



EGERTON

UNIVERSITY

**TEGEMEO INSTITUTE OF AGRICULTURAL
POLICY AND DEVELOPMENT**

PROCEEDINGS OF A BREAKFAST MEETING

ON

**ACHIEVING SUSTAINED FOOD SUPPLY IN KENYA: THE ROLE OF
SELECTED POLICY INSTRUMENTS**

HELD AT THE NORFOLK HOTEL, NAIROBI ON OCTOBER 24, 2013

A BREAKFAST MEETING ON

ACHIEVING SUSTAINED FOOD SUPPLY IN KENYA: THE ROLE OF SELECTED POLICY INSTRUMENTS

INTRODUCTION

The need for increased food supply in Kenya cannot be over emphasized. In the past, food availability in the country has been erratic, fluctuating from year to year thus calling for prudent measures to ensure a smooth supply of food for the citizenry. Over the years, Tegemeo Institute of Agricultural Policy and Development of Egerton University has been involved in research and analysis which is aimed at informing stakeholders on the effects of various policies on food security.

Recently the Institute conducted studies analyzing the effects of various policies and instruments that have been applied in response to challenges in the food and agricultural sectors. The studies carried out include: A Food Situation Assessment 2013, Advances in Kenya's Policy on GMOs and its Effects on Food Security, and Implications of the Implementation of the VAT Act 2013 on Animal Feeds. In light of this, the Institute organized a policy forum where findings from the studies were disseminated and discussed.

The policy forum was organized as a breakfast meeting on Thursday, 24th October 2013 at the Norfolk Hotel, Nairobi. It drew participants from a select group of stakeholders from the public and private sectors, research and academia, civil society, development agencies, and farmer organizations, among others.

PROCEEDINGS

SESSION ONE: WELCOME AND INTRODUCTION

The meeting started at 7.40 a.m. with Mr. Francis Karin, the Master of Ceremony, calling the participants to order. He then welcomed everyone to the forum and invited the Director, Tegemeo Institute, Dr. Mary Mathenge, to give the opening remarks.

Welcoming remarks: Dr. Mary K. Mathenge – *Director, Tegemeo Institute*

The Director, Tegemeo Institute, Dr. Mathenge welcomed the participants to the meeting and briefly stated that the title of the forum was ‘Achieving Sustained Food Supply in Kenya: the Role of Selected Policy Instruments’. She appreciated the effort made by the participants in creating time to attend the early morning meeting. Dr. Mathenge then led the participants through a few seconds of silence for prayers and reflections after which everyone in attendance was given a brief moment to introduce themselves.

The Director - Tegemeo Institute, expressed her appreciation at the wide representation and stated that it was an indication of a very engaging and productive discussion in the offing. She then invited the Director of Research and Extension - Egerton University, Prof. Alfred Kibor, to make some introductory remarks. Prof. Kibor was representing the Deputy Vice Chancellor (DVC) Research and Extension, Egerton University.

Opening remarks: Prof. Wilfred Kibor – *Director of Research and Extension, Egerton University*

Prof. Alfred Kibor started by mentioning that he was present in his own capacity but also representing the Deputy Vice Chancellor (DVC) Research and Extension, Egerton University. The Prof. expressed his gratitude to the participants for sparing time to attend the policy forum. He then, on behalf of Egerton University, welcomed everyone to the policy forum.

Prof. Kibor stated that the policy forum was a very important meeting as it was meant to discuss very critical issues affecting the citizens of Kenya as a whole. He added that he was cognizant of the fact that without sufficient amount of food for the people, Kenya would continue to depend on other nations and organizations like the World Food Programme, yet God had endowed the

country with good weather conditions. The Prof. then expressed his optimism that despite the fact that 80% of the country is semi-arid or arid, it is possible to utilize even the semi-arid and arid areas to make the country a food basket. This would enable Kenya to provide not only sufficient food for the over 40 million Kenyans but even more to make the nation a net food exporter.

Prof. Kibor recognized that Tegemeo's work in the agriculture sector had resulted in many policy recommendations but cautioned that if they were not put into policies and implemented, then they fail to serve the purpose for which they were prepared. As such they end up as a bunch of papers in some archives. He challenged the participants to think critically about the usefulness of implementing policies in order to realize the objectives for which they were developed.

