

THE CROPS ACT

(No. 16 of 2013)

IN EXERCISE of the powers conferred by section 40 of the Crops Act, 2013, the Cabinet Secretary for Agriculture, Livestock, Fisheries and Co-operatives in consultation with the Authority and the County Governments, makes the following Regulations—

THE CROPS (COFFEE) (GENERAL) (AMENDMENT)
REGULATIONS, 2022

1. These Regulations may be cited as the Crops (Coffee) (General) (Amendment) Regulations, 2022. Citation.
2. The Crops (Coffee) (General) Regulations, 2019, herein referred to as the principal Regulations are amended in regulation 2—
 - (a) by deleting the definition of “auction” and substituting therefor the following new definition—

L.N. 102/2019.

“auction” means a physical place or electronic system where potential buyers competitively bid for coffee;

- (b) by deleting the definition of the term “agent”;
- (c) by deleting the definition of the term “broker”;
- (d) by deleting the definition of the term “exchange”;
- (e) by deleting the word “exchange” and substituting therefor the word “auction” in the definition of the term “buyer”;
- (f) by inserting the words “operating coffee house” immediately after the word “roasting” in the definition of the term “coffee business”;
- (g) by deleting the word “exchange” wherever it appears and substituting therefor the word “auction” in the definition of the term “sweepings”;
- (h) by deleting the word “exchange” and substituting therefor the word “auction” in the definition of the term “trading floor”;
- (i) by deleting the definition of the term “direct settlement” and substituting therefor the following new definition—

“direct settlement system” means a receipts and disbursements facility provided by a commercial bank regulated as such under the Central Bank Act for the receipt from buyers of all proceeds from the purchase of coffee and from which all claims on the coffee so purchased, including payments to growers, grower millers, grower marketers, miller-marketers, warehousemen, warehouses, Nairobi Coffee Auction and financial obligations will be directly settled;

- (j) by deleting the definition of the term “sales catalogue” and substituting therefor the following new definition—

“sales catalogue” means a standard document prepared by a miller-marketer or a grower marketer in consultation with the auction organizer for sale of clean coffee at the auction;

- (k) by inserting the following new definitions in proper alphabetical sequence—

“auction organizer” means a person, company or firm established for the purpose of organizing coffee auctions in Kenya and is licensed by the Authority;

“cherry” means “the ripe fruit of the coffee tree”;

“buni” means dried coffee in the fruit but does not include hulled dried fruit;

“compliance certificate” mean a certificate issued by the Authority to ascertain compliance with quality standards;

“grower marketer” means a grower licensed by the Authority to market his or its own clean coffee;

“grower miller” means a grower who mills own parchment or buni or its members’ coffee and includes cooperative societies, association, estate or any other grower legal entity issued by the respective county government;

“importer” means a person licensed by the Authority to import value added coffee;

“management agent” means any person licensed by the Authority, and appointed through a specific agreement by a grower or a smallholder for the management of such coffee farm or pulping station;

“miller-marketer” means a person whose mill is approved by respective county governments and is licensed by the Authority and appointed by the grower to undertake the milling and marketing of the grower’s coffee”; and

“value added coffee” means coffee that is roasted and packaged and includes instant coffee.

3. Regulation 4 of the principal Regulations is amended in sub regulation (2) by—

- (a) inserting the words “auction organiser and miller marketer” immediately after the word “liquoreurs” in paragraph (a);
- (b) deleting paragraph (d) and substituting therefor the following new paragraph—
 - (d) develop, oversee and enforce as the case may be, the national regulations, coffee industry standards, industry code of practice and other quality standards in the coffee industry in collaboration with the national body for the time being responsible for standards;
- (c) by inserting the following paragraph immediately after paragraph (j)—
 - (ja) undertake inspection and surveillance of industry players;
- (d) deleting paragraph (k).

4. Regulation 5 of the principal Regulations is amended in sub regulation (2) by deleting the word “milling” appearing in paragraph (c) and substituting therefor the words “grower miller”.

5. Regulation 7 of the principal Regulations is amended by—

- (a) deleting sub regulation (5) and substituting therefor the following new sub regulation—
 - (5) The Authority shall register all coffee warehousemen, warehouses, coffee miller-marketer, grower marketer, grower miller, auction organizer, coffee buyers,

coffee bags suppliers, roasters, importers, and certification companies, maintain an up-to-date register and share the register with respective county governments.

