

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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STATE TRADING

Notifications Pursuant to Article XVII

Addendum

KENYA

I. Enumeration of State-trading enterprises

- (a) The Coffee Marketing Board
- (b) The Pyrethrum Marketing Board
- (c) The Cotton Lint and Seed Marketing Board
- (d) The Maize and Produce Board
- (e) The Kenya Meat Commission
- (f) The Kenya National Trading Corporation Limited

II. Functions

(a) The Coffee Marketing Board

All Kenya coffee is vested in this Board. It licenses dealers to trade in coffee, appoints brokers to sell by auction, supervises curing and classification of samples by grades and enters into contracts with warehouses for storage and with mills for curing and bulking. The Board also arranges for sale of all coffee within and outside the country and devises schemes to dispose quota schemes.

(b) The Pyrethrum Marketing Board

Until February 1964, marketing of pyrethrum and pyrethrum products was a direct concern of the Pyrethrum Board, which also carried out other functions common to most commodity boards. The Pyrethrum Marketing Board is a recent establishment under the wing of the parent Pyrethrum Board and has taken up the special responsibility of marketing all pyrethrum and pyrethrum products. Among the leading functions assigned to this Board are:

1. The determination for each pool year of the quota of pyrethrum flowers permitted to be produced by growers licensed in that behalf by the Pyrethrum Board.
2. The purchase and delivery of all pyrethrum grown in, or imported into, Kenya and the pyrethrum products delivered therefrom.
3. The sale, export, marketing and regulation of the import of any pyrethrum or pyrethrum products.

(c) The Cotton Lint and Seed Marketing Board

This Board purchases both lint and seed from the ginners and advises the Minister of Agriculture on the prices to be paid by ginners to growers and by itself to ginners. The prices are announced in advance of the beginning of the season. Most of Kenya's crop is sold by the Uganda Lint Marketing Board, which acts as the marketing agency for the Kenya Cotton Lint and Seed Marketing Board. The Board also maintains a price stabilization fund which is financed primarily from interest earned on investments and deposits and bank balances.

(d) The Maize and Produce Board

The Maize Marketing Board has been replaced by the Maize and Produce Board which was set up by the Maize Marketing (Amendment) Act, No. 8 of 14 April 1967. The latter has taken over all the functions of the two former provincial Boards, namely the West Kenya Marketing Board and the Kenya Agricultural Produce Board, which were dissolved by L.N. No. 76 of March 1966. This means in effect the Maize and Produce Board now handles commodities which were formerly handled by the two Boards named above, in addition to maize. These commodities are:

beans (all varieties)(dried)
bixa (annato)
capsicums (dried)
cashew nuts
castorseed
grams (all varieties)
groundnuts
millet
njahi (Dolichos Lab-lab)
peas
rice paddy
simsim
sorghum
sunflowerseed

The functions of the Maize and Produce Board are:

1. To regulate, control and improve collection, storage, marketing, distribution and supply of maize and the above commodities and the products derived therefrom.
2. To buy, sell, import, export and otherwise acquire and dispose of maize and the other commodities mentioned above in such manner, in such quantities and on such terms as it may from time to time deem necessary in order, as far as possible, to fulfil the requirements of both the consumer and producer.

3. To advise the Minister for Agriculture on the proper relationship of the production of these commodities and other products to the needs of the country and on the extent to which control over the importation and exportation of these commodities and their products are necessary and desirable.

(c) The Kenya Meat Commission

The Commission has a monopoly of purchase of cattle, sheep and goats for slaughter in Kenya and the establishment of abattoirs and meat works for processing these animals. The direct buying of the Commission is confined to "large farm areas" and animals from the "small farm areas" are purchased from the African Livestock Marketing Organization (ALMO) and private traders. Prices to be paid by the Kenya Meat Commission for cattle, sheep and goats are fixed every year by the Minister for Agriculture in consultation with the Kenya Meat Commission and the Kenya National Farmers' Union. The Commission is obliged to make no surplus on local sales of meat; all its profits are earned from exports of canned beef.

(f) Kenya National Trading Corporation

The Kenya National Trading Corporation Limited was set up in March 1965 as a private limited company fully owned by the Kenya Government.

The principal object of the Corporation is to organize and effect exports from and imports into Kenya of such goods and commodities as the Corporation may from time to time decide. The Corporation serves as an agency in a position to trade with countries where trading is controlled by the Government on an equal footing so as to strengthen the hands of private enterprise in trade with outside countries. The Corporation utilizes the established trading channels for implementing imports and exports.

The major function of the Corporation is to remove the present imbalances in the commercial life of Kenya by encouraging the small African businessman to enter the field of trade. This is to be done by eliminating the several unnecessary middlemen who dominate or who are preponderant in the normal trading channel. This has the effect of making the small trader uncompetitive as well as requiring the consumer to pay more for a number of essential commodities.

