

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

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 ginnerers and advises the Minister of Agriculture on the prices to be paid by ginnerers to growers and by itself to ginnerers. The prices are announced in advance of the beginning of the season. Most of Kenya's crop is sold by 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 fund 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The Maize Marketing Board has been replaced by the Maize and Produce Board which was set up by the Maize Marketing (Amendment) Act, No. 8 of 14 April 1967.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 (annatto)
Capsicums (dried)
Cashew nuts
Castor seeds
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.

(e) 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 (A.L.M.O.) 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 preponderant in the normal trading channels. 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.

The following commodities are also exclusively being handled by the Kenya National Trading Corporation for distribution:

Salt, matches, ghee substitutes, alcoholic beverages, sugar in small packets, boiled sweets, toffees and caramels only, cottonseed oil, soap, bicycle tyres and tubes, cotton fabrics of all descriptions, blankets and rugs, charcoal irons, batteries and cells for torches and transistor radios, dyed khaki twills and dyed drills and twills other than khaki, bicycles, flashlights and torches, shirts for men and boys.

IMPORTS

	1968		1969	
	Quantity	Value (£)	Quantity	Value K Shs
Rice	<u>Centals</u> 66,040	343,361	<u>Centals</u> 5,410	614,792
Second-hand clothing	<u>Numbers</u> -	199,266	<u>Numbers</u> 4,691,252	1,664,719
Khaki drill	<u>Sq. yds.</u> 472,004	71,796	<u>Sq. yds.</u> 120,068	463,630
Khangas	1,572,157	116,410	1,452,891	2,282,594
Sugar	<u>Long tons</u> 532,383	623,796	<u>Long tons</u> 188,273	6,481,316
Beans, peas, lentils and other leguminous vegetable products (dried)	<u>Tons</u> 67,612	92,222	<u>Tons</u> 5,236	342,600
Chillies (including capsicums)	1,026	8,153	945	194,705
Millet and sorghum (including njahi)	1,272	2,445	1,071	129,861
Coffee extracts	941	63,347	735	890,611
Cotton	986	9,662	17,530	2,111,689
Pyrethrum flowers	-	-	8,078	1,668,131
Maize (unmilled)	842	2,900	1,409	106,786
Meat (excluding swine)	1,185	16,394	1	440
Live animals	<u>Number</u> 13	50	<u>Number</u> 155,863	1,072,237
Salt	862	1,981	96,710	1,065,802
Matches	52,689	21,128	63,088	449,115
Ghee substitutes	112	617	224	22,502
Alcoholic beverages	448,491	788,936	124,814	8,909,998
Sugar in small packets	-	-	-	-
Boiled sweets, toffees and caramels only	9,715	32,125	12,824	854,654

	1968		1969	
	Quantity	Value (£)	Quantity	Value K Shs
Cottonseed oil	-	-	-	-
Soap	10,955	73,070	6,366	1,331,616
Bicycle tyres and tubes	53,173	58,365	22,384	64,900
Cotton fabrics of all descriptions	683,095	123,203	17,417,192	38,173,652
Blankets and rugs	643,707	142,542	182,617	1,602,795
Charcoal iron	-	-	-	-
Batteries and cells for torches and transistor radios	5,885,594	93,492	2,040,048	666,436
Bicycles	13,144	122,710	10,961	1,988,045
Flashlights and torches	566,022	47,544	142,416	489,464
Shirts for men and boys	62,511	31,108	28,643	590,393
Dyed khaki twills and dyed drills and twills other than khaki	1,276,584	153,482	354,157	1,176,109

EXPORTS

	1968		1969	
	Quantity	Value (£)	Quantity	Value K Shs
Coffee - tons	732,457	12,793,161	1,003,323	336,735,480
Pyrethrum - tons (Flowers)	39,728	536,199		
(Extracts)	807,262	2,504,140	809,831	44,489,823
Cotton (raw) - tons	37,215	398,134	61,289	15,218,609
Maize (unmilled) - tons	6,118,419	4,774,293	3,103,371	55,449,452
Meat and meat extracts (including bovine, sheep, goat and other, excluding swine)	55,960	1,063,510	37,182	11,865,786
Live animals (except swine and poultry)	<u>Number</u> 2,010	123,168	<u>Number</u> 1,381	1,832,184
Beans, peas and lentils etc. - tons	390,483	833,803	239,172	10,574,618
Chillies - tons	2,439	16,136	984	90,077
Cashew nuts (raw) - tons	8,471	627,399	8,997	13,595,780
Castor seed - tons	2,971	145,816	3,956	3,879,570
Groundnuts - tons	2,650	250,775	145	301,655
Sesame - tons	1,483	103,875	688	1,040,835
Sunflowerseed - tons	2,697	137,678	2,024	1,761,883
Millet - tons	2,432	4,046	8,358	129,861
Rice - tons	34,661	104,985	24,713	1,438,049
Second-hand clothing	nil	nil	nil	nil
Khaki drill	nil	nil	nil	nil
Khangas	nil	nil	nil	nil
Sugar	nil	nil	nil	nil

PRODUCTION

	1967/1968	1968/1969
	Quantity	Quantity
	<u>Thousand tons</u>	<u>Thousand tons</u>
Rice	12.5	20.0
Coffee	60.9	50.0
Pyrethrum flowers	11.0	81.3
Maize (unmilled)	262.4	325.0
Cottenseed	13.6	13.5
	<u>Thousand bales</u>	<u>Thousand bales</u>
Cotton lint	20.0	
	<u>Thousand tons</u>	<u>Thousand tons</u>
Beef	30.2	
	<u>1967</u>	<u>1968</u>
	<u>Quantity</u>	<u>Quantity</u>
	<u>Thousand tons</u>	<u>Thousand tons</u>
Sugar	59.5	78.9
Khaki drill	NOT PRODUCED LOCALLY	
Second-hand clothing	N.A.	N.A.
Khangas	NOT PRODUCED LOCALLY	
Beans	Production data on these commodities is very sketchy and therefore figures unavailable	
Biza		
Capsicums		
Cashew nuts		
Castor seeds		
Grams		
Groundnuts		
Millet and njahi		
Peas		
Sorghum and sunflowerseeds		
	<u>1969</u>	<u>Quantity</u>
		<u>Metric tons</u>
		115,052