Agriculture Strategy (KCSAS) is to adapt to climate change and build the resilience

of agricultural systems while minimizing emissions for enhanced food and nutritional security and improved livelihoods. It recognizes the national issues on climate change and agriculture, such as ecosystem services and climate regulation in the agricultural sectors.

National Industrialization policy 2012-2030- This framework was designed to promote and sustain a vibrant, globally competitive and diversified industrial sector for the generation of wealth and employment through the creation of an enabling environment. The policy is focused on addressing the factors affecting the industrial sector, exploiting the strengths and opportunities arising from regional integration and globalization, and positioning the industrial sector to become the leading investment destination in Africa to take advantage of investment flows.

International and regional conventions and agreements: Kenya is also a signatory of various international policies employed by the international community to regulate trading or to reduce the volatility of different products markets. These include trade agreements, international arrangements or controls or limitations on activities on commodities markets, and regional and bilateral policies that are employed by governments to regulate trade. These policies, among others, may include export bans, variable export taxes or import tariffs. These regional and global policies, protocols and treaties including the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), African Union (AU), United Nations (UN) and the WTO Agreement affect performance of agriculture in the country through specific international requirements for trade, harmonized regional seed agreements, market access, sanitary and phytosanitary standards among others. The importation or exportation of fibre crops produce, and products will be subject to these trade agreements, international arrangements, regional and bilateral policies, protocols and treaties.

Government's Bottom-Up Economic Transformation Agenda (BETA) 2022-2027: The Bottom-Up Economic Transformation Agenda is the manifesto of the Kenya Kwanza administration that will be implemented over the next five years. The agenda is built on five main pillars being: economic diversification, industrialization and value addition infrastructure (including energy) and the natural environment; ICT for digitalization and transformation; private sector; and skills formation and policy coordination. In particular, the agenda emphasises value addition and portends a clear policy direction to address the phenomenon of "reverse structural transformation" observed in Kenya's recent development trajectory as the agricultural sector continues to dominate Kenya's GDP relative to the manufacturing sector. Fibre crops are an important aspect of the country's agricultural transformation.

4. Challenges being addressed

The agricultural sector remains an integral part of Kenya's economy, contributing 21.8 percent of the Gross Domestic Product (GDP) in 2023, with fibre crops emerging as a key industry with immense unexploited potential to boost the growth of the industry. This growth is likely to lead to the achievement of Kenya's Vision 2030. Fibre crops such as sisal and cotton have the potential to reduce extreme poverty, food insecurity and unemployment due to their multiplier effects. This includes forward and backward linkages amongst the industry's players such as farmers, processors, traders, government institutions, development partners, transporters and input suppliers.

Despite their potential, fibre crops acreage and yields have fluctuated over recent decades, and the country has not fully exploited its potential in fibre production. Challenges such as a lack of proper coordination and regulation have hindered the industry's growth.

In Kenya, sisal is primarily grown by large plantations spread mainly in counties with arid and semi-arid climate/climatic conditions for growth of cotton in the Coastal, Eastern, Nyanza and Rift Valley regions. Large-scale producers make up over 90 percent of all the sisal produced in the country while small-holder growers produce the rest. In 2023, the total area under sisal was 36,400 hectares, a decrease of 1.6 per cent from 37,000 hectares recorded in 2022. Similarly, sisal production has continued, decreasing to 25.77 Mtons (MT) in 2023 from 32.25 MT in 2022, representing a 25.14% reduction. Sisal exports during the year also reduced from 28,887 MT in 2022 to 22,358 MT in 2023, representing a 22.6 per cent reduction in sisal export volumes. (KNBS, 2024)

The sisal industry has faced several challenges which have negatively impacted its production and performance over the last several decades, including the following: -

- i. Weather changes, e.g., heavy rains, which lead to rotting stems and, hence, losses for farmers.
- ii. Lack of readily available planting material for upcoming smallholder growers.
- iii. The initial investment cost for establishing the crop is high, including farm equipment and processing machinery, in addition to protective gear during leaf cutting.
- iv. Competition from synthetic fibres, e.g., nylon and polyethylene, reduces the market for sisal products.
- v. Soil exhaustion due to monoculture leads to low and poor-quality yields.
- vi. Scarcity of labour especially during the harvesting period. (KNBS, 2024)

Performance in the cotton industry has similarly been stagnant or on the decline. The BETA plan and the private sector have increased efforts to revitalize cotton production through planting seed support programs.

The cotton industry recorded impressive performance up to the early 1980s. However, the industry virtually collapsed by the early 1990s and recorded the lowest production performance by 1994. At the production peak in the late 1970s and early 1980s, Kenya's cotton farmers produced up to 13,000MT of cotton lint per year. In contrast, between 2013 and 2016, the total average production had declined to approximately 4,760MT, with cultivation of about 25,000 hectares, and an annual lint production of 20,000 bales. Since market liberalization in 1991, the cotton-to-garment value chain in Kenya has lacked the structure and institutional dynamics required to compete globally or even with regional producers. It is far from realizing its real potential. (GoK, 2021)

In 2022/23, the farmers were supported with 28.8 tonnes of *Bacillus Thuringiensis* (BT) seeds from both the government and the private sector. In addition, 103.3 tonnes of conventional seeds were issued. The seeds were planted in an area of 14,734.1 hectares during the season.

A total of 3,900 tonnes of seed cotton was produced in 2023 in comparison to 3,800 tonnes in the previous season, an increase of 2.6 per cent. The average yield in 2023 was 129 Kg per hectare

compared to 179 Kg per hectare in 2022. This was attributed to unfavorable weather conditions experienced during crop production. In addition, late planting due to late delivery of cotton seeds in some of the key cotton-growing counties contributed to a decline in productivity during the 2022/23 period. During the period, a total of 7,000 bales of lint were produced in 2023 compared to 6,800 bales in 2022, an increase of 2.9 per cent. (KNBS, 2024)

The following were the major challenges cited to have negatively affected cotton production and lowering performance, despite immense support provided to the industry by the government and the private sector.

- (a) Erratic weather conditions;
- (b) Poor agronomic practices;
- (c) High field pest losses;
- (d) Inadequate research;
- (e) Inadequate financing and investment in the value chains;
- (f) Inefficient value chains with aging technology;
- (g) Loss of quality due to poor handling of produce;
- (h) Instability in price offerings by the private sector and volatility of world prices;
- (i) Cheap imports - Influx of cheap raw fibre materials and finished products;
- (j) Weak organization of growers and grower institutions;
- (k) Limited access to supply of quality planting materials including BT seeds; and
- (l) Inadequate extension services and low prioritization of fibre crops in the County Integrated Development Plans (CIDPs) (KNBS, 2024; AFA, 2025)

Despite the dominance of cotton products in Kenya's exports, cotton is imported to meet Kenya's quantity and quality demands.

