

SPECIAL ISSUE

Kenya Gazette Supplement No. 66 (Senate Bills No. 19)



REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

SENATE BILLS, 2023

NAIROBI, 12th May, 2023

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SCHEDULE — PROVISIONS RELATING TO THE CONDUCT OF MEETINGS OF THE BOARD

THE RICE BILL, 2023

A Bill for

AN ACT of Parliament to provide for the development, regulation and promotion of the rice industry; to provide for the establishment, powers and functions of the Kenya Rice Board, and for connected purposes.

ENACTED by the Parliament of Kenya, as follows —

PART I—PRELIMINARY

1. This Act may be cited as the Rice Act, 2023.

Short title.

2. In this Act, —

Interpretation.

“agreements” means the agreements specifying the standard provisions governing the rights and obligations of growers, millers, traders and growers’ institutions in the rice industry;

“Board” means the Kenya Rice Board established under section 4;

“by-product” means any substance, other than rice, produced incidentally during the harvesting and milling of paddy rice;

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to Agriculture;

“county executive committee member” means the county executive committee member responsible for agriculture in the respective county;

“Fund” means the Rice Development Fund established under section 32;

“grower” means a person who grows paddy rice;

“interested parties” means the Government, millers, traders, growers or growers’ institutions;

“licence” means a licence issued under the Act to a miller, trader or any relevant stakeholder;

“miller” means a person licensed to operate a rice mill in Kenya for the production of rice and other by-products;

“Ministry” means the Ministry responsible for matters relating to agriculture;

“rice” means any plant or part of a plant of the cereal grass (*Oryza sativa*) or any hybrid of that plant.

“rice industry” includes the growing of paddy rice, the milling, value addition, marketing and disposal of milled rice and its by-products;

3. The objects of this Act are to provide a framework—

- (a) for the coordinated implementation of the national policies and strategies on the development and regulation of the rice industry;
- (b) to promote a globally competitive rice industry;
- (c) to facilitate the production, value addition and processing of safe and healthy rice and its by-products;
- (d) to facilitate the introduction of modern farming techniques and general modernisation of the rice industry;
- (e) for the registration and licensing of various players within the rice industry;
- (f) for funding various activities within the rice industry in order to improve the overall production and returns in the rice industry; and
- (g) to delineate the roles of the National and County Governments in the regulation, development and promotion of the rice industry.

Objects of the Act.

PART II – ESTABLISHMENT, FUNCTIONS AND POWERS OF THE KENYA RICE BOARD

4. (1) There is established a Board to be known as the Kenya Rice Board.

Establishment of the Kenya Rice Board.

(2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable or immovable property;

- (c) enter into contracts;
 - (d) borrowing and lending money; and
 - (e) doing or performing all such other things or acts as may be necessary in furtherance of its object and functions.
- (3) The headquarters of the Board shall be in Nairobi City.
- (4) The Board may establish branches in such other counties as it may consider necessary for the effective performance of its functions under this Act.

5. (1) The Board shall consist of —

Composition of
the Board.

- (a) a chairperson appointed by the President by notice in the *Gazette*;
 - (b) the Principal Secretary responsible for agriculture or a representative nominated by the Principal Secretary in writing;
 - (c) the Principal Secretary responsible for trade or a representative nominated by the Principal Secretary in writing;
 - (d) two representatives with demonstrated experience in the industry nominated by the Council of County Governors;
 - (e) one person having at least ten years' experience in the industry elected by millers and appointed by the Cabinet Secretary;
 - (f) two people nominated by the cooperative society or association representing the largest number of small-scale rice associations in Kenya;
 - (g) one person nominated by the cooperative society or association representing the largest number of large-scale rice associations in Kenya;
 - (h) a chief executive officer appointed by the Board who shall be an *ex-officio* member of the Board.
- (2) The Cabinet Secretary shall, taking into account the principle that not more than two-thirds of the members should be of the same gender, appoint the members under subsection (1)(d), (e), (f) and (g) by notice in the *Gazette*.

6. A person is qualified for appointment as a member of the Board if that person—

Qualifications for appointment as a member.

