

FIBRE CROPS SELF REGULATION GUIDELINES



AGRICULTURE AND FOOD AUTHORITY

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PREAMBLE

The Agriculture and Food Authority is a State Corporation under the Ministry of Agriculture, Livestock, Fisheries and Irrigation. It is established under section 3 of the Agriculture and Food Authority Act (AFA). The Authority administers the Crops Act and provides for the respective roles of the national and county governments in agriculture and related matters in furtherance of the relevant provisions of the Fourth Schedule of the Constitution.

In accordance with section 11 of the AFA Act, the Authority has established 8 directorates which includes Fibre Crops Directorate. The mandate of the Authority in respect to the Fibre Crops Directorate is to promote, develop and regulate the fibre crops listed under the First Schedule of the Crops Act and includes:

- Formulating policies and guidelines when dealing with fibre crops.
- Promoting best practices and regulating the production, processing and marketing of fibre crops and derived products.
- Establishing and enforcing standards for fibre and their products along the value chain.
- Promoting the establishment of fibre crops collection centers to serve as buying station of fibres, pick up points and meeting places of farmers and growers cooperatives.
- Recommending general fibre crops industry agreements between farmers and dealers.
- Collecting and collating data, maintaining a data base on fibre crops and derived products.
- Determining research priorities for fibre crops.
- Capacity building of counties and stakeholders including sensitization on emerging technologies and concerns.
- Advising the National and County Governments on fibre crops levies for planning and equity.

In addition to the AFA and Crops Acts, the fibre crops sub-sector is regulated by the Fibre Crops Industry Codes of Practice and relevant standards (Annex 1.)

There is need to promote the competitiveness of the industry through creation of a conducive environment for vibrant private sector participation. These guidelines complement the existing laws and regulations for the fibre crops industry and aims to provide a framework to facilitate the industry players to establish self-regulation mechanisms to promote efficiency and effective compliance along the value chain.

EXECUTIVE SUMMARY

These Self-regulation guidelines have been developed to guide the sector in order to increase fibre crops production efficiency, quality, market integrity (fair efficient and transparent market) and preserve financial integrity (reduce systemic risks) with view to maintain and enhance voluntary adherence to established laws which govern the sector.

The guidelines contain information on general requirements, minimum criteria for associations, roles of associations, associations' governance structure, documentation and record-keeping, rights and welfare and occupational safety and health including environmental protection and conservation.

They are aimed at providing requirements and guidance to all its stakeholders in the fibre crops value chain, with the objective of promoting sustainability. They mainly focus on quality, environmental protection, personnel safety and welfare.

In developing these self-regulation guidelines, a review of the present practices in the Kenyan fibre crops sector was considered in line with industry practices. In addition, reference was made to the policy, legal and regulatory framework that guide the industry operations along the value chain.

The provisions of these guidelines are not intended to replace relevant national legislation or best practice on fibre crop production, processing and marketing. In the absence of national legislation and guidance, these guidelines together with other national and international standards should serve as helpful guidance in improving the fibre sector.

ACKNOWLEDGMENT

The development of these Self-regulation guidelines was facilitated by the Fibre Crops Directorate (FCD) of the Agriculture and Food Authority (AFA). The Directorate wishes to acknowledge the support from AFA Legal Department and fibre crop sector stakeholders.

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1. DEFINITIONS

In this guidelines unless the context otherwise requires:

“association” means a group of fibre crops value chain players organized for a joint purpose and includes dealer association, growers’ association, cooperative society and community based organization;

“Authority” means the Agriculture and Food Authority established under section 3 of the Agriculture and Food Authority Act, 2013;

“cotton” means the plant *Gossypium hirsutum* or other species of *Gossypium* or its hybrids or seeds thereof;

“dealer” includes ginners, cotton seed millers, marketing agents, exporters, importers, sisal spinners, cotton textile millers, handloom weavers, sisal processors, sisal fibre buyers, seed cotton buyers and fibre transporters;

“Directorate” means the Fibre Crops Directorate established by the Authority in accordance with section 11 of the Agriculture and Food Authority Act, 2013;

“fibre crop” includes sisal or cotton for the time being;

“fibre crops products” refers to cotton seed, cotton lint, cotton seed cake, hulls, cotton seed meal, cotton seed oil, linters, sisal fibre, twines, ropes, textiles, yarns and finished fibre items;