The cotton, textiles and apparel (CTA) industry is a significant industry, ranking as the second largest manufacturing industry after food processing, and classified as a core industry. The CTA manufacturing value chain comprises researchers, ginners, farmers, spinners, input suppliers, textile manufacturers and extension service providers, to name but a few. Approximately 40,000 farmers are involved in cotton farming, supporting around 200,000 households according to Kenya Investment Authority (2016). Cotton is primarily grown by about 30,000 to 45,000 smallholder farmers in arid and marginal regions, under rain-fed conditions on small land holdings of about one hectare. Most of the country's cotton is cultivated in the Coast, Western and Eastern regions, while the rest is cultivated in the Central, Nyanza and Rift Valley regions. Kenya has an estimated 385,000 ha of land that is suitable for cotton – 350,000 rain-fed and 35,000 irrigated – with a production potential of more than 300,000 tons of cotton seed. Nevertheless, only a fraction of that land is under cotton cultivation. The current production of cotton lint in Kenya is approximately 7,000 tons versus a potential production of 200,000 tons of lint or 750,000 tons of seed cotton. Production has been volatile for the last few years and has not been sufficient to meet the domestic mill requirements. (KNBS, 2024)

The cotton industry is important to Kenya for several reasons. Kenya's Vision 2030 identifies cotton as the key industry with the potential to benefit 8 million people in the drier areas of the

country that cover 87% of the country. The government set up the Cotton Development Authority (CODA) to coordinate the revitalization of the Cotton Industry. Previously, the industry had 52 operational textile and apparel mills employing 42,000 people. Currently, there are only three operational integrated textile factories in Kenya, namely Rivatex EA. Ltd, Thika Cloth Mills Limited and Supra Textiles Ltd. They operate at about 48% of the installed capacity. The mills use outdated technology and suffer from low-skilled labour and productivity. Kenya has a strong regional position under AGOA with a share of total SSA textile; its apparel exports to the US increased from 16% in 2004 to 37% in 2014. Apparel manufacturing in Kenya is the most attractive investment option for global investors of duty-free access to the USA and to the EU under EPA. It has well-developed export channels, infrastructure and linkages with large USA buyers, which can prove beneficial for new investors.

In 2015, Kenya's total apparel exports were valued at USD 380 million with expectations to grow at 5% reaching USD 400 million in 2016. AGOA gives most sub-Saharan Africa (SSA) firms duty free, quota free access to United States, offering a substantial competitive advantage over other textile-apparel exporting countries. Trade agreements are pivotal in the growth of the continent's textile-apparel industry. Kenya's textile and apparel industry has the potential to strengthen the country's progress into middle income status and as a source of gainful employment for its fast growing, young population. Kenya's annual demand for cotton lint was 111,000 tonnes of seed cotton, while the average annual production of seed cotton was 18,000 tonnes from 2005 to 2010 (FAOSTAT, 2012; CODA, 2008). The textile Industry meets the deficit through lint imports from Tanzania and Uganda. (Obukosia et al, 2022)

The apparel industry in Kenya has a three-tiered structure. Within the Export Processing Zones (EPZ), there are 21 large companies, while outside the EPZ, there are 170 medium and large companies and more than 70,000 micro and small ones. Raw materials and overheads are the main cost drivers of these firms. Kenya's Vision 2030 identifies the garment and textile industry as a driver of industrialization. Currently, the industry contributes 7 per cent of the country's export earnings. It employs about 30 percent of the labour force in the national manufacturing industry. The industry also supports the livelihoods of over 200,000 small-scale farmers by providing markets for cotton. (Italian Trade Agency, 2024)

The area under cotton cultivation increased by 41.5 per cent from 8,585 hectares in 2022 to 12,152 hectares in 2023. This area remains lower than the total area of 18,000 Ha in 2019, confirming the declining performance of the crop. The increase was attributed to collaboration with the government to revitalize cotton, as a strategy to reduce importation of seed cake and lint, as envisioned in the government's Bottom- Up Economic Transformation Agenda (BETA) plan. In realizing the plan, the National Government, County Governments, ginneries, and textile mills have supported farmers with the provision of seeds during the planting seasons. (KNBS, 2024)

The trend of the industry's key indicators between 2019 and 2023 is shown in Table 1 below

Table 1: Area under cotton, seed cotton production, and yields, 2019-2023

Year	2019	2020	2021	2022	2023
Area (Ha)	18,000	9,837	10,640	8,585	12,152
Seed Cotton production (Tons)	3,015	3,390	1,300	3,762	3,864
Yield (Kg/Ha)	168	345	122	179	129

Source: AFA-Fibre Crops Directorate, 2024/KNBS, 2024

The production of lint has also continued to minimally fluctuate over the last 5 years. A total of 7,000 bales of lint were produced in 2023 compared to 6,800 bales in 2022, an increase of 2.9 per cent, but the average yield in 2023 was 129 Kg per hectare compared to 179 Kg per hectare in 2022, and still much lower than the average yield of 168kg per hectare in 2019.

Table 4.9: Lint Production and Value, 2019-2023

Source: Fibre Crops Directorate/KNBS. 2025

Year	2019	2020	2021	2022	2023
Bales of Lint cotton (185 Kg)	5,432	6,106	2,527	6,780	7,006
Average Price of Lint (Kshs/Kg)	190	180	190	230	328
Value of Lint (Kshs million)	191	203	82	283	310

Despite the slight improvement of cotton production recorded between year 2019 when a total of 5,432 bales of lint were produced to 7,006 bales produced in 2023, Kenya continues to heavily rely on cotton and cotton product imports. In 2023, various cotton products were imported from Uganda and Tanzania. These included cotton seed, cotton seed cake, crude cotton oil, and cotton lint. The main importers of cotton cake and seed meal were livestock manufacturers; the main importers of seed were oil processors while textile mills were the main importers of lint. The table below shows the breakdown of quantities (29,223 tonnes) imported in 2023 and estimated values for the imports (1.26 billion shillings)

Table 4.10: Cotton Products - Imports and Values, 2023

Commodity	Source		Total (Kg)	ImportsEstimated Value (Kshs)
	Tanzania (Kg)	Uganda (Kg)		
Total	24,201,180	4,911,949	29,113,129	1,264,220,058
Cotton Seeds	14,441,000	4,618,949	19,059,949	800,517,858
Cotton Cake	8,792,180	293,000	9,085,180	363,407,200

Crude Oil	836,500	---	836,500	83,650,000
Cotton Lint	103,500	---	103,500	15,525,000
Cotton Seed Meal	28,000	--	28,000	1,120,000

-- data not available

Source: Fibre Crops Directorate, 2024/KNBS, 2024

The sisal industry also plays a significant role in Kenya's economy, primarily as a source of export revenue, employing thousands of people across large estates and smallholder farms, contributing significantly to the country's agricultural sector. This is producing a substantial amount of sisal fibre, making Kenya one of the world's top sisal producers; with most production concentrated on large estates that account for around 95% of the total output.