Opening remarks: Mr. Tom Dienya – Head of Food Security, Early Warning Unit, State Department of Agriculture

Mr. Dienya expressed his gratitude at having been invited to attend and make some remarks at the policy forum. He added that this was not the first time that Tegemeo Institute had called stakeholders to discuss various policy instruments by the government and their effects in the agriculture and food sectors. He appreciated that such kind of forums take lots of work and effort to organize hence the recommendations made should not be taken lightly.

In concurrence with the sentiments of Prof. Kibor, Mr. Dienya explained that the country was still grappling with many problems mainly because of the inability to implement certain policies. He reiterated that the country was still not self-sufficient in most of the food commodities especially the grains (cereals and pulses) as well as fish. He, however, recognized that the country was self-sufficient in most animal products.

Mr. Dienya emphasized that the work of the National government was to make policies by focusing at the challenges facing Kenyans and coming up with policies that address those challenges. He added that sometimes the government succeeds in its policy making mandate but that at other times it doesn't and appreciated the importance of having some follow up by an independent body, like Tegemeo, to point out areas that might need correction or improvement.

Relating to the theme of the policy forum and a recommendation by Tegemeo in a previous workshop, that the government stops interfering with maize prices through the NCPB, Mr.

Dienya said that the recommendation was at advanced stages of being implemented as most of the Agriculture activities were being devolved to the counties. The role of the National Government would only be in policy making and management. He emphasized that the counties were supposed to make their own policies and implement them in line with their priorities. Mr. Dienya challenged Tegemeo to roll out the same kind of research to the counties in order to help in coming up with good policies so that the national goal of achieving food and nutrition security can be achieved.

Breakfast Meeting Objectives: Dr. Mary Mathenge – *Director, Tegemeo Institute*

The Director - Tegemeo, started by thanking Prof. Kibor and Mr. Dienya for their remarks and appreciated that they had kept speeches brief in the interest of keeping time. She then proceeded to say that a stable and smooth supply of food was very important for every part of the population of Kenya. She explained that increased production, which is an important component of food supply, would be achieved through proper incentives and support to the producers. Dr. Mathenge added that it was crucial that policies be consistent with the overall goal of the country.

Dr. Mathenge outlined some of the policy instruments that could be used like input subsidies, producer support programs and taxing the sector through input taxes. She further noted that although the country can be assured of enough food availability through production, it is also important to ensure accessibility by maintaining prices at a level that is affordable particularly to the poor. This is covered under the VAT Act.

Dr. Mathenge reiterated the need to ensure that the trade policies are consistent with the national goal since the country is not always able to produce enough food for its people. Some of the trade instruments that can be used include import bans, import duties and quotas. She added that maize remained a very important food crop in the country and noted that there were efforts to promote diversification of eating habits and production systems through various policies in order to ensure that other crops are given prominence. As such Tegemeo was going to articulate the issues affecting the crops sub-sector through the case of maize.

Dr. Mathenge explained that the researchers at Tegemeo had analyzed the roles of various policy instruments such as the fertilizer subsidy program, the maize producer price support, the VAT

Act 2013 and its implications on food security, and the GMO ban and its impact on the food situation in the country. She expressed her gratitude for having participants from the public sector, the private sector, the civil society, development partners, and those in research in attendance to deliberate on the findings. The Director outlined the three presentations for the day: A Food Situation Assessment 2013, Advances in Kenya's Policy on GMOs and its Effects on Food Security, and Implications of the Implementation of the VAT Act 2013 on Animal Feeds.

Dr. Mathenge informed the participants that Tegemeo conducts food situation assessments every year to provide the information to policy makers. She expressed the need to partner with key stakeholders in conducting the food assessments and appreciated the role that the State Department of Agriculture, and State Department of Livestock had played in this regard. She emphasized that there was need for a clear methodology on how to generate the statistics since they are very crucial in informing actions and policies to be put in place to achieve food security for the country at any one given year.

In conclusion the Director - Tegemeo, informed the participants that after the presentations there would be a plenary session where the Institute will be looking forward to receive inputs in order to shape the debate. She then thanked the participants for their availability and invited the first presenter.