- (b) inserting the following new sub regulations immediately after sub regulation (7)—

(8) The management committees of a coffee co-operative and grower associations shall serve for a period of five-year term renewal once.

(9) In electing management committee members under this section, a cooperative society or an association shall ensure that not more than two thirds of the members are of one gender.

(10) In electing management committee members under this section, nominees for the board shall meet the requirements of Chapter Six of the Constitution.

(11) Notwithstanding the provisions of any other law, every coffee factory may, by resolution of its members in an Annual General Meeting, apply for registration as a cooperative society under the Co-operative Societies' Act.

Provided single factories seeking registration as cooperative societies shall demonstrate an average coffee production of 500,000 kgs for the immediate preceding three years.

(12) The County Government, in consultation with the Authority, shall issue a distinguishing mark and a grower code.

(13) No estate, association, company or a co-operative society offering coffee for sale or export shall use any distinguishing mark and grower code to market and identify such coffee unless the mark is registered by the county government in consultation with the Authority.

6. Regulation 10 of the principal Regulation is amended —

- (a) in sub regulation (1) by deleting paragraph (d);
- (b) in sub regulation (2) by—
- (i) deleting paragraph (a);
 - (ii) deleting the word “exchange” and substituting therefor the word “auction” in paragraph (c);
 - (iii) by inserting the following new paragraphs immediately after paragraph (e)—
 - (f) grower marketer licence in Form C3.2 set out in the First Schedule authorizing the grower to market own coffee;
 - (g) auction organizer licence in Form G8 set out in

the First Schedule authorizing the conduct of coffee auctions;

(h) miller- marketer licence in Form C4 set out in the First Schedule authorizing the holder to conduct the business of milling and marketing coffee at a fee;

- (c) by inserting the following new sub regulation immediately after sub regulation (2)—

(2A) The Authority shall seek the approval of county governments before issuing miller-marketer licenses.

Provided such approval is accorded to miller applicants within thirty calendar days upon application.

7. Regulation 11 of the principal Regulations is amended by —

- (a) deleting sub regulation (1) and substituting therefor the following new sub regulation —

(1) A holder of a coffee buyer’s licence or any other entity associated with such holder shall not be licensed as a miller-marketer, roaster or warehouseman.

- (b) deleting sub regulation (4) and substituting therefor the following new sub regulation —

(4) Licences issued by the licensing authority shall run from 1st October to 30th September of every year and application for renewal of a licence shall be made to the Authority not late than the 1st day of the month of September in which the current licence is to expire”.

8. Regulation 19 of the principal Regulations is amended —

- (a) in sub regulation (6) by deleting the word “exchange” and substituting therefor the word “auction”;

- (b) in sub regulation (7) by deleting the word “exchange” and substituting therefor the word “auction”.

9. Regulation 20 of the principal Regulations is amended by deleting sub regulation (1) and substituting therefor the following new sub regulation —

(1) The Kenya Agricultural and Livestock Organization may validate coffee research findings from other accredited research institutions.

10. Regulation 22 of the principal Regulations is amended —

- (a) by deleting sub regulation (1) and substituting the following new sub regulation —

(1) Every coffee society shall, by resolution of its management meeting, competitively procure services of a licensed miller-marketer for the milling parchment and buni coffee and the marketing of clean coffee, or as the case may be.

(b) by inserting the following new sub regulations immediately after sub regulation (1)—

(1A) The management of every society shall, within two months of the end of the crop year, convene a meeting of its members to ratify the miller-marketer procured under sub regulation (1).

(1B) The County Executive Committee Member responsible for cooperatives shall attend or designate a representative to attend the meeting referred to in sub regulation (1A).

(1C) Every registered miller participating in the meeting under sub regulation (1A) shall disclose all charges and fees that may be incurred in the milling process to enable growers make an informed decision.

(1D) Every resolution made under this regulation with regards to the procurement of a miller-marketer, shall within fourteen days of the meeting, be filed with the Authority and copied to the respective County Government.

(c) by deleting sub regulation (2) and substituting the following new sub regulation—

(2) A miller-marketers licensed under these Regulations shall charge up to one per centum (1%) of the value of the coffee sold as marketing commission.