The sisal industry in Kenya provides several economic benefits, including:

- i. *Employment Creation*—Sisal farming and processing create thousands of jobs, especially in rural areas. Workers plant, harvest, process, and export sisal fibre.
- ii. *Foreign Exchange Earnings*—Kenya exports sisal fibre to countries like China, Saudi Arabia, and Nigeria. Sisal contributes to the country's GDP through foreign exchange earnings.
- iii. *Support for Small-Scale Farmers*—Increasing smallholder participation in Sisal farming improves rural incomes. Farmers can sell raw sisal leaves to processing plants for fibre extraction.
- iv. *Value Addition and Industrial Growth*—Sisal fibre is processed into ropes, mats, sacks, carpets, and furniture. Industries involved in sisal processing benefit from local raw materials, reducing reliance on imports.
- v. *Environmental Benefits (Indirect Economic Gains)*—Sisal is a drought-resistant crop that promotes farming in arid areas. It helps conserve the environment and soil and prevents erosion, benefiting agriculture.
- vi. *Infrastructure Development*—Large-scale sisal plantations invest in roads, schools, and healthcare benefiting their workers and the surrounding communities.
- vii. *Bio-energy and By-products*—Sisal waste is used to produce biogas, animal feed, and organic fertilizers, creating additional revenue streams.

Sisal remains a key agricultural export in Kenya, with potential for further growth through value addition and innovation (NIRAS International, 2025)

Kenya produces an average of 25,000 tonnes of sisal every year. Ten estates employing over 100,000 people account for 95% of Kenya's output, with over 10,000 small-scale producers (out growers for some of the estates and smallholders elsewhere) supplying the remaining 5%. Over 90% of Kenya's processed sisal is exported, with China being the largest market. Sisal remains one of Kenya's largest agricultural exports. Kenya competes with Tanzania as the world's second and third largest sisal exporters respectively. Kenya's sisal industry, in terms of value-addition, has grown on average by 5% per annum since 2005. Sisal farmers can sell raw sisal leaves to processing plants for fibre extraction, Payment to farmers is made based on decorticated sisal fibre.

The ten large sisal estates in Kenya generate significant quantities of bioenergy-rich effluent with good potential for anaerobic digestion (AD) to generate power and heat. These residues could generate as much as 20 MW of electricity. Environmental legislation on the treatment and disposal of these wastes provides an ideal impetus for sisal companies to invest in AD for biogas production. In the mid-to-late 2000s, there was considerable interest in using AD to generate electricity from agri-processing residues, including sisal wastes. (NIRAS International, 2025)

Despite the benefits that would accrue to a country because of sisal cultivation, global sisal cultivation has been declining. In Kenya, sisal production has been on a decline since 1961. According to statistics from the Food and Agriculture Organization (FAO), Kenya exported 71,300 tons of sisal in 1963, compared to 27,560 tons produced in 2011, indicating a major decline of Sisal production. Between 1970 and 1990, world production of the sisal henequen dropped by about 50 percent, reflecting the severe reduction in global demand. Production of these fibres is concentrated in low-income countries of Africa and production in these countries has reduced further at the turn of the century or stagnated, including Kenya. (Mwaniki Et al, 2017)

As shown in the table below, over the five years between 2019 and 2023, the area under sisal production in Kenya has declined year by year, representing an 11.7% reduction in the area under the crop, while seed production and exports have stagnated. The value of exports increased from 3.6 billion in 2012 to 5.3 billion in 2023, representing a growth of 47.2%, which can be attributed to increased global sisal fibre prices over the period driven by renewed interest and demand in sisal fibre. (KNBS, 2024)

Table 4.5: Sisal production trend, 2019-2023

Year	2019	2020	2021	2022	2023*
Area Under Sisal (Ha)	40,696	40,701	39,624	36,959	36,443
Sisal Production (Tons)	25,288	30,327	35,023	32,251	25,577
Exports (Tons)	22,282	28,463	28,928	28,887	22,358
Exports Value (Kshs billion)	3.6	4.7	5.1	6.0	5.3

Source AFA/KNBS:2024

In 2023, there was a 22.5 per cent drop in exports from 28,900 tonnes to 22,400 tonnes, mainly due to a drop in exports to our leading destination, Nigeria. The decline in exports to Nigeria during the period under review was attributed to challenges in their money markets, with many companies being banned from accessing dollars due to a surplus demand for foreign exchange. The barring of most importers from accessing the dollar led to most of them lowering the volume of sisal they could import from Kenya. The value of the exports also dropped by 11.7 per cent from Kshs 6.0 billion in 2022 to Kshs 5.3 billion in 2023 for the same reason. (KNBS, 2024)

In summary, while Kenya's sisal industry continues to offer significant economic benefits, the decline in production and stagnation in exports point to challenges that need addressing, such as improving efficiency, increasing smallholder participation, and fostering innovation and value

addition in the industry.

5. Consultation Outcomes

Section 5 of the Statutory Instruments Act, 2013 requires a regulation-making Authority to, before issuing a statutory instrument, make appropriate consultations with persons who are likely to be affected by the proposed instrument. Specifically, section 5(3) (a) of the Act requires a regulation-making authority (Ministry of Agriculture and Livestock Development, AFA and county governments) to notify, either directly or by advertisement, bodies or organizations and representatives of persons who are likely to be affected by the proposed instrument.

5.1 Stakeholders Mapping and Engagements

The Authority developed and implemented the Crops (Fibre Crops) Regulations 2020 in the industry. In 2022, the National Assembly annulled these Regulations for lack of satisfactory public participation. In 2024, the Authority, in consultation with the Ministry of Agriculture and Livestock Development and the Council of Governors, initiated the process of developing new Crops (Fibre Crops) Regulations to address the shortcomings cited by the National Assembly.

The Ministry of Agriculture and Livestock Development (MOALD), together with the Agriculture and Food Authority (AFA) organized stakeholders' engagement and public participation workshops to provide an opportunity for the public to participate in the regulation-making process. MOALD held specific engagement workshops with key stakeholders including national government ministries, government agencies, County Governments, Council of Governors, research organisations and academia, and private players in the industry. The public workshops were distributed in different counties to allow for proper public participation.