SESSION TWO: PRESENTATIONS

Presentation by Ms. Millicent Olunga – Tegemeo Institute

Ms. Olunga's presentation was entitled *Food Situation Assessment, 2013*. The presentation covered the maize crop performance, stocks, market prices, and fertilizer availability and fertilizer prices throughout the year 2013. The study was conducted in June 2013 in various parts of the country classified into maize surplus, self-sufficient and deficit areas. The methodology was mainly through key informant interviews which were conducted with Farmers, relevant ministry staff, grain traders, transporters, millers and NCPB depot regional managers.

Regarding crop performance, the maize production in 2013 was expected to be below that of 2012. The study estimated a total production of 33.9 million bags (28.9 and 5 million in the long and short rains respectively) against an estimated consumption of 40 million bags. This translates to a shortfall of 6.1 million bags (15%). If the population is adjusted to the current KNBS projection of 43 million people then the estimated consumption increases resulting to a shortfall as high as 20%. These estimates are lower than the MoA target of 43 million bags. The study attributes the lower crop performance to delays in farm operations due to heavy and irregular rains at the time of planting, late fertilizer application and lower application rates due to delay or lack of subsidized fertilizers and high cost of inputs.

The study further found that maize prices have been stable for the better part of the year unlike previous years where the prices usually rise between the months of March and June. The price stability is attributed to good harvests in 2012/13 production year, inflows from neighbouring countries and decreased activity by NCPB as a buyer of maize.

Since 2008, the Government through NCPB imports fertilizer to boost food production and improve enterprise profitability. The price is 30-41% lower than that of commercial outlets. Quantities imported annually average 60,000MT (DAP and CAN at 50:50 ratio) which is inadequate for maize production. Fertilizer acquisition/subsidy by the Government alters the behaviour of farmers thereby negatively affecting production through encouraging a dependency syndrome evidenced through delayed planting and reduction in fertilizer application.

Overall, the study found a positive food security situation but recommends close monitoring. The specific recommendations from the study are:

- Close monitoring of 2013/14 maize crop performance and national food stock to avoid volatility in prices and supply shortfalls,
- Continued rains in the grain basket area may increase postharvest losses hence resources for maize driers should be mobilized,
- Decreased market participation by NCPB shows price stability. As such the research recommends cessation of government interference in the maize market, but if the government has to purchase maize then it should be at prevailing market prices.
- If the government must purchase fertilizers then ensure adequate amounts are available to a large number of farmers in all maize growing areas, and are delivered on time and at the nearest point possible. This can be achieved through private sector partnerships, or the government purchase from the private sector.

Presentation by Dr. Timothy Njagi – Tegemeo Institute

Dr. Njagi's presentation was on '*Implications of Implementation of the VAT Act 2013 on Animal Feeds*'. The presentation highlighted the changes in categorization of various commodities and services as contained in the new VAT Act, 2013. It demonstrated the implications of implementation of the VAT Act, 2013 on livestock production using a case of poultry farming. The study justification is based on the fact that while most agricultural inputs and unprocessed output are either VAT exempt or zero rated, animal feeds are standard rated. Additionally, poultry keeping as an enterprise requires low capital outlay hence it's easy for farmers to enter and exit depending on the profitability and other factors. A large population of rural and peri-urban farmers is involved in poultry farming.

The study objectives were achieved through a rapid assessment in Kiambu County, which involved focus group discussions and interviews with poultry farmers, and manufacturers and stockists of animal feeds. The study shows that imposing a 16% VAT on animal feeds had not only increased the price of animal feeds by a similar margin but had also led to a decline of profits by between 70 to 100 per cent for poultry farmers. The presentation further shows how the increase in input prices coupled with a decline in output prices has forced small scale farmers

to withdraw from the poultry enterprise in the face of declining profitability. From the animal feed manufacturer's stand point, the study found that, sourcing raw materials from neighboring countries presents a cheaper option than sourcing them locally.