(d) by inserting the following new sub regulation immediately after sub regulation (2)—

(2A) The milling losses allowable under this clause may be capped at nineteen percent of parchment coffee milled.

(2B) The cost of coffee milling and related activities (handling, sorting, grading, packaging, warehousing charges) shall not exceed Ksh 4,000.00 per ton of coffee delivered.

(e) in sub regulation (13) by deleting the word “exchange” and substituting therefor the word “auction organiser”.

11. Regulation 23 of the principal Regulations is amended—

(a) in sub regulation (1) by deleting the word “exchange” and substituting therefor the word “auction”.

(b) by inserting the following new sub regulations immediately after sub regulation (1) —

(1A) A coffee miller-marketer shall be prohibited from offering a grower financial support.

(1B) The Coffee Auction shall be managed by an auction organiser who shall be licensed by the Authority.

(c) in sub regulation (2) by deleting the word “exchange” and substituting therefor the word “auction”.

(d) by deleting sub regulation (3) and substituting therefor the following new sub regulation—

(3) A buyer, roaster, a miller-marketer, grower marketer licensed by the relevant licensing authority, may trade at the auction in accordance with these Regulations and any other laws that may govern the auction.

(e) by inserting the following new sub regulations immediately after sub regulation (4)—

(5) It shall be an offence for a holder of a miller-marketing licence to participate by himself or by his agent in the buying of coffee.

(6) Parallel directorships and cross ownership of shares in miller-marketers and coffee buying companies is prohibited.

(7) The auction organizer shall establish an auction system for the conduct of auctions for Kenya Coffee and such system may facilitate trading in coffees from the region”

(8) An auction organizer shall fulfil requirements under the Second Schedule under these Regulations.

12. Regulation 24 of the principal Regulations is amended by inserting the following new regulations immediately after sub regulation (2)—

(2A) Direct coffee sales shall be subject to price competition at an auction whereby the Direct sales price shall serve as a reserve price.

(2B) Where the coffee referred to in subsection (2) fetches a higher price at the Coffee auction than the direct sale price offered, the prospective direct sale buyer shall have the right of first refusal to buy the coffee at the auction price.

Provided that if the prospective direct sales buyer refuses to buy the coffee at the Coffee auction price, the coffee shall be sold to highest bidder above the reserve price at the auction.

13. The principal Regulation are amended by deleting regulation 25 and substituting therefor the following new regulation—

Management of the auction.

25. (1) The auction organizer shall manage the auction floor, central sample room, information registry and the direct settlement system, maintain records relating to coffee sales, coffee samples and sweepings, and avail sales catalogues to interested parties.

(2) The proceeds of the sale of coffee by the auction shall, be deposited in a direct settlement system established in accordance with the laws that govern the auction.

(3) The grower or the grower’s authorized representatives, shall after the commencement of these Regulations, supply through the auction all the necessary particulars of the grower to the commercial

banks providing the direct settlement system to the grower, for purposes of initiating the settlement system

(4) The grower or the grower's authorized representatives shall through the auction organiser, lodge with the commercial banks providing the direct settlement system, any relevant contracts of service for which payment will be due from the grower, and any other document showing outstanding liabilities payable by the grower, for purposes of settlement through the system.

(5) The particulars supplied shall take the format prescribed by Form P set out in the First Schedule.

(6) The grower or the grower's authorized representatives and the auction organizer shall ensure that the information provided under sub-regulations (3) and (4) herein above is correct and relevant and they shall be liable for any loss or other consequences resulting from any incorrect information given to appointed commercial banks providing the settlement system.

(7) The Direct Settlement System provider shall remit coffee sales proceeds to the coffee growers and settle service provider's fees and other liabilities within five working days from the receipt of the proceeds of sale of coffee.

(8) All payments to growers for coffee sold and for services rendered for such coffee whether by miller-marketers, warehousemen, auction organizers, coffee societies and factories shall be paid into their individual accounts from the direct settlement system.