On 22nd June 2024, the Authority in consultation with the MOALD convened a Sector Agriculture Working Group on Policy, Legislation and Standards (SWAG PLS) and the Joint Agriculture Sector Steering and Coordination Committee (JASSCOM) to seek views on the Draft Crops (Fibre Crops) Regulations, 2024.

On 8th – 12th July 2024, the Authority incorporated the SWAG_PLS comments into the Draft Crops (Fibre Crops) Regulations. The Authority, in consultation with the Council of Governors, identified and mapped out the value chain actors based on the current geographical production, manufacturing and marketing of fibre crops. This was for purposes of convening public participation forums in line with the Constitution of Kenya 2010.

The zero draft of the Crops (Fibre Crops) Regulations has since gone through various legal processes, including public participation. The attendees gave written comments which were incorporated into the draft regulations during the stakeholder workshops.

The Authority held eleven consultative forums in different counties between 14th August 2024 and 30th January 2025. The public participation workshops took place at the following locations: Nairobi (Hillpark Hotel), Kisumu (Kisumu Hotel), Homabay (Tourist Hotel), Busia (The Breeze Hotel), Baringo (Chamastar Hotel), Uasin Gishu (The Grand Empire Hotel), Meru (Alba Hotel), Embu (Nokras Silver Oak Hotel), Machakos (Kyaka Hotel), Mombasa (Sunset Paradise Holiday Homes), Lamu (Breeze View Hotel). The workshops attracted different stakeholders including growers, grower representatives, cooperative societies, Community Based Organizations (CBOs), input suppliers, financial institutions, retailers, processors, spinners, weavers, exporters, importers, Council of Governors, County Governments, State departments, partner government agencies, advocacy groups, private sector, research and academia institutions.

On 30th January 2025, the Authority presented the outcome of the public participation to the SWAG PLS wherein the Authority incorporated the comments from the public participation exercise.

The records from the public forums show extensive deliberations on the myriad issues that arose from the proposed Regulations. Stakeholders were allowed to read and analyze the draft Regulations and share their views with the Authority. There was evidence to show that the Authority collated, reviewed, and incorporated the issues raised into the proposed Regulations and received comments from the workshops.

5.2 National Government Level Consultations

Consultations were conducted with representatives of various national government agencies and state departments of the Ministry of Agriculture and Livestock Development, various Directorates of Agriculture Food Authority, Kenya Agriculture Livestock Organization (KALRO), Kenya Plant Health Inspectorate Service (KEPHIS), Kenya Bureau of Standards (KEBS), Kenya Revenue Authority (KRA) and Kenya Industrial Research and Development Institute (KIRDI).

5.3 County Government-Level Consultations

MOALD, in collaboration with the Authority, conducted several public participation workshops in different counties such as Homabay, Kisumu, Busia, Kabarnet, Eldoret, Meru, Embu, Machakos, Mombasa, Lamu and Nairobi, with a total of thirty counties involved in the county consultations.

On 14th August 2024, MOALD, in collaboration with the Authority, held a meeting at Hillpark Hotel in Nairobi. The meeting was to present the Draft Crops (Fibre Crops) Regulations and discuss the Stakeholders' Comments. The meeting was attended by representatives from the Egerton University, Export Processing Zones Authority (EPZA), Moi University, KILRDI, KenTrade, State Department of Industry (SDI), KALRO, Kenya Institute for Public Policy Research and Analysis (KIPPRA), KEPHIS, KRA, MOALD, Kenyatta University, RIVATEX East Africa Limited, KEBS. The attendees gave written comments.

On 2nd September 2024, MOALD, in collaboration with the Authority, held a meeting at the Tourist Hotel in Homabay County. The counties represented in the consultations were Homabay and Migori. The meeting was attended by representatives from growers, growers' representatives such as cooperative societies such as Kipasi Framers Cooperative Society, Prose Agencies Limited, Rhino Self Help Group, Al – Naqel Holding Limited, Lambwe Framers Cooperative Society Limited, Homabay County Cotton Value Chain Cooperative Union Limited, Otati Farmers Sisal Growers, Kipasi Farmers' Cooperative Society, Capital Grown Multi – Purpose Cooperative Society Limited, Kedar Gap Israel Group, Homalume Cooperative Society, Muhuru –Kadem Cooperative Society, community-based organizations (CBOs), financial institutions such as Cooperative Society, traders, retailers, processors, exporters, importers, Council of Governors, county governments CEMC from Migori County and Homabay County, State departments and academia institutions. such as Tom Mboya University. The attendees gave written comments.

On 4th September 2024, MOALD, in collaboration with the Authority, held a meeting at Kisumu Hotel in Kisumu County. The counties represented in the consultations were Kisumu and Siaya. The meeting was attended by representatives from the county government of Siaya and Kisumu, Uyoma Farmers' Cooperative Society, Double Cooperative Society, Olex Techno Enterprises, Uyoma Cotton Farmers Networking Group, Mama Pamba Kisumu Cooperatives Society Sakwa/Yimbo Farmers' Cooperative Society Limited, Siaya Cooperatives Union, Kisumu County Cotton Growers Union, Siaya District Cooperative Union, Pith Kodhiambo Small Scale Farmers Development Group, Equity Bank, Rift Valley Products Limited, New Kisumu District Cooperatives Union, Green lake farmers Limited, Asembo Farmers' Cooperative Society Limited Mahtco Kenya, AFA and Cooperative Bank Lake Nyaboli. The attendees gave written comments.

On 6th September 2024, MOALD, in collaboration with the Authority, held a meeting at the Breeze Hotel in Busia County. The counties represented in the consultations were Busia and Bungoma. The meeting was attended by representatives from council of governors, Malaba Malakisi Cotton Farmers Cooperative Union Limited, Bwiri Farmers' Cooperative Society Limited, Nmazali FCS Limited, county government of Busia, Jairos Farmers' Cotton Cooperative Society, Thika Cloth Mills Limited, Amkura Society, MHATCO Kenya, Malakusi Cooperative Society, Cooperative Bank, Busia Farmers' Cooperative Society, Luanda Cotton Farmers Cooperative Union, Nmabale Farmers Cooperatives Union, Alupe University, Adungosi Cotton Cooperative Society, Matayo's Farmers' Cooperative Society, MOALD –SDA and AFA. The attendees gave written comments.

On 17th September 2024, MOALD, in collaboration with the Authority, held a meeting at Breeze View Hotel in Lamu. The counties represented in the consultations were Lamu and Tana River. The meeting was attended by representatives from AFA, Lake Kenyatta Framers Cooperatives Society, Lamu County – Directorate of Trade and Investment, Bura Irrigation Farmers Sacco, Lamu County Cotton Cooperatives Society Limited, United Genrtion Self Help Group, Witu Cooperative Society, Widow Saund CBO Hindi, National Irrigation Authority – Tana Irrigation

Scheme, Pangani Sisal Farmers, Ungu Development Self Help Group, Hindi Maogoni Cooperative Society, Tusaidiane Self Help Group, IKFCS and Maramande Jitegemee Self Help Group. The attendees gave written comments.