- (a) is a citizen of Kenya;
- (b) holds a degree from a university recognised in Kenya; and
- (c) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.

(2) A person is not qualified for appointment if that person—

- (a) is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months;
- (b) is a member of Parliament or county assembly; or
- (c) is adjudged bankrupt.

7. A person who is appointed under section 5(1)(a), (d), (e), (f) and (g) shall serve for a term of three years renewable for one further term.

Term of appointment.

8. A person shall cease to be a member of the Board if that person—

Vacation of office.

- (a) is absent from three consecutive meetings of the Board without the permission of the chairperson;
- (b) becomes an officer, agent or member of staff of the Board;
- (c) resigns in writing addressed, in the case of the chairperson, to the President, and in the case of any other member, to the Cabinet Secretary;
- (d) is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months; and
- (e) is declared bankrupt;
- (f) is unable to perform the functions of office by reason of mental or physical infirmity; or
- (g) dies.

9. (1) The Board shall —

Functions of the Board.

- (a) regulate and promote the development of the rice industry;

-
- (b) co-ordinate the activities of individuals and organisations within the industry; and
 - (c) facilitate equitable access to the benefits and resources of the industry by interested parties.
- (2) Without prejudice to the generality of subsection (1), the Board shall—
- (a) participate in the formulation and implementation of overall policies, plans and programs of work for the development of the industry;
 - (b) act as an intermediary between the industry and the National and County Governments;
 - (c) facilitate the flow of research findings to interested parties through the provision of effective extension services;
 - (d) monitor the domestic market with a view to identifying and advising the Government and interested parties on any distortions in the rice market;
 - (e) regulate and control marketing, importation and exportation of rice and its by-products;
 - (f) facilitate the arbitration of disputes among interested parties;
 - (g) facilitate the export of local rice;
 - (h) promote and encourage the use of environmentally friendly technologies in the industry;
 - (i) put in place measures for control of plant diseases or noxious weeds that affect rice production;
 - (j) provide advisory services to growers, growers' institutions, traders, millers and other interested parties;
 - (k) facilitate an equitable mechanism for the pricing of paddy and milled rice and of the by-products of rice;
 - (l) put in place measures for timely access by growers to affordable seeds and farm inputs;
 - (m) represent the industry in such organizations as are relevant for the promotion of the industry;

- (n) oversee the formulation of standard provisions governing the mutual rights and obligations of growers, millers and other interested parties;
- (o) collect, collate and analyse industry statistics and maintain a data base for the industry;
- (p) promote the efficiency and development of the industry through the establishment of appropriate institutional linkages; and
- (q) Carry out such other functions as may be assigned by the Cabinet Secretary or conferred under any other law.

(3) The Board shall consult and collaborate with the Council of County Governors in the development, promotion and regulation of the industry.

10.(1) The Board shall have all the powers necessary for the proper performance of its functions under this Act.

Powers of the Board.

(2) Without prejudice to the generality of the foregoing, the Board shall have power to—

- (a) enter into contracts;
- (b) manage, control and administer the assets of the Board;
- (c) receive gifts, grants, donations or endowments made to the Board and make disbursement therefrom in accordance with the provisions of this Act;
- (d) subject to the approval of the Cabinet Secretary for the time being responsible for matters relating to finance, invest any of the Board's funds not immediately required for the purposes of this Act, as it may determine; and
- (e) operate a bank account into which all monies received by the Board shall be paid in the first instance and out of which all payments made by the Board shall be made.

(3) The Board may, if it considers it necessary, create or take part in the creation of, become a member of, or associate with a body or corporation designed to assist or promote the industry.

11. (1) The Board may establish such committees as it may consider necessary for the efficient performance of its functions and the exercise of its powers under this Act.

Committees of the Board.

(2) The Board may co-opt to sit in a committee established under subsection (1) such persons whose knowledge and skills are necessary for the performance of the functions of the Board.

12. The Board may, by resolution, delegate to any committee, member, officer, employee or agent of the Board, the exercise of any of the powers or the performance of any of the functions of the Board under this Act or under any other written law.