(9) The trading of coffee at the auction shall be in accordance with these Regulations and any other laws that may govern the exchange and shall comprise the following—

- (a) a miller shall deposit clean and graded coffee at a designated licensed warehouse, and where the clean coffee is a bulk, the miller shall provide details of the bulk and the proportions of the respective growers' coffee;
- (b) coffee shall meet the Kenya coffee quality standards for commodity trading at the exchange;
- (c) the warehouseman shall issue a coffee warrant in the form set out in the Eighth

Schedule or transferable warehouse receipts as the case may be, stating the quantity and quality of the coffee deposited and ensure traceability of the coffee;

- (d) for purposes of sale, the grower miller or appointed broker shall input the details of the coffee warrant or warehouse receipt as the case may be, into the central registry of the exchange;
- (e) the warehouseman shall guarantee delivery of the coffee described in the coffee warrant or warehouse receipt as the case may be, and in the event of loss or failure of delivery, the warehouseman shall be liable;
- (f) the warehouseman or an appointed collateral manager shall confirm that the warehouse receipt or coffee warrant as the case may be, is valid by inspecting and auditing coffee in the warehouse;
- (g) upon verification, details in the information registry shall be confirmed into the central order book ready for trading;
- (h) the auction organizer in consultation with grower marketers or appointed miller marketers shall set the volumes, lot sizes, dates and times for holding of coffee auctions and determine the order of the sales catalogues for every sale and ensure that reasonable access to the auction is given to all persons licensed to trade;
- (i) the grower shall, either directly or in consultation with the miller marketer, set the reserve price for the coffee for every sale taking into account the quality of the coffee, the prevailing auction prices and the international production and market trends;
- (j) where a bid for coffee at the auction has not been confirmed, the grower miller or miller marketer shall disclose the reserve price at the trading floor and where the disclosure of the reserve price does not attract any competitive offers, the coffee shall be withdrawn and re-offered for sale at a subsequent auction;

- (k) all trading in coffee at the auction shall be concluded at the trading floor of the auction;
- (l) once auction is complete, successful bidders shall be invoiced by the grower miller or miller marketer and payments of the proceeds shall be effected to the grower through direct settlement system net of contract and statutory charges;
- (m) upon confirmation of payment by the direct settlement system and endorsement by the auction organizer, title to coffee shall be transferred to the buyer or roaster by changing ownership details in the coffee warrant or warehouse receipt, as the case may be, at the central registry;
- (n) the new owners will thereafter be at liberty to take delivery of the coffee; and
- (o) a coffee warrant or warehouse receipt as the case may be, issued by the warehouseman to a depositor of coffee shall be transferable to a new holder who has purchased the coffee and is entitled to take its delivery upon presentation of the coffee warrant or warehouse receipt endorsed by the auction organizer to the warehouseman.

(10) Payments to factories or societies from the direct settlement system for operations and maintenance shall be five per centum of the value of coffee sold net of the milling, warehousing and marketing costs.

(11) The auction organizer shall disseminate market information for every auction and an analysis of performance on, weekly and monthly basis.

(12) The obligations of the auction and the direct settlement system provider shall be as set out in the coffee trading rules and these Regulations.

(13) A commercial bank which express an interest towards establishment of a direct settlement system shall fulfil requirements stipulated under the Second under these Regulations.

(14) The auction organizer shall enter into service agreements with commercial banks which qualify and are appointed to offer the services of direct settlement system services for the coffee subsector.

(15) A commercial bank appointed to offer direct settlement services shall submit returns to the auction organizer.

(16) A person who contravenes this regulation commits an offence.

14. Regulation 26 is amended by deleting sub regulation (1) and substituting therefor the following new sub regulation—

(1) A grower marketer or a miller-marketer in consultation with the auction organizer shall prepare a sales catalogue for all the coffee in a licensed warehouse in accordance to the coffee trading rules and these Regulations.

15. Regulation 32 of the principal Regulations is amended—

- (a) in sub regulation (2) by deleting the word “may” and substituting therefor the term “shall”;
- (b) in sub regulation (4) by inserting the word “independent” immediately after the word “offer”;
- (c) in sub regulation (8) by inserting the word “independent” immediately after the word “cupping”;
- (d) in sub regulation (9) by deleting the word “exchanges” and substituting therefor the word “auctions”.

16. Regulation 33 of the principal Regulation is amended—

- (a) in sub regulation (1) by inserting the words “miller-marketer”, “grower-miller” and “grower-marketer”;
- (b) in sub regulation (3) by inserting the words “food science and technology” after the word “engineering” appearing in paragraph (a).

17. Regulation 34 of the principal Regulations is amended by deleting the word “miller” and substituting therefor the words “miller-marketer”, “grower-miller” and “grower-marketer”.