On 19th September 2024, MOALD, in collaboration with the Authority, held a meeting at Sunset Paradise Holiday Homes in Mombasa. The counties represented in the consultations were Mombasa, Taita Taveta, Kwale and Kilifi. The meeting was attended by representatives from AFA, CEMC of Kilifi, Kwale Mombasa and Taita Taveta Counties, KALRO, Council of Governors, Kwale Pavi Cooperative Society, Saman Sisal Estate, Teita Estate Limited, Wigglesworth Exporters, Taveta Pamba ni mali, Rea Vipingo Plantations, Kilifi County and Taita Taveta County, Voi Point Limited, Kichaka Best Limited, MOALD, Magarini Farmers' Cooperative Society Limited, Kilifi Plantations Limited and Farmers. The attendees gave written comments.

On 14 October 2024, MOALD, in collaboration with the Authority, held a meeting at Alba Hotel in Meru. The counties represented in the consultations were Meru, Laikipia, Isiolo, and Marsabit. Representatives from AFA, Igembe South Cotton Farmers Group, Kiringa Sisal Growers Association, Real Cotton Growers Cooperative Society, Rapsu Farmers Marketing Cooperative Society, Meru County Cooperatives Society, Meru County, Agri – Pride Cotton Farmers' Cooperative Society Limited, Meru Ginnery, Isiolo Cotton Farmers Chema Group, MOALD, Tigania Estate and farmers attended the meeting. The attendees gave written comments.

On 16th October 2024, MOALD, in collaboration with the Authority, held a meeting at Nokras Silver Oak Hotel in Embu. The counties represented in the consultations were Embu, Kirinyaga, Muranga and Tharaka Nithi. The meeting was attended by representatives from Council of Governors, Nkomatucia Cotton Farmers Cooperative Society, Kirinyaga University, Mutobarie Cotton Farmers' Cooperative Society, Society for Biotech Farmers of Kenya, Gatum Group, Mukothrima Multipurpose Cooperative Society, Kirinyaga Cotton Farmers Cooperatives Society Limited, Sobifak, Mutuobare Cooperative Society, Mbeere North Cotton Farmers Cooperatives Society, Tunyai cotton growers' groups, Kamwangu Cotton Group and farmers. The attendees gave written comments.

On 18th October 2024, MOALD, in collaboration with the Authority, held a meeting at Kyaka Hotel in Machakos. The counties represented in the consultations were Nairobi, Machakos, Kitui and Makueni. The meeting was attended by representatives from AFA, Youth in Agriculture Group, Katumbu Cotton Group, Supra Textile Limited, Makueni Ginneries Limited, Konza Cotton Growers, Kitengeni Cotton Growers Group, Uvuoni Cotton Farmers Cooperatives Society Limited, Athi Cotton, Kitui Sisal Cooperatives, Ndauni Sisal Value addition group, Utithini fibre and fruits and CBO oasis of farmers, Kaka Cotton – Lower Yatta, Kee Sisal Value Addition Centre, Mtito Andei Cotton Farmers Cooperative Society, MOALD, Kwa Matungu Cotton Growers

Association, The Don's Fibre Limited, Makueni County, Kitengeni Cotton Farmers Group, Kaka Cotton Growers, Kitui County, council of governors and farmers. The attendees gave written comments.

On 29th October 2024, MOALD, in collaboration with the Authority, held a meeting at Chamastar Hotel in Kabarnet. The counties represented in the consultations were Baringo and Nakuru. The meeting was attended by representatives from Baringo Kerio Valley Farmers' Cooperative Society Limited, Kapluk Farmers Cooperatives Society Limited, Kegrtai Sisal Growers Cooperatives Society, Matani Mingi Sisal Estate Limited, KALRO, Boresha Sacco Limited, Skyline DT Sacco Limited, AFA, Adhie Holdings, National Irrigation Authority, Majani Mingi Sisal Estate Limited, Skyline DT Sacco Limited and farmers. The attendees gave written comments.

On 31st October 2024, MOALD, in collaboration with the Authority, held a meeting at the Grand Empire Hotel in Eldoret. The counties represented in the consultations were Uasin Gishu, Elgeyo Marakwet, West Pokot and Turkana. The meeting was attended by representatives from AFA, Elgeyo Marakwet and Turkana County, Kerio Valley Development Authority, Moi University, Katilu Irrigation Scheme, Chegilet Farmers produce, and marketing cooperatives society limited, Ripkor Sisal Farmers, Rivatex Limited and MOALD. The attendees gave written comments.

By a letter dated 10th December 2024, the Authority sought comments through submission of memoranda from 17 counties where fibre crops are majorly grown. These included Nyeri, Kajiado, Wajir, Garissa, Nyandarua, Nandi, Narok, Transzoia, Samburu, Mandera, Kiambu, Bomet, Kisii, Nyamira, Kakamega, Kericho and Vihiga.

5.4 Research and Academia

MOALD, in collaboration with the Authority, involved stakeholders from research institutions such as the KALRO, KIPPRA and KEPHIS; and Universities such as Moi, Kenyatta, Egerton, Kirinyaga, Tom Mboya and Alupe universities who gave insightful comments on improving the draft regulations.

5.5 Private Sector

MOALD, in collaboration with the Authority, held various forums with various farmers, growers' associations, cooperative societies, marketing organizations and exporters, who gave considerable comments on improving the draft regulations.

On 20th January 2025, the Authority held a consultative workshop with in Nairobi at Hillpark Hotel which was attended by participants from various juke stakeholders including Thika Mills Limited, NKG Coffee Mills Kenya Limited, Coffee Management Services Limited, First Quality Supplies Limited, Kitabwalla Enterprises, British American Tobacco Kenya PLC, Kahawa Bora millers, Elite Tools Limited, Devki Nandan Limited, One World Technology Limited, Sustainable Management Services Limited, Kens Metal Limited, Top Link Trading Company Limited, ASL Limited, Endsa International Company Limited, Waylitte Enterprises Limited, Ndovu Supplies

Limited, APA Insurance Limited, Galaxy Pharmaceutical Limited, Evergreen Logistics Company Limited, Surgipharm Limited and Pinecrest Holdings Limited.

During the county consultations, co-operative societies, input suppliers, retailers, processors, importers, and exporters also attended the consultations.