The presentation also highlights how as a result of non-competitiveness of farmers in the livestock subsector, the country risks adverse long run effects on poverty, nutrition and unemployment as well as infiltration of cheap imports. To avoid or reverse these adverse effects, zero-rating the VAT on animal feeds is recommended. The study further recommends that the Kenya Revenue Authority (KRA) enforces the VAT Act correctly, not as a sales tax as it currently is, but at 16 percent of the value added. In this regard unscrupulous traders who charge VAT without remitting it to KRA as they don't meet the threshold should be prosecuted. Public awareness should also be enhanced so that consumers know what items should attract VAT.

Presentation by Dr. Mercy Kamau - Tegemeo Institute

Dr. Kamau's presented on '*Advances in Kenya's Policy on GMOs and its Effects on Food Security*'. The objectives of the research work were to: give an overview of policies and legislation governing GMO in food and agriculture sectors in Kenya; and discuss the potential effects of GMO policies and legislation. The objectives were achieved through a rapid situation assessment that included a review of secondary documents, discussions with key informants, and review of media postings on GMO.

Kenya's policy on GMO is not very clear. While the Agriculture Sector Development Strategy (ASDS) recognizes the important role that biotechnology could play in securing Kenya's food security, by increasing food availability through increased productivity, even in marginal, flood prone or degraded areas, the Food and Nutrition Security Policy (FNSP) is silent on the role of biotechnology, yet biotechnology offers new ways of increasing food availability through increased productivity even in marginal areas and also providing cheaper, more nutritious foods through bio-fortification and trade.

One of the major issues arising from the current regulatory framework is that there are *conflicting interests* and the capacity of Kenya's bio-safety institutions including the NBA which is the authority charged with both the roles of promoting and regulating use of GMOs. Some of

the members of the NBA are drawn from bodies that carry out GMO research such as the Kenya Agricultural Research Institute (KARI). The core function of NBA is “to promote awareness and education among the general public in matters relating to bio-safety”. NBA is hosted by the Ministry of Education, Science and Technology. While the role of promoting use of biotechnology is well placed, the regulatory role conflicts with its role as promoter.

Additionally the Food, Drugs and Chemical Substances Act gives MOH sweeping powers to ban any foods which it considers hazardous. The ban on GM commodities – was effected outside the regulatory framework developed for biotechnology development and biosafety

Policy Challenges: There has been some tension between biotechnology development policy and biosafety/food safety regulations. While biotechnology development policies of the East African countries recognize the potential contribution of modern biotechnology for meeting socio-economic and development goals, the biosafety regulations have provisions that may potentially undermine efforts to meet the regions food security and development goals. Another challenge lies in the fact that although the Biosafety Act 2009 and import regulations allows the importation of GMOs, according to the Biosafety (Labelling) Regulations, 2012, products containing more than one (1) per cent GM content are expected to be labelled. This also is in conflict with the Food, Drugs and Chemical Substances Act that gives the MOH sweeping powers to ban any foods which it considers hazardous.

The GMO policies/legislation in East, Central and Southern Africa are not harmonised: South Africa is ahead, followed closely by Kenya and Zambia. Other countries in the region do not have in place, the prerequisite policies/legislation. But because of the trade and of its position as a transit country for agricultural products, the GMO policy and legislation in Kenya and her trading partners is bound to affect trade and other related activities in the EAC and beyond.

There are other challenges related to the motivation for policy positions adopted. Policy makers might fear that embracing GMO will: lead to erosion of our traditional export markets (EU); be unsafe to humans and animals; lead to environmental degradation; and is not for small scale farming where isolation (GMO) is not guaranteed. There are also *Inconsistencies* in that the ban on GM food trade is likely to be waived when there is a shortfall in the domestically produced food (maize).

One of the major effects of the policy is that GM food and products ban may have negative impact on food security and the provision of emergency food aid lead to low food supplies/food shortages and higher prices/price hikes for imported cereals. Additionally the difference in policy and legislation is likely to complicate research and trade in seed and agricultural products considering several facts. Firstly, Kenya is a transit country for relief food (to DRC, Somalia, S. Sudan, Uganda), most of which is GM food. Secondly, Kenya exports seed (especially maize) and seedlings to most of the countries in the region as well as horticultural crops and flowers. Lastly, Kenya meets her food needs through imports from the region.