“fibre crops stakeholders” means dealers, growers, agro chemical companies, financial institutions, insurance agencies, national and county government departments and agencies related to fibre crops;

“grower” means any person who is cultivating fibre crops in Kenya. “Sisal” means the plant *Agave sisalana* or other species of *Agave* or its hybrids or seeds thereof;

“sisal fibre” means a hard fibre extracted from the leaves of a sisal plant which can be processed, machined or carded fibre and tow;

“value chain” means set of activities and operations involved in the production, processing, distribution, storage and handling of fibre crops and their by-products from primary production to consumption;

2. OBJECTIVES

The objectives of these guidelines are as follows:

- (i) Assist the fibre stakeholders to have vibrant commodity associations at various levels of the value chain.
- (ii) Promote voluntary adherence to set standards, regulations and other relevant laws.
- (iii) Create a conducive environment for industry players and regulators to work together to improve the business environment.
- (iv) Encourage accountability, transparency and traceability for improved consumer confidence and market access for fibre and fibre products.
- (v) To guide value chain players better understand the industry and maximize on returns in their operations.

3. SCOPE

These guidelines cover value chain players in the fibre crops sub sector and shall serve as a guide to associations and their members in respect to their roles and obligations in ensuring compliance and enforcement of industry standards, guidelines and codes of practice. The guideline shall also provide for promotion of traceability systems for fibre crops, product quality preservation, governance structures, documentation and

record keeping, labour relations and employee welfare and occupational safety and health including environmental protection and conservation.

Further, these guidelines are meant to encourage associations to acquire information and guide members in adoption of emerging approaches and technologies to improve efficiency for better returns.

4. BACKGROUND

Fibre crops are drought tolerant crops grown in arid and semi-arid lands (ASAL) of Kenya. They are grown in the following counties; Busia, Bungoma, Kisumu, Homabay, Siaya Migori, Lamu, Taita Taveta, Tana River, Kilifi, Kwale, Kajiado, Baringo, Nakuru , Elgeyo Marakwet, West Pokot, Turkana, Machakos, Makueni, Kitui, Meru, Tharaka Nithi, Embu, Isiolo, Murang'a and Kirinyaga.

The cotton value chain players include growers, input suppliers, seed cotton buyers, ginners, cotton seed millers, lint and seed cake importers, lint exporters, animal feed manufacturers, textile millers and garment manufacturers.

Cotton varieties currently grown in Kenya are Hart 89M and KSA 81M. However, there are efforts to introduce hybrid varieties. Cotton is a source of both lint and cotton seed. It is mainly grown for its fibre. It is an important oilseed that is processed to produce oil, hulls cake and meal. According to the economic survey of 2017/2018 report, the current production of lint is estimated at 5,000 tons annually. Despite the availability of guidelines for cotton growing, processing and marketing, production and quality of cotton has been consistently low since the early 1990's.

The sisal value chain mainly entails inputs supply, sisal fibre production, processing and spinning (twines, ropes) and weaving (gunny bags, mats and carpets). The value chain players consist of growers, processors, weavers, spinners, local traders, importers and exporters.

The commercial sisal varieties currently grown in Kenya are, Hildana, Hybrid 11648 and Hybrid 1300. According to the economic survey of 2017/2018 report, Kenya's annual sisal fibre production is estimated at 25,000 metric tons valued at 4 billion Kenya Shillings. The industry largely consists of organized large scale Estates. Smallholder farmers produce about 10 per cent of the national production. There are small and medium enterprises that undertake value addition to produce assorted finished products.

In both value chains, there are inefficiencies that emanate from weak linkages between the various actors. These weak linkages result in unfair competition among the players creating an uncompetitive business environment.

5. JUSTIFICATION AND RATIONALE

Self-regulation requires significant industry stakeholders' involvement in the development and implementation of regulations. In order to enforce compliance to legislations, set industry standards and ethical trading practices, it is important to develop and promote the culture of voluntary adherence to these industry requirements. Therefore, there is need for industry players to promote common interest, commitment and clear objectives to protect the industry to enhance competitiveness for the sub-sector.

