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REPUBLIC OF KENYA

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**SENATE BILLS, 2025**

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**THE AGRICULTURE PRODUCE (MINIMUM  
GUARANTEED RETURNS) BILL, 2025**

**A Bill for**

**AN ACT of Parliament to support agriculture production by providing a framework for ensuring minimum guaranteed returns in counties; and for connected purposes**

**ENACTED** by the Parliament of Kenya, as follows—

**1.** This Act may be cited as the Agriculture Produce (Minimum Guaranteed Returns) Act, 2025.

Short title.

**2.** In this Act,—

Interpretation.

“average market price” means the mean price of the relevant produce over the preceding twelve months as published by the Kenya National Bureau of Statistics;

“committee” means a county minimum guarantees committee established under section 5;

“comprehensive cost” means the total production costs incurred including—

- (i) farm inputs including seeds, herbicides, pesticides, fertilizers;
- (ii) livestock production inputs including animal feeds, drugs;
- (iii) labour;
- (iv) fuel, irrigation, machinery;
- (v) farm rent;
- (vi) post-harvest handling costs; and
- (vii) other direct or indirect cost as may be determined by the committee;

“county executive committee member” means the county executive committee member in charge of agriculture; and

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

**3.** The objective of this Act is to— Objective.

- (a) improve income stability for farmers by providing a guaranteed return to cushion them against market fluctuations;
- (b) promote food security by incentivising the carrying out of agriculture; and
- (c) facilitate equitable agricultural development across counties.

**4.** (1) Each county government shall be responsible for the implementation of this Act. Role of county governments.

(2) Without prejudice to the generality of subsection (1), each county government shall—

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

**PART II – ESTABLISHMENT OF A COUNTY  
MINIMUM GUARANTEES COMMITTEE**

**5.** (1) There is established a county agricultural produce minimum guarantees committee in each county. Establishment of the committee.

(2) The committee shall consist of the following members appointed by the county executive committee member—

- (a) the county chief officer in charge of agriculture who shall be the chairperson;
- (b) the county chief officer in charge of finance;

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

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

(4) A persons appointed under subsection 2(d) and (e) shall hold office for a term of three years, renewable for one further term.

(5) The members of the committee shall be paid allowances as the county executive committee member shall, in consultation with the Salaries and Remuneration Commission, determine.

**6.** The committee shall conduct its meetings in accordance with the procedure set out in the Schedule.

Meetings of the committee.

**7.** The committee shall—

Functions of the committee.

- (a) having regard to the dominant crops in the county prepare and publish a schedule of the dominant crops and livestock produce eligible for minimum guaranteed returns;
- (b) determine and recommend the average market price of a product and the comprehensive cost in accordance with section 12;
- (c) review, from time to time, the average market price of a product and the comprehensive cost;
- (d) determine the minimum and maximum acreage under which beneficiaries are eligible for minimum guaranteed returns under this Act;
- (e) collaborate with the county executive committee member in charge of finance to—
  - (i) assess the fiscal sustainability of proposed minimum guaranteed returns;
  - (ii) integrate the funding requirements into the county budget planning cycle;

- (iii) ensure timely release and disbursement of funds allocated for minimum guaranteed returns; and
- (iv) develop annual financial reports in accordance with the Public Finance Management Act;
- (f) carry out registration of beneficiaries under this Act; and
- (g) approve payment of minimum guaranteed returns by the county government.

**8.** (1) The office of a member of the committee appointed under section 5(2)(d) and (e) shall become vacant if the member—

- (a) is adjudged bankrupt;
- (b) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;
- (c) is convicted of an offence involving fraud or dishonesty;
- (d) is absent, without reasonable cause, from three consecutive meetings of the committee;
- (e) resigns in writing addressed to the county executive committee member;
- (f) is removed from office by the county executive committee member on account of—
  - (i) inability to perform the functions of their office by reason of mental or physical infirmity;
  - (ii) failing to declare their interest in a matter being considered by the committee; or
- (g) dies.

(2) Before the removal of a member under subsection (1) (f), the county executive committee member shall request the committee to give a statement on whether or not the member should be removed from office.

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

Disclosure of interest.

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

**10.** (1) The county executive committee member shall designate an administrative unit within the department responsible for matters relating to agriculture to serve as the secretariat to the committee.

Secretariat.

(2) The secretariat shall consist of—

- (a) a director who shall be competitively recruited by the county public service board and appointed by the county executive committee member; and
- (b) other public officers as the county executive committee member shall, in consultation with the committee, designate for the proper performance of the functions of the secretariat under this Act.

(3) The director and persons designated under subsection (2)(b) shall possess knowledge and experience in matters relating to the agriculture industry as the county executive committee member shall, in consultation with the committee, determine.

**11.** The functions of the Secretariat shall be to—

Functions of the secretariat.