Delegation by the Board.

13. The members of the Board shall be paid such remuneration or allowances as the Cabinet Secretary shall, in consultation with the Salaries and Remuneration Commission, determine.

Remuneration of members of the Board.

14. (1) There shall be a chief executive officer of the Board who shall be competitively recruited and appointed by the Board on such terms and conditions as the Board shall determine.

Chief executive officer.

(2) A person is qualified for appointment as the chief executive officer if that person—

- (a) is a citizen of Kenya;
- (b) holds a master's degree from a university recognized in Kenya;
- (c) has at least five years' experience in senior management; and
- (d) meets the requirements of leadership and integrity set out in chapter six of the Constitution.

(3) The chief executive officer shall hold office for a term of five years and is eligible for re-appointment for one further term.

15. The chief executive officer shall be the secretary to the Board and shall, subject to the direction of the Board—

Functions of the chief executive officer.

- (a) be responsible for the day to day management of the affairs of the Board;

- (b) manage the funds, property and affairs of the Board;
- (c) be responsible for the management of the staff of the Board;
- (d) oversee and coordinate the implementation of the policies, programmes and objectives of the Board;
- (e) cause to be prepared for the approval of the Board—
 - (i) the strategic plan and annual plan of the Board; and
 - (ii) the annual budget and audited accounts of the Board; and
- (f) perform such other duties as may be assigned by the Board.

16. The chief executive officer shall cease to hold office if he or she—

Removal of the chief executive officer.

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

No. 4 of 2003.

17. The Board may employ such officers, agents and staff as are necessary for the proper and efficient discharge of the functions of the Board under this Act and upon such terms and conditions of service as the Board may determine.

Staff of the Board.

18. Liability shall not attach to the Board or to any of its members, officers, agents or staff for loss or damage incurred by a person as a result of an act or omission done or made in good faith and without negligence in the

Protection of members and staff from liability.

performance or exercise or the intended performance or exercise of any duty or power imposed by or conferred under this Act.

19. The affixing of the common seal of the Board shall be authenticated by the signature of the chairperson and the chief executive officer or a person designated by the Board.

Common seal of the Board.

20. All letters and instruments written or made by or on behalf of the Board, other than those required by law to be under seal, and all decisions of the Board, shall be signed under the hand of the chief executive officer or in the absence of the chief executive officer, a person authorized by the Board.

Signing authority.

21. (1) The business and affairs of the Board shall be conducted in accordance with the Schedule.

Meetings of Boards.

(2) Except as otherwise provided in the Schedule, the Board may regulate its own procedure.

(3) The Board may invite any person to attend any of its meetings and to participate in its deliberations, but such person shall not be entitled to vote on any of the Board's decisions.

PART III – ROLE OF COUNTY GOVERNMENTS

22. (1) Each county government shall —

Role of county governments.

- (a) implement the National Government policy relating to the rice industry;
- (b) regulate and promote the development of the rice industry within the respective county;
- (c) co-ordinate the activities of persons, organisations and any other associations within the rice industry in the respective county; and
- (d) facilitate access by players in the rice industry within the respective county to such resources and financial support as may be necessary to promote the development of the rice industry in the respective county.

(2) Each county executive committee member shall, in ensuring that the county government fulfils its obligations under subsection (1)—

- (a) maintain an up to date register of rice growers, rice co-operative societies and other associations as it considers appropriate in that county;
- (b) implement national and county legislation on industry code of practice, policies and guidelines on corporate governance in rice growers' institutions;
- (c) offer extension services on rice production and primary processing;
- (d) provide assistance on post harvesting management of rice;
- (e) collaborate with the national government to facilitate timely access by growers to affordable seed and farming inputs.
- (f) promote the organization of rice farmers cooperatives, associations, and organizations and provide them with credit and financing support;
- (g) provide training, and disseminate information to rice farmers, farm workers and processors relative to production technology, market systems, farm workers, entrepreneurial and other technical skills and values;
- (h) collaborate with relevant institutions so as to promote access to credit and other financial services;
- (i) inspect farms and value addition industries located within their respective counties;
- (j) in collaboration with law enforcement agencies, enhance security in rice growing areas; and
- (k) monitor and report incidences of pests and disease outbreaks to the Board and take action in collaboration with the Board and other relevant government agencies.