18. Regulation 37 of the principal Regulations is amended by deleting the word “miller” and substituting therefor the words “miller-marketer”, “grower-miller” and “grower-marketer”.

19. The principal Regulations are amended by inserting the following new regulations immediately after regulation 38—

Society loans.

38A. The interest rate on borrowing against growers’ assets held in trust by the growers’ coffee co-operative societies such as assets, land, machinery, equipment, shall be capped at five per cent per annum.

No society shall contract any loans or advances under subsection (a) except with the support of a resolution passed by a majority of the members to that effect.

Any society that violates the provisions subsection (a) commits an offence and any loans borrowed in breach of this provision shall be statutorily converted.

Nothing in this section shall be interpreted as prohibiting coffee farmers from directly borrowing money from regulated financial institutions or any government established funds against their deliveries of cherry, parchment and clean coffee.

The trusteeship responsibility by the management committee of a coffee cooperative society is a fiduciary duty of position of trust and directors shall have held liable for any directors. Waste and loss arising from negligence and breach of trust.

Coffee buyers
Performance Bond

38B. The Authority shall demand a performance bond from a coffee buyer who demonstrates a level of risk in buyer's operations including; sample purchases, payments against coffee purchases and settlement of trade obligations"

Provided the value of such performance bond shall be commensurate to the level of risk demonstrated by a coffee buyer.

20. Regulation 46 of the principal Regulations is amended by inserting the following new paragraph immediately after paragraph (b)—

- (c) notwithstanding the provisions of regulation 46 (a) and (b) all marketing agent licenses existing as at 30th June 2021 shall remain valid until a direct settlement system is established for the processing of coffee sales proceeds and other ancillary services;
- (d) companies that may require internal reorganization to comply with the provisions of these regulations shall be given a transitional period not exceeding twelve months from the effective date of these regulations;
- (e) existing licenses shall, upon the commencement of these Regulations, remain in force until the term of expiry.

21. The First Schedule to principal Regulations is amended—

- (a) in Form A2 by deleting the words "Kenya Agriculture, Livestock Research Organization" appearing in paragraph 3 of the terms and conditions and substituting therefor the words "an accredited research organization".
- (b) in Form C2 by deleting the heading "The County Government of.. Application for a Commercial Coffee Milling Licence" and substituting therefor the following new title—

THE AGRICULTURE AND FOOD AUTHORITY

APPLICATION FOR MILLER MARKETER LICENCE

- (c) in Form C3 by deleting the heading “County Government of..” and substituting therefor the following new heading “The Agriculture and Food Authority”.
- (d) by deleting Form C4 and substituting therefor the following new Form—

(r.10(2)(a))

AGRICULTURE AND FOOD AUTHORITY

FORM C4

MILLER MARKETER LICENCE

Name

.....

License No. Authority’s Code.....

Valid from.....to.....

Postal Address.....Postal Code.....

EmailMobile number.....

County.....Sub-county

Ward.....Village/Road.....

L.R.No./Plot.....

Is/are hereby authorized to operate a milling plant as a commercial miller at.....to mill coffee and prepare such coffee for sale.

Issued by:

CEC or Authorized Officer

Designation -----

Signature..... Date

For: County Government

Subject to Terms and Conditions:

1. A miller marketing licence holder shall submit their milling returns to the Authority and County government on a monthly basis.
2. The miller marketing licence holder shall comply with the Coffee Industry Code of Practice and Standards.
3. The miller marketing licence holder shall allow free access to the premises by the inspectors authorized by the Authority and county government.
4. The county government may vary, suspend or revoke the milling license issued if the holder fails to abide with the terms and conditions of the license.
5. The miller marketing licence holder shall provide to the Authority and county government the milling tariffs for the purpose of publication a month before the commencement of the coffee year.
6. The miller marketing licence shall not be transferable.

(e) by deleting Form C6 and substituting therefor the following new Form—

FORM C6

(r.22(10))

MILLER MARKETER MONTHLY RETURNS

Miller's Name.....

Miller's Code.....License No.....

Postal Address:.....Postal Code.....

EmailMobile number.....

County.....Sub-county

Ward.....Village/Road.....

L.R.No./Plot.....

Coffee year Month.....