The mandatory labelling requirement has several implications. The first implication is that consumers to have a choice in consuming or avoiding products made with GM ingredients. Additionally the mandatory labelling requirement will result to higher costs through: Certification as GM commodities would have to be transported, stored and processed separately; lengthy process for importers of GMO products (e.g. millers) who will have to apply to NBA and let NBA to assesses all risks (a process of 90 and 150 days according to the Biosafety Act). Once approved, millers proceed to comply with the labeling regulations before placing the product in the market. This is likely to increase production costs by 11-12 per cent. Further the requirement will complicate the process of importation/trade as there will be extra costs to trade: due to varying labelling regulations among countries, and the introduction of trade barriers through prohibiting importation from countries that do not have labelling requirements and traceability.

The study recommends that:

- Inconsistencies should not wait for shortfalls in the domestically produced food (read maize) to lift the ban on GM food and products!
- The assurance on safety of GM foods will be through investment in adequate testing and the regulatory infrastructure and human capacity. Address the real problem - capacity to generate technology; cost/benefit analysis; capacity to test, regulate, surveillance at entry points.
- Separate biosafety promotion and biosafety regulation roles to boost confidence in the GMO regulatory system.
- Harmonise the institutions and application of laws governing GM food safety.
- Harmonise GMO policies/legislation in ECA for ease of trade.

- Commission independent studies on costs, benefits and trade-offs. These can include studies on: conventional *vis-a-vis* GM food, imported or domestically produced food, cost benefit analysis of various GMO regulations.
- Make submissions to the taskforce mandated to review matters related to GMO foods and food safety.

SESSION THREE: PLENARY DISCUSSION

Discussion on Food Situation Analysis

In reference to Ms. Olunga's presentation one of the participants enquired whether the study had factored in the effect of the maize lethal necrosis disease (MNLN). Mr. Dienya responded that a task force had been established to come up with ways of dealing with the menace. It had been reported that the land affected by the disease in the current year was estimated at less than 10,000 hectares which represents a much lower effect in comparison to the previous year where about 60,000 hectares under maize had been affected by the disease.

Another participant sought Ms. Olunga's opinion with regard to the government's role in subsidizing fertilizer prices alluding that this encourages dependency syndrome among the farmers since they delay to plant waiting for the subsidized fertilizer. The participant further wanted to know whether NCPB is qualified to distribute fertilizer. Ms. Olunga affirmed that indeed farmers were delaying planting while waiting for the subsidized fertilizer to be delivered. She therefore reiterated the need for the fertilizers to be supplied at the right time and in good quantities. Additionally Dr. Kamau argued that the benefits of the price subsidization are always lost when farmers incur loss of productivity potential occasioned by delayed planting and fertilizer application.

Mr. Dienya clarified that the subsidized fertilizer is targeted for the poor small scale farmers as a support strategy out of food insecurity. Concerning NCPB's involvement in fertilizer distribution he pointed out that while NCPB have the infrastructure to distribute fertilizer they may not have the right expertise for that. Mr. Dienya further informed the participants that the NCPB was in the process of being restructured and that farm inputs distribution was most likely not going to be part of the mandate of the restructured NCPB. In response to Mr. Dienya's sentiments Dr.

Mathenge brought out the contradiction that comes into play when farmers delay to plant waiting for the supply of the government subsidized fertilizer, which is about 60 MT and only about 10 percent of the total requirements of 500,000 MT. This means that the benefits expected from the remaining 90 percent fertilizer use is lost and this presents a contradiction in the policy actions. Dr. Mathenge advocated for the government to buy the fertilizer from the private sector and distribute it to poor farmers through a voucher system such that incidences of delay in delivery will not arise. She reiterated the need for proper targeting of the subsidized fertilizer, pointing out that in most cases the subsidized fertilizer is issued to the larger farmers who have the means to collect it from NCPB stores whose location is not easily accessible to the majority of farmers.

In a twist, however, a participant representing the NCPB suggested that it's important to consider the contribution of small holder farmers vis-a-vis that of the large scale farmers in order to effectively discuss the effect of the 60,000 MT fertilizer supplied by the government on food security. Considering that over 70 percent of the maize production in the country is by small holder farmers, he reiterated the importance of considering the impact of the programmes in relation to the perennial food shortage. The participant pointed out that the subsidized fertilizer is meant for the small holder farmers and is issued within a limit of 40 bags per farmer. Other programmes like NAAIAP however are targeted for the very small farmers however.

