

Keynote Address on Regulation, Partnerships and Development of the Cotton Sector in Kenya

by
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- **SEACF Chairperson**
- **Dr. Rafiq Chaudry**, Representative International Cotton Advisory Committee (ICAC)
- **Dr. GJ Thomson** – Agricultural Research & Council South Africa
- **Dr. Ephraim Mukisira**, KARI Director,
- **Dr. M. Akiri**, CABI Regional Director
- **Provincial Director of Agriculture**
- **District Agricultural Officer - Nyeri**
- International Guests: **Ethiopia, Mozambique, South Africa, Sudan, Uganda and Zambia**
- **Local Organizing Committee**

Ladies and Gentlemen,
Good morning:

I wish to welcome you all especially our visitors from outside Kenya

Ladies and Gentlemen,

If I may start from Historical background, Cotton cultivation in Kenya started in 1902 coinciding with the construction of the Kenya Uganda Railway. By then cotton production and marketing activities were handled by private companies under the colonial government, mainly British Cotton Growers Association and later in the 1930s by Uganda Lint Marketing Board. The first legal framework was set up in 1955 when the colonial Government established the defunct Cotton Lint and Seed Marketing Board (CL & SMB) by an act of parliament to regulate and promote the cotton industry. CL & SMB was later transformed to Cotton Board of Kenya.

Around the same time, cotton co-operative societies and Unions were also created to handle the primary activities relating to cotton i.e. production through input supply, farmers payment and processing of cotton.

Ladies and Gentlemen,

Cotton Research in those early years was done by Cotton Research Corporation (CRC) until 1975 when it was handed over to the Ministry of Agriculture which undertook research activities until 1988 when it was handed over to the Kenya Agricultural Research Institute (KARI) which was established under the provisions of the science and technology (Amendment) Act, of 1979.

Therefore as observed, looking at early years of the cotton subsector, it was highly controlled by the government. Actually the Kenya Government policy since independence up to 1977 was guided by broad objective of attaining national self sufficiency in cotton. This was reflected in the propensity to encourage CL &SMB to use its powers under the cotton Act to intervene more directly in both processing and marketing. Thus the Board operated six ginneries and in 1978 the Board assumed exclusive financial responsibility for buying seed cotton as well as selling lint and seed. This meant that all intermediate marketing and processing activities were carried out by the Board. Actually the BOARD administered prices (set prices) for cotton seed, seed cotton and lint.

Ladies and Gentlemen,

What I am saying is that at those early stages everything in the sector was being propelled by the Government. The structure of the Cotton sector then was simple whereby it comprised mainly of the Board and the growers/cooperatives. However with liberalization in early 1990s this arrangement became unsustainable and within a short time, the Cotton Board of Kenya became dysfunctional due to various challenges in its operations in the new dispensation. The Cotton Act was thus amended in 2006 to address the challenges that came with liberalization of the sector. The amended Act [Cotton (Amendment), Act 2006] embraced greater private sector participation in the sector through Public Private Partnerships. Subsequently, Subsidiary regulations were developed, Cotton (General) regulations, 2007 and gazetted by the Government to implement the Amended Act. The Cotton Development Authority was thereafter formed to promote and regulate the sector. In the amended Act, the government abandoned production of seed, processing and Marketing in favour of private sector participation. Today the sub sector is being managed by a Board that has a heavy private sector presence that include farmer representatives (7), farmers association representatives (2), Ginneries' association representatives (2) and few members representing relevant Government departments.

Ladies and Gentlemen,

Through partnering,

- Cotton production Research is spearheaded by KARI. Other institutions involved in research are International Scientific Research Organizations like ICIPE and Universities
- Introduction of improved seed varieties/Germplasm, seed processing and distribution is open to government agencies like Kenya Seed Company, KARI and interested seed companies such as Monsanto, Bayer Crop Science, Amiran Kenya and Vibha Seed .
- Advocacy and Farmer organizations development is promoted by various organizations among them the Kenya Cotton Growers Association
- Ginners are organized under Kenya Cotton Ginners Association to process and market cotton
- Kenya Institute for Public Policy Research Analysis (KIPPRA) is involved in Public policy research advisory for all sectors including cotton
- Agro Chemical Companies are active in Capacity Building of farmers and supply of inputs
- Cotton and textiles Industrial research and training is carried out by Moi University – Rivatex EA Ltd, Kenya Industrial Research Institute (KIRDI) and Kenya Textile Training Institute (KTTI)
- Dissemination support organizations are the Public Extension service and private sector (ginners, seed companies and Non Governmental Organizations)
- Financing is supported by Banks and other financial institutions especially with the improved lint price
- Ginners Purchase seed cotton, process and market lint and byproducts.

To streamline operations by various actors/ partners, the Authority has established its offices in all the Cotton growing regions for the sole purpose of regulating cotton activities. The thrust areas of regulation are:

- Planting seed whereby seed merchants are registered and regulated by partner Government Agency, Kenya Plant Health Inspectorate Services (KEPHIS) through seeds and varieties Act, CAP 326
- Quality control - Cotton Grading at point of sale and at ginning
- Buying of seed cotton (registration of buyers and their compliance to buying procedures)
- Registration of Stores and marketing operations.

- Packaging and submission of standard reports by buyers and ginners to the Authority
- Ginnery operations through Inspections and Registration
- Control of Seed Cotton movement from one region to another to avoid contamination and mixing of varieties
- Export of cotton (for Data and compliance)
- Adulteration of cotton

As part of its regulatory function, the Authority is now working on Commencing Instrument Cotton classification for all the lint bales produced in the country in line with the market trends.

Ladies and Gentlemen,

We believe that Government role should remain that one on regulation and Policy formulation to create a conducive environment for vibrant private sector participation at all levels of the Value chain. The Government is revising the Cotton Policy to improve some areas and align it with the new constitution to accelerate growth of the sub sector.

Thank you, Ahsante Sana and God Bless You