PART IV – REGULATORY PROVISIONS

23. (1) A person or entity shall not directly or indirectly carry out the business of a rice grower, rice nursery operator, rice cooperative society or rice association unless such person is registered by the

Registration.

respective county government in which the business is to be undertaken.

(2) A county government shall not charge any fees for the registration of an applicant under subsection (1).

(3) Each county government shall keep and maintain the register under subsection (1) for statistical purposes.

(4) A register under subsection (3), shall include—

- (a) the name of the rice grower, nursery operator, cooperative society or rice association;
- (b) the location, size and parcel number of the land on which the business is located; and
- (c) such other information as the county executive committee member may prescribe.

(5) Each county government shall, in each quarter, submit to the Board a copy of the register under subsection (3).

24. (1) A person shall not directly or indirectly engage in the business of milling or processing of rice by-products unless such person has applied for a licence with the county executive committee member by submitting to the county executive committee member —

Licensing of miller or processor.

- (a) an application for a licence in the prescribed form;
- (b) such information as may be prescribed; and
- (c) the prescribed fees.

(2) A county executive committee member shall consider an application within such period, not exceeding fourteen days, as may be prescribed in the respective county legislation, and may—

- (a) grant an application for a licence unconditionally;
- (b) grant the application subject to conditions specified in the respective licensing legislation; or
- (c) reject the application.

(3) A county executive committee member shall inform the applicant of its decision under subsection (2) within fourteen days of the decision.

(4) Where the county executive committee member rejects an application, the county executive committee member shall, in its notification under subsection (3), specify the reasons for the rejection.

(5) A licence issued under this Act shall not be transferable.

(6) A person who contravenes the provisions of subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding one million shillings or twice the value of the rice or rice products, whichever is greater, or to imprisonment for a term not exceeding two years or both.

25. (1) The county executive committee member may refuse to grant a licence where—

Refusal to grant a licence.

(a) the applicant fails to meet the conditions specified in section 24(1); or

(b) the application does not comply with the requirements imposed under this Act or prescribed under the specific county legislation.

(2) The county executive committee member shall notify the applicant of the decision within fourteen days of such refusal.

26. (1) The county executive committee member may cancel the licence of a person under this Act if the licensee—

Cancellation of a licence.

(a) fails to meet any condition imposed by this Act or county legislation;

(b) fails to comply with the provisions of the licencing legislation; or

(c) surrenders the licence or permit to the relevant licensing authority together with a notice setting out a request that the licence be cancelled;

(2) The county executive committee member shall not revoke the licence under subsection (1) unless the committee member—

(a) issues to the person, a notice of at least fourteen days of the intention to cancel the licence;

- (b) issues to that person a compliance notice in the prescribed form; or
- (a) grants the person, an opportunity to be heard on the revocation.

(3) The county executive committee member shall cancel the licence of a person who has ceased to carry out the business for which the licence was issued.

27. (1) A compliance notice issued under section 26(2)(a) shall—

Compliance notice.

- (a) be in writing;
- (b) set out the areas of non-compliance and the steps required to be undertaken in order to comply; and
- (c) specify the period within which the person is required to comply with the notice.

(2) The county executive committee member may, upon request by the licensee and, where there are sufficient grounds shown by the licensee, extend the period of compliance for such period as the committee member may consider necessary to ensure compliance.

28. (1) Where a person who receives a notice under section 27 fails to comply with such notice, the county executive committee member shall —

Effect of cancellation of licence.

- (a) cancel the licence of that person; and
- (b) notify the person in writing of—
 - (i) the cancellation and the reasons for it; and
 - (ii) the date of cancellation.

(2) For purposes of this Act, a cancellation of licence takes effect on the date on which the licence is cancelled by the county executive committee member.

29. Where an applicant is dissatisfied with the decision of the county executive committee member not to issue a licence under this Act, the applicant may appeal to the court within thirty days of the decision.