Discussion on Implications of VAT Act

A participant expressed displeasure at Dr. Njagi's introductory comment that consumer organizations had not participated in demonstrations, like the livestock farmers had, to lobby the government for the exclusion of livestock inputs from the taxable category when the VAT Act came into force. In response Dr. Njagi apologized and clarified that his intention was not to discredit the consumer lobby groups but to highlight that the matter was at the core of livestock production such that farmers went out by themselves to create awareness regarding the immense effect of the new law on their revenues hence production decisions.

Another participant wanted to know whether the study on the effect of VAT on food security has factored in welfare (dead weight) losses. Dr. Njagi responded that while dead weight losses had not been estimated in the study, there were some avenues through which they were incurred. One such is the fact that animal feed processors were importing raw materials from neighbouring

countries. Additionally the small businesses who don't meet the VAT threshold charge VAT on their sales yet this is not remitted to the government. He suggested that there is a possibility that what is collected as government taxes could be less than the dead weight losses.

A participant raised a question as to why the presentation on the impact of VAT recommended zero rating of animal feeds. He wondered whether there are inefficiencies in the system based on the fact that the prices of eggs were on a declining trend yet those of feeds were on the rise and raised a concern that the recommendation may mean cushioning inefficient producers. In response Dr. Kirimi pointed out that although cushioning of inefficient farmers is not encouraged, opportunities exist to help poultry farmers remain in business through zero rating of animal feeds.

A representative of the State Department on Agriculture raised a concern that the presentation on the effects of the VAT Act on food security had painted a worrying picture for the development of the livestock sub-sector. He asserted what the presenter had said that the poultry enterprise requires low capital investment hence it's easy for farmers to get in and out, pointing out that if farmers are pushed out of production by the high cost of feeds then the gains that had been made by the ministry to ensure self-sufficiency in the livestock sector would be lost. The participant recommended the need to save the livelihoods of the poultry farmers through amending the policy.

A participant expressed her pleasure at the commitment of the government through the Parliamentary Committee on Agriculture to work with the poultry farmers. She however felt it was contradictory for political leaders to have warned the poultry and pig farmers against holding a demonstration when the VAT Act was enacted claiming that it was disrespectful to hold such a demo at the president's backyard. The participant wanted to know from Dr. Njagi whether the study had established the costs of production for eggs and broilers. She also wondered whether the impact of VAT on gasoline had been factored in the analysis. The participant warned that if poultry farmers exit the enterprise the government would lose since revenue from millers would go down and funds from other government programmes like the Uwezo fund may not be fully utilized. She concluded by informing the participants that

KEFOPA had embarked on an indigenous chicken commercialization programme that was training farmers and encouraging them to keep as many as 500 birds per household.

Discussion on the GMO policy and its implications on food security

Dr Nguthi of the ISAAA concurred with Dr. Kamau's recommendation that the country should not always wait until there is a food crisis in order to further the GMO debate. She reiterated the sentiments by the Vice- chair of the Departmental Committee on Agriculture, Livestock and Cooperatives of the National Assembly, Hon. Kareke Mbiuki, that there is need to create awareness amongst consumers on GMOs. The participant further informed other participants of OFAB, a forum that brings together stakeholders to discuss matters related to GMO use in the country. The forum is held every last Thursday of the month at the Safari Club and being an open forum she extended an invitation to the participants.

General and cross cutting issues

A participant expressed their satisfaction that law makers would find time to attend the policy discussion forum. He however challenged Tegemeo to give clear suggestions that can be pushed through parliament for implementation.

Another participant representing the Cereal Growers Association commented Tegemeo for the factual presentations. She made a recommendation that in order to keep the markets and prices stable, the government need not to interfere with the market forces. The participant further challenged the government on the need to prioritize and deal with aflatoxin which is a real risk to food security and safety as opposed to perceived risks like the use of GMOs. The participant asked the government agencies to also consider drawing part of membership from the private sector when constituting food security steering committees. In response to her sentiments Mr. Dienya advocated for a stakeholder based approach to food assessments. He challenged Tegemeo to join hands with the government agencies in preparing a document for use in conducting food assessments by the counties.