- (a) provide technical and administrative services to the committee;
- (b) implement the decisions, strategies, programmes and policies of the committee;
- (c) collate and analyse market data, production costs and other relevant economic indicators that may be necessary for the determination of accurate minimum guaranteed returns;
- (d) carry out research on pricing trends, input costs, income trends and profitability with respect to agriculture activities in the respective counties;
- (e) make recommendations to the committee on the formulation and implementation of programmes

and mobilisation of resources necessary for the achievement of the functions of the committee;

- (f) on behalf of the Committee, establish and maintain relationships with international, national and local institutions involved in the agriculture sector and other related activities;
- (g) collaborate with agencies, financial institutions and other stakeholders in the implementation of policies, strategies and programmes developed pursuant to this Act;
- (h) maintain a database setting out information on—
  - (i) agriculture produce eligible for minimum guaranteed returns in the respective county;
  - (ii) the criteria established for the determination of the minimum guaranteed returns;
  - (iii) producers to whom payments have been made under this Act; and
  - (iv) payments made with respect to minimum guaranteed returns, trends with respect to the payments and other data as may be necessary in the respective county;
- (i) make arrangements for periodical evaluation of the policies and programmes in relation to the objects and functions of the Committee;
- (j) monitor compliance with the provisions of this Act and make recommendations to the committee on appropriate interventions; and
- (k) perform other functions as may be assigned to it by the Committee.

### **PART III – MINIMUM GUARANTEED RETURNS**

**12.** The minimum guaranteed returns shall be an amount equivalent to twenty percent of the difference between the average market price of a product and the comprehensive cost.

Assessment of minimum guaranteed returns

**13.** Minimum guaranteed returns shall only be paid—

Produce eligible for minimum guaranteed returns.

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

**14.** (1) The committee shall publish and publicise the comprehensive cost and average market prices to be used in the calculation of minimum guaranteed returns at the beginning of each financial year by notice in the *Gazette*.

Publication of comprehensive cost.

(2) The committee may review the minimum guaranteed returns under subsection (1) periodically as it considers necessary taking into account changing market prices.

(3) Where the committee revises the minimum guaranteed returns in accordance with subsection (2), it shall publish the revised returns in the *Gazette* within fourteen days after the revision.

**15.** (1) A person entitled to payment of minimum guaranteed returns shall submit an application to the committee in the prescribed form.

Application for minimum guaranteed returns.

(2) The committee shall consider the application in the manner prescribed by the respective county legislation and may—

- (a) grant the application for payment;
- (b) grant the application subject to conditions as may be necessary for the determination of the payments due; or
- (c) refuse the application.

(3) The committee shall, where it requires an application to meet a condition for payment or refuses an application, inform the applicant of its decision within seven days of determination of the application.

**16.** (1) The committee may suspend or cancel payment of minimum guaranteed returns if the payment was—

Suspension of payments.

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

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

(3) A county government may charge interest for amounts outstanding under subsection (2) at the Central Bank Rate.

**17.** (1) A person commits an offence if they—

Offences.

- (a) knowingly provide false or misleading information in an application for minimum guaranteed returns;
- (b) fraudulently receive or attempt to receive payments under this Act to which they are not entitled;
- (c) forge, alter, or tamper with a document used in relation to an application or payment under this Act;
- (d) fail to repay monies owed to the county government under section 16(2) within the time specified in a written demand; or
- (e) obstruct or hinder a person lawfully carrying out a function or duty under this Act.

(2) A person who commits an offence under subsection (1) is liable, on conviction, to a fine not exceeding five hundred thousand shillings, or imprisonment for a term not exceeding two years, or to both.

(3) For the avoidance of doubt, the imposition of a fine does not relieve the obligation to honour a demand for refund by the county government.

#### **PART IV – MISCELLANEOUS**

**18.** All letters and instruments written or made by or on behalf of the committee, other than those required by law to be under seal, and all decisions of the committee

Signing authority.

shall be signed under the hand of the chairperson or in the absence of the chairperson, by a person authorized by the committee.

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

Protection from personal liability.

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

Regulations.

**21.** A county assembly may enact county legislation to provide for the following matters—

County legislation.

- (a) the establishment of a minimum guarantees fund;
- (b) manner, conditions and forms for registration of beneficiaries;
- (c) the forms for application for payment of minimum guaranteed returns;
- (d) the procedure for the consideration of applications for payment of minimum guarantee returns;
- (e) the criteria for evaluation of an application for payment of minimum guaranteed returns;
- (f) the procedure for the disbursement of minimum guarantee returns; and
- (g) other matters as the respective county assembly may consider necessary for the better carrying out of the provisions of this Act.

## SCHEDULE

**s. 6**

### CONDUCT OF BUSINESS AND AFFAIRS OF THE COMMITTEE

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

Meetings of the committee.

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

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

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

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

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

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

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

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

**2.** (1) If a member of the committee is directly or indirectly interested in a contract, proposed contract or other matter before the committee and is present at a meeting of the committee at which the contract, proposed contract or other matter is the subject of consideration, the member shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the

Disclosure of interest.

interest of the member in the matter and shall not take part in the deliberations over, or vote on, the matter.

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

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

## **MEMORANDUM OF OBJECTS AND REASONS**

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

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

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

The Bill delegates legislative powers to the county executive committee member but does not limit fundamental rights and freedoms.

### **Statement of how the Bill concerns county governments**

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

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

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

Dated the 29th July, 2025.

VERONICA MAINA,  
*Senator.*