Appeals.

PART V – FINANCIAL PROVISIONS

30. The funds of the Board shall comprise —

Funds of the Board.

- (a) such monies as may be appropriated by the National Assembly for the purposes of the Board;
- (b) such monies as may accrue to or vest in the Board in the course of the exercise of its powers or the performance of its functions under this Act; and
- (c) all monies from any other source provided for or donated or lent to the Board.

31. (1) The Cabinet Secretary may, in consultation with the Board, and the Council of County Governors, by order in the *Gazette*, impose a levy on domestic and imported rice to be known as the rice development levy.

(2) The levy shall be payable at such rate as may be specified in the order.

(3) An order under this section may contain provisions as to the time at which any amount payable by way of the levy shall become due.

Rice development
levy.

(4) All monies received in respect of the levy shall be paid to the Board and if not paid on or before the date prescribed by the order, the amount due and any sum payable under subsection (5) shall be a civil debt recoverable summarily by the Board.

(5) If a person fails to pay any amount payable by him by way of the levy on or before the date prescribed by the order, a sum equal to five per centum of the amount shall be added to the amount due for each month or part thereof during which the amount due remains unpaid.

(6) The Board shall apply the money received under this section for the furtherance of the objects of the Board and for purchase of locally produced rice from growers and growers' institutions.

32. (1) There may be established a Fund to be known as the Rice Development Fund which shall be administered by the Board.

(2) The Fund shall consist of—

- (a) the rice development levy;
- (b) any funds provided by bilateral or multilateral donors for the purposes of the Fund;
- (c) any moneys provided by the National Assembly for the purposes of the Fund;

Rice Development
Fund.

- (d) any moneys provided by a county assembly for the purposes of the Fund; and
- (e) moneys from any other source approved by the Board.

33. (1) At least three months before the commencement of each financial year, the Board shall cause to be prepared estimates of the revenue and expenditure of the Board for that year.

Annual Estimates.

(2) The annual estimates shall make provision for all estimated expenditure of the Board for the financial year concerned.

(3) The annual estimates prepared by the Board under subsection (2) shall be submitted to the Cabinet Secretary for tabling in the National Assembly.

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

Accounts and Audit.

- (a) a balance sheet showing in detail the assets and liabilities of the Board; and
- (b) such other statements of accounts as the Cabinet Secretary may approve.

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

No. 34 of 2015.

(3) The Board shall submit to the Auditor-General all books and accounts of the Board, together with all vouchers in support thereof, and all books, papers and writings in its possession or control relating thereto, and the Auditor-General shall be entitled to require from any member, officer, employee or agent of the Board such information and explanation as he may consider necessary for the performance of his duties.

35. (1) The Board shall, within a period of three months after the end of each financial year or within such

Annual report and publication.

longer period as the Cabinet Secretary may approve, submit to the Cabinet Secretary a report of the operations of the Board during such year, and the yearly balance sheet and such other statements of account as the Cabinet Secretary shall require, together with the Auditor-General's report.

(2) The Board shall, if the Cabinet Secretary so requires, publish the report, balance sheet and statements submitted under subsection (1) in such manner as the Cabinet Secretary may specify.

(3) The Cabinet Secretary shall submit to the National Assembly and the Senate the reports, balance sheet and statements submitted under subsection (1), within a period of fourteen days of the receipt of the reports and statements or, if a House of Parliament is not sitting, within fourteen days of the commencement of its next sitting.

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

Financial year of the Board.

PART VI - MISCELLANEOUS PROVISIONS

37. The Cabinet Secretary responsible for finance may from time to time implement such measures, including tax incentives in order to promote the development of the rice industry.

Incentives.

38. (1) The Board may, at least once in every year, convene an annual general meeting of representatives of millers and growers for the purposes of deliberating on the issues affecting the rice industry and transacting such other business of which notice shall be given.

Annual general meeting.

(2) Subject to this Act and any regulations made thereunder, the Board may make rules for the regulation of the conduct of business and procedure at the general meetings convened pursuant to this section.