A participant suggested the need to conduct value chain studies. He argued that such studies give clearer expectations and opportunities, highlighting the different players in the chain hence can

help investors and players who are not necessarily farmers see where they can gain value for their money if they invested in the food value chain. In response Dr. Kirimi from Tegemeo directed the participant to value chain studies done by Tegemeo whose results are available on the Tegemeo website.

Discussion and reactions by the Vice Chairperson, Parliamentary Committee on Agriculture- Hon. Kareke Mbiuki

The Vice Chairperson of the Parliamentary Committee on Agriculture, Hon. Kareke Mbiuki, expressed his pleasure at having been invited to represent the Committee at the policy forum. He went ahead to thank Tegemeo Institute for having done a commendable job in terms of generating and sharing with policy makers recommendations geared towards attaining food security in the country. He assured Tegemeo that his committee was committed to ensuring that the policy recommendations are translated into law.

The Honourable member pointed out that being in a transitional period, the country was experiencing various challenges. The national government mandate is to generate policies while the implementation is entrusted to the county governments. The Agriculture committee is concerned that the gains made in the past 10 years may be lost due to the devolved system if the county governors don't prioritize agriculture in their budgetary allocations. He further pointed out that initially confusion had arisen where the county governments had mistaken the agriculture sector and food security as being the responsibility of the national government.

On aflatoxin the Vice chairman of the Parliamentary Committee on Agriculture informed the participants that the menace had not spread in all parts of the country. To counter the problem the national government had bought 18 driers for use to dry grains to the required standards. The project has however stalled due to problems related to devolvement and bureaucracy. He therefore reiterated the need to employ an intergovernmental agency approach to ensure that national and county issues are synergized.

Regarding fertilizer subsidization Hon. Mbiuki pointed out that at some point the prices of fertilizers had skyrocketed to about 6,000 Kes per 50 kg bag. The introduction of the subsidized fertilizer was meant to bring the prices down and the government's overall objective had largely been achieved. The Vice Chair reiterated the commitment of the government to ensure timely

procurement and distribution of subsidized fertilizer and encouraged Tegemeo to engage the Cabinet Secretary through the Departmental Committee on Agriculture, Livestock and Cooperatives. He further mentioned that a regulatory framework within the Agriculture, Food and Fisheries Act would be put in place by having a fertilizer management directorate that can oversee and manage the challenges in the access of fertilizers.

Honourable Mbiuki expressed his strong opinion that the government shouldn't be involved in the maize markets with the exception of ensuring that adequate grain reserves are maintained. The private sector should be left alone to play its role and stabilize the markets. Owing to the effects of climate change the government is committed to steering the process of moving away from rain fed to irrigated agriculture. The target is to have about 1 Million hectares under irrigation in Galana under sugar cane and maize by the private sector once the government puts the infrastructure in place.

With regard to the effect of VAT Act on the poultry subsector, the Chairman was in agreement that farm inputs had indeed been affected and that the Act was in the process of being amended. He advised the presenter Dr. Njagi to prepare and introduce some recommendations that will be factored in the amendments through parliament. Further, Hon. Mbiuki agreed that animal feeds should be zero-rated and recommended a cost benefit analysis of the impact of the VAT Act to be conducted.

On GMOs Hon. Mbiuki reiterated the need for a good regulatory framework to ensure that the message on genetically modified foods is consistent and that the foods imported are safe for use in the country. He intimated on the need to conduct campaigns to pass the message that the foods are safe for consumption and to follow proper labelling requirements claiming that labelling shouldn't be an impediment. The Vice chairman concluded by inviting the presenter Dr. Kamau to join him at a Departmental Committee on Agriculture, Livestock and Cooperatives of the National Assembly forum later in the morning and make her recommendations based on her work on policies and institutions on GMOs in Kenya.