Grower Name	Grower Code	Out-Turn	Parchment (Kg)				CLEAN COFFEE										Buni					
			P1	P2	P3	T/P	AA	AB	PB	E	C	TT	T	SB	UG	Total cc	Milling loss	MH	ML	Total Clean Buni	Milling Loss	
Totals																						

Monthly Sweepings in Kg.....

Milling Charges per Tonne (where applicable)

.....

Transport charges (where applicable)

.....

Sorting per Tonne (where applicable)

.....

Other charges (Specify).....

Prepared by:

Name.....Designation.....

Signature.....Date.....

Stamp

- (f) in Form D1 by deleting the word “exchange” and substituting therefor the word “auction”.
- (g) deleting Form D2 and substituting therefor the following new Form—

FORM D2

(r.10(2)(e))

AGRICULTURE AND FOOD AUTHORITY

COFFEE BUYER' S LICENCE

Name of Buyer.....

Licence No. Buyer's Code.....

Valid from.....to.....

Postal Address:Postal Code.....

EmailMobile number.....

County.....Sub County.....

Ward.....Street/road

L.R.No./Plot No.....

Is hereby authorized to buy clean coffee only at the auction for export or local sale or value addition or to import clean coffee for secondary processing in Kenya (*tick as appropriate*).

Issued by:

Signature..... *Date*

Director of Coffee Directorate

Agriculture and Food Authority

Subject to Terms and Conditions:

1. A licensed buyer shall submit their trading returns to the Authority on a monthly basis.
2. The licensed buyer shall comply with the Coffee Industry Code of Practice and Standards.
3. The licensed buyer shall allow free access to the premises by the inspectors authorized by the Authority.
4. The Authority may vary, suspend or revoke the coffee buyer's licence issued if the holder fails to abide with the terms and conditions of the licence.

5. The coffee buyer's licence shall not include authority to engage in direct sale.
6. The coffee buyer's licence shall not be transferable.
- (h) by deleting Form G7 and substituting therefor the following new Form—
- (i) by deleting Form G8 and substituting therefor the following new Form—
- (j) by deleting Form H1 and substituting therefor the following new Form—

AGRICULTURE AND FOOD AUTHORITY
APPLICATION FOR REGISTRATION OF DEALERS

FORM H1:

1. Name of Dealer (company)-----
2. Principal Office -----
- Postal Address.....Postal Code..... Building.....
- Street.....Town/ City.....L.R. No.....
- Email.....Mobile Number.....
3. Specify type of dealership/Service

Category	Tick as appropriate
Warehousemen	
Roaster	
Import Permit	
Buyer	
Independent Cupping services	
Miller marketer	
Grower Miller	
Grower Marketer	

4. Directors of dealership

NO	NAME	ID NO/PASSPORT NUMBER
1.		
2.		
3.		
4.		

5. Declare professional skills of persons engaged (attach profiles)
(warehouseman, liquorer, agronomist, engineer, if other professional specify)

- 6. Brief Company profile
- 7. Application for Registration by
 - Name
 - Signature
 - Stamp
- 8. Director, Coffee Directorate

Name -----
 Signature -----
 Stamp-----

(k) by deleting Form H2 and substituting therefor the following new Form

**FIRST SCHEDULE
 AGRICULTURE AND FOOD AUTHORITY**

FORM H2:

DEALER REGISTRATION CERTIFICATE

Name of Dealer.....
 Type of Dealership.....
 Location of Dealership: City/Town..... L/R No-----
 Street.....
 The dealer is here registered for conducting the business of-----at
 (location)----- on -----
 (Date)
 The registration is made under an application by -----
 -----being the Director of the company.

Signed

 Director, Coffee Directorate Stamp

THIS IS NOT A LICENCE FOR CONDUCTING BUSINESS

Terms and conditions

- 1. The registration is not transferable
- 2. Annual returns shall be submitted to the Authority and the respective county government

3. Continuous updates of the directorship and other registration details shall be submitted
4. The Dealer shall comply with all national and international coffee standards and other regulatory requirements in the crops Act, the coffee regulations, the trading regulations and other statutory requirements such as NEMA.
5. Any other terms introduced by the Authority
 - (l) by deleting Form L;
 - (m) by inserting the following new forms in proper sequence—