39. Rice produced locally or imported into the country shall comply with the prevailing —

Quality, safety and health control measures.

- (a) quality standards as set by the body for the time being responsible for setting standards;
- (b) safety and health standards as set by the body for the time being responsible for public health; and

- (c) environmental standards as set by the body for the time being responsible for environmental safety.

40. (1) Subject to such regional and international trade agreements to which Kenya is a party, all rice imports into the country shall be subject to the prevailing import duties, taxes and other tariffs and such imports shall be controlled by the Board.

Safeguard measures.

(2) The Government shall implement such safeguard measures as may be necessary to protect the industry from unfair trade practices.

41. The Board may direct any organization or person in the rice industry to produce any document or information, or submit any returns which it reasonably considers necessary for the proper performance of its functions under this Act.

Power to require information, offences and penalty.

(2) Any person who —

- (a) fails to comply with any direction given by the Board under this Act;
- (b) furnishes to the Board any information or produces any document which is false or misleading in any material particular;
- (c) obstructs an officer of the Board in the performance of his functions under this Act; and
- (d) diverts or abets the diversion of transit rice into the domestic market;
commits an offence.

(3) A person convicted of an offence under paragraph (d) of subsection (2) shall be liable to a fine not exceeding three times the domestic value of the rice in respect of which the offence is committed, or two million shillings, whichever is the higher, or to imprisonment for a term not exceeding ten years, or to both.

(4) A person who contravenes any of the provisions of this Act commits an offence.

(5) A person convicted of an offence under this Act for which no other penalty is provided shall be liable to a fine not exceeding five hundred thousand shillings, or to imprisonment for a term not exceeding one year, or to both.

42. (1) The Cabinet Secretary may, in consultation with the Board, make regulations generally for the better carrying into effect of the provisions of this Act.

Regulations.

(2) Without prejudice to the generality of subsection (1), the Cabinet Secretary may make regulations prescribing —

- (a) the regulation and control of the production, marketing, importation and exportation of rice and its by-products;
- (b) the forms of registration and licences to be issued under this Act, and the form and manner of application for registration and the licences;
- (c) the fees or levy which may be charged for any activity relating and incidental to the development, products, marketing and distribution of rice and its by-products;
- (d) the regulation and enforcement of contracts between growers, millers and other players in the rice industry; or
- (e) the process of nomination of members to the Board.

PART VII- SAVINGS AND TRANSITIONAL PROVISIONS

43. The staff of the Rice Promotion Programme Unit employed by the Ministry of Agriculture and Livestock Development prior to the commencement of this Act, shall be the staff of the Board.

Transfer of staff.

44. All property, except such property as the Cabinet Secretary may specify in writing, which, immediately before the commencement of this Act, was vested in the Government for the use of the Rice Promotion Programme Unit of the Ministry of Agriculture and Livestock Development, shall, on the date of commencement of this Act, vest in the Board subject to all interests, liabilities, charges, obligations and trusts affecting that property.

Transfer of assets and liabilities.

45. All legal proceedings and claims pending in respect of actions and activities to which this Act apply shall be continued or enforced by or against the Board in

Pending proceedings and claims.

the same manner as they would have been continued or enforced by or against the National Cereals and Produce Board had this Act not been enacted.

46. (1) Part 3 of the First Schedule to the Crops Act is amended deleting the following item —

Consequential amendments.

Rice “*Oryza sativa* L. (1).”

(2) The National Cereals and Produce Board Act, 1986 is amended in the First Schedule by deleting the following item —

“*rice paddy*”.

SCHEDULE (s. 21(1))

PROVISIONS RELATING TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

1. (1) The Board shall have at least six meetings in every financial year and not more than two months shall elapse between the date of one meeting and the date of the next meeting.

Meetings.

(2) Meetings shall be convened by the chief executive officer in consultation with the chairperson and shall be held at such times and such places as the chairperson shall determine.

(3) The chairperson shall preside over all meetings and in the absence of the chairperson, by a person elected by the Board as the case may be at the meeting for that purpose.