5.6 Stakeholder Reviews

Stakeholder views were captured, discussed, and addressed in consultative meetings. They were thereafter documented in a matrix, which indicates the issues and how they were addressed. Some views were incorporated into the proposed regulations, while others were not. MOALD indicated the reasons for the non-adoption of some views, including the fact that some of the views had already been addressed by other regulations.

A summary of the public consultation outcomes was as follows:

Item	Key Areas of the Regulations	Proposed Changes by the Stakeholders	Responses from The Technical Drafting Team	Justification/Action Taken
1.	Regulation 2	Criteria to differentiate between smallholders from plantation growers	Amended by inserting a new definition	To provide clarity
2.	Regulation 4	Scope of product to be limited to cotton seeds and sisal fibres only	Amended by defining the word fibre crop	To provide clarity
3.	Regulation 3	Include the development component of the fibre crops in accordance with section 3 of the Act	Section 3 of the Crops Act Cap 318 provides for the development of agricultural crops to augment exports	Amended by incorporating the comments in accordance with section 3 of the Act
4.	Regulation 5	Smallholder farmers to be secured and need not to register	Amended	Smallscale farmers are not required to register under the Act
5.	Regulation 5	Incentives to farmers to grow the crops	Not actioned	Incentives are provided for in the Act and the Agriculture Policy
6.	Regulation 5	Farmers to be registered under groups and cooperatives	Actioned	Farmers are encouraged to register under the cooperatives Act and societies Act

7.	Regulation (5)1 as read with 33(1)(b)	It is illegal to acquire from unregistered grower	Actioned by deleting regulation 33	To enhance clarity
8.	Regulation 6.7.8.9.12 and 14	Create a technical advisory committee	Not actioned	CECM to handle administratively
9.	Regulation 8	Prescribing compliance certificates is over regulation.	There is a need for a compliance certificate as an enforcement mechanism. Enforcement of standards is provided for in Section 8(k) of the Crops Act Cap 318	Not actioned to ensure consumer protection and improved market access.
10	Regulations 7,9,14,15,17	There is a need for a waiver for dealers in the value chain segments	Not actioned	There is a need to discourage anticompetitive behavior
11	Regulation 8,12,14,16,18	Use one license for multiple fibre businesses	Not actioned	To discourage anticompetitive behavior
12	Regulation 9(7)	Fine of Kshs. 500,000 for failure to register as an aggregator is high	Actioned by deleting Regulation 9(7)	Offense and penalty under section 16(4) of the Crops Act Cap 318
13	Regulation 11(1) and 14(1)	Clarity on the order of manufacturer's compliance certificate and license	Not actioned	Certificate of compliance comes first
14	Regulation 12	Include manufacturing to be for counties to license.	Licensing of manufacturers by counties is provided in Regulation 12	Not actioned
15	Regulation 15,16,17	Exemptions on imports/exports for manufacturers regulated by other agencies	Not actioned	Regulation of entities in an EPZ is under EPZ Act
16	Regulation 17	Redress mechanism for imported/exported goods where fines have been levied	Not actioned	This would require amendment of the Act.

17	Regulation 18 (1)	Renewal of licenses should be based on calendar year rather than financial year	Not actioned	This would require amendment of section 20(3) of the Act
18	Regulation 20	Farmers to be allowed to use local registered varieties	Actioned by deleting Regulation 20	Seeds are regulated under the Seed and Plant Varieties Act
19	Regulation 20	Provide mechanism for information sharing with counties	The mechanism for sharing information is missing.	Actioned by adding sub-regulation (3) to provide for information sharing between parties.
20	Regulation 21 (1)	County agriculture officer to be available to offer support	Actioned	The support to be handled administratively
21	Regulation 22	Need to introduce traceability of fibres from production to market	Actioned	Introduced new regulation to provide for global trade requirements
22	Regulation 22(3)(c)	Need to provide for weighing scales that cannot be manipulated	Noted	The same is provided under the Weight and Measures Act
23	Regulation 23(4)(b)	Bale size to be reduced to 50kgs	Actioned	To cater for cottage industries and local distribution
24	Regulation 24	Grading and validation services to be availed at county level	Actioned	To be addressed administratively
25	Regulation 25	Classing should be mandatory	Actioned by making classing as mandatory	To enhance enforcement standards for market access
26	Regulation 26	Include a representative from the State Department for Trade Authority and Ministry	The pricing committee has a trade-related function thus the need to include the State Department for Trade	Amended by introducing Regulation 26 (2)(b) for a nominee from the state department
27	Regulation 27	Cotton price to be increased for smallholder	Revised	Minimum price to be determined by pricing committee

28	Regulation 28	Provide for direct appointment of crop inspectors by counties	Regulation 28(3) provides for the role of counties in nominating qualified persons for appointment by the Authority as crop inspectors. Section 27 of the Crops Act Cap 318, provides for the appointment of crop inspectors by the Authority.	Not amended pursuant to section 27 of the Act.
29	Regulation 28(2)	Fibre crops pricing committee to include one representative from small holders	Amended section 28(2) to include small holders growers nominated by the associations.	To increase inclusivity
30	Regulation 32(1)	Redraft for clarity.	The Crops Act Cap 318 provides for interpretation of licensing Authority	Amended Regulation 32(1) by replacing the words 'Authority or the respective County Executive Committee Member' with the words 'licensing authority'
31	Regulation 33	Redraft for clarity on the appeals procedure given there are two licensing authorities under the Regulations	Appeals can be made to both levels of Government based on the licensing authority	Amended Regulation 33(1)(b) by inserting the words 'for appeals against the Authority' after the words 'Cabinet Secretary'
32	Regulation 36	Consider having an appeal committee at the county level	No amendment	Regulation 36(3) as drafted is adequate.
33	General	Should have in place administrative arrangements on revenue sharing with County Governments	Under these Regulations, fees collected by the County Governments as indicated in	Not actioned. Section 17 of the Crops Act Cap 318, enables county governments to

			Schedule 8 will be left to the respective counties	impose fees for the development and regulation of agricultural crops within their borders.
34	General comment	Link the Regulation to other existing Acts/Regulations/Laws	Actioned	Cross referenced to CAP 317 and 318
35	Penalties	Re-examine the levels of the penalties	Not actioned.	Penalties are adequately provided for in the regulations

5.7 Assessment of Adequacy of Public Participation Process

MOALD conducted various stakeholder consultation meetings and stakeholder public participation forums, which allowed it to receive various comments, especially from farmer's co-operative societies, growers' associations and self – help groups, which would help in developing and improving the draft regulations.