CLOSING REMARKS

Prof. Kibor- *Director of Research and Extension, Egerton University*

Prof. Kibor started his closing remarks by noting that the government's intent in subsidizing fertilizer is to make it accessible to as many farmers as possible hence impact on food security. He however raised some questions that needed to be put into consideration in determining whether the approach was optimal to attain food security or not. Firstly, what's the proportion of the number of small scale to large scale maize producers? Second, what's the contribution of small scale and large scale farmers to overall maize production in a year? The Prof. asserted that if small scale famers could be supported to produce at the right time with the right technology then chances are that there will be no more food shortages.

The Prof. expressed his displeasure that the subsidized fertilizer often doesn't end up with the targeted category of farmers. He challenged the players in the fertilizer distribution channel to ensure that the targeted small scale farmers do receive the subsidized fertilizer so as to be able to produce enough food for both domestic consumption as well as surplus for export. The Prof. concluded by thanking the participants for their availability and participation at the forum.

Millie Gadbois- *Senior Economist, USAID Kenya Mission*

Dr. Millie Gadbois thanked Tegemeo Institute for the excellent presentations and discussion. She was particularly impressed to have so many national and international bodies represented at the forum to discuss the important matter of food security and stability. She further expressed her appreciation to the presenters for their efforts in putting the research findings together.

Dr. Gadbois expressed her excitement at being in Kenya for policy analysis particularly at the crucial time of devolution. She pointed out the need to factor in the Counties in policy analysis so as to ensure coordinated efforts towards food security and general development. Dr. Gadbois further informed the participants that the USAID- Kenya Mission had initiatives through which several county governments had been visited. Counties in Eastern Kenya had been seen to compete and engage in many projects some of which may not be economically viable and sustainable while those in the Western were combining efforts to work together. Such was the

case of Siaya, Homabay and Kisumu in setting up a breweries plant; and Kisumu and Kericho counties in solving water problems. Tegemeo Institute has been working with some of the counties to provide the data needed for informed decision making. Dr. Gadbois concluded by thanking the participants for the fruitful discussion.

VOTE OF THANKS – Dr. Lilian Kiriimi, *Tegemeo Institute*

Dr. Kiriimi thanked the participants for the enriching discussions and reiterated Tegemeo's willingness to engage with all the stakeholders represented. She specifically acknowledged the presence of Dr. Millie Gadbois and Dr. Kilungo - USAID Kenya Mission; Prof. Kibor - Egerton University; Various government ministries represented: State Department of Agriculture and State Department of Livestock; Civil societies represented; and Farmer Organizations. Lastly Dr. Kiriimi commended her colleagues from Tegemeo Institute for the good work and specifically appreciated the extra effort by the presenters: Dr. Kamau, Dr. Njagi and Ms. Olunga.

LIST OF PARTICIPANTS

	NAME	ORGANIZATION
1	Abate Augusta	FAO
2	Anyango Ezra	National Treasury
3	Arat Simba, Hon	National Assembly
4	Chele L.S, Hon	National Assembly
5	Dienya Tom	Ministry of Agriculture, Livestock and Fisheries
6	Emorgor A.Rosemary	KARI
7	Fernades Paloma	CMA
8	Gadbois Millie, Dr.	USAID, Kenya Mission
9	Gathara Simon	KMS
10	Gikonyo Stephen	Ministry of Agriculture, Livestock and Fisheries
11	Gitau Raphael	Tegemeo Institute
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13	Kamau Mercy, Dr.	Tegemeo Institute
14	Karin Francis	Tegemeo Institute
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16	Karugia Joseph	ILRI/ReSAKSS
17	Kevin Omondi	Tegemeo Institute
18	Kibor Alfred,Prof	Egerton University-Research &Extension
19	Kilungo Julius,Dr	USAID, Kenya Mission
20	Kimani Judy	Tegemeo Institute
21	Kimani Virginia	PARL
22	Kinyumu Ephiaphania N.	Tegemeo Institute
23	Kirimi Lilian, Dr.	Tegemeo Institute
24	Kute Allan	WFP
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32	Mutua Elizabeth	Tegemeo Institute
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34	Mutunga John K, Dr	KENFAP
35	Natu Hellen,Dr.	EAGC
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37	Nguthi Faith, Dr.	ISAAA
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41	Obondo Margaret	COFEK
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48	Warui Kenfred	Tegemeo Institute