In order to stabilize the budget of the consumer, small traders, and ultimately the national economy, a sole import monopoly for the importation of rice, khaki drill, khangas and second-hand clothes has been vested in the Corporation. Local production of rice is not included in this control. Khaki drill manufactured in East Africa is within the scope of the Corporation.

IMPORTS

	1967		1968	
	Quantity	Value (£)	Quantity	Value (£)
Rice	<u>Centals</u> nil	nil	<u>Centals</u> 66,040	343,361
Second-hand clothing	<u>Numbers</u> 128,153	16,564	<u>Numbers</u> -	199,266
Khaki drill	<u>Sq. Yds.</u> 386,528	46,839	<u>Sq. Yds.</u> 472,004	71,796
Khangas	1,419,215	106,699	1,572,157	116,410
Sugar	<u>Long Tons</u> 387,589	510,602	<u>Long Tons</u> 532,383	623,796
Beans, peas, lentils and other leguminous vegetable products (dried)	<u>Tons</u> 148,555	220,093	<u>Tons</u> 67,612	92,222
Chillies (including capsicums)	311	2,403	1,026	8,153
Millet and sorghum (including njahi)	5,089	8,262	1,272	2,445
Coffee extracts	948	64,398	941	63,347
Cotton	770	4,494	985	9,662
Pyrethrum flowers	nil	nil	-	-
Maize (unmilled)	1,622	5,561	842	2,900
Meat (excluding swine)	nil	nil	1,185	16,394
Live animals	<u>Number</u> 12	33	<u>Number</u> 13	50
Salt			862	1,981
Matches			52,689	21,128
Ghee substitutes			112	617
Alcoholic beverages			448,491	788,986
Sugar in small packets			-	-
Boiled sweets, toffees and caramels only			9,715	32,125
Cottonseed oil			-	-

IMPORTS (cont'd.)

	1967		1968	
	Quantity	Value (£)	Quantity	Value (£)
Soap			10,955	73,070
Bicycle tyres and tubes			53,173	58,865
Cotton fabrics of all descriptions			683,095	123,203
Blankets and rugs			643,707	142,542
Charcoal iron			-	-
Batteries and cells for torches and transistor radios			5,885,594	93,492
Bicycles			13,144	122,710
Flashlights and torches			566,022	47,544
Shirts for men and boys			62,511	31,108
Dyed khaki twills and dyed drills and twills other than khaki			1,276,584	153,482

EXPORTS

	1967		1968	
	Quantity	Value (£)	Quantity	Value (£)
Coffee - tons	998,639	15,673,292	732,457	12,793,161
Pyrethrum - tons (Flowers)	34,519	487,754	39,728	536,199
(Extracts)	721,017	2,422,957	807,262	2,504,140
Cotton (raw) - tons	68,579	628,914	37,215	398,134
Maize (unmilled) - tons	1,760,361	1,405,715	6,118,419	4,774,293
Meat and meat extracts (inc. bovine, sheep, goat and other, excluding swine)	49,425	605,708	55,960	1,063,510
Live animals (except swine and poultry)	<u>Number</u> 920	45,018	<u>Number</u> 2,010	123,168
Beans, peas and lentils etc. - tons	124,172	326,614	390,483	833,803
Chillies - tons	3,421	21,566	2,439	16,136
Cashew nuts (raw) - tons	171,307	541,204	8,471	627,399
Castorseed - tons	75,578	149,239	2,971	145,816
Groundnuts - tons	17,363	59,684	2,650	250,775
Sesame - tons	15,793	56,434	1,483	103,875
Sunflowerseed - tons	26,897	81,848	2,697	137,678
Millet - tons	4,822	6,768	2,432	4,046
Rice - tons	3,108	11,565	34,661	104,985
Second-hand clothing	nil	nil	nil	nil
Khaki drill	nil	nil	nil	nil
Khangas	nil	nil	nil	nil
Sugar	nil	nil	nil	nil

PRODUCTION

	<u>1967/1968</u>
	<u>Quantity</u>
	<u>'000 tons</u>
Rice	12.5
Coffee	60.9
Pyrethrum flowers	11.0
Maize (unmilled)	262.4
Cottonseed	13.6

	<u>'000 bales</u>
Cotton lint	20.0

	<u>'000 tons</u>
Beef	30.2

	<u>1967</u>	<u>1968</u>
	<u>Quantity</u>	<u>Quantity</u>
	<u>'000 tons</u>	<u>'000 tons</u>
Sugar	59.5	78.9
Khaki drill	Not produced locally	
Second-hand clothing	n.a.	n.a.
Khangas	Not produced locally	

Beans)
Bixa)
Capsicums)
Cashew nuts)
Castorseeds)
Grams)
Groundnuts)
Millet and njahi)
Peas)
Sorghum and sunflowerseed)

Production data on these commodities is very sketchy and therefore figures unavailable.