

(Legislative Supplement No. 10)

LEGAL NOTICE NO. 25

THE NATIONAL CEREALS AND PRODUCE BOARD ACT, 1985

(Cap. 338)

THE NATIONAL CEREALS AND PRODUCE BOARD
(NATIONAL STRATEGIC RESERVE) REGULATIONS, 2023

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THE NATIONAL CEREALS AND PRODUCE BOARD ACT, 1985

(Cap. 338)

IN EXERCISE of the powers conferred by section 30 of the National Cereals and Produce Board Act, 1985 the Cabinet Secretary for Agriculture and Livestock Development makes the following Regulations—

THE NATIONAL CEREALS AND PRODUCE BOARD
(NATIONAL STRATEGIC RESERVE) REGULATIONS, 2023

PART I—PRELIMINARY

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| 1. These Regulations may be cited as the National Cereals and Produce Board (National Strategic Reserve) Regulations, 2023. | Citation |
| 2. In this Regulations unless the context otherwise requires. - | Interpretation |
| “base stock” means the stock of the Reserve the quantity of which is determined in accordance with regulation 6; | |
| “Committee” means the Food Balance Sheet Committee established under regulation 9; | |
| “digital food balance sheet” means a tool for monitoring and evaluating national food patterns to inform food security policy interventions; | |
| “food-insecure population” means the number of people in the country who are not able to meet their daily food needs for an extended period of time due to social, natural or economic conditions; | |
| “maize consumption equivalent” means the financial value of food commodities which is equated to the financial value of maize, | |
| “price stabilisation” means the sale and purchase of scheduled agricultural produce from and into the Reserve; | |
| “Reserve” has the national strategic reserve maintained under section 13 of the Act; | |
| “scheduled agricultural produce” has the meaning assigned to it in section 2 of the Act; and | |
| “warehouse receipt system” has the meaning assigned to it under section 2 of the Warehouse Receipt System Act, 2019. | No. 8 of 2019 |
| 3. The purpose of these Regulations shall be the management of the Reserve. | Purpose |

PART II—NATIONAL STRATEGIC RESERVE

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| 4. (1) The Reserve shall consist of— | Content of the Reserve |
| (a) base stock and the monetary equivalent thereof; and | |
| (b) stock that has undergone price stabilisation | |
| (2) The quantity of the stock referred to in sub-regulation (1) shall be determined by the Committee based on the prevailing market demand and supply conditions as communicated to the Board. | |

5. (1) The quantity of base stock shall be the greater of ninety thousand metric tons; or three-months' national food requirement of, scheduled agricultural produce. Base stock

(2) Base stock shall be held in form of warehouse receipts.

6. (1) The quantity of the three-months' national food requirement of scheduled agricultural produce in regulation 5(1) shall be Price stabilisation of stock

(a) calculated based on maize consumption equivalent, and

(b) determined by the conduct of price stabilisation.

PART III—FOOD BALANCE SHEET COMMITTEE

7. (1) Pursuant to section 6 of the Act, there shall be a Food Balance Sheet Committee which shall be a committee of the Board. Appointment of the Committee

(2) The conduct of the affairs of the Committee shall be as set out in the First Schedule.

(3) Except as provided in the First Schedule, the Committee may regulate its own procedure.

8. The Committee shall consist of the following members appointed by the Board— Membership of the Committee

- (a) a chairperson who shall possess a degree from a University recognized in Kenya and at least ten years' experience in matters related to food security;
- (b) the Principal Secretary of the state department responsible for crop development or a person nominated by the Principal Secretary in writing;
- (c) the Principal Secretary of the state department responsible for livestock production or a person nominated by the Principal Secretary in writing;
- (d) the Principal Secretary of the state department responsible for fisheries or a person nominated by the Principal Secretary in writing;
- (e) the chairperson of the Council of County Governors or a person nominated by the Council;
- (f) the chairperson of the Board of Directors of the Kenya National Bureau of Statistics or a person nominated by the Board in writing;
- (g) the Principal Secretary of the state department responsible for internal trade or a person nominated by the Principal Secretary in writing;
- (h) the Principal Secretary responsible for the Kenya Meteorological Department or a person nominated by the Principal Secretary in writing;
- (i) the chairperson of the Board of Directors of the Agriculture Sector Network or a person nominated by the Board in writing; and

- (j) the Managing Director of the Board who shall be the secretary of the Committee.