Lack of adequate resources hinder delivery of services including enforcement of compliance to industry requirements and standards. The existence of unscrupulous dealers in the industry also pose a challenge resulting in exploitation of genuine industry players. This is exacerbated by the lack of effective bodies to lobby for the common interest of industry players. In addition, there is lack of consumer confidence in the products at all the levels of the value chain due to non-compliance to the industry standards. This therefore calls for development of an appropriate self-regulatory mechanism for fibre crops sub-sector as a positive and proactive measure to address these challenges.

Self-regulation by the value chain players will complement the government efforts in implementing and coordinating policies and in enforcing adherence to regulations and industry standards for the revitalization and development of the industry.

6. IMPLEMENTATION

These self-regulation guidelines will be implemented by the players in fibre crops industry. For self-regulation to be effective and for active monitoring of compliance, it is necessary for the industry players to organize themselves into associations.

The Authority in collaboration with the relevant County governments will exercise oversight on the implementation of these guidelines by the industry stakeholders. The Authority and the respective County governments shall capacity build industry players on the guidelines.

The players in collaboration with the Authority will periodically review the guidelines for continuous improvement.

7. GENERAL REQUIREMENTS

This section sets out the accepted minimum requirements that the industry players will observe in order to enhance compliance to industry requirements and set standards to improve competitiveness.

Fibre crops stakeholders shall have the freedom to form associations, for purposes of self-regulation, accessing economies of scale and lobbying for their common interests.

7.1 Minimum Criteria for Associations

For effective self-regulation and for recognition by the Authority, the associations, shall meet the following minimum requirements:

- (i) Registration Certificate of the association including Kenya Revenue Authority (KRA) Personal Identification Number (PIN) and a Bank Account.

- (ii) Have a Constitution.
- (iii) Proof of current membership.
 - (a) In the case of cotton growers' associations, a minimum membership of fifty growers
 - (b) In the case of sisal as may be determined by the Authority from time to time.
 - (c) In the case of dealer associations as may be determined the Authority from time to time.
- (iv) Approved minutes for election of office bearers.
- (vi) A verification report of the association by the Authority.

7.2 Roles of Associations

7.2.1 General

Associations shall recruit and register members from fibre crops industry to represent and lobby for their interests. They shall also maintain an updated register of members in the prescribed format (see Annex 2.1 and 2.2). Where applicable and for purposes of economies of scale, the members of the associations shall market their produce collectively through the associations in addition to having formal commitments between the individual growers and the associations to provide for competitive input acquisition, extension and marketing services. The associations will in turn have signed contracts with input suppliers and other licensed dealers in the industry.

The contracts shall set out the obligations of the respective parties including term of the contract, services to be provided, unit price, mode and period of payment, quantity and quality of the product, delivery terms, product packaging, termination and dispute resolution.

The associations in collaboration with the County Governments shall ensure the establishment and management of requisite fibre collection and storage facilities to facilitate marketing and to preserve quality of the produce. The associations shall ensure that their members do not offer for sale contaminated and/or ungraded fibres

and enforce use of prescribed harvesting and packaging materials. In addition, they shall liaise with respective County Governments for the provision of extension and other grower support services.

Associations whose members process fibre shall ensure that the members maintain their equipment in a manner that shall guarantee optimum production and preservation of the product quality. The associations shall ensure that the members abide by the requirements for sampling and delivery of samples for testing and validation of quality before marketing.

The associations shall make returns to the Authority as prescribed from time to time. (See Annex 2.2).

7.2.2 Compliance and Enforcement

The associations in collaboration with the relevant National and County government departments and agencies shall sensitize and train members on recommended best practices based on industry regulations, standards, guidelines, codes of practice and legislations. This includes good agricultural practices, post - harvest handling including transportation and storage, good manufacturing practices, food safety and requisite procedures (see list of references).

The association shall encourage the members to implement traceability systems for fibre and by products from production to consumption to enhance transparency, improve incomes and increase consumer confidence.

The association or their members where applicable shall ensure compliance to licensing and registration requirements under the Crops Act and any other relevant legislations.