FORM C3.1

AGRICULTURE AND FOOD AUTHORITY

GROWER MARKETER LICENCE APPLICATION

1. Name of Farmer/Proprietor
2. Grower Code (PSL).....Validity of Licence
.....
3. Postal Address.....Postal Code.....
EmailMobile number.....
4. Location :
County.....Sub-county.....
Ward.....Village/Road.....L.R.No./Plot.....
5. Coffee Acreage

VARIETY	Acreage	Number of Mature Trees	Number of Young Trees
Ruiru 11			
Batian			
Traditional Variety			

6. Coffee production for Three Years

YEAR	PARCHMENT (kg)	BUNI(Kg)

7. The Information given is the to true to the best of my knowledge

Name of Applicant
 ID/NO.....
 Date of Application
 Stamp.....

FORM C3.2

AGRICULTURE AND FOOD AUTHORITY

GROWER MARKETER LICENCE

Name
 License No.Authority’s Code.....
 Valid from.....to.....
 Postal Address.....Postal Code.....
 EmailMobile number.....
 County.....Sub-county
 Ward.....Village/Road.....L.R.No./Plot.....
 Is/are hereby authorized to undertake the business of a grower marketer at.....

Issued By:

Director, Coffee Directorate

Signature..... Date.....

Stamp:

Subject to Terms and Conditions:

1. A licence holder shall submit their marketing returns to the Authority and the respective county government on a monthly basis.
2. The licence holder shall comply with the Coffee Industry Code of Practice and Standards.
3. The licence holder shall allow free access to the premises by the inspectors authorized by the respective licensing authority.
4. The Authority may vary, suspend or revoke the license issued if the holder fails to abide with the terms and conditions of the licence.
5. The licence shall not be transferable.

FORM G7
 AGRICULTURE AND FOOD AUTHORITY
 COFFEE DIRECTORATE

r(8)

APPLICATION FOR REGISTRATION/LICENCE RENEWAL OF AUCTION
 ORGANIZER

1. Name of applicant.....
2. Certificate of incorporation..... (Attach copy)
3. Copies of Memorandum and Articles of Association.....(Attach copy)
4. Names and Particulars of Directors and Form CR 12 (attach details).....
5. Tax Compliance Certificate (Attach copy).....
6. Address.....
7. Contact Information
 - a) Telephone number
 - b) E-mail address.....
8. Contact Person.....
9. L.R. No. /Nos.
10. Nature of business.....
11. Specify services to be provided.....

Date applied.....

Signature of applicant

Terms and Conditions

1. An applicant shall furnish the Authority with the protocols governing the operations of the Auction in a form satisfactory to the Authority.
2. The protocols shall restrict the applicant to the business of operating a coffee auction and related services.
3. The protocols shall contain the applicable fees and charges for membership and

for services rendered by and between members

- 4. The protocols shall contain guidelines for disclosure of the daily trading report of the auction.
- 5. Satisfy the Authority on the applicant financial capacity, functional expertise and infrastructure to undertake coffee auctioning in the Republic of Kenya.
- 6. Have in its employments sufficient number of persons with adequate, professional and other relevant competencies and experience.
- 7. An applicant shall digitize and automate the coffee Auction system for efficient services delivery and information dissemination.

FORM G8

AGRICULTURE AND FOOD AUTHORITY

r10(2)(f)

LICENCE OF AUCTION ORGANISER

Name.....

License No.

Authority's Code.....

Valid from.....to.....

Postal Address.....Postal Code.....

Email

Mobile number.....

County.....

City

Road.....

Name of Building

.L.R.No./Plot.....

Is/are hereby authorized to undertake the business of an auction organizer

.....
Issued by:

Director, Coffee Directorate

Signature.....

Date.....

Stamp:

Subject to Terms and Conditions:

1. An auction organizer shall submit their auctioning returns to the Authority on weekly and monthly basis.
2. An auction organizer shall comply with the Coffee Industry Code of Practice and Standards.
3. An auction organizer shall allow free access to the premises by the inspectors authorized by the Authority.
4. The Authority may vary, suspend or revoke the license issued if the holder fails to abide with the terms and conditions of the licence.
5. The licence shall not be transferable.