The public participation workshops took place across 11 counties in the Republic of Kenya. The consultations covered participants from 30 counties including Homabay, Migori, Kisumu, Siaya, Busia, Bungoma, Lamu, Tana River, Mombasa, Taita Taveta, Kwale Kilifi, Meru, Laikipia, Isiolo, Marsabit, Embu, Kirinyaga, Muranga, Tharaka Nithi, Nairobi, Machakos, Kitui, Makueni, Baringo, Nakuru, Uasin Gishu, Elgeyo Marakwet, West Pokot and Turkana counties. The records show that MOALD proactively mapped out and sent invitations to various stakeholders from different regions.

From the records, the Consultant established that attendees of the public participation workshops raised their issues and gave their comments, and the Authority was able to respond to the issues raised. Additionally, the attendance lists revealed that the attendance was a good representative of the stakeholders who are likely or will be affected by the proposed regulations in accordance with the law.

The records from the public forums show extensive deliberations on the issues that arose from the proposed Regulations. Stakeholders were allowed to read and analyze the Regulations and share their views with MOALD. There was evidence to show that MOALD collated, reviewed, and incorporated into the proposed Regulations the issues raised, and comments received from the workshops. However, some comments were accepted by the Authority but not incorporated into the regulations. For instance, the Authority affirmed to have amended the regulations to provide for information sharing between parties whereas the regulations do not have any regulation on information sharing.

Having reviewed the records from the public participation forums organized by the Authority, it was the opinion of the Consultant that key stakeholders were consulted in the agricultural sector and fibre crop and crop fibres industry in Kenya especially those who are likely to be impacted by the proposed Regulations. These included farmers, AFA, County Governments, agricultural experts, and related sector Ministries who were adequately consulted in the formulation of the draft Regulations. The Consultant also noted that the Authority engaged research institutions and members from academic institutions such as KALRO, KIPPRA and KEPHIS, and various universities.

Overall, the formulation of the draft regulations is largely compliant with the relevant laws on public participation and stakeholder engagement in Kenya.

The consultations may also extend to members of the public to receive extensive comments on the proposed Regulations.

6. Impacts

The following are the impacts of the proposed Crops (Fibre Crops and Crop Fibres) Regulations, 2025.

6.1 Impact on Fundamental Rights and Freedoms

The proposed regulations may affect the fundamental rights and freedoms of individuals and players in the following ways.

i. Right to Privacy

Article 31 of the Constitution provides for the right to privacy. This right may be affected by the draft regulations. The requirement for grower associations to maintain a register of all smallholder growers, including annual production data, may raise concerns about data privacy. The obligation to share such data with government agencies may result in unauthorized access or misuse of personal and commercial information. If the regulations do not include data protection measures, the collected data could be misused or accessed without the growers' consent. The Authority should limit access to the filled forms to only required individuals within the Authority or respective County Government to mitigate the risk of data mining.

ii. Access to Information

Article 35 of the Constitution provides for the right of access to information. The traceability and reporting requirements under the draft regulations impose obligations on traders to disclose information about their fibre sources and transactions. However, if the government fails to provide adequate public information on licensing procedures, grading criteria, or industry regulations, it could hinder compliance and violate the right to access information. The draft regulations also allow the Authority to publish in the Gazette the Crop Inspectors appointed. This will ensure that the industry actors are aware of the approved Crop Inspectors.

iii. Freedom of Association

Article 36 provides for the right to freedom of association, which includes the right to form, join, or participate in the activities of an association. Promoting collective action among growers through the formation of growers' associations produces aggregation at the growers' association's levels, and grower-dealer agreements will improve farmers' negotiating power. This will enhance the economies of scale within the fibre crops and crop fibres industry.

iv. Consumer Protection

Article 46 of the Constitution provides for consumer rights and that consumers have the right to goods and services of reasonable quality and to information necessary for them to gain full benefit from goods and services for the protection of their health, safety and economic interests and to compensation for loss or injury arising from defects in goods or services. The draft regulations emphasize quality control, grading, and standardization of fibre crops and products, which align with consumer protection by ensuring that only high-quality products reach the market. The introduction of quality standards ensures that consumers receive fibre products that meet regulatory safety and quality requirements.

v. Fair Administrative Action

Article 47 of the Constitution guarantees the right to expeditious, efficient, lawful, reasonable, and procedurally fair administrative action. The regulations introduce various licensing, registration, and compliance measures, requiring approval from government authorities at different levels. They also empower the County Executive Committee Member and the Authority to approve or reject license applications where the Authority shall indicate the reasons for the rejection.

vi. Access to Justice

Article 48 provides that the state shall ensure access to justice for all persons and, if any fee is required, it shall be reasonable and shall not impede access to justice. The regulations impose penalties for non-compliance, including criminal sanctions for operating without a license. There are clear appeal channels indicated within the regulations with elaborate timelines to hear and determine such appeals.

6.2 Impacts on the Public Sector

The proposed Regulations will have both direct and indirect effects on the public sector in the following ways:

1. These regulations will establish a clear and effective framework to regulate the operations of all actors in Kenya's fibre crops and crop fibres industry. These actors include small-scale growers, medium-scale and large-scale/estate growers, exporters, importers, warehouse operators, manufacturers, and dealers including transporters. This will enhance the industry's coherence and development.

2. There will be enhanced compliance with the provisions of these regulations coupled with increased surveillance, monitoring and inspections across all nodes of the industry. The activities within the value-chain include production, processing, marketing, grading, storage, collection, transportation, warehousing and manufacturing. This will ensure better the quality of Kenyan fibre and fibre products in accordance with the national and applicable international standards, resulting to better market prices.
3. These regulations will eliminate illegal trade practices in the fibre crops and crop fibres industry, including illegal imports, exports, manufacturing, which not only deny the Government revenue in the form of taxes but also exploit actors, especially growers.
4. A levy on fibre produce and products imports will discourage importation. This will protect the local industry from cheap and poor-quality imports that currently threaten its survival and lower the quality of Kenyan exports when these imports are re-exported as of Kenyan origin.
5. There will be improved documentation on development and trends in industry. These include actual crop acreage, trading data, registration and licensing of all active industry actors. This will, therefore, provide reliable real-time data and other important details on production and price trends, market performance, and trade volumes - both local and exports. It will thus allow for better planning, informed decisions, and proactive interventions in the industry.
6. Fibre produce and products marketing, which has remained mainly informal, unstructured, poorly organized, and ridden by unfair trade practices, will be better organized and structured. There will be harmonized trade and operations standards which will guarantee compliance with acceptable international standards to ensure Kenyan fibre produce and products grow their market share globally.
7. All industry actors will be registered and/or licensed including growers, dealers and manufacturers. Additionally, activities such as fibre crops establishment, production, aggregation, trading, manufacturing and value addition, imports and exports will be documented. This will allow for easy monitoring of the industry's performance and corrective interventions, improved industry regulation, effective compliance monitoring and enforcement across the entire industry.
8. The increase in revenue generated through the proposed fees, permits and levies can be invested in the industry. This will improve production, research and value addition, promote trade and marketing development, and ensure industry regulation, thereby increasing returns from the industry.