7.3 Associations' Governance Structure

The associations shall have a constitution or by laws, rules that shall provide for the following minimum requirements:

- Objectives and nature of the association, rules of procedure for meetings, management structure of the association, record keeping and control, decision making and voting procedures, filing of returns, registered office, bank accounts, books of account, annual audits, certificate of registration, documents and declarations of conflict of interests.
- A criterion to ensure only active bona fide value chain players qualify for membership.
- A democratic procedure for elections of office bearers as well as a criterion for elected officials to ensure that only persons who have substantial stakes in the sub-sector are elected. Elected officials must be persons of integrity and meet the requirement of Chapter Six of the Constitution of Kenya. In addition, they must have knowledge in report writing, accounting, budgeting, good communication skills, an understanding of the sub-sector, basic education of form four or equivalent and proof of training in leadership.
- Mechanisms to determine remuneration of office bearers, resignation of members, membership subscription and contributions fee.
- Duties and responsibilities of office bearers, accountability to members, term of office, dissolution of the association (exit clause and the sharing of assets and liabilities).
- The constitution shall provide for appointment of trustees to manage property including land, buildings, investments and securities where applicable.

- Conflict Resolution Mechanisms: The constitution shall provide for dispute resolution mechanisms for purposes of ensuring expeditious resolution of disputes arising among members in the associations. The enabling instruments, constitution or by-laws shall provide for the following:
 - (i) Procedure for referral to arbitration, mediation or negotiation;
 - (ii) Mode of appointment of an arbitrator(s) or mediator(s);
 - (iii) timelines within which dispute should be referred for arbitration, mediation or negotiation; and
 - (iv) enforcement mechanisms of the outcome of the arbitration, mediation or negotiation.

- Penalties: The constitution shall provide for penalties and disciplinary actions to be taken on members who contravene the provisions of the constitution, by laws or rules of the association. In case of a dispute, members shall endeavour to first exhaust the internal dispute resolution mechanism within the association.

- If disputes are not resolved, they may be escalated to the licensing Authority, which may impose sanctions as per the terms and conditions of the registration/license or in accordance with the penalties prescribed. Appeals from arbitrations, mediations or negotiations to be lodged with the Authority or respective County government as the case may be within thirty (30) days from the date on which the parties received notice of the decision.

7.4 Documentation and Record-keeping

The associations shall maintain the following minimum records:

- (i) Register of members,
- (ii) Monthly and annual production, purchases and sales returns for individual members,
- (iii) Copies of contracts entered into between parties,

- (iv) Register of inputs supplied to members including type, quantity, unit cost and date of expiry,
- (v) Storage and processing capacity where applicable,
- (vi) Asset register,
- (vii) Facility and Buildings Design where applicable,
- (viii) Personnel records indicating contract of service, duties and competencies
- (ix) Any other documents as may be required by applicable legislations.

7.5 Rights and Welfare

7.5.1 Freedom from Discrimination

There shall not be discrimination within the association or its membership and of the employees thereof on the basis of race, colour, ethnicity, language, sex, sexual orientation, marital status, family ties, age, religion, political or other opinion, union membership, nationality or social origin, disability, pregnancy, mental status and HIV or any other status.

7.5.2 Child Labour and Child Protection

The associations and their members shall comply with the Constitution of Kenya, Employment Act and International Conventions with respect to child labour.

7.5.3. Labour Relations

The associations and their members shall comply with the Constitution of Kenya, Labour Relations Act and International Conventions with respect to labour relations.

8. OCCUPATIONAL SAFETY AND HEALTH INCLUDING ENVIRONMENTAL PROTECTION AND CONSERVATION

The associations and their members shall put in place institutional workplace safety and health policies and establish structures to address safety and environmental issues. This shall include use of personal protective equipment, proper disposal of wastes, implementation of recycling systems, effluent discharge, control of noise and air pollution, environmental and ecological enhancement; environmental education and awareness, climate change mitigation and adaptation measures.