(4) The chairperson may at any time convene a special meeting of the Board as the case may be, and shall do so within one month of the receipt by the chairperson of a written request signed by at least five other members.

(5) Unless half of the members of the Board otherwise agree, at least seven days’ notice of a meeting shall be given to every member of the Board as the case may be.

2. The quorum of a meeting of the Board shall be half of the total number of members.

Quorum.

3. A decision of the Board shall be by a majority of the members present and voting and, in the case of an equality of votes; the person presiding at the meeting shall have a second or casting vote.

Voting.

4. Minutes of all meetings shall be kept and entered in records kept for that purpose. Minutes.

5. (1) If a person is present at a meeting of the Board or respective committee at which any matter is the subject of consideration and in which matter that person is directly or indirectly interested in a private capacity, that person shall as soon as is practicable after the commencement of the meeting, declare such interest. Disclosure of interest.

(2) The person making the disclosure of interest under subsection (1) shall not, unless the Board or committee otherwise directs, take part in any consideration or discussion of, or vote on any question touching on the matter.

(3) A disclosure of interest made under subsection (1) shall be recorded in the minutes of the meeting at which it is made.

(4) A person who contravenes subsection (1) commits an offence and upon conviction is liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding seven years or to both such fine and imprisonment.

(5) A member or employee of the Board shall not transact any business or trade with the Board.

MEMORANDUM OF OBJECTS AND REASONS

Statement of the Objects and Reasons for the Bill

The Bill seeks to —

- (a) establish the Kenya Rice Board and set out its role and functions;
- (b) establish the Rice Development Fund to be administered by the Kenya Rice Board; and
- (c) provide a legal framework for the regulation of the rice industry across the different value chains in the sector.

Rice is an important food and cash crop in Kenya with critical implications on food security and economic growth. The agricultural sector has largely faced diverse challenges such as high costs of fertilizer, inadequate agricultural extension services and limited data on rice industry participants which have equally affected the rice industry.

The administration of rice growing in Kenya is vested in the National Cereals and Produce Board (NCPB) established under the National Cereals and Produce Board Act, 1986. The NCPB regulates the collection, movement, storage, sale, purchase, transportation, marketing, processing, distribution, importation and exportation, disposal and supply of rice.

The rice industry has suffered from various administrative inefficiencies within the National Cereals and Produce which has contributed to —

- (a) exploitation of farmers by middlemen;
- (b) increased costs of rice production;
- (c) widening gap between the locally produced rice and the annual national consumption;
- (d) lack of markets for locally produced rice;
- (e) failure to control imports of rice;
- (f) adulteration of pure aromatic rice; and
- (g) lack of research and rice varieties development initiatives.

The Bill is divided into the following parts—

PART I contains preliminary provisions.

PART II contains provisions on the establishment, powers and functions of the Kenya Rice Board.

PART III contains provisions on the role of the County governments which include to implement the national government policy, regulate and promote the rice industry and facilitate access by players to resources and financial assistance that may be necessary to promote the development of the rice industry.

PART IV contains provisions on licensing and registration of rice growers and millers by the County Executive Committee Member.

PART V contains financial provisions which includes establishment of a Rice development fund and a provision on the rice development levy.

PART VI contains miscellaneous provisions that gives powers to the Cabinet Secretary for finance to implement measures that are geared towards promotion of the rice industry. The part also delegates powers to the Cabinet Secretary for agriculture to make regulations.

PART VII contains consequential amendments to remove rice paddy and rice from the purview of the National Cereals and Produce Board, 1986 and the Crops Act, 2013.

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

The Bill only delegates legislative powers to the Cabinet Secretary for the purpose of making regulations to give effect to the provisions of the Act. The Bill does not limit fundamental rights and freedoms.

Statement of how the Bill concerns county governments

The Bill concerns the functions of county governments as it deals with the function of Agriculture assigned to county governments under paragraph 1 of Part 2 of the Fourth Schedule to the Constitution.

Statement as to whether the Bill is a money Bill within the meaning of Article 114 of the Constitution

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

Dated the 28th March, 2023.

JAMES KAMAU MURANGO,
Senator.