9. Increased revenue will reduce the Authority's dependency on the National Treasury and Economic Planning for funding.
10. Increased production, manufacturing and value addition of fibre produce, and products will create employment opportunities across all the industry value chain nodes.
11. The adoption and implementation of the pricing formula will reduce price fluctuations in the industry. This will stabilize producer prices, dealers' incomes and regularize remittances to the government from the industry.
12. Implementation of an effective traceability system will enhance the attractiveness of the Kenya fibre crops produce and products in the more developed global markets that value traceability. This will attract better prices, increasing foreign exchange earnings from increased trade and better prices.
13. The introduction of the proposed fees and levies will generate more income for the Authority. This will ensure equity and value sharing within the industry. Additionally, there will be possible reduction in price volatility.
14. The introduction of the proposed fees and levies may make Kenyan fibre produce and products slightly expensive in the world market. This may result in the slight loss of the country's market share globally.
15. The process of adoption and operationalization of the regulations will require additional resources to facilitate public participation, development of a framework to manage the licensing and registration processes and the proposed fees and levies.

3.4 Effects on the Private Sector

The proposed Regulations will potentially affect both directly and indirectly the private sector in the following ways: -

1. The private sector actors in the industry will benefit from the introduction of a well-structured, organized and regulated industry which will provide a conducive operating environment for their different businesses. This will promote fair trade and shield them from the frequent negative effects of inconsistencies or changing policy positions in the industry.
2. The pricing formula committee, comprising representatives from the various stakeholders, will determine the formula. They will ensure fair fibre crops, produce, and product pricing in the industry for the benefit of all actors by reducing price volatility. This will, therefore,

stabilize markets and incomes for different actors, especially the small growers who are often reduced to mere price takers.

3. Accurate and real-time data on industry actors, crop acreage, fibre crops production, manufacturing, produce and products trade volumes and prices among others will readily be available to the industry players for better business planning and operations.
4. The fibre crops and crop fibres industry will be well streamlined and operate on common processes, procedures, and standards. This will promote fair trade practices and eliminate or reduce the emergence of unscrupulous players in the industry, especially middlemen and monopolistic cartels.
5. Fibre industry actors may be required to pay various requisite fees and levies stipulated in the proposed regulations and re-align their operations to the provisions of these regulations. This may increase their cost of doing business slightly and may result in the closure of some businesses that do not meet the specific requirements of these regulations. This will result in a decline in livelihoods for some families and reduced returns for enterprises across the industry.
6. Improved quality of Kenyan fibre produce and products will result from increased adherence to national and applicable international standards and guidelines across the industry. The industry will also enjoy enhanced monitoring and surveillance of quality in production, handling, transportation, exports and manufacturing, ensuring Kenyan products remain the world's top quality.
7. The proposed levy on imports will discourage the importation of fibre products. This will, therefore, protect the Kenyan fibre industry from cheap and often poor-quality imports that threaten its survival, ensuring its sustainability and continuity into the future.
8. The growers'/dealers' contracts will guarantee growers, especially smallholder growers, markets for their produce. This will eradicate instances where growers sell their produce cheaply due to lack of markets.
9. The proposed fees and levy will increase the cost of doing business for all industry actors, reducing returns for enterprises.
10. Local consumer prices for fibre products are likely to increase as the levy and fees costs are transferred to the end consumers. This may further reduce the already low domestic consumption of these products.

11. Increased fibre crops production, manufacturing and value addition will create jobs and business opportunities across all nodes of the value chain.
12. The industry actors may view some processes as additional bureaucratic processes. These include the requirement for permits for each consignment of produce or product transported, and the submission of the required industry data and information to the Authority or county government, as well as the requirement for different registrations and licensing. These requirements may be time-consuming and as additional costs to their business.

7. Monitoring and Review

Monitoring, evaluation, and learning (MEL) of the regulations is important in determining their effectiveness, efficiency and adequacy in achieving their intended objectives and purpose. It informs the government and players in the industry whether the regulations are working or not. The proper use of M&E mechanisms constitutes a significant change in the operational style and working culture of regulatory authorities, enabling them to set up a process of continuous learning through experience and evidence. A well-functioning system of M&E would directly influence the ability of the regulations to foster competitiveness and economic growth in the industry. A review of regulations will ensure they are consistent and effective in regulating the activities in the industry.

The Authority has established the following mechanisms to enhance the monitoring and evaluation of the draft regulations.

1. Section 27 of the Crops Act Cap 318 empowers the Authority to appoint crop inspectors for fibre crops and crop fibres. Regulation 28 of the draft regulations outlines the functions of the crop inspectors. Among them are inspecting grower field operations and fibre produce and fibre product facilities, power of entry, and monitoring and compliance.
2. The Authority may publish information in the Kenya Gazette on the crop inspector appointed under section 27 of the Crops Act Cap 318. This would provide the public with adequate information on the authorized inspectors and avoid instances of misrepresentation by middlemen.
3. The crop inspectors may conduct scheduled, impromptu or requested inspections of any fibre crops growers, dealers, licensees or permit holders on their premises or vehicles. These inspections ensure compliance with the proposed Regulations, fibre crops and crop fibre standards, applicable international standards and other relevant laws. This will help ensure that only registered and licensed people are involved in the fibre crops and crop fibres trade and related activities, maintaining high standards in the industry.

4. Regulation 5 (1) and (4) require the grower association and County Executive Committee Members (CECM) to maintain a register of all fibre crop growers and grower associations in the prescribed forms. The CECM member is also required to maintain a register of licensed manufacturers. These registers accurately monitor the persons growing fibre crops and those licensed as manufacturers.
5. Regulations 5 (3) and 11 (6), among other regulations, require the grower association to submit the annual returns of the smallholder fibre crop growers registered with it and licensed fibre product manufacturers to submit their returns to the County Executive Committee Members by the fifteenth day of January every year.
6. To ensure the traceability of fibre products, the Authority requires the dealer to comply with the traceability system. The system will trace the history and location of the production, processing, and distribution stages of fibre products. Information on the source will also be shared with the licensing authorities on a need-basis.
7. Regulation 30 empowers the licensing authority to revoke a certificate, licence or permit issued under the proposed regulations if the holder fails to meet the conditions on the certificate, licence or permit or if a certificate of compliance is cancelled or withdrawn. This would ensure that persons registered under the Regulations comply with national standards, international standards and the law while engaging in fibre crops and crop fibres trade.

8. Contact

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