ANNEXES

Annex 1: List of Standards

Sisal Fibre

- A1 KS/ISO 1181 Fibre ropes - Manila and sisal - 3-, 4- and 8-strand ropes.
- A2 KS 274 Sisal agricultural baler twines - Specification.
- A3 KS 642 Sisal packing twines - Specification.
- A4 KS 779-2 Specification for carpets - Part 2: Sisal carpets.
- A5 KS 748-1 Specification for coffee drying cloth - Part 1: Sisal cloth.
- A6 KS 1124 Specification for sisal polishing cloth.
- A7 KS 519 Specification for sisal ropes.
- A8 KS 273 Specification for woven bags (100 per cent) for clean coffee beans /Woven Fabrics.
- A9 KS 944-1 Specification for woven bags (100% sisal) for green tea leaves. Part 1: Three-dimensional type.
- A10 KS 944-2 Specification for woven bags (100% sisal) for green tea leaves Part 2: Two-dimensional type.
- A11 KS 544 Specification for woven bags (natural fibre) for rice.
- A12 KS 134 Specification for woven bags (natural fibres) for sugar.
- A13 KS EAS 221 Woven bags (100 % sisal) for clean coffee beans – Specification.
- A14 KS EAS 156-3: Woven bags from natural fibres - Specification - Part 3: Woven bags for sugar.
- A 15 KS 2858 Sisal Industry Code of Practice

Cotton Lint

- A16 KS 638 Absorbent Cotton Gauze-Specification
- A17 KS 508 Absorbent cotton wool for medical use - Specification (Third Edition
- A18 KS 1258 Code of practice for grading of spun yarns - Part 1: Cotton yarns.
- A19 KS/EAS 228 Cotton bedsheets - Specification.

- A20 KS 2245 Cotton ear buds - Specification
- A21 KS/EAS 224 Cotton khanga - Specification.
- A22 KS/EAS 155 Cotton yarns - Specification - Part 1: Grading by appearance
- A23 KS/EAS 298 Edible cottonseed oil - Specification.
- A24 KS 2556 Impregnated cotton Swabs-Specification.
- A25 KS/EAS 227 Knitted cotton fabric - Specification
- A26 KS 1305 Mosquito netting - Specification - Part 1: Round mesh cotton netting
- A27 KS 1393-1 Specification for bales - Part 1: Dimensions and density of cotton bales.
- A28 KS 639-1 Specification for bandages - Part 1: Cotton gauze bandages.
- A29 KS 367 Specification for cotton canvas (Third Edition)
- A30 KS 506 Specification for cotton dish cloths (First Revision).
- A31 KS 116 Specification for cotton drills.
- A32 KS 543 Specification for cotton embroidery threads - Part 1: Cotton embroidery threads (Second Edition).
- A33 KS/EAS 224 Specification of Cotton Khanga
- A34 KS 528 Specification for flat cotton wicks
- A35 KS 540 Specification for pillow cases.
- A36 KS 479 Specification for sewing threads - Part 1: Cotton sewing threads
- A37 KS 1113-1 Specification for spun yarns - Part 1: Cotton yarns.
- A38 KS 607-8 Specification for standard fabrics - Part 8: Cotton.
- A39 KS 542-1 Specification for the national flag of Kenya - Part 1: Cotton, man-made fibres and blends.
- A40 KS 1257-1 Specification for umbrella fabrics - Part 1: Cotton fabrics.
- A41 KS 586-1 Specification for webbings - Part 1: Cotton webbing.
- A42 KS 117-3 Woven blankets - Specification - Part 3: Cotton leno cellular blankets.
- A43 KS 364 Woven cellulosic fibre apparel fabrics – Specification
- A44 KS 541-1 Woven fabrics for uniforms - Specification - Part 1: Cotton, man-made fibres and blends
- A 45 KS 2857 – Cotton industry code of practice

Annex 2: Members Register and Associations Returns

Annex 2.1 Growers Register

Name of Registering Entity

Name of Fibre Crop

Year Season

No.	Name of member	ID. No.	Member ship No.	Gen der	Date of registration	Members Registered Address	Phone No.	County	Sub County	Area under Fibre Crop (Acres)	Produc tion (Kgs/ Tons)	Indicate whether agreement exist
1												
2												
3												
4												
5												

Annex 2.2 Dealers Association Register and Returns

Name of Registering Entity

Name of Fibre Crop

Year Season

No.	Name of Member	KRA PIN	Certificate of Registration or Incorporation	Date of registration	Members Registered Address	Phone No.	County	Sub County	Production (Tons)	Indicate whether agreement exist
1										
2										
3										
4										
5										

REFERENCES

Cooperative Act, Cap 490

Cotton Technical Handbook

Employment Act

Environmental Management and Coordination Act

Factories and Other Places of Work Act CAP 514

International Labour Organization

Labour Relations Act

Occupational Safety and Health Act

Sisal Technical Handbook

The Agriculture and Food Authority Act

The Constitution of Kenya

The Crops Act