9. (1) The functions of the Committee shall be to—

Functions of the
Committee

- (a) generate, analyse and submit the information required to determine the quantities referred to under regulation 5 (2) and 6 (3) ;
- (b) advise the Board on the supply, utilisation, distribution and intervention measures to improve availability and affordability of scheduled agricultural produce;
- (c) manage the digital food balance sheet;
- (d) collect data and undertake market intelligence and price monitoring of scheduled agricultural produce; and
- (e) advise the Board on price stabilisation of scheduled agricultural produce.

(2) In advising on price stabilisation, the Committee shall consider the following parameters—

- (a) consumer purchasing power,
- (b) cost of production of scheduled agricultural produce;
- (c) international price fluctuations;
- (d) seasonal price movements;
- (e) changes in the exchange rates; and
- (f) market forces.

(3) The Committee may recommend that scheduled agricultural produce for price stabilisation be drawn into and out of the Reserve in accordance with regulation 5 (2).

(4) The Board shall notify the Committee when the physical stock of the Reserve reduces to the level of base stock.

(5) The Committee shall, on its own motion or on the notice issued under sub-regulation (4), advise on replenishment of the Reserve.

(6) The Committee shall submit reports to the Board on the functions outlined in sub-regulation (1).

10. The operational expenses of the Committee shall be paid in the manner specified in section 11 of the Act.

Operational
expenses of the
Committee

SCHEDULE

(r. 7(2))

CONDUCT OF AFFAIRS OF THE COMMITTEE

1. (1) The Committee shall meet at least once a month and not more than thirty days shall elapse between the date of one meeting and the date of the next meeting. Meetings

(2) On requisition in writing by at least six members, the chairperson may convene a meeting of the Committee at any time.

(3) Unless three-quarters of the members of the Committee otherwise agree, at least fourteen days' written notice of every meeting of the Committee shall be given to every member of the Committee.

(4) The chairperson shall preside at every meeting of the Committee but in the absence of the chairperson, the members present shall elect one of themselves, who shall perform the function of the chairperson at that meeting.

(5) Unless a unanimous decision is reached, a decision on any matter before the Committee shall be by a majority of votes and, in the case of an equality of votes, the chairperson shall have a casting vote.

2. (1) The quorum for the conduct a meeting of the Committee shall be six members and shall include the chairperson. Quorum

(2) Despite sub-paragraph (1), no proceedings of the Committee shall be invalid by reason only of a vacancy among the members thereof.

3. (1) If a member is directly or indirectly interested in any matter, before the Committee and is present at a meeting of the Committee at which the matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement of the meeting, disclose the interest in the matter and shall not take part in the consideration of or vote on the matter, or be counted in the quorum of the meeting during consideration of the matter: Conflict of interest

Provided that, if the majority of the members present deem that the experience or expertise of the member is vital to the deliberations of the matter, the Committee may permit the member to participate in the deliberations subject to such restrictions as the Committee may impose but the member shall not vote on the matter.

(2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.

(3) A member of the Committee who contravenes sub-paragraph (1) commits an offence and is liable, on conviction, to a fine not exceeding twenty thousand shillings or to imprisonment for a term not exceeding one year, or to both.

4. The Committee shall cause minutes and resolutions of all meetings of the Committee to be entered in books kept for that purpose. Minutes

Made on the 22nd February, 2023.

MITHIKA LINTURI,
*Cabinet Secretary,
 Agriculture and Livestock Development.*