FORM P

COUNTY GOVERNMENT OF -----

r25(5)

COFFEE GROWERS NOTIFICATION OF DETAILS TOWARDS FACILITATION
OF REMISSION OF COFFEE SALES PROCEEDS THROUGH DIRECT
SETTLEMENT SYSTEM

1. Name of the grower.....
2. Grower Code..... Address..... ZIP Code.....
3. Category of grower (Tick as appropriate)
Cooperative [] Association [] Estate [] Other []
specify.....
4. Location of Grower: County.....
5. Sub-County..... Ward.....
Village/Road..... E-mail.....
Mobile Number:
6. The following are Officials/Signatories to the Grower account and shall transact for the grower

Name of Official/Owner/Agent	ID NO	Signature
a)
b)
c)
d)

(Attach copies of IDs, minutes electing the committee, introduction letter by the County Commissioner Cooperatives)

7. Details of Bank Account

Name of Bank/Financial Institutions

Branch.....

Account Number

Contact of Bank (if any)

8. Details of service contracts and loan obligations to which payments are due

- a) Name of Service contract(s)
- b) The following are the outstanding liabilities payable by the grower to service providers through the Direct Settlement System and the supporting documents:

.....

(Attach additional documents)

- c) Other (specify).....
- Attach list if space is not adequate)

9. Prepared by –

- a) Name of Authorized person:
- b) Signature
- c) Position at Grower institution/Estate
- d) Mobile Number.....
- e) National ID/No.....
- (Attach Copy of ID)
- f) Date
- g) Stamp.....

22. The Second Schedule to principal Regulations is amended in Part F on requirements of a coffee buyers licence by—

- (a) deleting paragraph 5;
- (b) deleting paragraph 7 and substituting therefor the following new paragraph—

7. Access to an authorized cupping laboratory.

- (c) deleting paragraph 8.

23. The Third Schedule to principal Regulations is amended—

- (a) in Part C by deleting the words “the grower miller or appointed agent or broker” appearing in paragraph 1 and substituting therefor the following

words “the coffee miller-marketer, a grower miller, a grower marketer or appointed agent”.

(b) by deleting Part F.

24. The Fourth Schedule to the principal Regulations is amended by—

(a) deleting the heading and substituting therefor the following new heading—

Commercial Milling Agreement.

(b) deleting the word “miller” wherever it appears and substituting therefor the words “miller marketer”.

25. The Sixth Schedule to principal Regulations is amended by deleting Part A and substituting therefor the following new Part—

PART A

A grower marketer or grower miller who has secured an overseas buyer contract for the coffee, shall—

1. Store coffee for direct sales at designated warehouses.
2. Enter into a direct sales contract in the format prescribed under these guidelines and shall lodge the contract with the Authority for registration and approval.
3. Submit to the Authority a sample of 250gm of the said coffee for quality analysis and for arbitration purposes.
4. Have the coffee inspected by the Authority, in order to ascertain the quality, quantity and the value and for approval of the contract.
5. Be issued with an inspection certificate for every coffee consignment declared to the Authority for direct sales to ascertain the coffee quality. The inspection certificate shall be one of the requirements for clearance of direct sales exports.
6. The Authority liquorer shall conduct quality analysis and issue a certificate of conformity with coffee grading and quality standards.
7. Direct coffee sales shall be subject to price competition at the Nairobi Coffee Auctions whereby the Direct sales price shall serve as a reserve price.
8. Where coffee with a direct sales offer fetches a higher price at the Coffee auction than the direct sale price offered, the prospective direct sale buyer shall have the right of first refusal to buy the coffee at the auction price.
9. Provided that if the prospective direct sales buyer refuses to buy the coffee at the Coffee auction price, the coffee shall be sold to highest bidder above the reserve price at the auction
10. All Direct sales price offers shall be communicated to the auction organizer five days prior to an auction.
11. Growers and overseas buyers shall agree on the mode of payment for the coffee purchased which shall be part of the contract submitted to the Authority for approval.
12. Apply to the Authority for—

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- (a) ICO certificate;
 - (b) KEPHIS certification;
 - (c) Movement permit(s)
 - (d) Quality certificate; and
 - (e) Any other necessary clearance
13. Appoint an agent for purposes of logistics and other processing requirements related to coffee exports where applicable.
14. Remit monthly returns to the Authority on Direct sales undertaken.

Made on the 7th June, 2022.

PETER MUNYA,
*Cabinet Secretary for Agriculture,
Livestock, Fisheries and Co-operatives.*